



## Massachusetts Cannabis Control Commission

### Marijuana Cultivator

#### General Information:

License Number: MC283622  
Original Issued Date: 09/15/2022  
Issued Date: 09/15/2022  
Expiration Date: 09/15/2023

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: The Dutchmen, LLC

Phone Number: 917-346-7208  
Email Address: wendicano@thedutchmen.us

Business Address 1: 155 Fairlane Drive  
Business City: Weathersfield Business State: CT Business Zip Code: 06109  
Business Address 2:  
Mailing Address 1: 155 Fairlane Drive  
Mailing City: Weathersfield Mailing State: CT Mailing Zip Code: 06109  
Mailing Address 2:

### 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: 90	Percentage Of Control:
	100

**Role:** Owner / Partner      **Other Role:**  
**First Name:** Jose      **Last Name:** Cano-Valdez      **Suffix:**  
**Gender:** Male      **User Defined Gender:**  
**What is this person's race or ethnicity?:** Hispanic, Latino, or Spanish (Mexican or Mexican American, Puerto Rican, Cuban, Salvadoran, Dominican, Colombian)  
**Specify Race or Ethnicity:**

#### Person with Direct or Indirect Authority 2

**Percentage Of Ownership:** 10      **Percentage Of Control:**  
**Role:** Owner / Partner      **Other Role:**  
**First Name:** Daniela      **Last Name:** Stringa      **Suffix:**  
**Gender:** Female      **User Defined Gender:**  
**What is this person's race or ethnicity?:** White (German, Irish, English, Italian, Polish, French)  
**Specify Race or Ethnicity:**

#### ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

No records found

#### CLOSE ASSOCIATES AND MEMBERS

No records found

#### CAPITAL RESOURCES - INDIVIDUALS

##### Individual Contributing Capital 1

**First Name:** Jose      **Last Name:** Cano-Valdez      **Suffix:**  
**Types of Capital:** Monetary/Equity      **Other Type of Capital:**      **Total Value of the Capital Provided:** \$83509      **Percentage of Initial Capital:** 100  
**Capital Attestation:** Yes

#### CAPITAL RESOURCES - ENTITIES

No records found

#### BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

#### DISCLOSURE OF INDIVIDUAL INTERESTS

No records found

#### MARIJUANA ESTABLISHMENT PROPERTY DETAILS

**Establishment Address 1:** 833 Main Street  
**Establishment Address 2:**  
**Establishment City:** Southbridge      **Establishment Zip Code:** 01550  
**Approximate square footage of the Establishment:** 20900      **How many abutters does this property have?:** 46  
**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 03: 10,001 to 20,000 sq. ft      **Cultivation Environment:** Indoor

### HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan to Remain Compliant with Local Zoning	Dutchmen_Compliant with Local Zoning.pdf	pdf	6179ae1a084df83201bf65e1	10/27/2021
Certification of Host Community Agreement	Host Community Agreement Certification.pdf	pdf	6179b4a65ca77d31bb6af7f7	10/27/2021
Community Outreach Meeting Documentation	COM documentation.pdf	pdf	61ad6128ab6c7a4448905045	12/05/2021
Community Outreach Meeting Documentation	04.09.20_Form_COM_Attestation rev 12.12.21.pdf	pdf	61b61031d3dd284475be13cb	12/12/2021

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	Dutchmen_Plan for Positive Impact rev 12.12.21.pdf	pdf	61b6104e922a104454b674f1	12/12/2021

### ADDITIONAL INFORMATION NOTIFICATION

Notification:

### INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: Owner / Partner

Other Role:

First Name: Jose

Last Name: Cano-Valdez Suffix:

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 2

Role: Owner / Partner

Other Role:

First Name: Daniela

Last Name: Stringa 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
Secretary of Commonwealth - Certificate of Good Standing	Cert of Good Standing Commonwealth of MA.pdf	pdf	615df0f04c206f685c09b4d3	10/06/2021
Department of Revenue - Certificate of	Certificate of Good Standing	pdf	6179c1f82c8fa137b9c743fd	10/27/2021

Good standing	DOR.pdf			
Articles of Organization	Articles of Organization.pdf	pdf	6179c2126155aa37c4251940	10/27/2021
Bylaws	Operating Agreement pgs 1 to 20.pdf	pdf	61ad62df434e1f4432e374d9	12/05/2021
Bylaws	Operating Agreement pages 21 to 43.pdf	pdf	61ad632212daf9443937e368	12/05/2021
Secretary of Commonwealth - Certificate of Good Standing	RFI_Unemp Assistance.pdf	pdf	61ad6b660b55784640e017c4	12/05/2021
Secretary of Commonwealth - Certificate of Good Standing	RFI_Sec of State.pdf	pdf	61ae1bda84fb17447c4382d0	12/06/2021

No documents uploaded

Massachusetts Business Identification Number: 001514443

Doing-Business-As Name:

DBA Registration City: Southbridge

### BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Proposed Timeline	Proposed Timeline.pdf	pdf	615df383c73bae68fe1143d0	10/06/2021
Plan for Liability Insurance	Dutchmen_Plan for Liability Insurance.pdf	pdf	6179c297bd22c2379112d931	10/27/2021
Business Plan	The Dutchmen Business Plan Rev 12.5.21.pdf	pdf	61ad6c27151a044618ec0cc9	12/05/2021

### OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Prevention of diversion	Dutchmen_Prevention of Diversion SOP.pdf	pdf	6179c313e3155f31cafc9bd6	10/27/2021
Storage of marijuana	Dutchmen_Storage of Marijuana SOP.pdf	pdf	6179c338e3155f31cafc9be0	10/27/2021
Transportation of marijuana	Dutchmen_Transportation of Marijuana SOP.pdf	pdf	6179c3497c9a0537aea470e4	10/27/2021
Inventory procedures	Dutchmen_Inventory SOP.pdf	pdf	6179c3567c9a0537aea470e8	10/27/2021
Quality control and testing	Dutchmen_Quality Control and Testing SOP.pdf	pdf	6179c366703abe37a3ab005b	10/27/2021
Personnel policies including background checks	Dutchmen_Personnel Policies.pdf	pdf	6179c38cbd22c2379112d94e	10/27/2021
Record Keeping procedures	Dutchmen_Record Keeping Procedures.pdf	pdf	6179c3993982c731eb1c387c	10/27/2021
Maintaining of financial records	Dutchmen_Maintenance of Financial Records.pdf	pdf	6179c3aa86cf8531b41a09b2	10/27/2021
Qualifications and training	Dutchmen_Qualifications and Training SOP.pdf	pdf	6179c3c0e3155f31cafc9be8	10/27/2021



Energy Compliance Plan	Dutchmen_Energy Efficiency SOP.pdf	pdf	6179c3d6bd22c2379112d956	10/27/2021
Restricting Access to age 21 and older	Dutchmen_Restricting Access to age 21 or older.pdf	pdf	617a084f2c8fa137b9c74518	10/27/2021
Security plan	Dutchmen_Security SOP Rev 12.5.21.pdf	pdf	61ae1d05434e1f4432e375c1	12/06/2021
Diversity plan	Dutchmen_Diversity Plan revised 12.5.21.pdf	pdf	61ae1d880183444639b58eb9	12/06/2021
Policies and Procedures for cultivating.	Dutchmen_Cultivation SOP Rev 12.5.21.pdf	pdf	61ae1db0151a044618ec0dbd	12/06/2021

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

Standard Operating Procedure Compliance Department
---

Document #	<b>Title: Plan to remain compliant with local zoning</b>	Print Date:
Prepared By: Compliance Department		Date Prepared: 10/27/21
Effective Date:	Reviewed By:	Date Reviewed:
Approved By:		Date Approved:

**Plan:**

The Dutchmen will always remain compliant with the local codes, ordinances, and bylaws including but not limited to the zoning requirements set forth in the Town of Southbridge Zoning Ordinance. Per our Special Permit with the Town of Southbridge, The Dutchmen will comply with all conditions and standards forth in any local permit required to operate a marijuana establishment. The Dutchmen is currently compliant with the requirements outlined in the Zoning Code Ordinance. It is the intention of The Dutchmen to remain compliant with all relevant local codes, ordinances, and bylaws applicable to a marijuana establishment. In addition, The Dutchmen's executive management team will continually engage with the Town of Southbridge to remain up to date with local codes, zoning ordinances, and by-laws to remain fully compliant.

## 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):

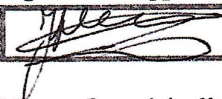
1. Name of applicant:

The Dutchmen, LLC

2. Name of applicant's authorized representative:

Jose Cano Valdez

3. Signature of applicant's authorized representative:



4. Name of municipality:

Town of Southbridge

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

Michael McCall



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



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

mmccall@southbridgemass.org

8. Host community agreement execution date:

7/12/2021

Ratified Southbridge Town Council on Monday 7/12/2021 agenda item #9.



**MORTGAGEE'S SALE  
OF REAL ESTATE**

by virtue of and in execution of the power of Sale contained in a certain mortgage given by Raymond L. Beaudry and Diane J. Beaudry to Mortgage Electronic Registration Systems, Inc., as mortgagee, as nominee for Nationstar Mortgage LLC d/b/a Mr. Cooper, dated July 23, 2019 and recorded in Worcester County (Southern District) Registry of Deeds in Book 60788, page 161 (the "Mortgage") of which mortgage Nationstar Mortgage LLC d/b/a Mr. Cooper is the present holder by Assignment from Mortgage Electronic Registration Systems, Inc., as mortgagee, as nominee for Nationstar Mortgage LLC d/b/a Mr. Cooper, its successors and assigns to Nationstar Mortgage LLC d/b/a Mr. Cooper dated June 3, 2020 and recorded at said Registry of Deeds in Book 62569, page 233, for breach of conditions of said mortgage and for the purpose of reclosing the same, the mortgaged premises located at 55 Durfee Street, Southbridge, MA 01550 will be sold at Public Auction at 2:00 PM on September 20, 2021, at the mortgaged premises, more particularly described below, all and singular the premises described in said mortgage, to wit: the land in Southbridge, Worcester County, Massachusetts, with all buildings thereon being on the northerly line of Durfee Street and the westerly line of Field Street, bounded and described as follows: BEGINNING at a pin in the ground on the westerly line of Field Street where it intersects the northerly line of Durfee Street; thence N. 17° 58' E. by said Field Street, 70.84 feet to an iron pin; thence N. 72° 02' W., 100 feet to a pin at a wall and land now or formerly of one Heck; thence southerly by wall and said black land, 98.7 feet to an iron pin on the northerly line of Durfee Street; thence easterly by the northerly line of Durfee Street, 104 feet to the point of beginning. BEGINNING Lot #15 as numbered and shown on Plan of Hogan Realty Corp. Subdivision in Southbridge, Mass., dated October 6, 1951 and recorded with Worcester Registry of Deeds in Plan Book 180, Plan 65. containing the same premises conveyed by Raymond L. Beaudry and Diane J. Beaudry, husband and wife, as Tenants in the Entirety by deed from Gregory Lescarbeau and Mary Lou Lescarbeau, husband and wife, said deed bearing date June 25, 2015 and recorded at said Registry of Deeds in Book 53914, Page 28, 2015 in Book 53914, Page

Public Hearing for Taxi License  
Tuesday, September 14th, 2021 1:30 PM - 2:00 PM (EST)  
August 26, 2021

**CHARLTON  
CONSERVATION COMMISSION  
Public Hearing Notice**

A **Public Hearing** will be held remotely via Zoom Conferencing by calling 1-646 558 8656 and using meeting ID # 892 9898 0343

Passcode 458971 at 7:00 PM on 9/8/2021 to consider a

**Notice of Intent** for New England Power Company for the property Located at: Various right of way, Charlton, MA

For the upgrade and improvement of existing access roads at various location along V174 transmission line.

*This is a Public Hearing under the requirements of G.L. CH. 131 §40, as amended. Plans are available at the Town of Charlton website – Conservation Commission*

August 26, 2021

**Legal Notice:**

The Dutchmen will be hosting a Community Outreach Meeting for an Adult Use Marijuana Cultivation and Product Manufacturing facility on September 9, 2021 at 7:00 PM at the Southbridge Police Department (1 Mechanic St, Southbridge, MA 01550) to discuss the proposed project. Please note: the previous legal notice did not include Product Manufacturing. The Dutchmen intends to apply for a license to operate as a Marijuana Cultivator and Product Manufacturer to be located at 833 Main Street, Southbridge, in accordance with the Massachusetts Cannabis Control Commission's regulations 935 CMR 500.000 et seq. Topics to be discussed will include, but not be limited to: What steps will be taken by the establishment to prevent diversion to minors? How will the applicant ensure that the location will not constitute a nuisance to the community as defined by law? How will the establishment positively impact the community? What are the details of the Host Community Agreement? Interested members of the community are encouraged to ask questions and receive answers from The Dutchmen representatives about the proposed facility and operations. NOTE: Community outreach meetings are required by the state prior to applying for a recreational marijuana license. These meetings are not hosted by the Town of Southbridge, the Police Department or any Board or Committee associated with the Town.  
August 26, 2021

Attachment A

Legal Notice:

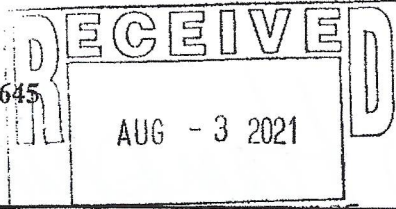
The Dutchmen will be hosting a Community Outreach Meeting for an Adult Use Marijuana Cultivation and Product Manufacturing facility on September 9, 2021 at 7:00 PM at the Southbridge Police Department (1 Mechanic St, Southbridge, MA 01550) to discuss the proposed project. Please note: the previous legal notice did not include Product Manufacturing. The Dutchmen intends to apply for a license to operate as a Marijuana Cultivator and Product Manufacturer to be located at 833 Main Street, Southbridge, in accordance with the Massachusetts Cannabis Control Commission's regulations 935 CMR 500.000 et seq. Topics to be discussed will include, but not be limited to: What steps will be taken by the establishment to prevent diversion to minors? How will the applicant ensure that the location will not constitute a nuisance to the community as defined by law? How will the establishment positively impact the community? What are the details of the Host Community Agreement? Interested members of the community are encouraged to ask questions and receive answers from The Dutchmen representatives about the proposed facility and operations. **NOTE:** Community outreach meetings are required by the state prior to applying for a recreational marijuana license. These meetings are not hosted by the Town of Southbridge, the Police Department or any Board or Committee associated with the Town.

RECEIVED  
TOWN CLERK'S OFFICE  
2021 AUG 23 AM 10:47  
TOWN OF SOUTHBRIDGE  
MASSACHUSETTS

Legal Notice:

The Dutchmen will be hosting a Community Outreach Meeting for an Adult Use Marijuana Cultivation and Product Manufacturing facility on September 9, 2021 at 7:00 PM at the Southbridge Police Department (1 Mechanic St, Southbridge, MA 01550) to discuss the proposed project. Please note: the previous legal notice did not include Product Manufacturing. The Dutchmen intends to apply for a license to operate as a Marijuana Cultivator and Product Manufacturer to be located at 833 Main Street, Southbridge, in accordance with the Massachusetts Cannabis Control Commission's regulations 935 CMR 500.000 et seq. Topics to be discussed will include, but not be limited to: What steps will be taken by the establishment to prevent diversion to minors? How will the applicant ensure that the location will not constitute a nuisance to the community as defined by law? How will the establishment positively impact the community? What are the details of the Host Community Agreement? Interested members of the community are encouraged to ask questions and receive answers from The Dutchmen representatives about the proposed facility and operations. **NOTE:** Community outreach meetings are required by the state prior to applying for a recreational marijuana license. These meetings are not hosted by the Town of Southbridge, the Police Department or any Board or Committee associated with the Town.

BOARD OF ASSESSORS  
TOWN HALL  
41 ELM STREET  
SOUTHBRIDGE, MA 01550-2645  
508-764-5404  
508-764-5407 Fax



MONDAY THRU WEDNESDAY  
8:00 AM TO 4:00 PM  
THURSDAY  
8:00 AM TO 8:00 PM  
FRIDAY  
8:00 AM TO 12:00 PM

COM List 1

TOWN OF SOUTHBRIDGE  
**TOWN OF SOUTHBRIDGE**

90

REQUEST FOR CERTIFIED ABUTTERS LIST

Map & Parcel Number of Lot requiring abutters list: Map 033 Lot 003A

Record owner of subject lot: West Holdings II LLC

Person requesting Abutters List: Albert C West Jr

DEPARTMENT REQUESTING ABUTTERS LIST

- ☒ PLANNING BOARD (Special Permits)  
☐ ZONING BOARD OF APPEALS (Variance)  
☐ OTHER (Explain)

12 Ch 2880  
8/3/21

PLEASE INDICATE WHICH TYPE OF ABUTTERS LIST IS REQUIRED

- ☐ Immediate Abutters  
☒ 300 Ft from subject parcel  
☐ Other

Signature [Signature] Date 8/3/2021 Phone # 508 864 5121

FIBRTK 2000@aol.com

FOR ASSESSORS USE ONLY

Date Received 8/3/2021

By: [Signature]

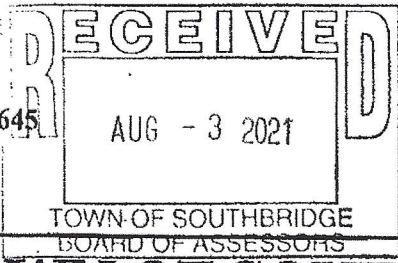
Reviewed by: [Signature]

0



COM List ②

BOARD OF ASSESSORS  
TOWN HALL  
41 ELM STREET  
SOUTHBRIDGE, MA 01550-2645  
508-764-5404  
508-764-5407 Fax



MONDAY THRU WEDNESDAY  
8:00 AM TO 4:00 PM  
THURSDAY  
8:00 AM TO 8:00 PM  
FRIDAY  
8:00 AM TO 12:00 PM

# TOWN OF SOUTHBRIDGE

## REQUEST FOR CERTIFIED ABUTTERS LIST

Map & Parcel Number of Lot requiring abutters list: Map 033 Lot 003C

Record owner of subject lot: West Abert C.

Person requesting Abutters List: Albert C West

### DEPARTMENT REQUESTING ABUTTERS LIST

- ☒ PLANNING BOARD (Special Permits)
- ☐ ZONING BOARD OF APPEALS (Variance)
- ☐ OTHER (Explain)

pd CA 2880  
8/3/21

### PLEASE INDICATE WHICH TYPE OF ABUTTERS LIST IS REQUIRED

- ☒ Immediate Abutters
- ☐ 300 Ft from subject parcel
- ☐ Other

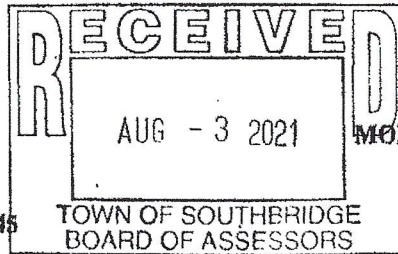
Signature [Signature] Date 8/3/21 Phone # 508 864 5721  
Robert K 2000 @ aol.com

### FOR ASSESSORS USE ONLY

Date Received 8/3/2021  
By: [Signature]  
Reviewed by: [Signature]

com  
List ③

BOARD OF ASSESSORS  
TOWN HALL  
41 ELM STREET  
SOUTHBRIDGE, MA 01550-2645  
508-764-5404  
508-764-5407 Fax



MONDAY THRU WEDNESDAY  
8:00 AM TO 4:00 PM  
THURSDAY  
8:00 AM TO 8:00 PM  
FRIDAY  
8:00 AM TO 12:00 PM

## TOWN OF SOUTHBRIDGE

### REQUEST FOR CERTIFIED ABUTTERS LIST

Parcel # 033-002-C-00001

Map & Parcel Number of Lot requiring abutters list: Map \_\_\_\_\_ Lot \_\_\_\_\_

Record owner of subject lot: West, Albert C. Jr.

Person requesting Abutters List: Rebecca Adams

#### DEPARTMENT REQUESTING ABUTTERS LIST

☒ PLANNING BOARD (Special Permits)  
☐ ZONING BOARD OF APPEALS (Variance)  
☐ OTHER (Explain)

pd ck 259  
25-  
7/28/21

#### PLEASE INDICATE WHICH TYPE OF ABUTTERS LIST IS REQUIRED

☒ Immediate Abutters  
☒ 300 Ft from subject parcel  
☐ Other

Signature Rebecca Adams Date 08/03/21 Phone # 508-962-9153

#### FOR ASSESSORS USE ONLY

Date Received 8/3/2021

By: Timothy Gaudin

Reviewed by: Mark Hennebery

[REDACTED]  
7R West Street  
Southbridge, MA 01550-1619

[REDACTED]  
461 Main Street, Apt 2  
Oxford, MA 01540-1841

[REDACTED]  
45 Pleasant Street  
Southbridge, MA 01550-1181

[REDACTED]  
?SR West Street  
Southbridge, MA 01550-1621

[REDACTED]  
9 O'Neil Drive  
Westborough, MA 01581-3022

[REDACTED]  
2 Sheehan Circle  
Framingham, MA 01701-3764

[REDACTED]  
867 Grafton Street  
Worcester, MA 01604-20S2

[REDACTED]  
461 Main Street, Apt 2  
Oxford, MA 01540-1841

[REDACTED]  
45 Pleasant Street  
Southbridge, MA 01550-1181

[REDACTED]  
833 Main Street  
Southbridge, MA 01550-1119

[REDACTED]  
52 Summer Street  
New Canaan, CT 06840-4811

[REDACTED]  
92 West Street  
Southbridge, MA 01550-1632

[REDACTED]  
833 Main Street  
Southbridge, MA 01550-1119

[REDACTED]  
75 Crescent Street  
Worcester, MA 01605-2406

[REDACTED]  
60 Charlton Street  
Southbridge, MA 01550-1955

[REDACTED]  
28 Cedar Lake Drive  
Sturbridge, MA 01566-1370

[REDACTED]  
18 Ballard CT  
Southbridge, MA 01550-1108

[REDACTED]  
2 Mill Street  
Franklin, MA 02038-1225

[REDACTED]  
580 South Street  
Southbridge, MA 01550-1618

[REDACTED]  
18 Ballard CT  
Southbridge, MA 01550-1108

[REDACTED]  
186 Hamilton Street, Apt. E  
Southbridge, MA 01550-1881

[REDACTED]  
41 Elm Street  
Southbridge, MA 01550-2645

[REDACTED]  
PO Box 829  
Southbridge, MA 01550-0829

[REDACTED]  
6802 76<sup>th</sup> Street  
Middle Cillage, NY 11379-2827

[REDACTED]  
P.O. Box 66  
Southbridge, MA 01550-0066

[REDACTED]  
933 R Main Street  
Southbridge, MA 01550-1142

[REDACTED]  
833 Main Street  
Southbridge, MA 01550-1119

[REDACTED]  
25 Cole Avenue  
Southbridge, MA 01550-2305

[REDACTED]  
2 Sheehan Cir  
Framingham, MA 01701-3764

[REDACTED]  
76 Blood Road  
Charlton, MA 01507-5127

[REDACTED]

942 Main Street  
Southbridge, MA 01550-1143

[REDACTED]

12 Wheeler Road  
Newton, MA 02459-2655

[REDACTED]

908 Main Street  
Southbridge, MA 01550-1143

[REDACTED]

63 West Street  
Southbridge, MA 01550-1621

[REDACTED]

833 Main Street  
Southbridge, MA 01550-1119

[REDACTED]

PO Box 66  
Southbridge, MA 01550-0066

[REDACTED]

831 Main Street  
Southbridge, MA 01550-1119

[REDACTED]

142 Jersey Street  
Marblehead, MA 01945-1326

[REDACTED]

107 Central Street  
Southbridge, MA 01550-3732

[REDACTED]

916 Main Street  
Southbridge, MA 01550-1143

[REDACTED]

1159 Grafton Street  
Worcester, MA 01604-2615

[REDACTED]

47 West Street  
Southbridge, MA 01550-1621

[REDACTED]

380 Main Street  
Rutland, MA 01543-1303

[REDACTED]

10 Collier Street  
Southbridge, MA 01550-1714

[REDACTED]

858 Main Street  
Southbridge, MA 01550-1120

[REDACTED]

867 Grafton Street  
Worcester, MA 01604-20S2

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



# The Dutchmen

Community Outreach

September 9, 2021

# The Dutchmen

---

## License Information

Marijuana Cultivator means an entity licensed to cultivate, process and package Marijuana, and to transfer Marijuana to other Marijuana Establishments, but not to consumers.

Marijuana Product Manufacturer means an entity licensed to obtain, Manufacture, Process and package Marijuana or Marijuana Products and to Transfer these products to other Marijuana Establishments, but not to Consumers.

At this time, The Dutchmen will operate the facility as an Adult – Use Marijuana Cultivation Facility.



# Timeline

Received a Host Community Agreement from Town of Southbridge on 7/12/21

1

Hold our Community Outreach Meeting and submit our Cannabis Control Commission Application

2

Submit Special Permit Application to Town of Southbridge

3

Apply for Building Permits in Town of Southbridge, Submit Architectural Review and Receive Approval from the Cannabis Control Commission and Begin Construction

4

Request required inspections from the Cannabis Control Commission and Receive approval from the Cannabis Control Commission to Operate

5

# Location

---

833 Main Street,  
Southbridge, MA 01550

Existing building 5,000  
sf, New addition  
15,000 sf – Total  
20,000 sf Cultivation  
Facility

Properly zoned and  
compliant with  
Southbridge Zoning  
Bylaws

Vehicle Trip  
Generation will be  
limited @ Peak  
estimating 11 vehicles





# The Dutchmen

---

## Cultivation Facility Details

- ❖ Ample Employee Parking: 27 Spaces
  - ❖ Estimate 10-12 Employees, One Shift
  - ❖ 2 Garage Bays for Secure Product Pickup – Small vehicles (Transit Vans)
  - ❖ No cash on-site
  - ❖ Our operation will not constitute a nuisance to neighbors, police department or the community
- 
- ❖ Anyone entering the facility MUST be 21+
  - ❖ Identification will be checked prior to entry
  - ❖ No noxious odors will be present around our facility
  - ❖ No consumption of any product will take place on-site
  - ❖ No loitering is allowed on the premises

# Security Overview

Ensuring the **safety** of our neighbors, employees and the surrounding community is **our top priority**. We will work with the Town of Southbridge to ensure everyone is safe and healthy within the Community.

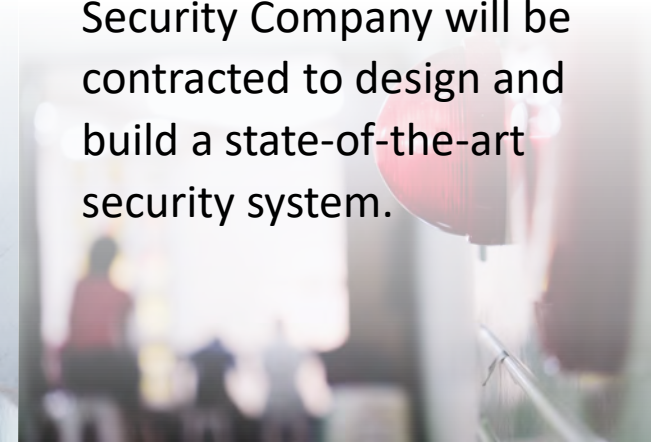
The Dutchmen will implement **extensive security measures** at our facility. We will meet with the Chief of Police to review our security design and our security procedures.



We will maintain direct communication and **an open-door policy** with regards to all local and state law enforcement, public safety and public health agencies.



We will design physical security elements as well as policies and procedures for security, diversion, transportation of product and product tracking. A commercial Security Company will be contracted to design and build a state-of-the-art security system.






# Security Overview

---

We will design physical security elements as well as policies and procedures for security, diversion, and transportation of product. A commercial Security Company will be contracted to design and build a state-of-the-art security system.



**Redundant Intrusion  
Alarm System and  
Motion Detectors**

**Product Vault with  
Panic Alarms**

**Security  
Basics**

**Electronic Key Card  
Access**

**24/7 Video Monitoring  
of Interior and Exterior**

# Diversion To Minors

Strict Inventory  
Control  
Procedures to  
prevent employee  
diversion

All products  
provided for  
wholesale will  
clearly identify  
the contents

No Products  
provided for  
wholesale will  
have any  
resemblance to  
existing branded  
consumer  
products





# The Dutchmen Positively Impacting the Community and the Benefits

---



Job opportunities will be offered for residents of the Town of Southbridge



We will have an open dialogue with neighbors, town officials, and community stakeholders



The property value will increase, and additional commerce will follow



Contribute an amount no less than a sum of \$20,000 to a mutually agreed charity or non-profit

**3%**

The Town of Southbridge will receive a Community Impact Fee; 3% on all wholesale sales

# Community Outreach Meeting Attestation Form

## Instructions

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

## Attestation

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

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



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

a. Date of publication:

b. Name of publication:

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

a. Date notice filed:

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

a. Date notice(s) mailed:

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



Name of applicant:

Name of applicant's authorized representative:

Signature of applicant's authorized representative:





## **Plan to Positively Impact Areas of Disproportionate Impact**

### **Plan Overview**

The Dutchmen is dedicated to supporting populations falling within areas of disproportionate impact. As an organization, we believe that marijuana businesses need to support local communities that have had historically high rates of arrest, conviction and incarceration related to marijuana crimes. It is the intention of The Dutchmen to be a positive contributor to areas of disproportionate impact, specifically the population in the Town of Southbridge, Massachusetts.

### **Our Goals**

Our CEO will assign ownership to a member of our executive team to be responsible for ensuring The Dutchmen are achieving our goals and objectives. Our executive team will assess on an annual basis additional opportunities to create partnerships in the community to enhance our Plan for Positive Impact Plan. Our goals to positively impact the population in Southbridge consist of:

1. Hire at a minimum 25% of Massachusetts residents (preferably with residence in the Town of Southbridge) who have marijuana convictions or who have parents or spouses who have past marijuana convictions but are eligible to work as a Marijuana Establishment Agent. (Please note: I chose 25% based on what Green Meadows (the other operator in Southbridge) put on their Plan for Pos. Impact that was approved by the CCC.
2. Host and participate in events that will support the Town of Southbridge, specifically charity donations, and volunteering at the Southbridge Food Pantry. The Dutchmen have committed to volunteering on the 2nd Tuesday of the Month for 2-3 hours in the morning to help unload food.
3. Provide twelve (12) employment opportunities within the first two (2) years of opening and promote as many of our employees internally to ensure careers are being made in Southbridge and for the industry.

### **Plan**

The Dutchmen has created the following plan to positively impact the Town of Southbridge:

1. Providing monetary donations and volunteering in the Town of Southbridge.
  - a. Providing ongoing support at the Southbridge Food Share, one of three food pantries located in the Town of Southbridge.
    - i. The Dutchmen have committed to providing a monetary donation in the amount of ten thousand \$10,000 dollars a year after its first year of operation.
    - ii. Volunteering on the 2nd Tuesday of the Month for 2-3 hours in the morning to help unload food.

2. Encouraging all members of the organization; executives, managers, and employees to participate in a quarterly community service day. Each community service day will be organized with a local organization in the Town of Southbridge and surrounding areas of disproportionate impact.
  - a. Once operational, the Dutchmen will initiate a quarterly community service day to partner with a local organization. For example, The Town of Southbridge is a partner with Opacum Land Trust providing and supporting recreation throughout the Community. Opacum Land Trust owns and manages over nine (9) properties, 708 acres. Three (3) of the properties are located in the Town of Southbridge, an area of disproportionate impact. A group of volunteers maintains all of the properties owned by Opacum Land Trust, and The Dutchmen would like to volunteer/participate in assisting with the needs of the Trust. The Dutchmen will be responsible for contacting and organizing each quarterly community service day for various types of local organizations in the Town of Southbridge.
3. Conduct one industry specific educational seminar on-site or at an off-site location annually to educate individuals on cultivating marijuana.
  - a. Our first industry-specific educational seminar topics will include but will not be limited to; How to Breed Cannabis, How to Clone Cannabis, Basics of Growing Cannabis, Nutrients and Cannabis Growing, and How to Avoid Pitfalls. Our industry-specific educational seminar will be free to all residents of the Town of Southbridge, an area of disproportionate impact. The Dutchmen will post an advertisement in The Citizens Chronicle one month before our annual seminar will be held. The advertisement will state the seminar is specifically looking for residents of Southbridge, and the seminar will be available for 20 people.
4. Provide employment opportunities and promote our employees to ensure careers are being made in Southbridge and the industry.
  - a. Job openings will be advertised on Vangst, Indeed, and Zip Recruiter, at a minimum once annually but as needed for job opportunities that become available.

## **Measurements**

Our executive management will review and administer the Plan and will be responsible for developing measurable outcomes to ensure The Dutchmen continues to meet its commitments. Such measurable outcomes, in accordance with The Dutchmen goals and programs described above, include:

1. Tracking and annually reporting donations and support given to the Southbridge Food Share.
2. Provide an annual report of the Companies community service days and educational seminar events via written narrative and images.
3. Conduct an annual employment composition review to ensure The Dutchmen are hiring

candidates from the Town of Southbridge and promoting within the Company.

The Dutchmen is mindful that demonstration of the plan's progress and success will be submitted to the Commission upon license renewal. In the event that the Dutchmen is not meeting its commitments upon annual review, the Dutchmen will commit to a \$10,000 annual donation to the Southbridge Food Share.

### **Acknowledgement**

- As identified above, the Dutchmen intends to donate to the Southbridge Food Share and the Southbridge Food Share welcomes the donations and The Dutchmen's commitment to volunteering that have been offered and described herein.
- The Dutchmen will adhere to the requirements set forth in 935CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana establishment.
- Any actions taken, or programs instituted, by the Dutchmen will not violate the Commissions regulations with respect to limitations on ownership or control or other applicable state laws.



# Southbridge Food Share

79 Elm Street, Southbridge, MA 01550  
508-764-6583

November 5, 2021

The Dutchman  
Mr. Jose Cano-Valdez  
155 Fairlane Drive  
Weatherfield, CT 06109

Dear Jose,

Thank you for The Dutchmen's, LLC commitment to positively impact the Town of Southbridge community through volunteering and your monetary support of Southbridge Food Share.

Southbridge Food Share is a non-profit organization dedicated to providing food for the people of Southbridge and the surrounding area that are experiencing food insecurity. We are open three mornings a week and are totally staffed with volunteers. We could use additional assistance with our monthly trip to the Worcester County Food Bank where we typically pick up between 4,000 and 10,000 pounds of food. Specifically we could use help unloading the truck when we return to town. Having The Dutchmen offer employees to help us unload the food would be a tremendous contribution.

This letter serves to acknowledge acceptance of your commitment to having employees volunteer on the 2nd Tuesday of each month for 2-3 hours in the early afternoon. We recognize your support to Southbridge Food Share as a component of your plan for positively impact the Town of Southbridge.

This letter acknowledges the acceptance of The Dutchmen's commitment to providing volunteer hours to Southbridge Food Share and a donation in the amount of ten thousand (\$10,000) a year after its first year of operation.

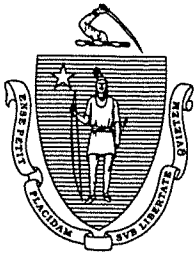
Thank you in advance for your contribution.

Sincerely yours,

William Bouvier  
President

Kathy Van Camp  
Secretary

Neighbors Helping Neighbors



William Francis Galvin  
Secretary of the  
Commonwealth

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

September 14, 2021

TO WHOM IT MAY CONCERN:

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

**THE DUTCHMEN, LLC**

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **June 16, 2021.**

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

I also certify that the names of all managers listed in the most recent filing are:  
**DANIELA STRINGA, ARLIND PORO, FLORIDONA LAMNICA, JOSE A CANO VALDEZ**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **DANIELA STRINGA, ARLIND PORO, FLORIDONA LAMNICA, JOSE A CANO VALDEZ**

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **JOSE A CANO VALDEZ**



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



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

mass.gov/dor

Letter ID: L0902608064  
Notice Date: October 18, 2021  
Case ID: 0-001-301-231



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



THE DUTCHMEN LLC  
833 MAIN ST  
SOUTHBRIDGE MA 01550-1119

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

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

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

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

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

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

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

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

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

Edward W. Coyle, Jr., Chief  
Collections Bureau



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

Minimum Fee: \$100.00

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

**Restated Certificate of Organization**

(General Laws, Chapter )

**Identification Number:** 001514443

**The date of filing of the original certificate of organization:** 6/16/2021

**1. The exact name of the limited liability company is:** THE DUTCHMEN, LLC  
**and if changed, the name under which it was originally organized:**

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

No. and Street: 833 MAIN STREET  
 City or Town: SOUTHBRIDGE State: MA Zip: 01550 Country: USA

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

No. and Street: 833 MAIN STREET  
 City or Town: SOUTHBRIDGE State: MA Zip: 01550 Country: USA

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

REAL ESTATE MANAGEMENT AND DEVELOPMENT, AND ANY OTHER LEGAL BUSINESS

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

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

Name: JAMES MCMAHON, ESQ  
 No. and Street: 25 HAMMOND CIRCLE  
 City or Town: SUDBURY State: MA Zip: 01776 Country: USA

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

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
MANAGER	JOSE A CANO VALDEZ	833 MAIN STREET SOUTHBRIDGE, MA 01550 USA
MANAGER	DANIELA STRINGA	833 MAIN STREET SOUTHBRIDGE, MA 01550 USA

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

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

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

<b>Title</b>	<b>Individual Name</b> First, Middle, Last, Suffix	<b>Address</b> (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	JOSE A CANO VALDEZ	833 MAIN STREET SOUTHBRIDGE, MA 01550 USA

**9. Additional matters:**

**10. Describe any amendments to be effected by the restated certificate, and if none, include a statement to that affect:**

REMOVAL OF TWO INDIVIDUALS WHO SHOULD NOT BE CONSIDERED MANAGERS

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

**SIGNED UNDER THE PENALTIES OF PERJURY, this 11 Day of October, 2021,  
JOSE A CANO VALDEZ , Signature of Applicant.**



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:

October 11, 2021 11:02 AM

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

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*

## LIMITED LIABILITY COMPANY AGREEMENT

### THE DUTCHMEN, LLC

[Date: 06/15/2021]

## LIMITED LIABILITY COMPANY AGREEMENT

This Limited Liability Company Agreement of The Dutchmen, LLC, a Massachusetts limited liability company (the "**Company**"), is entered into as of this 15 date of June, 2021 by and among the Company, the Initial Members executing this Agreement as of the date hereof and each other Person who after the date hereof becomes a Member of the Company and becomes a party to this Agreement by executing a Joinder Agreement.

### RECITALS

WHEREAS, the Company was formed under the laws of the Commonwealth of Massachusetts by the filing of Articles of Organization with the Secretary of State of Massachusetts (the "**Secretary of State**") on DATE (the "**Articles of Organization**"); and

WHEREAS, the Members wish to enter into this Agreement setting forth the terms and conditions governing the operation and management of the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### ARTICLE I DEFINITIONS

**Section I.1 Definitions.** Capitalized terms used herein and not otherwise defined shall have the meanings set forth in this Section 1.01:

"**Adjusted Capital Account Deficit**" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(a) crediting to such Capital Account any amount that such Member is obligated to restore or is deemed to be obligated to restore pursuant to Treasury Regulations Sections 1.704-1(b)(2)(ii)(c), 1.704-2(g)(1) and 1.704-2(i); and

(b) debiting to such Capital Account the items described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

"**Adjusted Taxable Income**" of a Member for a Fiscal Year (or portion thereof) with respect to the Membership Interest held by such Member means the federal taxable income allocated by the Company to the Member with respect to its Membership Interest (as adjusted by any final determination in connection with any tax audit or other proceeding) for such Fiscal Year (or portion thereof); *provided*, that such taxable income shall be computed (i) minus any excess taxable loss or excess taxable credits of the Company for any prior period allocable to such Member with respect to its Membership Interest that were not previously taken into account for purposes of determining such Member's Adjusted Taxable Income in a prior Fiscal Year to the extent such loss or credit would be available under the Code to offset income of the Member (or, as appropriate, the direct or indirect owners of the Member) determined as if

the income, loss, and credits from the Company were the only income, loss, and credits of the Member (or, as appropriate, the direct or indirect members of the Member) in such Fiscal Year and all prior Fiscal Years, and (ii) taking into account any special basis adjustment with respect to such Member resulting from an election by the Company under Code Section 754.

**"Affiliate"** means, with respect to any Person, any other Person who, directly or indirectly (including through one or more intermediaries), controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control," when used with respect to any specified Person, shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise; and the terms "controlling" and "controlled" shall have correlative meanings.

**"Agreement"** means this Limited Liability Company Agreement, as executed and as it may be amended, modified, supplemented or restated from time to time, as provided herein.

**"Applicable Law"** means all applicable provisions of (a) constitutions, treaties, statutes, laws (including the common law), rules, regulations, decrees, ordinances, codes, proclamations, declarations or orders of any Governmental Authority; (b) any consents or approvals of any Governmental Authority; and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any Governmental Authority.

**"Available Cash Flow"** means the aggregate cash receipts collected (including, without limitation, sales in the ordinary course of business, interest income, proceeds from the sale of capital assets and the proceeds from any business interruption insurance, but excluding Capital Contributions from Members, proceeds of any debt financing and the proceeds of any casualty, life, or other insurance, unless otherwise determined by the Manager) less (i) the payment or accrual for payment of all current operating expenses; (ii) any debt service payments; and (iii) provisions for the reasonable capital requirements of the Company, including working capital, appropriate to enable the Company to carry out its purposes, but disregarding depreciation, amortization and other noncash items. The Manager's determination of Available Cash Flow and its components, including, without limitation, the incurring of capital expenses and provisions for reasonable capital requirements and appropriate investments and reinvestments of by or in Company, shall be conclusive, in the absence of bad faith.

**"BBA"** means the Bipartisan Budget Act of 2015.

**"Book Depreciation"** means, with respect to any Company asset for each Fiscal Year, the Company's depreciation, amortization, or other cost recovery deductions determined for federal income tax purposes, except that if the Book Value of an asset differs from its adjusted tax basis at the beginning of such Fiscal Year, Book Depreciation shall be an amount which bears the same ratio to such beginning Book Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; *provided*, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero and the Book Value of the asset is positive, Book Depreciation shall be determined with reference to such beginning Book Value using any permitted method selected by the Managers in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g)(3).

**"Book Value"** means, with respect to any Company asset, the adjusted basis of such asset for federal income tax purposes, except as follows:

(a) the initial Book Value of any Company asset contributed by a Member to the Company shall be the gross Fair Market Value of such Company asset as of the date of such contribution;

(c) immediately prior to the distribution by the Company of any Company asset to a Member, the Book Value of such asset shall be adjusted to its gross Fair Market Value as of the date of such distribution;

(d) the Book Value of all Company assets may, in the sole discretion of the Managers, be adjusted to equal their respective gross Fair Market Values, as determined by the Managers, as of the following times:

(i) the acquisition of an additional Membership Interest in the Company by a new or existing Member in consideration for more than a *de minimis* Capital Contribution;

(ii) the distribution by the Company to a Member of more than a *de minimis* amount of property (other than cash) as consideration for all or a part of such Member's Membership Interest; and

(iii) the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g);

(e) the Book Value of each Company asset shall be increased or decreased, as the case may be, to reflect any adjustments to the adjusted tax basis of such Company asset pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Account balances pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m); *provided*, that Book Values shall not be adjusted pursuant to this paragraph (d) to the extent that an adjustment pursuant to paragraph (c) above is made in conjunction with a transaction that would otherwise result in an adjustment pursuant to this paragraph (d); and

(f) if the Book Value of a Company asset has been determined pursuant to paragraph (a) or adjusted pursuant to paragraphs (c) or (d) above, such Book Value shall thereafter be adjusted to reflect the Book Depreciation taken into account with respect to such Company asset for purposes of computing Net Income and Net Losses.

**"Business Day"** means a day other than a Saturday, Sunday or other day on which commercial banks in the City of New York are authorized or required to close.

**"Capital Account"** has the meaning set forth in Section 3.03.

**"Capital Contribution"** means, for any Member, the total amount of cash and cash equivalents and the Book Value of any property contributed to the Company by such Member.

**"Articles of Organization"** has the meaning set forth in the Recitals.

**"Class A Units"** shall mean Class A Units of the Company with the rights, preferences and obligations provided for herein.

**"Class B Units"** shall mean Class B Units of the Company with the rights, preferences and obligations provided for herein.

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

**"Company"** has the meaning set forth in the Preamble.

**"Company Interest Rate"** has the meaning set forth in Section 6.03(b).

**"Company Minimum Gain"** means "partnership minimum gain" as defined in Treasury Regulations Section 1.704-2(b)(2), substituting the term "Company" for the term "partnership" as the context requires.

**"Company ROFR Offer Period"** has the meaning set forth in Section 8.03(c).

**"Company ROFR Offer Notice"** has the meaning set forth in Section 8.03(c).

**"Confidential Information"** has the meaning set forth in Section 12.03(a).

**"Covered Person"** has the meaning set forth in Section 9.01(a).

**"Massachusetts Act"** means the Massachusetts Limited Liability Company Act, Chapter 165C, *et seq.*

**"Drag-along Member"** has the meaning set forth in Section 8.04(a).

**"Drag-along Notice"** has the meaning set forth in Section 8.04(c).

**"Drag-along Sale"** has the meaning set forth in Section 8.04(a).

**"Dragging Member"** has the meaning set forth in Section 8.04(a).

**"Electronic Transmission"** means any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process.

**"Estimated Tax Amount"** of a Member for a Fiscal Year means the Member's Tax Amount for such Fiscal Year as estimated in good faith from time to time by the Managers. In making such estimate, the Managers shall take into account amounts shown on Internal Revenue Service Form 1065 filed by the Company and similar state or local forms filed by the Company for the preceding taxable year and such other adjustments as the Managers reasonably determine are necessary or appropriate to reflect the estimated operations of the Company for the Fiscal Year.

**"Excess Amount"** has the meaning set forth in Section 6.02(c).

**"Fair Market Value"** of any asset as of any date means the purchase price that a willing buyer having all relevant knowledge would pay a willing seller for such asset in an arm's length transaction, as determined in good faith by the Managers based on such factors as the Managers, in the exercise of their reasonable business judgment, consider relevant.



**"Family Member"** has the meaning set forth in Section 8.02(b).

**"Fiscal Year"** means the calendar year, unless the Company is required to have a taxable year other than the calendar year, in which case Fiscal Year shall be the period that conforms to its taxable year.

**"GAAP"** means United States generally accepted accounting principles in effect from time to time.

**"Governmental Authority"** means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction.

**"Independent Third Party"** means, with respect to any Member, any Person who is not an Affiliate of such Member.

**"Initial Member"** has the meaning set forth in the term Member.

**"Joinder Agreement"** means the joinder agreement in form and substance attached hereto as Exhibit A.

**"Lien"** means any mortgage, pledge, security interest, option, right of first offer, encumbrance or other restriction or limitation of any nature whatsoever.

**"Liquidator"** has the meaning set forth in Section 11.03(a).

**"Losses"** has the meaning set forth in Section 9.03(a).

**"Managers"** means (a) each Person identified as of the date hereof as a Manager in Section 7.02 and (b) each Person who is hereafter elected as a Manager in accordance with Section 7.02. Managers need not be Members of the Company or residents of the State of MassachusettsMassachusetts but must be natural individuals.

**"Managers Schedule"** has the meaning set forth in Section 7.02(c).

**"Member"** means (a) each Person identified on the Members Schedule as of the date hereof as a Member who has executed this Agreement or a counterpart thereof (each, an **"Initial Member"**); and (b) each Person who is hereafter admitted as a Member in accordance with the terms of this Agreement and the MassachusettsMassachusetts Act, in each case so long as such Person is shown on the Company's books and records as the owner of Membership Interests. The Members shall constitute "members" (as that term is defined in the Massachusetts Act) of the Company.

**"Member Nonrecourse Debt"** means "partner nonrecourse debt" as defined in Treasury Regulations Section 1.704-2(b)(4), substituting the term "Company" for the term "partnership" and the term "Member" for the term "partner" as the context requires.

**"Member Nonrecourse Debt Minimum Gain"** means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if the Member Nonrecourse

Debt were treated as a Nonrecourse Liability, determined in accordance with Treasury Regulations Section 1.704-2(i)(3).

**"Member Nonrecourse Deduction"** means "partner nonrecourse deduction" as defined in Treasury Regulations Section 1.704-2(i), substituting the term "Member" for the term "partner" as the context requires.

**"Members Schedule"** has the meaning set forth in Section 3.01.

**"Membership Interest"** means Class A Units and Class B Units. The Membership Interest of each Member shall be expressed as the number of Class A Units and/or Class B Units held by each Member and shall be set forth on the Members Schedule.

**"Net Income"** and **"Net Loss"** mean, for each Fiscal Year or other period specified in this Agreement, an amount equal to the Company's taxable income or taxable loss, or particular items thereof, determined in accordance with Code Section 703(a) (where, for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or taxable loss), but with the following adjustments:

(g) any income realized by the Company that is exempt from federal income taxation, as described in Code Section 705(a)(1)(B), shall be added to such taxable income or taxable loss, notwithstanding that such income is not includable in gross income;

(h) any expenditures of the Company described in Code Section 705(a)(2)(B), including any items treated under Treasury Regulations Section 1.704-1(b)(2)(iv)(I) as items described in Code Section 705(a)(2)(B), shall be subtracted from such taxable income or taxable loss, notwithstanding that such expenditures are not deductible for federal income tax purposes;

(i) any gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Book Value of the property so disposed, notwithstanding that the adjusted tax basis of such property differs from its Book Value;

(j) any items of depreciation, amortization and other cost recovery deductions with respect to Company property having a Book Value that differs from its adjusted tax basis shall be computed by reference to the property's Book Value (as adjusted for Book Depreciation) in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g);

(k) if the Book Value of any Company property is adjusted as provided in the definition of Book Value, then the amount of such adjustment shall be treated as an item of gain or loss and included in the computation of such taxable income or taxable loss; and

(l) to the extent an adjustment to the adjusted tax basis of any Company property pursuant to Code Sections 732(d), 734(b) or 743(b) is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis).

**"Nonrecourse Deductions"** has the meaning set forth in Treasury Regulations Section 1.704-2(b).



**"Nonrecourse Liability"** has the meaning set forth in Treasury Regulations Section 1.704-2(b)(3).

**"Offered Interests"** has the meaning set forth in Section 8.03(a).

**"Offering Member"** has the meaning set forth in Section 8.03(a).

**"Offering Member Notice"** has the meaning set forth in Section 8.03(b).

**"Officers"** has the meaning set forth in Section 7.06.

**"Other Business"** means any business(es) other than Property One, including, but not limited to, licensed marijuana retail establishments and licensed marijuana cultivation establishments separate and apart from Property One, including expansions upon Property One undertaken after the Company's first license to operate a marijuana cultivation establishment is received.

**"Other Business Available Cash Flow"** means, with respect to any calendar month, Fiscal Year or other period, the Available Cash Flow attributable to an Other Business, as determined by the Manager.

**"Permitted Transfer"** means a Transfer of Membership Interests carried out pursuant to Section 8.02.

**"Permitted Transferee"** means a recipient of a Permitted Transfer.

**"Person"** means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

**"Property One"** means the first licensed marijuana cultivation establishment owned and operated by the Company in the Commonwealth of Massachusetts, but excluding any expansions to such property and/or operations that may be made after the initial receipt of a cultivation license.

**"Property One Available Cash Flow"** means, with respect to any calendar month, Fiscal Year, or other period, the Available Cash Flow attributable to Property One as determined by the Manager.

**"Purchasing Member"** has the meaning set forth in Section 8.03(c).

**"Quarterly Estimated Tax Amount"** of a Member for any calendar quarter of a Fiscal Year means the excess, if any of (a) the product of (a) a quarter (1/4) in the case of the first calendar quarter of the Fiscal Year, half (1/2) in the case of the second calendar quarter of the Fiscal Year, three-quarters (3/4) in the case of the third calendar quarter of the Fiscal Year, and one (1) in the case of the fourth calendar quarter of the Fiscal Year and (ii) the Member's Estimated Tax Amount for such Fiscal Year over (b) all distributions previously made during such Fiscal Year to such Member.

**"Regulatory Allocations"** has the meaning set forth in Section 5.02(e).

**"Related Party Agreement"** means any agreement, arrangement or understanding between the Company and any Member or any Affiliate of a Member or any Officer or employee of the Company, as such agreement may be amended, modified, supplemented or restated in accordance with the terms of this Agreement.

**"Representative"** means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

**"Revised Partnership Audit Rules"** has the meaning set forth in Section 10.04(c).

**"ROFR Notice Period"** has the meaning set forth in Section 8.03(c).

**"ROFR Offer Notice"** has the meaning set forth in Section 8.03(c).

**"ROFR Rightsholder"** has the meaning set forth in Section 8.03(a).

**"Secretary of State"** has the meaning set forth in the Recitals.

**"Securities Act"** means the Securities Act of 1933.

**"Shortfall Amount"** has the meaning set forth in Section 6.02(c).

**"Subsidiary"** means, with respect to any Person, any other Person of which a majority of the outstanding shares or other equity interests having the power to vote for directors or comparable managers are owned, directly or indirectly, by the first Person.

**"Tax Advance"** has the meaning set forth in Section 6.02(a).

**"Tax Amount"** of a Member for a Fiscal Year means the product of (a) the Tax Rate for such Fiscal Year and (b) the Adjusted Taxable Income of the Member for such Fiscal Year with respect to its Membership Interest.

**"Tax Matters Representative"** has the meaning set forth in Section 10.04(a).

**"Tax Rate"** of a Member, for any period, means the highest marginal combined federal, state and local tax rate applicable to an individual residing in New York, New York, taking into account (a) the character (for example, long-term or short-term capital gain, ordinary or exempt) of the applicable income and (b) if applicable, the deduction under IRC Section 199A.

**"Taxing Authority"** has the meaning set forth in Section 6.03(b).

**"Transfer"** means to, directly or indirectly, sell, transfer, assign, pledge, encumber, hypothecate or similarly dispose of, either voluntarily or involuntarily, by operation of law or otherwise, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance, hypothecation or similar disposition of, any Membership Interests owned by a Person or any interest (including a beneficial interest) in any Membership Interests owned by a Person. **"Transfer"** when used as a noun shall have a correlative meaning. **"Transferor"** and **"Transferee"** mean a Person who makes or receives a Transfer, respectively.

**"Treasury Regulations"** means the final or temporary regulations issued by the United States Department of Treasury pursuant to its authority under the Code, and any successor regulations.

**"Withholding Advances"** has the meaning set forth in Section 6.03(b).

**Section I.2 Interpretation.** For purposes of this Agreement: (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the

word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. The definitions given for any defined terms in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Unless the context otherwise requires, references herein: (x) to Articles, Sections, and Exhibits mean the Articles and Sections of, and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented or modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Exhibits and Schedules referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

## **ARTICLE II ORGANIZATION**

### **Section II.1 Formation.**

(a) The Company was formed on DATE, pursuant to the provisions of the Massachusetts Act, upon the filing of the Articles of Organization with the Secretary of State.

(b) This Agreement shall constitute the "limited liability company agreement" (as that term is used in the Massachusetts Act) of the Company. The rights, powers, duties, obligations and liabilities of the Members shall be determined pursuant to the Massachusetts Act and this Agreement. To the extent that the rights, powers, duties, obligations and liabilities of any Member are different by reason of any provision of this Agreement than they would be under the Massachusetts Act in the absence of such provision, this Agreement shall, to the extent permitted by the Massachusetts Act, control.

**Section II.2 Name.** The name of the Company is "The Dutchmen, LLC" or such other name or names as may be designated by the Managers; *provided*, that the name shall always contain the words "Limited Liability Company" or the abbreviation "L.L.C." or the designation "LLC." The Managers shall give prompt notice to each of the Members of any change to the name of the Company.

**Section II.3 Principal Office.** The principal office of the Company is located at [ADDRESS: 833 Main St, Southbridge MA], or such other place as may from time to time be determined by the Managers. The Managers shall give prompt notice of any such change to each of the Members.

### **Section II.4 Registered Office; Registered Agent.**

(a) The registered office of the Company shall be the office of the initial registered agent named in the Articles of Organization or such other office (which need not be a place of business of the Company) as the Managers may designate from time to time in the manner provided by the Massachusetts Act and Applicable Law.

(b) The registered agent for service of process on the Company in the State of Massachusetts shall be the initial registered agent named in the Articles of Organization or such

other Person or Persons as the Managers may designate from time to time in the manner provided by the Massachusetts Act and Applicable Law.

#### **Section II.5 Purpose; Powers.**

(a) The purposes of the Company are to engage in any lawful act or activity for which limited liability companies may be formed under the Massachusetts Act and to engage in any and all activities necessary or incidental thereto.

(b) The Company shall have all the powers necessary or convenient to carry out the purposes for which it is formed, including the powers granted by the Massachusetts Act.

**Section II.6 Term.** The term of the Company commenced on the date the Articles of Organization was filed with the Secretary of State and shall continue in existence perpetually until the Company is dissolved in accordance with the provisions of this Agreement.

### **ARTICLE III CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS**

**Section III.1 Initial Capital Contributions.** Contemporaneously with the execution of this Agreement, each Member has made an initial Capital Contribution and is deemed to own Membership Interests in the amounts set forth opposite such Member's name and address on Schedule A attached hereto (the "**Members Schedule**"). The Managers shall maintain and update the Members Schedule upon the issuance or Transfer of any Membership Interests to any new or existing Member in accordance with this Agreement.

**Section III.2 Additional Capital Contributions.** No Member shall be required to make any additional Capital Contributions to the Company. Any future Capital Contributions made by any Member shall only be made with the consent of the Managers. To the extent that a Member makes an additional Capital Contribution to the Company, the Managers shall revise the Members Schedule to reflect an increase in the Membership Interest of the contributing Member that fairly and equitably reflects the value of its additional Capital Contribution in relation to the aggregate amount of all Capital Contributions made by the Members.

**Section III.3 Maintenance of Capital Accounts.** The Company shall establish and maintain for each Member a separate capital account (a "**Capital Account**") on its books and records in accordance with this Section 3.03. Each Capital Account shall be established and maintained in accordance with the following provisions:

- (a) Each Member's Capital Account shall be increased by the amount of:
  - (i) such Member's Capital Contributions, including such Member's initial Capital Contribution and any additional Capital Contributions;
  - (ii) any Net Income or other item of income or gain allocated to such Member pursuant to ARTICLE V; and
  - (iii) any liabilities of the Company that are assumed by such Member or secured by any property distributed to such Member.



- (b) Each Member's Capital Account shall be decreased by:
- (i) the cash amount or Book Value of any property distributed to such Member pursuant to ARTICLE VI and Section 11.03(c);
  - (ii) the amount of any Net Loss or other item of loss or deduction allocated to such Member pursuant to ARTICLE V; and
  - (iii) the amount of any liabilities of such Member assumed by the Company or that are secured by any property contributed by such Member to the Company.

**Section III.4 Succession Upon Transfer.** In the event that any Membership Interests are Transferred in accordance with the terms of this Agreement, the Transferee shall succeed to the Capital Account of the Transferor to the extent it relates to the Transferred Membership Interests and, subject to Section 5.04, shall receive allocations and distributions pursuant to ARTICLE V and ARTICLE VI in respect of such Membership Interests.

**Section III.5 Negative Capital Accounts.** In the event that any Member shall have a deficit balance in its Capital Account, such Member shall have no obligation, during the term of the Company or upon dissolution or liquidation of the Company, to restore such negative balance or make any Capital Contributions to the Company by reason thereof, except as may be required by Applicable Law or in respect of any negative balance resulting from a withdrawal of capital or dissolution in contravention of this Agreement.

**Section III.6 No Withdrawals From Capital Accounts.** No Member shall be entitled to withdraw any part of its Capital Account or to receive any distribution from the Company, except as otherwise provided in this Agreement. No Member shall receive any interest, salary, management or service fees or drawing with respect to its Capital Contributions or its Capital Account, except as otherwise provided in this Agreement. The Capital Accounts are maintained for the sole purpose of allocating items of income, gain, loss and deduction among the Members and shall have no effect on the amount of any distributions to any Members, in liquidation or otherwise.

**Section III.7 Loans From Members.** Loans by any Member to the Company shall not be considered Capital Contributions and shall not affect the maintenance of such Member's Capital Account, other than to the extent provided in Section 3.03(a)(iii), if applicable.

**Section III.8 Modifications.** The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Treasury Regulations. If the Managers determine that it is prudent to modify the manner in which the Capital Accounts, or any increases or decreases to the Capital Accounts, are computed in order to comply with such Treasury Regulations, the Managers may authorize such modifications without the consent any Member.

## **ARTICLE IV MEMBERS**

### **Section IV.1 Admission of New Members.**

(a) New Members may be admitted from time to time (i) in connection with the issuance of Membership Interests by the Company, and (ii) in connection with a Transfer of Membership Interests, subject to compliance with the provisions of ARTICLE VIII, and in either case, following compliance with the provisions of Section 4.01(b).

(b) In order for any Person not already a Member of the Company to be admitted as a Member, whether pursuant to an issuance or Transfer of Membership Interests, such Person shall have executed and delivered to the Company a written undertaking substantially in the form of the Joinder Agreement or a counterpart signature page to this Agreement. Following the unanimous consent of all Class A Unitholders, the amendment of the Members Schedule by the Managers and the satisfaction of any other applicable conditions, including the receipt by the Company of payment for the issuance of Membership Interests, such Person shall be admitted as a Member and deemed listed as such on the books and records of the Company. The Managers shall also adjust the Capital Accounts of the Members as necessary in accordance with Section 3.03.

**Section IV.2 No Personal Liability.** Except as otherwise provided in the Massachusetts Act, by Applicable Law or expressly in this Agreement, no Member will be obligated personally for any debt, obligation or liability of the Company or other Members, whether arising in contract, tort or otherwise, solely by reason of being a Member.

**Section IV.3 No Withdrawal.** So long as a Member continues to hold any Membership Interests, such Member shall not have the ability to withdraw or resign as a Member prior to the dissolution and winding up of the Company unless by the unanimous consent of the Class A Unitholders, of which any such Units held by the withdrawing or resigning Member shall inure to their benefit and be equally divided amongst such Class A members as Class B Units held in addition to their existing Class A Units. Any such withdrawal or resignation or attempted withdrawal or resignation by a Member prior to the dissolution or winding up of the Company shall be null and void. As soon as any Person who is a Member ceases to hold any Membership Interests, such Person shall no longer be a Member.

**Section IV.4 Death.** The death of any Member shall not cause the dissolution of the Company. In such event, the Company and its business shall be continued by the remaining Member or Members and Membership Interests owned by the deceased Member shall automatically be Transferred to such Member's heirs, *provided*, that within a reasonable time after such Transfer, the applicable heirs shall sign a written undertaking substantially in the form of the Joinder Agreement.

#### **Section IV.5 Meetings of Members.**

(a) Meetings of the Members may be called by (i) the Managers or (ii) by a Member or group of Members holding a majority of the Class A Units.

(b) Written notice stating the place, date and time of the meeting and, in the case of a meeting of the Members not regularly scheduled, describing the purposes for which the meeting is called, shall be delivered not fewer than ten (10) days and not more than thirty (30) days before the date of the meeting to each Member, by or at the direction of the Managers or the Member(s) calling the meeting, as the case may be. The Members may hold meetings at the Company's principal office or at such other place as the Managers or the Member(s) calling the meeting may designate in the notice for such meeting.

(c) Any Member may participate in a meeting of the Members by means of conference telephone or other communications equipment by means of which all Persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(d) On any matter that is to be voted on by Members, a Member may vote in person or by proxy, and such proxy may be granted in writing, by means of Electronic Transmission or as otherwise permitted by Applicable Law. Every proxy shall be revocable in the discretion of the Member executing it unless otherwise provided in such proxy; *provided*, that such right to revocation shall not invalidate or otherwise affect actions taken under such proxy prior to such revocation.

(e) The business to be conducted at such meeting need not be limited to the purpose described in the notice and can include business to be conducted by Members; *provided*, that the appropriate Members shall have been notified of the meeting in accordance with Section 4.05(b). Attendance of a Member at any meeting shall constitute a waiver of notice of such meeting, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

**Section IV.6 Quorum.** A quorum of any meeting of the Members shall require the presence of the Members holding a majority of the outstanding Class A Units. Subject to Section 4.07, no action at any meeting may be taken by the Members unless the appropriate quorum is present. Subject to Section 4.07, no action may be taken by the Members at any meeting at which a quorum is present without the affirmative vote of Members holding a majority of the outstanding Class A Units. Except as expressly required under the Massachusetts Act or explicitly provided for herein, Class B Units shall have no voting rights.

**Section IV.7 Action without a Meeting.** Notwithstanding the provisions of Section 4.06, any matter that is to be voted on, consented to or approved by Members may be taken without a meeting, without prior notice and without a vote if consented to, in writing or by Electronic Transmission, by a Member or Members holding not less than a majority of the outstanding Class A Units. A record shall be maintained by the Managers of each such action taken by written consent of a Member or Members.

**Section IV.8 Power of Members.** The Members shall have the power to exercise any and all rights or powers granted to Members pursuant to the express terms of this Agreement and the Massachusetts Act. Except as otherwise specifically provided by this Agreement or required by the Massachusetts Act, no Member, in its capacity as a Member, shall have the power to act for or on behalf of, or to bind, the Company.

**Section IV.9 No Interest in Company Property.** No real or personal property of the Company shall be deemed to be owned by any Member individually, but shall be owned by, and title shall be vested solely in, the Company. Without limiting the foregoing, each Member hereby irrevocably waives during the term of the Company any right that such Member may have to maintain any action for partition with respect to the property of the Company.

**Section IV.10 Certification of Membership Interests.**

(a) The Managers may, but shall not be required to, issue certificates to the Members representing the Membership Interests held by such Member.



(b) If the Managers shall issue certificates representing Membership Interests in accordance with Section 4.10(a), then in addition to any other legend required by Applicable Law, all certificates representing issued and outstanding Membership Interests shall bear a legend substantially in the following form:

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LIMITED LIABILITY COMPANY AGREEMENT AMONG THE COMPANY AND ITS MEMBERS, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL EXECUTIVE OFFICE OF THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE MEMBERSHIP INTERESTS REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH LIMITED LIABILITY COMPANY AGREEMENT.

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED EXCEPT PURSUANT TO (A) A REGISTRATION STATEMENT EFFECTIVE UNDER SUCH ACT AND LAWS, OR (B) AN EXEMPTION FROM REGISTRATION THEREUNDER.

**Section IV.11 Other Activities; Business Opportunities.** No Member or any of its Affiliates shall engage in any other activities or businesses similar to or competitive with the Business. None of the Members nor any of their Affiliates shall be obligated to account to the Company or to the other Member for any profits or income earned or derived from other such activities or businesses not competitive or similar to the Business.

(a) None of the Members nor any of their Affiliates shall be obligated to inform the Company or the other Member of any business opportunity of any type or description, but shall in good faith use their reasonable best efforts to bring such opportunities to the attention of the Managers should such opportunities arise.

(B) Should any Class B Member be found to be willfully and knowingly engaging in business directly competitive to, in conflict with, or otherwise materially negatively affecting the Business or the Company, the Class A Member shall have the right, but not the obligation, to repurchase the relevant Class B Member's shares for \$0.01 upon notice to the aforesaid Member. The Class A Member may waive this right, but any such waiver is limited to the individual and specific instance in question, and will not be seen as a forfeit of any such right or the creation of any precedent.

**Section IV.12 Membership Interests.** The Company hereby authorizes 1,000 units of Class A Units for issuance and 100 Units of Class B Units for issuance. The Class A Units and Class B Units shall have the same rights, preferences, powers and obligations, except as provided herein.

## **ARTICLE V ALLOCATIONS**

**Section V.1 Allocation of Net Income and Net Loss.** For each Fiscal Year (or portion thereof), after giving effect to the special allocations set forth in Section 5.02, Net Income and Net Loss

of the Company shall be allocated among the Class A Members pro rata in accordance with their Membership Interests.

**Section V.2 Regulatory and Special Allocations.** Notwithstanding the provisions of Section 5.01:

(a) If there is a net decrease in Company Minimum Gain (determined according to Treasury Regulations Section 1.704-2(d)(1)) during any Fiscal Year, each Class A Member shall be specially allocated Net Income for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Class A Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g). The items to be so allocated shall be determined in accordance with Treasury Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 5.02 is intended to comply with the "minimum gain chargeback" requirement in Treasury Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) Member Nonrecourse Deductions shall be allocated in the manner required by Treasury Regulations Section 1.704-2(i). Except as otherwise provided in Treasury Regulations Section 1.704-2(i)(4), if there is a net decrease in Class A Member Nonrecourse Debt Minimum Gain during any Fiscal Year, each Class A Member that has a share of such Class A Member Nonrecourse Debt Minimum Gain shall be specially allocated Net Income for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to that Class A Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain. Items to be allocated pursuant to this paragraph shall be determined in accordance with Treasury Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 5.02(b) is intended to comply with the "minimum gain chargeback" requirements in Treasury Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) Nonrecourse Deductions shall be allocated to the Class A Members in accordance with their Membership Interests.

(d) In the event any Class A Member unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), Net Income shall be specially allocated to such Class A Member in an amount and manner sufficient to eliminate the Adjusted Capital Account Deficit created by such adjustments, allocations or distributions as quickly as possible. This Section 5.02(d) is intended to comply with the "qualified income offset" requirement in Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(e) The allocations set forth in paragraphs (a), (b), (c) and (d) above (the "Regulatory Allocations") are intended to comply with certain requirements of the Treasury Regulations under Code Section 704. Notwithstanding any other provisions of this ARTICLE V (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account in allocating Net Income and Net Losses among Class A Members so that, to the extent possible, the net amount of such allocations of Net Income and Net Losses and other items and the Regulatory Allocations to each Class A Member shall be equal to the net amount that would have been allocated to such Member if the Regulatory Allocations had not occurred.

**Section V.3 Tax Allocations.**

(a) Subject to Section 5.03(b), Section 5.03(c) and Section 5.03(d), all income, gains, losses and deductions of the Company shall be allocated, for federal, state and local income tax purposes, only to the benefit of the Class A Unitholding Members in accordance with the allocation of such income, gains, losses and deductions pursuant to Section 5.01 and Section 5.02, except that if any such allocation for tax purposes is not permitted by the Code or other Applicable Law, the Company's subsequent income, gains, losses and deductions shall be allocated among the Members for tax purposes, to the extent permitted by the Code and other Applicable Law, so as to reflect as nearly as possible the allocation set forth in Section 5.01 and Section 5.02.

(b) (i) To the greatest extent permitted under all applicable law, the Class B Unitholders shall have no rights to claim any benefits, deductions, refunds, credits, and/or distributions related to any local, state, or federal taxes paid by the Company. Any such benefits, deductions, refunds, credits, and/or distributions shall inure solely to the benefit of the Class A Unitholders.

(c) Items of Company taxable income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall be allocated among the Class A Members in accordance with Code Section 704(c) and the traditional method with curative allocations of Treasury Regulations Section 1.704-3(c), so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its Book Value.

(d) If the Book Value of any Company asset is adjusted pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(f) as provided in clause (c) of the definition of Book 0 in Section 1.01, subsequent allocations of items of taxable income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Book Value in the same manner as under Code Section 704(c).

(e) Allocations of tax credit, tax credit recapture and any items related thereto shall be allocated to the Class A Members according to their interests in such items as determined by the Managers taking into account the principles of Treasury Regulations Section 1.704-1(b)(4)(ii).

(f) Allocations pursuant to this Section 5.03 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Net Income, Net Losses, distributions or other items pursuant to any provisions of this Agreement.

**Section V.4 Allocations in Respect of Transferred Membership Interests.** In the event of a Transfer of Membership Interests during any Fiscal Year made in compliance with the provisions of ARTICLE VIII, Net Income, Net Losses and other items of income, gain, loss and deduction of the Company attributable to such Membership Interests for such Fiscal Year shall be determined using the interim closing of the books method.

## **ARTICLE VI DISTRIBUTIONS**

### **Section VI.1 General.**

(a) Subject to Section 6.02, distributions of available cash shall be made to the Members when and in such amounts as determined by the Managers in their sole discretion.

(i) After making all distributions required for a given Fiscal Year under Section 6.02, distributions of Property One Available Cash Flow determined to be made by the Managers pursuant to this Section 6.01(a) shall be paid to the Members pro rata in accordance with their respective Membership Interests.

(ii) After making all distributions required for a given Fiscal Year under Section 6.02, distributions of Other Business Available Cash Flow determined to be made by the Managers pursuant to this Section 6.01(a) shall be paid to the Members holding Class A Units pro rata in accordance with the number of Class A Units held by each such Member.

(b) Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make any distribution to Members if such distribution would violate § 18-607 of the Massachusetts Act or other Applicable Law.

## **Section VI.2 Tax Advances.**

(a) Subject to any restrictions in the Company's then applicable debt-financing arrangements, and subject to the determination by the Managers to retain any other amounts necessary to satisfy the Company's obligations, at least five (5) Business Days before each date prescribed by the Code for a calendar-year corporation to pay quarterly installments of estimated tax, the Company shall use commercially reasonable efforts to distribute cash to each Member in proportion to and to the extent of such Member's Quarterly Estimated Tax Amount for the applicable calendar quarter (each such distribution, a "**Tax Advance**").

(b) If, at any time after the final Quarterly Estimated Tax Amount has been distributed pursuant to Section 6.02(a) with respect to any Fiscal Year, the aggregate Tax Advances to any Member with respect to such Fiscal Year are less than such Member's Tax Amount for such Fiscal Year (a "**Shortfall Amount**"), then the Company shall use commercially reasonable efforts to distribute cash in proportion to and to the extent of each Member's Shortfall Amount. The Company shall use commercially reasonable efforts to distribute Shortfall Amounts with respect to a Fiscal Year before the 75th day of the next succeeding Fiscal Year; *provided*, that if the Company has made distributions other than pursuant to this Section 6.02, the Managers may apply such distributions to reduce any Shortfall Amount.

(c) If the aggregate Tax Advances made to any Member pursuant to Section 6.02 for any Fiscal Year exceed such Member's Tax Amount (an "**Excess Amount**"), such Excess Amount shall reduce subsequent Tax Advances that would be made to such Member pursuant to this Section 6.02, except to the extent taken into account as an advance pursuant to Section 6.02(d).

(d) Any distributions made pursuant to this Section 6.02 shall be treated for purposes of this Agreement as advances on distributions pursuant to Section 6.01 and shall reduce, dollar-for-dollar, the amount otherwise distributable to such Member pursuant to Section 6.01.

## **Section VI.3 Tax Withholding; Withholding Advances.**



(a) **Tax Withholding.** Each Member agrees to furnish the Company with any representations and forms as shall be reasonably requested by the Managers to assist it in determining the extent of, and in fulfilling, any withholding obligations it may have.

(b) **Withholding Advances.** The Company is hereby authorized at all times to make payments ("**Withholding Advances**") with respect to each Member in amounts required to discharge any obligation of the Company (as determined by the Tax Matters Representative based on the advice of legal or tax counsel to the Company) to withhold or make payments to any federal, state, local or foreign taxing authority (a "**Taxing Authority**") with respect to any distribution or allocation by the Company of income or gain to such Member and to withhold the same from distributions to such Member. Any funds withheld from a distribution by reason of this Section 6.03(b) shall nonetheless be deemed distributed to the Member in question for all purposes under this Agreement. If the Company makes any Withholding Advance in respect of a Member hereunder that is not immediately withheld from actual distributions to the Member, then the Member shall promptly reimburse the Company for the amount of such payment, plus interest at a rate equal to the prime rate published in the Wall Street Journal on the date of payment plus two percent (2.0%) per annum (the "**Company Interest Rate**"), compounded annually, on such amount from the date of such payment until such amount is repaid (or deducted from a distribution) by the Member (any such payment shall not constitute a Capital Contribution). Each Member's reimbursement obligation under this Section 6.03(b) shall continue after such Member transfers its Membership Interests.

(c) **Indemnification.** Each Member hereby agrees to indemnify and hold harmless the Company and the other Members from and against any liability with respect to taxes, interest or penalties that may be asserted by reason of the Company's failure to deduct and withhold tax on amounts distributable or allocable to such Member. The provisions of this Section 6.03(c) and the obligations of a Member pursuant to Section 6.03(b) shall survive the termination, dissolution, liquidation and winding up of the Company and the withdrawal of such Member from the Company or Transfer of its Membership Interests. The Company may pursue and enforce all rights and remedies it may have against each Member under this Section 6.03(c), including bringing a lawsuit to collect repayment with interest of any Withholding Advances.

(d) **Overwithholding.** Neither the Company nor the Managers shall be liable for any excess taxes withheld in respect of any distribution or allocation of income or gain to a Member. In the event of an overwithholding, a Member's sole recourse shall be to apply for a refund from the appropriate Taxing Authority.

#### **Section VI.4 Distributions in Kind.**

(a) The Managers are hereby authorized, as they may reasonably determine, to make distributions to the Members in the form of securities or other property held by the Company, but are not obligated to do so under any circumstance; *provided*, that Tax Advances shall only be made in cash. In any non-cash distribution, the securities or property so distributed will be distributed among the Members in the same proportion and priority as cash equal to the Fair Market Value of such securities or property would be distributed among the Members pursuant to Section 6.01.

(b) Any distribution of securities shall be subject to such conditions and restrictions as the Managers determine are required or advisable to ensure compliance with Applicable Law. In furtherance of the foregoing, the Managers may require that the Members execute and deliver



such documents as the Managers may deem necessary or appropriate to ensure compliance with all federal and state securities laws that apply to such distribution and any further Transfer of the distributed securities, and may appropriately legend the certificates that represent such securities to reflect any restriction on Transfer with respect to such laws.

## **ARTICLE VII MANAGEMENT**

**Section VII.1 Management of the Company.** The business and affairs of the Company shall be managed, operated and controlled by or under the direction of the Managers. Subject to the provisions of Section 7.05, the Managers shall have, and are hereby granted, full and complete power, authority and discretion for, on behalf of and in the name of the Company, to take such actions as they may deem necessary or advisable to carry out any and all of the objectives and purposes of the Company. At any time there is only one (1) Manager, references herein to the "Managers" shall be deemed to refer to the sole Manager.

### **Section VII.2 Number, Election and Term of Managers.**

(a) The number of Managers shall be fixed from time to time by the affirmative vote of Members holding a majority of the outstanding Class A Units. The Company shall initially have one (1) Manager, who shall be Jose A. Cano Valdez.

(b) Managers shall be appointed, from time-to-time by the affirmative vote of Members holding a majority of the outstanding Class A Units. Each Manager, including each of the initial Managers named in this Agreement, shall serve for a term ending at the next meeting of Members called for the purpose of electing Managers, or until the Manager's earlier, death, resignation or removal.

(c) The Managers shall maintain a schedule of all Managers with their respective mailing addresses (the "**Managers Schedule**"), and shall update the Managers Schedule upon the removal or replacement of any Manager in accordance with this Section 7.02 or Section 7.03. A copy of the Managers schedule as of the execution of this Agreement is attached hereto as Schedule B.

### **Section VII.3 Removal; Resignation; Vacancies.**

(a) Members holding a majority of the Class A Units may remove all or any lesser number of Managers, with or without cause, effective immediately upon written notice to the Managers being removed.

(b) A Manager may resign at any time by delivering his written resignation to the Company. Any such resignation shall be effective upon receipt thereof unless it is specified to be effective at some other time or upon the occurrence of some other event. The acceptance of a resignation by the other Managers shall not be necessary to make it effective.

(c) The resignation or removal of a Manager who is also a Member shall not constitute a withdrawal or expulsion of the Manager as a Member of the Company or otherwise affect the Manager's rights as a Member. If a Manager resigns or is removed, a meeting of Members to elect a successor must be called promptly and held as soon as reasonably possible to determine if the Members shall replace the resigned or removed Manager on a 1-for-1, greater, or

lesser numerical basis, or may choose not to replace such Manager and operate with the remaining Managers alone so long as at least one Manager remains.

#### **Section VII.4 Action by Managers.**

(a) If there is more than one Manager serving, all decisions requiring action of the Managers or relating to the business or affairs of the Company shall be decided by the affirmative vote or consent of a majority of the Managers.

(b) On any matter that is to be voted on by Managers, a Manager may vote in person or by proxy, and such proxy may be granted in writing, by means of Electronic Transmission or as otherwise permitted by Applicable Law. Every proxy shall be revocable in the discretion of the Manager executing it unless otherwise provided in such proxy; *provided*, that such right to revocation shall not invalidate or otherwise affect actions taken under such proxy prior to such revocation.

(c) Any action of the Managers may be taken without a meeting if either (i) a written consent of a majority of the Managers shall approve such action; *provided*, that prior written notice of such action is provided to all Managers at least one (1) day before such action is taken, or (ii) a written consent constituting all of the Managers shall approve such action. Such consent shall have the same force and effect as a vote at a meeting and may be stated as such in any document or instrument filed with the Secretary of State of Massachusetts.

**Section VII.5 Actions Requiring Approval of Members.** Without the written approval of Members holding a majority of the outstanding Class A Units, the Company shall not, and shall not enter into any commitment to:

(a) Amend, modify or waive the Articles of Organization or this Agreement; *provided* that the Managers may, without the consent of the Members, amend the Members Schedule following any new issuance, redemption, repurchase or Transfer of Membership Interests in accordance with this Agreement;

(b) Issue additional Membership Interests or admit additional Members to the Company;

(c) Incur any indebtedness, pledge or grant Liens on any assets or guaranty, assume, endorse or otherwise become responsible for the obligations of any other Person in excess of \$100,000 in a single transaction or series of related transactions, or in excess of \$250,000 in the aggregate at any time outstanding;

(d) Make any loan, advance or capital contribution in any Person in excess of \$25,000;

(e) Appoint or remove the Company's auditors or make any changes in the accounting methods or policies of the Company (other than as required by GAAP);

(f) Enter into, amend in any material respect, waive or terminate any Related Party Agreement other than the entry into a Related Party Agreement that is on an arm's length basis and on terms no less favorable to the Company than those that could be obtained from an unaffiliated third party;

(g) Enter into or effect any transaction or series of related transactions involving the purchase, lease, license, exchange or other acquisition (including by merger, consolidation, acquisition of stock or acquisition of assets) by the Company of any assets and/or equity interests of any Person, other than in the ordinary course of business consistent with past practice;

(h) Enter into or effect any transaction or series of related transactions involving the sale, lease, license, exchange or other disposition (including by merger, consolidation, sale of stock or sale of assets) by the Company of any assets, other than sales of inventory in the ordinary course of business consistent with past practice;

(i) Establish a Subsidiary or enter into any joint venture or similar business arrangement;

(j) Settle any lawsuit, action, dispute or other proceeding or otherwise assume any liability with a value in excess of \$50,000 or agree to the provision of any equitable relief by the Company;

(k) Initiate or consummate an initial public offering or make a public offering and sale of the Membership Interests or any other securities;

(l) Make any investments in any other Person in excess of \$25,000; or

(m) Merge, consolidate, dissolve, wind-up or liquidate the Company or initiate a bankruptcy proceeding involving the Company.

**Section VII.6 Officers.** The Managers may appoint individuals as officers of the Company (the "Officers") as they deem necessary or desirable to carry on the business of the Company and the Managers may delegate to such Officers such power and authority as the Managers deem advisable. No Officer need be a Member of the Company. Any individual may hold two or more offices of the Company. Each Officer shall hold office until his successor is designated by the Managers or until his earlier death, resignation or removal. Any Officer may resign at any time on written notice to the Managers. Any Officer may be removed by the Managers with or without cause at any time. A vacancy in any office occurring because of death, resignation, removal or otherwise, may, but need not, be filled by the Managers.

**Section VII.7 Other Activities of Managers; Business Opportunities.** Managers shall devote so much time and attention to the business of the Company as they deem appropriate in their sole discretion. No Manager (including Managers who are also Members) shall engage in any other activities or businesses similar to or competitive with the Company. None of the Managers shall be obligated to account to the Company or to the Members for any profits or income earned or derived from other such activities or businesses not similar or competitive with the Company or the Business. None of the Managers shall be obligated to inform the Company or the Members of any business opportunity of any type or description but shall in good faith use their reasonable best efforts to bring such opportunities to the attention of the Managers should such opportunities arise.

**Section VII.8** (a) Should any Class B Member be found to be willfully and knowingly engaging in business directly competitive to, in conflict with, or otherwise materially negatively affecting the Business or the Company, the Class A Member shall have the right, but not the obligation, to repurchase the relevant Class B Member's shares for \$0.01 upon notice to the aforesaid Member. The Class A

Member may waive this right, but any such waiver is limited to the individual and specific instance in question, and will not be seen as a forfeit of any such right or the creation of any precedent.

#### **Section VII.9 Compensation and Reimbursement of Managers; No Employment.**

(a) The Managers shall not be compensated for their services as Managers, but the Company shall reimburse the Managers for all ordinary, necessary and direct expenses incurred by the Managers in performance of their duties as Managers. All reimbursements for expenses shall be reasonable in amount and shall not exceed \$5,000 in the aggregate for any Fiscal Year without the approval of the Class A Unitholders. Nothing contained in this Section 7.08 shall be construed to preclude any Manager from serving the Company in any other capacity and receiving reasonable compensation for such services.

(b) This Agreement does not, and is not intended to, confer upon any Manager any rights with respect to continued employment by the Company, and nothing herein should be construed to have created any employment agreement with any Manager.

**Section VII.10 No Personal Liability.** Except as otherwise provided in the Massachusetts Act, by Applicable Law or expressly in this Agreement, no Manager will be obligated personally for any debt, obligation or liability of the Company, whether arising in contract, tort or otherwise, solely by reason of being a Manager.

### **ARTICLE VIII TRANSFER**

#### **Section VIII.1 General Restrictions on Transfer.**

(a) Except as permitted pursuant to Section 8.02 or in accordance with the procedures set forth in Section 8.03, or Section 8.04 no Member shall Transfer all or any portion of its Membership Interest in the Company. No Transfer of Membership Interests to a Person not already a Member of the Company shall be deemed completed until the prospective Transferee is admitted as a Member of the Company in accordance with Section 4.01(b) hereof.

(b) Notwithstanding any other provision of this Agreement (including Section 8.02), each Member agrees that it will not Transfer all or any portion of its Membership Interest in the Company, and the Company agrees that it shall not issue any Membership Interests:

(i) except as permitted under the Securities Act and other applicable federal or state securities or blue sky laws, and then, with respect to a Transfer of Membership Interests, only upon delivery to the Company of an opinion of counsel in form and substance satisfactory to the Company to the effect that such Transfer may be effected without registration under the Securities Act;

(ii) if such Transfer or issuance would cause the Company to be considered a "publicly traded partnership" under Section 7704(b) of the Code within the meaning of Treasury Regulations Section 1.7704-1(h)(1)(ii), including the look-through rule in Treasury Regulations Section 1.7704-1(h)(3);

(iii) if such Transfer or issuance would affect the Company's existence or qualification as a limited liability company under the Massachusetts Act;



(iv) if such Transfer or issuance would cause the Company to lose its status as a partnership for federal income tax purposes;

(v) if such Transfer or issuance would cause the Company to be required to register as an investment company under the Investment Company Act of 1940, as amended;

(vi) if such Transfer or issuance would cause the assets of the Company to be deemed "Plan Assets" as defined under the Employee Retirement Income Security Act of 1974 or its accompanying regulations or result in any "prohibited transaction" thereunder involving the Company; or

(vii) if such Transfer would in any way violate the 935 CMR 500 adult-use regulations (as amended from time to time) promulgated by the Massachusetts Cannabis Control Commission or otherwise affect the Company's ability to be licensed, or maintain any license issued, by the Massachusetts Cannabis Control Commission.

(c) Any Transfer or attempted Transfer of any Membership Interest in violation of this Agreement shall be null and void, no such Transfer shall be recorded on the Company's books and the purported Transferee in any such Transfer shall not be treated (and the purported Transferor shall continue be treated) as the owner of such Membership Interest for all purposes of this Agreement.

(d) For the avoidance of doubt, any Transfer of a Membership Interest permitted by this Agreement shall be deemed a sale, transfer, assignment or other disposal of such Membership Interest in its entirety as intended by the parties to such Transfer, and shall not be deemed a sale, transfer, assignment or other disposal of any less than all of the rights and benefits described in the definition of the term "Membership Interest," unless otherwise explicitly agreed to by the parties to such Transfer.

**Section VIII.2 Permitted Transfers.** The provisions of Section 8.01(a), Section 8.03, Section 8.04 shall not apply to any Transfer by any Member of all or any portion of its Membership Interest to any of the following:

(a) Any Affiliate of such Member; or

(b) (i) Such Member's spouse, parent, siblings, descendants (including adoptive relationships and stepchildren) and the spouses of each such natural persons (collectively, "**Family Members**"); (ii) a trust under which the distribution of Membership Interests may be made only to such Member and/or any Family Member of such Member; (iii) a charitable remainder trust, the income from which will be paid to such Member during his life; (iv) a corporation, partnership or limited liability company, the stockholders, partners or members of which are only such Member and/or Family Members of such Member; or (v) by will or by the laws of intestate succession, to such Member's executors, administrators, testamentary trustees, legatees or beneficiaries.

**Section VIII.3 Right of First Refusal.**



(a) **Right of First Refusal.** Subject to the terms and conditions specified in this Section 8.03, the Company and, subject to the below, each Member shall have a right of first refusal if any other Member (the "**Offering Member**"), receives an offer from an Independent Third Party that the Offering Member desires to accept to Transfer all or any portion of the Membership Interest owned by the Offering Member (the "**Offered Interests**"). Each time the Offering Member receives an offer for all or any portion of its Membership Interest in the Company, the Offering Member shall first make an offering of the Offered Interests first to the Company and then, subject to the terms in Section 8.03(c) below, to the other Members (the "**ROFR Rightsholders**") in accordance with the following provisions of this Section 8.03 prior to Transferring such Offered Interests to the Independent Third Party (other than Transfers that (i) are permitted by Section 8.02, (ii) are proposed to be made by a Dragging Member or required to be made by a Drag-along Member pursuant to Section 8.04, or (iii) are made by a Tag-along Member upon the exercise of its tag-along right after the ROFR Rightsholders have declined to exercise their rights in full under this Section 8.03).

(b) **Offer Notice.**

(i) The Offering Member shall, within five (5) Business Days of receipt of the offer from the Independent Third Party, give written notice (the "**Offering Member Notice**") to the Company and the ROFR Rightsholders (as applicable) stating that it has received a bona fide offer from an Independent Third Party and specifying: (A) the amount of Offered Interests to be Transferred by the Offering Member; (B) the name of the Person who has offered to purchase such Offered Interests; (C) the purchase price and the other material terms and conditions of the Transfer, including a description of any non-cash consideration in sufficient detail to permit the valuation thereof; and (D) the proposed date, time and location of the closing of the Transfer, which shall not be less than 60 days from the date of the Offering Member Notice.

(ii) The Offering Member Notice shall constitute the Offering Member's offer to Transfer the Offered Interests to the Company or ROFR Rightsholders (as applicable), which offer shall be irrevocable until the end of the Company ROFR Notice Period or ROFR Notice Period (each as hereinafter defined).

(iii) By delivering the Offering Member Notice, the Offering Member represents and warrants to the Company and each ROFR Rightsholder that: (a) the Offering Member has full right, title and interest in and to the Offered Interests; (b) the Offering Member has all the necessary power and authority and has taken all necessary action to sell such Offered Interests as contemplated by this Section 8.03; and (c) the Offered Interests are free and clear of any and all Liens other than those arising as a result of or under the terms of this Agreement.

(c) **Exercise of the Rights of First Refusal.**

(i) Upon receipt of the Offering Member Notice, the Company shall have 15 Business Days (the "**Company ROFR Notice Period**") to elect to purchase all (but not less than all) of the Offered Interests by delivering a written notice (a "**Company ROFR Offer Notice**") to the Offering Member stating that it offers to purchase such Offered Interests on the terms specified in the Offering Member Notice. Any Company ROFR Offer Notice shall be binding upon delivery and irrevocable by the Company. If the Company does not timely deliver the Company ROFR Offer Notice within the Company

ROFR Notice Period, then the Company shall be deemed to have its rights to purchase the Offered Interest under this Section 8.03. The Offering Member shall then deliver the Offering Member Notice to the other ROFR Rightsholders within two (2) days after the Company ROFR Notice Period has ended. Upon receipt of the Offering Member Notice, each ROFR Rightsholder shall have 15 Business Days (the "**ROFR Notice Period**") to elect to purchase the Offered Interests by delivering a written notice (a "**ROFR Offer Notice**") to the Offering Member and the Company stating that it offers to purchase such Offered Interests on the terms specified in the Offering Member Notice. Any ROFR Offer Notice shall be binding upon delivery and irrevocable by the applicable ROFR Rightsholder. If more than one ROFR Rightsholder delivers a ROFR Offer Notice, each such ROFR Rightsholder (the "**Purchasing Member**") shall be allocated its pro rata share (based on its Membership Interest in the Company) of the Offered Interests, unless otherwise agreed by such Members.

(ii) Each ROFR Rightsholder who does not deliver a ROFR Offer Notice during the ROFR Notice Period shall be deemed to have waived all of such ROFR Rightsholder's rights to purchase the Offered Interests under this Section 8.03, and the Offering Member shall thereafter, subject to the rights of any Purchasing Member be free to sell the Offered Interests to the Independent Third Party in the Offering Member Notice without any further obligation to such ROFR Rightsholder pursuant to this Section 8.03.

(iii) Each ROFR Rightsholder who delivers a ROFR Offer Notice shall be deemed to have waived any rights that such Members may have.

(d) **Consummation of Sale.** If neither the Company nor any ROFR Rightsholder delivers a Company ROFR Notice or ROFR Notice, respectively, in accordance with Section 8.03(c), then, provided the Offering Member has also complied with the provisions of this Agreement the extent applicable, the Offering Member may, during the 60-day period immediately following the expiration of the ROFR Notice Period (which period may be extended for a reasonable time not to exceed 90 days to the extent reasonably necessary to obtain any required approvals or consents from any Governmental Authority), Transfer all of the Offered Interests to the Independent Third Party on terms and conditions no more favorable to the Independent Third Party than those set forth in the Offering Member Notice. If the Offering Member does not Transfer the Offered Interests within such period, the rights provided hereunder shall be deemed to be revived and the Offered Interests shall not be Transferred to the Independent Third Party unless the Offering Member sends a new Offering Member Notice in accordance with, and otherwise complies with, this Section 8.03.

(e) **Cooperation.** Each Member shall take all actions as may be reasonably necessary to consummate the sale contemplated by this Section 8.03 including, without limitation, entering into agreements and delivering certificates and instruments and consents as may be deemed necessary or appropriate.

(f) **Closing.** At the closing of any sale and purchase pursuant to this Section 8.03, the Offering Member shall deliver to the Purchasing Member(s) a certificate or certificates representing the Offered Interests to be sold (if any), accompanied by evidence of Transfer and all necessary transfer taxes paid and stamps affixed, if necessary, against receipt of the purchase price therefore from such Purchasing Member(s) by certified or official bank check or by wire transfer of immediately available funds. The Purchasing Member(s) must deliver a Joinder

Agreement or sign a counterpart signature page to this Agreement in order to receive the Membership Interest and to be admitted as a Member. The Purchasing Member(s) and Offering Member shall deliver all reasonably requested documents, agreements, certificates and information reasonably requested by the Company in connection with the sale.

#### **Section VIII.4 Drag-along Rights.**

(a) **Participation.** If one or more Members (together with their respective Permitted Transferees) holding no less than fifty percent (50%) of the then outstanding Class A Units (such Member or Members, the "**Dragging Member**"), proposes to Transfer, in one transaction or a series of related transactions, all of the Membership Interests owned by the Dragging Member (a "**Drag-along Sale**"), the Dragging Member shall have the right, after delivering the Drag-along Notice in accordance with Section 8.04(c) and subject to compliance with Section 8.04(d), to require that each other Member (each, a "**Drag-along Member**") participate in such sale in the manner set forth in Section 8.04(b).

(b) **Sale of Membership Interests.** Subject to compliance with Section 8.04(d), each Drag-along Member shall sell in the Drag-along Sale all of the Membership Interests held by such Drag-along Member.

(c) **Sale Notice.** The Dragging Member shall exercise its rights pursuant to this Section 8.04 by delivering a written notice (the "**Drag-along Notice**") to the Company and each Drag-along Member at least thirty (30) days prior to the closing date of such Drag-along Sale. The Drag-along Notice shall make reference to the Dragging Members' rights and obligations hereunder and shall describe in reasonable detail:

(i) The name of the person or entity to whom such Membership Interests are proposed to be sold;

(ii) The proposed date, time and location of the closing of the sale;

(iii) The proposed amount of consideration for the Drag-along Sale and the other material terms and conditions of the Drag-along Sale, including a description of any non-cash consideration in sufficient detail to permit the valuation thereof; and

(iv) A copy of any form of agreement proposed to be executed in connection therewith.

(d) **Conditions of Sale.** The obligations of the Drag-along Members in respect of a Drag-along Sale under this Section 8.04 are subject to the satisfaction of the following conditions:

(i) The consideration to be received by each Drag-along Member shall be the same form and amount of consideration to be received by the Dragging Member per percentage interest and the terms and conditions of such sale shall, except as otherwise provided in Section 8.04(d)(iii), be the same as those upon which the Dragging Member sells its Membership Interests;

(ii) If the Dragging Member or any Drag-along Member is given an option as to the form and amount of consideration to be received, the same option shall be given to all Drag-along Members; and

(iii) Each Drag-along Member shall execute the applicable purchase agreement, if applicable, and make or provide the same representations, warranties, covenants, indemnities and agreements as the Dragging Member makes or provides in connection with the Drag-along Sale (except that in the case of representations, warranties, covenants, indemnities and agreements pertaining specifically to the Dragging Member, the Drag-along Member shall make the comparable representations, warranties, covenants, indemnities and agreements pertaining specifically to itself); *provided*, that all representations, warranties, covenants and indemnities shall be made by the Dragging Member and each Drag-along Member severally and not jointly and any indemnification obligation shall be pro rata based on the consideration received by the Dragging Member and each Drag-along Member (other than any indemnification obligation pertaining specifically to the Dragging Member or a Drag-along Member, which obligation shall be the sole obligation of such Dragging Member or Drag-along Member), in each case in an amount not to exceed the aggregate proceeds received by the Dragging Member and each such Drag-along Member in connection with the Drag-along Sale.

(e) **Cooperation.** Each Drag-along Member shall take all actions as may be reasonably necessary to consummate the Drag-along Sale, including, without limitation, entering into agreements and delivering certificates and instruments, in each case, consistent with the agreements being entered into and the certificates being delivered by the Dragging Member, but subject to Section 8.04(d)(iii).

(f) **Expenses.** The fees and expenses of the Dragging Member incurred in connection with a Drag-along Sale and for the benefit of all Drag-along Members (it being understood that costs incurred by or on behalf of a Dragging Member for its sole benefit will not be considered to be for the benefit of all Drag-along Members), to the extent not paid or reimbursed by the Company or the Independent Third Party, shall be shared by the Dragging Member and all the Drag-along Members on a pro rata basis, based on the consideration received by each such Member; provided, that no Drag-along Member shall be obligated to make any out-of-pocket expenditure prior to the consummation of the Drag-along Sale.

(g) **Consummation of Sale.** The Dragging Member shall have 60 days following the date of the Drag-along Notice in which to consummate the Drag-along Sale, on the terms set forth in the Drag-along Notice (which 60-day period may be extended for a reasonable time not to exceed 90 days to the extent reasonably necessary to obtain required approvals or consents from any Governmental Authority). If at the end of such period the Dragging Member has not completed the Drag-along Sale, the Dragging Member may not then exercise its rights under this Section 8.04 without again fully complying with the provisions of this Section 8.04.

**Section VIII.5 Involuntary Buyback.** Should any Class B Member be found to be willfully and knowingly engaging in business directly competitive to, in conflict with, or otherwise materially negatively affecting the Business or the Company, the Class A Member shall have the right, but not the obligation, to repurchase the relevant Class B Member's shares for \$0.01 upon notice to the aforesaid Member. The Class A Member may waive this right, but any such waiver is limited to the individual and specific instance in question, and will not be seen as a forfeit of any such right or the creation of any precedent.



## **ARTICLE IX EXCULPATION AND INDEMNIFICATION**

### **Section IX.1 Exculpation of Covered Persons.**

(a) **Covered Persons.** As used herein, the term "**Covered Person**" shall mean (i) each Member; (ii) each officer, director, stockholder, partner, member, Affiliate, employee, agent or representative of each Member, and each of their Affiliates; and (iii) each Manager, Officer, employee, agent or representative of the Company.

(b) **Standard of Care.** No Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any action taken or omitted to be taken by such Covered Person in his, her or its capacity as a Covered Person, so long as such action or omission does not constitute fraud or willful misconduct by such Covered Person.

(c) **Good Faith Reliance.** A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, Net Income or Net Losses of the Company or any facts pertinent to the existence and amount of assets from which distributions might properly be paid) of the following Persons or groups: (i) another Manager; (ii) one or more Officers or employees of the Company; (iii) any attorney, independent accountant, appraiser or other expert or professional employed or engaged by or on behalf of the Company; or (iv) any other Person selected in good faith by or on behalf of the Company, in each case as to matters that such relying Person reasonably believes to be within such other Person's professional or expert competence. The preceding sentence shall in no way limit any Person's right to rely on information to the extent provided in § 18-406 of the Massachusetts Act.

### **Section IX.2 Liabilities of Covered Persons.**

(a) **Limitation of Liability.** This Agreement is not intended to, and does not, create or impose any fiduciary duty on any Covered Person. Furthermore, each of the Members and the Company hereby waives any and all fiduciary duties that, absent such waiver, may be implied by Applicable Law, and in doing so, acknowledges and agrees that the duties and obligation of each Covered Person to each other and to the Company are only as expressly set forth in this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Members to replace such other duties and liabilities of such Covered Person.

### **Section IX.3 Indemnification.**

(a) **Indemnification.** To the fullest extent permitted by the Massachusetts Act, as the same now exists or may hereafter be amended, substituted or replaced (but, in the case of any such amendment, substitution or replacement, only to the extent that such amendment, substitution or replacement permits the Company to provide broader indemnification rights than the Massachusetts Act permitted the Company to provide prior to such amendment, substitution or replacement), the Company shall indemnify, hold harmless, defend, pay and reimburse any Covered Person against any and all losses, claims, damages, judgments, fines or liabilities, including reasonable legal fees or other expenses incurred in investigating or defending against



such losses, claims, damages, judgments, fines or liabilities, and any amounts expended in settlement of any claims (collectively, "Losses") to which such Covered Person may become subject by reason of:

(i) any act or omission or alleged act or omission performed or omitted to be performed on behalf of the Company, any Member or any direct or indirect Subsidiary of the foregoing in connection with the Business of the Company; or

(ii) such Covered Person being or acting in connection with the business of the Company as a member, stockholder, Affiliate, manager, director, officer, employee or agent of the Company, any Member, or any of their respective Affiliates, or that such Covered Person is or was serving at the request of the Company as a member, manager, director, officer, employee or agent of any Person including the Company;

*provided*, that (x) such Covered Person acted in good faith and in a manner believed by such Covered Person to be in, or not opposed to, the best interests of the Company and within the scope of such Covered Person's authority conferred on him or it by the Company and, with respect to any criminal proceeding, had no reasonable cause to believe his conduct was unlawful, and (y) such Covered Person's conduct did not constitute fraud or willful misconduct. In connection with the foregoing, the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the Covered Person did not act in good faith or, with respect to any criminal proceeding, had reasonable cause to believe that such Covered Person's conduct was unlawful, or that the Covered Person's conduct constituted fraud or willful misconduct.

(b) **Control of Defense.** Upon a Covered Person's discovery of any claim, lawsuit or other proceeding relating to any Losses for which such Covered Person may be indemnified pursuant to this Section 9.03, the Covered Person shall give prompt written notice to the Company of such claim, lawsuit or proceeding; *provided*, that the failure of the Covered Person to provide such notice shall not relieve the Company of any indemnification obligation under this Section 9.03, unless the Company shall have been materially prejudiced thereby. Subject to the approval of the disinterested Members, the Company shall be entitled to participate in or assume the defense of any such claim, lawsuit or proceeding at its own expense. After notice from the Company to the Covered Person of its election to assume the defense of any such claim, lawsuit or proceeding, the Company shall not be liable to the Covered Person under this Agreement or otherwise for any legal or other expenses subsequently incurred by the Covered Person in connection with investigating, preparing to defend or defending any such claim, lawsuit or other proceeding. If the Company does not elect (or fails to elect) to assume the defense of any such claim, lawsuit or proceeding, the Covered Person shall have the right to assume the defense of such claim, lawsuit or proceeding as it deems appropriate, but it shall not settle any such claim, lawsuit or proceeding without the consent of the Company (which consent shall not be unreasonably withheld, conditioned or delayed).

(c) **Reimbursement.** The Company shall promptly reimburse (and/or advance to the extent reasonably required) each Covered Person for reasonable legal or other expenses (as incurred) of such Covered Person in connection with investigating, preparing to defend or defending any claim, lawsuit or other proceeding relating to any Losses for which such Covered Person may be indemnified pursuant to this Section 9.03; *provided*, that if it is finally judicially determined that such Covered Person is not entitled to the indemnification provided by this Section 9.03, then such Covered Person shall promptly reimburse the Company for any reimbursed or advanced expenses.

(d) **Entitlement to Indemnity.** The indemnification provided by this Section 9.03 shall not be deemed exclusive of any other rights to indemnification to which those seeking indemnification may be entitled under any agreement or otherwise. The provisions of this Section 9.03 shall continue to afford protection to each Covered Person regardless of whether such Covered Person remains in the position or capacity pursuant to which such Covered Person became entitled to indemnification under this Section 9.03 and shall inure to the benefit of the executors, administrators, legatees and distributees of such Covered Person.

(e) **Insurance.** To the extent available on commercially reasonable terms, the Company may purchase, at its expense, insurance to cover Losses covered by the foregoing indemnification provisions and to otherwise cover Losses for any breach or alleged breach by any Covered Person of such Covered Person's duties in such amount and with such deductibles as the Managers may determine; *provided*, that the failure to obtain such insurance shall not affect the right to indemnification of any Covered Person under the indemnification provisions contained herein, including the right to be reimbursed or advanced expenses or otherwise indemnified for Losses hereunder. If any Covered Person recovers any amounts in respect of any Losses from any insurance coverage, then such Covered Person shall, to the extent that such recovery is duplicative, reimburse the Company for any amounts previously paid to such Covered Person by the Company in respect of such Losses.

(f) **Funding of Indemnification Obligation.** Notwithstanding anything contained herein to the contrary, any indemnity by the Company relating to the matters covered in this Section 9.03 shall be provided out of and to the extent of Company assets only, and no Member (unless such Member otherwise agrees in writing) shall have personal liability on account thereof or shall be required to make additional Capital Contributions to help satisfy such indemnity by the Company.

(g) **Savings Clause.** If this Section 9.03 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Covered Person pursuant to this Section 9.03 to the fullest extent permitted by any applicable portion of this Section 9.03 that shall not have been invalidated and to the fullest extent permitted by Applicable Law.

(h) **Amendment.** The provisions of this Section 9.03 shall be a contract between the Company, on the one hand, and each Covered Person who served in such capacity at any time while this Section 9.03 is in effect, on the other hand, pursuant to which the Company and each such Covered Person intend to be legally bound. No amendment, modification or repeal of this Section 9.03 that adversely affects the rights of a Covered Person to indemnification for Losses incurred or relating to a state of facts existing prior to such amendment, modification or repeal shall apply in such a way as to eliminate or reduce such Covered Person's entitlement to indemnification for such Losses without the Covered Person's prior written consent.

**Section IX.4 Survival.** The provisions of this ARTICLE IX shall survive the dissolution, liquidation, winding up and termination of the Company.

## **ARTICLE X ACCOUNTING; TAX MATTERS**

**Section X.1 Financial Statements.** The Company shall furnish to each Member the following reports:

(a) **Annual Financial Statements.** As soon as available, and in any event within 120 days after the end of each Fiscal Year, audited consolidated balance sheets of the Company as at the end of each such Fiscal Year and audited consolidated statements of income, cash flows and Members' equity for such Fiscal Year, in each case setting forth in comparative form the figures for the previous Fiscal Year, accompanied by the certification of independent certified public accountants of recognized national standing selected by the Managers, certifying to the effect that, except as set forth therein, such financial statements have been prepared in accordance with GAAP, applied on a basis consistent with prior years, and fairly present in all material respects the financial condition of the Company as of the dates thereof and the results of their operations and changes in their cash flows and Members' equity for the periods covered thereby.

**Section X.2 Inspection Rights.** Upon reasonable notice from a Member, the Company shall afford such Member and its Representatives access during normal business hours to (i) the Company's properties; (ii) the corporate, financial and similar records, reports and documents of the Company, including all books and records, minutes of proceedings, internal management documents, reports of operations, reports of adverse developments, copies of any management letters and communications with Members or Managers, and to permit each Member and its Representatives to examine such documents and make copies thereof or extracts therefrom; and (iii) any Officers, senior employees and accountants of the Company, and to afford each Member and its Representatives the opportunity to discuss and advise on the affairs, finances and accounts of the Company with such Officers, senior employees and accountants (and the Company hereby authorizes such employees and accountants to discuss with such Member and its Representatives such affairs, finances and accounts); *provided that* (x) the requesting Member shall bear its own expenses and all reasonable expenses incurred by the Company in connection with any inspection or examination requested by such Member pursuant to this Section 10.02 and (y) if the Company provides or makes available any report or written analysis for any Member pursuant to this Section 10.02, it shall promptly provide or make available such report or analysis to or for the other Members.

**Section X.3 Income Tax Status.** It is the intent of this Company and the Members that this Company shall be treated as a partnership for U.S., federal, state and local income tax purposes. Neither the Company nor any Member shall make an election for the Company to be classified as other than a partnership pursuant to Treasury Regulations Section 301.7701-3.

#### **Section X.4 Tax Matters Representative.**

(a) **Appointment; Removal.** The Members hereby appoint Jose A. Cano Valdez as the "partnership representative" as provided in Code Section 6223(a) (the "**Tax Matters Representative**"). The Tax Matters Representative may resign at any time. The Tax Matters Representative may be removed at any time by a vote of Members holding a majority of the Class A Units. In the event of the resignation or removal of the Tax Matters Representative, Members holding a majority of the Class A Units shall select a replacement Tax Matters Representative.

(b) **Tax Examinations and Audits.** The Tax Matters Representative is authorized and required to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by Taxing Authorities, including resulting administrative and judicial proceedings, and to expend Company funds for professional services and costs associated therewith. The Tax Matters Representative shall have sole authority to act on behalf of the Company in any such examinations and any resulting administrative or judicial proceedings, and shall have sole discretion to determine whether the Company (either on its own behalf or on

behalf of the Members) will contest or continue to contest any tax deficiencies assessed or proposed to be assessed by any Taxing Authority.

(c) **US Federal Tax Proceedings.** To the extent permitted by applicable law and regulations, the Tax Matters Representative shall cause the Company to annually elect out of the partnership audit procedures set forth in Subchapter C of Chapter 63 of the Code as amended by the BBA (the "**Revised Partnership Audit Rules**") pursuant to Code Section 6221(b). For any year in which applicable law and regulations do not permit the Company to elect out of the Revised Partnership Audit Rules, then within forty-five (45) days of any notice of final partnership adjustment, the Tax Matters Representative shall cause the Company to elect the alternative procedure under Code Section 6226, and furnish to the Internal Revenue Service and each Member during the year or years to which the notice of final partnership adjustment relates a statement of the Member's share of any adjustment set forth in the notice of final partnership adjustment.

(d) **Tax Returns and Tax Deficiencies.** Each Member agrees that such Member shall not treat any Company item inconsistently on such Member's federal, state, foreign or other income tax return with the treatment of the item on the Company's return. Any deficiency for taxes imposed on any Member (including penalties, additions to tax or interest imposed with respect to such taxes and taxes imposed pursuant to Code Section 6226) will be paid by such Member and if required to be paid (and actually paid) by the Company, will be recoverable from such Member as provided in Section 6.03(b).

(e) **Section 754 Election.** The Tax Matters Representative will make an election under Code Section 754 if requested in writing by another Member.

(f) **Indemnification.** The Company shall defend, indemnify, and hold harmless the Tax Matters Representative against any and all liabilities sustained as a result of any act or decision concerning Company tax matters and within the scope of the Tax Matters Representative's responsibilities, so long as such act or decision was done or made in good faith and does not constitute gross negligence or willful misconduct.

**Section X.5 Tax Returns.** At the expense of the Company, the Managers (or any Officer that the Managers may designate pursuant to Section 7.06) shall endeavor to cause the preparation and timely filing (including extensions) of all tax returns required to be filed by the Company pursuant to the Code as well as all other required tax returns in each jurisdiction in which the Company owns property or does business. As soon as reasonably possible after the end of each Fiscal Year, the Managers or designated Officer will cause to be delivered to each Person who was a Member at any time during such Fiscal Year, IRS Schedule K-1 to Form 1065 and such other information with respect to the Company as may be necessary for the preparation of such Person's federal, state and local income tax returns for such Fiscal Year.

**Section X.6 Company Funds.** All funds of the Company shall be deposited in its name, or in such name as may be designated by the Managers, in such checking, savings or other accounts, or held in its name in the form of such other investments as shall be designated by the Managers. The funds of the Company shall not be commingled with the funds of any other Person. All withdrawals of such deposits or liquidations of such investments by the Company shall be made exclusively upon the signature or signatures of such Officer or Officers as the Managers may designate.



**Section X.7 Opt Out Election.** The Members agree to make the election provided in Code Section 6221(b)(1) for each taxable year of the Company for which the Company is eligible to make such election. The Tax Matters Representative is authorized to make the disclosure required under Code Section 6221(b)(D)(ii) and the Members hereby agree to provide their names and taxpayer identification numbers to the Tax Matters Representative for this purpose. The Members reserve the right to agree by unanimous written consent not to make the election described above for any taxable year of the Company.

**Section X.8 Push Out Election.** If the Company is not eligible to make the election provided in Code Section 6221(b)(1), or does not make such election pursuant to Section 10.08, then, in the event of an IRS audit of the Company, the Manager may cause the Tax Matters Representative to timely make the election provided in Code Section 6226(a), to treat a "partnership adjustment" as an adjustment to be taken into account by each Member or former Member in accordance with Code Section 6226(b). If the election under Code Section 6226(a) is made, the Tax Matters Representative shall ensure that the Company furnish to each Member or former Member for the year under audit a statement reflecting such Person's share of the adjusted items as determined in the notice of final partnership adjustment. Except as otherwise required by applicable law or regulatory requirements or determined by the Manager, each Member and former Member agrees to amend such Member or former Member's tax returns as necessary, and pay any resulting taxes, interest and penalties in connection with the Company's election under Section 6225(a) of the Code, as amended by the BBA, and to take into account any adjustments and pay any taxes, interest and penalties that result from the Company's election under Section 6226 of the Code, as amended by the BBA.

## **ARTICLE XI DISSOLUTION AND LIQUIDATION**

**Section XI.1 Events of Dissolution.** The Company shall be dissolved and its affairs wound up only upon the occurrence of any of the following events:

- (a) An election to dissolve the Company made by holders of a majority of the Class A Units;
- (b) The sale, exchange, involuntary conversion, or other disposition or Transfer of all or substantially all the assets of the Company; or
- (c) The entry of a decree of judicial dissolution under § 18-802 of the Massachusetts Act.

**Section XI.2 Effectiveness of Dissolution.** Dissolution of the Company shall be effective on the day on which the event described in Section 11.01 occurs, but the Company shall not terminate until the winding up of the Company has been completed, the assets of the Company have been distributed as provided in Section 11.03 and the Articles of Organization shall have been cancelled as provided in Section 11.04.

**Section XI.3 Liquidation.** If the Company is dissolved pursuant to Section 11.01, the Company shall be liquidated and its business and affairs wound up in accordance with the Massachusetts Act and the following provisions:

- (a) **Liquidator.** Jose A. Cano Valdez, or another Person selected by the Managers, shall act as liquidator to wind up the Company (the "**Liquidator**"). The Liquidator shall have full



power and authority to sell, assign, and encumber any or all of the Company's assets and to wind up and liquidate the affairs of the Company in an orderly and business-like manner.

(b) **Accounting.** As promptly as possible after dissolution and again after final liquidation, the Liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable.

(c) **Distribution of Proceeds.** The Liquidator shall liquidate the assets of the Company and distribute the proceeds of such liquidation in the following order of priority, unless otherwise required by mandatory provisions of Applicable Law:

(i) *first*, to the payment of all of the Company's debts and liabilities to its creditors (including Members, if applicable) and the expenses of liquidation (including sales commissions incident to any sales of assets of the Company);

(ii) *second*, to the establishment of and additions to reserves that are determined by the Liquidator to be reasonably necessary for any contingent unforeseen liabilities or obligations of the Company; and

(iii) *third*, (1) the Property One Available Cash Flow to the Members pro rata in accordance with the Membership Interests, and (2) the Other Business Available Cash Flow to the Members holding Class A Units pro rata in accordance with the number of Class A Units held by each such Member.

(d) **Discretion of Liquidator.** Notwithstanding the provisions of Section 11.03(c) that require the liquidation of the assets of the Company, but subject to the order of priorities set forth in Section 11.03(c), if upon dissolution of the Company the Liquidator reasonably determines that an immediate sale of part or all of the Company's assets would be impractical or could cause undue loss to the Members, the Liquidator may defer the liquidation of any assets except those necessary to satisfy Company liabilities and reserves, and may distribute to the Members, in lieu of cash, as tenants in common and in accordance with the provisions of Section 11.03(c), undivided interests in such Company assets as the Liquidator deems not suitable for liquidation. Any such distribution in kind shall be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operating of such properties at such time. For purposes of any such distribution, any property to be distributed will be valued at its Fair Market Value as determined by the Liquidator in good faith.

**Section XI.4 Cancellation of Certificate.** Upon completion of the distribution of the assets of the Company as provided in Section 11.03(c) hereof, the Company shall be terminated and the Liquidator shall cause the cancellation of the Articles of Organization in the State of Massachusetts and of all qualifications and registrations of the Company as a foreign limited liability company in jurisdictions other than the State of Massachusetts and shall take such other actions as may be necessary to terminate the Company.

**Section XI.5 Survival of Rights, Duties and Obligations.** Dissolution, liquidation, winding up or termination of the Company for any reason shall not release any party from any Loss that at the time of such dissolution, liquidation, winding up or termination already had accrued to any other party or

thereafter may accrue in respect of any act or omission prior to such dissolution, liquidation, winding up or termination. For the avoidance of doubt, none of the foregoing shall replace, diminish or otherwise adversely affect any Member's right to indemnification pursuant to Section 9.03.

**Section XI.6 Recourse for Claims.** Each Member shall look solely to the assets of the Company for all distributions with respect to the Company, such Member's Capital Account, and such Member's share of Net Income, Net Loss and other items of income, gain, loss and deduction, and shall have no recourse therefor (upon dissolution or otherwise) against the Liquidator or any other Member.

## **ARTICLE XII MISCELLANEOUS**

**Section XII.1 Expenses.** Except as otherwise expressly provided herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with the preparation and execution of this Agreement, or any amendment or waiver hereof, and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

**Section XII.2 Further Assurances.** In connection with this Agreement and the transactions contemplated hereby, the Company and each Member hereby agrees, at the request of the Company or any other Member, to execute and deliver such additional documents, instruments, conveyances and assurances and to take such further actions as may be required to carry out the provisions hereof and give effect to the transactions contemplated hereby.

### **Section XII.3 Confidentiality.**

(a) Each Member acknowledges that during the term of this Agreement, it will have access to and become acquainted with trade secrets, proprietary information and confidential information belonging to the Company and its Affiliates that are not generally known to the public, including, but not limited to, information concerning business plans, financial statements and other information provided pursuant to this Agreement, operating practices and methods, expansion plans, strategic plans, marketing plans, contracts, customer lists or other business documents that the Company treats as confidential, in any format whatsoever (including oral, written, electronic or any other form or medium) (collectively, "**Confidential Information**"). In addition, each Member acknowledges that: (i) the Company has invested, and continues to invest, substantial time, expense and specialized knowledge in developing its Confidential Information; (ii) the Confidential Information provides the Company with a competitive advantage over others in the marketplace; and (iii) the Company would be irreparably harmed if the Confidential Information were disclosed to competitors or made available to the public. Without limiting the applicability of any other agreement to which any Member is subject, no Member shall, directly or indirectly, disclose or use (other than solely for the purposes of such Member monitoring and analyzing its investment in the Company) at any time, including, without limitation, use for personal, commercial or proprietary advantage or profit, either during its association with the Company or thereafter, any Confidential Information of which such Member is or becomes aware. Each Member in possession of Confidential Information shall take all appropriate steps to safeguard such information and to protect it against disclosure, misuse, espionage, loss and theft.

(b) Nothing contained in Section 12.03(a) shall prevent any Member from disclosing Confidential Information: (i) upon the order of any court or administrative agency; (ii) upon the request or demand of any regulatory agency or authority having jurisdiction over such Member; (iii) to the extent compelled by legal process or required or requested pursuant to

subpoena, interrogatories or other discovery requests; (iv) to the extent necessary in connection with the exercise of any remedy hereunder; (v) to the other Member; (vi) to such Member's Representatives who, in the reasonable judgment of such Member, need to know such Confidential Information and agree to be bound by the provisions of this Section 12.03 as if a Member; or (vii) to any potential Permitted Transferee in connection with a proposed Transfer of Membership Interests from such Member, as long as such Transferee agrees to be bound by the provisions of this Section 12.03 as if a Member; *provided*, that in the case of clause (i), (ii) or (iii), such Member shall notify the Company and other Member of the proposed disclosure as far in advance of such disclosure as practicable (but in no event make any such disclosure before notifying the Company and other Member) and use reasonable efforts to ensure that any Confidential Information so disclosed is accorded confidential treatment satisfactory to the Company, when and if available.

(c) The restrictions of Section 12.03(a) shall not apply to Confidential Information that: (i) is or becomes generally available to the public other than as a result of a disclosure by a Member in violation of this Agreement; (ii) is or has been independently developed or conceived by such Member without use of Confidential Information; or (iii) becomes available to such Member or any of its Representatives on a non-confidential basis from a source other than the Company, the other Member or any of their respective Representatives; *provided*, that such source is not known by the receiving Member to be bound by a confidentiality agreement regarding the Company.

(d) The obligations of each Member under this Section 12.03 shall survive (i) the termination, dissolution, liquidation and winding up of the Company, (ii) the withdrawal of such Member from the Company, and (iii) such Member's Transfer of its Membership Interests.

**Section XII.4 Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 12.04):

If to the Company:

Address: 833 Main Street  
Southbridge MA

E-mail: [wendicano@thedutchmen.us](mailto:wendicano@thedutchmen.us)

Attention: Jose Cano-Valdez

with a copy to:

McMahon Strategic Development, LLC.

517 Boston Post Road #642, Sudbury, MA 01776

E-mail: [james@mcmahonstrategic.com](mailto:james@mcmahonstrategic.com)

Attention: James McMahon, Esq.

If to a Member or Manager, to such Member's or Manager's respective mailing address as set forth on the Members Schedule or Managers Schedule, as applicable.

**Section XII.5 Headings.** The headings in this Agreement are inserted for convenience or reference only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provision of this Agreement.

**Section XII.6 Severability.** If any term or provision of this Agreement is held to be invalid, illegal or unenforceable under Applicable Law in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Except as provided in Section 9.03(g), upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

**Section XII.7 Entire Agreement.** This Agreement, together with the Articles of Organization and all related Exhibits and Schedules, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

**Section XII.8 Successors and Assigns.** Subject to the restrictions on Transfers set forth herein, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. This Agreement may not be assigned by any Member except as permitted by this Agreement and any assignment in violation of this Agreement shall be null and void.

**Section XII.9 No Third-Party Beneficiaries.** Except as provided in ARTICLE IX, which shall be for the benefit of and enforceable by Covered Persons as described therein, this Agreement is for the sole benefit of the parties hereto (and their respective heirs, executors, administrators, successors and assigns) and nothing herein, express or implied, is intended to or shall confer upon any other Person, including any creditor of the Company, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

**Section XII.10 Amendment.** No provision of this Agreement may be amended or modified except by an instrument in writing executed by the Company and the Members holding a majority of the Class A Units. Any such written amendment or modification will be binding upon the Company and each Member. Notwithstanding the foregoing, amendments to the Members Schedule and the Managers Schedule may be made by the Managers in accordance with Section 3.01 and Section 7.02(c).

**Section XII.11 Waiver.** No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. For the avoidance of doubt, nothing contained in this Section 12.01 shall diminish any of the explicit and implicit waivers



described in this Agreement, including in Section 4.05(e), Section 8.03(c)(ii), Section Error! Reference source not found. and Section 12.14 hereof.

**Section XII.12 Governing Law.** All issues and questions concerning the application, construction, validity, interpretation and enforcement of this Agreement shall be governed by and construed in accordance with the internal laws of the State of Massachusetts, without giving effect to any choice or conflict of law provision or rule (whether of the State of Massachusetts or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of Massachusetts.

**Section XII.13 Submission to Jurisdiction.** The parties hereby agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby, whether in contract, tort or otherwise, shall be brought in the United States District Court for the District of Massachusetts or in the Court of Chancery of the State of Massachusetts (or, if such court lacks subject matter jurisdiction, in the Superior Court of the State of Massachusetts), so long as one of such courts shall have subject-matter jurisdiction over such suit, action or proceeding, and that any case of action arising out of this Agreement shall be deemed to have arisen from a transaction of business in the State of Massachusetts. Each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding that is brought in any such court has been brought in an inconvenient form. Service of process, summons, notice or other document by registered mail to the address set forth in Section 12.04 shall be effective service of process for any suit, action or other proceeding brought in any such court.

**Section XII.14 Waiver of Jury Trial.** Each party hereto hereby acknowledges and agrees that any controversy that may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby.

**Section XII.15 Equitable Remedies.** Each party hereto acknowledges that a breach or threatened breach by such party of any of its obligations under this Agreement would give rise to irreparable harm to the other parties, for which monetary damages would not be an adequate remedy, and hereby agrees that in the event of a breach or a threatened breach by such party of any such obligations, each of the other parties hereto shall, in addition to any and all other rights and remedies that may be available to them in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

**Section XII.16 Remedies Cumulative.** The rights and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise, except to the extent expressly provided in Section 9.02 to the contrary.

**Section XII.17 Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of Electronic Transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.



[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

**The Company:**

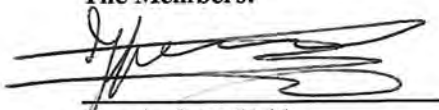
The Dutchmen, LLC

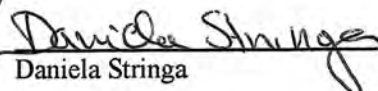
By: 

Name: Jose A. Cano Valdez

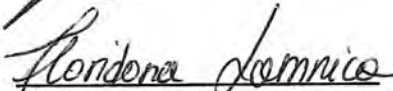
Title: Managing Member

**The Members:**

  
Jose A. Cano Valdez

  
Daniela Stringa

  
Arlind Poro

  
Floridona Lamnica

**EXHIBIT A**  
**FORM OF JOINDER AGREEMENT**

**SCHEDULE A**  
**MEMBERS SCHEDULE**

<b>Member Name and Address</b>	<b>Type of Units</b>	<b>Number of Units</b>
Jose A. Cano Valdez <i>JAV</i> 155 Fairlane Dr. Wethersfield, CT 06109	Class A Units	840 (84%)
Daniela Stringa <i>D-S</i> 155 Fairlane Dr. Wethersfield, CT 06109	Class B Units	100 (10%)
Arlind Poro <i>AP</i> 119 Cedar Street Wethersfield, CT 06109	Class B Units	30 (3%)
Floridona Lamnica <i>F.L.</i> 119 Cedar Street Wethersfield, CT 06109	Class B Units	30 (3%)
<b>Total:</b>		1,000 Units (100%)

**SCHEDULE B**  
**MANAGERS SCHEDULE**

<b>Manager Name and Address</b>
Jose A. Cano Valdez 155 Fairlane Dr. Wethersfield, CT 06019



December 5, 2021

The Dutchmen do not have any employees and cannot register with the Department until we hire employees. The Dutchmen does not anticipate hiring any employees until receipt of Final licensure from the Cannabis Control Commission. Once The Dutchmen receive its final license or hires employees, The Dutchmen will register with the Department of Unemployment and will request a Certificate of Good Standing. The Massachusetts Certificate of Good Standing from the Department of Unemployment will be sent to the Cannabis Control Commission.

December 5, 2021

Floridona Lamnica and Arlind Poro are no longer Managers in the Company. Floridona Lamnica and Arlind Poro were both originally part of the organization when it was originated. Floridona Lamnica and Arlind Poro were not contributing equity into the Company and are no longer Managers in The Dutchmen. They are not exercising any managerial, operational or financial interest in the business, and they are not exercising an influence over the management, operations or finances.

If in the future, it is decided to include Floridona Lamnica and Arlind Poro as a Close Associate, The Dutchmen will notify the Cannabis Control Commission and The Dutchmen will adhere to all regulations as defined by 935 CMR 500.000.

<b>Standard Operating Procedure Compliance Department</b>
---

Document #	<b>Title: Plan for Liability Insurance</b>	Print Date:
Prepared By: Compliance Department		Date Prepared: 10/27/21
Effective Date:	Reviewed By:	Date Reviewed:
Approved By:		Date Approved:

## **Liability Insurance**

The purpose of this plan is to outline how The Dutchmen will maintain the required General Liability and Product Liability insurance coverage as required pursuant to 935 CMR 500.105(10), or otherwise comply with this requirement.

The Dutchmen will maintain an insurance policy in place that satisfies the requirement under 935 CMR 500.105(10). The Dutchmen will maintain general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, and product liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually. The deductible for each policy is not higher than \$5,000 per occurrence. The Dutchmen will maintain reports documenting compliance with 935 CMR 500.105(10) in a manner and form determined by the Commission and make these reports available to the Commission up request.

# THE DUTCHMEN LLC.

## Cannabis Cultivation Business Plan

### Table of Contents:

- Executive Summary
- Operating Plan
- Market Analysis
- Marketing and Sales Plan
- Financial Plan

This business plan is intended solely for informational purposes to assist you in determining if you wish to proceed with a due diligence investigation of this project. The projections represent estimates based on extensive research and assumptions are considered reasonable, but are not guaranteed. The contents are confidential and are not to be produced without express written consent.

## EXECUTIVE SUMMARY

### Company Summary

The Dutchmen is a new company intending to penetrate into the cannabis market in Massachusetts. The Dutchmen is applying for a Tier 3 cultivating license to start with 20,900 sq. ft. facility. The enterprise has been able to secure a facility with a lease agreement of 5 years with the option to buy. The facility is located in 833 Main St Southbridge, MA.

The facility is well positioned and is poised to be an industry leader in the upcoming years. The management team has spent a great deal of time of evaluating and planning in the future upgrade of the facility to meet the desired look and feel of the brand. The business will be initially launching in Southbridge, MA, with future plans to open other outlets in key strategic locations in the state of Massachusetts.

The Dutchmen is to be formed as a Limited Liability Company (LLC) and will be led by Jose Cano-Valdez who will serve as CEO. Jose has managed and operated a cannabis dispensary in the Netherlands for many years. His extensive experience in the industry brings unparalleled vision to this field, from one of the most renowned cannabis markets.

The Dutchmen LLC, will be built on a solid business foundation. The intention is to recruit qualified staff for the various available positions and leverage their expertise to build a business brand as a premier recreational cannabis cultivator within the country. The Dutchmen will provide extensive training to all employees to ensure staff is qualified to handle the wide range of customers that we are positioned to serve. Our work force is going to be well trained to operate within the framework of our company's corporate culture and also to meet the needs of all our customers.

The Dutchmen LLC., plans to operate Monday through Sunday 7:00 am – 7:00 pm.



**Objectives:**

- **Year 1:** Securing the license to start cultivation in the state of Massachusetts. Brand and distribute our product line throughout Massachusetts while securing the license to open our flagship store. To open our first store in the year of 2023.
- **Year 2:** Apply for retail license
- **Year 3:** Continue to build on reputation and customers loyalty
- **Year 5:** Expand existing facilities, surpass local competition, and rebrand new acquisitions to The Dutchmen line.
- **Year 7-10:** Anticipating recreational marijuana will be legal on a federal level in the future, seek options of merging/selling with other well-established dispensaries/cultivating businesses throughout the region thus gaining more market share.

**Our Mission Statement:** The Dutchmen LLC., will work tirelessly to deliver a premium-quality product, a pleasant customer experience while maintaining the high values of our communities. Our uncompromising work ethic and principles will set a strong business foundation to be an unshakable pillar to the cannabis industry.

**Our Vision Statement:** The Dutchmen brand become a trusted nationally recognized name for premium-quality cannabis products.

## OPERATING PLAN

**Sourcing and Order Fulfillment:** All our plants will be tagged in compliance with regulations and we will keep extensive records of all our processes. This will allow us to control product misuse and waste as well as gain proprietary information from our growing processes to forecast and grow better strands in the future. We will track the different stages of plant life, their weights, feeding schedules, periodical height checks and flowering buds.

**Payment:** Our pricing plans will consist more of the same recurring payments from dispensaries but will allow commodity like pricing locking into a contract with local businesses so we can grow and lock in our account's receivables.

**Technology:** This is the most critical part of the business, as it will be the technology to allow us to gain an edge over our competitors. From data collections to product inventories to streamlined seed to packaging processes, it's critical that we set in place extensive systems to help facilitate all these components.

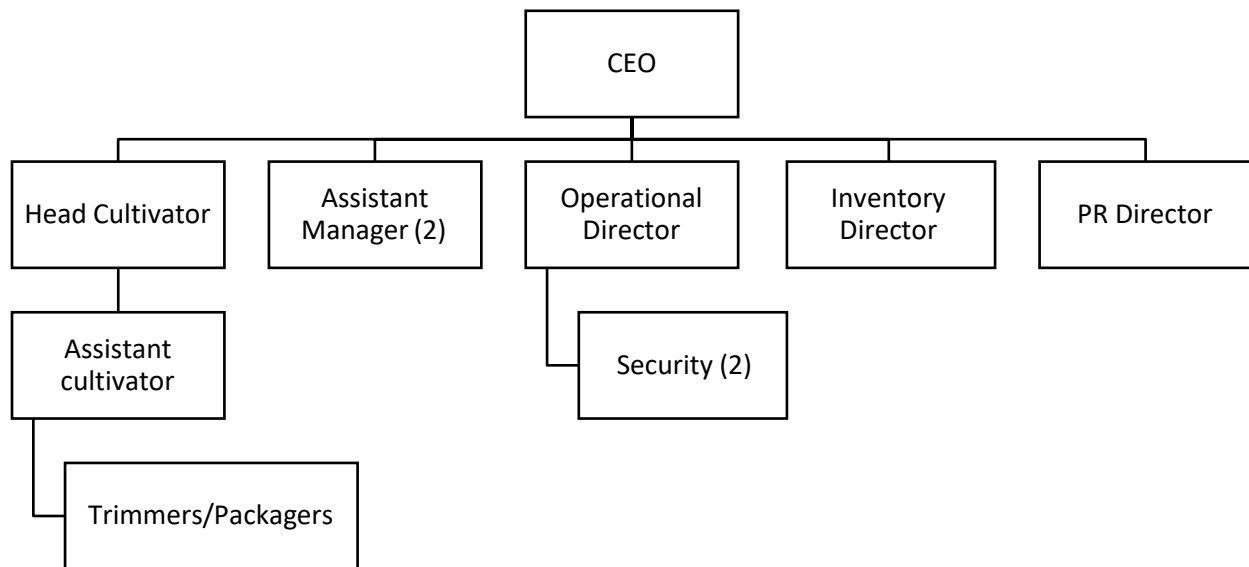
**Key Customers:** Our key customers are local and state-wide dispensaries. They are critically important to our success because they can move product and create more demand as our yield will continue to grow in part to better logistics and research, but also to an improved streamlined process as transactions between us and the dispensaries evolve.

**Facilities:** We will initially lease with an intent to buy. Our cultivating location in Southbridge, MA will be our flagship location and where considerable amount of our resources will go into. As we grow and the business stabilizes, we will start expanding to other strategic locations in Massachusetts.

**Key Employees and Organization:** Besides our very diverse team with backgrounds from many fields, we have mandatory learning sessions for all staff to ensure that we maintain a competitive stage against our competition. We will constantly evolve by tweaking all our processes from the

cultivating to packaging and distributing. We are quite aware of the rules and regulations governing the cannabis industry of which Adult Use marijuana growing falls under. We will recruit experienced and qualified employees as foundational staff of the organization. We hope to leverage on their expertise to build our business brand to be well accepted in the Massachusetts market.

### Organization Structure:



### Training Plans

1. Train employees at time of hire on business operations and compliance.
2. Train employees regularly after hire.
3. Training plan and training log will be available for inspection on the licensed premises.
4. Any person entering data into the Cannabis Tracking System (Metrc) will first be trained by the Metrc administrator .
5. All individuals will be required to be a Registered Marijuana Establishment Agent , and must complete the required training and maintain their Agent badge while working on behalf of the licensee.

## CANNABIS MARKET ANALYSIS

The global legal cannabis market is valued at \$17.7 billion<sup>1</sup> in 2019, growing by about 22 percent annually, according to the report from Grand View Research.

Spending on legal cannabis worldwide is expected to reach \$42.7 billion by 2024 at a compound annual growth rate (CAGR) of 25% from 2019 and hit \$57 billion by 2027, while cannabis market in the United States and Canada is estimated to be about \$46.5 billion and other \$10.5 billion would go to other markets. The largest growth rate is predicted within the rest-of-world markets with projected \$2.5 billion in 2027.

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

Legal medical cannabis spending outside the U.S. and Canada more than doubled in 2019, from \$367 million to \$840 million, largely due to markets in Germany and Mexico. According to the report, the global medical cannabis market is projected to increase in value to \$14.09 billion in 2024 at a CAGR of 10% from 2019 to 2024.

### Key Trends:

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

---

<sup>1</sup> <https://www.grandviewresearch.com/industry-analysis/legal-marijuana-market>

## North American Cannabis Market

The North America legal cannabis market amounted to almost \$14 billion in 2019, growing by 30 percent on the year. The largest market was the United States, which totaled \$12.2 billion. It was followed by Canada with about \$1.7 billion.

The report from cannabis industry analysts Arcview Market Research, in partnership with BDS Analytics<sup>2</sup>, forecasts that the entire legal cannabis market in North America to reach \$24.5 billion in sales – a 20% annual growth rate by 2021 – as more countries and states legalize cannabis for recreational use and existing markets mature and will grow to \$46.5 billion six years later.

## The U.S. Cannabis Market

The U.S. legal cannabis sales reached \$12.2 billion in 2019 according to the Arcview/BDS report and experts forecast that 2020 sales should reach \$16.2 billion and by 2024 could be as high as \$31.1 billion.

Although the use of cannabis is illegal under the federal law and the federal government classifies cannabis as a schedule 1 drug, more than 60% of the U.S. states have legalized it in some form. Most states legalized it only for medical purposes, but eleven states – Alaska, California, Colorado, Illinois (2019), Maine, Michigan (2018), Nevada, Massachusetts, Oregon, Vermont and Washington – have gone further, legalizing the recreational use.

## SWOT Analysis:

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> <li>• Diversification of cannabis cultivation and retail business</li> <li>• Greenhouses and new growing technologies will allow significantly decrease electricity bills and increase profit while competitive prices</li> <li>• Building of dependable relationships with manufactures</li> </ul>	<ul style="list-style-type: none"> <li>• Product liability / legal issues</li> <li>• Enhanced risk of banking / financial / IRS scrutiny</li> <li>• Crop loss possibility due to pests, heat, human error, etc.</li> <li>• High energy consumption</li> </ul>	<ul style="list-style-type: none"> <li>• High growth industry</li> <li>• Growing interest and demand for natural, alternative medicine</li> <li>• Trend toward greater cannabis legalization, including the use of cannabis for recreational purposes</li> <li>• Global Market</li> </ul>	<ul style="list-style-type: none"> <li>• Enforcement of federal law</li> <li>• Possible cannabis law changing</li> <li>• Indicators of a slowed global economy</li> <li>• Large companies entering the market</li> </ul>

<sup>2</sup> <https://bdsanalytics.com/>



## MARKETING AND SALES PLAN

Because of our immense data collections, we will be able to educate and provide unparalleled products and metrics to help our customers understand and push the plants to the end user. The marketing and sales strategy of The Dutchmen will be based on generating long-term personalized relationships with wholesale buyers and eventually retail customers.

The various marketing activities we will rely on to promote our brand are the following channels:

- Business and industry associates
- Business events such as seminars and conferences
- Media advertising
- Digital marketing such as social media, email marketing or SEO

### **Partnerships and on-going research:**

In order to have competitive advantage and be the best in class, our organization has been consulting with various experts, scientists and organizations to further expand our knowledge in the cannabis industry. We will continue to seek consultants that are leaders in the industry to assist our business with its growth.

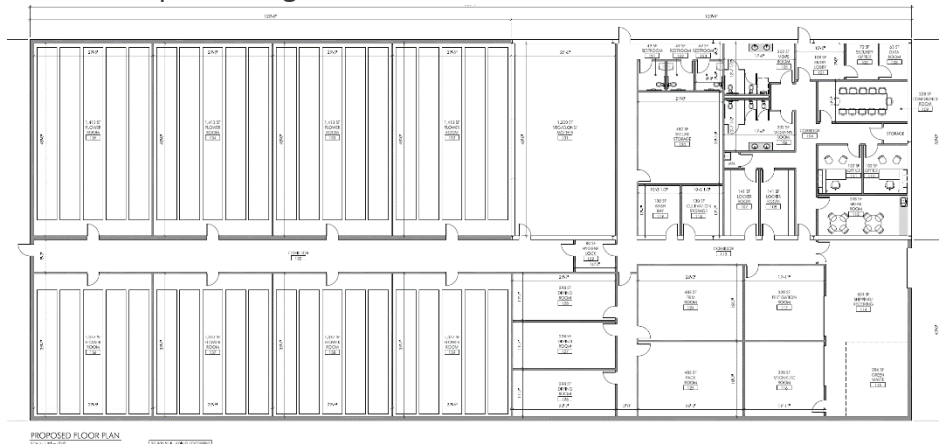
- Dr Filip van Noort, Outside Consultant, crop research and production at the University of Wageningen & Research.
- Dr. Arno Hazekamp, Outside Consultant, an internationally acclaimed cannabis researcher.
- The Legal Cannabis Coalition based in Netherlands, an industry association with proven expertise in cannabis. We have partnered with them to explore their products and services for product development and further study laboratory testing.
- Amsterdam Genetics will be utilized as a resource, they have decades of experience in cultivating prime genetics.
- Damian Solomon of Plant Geeks, a cultivating consultant.

## FINANCIAL PLAN

The Dutchmen startup costs will be fully funded through Jose Cano-Valdez, our CEO as a private investment. From a total investment of \$10M, The Dutchmen is expected to generate approximately \$9.75M in gross revenues with a net income of nearly (\$3.66M) during its first year of business. After the first year of operations, it is expected that The Dutchmen will be able to cut down expenses through achieving business efficiency, gaining operational experience and industry knowledge, resulting in \$14.62M in revenue and \$4.96M in net income.

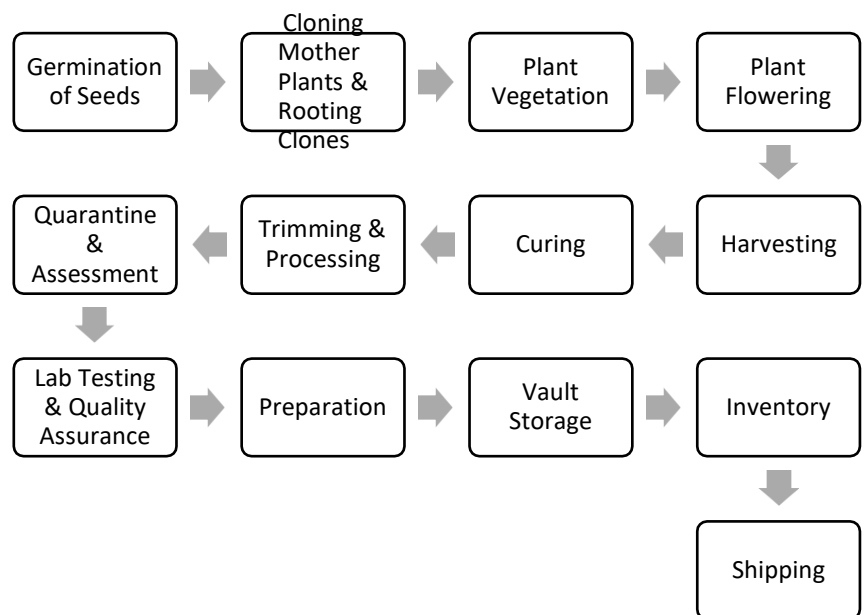
The cultivation premises will be located in an 20,900-sq. ft building and will be adequate to house and grow up to 3,750 plants. The cultivation & processing area will include:

- Mother and Cloning Room
- Vegetative Growth Rooms
- Flowering Rooms
- Drying & Trim Rooms
- Curing Rooms
- Packaging Rooms
- Vault



## Phases of Production

- Germination of seeds, gendering plants, male/female, or feminized plants (10 weeks)
- 1<sup>st</sup> stage: taking and rooting clones (2 weeks)
- 2<sup>nd</sup> stage: clone/vegetation (1 week)
- 3<sup>rd</sup> stage: vegetation (2 weeks)
- 4<sup>th</sup> stage: flowering (8 weeks)
- 5<sup>th</sup> stage: processing/trimming (3 days)
- 6<sup>th</sup> stage: drying and curing (11 days)
- Total elapsed time: approximately 15 weeks



**Warehouse Design**

- A. A warehouse environment provides with maximum control, and therefore the most reliable consistent cannabis crops can be produced in a properly designed warehouse grow room.
- B. Without natural light, warehouse grow rooms depend on intelligent grow lights which need to replicate the parts of the sunlight spectrum that the marijuana plants need at each stage of growth. Lighting is a key component in an integrated system.
- C. Air filtration and circulation systems are essential for controlling heat buildup and eliminating exhaust odors. It is critical that the air circulation in a marijuana warehouse is designed in conjunction with the grow lights because lighting systems emit large amounts of heat.
- D. There are various irrigation systems for growing cannabis appropriate for growing in a warehouse: including drip irrigation, hydroponic flood benches, or trough benches.
- E. The irrigation system should be designed in conjunction with a nutrient management system for maximizing the production yield of the cannabis plants.
- F. Environmental computer. The computer control systems for a cannabis warehouse control and monitor all the nutrients, lights, air circulation, and irrigation needs of the plants
- G. De-humidification to optimize growing environment.
- H. Computer controlled CO2 injection and monitoring.

**THE DUTCHMEN**  
**Profit and Loss Statement - Cultivating**

	Year 1	Year 2	Year 3
Revenue	\$ 9,751,500.00	\$ 14,628,000.00	\$ 16,260,000.00
COGS - Cost of Goods Sold	\$ 5,992,825.00	\$ 7,602,445.00	\$ 3,988,080.00
<b>Gross Profit</b>	\$ 3,758,675.00	\$ 7,025,555.00	\$ 12,271,920.00
% of Revenue	39%	48%	75%
Expenses - Overhead	\$ 272,000.00	\$ 272,000.00	\$ 272,000.00
Expenses - Construction/Renovations	\$ 7,000,000.00	\$ 30,000.00	\$ 30,000.00
Expenses - Marketing & Sales Expenses	\$ 100,000.00	\$ 50,000.00	\$ 50,000.00
Misc./Giving Back	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
Total SG&A Expenses	\$ 7,402,000.00	\$ 382,000.00	\$ 382,000.00
Operating Income	\$ (3,643,325.00)	\$ 6,643,555.00	\$ 11,889,920.00
% of Revenue	-37%	45%	73%
Depreciation and Amortization	\$ 20,000.00	\$ 25,000.00	\$ 27,000.00
Earnings Before Interest & Taxes (EBIT)	\$ (3,663,325.00)	\$ 6,618,555.00	\$ 11,862,920.00
Interest Expense	\$ -	\$ -	\$ -
Earnings Before Taxes (EBT)	\$ (3,663,325.00)	\$ 6,618,555.00	\$ 11,862,920.00
Income Tax		\$ 1,654,638.75	\$ 2,965,730.00
Net Income	\$ (3,663,325.00)	\$ 4,963,916.25	\$ 8,897,190.00
% of Revenue	-38%	34%	55%

**Disclaimer**

"Certain information set forth in this document contains forward-looking information. Except for statements of historical fact, the information contained herein constitutes forward-looking financial projections and includes, but is not limited to, the (i) projected financial performance of the Company; (ii) the use of proceeds from the sale of adult-use marijuana and marijuana products upon receipt of a license to operate a cultivating facility from the Massachusetts Cannabis Control Commission; (iii) the expected development of the Company's business, projects, and joint ventures; (iv) execution of the Company's vision and growth strategy; (v) sources and availability of third-party financing for the Company's projects; (vi) completion of the Company's projects that are in development or otherwise under consideration; and (vi) future liquidity, working capital, and capital requirements.

These statements are not guarantees of future performance. Such forward-looking financial projections necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking financial projections.

Although forward-looking financial projections contained in this document are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that forward-looking financial projections will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The reader is cautioned not to place undue reliance on these forward-looking financial projections."

<p align="center"><b>Standard Operating Procedure</b> <b>Compliance Department</b></p>
--

Document #	<b>Title: Quality Control and Testing</b>	Print Date:
Prepared By: Compliance Department		Date Prepared: 10/27/21
Effective Date:	Reviewed By:	Date Reviewed:
Approved By:		Date Approved:

### **Sanitation Requirements**

The Dutchmen will comply with the following sanitary requirements:

1. Any Dutchmen agent whose job includes contact with marijuana or nonedible marijuana products, including cultivation, production, or packaging, is subject to the requirements for food handlers specified in 105 CMR 300.00, and all edible marijuana products will be prepared, handled, and stored in compliance with sanitation requirements in 105 CMR 500.00, and with the requirements for food handlers, specified in 105 CMR 300.000. Agents working with edible products must be ServSafe certified and will oversee product manufacturing operations.
2. Any Dutchmen agent working in direct contact with preparation of marijuana or nonedible marijuana products will conform to sanitary practices while on duty, including:
  - a. Maintaining adequate personal cleanliness; and
  - b. Washing hands thoroughly in an adequate hand-washing area before starting work, and at any other time when hands may have become soiled or contaminated.
3. The Dutchmen's hand-washing facilities will be adequate and convenient and will be furnished with running water at a suitable temperature. Hand-washing facilities will be located in The Dutchmen's areas where good sanitary practices require employees to wash their hands, and will provide appropriate soaps, sanitary products and paper towels.
4. The Dutchmen's facility will have sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations;
5. The Dutchmen will ensure that litter and waste is properly removed and disposed of so as to minimize the development of odor and minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal will be maintained in an adequate manner pursuant to 935 CMR 500.105(12);
6. The Dutchmen's floors, walls, and ceilings will be constructed in such a manner that they may be adequately kept clean and in good repair;
7. The Dutchmen's facility will have adequate safety lighting in all processing and storage areas, as well as areas where equipment or utensils are cleaned;
8. The Dutchmen's buildings, fixtures, and other physical facilities will be maintained in a sanitary condition;



9. The Dutchmen will ensure that all contact surfaces, including utensils and equipment, will be maintained in a clean and sanitary condition. Such surfaces will be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the US Environmental Protection Agency (EPA), in accordance with labeled instructions. Equipment and utensils will be so designed and of such material and workmanship as to be adequately cleanable;
10. All toxic items will be identified, held, and stored in a manner that protects against contamination of marijuana products. Toxic items will not be stored in an area containing products used in the cultivation of Marijuana. The Commission may require The Dutchmen to demonstrate the intended and actual use of any toxic items found on the premises;
11. The Dutchmen will ensure that its water supply is sufficient for necessary operations. Any private water source will be capable of providing a safe, potable, and adequate supply of water to meet the The Dutchmen's needs;
12. The Dutchmen's plumbing will be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the Marijuana Establishment. Plumbing will properly convey sewage and liquid disposable waste from The Dutchmen. There will be no cross-connections between the potable and waste water lines;
13. The Dutchmen will provide its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair;
14. The Dutchmen will hold all products that can support the rapid growth of undesirable microorganisms in a manner that prevents the growth of these microorganisms; and
15. The Dutchmen will store and transport finished products under conditions that will protect them against physical, chemical, and microbial contamination, as well as against deterioration of finished products or their containers.

The Dutchmen will ensure that the facility is always maintained in a sanitary fashion and will comply with all applicable sanitary requirements.

### **Sanitary Handling and Processing of Marijuana**

The Dutchmen will process marijuana in a safe and sanitary manner. The Dutchmen will process the leaves and flowers of the female marijuana plant only, which will be:

- Well-cured and generally free of seeds and stems;
- Free of dirt, sand, debris, and other foreign matter;
- Free of contamination by mold, rot, other fungus, pests and bacterial diseases; satisfying the sanitation requirements in 105 CMR 500.000: Good Manufacturing Practices for Food, and if applicable, 105 CMR 590.000: State Sanitary Code Chapter X: Minimum Sanitation Standards for Food Establishments;
- Prepared and handled on food-grade stainless steel tables with no contact with an agent's bare hands; and
- Packaged in a secure area.

## **Testing**

The Dutchmen will not sell or otherwise market marijuana or marijuana products that are untested by Independent Testing Laboratories. No marijuana product will be sold or otherwise marketed for adult use that has not first been tested by an Independent Testing Laboratory and deemed to comply with the standards required pursuant to 935 CMR 500.160. Testing of Dutchmen's marijuana products will be performed by MCR Labs, an Independent Testing Laboratory in compliance with any and all requisite regulatory protocols, including, but not limited to, the Protocol for Sampling and Analysis of Finished Medical Marijuana Products and Marijuana-infused Products (Protocol). All transportation of marijuana to and from Independent Testing Laboratories providing marijuana testing services will comply with all regulatory requirements pursuant to 935 CMR 500.105(13).

Marijuana will be tested for the cannabinoid profile and for contaminants as specified by the Commission including, but not limited to, mold, mildew, heavy metals, plant growth regulators, and the presence of pesticides. In compliance with the protocol, testing for all production batches of finished plant material will include pesticides and plant growth regulators. Production batches to be dispensed as finished product will be tested for pesticides, plant growth regulators, heavy metals, bacteria, fungi, mycotoxins, and cannabinoid profile.

Marijuana and marijuana products submitted for retesting prior to remediation must be submitted to an Independent Testing Laboratory other than the laboratory which provided the initial failed result. Marijuana submitted for retesting after documented remediation may be submitted to the same Independent Testing Laboratory that produced the initial failed testing result prior to remediation. The Dutchmen's policy of responding to laboratory results that indicate contaminant levels are above acceptable limits include notifying the Commission within 72 hours of any laboratory testing results indicating that the contamination cannot be remediated and disposing of the production batch. Such notification will describe a proposed plan of action for both the destruction of the contaminated product and the assessment of the source of contamination.

Testing of The Dutchmen's environmental media will be performed in compliance with any and all requisite regulatory protocols.

All excess marijuana will be disposed of in compliance with regulatory requirements, either by the Independent Testing Laboratory returning excess marijuana to The Dutchmen for disposal or by the Independent Testing Laboratory disposing of it directly. The Dutchmen will maintain testing results in compliance with all regulatory requirements and The Dutchmen's recordkeeping policies and will maintain the results of all testing for no less than one year. Testing dates in excess of one year will be deemed expired and may not be dispensed, sold, transferred or otherwise conveyed until retested.

<b>Standard Operating Procedure Compliance Department</b>
---

Document #	<b>Title: Personnel Policies and Procedures</b>	Print Date:
Prepared By: Compliance Department		Date Prepared: 10/27/21
Effective Date:	Reviewed By:	Date Reviewed:
Approved By:		Date Approved:

### **Alcohol, Smoke & Drug-Free Workplace**

The Dutchmen believes in a drug-free, healthy, and safe workplace. To promote this, our agents are required to report to work in the appropriate mental and physical condition to perform their jobs in an exemplary and professional manner. While on-premises and while conducting business-related activities off-premises, including transporting marijuana and marijuana products between licensed Marijuana Establishments, agents may not use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs.

Working while engaged in the legal use of prescribed drugs is allowed only to the extent that the agent's ability to perform the essential functions of the job effectively and in a safe manner is not impaired and that other individuals in the workplace are not endangered. Agents should notify their manager whenever the use of legal drugs for medical purposes may impair the agent's performance, safety, and/or judgment so that the appropriate accommodations can be made.

Violations of this policy may lead to disciplinary actions, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences. The Dutchmen will provide notice to Law Enforcement Authorities and the Commission in accordance no more than twenty-four (24) hours if an incident occurs.

### **Personnel Records**

Personnel Records are maintained as a separate category of records due to the sensitivity and importance of information concerning agents, including registration status and background check records. Personnel records for each agent will be maintained for at least twelve (12) months after termination of the agent's affiliation with The Dutchmen and will include, at a minimum, the following:

- All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
- Documentation of verification of references;
- The job description or employment contract that includes duties, authority, 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 instructor(s);

- A copy of the application that The Dutchmen submitted to the Commission on behalf of any prospective Dutchmen agent;
- Documentation of periodic performance evaluations;
- A record of any disciplinary action taken;
- Notice of completed responsible vendor and eight-hour related duty training;
- A staffing plan that will demonstrate accessible business hours;
- Personnel policies and procedures; and
- All background check reports obtained in accordance with 935 CMR 500.030.

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

- Results of initial background investigation, including iCORI reports completed by Creative Services Inc. and reviewed by the Director of Security;
- Documentation that references were checked prior to agent being hired;
- Offer letter from The Dutchmen to the new agent, including job title and supervisor;
- Materials submitted to the Commission for agent registration purposes;
- Documentation of annual performance reviews;
- Dates of completion of all required initial and recurrent training; including a signed statement by the agent attending the training with the date/time/place the training was received, topics discussed, and the name/title of the presenter(s).
- Documentation of all security related events (including violations) and the results of any investigations and description of remedial actions, restrictions, or additional training required as a result of an incident.

### **External Agencies / Departments**

In the event of an incident call 911 or an emergency the following contacts may be notified:

Massachusetts Marijuana Control Commission:	617-701-8400
Massachusetts State Police:	508-820-2300
Town of Southbridge Fire Department:	508-764-5430
Town of Southbridge Police Department:	508-764-5420

### **Agent and Physical Risk Reduction Measures**

- Agents suspected of diversion will be reported to local law enforcement authorities;
- Multiple surveillance cameras in Limited Access Areas and all areas considered to be high risk for the occurrence of diversion including but not limited to the secure inventory areas and vault areas, among others;
- Minimum of two (2) agents present when moving marijuana into designated vault;
- Vault monitored by multiple security monitors and systems at all times;
- Limited Access Areas and Restricted Access Areas clearly marked, secured, and monitored at all times; and
- Security checks are in place at the main entrance gate and front security office to ensure

unauthorized individuals do not gain access to The Dutchmen facility.

### **Agent Background Checks**

- In addition to completing agent registration process, all agents hired to work for The Dutchmen will undergo a detailed background investigation prior to being granted access to The Dutchmen or beginning work duties.
- Background checks will be performed to screen for the following, among others:
  - Past criminal convictions;
  - Past drug-related offenses;
  - Concealed weapon permits;
  - DEA controlled substance registrations;
  - Professional licenses;
  - Driver's license information;
  - Docket search of state and federal criminal & civil actions;
  - Credit check;
  - Bankruptcies, liens & judgments; and
  - Healthcare licenses & sanctions.
- References provided by the agent will be verified at the time of hire.
- As deemed necessary, individuals in key positions with unique and sensitive access (e.g. members of the executive management team) will undergo additional screening, which may include interviews with prior employers or colleagues.
- As a condition of their continued employment, agents are required to renew their registration cards and submit to other background screening as may be required by The Dutchmen or the Cannabis Control Commission.

### **Agent Training**

The Dutchmen will ensure that all agents complete training prior to performing job functions. Training will be tailored to the roles and responsibilities of the job function of each agent, and at a minimum will include an annual Responsible Vendor Program under 935 CMR 500.105(2)(b). Agents responsible for tracking and entering product into the seed-to-sale Metrc system and will receive training in a form and manner determined by the Commission. At a minimum, staff shall receive eight hours of on-going training annually.

Prior to being granted access to secure areas, including all areas containing marijuana products, agents will receive the following training prior to performing job functions:

- New hire orientation – overview of employment policies and procedures as outlined in the Agent/Employee Handbook;
- General security procedures relevant to all Dutchmen agents;
- Detailed security procedures relevant to the agents' job function;
- Confidentiality – including The Dutchmen's policies and procedures such as security;
- Recordkeeping requirements;
- Customized training related to the agent's job function at the time of hire by the Manager or Supervisor;
- All new employees involved in the handling and sale of marijuana for adult use must successfully complete a Responsible Vendor Training Program within 90 days of hire.



### *Responsible Vendor Training*

On or after July 1, 2019, all current owners, managers and employees of Dutchmen that are involved in the handling and sale of marijuana for adult use at the time of licensure or renewal of licensure, as applicable, will have attended and successfully completed a Responsible Vendor Training Program to be designated a "Responsible Vendor". Once The Dutchmen is designated a "Responsible Vendor", all new employees involved in the handling and sale of marijuana for adult use will successfully complete a Responsible Vendor Training Program within 90 days of hire. After initial successful completion of a Responsible Vendor Training Program, each owner, manager, and employee involved in the handling and sale of marijuana for adult use will successfully complete the program once every year thereafter to maintain designation as a "Responsible Vendor". Administrative employees who do not handle or sell marijuana may take the "Responsible Vendor" program on a voluntary basis. The Dutchmen will maintain records of Responsible Vendor Training Program compliance for four years and make them available to inspection by the Commission and any other applicable licensing authority on request during normal business hours.

### **Confidentiality**

Information held by The Dutchmen is confidential and will not be disclosed without the written consent of the individual to whom the information applies, or as required under law or pursuant to an order from a court of competent jurisdiction; provided, however, that the Commission may access this information to carry out official duties. The Dutchmen agents will receive confidentiality training during new hire orientation.

Any loss/alteration of records will be reported to Commission, the protected party, and law enforcement as necessary.

Metrc harbors the technology required to abide with regulatory standards and prevent theft. Only a POS system approved by the Commission, in consultation with the DOR will be used. The software comes equipped with multiple features to ensure security, theft protection, compliance, and prevents manipulation or alteration of sales data. All hardware is managed and maintained internally. Unlike cloud-based solutions where the licensee relies on the software vendor and cloud provider, the software provides added security as the system links to SSAE 16 certified server locations to ensure the highest level of security. In the event of an automatic failure, the software also works with redundant routers to maintain business records and system functionality. System authentication is encrypted via industry standard SSL with the use of a server-based platform. Cultivation agents will not have access to customer records.

The Dutchmen will conduct a monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate or alter sales data. Records of the monthly analysis will be maintained and produced upon request to the Commission. If it is determined that software has been installed for the purpose of manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data:

1. Dutchmen will immediately disclose the information to the Commission;
2. Cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
3. Take such other action directed by the Commission to comply with 935 CMR

500.105.

The Dutchmen comply with 830 CMR 62C.25.1: Record Retention and Department of Revenue (DOR) Directive 16-1 regarding recordkeeping requirements and adopt separate accounting practices at the point-of-sale for marijuana and marijuana product sales, and non-marijuana sales.

The Dutchmen will work with IT professionals to ensure computer software and other IT infrastructure is updated regularly. In addition, The Dutchmen's network servers will be protected by SSL and locked in a Limited Access Area under twenty-four (24) hour surveillance.

In the event a customer requests information via email, the email will be sent on secure servers, either individually or using blind carbon copy ("BCC"), and will not provide customer info or refer to adult-use marijuana in the subject line in order to protect the recipient's privacy.

#### **Dismissal of Marijuana Establishment Agents**

The Dutchmen asks that agents who resign give at least two (2) weeks' notice of intention to leave their job and submit written notice stating reasons for resigning and the effective date. The Dutchmen reserves the right to immediately dismiss an agent who resigns; however, the agent will be paid during the notice period. An exit interview will be scheduled on or near the final day of employment.

Termination of employment may occur if an agent is repeatedly found to be in dereliction of their duties, insubordinate, regularly late, disruptive, combative, etc. and warnings and reprimands have failed to rectify the situation. Immediate termination of employment will occur if an employee is found to have diverted marijuana (law enforcement and the Commission will be notified) or engaged in unsafe practices with regard to The Dutchmen's standard operating procedures (the Commission will be notified); or been convicted or entered a guilty plea of *nolocontendere*, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority.

## CODE OF ETHICS

The Dutchmen has adopted the following Code of Ethics in order that the public will have increased confidence in the integrity of the professional cannabis industry. As a team member, I agree to abide by the following code:

- To maintain and promote the highest standards of public service and conduct, by placing the interest, concerns, and needs of our customers above our own unless doing so would conflict with a law, regulation, or standard operating procedure.
- To acknowledge that our industry has a special relationship with nature and therefore to strive to improve the environment through quality horticultural and agricultural practices.
- To help keep safe and well-maintained vehicles and equipment to ensure the safety and well-being of our crews and the public at work, in transportation, and when the products are being enjoyed by customers.
- To operate our business beyond reproach by diligently following all regulations, guidelines, best practices, and other performance standards, whether or not required by law.
- To progress in my qualifications and proficiency as a member of the industry and to provide ongoing training and education to employees in safe and proper plant management, production, and processing techniques.
- To avoid and condemn any practice which might bring discredit to our industry.
- To maintain a reputation for fair and honorable conduct with clients, employees, and suppliers.
- To improve and advance our industry through improving our qualifications, encouraging research and exchanging information and experiences.
- To abide by laws & regulations affecting the industry and to promote their enforcement.
- To acknowledge that compliance governmental and industry standards are the mutual responsibility of the product producer and the user, and to only encourage safe and responsible product use.
- To hold myself, my actions, and my work product to the highest standard possible.

Signed this \_\_\_\_\_ day of \_\_\_\_\_

By: \_\_\_\_\_

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

## **Whistleblower Policy**

Massachusetts General Laws c. 149, § 185 protects employees from retaliation for engaging in what is commonly known as "whistleblowing" activities. It protects employees who report or threaten to report illegalities, regulatory violations, health and safety violations, and environmental hazards committed by the employer or by another employer with whom the employer has a business relationship. The law also protects employees who refuse to participate in such activities and provides protections for employees who testify or report crimes. As a general matter, employees are protected against retaliatory action so long as the employee has brought the matter to the attention of a supervisor by written notice and has afforded the employer a reasonable opportunity to correct the activity, policy, or practice. Written notice may not be required to be filed when an emergency exists, when the employee reasonably believes the Company has knowledge, or when the employee fears physical harm as a result of disclosure. The following notice will be posted on the appropriate website and brought to the attention of all employees.

### **NOTICE TO EMPLOYEES: Protection Against Retaliation**

Massachusetts General Laws, Chapter 149, Section 185 offers protections against retaliation to an employee of the Commonwealth who:

- Discloses, or threatens to disclose to a supervisor or to a public body an activity, policy or practice of the employer, or of another employer with whom the employee's employer has a business relationship, that the employee reasonably believes is in violation of a law, or a rule or regulation promulgated pursuant to law, or which the employee reasonably believes poses a risk to public health, safety or the environment.
- Provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into any violation of law, or a rule or regulation promulgated pursuant to law, or activity, policy or practice which the employee reasonably believes poses a risk to public health, safety or the environment by the employer, or by another employer with whom the employee's employer has a business relationship.
- Objects to, or refuses to participate in any activity, policy or practice which the employee reasonably believes is in violation of a law, or a rule or regulation promulgated pursuant to law, or which the employee reasonably believes poses a risk to public health, safety or the environment.

Although some specific statutory exceptions exist, these protections against retaliatory action... "shall not apply to an employee who makes disclosures unless the employee has brought the activity to the attention of a supervisor of the employee by written notice and has afforded the employer a reasonable opportunity to correct the activity, policy, or practice".

### How to File a Complaint of Retaliation

- Employees with complaints should file their notices with the Human Resources Director or the Legal Counsel (to be known as the “Investigator”).
- All complaints of retaliation shall be made in writing and include a clear, detailed, and factual description of the retaliation action, employee(s) involved, and specific date(s) or timeline(s) of the retaliatory action. When relevant, the notices should include a discussion of oral reporting of the issue to managers or supervisors and/or internal communication regarding the issue.
- All complaints of retaliation shall be made within two (2) years of the incident that the complainant believes to be retaliation. A complaint is considered filed based on the date it is postmarked, hand delivered, faxed, or emailed to the Investigator.

### Processing a Complaint of Retaliation

#### Initial response to a Complaint:

The Investigator shall confirm receipt of the complaint in writing to the complainant. The Investigator shall review the details of the complaint to determine if an investigation should occur. An investigation shall occur if the complaint:

1. Is filed within twelve (12) months of the retaliatory incident.
2. At least one negative personnel action occurred after the date of the retaliatory incident and in connection with the person(s) named in the complaint.

If a complaint does not meet the conditions under which an investigation shall occur, the Investigator shall notify the complainant in writing within fifteen (15) calendar days of the decision not to pursue an investigation.

#### Initiating an Investigation:

The Investigator shall notify the employee(s) accused of retaliation in writing that an investigation shall commence. The accused employee(s) shall receive a copy of the complaint. The Investigator shall interview the accused employee(s) and provide an opportunity for the accused employee(s) to respond to the complaint in writing. Responses shall be made in writing to the Investigator within 30 calendar days of the accused employee(s)’s receipt of the notification of an investigation or the date of the interview, as indicated by the Investigator. The Investigator may request that the complainant and/or accused employee(s) submit supplementary information for the investigation, including the names of witnesses. Within six (6) months of the date that the Investigator notified the complainant that an investigation shall commence, the Investigator shall prepare a written report of the investigation findings, including the original complaint of retaliation, a list of individuals interviewed, and any other documentation collected during the investigation.

The Investigator shall render a decision on the complaint within one (1) month of the close of the investigation. The complainant and accused employee(s) shall receive notification of the decision in writing. The complainant has no right to appeal a final decision. The decision and written report shall remain on file in the Investigator’s Office for a period of two (2) years.



### Reporting Improper Activity

#### Filing a Report of Improper Activity:

Employees with complaints should file their written notice of improper activities with their immediate supervisor or other appropriate administrator within their unit. When there is the potential for a conflict of interest, notices may be filed with the Human Resources Director. When the issue involves the Human Resources Director or their office, notices should be made to the Legal Counsel.

### Responsibilities of Supervisors and Administrators

Supervisors and Management who receive notice of significant improper activities as defined as those which constitute a violation of the law or regulation, or which the employee reasonably believes poses a risk to public health, safety or the environment, shall immediately report such allegations in writing to the Human Resources Director, with a copy to the Legal Counsel.

Significant improper activities include, but are not limited to:

- Allegations that reflect a problem with an internal policy that is likely to exist at other units within the Company.
- Allegations of directions to act or to fail to act that are likely to violate Cannabis Control Commission regulations or Company Standard Operating Procedures if carried out.
- Allegations that involve the misuse of Company resources.
- Allegations that have the potential to create significant liability for the University.
- Allegations that are criminal in nature.
- Allegations that have the potential to pose a threat to the health and safety of members of the Company and/or the public.
- Allegations that are judged by the supervisor or manager to be sensitive for another reason.

### Description of Notices

All notices shall be made in writing and include a clear, detailed, and factual description of the issue and employee(s) involved. When relevant, the notices should include a discussion of oral reporting of the issue to managers or supervisors and/or internal communication regarding the issue. Notices may be submitted anonymously. Notices submitted anonymously must provide sufficient evidence to justify an investigation.

### Investigation Process

Upon receipt of a notice, the Investigator will promptly review the documentation provided and investigate the allegations, with other team members if required, based on their areas of expertise. Upon completion of the investigation(s), the Investigator will classify allegations as “improper” or “not improper” activities. When an allegation is classified as “not improper,” the investigation will be formally closed and findings will be communicated in writing to the employee(s) who initiated the notice. When an allegation is classified as “improper” activity, the Investigator will notify appropriate Company Executives and/or State agencies or units and initiate appropriate legal or disciplinary procedures as required by Company policy and/or state or federal law. Paperwork documenting the notice and investigation will be kept on file by Human Resources for two (2) years.

## **Smoke and Vape Free Workplace Policy**

### **Purpose**

The Dutchmen has designed a clean cultivation environment. Smoke and Vaping is not allowed. The Dutchmen is committed to providing a safe and healthy workplace and to promoting the health and well-being of its employees. This policy pertains to all level of employees, contractors and visitors of our Company.

### **Policy**

It is the policy of The Dutchmen to prohibit smoking and vaping on all company premises. Smoking is defined as the "act of lighting, smoking or carrying a lighted or smoldering cigar, cigarette or pipe of any kind." Vaping refers to the use of electronic nicotine delivery systems or electronic smoking devices such as e-cigarettes, e-pipes, e-hookahs and e-cigars.

This policy applies to:

- All areas of buildings occupied by company employees.
- All company-sponsored offsite conferences and meetings.
- All vehicles owned or leased by the company.
- All company employees.
- All visitors (customers and vendors) to company premises.
- All contractors and consultants and/or their employees working on company premises.
- All temporary employees.

### **Procedure**

Employees who violate this policy will be subject to disciplinary action up to and including immediate discharge. A process is in place for resolving complaints about the smoke- and vape-free policy:

- Complaints about the application of this policy should be brought to the attention of the human resources manager or the plant manager for resolution.
- The complaint should be submitted in writing and should identify specific objections.
- The Dutchmen will investigate the complaint and resolve it in accordance with the policy.

No employee shall suffer any form of retaliation for raising a complaint or asking a question about this policy.

**Statement of Understanding**

I have read and fully understand the terms of this Smoking and Vaping policy. I understand that any violation of this policy will result in disciplinary action up to and including termination of employment. I understand that [Company Name] reserves the right to make changes to this policy as needed.

\_\_\_\_\_  
Employee Name

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

<b>Standard Operating Procedure Compliance Department</b>
---

Document #	<b>Title: Recordkeeping</b>	Print Date:
Prepared By: Compliance Department		Date Prepared: 10/27/21
Effective Date:	Reviewed By:	Date Reviewed:
Approved By:		Date Approved:

### Overview

The Dutchmen has established policies regarding recordkeeping and record-retention in order to ensure the maintenance, safe keeping, and accessibility of critical documents. Unless otherwise dictated, electronic and wet signatures are accepted forms of execution of The Dutchmens documents. Records will be stored in The Dutchmen's offices in locked cabinets designated for record retention. All written records will be available for inspection by the Commission upon request. The Dutchmen's records are only accessible to Executives, Management, Security and the Cannabis Control Commission.

To ensure that The Dutchmen is keeping and retaining all records as noted in this policy, a review of corporate records, business records, and personnel records will be executed to ensure completeness, accuracy, and timeliness of such documents as a part of The Dutchmen's quarter-end closing procedures. In addition, The Dutchmen's operating procedures will be updated on an ongoing basis as needed.

*Corporate Records:* Those records that require, at a minimum, annual reviews, updates, and renewals, including:

- Insurance Coverage:
  - Directors & Officers Policy
  - Product Liability Policy
  - General Liability Policy
  - Umbrella Policy
  - Workers Compensation Policy
  - Employer Professional Liability Policy
- Third-Party Laboratory Contracts
- Commission Requirements:
  - Annual Agent Registration
  - Annual Marijuana Establishment Registration
- Local Compliance:
  - Certificate of Occupancy
  - Special Permits
  - Variances
  - Site Plan Approvals
  - As-Built Drawings

- Corporate Governance:
  - Annual Report
  - Secretary of State Filings
  - Board of Directors Meetings
  - Minutes from Board of Directors Meetings

*Business Records:* Records that require ongoing maintenance and updates. These records can be electronic or hard copy (preferably electronic) and at minimum include:

- Assets and liabilities;
- Monetary transactions;
- Books of accounts, which will include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
- Sales records including the quantity, form, and cost of marijuana products;
- Salary and wages paid to each agent, or stipend, and any executive compensation, bonus, benefit, or item of value paid to any individual having direct or indirect control over Dutchmen;
- List of all executives of The Dutchmen, and members, if any, which must be made available upon request by any individual.

*Personnel Records:* At a minimum will include:

- Job descriptions for each agent and volunteer position, as well as organizational charts consistent with the job descriptions;
- A personnel record for each Dutchmen agent. Such records will be maintained for at least 12 months after termination of the agent's affiliation with The Dutchmen and will include, at a minimum, the following:
  - Documentation of verification of references;
  - The job description or employment contract that includes duties, authority, 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.
  - Notice of completed responsible vendor and eight-hour related duty training.
- A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;
- Personnel policies and procedures; and
- Background check reports.

#### *Handling of Marijuana Testing Records*

The Dutchmen will maintain the results of all testing for a minimum of one (1) year. Samples will be prepared by Management and packaged in a container clearly marked for testing. A record of who prepared the sample as well as a full inventory of samples pending pick up and

samples out for testing will be maintained by the Director(s) of Cultivation and Managers. Test results for products pending wholesale transfer will be reviewed by the manager and compared against the packaging and labeling information prior to transport.

#### *Inventory Records*

The record of each inventory will include, at a minimum, the date of the inventory, a summary of the inventory findings, and the names, signatures, and titles of the agents who conducted the inventory. As further detailed in our protocols regarding inventory, audits will be conducted at minimum, monthly with a comprehensive inventory conducted annually.

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

The Dutchmen will use Metrc to maintain real-time inventory. Metrc inventory reporting will meet the requirements specified by the Commission, including, at a minimum, an inventory of marijuana plants, marijuana plant-seeds and clones in any phase of development such as propagation, vegetation, flowering, marijuana ready for dispensing, all marijuana products, and all damaged, defective, expired, or contaminated marijuana and marijuana products awaiting disposal or remediation.

#### *Cultivation Records*

Cultivation records specific to the amount of marijuana produced as well as the amount of marijuana sold will be maintained and reviewed, at minimum, on an annual basis in association with the license renewal application. The Cultivation Director will be responsible for these records.

#### *Incident Reporting Records*

The Dutchmen will notify appropriate Law Enforcement Authorities and the Commission of any breach of security or other reportable incident defined in 935 CMR 500.110(9): *Incident Reporting* immediately and, in no instance, more than 24 hours following discovery of the breach or incident. Notification shall occur, but not be limited to, during the following occasions:

1. Discovery of inventory discrepancies, diversion, theft or loss of any Marijuana Product;
2. Any criminal action involving or occurring on or in the Marijuana Establishment Premises or Licensee or agent;
3. Any suspicious act involving the sale, cultivation, distribution, or production of Marijuana by any Person, unauthorized destruction of Marijuana;
4. Any loss or unauthorized alteration of records related to Marijuana;
5. An alarm activation or other event that requires response by public safety personnel, including but not limited to local law enforcement, police and fire departments, public works or municipal sanitation departments, and municipal inspectional services departments, or security personnel privately engaged by the Marijuana Establishment;
6. The failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last more than eight hours;
7. A significant motor vehicle crash that occurs while transporting or delivering Marijuana or Marijuana Products and would require the filing of a Motor Vehicle Crash Operator Report pursuant to G.L. c. 90 § 26,



provided however that a motor vehicle crash that renders the Licensee's vehicle inoperable shall be reported immediately to state and local law enforcement so that Marijuana or Marijuana Products may be adequately secured; or any other breach of security.

#### *Visitor Records*

A visitor sign-in and sign-out record will be maintained at the Security Office. The record will include the visitor's name, address, organization or firm, date, time in and out, and the name of the authorized agent who will be escorting the visitor. The visitor log will be audited daily by Security Agents.

#### *Waste Disposal Records*

When marijuana or marijuana products are disposed-of, The Dutchmen will create and maintain electronic and physical records of the date, the type and quantity disposed-of, the manner of disposal, the location of disposal or other handling, and the names of the two Dutchmen agents present during the disposal or handling. Documentation is to be signed by both agents. The Dutchmen will keep disposal records for at least 3 years. This period will automatically be extended for the duration of any enforcement action and may be extended by an order of the Commission.

#### *Security Records*

Twenty-four (24) hour recordings from all video cameras are available for immediate viewing by the Commission upon request and are retained for at least ninety (90) calendar days or the duration of a request to preserve the recordings for a specified period of time made by the Commission, whichever is longer. A current list of authorized agents and service personnel that have access to the surveillance room will be available to the Commission upon request.

#### *Transportation Records*

Dutchmen will retain all shipping manifests for a minimum of one (1) year and make them available to the Commission upon request.

#### *Agent Training Records*

Documentation of all required training will require a signed statement of the individual indicating the date, time, and place he or she received the training, the topics discussed and the name and title of the presenter(s). This list of Agent training is not all inclusive, additional training will be provided as necessary:

- Responsible Vendor Training (RVT)
- Anti-diversion Policy
- Fire Safety Plan
- Code of Ethics
- Marijuana Regulations
- Security and Safety
- Emergency Procedures/Disaster Plan
- Diversion of Marijuana
- Terminable Offences

- Confidential Information
- Whistleblower Policy
- Alcohol, smoke and drug-free workplace
- Equal Employment Policy
- Anti-Harassment and Sexual Harassment Policy
- Americans with Disability Act
- Employee Assistance Policy
- Diversity Plan
- ServSafe

### *Closure*

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

### *Written Operating Policies and Procedures*

Policies and Procedures related to The Dutchmen's operations will be updated on an ongoing basis as needed and undergo a review by Management on an annual basis. Policies and Procedures will include the following:

- Security measures in compliance with 935 CMR 500.110;
- Employee security policies, including personal safety and crime prevention techniques;
- A description of the Marijuana Establishment's hours of operation and after-hours contact information, which shall be provided to the Commission, made available to Law Enforcement Authorities upon request;
- Storage and waste disposal of marijuana in compliance with 935 CMR 500.105(11);
- Description of the various strains of marijuana to be cultivated, processed or sold, as applicable, and the form(s) in which marijuana will be sold;
- Price list for marijuana and marijuana products and any other available products;
- Procedures to ensure accurate recordkeeping, including inventory protocols for Transfer and inventory;
- Plans for quality control, including product testing for contaminants;
- A staffing plan and staffing records;
- Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;
- Alcohol, smoke, and drug-free workplace policies;
- A plan describing how Confidential Information and other records required to be maintained confidentially will be maintained;
- A policy for the immediate dismissal of any Marijuana Establishment agent who has:
  1. Diverted marijuana, which shall be reported to Law Enforcement Authorities and to the Commission;
  2. Engaged in unsafe practices with regard to operation of the Marijuana Establishment, which shall be reported to the Commission; or

3. Been convicted or entered a guilty plea, plea of nolo contendere, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of any Other Jurisdiction.
- A list of all Board of Directors members and Executives of a Marijuana Establishment, and Members, if any, of the Licensee must be made available on request by any individual. This requirement may be fulfilled by placing this required information on the Marijuana Establishment's website;
  - Policies and procedures to prevent the diversion of marijuana to individuals younger than 21 years old;
  - Policies and procedures for employees; including but not limited to; Diversity Plan, Equal Employment Policy, Americans with Disability Act, Employee Assistance Policy, Code of Ethics, Whistleblower Policy, Confidentiality, Drug-Free Workplace Policy, Fire Safety, Anti-Harassment and Sexual Harassment Policy, ServSafe, Emergency procedures, and Anti-Diversion Policy.
  - Policies and procedures for energy efficiency and conservation that shall include:
    - Identification of potential energy use reduction opportunities (including, but not limited to, natural lighting, heat recovery ventilation and energy efficiency measures), and a plan for implementation of such opportunities;
    - Consideration of opportunities for renewable energy generation including, where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable;
    - Strategies to reduce electric demand (such as lighting schedules, active load management and energy storage); and
    - Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.
  - Policies and procedures to promote workplace safety consistent with applicable standards set by the Occupational Safety and Health Administration, including plans to identify and address any biological, chemical, or physical hazards. Such policies and procedures shall include, at a minimum, a hazard communication plan, personal protective equipment assessment, a fire protection plan, and an emergency action plan.

### **Record-Retention**

The Dutchmen will meet Commission recordkeeping requirements and retain a copy of all records for two (2) years, unless otherwise specified in the regulations.

### **Inventory and Transfer**

The Dutchmen will enter all marijuana into Metrc and accurately report the physical location of the products within the same business day. No marijuana product, including marijuana, will be sold or otherwise marketed for adult use that has not first been tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000.

Real-time inventory will be maintained at a minimum, an inventory of marijuana plants; marijuana plant-seeds and clones in any phase of development such as propagation, vegetation, and flowering; marijuana ready for dispensing; all marijuana products; and all damaged,

defective, expired, or contaminated marijuana and marijuana products awaiting disposal. It is the responsibility of Cultivation and Production Management to ensure products are properly entered at each phase and continuously audited to ensure accuracy. Plant tags will be attached to all marijuana plants and all marijuana products. All marijuana plants, seeds and clones will be tracked in Metrc. Additionally, package tags will be attached to all finished marijuana and marijuana products. Tracking will occur using a Seed-to-sale methodology in a form and manner to be approved by the Commission.

The Dutchmen will establish inventory controls and procedures for the purpose of inventory reviews, and comprehensive inventories of marijuana products in the process of cultivation, and finished, stored marijuana as additionally detailed in other Dutchmen operating procedures. The Dutchmen will conduct a monthly inventory of marijuana in the process of cultivation and finished/stored marijuana. A comprehensive annual inventory will occur at least once every year after the date of the previous comprehensive inventory. In the event inventory is taken by use of an oral recording device it will be promptly transcribed. The record of each inventory shall include, at a minimum, the date of the inventory, a summary of the inventory findings, and the names, signatures, and titles of the individuals who conducted the inventory.

<b>Standard Operating Procedure Compliance Department</b>
---

Document #	<b>Title: Maintaining Financial Records</b>	Print Date:
Prepared By: Compliance Department		Date Prepared: 10/27/21
Effective Date:	Reviewed By:	Date Reviewed:
Approved By:		Date Approved:

### Overview

The Dutchmen is committed to being compliant with all regulations outlined in 935 CMR 500.00 et. seq. (“the Regulations”) and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission or any other regulatory agency.

The purpose of this policy is to outline the responsibilities of the Company, the Company’s management team and agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that our financial records are maintained in a compliant manner in compliance with all regulations and laws.

All Dutchmen financial records will be kept and maintained according to generally accepted accounting principles. Our CFO is responsible for all accounting responsibilities and will engage the services of external Accountants and Tax Professionals to ensure proper accounting compliance. We will also hire or engage as a contractor a bookkeeper with experience in business accounting to assist in the maintaining of these records.

1. All Dutchmen financial/business records will be available for inspection to the Commission upon request.
2. The Dutchmen will maintain all business records in manual and electronic (computerized) form. These records include, but are not limited to;
  - a. Assets and liabilities;
  - b. Monetary transactions;
  - c. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
  - d. Sales records including the quantity, form, and cost of marijuana products; and
  - e. 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, including members of the nonprofit corporation, if any.

In relation to the maintenance of financial records, The Dutchmen will incorporate the following into our business operations;

1. The Dutchmen will engage the services of a professional payroll and human resources company to assist in Human resources management and payroll services for our employees.
2. The Dutchmen has and will maintain a banking relationship to provide banking services for our company.
3. The Dutchmen will use up to date financial software programs for all financial transactions.
4. The Dutchmen does not plan to make cash transactions with other Marijuana Establishments. All transactions will be done through traditional banking transactions including checks, wire transfers or credit cards.
5. On an annual basis, The Dutchmen will engage the services of an independent certified public accountant who is preferably experienced in the legal marijuana industry, to conduct a financial audit of Dutchmen finances (books).
6. The Dutchmen will engage the services of an industry experienced tax professional for the filing of all required state and federal tax documents.
7. Comprehensive financial audits will be done at the end of every day by the CFO or designee. At the discretion of the CFO the frequency of these audits may be changed to weekly and then monthly.
8. At a minimum, a comprehensive audit by the CFO or designee of all sales transactions will be completed every month.
9. For the first year of operation the CFO will conduct a comprehensive audit of all of the facility's financial records every 3 months and report their findings to the CEO and COO.

#### Access to the Commission

The Dutchmen's electronic and hard copy (written) records will be available to the Commission upon request pursuant to 935 CMR 500.105. The records will be maintained in accordance with generally accepted accounting principles. All written records required in any section of 935 CMR 500.000 are subject to inspection.

#### Access to the Massachusetts Department of Revenue ("DOR")

The Dutchmen's books, records, papers and other data will be made available upon request by the DOR. Accounting records and information in electronic format will be provided in a searchable electronic format if requested by the Commission of the DOR. Any additional reports and schedules relating to the preparation of tax returns will be maintained and made available upon request. Inventory system data as well as any additional purchase reports, schedules or documentation that reconcile to other books and records, such as purchase journals or a general ledger, will also be maintained and made available upon request.

These records will be kept so long as their contents are material in the administration of Massachusetts tax laws. At a minimum, unless the DOR Commissioner consents in writing to an earlier destruction, the records will be preserved until the statute of limitations for making additional assessments for the period for which the return was due has expired. The DOR may require a longer retention period, such as when the records are the subject of an audit, court case, or other proceeding. Additionally, The Dutchmen will comply with all records retention



requirements outlined in the DOR Regulations including but limited to 830 CMR 62C.25.1:  
Record Retention and DOR Directive 16-1 regarding recordkeeping requirements.

## Standard Operating Procedure Compliance Department

Document #	<b>Title: Qualifications and Training SOP</b>	Print Date:
Prepared By: Compliance Department		Date Prepared: 10/27/21
Effective Date:	Reviewed By:	Date Reviewed:
Approved By:		Date Approved:

The Dutchmen is committed to being compliant with all regulations outlined in 935 CMR 500.000, (“the Regulations”) and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission (“CNB” or “the Commission”) or any other regulatory agencies. The purpose of this policy is to outline the responsibilities of the Company, the Company’s management team and Agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that we only hire qualified Marijuana Establishment Agents and that our training process and curriculum are in compliance with all regulations and laws.

The minimum requirements to become a The Dutchmen Marijuana Establishment Agent (“Agent”) are outlined below. All of The Dutchmen board members, directors, employees, contract employees, executives, managers or volunteers will register with the Commission as an Agent. For clarity an employee means, any consultant or contractor who provides on-site services to a Marijuana Establishment related to the cultivation, harvesting, preparation, packaging, storage, testing, or dispensing of marijuana. All of The Dutchmen Agents must;

1. Be 21 years of age or older;
2. Not been convicted of an offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of other Jurisdictions; and
3. Be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 935 CMR 500.801 or 935 CMR 500.802.

The Dutchmen will develop a job description for all positions related to any Agent providing services with the company. While all Agents must meet the qualifications listed above, several of our positions will require additional qualifications depending on the required duties. Pursuant to 935 CMR 500.105(2)(a) we will ensure all The Dutchmen Agents complete training prior to performing job functions. Training will be tailored to the role and responsibilities of the job function.

1. Our initial training begins during employee orientation where all new employees will be issued their employee handbook. Classroom or online training will include, but not be limited to;
  - a. Code of Ethics;

- b. Marijuana Regulations;
  - c. Security and Safety;
  - d. Emergency Procedures/Disaster Plan;
  - e. Diversion of Marijuana;
  - f. Terminable Offences;
  - g. Confidential Information;
  - h. Whistleblower Policy;
  - i. All contract employees or employees will be required to know The Dutchmen employment policies including but not limited to;
    - i. Alcohol, smoke and drug-free workplace;
    - ii. Equal Employment Policy;
    - iii. Anti-Harassment and Sexual Harassment Policy;
    - iv. Americans with Disability Act;
    - v. Employee Assistance Policy; and
    - vi. Diversity Plan
2. After the initial training(s) are completed, Agents will be trained on job specific areas depending on their duties. This training will be done in a classroom setting, online or computerized, on the job training ("OJT") or through external training platforms.
  3. All The Dutchmen Agents will receive a minimum of 8 hours of training annually.
  4. The Dutchmen will record, maintain and store 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. These records will be stored in the Agents Personnel File. Training records will be retained by The Dutchmen for at least one year after the Agents' termination.
  5. Within 90 days of hire, The Dutchmen will require all of its Agents to attend and complete a Responsible Vendor Training Program to become designated as a "responsible vendor."
    - a. After the responsible vendor designation is applied, each The Dutchmen owner, manager, and employee involved in the handling and sale of marijuana for adult use will successfully complete the program once every year thereafter to maintain designation as a "responsible vendor."
    - b. The Dutchmen will maintain records of responsible vendor training program compliance for four years and make them available to inspection by the Commission and any other applicable licensing authority upon request during normal business hours.

6. All The Dutchmen Agents responsible for tracking and entering product into the Seed-to-sale program (Metr) will receive training in a form and manner determined by the Commission.

The Dutchmen will provide training and training opportunities to its employees. In addition to required training, The Dutchmen will require advanced training to our employees in the areas of safety and security, marijuana science or other areas then enhance the Company's, and our Agents safety. These training will include:

1. All Agents who handle marijuana or marijuana products will be trained on basic food safety prior to or during the first day of employment.
  - a. Include basic food safety training as part of new employee orientation.
  - b. The sanitation requirements in 105 CMR 500.000: Good Manufacturing Practices for Food;
  - c. The sanitation requirements in 105 CMR 590.000: Minimum Sanitation Standards for Food Establishments; and
  - d. The requirements for food handlers specified in 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements.
2. All employees engaging in the processing or packaging of Marijuana will be trained and certified in:
  - a. Servsafe Massachusetts Allergen Training Program
  - b. Servsafe Food Handler Program
3. Cultivation staff will receive bi-annual in-service training on food safety, including food allergy awareness.
4. All Managers in cultivation, processing and packaging will be trained as a Certified Food Protection Manager (CFPM) by completing a Servsafe or similar nationally accredited food safety certification course.

<p style="text-align: center;"><b>Standard Operating Procedure</b> <b>Compliance Department</b></p>
---

Document #	<b>Title: Energy Efficiency and Conservation Policy</b>	Print Date:
Prepared By: Compliance Department		Date Prepared: 10/27/21
Effective Date:	Reviewed By:	Date Reviewed:
Approved By:		Date Approved:

### Overview

The Dutchmen will demonstrate consideration of the following factors:

1. Identification of potential energy use reduction opportunities (such as natural lighting and energy efficiency measures), and a plan for implementation of such opportunities.
2. Consideration of opportunities for renewable energy generation, including, where applicable, submission of building plans showing where energy generators could be placed on the site.
3. Strategies to reduce electric demand (such as lighting schedules, active load management, and energy storage).
4. Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.

To the extent updates are required to the information provided for initial licensure, Dutchmen will submit an updated energy compliance letter prepared by a Massachusetts Licensed Professional Engineer or Massachusetts Licensed Registered Architect with supporting documentation, together with a renewal application submitted under 935 CMR 500.103(4). The Dutchmen will use additional best management practices as determined by the Commission, in consultation with the working group established under St. 2017, c. 55, § 78(b), to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts, and will provide energy and water usage reporting to the Commission in a form determined by the Commission. Each license renewal application under 935 CMR 500.103(4) will include a report of The Dutchmen's energy and water usage over the twelve-month period prior to the date of application.

### Energy Efficiency and Conservation

The Dutchmen will identify potential energy use reduction opportunities and energy efficiency measures and a plan for implementation of such opportunities. The design team will review and examine if these opportunities are feasible:

- Reverse Osmosis (R.O.) water filtration and recovery system filters and recycling all greywater, cultivation run-off, and condensation throughout the entire facility.
- Motion sensors used throughout the facility to turn off any non-cultivation related lighting when not in use.
- "Highly efficient" HVAC system utilizing night and day modes in all offices, hallways

- and common areas to conserve energy when not in use.
- Selection of walls that are vinyl coated polystyrene which promotes heating and cooling efficiency.

The Dutchmen will consider opportunities for renewable energy generation. Our team will strive for sustainability and emissions reduction. Considerations including solar and natural gas. The Dutchmen will consider pursuing the following strategies to reduce electric demand.

- Programs may include lighting schedules, active load management and energy storage programs.
- Engaging with the electric company regarding energy efficiency programs pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.

### **Energy Efficiency and Equipment Standards**

The Dutchmen will satisfy minimum energy efficiency and equipment standards established by the Commission and meet all applicable environmental laws, regulations, permits and other applicable approvals, including those related to water quality and quantity, wastewater, solid and hazardous waste management, and air pollution control, including prevention of odor and noise pursuant to 310 CMR 7.00: Air Pollution Control as a condition of obtaining a final license under 935 CMR 500.103(2), prior to obtaining a final license under 935 CMR 500.103(2).

#### *Building Code Requirements*

The Dutchmen's cultivation facility will meet minimum Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR: *State Building Code*), International Energy Conservation Code (IECC) Section C.402 or The American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE) Chapters 5.4 and 5.5 as applied or incorporated by reference in 780 CMR: *State Building Code*.

#### *HVAC*

The Dutchmen's Heating Ventilation and Air Condition (HVAC) and dehumidification systems meet Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR: *State Building Code*), IECC Section C.403 or ASHRAE Chapter 6 as applied or incorporated by reference in (780 CMR: *State Building Code*). The Dutchmen will provide a certification from a Massachusetts Licensed Mechanical Engineer that the HVAC and dehumidification systems meet Massachusetts building code as specified in this 935 CMR 500.120(11)(c) and that these systems have been evaluated and sized for the anticipated loads of the facility.

#### *Lighting*

The Dutchmen's Lighting Power Densities (LPD) for cultivation space will not exceed the maximum average of watts per gross square foot of active and growing canopy unless otherwise determined in guidelines issued by the Commission.

#### *Safety Protocols*

The Dutchmen will establish and document safety protocols to protect workers and consumers (e.g., eye protection near operating grow light), as further described in our Workplace Safety Plan.

#### *Energy Efficiency*



The Dutchmen will document renewable or alternative energy credits that represent a portion of the energy usage not generated onsite, has been purchased and retired yearly. Before final licensure Dutchmen will demonstrate compliance with 935 CMR 500.120(11), by submitting an energy compliance letter prepared by a Massachusetts Licensed Professional Engineer or Massachusetts Licensed Registered Architect with supporting documentation and submission of building plans under 935 CMR 500.100. The Commission may further define these standards, or create reasonable exemptions or modifications, through guidelines issued in consultation with the energy and environmental standards working group established under St. 2017, c. 55, § 78(b).

<p style="text-align: center;"><b>Standard Operating Procedure</b> <b>Compliance Department</b></p>
---

Document #	<b>Title: Restricting Access to Age 21 and Older</b>	Print Date:
Prepared By: Compliance Department		Date Prepared: 10/27/21
Effective Date:	Reviewed By:	Date Reviewed:
Approved By:		Date Approved:

Pursuant to 935 CMR 500.140(3), upon entry into the premise of The Dutchmen by an individual, a registered Marijuana Establishment Agent or Security Agent shall immediately inspect the individual's proof of identification. An individual shall not be admitted to the premise unless the registered Marijuana Establishment Agent or Security Agent has verified that the individual is 21 years of age or older by offering proof of identification.

To verify an individual's age, an Agent must receive and examine from the individual one of the following authorized government issued ID cards: Massachusetts issued driver's license; Massachusetts issued ID card; Out-of-state driver's license or ID card (with photo); Passport; or U.S. Military ID. To verify the age of the individual, the Agent will use an Age Verification Smart ID Scanner that will be supplied by The Dutchmen. If for any reason the identity of the individual (visitor, contractor, consultant, etc.) or the validity of the ID is in question, the individual will not be granted access to the facility.

The Dutchmen will train all Agents on the verification and identification of individuals through Responsible Vendor training. All Agents will enroll in and complete the Responsible Vendor Training Program when it is available. This curriculum will include: Diversion prevention and prevention of sales to minors; and Acceptable forms of identification, including how to check identification, spotting false identification, provisions for confiscating fraudulent identifications, and common mistakes made in verification.

The Dutchmen will have limited access areas identified with clear signage designating the access point for authorized personnel only, pursuant to 935 CMR 500.110(4). Identification badges will be required to be worn at all times by The Dutchmen employees while at the facility.

While at the facility all of The Dutchmen Agents must carry their valid Agent Registration Card issued by the Commission. All of The Dutchmen Agents are verified to be 21 years of age or older prior to being issued a Marijuana Establishment Agent card.

All outside vendors, contractors and visitors shall be required to wear visitor badges prior to entering limited access areas and shall be displayed at all times. Visitors shall be logged in and out and be escorted at all times while on the premises. The visitor log will be available for inspection by the Commission at all times. All visitor badges will be returned to The Dutchmen upon exiting the facility.

The following individuals shall be granted immediate access to the facility: Representatives of the Commission in the course of responsibilities authorized by Chapter 334 of the Acts of 2016, as amended by Chapter 55 of the Acts of 2017 or 935 CMR 500.000; representatives of other state agencies in the Commonwealth; emergency responders in the course of responding to an emergency; and law enforcement personnel or local public health, inspectional services, or other permit-granting agents acting within their lawful jurisdiction.

## DIVERSITY PLAN

The Dutchmen's Diversity Plan serves as a summary of the company's plan to ensure that we are a diverse and inclusive company, promoting a discrimination-free workplace and to encourage all employees to use their individual background and talents to support the growth of the company. Accepting, understanding and valuing the differences amongst our employees gives our company ideas and innovations from a variety of backgrounds and cultures.

Our Diversity Plan represents the initial approach to establish a comprehensive plan with goals and measures. The Plan will be reevaluated annually or as needed. The Dutchmen will adhere to the requirements set forth in 935 CMR 500.105(4) relative to the permitted and prohibited advertising, branding, marking, and sponsorship practices of every marijuana establishment. Furthermore, any actions taken, or program instituted, by The Dutchmen will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

### Goals

The Dutchmen goals will be measured and tracked at all levels of the company at least annually as follows:

**Goal 1:** Recruit diverse employees at all levels. The Dutchmen will assess the demographic percentages of its workforce annually to see if it is meeting its goal to recruit a diverse group of employees. Our workforce hiring goals consists of:

- 15% Women
- 40% minorities
- 20% Veterans
- 15% LGBTQ+ individuals
- 10% Individuals with disabilities

**Proposed Initiative:** To achieve its goal, The Dutchmen will hire staff and post job listings as needed utilizing the following methods:

- Create gender-neutral job descriptions;
- Recruit from on-line recruitment tools, Vangst, Indeed and Zip Recruiter
- Recruit from state and local employment staffing groups

The Dutchmen will advertise at a minimum once annually but as needed for job opportunities that become available at our cultivation facility. The Dutchmen will post all job opportunities internally to create a culture that supports career mobility for minorities.

**Measurement Frequency and Metrics:** The Dutchmen will review the diversity of its workforce and compare these metrics to its percentage goals. The first review will take place within six months of meeting our minimum staffing goals and then on an annual basis. The Dutchmen will assess and review its progress, and submit a report to the Commission at least 60 days prior to the annual renewal

date of our Provisional License. Based upon this annual review, and in conjunction with the renewal of our license, we will be able to demonstrate to the Commission our hiring goals have been met.

**Goal 2:** Ensure that all participants in our supply chain and ancillary services are committed to the same goals of promoting equity and diversity in the adult-use marijuana industry with a goal of having at least 25% of business in our supply chain and ancillary services owned and/or managed by minority groups, women, veterans, people with disabilities and/or LGBTQ+ individuals. The Dutchmen will utilize the following suppliers and ancillary businesses:

- 5% Women
- 5% Minorities
- 5% Veterans
- 5% LGBTQ+; and
- 5% Persons with Disabilities

**Proposed Initiative:** To accomplish this goal, The Dutchmen will prioritize working with businesses in our supply chain and required ancillary services that are owned by or managed by minority groups; women, veterans, people with disabilities, and/or LGBTQ+ individuals. Should advertising for these businesses be required, The Dutchmen will utilize the same methods outlined in Goal 1 and adhere to the provisions of 935 CMR 500.105(4).

**Measurement Frequency and Metrics:** The Dutchmen will measure how many of its ancillary services and participants in its supply chain are owned and/or managed by minorities, women, veterans, people with disabilities and/or LGBTQ+ individuals and will calculate the percentage of services and members of its supply chain who meet this requirement. The Dutchmen will ask suppliers and ancillary services if they will self-identify themselves as a business owned or managed by one of the groups in our Diversity Plan and prioritize based upon this information. The Dutchmen will assess these percentages annually and will be able to demonstrate to the Commission its progress upon the renewal of its license each year.

The Dutchmen will conduct regular evaluations of the implementation of its Diversity goals and at any point, will address our policies and procedures to accomplish better the goals set out in this Diversity Plan.