



Massachusetts Cannabis Control Commission

Marijuana Product Manufacturer

General Information:

License Number: MP281656
Original Issued Date: 12/03/2024
Issued Date: 12/03/2024
Expiration Date: 12/03/2025

ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: THE HIGH END CHOCOLATE COMPANY, LLC

Phone Number: 646-251-3662	Email Address: helen@highendchocolate.com	
Business Address 1: 110 WINTER ST	Business Address 2:	
Business City: HOLYOKE	Business State: MA	Business Zip Code: 01040
Mailing Address 1: PO BOX 151	Mailing Address 2:	
Mailing City: HOLYOKE	Mailing State: MA	Mailing Zip Code: 01041

CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

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

PRIORITY APPLICANT

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

RMD INFORMATION

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

PERSONS WITH DIRECT OR INDIRECT AUTHORITY

Person with Direct or Indirect Authority 1

Percentage Of Ownership: 72.22	Percentage Of Control: 100	
Role: Executive / Officer	Other Role:	
First Name: Helen	Last Name: Gomez	Suffix:
Gender: Female	User Defined Gender:	

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

Specify Race or Ethnicity:

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

Entity with Direct or Indirect Authority 1

Percentage of Control: Percentage of Ownership: 72.22

Entity Legal Name: Eureka Enterprises, LLC

Entity DBA:

DBA

City:

Entity Description: Personal Holding Company for Helen Gomez (Founder, CEO and Managing Member of The High End Chocolate Company, LLC)

Foreign Subsidiary Narrative:

Entity Phone: 646-251-3662

Entity Email: helen@highendchocolate.com

Entity Website:

Entity Address 1: 8 The Green, Suite B

Entity Address 2:

Entity City: Dover

Entity State: DE

Entity Zip Code: 19901

Entity Mailing Address 1: PO B

Entity Mailing Address 2:

Entity Mailing City: Holyoke

Entity Mailing State: MA

Entity Mailing Zip Code:

01041

Relationship Description: Personal Holdings Company for Helen Gomez, Founder, CEO and Managing Member of The High End Chocolate Company, LLC. Eureka Enterprises, LLC is a founding member of Applicant's parent company 'The High End Holding Company, LLC'. The entity provides a deliberative voice and owns voting shares, but does not have have power to exercise authority over the company. However, the sole member of Eureka Enterprises, LLC - Helen Gomez - is also the Managing Member of the Company, and in that role exercises decision making authority over the Applicant company.

CLOSE ASSOCIATES AND MEMBERS

No records found

CAPITAL RESOURCES - INDIVIDUALS

No records found

CAPITAL RESOURCES - ENTITIES

Entity Contributing Capital 1

Entity Legal Name: Capstone Business Funding, LLC

Entity DBA:

Email: joe@capstonetrade.com Phone: 347-821-3400

Address 1: 810 Seventh Avenue, 27th Floor

Address 2:

City: New York

State: NY

Zip Code: 10019

Types of Capital: Debt

Other Type of Capital:

Total Value of Capital Provided: \$2500000 Percentage of Initial Capital: 85

Capital Attestation: Yes

BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

DISCLOSURE OF INDIVIDUAL INTERESTS

Individual 1

First Name: Helen

Last Name: Gomez

Suffix:

Marijuana Establishment Name: THE HIGH END CHOCOLATE COMPANY, LLC Business Type: Marijuana Cultivator

Marijuana Establishment City: HOLYOKE

Marijuana Establishment State: MA

MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 110 WINTER STREET, ROOM 1A

Establishment Address 2:

Establishment City: Holyoke

Establishment Zip Code: 01040

Approximate square footage of the Establishment: 60000

How many abutters does this property have?: 18

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

HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Community Outreach Meeting Documentation	T.H.E. Community Outreach Attestation with Attachments.pdf	pdf	5e613848d2a4e4440583949f	03/05/2020
Plan to Remain Compliant with Local Zoning	T.H.E. MPM Local Zoning Compliance Plan.pdf	pdf	5e61386ab56dea46718f23af	03/05/2020
Executed HCA Waiver	HCA Waiver The High End Product Manufacturing 10.9.24.pdf	pdf	670eb1655fdc620008d753c6	10/15/2024

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

POSITIVE IMPACT PLAN

Positive Impact Plan:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	T.H.E. MPM Positive Impact Plan.pdf	pdf	5e6139c55a27c34431d18b38	03/05/2020

ADDITIONAL INFORMATION NOTIFICATION

Notification:

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: Owner / Partner

Other Role: CEO, Managing Member

First Name: Helen

Last Name: Gomez Suffix:

RMD Association: Not associated with an RMD

Background Question: no

ENTITY BACKGROUND CHECK INFORMATION

Entity Background Check Information 1

Role: Other (specify)

Other Role: shareholder

Entity Legal Name: Eureka Enterprises, LLC

Entity DBA: The High End

Entity Description: Personal Holdings Company for Helen Gomez, Founder, CEO and Managing Member of The High End Chocolate Company, LLC

Phone: 646-251-3662

Email: helen@highendchocolate.com

Primary Business Address 1: 8 The Green, Suite B

Primary Business Address 2:

Primary Business City: Dover

Primary Business State: DE

Principal Business Zip Code: 19901

Additional Information: Personal Holdings Company for Helen Gomez, Founder, CEO and Managing Member of The High End Chocolate Company, LLC. As a majority shareholder, Eureka Enterprises, LLC provides a deliberative voice and owns voting shares. The sole member of Eureka Enterprises, LLC - Helen Gomez - is also the Managing Member of the Company, and in that role exercises decision making authority over the Applicant company.

Entity Background Check Information 2

Role: Other (specify)

Other Role: Lender

Entity Legal Name: Capstone Business Funding, LLC

Entity DBA:

Entity Description: Private Finance Company

Phone: 347-821-3400

Email: joe@capstonetrade.com

Primary Business Address 1: 810 7th Ave, 27th Floor

Primary Business Address 2:

Primary Business City: New York

Primary Business State: NY

Principal Business Zip Code: 10019

Additional Information: https://capstonetrade.com

MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	THE Choco Certificate of Org MA.pdf	pdf	5e6671d6d2a4e44405839f6d	03/09/2020
Bylaws	T.H.E. Chocolate Company OA 10.31.2019.pdf	pdf	5e6671e6c51b0d43fad1dd67	03/09/2020
Department of Revenue - Certificate of Good standing	T.H.E. Choco DOR Letter.pdf	pdf	670eb2707eba6a000813fd85	10/15/2024
Department of Unemployment Assistance - Certificate of Good standing	T.H.E. Choco DUA Letter.pdf	pdf	670eb2787eba6a000813fd99	10/15/2024
Secretary of Commonwealth - Certificate of Good Standing	SOC Certificate of Good Standing The High End Chocolate Co.pdf	pdf	670eb28e5fdc620008d75a0f	10/15/2024

No documents uploaded

Massachusetts Business Identification Number: 001408274

Doing-Business-As Name: The High End

DBA Registration City: Holyoke

BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Business Plan	T.H.E. MPM Business Plan.pdf	pdf	5e66722afd7e6446b62a56ac	03/09/2020
Plan for Liability Insurance	T.H.E. MPM Insurance Plan.pdf	pdf	5e66722dd21b9346780e2088	03/09/2020
Capitalization Table	T.H.E. Chocolate Co CAP TABLE.pdf	pdf	6712d26183494800082c540a	10/18/2024
Proposed Timeline	T.HE. Chocolate Co MP281656 Proposed Timeline Updated.pdf	pdf	6712d265ef14e00009c75bbd	10/18/2024

OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Date generated: 01/06/2025

Document Category	Document Name	Type	ID	Upload Date
Sample of unique identifying marks used for branding	T.H.E. MPM Branding and Packaging Plan.pdf	pdf	5e667684f63398441bbc0360	03/09/2020
Prevention of diversion	T.H.E. MPM Diversion Prevention Plan.pdf	pdf	5e6676879e668e468af074fb	03/09/2020
Diversity plan	T.H.E. MPM Diversity Plan.pdf	pdf	5e667688e25eb94410039073	03/09/2020
Maintaining of financial records	T.H.E. MPM Financial Recordkeeping Plan.pdf	pdf	5e66768aa290f94426bd9d0c	03/09/2020
Inventory procedures	T.H.E. MPM Inventory Plan.pdf	pdf	5e66768cfd7e6446b62a56cc	03/09/2020
Personnel policies including background checks	T.H.E. MPM Personnel Plan.pdf	pdf	5e6676bd5a27c34431d195ef	03/09/2020
Method used to produce products	T.H.E. MPM Production Methods Plan.pdf	pdf	5e6676c0fd7e6446b62a56d0	03/09/2020
Types of products Manufactured.	T.H.E. MPM Products Plan.pdf	pdf	5e6676c2d21b9346780e20b1	03/09/2020
Qualifications and training	T.H.E. MPM Qualifications and Training Plan.pdf	pdf	5e6676c44a895743f3a6b9cf	03/09/2020
Quality control and testing	T.H.E. MPM Quality Control Plan.pdf	pdf	5e6676c9b56dea46718f2eec	03/09/2020
Record Keeping procedures	T.H.E. MPM Recordkeeping Plan.pdf	pdf	5e6676f38b5ea5469520ea77	03/09/2020
Restricting Access to age 21 and older	T.H.E. MPM Restricting Access Plan.pdf	pdf	5e6676f4f63398441bbc0365	03/09/2020
Storage of marijuana	T.H.E. MPM Storage Plan.pdf	pdf	5e6676fa56474b469c11228d	03/09/2020
Transportation of marijuana	T.H.E. MPM Transportation Plan.pdf	pdf	5e6676fba290f94426bd9d13	03/09/2020
Method used to produce products	T.H.E. MPM Obtaining Marijuana Plan.pdf	pdf	5e7b8a991cdd2e3910a50bdf	03/25/2020
Method used to produce products	T.H.E. MPM Safety Plan.pdf	pdf	5e7b8aa381ed8a355b8d6732	03/25/2020
Security plan	THE Security Plan (FINAL).pdf	pdf	5e7b8aabd29ad93571594a28	03/25/2020

ATTESTATIONS

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

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

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

Notification:

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

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

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

ADDITIONAL INFORMATION NOTIFICATION

Notification:

COMPLIANCE WITH POSITIVE IMPACT PLAN - PRE FEBRUARY 27, 2024
No records found

COMPLIANCE WITH DIVERSITY PLAN
No records found

PRODUCT MANUFACTURER SPECIFIC REQUIREMENTS
No records found

HOURS OF OPERATION

Monday From: 8:00 AM	Monday To: 8:00 PM
Tuesday From: 8:00 AM	Tuesday To: 8:00 PM
Wednesday From: 8:00 AM	Wednesday To: 8:00 PM
Thursday From: 8:00 AM	Thursday To: 8:00 PM
Friday From: 8:00 AM	Friday To: 8:00 PM
Saturday From: 8:00 AM	Saturday To: 8:00 PM
Sunday From: 8:00 AM	Sunday To: 5:00 PM

Community Outreach Meeting Attestation Form

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

I, HELEN GOMEZ ANDREWS, (insert name) attest as an authorized representative of THE HIGH END CHOCOLATE CO. (insert name of applicant) that the applicant has complied with the requirements of 935 CMR 500 and the guidance for licensed applicants on community outreach, as detailed below.

1. The Community Outreach Meeting was held on SEPTEMBER 23, 2019 (insert date).
2. A copy of a notice of the time, place, and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was published in a newspaper of general circulation in the city or town on SEPTEMBER 13, 2019 (insert date), which was at least seven calendar days prior to the meeting. A copy of the newspaper notice is attached as Attachment A (*please clearly label the newspaper notice in the upper right hand corner as Attachment A and upload it as part of this document*).
3. A copy of the meeting notice was also filed on SEPTEMBER 12, 2019 (insert date) with the city or town clerk, the planning board, the contracting authority for the municipality, and local licensing authority for the adult use of marijuana, if applicable. A copy of the municipal notice is attached as Attachment B (*please clearly label the municipal notice in the upper right-hand corner as Attachment B and upload it as part of this document*).
4. Notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed on SEPTEMBER 12, 2019 (insert date), which was at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town. A copy of one of the notices sent to abutters and parties of interest as described in this section is attached as Attachment C (*please clearly label the municipal notice in the upper right hand corner as Attachment C and upload it as part of this document; please only include a copy of one notice and please black out the name and the address of the addressee*).

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



AD TEXT

Holyoke

Notice is hereby given that a Community Outreach Meeting for proposed Marijuana Establishments is scheduled for Monday September 23, 2019 at 5:30pm at Nuestras Raices, 329 Main St, Holyoke, MA 01040. The proposed Marijuana Cultivation, Manufacturing, and Research Establishments are anticipated to be located at 110 Winter Street, Holyoke MA 01040, and the proposed Adult-Use Marijuana Retail Establishment is anticipated to be located at 384 Dwight Street, Holyoke MA 01040. There will be an opportunity for the public to ask questions. (September 13)

Related Categories: Notices and Announcements - Legal Notice

Published in *The Republican* 9/13. Updated 9/13.

Helen Gomez Andrews

From: Brenna McGee <mcgeeb@holyoke.org>
Sent: Thursday, September 12, 2019 7:42 AM
To: Helen Gomez Andrews
Subject: Re: Community Outreach Announcement

Good Morning!

You can just submit whatever you send to the newspaper so this will be sufficient and I will distribute to the City Council and put on file...so you are all set!

Please let me know if you have any questions.

Brenna Murphy McGee, MMC

City Clerk/Registrar of Voters/Records Access Officer
Vice President of the Massachusetts City Clerk's Association
City of Holyoke, Massachusetts
536 Dwight Street, Room #2
Holyoke, MA 01040
(T) 413-322-5520
(F) 413-322-5521

On Wed, Sep 11, 2019 at 11:24 PM Helen Gomez Andrews <helen@highendchocolate.com> wrote:

Hi Brenna,

I was hoping I could ask for some guidance.

I am in the process of coordinating our CCC-mandated Community Outreach Meeting for our business, The High End. The properties are 110 Winter Street (Cultivation, Manufacturing, Research) and 384 Dwight Street (Retail). The event is scheduled for Monday 9/23, 530pm at Nuestras Raices.

I'm publishing in the Republican on Friday, and will be mailing a notice to all of our 300 ft abutters tomorrow. I understand that there is a requirement that we also file a notice with the City Clerk's office, and I imagine that I need to submit that to you this week as well.

Can I please trouble you to advise me on what I need to submit, in order to file this notice with your office? (As a reference, I've pasted the Republican notice below, which is essentially the same language that will go into all of our abutters letters.)

Thank you so much for the help, it is incredibly appreciated.

Helen

Notice is hereby given that a Community Outreach Meeting for proposed Marijuana Establishments is scheduled for Monday September 23, 2019 at 5:30pm at Nuestras Raices, 329 Main St, Holyoke, MA 01040. The proposed Marijuana Cultivation, Manufacturing, and Research Establishments are anticipated to be located at 110 Winter Street, Holyoke MA 01040, and the proposed Adult-Use Marijuana Retail Establishment is anticipated to be located at 384 Dwight Street, Holyoke MA 01040. There will be an opportunity for the public to ask questions.

(September 13)

Helen Gomez Andrews

Co-Founder & CEO, The High End

646.251.3662

helen@highendchocolate.com

THE HIGH END



HOLYOKE, MA 01040

Thursday, September 12, 2019

Dear [REDACTED],

This announcement is being sent to you, as an abutter of 110 Winter Street, Holyoke MA 01040.

Notice is hereby given that a Community Outreach Meeting for proposed Marijuana Establishments is scheduled for Monday September 23, 2019 at 5:30pm at Nuestras Raices, 329 Main St, Holyoke, MA 01040. The proposed Marijuana Cultivation, Manufacturing, and Research Establishments are anticipated to be located at 110 Winter Street, Holyoke MA 01040, and the proposed Adult-Use Marijuana Retail Establishment is anticipated to be located at 384 Dwight Street, Holyoke MA 01040.

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

We look forward to seeing you there!

With gratitude,

A handwritten signature in blue ink, appearing to read "Helen Gomez Andrews", is written over the typed name.

Helen Gomez Andrews
CEO, The High End

110 WINTER STREET • HOLYOKE, MA 01040

HCA

THE HIGH END CHOCOLATE COMPANY, LLC
MASSACHUSETTS ADULT-USE MARIJUANA PRODUCT MANUFACTURER:
Plan to Remain Compliant with Local Zoning

Summary Overview

As required by 935 CMR 500.101(1)(a)(10), Applicant submits the following plans to ensure that its Marijuana Establishment will be compliant with local codes, ordinances, and bylaws for its municipality.

Permission to Operate

As set forth in the Code of Ordinances City of Holyoke (*“the Ordinance”*), Appendix A – Zoning § 7-10 for Marijuana Facilities, Marijuana Establishments may only be permitted to conduct business if located within the “IG Zone” district and by Special Permit of the City Council. Applicant was granted, with unanimous approval on September 3, 2019, a Special Permit (attached in Appendix) to operate a Marijuana Manufacturing Establishment (MME) at the address at 110 Winter Street, Holyoke, MA 01040. In accordance with the Ordinance 7.10.5.3.a-b, the Special Permit is valid only for the registered entity to which the permission was granted, and only for the site on which the Marijuana Establishment was authorized; the Special Permit is non-transferable, and its term is limited to Applicant’s ownership or control of the premises as a Marijuana Establishment.

Ordinance Compliance

Operational

In accordance with the Ordinance 7.10.5.1, and additional conditions of the Special Permit, Applicant will restrict its operations to the designated square footage at 110 Winter Street, Holyoke, MA; and within the hours of 8am to 8pm Monday to Saturday and 8am to 5pm on Sunday. Applicant strictly prohibits the consumption – smoked, eaten, or otherwise consumed or ingested – within the premises.

Physical

The premises at 110 Winter Street are fully enclosed, and will have no external storage, as required under the Ordinance 7.10.5.2.

Any external signage will be no greater than 75 square feet, in compliance with the Ordinance 6.4, and will be developed in strict accordance with the marketing and advertising requirements of 935 CMR 500.105(4)(a)(1) and (b)(8)-(9).

The Marijuana Establishment will be ventilated in such a manner that no harmful or potentially harmful substances are dispersed into the outside atmosphere, and that no odor from marijuana cultivation can be detected by any person with an unimpaired or otherwise normal sense of smell at any adjoining use or adjoining property to the Establishment.

Applicant affirms that there are currently no residential units, including transient units (hotels, motels, or dormitories) on the premises, and that there are no plans for any such development on the premises, which are prohibited by the Ordinance 7.10.5.3.

Issuance/Transfer/Discontinuance of Use

As required by the Ordinance 7.10.5.4, in order for the Special Permit to remain in good standing, Applicant shall file an annual report to the City Clerk's office, no later than January 31st, providing a copy of all applicable state licenses for the Marijuana Establishment, ownership disclosure, and a report of continued compliance with the conditions of the Special Permit. Accordingly, Applicant filed its 2019 Annual Report on January 30, 2020.

Applicant understands that its Special Permit will lapse if it ceases operations for a period of 180 days, and/or if its licensure by the Cannabis Control Commission is revoked, expired, terminated, or transferred to a another controlling entity or relocated to another site. Within 48 hours of any such lapse, cessation, discontinuance or expiration, Applicant will notify the Holyoke Zoning Enforcement Officer and City Clerk in writing, and Applicant will be responsible for the removal of all material, plants, equipment, and other paraphernalia.

Additional Conditions of Special Permit

In addition to the requirements of the Ordinance Appendix A – Zoning § 7-10 for Marijuana Facilities, Applicant will comply with the following specified conditions of its Special Permit. As required by the Ordinance 7.10.5.4, Applicant will report compliance with these conditions in its annual report to the Holyoke City Clerk's office.

- Applicant will always pay the commercial property tax rates to the extent allowed by Federal, State, and Local laws for the duration of the Special Permit;
- That the business retain a minimum 30% Holyoke residents for non-security jobs;
- That hiring preference be given to security personnel that are retired Holyoke Police or are a retired member of another police department and are now living in the City of Holyoke;
- That there be no marijuana consumption on site;
- That there shall be no deliveries of retail or medical marijuana from the site to individual homes, residences, or people;
- That hours of operation be Monday-Saturday 8am-8pm and Sunday 8am-5pm;
- Applicant will provide a fence to block access to the railroad track pending authorization from the abutting property owner.

Appendix

City of Holyoke Special Permit

Special Permit

A Special Permit was granted to The High End Management Co., for a Special Permit to operate a Registered Marijuana Retail Establishment and Recreational Marijuana Cultivation Facility at 110 Winter St., Holyoke MA 01040.

Petitioner: The High End Management Co.
110 Winter St.
Holyoke, MA 01040

Parcel: 110 Winter St.
Parcel # 032-01-004/031-01-004
Book/Page 22429/574

- Conditions:
1. Application is amended to be for an MME (No Retail)
 2. That the owner of the building always pay commercial property tax rate to the extent allowed by Federal, State, and Local laws for the duration of the Sp. Permit
 3. That the business retain a minimum 30% Holyoke residents for of non-security jobs
 4. That hiring preference be given to security personnel that are retired Holyoke Police Or are a retired member of another police department now living in the City of Holyoke.
 5. There shall be no marijuana consumption on site.
 6. There shall be no deliveries of retail or medical marijuana from the site to individual homes, residences, or people.
 7. That hours of operation be Monday-Saturday 8am-8pm and Sunday 8am-5pm
 8. Applicant must provide a fence to block access to the railroad track pending authorization from the abutting property owner.

Granted by the City Council on September 3, 2019 by a vote of the Yeas 13, Nays 0, Absent 0

**In order for this permit to be effective, the approved special permit must be recorded at the Hampden County Registry of Deeds and the costs of recording paid by the owner or applicant. A SPECIAL PERMIT WILL NOT TAKE EFFECT UNTIL IT IS RECORDED AT THE HAMPDEN COUNTY REGISTRY OF DEEDS.

***AFTER RECORDING, PLEASE RETURN A COPY TO THE CITY CLERK



Brenna Murphy McGee
Holyoke City Clerk

THE HIGH END CHOCOLATE COMPANY, LLC
MASSACHUSETTS ADULT-USE MARIJUANA PRODUCT MANUFACTURER:
Plan for Positive Impact

Summary Overview

Building a business that is a vehicle for positive change is at the heart of Applicant's mission. This *Positive Impact Plan* is designed to benefit members of its home community, Holyoke, a designated Community of Disproportionate Impact.

Applicant acknowledges and is aware, and will adhere to, the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment.

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

Positive Impact Goals

As a proud new member of the Holyoke community, Applicant values its ability to give back, by providing educational opportunities, and promoting small business development and local entrepreneurship, which will provide financial stability and disposable income to the community. Applicant also believes that urban agriculture is a powerful tool for empowerment, and recognizes the unique resources it can provide to support it within the community.

1. Provide Educational Opportunities

- **Applicant will develop and provide 12 educational events per year, free of charge to Holyoke residents, as described under *Positive Impact Programs: Educational Series Program* below.**

Education is a key element to the economic vitality of any community. Quality educational opportunities, followed by viable career options, will result in a new prosperity that contributes to the overall redevelopment of the community. Applicant seeks to provide such support by providing free educational opportunities to Holyoke residents.

2. Foster Local Economic Development and Support Local Causes

- **Applicant will make an annual financial contribution of at least \$1,000 per annum to an organization that supports entrepreneurship in Holyoke (for 2020: a pledge of \$1,000 to SPARK Holyoke/E-for-All/E-para-Todos); and Applicant will require 100% of employees to volunteer a minimum of 12 hours per year to Applicant's Educational Series Program or to community support organizations in Holyoke. Implementation of both goals are described in further detail under *Positive Impact Programs: Community Support Initiatives* below.**

Support for business development and entrepreneurship as well as for local causes will deliver Holyoke residents with better education and employment opportunities, financial security and independence, improved health, and an overall better quality of life. Applicant will provide this support by developing alliances with local no-profit organizations and charities; and raising money and awareness for local causes.

3. Promote Urban Agriculture

- **Applicant will make an annual financial contribution of at least \$1,000 to an organization that supports urban agriculture in Holyoke (for 2020: a pledge of \$2,000 to OneHolyoke CDC) as specified under *Positive Impact Programs: Urban Agriculture Initiative* below.**

Urban agriculture empowers communities by providing wide-ranging employment and entrepreneurship opportunities; providing affordable, locally-grown food options to its residents; and reducing communities' carbon footprints through real time carbon sequestration and a reduced demand on imported produce.

Positive Impact Programs

Applicant's *Positive Impact Plan* will consist of the following programs. (Acceptance letters from all listed local organizations are included in the Appendix).

1. Positive Impact Advisory Committee

The CEO shall appoint three to five team members to a Positive Impact Action Committee to help ensure that the Company meets their Positive Impact Goals. The Committee will oversee Positive Impact Programs; review and assess volunteer participation data collected by HR; develop ways to improve Positive Impact initiatives; strengthen the culture of giving back; and prepare quarterly progress reports (as recommended by the Commission).

2. Community Support Initiatives

- All staff will be required to volunteer a minimum of 12 hours of their time per year to Applicant's Educational Series Program, or with one or more organizations from the list below (which is subject to change).

SPARK Holyoke/E-for-All/E-para-Todos

A local advocacy group whose mission is to accelerate social and economic impact through entrepreneurship in Holyoke.

Homework House

A Holyoke-based organization promoting educational success through free, individualized tutoring and mentoring for children at-risk.

OneHolyoke CDC

A nonprofit community development corporation dedicated to improving housing and providing community engagement programs for working families in Holyoke.

- Applicant will make an annual financial contribution of a minimum of \$1,000 to an organization that supports career advancement and entrepreneurship in Holyoke. For 2020, Applicant pledged a \$1,000 donation to SPARK Holyoke/E-for-All/E-para-Todos.

3. Educational Series Program

- Applicant will develop a monthly educational series, free of charge for Holyoke residents, on the following topics:
 - a. Urban Agriculture (with the following as possible course examples):
 - Carbon Sequestration Through Urban Regenerative Agriculture;
 - Community Farming and Healthy Food Security;
 - Planting Organic Vegetable Gardens; and
 - The Basics of Cannabis Cultivation.
 - b. Becoming an Entrepreneur in the Cannabis Industry (with the following as possible course examples):
 - Building a Cannabis Company 101;
 - The CCC Licensing Application Process; and
 - Navigating Federal, State, and Local laws.

4. Urban Agriculture Initiative

In addition to providing a free educational series rooted in urban agriculture, Applicant will support and encourage urban agriculture in Holyoke by:

- Making an annual financial contribution of at least \$1,000 to an organization that supports urban agriculture in Holyoke, and leveraging existing relationships (such as Applicant's current membership in 'Green America - Carbon Farming Innovation Network') for the benefit of Holyoke; For 2020, Applicant has pledged \$2,000 to OneHolyoke CDC, in support of their Nature to Nurture program, which engages and empowers local youth.
- Working with local government to advocate for programs that support urban agriculture in Holyoke; such programs may include the development of a local composting platform, improvement of existing community gardens, canal clean-ups, or conversion of empty lots into urban micro-farms.

Measurement of Positive Impact Plan

Applicant understands that the progress or success of this plan, in its entirety, must be documented annually upon renewal, occurring on each anniversary of provisional licensure.

The Positive Impact Advisory Committee will prepare quarterly progress reports as well as an Annual Impact Report, all of which will highlight qualitative and quantitative data for specified timeframes, including:

Quantitative Measures

- Number and subject matter of educational courses offered each year, total number of attendees, number of attendees from Holyoke, to ensure that free education goals are being met;
- Number of hours each team member volunteers each year, and to which organization(s) they've volunteered, to ensure that volunteering goals are being met;
- Number of organizations Applicant's team volunteers their time to, and the names of each;
- Number of organizations Applicant donates funds to, and the names of each;
- Financial data pertaining to the annual dollar amount Applicant donated or invested in non-profit and charitable organizations supporting urban agriculture and other causes that empower Holyoke residents, to ensure that financial giving goals are being met;
- Year over year, and since-inception, comparisons.

Qualitative Measures

- Survey responses from educational course participants from Holyoke;
- Specific instances, as reported back to us from organizations that Applicant supports, in which Applicant's financial and/or volunteering contributions have directly and positively impacted food security, employment, and/or entrepreneurship in Holyoke.

Closing Summary

The advent of the legal cannabis industry offers colossal opportunities for changing the landscape of traditional business. Applicant strives to build a business that is a vehicle for positive change and a means for greater contributions to the community at large. Applicant is eager to participate, and hopes to be considered a pioneer - not just for its regenerative indoor living soil cultivation program - but for being high quality members of society and giving back to the very community which granted Applicant the privilege of participating in the industry.

Appendix

Letter of Acceptance of Volunteers – Spark / E-for-All / E-pa-para-Todos

THE HIGH END

January 9, 2020

Tessa Murphy-Romboletti
Spark EforAll Holyoke
193 High Street
Holyoke, MA 01040

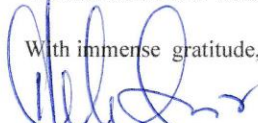
Dear Tessa,

Thank you for accepting our invitation to participate in The High End's Staff Volunteering Initiative. As discussed, we will be requiring for all members of our staff to volunteer at least 12 hours per year to community advocacy organizations in Holyoke. It is vital to us that the growth of our organization is built upon a foundation of community appreciation, and this initiative sets the course for that journey. The City of Holyoke has so graciously welcomed us, and we are eager to give back! With your help, our contributions can become more targeted and more effective.

We intend to launch the initiative as soon as we begin hiring our workforce, and we can't wait to hear from you about the ways in which we can support your mission. Please send all volunteering opportunities to me directly at helen@highendchocolate.com.

We look forward to working with you!

With immense gratitude,



Helen Gomez Andrews
CEO, The High End

Accepted:



Tessa Murphy-Romboletti
Executive Director
Spark EforAll Holyoke

cc: *Massachusetts Cannabis Control Commission*

*110 Winter Street • 384 Dwight Street
Holyoke, Mass.*

Letter of Acceptance of Volunteers – Homework House

THE HIGH END

January 14, 2020

Joanne O'Toole
Homework House
54 North Summer Street
Holyoke, MA 01040

Dear Joanne,

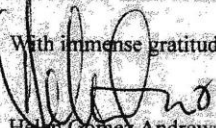
Thank you for accepting our invitation to participate in The High End's Staff Volunteering Initiative.

We will be requiring for all members of our staff to volunteer at least 12 hours per year to community advocacy organizations in Holyoke. It is vital to us that the growth of our organization is built upon a foundation of community appreciation, and this initiative sets the course for that journey. The City of Holyoke has so graciously welcomed us, and we are eager to give back!

We intend to launch the initiative as soon as we begin hiring our workforce, and we can't wait to start sending volunteers to join Homework House's after-school tutoring program!

We look forward to working with you!

With immense gratitude,


Helen Gomez Andrews
CEQ, The High End

Accepted:


Joanne O'Toole
Volunteer Coordinator
Homework House

cc: Massachusetts Cannabis Control Commission

*110 Winter Street • 384 Dwight Street
Holyoke, Mass.*

Letter of Acceptance of Volunteers – OneHolyoke CDC

THE HIGH END

January 13, 2020

Michael Moriarty
OneHolyoke CDC
70 Lyman Street
Holyoke, MA 01040

Dear Michael,

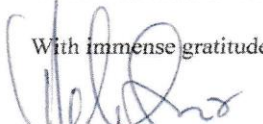
Thank you for accepting our invitation to participate in The High End's Staff Volunteering Initiative.

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We intend to launch the initiative as soon as we begin hiring our workforce, and we can't wait to hear from you about the ways in which we can support your mission. Please send all volunteering opportunities to me directly at helen@highendchocolate.com.

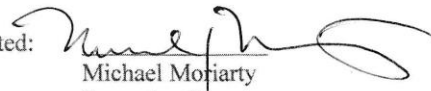
We look forward to working with you!

With immense gratitude,



Helen Gomez Andrews
CEO, The High End

Accepted:



Michael Moriarty
Executive Director
OneHolyoke CDC

cc: *Massachusetts Cannabis Control Commission*

*110 Winter Street • 384 Dwight Street
Holyoke, Mass.*

Letter of Acceptance of Donation – Spark / E-for-All / E-para-Todos

THE HIGH END

January 9, 2020

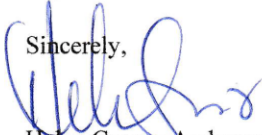
Tessa Murphy-Romboletti
Spark EforAll Holyoke
193 High Street
Holyoke, MA 01040

Dear Tessa,

Thank you for accepting The High End's offer to pledge a donation of at least \$1,000 to Spark EforAll Holyoke in 2020.

As a proud two-time mentor, and member of your Advisory Board, I have seen first-hand how your business accelerator program educates and uplifts entrepreneurs in our community. The High End is honored to give a gift that supports this mission.

Sincerely,



Helen Gomez Andrews
CEO, The High End

Accepted:



Tessa Murphy-Romboletti
Executive Director
Spark EforAll Holyoke

cc: *Massachusetts Cannabis Control Commission*

*110 Winter Street • 384 Dwight Street
Holyoke, Mass.*

Letter of Acceptance of Donation – One Holyoke CDC

THE HIGH END

January 13, 2020

Michael Moriarty
OneHolyoke CDC
70 Lyman Street
Holyoke, MA 01040

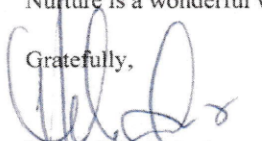
Dear Michael,

Thank you for accepting The High End's offer to pledge a donation of at least \$2,000 to OneHolyoke CDC in 2020, in support of your Nature to Nurture program.

We believe that urban agriculture empowers communities by providing wide-ranging employment and entrepreneurship opportunities; providing affordable, locally-grown food options to its residents; and reducing communities' carbon footprints through real time carbon sequestration and a reduced demand on imported produce.

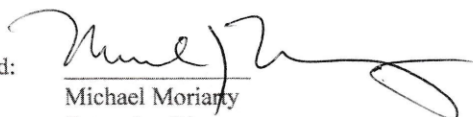
Your local youth engagement, empowerment, and wellness objectives are a perfect fit for our Urban Agriculture Education initiatives. A partnership with OneHolyoke CDC and Nature to Nurture is a wonderful way for us to kick start this work in Holyoke.

Gratefully,



Helen Gomez Andrews
CEO, The High End

Accepted:



Michael Moriarty
Executive Director
OneHolyoke CDC

cc: Massachusetts Cannabis Control Commission

*110 Winter Street • 384 Dwight Street
Holyoke, Mass.*



The Commonwealth of Massachusetts
William Francis Galvin

Minimum Fee: \$500.00

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

Certificate of Organization

(General Laws, Chapter)

Identification Number: 001408274

1. The exact name of the limited liability company is: THE HIGH END CHOCOLATE COMPANY, LLC

2a. Location of its principal office:

No. and Street: 110 WINTER ST
 City or Town: HOLYOKE State: MA Zip: 01040 Country: USA

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

No. and Street: 110 WINTER ST
 City or Town: HOLYOKE State: MA Zip: 01040 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:

APPLYING FOR LICENSE WITH THE CCC

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:

Name: HELEN GOMEZ ANDREWS
 No. and Street: 202 PINE STREET #2
 City or Town: HOLYOKE State: MA Zip: 01040 Country: USA

I, HELEN GOMEZ ANDREWS 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	HELEN GOMEZ ANDREWS	110 WINTER ST HOLYOKE, MA 01040 USA

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

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

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	HELEN GOMEZ ANDREWS	110 WINTER ST HOLYOKE, MA 01040 USA

9. Additional matters:

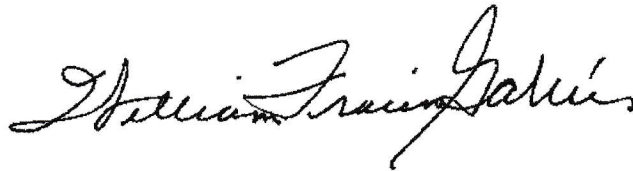
SIGNED UNDER THE PENALTIES OF PERJURY, this 24 Day of October, 2019,
HELEN GOMEZ ANDREWS

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

THE COMMONWEALTH OF MASSACHUSETTS

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

October 24, 2019 01:04 PM

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

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

OF

THE HIGH END CHOCOLATE COMPANY, LLC

Dated as of October 31, 2019

THE LIMITED LIABILITY COMPANY INTERESTS (THE “INTERESTS”) OF THE HIGH END CHOCOLATE COMPANY, LLC (THE “COMPANY”) HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), THE SECURITIES LAWS OF ANY STATE OR ANY OTHER APPLICABLE SECURITIES LAWS IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH LAWS. SUCH INTERESTS MUST BE ACQUIRED FOR INVESTMENT ONLY AND MAY NOT BE OFFERED FOR SALE, PLEDGED, HYPOTHECATED, SOLD, ASSIGNED OR TRANSFERRED AT ANY TIME EXCEPT IN COMPLIANCE WITH (i) THE SECURITIES ACT, ANY APPLICABLE STATE SECURITIES LAWS, AND ANY OTHER APPLICABLE SECURITIES LAWS; AND (ii) THE TERMS AND CONDITIONS OF THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT. THE INTERESTS MAY NOT BE TRANSFERRED OF RECORD EXCEPT IN COMPLIANCE WITH SUCH LAWS AND THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT. THEREFORE, PURCHASERS OF SUCH INTERESTS WILL BE REQUIRED TO BEAR THE RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE HIGH END CHOCOLATE COMPANY, LLC

This LIMITED LIABILITY COMPANY OPERATING AGREEMENT of THE HIGH END CHOCOLATE COMPANY, LLC (the “Company”), dated as of October 31, 2019, is entered into by and among the Common Members (as hereinafter defined) identified on Schedule A hereto or otherwise named in the books and records of the Company and such other parties which may from time to time be admitted as members of the Company. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed thereto in Article I hereof.

WITNESSETH:

WHEREAS, the Company was formed pursuant to an Certificate of Organization dated as of October 24, 2019, as a Massachusetts limited liability company under the Act (as hereinafter defined); and

WHEREAS, on or about October 31, 2019 the parties hereto entered into an Operating Agreement to govern the operating of the Company.

WHEREAS, the parties hereto seek to amend the Operating Agreement to provide for provisions attendant to the Core Business of the Company (herein defined).

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

ARTICLE I

DEFINITIONS

1.1. **Definitions.** As used in this Agreement, the following terms have the meanings set forth below:

“Act” means the Massachusetts Limited Liability Company Act, as amended from time to time, and any successor to such statute.

“Affiliate” of a Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes of this definition, “control,” “controlled,” and “controlling” mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. For the avoidance of doubt, any Person serving as the Managing Member of the Company is an Affiliate thereof so long as such Person remains in such capacity.

“Agreement” means this Limited Liability Company Operating Agreement of the Company, including schedules or other items annexed hereto, as it may be amended, supplemented, modified or restated from time to time.

“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, including, without limitation, the Marijuana Laws; (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.

“Application” means an application for a License to operate a Marijuana Establishment.

“Assignee” has the meaning set forth in Section **Error! Reference source not found.**

“Assumed Income Tax Rate” means a rate equal to forty-five percent (45%) with respect to ordinary income and twenty-five percent (25%) with respect to capital gains and dividends (to the extent such dividends are subject to U.S. federal income tax at the same rate as capital gains at that time); *provided* that the Managing Member shall adjust such rates to reflect increases or decreases in the highest effective marginal combined U.S. federal, state and local tax rate generally applicable to the Members (taking into account the character of the income (i.e., ordinary vs. capital gains) and the deductibility of state and local income taxes).

“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 4.1(c).

“Cause” means the occurrence or existence of any of the following with respect to a Member:

(a) breach of (after giving effect to any applicable grace periods) any of such Member’s material obligations (i) hereunder (including Section 8.12(d) hereof); or (ii) under any other agreement between such Member and the Company;

(b) the conviction of, or plea of guilty or *nolo contendere* by, such Member in respect of (i) any felony or (ii) any other crime involving moral turpitude;

(c) the perpetration by such Member of fraud against the Company, or any of its Affiliates.

(d) any violation of the Marijuana Laws and/or any actions which causes, or threatens to cause, a Loss of License.

“CCC” means the Massachusetts Cannabis Control Commission.

“Code” means the United States Internal Revenue Code, as amended from time to time.

“Common Member” means each of the Persons listed as a “Common Member” in the books and records of the Company and any Person admitted to the Company as an additional or substituted “Common Member” of the Company in accordance with the provisions of this Agreement, in each case for so long as such Person remains a “Common Member” as provided hereunder.

“Common Membership Interest(s)” shall mean the Interests held by the Common Members.

“Company” means THE HIGH END CHOCOLATE COMPANY, LLC, a Massachusetts limited liability company, as such name may be changed from time to time in accordance with this Agreement and applicable law.

“Core Business” has the meaning set forth in Section 2.6.

“Covered Person” has the meaning set forth in Section 3.9(a).

“Debt Interests” means bonds, notes, debentures, or obligations of a Person other than the Company for borrowed money or with respect to deposits, loans or advances of any kind.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person other than the Company, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

“Fiscal Period” means a calendar quarter except that a Fiscal Period will terminate and a new Fiscal Period will begin on the admission date of an additional Member or the effective date of the withdrawal of a Member, if any such date is not the first day of a calendar quarter.

“Fiscal Year” has the meaning set forth in Section 5.2.

“Governmental Authority.” Subject to Section 9.5, any government or political subdivision, 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.

"Initial Public Offering" means any underwritten public offering pursuant to a registration statement filed in accordance with the Securities Act.

“Interest” means the entire limited liability company interest held by a Member in the Company at any particular time, including the right of such Member to any and all benefits to which a Member may be entitled as provided in this Agreement, together with the obligations of such Member to comply with all the terms and provisions of this Agreement. For convenience Interests may be subdivided into Units.

“Investment Company Act” means the U.S. Investment Company Act of 1940 and the rules and regulations promulgated thereunder, as amended from time to time.

“Investment Interests” means Equity Interests or Debt Interests held by the Company with a view toward investment return or capital appreciation.

“License” means a license to operate a Marijuana Establishment in Massachusetts that is issued by the CCC pursuant to the Marijuana Laws, and/or any license, certificate, permit, authorization, consent, approval, finding of suitability or qualification required for the Company or any Affiliate lawfully to engage in the Core Business of the Company (or, in the case of an Affiliate, the business of such Affiliate consistent with the Core Business of the Company).

“Liquidity Event” means (a) a merger of the Company with or into another entity (if after such merger the holders of a majority of the Company’s voting securities immediately prior to the transaction do not hold a majority of the voting securities of the successor entity), and (b) a sale by the Company of all or substantially all of its assets.

“Loss of License” means any denial, delay in securing, revocation, suspension, or non-renewal of a License, or threat of any of the foregoing, whether resulting from any judicial or administrative proceeding, CCC or law enforcement investigation or action, or otherwise, and which arises out of or is associated with, either directly or indirectly, any act or omission of any Member (including any partners, members, managers, shareholders, employees, agents, officers or directors of such Member), including, but not limited to, the knowing commission of any crime or other act deemed inconsistent with the holding of a License, the violation of any provision of the Marijuana Laws relating to owning and/or operating a Marijuana Establishment, an investigation conducted by any law enforcement agency in to the commission of any crime, alleged illegal activity, or other act that is inconsistent with the holding of a License or which threatens the issuance, keeping, or renewal of a License, whether or not the allegations or basis for such allegations or investigation with respect thereto are true in fact, or the failure of such Member to cooperate with the with any Governmental Authority to its satisfaction.

“Managing Member” has the meaning set forth in Section 3.1(a).

“Marijuana Establishment” means a Marijuana Cultivator, Craft Marijuana Cooperative, Marijuana Product Manufacturer, Marijuana Retailer, Independent Testing Laboratory, Marijuana Research Facility, Marijuana Transporter, or any other type of licensed marijuana-related business, except a marijuana treatment center, as such terms are defined by the Marijuana Laws.

“Marijuana Laws” means Title 935 of the Code of Massachusetts Regulations, Section 500.000 *et seq.* (935 CMR 500.000) and any other law or regulation future developed that is enacted for the purpose of implementing St. 2016 c. 334, The Regulation and Taxation of Marijuana Act, as amended by St. 2017, c.55, An Act to Ensure Safe Access to Marijuana.

“Member” means each of the Common Members.

“Member Separation Date” means the date that a Member’s employment or status as a member, manager or partner with the Company or its Affiliates is terminated for any reason.

“Net Income (Loss)” for any Fiscal Period means the net income or net loss of the Company for such Fiscal Period determined in accordance with the accounting method used by the Company for U.S. federal income tax purposes, excluding, however, any amounts allocated pursuant to Sections 4.2(b), 4.2(c), 4.2(d), 4.2(e), and 4.2(f). Net income and net loss as calculated above are independently reported as “Net Income” and “Net Loss.”

“Operating Reserve” means such amount as is determined by the Managing Member in good faith to be necessary or prudent for the Company to maintain in cash or Temporary Investments in order to satisfy the Company’s accrued or anticipated expenses or other obligations and otherwise to meet the operational needs of the Company’s business.

“Person” means any individual, general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative, association or other entity and, where the context so permits, the legal representatives, successors in interest and permitted assigns of such Person.

“Profit Sharing Percentage” means, with respect to a Member, its interest in the Company’s Net Income (Loss), or any component thereof, as set forth on Schedule A hereto.

“**Pro Rata Portion**” means, with respect to the number of Units to be sold by each Member pursuant to Section 7.8, the number of Units equal to the product of (x) the total number of Units the Proposed Transferee proposes to purchase and (y) a fraction (A) the numerator of which is equal to the number of Units then held by such Member and (B) the denominator of which is equal to the number of Units then held by all of the Members (including, for the avoidance of doubt, the Selling Member).

“Securities Act” has the meaning set forth in Section 8.12(c)(vii).

“Separated Member” has the meaning set forth in Section 9.4.

“Tax Matters Member” has the meaning set forth in Section 5.3.

“Transfer” means any assignment, sale, exchange, transfer, pledge, encumbrance, hypothecation or other disposition of all or any part of (including economic rights relating to) an Interest, including any transfer resulting from the division of marital property as contemplated by Section 7.1.

“Treasury Regulation(s)” means the regulations issued by the U.S. Treasury Department.

“Unit” shall mean, for any Member, the units (or portions thereof) of Common Membership Interest held by such Member as set forth on Schedule A, as amended from time to time in accordance with this Agreement. The Company may issue whole or fractional Units, as the Managing Member deems appropriate from time to time.

1.2. **Terms Generally.** The definitions in Section 1.1 shall apply equally to both the singular and plural forms of the terms defined. References to any Sections herein shall include the definitions used therein. Except where the context clearly requires to the contrary: (i) each reference in this Agreement to a designated “Section,” “Schedule,” “Exhibit,” or “Appendix” is to the corresponding Section, Schedule, Exhibit, or Appendix of or to this Agreement; (ii) instances of gender or entity-specific usage (e.g., “his,” “her,” “its,” “person” or “individual”) shall not be interpreted to preclude the application of any provision of this Agreement to any Person; (iii) the word “or” shall not be applied in its exclusive sense; (iv) “including” shall mean “including, without limitation”; (v) references to laws, regulations and other governmental rules, as well as to contracts, agreements and other instruments, shall mean such rules and instruments as in effect at the time of determination (taking into account any amendments thereto effective at such time without regard to whether such amendments were enacted or adopted after the effective date of this Agreement) and shall include all successor rules and instruments thereto; (vi) references to any specific statute or similar codification of law shall mean such statute or other codification as construed, modified, extended or enabled by any applicable binding governmental rules or regulations; (vii) references to “law” shall mean any applicable law, whether embodied in statute, governmental rule or regulation, case law or other legally binding format; (viii) references to “\$” or “dollars” shall mean the lawful currency of the United States; (ix) the meaning of the terms “domestic” and “foreign” shall be determined by reference to the United States; (x) references to “days” shall mean calendar days; (xi) references to months or years shall be to the actual calendar months or years at issue (taking into account the actual number of days in any such month or year); (xii) days, business days and times of day shall be determined by reference to local time in New York, New York; and (xiii) the English language version of this Agreement shall govern all questions of interpretation relating to this Agreement, notwithstanding that this Agreement may have been translated into, and executed in, other languages.

ARTICLE II

General Provisions

2.1. **Formation; Continuation.** The Company has been formed and is hereby continued under the provisions of the Act for the purposes and on the terms set forth in this Agreement. Each of persons executing the Certificate of Organization is designated as an

authorized person, within the meaning of the Act, and were authorized to execute, deliver and file the Certificate of Organization of the Company filed with the Secretary of the Commonwealth of the Commonwealth of Massachusetts on October 24, 2019, and the Managing Member and the Common Members shall approve any further amendments or restatements thereof.

2.2. **Members.** Schedule A attached hereto contains the name, initial capital contribution, Profit Sharing Percentage of each Member, and the classification of each Member as a Common Member as of the date of this Agreement. The Managing Member is authorized to revise Schedule A from time to time to reflect the admission, removal or withdrawal of a Member in accordance with the terms of this Agreement and other modifications to or changes in the information set forth therein, with the consent of the Common Members.

2.3. **Name.** The Company shall conduct its activities under the name of “THE HIGH END CHOCOLATE COMPANY, LLC.” The Company’s business may be conducted under any other name or names as the Managing Member may determine; *provided* that the name shall always contain the words “Limited Liability Company” or the letters “LLC” or “L.L.C.” The Managing Member shall give prompt notice of any such name change to each Member.

2.4. **Limitation of Liability.**

(a) Except as provided in the Act, as expressly provided in this Agreement or as such Member shall otherwise expressly agree in writing, no Member of the Company shall be obligated personally for any debt, obligation or liability of the Company or of any other Member solely by reason of being a Member of the Company.

(b) In no event shall any Member (i) be obligated to make any capital contribution or payment to or on behalf of the Company or (ii) have any liability to return distributions received by such Member from the Company, in each case except as otherwise specifically provided in this Agreement, as such Member shall otherwise expressly agree in writing or as may be required by applicable law.

2.5. **Term.** The existence of the Company shall continue unless and until the Company is dissolved, wound up and terminated in accordance with Article VI. No Member shall have the right, and each Member hereby agrees not to, withdraw from the Company, or dissolve, terminate or liquidate, or petition a court for the dissolution, termination or liquidation of the Company, in each case except as expressly provided in this Agreement, and except with the consent of the Managing Member in his sole and absolute discretion, no Member at any time shall have the right to petition or to take any action to subject Company assets or any part thereof to the authority of any court or other governmental body in connection with any bankruptcy, insolvency, receivership or similar proceeding.

2.6. **Purpose; Powers.**

(a) The purpose of the Company shall be, directly or indirectly through subsidiaries or Affiliates, (i) to own and hold Investment Interests in various investment opportunities and strategic partnerships that are identified by the Managing Member or the

Members and to exercise the Company's rights with respect to such Investment Interests, which may include, among other things, to apply for one or more License(s) to operate as a Marijuana Cultivator, Marijuana Research Facility, Marijuana Product Manufacturer, and/or Marijuana Retailer (as such terms are defined in the Marijuana Laws); (ii) to engage in any other lawful business under the Act and applicable law that the Managing Member determines the Company shall engage in; and (iii) to do all things necessary or incidental thereto.

(b) In furtherance of its purposes, the Company shall have all powers necessary, suitable or convenient for the accomplishment of its purposes, alone or with others, subject to the provisions of Article III hereof and Applicable Law, including the following:

(i) to hold, receive, mortgage, pledge, transfer, exchange, otherwise dispose of and deal in and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to the Company's Investment Interests;

(ii) to hold, receive, mortgage, pledge, transfer, exchange, otherwise dispose of, grant options with respect to and otherwise deal in and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to all securities and other real and personal property;

(iii) to invest and reinvest cash assets of the Company in any investments;

(iv) to have and maintain one or more offices within or without the Commonwealth of Massachusetts and, in connection therewith, to rent or acquire office space, engage personnel and do such other acts and things as may be advisable or necessary in connection with the maintenance of such office or offices;

(v) to open, maintain and close bank accounts and draw checks and other orders for the payment of moneys and to open, maintain and close accounts with brokers, custodians and others;

(vi) to engage or terminate employees and officers (with such titles and delegated responsibilities as may be specified herein or determined by the Managing Member), accountants, auditors, custodians, advisors, sub-advisors, consultants, attorneys and any and all other agents and assistants, both professional and nonprofessional, including Members and their Affiliates, and to compensate them as may be necessary or advisable;

(vii) to form or cause to be formed and to own the stock of one or more corporations, whether foreign or domestic, and to form or cause to be formed and to participate in partnerships, limited liability companies and joint ventures, whether foreign or domestic;

(viii) to enter into, make and perform all contracts, agreements and other undertakings as may be deemed necessary or advisable or incident to carrying out its purposes;

(ix) to sue, prosecute, settle or compromise all claims against third parties, to compromise, settle or accept judgment of claims against the Company, and to execute all documents and make all representations, admissions and waivers in connection therewith;

(x) to borrow money from or make loans or other extensions of credit to (either on a secured or unsecured basis or with or without recourse) any Person or to guarantee loans or other extensions of credit for any purpose;

(xi) to distribute, subject to the terms of this Agreement, at any time and from time to time to Members cash, securities, investments or other property of the Company, or any combination thereof; and

(xii) to take such other actions necessary or incidental thereto not prohibited under applicable law.

2.7. **Registered Office and Registered Agent; Places of Business.** The Company shall maintain a registered agent for service of process in the Commonwealth of Massachusetts, and a registered office at such office as may from time to time be determined by the Managing Member. The Company will maintain offices and principal places of business at such places as may from time to time be determined by the Managing Member.

ARTICLE III

Management And Operation of the Company

3.1. **Management.**

(a) Management of the Company shall be vested in the “Managing Member.” The Managing Member may be but need not be a Member or a resident of the Commonwealth of Massachusetts. The Managing Member shall have the authority to exercise all powers necessary and convenient for the purposes of the Company, including those enumerated in Section 2.6, on behalf and in the name of the Company, subject to compliance with the restrictions and other provisions of this Agreement. All decisions with respect to the management and control of the Company that are duly made by the Managing Member shall be binding on the Company and each of the Members.

(b) Except as expressly provided in this Agreement, the Members shall have no right to, and shall not, take part in the management or affairs of the Company, nor in any event shall any Member as such have the power to act for or bind the Company. A Member or an agent of a Member may, however, be an employee, agent, director, advisor or officer of the Company and may act on behalf of the Company in such capacity to the extent authorized to do so by the Managing Member.

3.2. **Appointment and Resignation and Removal of Managing Member; Term of Office.** The initial Managing Member shall be Helen Gomez Andrews. Any Person serving as the Managing Member may resign at any time. A resignation shall be made in writing to the Common Members and shall take effect at the time specified therein, or if no time be specified, at

the time of its receipt by the Common Members. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation. Any Person appointed as the Managing Member shall remain in office (i) until such Person is removed as the Managing Member by the affirmative vote of four fifths (4/5) of the Common Members, with or without cause, (ii) until such Person resigns in a written instrument delivered to the Members, (iii) until such Person dies, or (iv) until as otherwise provided in this Article III. The removal of a Managing Member who is also a Member shall not affect the Managing Member's rights as a Member and shall not constitute a withdrawal of a Member. The resignation or removal of the Managing Member shall not invalidate any act of the Managing Member taken before the giving of written notice of the removal or resignation of the Managing Member. Any vacancy in the office of the Managing Member shall be filled by the Common Members.

3.3. No Fiduciary Duties.

(a) This Agreement is not intended to create or impose any fiduciary duty on any of the Members or the Managing Member, or their respective Affiliates. Notwithstanding anything to the contrary contained in this Agreement or other applicable provision of law or equity, to the maximum extent permitted by the Act, a Member or the Managing Member, and their respective Affiliates, shall owe no duties (including fiduciary duties) to the Company or the other Members.

(b) Notwithstanding anything to the contrary contained in this Agreement or other applicable provision of law or equity, to the maximum extent permitted by the Act, no Member or Managing Member, or their respective Affiliates, shall be liable to the Company or any other Member for breach of this Agreement or any duty (including any fiduciary duty) that results in losses or damages sustained by the Company or to any Member; *provided that* such Member or Managing Member may be liable to the Company or any other Member for any act or omission that constitutes a bad-faith violation of the implied covenant of good faith and fair dealing.

(c) In performing such duties, each Member or Managing Member shall be entitled to rely in good faith on the provisions of this Agreement and on information, opinions, reports or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, profits or losses of the Company or any facts pertinent to the existence and amount of assets from which dividends or distributions to Members might properly be paid) of the following Persons or groups: one or more officers or employees of the Company; any attorney, independent accountant, appraiser or other expert or professional employed or engaged by or on behalf of the Company, the Managing Member, or any other Person who has been selected with reasonable care by or on behalf of the Company or the Managing Member, in each case as to matters which such relying Person reasonably believes to be within such other Person's competence.

3.4. Certain Duties and Obligations of the Managing Member.

(a) The Managing Member shall take all action which may be necessary or appropriate on his part (i) for the formation and continuation of the Company as a limited liability

company under the Act and (ii) for the development, maintenance, preservation and operation of the business of the Company in accordance with the provisions of this Agreement and applicable laws and regulations.

(b) The Managing Member shall use reasonable commercial efforts to take (and each Member approves of the Managing Member taking on such Member's behalf) all action which is reasonably necessary (i) to form or qualify the Company to conduct the business in which the Company is engaged under the laws of any jurisdiction in which the Company is doing business and to continue in effect such formation or qualification and (ii) in order to protect the limited liability of the Members under the laws of any jurisdiction in which the Company is doing business. To the extent reasonably necessary for the conduct of the Company's business, the Managing Member shall take or cause to be taken all action required to register or qualify the Company under applicable federal, state and foreign laws and rules and regulations of applicable self-regulatory organizations, and to maintain such registrations, qualifications and memberships in effect for so long as required.

3.5. **Restrictions on Authority.** The Managing Member shall have no authority to:

- (a) do any act in contravention of this Agreement;
- (b) do any act which would make it impossible to carry on the ordinary business of the Company, except in connection with the dissolution, winding up and termination of the Company as permitted by Article VI; or
- (c) admit a Person as a Member except as provided in Sections **Error! Reference source not found.** and 7.1.

3.6. **Certain Approvals.** Notwithstanding anything herein to the contrary, the approval of all the Common Members shall be required for the following:

- (a) permitting the Company to take any action in contravention of this Agreement;
- (b) any material amendment to the organizational documents of the Company, including the Certificate of Organization and this Operating Agreement;
- (c) any sale or disposition of substantially all the assets of the Company;
- (d) the payment of any management fees or establishment of any Operating Reserve, or other action that would reduce the distribution to be made to the Members;
- (e) establishing an annual business plan for the Company that will include an approved capital expenditure budget, salaries for the Managing Member and other Company employees, and similar Company expenditures;
- (f) the sale or disposition of any Investment Interest other than in the ordinary course of business; and

(g) the taking of any action hereunder by the Managing Member.

3.7. **Officers.** Subject to the direction of the Managing Member, the day-to-day administration of the business of the Company shall be carried out by employees and agents who may be designated as officers, with titles including but not limited to “chairman,” “vice chairman,” “managing director,” “principal,” “president,” “vice president,” “controller,” “assistant controller,” “treasurer,” “assistant treasurer,” “secretary,” “assistant secretary,” “general manager,” “director,” “chief operating officer” and “chief financial officer,” as and to the extent authorized by the Managing Member. The officers of the Company shall have such titles and powers and perform such duties as shall be determined from time to time by the Managing Member and otherwise as shall customarily pertain to such offices or be determined from time to time by the Managing Member. Any number of offices may be held by the same Person.

3.8. **Compensation.** The Managing Member, with the approval of the Common Members, shall have the authority to fix the compensation, if any, of the officers and employees of the Company, which compensation shall be an expense of the Company.

3.9. **Exculpation and Indemnification of Members.**

(a) Notwithstanding any other terms of this Agreement, whether express or implied, or any obligation or duty at law or in equity, no Member, or their respective Affiliates (individually, a “Covered Person” and collectively, the “Covered Persons”) shall be liable to the Company or any Member for any act or omission (in relation to the Company, this Agreement, any related document or any transaction or investment contemplated hereby or thereby) taken or omitted in good faith by a Covered Person and in the reasonable belief that such act or omission is in, or is not contrary to, the best interests of the Company and is within the scope of authority granted to such Covered Person by this Agreement, unless such act or omission resulted from fraud, bad faith, willful misconduct, gross negligence, a violation of Applicable Law or a willful breach of this Agreement or any document included as an annex or exhibit hereto by such Covered Person and except that nothing herein shall constitute a waiver or limitation of any rights which a Member or the Company may have under Applicable Law or of any rights under other laws which may not be waived.

(b) To the fullest extent not prohibited by Applicable Law, the Company shall and does hereby agree to indemnify and hold harmless and pay all judgments and claims against (but only to the extent of its assets) each Covered Person from and against any and all claims, liabilities, damages, losses, costs and expenses (including amounts paid in satisfaction of judgments, in compromises and settlements, as fines and penalties and legal or other costs and reasonable expenses of investigating or defending against any claim or alleged claim) of any nature whatsoever, known or unknown, liquidated or unliquidated, arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Covered Person may be involved, or threatened to be involved, as a party or otherwise, which relates to or arises out of or in connection with the Company, its property, its business or affairs, except with respect to (i) any act or omission which was not taken by the Covered Person in the good-faith belief that such act or omission was in or not opposed to the Company’s best interest or (ii) any act or omission with respect to which a Governmental Authority has issued a final

decision, judgment or order that such Covered Person has engaged in fraud, bad faith, willful misconduct, gross negligence, a violation of Applicable Law or a willful breach of this Agreement or any document included as an annex or exhibit hereto by such Covered Person. Notwithstanding the foregoing, nothing herein shall constitute a waiver or limitation of any rights which a Member or the Company may have under Applicable Law which may not be waived. To the fullest extent not prohibited by Applicable Law, expenses (including reasonable legal fees) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding may, with the approval of the Managing Member (or the Common Members if the Managing Member is the Covered Person), from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of a written undertaking by or on behalf of the Covered Person to repay such amount if it shall be determined that the Covered Person is not entitled to be indemnified as authorized in this Section 3.10.

(c) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any Member, such Covered Person acting under this Agreement shall not be liable to the Company or to any Member for its good-faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they expand or restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Members to modify to that extent such other duties and liabilities of such Covered Person.

(d) Except as otherwise provided by the Act, the debts, liabilities and obligations of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Covered Person shall be obligated personally for any such debt, liability or obligation of the Company solely by reason of being a Covered Person.

(e) If a Covered Person is entitled to indemnification from another source or is entitled to recovery by insurance policies, such Covered Person shall diligently pursue such other source, *provided* that (i) such obligation shall not in any manner limit such Covered Person's right to seek indemnification or advances under this Agreement and (ii) such Covered Person shall remit to the Company any funds it recovers from any such other source to the extent it has been fully indemnified by the Company for all losses it incurred. Notwithstanding anything herein to the contrary, this Section 3.10 (i) may not be amended in a manner which would adversely affect a Covered Person's rights for any claim arising prior to such amendment and (ii) shall survive the termination of this Agreement for any reason.

3.10. **Exculpation of Manager; Indemnity.**

(a) In carrying out her duties hereunder, the Managing Member shall not be liable to the Company or to any Member for her good faith actions, or failure to act, or for any errors of judgment, or for any act or omission believed in good faith to be within the scope of authority conferred by this Agreement, but only for her own gross negligence or willful misconduct in the performance of her obligations under this Agreement. Actions or omissions taken in reliance upon the advice of legal counsel as being within the scope of authority conferred by this Agreement

shall be conclusive evidence of such good faith; however, good faith may be determined without obtaining such advice.

(b) The Company does hereby indemnify and hold harmless the Managing Member, her Affiliates, agents, successors and assigns from any and all losses, claims, damages, liabilities, expenses (including legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative (together, “Claims”), in which the indemnified person may be involved, or threatened to be involved, as a party or otherwise by reason of her status as an Affiliate, agent, successor or assign thereof, which relates to or arises out of the Company, its property, business or affairs, regardless of whether or not the indemnified person continues to be an Affiliate, agent, successor or assign thereof at the time any such liability or expense is paid or incurred, if (i) the indemnified person acted in good faith and in a manner she believed to be in or not opposed to the best interests of the Company, (ii) the indemnified person’s conduct did not constitute gross negligence or willful misconduct, (iii) in connection with any criminal action or proceeding, the indemnified person had no reasonable cause to believe her conduct was unlawful, it being understood and agreed that the Managing Member’s conduct of the Company’s business may be in violation of state and federal law governing the growth, cultivation, processing and/or sale of cannabis, and that such conduct is hereby deemed reasonable and indemnifiable under this §3.11, (iv) with respect to Claims by or in the right of the Company, the indemnified person is not adjudged to be liable for intentional misconduct, unless a court determines that indemnification is nonetheless appropriate, and (v) the standards set forth in clauses (i) and (ii), and, if applicable, (iii) and (iv), are met as determined in each case by (x) independent legal counsel or (y) by an appropriate court. Notwithstanding clauses (iii) – (v), an indemnified person shall also be eligible for indemnification hereunder to the extent she has been successful on the merits with respect to any Claim. In no event shall any Member be required to make an additional capital contribution to carry out this indemnification provision.

(c) In the event that the Managing Member is an entity, the foregoing exculpation and indemnification provisions contained in this Section 3.11 shall also apply to Affiliates, agents, officers, employees, and partners of such Managing Member.

ARTICLE IV

Capital Contributions, Allocations; Distributions; Expenses

4.1. Members; Capital Contributions; Loans; Capital Accounts.

(a) The respective names, mailing addresses, capital contributions and Profit Sharing Percentages of the Members shall be as set forth on Schedule A, as amended from time to time in accordance with the terms of this Agreement. A Person shall be deemed admitted as a Member of the Company upon (i) the approval of the Common Members, and its execution of the Agreement or a joinder agreement and (ii) when such Person is listed as a Member on Schedule A attached hereto. The Managing Member shall amend Schedule A from time to time, without the consent of any Member being required therefor, to reflect any changes in the names or capital

contributions or Profit Sharing Percentages of the Members made in accordance with this Agreement and any changes in the mailing addresses of the Members. Any reference in this Agreement to Schedule A shall be deemed to be a reference to Schedule A as amended and in effect from time to time.

(b) No Member, in his capacity as such, shall be required to lend any funds to the Company or to make any contribution of capital to the Company, except as otherwise expressly required by the Act or by this Agreement. Any Member may make a loan to the Company at such time, in such amount and on such terms as the Managing Member and such Member jointly determine, subject to the approval of the Common Members. Neither any loan made nor any service performed by any Member to or for the benefit of the Company shall be deemed to constitute a contribution to the capital of the Company for any purpose hereunder.

(c) There shall be established for each Member on the books of the Company as of the date hereof, or such later date on which such Member is admitted to the Company, a capital account (a "Capital Account"). Each contribution of capital by a Member to the Company pursuant to this Section 4.1 shall be credited to the Capital Account of such Member on the date such contribution of capital is paid to the Company. In addition, each Member's Capital Account shall be (a) credited with (i) all other contributions to the Company by such Member of cash or the Fair Market Value of other property and (ii) such Member's allocable share of any Net Income or any other item of income or gain of the Company, (b) debited with (i) distributions to such Member of cash or the Fair Market Value of other property and (ii) such Member's allocable share of Net Loss or any other item of loss or deduction of the Company and expenditures of the Company described in section 705(a)(2)(B) of the Code, and (c) otherwise maintained in accordance with the provisions of the Code. In the event of any transfer of any interest in the Company in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest. Interest shall not be payable on Capital Account balances.

4.2. Allocations.

(a) Subject to the other provisions of this Section 4.2, the amount of Net Income (Loss) of the Company that is allocated to each Member for each Fiscal Period shall equal (i) the aggregate Net Income (Loss) of the Company for each Fiscal Period multiplied by (ii) such Member's Profit Sharing Percentages as set forth on Schedule A hereto.

(b) To the extent that any costs and expenses to be borne by any Member or its Affiliates (rather than the Company) and any item of loss, expense or deduction resulting therefrom are deemed to constitute items of Company loss, expense or deduction rather than items of loss, expense or deduction of such Member or its Affiliates, such costs and expenses, and resulting items of loss, expense or deduction shall be specially allocated one hundred percent (100%) to such Member, if such allocation is determined to be equitable by the Managing Member.

(c) Notwithstanding anything herein to the contrary, in the event any Member unexpectedly receives any adjustments, allocations or distributions described in paragraphs (b)(2)(ii)(d)(4), (5) or (6) of Treasury Regulations section 1.704-1, there shall be specially

allocated to such Member such items of Company income and gain, at such times and in such amounts as will eliminate as quickly as possible that portion of any deficit in its Capital Account caused or increased by such adjustments, allocations or distributions.

(d) Notwithstanding any other provision of this Article IV, if there is a net decrease in partnership minimum gain or partner nonrecourse debt minimum gain (determined in accordance with the principles of Treasury Regulation sections 1.704-2(d) and 1.704-2(i)) during any Company taxable year, the Members shall be allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to their respective shares of such net decrease during such year, determined pursuant to Treasury Regulation sections 1.704-2(g) and 1.704-2(i)(5). The items to be so allocated shall be determined in accordance with Treasury Regulation section 1.704-2(f). This paragraph (d) is intended to comply with the minimum gain chargeback requirements in such Treasury Regulations and shall be interpreted consistently therewith, including that no chargeback shall be required to the extent of the exceptions provided in Treasury Regulation sections 1.704-2(f) and 1.704-2(i)(4).

(e) To the extent not prohibited by the Code and the Treasury Regulations thereunder, any special allocations of items of income or gain pursuant to Section 4.2(c) and Section 4.2(d) shall be taken into account in computing subsequent allocations of Net Income (Loss) pursuant to this paragraph so that the net amount allocated to the Members pursuant to this Section 4.2 shall, to the extent possible, be equal to the net amounts that would have been allocated to each such Member pursuant to the provisions of this Section 4.2 if the allocations pursuant to Sections 4.2(c) and 4.2(d) had not occurred.

(f) Any tax expense that is a tax imposed on the Company, but for which a Member is responsible pursuant to Section 5.3(b), shall be specially allocated to such Member.

(g) If any Interest in the Company is Transferred or otherwise adjusted during any accounting period in compliance with the provisions of this Agreement, each item of income, gain, loss, expense, deduction and credit and all other items attributable to such Interest for such period shall be divided and allocated between the transferor Member and the transferee Member by taking into account their varying Interests during such period in accordance with Section 706(d) of the Code, using any conventions not prohibited by law and approved by the Managing Member. All distributions on or before the date of such Transfer shall be made to the transferor Member, and all distributions thereafter shall be made to the transferee Member.

(h) The Managing Member shall have the power to amend the manner in which Capital Accounts are calculated or any allocations thereto are made if it reasonably determines that such amendment is necessary to comply with Treasury Regulation section 1.704-1(b).

4.3. Distributions.

(a) As soon as practicable, but in no event less than thirty (30) days following (i) a Liquidity Event, or (ii) the receipt by the Company of any monies or proceeds from or attributable to an Investment Interest, or any proceeds thereof, the Managing Member must pay

and distribute such cash (after establishment of an Operating Reserve acceptable to the Common Members) to the Common Members.

4.4. **Expenses.** Except as otherwise provided herein, the Company shall bear and be responsible for all expenses incurred in connection with the operation of the Company. The Managing Member may cause the Company to borrow from any Affiliate of the Company on such terms as they may reasonably determine for the payment of expenses, and may pay expenses and repay borrowings from any source of funds of the Company, as determined by the Managing Member with the consent of the Common Members. Notwithstanding anything herein to the contrary, no management expenses shall be paid or charged against or deducted in calculating the cash available for distribution to the Members to the extent not contained in the annual business plan or otherwise approved by the Common Members as provided in Section 3.6(e) during any Fiscal Year.

4.5. **Authority to Offset.** Each Member agrees that the Company has the authority and is permitted to offset against the Capital Accounts of Members or distributions to Members such amounts, as determined by the Managing Member in his reasonable discretion with the consent of the Common Members, that are owed by such Member to the Company.

4.6. **Tax Distribution.** On or about January 31 of each year, distributions shall be paid to the Members pro rata based on their respective Profit Sharing Percentages as of the immediate proceeding December 31st, in an amount at least equal to satisfy the Assumed Income Tax Rate (the "Tax Distribution"). The estimated tax liability shall be computed by the accountant who regularly prepares the Company's tax returns.

ARTICLE V

Books and Reports; Tax Matters

5.1. General Accounting Matters.

(a) The Managing Member shall keep or cause to be kept books and records pertaining to the Company's business showing all of its assets and liabilities, receipts and disbursements, Net Income (Loss), Members' Capital Accounts and all transactions entered into by the Company. Such books and records of the Company shall be kept by the Company at its principal office. To the fullest extent not prohibited by law, other than as provided in Sections 5.1(b) and 5.1(d) below, the Managing Member may (consistent with applicable law) withhold access of any Member to information regarding the affairs of the Company if the Managing Member shall determine in its sole and absolute discretion that it is in the interests of the Company to withhold such access. The Company's books of account shall be maintained in United States dollars and kept on the accrual method of accounting and otherwise in accordance with U.S. federal income tax basis of accounting.

(b) As soon as is practicable after the close of each Fiscal Year, a copy of the financial statements of the Company shall be furnished to each Member and shall include, as of the end of such Fiscal Year:

- (i) a balance sheet of the Company as of the end of such period;
- (ii) a statement of income or loss and a statement of such Members' Capital Account; and
- (iii) a statement of changes in cash flow of the Company.

(c) In addition, each Person that was a Member at any time during a Fiscal Year shall be supplied with such information as may be reasonably required to enable such Member to prepare its U.S. federal, state, local and non-U.S. income tax returns based upon such Person's status as a Member, such other information as such Person may reasonably request for the purpose of applying for withholding taxes and a statement as to such Member's Capital Account as at the close of such Fiscal Year.

(d) As promptly as possible after the close of each of the first three fiscal quarters of each Fiscal Year of the Company, the Managing Member shall cause to be furnished to each Member financial statements of the Company consisting of the statements described in Section 5.1(b) with respect to such quarter.

5.2. Fiscal Year. The fiscal year of the Company (the "Fiscal Year") shall be the same as its taxable year, as determined pursuant to section 706 of the Code. The Managing Member may, in his discretion, elect to change the Fiscal Year of the Company from time to time with the consent of the Common Members.

5.3. Certain Tax Matters.

(a) The Managing Member shall prepare or cause to be prepared all U.S. federal, state and local, as well as non-U.S., if any, tax returns of the Company for each year for which such returns are required to be filed and shall file or cause such returns to be timely filed. The Managing Member shall determine the appropriate treatment of each item of income, gain, loss, deduction and credit of the Company and the accounting methods and conventions under the tax laws of the United States, the several states and other relevant jurisdictions as to the treatment of any such item or any other method or procedure related to the preparation of such tax returns. The Managing Member may cause the Company to make or refrain from making any and all elections not prohibited by such tax laws. Helen Gomez Andrews shall be the "Tax Matters Member" for purposes of section 6231(a)(7) of the Code (the "Tax Matters Member"). The Tax Matters Member shall have all of the rights, duties, powers and obligations provided for in sections 6221 through 6232 of the Code. Each Member agrees that it will take no position on its individual tax returns inconsistent with the positions taken on the Company's tax returns. Each Member hereby waives any rights it may have pursuant to the Code or otherwise to participate in any tax matters or controversies with respect to the Company. The Tax Matters Member will take no action which is reasonably expected to have a material adverse effect on one or more of the Members unless such action is approved by the Managing Member. The Tax Matters Member will be responsible for notifying all Members of ongoing proceedings, both administrative and judicial, and will represent the Company throughout any such proceeding. The Members will furnish the Tax Matters Member with such information as it may reasonably request to provide

the Internal Revenue Service with sufficient information to allow proper notice to the Members. The Tax Matters Member will not bind any other Member to any extension of the statute of limitations or to a settlement agreement without such Member's written consent, which consent shall not be unreasonably withheld.

(b) Each Member shall furnish the Company with such information, forms and certifications as it may require and as are necessary to comply with the regulations governing the obligations of withholding tax agents. Each Member represents and warrants that any such information and forms furnished by him shall be true and accurate. Each Member agrees to pay, and to indemnify the Company and the other Members from, any and all damages, costs and expenses (including any liability for any taxes of any type whatsoever, penalties, additions to tax or interest) in respect of income of (including such Member's share of Company income) or distributions, transfers or payments to such Member. To the extent the indemnifying Member is otherwise entitled to distributions from the Company, such damages, costs and expenses may be paid by the Company out of amounts that would otherwise be distributed to such Member. For purposes of this Agreement any such payment shall be deemed to be a distribution to such Member (and in the case of any such tax that is imposed upon the Company, the Member shall be deemed to have recontributed such amount to the Company). In all other events, such Member shall make such payment directly from its own funds.

ARTICLE VI

Dissolution

6.1. **Dissolution.** The Company shall be dissolved and its affairs wound up upon a determination by the Members holding four fifths (4/5) of the Interests to dissolve the Company at any time. The death, retirement, dissolution, resignation, expulsion or bankruptcy of any Member (including the Managing Member) shall not cause the dissolution of the Company, and following any such event the remaining Members shall have the right to continue the business of the Company. The Company shall not be dissolved as a result of there no longer being any Member of the Company if the Company is continued in accordance with section 18-801(a)(4) of the Act.

6.2. **Winding-up.** When the Company is dissolved, the business and property of the Company shall be wound-up and liquidated by the Managing Member. The Managing Member shall use reasonable efforts to reduce to cash and cash equivalent items such assets of the Company as the Managing Member shall deem it advisable to sell and to obtain fair value for such assets (taking into account applicable tax and other legal considerations).

6.3. **Final Distribution.** Within one hundred twenty (120) calendar days after the effective date of dissolution of the Company, the assets of the Company shall be applied or distributed in the following manner and order:

(i) to pay the expenses of the winding-up, liquidation and dissolution of the Company;

(ii) to pay all creditors of the Company, other than Members, either by the payment thereof or the making of reasonable provision therefor;

(iii) to establish reserves, in amounts established by the Managing Member, to meet other liabilities of the Company (other than to the Members in respect of distributions owing to them hereunder); and

(iv) to pay, in accordance with the terms agreed among them and otherwise on a pro rata basis, all creditors of the Company that are Members, either by the payment thereof or the making of reasonable provision therefor.

The remaining assets of the Company shall be applied and distributed among the Members in accordance with their respective positive Capital Account balances as determined after taking into account all adjustments to Capital Accounts for the Company taxable year during which the liquidation occurs; *provided* that liquidating distributions shall be made in the same manner as under Article IV if such distributions would result in the Members receiving a different amount than would have been received pursuant to a liquidation based on Capital Account balances. For purposes of the application of this Section 6.3 and determining Capital Accounts on liquidation, all unrealized gains, losses and accrued income and deductions of the Company shall be treated as realized and recognized immediately before the date of distribution.

6.4. No Obligation to Restore Capital Accounts. Except as may otherwise be provided herein or as required by law, no Member whose Capital Account balance is a negative or deficit amount (either during the existence of the Company or upon liquidation) shall have any obligation to return any amounts previously distributed to such Member or to contribute cash or other assets to the Company to restore or make up the deficit in such Member's impaired Capital Account..

ARTICLE VII

Additional Members; Removal and Withdrawal of Members

7.1. Admission of Additional Members; Allocation of Profit Sharing Percentages.

(a) Subsequent to the date hereof, a Person may be admitted as a Member with the consent of the Common Members. Upon the admission of any additional Member, such Member may be allocated such Profit Sharing, and the Profit Sharing Percentages of existing Members shall be adjusted proportionately.

(b) Concurrently with the admission of any substitute or additional Member, the Managing Member shall forthwith cause any necessary papers to be filed and recorded and notice to be given wherever and to the extent required showing the substitution of such transferee as a substitute Member in place of the transferor Member, or the admission of an additional Member. The admission of any Person as a substitute or additional Member shall be conditioned upon such Person's written acceptance and adoption of all the terms and provisions of this Agreement.

7.2. **Removal and Withdrawal of Members; Repurchase of Interests.**

(a) A Member may be removed from the Company only for Cause.

(b) If a Member is removed from the Company for Cause, then (i) as promptly as practicable following the end of the Fiscal Year during which such removal occurs, the Company shall distribute to such Member an amount in cash equal to twenty percent (20%) of such Member's positive Capital Account balance as of the effective date of such Member's removal plus interest thereon at the Prime Rate (compounded annually), and (ii) as promptly as practicable following each Fiscal Year next succeeding the Fiscal Year in which such removal occurs through the end of the fifth such succeeding Fiscal Year, the Company shall distribute to such Member an amount in cash equal to twenty percent (20%) of such Member's positive Capital Account balance as of the effective date of such Member's removal plus interest thereon at the Prime Rate (compounded annually); *provided* that such schedule may be modified by the Managing Member.

(c) No Member shall have the right to voluntarily withdraw as a Member other than following the transfer of all of the Interest owned by such Member, which transfer shall be in accordance with Article VII.

(d) After the removal or withdrawal of a Member from the Company, such Member shall only be a creditor of the Company, to the extent that such Member is owed any money pursuant to Section 7.2(b), and shall have no rights as a Member and shall not have any interest in the Company's items of income, gain, loss, deduction or credit, distributions or assets after the effective date of removal or withdrawal.

(e) The Member who is removed for the Company for Cause shall take all actions as may be necessary to consummate any sale under this Section 8.2, including, without limitation, entering into agreements and delivering certificates and instruments and consents as may be deemed necessary or appropriate.

ARTICLE VIII

Miscellaneous

8.1. **Arbitration.** To the fullest extent not prohibited by law, any dispute, controversy or claim arising out of or relating to this Agreement or to the Company's affairs or the rights or interests of the Members, including, without limitation, the validity, interpretation, performance, breach, alleged breach or termination of this Agreement, whether arising during the existence of the Company or at or after its termination or during or after the liquidation of the Company, shall be settled by arbitration in New York, New York (or, if applicable law requires some other forum, then such other forum) in accordance with the rules then obtained of JAMS. If the parties to any such controversy are unable to agree upon a neutral arbitration or arbitrators, then an arbitrator shall be appointed in accordance with such rules. For purposes of any actions or proceedings ancillary to the arbitration referred to above (for example, proceedings seeking interim relief in aid of the arbitration or to enforce an arbitration award) the parties consent to the exclusive jurisdiction

of the state and federal courts located in New York County, New York, as determined for all purposes in connection with any such arbitration. The parties agree that any process or notice of motion or other application to either of such courts, and any paper in connection with any such arbitration, may be served by certified mail, return receipt requested, or by personal service or in such other manner as may be permissible under the rules of the applicable court or arbitration tribunal, *provided* a reasonable time for appearance is allowed. Except as may be otherwise required by law in connection with the winding-up, liquidation and dissolution of the Company, each Member hereby irrevocably waives any and all rights that it may have to maintain an action for judicial accounting or for partition of any of the Company's property.

8.2. Governing Law; Submission to Jurisdiction and Venue; Waiver of Jury Trial.

This Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of New York without reference to the conflicts of laws principles thereof and the parties hereto hereby submit to the non-exclusive jurisdiction of the federal and state courts of the State of New York. The Company is formed pursuant to the Act, and the rights and liabilities of the Members shall be as provided therein, except as herein otherwise expressly provided. TO THE FULLEST EXTENT NOT PROHIBITED BY LAW, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

8.3. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns and, in particular, the estate of a deceased Member shall remain liable for all of such Member's obligations hereunder to the extent that such obligations are not affected by such Member's death under the terms hereof. Nothing in this Agreement is intended, nor shall anything herein be construed, to confer any rights, legal or equitable, in any Person other than the Members and their respective legal representatives, heirs, successors and permitted assigns.

8.4. Cooperation with Investigations, Litigation, Etc. In consideration for being admitted as a Member hereunder, each Member hereby agrees to the fullest extent not prohibited by law that if such Member's employment or status as a member, manager or partner with the Company or its Affiliates is terminated for any reason (a "Separated Member"), such Separated Member shall provide reasonable cooperation and assistance to the Company with regard to (i) any investigation conducted by the Company relating to the Company's business and affairs (including investigations into the actions or omissions of personnel or Affiliates of the Company) and (ii) any litigation or similar dispute resolution proceeding involving the Company. Such cooperation and assistance shall include providing information and records, being available for interviews or legal proceedings at the Company's offices or otherwise, and giving testimony. The Company shall reimburse a Separated Member for reasonable, documented, out-of-pocket travel, meal and lodging expenses incurred by such Separated Member in providing such cooperation and assistance.

8.5. Specific Exclusion of Federal Law. Due to the unique nature of the Core Business and the Marijuana Laws, any and all references herein to "Applicable Law" and/or "governing body" and/or "governmental agency" shall specifically and intentionally exclude any federal law,

rule or regulation of any federal governmental agency or body that identifies or classifies the growing, production, manufacture, sale and/or possession of Cannabis as a crime or otherwise prohibits the growing, production, manufacture, sale and/or possession of Cannabis, including, but not limited to, the Federal Controlled Substances Act. No Member shall interpose a defense of illegality to the enforcement of this Agreement.

8.6. **Further Assurances.** Each Member shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the Company may reasonably request in order to carry out the Purpose of the Company, the purposes of this Agreement, and the consummation of the transactions contemplated hereby, including without limitation, such further acts and things as may be required by the Marijuana Laws, such as submitting to the Company and/or the CCC, information necessary for the Company to submit one or more Applications and/or sufficient documentation detailing amounts and sources of capital resources, subject to review and verification by the CCC, including: (a) proper name(s) of any individual or registered business name of any entity; (b) street address (not a PO Box); (c) primary telephone number; (d) electronic mail; (e) amount and source of capital provided or promised; (f) bank records; and (g) a certification that funds used to invest in or finance the Company was lawfully earned or obtained.

8.7. **Notices.** Whenever notice is required or permitted by this Agreement to be given, such notice shall be in writing (including e-mail, facsimile or similar writing) and shall be given to any Member at its address or e-mail address or facsimile number shown in the Company's books and records. Each such notice shall be effective (i) if given by e-mail or facsimile, upon electronic confirmation of receipt and (ii) if given by any other means, when delivered (with receipt of confirmation) at the address of such Member, as the case may be, specified as aforesaid.

8.8. **Counterparts.** This Agreement may be executed in counterparts, each one of which shall be deemed an original and all of which together shall constitute a single agreement.

8.9. **Entire Agreement.** This Agreement, together with any other separate written agreements referenced herein, embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein. Except as expressly provided herein, this Agreement and such separate written agreements supersede all prior agreements and understandings between the parties with respect to such subject matter. This Agreement does not create any right of employment on the part of any Member and no Member shall have any right (implied or otherwise) to be paid any amount hereunder except as expressly provided for herein.

8.10. **Amendments.** This Agreement may be amended or modified with the consent of the Managing Member; *provided* that no such amendment shall (i) require a Member to contribute capital to the Company, reduce a Member's share of the Company's distributions, income and gains, increase a Member's share of the Company's losses or materially and adversely affect the rights granted to such Member hereunder, without the written consent of each Member so affected, or (ii) amend this Section 8.10 without the consent of each Member adversely affected thereby.

8.11. Headings; Construction. The headings and captions herein are for convenience of reference only and are not intended to alter or affect the meanings or interpretations of any provisions hereof. It is the intention of the parties that every term of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any party (notwithstanding any rule of law requiring an Agreement to be strictly construed against the drafting party), it being understood that the parties to this Agreement are sophisticated and have had adequate opportunity and means to retain counsel to represent their interests and to otherwise negotiate the provisions of this Agreement.

8.12. Representations and Warranties.

(a) Each Member that is not a natural person represents, warrants and covenants to the other Members that such Member is duly formed and validly existing under the laws of the jurisdiction of its organization with full power and authority to perform its obligations hereunder and that the execution, delivery and performance of this Agreement has been duly authorized by such Member.

(b) Each Member who is a natural person represents, warrants and covenants to the other Members that such Member has the legal capacity to enter into this Agreement and perform such Member's obligations hereunder.

(c) Each Member represents, warrants and covenants to the Company that:

(i) this Agreement has been duly executed and delivered by such Member and constitutes the valid and legally binding agreement of such Member, enforceable in accordance with its terms against such Member subject to the effect of bankruptcy, insolvency, moratorium and other similar laws relating to creditors' rights generally, by general equitable principles and by an implied covenant of good faith and fair dealing;

(ii) the execution and delivery of this Agreement by such Member and the performance of its duties and obligations hereunder do not result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, credit agreement, note or other evidence of indebtedness, or any lease or other agreement, or any license, permit, franchise or certificate, to which such Member or any Affiliate is a party or by which it or any Affiliate is bound or to which its or any Affiliate's properties are subject, or require any authorization or approval under or pursuant to any of the foregoing which has not been obtained, or violate any statute, regulation, law, order, writ, injunction, judgment or decree to which such Member or any Affiliate is subject;

(iii) such Member is not in default (nor has any event occurred which with notice, lapse of time, or both would constitute a default) in the performance of any obligation, agreement or condition contained in any indenture, mortgage, deed of trust, credit agreement, note or other evidence of indebtedness or any lease or other agreement, or any license, permit, franchise or certificate, to which it is a party or by which it is bound or to which the properties of it are subject, nor is it in violation of any statute, regulation, law, order, writ, injunction, judgment or

decree to which it is subject, which default or violation would materially adversely affect such Member's ability to carry out its obligations under this Agreement;

(iv) there is no action, suit, litigation, arbitration, governmental inquiry, investigation, claim or other proceeding pending or, to the knowledge of such Member, threatened against such Member or any of its Affiliates, which if resolved in a manner adverse to such Member, would materially adversely affect such Member's ability to carry out its obligations under this Agreement;

(v) no consent, approval or authorization of, or filing, registration or qualification with, any court or governmental authority on the part of such Member is required for the execution and delivery of this Agreement by such Member and, except as may be required under applicable securities and commodities laws in connection with the registration of the Company or such Member, the performance of its obligations and duties hereunder;

(vi) such Member is acquiring its Interest in the Company for such Member's own account for investment purposes only and not with a view to resale or distribution;

(vii) such Member understands that such Interests in the Company have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), the securities laws of any state or the securities laws of any other jurisdiction, nor is such registration contemplated;

(viii) such Member understands and agrees further that, subject to the limited rights set forth in this Agreement, its Interest in the Company must be held indefinitely unless such Interest is subsequently registered under the Securities Act, the securities laws of any state and the securities laws of any other jurisdiction or an exemption from registration under the Securities Act and these laws covering the sale of such Interests is available; that even if such an exemption is available, the assignability and transferability of its Interests in the Company will be governed by this Agreement, which imposes substantial restrictions on Transfer;

(ix) such Member has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in Interests in the Company, is able to bear the risk of loss of an investment in such Interests and understands the risks of, and other considerations relating to, a purchase of Interests in the Company;

(x) such Member's overall commitment to the Company and other investments which are not readily marketable is not disproportionate to such Member's net worth and such Member has no need for immediate liquidity in such Member's investment in its Interests in the Company;

(xi) if such Member has a capital commitment, such Member is an "accredited investor" within the meaning of rule 501 of Regulation D under the Securities Act;

(xii) such Member is not subject to or bound by any covenant against competition or any other judgment, agreement, order or other obligation which would prevent, conflict with, restrict or limit the performance of the transactions or obligations contemplated by

this Agreement, and such Member has acted, and will continue to act, in full and complete compliance with any and all obligations upon the Member in connection with such Member's employment and separation with any prior employer; and

(xiii) such Member has carefully read this Agreement and the Transaction Documents, and, to the full satisfaction of such Member, such Member has been furnished any materials such Member has requested relating to the Company and its assets and the acquisition of an Interest in the Company, has consulted to the extent deemed appropriate by such Member with such Member's own advisors as to the financial, tax, legal and related matters concerning an investment in the Company and has been afforded the opportunity to ask questions of representatives of the Company concerning the terms and conditions of the offering and to obtain any additional information necessary to verify the accuracy of any representations or information provided to such Member and to make an informed investment decision with respect to an investment in the Company.

The Managing Member, upon the advice of counsel, may waive any breach of any of the foregoing representations, warranties, or covenants.

(d) All of the representations, warranties and covenants made under this Section 8.12 shall be deemed to be made on a continuing basis during the existence of the Company and shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. Each Member agrees to notify the Managing Member promptly upon becoming aware of a breach in any of such Member's representations, warranties and covenants hereunder.

8.13. Division of Property. In the event of a property settlement or separation agreement between a Member and such Member's spouse or former spouse, as a result of the dissolution of marriage or legal separation such Member agrees that such Member shall use such Member's reasonable best efforts to retain all of such Member's Interest in the Company and shall reimburse such Member's spouse for any Interest such Member's spouse may receive or own in the Company out of funds, assets or proceeds separate and distinct from such Member's Interest in the Company at a value equal to the book value as reported in the most recent financial statements of the Company. To the extent that such Member is unable, despite such Member's exercise of reasonable best efforts, to retain all of such Member's Interest in the Company, such Member shall use such Member's reasonable best efforts to assign to such Member's spouse or former spouse only the right to share in profits and losses, to receive distribution or distributions, and to receive allocation of income, gain, loss, deduction or credit or similar item to which the assigning Member was entitled, to the extent assigned, with the assigning Member remaining entitled to exercise all rights and powers of a Member hereunder

8.14. Confidentiality.

(a) By executing this Agreement, each Member expressly agrees, at all times during the existence of the Company and thereafter and whether or not at the time a Member of the Company, without the consent of the Managing Member, to maintain the confidentiality of, and not to disclose to any Person, any information (including, for the avoidance of doubt,

information disclosed under Section 5.1 hereof) relating to the business, financial results, investments, financial structure, economic terms, clients or affairs of the Company, its Affiliates, and the assets thereof, except (a) to such directors, members, employees, representatives and advisors of such Member and its Affiliates who need to know the information and who are informed of the confidential nature of the information and with respect to which that Member will be responsible for any disclosures by such Persons in violation hereof; (b) as required for any arbitration proceeding pursuant to Section 8.1 or as required by governmental regulatory agencies, self-regulating bodies, law, legal process, or litigation in which such Member is a defendant, plaintiff or other named party or witness; or (c) as is reasonably necessary and appropriate in the course of and in furtherance of the conduct of the business of the Company. Without limiting the foregoing, each Member agrees that it shall not disclose, publish, or disseminate in any way any information relating to the financial performance, investment decisions and analysis or any related information relating to the Company, and Investment Interest, or any assets thereof, without the express written consent of the Managing Member (which may be given or withheld in the Managing Member's sole discretion). Each Member acknowledges that information made available to it hereunder may contain material non-public information concerning, among other things, and agrees that it shall not trade in securities on the basis of such information. The provisions of this Section 8.14 shall survive the termination, dissolution, liquidation, restructuring or recapitalization of the Company.

(b) Promptly following the Member Separation Date with respect to a Separated Member, such Separated Member shall return to the Company (or, with the consent of the Managing Member, destroy) all physical embodiments of Company confidential or proprietary information within such Separated Member's possession or control, excluding only a copy of this Agreement.

(c) Notwithstanding anything in this Agreement to the contrary, to comply with Treas. Regs. Section 1.6011-4(b)(3)(i), each Member (and any employee, representative or other agent of such Member) may disclose to any and all Persons, without limitation of any kind, the United States federal income tax treatment and tax structure of the Company or any transactions undertaken by the Company, it being understood and agreed, for this purpose, that (i) the name of, or any other identifying information regarding, the Company or any existing or future Member (or any Affiliate thereof) of the Company, or any investment or transaction entered into by the Company; (ii) any performance information relating to the Company or its investments; and (iii) any performance or other information relating to previous investments sponsored by Affiliates of the Company do not constitute such United States federal income tax treatment or tax structure information.

8.15. Irreparable Harm. Each of the Members hereby agrees that a failure to comply with the provisions of Section 8.4 and Section 8.14 would cause irreparable harm to the Company, and, therefore, the Company shall be entitled to an injunction and other equitable relief in the event of any such failure to comply with the provisions of Section 8.4 or Section 8.14. Each Member acknowledges by its execution hereof that it has been admitted to the Company in reliance upon such Member's agreements under this Agreement that the Company may have no adequate remedy at law for a breach hereof and that damages resulting from a breach hereof may be impossible to ascertain at the time hereof or of such breach.

8.16. **Partnership Tax Treatment.** The Members intend for the Company to be treated as a partnership for U.S. federal income tax purposes and no election to the contrary shall be made.

8.17. **Severability.** The parties hereto have carefully reviewed the provisions of this Agreement and agree they are fair and equitable. However, if any term or provision (or any portion thereof) of this Agreement is adjudged to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other terms and provisions (or other portions thereof) of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or provision (or any portion thereof) is invalid, illegal or incapable of being enforced, this Agreement shall be deemed to be modified so as to effect the original intent of the parties as closely as possible to the end that the transactions contemplated hereby and the terms and provisions hereof are fulfilled to the greatest extent possible.

8.18. **Members Not Employees.**

(a) Each Member acknowledges and agrees that, with respect to such Member's status as a Member under the Act and pursuant to the terms of this Agreement: (i) such Member is not and has never been an employee of the Company; (ii) none of the obligations assumed or rights arising under this Agreement create an employment relationship between such Member and the Company; (iii) there exists no employment or similar agreement between such Member and the Company; and (iv) such Member shall not be deemed an employee of the Company for any purpose whatsoever (including any employee benefit program, tax obligation, or unemployment program). Each Member further acknowledges and agrees that no allocations, distributions, capital account balance, or other economic interests or rights received or earned under this Agreement, shall be deemed wages, salary or any other employment-related compensation for purposes of federal, state or local law. In consequence of the foregoing, each Member acknowledges and agrees that the Company, shall not be responsible for, and shall make no payments to any Person in respect of or for: (i) workers' compensation benefits; (ii) disability benefits; (iii) unemployment insurance; (iv) overtime wages; (v) salary, wage or other compensation-based withholding or employment taxes; or (vi) any other type of employment-related obligations relating to such Member. Each Member specifically acknowledges and agrees that such Member's relationship with the Company is not covered by, and accordingly such Member has no rights under, any federal, state or local employment or similar law (including any administrative policies or procedures arising thereunder).

(b) Each Member acknowledges and agrees that, with respect to such Member's status as a Member under the Act and pursuant to the terms of this Agreement, the status of "employee" is incompatible with the relationship between such Member and the Company set forth in this Agreement and that the rights, preferences and privileges granted to such Member under this Agreement would be inappropriate and expressly not intended if such Member were, in fact, an employee. In support of the foregoing, each Member hereby represents, warrants and agrees that (i) such Member is a member of the Company and not an employee and (ii) none of the allocations, distributions, capital account balance, or other economic interests of such Member in the Company are wages, salary or any other employment-related compensation for purposes of federal, state or local law. Accordingly, the Members hereby agree that, if (notwithstanding the express intent of the Members as set forth in the foregoing provisions of this Section 8.18) any

court, arbitrator, or administrative agency determines that a Member is an employee of the Company, the Company shall have the right (exercisable in the Managing Member's sole and absolute discretion) to rescind such Member's admission to the Company and to require that such Member repay to the Company (in cash) all of the distributions received by such Member from the Company (netted against repayment to such Member by the Company of the aggregate capital contributions made by such Member to the Company). For purposes of the immediately preceding sentence, such Member's repayment obligation shall be calculated with reference to the Fair Market Value of distributed property as of the time of distribution.

(c) It is expressly acknowledged that the Company, and the Members will rely upon the acknowledgments and agreements of the Members as set forth in the foregoing provisions of this Section 8.18. In the event that a Member is determined to be an employee of the Company for any purpose, such Member shall fully indemnify the Company and the other Members and hold them harmless from and against any and all consequential costs, liabilities, expenses or damages including statutory or administrative fines, penalties, interest or other obligations associated with failure to withhold taxes, make payments in respect of unemployment insurance or other mandatory employment-related programs, submit information statements or other governmental filings, or otherwise comply with any employment-related law or regulation. The Company shall not, in bad faith, assert or claim that a Member is an employee of the Company for the purpose of triggering the adverse consequences to such Member set forth in this Section 8.18.

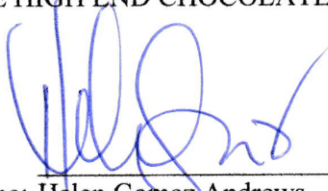
8.19. No Right to Future Activities. Except as otherwise specifically provided in this Agreement, a Member's rights under this Agreement or arising by virtue of its status as a Member do not include the right to participate in the future business activities of other Members. Without limitation to the foregoing, a Member's rights under this Agreement or arising by virtue of its status as a Member do not include the right to participate in the creation, management or profits of investment funds.

[Signature Page To LLC Operating Agreement Follows]

[Signature Page To LLC Operating Agreement]

IN WITNESS WHEREOF, the undersigned Member has entered into this Operating Agreement of THE HIGH END CHOCOLATE COMPANY, LLC as of October 31, 2019, which will become effective and binding on all Members in accordance with Articles IV and VIII hereof.

THE HIGH END CHOCOLATE COMPANY, LLC



By: _____

Name: Helen Gomez Andrews

Title: Founder and Managing Member

SCHEDULE A
MEMBERS OF THE COMPANY

Managing Member

Helen Gomez Andrews

Common Members

Capital Contribution

Profit Sharing Percentage

The High End Holding Company, LLC

100%

100%



Cannabis Control Commission
Union Station
2 Washington Square
Worcester, MA 01604

October 10, 2024

Dear Commission,

The High End Chocolate Company, LLC is presently not registered with the Massachusetts Department of Revenue because we are not yet generating revenue.

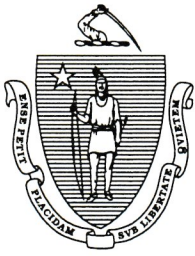
We are hopeful that we will be in revenue generating very soon!

Please accept this letter as attestation that we are unable to provide a Certificate of Good Standing from the Massachusetts Department of Revenue for this reason.

With much gratitude,

A handwritten signature in blue ink, appearing to read 'Helen Gomez Andrews', is written over the typed name and title.

Helen Gomez Andrews
Managing Member
The High End Chocolate Company, LLC
646-251-3662 | helen@highendchocolate.com



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

William Francis Galvin
Secretary of the
Commonwealth

October 10, 2024

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 HIGH END CHOCOLATE COMPANY, LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **October 24, 2019**.

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

I also certify that the names of all managers listed in the most recent filing are: **HELEN GOMEZ ANDREWS**

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

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



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

THE HIGH END CHOCOLATE COMPANY, LLC
MASSACHUSETTS ADULT-USE MARIJUANA PRODUCT MANUFACTURER:
Business Plan

Executive Summary

The High End Chocolate Company, LLC (“Applicant”) is a vertically-integrated producer of premium cannabis flower, concentrates, edibles, and topicals, all of which will be distributed wholesale to licensed manufacturers and retailers within the Commonwealth; and at retail through Applicant’s own licensed brick and mortar, when established. Applicant will also develop a Research Lab that will support both the Applicant’s core business and the community at-large by studying and sharing ways to improve the cannabis industry’s sustainability through improved energy usage, cultivation methods, genetics sourcing and development, along with other relevant cannabis and wellness-related research topics.

Applicant’s business will be headquartered in Holyoke, Massachusetts, in a ~60,000 SF historic paper mill building owned by Applicant, and for which Applicant has secured a Host Community Agreement (attached in Appendix).

Aligned with a conscientious consumer base that continues to trend towards natural, sustainable, and socially responsible goods, Applicant’s cannabis will be grown under a highly disciplined, organic, living soil cultivation program, which will keep energy usage low, Holyoke’s waterways clean, and deliver a trustworthy product that consumers can always rely upon as environmentally friendly and socially responsible. To that end, Applicant will use only petroleum-free extraction methods and source the highest quality (locally grown when possible) ingredients for its infused edibles and topicals. Applicant also commits to employing the fairest labor practices throughout its supply chain – and to always make good faith efforts to hire individuals from within the Holyoke community first.

This business plan focuses on Applicant’s submission for a Marijuana Product Manufacturer license.

A Vehicle for Positive Change

Though diversity and positive impact plans are mandated by the Cannabis Control Commission, building a vehicle for positive change has always been the driving force of Applicant’s endeavors.

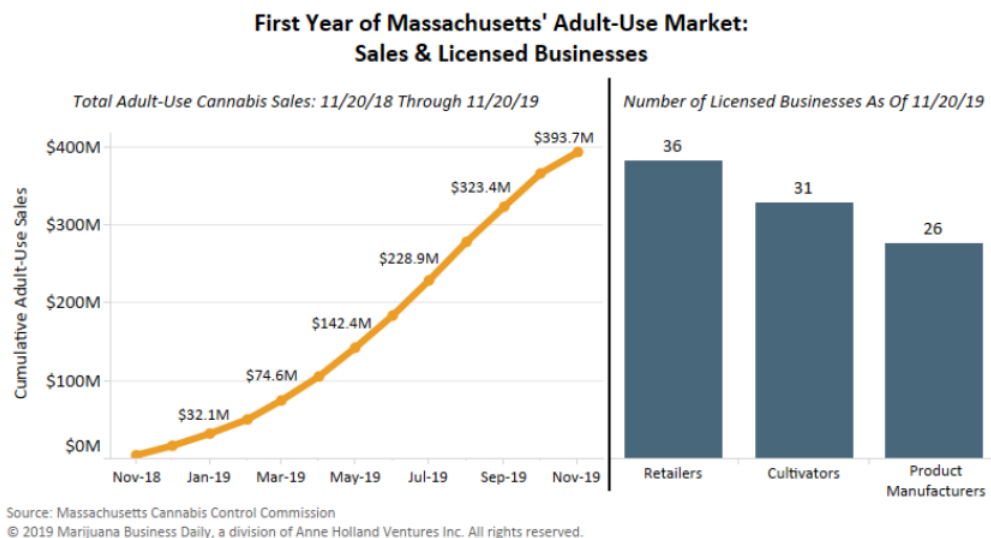
Through transparent and sustainable operations; a commitment to ongoing research and development geared towards wellness and social and environmental responsibility; stewardship and working towards a more circular economy; and robust diversity and positive impact plans, Applicant intends to be a sustainability leader not just in cannabis, but across industries.

The following sustainability practices are specific to Applicant's Marijuana Product Manufacturer operation, and are further detailed in separate sections, as noted:

- Compliance with the energy efficiency and water reduction provisions outlined in 935 CMR 500.105(1)(q), 935 CMR 500.105(15) and 935 CMR 500.130(3) – *Production Methods Plan*;
- Sustainable packaging, and a commitment to ongoing research and development of more sustainable packaging options that comply with 935 CMR 500.105(6)(a) – *Branding and Packaging Plan*;
- An educational messaging campaign, in compliance with 935 CMR 500.105(4), focused on Applicant's sustainable and wellness-focused operations - see Marketing and Advertising section below;
- Hiring practices that promote and ensure the involvement of diverse individuals in ownership, management, employment, and contracting opportunities –*Diversity Plan* and *Qualifications and Training Plan*; and
- A robust positive impact plan that benefits Applicant's home city of Holyoke, a designated Community of Disproportionate Impact, which promotes urban agriculture; provides educational and employment opportunities; and spurs local economic development – *Positive Impact Plan*.

Market Analysis

The repeal of adult-use Marijuana prohibition in the Commonwealth has resulted in impressive economic outcomes, including a booming first twelve (12) months of sales revenue.



Marijuana Business Daily (“MJBiz Daily,” a market and news outlet for cannabis industry professionals) projects that the Commonwealth will reap \$1 billion in Marijuana sales in 2021. In its 2019 Fact Book, MJBiz Daily estimates that there are 1.3-1.6 million in-state, adult-use customers.

Applicant’s manufacturing program (as described in Products section below) and its conscientious approach to operations are driven and reinforced by the following key consumer insights:

- 60% of American consumers feel it is important to choose foods that are natural, organic, or non GMO, and this demand for natural transcends socioeconomic status (“Free From Trends - What Consumers Will Want More of in 2019,” *Free From Forum* 1.7.2019”);
- The global wellness market is worth \$4.2 trillion, with women controlling 85% of it (“Why Women, the Fastest Growing Consumers of Cannabis, are the Demographic to Watch,” *Global Newswire* 4.17.2019”);
- The fastest growing consumer segments in cannabis are boomers and women, populations that are generally wellness-oriented consumers (“State of Cannabis Consumers Diversified in 2018,” *Eaze* 1.15.2019); and
- 33% of edibles consumers prefer Low Dose (less than 10mg THC/serving) and 40% of edibles consumers favor High CBD products. (“Top 10 Trends for Cannabis in 2019,” *BDS Analytics* 1/30/2019).

Products

Cannabis agriculture has become more prevalent, and its environmental impact has become pronounced. Water and energy consumption, water waste, soil erosion, chemical runoff, neurotoxin-laced plant nutrients and pesticides, and carbon footprint are a few issues arising from both conventional outdoor and hydroponic cannabis cultivation.

As the market grows, consumers become more aware of the industry’s collateral damage, and will demand more sustainable cultivation practices and cleaner extraction methods. Applicant addresses these consumer demands by employing an organic living soil cultivation program in its cultivation facility, which uses water efficiently; has no chemical run-off; is energy efficient; and results in a high-quality flower – a healthy, happy plant, rich in terpenes and a fully-expressed cannabinoid profile. This flower will come downstream to supply Applicant’s clean extraction and infusion programs.

Applicant’s manufactured products will be distributed via wholesale to licensed retailers within the Commonwealth, as well as to its own licensed retail store (when established). All of Applicant’s products will be produced, tested, packaged, stored and delivered in accordance with 935 CMR 500.105. Applicant will employ energy efficient standard operating procedures (SOPs)

to reduce energy and water usage, in compliance with the requirements of 935 CMR 500.105(1)(q) and (15), and 935 CMR 500.130(5)(e). These measures are discussed in further detail in Applicant's *Production Methods Plan*.

Vertical integration allows Applicant to manage every aspect of development from seed to sale – controlling costs and protecting margins, while providing customers with a brand they can trust.



Product pricing will be market-driven. As can be expected with any craft quality product, Applicant may charge a strategic premium to the broad market benchmarks.

Marketing and Advertising Plan

Working with branding and communications strategists, Applicant will develop a marketing and advertising plan that leverages their strong wellness, sustainability, and socially-responsible values, and speaks to their target market - the conscientious consumer.

Applicant will promote an educational messaging campaign through flyers, pamphlets, magazines and other media that is compliant with 935 CMR 500.105(4), and will focus on some of the following highlights of Applicant's production programs and business operations:

- Benefits of living soil cultivation;
- The importance of clean extraction;
- Botanical therapies;
- Sustainably-sourced ingredients for infusions;
- Sustainable packaging;
- Community give-back;
- Interviews with team members and community partners;
- Regenerative practices for a circular economy; and
- Cannabis history.

Applicant's business is located in one of the Commonwealth's designated Areas of Disproportionate Impact. Within the framework of its *Positive Impact Plan*, Applicant may sponsor local community events only when, in compliance with 935 CMR 500.105(4)(a)(2), at least 85% of the audience is reasonably expected to be 21 years of age or older, as determined by reliable, current audience composition data.

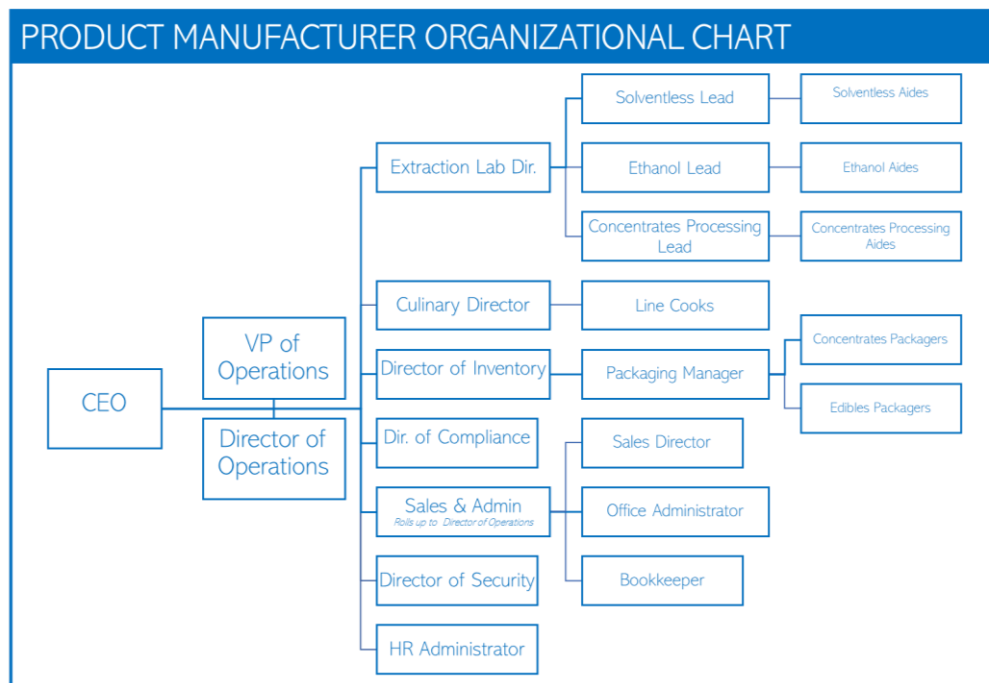
All of Applicant's marketing, advertising, and branding materials will adhere to all public health, welfare, and safety disclosure requirements and include the warnings required by in 935 CMR 500.105(4)(a)(5) and 935 CMR 500.105(4)(a)(6).

Applicant will not engage in any of the prohibited marketing, advertising, and branding practices prohibited by 935 CMR 500.105(4)(b).

Management & Organization

Organization

Applicant has developed a comprehensive staffing plan for the manufacturing facility illustrated in the following organizational chart. Descriptions of each role are provided with further detail in Applicant's *Production Methods Plan*.



Applicant will be led and advised by a capable team with diverse and complementary industry backgrounds, solid experience, passion and commitment, and supported by strategic partnerships with industry thought leaders.

Management and Advisors

Helen Gomez Andrews, CEO

Helen, a life long supporter of cannabis legalization, was one of the first recipients of a medical marijuana caregivers licenses in the state of New York for her daughter with epilepsy.

She lived in Hong Kong, Manila and Florence before heading to New York City to pursue a degree in Finance and International Business at the NYU Stern School of Business. She spent 13 years growing a fruitful career in the financial industry (Lehman Brothers, Barclays, and Morgan Stanley).

Helen became inspired by the double bottom line approach taken by the impact investment network that she became aligned with in her last few years in finance where the goal of using investment capital to further social and environmental causes did not sacrifice market rate returns. In this community she encountered an aspirational range of trailblazing impact investors, from conscious capitalist, to philanthropists, foundation directors, social venture founders, regenerative agriculturalists, and the like, who inspired her to make a career change.

With The High End, she sees a realistic and unmistakably lucrative venture, but also an opportunity to build a business that is a vehicle for positive change.

Rudy Ellenbogen, VP of Operations

Originally from Peru, Rudy has been the CEO of several companies in real estate, construction and cannabis for the past 15 years. In 2015 Rudy became CEO of Verde Natural, which he built from a small Medical dispensary to the largest award-winning living soil cultivator in Colorado within 4 years. Rudy holds a degree in Civil Engineering from UT Austin and a Masters in Management from Catholic University in Peru.

Rudy's secret to success stems from his unwavering belief that a unified relationship between executives, managers and employees, creating a “win-win” culture, is necessary to sustain a healthy business in this competitive industry. In the cannabis industry, Rudy spent the past four years building Verde Natural, a different kind of cannabis company. When he left Verde Natural, it was a 60-person team of believers in the natural quality of living soil cannabis, whose products were always sold for top dollar in the marketplace, and was recognized by numerous awards.

Rudy's mission is to empower purposeful businesses and ensure that the cannabis industry produces high-quality and natural products that benefit patients and

customers alike. Rudy develops business strategy, design, equipment selection plans, operations plans, and recruitment and training programs. His approach is proven and practical, and produces unique, high-quality, living soil cannabis products that are cultivated in collaborative environments.

List of cannabis awards to Verde Natural under Rudy's leadership:

The Grow Off – Most Potent Medical Flower, 2017

Awarded exclusively to licensed cultivators in Colorado using the same clones – winners are determined solely from laboratory test results.

Rooster's THC Classic – 1st Place for Solvent-less Concentrate, 2018

Award from a pool of over 250 licensed participants.

Westword – Best Dispensary for a Native, 2018

Awarded to Colorado dispensaries.

Amber Bacca, Director of Compliance

Amber received a Bachelor's Degree in Cultural Anthropology from UC Boulder in 2002, and a Master's in International Development from the University of Denver in 2010. Soon after, Amber launched international non-profit Resilient Futures International, and secured 501(c)3 status for the organization while simultaneously beginning a career in the nascent cannabis industry.

After a series of industry positions, including as a trimmer and cannabis courier, Amber was offered several positions with an up-and-coming company that would later become one of the largest in the cannabis industry. Amber carefully chose a store management position, a role in which she thrived for over four years.

Through hard work and dedication, Amber excelled in her role, going from managing a retail staff of two to almost 40. The company grew by leaps and bounds during Amber's tenure, becoming the 10th largest cannabis company in the world according to Cannabis Business Executive's Producers, Processors, and Retailer's list, earning \$16.4 million in revenue from 3 retail centers in 2015.

Amber has been a consultant and a trainer in the cannabis industry since early 2016, assisting cannabis businesses with compliance and workflow management solutions for every phase of the business lifecycle, from coast to coast.

After almost a decade in the cannabis industry in numerous positions, Amber has accumulated the industry experience to understand the challenges that cannabis business face and the skills that help them navigate these challenges in the most efficient, affordable means possible.

Amber was on the front lines managing and budtending on January 1, 2014, when adult-use was finally legalized in Colorado, and she looks forward to continuing to serve the industry that she loves, helping it continue to blossom and grow worldwide.

Lauren A. Rudick, Esq., Legal Counsel

Lauren Rudick is a senior partner in the boutique business law firm, Hiller, PC, in Manhattan, New York. A “recovering litigator,” Lauren practiced commercial litigation for ten years, during which time she successfully represented clients in a wide variety of business, intellectual property, and Internet/media disputes, while contributing to the Firm’s land use and zoning practice. In 2015, Lauren was named a Rising Star among Top New York Metro Attorneys, as featured by Superlawyers®.

Lauren is also the co-founder of Hiller, PC’s Cannabis Law Practice. What started as a passion project in patient rights during a brief residency in California, Lauren has become one of the Nation’s preeminent attorneys providing legal services to cannabis industry players in the “Green Rush.” With her diverse background in corporate law, litigation, and land-use and zoning, she provides clients with the most up-to-date information necessary to operate and invest in successful cannabis and ancillary businesses. Lauren is also a member of the legal team that brought an action against Attorney General Sessions and the federal government seeking, among other things, a declaration that the mis-classification of cannabis as a Schedule I drug is unconstitutional.

Lauren is an Expert Contributor to Marijuana Venture Magazine, a frequent speaker at national and local cannabis events, including, among others, MJ Biz Con, the Cannabis World Congress & Business Exposition, and the Women Grow Leadership Summit and provides pro bono legal and advocacy services to the Drug Policy Alliance, Compassionate Care New York, and the Cannabis Cultural Association. Lauren enjoys an extensive network of cannabis professionals nationwide, enabling her to provide full legal and business services to her clients.

Financial Highlights

The High End Chocolate Company, LLC, in its entirety, is a vertically-integrated producer of premium cannabis and cannabis products, which will involve licensed Cultivation, Manufacturing, Retail, and Research divisions. Applicant's comprehensive financial picture anticipates an overlap of many aspects of its businesses, including, for example (among others):

- Property tax expenses;
- Certain utilities and overhead expenses;
- Executive and certain management compensation;
- Transport logistics.

In an effort to establish financial feasibility of its Manufacturing operation, Applicant has developed the following simplified model, contemplating a wholesale-only business, which presents results that establish and support the viability of its operations.

REVENUE ESTIMATE - 100% WHOLESALE - CONCENTRATES & INFUSIONS						
Output	Units	Measure	Conversion	Units	Price/Unit	Revenue
Concentrates	187,786	gms	gms, 1:1	187,786	37.50	7,041,985
Infusions	125,191	gms	mg, 1:1000:0.5÷100	625,954	11.25	7,041,985
Gross Revenue Forecast:						14,083,970

SIMPLE FREE CASH FLOW MODEL 100% WHOLESALE - CONCENTRATES & INFUSIONS				
CONSIDERATIONS:				
Gross Revenue - First Full Year				14,083,970
Federal Tax Expense				21%
Operating Expense				-6,979,887
PROJECTIONS:				
	Year 1	Year 2	Year 3	Year 4
Gross Revenue	14,083,970	14,788,168	15,527,576	16,303,955
Federal Tax Liability	-2,957,634	-3,105,515	-3,260,791	-3,423,831
Operating Expense	-6,979,887	-7,328,881	-7,695,325	-8,080,091
Free Cash Flow	4,146,449	4,353,772	4,571,460	4,800,033

Assumptions:

- We anticipate procuring 3,000 lbs/annum of dry flower plus 450 lbs/annum of trim for manufacturing. This hypothetical output allocation shows 60% directed for concentrates and 40% to infusions;
- In our calculation, we use 20% extract yield. 690 lbs/annum, or 312,977 grams of extract for concentrates and infusions;
- In calculating THC milligram count, we assume 50% THC (i.e. 1g Extract → 1000mg Extract → 500mg THC).
- Pricing references:
 - MA Adult-Use "Distillate Vape Pens" retail at \$100/gram. This is our proxy for general concentrates. 50% for Wholesale, discounted 25%.
 - MA Adult-Use Edibles retail at \$30/100mg chocolate bar or box of lozenges. 50% for Wholesale, discounted 25%.

To date, Applicant has already contributed significant capital towards moving its project in Holyoke forward. This includes the following expenditures:

- Acquisition of real estate;
- Legal and accounting expenses;
- Contractor expenses:
 - Business consultants;
 - Technical Writers;
 - Engineers;
 - Architects; and
 - Other contractors;
- Utilities and maintenance; and
- Property taxes.

Pursuant to a comprehensive budget proposal developed by an experienced cannabis construction management firm, in conjunction with design plans developed by consultants and architects, Applicant anticipates that the manufacturing facility will cost approximately \$1.2 million to construct. Applicant also anticipates that six (6) months of initial operating costs as production scales into a revenue-generating, self-sustaining operation, will be approximately \$1 million. As such, Applicant anticipates needing \$2-2.2 million in start-up expenses for its licensed Product Manufacturer operation. Applicant has secured a line of credit to cover the build-out expense and initial operating expenses.

Detailed architectural plans, budget proposal, and capital sourcing can be found in Applicant's *Proposed Timeline* submitted herewith.

Closing Summary

This business plan summarizes two years of careful planning, development, and investment into a project that seeks to fill a growing consumer demand for sustainable and socially responsible Marijuana and Marijuana Products. Such an immense opportunity comes with great responsibility – Applicant has gathered an exceptional team of accomplished, passionate individuals to not only execute a rigorous operations program, but to help build an enduring vehicle for positive change.

Supporting Documentation

The following documentation can be found in the Appendix, attached hereto:

- (i) *Certificate of Organization from the Commonwealth of Massachusetts;*
- (ii) *Holyoke Host Community Agreement; and*
- (iii) *Holyoke Special Permit.*

Appendix

(i) *Certificate of Organization from the Commonwealth of Massachusetts;*

MA SOC Filing Number: 201934843200 Date: 10/24/2019 1:04:00 PM								
	The Commonwealth of Massachusetts William Francis Galvin Secretary of the Commonwealth, Corporations Division One Ashburton Place, 17th floor Boston, MA 02108-1512 Telephone: (617) 727-9640	Minimum Fee: \$500.00						
Certificate of Organization (General Laws, Chapter)								
Identification Number: <u>001408274</u>								
1. The exact name of the limited liability company is: <u>THE HIGH END CHOCOLATE COMPANY, LLC</u>								
2a. Location of its principal office: No. and Street: <u>110 WINTER ST</u> City or Town: <u>HOLYOKE</u> State: <u>MA</u> Zip: <u>01040</u> Country: <u>USA</u>								
2b. Street address of the office in the Commonwealth at which the records will be maintained: No. and Street: <u>110 WINTER ST</u> City or Town: <u>HOLYOKE</u> State: <u>MA</u> Zip: <u>01040</u> Country: <u>USA</u>								
3. The general character of business, and if the limited liability company is organized to render professional service, the service to be rendered: <u>APPLYING FOR LICENSE WITH THE CCC</u>								
4. The latest date of dissolution, if specified:								
5. Name and address of the Resident Agent: Name: <u>HELEN GOMEZ ANDREWS</u> No. and Street: <u>202 PINE STREET #2</u> City or Town: <u>HOLYOKE</u> State: <u>MA</u> Zip: <u>01040</u> Country: <u>USA</u>								
I, <u>HELEN GOMEZ ANDREWS</u> 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:								
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Title</th> <th style="text-align: center;">Individual Name First, Middle, Last, Suffix</th> <th style="text-align: center;">Address (no PO Box) Address, City or Town, State, Zip Code</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">MANAGER</td> <td style="text-align: center;">HELEN GOMEZ ANDREWS</td> <td style="text-align: center;">110 WINTER ST HOLYOKE, MA 01040 USA</td> </tr> </tbody> </table>	Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code	MANAGER	HELEN GOMEZ ANDREWS	110 WINTER ST HOLYOKE, MA 01040 USA		
Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code						
MANAGER	HELEN GOMEZ ANDREWS	110 WINTER ST HOLYOKE, MA 01040 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.								
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Title</th> <th style="text-align: center;">Individual Name First, Middle, Last, Suffix</th> <th style="text-align: center;">Address (no PO Box) Address, City or Town, State, Zip Code</th> </tr> </thead> <tbody> <tr> <td style="height: 30px;"></td> <td></td> <td></td> </tr> </tbody> </table>	Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code					
Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code						

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	HELEN GOMEZ ANDREWS	110 WINTER ST HOLYOKE, MA 01040 USA

9. Additional matters:

SIGNED UNDER THE PENALTIES OF PERJURY, this 24 Day of October, 2019,
HELEN GOMEZ ANDREWS
(The certificate must be signed by the person forming the LLC.)

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All Rights Reserved

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 24, 2019 01:04 PM

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

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth

(ii) **Holyoke Host Community Agreement;**



Host Community Agreement Certification Form

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

Applicant

I, HELEN GOMEZ ANDREWS, (insert name) certify as an authorized representative of THE HIGH END/HIGH END CHOCOLATE (insert name of applicant) that the applicant has executed a host community agreement with CITY OF HOLYOKE (insert name of host community) pursuant to G.L.c. 94G § 3(d) on 2 NOVEMBER 2018 (insert date).


Signature of Authorized Representative of Applicant

Host Community

I, Alex Morse, (insert name) certify that I am the contracting authority or have been duly authorized by the contracting authority for Holyoke, MA (insert name of host community) to certify that the applicant and Holyoke, MA (insert name of host community) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on November 5, 2018 (insert date).


Signature of Contracting Authority or
Authorized Representative of Host Community

**HOST COMMUNITY AGREEMENT
ADULT USE MARIJUANA ESTABLISHMENT
LICENSE CLASSES: MARIJUANA CULTIVATOR, MARIJUANA PRODUCT
MANUFACTURER, AND MARIJUANA RETAILER**

Upon execution by all parties, this HOST COMMUNITY AGREEMENT (the "Agreement") shall be effective as of the date signed by all parties, by and between the **CITY OF HOLYOKE** (the "CITY"), a municipal corporation with principal offices at 536 Dwight Street, Holyoke, Massachusetts 01040, acting by and through the Mayor, and **THE HIGH END / HIGH END CHOCOLATE** whose principal office is located at 110 Winter Street, Holyoke, MA 01040 (the "OPERATOR").

WHEREAS, the OPERATOR proposes to locate an Adult Use Marijuana Establishment (the "Establishment") in the CITY in accordance with regulations issued by the Massachusetts Cannabis Control Commission (the "CCC");

WHEREAS, the obligations of the OPERATOR set forth herein are specifically contingent on the OPERATOR being granted one or more Final Licenses from the CCC to operate the Establishment in the CITY (the "License") and on acquiring all required local permits and approvals; and

WHEREAS, the parties intend hereby to stipulate conditions and responsibilities between the CITY and the OPERATOR not covered by local zoning approval processes or CCC licensing requirements;

NOW, THEREFORE, in consideration of the above and in accordance with G.L. c. 94G, § 3(d), the Operator offers and the CITY accepts the Agreement as follows:

1. **Impact.** The purpose of this Agreement is to assist the CITY in addressing Community Impacts directly proportional and reasonably related to the OPERATOR. "Community Impacts" means, collectively, the following potential and actual impacts to the CITY directly related to or resulting from the construction and operation of the Establishment such as: (i) increased use of CITY services; (ii) increased use of CITY infrastructure; (iii) the need for additional CITY infrastructure, employees and equipment; (iv) increased traffic and traffic congestion; (v) increased air, noise, light and water pollution; (vi) issues related to public safety and addictive behavior; (vii) loss of CITY revenue from displacement of current businesses; (viii) issues related to education and housing; (ix) quality of life; and (x) costs related to mitigating other impacts to the CITY and its residents.
2. **Impact Fee.** In the event that the OPERATOR obtains one or more Final Licenses from the CCC and receives any and all necessary and required permits and licenses issuable by the CITY, which said permits and/or licenses allow the OPERATOR to locate, occupy, and operate one or more Adult Use Marijuana Establishments in the CITY, then the OPERATOR agrees to pay the CITY a Host Community Fee according to the following terms:

- The OPERATOR shall pay the CITY a percentage of gross revenue from all of the OPERATOR's operations in the CITY in accordance with the following schedule:
 - Three percent (**3%**) of gross revenue from all of the OPERATOR's operations in the CITY during each full Calendar Year of operations for the term of this Agreement;
 - Gross Revenue shall include the revenue from production, sales, operations, or services in the CITY pursuant to the License, to the maximum extent permitted under G.L. c. 94G, § 3(d), regardless of whether those products contain, or facilitate the use, inhalation, or ingestion of, medical marijuana.
 - The calculation of Gross Revenue shall not include: (i) revenue from operations covered under any other Host Community Agreement between the OPERATOR and the City of Holyoke, and (ii) transactions and transfers, within the City of Holyoke, between the Establishment and any other Adult Use Marijuana Establishment operated by the OPERATOR.
 - The OPERATOR shall, within sixty (60) days from the close of the calendar year, submit a report to the CITY certifying the gross revenue for the preceding calendar year, in addition to any seed-to-sale tracking records required to be reported to the CCC under 935 CMR 500.105(8)(e) & .105(9)(c). The report shall specify the Host Community Fee as calculated under this section and shall be prepared by Certified Public Accountant in accordance with generally accepted accounting principles ("GAAP").
 - Annual payments shall be due and payable no later than ninety (90) days from the close of the calendar year.
 - In addition to the above referenced report to the CITY certifying gross revenue, the OPERATOR shall provide the CITY with an annual report detailing the following information for the preceding Calendar Year: (i) the total number of the OPERATOR's transactions in the CITY (provided same is not a privacy violation); (ii) descriptions of any incidents on-site at the Establishment operated within the CITY that required a public safety response; and (iii) other such information reasonably requested by the CITY.
3. **Impact Fund.** The CITY shall use the above-referenced payments in its sole discretion consistent with the purpose of this Agreement and in accordance with G.L. c. 94G, § 3.
4. **Taxation.** At all times during the term of this Agreement, real property owned or operated by the OPERATOR shall be treated as taxable, and all applicable real estate and property taxes for that property shall be paid either directly by the OPERATOR or

by its landlord. The OPERATOR shall not challenge the taxability of such property and shall not submit any applications for any statutory exemption from such taxes.

5. **Abatement.** Notwithstanding Paragraph 2 above: (a) if real property owned or operated by the OPERATOR is determined to be exempt for taxation or partially exempt, or (b) if the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at full, fair market value, then the OPERATOR shall pay to the CITY an amount which, when added to the taxes, if any, paid on such property, shall be equal to the taxes which would have been payable on such property at full assessed, fair market value and at the otherwise applicable tax rate, if there had been no abatement or exemption. The payment described in this Paragraph 3 shall be in addition to the payments made by the OPERATOR under Paragraph 1 of this Agreement.
6. **Payment in Lieu of Taxation.** In the event that the OPERATOR becomes eligible for status as a charitable organization and a related decrease or elimination of real property taxes, and tax revenue from the OPERATOR's location in the CITY is reduced or eliminated, the OPERATOR will make the assessed, fair market value tax payment directly to the CITY as an additional payment under this Agreement.
7. **Hiring Commitment.** The OPERATOR commits to make good faith efforts to hire qualified Holyoke residents whenever feasible for any employment opportunities that become available. Implementation of the Commitment shall include collaborating with CareerPoint, Holyoke Works, Holyoke Community College, and other available resources within the City of Holyoke to train and/or recruit residents of Holyoke for all employment opportunities. Methods to recruit employees may include collaboration with local labor unions and other recruitment efforts, such as a neighborhood job fair, and posting of notices of opening at strategic locations, including notifying local community organizations about job opportunities. Upon commencing operations and within thirty (30) days of the start of the calendar year for each year this Agreement remains in effect, the OPERATOR will provide the CITY with an annual report for each previous year containing the following information: (1) the OPERATOR's employment level; (2) the number of Holyoke residents employed, and; (3) a description of the measures taken to fulfill this workforce hiring commitment.
8. **Public Safety Cooperation.** The OPERATOR shall comply with the conditions of any special permit issued by the City, including coordinating with the Holyoke Police Department (the "HPD") in the development and implementation of security measures, as required by the Commonwealth of Massachusetts, the CCC, and otherwise, including in determining the placement of exterior security cameras. The OPERATOR will maintain a cooperative relationship with the HPD, including but not limited to periodic meetings to review operational concerns and communication to the HPD of any suspicious activities on the site.
9. **Termination.** This Agreement shall terminate immediately at the time that any of the following occurs: the CITY notifies the OPERATOR of the CITY's termination of this Agreement for CAUSE as defined in this section; the OPERATOR or its assigns ceases

to operate the Establishment in the CITY; or if the OPERATOR fails to make payments to the CITY as required under this Agreement and such failure remains uncured for ninety (90) days following written notice to the OPERATOR. CAUSE shall be defined as any instance in which the OPERATOR willfully or negligently violates any laws of the Commonwealth with respect to the operation of the Establishment, and such violation remains uncured for ninety (90) days following written notice to the OPERATOR.

10. **Binding Effect.** This Agreement is binding upon the parties hereto, their successors, assigns, and legal representatives. The Parties shall be prohibited from assigning, in whole or in part, any portion of this Agreement without the written consent of the other party which shall not be unreasonably withheld conditioned or delayed. However, in no event shall this Agreement be modified to provide for a minimum annual payment from the OPERATOR and/or the successors, assigns, and legal representatives of the OPERATOR of less than three percent (3%) of gross revenue from all of the OPERATOR's operations, unless otherwise required under the laws of the Commonwealth.
11. **Compliance.** The OPERATOR shall comply with all laws, rules, regulations and orders applicable to siting pursuant to this Agreement, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits, and approvals required for the operation of the OPERATOR's facility. The terms of this Agreement do not supersede ordinances, regulations, and site plan approvals nor do they constitute compliance with any particular regulatory requirement other than the requirement that the OPERATOR enter into a Host Community Agreement with the City pursuant to G.L. c. 94G, § 3.
12. **Re-opener.** Should the CITY enter into a Host Community Agreement with any other Adult Use Marijuana Establishment within the same license class as the OPERATOR, as defined under 935 CMR 500.050(1)(d), for siting in the City of Holyoke at material terms more favorable to the operator of that establishment than the terms of this Agreement are to the OPERATOR of this Establishment, then this Agreement shall be modified to reflect those terms. However, in no event shall this Agreement be modified to provide for a minimum annual payment from the OPERATOR of less than three percent (3%) of gross revenue from all of the OPERATOR's operations. Upon the mutual-agreement of the CITY and the OPERATOR, this Agreement may be terminated at any time.
13. **Notices.** Any and all notices, or other communications required or permitted under this Agreement shall be in writing and delivered postage prepaid mail, return receipt requested; by hand; by overnight delivery service; or by other reputable delivery services, to the Parties at the addresses set forth on the first page of this Agreement or furnished from time to time in writing hereafter by one party to the other party. Any such notices or correspondence shall be deemed given when so delivered by hand, if so mailed, when deposited with the USPS or, if sent by private overnight or other delivery service, when deposited with such delivery service.

14. **Severability.** If any term or condition of this Agreement or any application thereof shall to any extent be held invalid, illegal, or unenforceable, then the validity, legality, and enforceability of the remaining terms and conditions of this Agreement shall not be deemed affected thereby unless one or both of the Parties would be substantially or materially prejudiced.
15. **Choice of Law.** This Agreement shall be governed by, construed, and enforced in accordance with the laws of the Commonwealth of Massachusetts.
16. **Accounting.** The OPERATOR shall maintain its books, financial records, and other compilations of data pertaining to the requirements of this Agreement in accordance with standard GAAP and all applicable guidelines of the CCC. All records shall be kept for a period of at least seven (7) years.
17. **Integration.** This Agreement, including all documents incorporated therein by reference, constitutes the entire integrated agreement between the parties with respect to the matters described. This Agreement supersedes all prior agreements, negotiation and representations, either written or oral and it shall not be modified or amended except by a written document executed by the Parties hereto.
18. **Term.** Except as may otherwise be provided herein, this Agreement shall be in effect for a period of FIVE (5) YEARS from the Effective Date (the "Expiration Date"), except as may otherwise be provided herein. In the event the OPERATOR does not commence operations of the Establishment within the CITY, then this Agreement shall automatically terminate, become void and be of no further force or affect as to either party. For such time as the OPERATOR continues operations within the city, the Parties agree to negotiate a successor Host Community Agreement upon expiration of this agreement. In the event the OPERATOR ceases operations in the CITY prior to Expiration Date, this Agreement shall terminate on such date the OPERATOR ceases operations. Payments due for that Calendar Year shall be prorated based on the number of days of operation during that quarter. The OPERATOR shall not be required to cease operations upon the Expiration Date of this Agreement unless for CAUSE as defined in Paragraph 10.
19. **Responding to the CCC.** If contacted by the CCC, the City shall promptly provide any information requested concerning the OPERATOR, including confirmation that the site of the Establishment is in a zoning district for which the operation is a permissible use, although a special permit shall be required before operations may commence.
20. **License Renewal.** Upon the request of the OPERATOR in connection with the renewal of its License, the City shall cooperate with and support the OPERATOR's obligation to provide an accounting of the financial benefits accruing to the CITY under this Agreement, as required by 935 CMR 500.103(4)(d).

XII. OPERATOR INFORMATION

1. The Provider or vendor's Name: THE HIGH END / HIGH END CHOCOLATE
2. Contact Person: Helen Gomez Andrews
3. Telephone: 646-251-3662
4. E-mail: helen@highendchocolate.com

IN WITNESS WHEREOF, the CITY OF HOLYOKE and THE HIGH END / HIGH END CHOCOLATE, have executed this Agreement as a sealed instrument as of the day and year the same is signed by all parties hereto, on the latest date noted below.

THE HIGH END / HIGH END CHOCOLATE:

Printed Name: _____

Signature: _____

Title: _____

Date signed: _____

HELEN GOMEZ ANDREWS
[Signature]
CEO
11/2/18

CITY OF HOLYOKE:

Alex B. Morse, Mayor

Date signed: *11-5-18*

Alex Morse

APPROVED AS TO FORM:

Chris Eruchull, Assistant City Solicitor

Date signed: *Nov 2, 2018*

[Signature]

(iii) **Holyoke Special Permit.**

Special Permit

A Special Permit was granted to The High End Management Co., for a Special Permit to operate a Registered Marijuana Retail Establishment and Recreational Marijuana Cultivation Facility at 110 Winter St., Holyoke MA 01040.

Petitioner: The High End Management Co.
110 Winter St.
Holyoke, MA 01040

Parcel: 110 Winter St.
Parcel # 032-01-004/031-01-004
Book/Page 22429/574

Conditions: 1. Application is amended to be for an MME (No Retail)
2. That the owner of the building always pay commercial property tax rate to the extent allowed by Federal, State, and Local laws for the duration of the Sp. Permit
3. That the business retain a minimum 30% Holyoke residents for of non-security jobs
4. That hiring preference be given to security personnel that are retired Holyoke Police Or are a retired member of another police department now living in the City of Holyoke.
5. There shall be no marijuana consumption on site.
6. There shall be no deliveries of retail or medical marijuana from the site to individual homes, residences, or people.
7. That hours of operation be Monday-Saturday 8am-8pm and Sunday 8am-5pm
8. Applicant must provide a fence to block access to the railroad track pending authorization from the abutting property owner.

Granted by the City Council on September 3, 2019 by a vote of the Yeas 13, Nays 0, Absent 0

**In order for this permit to be effective, the approved special permit must be recorded at the Hampden County Registry of Deeds and the costs of recording paid by the owner or applicant. A SPECIAL PERMIT WILL NOT TAKE EFFECT UNTIL IT IS RECORDED AT THE HAMPDEN COUNTY REGISTRY OF DEEDS.

***AFTER RECORDING, PLEASE RETURN A COPY TO THE CITY CLERK


Brenna Murphy McGee
Holyoke City Clerk

THE HIGH END CHOCOLATE COMPANY, LLC
MASSACHUSETTS ADULT-USE MARIJUANA PRODUCT MANUFACTURER:
Plan for Obtaining Liability Insurance

Summary Overview

As required by 935 CMR 500.105(10), Applicant submits the following plan for obtaining liability insurance (*"Insurance Plan"*).

Liability Insurance

For its proposed product manufacturing facility, Applicant will obtain and maintain, at a minimum, general liability insurance coverage for at least \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, and product liability insurance for at least \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually. As also required by 935 CMR 500.105(10)(a), the deductible for each policy will be \$5,000 or less, per occurrence. This policy will be obtained through Embroker Insurance Services, LLC, as reflected by the confirmation letter, attached hereto. Other insurance policies that may be available to Applicant through Embroker include: Property, Business Personal Property, Product Recall, Workers Compensation, Crime and Security, Cyber Security (protecting the integrity of Applicant's Seed-to-Sale tracking system and electronic records retention, as described in its *Recordkeeping Plan*), Commercial Auto Coverage, Business Continuity and Interruption, Employment Practices Liability (Discrimination, Harassment and Hiring Practices), and Directors & Officers Liability.

Should Applicant ever be unable to obtain or otherwise maintain general liability and/or product liability insurance, for any reason, Applicant will, in strict accordance with 935 CMR 500.105(10)(b), document its inability to obtain the minimum liability insurance coverage as required by 935 CMR 500.105(10)(a), and place \$250,000 (or such other amount as approved by the Commission) in an escrow account, to be expended for the coverage of liabilities. In the event that Applicant is required to open and fund an escrow account pursuant to 935 CMR 500.105(10)(b), such escrow account will be replenished within ten business days of any expenditure of funds from that account, as required by 935 CMR 500.105(10)(c).

As required by 935 CMR 500.105(10)(d), Applicant will document compliance with 935 CMR 500.105(10) in a manner and form determined by the Commission pursuant to 935 CMR 500.000. Applicant's record keeping requirements as it pertains to insurance may be found in its *Recordkeeping Plan*. Such records will be made available to the Commission upon request, in accordance with 935 CMR 500.105(9).

Applicant is mindful that, any failure to comply with the insurance provisions set forth in 935 CMR 500 constitutes grounds for the denial of a renewal application, and/or suspension and/or revocation of its License, as set forth in 935 CMR 500.450(3).

EMBROKER

October 10th, 2019

Helen Gomez Andrews, Owner
The High End Chocolate Company, LLC
PO Box 151, Holyoke MA 01041
helen@highendchocolate.com

To Whom It May Concern:

Embroker Insurance Services LLC ("Embroker"), a nationally licensed insurance brokerage, intends on providing The High End Chocolate Company, LLC and all affiliates, a prospective Massachusetts cannabis license holder, with bindable insurance quotes for Commercial General Liability, Product liability inclusive of Product loss coverage and Product Recall (including coverage for costs incurred by applicant communicating a recall announcement, reclaiming and destroying recalled products) , Property Coverage inclusive of Business Interruption, Commercial Auto Coverage with Inland Marine (for property in transit) .

Embroker is a broker, not a carrier or underwriter and cannot guarantee coverage. Based on the completion of required insurance applications, The High End Chocolate Company, LLC has demonstrated its willingness to put risk-management practices in place and Embroker expects to deliver bindable quotes upon licensure in compliance with the MA state cannabis laws and regulations].

If there are any questions or concerns, please do not hesitate to reach out to our office.

Sincerely,



Jeffrey Samuels
Broker MA License # 2045679
Jeff.samuels@embroker.com
(845)-304-7233



THE HIGH END CHOCOLATE COMPANY, LLC
MASSACHUSETTS ADULT-USE MARIJUANA PRODUCT MANUFACTURER:
Diversity Plan

Summary Overview

In accordance with 935 CMR 500.101(1)(c)(8)(k), Applicant submits the following *Diversity Plan*. Applicant is a woman, and person-of-color led, company seeking to operate a cannabis business in the Commonwealth of Massachusetts. As such, support of diversity is not only a core value, but also fundamental to the ethos of the Company. Applicant is committed to being an agent of positive change, and seeks to ensure that it contributes to the diversification of the cannabis industry to better reflect the Commonwealth's multicultural society.

Applicant is committed to creating an inclusive, respectful, and safe community that will actively confront and challenge racism, sexism, homophobia, transphobia, religious bigotry, and other forms of harassment and discrimination.

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

Diversity Goals

Applicant will implement the following *Diversity Plan* that promotes and ensures equity in its operations by attracting, employing, elevating, and retaining board members, contractors, executives, employees, managers, and service providers from diverse and underrepresented groups including: women; minorities; persons with disabilities; LGBTQ+ persons; and veterans (collectively, "Underrepresented Communities") and subject to the Suitability standards set forth in 935 CMR 500.800, *et seq.*

Applicant's *Diversity Plan* goal is to hire and maintain a workforce that is comprised of at least 50% women, minorities, person with disabilities, LGBTQ+, and veterans.

By employing a workforce of individuals from diverse backgrounds and cultural groups, Applicant will support communities that are often underrepresented in the cannabis labor force.

Diversity Programs

Applicant's *Diversity Plan* implementation will consist of actionable components in Recruitment, Education, and Corporate Culture Development, with the support of a Diversity Action Committee, as follows.

1. *Diversity Advisory Committee*

The CEO shall appoint three to five team members to a Diversity Action Committee to help ensure that the Company meets its Diversity Goals. The Committee will review and assess diversity data collected by HR; develop, distribute, and collect data from a Team Member Survey; develop ways to enhance diversity and strengthen culture of teamwork and respect; and prepare quarterly progress reports (as recommended by the Cannabis Control Commission).

2. *Fair Representation Program*

Applicant will employ the following recruitment strategies to attract candidates from a diverse pool of talent.

- Include the following statement in all published materials and employment advertisements: "*The High End Chocolate Company, LLC is a woman and person-of-color led company that proactively promotes diversity. The High End Chocolate Company, LLC welcomes applications from members of all*

underrepresented and minority groups. We do not discriminate on the basis of race; gender identity or expression; sexual orientation; religion; age; or disabilities. Discrimination on previously mentioned qualifiers is illegal;”

- Reflect diversity in visual imagery of the company in all published materials and employment advertisements;
- Develop job descriptions that contain gender-neutral language, and exclude hidden-bias language, and focus more heavily on what a candidate will be expected to achieve within specified periods of time into the job, rather than focusing on a specific checklist of required skills ¹ ;
- Highlight opportunities for flexible working, when available, such as “work from home” arrangements (for non-operational roles, such as marketing or sales) or flexible hours (for part-time roles, such as trimming) ² ;
- Work with community development organizations such as One Holyoke CDC (who serve a majority Latinx community; acceptance letter attached in Appendix), as well as local college career placement departments, for the purpose of offering quarterly employment opportunities and internships with the Company to members of Underrepresented Groups; and
- Advertise monthly employment opportunities in diverse publications or other mediums, such as The Rainbow Times (New England’s largest LGBTQ+ Newspaper).

3. Educational Series Program

In Massachusetts, women-led cannabis businesses represent only 5% of provisional or fully approved cannabis licenses, minority-led and veteran-led businesses represent just 3% each, while even less are LGBTQ+ or persons with disabilities. Registered agent demographics also lack diversity, with less than 20% identifying as minorities. Applicant intends to address this by offering free monthly mentoring/training services and educational opportunities to members of Underrepresented Communities who are interested in joining the legal cannabis industry. This educational series which will provide pathways into the cannabis industry, free of charge for members of Underrepresented Communities, on the following topics:

- a. Urban Agriculture (with the following as possible course examples):
 - Carbon Sequestration Through Urban Regenerative Agriculture;
 - Community Farming and Healthy Food Security;
 - Planting Organic Vegetable Gardens; and
 - The Basics of Cannabis Cultivation.
- b. Becoming an Entrepreneur in the Cannabis Industry (with the following as possible course examples):
 - Building a Cannabis Company 101;
 - The CCC Licensing Application Process; and
 - Navigating Federal, State, and Local Laws.

4. Corporate Culture Development Program

Recruiting from a diverse pool of candidates means a more qualified and innovative workforce. Applicant will foster a culture of respect and understanding in order to retain diverse talent and build a strong foundation for success in an increasingly competitive industry. Colleagues who respect each other help each other, resulting in a workforce with rich, positive relationships and a sense of belonging. Applicant will implement the following internal initiatives:

¹Studies show that such checklists drive away capable female candidates who generally won’t apply for a job if they don’t meet 100% of the listed qualifications as compared to men who will apply even if they meet just 60% of listed qualifications.

² Studies show that offering flexible working opportunities promotes diversity and gender equity by reaching a broader audience of talent that might not otherwise consider themselves eligible – such as single mothers, or persons with disabilities (groups that Applicant intends to attract).

- Ensure that Diversity and Inclusion Awareness are key components in all onboarding and ongoing mandatory staff trainings, and highlighted monthly in internal communications;
- Develop and host bi-annual staff appreciation and diversity education events for employees, which are intended to celebrate their individual contributions while enhancing staff understanding and respect for themselves, one another, and the value of diversity; and
- Encourage feedback about the Company's diversity efforts from employees by implementing an Open Door Policy and distributing quarterly anonymous Team Member Survey which promotes candor and transparency.

Measurement of *Diversity Plan*

Applicant understands that the progress or success of this plan, in its entirety, must be documented annually upon renewal, occurring on each anniversary of provisional licensure.

Applicant will compile HR workforce statistics and quarterly Team Member Survey feedback to prepare quarterly progress reports and an Annual Diversity Report, all of which will highlight qualitative and quantitative data for specified timeframe, including:

Quantitative Measures

- Number of individuals hired who are women, minorities, person with disabilities, LGBTQ+, and veterans vs. the total number of individuals hired, to ensure that Applicant reaches its *Diversity Plan* hiring goal;
- Demographics of workforce at each quarter-end to ensure that Applicant maintains its *Diversity Plan* workforce goal;
- Number and subject matter of public educational courses offered each year, total number of attendees from Underrepresented Communities, and number of how many attendees from each Community;
- Number of advertisements and job postings published each year, and identification of the organization/career center/publication/college it was posted with;
- Number of Diversity and Inclusion trainings and events held each year, and identification of participants for each;
- Employee survey statistics; and
- Year over year, and since-inception, comparisons.

Qualitative Measures

- Sentiments gathered from the Team Member Survey;
- Community response; and
- Specific instances where Team Member Survey feedback was instrumental in implementing a new policy, program, or measurement in support of diversity at the Company.

Closing Summary

The High End is a woman, and person-of-color, led company that believes diversity in experiences, opinions, and backgrounds is vital to its success. In the same way that microbial diversity in the rhizosphere makes for a stronger, healthier, happier plant that delivers richness in expression, diversity in the workforce delivers collaboration, problem solving, and a stronger foundation for an enduring business. Applicant is immensely grateful for the opportunity to build a company that will reflect true American communities, particularly in Massachusetts, and demonstrate that individuals of all backgrounds can work harmoniously together for the greater good.

Appendix

Letter of Acceptance – OneHolyoke CDC, Recruiting in Holyoke

THE HIGH END

January 13, 2020

Michael Moriarty
OneHolyoke CDC
70 Lyman Street
Holyoke, MA 01040

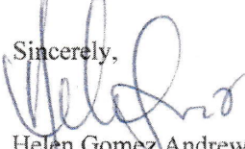
Dear Michael,

Thank you for accepting our invitation to partner with The High End on a Job Fair in Holyoke.

We are committed to finding talent within Holyoke. The strong relationship that One Holyoke CDC has with the local community will help us to achieve this goal, and we are so grateful for your support.

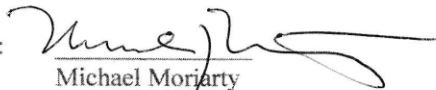
We look forward to working with you!

Sincerely,



Helen Gomez Andrews
CEO, The High End

Accepted:



Michael Moriarty
Executive Director
OneHolyoke CDC

cc: *Massachusetts Cannabis Control Commission*

*110 Winter Street • 384 Dwight Street
Holyoke, Mass.*

THE HIGH END CHOCOLATE COMPANY, LLC
MASSACHUSETTS ADULT-USE MARIJUANA PRODUCT MANUFACTURER:
Maintaining of Financial Records

Summary Overview

In accordance with 935 CMR 500.101(1)(c)(8)(j) and 935 CMR 500.105(1)(o), Applicant submits the following summaries of policies and procedures for the maintenance of financial records and cash handling (*“Financial Recordkeeping Plan”*). The standard operating procedures (SOPs) set forth herein are designed to protect confidential financial records and valuable assets, while ensuring that Applicant is in full compliance with 935 CMR 500.000, generally accepted accounting principles, its Host Community Agreement with the City of Holyoke, and all other applicable laws, regulations, and local rules.

Key Staff

Key staff members who are responsible to implement the *Financial Recordkeeping Plan* and their specific roles therein, are as follows. A complete organizational chart may be found in Applicant’s *Business Plan*.

Bookkeeper:

- Maintaining accounting records;
- Coordinating with CEO and third-party accountant;
- Together with Director of Inventory, counting cash; and

CEO:

- Together with Director of Inventory, directly overseeing Transport Agents’ payment, handling, and transport of cash;

Record Keeping Team (includes Director of Inventory, Director of Compliance, Director of Operations, Director of Security, and HR Administrator under CEO oversight):

- Managing key record keeping procedures (as further described in Applicant’s *Recordkeeping Plan*);

Directory of Compliance:

- Managing training and education for employees;

Financial Records Maintenance

The Bookkeeper will use an accounting software (Quickbooks or similar) to record all financial transactions. Through this accounting software, the Bookkeeper will account for and record all

cash flows, including payments made and received pursuant to invoices and bills. Moreover, with the accounting software, the Bookkeeper will prepare month-end and quarter-end financial statements that will include, among other financial records: a balance sheet; a statement of income; and a statement of cash flows. By maintaining detailed financial records, Applicant can make sound economic decisions and ensure the Company's financial viability.

Pursuant to 935 CMR 500.105(2)(a)-(b), Marijuana Establishment Agents employed by Applicant who are responsible for any accounting and financial operations, such as aforementioned Bookkeeper or any member of the RT, will undergo extensive training procedures to ensure prompt and accurate financial recordkeeping. Applicant will impose upon such employees the highest standards of care relating to financial operating procedures, and Applicant will terminate the employment of any employee who shows continued negligence in recording financial transactions and maintaining records of transactions and books of account. Further information on Applicant's employee training programs can be found in Applicant's *Qualifications and Training Plan*.

Applicant will retain a third-party accountant to review Applicant's journal entries and books of account on at least a quarterly basis, if not more frequently. Applicant will reflect any revisions suggested by the accountant and note the change to the Company's records. This engagement is one example of how Applicant will implement checks and balances to ensure the continued accuracy its financial operations and accounting practices. Applicant's books of account will be maintained using Generally Accepted Accounting Principles (GAAP), which will improve the reliability and utility of the financial reports for third parties.

Applicant will keep meticulous records related to taxes due to the Commonwealth pursuant to 830 CMR 63.00, Taxation of Corporations; to the City of Holyoke; and to the Federal Government.

Applicant will maintain its tax records for a period of at least seven (7) years, consistent with the Company's Host Community Agreement with the City of Holyoke.

Applicant will retain documentation supportive of its calculation of the Host Community fee, including, without limitation, gross revenue and seed-to-sale tracking data.

Sources of capital and investor information will be maintained and organized in a thorough manner, so that Applicant can anticipate and notify the Commission of any contemplated Ownership or Control Change scenarios (such as through equity capital raising, or stock buybacks, for example) as required by 935 CMR 500.104(1)(b). Applicant's bankers and legal counsel will hold replicate records of the Company's investor list to ensure efficiency when addressing questions from the Commission and other regulators.

Financial Records Maintenance Procedures

The following policies and procedures for Maintaining of Financial Records are written in accordance with 935 CMR 500.105(9)(e). All financial records will be available to the Commission upon request in a timely manner, as required by 935 CMR 500.301(1). To protect the integrity of financial records deemed “confidential,” Applicant will, in satisfaction of 935 CMR 500.105(1)(l), protect such records and make them available only to authorized Marijuana Establishment Agents, the Commission, and any authorized third parties who require access to such records.

The following records shall be maintained by Applicant:

Assets and Liabilities (935 CMR 500.105(9)(e)(1))

- Assets and liabilities shall be reflected in the reports that are generated from Applicant’s accounting software (QuickBooks or similar) which shall be determined based on the valid recording of the transactions and reconciled to subsidiary ledgers and third-party independent records when available;
- Assets shall be recorded immediately upon procurement whether paid on delivery or owing to the vendor; and
- Liabilities shall be recorded immediately upon receipt of a vendor invoice or similar document or upon receipt of goods or services when such document is unavailable (based on the purchase order, vendor agreement or other similar external documents).

Monetary Transactions (935 CMR 500.105(9)(e)(2))

All monetary transactions shall be recorded immediately upon execution.

Receipt of payments

- Payments to Applicant that are made in cash will be collected by a Transport Agent, who will count and acknowledge receipt of cash to the paying Marijuana Establishment; (the Transport Agent will place the cash in a cash drop bag with the transaction record; Transport Agents will never commingle cash payments within a single cash drop bag);
- Upon return to the facility, the cash will be delivered by the Transport Agent to the Director of Inventory to be recounted together with the Bookkeeper, before transferring to the cash storage safe;
- Cash received shall be recorded immediately into Applicant’s point-of sale system, Trellis or similar, which will feed to the general accounting records through the application integration; and
- Checks received shall either be recorded immediately in Applicant’s point-of sale system which will feed to the general accounting records through the

application integration or: if unrelated to sales; recorded in Applicant's general accounting records and applied to the necessary accounts.

Checks

- Handwritten checks shall be recorded in the accounting records immediately upon execution and applied to either outstanding vendor invoices or recorded as an expense or asset depending upon the nature of the payment; and
- Computerized paper checks will automatically be recorded by the accounting system as printed. The payments will be applied to either outstanding vendor invoices or recorded as an expense or asset depending upon the nature of the payment.

Electronic payments

- Electronic payments initiated through the accounting system: these payments will be automatically recorded by the accounting system as generated and will be applied to either outstanding vendor invoices or recorded as an expense or asset depending upon the nature of the payment;
- Electronic payments initiated through bank account online banking shall be recorded in the accounting records immediately upon execution and applied to either outstanding vendor invoices or recorded as an expense or asset depending upon the nature of the payment; and
- Electronic payments initiated on vendor websites shall be recorded in the accounting records immediately upon execution and applied to either outstanding vendor invoices or recorded as an expense or asset depending upon the nature of the payment.

General banking protocols

- Internal company records representing bank accounts shall be reconciled daily using online banking functions with concluding reconciliations performed at the end of each monthly accounting period.

Books of Accounts (935 CMR 500.105(9)(e)(3))

Books of Accounts include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers.

Journals

Journals will be automatically generated through the accounting system based on the nature of the transaction. Such journals will include:

- Check register (cash disbursements and cash receipts);
- Purchases journal; and
- Sales Journal.

Ledgers

Ledgers will be generated both physically by personnel and automatically through the accounting system. Such ledgers will include:

- Vendor ledger;
- Customer ledger; and
- Inventory ledger.

Supporting documents and agreements

- Paper invoices, bills, checks, purchase or sale agreements, or other documents relating to business or financial transactions, will be scanned by the Bookkeeper to create an electronic version, which will then be saved in a computerized filed folder, properly labeled and organized;
- Such documents will also be attached to transactions through Applicant's accounting software, or a memo will be inserted in the transaction detail noting the location and file name of the scanned documents if too large to attach;
- The Bookkeeper will then place the paper document into the appropriate folder in a file cabinet containing paper records, which are properly labeled and organized for easy retrieval, if necessary; the file cabinet will be locked and stored in a secure storage area, accessible only to designated employees.
- Original versions of these business and financial records that are already in digital form, will be saved in the appropriate computerized folders.
- All digital documents will be stored and related to accounting records in the same manner as scanned paper documents; and
- All digital documents will be properly backed-up to ensure that no records are lost permanently.

Checks

Checks shall be recorded as indicated above, and scanned copies of manual checks shall be stored and connected to the recorded transaction as applicable.

Invoices and vouchers

Invoices and vouchers, whether in paper or electronic form, shall be stored and maintained in the same manner as supporting documents and agreements.

Sales Records (935 CMR 500.105(9)(e)(4))

Sales Records will include and itemize the quantity, form, and cost of Marijuana Products.

- Records of the sale dollar amount of each transaction shall be recorded initially using Applicant's point-of-sale system which will integrate with the general accounting system and in METRC.

Salary and Wages (935 CMR 500.105(9)(e)(5))

Salary and wages include compensation paid to each employee, stipends paid to each board member, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with Applicant, as applicable.

General payroll will be processed and paid by a payroll processing company initially and will evolve into use of a professional employer organization (PEO).

Salaries and wages records will include complete information on all of the following:

- Employee salaries and wages;
- Executive compensation;
- Bonuses;
- Benefits whether company paid or subject to employee deduction; and
- Any other items of value that are provided to any employees.

Stipends to board members shall be accrued as necessary in accordance with the agreement and payment shall be recorded when paid.

Additional Record Keeping Procedures

Details covering the following relevant record keeping standards and practices are covered in Applicant's *Recordkeeping Plan*:

- Recordkeeping Team;
- Record Creation & Storage (*Physical and Digital*);
- Record Requests; and
- Record Destruction.

Cash Handling Procedures

Applicant's cash handling SOPs are designed to protect cash from theft, prevent mistakes in accounting, ensure accurate tax accounting, and to provide employees with defined in handling cash. Applicant appreciates the additional operational and compliance burdens imposed on financial institutions with Marijuana Establishment clients, and is prepared to provide all necessary assistance and documentation to help any financial institution where Applicant owns an account remain compliant with all relevant FinCEN guidance related to banking Marijuana transactions, such as FIN-2014-G001, and other applicable financial regulations, including the Bank Secrecy

Act, as needed, and to reduce the effort associated with any related due diligence that the Bank may seek to perform.

Applicant will take great care to ensure that cash is securely stored within the facility and will implement detailed written operating procedures for the handling of cash including but not limited to storage, collection frequency, and transport to financial institutions, as required by 935 CMR 500.105(1)(o). These procedures will limit cash on site to the minimum amount needed for daily operations, and are described in further detail in Applicant's *Diversion Prevention Plan*.

Records of all cash transactions will be kept in digital form. Records of deposits will be kept in both written and digital form. Physical records will be stored in the Secure Records Room. Additional details on Physical and Digital recordkeeping procedures can be found in Applicant's *Recordkeeping Plan*.

THE HIGH END CHOCOLATE COMPANY, LLC
MASSACHUSETTS ADULT-USE MARIJUANA PRODUCT MANUFACTURER:
Personnel Policies & Background Checks

Summary Overview

As required by 935 CMR 500.101(1)(c)(8)(g), Applicant submits the following summary of personnel policies (“*Personnel Plan*”), which includes, among other things, standard operating procedures (SOPs) and information concerning the following: Employee Hiring, Staffing Goals & Strategies, Employment Policies, and Code of Conduct.

Key Staff

Key staff members who oversee personnel policies, and their specific roles therein, are as follows. A complete organizational chart is provided below.

Hiring Committee (comprised of the CEO, the Director of Operations, the HR Administrator, and one additional employee who will work closely with the newly selected employee):

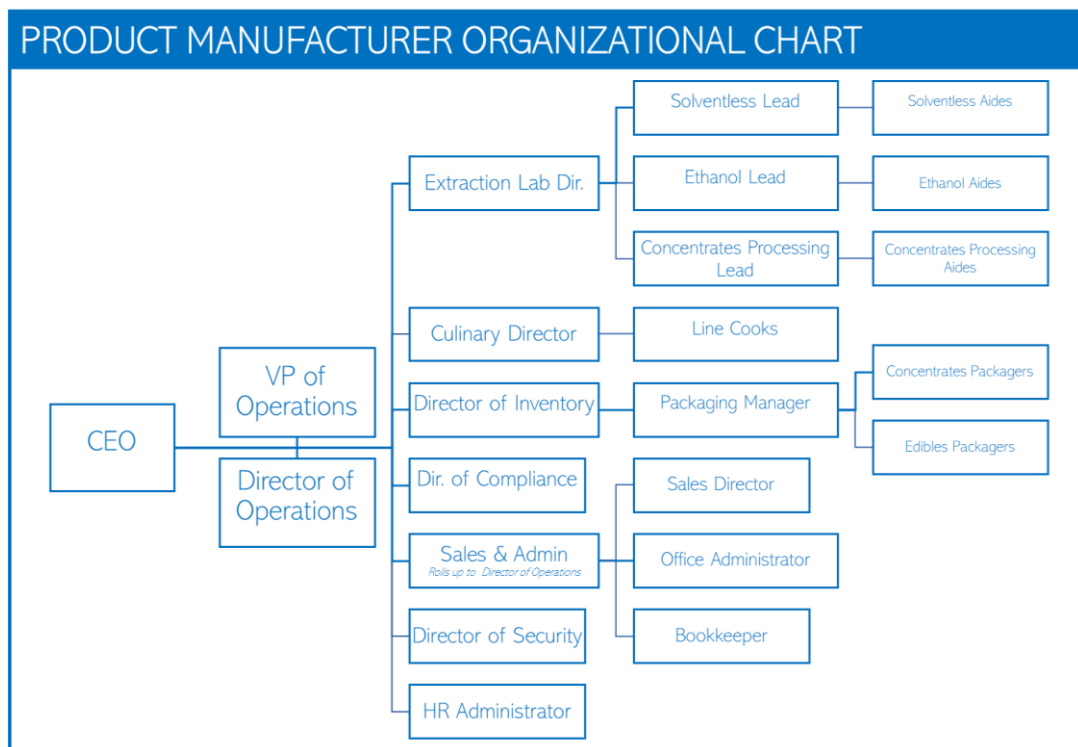
- Coordinating, conducting, and assessing interviews of prospective candidates;
- Analyzing operational status and creating new roles when needed;

HR Administrator

- Communicating new job opportunities internally and through local partners;
- Conducting reference checks of prospective candidates;
- Communicating benefits;
- Overseeing work schedule changes; and
- Overseeing violations reporting.

Employee Hiring

While Applicant feels its current staffing plan, illustrated in the organizational chart below, will be adequate for operations for at least the first year, continued growth of the company will require new roles and additional personnel. For buildout of Applicant’s organizational structure, the aforementioned Hiring Committee will first examine the strategic goals and fiscal health of the business relative to the need for the creation of a new employee position.



If a request is made for the creation of a new position in the Marijuana Establishment, the CEO will require that the Director of Operations provide an analysis of the current state of the facility, requested competencies and skill sets, and reason for request. Upon examination of the analysis, the standing committee will approve or deny the request. If approved, a job description will be written by the HR Administrator and approved by the CEO, which will include, among other things, a summary of the suitability standards and requirements pursuant to 935 CMR 500.800 and 935 CMR 500.802.

Upon job description approval, the HR Administrator will post the notification of the new position internally and with local community partners. If needed, the HR Administrator may utilize a third-party recruitment company to find an individual with the necessary qualifications and skills. Whenever employee turnover occurs, a position analysis will be conducted to ensure that the job description is current. The job description will be revised by the HR Administrator if changes are required.

Background Checks

Each new hire will be subject to the registration requirements set forth in 935 CMR 500.030, including the compilation of background information. To this end, Applicant will require that all candidates for employment agree to an extensive background check, including a criminal background investigation, reference checks on previous employment, and verification of eligibility for lawful employment in the U.S. If a candidate refuses, he or she will be eliminated as a candidate. Further, Applicant will submit to the Commission a Criminal Offender Record Information (CORI) report and any other background check information required by the Commission for each individual for whom Applicant seeks its registration,

obtained within 30 days prior to submission of registration to the Commission, as further described in Applicant's *Qualifications and Training Plan*.

Interviews & Screenings

Pre-employment screenings by the Hiring Committee will include a review of a candidate's completed job application, resume, employment history, related experience, educational experience, a minimum of two (2) references, and results of a criminal history background check. Results of all criminal history background checks will be filed with candidate's company application. Typically, the top three (3) candidates will be selected and contacted by the Director of Operations for a telephone interview.

Applicant endeavors to encourage a diverse group of candidates to apply to its job postings, through the following actions, which are described in further detail in its *Qualifications and Training Plan*:

- Including the following statement on all job postings: *"The High End Chocolate Company, LLC is a woman and person-of-color led company that proactively promotes diversity. The High End Chocolate Company, LLC welcomes applications from members of underrepresented or minority groups. The High End Chocolate Company, LLC does not discriminate on the basis of gender identity or expression; sexual orientation; religion; age; or disabilities. Discrimination on previously mentioned qualifiers is illegal;"*
- Being sensitive to, and excluding, hidden bias language in descriptions of candidate qualifications;
- Highlighting opportunities for flexible working arrangements;
- Ensuring its diversity is represented online and through published materials; and
- Working with local career development and local community advocacy organizations.

Interviewees will not be selected based on the aforementioned characteristics of underrepresented minority groups. Applicant may employ a blind-hiring, and pre-employment personality assessments, or "shortlisting" software to support a bias-free selection process. However, Applicant's commitment to building a diverse and inclusive community, free from bias, will be taken into account within the interview process.

The telephone interview will utilize standard questions, similar to below, to test the credibility of the candidate's work experience, industry and product knowledge, personality, honesty, and intelligence. Depending upon the scope of the position and the number of final candidates, in-person interviews will be conducted in accordance with procedures detailed in Applicant's *Qualifications and Training Plan*, until a final candidate is selected for the position.

Sample Interview Questions:

- Have you worked for a licensed/permitted medical or adult-use cannabis facility in MA or any other state?
 - For how long?
 - Describe duties and responsibilities.
 - Describe oversight.
- Have you worked in any other government-regulated industry?
 - For how long?
 - Describe duties and responsibilities.
 - Describe oversight.

Employment Offer

Once the Hiring Committee determines the best candidate for the position, a letter with an offer of employment will be sent to the candidate via email or USPS with the position description. Upon the acceptance of the employment offer, the new employee will countersign the offer of employment and begin the onboarding process.

Upon hire, new employees will receive the company's employee handbook, which will outline the Company's policies, rules, standards, and conditions of employment. The handbook will also include instructions for employees on the proper mode of notification of any pending charges or convictions, and alerting the Commission regarding any criminal actions, civil/administrative actions, professional actions, or other disciplinary actions, which may affect employment. Employees will also undergo extensive internal and "Responsible Vendor Training," as described further in Applicant's *Qualifications and Training Plan*, and otherwise mandated by 935 CMR 500.105(2)(a).

Applicant's Registration of its Company and Members

As set forth in further detail in its *Qualifications and Training Plan*, Applicant's SOP's will require every board member, director, employee, executive, manager, and volunteer ("member") associated with the facility to be over 21 years of age, not convicted of an offense involving the distribution of a controlled substance, and properly registered with the Commonwealth as a Marijuana Establishment Agent, in alignment with 935 CMR 500.030(1). Applicant will also include detailed policies and procedures for the registration of all members as Marijuana Establishment Agents.

Once the member has undergone background checks, he or she will complete the registration process for the Commonwealth, and receive their Marijuana Establishment Agent Registration Card. Applicant will always cover all fees associated with any member's agent registration process and yearly renewal. If Applicant ceases to associate with an agent, Applicant will notify the Commission within twenty-four (24) hours of termination. The employee will be removed from the Company's METRC account, keycard returns, and all access rescinded.

All members will be required to carry the registration card associated with Applicant at all times while in possession of Marijuana Products, at Applicant's facility, or transporting Marijuana Products, as required by 935 CMR 500.030(7). If there are any changes to the information submitted, or if the card is lost or stolen, Applicant must notify the commission within five (5) business days.

Revocation of a Member's Registration Card

Applicant's policies and procedures will outline the grounds for revocation of a registration card issued to agents, which follows the requirements of 935 CMR 500.032. A detailed description of grounds for Marijuana Establishment Agent Registration Card revocation can be found in Applicant's *Qualifications and Training Plan*.

Void Registration Cards

Pursuant to 935 CMR 500.033(1), a registration card issued to a member will be void when: the agent has ceased to be associated with Applicant; the card has not been surrendered upon the issuance of a new registration card based on new information; or the agent is deceased. A void registration card is inactive, as per 935 CMR 500.033(2).

Staffing Goals & Strategies

As required by 935 CMR 500.105(1)(i), Applicant has established Standard Operating Procedures for its staffing plan and generation/retention of staffing records. Staffing records, which shall be available to the Commission upon request, will include, in accordance with 935 CMR 500.105(9)(d)(3), a staffing plan that reflects accessible business hours and safe manufacturing conditions.

Applicant believes that diversity in experiences, opinions, and backgrounds is vital to its success. As such, the main goals of Applicant's staffing plan are to a) build a diverse workforce of qualified and innovative individuals; and b) offer jobs with competitive salaries and benefits that will positively affect the employment needs of the local community, which is a designated Area of Disproportionate Impact. Accordingly, Applicant will implement the following internal hiring strategies:

- Partner with local career development organizations, such as Holyoke Community College, to seek out qualified individuals;
- Work with local community development advocacy organizations, such as One Holyoke CDC, to educate the community about opportunities to become involved in the industry through the Company;
- Prepare job opportunity communications that are positioned to attract a diverse pool of candidates (as described under Interviews & Screenings above); and
- Employ rigorous interview and reference review protocols – as set forth in Applicant's *Qualifications and Training Plan*.

Initial team members include industry experts, such as experienced commercial cannabis cultivators and extraction technicians, operations managers, and administrative specialists, who will be responsible for

assisting with the development of the facility and training new hires to fill many internal positions. With their expertise, candidates will be able to learn how to grow and process cannabis on a commercial scale, or support manufacturing through operational, administrative, and sales work.

Employment Policies

Applicant's employment policies have been developed to benefit all employees and to promote a work environment in which all employees feel that they are free to grow and develop professionally. The core of Applicant's employment policies is founded upon an emphasis on clear communication and transparency throughout the work environment. Department heads are responsible for ensuring clear communication of all responsibilities and expectations at the time the employee is hired and through continuous training and development to teach employees proper procedures, methods and techniques that will allow them to progress in their skills as a marijuana product manufacturer.

Upon hire, each employee will be provided with a copy of Applicant's employee handbook which will detail the policies, procedures, standards, and conditions of employment. Each new employee will undergo Applicant's core training program to immerse the employee in the company culture, mission, and goals of Applicant. The employee handbook will be reviewed annually and updated on a need basis. The employee handbook will encourage all agents to work together to make Applicant a viable, healthy, and a successful organization – to provide a satisfactory working environment that promotes genuine concern and respect for others.

The new hire orientation will also include an overview of the industry, company history, OSHA and safety training, Responsible Vendor Training, Food Handlers Training, as well as task specific training with direct management supervision involving a review period lasting for the first three months of full employment. At that point, an in-depth review and meeting with all associated managers will be scheduled and undertaken including the potential for merit-based wage increases and the development of a personal improvement plan which will address specific areas where said employee is lacking or excelling.

Drug and Alcohol Free Workplace

As required by 935 CMR 500.105(1)(k), Applicant has adopted the following detailed written operating procedures for an alcohol, smoke, and drug-free workplace.

Applicant is committed to the elimination of drug and alcohol abuse in the workplace. An employee who is using legally prescribed medication that may impair performance is required to advise their supervisor of this and may be asked to stay home until the medicine regimen is completed. If the employee regularly takes such prescription medication, then Applicant will work with the employee to determine if the position can be modified in a way that will keep the medicated employee and work conditions safe, without detracting from the productivity and effectiveness of the position. Applicant will assist and support employees who voluntarily seek help for such problems before becoming subject to discipline and/or termination under this or other policies. Applicant considers drug and alcohol abuse a disability and will provide reasonable accommodation, including but not limited to using accrued paid time off,

being placed on leaves of absence, being referred to treatment providers, and being otherwise accommodated as required by law.

In accordance with the Massachusetts Smoke-Free Workplace Law MGL c. 270 § 22, Tobacco use is prohibited in the facility. Applicant also prohibits tobacco use within fifty (50) feet of the facility. Non-compliance will result in a warning, with multiple infractions resulting in suspension or dismissal.

Violence in the Workplace

All employees, customers, vendors, business associates, and other individuals on the manufacturing facility's premises must be treated with courtesy and respect at all times. Employees are expected to refrain from conduct that may be (intentionally or negligently) dangerous to others or themselves or any other conduct that threatens, intimidates, harms, or coerces any individual. In situations of violence, Applicant encourages employees to immediately bring their disputes to the attention of their supervisors or management before the situation escalates. Applicant will make sure such disputes or issues are discussed in private and will not discipline employees for raising such concerns. Retaliation by any employee against those that raise such concerns will not be tolerated, and is grounds for dismissal. If appropriate, Applicant will always first seek peaceful resolution but, if peace is not an option, Applicant will take immediate action to remove the source of violence and danger from the workplace, with the support of the Director of Security, and if needed, local law enforcement.

Additional safeguards for handling emergency security situations, such as duress alarms and emergency procedures, are further outlined in Applicant's *Security Plan*.

Cause for Immediate Termination

If any Marijuana Establishment Agent is suspected of diverting cannabis, they will be suspended immediately and the Commission and law enforcement will be contacted immediately (no more than 24 hours) upon such discovery, as required by 935 CMR 500.110(8)(a)(1)-(2), pending an internal investigation.

Any Marijuana Establishment Agent that is found to have diverted Marijuana or Marijuana Products, engaged in unsafe practices, or been convicted or entered a guilty plea for a felony charge of distribution of a drug to a minor, will be immediately dismissed and reported to law enforcement officials and the Commission, as required by 935 CMR 500.105(1)(m). The Commission and local law enforcement will also be informed if Applicant discovers: 1) diversion, theft, loss, or any other criminal activity pertaining to the operations of the licensee; 2) loss or unauthorized alteration of records related to Marijuana or Marijuana Products, licensed purchasers, or Applicant's employees or agents; and 3) any other breach of security, the incidence of which may be a precursor to diversion. Applicant will provide notice to the Commission of any of these incidents within ten (10) calendar days by submitting an incident report, which details the circumstances of the event, any corrective action taken, and confirmation that the appropriate law enforcement authorities were notified, pursuant to 935 CMR 500.110(9)(b).

Following an investigation and completion of the corresponding incident reporting process, Applicant will adjust security protocol and/or inventory control procedures in any way deemed necessary. These records of theft or loss will be made available to the Commission and law enforcement upon request, and maintained for the duration of an open investigation and at least one (1) year thereafter, meeting and exceeding the requirements of 935 CMR 500.110(9)(c).

Wages

Beginning 1/1/2020, the minimum wage in Massachusetts is \$12.75. Applicant believes it is important to offer competitive salaries in order to attract and retain talent, but also to create a corporate culture of mutual respect. Applicant believes that is vital to the success of its organization for all levels of the workforce to be duly compensated for the important work that they perform. As such, Applicant will be instituting a \$15/hour minimum wage.

Employee Benefits

In addition to providing competitive salaries and other employment benefits required by law (listed under Compliance with Applicable Laws below), Applicant intends to reward its employees with other forms of compensation that increase their quality of life in a variety of ways, such as the provision of a robust benefits package. To ensure employees know and understand these benefits so that they can take full advantage of them, Applicant's HR Administrator will conduct informational sessions promptly after a new hire and will periodically draft handouts with pertinent information. The benefits package will include:

- Medical insurance which offers mental illness and other alternative coverages (i.e. acupuncture, physical therapy);
- Dental/Orthodontics insurance;
- Vision care;
- Life insurance;
- Retirement and 401k plans with corporate matching; and
- Transit benefits.

Worker's Compensation

Applicant will carry a worker's compensation insurance policy. If an employee is injured as a result of an accident or illness on the job, he or she may be eligible for Worker's Compensation benefits. The amount of benefits payable and the duration of the payment depend upon the nature of the injury or illness. Applicant is mindful that, pursuant to 935 CMR 500.450(3), failure to obtain workers' compensation insurance constitutes grounds for denial of any renewal application, suspension, and/or revocation of its Marijuana Establishment license.

Unemployment Compensation Benefits

In the event of separation from the company, employees may or may not be eligible to receive unemployment compensation benefits by applying to the Massachusetts' Department of Unemployment Assistance. Accordingly, Applicant will abide by current employment law and issue an informational

notice to all separating employees advising them of their right to file a claim for unemployment insurance benefits.

Retirement and 401k Plan

Employees who have worked a minimum of twelve (12) months at the Company may be eligible to participate in an employee retirement plan, which will include a corporate matching component. Applicant's employee retirement plan will enable employees to apportion a fixed percentage of their pre-tax paycheck to a retirement fund through salary deferral. If need be, employees may access their fund before retiring; however, regulatory restrictions and penalties exist for withdrawals made prior to retirement.

Disability Coverage

Disability insurance provides partial paycheck reimbursement for times of serious illness or injury that lead to total disability. Total disability is defined as the inability to perform any job function as a result of the injury or illness. While Massachusetts does not have a disability benefits program, employees who have worked for Applicant for at least six (6) months will become eligible for short-term and long-term disability insurance coverage. To qualify for benefits, the period of total disability must exceed 15 days. Coverage extends for 45 days of disability. Personnel must exhaust any sick leave benefits before being eligible for disability leave coverage. Disability benefits are calculated as 60% of an employee's base salary. Any payments received from worker's compensation or state disability will result in an equal decrease in disability benefits. Disability benefits are subject to employment withholding provisions.

Educational Benefits

Each employee and member of Applicant's Management Team is required to undergo at least eight (8) hours of continuing training every year, as described in further detail in Applicant's *Qualifications and Training Plan*. The training will be technical training related to the employee's job functions, such as proper manufacturing facility sanitation for all employees or a course on cannabis business practices for members of the Management Team. If an employee wishes to pursue a course of academic study relevant to the needs of Applicant and their role within it, they may discuss this with their direct manager. If the proposed training or education is determined to be beneficial to Applicant, the Director of Operations and their direct manager will discuss providing financial support to the employee, with the approval of the CEO. All studying must be conducted in the employee's own time, but special leave may be approved for time off to study. Ultimately, this will all be at the discretion of the CEO. Such training courses may include, but are not limited to, the following.

- National Cannabis Standards Cultivation Training;
- Cannabis Extraction 101;
- Chocolate Making;
- Cannabis Breeding;
- Cannabis Science and Testing;
- Cannabis Business Marketing; and
- Cannabis Business Management.

Holidays

The company observes the following holidays. On these days, the facility will be closed.

- New Year's Day;
- Martin Luther King, Jr. Day;
- Memorial Day;
- Independence Day;
- Labor Day;
- Thanksgiving; and
- Christmas Day.

As part of Applicant's commitment to acknowledge the cultural diversity of its members, time off will also be granted to employees who desire to observe a religious holiday that is not officially recognized by the company. In accordance with Applicant's Scheduling Policies (described under Code of Conduct below), employees are asked to notify their department ahead of religious observance requests at least four (4) weeks prior to the requested time off.

Vacations

All full and part-time employees are eligible for vacation leave benefits, as required by Massachusetts law. Full-time employees will be entitled two (2) week's annual paid vacation after their first twelve (12) months with the Company. Part-time employees working 20 to 29 hours per week will earn vacation on a prorated basis (average weekly hours/40 hours * 14 days), and can begin using them after the first twelve (12) months, though they will begin accruing on the first day of work. Employees must earn and accrue vacation benefits before they may be used. Employees should consult the HR Administrator regarding the amount of vacation leave they accrue each pay period. Vacation leave will not be earned during an unpaid leave of absence. Employees must follow the time-off request procedures within Scheduling Policies (set forth under Code of Conduct below).

Sick Leave

Situations may arise where an employee needs to take time off to address medical or other health concerns. Applicant requires employees provide notification to their supervisor as soon as possible when taking time off. Sick leave may be used for an employee's personal illness as well as medical and dental appointments, and may also be used for illness and medical appointments in the employee's immediate family.

Applicant will manage all sick leave, family leave, and disability leave in accordance with the Massachusetts Paid Family and Medical Leave program (MGL c.175M as added by St. 2018, c.121.), which became effective on October 1, 2019. Employees will be encouraged to consult the HR Administrator regarding the amount of paid leave they are entitled to in order to understand, and take advantage of, their rights under Massachusetts law.

Whistleblower Policy

Applicant's strongly values transparency and communication. As such, and though not required for private companies under Massachusetts law, Applicant has implemented a whistleblower policy designed to facilitate the spread of knowledge of wrongdoing to the appropriate parties, and to encourage transparency and communication within the organization. Applicant expects employees to observe high ethical standards in carrying out their responsibilities and to comply with all applicable laws and regulations. Senior management prefers to handle all internal issues and requires employees to bring these issues to their attention when necessary. However, it is understood that employees may feel that senior management is a part of the problem and that reporting non-compliant behavior to their supervisors and senior management would be a waste of time. In these instances, an employee may speak with HR Administrator to provide a solution.

Applicant will not tolerate retaliation against, or the victimization of, any staff member who raises concerns or questions regarding a potential violation of the code of conduct or any other company policy that they reasonably believe to have occurred. Retaliation will result in immediate dismissal of the offender.

Code of Conduct

Applicant will develop a code of conduct booklet intended to be a reaffirmation of the Company's commitment to ethical business conduct and the strict observance of all laws and regulations applicable to the company and its business. Though the code will not provide definitive answers to all questions about employee conduct, it will be designed to alert staff members of situations that may arise in the course of operations, how to handle them, and from who they can obtain guidance. Key sections of Applicant's code of conduct are summarized as follows.

Employment Standards

Applicant's employees will be provided a work environment that is free from risk of physical harm and work conditions where they will be fairly compensated and free from exploitation, harassment, and/or discrimination. Responsible employment practices will be followed and enforced concerning areas such as wages and benefits, working hours, child labor, forced labor, health and safety, discrimination, disciplinary actions, equal opportunity, diversity, and substance use or abuse.

Compliance with Applicable Laws

Applicant's business activities and conduct comply with all legal requirements and work environment considerations relevant to the communities in which we conduct our business, set forth below. Applicant is mindful that, under 935 CMR 500.450(3), Applicant's failure to comply with any applicable law or regulation constitutes grounds for the denial of a renewal application, or suspension or revocation of its Marijuana Establishment license.

- Massachusetts General Laws;
- American Disabilities Act;

- Holyoke ordinances;
- Massachusetts Equal Pay Act;
- Massachusetts Paid Family and Medical Leave Act;
- Massachusetts wage and overtime laws (MA minimum wage is \$12.75 beginning 1/1/2020);
- Worker Adjustment and Retraining Notification (WARN) Act;
- Reasonable Accommodations (i.e. for expectant mothers, staff with disabilities, etc.); and
- Other workplace accommodations such as: vacation time; sick and small necessities leave; parental leave; voting leave; domestic violence and abusive situations leave; meals and breaks; light, ventilation, cleanliness, sanitation, and temperature; jury duty.

Fair Business Practices

Applicant depends upon its reputation for quality, service and integrity. Through ongoing diversity awareness and sensitivity training, employees will be trained to treat all employees, customers, visitors, and any other individual with utmost respect. Employees who conduct themselves through manipulation, commit abuse of privileged information, misrepresentation of material facts, or any other unfair business practice will be subject to discipline, including termination.

Diversity in the Workplace

Applicant's employment policies are designed to provide equal employment opportunity to all persons in a non-discriminatory, safe, healthy, and economically-beneficial working environment, and that promotes equity among minorities, women, veterans, people with disabilities, and people of all gender identities and sexual orientation, in accordance with 935 CMR 500.101(1)(c)(8)(k). To ensure all employees to respect the differences in one another's backgrounds, cultures, and beliefs, Applicant will require that each employee undergoes ongoing diversity and inclusion awareness and sensitivity training. For more information regarding Applicant's diversity policies, see its *Diversity Plan*.

Employee Standards

Employees will demonstrate the company's core values at all times while at work or while representing the company outside of work. The core values are integrity, respect, performance excellence, transparency, accountability and stewardship.

Scheduling Policies

Employees will know their schedule at least one month in advance. Employees must hand in a completely filled out employee time-off request sheet. Requests should be submitted four (4) weeks in advance to be accommodated. The time off is not guaranteed until approved by the department head. All shift swapping must be approved by the department

head and both parties must confirm with the HR Administrator. Employees should arrive to work at least five (5) minutes prior to their scheduled shift in order to start work on time.

Drug-Free Policy

Applicant will not discriminate against a person in hiring, termination or imposing any term or condition of employment or otherwise penalize a person based upon a person's use of Marijuana provided that: (i) the use of Marijuana by the employee is neither in the work place during work hours, nor while the employee is performing tasks related to employment; and (ii) an employee is not impaired due to the consumption of Marijuana in the workplace or while performing tasks related to employment.

Applicant may enforce disciplinary action including suspension and up to dismissal if (i) an employee is unable to maintain licenses, credentials, or other qualifications that are reasonably necessary for the performance of the employee's position, even if such licensing, credentialing, or other qualifications prohibit the employee from using Marijuana; or if (ii) the employee is charged with a crime relating to his or her use, possession, sale, manufacture, distribution, dispensation, or transfer of Marijuana and, based on the employer's investigation into the matter, the employer reasonably believes the employee committed a crime.

Non-Discrimination

Consistent with MGL c.151B, § 4, Applicant will implement a zero-tolerance policy prohibiting all forms of discrimination in any business relationships, internal or external, on the basis of race, color, national origin, citizenship, religion, sexual orientation, marital status, age, mental or physical handicap or disability, veteran status, pregnancy (including lactation or the need to express breast milk for nursing a child), ancestry or any other basis prohibited by federal law or the laws of the Commonwealth, MGL c.151B. Any employees to have been found violating Applicant's zero-tolerance non-discrimination policy will be disciplined, up to and including termination.

Prohibition on Harassment

Applicant strives to create and maintain a work culture that is free of harassment of any kind, including sexual harassment. Sexual harassment is the use of sexual pressure: 1) where submission is made a term or condition of employment, 2) where submission to or rejection of such conduct is used as a basis for employment decisions, or 3) where such conduct has the purpose or effect of unreasonably interfering with an employee's work performance or creating an intimidating, offensive or hostile work environment. Sexual pressure includes, but is not limited to, unwelcome comments, jokes or slurs of a sexual nature; unnecessary or offensive touching, impeding or blocking; offensive emails or texts of a sexual nature, or derogatory or offensive posters, cartoons, drawings, or gestures.

Other forms of harassment include, for example, written, verbal or physical conduct that degrades or shows hostility or hatred toward an individual because of his or her race, color, national origin, citizenship, religion, sexual orientation, marital status, age, mental or physical handicap or disability, Vietnam-era or disabled veteran status, any other personal characteristic, or any other basis protected by law. All harassment is subject to Applicant's zero-tolerance policy.

Anti-Retaliation Policy

Applicant will not tolerate retaliation against, or the victimization of, any staff member who raises concerns or questions regarding a potential violation of the code of conduct or any other company policy that they reasonably believe to have occurred. Retaliation will result in immediate dismissal of the offender.

Seeking Guidance

Applicant understands that regulations cannot provide detailed and definitive answers to all questions that may arise in the course of business. All employees will undergo training to prepare for instances that may occur during their daily work, but will also be encouraged to seek out guidance from supervisors should they encounter a situation to which they cannot figure out a solution.

Reporting of Violations and Investigation Framework

Employees will be advised to seek out a supervisor or management in the instance they feel a potential violation of company policy, law, or regulation is being committed. As previously stated, all employees will understand that retaliation will not be tolerated. Reports of suspected violations will be investigated promptly, using the following investigation framework to be overseen by the HR Administrator, and will be treated confidentially to the extent reasonably possible under the circumstances and in accordance with the company's legal obligations.

1. Identify the issues;
2. Determine who needs to be advised of the complaint/need to investigate;
3. Determine who should investigate;
4. Consider the timetable for investigation;
5. Consider how the investigation should be documented;
6. Identify sources of information to be reviewed;
7. Determine the order in which information should be sought;
8. Determine which witnesses to interview and topics to cover;
9. Determine who should attend the interviews;
10. Prepare a statement for the beginning of the interviews;
11. Prepare for employees who refuse to cooperate; and
12. Consider implementing temporary remedial measures while investigation is pending.

Employee Warning Procedure

If an employee commits an infraction, a manager will write them up using an Employee Warning Notice, similar to below. This sheet will be filled out by a department head and reviewed with the employee. The employee will have the opportunity to agree or disagree with the statement provided by management. Management will also review the next escalation with the employee if a repeat infraction occurs. Escalation may include, but is not limited to: limiting shifts or responsibilities; suspension; and termination. Management always reserves the right to deal with each employee and infraction on a case by case basis as they see the need for discernment.

Employee Warning Notice																	
Name		Department															
Job Title	Emp. No.	Date															
<i>Instructions: Complete this form when it is necessary to warn an employee that their performance is unacceptable. Review the report with the employee. Give a copy of the report to the employee and retain the original in the employee's file for future reference.</i>																	
You are hereby notified that your performance in the following area(s) is unsatisfactory at this time. We want you to remain employed at this firm, but failure to correct deficiencies may result in termination of employment. <table><tr><td>☐ Punctuality</td><td>☐ Job Knowledge</td><td>☐ Production</td><td>☐ Safety</td><td>☐ Completeness</td></tr><tr><td>☐ Attendance</td><td>☐ Job Skills</td><td>☐ Accuracy</td><td>☐ Cooperation</td><td>☐ _____</td></tr><tr><td>☐ Attitude</td><td>☐ Leadership</td><td>☐ Obedience</td><td>☐ Conduct</td><td>☐ _____</td></tr></table> ☐ You are on probation for ____ days. ☐ You are not on probation at this time.			☐ Punctuality	☐ Job Knowledge	☐ Production	☐ Safety	☐ Completeness	☐ Attendance	☐ Job Skills	☐ Accuracy	☐ Cooperation	☐ _____	☐ Attitude	☐ Leadership	☐ Obedience	☐ Conduct	☐ _____
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Explanation and further details																	
Follow-up action needed																	
I acknowledge receipt of a copy of this warning and I ☐ agree ☐ disagree with it and state:																	
Employee Signature		Date															
Company Name		Completed by															
Title		Signature															

Employee Evaluation Procedure

Employees will have the opportunity to sit down with their direct supervisor on a quarterly basis. During this quarterly meeting, employees and management will address employee performance - strengths and weaknesses - as well as how to improve moving forward. All comments will be documented on an employee performance review form and signed by employee and management. Employees may be eligible for a raise at this time depending

on evaluation results. If necessary, management or employee may request a performance review outside of the quarterly time frame.

Workplace Environment

Applicant understands that employees deserve a workplace where they are respected and appreciated. To this end, all employees must contribute to the creation of such an environment. Department heads and managers have a special responsibility to foster a workplace that supports honesty, integrity, respect, and trust; promote an environment in which all laws, regulations and policies are expected to be followed by all, and consistently enforced.

Company Assets

Applicant's facility will meet and exceed clean working conditions set forth in MGL c.149, § 113. All employees will have the duty to protect Company property and ensure cleanliness, sanitation, and organization. Employees will be taught the importance of proper handling of all equipment to prevent theft, carelessness, and waste. All employees will be required to take all reasonable measures to prevent theft of or damage to company property. Except as specifically authorized, employees will only be permitted to use Company assets, including company time, equipment, materials, resources, and proprietary information, for business purposes only.

Workplace Safety

Applicant will conduct its business operations in a manner where workplace safety is not compromised. As required by 935 CMR 500.105(1)(b), and in accordance with Massachusetts General Laws, Applicant has adopted various employee operational and security policies, including the following personal safety and crime prevention techniques. These are set forth in further detail in separate sections as noted, and described beneath.

- Safety protocols – *Production Methods Plan*:
 - Implementation of a culture of safety and compliance, based on OSHA standards;
 - Safety training;
 - Good hygiene practices;
 - Attire and personal protective equipment (PPE), including but not limited to uniforms, nitrile gloves, respirators;
- Crime prevention methods– *Security Plan*:
 - Crime prevention through environmental design;
 - Security and access control, including limited access areas; and
 - Emergency policies and procedures.

Key safety policies are as follows.

- Culture of Safety and Compliance: employees are required to comply with all State and Local Laws and will report any suspicious behavior to the Director of Operations, Director of Compliance or HR Administrator. Employees have the obligation to look out for the general health and safety of all other Team Members, and the Company as a whole. Employees shall embody a helpful attitude toward one another, and assist others when appropriate.
- Attire: each Employee must wear clean clothing appropriate for the duties he or she performs, to include, but not limited to, closed toe shoes and socks, long sleeve shirts and long pants when appropriate. Each Employee must always wear the appropriate protective apparel, such as head, face, hand and arm coverings, as necessary to protect Marijuana, ingredients, tools, and equipment from contamination.
- Personal protective equipment: Applicant will supply personal protective equipment to employees, including uniforms, scissors, respirators, and other items needed to perform regular duties. It is the responsibility of the employee to care for their PPE and keep all PPE clean, labeled, and organized. It is the responsibility of the Employee to keep all personal and general tools clean and organized at all times.
- Good hygiene: each employee will be required to practice good hygiene, such as adequate hand washing. If affected by a communicable illness or disease, employee will not be permitted to attend work.
- Crime prevention: It is of the utmost importance to take all measures to ensure the safety of the workforce. To ensure this, no contractors, vendors, or visitors are to be admitted into restricted access areas without verifying, on camera, their identity and legal status. ANY and ALL individuals on site must keep their face unobscured and recognizable. Employees are required to engage and make eye contact with all vendors and other individuals entering the facility to minimize the anonymity that is often the precursor to crimes such as robberies and theft.

Physical injuries in Marijuana Product manufacturing jobs can include, but are not limited to, back injuries from heavy lifting, cuts from working with sharp tools, and respiratory illness, for example. Applicant's primary objective is to eliminate all injuries; protect the health of its team members, partners, and patrons; and prevent or minimize any negative impact on the environment. All team members will have the responsibility to maintain the facility to the highest standards and in compliance with all Company policies, laws, and regulations. Applicant's staff will be expected to notify their department heads and the Director of Compliance immediately upon identifying any hazardous or unsafe conditions and thoroughly document these instances according to Company policy and recordkeeping procedures.

Disaster/Emergency Action Plan

Applicant's *Security Plan* sets forth an Emergency Action Plan which will include contingency procedures for non-security related emergencies, such as medical emergencies, bomb threats, fires, explosions, chemical release, and weather-related disasters to ensure an appropriate and orderly response that protects the safety of its employees. The Emergency Action Plan and appropriate emergency contact numbers will be provided to all employees and posted prominently in all areas of the Facility.

Applicant will work together with the City of Holyoke Police Department, Fire Department and Emergency Services in all emergency situations, and all employees will be trained to immediately alert on-site security personnel and/or dial 9-1-1 in the event of any crimes, disturbances, medical emergencies, or any other emergency. Applicant's security personnel will be trained to respond properly to emergencies until fire, police, or medical emergency personnel arrive to take control of the situation.

Applicant's Emergency Action Plan will, at a minimum, be reviewed and updated annually after further consideration of additional technology needed, hazard assessments, and external resources available for use.

Confidential Information

Applicant's confidential information will be maintained in paper and computerized formats (as authorized by 935 CMR 500.105(9)(e)).

Physical Records

All confidential physical records will be securely stored in locked, fireproof filing cabinets in the restricted Secure Records Room, located on the Ground Floor (highlighted on floor plan below). The Secure Records Room will be subject to Applicant's Limited Access Areas protocols, as further described in its *Security Plan*.

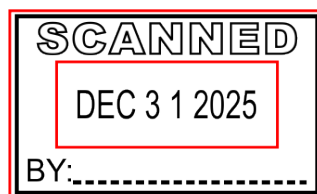
Personnel Plan Exhibit A: Ground Floor

- Secure Records Room



Vendor-specific documents will be stored and categorized by vendor and date of record creation. Production batch records, sales receipts, shipping manifests, inventory audit reports, quarantine records, waste and destruction records, and other internal documents and files will be stored chronologically and by document type. Personnel, Human Resources, and Compliance information will be stored accordingly in a separate filing cabinet within the Secure Records Room.

Confidential physical records may be scanned as duplicate electronic files, and stored in accordance with Applicant's computerized records protocols. The employee responsible for scanning the document will also record information indicating that the document has been duplicated and stored electronically by them and on what date, by stamping the physical record (similar to below) or attaching a log record to it. All hard copy records, confidential or otherwise, will be kept for no less than two (2) years, unless mandated otherwise by the Commission or State government, or stated herein.



Computerized Records

Applicant will employ METRC as the Company's inventory tracking system (ITS) along with a Commission-compliant inventory point-of-sale software, Trellis or similar.

As part of its computerized recordkeeping protocol, Applicant will utilize the ITS, POS system, and accounting software, as well as an encrypted storage drive to upload and maintain digital records on the Company computer system.

All computerized records will be stored and maintained in such a way as to protect confidentiality, access to the Commission for audits, protections against unauthorized changes to data, and an audit trail to monitor all modifications to records. Caution will be taken to ensure that records and confidential information are protected and available only to authorized employees, as determined by the Director of Compliance, in order to prevent any improper disclosure, alterations, or deletions.

To safeguard confidential computerized records, Applicant will institute Internet Protocol (IP) Security. All company computers and devices will be protected with antivirus/malware software and IP scans will be conducted daily. As further described in Applicant's *Recordkeeping Plan*, computerized records will be encrypted, and only accessible by the designated Recordkeeping Team. All digital records will be kept for no less than one (1) year, unless mandated otherwise by the Commission or State government, or stated herein.

Record Requests

As required by 935 CMR 500.105(9), all records, including confidential information and any other information that may be relevant to a Commission inspection or an investigation of any incident or complaint, will promptly be made available to the Commission and when applicable, law enforcement, upon request. In accordance with 935 CMR 500.301(3), Applicant will coordinate to locate and release the information to the Commission as soon as possible but no later than the end of the business day, unless the Commission grants more time to complete the request.

THE HIGH END CHOCOLATE COMPANY, LLC
MASSACHUSETTS ADULT-USE MARIJUANA PRODUCT MANUFACTURER:
Qualifications and Training

Summary Overview

In accordance with 935 CMR 500.101(1)(c)(9) and 935 CMR 500.105(1)(i), Applicant submits the following description of qualifications and intended trainings for Marijuana Establishment Agents who will be employees (“*Qualifications and Training Plan*”). This plan defines staff employment qualification requirements and identifies the training resources committed to deliver desired operational results within Applicant’s organization, namely, the production of consistent, quality, and safe products for consumers. The employee training and onboarding process is key to achieve these results, as not only must Applicant identify the staff needed to achieve its assertive financial goals, each individual must be effectively trained to facilitate its standard operations with compliance at the forefront within its facility.

Key Staff

Key staff members who participate are responsible to implement the *Qualifications and Training Plan* and their specific roles are as follows. A complete organizational chart may be found in Applicant’s *Business Plan*.

Hiring Committee (comprised of the CEO, the Director of Operations, the HR Administrator, and one additional employee who will work closely with the newly selected employee):

- Coordinating, conducting, and assessing interviews of prospective candidates; and

HR Administrator

- Conducting reference checks of prospective candidates.

Qualifications for Employment

Applicant is committed to identifying and hiring a diverse, highly qualified team, ensuring the efficacy of its operations and safety of its workplace, with a culture of compliance threaded throughout. Prior to employment, each prospective employee will be required to meet a series of stringent qualifications developed internally, which are designed to meet and exceed all Commission requirements and to identify a qualified and talented pool of candidates. A comprehensive list of operational roles and their descriptions can be found in Applicant’s *Production Methods Plan*.

Pre-Employment Attestations

Along with a cover letter and resume, each candidate applying for employment with Applicant's facility will be required to provide to Applicant, a signed attestation, indicating that they have reviewed the Commission-mandated criteria to receive a Marijuana Establishment Agent Registration Card and representing that they are eligible to receive this document from the Commission.

Applicant will provide in all job postings, a list of criteria and an Attestation Form for ease of reference and use. Prospective employees who do not meet this primary qualification will be assigned a status of "not employable" within the organization, ensuring valuable company resources are not expended on individuals who are ineligible for employment.

Interviews

Interviews are often the single most important step in the personnel selection process. Applicant will appoint a "Hiring Committee" (described in detail below), the members of which will have the opportunity to, among other things, interview prospective hires, ask all required and relevant questions and interface directly with each candidate, to determine whether or not they are a good fit for the company. Also, during these interviews, prospective employees will have the opportunity to learn about Applicant and its company culture. By following company interviewing guidelines, the Hiring Committee will be able to facilitate the interview process in a strategic and fair manner.

The Hiring Committee will select interviewees from a pool of candidates who meet and exceed all job position requirements. Applicant is committed to being an agent of positive change, and seeks to ensure that, through its staffing plans, it contributes to the diversification of the cannabis industry to adequately represent the Commonwealth's multicultural society, and consistent with the social interest policies underlying enactment of the Regulation and Taxation of Marijuana Act (St. 2016, c. 334, as amended by St. 2017, c. 55, An Act to Ensure Safe Access to Marijuana).

Simply valuing diversity is not enough. Accordingly, all job postings will include the following; *"The High End Chocolate Company, LLC is a woman and person-of-color led company that proactively promotes diversity. The High End Chocolate Company, LLC welcomes applications from members of underrepresented or minority groups. The High End Chocolate Company, LLC does not discriminate on the basis of gender identity or expression; sexual orientation; religion; age; or disabilities. Discrimination on previously mentioned qualifiers is illegal."* Applicant will also be sensitive to, and endeavor to exclude, hidden bias language in descriptions of qualifications, such as "collaborative" or "dominating", which are implicitly directed at female and male candidates respectively. Applicant will also highlight opportunities for flexible working, when available, such as "work from home" arrangements (for non-operational roles, such as marketing or sales) or flexible hours (for part-time roles, such as trimming). Applicant will also ensure to, in photographs and video online and through published materials, reflect the diversity of the current staff.

Applicant has also made a commitment in its Host Community Agreement, a designated Area of Disproportionate Impact, to make every good faith effort to hire from within Holyoke first; to this end, Applicant will work with local employment advocacy organizations, such as One Holyoke CDC, to inform and engage the local community regarding employment opportunities. Applicant will also communicate employment opportunities through advocacy groups like Casa Latina Inc., and advertise in publications that appeal to a diverse readership, such as The Rainbow Times.

Interviewees will not be selected based on the aforementioned characteristics of underrepresented minority groups. Applicant may employ a blind-hiring, and pre-employment personality assessments, or “shortlisting” software to support a bias-free selection process. However, Applicant’s commitment to building a diverse and inclusive community, free from bias, will be taken into account within the interview process.

Applicant believes that these approaches will encourage individuals from underrepresented communities to apply, boosting recruitment from a diverse pool of candidates, resulting in a more qualified and innovative workforce.

Interviewing Protocol

The Hiring Committee will consist of the CEO, the Director of Operations, the HR Administrator, and one additional employee who will work closely with the newly selected employee. Specifically, the Hiring Committee will:

- Develop interview questions and their order for all of the applicants;
- Determine which committee member will ask specific questions;
- Determine if other requirements must be met by applicants, such as the provision of work samples or participation in skills testing;
- Determine a scoring protocol and creates effective interviewing forms to be used in the interview process; and
- Conduct interviews.

Once the interviewing process has been completed, the Hiring Committee will meet to discuss the results and choose the top (3) candidates, based upon interview scoring. The HR Administrator will then conduct reference checks on each top candidate to ensure the information provided by each is accurate.

Reference Checks

Reference checks will be conducted before an official offer of employment is made. An effort will be made to speak with the candidate’s most recent supervisor if possible, in order to gain a current perspective. Reference checks will be conducted by the HR Administrator. Protocol includes:

- The HR Administrator must be familiar with all application materials for each top candidate, including information that was provided in the interview;

- If a work sample was provided by the candidate, at least one reference check question must be designed to verify the sample;
- Additional Questions asked of the reference may be based upon the need for additional elaboration or confirmation of the information the candidate provided in their application materials;
- All reference checks shall be conducted by telephone;
- The HR Administrator must attempt to conduct a reference check with a minimum of (2) individuals who hold different types of relationships with the candidate;
- Upon making contact with each reference, the HR Administrator shall describe the position, its duties and expectations, and the working environment of the role for which the individual has applied;
- After describing the role, the HR Administrator shall ask the reference to provide an assessment of how effective they believe the individual will be in that role; and
- The HR Administrator shall then ask a series of follow-up questions, which will be determined based on the reference's initial assessment.

If the reference does not provide sufficient information in their answer, the HR Administrator shall ask for additional information.

- For example, if the reference's response is, "They'll do great!" the HR Administrator's response should be along the lines of, "Can you please explain the reason for your answer? What attributes and skills does the applicant have to meet the expectations of the role?"

Additional questions will be asked about the conditions under which employment was severed and any other questions pertinent to the verification of the candidate's application materials.

As described in greater detail below, Applicant will have a zero-tolerance policy against discrimination in all forms. As such, the HR Administrator will be trained to identify and avoid asking illegal or inappropriate questions that have to do with race, color, gender, national origin, citizenship, religion, sexual orientation, marital or familial status, age, mental or physical handicap or disability, veteran status, or any other basis prohibited by federal and the laws of the Commonwealth.

In order to maintain consistency and fairness, the HR Administrator will ask the same basic questions within each Reference Check.

Drug-Free Workplace Policy/Required Testing

Consistent with the requirements of 935 CMR 500.105(1)(k), and as described below, Applicant will implement an alcohol, smoke, and drug-free workplace policy.

To this end, Applicant will explicitly prohibit:

- The use, possession, solicitation for, or sale of narcotics or other illegal drugs, alcohol, cannabis, or prescriptions on company premises or while performing an assignment;
- Being impaired or under the influence of legal or illegal drugs, cannabis, or alcohol away from the company premises, if such impairment or influence adversely affects the employee's work performance, the safety of the employee or of others, or puts Applicant's reputation at risk;
- Possession, use, solicitation for, or sale of legal or illegal drugs, cannabis, or alcohol away from company premises, if such activity or involvement adversely affects the employee's work performance, the safety of the employee or of others, or puts Applicant's reputation at risk; and
- The presence of any detectable amount of prohibited substances in the employee's system while at work, while on the premises of the company or while on company business. "Prohibited substances" include illegal drugs, cannabis, alcohol, or prescription drugs not taken in accordance with a prescription given to the employee.

Applicant may conduct drug and/or alcohol testing under any of the following circumstances:

Qualification Testing

Certain prospective employees, such as Transport Agents or those operating heavy machinery or equipment, will be required to submit to and pass non-THC drug screening. Failure to pass this screening process will result in a status of "not employable" within the organization.

For-Cause Testing

Applicant may ask an employee to submit to a drug and/or alcohol test at any time it has reason to believe that the employee may be under the influence of drugs or alcohol, including, but not limited to, the following circumstances: evidence of drugs or alcohol on or about the employee's person or in the employee's vicinity, unusual conduct on the employee's part that suggests impairment or influence of drugs or alcohol, negative performance patterns, or excessive and unexplained absenteeism or tardiness.

Post-Accident Testing

Any employee involved in an on-the-job accident or injury under circumstances that suggest possible use or influence of drugs or alcohol in the accident or injury event may be asked to submit to a drug and/or alcohol test. "Involved in an on-the-job accident or injury" means not

only the one who was or could have been injured, but also any employee who potentially contributed to the accident or injury event in any way.

If an employee is tested for drugs or alcohol outside of the employment context and the results indicate a violation of this policy, or if an employee refuses a request to submit to testing under this policy, the employee may be subject to appropriate disciplinary action up to and possibly including discharge from employment. In such a case, the employee will be given an opportunity to explain the circumstances prior to any final employment action becoming effective. In consideration thereof, Applicant will:

- Through training, give employees tools to recognize substance abuse issues;
- Through training, fight substance abuse head on, and offer employees the help that they may need to fight addiction;
- Offer assessment, counseling, referrals to rehabilitation facilities, counselors, etc. (subject to ongoing assessments and proper documentation); and
- Be aware federal ADA laws on substance abuse, and treat substance abuse issues as a disability.

Marijuana Establishment Agent Registration Cards

Applicant is mindful that it is required to apply for the registration for all board members, directors, employees, executives, managers, and volunteers who are associated with its establishment, under 935 CMR 500.030(1). Accordingly, once a candidate has been selected for employment and has met all of the aforementioned qualification requirements. Applicant will obtain respective Marijuana Establishment Agent Registration Cards from the Commission. Applicant will apply and pay for registration on behalf of the employee (as per 935 CMR 500.030(2)(g)). Employees will not receive authorization to work until the Commission has issued a Registration Card, determining the individual is suitable for registration.

All eligible individuals shall:

- Be 21 years of age or older (as per 935 CMR 500.030(1)(a));
- Not have been convicted of an offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of Other Jurisdictions (as per 935 CMR 500.030(1)(b)); and
- Be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 935 CMR 500.801 or 935 CMR 500.802 (as per 935 CMR 500.030(1)(c)).

In accordance with 935 CMR 500.030(2)(a)-(h), applications for registration of a Marijuana Establishment Agent will include:

- The full name, date of birth, and address of the individual;
- All aliases used previously or currently in use by the individual, including maiden name, if any;
- A copy of the applicant's driver's license, government-issued identification card, liquor purchase identification card issued pursuant to M.G.L. c. 138, § 34B, or other verifiable identity document acceptable to the Commission;
- An attestation that the individual will not engage in the diversion of Marijuana products;
- Written acknowledgment by the applicant of any limitations on his or her authorization to prepare, process, package, possess, transport, and dispense Marijuana and Marijuana Products in the Commonwealth;
- Background information, including, as applicable:
 - a. A description and the relevant dates of any criminal action under the laws of the Commonwealth, or another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority, whether for a felony or misdemeanor and which resulted in conviction, or guilty plea, or plea of *nolo contendere*, or admission of sufficient facts;
 - b. A description and the relevant dates of any civil or administrative action under the laws of the Commonwealth, another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority relating to any professional or occupational or fraudulent practices;
 - c. A description and relevant dates of any past or pending denial, suspension, or revocation of a license or registration, or the denial of a renewal of a license or registration, for any type of business or profession, by any federal, state, or local government, or any foreign jurisdiction;
 - d. A description and relevant dates of any past discipline by, or a pending disciplinary action or unresolved complaint by, the Commonwealth, or a like action or complaint by another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority with regard to any professional license or registration held by the applicant;
 - e. A nonrefundable application fee paid by Applicant with which the Marijuana Establishment Agent will be associated; and
 - f. Any other information required by the Commission.

In addition to the aforementioned items, consistent with 935 CMR 500.030(3), an executive of the Applicant registered with the Department of Criminal Justice Information Systems pursuant to 803 CMR 2.04: *iCORI Registration*, will submit a Criminal Offender Record Information (CORI) report

for the agent, obtained within 30 days prior to submission, as well as any other background check information that may be required by the Commission.

Under 935 CMR 500.030(5), Registration Cards are valid for one year from the date of issue and renewable on an annual basis (provided continued suitability, as determined by the Commission). As such, Applicant will track employee Registration Cards and each issue date to ensure each is renewed on time annually. Employees who are not deemed suitable for registration renewal by the Commission will be subject to immediate employment termination.

As required by 935 CMR 500.030(6), if Applicant becomes aware that there are any changes to the information that was previously submitted to the Commission to obtain a required Registration Card or if a Registration Card is lost or stolen, it will report such incident to the Commission, in a form and manner determined by the Commission, as soon as possible, but in any event, within (5) business days.

As per 935 CMR 500.030(4), if employment is terminated for any individual or if the individual ceases to be associated with the establishment for any reason, including death, Applicant will notify the Commission no more than one business day after the agent ceases to be associated with the establishment, which will immediately void the registration.

As required by 935 CMR 500.030(7), employees will be required to carry their assigned Registration Card, associated with Applicant's establishment, at all times while working, particularly while in possession of Marijuana Products, including at all times while at the establishment or while transporting Marijuana Products. To this end, employees will be instructed to place it in a company-approved transparent badge holder, directly behind company-issued Employee Identification Badges, which will be worn visible and above the waste at all times while individual is in the facility or while transporting Marijuana Products. Applicant is mindful that under 935 CMR 500.030(8), an employee who already has a Marijuana Establishment Agent Registration Card associated with one or more different Marijuana Establishment(s) is required to be issued a registration for each establishment.

Under 935 CMR 500.031(1)-(6), grounds for the denial of a registration include: (i) failure to provide the information required in, or otherwise meet the requirements of 935 CMR 500.030; (ii) provision of misleading, incorrect, false or fraudulent information on the application; (iii) revocation or suspension of a Registration Card in the previous six (6) months; (iv) failure by Applicant to pay all applicable fees; and (v) any other grounds as the Commission may determine in its discretion that are directly related to the applicant's ability to serve as an agent or that make the applicant unsuitable for registration, together with notice and a reasonable opportunity to cure those grounds.

Employees whose Marijuana Establishment Agent Registration Card is revoked by the Commission for any reason will be subject to immediate employment termination. Under 935 CMR 500.032, grounds for revocation reasons include, but are not limited to:

- Submission of information that is deceptive, misleading, incorrect, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, in the application or renewal application;
- Violation of the requirements of the state Marijuana Laws, including 935 CMR 500.000;
- Fraudulent use of a Marijuana Establishment Agent Registration Card, including but not limited to tampering, falsifying, altering, modifying, duplicating, or allowing another person to use, tamper, falsify, alter, modify, or duplicate a Marijuana Establishment Agent Registration Card;
- Selling, distributing, or giving Marijuana to any unauthorized person;
- Failure to notify the Commission within five business days after becoming aware that the Registration Card has been lost, stolen, or destroyed;
- Failure to notify the Commission within five business days after a change in the registration information contained in the application or required by the Commission to have been submitted in connection with the application for a Marijuana Establishment Agent Registration Card, including open investigations or pending actions as delineated in 935 CMR 500.802, as applicable, that may otherwise affect the status of the suitability for registration of the Marijuana Establishment Agent;
- Conviction, guilty plea, plea of *nolo contendere*, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of any Other Jurisdiction;
- Conviction, guilty plea, plea of *nolo contendere* or admission to sufficient facts in the Commonwealth, or a like violation of the laws of another state, to an offense as delineated in 935 CMR 500.802 (suitability standards) that may otherwise affect the status of the suitability for registration of the Marijuana Establishment Agent; or
- Other grounds as the Commission may determine in the exercise of its discretion, that are directly related to the individual's ability to serve as a Marijuana Establishment Agent, that make the registrant unsuitable for registration.

Background Check Monitoring

Under 935 CMR 500.101(1)(b), executives, managers, persons or entities having direct or indirect authority over the management, policies, security operations or manufacturing operations including all candidates for employment, must undergo a background check, and submit authorization to

obtain a full set of fingerprints, in accordance with M.G.L. c. 94G, § 21, submitted in a form and manner as determined by the Commission.

When deemed necessary, Applicant will monitor employees with periodic re-screening to ensure they have not been charged with or convicted of any offence or occurrence that may compromise their ability to maintain eligibility for employment or undermine Applicant's trust in their ability to have access to physical or virtual Marijuana. Employees will be required to report any such occurrences to the business within (24) hours. Failure to report will result in immediate termination of employment. If Applicant becomes aware that there are any changes to the information that was previously submitted to the Commission to obtain a required Registration Card, it will report such incidence to the Commission, in a form and manner determined by the Commission, as soon as possible, but in any event, within (5) business days.

Additional Employee Qualifications

Additional content regarding detailed qualifications for each specific job description are covered in Applicant's *Production Methods Plan*.

Employment Qualification Recordkeeping

Meeting and exceeding the requirements of 935 CMR 500.105(9)(d) (and as also spelled out in Applicant's *Recordkeeping Plan*), all personnel records, including, without limitation, job descriptions for each employee and volunteer position, organizational charts consistent with the job descriptions, staffing plans (which demonstrate accessible business hours and safe manufacturing conditions, personnel policies and procedures, and all background check reports complied in accordance with 935 CMR 500.030) will be kept confidential and maintained as part of the business' books and records. Such documentation will be kept for at least twelve (12) months after termination of the individual's affiliation with the Marijuana Establishment, as per 935 CMR 500.105(9)(d)(2), and will be available for inspection by the Commission and any other relevant regulatory agencies in a form and location acceptable to the Commission.

Personnel records for each agent will include:

- The employee's Pre-Employment Attestation;
- All interview documentation;
- 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;
- Notice of completed Responsible Vendor and eight(8)-hour related duty training

- All drug test results, if applicable;
- Documentation of periodic performance evaluations;
- A record of any disciplinary action taken;
- All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
- All background check reports obtained in accordance with 935 CMR 500.030; and
- All related documentation.

Employee Onboarding

Once the official offer of employment has been made and accepted, the HR Administrator will utilize a series of onboarding tracking checklists to ensure no steps are missed throughout the onboarding and training processes. The initial onboarding tracking form will include the following items at a minimum:

- The collection and archiving of required employee documents and identification to verify the lawful employment of each individual;
- The creation of various employee accounts such as access to the seed-to-sale tracking system with appropriate permissions provided;
- The provision of employee documents such as the employee handbook, Standard Operating Procedures, and Workflow Tools; and
- The maintenance of employee training tracking documents including a signed statement or attestation 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 and the presenter's signature at a minimum.

The entire onboarding process must be completed before the employee is eligible to begin performing work at the facility on behalf of the Applicant.

Employee Training

Applicant believes it is imperative that all employees are provided with ample training and resources to successfully learn and implement company policies and standard operating procedures, all of which will take local, state, and federal regulations into account. All training sessions will include diversity and inclusion, and general sensitivity, awareness components.

By ensuring employee training is extensive and all operations are conducted through a lens of compliance, Applicant will not only benefit from a well-trained staff, it will become eligible to become an industry Compliance Leader in the state of Massachusetts, as per 935 CMR 500.040(1)(d), the consideration of which will be taken by the Commission in assessing any fines and disciplinary actions against Applicant respectively, under 935 CMR 500.360 and 935 CMR

500.450. To this end, Applicant will strive to meet the following criteria, promulgated in 935 CMR 500.040(3)(d):

- In the year preceding the date of application for a leadership rating:
 - a. All Licensee employees will complete all required trainings for their positions within 90 days of hire;
 - b. The Licensee will not be issued a written deficiency statement;
 - c. The Licensee will not be the subject of a Cease and Desist order or a Quarantine order;
 - d. The Licensee will not have its license suspended; and
 - e. The Licensee will meet all timelines required by the Commission.

As such, Applicant will provide each of the resources outlined below to all staff members. The new hire orientation process will also include task-specific training with direct management supervision involving a review period lasting for the first three months of full employment.

Employee Handbooks

Applicant is committed to conducting business with compliance at the forefront of every process. As such, Applicant recognizes the value in ensuring that its business and employees are protected by all pertinent federal and state labor laws.

Applicant will work with an expert HR compliance firm to further develop HR standard operating procedures (SOPs) for its facility. This includes the development of a state-compliant employee handbook, which will include extensive information regarding company employment policies and guidelines. This includes Applicant's policies on non-discrimination, sexual harassment, and drug and alcohol use, at a minimum. A current digital version of the employee handbook will be shared with all new employees. It will be regularly reviewed and updated as needed. Updated versions of the document will be provided to all staff members as necessary.

Employees will be expected to read through the employee handbook and sign an attestation, indicating they've been provided with ample time to review it, have been given the opportunity to ask questions, and they assume responsibility for the information contained in the document.

Written Standard Operating Procedures

New employees will be required to read and learn Applicant's detailed SOPs. A current digital version will be available in a shared folder at all times. All changes to SOPs will be tracked and staff will be promptly retrained via the methods outlined below. In addition to the training requirements outlined below, staff members will be required to review written SOPs annually at a minimum. Employees will be required to sign an attestation each time they read through SOPs in their entirety, indicating that they read the document, were provided ample opportunity to ask questions, and that they understand the information shared in the document.

Consistent with 935 CMR 500.105(1), each new hire will, in their training, receive SOPs for the following actions:

- Hours of Operation
 - a. A description of the facility's hours of operation;
 - b. A description of after-hours contact information; and
 - c. Both will be provided to the Commission, made available to Law Enforcement officials upon request, and updated pursuant to 935 CMR 500.000.
- Staffing Plan
 - a. Procedures for maintaining compliance with 935 CMR 500.105(9); and
 - b. Procedures for maintaining staffing records in compliance with 935 CMR 500.105(9).
- Board Member Statement
 - a. A policy which states that a list of all board members and executives of the business, and members, if any, of the Licensee will be made available upon request by any individual; and
 - b. This requirement will be fulfilled by placing the information on the business' website.
- Alcohol, smoke, and drug-free workplace policies
- Product Descriptions
 - a. To describe the Marijuana to be processed; and
 - b. The form(s) in which Marijuana and Marijuana Products will be sold.
- Cause for Termination Policies

Includes a policy for the immediate dismissal of any Marijuana Establishment Agent who has:

 - a. Diverted Marijuana, which shall be reported to Law Enforcement officials and to the Commission;
 - b. Engaged in unsafe practices with regard to operation of the business, which shall be reported to the Commission;
 - c. Been convicted or entered a guilty plea, plea of *nolo contendere*, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of

- the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority; or
- d. Engaged in prohibited retaliation activities.

- General Compliance

- a. Defining Various Regulatory Bodies;
- b. Facility Inspections;
- c. State vs. Municipal Requirements;
- d. How to Proceed when Regulations Differ;
- e. Mitigating Liability;
- f. Consumer Complaints;
- g. Penalties;
 - i. Deficiency Statements;
 - ii. Plans of Correction;
 - iii. Fines;
 - iv. License Suspensions;
 - v. License Revocation;
 - vi. Summary Cease and Desist/Quarantine Orders; or
 - vii. Hearings;
- h. Reporting Requirements;
- i. Advertising Requirements;
- j. Required Books and Records;
- k. Procedures to ensure accurate recordkeeping, including inventory protocols in compliance with 935 CMR 500.105(8) and (9); and
- l. A plan describing how confidential information will be maintained;

- Registration Card Requirements

Suitability Standards according to Facility Type.

- Inventory Management

- a. Industry Chain of Custody;
- b. Seed-to-Sale Tracking; and
- c. Inventory Management Best Practices.

- Consumer, Product, and Public Safety

- a. Employee Hygiene/Sanitary Practices;
- b. Facility Sanitation;
- c. Product Storage Requirements;
- d. Waste Disposal;
- e. Quality Control Plans;
- f. Testing Requirements;

- i. Testing for contaminants in compliance with 935 CMR 500.160;
 - g. Product Recalls;
 - h. Edibles Requirements
 - i. Prohibited Shapes;
 - ii. Single Serving Doses – maximum 5mg active THC;
 - iii. Package Dose Max - 100 mg active THC; and
 - iv. Homogeneity requirements.
- Security
 - a. Facility Safety Measures;
 - i. Employee Safety Measures;
 - Personal Safety; and
 - Crime Prevention Techniques;
 - ii. Employee Identification Badges;
 - Issued by the Marijuana Establishment;
 - Must be worn at all times while in the facility or transporting Marijuana; and
 - Must be visible at all times;
 - iii. Facility Diagram Requirements;
 - Must be filed with the Commission; and
 - The facility diagram must include:
 - Limited Access Areas;
 - Entrances and exits;
 - Walls and partitions; and
 - Vegetation, flowering, processing, and production, storage, disposal and retail sales areas;
 - iv. Limited Access Areas;
 - Pursuant to 935 CMR 500.110(4);
 - Restricting Access to:
 - Employees, agents or volunteers specifically permitted by the Marijuana Establishment;
 - Agents of the Commission;
 - State and local Law Enforcement and emergency personnel;
 - Only specifically authorized personnel;
 - Only the minimum number of employees essential for efficient operation;
 - Required Limited Access Area Signage

- Minimum of 12” x 12”;
 - States: “Do Not Enter—Limited Access Area—Access and “Limited to Authorized Personnel Only”; and
 - Lettering no smaller than one inch in height;
- v. Visitor Requirements;
 - Includes all outside vendors, contractors;
 - Visitors must obtain a visitor identification badge prior to entering a limited access area;
 - Visitors must be escorted at all times by a Marijuana Establishment Agent authorized to enter the Limited Access Area;
 - Visitor identification badge must be visibly displayed at all times while the visitor is in any Limited Access Area;
 - Visitors must be logged in and out;
 - Visitor log must be available for inspection by the Commission at all times; and
 - All visitor identification badges must be returned to the Marijuana Establishment upon exit;
- vi. Visitor and Vendor Procedures;
 - Positively identifying individuals:
 - Who are seeking access to the premises; and
 - To whom or Marijuana Products are being transported pursuant to 935 CMR 500.105(13); and Limiting access solely to individuals 21 years of age or older;
- vii. Preventing Loitering on the Premises;
- viii. Waste Disposal Procedures;
 - Disposing of Marijuana in accordance with 935 CMR 500.105(12); and
 - Prohibition of waste disposal in excess of the quantity required for normal, efficient operation as established within 935 CMR 500.105;

- ix. Cash Handling Procedures;
 - Policies and procedures for the safe handling of cash on the premises including but not limited to storage, collection frequency, and transport to financial institution(s).
- x. Preventing Diversion to Minors;
 - Policies and procedures to prevent the diversion of Marijuana to individuals younger than 21 years old, including best practices.
- xi. Additional Measures;
 - Securing all entrances to prevent unauthorized access;
 - Keeping all locks and security equipment in good working order;
 - Prohibiting keys, if any, from being left in the locks or stored or placed in a location accessible to persons other than specifically authorized personnel;
 - Prohibiting accessibility of security measures, such as combination numbers, passwords or electronic or biometric security systems, to persons other than specifically authorized personnel;
 - Ensuring that the outside perimeter of the Marijuana Establishment is sufficiently lit to facilitate surveillance, where applicable;
 - Ensuring that all Marijuana Products are kept out of plain sight and are not visible from a public place without the use of binoculars, optical aids or aircraft;
 - Required buffer zones from public or private schools;
 - o Measures to deter and prevent unauthorized entrance into areas containing Marijuana;
 - o Measures to deter and prevent theft of Marijuana:
 - Storing all Marijuana in compliance with 935 CMR 500.105(11);
 - Storing all finished Marijuana Products in a secure, locked safe or vault in such a manner as to prevent diversion, theft, and loss; and

- Keeping all safes, vaults, and any other equipment or areas used for the production, processing or storage of Marijuana Products securely locked and protected from entry, except for the actual time required to remove or replace Marijuana or Marijuana Products;
 - Emergency policies and procedures for securing all product following any instance of diversion, theft or loss of Marijuana or Marijuana Products, and conduct an assessment to determine whether additional safeguards are necessary; and
 - Sharing the Marijuana Establishment's security plan and procedures with Law Enforcement Authorities and fire services and periodically updating Law Enforcement Authorities and fire services if the plans or procedures are modified in a material way.
- b. Security and Alarm Requirements for Enclosed Areas;
 - i. Must be adequate to prevent and detect diversion, theft or loss of Marijuana or Marijuana Products, or unauthorized intrusion;
 - ii. Must consist of commercial-grade equipment including:
 - A perimeter alarm on all building entry and exit points and perimeter windows;
 - A failure notification system that provides an audible, text or visual notification of any failure in the surveillance system;
 - The failure notification system must provide an alert to designated employees of the Marijuana Establishment within five minutes after the failure, either by telephone, email or text message; and
 - A duress alarm, panic alarm or hold-up alarm connected to local public safety or Law Enforcement Authorities;
 - iii. Video cameras that are placed:
 - In all areas that may contain Marijuana or Marijuana Products;

- At all points of entry and exit; and
- In all parking lots, which includes adequate lighting for surveillance;
- iv. Cameras that are directed at:
 - All safes, vaults, sales areas; and
 - Areas where Marijuana is received, processed, prepared, stored, handled or dispensed;
- v. Cameras that are angled so as to allow for the capture of clear and certain identification of any person entering or exiting the Marijuana Establishment or area;
- vi. Recordings must:
 - Include 24-(4) hour recordings from all video cameras;
 - Be available for immediate viewing by the Commission upon request;
 - Be retained for at least 90 calendar days;
 - Not be destroyed or altered; and
 - Be retained as long as necessary if the Marijuana Establishment is aware of a pending criminal, civil or administrative investigation or legal proceeding for which the recording may contain relevant information;
- vii. The surveillance system must have:
 - The ability to immediately produce a clear, color still photo whether live or recorded;
 - A date and time stamp embedded in all recordings, which shall be synchronized and set correctly at all times and shall not significantly obscure the picture;
 - The ability to remain operational during a power outage;
 - A video recording that allows for the exporting of still images in an industry standard image format, including .jpg, .bmp and .gif;
 - Exported video that has the ability to be archived in a proprietary format that ensures authentication of the video and guarantees that no alternation of the recorded image has taken place; and
 - Exported video that has the ability to be saved in an industry standard file format that may be played on a standard computer operating system;

- viii. Employees must ensure that all recordings are erased or destroyed prior to disposal;
 - ix. The security system equipment and recordings must:
 - Be maintained in a secure location so as to prevent theft, loss, destruction and alterations; and
 - Have a back-up alarm system, with all the capabilities of the primary system, provided by a company supplying commercial grade equipment, which is not the same company supplying the primary security system;
 - x. Access to surveillance areas will be limited to:
 - Persons that are essential to surveillance operations;
 - Law Enforcement Authorities;
 - Security system service personnel; and
 - The Commission;
 - xi. Managers must maintain a current list of authorized employees and service personnel that have access to the surveillance room that is available to the Commission upon request;
 - xii. The surveillance room will remain locked and will not be used for any other function;
 - xiii. All security equipment must:
 - Be in good working order; and
 - Be inspected and tested at regular intervals, not to exceed (30) calendar days from the previous inspection and test;
 - xiv. Trees, bushes and other foliage outside of the facility will be maintained so as to prevent a person or persons from concealing themselves from sight;
- c. Incident Reporting
- i. In accordance with 935 CMR 500.110(9)(a), a manager must notify appropriate Law Enforcement Authorities and the Commission of any breach of security immediately and, in no instance, more than (24) hours following discovery of the breach during the following occasions at a minimum:
 - Discovery of discrepancies identified during inventory;
 - Diversion, theft or loss of any Marijuana or Marijuana Product;

- Any criminal action involving or occurring on or in the facility premises; any suspicious act involving the sale, manufacture, distribution, processing or production of Marijuana or Marijuana Products by any person;
 - Unauthorized destruction of Marijuana or Marijuana Products;
 - Any loss or unauthorized alteration of records related to Marijuana or Marijuana Products;
 - An alarm activation or other event that requires response by public safety personnel or security personnel privately engaged by the business;
 - 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; or
 - Any other breach of security;
- ii. A manager must within (10) calendar days, provide notice to the Commission of any incident described in 935 CMR 500.110(9)(b) by submitting an incident report in the form and manner determined by the Commission which details the circumstances of the event, any corrective action taken, and confirmation that the appropriate Law Enforcement Authorities were notified;
- iii. All incident documentation that is reportable pursuant to 935 CMR 500.110(9)(c) must:
- Be maintained by the facility for not less than one year or the duration of an open investigation, whichever is longer; and
 - Be made available to the Commission and Law Enforcement Authorities upon request;
- iv. Code of conduct violations reporting will:
- State that there is no tolerance of retaliation against or the victimization of any staff member who raises concerns or questions regarding a potential violation of the code of conduct or any other company policy that they reasonably believe to have occurred; and retaliation will result in immediate dismissal;
 - Encourage employees to seek out guidance from their supervisors or HR Administrator should they encounter a situation to which they cannot figure out a solution; and

- Provide a framework for investigations.

d. Security Audits

- i. The business will, on an annual basis, obtain at its own expense, a security system audit by a vendor approved by the Commission;
- ii. A report of such audit will be submitted, in a form and manner determined by the Commission, no later than thirty (30) calendar days after the audit is conducted; and
- iii. If the audit identifies concerns related to the establishment's security system, the business will also submit a plan to mitigate those concerns within ten (10) business days of submitting the audit.

- Employee Safety

- a. Identifying Facility Hazards; and
- b. Mitigating Facility Hazards.

- Emergency Procedures

- a. Including a disaster plan with procedures to be followed in case of:
 - i. A medical emergency;
 - ii. A fire;
 - iii. A chemical spill;
 - iv. Extreme weather events;
 - v. A threatening event including:
 - An armed robbery; or
 - A burglary;
 - vi. Any other criminal incident.

- Labeling and Packaging, including Warning Symbols

- Product Transfers/Transportation

- a. Originating Party;
- b. Receiving Party; and
- c. Transportation Requirements.

- Efficiency and Conservation Strategies

- a. Policies and procedures for energy efficiency and conservation that will include:

- i. 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;
- ii. 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;
- iii. Strategies to reduce electric demand (such as lighting schedules, active load management and energy storage); and
- iv. Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.

Manufacturing

Consistent with 935 CMR 500.130(5), in addition to the content outlined above, the Marijuana Product Manufacturing Facility will provide the following written Standard Operating Procedures to employees:

- Policies and procedures for the production or distribution of Marijuana Products, as applicable, which will include, but not be limited to:
 - a. Methods for identifying, recording, and reporting diversion, theft, or loss, and for correcting all errors and inaccuracies in inventories;
 - b. these policies and procedures, at a minimum, will be in compliance with 935 CMR 500.105(8);
- Policies and procedures for handling voluntary and mandatory recalls of Marijuana or Marijuana Products. These procedures will:
 - a. Be adequate to deal with recalls due to any action initiated at the request or order of the Commission;
 - b. Include any voluntary action by the business to remove defective or potentially defective Marijuana or Marijuana Products from the market, as well as any action undertaken to promote public health and safety;
- Policies and procedures for ensuring that any outdated, damaged, deteriorated, mislabeled, or contaminated Marijuana or Marijuana Products is segregated from other product and destroyed. These procedures will:
 - a. Provide for written documentation of the disposition of the Marijuana or Marijuana Products;
 - b. At a minimum, be in compliance with 935 CMR 500.105(12);
- Policies and procedures for transportation. These policies and procedures, at a minimum, will be in compliance with 935 CMR 500.105(13);
- Policies and procedures to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts. These policies and procedures, at a minimum, will be in compliance with 935 CMR 500.105(15);

- Policies and procedures for the transfer, acquisition, or sale of Marijuana or Marijuana Products between Marijuana Establishments.

Workflow Tools

In order to ensure the staff performs duties as assigned according to the written SOPs outlined above, each will utilize a series of workflow tools that provide step-by-step guidance. A failure to perform duties as assigned and track them will result in disciplinary action. Workflow tools will be immediately updated to account for any changes to SOPs and as mentioned above, staff will be promptly retrained on updated procedures.

Responsible Vendor Training

In furtherance of the requirement to ensure that all Marijuana Establishment Agents complete training prior to performing job functions, including, at a minimum, “Responsible Vendor Training,” under 935 CMR 500.105(2)(a) Applicant has already signed a Letter of Intent to work with industry experts at Cannabis Trainers (attached hereto) to supply Commission-accredited Sell-SMaRT™ Responsible Vendor Employee Regulatory Compliance training to staff. To this end, in compliance with 935 CMR 500.105(2)(b), staff will participate in a customized private class in order to provide training on specific company policies and procedures. This program will meet all standards described in 935 CMR 500.105(2)(b)(6), and class curriculum will consist of all subjects described in 935 CMR 500.105(2)(b)(7), together with any areas of training determined by the Commission to be included in a Responsible Vendor training program. This includes a five (5) hour course that covers the following topics:

Section I ~ The Legal Information

- Key state laws and rules affecting owners, managers, and employees;
- Local Codes & Regulations;
 - a. Local and state licensing and enforcement;
 - b. Incident and notification requirements
 - c. Conduct of establishment;
 - d. Administrative and criminal liability;
 - e. License sanctions and court sanctions;
 - f. Permitted hours of sale;
 - g. Prohibited purchases and practices;
 - h. Maintenance of records; and
 - i. Licensee responsibilities for activities occurring within licensed premises; and
- Compliance Checks;
 - a. Permitting inspections by state and local licensing and enforcement authorities.

Section II ~ Safety & Security

- Awareness of Property;
- Health and Safety Standards;
- Proper Containers, Packaging & Labeling;
- Restricted Areas;
- Privacy Issues;
- Security/Cameras;
- Disposing of Waste; and
- Inventory Tracking & Safe Receiving Compliance;
 - a. Diversion prevention and prevention of sales to minors, including best practices; and
 - b. Compliance with all tracking requirements.

Section III ~ Checking ID's

- Verification of IDs;
 - a. Acceptable forms of identification;
 - b. How to check identification; and
 - c. Common mistakes made in verification;
- Minor IDs;
- Fake or Altered IDs;
 - a. Spotting false identification; and
 - b. Provisions for confiscating fraudulent identifications.

Section IV ~ Handling Tricky Situations

- Handling Consumption on Property;
- Refusing a Sale;
- Dealing with People Visibly Impaired or Intoxicated;
 - a. Visible signs of impairment; and
 - b. Recognizing the signs of impairment.
- Handling Potential Violence;
- Patrons Prohibited from Bringing Marijuana or Marijuana Products onto Licensed Premises; and
- Incident and Notification Requirements.

Section V ~ Consumer Safety & Education

- Supporting & Guiding Patients (yet not giving medical advice);
- Educating Consumers;
- Encouraging Responsible Consumption;
- Various Consumption Methods (Edibles, Flower, Concentrates, Topicals, etc.);

- a. Discussion concerning Marijuana's effect on the human body;
- b. Marijuana's physical effects based on type of Marijuana Product;
- c. The amount of time to feel impairment;
- d. Visible signs of impairment; and
- e. recognizing the signs of impairment.

As per 935 CMR 500.105(2)(b)(1)-(2), all owners, managers and employees that are involved in the handling and sale of Marijuana or Marijuana Products will be required to attend and successfully complete the Sell-SMaRT™ Responsible Vendor program. within 90 days of hire in order to maintain "Responsible Vendor" status. Applicant will also ensure each respective staff member subsequently completes the program annually in order to further maintain "Responsible Vendor" status. Those administrative employees who do not handle or sell Marijuana or Marijuana Products may take the "Responsible Vendor" training on a voluntary basis, under 935 CMR 500.105(2)(b)(4).

Applicant will maintain records of Responsible Vendor training program compliance for four (4) years and will make all such records available to inspection by the Commission and any other applicable licensing authority upon request during normal business hours, meeting the requirements of 935 CMR 500.105(2)(b)(5).

ServSafe Training

Applicant has already signed a Letter of Intent (attached hereto) to work with industry experts at Cannabis Trainers to supply ServSafe® Food Handler training to any new staff member who participates in the production of Edible Marijuana Products. The curriculum includes a (3.5) hour course that blends the latest Food Code, food safety research, and years of food sanitation training experience. Participants will also explore best practices with regard to general food safety information that is relevant to working in licensed extraction labs and kitchens working with cannabis. Applicant will also ensure each respective staff member subsequently completes the program every (5) years in order to maintain certification.

Applicant will maintain records of ServSafe training (4) years and will make all such records to inspection by the Commission and any other applicable licensing authority upon request during normal business hours.

In accordance with 935 CMR 500.130(5)(g) this program will include training on preparation, handling, and storage of all Edible Marijuana Products to ensure that all manufacturing activities are in compliance with the sanitation requirements in 105 CMR 590.000: State Sanitary Code Chapter X: Minimum Sanitation Standards for Food Establishments, and with the requirements for food handlers specified in 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements.

Additional Staff Training

All company standard operating procedures that are not covered in the Responsible Vendor and ServSafe training programs will be supplied internally, with the exception of those listed below, which Applicant may implement through external vendors. Training curriculum will be tailored to the roles and responsibilities of the job function of each respective employee, as per 935 CMR 500.105(2). Each new employee will receive extensive training that will include demonstration by a manager who will then supervise as the trainee performs the same until each is confident that the skills have been well-learned. Employees will be required to pass a quiz and sign an attestation, indicating they were provided ample opportunity to ask questions and they fully understand the material, at which point they will be allowed to perform respective duties as assigned. The attestation or signed statement will include the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters and the presenter's signature at a minimum.

External vendors that Applicant may work with to conduct additional trainings, are as follows:

- *Trellis*: A Commission-validated seed-to-sale software that Applicant may use, who provide systems training for their clients' staff;
- *Americans for Safe Access*: An organization that advocates for safe and legal access to cannabis for therapeutic uses and research, who provide online modules for National Cannabis Standards Training for Processing Operations, and Patient Focused Certification Training, among others;
- *Clover Leaf University*: An accredited university that provides stand-alone technical and career advancement courses and certifications for the cannabis industry, such as Chemistry for Hash Makers, Infused Laboratories – Cannabis Extractions, and Cannabis Culinary Certifications, among others; and
- *Holyoke Community College*: A local college that has recently launched a cannabis workforce training program in partnership with the Cannabis Community Care and Research Network, that also offers OSHA Certification courses among other comprehensive entry-level courses.

Ongoing Employee Training

All personnel will receive ongoing training to ensure that operational changes are promptly and effectively communicated. Ongoing training will also ensure the maintenance of the skills required to perform tasks according to the standard operating procedures supplied by Applicant. Ongoing training will be conducted annually and at any time when SOPs are altered. At a minimum, each staff member will receive eight (8) hours of annual ongoing training. As with all other training activities, ongoing training will be tracked and documented as outlined above.

Training Curriculum Audits

All forms of training materials will be regularly audited by the management team once per quarter to ensure they remain current and effective. This process will be tracked on a Training Audit and Adjustment Log and will include a review of all disciplinary actions taken against employees to identify areas where training must be improved. In situations where facility operations must be updated immediately, such as an internal inventory discrepancy event, the identifying party will initiate the process by notifying the HR Administrator of the required change in writing, at which point the HR Administrator will obtain additional information and directive from the Extraction Lab Director and/or Culinary Director. In addition, each form of training will be promptly updated to account for regulatory changes.

Staffing and Training Recordkeeping

As mentioned above, all personnel records will be kept confidential and maintained as part of the business' books and records. All personnel records will be kept for at least twelve (12) months after termination of the individual's affiliation with the business. All personnel records as well as staffing and training documentation will become part of the business' books and records will be available for inspection by the Commission in a form and location acceptable to the Commission.

In addition to the Employment Qualification documents indicated above, staffing and training records will also include the following at a minimum:

- A staffing plan that demonstrates:
 - a. Accessible business hours; and
 - b. Safe manufacturing conditions;
- A personnel record for each staff member, which will include the following at a minimum, as referenced above.
- All versions of employee handbooks, which includes:
 - a. Documentation of all personnel policies and procedures; and
 - b. Employee attestations;
- All versions of written Standard Operating Procedures as required by 935 CMR 500.105(1). This includes at a minimum:
 - a. Tracking documentation of SOP changes;
 - b. Tracking documentation indicating that staff was retrained on new procedures; and
 - c. Employee attestations; and
- All workflow documentation and records.

Applicant is committed to the prompt and effective communication of important information to its personnel. Applicant believes that the best way to achieve compliance and maintain public safety is to ensure that staff members are provided with abundant and comprehensive training resources while maintaining transparent and compliant books and records.

Cannabis Trainers

THE SAFE RESPONSIBLE SALE OF CANNABIS

Letter of Intent – Employee Regulatory Compliance Training

This Letter of Intent by and between Cannabis Trainers™ and The High End (here “the Parties”) outlines the Parties intention to enter into a contractual relationship whereby Cannabis Trainers™ provides to the employees of The High End, compliance training meeting the needs set forth in the rules and regulations of the state of Massachusetts. Cannabis Trainers™ will plan, schedule and implement necessary employee compliance training.

This training shall be interactive, in-person training lead by a facilitator of Cannabis Trainers™.

The **Sell-SMaRT™ Responsible Vendor Employee Regulatory Compliance Training** is a 5-hour course that covers the following topics:

Details of the Sell-SMaRT™ Responsible Vendor Program:

Section I ~ The Legal Information

- o Cannabis Laws & Regulations that directly affect the on-site selling process
- o Local Codes & Regulations
- o Compliance Checks

Section II ~ Safety & Security

- o Awareness of property
- o Proper containers, packaging & labeling
- o Restricted areas
- o Security/Cameras
- o Disposing of waste
- o Inventory Tracking & safe receiving compliance

Section III ~ Checking ID's

- o Patient Cards
- o Verification of IDs
- o Minor IDs
- o Fake or altered IDs

Section IV ~ Handling Tricky Situations

- o Handling consumption on property
- o Refusing a sale
- o Dealing with people visibly impaired or intoxicated
- o Handling potential violence

Section V ~ Consumer Safety & Education

- o Supporting & guiding patients (yet not giving medical advice)
- o Educating Consumers
- o Encouraging responsible consumption
- o Various consumption methods (Edibles, Flower, Concentrates, Topicals, etc.)

Responsible Vendor Compliance Investment:

REDACTED 1-day 4-hour class up to 20 people*

REDACTED 1-day 4-hour class up to 40 people*

**additional travel fee to cover flights/ lodging/ transportation/ expenses

The ServSafe® Food Handler training is a 3.5 hours class that blends the latest Food Code, food safety research, and years of food sanitation training experience. We explore best practices and ensure the general food safety information is relevant to working in licensed extraction labs and kitchens working with cannabis.

Employees, Supervisors, Managers and Owners learn to implement essential food safety practices and work in a culture of food safety. Cannabis Trainers customizes the class to the needs of the cannabis industry.

ServSafe® Investment:

REDACTED people
*additional per person REDACTED
ServSafe® is valid for 3-years

**additional travel fee to cover flights/ lodging/ transportation/ expenses

Cannabis Trainers is a S Corp company that delivers compliance training solutions for the Cannabis Industry and has been contracted by the following cities and police departments:

- City of Boulder, CO
- City of Trinidad, CO
- City & County of Sacramento, CA
- Carson City, NV (held in conjunction with the Carson City Police Dept.)
- approved training with other cities as well

1. Non-binding. This letter is a reflection of the intention of the parties. When a license is awarded to The High End, parties will work together to create the detailed training plan that will best fit the needs of The High End. Neither this letter nor its acceptance shall constitute or create any legally binding or enforceable obligation on any party, except with regard to the governing law.

2. Miscellaneous. This letter may be amended, supplemented or otherwise modified only in writing signed by representatives of each party.

Cannabis Trainers

By:



Maureen McNamara

Title: Chief Facilitator/ Owner

Date: August 6, 2019

The High End

By:


Helen Gomez

Title: CEO

Date: 8/7/2019

THE HIGH END CHOCOLATE COMPANY, LLC
MASSACHUSETTS ADULT-USE MARIJUANA PRODUCT MANUFACTURER:
Quality Control and Testing

Summary Overview

As required by 935 CMR 500.101(1)(c)(8)(f), Applicant submits the following detailed summary of operating policies and procedures for quality control and testing of product for potential contaminants (*"Quality Control Plan"*). This section will review Applicant's quality control and testing procedures, including rigorous internal manufacturing program policies and procedures for quality control and quality assurance, as well as third-party testing for contaminants. All standard operating procedures (SOPs) governing quality control and assurance have been written in accordance with 935 CMR 500.105(1)(h), 935 CMR 500.105(3), and 935 CMR 500.160.

Key Staff

Key staff members who are responsible to implement the *Quality Control Plan* are as follows. A complete organizational chart may be found in Applicant's *Business Plan*.

Directory of Operations:

- Ensuring that strict sanitary handling protocols are complied with by all staff who directly come in contact with Marijuana;
- Overseeing quality control and testing procedures;
- Overseeing Extraction Lab Director in execution of extraction SOPs;
- Overseeing Culinary Director in execution of kitchen SOPs;
- Together with Director of Inventory, coordinating transfer of Marijuana and Marijuana Products for testing;

Directory of Inventory:

- Overseeing execution of relevant storage, inventory, and transportation procedures;
- Together with Director of Compliance, supervising Packaging Manager to ensure required information is disclosed on all finished product labels; and

Directory of Compliance:

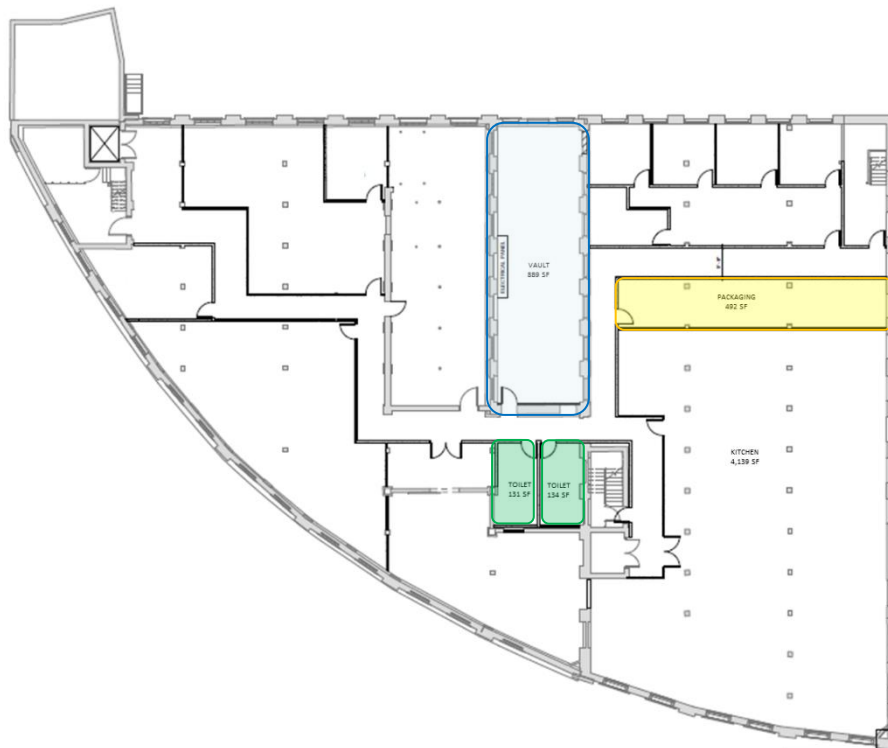
- Managing training and education for employees.

Facility Overview

Site plans of all levels of the facility are provided below, and identify key areas relevant to the Handling section of this *Quality Control Plan*.

Quality Control Plan Exhibit A: Basement

- Packaging Room
- Vault
- Toilet Facilities incl. Hand Washing Area



Quality Control Plan Exhibit B: Ground Floor

- Finished Product Safe
- Raw Product Safe
- Security Office
- Secure Delivery Area
- Employee Break Room incl. Handwashing Area
- Toilet Facilities incl. Handwashing Area



Quality Control

To ensure that the Marijuana Products manufactured by Applicant meet both the Commission's and Consumer demands for clean, quality products, Applicant has adopted a series of quality control measures that meet and exceed the requirements set forth in the Act. To this end, Applicant will employ an petroleum-free extraction program and sustainability-focused culinary program, to be rigorously Once the Cultivation Batch has been approved for sale by an Independent Testing Lab, it will be reweighed in the Vault and rerecorded in METRC. Once it has been reweighed, it will be transferred to the Packaging Room to be sorted according to its intended Processing Category, described below, and assigned Production Batch identification numbers, which are recorded in METRC. Applicant will assign and record a unique, sequential alphanumeric identifier to each Production Batch for the purposes of production

tracking, product labeling and product recalls. All Production Batches shall be traceable to one or more Cultivation Batches implemented by a well-trained manufacturing teams, which Applicant believes will deliver the highest quality Marijuana Products to consumers.

Applicant will develop highly-controlled SOPs to cover all of the following stages of manufacturing as summarized in Applicant's *Production Methods Plan*, written in accordance with the handling requirements of 935 CMR 500.105(3) :

- Measures for energy efficiency and environmental impact;
- Initial receipt of Finished Marijuana;
- Extraction Program;
- Infusions Program;
- Cleaning of contact surfaces; and
- Sterilization of utensils and equipment.

In addition, the following specific Quality Control procedures may be found in separate sections, as noted:

- Packaging and Labeling, 935 CMR 500.105(4)-(7) and 935 CMR 500.150(3) – *Branding and Packaging Plan*;
- Facility construction for cleanliness, maintenance and safety, 935 CMR 500.105(3) – *Storage Plan*;
- Sanitary Storage and Handling, 935 CMR 500.105(3)(b)(1)-(4),(6)-(14) – *Storage Plan*;
- Waste removal, 935 CMR 500.105(3)(b)(5) – *Inventory Plan*;
- Employee training for ‘Consumer, Product, and Public Safety’, consistent with 935 CMR 500.105(2), – *Qualifications and Training Plan*;
- Assuring quality through storage in transportation, 935 CMR 500.105(3)(b)(15)-(16) – *Transportation Plan*; and
- Recall Plan, 935 CMR 500.130(5)(b)-(c) - *Inventory Plan*.

Handling

In accordance with 935 CMR 500.130(5)(g) all Edible Marijuana Products will be prepared, handled, and stored in compliance with the sanitation requirements in *105 CMR 590.000: State Sanitary Code Chapter X: Minimum Sanitation Standards for Food Establishments*, and with the requirements for food handlers specified in *105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements*.

Applicant values the safety of the community and will sell all Marijuana Products in a safe and sanitary manner in accordance with all regulatory mandates, including but not limited to the handling of Marijuana and Marijuana Products protocols set forth in 935 CMR 500.105(3). As required by 935 CMR 500.105(3)(b)(1), all agents and personnel within Applicant's facility whose job includes contact with Marijuana, as noted above, will be required to abide by the food handlers requirement in 105 CMR

300.000: *Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements*. In accordance with 935 CMR 500.105(3)(b)(2), all such personnel shall maintain adequate and personal cleanliness, including washing hands in an adequate hand washing area before starting work, handling any product, after handling any non-sanitary items, before returning to work from a break, or at any other time when hands may have become soiled or contaminated. As set forth in 935 CMR 500.105(3)(b)(3), Applicant will furnish adequate hand washing stations for personnel, furnished with running water at a suitable temperature, in convenient areas, including in the employee break room, with effective hand cleaning preparations and sanitary towel services and/or suitable drying device. Employees will further be provided with adequate, readily available and accessible toilet facilities that are maintained in a sanitary condition and in good repair, in compliance with 935 CMR 500.105(3)(b)(13). (Areas highlighted on *Quality Control Plan Exhibits A-B*). In accordance with 935 CMR 500.105(3)(b)(5), waste and litter will be removed and disposed of daily in an adequate manner pursuant to 935 CMR 500.105(12) to minimize the development of odor and the attracting and harboring of pests. Sanitation policies, including food handlers' requirements, will be reviewed during employee training and periodically as needed.

Applicant believes that the compliant and safe handling of Marijuana begins with ensuring sanitary conditions at the facility. Thus, it is important that during all stages of manufacturing, strict protocol is followed. In accordance with 500.105(3)(b)(8), the building, fixtures, and other physical facilities will be maintained in a sanitary condition. Further, as required by 935 CMR 500.105(3)(a)(1)-(3), Applicant will implement standard operating procedures that allow for the processing of only the leaves and flowers of the female Marijuana plant only, which shall be: (1) well cured and generally free of seeds and stems; (2) completely free of dirt, sand, debris, and other foreign matter; and (3) free of contamination by mold, rot, other fungus, and bacterial diseases; Applicant will immediately dispose of any Marijuana, Marijuana Products, and other ingredients, that contains mold, rot, and other fungus or bacterial diseases in strict accordance with the waste disposal requirements set forth in 935 CMR 500.105(12). Any products that can support the rapid growth of undesirable microorganisms will be held in a manner that prevents the growth of such organisms, in accordance with 935 CMR 500.105(3)(b)(14).

As required by 935 CMR 500.105(3)(a)(4)-(5), Applicant will prepare and handle all Marijuana, Marijuana Products, and other ingredients, on food-grade stainless steel tables and will package products in a secure area. As required by 935 CMR 500.105(3)(b)(9), all contact surfaces, including utensils and equipment, will be maintained in a clean and sanitary condition and sanitized at least daily, after any contact with non-sanitary surfaces or items, and otherwise as may be necessary to protect against contamination. To this end, Applicant will choose surfaces and utensils that are smooth and easy to clean, such as stainless-steel tables and bowls for trimming, and will use a sanitizing agent registered by the US Environmental Protection Agency (EPA), while strictly adhering to labeled instructions. There will be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations, as required by 935 CMR 105(3)(b)(4). In this connection, all toxic items will be identified, held, and stored in a manner that protects against contamination of Marijuana Products, as required by 935 CMR 500.105(3)(b)(10).

The floors, walls, and ceilings of Applicant's facility will be constructed in such a manner that they may easily be kept clean and in good repair, as required by 935 CMR 500.105(3)(b)(6) – floors will be coated with a VOC-free sealant, and walls will be constructed with Permatherm insulated wall panels, or similar. As required by 935 CMR 500.105(3)(b)(7), there will be adequate safety lighting in all processing and storage areas, as well as areas where equipment or utensils are cleaned, thus ensuring organization and to protect against accidents which could disrupt the flow of Applicant's various activities.

Storage of Finished Marijuana Products awaiting testing results from an Independent Testing Laboratory and products that comply with testing requirements, will be stored in a segregated area of the Vault, marked "Awaiting Testing, Do Not Dispense". All tested products will be stored and transported under conditions that will protect them against physical, chemical, and microbial contamination as well as against deterioration of finished products or their containers, as required by 935 CMR 500.105(3)(b)(15).

Applicant will take care to ensure that products are not contaminated through its water supply and that, in strict accordance with 935 CMR 500.105(3)(b)(11), its water supply will be sufficient for necessary operations – safe, potable, and in adequate quantity. To this end, as required 935 CMR 500.105(3)(b)(12), plumbing shall be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout Applicant's facility; such plumbing will properly convey sewage and liquid disposable waste from Applicant's facility. And in further accordance with 500.105(3)(b)(12), there will be no cross-connections between the potable and wastewater lines.

Applicant will handle all Marijuana and Marijuana Products under continuous video surveillance, as set forth in detail in its *Security Plan*, *Diversions Prevention Plan*, and *Inventory Plan*. Specifically, when videotaping the weighing inventorying, and accounting of Marijuana and Marijuana Products before transportation, the video will show each product being weighed, counted, and the appropriate manifest, as required by 935 CMR 500.105(13)(a)(9). Procedures for transporting Marijuana Products are described in Applicant's *Transportation Plan* which details vehicles, agents, transportation equipment, and transportation records. Further information on Applicant's policies for safeguarding the community through appropriate handling of Marijuana, Marijuana Products, and other ingredients, can be found in its *Production Methods Plan*, *Storage Plan*, *Diversions Prevention Plan*, and *Personnel Plan*.

Independent Lab Testing

In accordance with 935 CMR 500.105(8)(f), Applicant, a proposed adult-use Marijuana Product Manufacturer will not use any Marijuana, or sell or otherwise market for adult use any Marijuana Product, that has not first been tested by Independent Testing Laboratories. All Marijuana Products that are awaiting testing will be stored in a segregated section of the Vault marked, "Awaiting Testing, Do Not Dispense".

As required by 935 CMR 500.160(1) and (9) Applicant will not use any Marijuana, and not sell or market for adult-use sale, any Marijuana or Marijuana Product that is not capable of being tested by Independent Testing Laboratories and otherwise deemed to comply with 935 CMR 500.160.

To this end, Applicant has entered into a Testing Agreement with MCR Labs (a copy of which is annexed hereto). MCR Labs is an Independent Testing Laboratory registered by the Department. At a minimum, and as required by 935 CMR 500.160(1)-(2), such testing will be performed in compliance with a protocol(s) established in accordance with M.G.L. c. 94G, § 15 and in a form and manner determined by the Commission including, but not limited to, the the *Protocol for Sampling and Analysis of Finished Medical Marijuana Products and Marijuana-infused Products*. This will include, but is not limited to:

- Cannabinoid profile;
- Contaminants as specified by the Commission, such as:
 - Residual solvents;
 - Heavy metals;
 - Pesticides residues and plant growth regulators (pesticides are prohibited);
 - Mold and mildew; and
 - Microbiological contaminants and mycotoxins.

Relevant test results included on product labels, as required by 935 CMR 500.105(5), will disclose, among other things, a list of ingredients, including the full cannabinoid profile of the Marijuana contained within the Marijuana Product, including the amount of delta-nine tetrahydrocannabinol (Δ 9-THC) and other cannabinoids in the package and in each serving of a Marijuana Product as expressed in absolute terms and as a percentage of volume; and a statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15. The Packaging Manager, under oversight of the Director of Inventory, will ensure that all final products are labeled appropriately. More information on Applicant's policies and procedures for labeling can be found in its *Branding and Packaging Plan*.

As defined under 935 CMR 500.002 for Independent Testing Labs, Applicant will ensure that, throughout the term of its Agreement with MCR, MCR remains licensed by the Commission and (a) is accredited to the International Organization for Standardization 17025 (ISO/IEC 17025 2017) by an accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the Commission; (b) independent financially from any Medical Marijuana Treatment Center, Marijuana Establishment, or licensee for which it conducts a test; and (c) qualified to test cannabis or Marijuana in compliance with 935 CMR 500.160 and M.G.L. c. 94C § 34.

Applicant will only work with an Independent Testing Laboratory that has the ability to store all Marijuana and Marijuana Products on its premises in compliance with 935 CMR 500.105(11), as required by 935 CMR 500.160(8). Applicant is mindful that any excess Marijuana and Marijuana Products provided to an Independent Testing Laboratory for testing by Applicant will be disposed of by the Independent Testing Laboratory or returned to Applicant for disposal, as required by 935 CMR 500.160(9).

As required by 935 CMR 500.160(3), in instances when independent testing lab results show contaminants above acceptable limits established in Department protocols, Applicant will adhere to the following written policy:

In instances where independent testing lab results show contaminants above acceptable limits established in the Commission protocols identified in 935 CMR 500.160(1), the Director of Compliance will directly notify the Cannabis Control Commission within 72 hours of any lab results indicating that the contaminant cannot be remediated. The notification will include a proposed plan of action for both the destruction and disposal of contaminated product as well as an assessment of the source of contamination and will be from both Applicant and the Third Party Testing Laboratory, separately and directly.

In accordance with 935 CMR 500.160(11), Applicant is mindful that single-servings of Marijuana Products tested for potency in accordance with 935 CMR 500.150(4)(a) shall be subject to a potency variance of no greater than plus/minus ten percent (+/- 10%).

As required by 935 CMR 500.160(4), Applicant will maintain the results of all testing for no less than one (1) year.

Inasmuch as the product(s) being tested will be transported to an Independent Testing Laboratory (that is off-site), as required by 935 CMR 500.160(7), the foregoing testing protocols will occur under the auspices of Applicant's *Transportation Plan*, which is written in full compliance with 935 CMR 500.105(13).



MCR Labs, LLC
508.872.6666
85 Speen Street
Framingham, MA 01701

Testing Services Agreement

This laboratory services Agreement (hereinafter identified as "Agreement") is entered into by and between The High End (Client) having a place of business in Holyoke, MA, and MCR Labs, LLC (MCRL, collectively Parties) having a place of business in Framingham, MA.

Services provided: MCRL shall assist Client by providing third-party potency and safety testing. MCRL's testing services shall be in compliance with the "Protocol for Sampling and Analysis of Finished Medical Marijuana Products and Marijuana-Infused Products for Massachusetts Registered Medical Marijuana Dispensaries" ("Protocol") as amended in November 2016, published by the Massachusetts Department of Public Health ("DPH") effective March 31, 2016, all Exhibits thereto, any amendments or updates of the Protocol or Exhibits, and any other applicable laws and regulations of the Commonwealth of Massachusetts related to the testing of products containing marijuana. MCRL's services will include the following:

- Quantitative cannabinoid screen including d9-tetrahydrocannabinol (THC), cannabidiol (CBD), cannabinol (CBN), d9-tetrahydrocannabinolic acid (THCA), and cannabidiolic acid (CBDA), as well as other cannabinoids of interest
- Heavy metals screen including but not limited to mercury, lead, arsenic, and cadmium, in compliance with Exhibit 4 of the Protocol;
- Screen for pesticides and plant growth regulators, and toxins, in compliance with Exhibits 2 and 5 of the Protocol;
- Screen for microbiological analysis of bacteria, yeast, mold, coliforms, and other contaminants as required, in compliance with Exhibits 2 and 6 of the Protocol;
- Residual solvent screen, in compliance with Exhibits 2 and 7 of the Protocol;
- Other required screens as necessary; and
- Consulting services for process optimization and compliance.

MCRL will do everything in its power to fulfill all Massachusetts regulatory requirements for cannabis testing. MCRL is currently providing testing which meets Protocol requirements. However, regulatory changes enacted after this agreement may delay MCRL's ability to perform compliance testing due to additional implementation timing and costs.

Individuals responsible for testing at the laboratory shall be registered per Cannabis Control Commission requirements.

Fair business practices: To avoid unfair competition, the Parties agree to the following: No executive or member of Client has any financial or other interest in an Independent Testing Laboratory providing testing services for any Marijuana Establishment. Likewise, no executive or member of MCRL has any financial or other interest in Client.

Confidentiality: Except for as may be required by law, MCRL agrees to maintain the results of testing conducted for Client strictly confidential, unless otherwise authorized by Client in writing. MCRL acknowledges that disclosure of testing results may irreparably damage Client's reputation, and damages for such unauthorized disclosure shall reflect such damage. Despite the above, Client acknowledges and understands that MCRL may be legally required to disclose such information to regulatory authorities, in which case this disclosure will not constitute a breach of this confidentiality agreement and Client hereby indemnifies and holds MCRL harmless from such required disclosures.

Compensation: MCRL will be compensated according to the attached schedule, current as of 8/19/2019, subject to change by MCRL with 30 days' advanced notice. Payment by Client shall be made within 15 days of MCRL providing Client with testing results and invoice. If Client fails to pay MCRL any sum (in immediately available funds) when due, then, in addition to all other remedies available under this Agreement or at law (which MCRL does not waive by the exercise of any right under this section), all such payments bear interest at the Applicable Rate starting on the date such payment is due until but excluding the date the overdue amount plus the Applicable

Rate (as defined herein) is paid. For purposes of this Agreement, the "Applicable Rate" shall mean the lesser of: (i) one and one-half percent (1.5%) per month of the overdue amount, or (ii) the maximum amount permitted under applicable law. Client shall reimburse MCRL for all fees and expenses, including reasonable attorneys' fees, incurred to collect amounts owed by Client.

Ownership: MCRL agrees that Client has the right to use all work product transferred in the course of services pursuant to this Agreement.

Representations of Client: Client hereby represents and warrants that as of the date hereof, it is in compliance in all respects with all applicable state laws, state rules, state regulations, orders, writs, judgments, injunctions, or decrees to which it is subject or that relate to its business and operations, and shall use its best efforts to remain in compliance with applicable laws and regulations for the term of this agreement. Client and each of its subsidiaries, if any, have all franchises, permits, licenses, consents and other governmental or regulatory authorizations and approvals necessary for the conduct of its business as now being conducted and as may be conducted for the term of this Agreement.

Indemnification: Client agrees to indemnify, save and hold harmless MCRL from any and all damages, liabilities, costs, losses or expenses (including reasonable attorneys fees) arising out of (i) any breach of Client's obligations, representations, and warranties made herein, or (ii) any claims relating to Client's violation of applicable laws and regulations, except in the event any such claims, damages, liabilities, costs, losses or expenses arise directly as a result of gross negligence or misconduct of MCRL.

Dispute resolution: If there is a dispute under this Agreement, the Parties must negotiate in good faith to resolve the dispute in a spirit of goodwill and compromise.

If there is a dispute under this Agreement that is not resolved, either party may give written notice to the other party specifying the dispute.

If the dispute is not settled by agreement within 14 days after the notice is given, the Parties will agree to an independent arbitrator and the Parties will seek, in good faith, to settle the dispute through arbitration. The arbitration award shall be in writing and shall be final and binding on the Parties. The award may include an award of costs, including reasonable attorney's fees and disbursements.

Amendment: This Agreement may only be amended by the mutual consent of the parties hereto, and no modification, amendment, or waiver of any provision of this Agreement will be effective unless in writing and signed by both parties.

Termination: Client and MCRL can terminate this Agreement at any time. Intent to terminate this Agreement must be made in writing. The postmark or email date of the termination letter shall be deemed the effective date of the termination. Upon termination by Client, Client shall remain responsible for payment to MCRL for all services pending or completed by MCRL prior to such termination.

Binding effect: This Agreement shall be binding, and shall serve as the main Agreement between the Parties.

Support: MCRL will provide support with all matters involving work done under this Agreement, but *Client is ultimately responsible for Client's budgets, regulatory and legal compliance - including compliance with testing guidelines, and operations.*

No Warranty: By performing the services contemplated by this Agreement, MCRL does not warranty the finished products produced or sold by Client.

Force Majeure: Neither MCRL nor Client shall be liable in any circumstances whatsoever for any failure to perform any obligations to be performed by MCRL or Client hereunder where such failure is due to any cause beyond the reasonable control of MCRL or Client including, for example (but without in any way lifting the generality of the foregoing), war, refusal of any necessary consent to license, Government export controls, other governmental acts, industrial dispute, lock-out, accident, fire, explosion, transport delays or act of a third party or loss or damage to any equipment, but MCRL and Client shall use their best efforts to comply with the irrespective obligations hereunder despite the intervention or occurrence of any such cause, to cure such cause and as soon as any such cause ceases to affect the performance of their respective obligations hereunder, shall use best efforts to resume compliance with such obligations.

Legal notice: If any provision of this Agreement shall be unlawful, void, or for any reason unenforceable, then that provision shall be deemed severable from this Agreement and shall not affect the validity and enforceability

of any remaining provisions.

Client and MCRL are independent Parties and nothing in this Agreement shall create a relationship between the Parties as an employer, principal, or partner of or joint venturer with the other party. Neither Client nor MCRL has any authority to assume or create any obligation or liability, either express or implied, on behalf of the other.

Governing Law and Jurisdiction: This Agreement will be governed by the laws of the Commonwealth of Massachusetts.

Acceptance of terms: The signature of both Parties shall evidence acceptance of these terms.

MCR Labs, LLC:



By: Michael Kahn, President

Date: 27 Aug 19

The High End:



By: HELEN GOMEZ ANDREWS, CEO

Date: 8/19/19

THE HIGH END CHOCOLATE COMPANY, LLC
MASSACHUSETTS ADULT-USE MARIJUANA PRODUCT MANUFACTURER:
Recordkeeping Procedures

Summary Overview

In accordance with 935 CMR 500.101(1)(c)(8)(i) and 500.105(1)(g), Applicant submits the following detailed summary of operating policies and procedures including standard operating procedures for recordkeeping (*“Recordkeeping Plan”*). Applicant will implement recordkeeping procedures designed to protect important and confidential records while ensuring that Applicant is in full compliance with 935 CMR 500.000, generally accepted accounting principles, and all other applicable laws, regulations, and local rules.

Applicant’s *Recordkeeping Plan* is designed so that all employees know their role in recording and maintaining records. All employees will be required to sign a Records Retention Plan Acknowledgement Form, indicating that they have reviewed and understand recordkeeping procedures. This plan will summarize how Applicant will create, store, and dispose of records. It will then give an overview by section of business, human resources, and operational records.

Key Staff

The *Recordkeeping Plan* will be implemented by a Recordkeeping Team (RT), consisting of several key employees including the Director of Inventory, Director of Compliance, Director of Operations, Director of Security, and HR Administrator, with oversight and coordination from the Chief Executive Officer. A complete organizational chart can be found in Applicant’s *Business Plan*. The purpose of the RT is as follows:

- Ensuring that records are organized, to facilitate proper and timely retrieval of records, and to document program compliance;
- Managing compliant physical and computerized records, conducting record reviews and audits, updating the recordkeeping SOPs;
- Maintaining a robust, transparent set of records for Applicant’s facility;
- Managing training and education for employees, and ensuring that all registered agents comply with defined policies, procedures, and regulations; and
- Fulfilling record requests by the Commission and law enforcement.

Facility Overview

Site plan of the Ground Floor level provided below, identifies key areas referenced in this *Recordkeeping Plan*. The complete building site plan can be found in Applicant's *Proposed Timeline*.

Recordkeeping Plan Exhibit A: Ground Floor

- **Secure Records Room**



Record Creation & Storage

Applicant's records will be kept in paper and computerized formats (as authorized by 935 CMR 500.105(9)(e)) in accordance with the Company's Standard Operating Procedures (SOPs), as summarized below. Applicant will employ METRC as the Company's inventory tracking system (ITS) along with a Commission-compliant inventory point-of-sale software, Trellis or similar. Applicant's inventory software will be fully integrated with METRC to ensure transparency and efficiency in all records handling, together with compliance with 935 CMR 500.105(8) and (9) as stated below under the Inventory & Sales Records section.

Physical Records

All physical records will be securely stored in a locked, fireproof filing cabinet in the restricted Secure Records Room, located on the Ground Floor (highlighted on *Recordkeeping Plan Exhibit A*). Vendor-specific documents will be stored and categorized by vendor and date of record

creation. Production batch records, sales receipts, shipping manifests, inventory audit reports, quarantine records, waste and destruction records, and other internal documents and files will be stored chronologically and by document type.

Physical records may be scanned and stored as duplicate electronic files. The employee responsible for scanning the document will also log the information indicating that the document has been duplicated and stored electronically. All hard copy records will be kept for no less than two (2) years, unless mandated otherwise by the Commission or State government, or stated herein.

Computerized Records

As part of its recordkeeping protocol, Applicant will utilize the ITS, POS system, and accounting software, as well as an encrypted storage drive to upload and maintain digital records on the Company computer system. All digital records will be stored and maintained in such a way as to protect confidentiality, access to the Commission for audits, protections against unauthorized changes to data, and an audit trail to monitor all modifications to records. Caution will be taken to ensure that records and confidential information are protected and available only to authorized employees in order to prevent any improper disclosure, alterations, or deletions.

To safeguard computerized records, Applicant will institute Internet Protocol (IP) Security. All company computers will be protected with antivirus/malware software and daily IP scans will be conducted. Computerized records will be encrypted, and only accessible by the RT. All employees involved in the recordkeeping process will receive training for the Director of Compliance on proper recordkeeping procedures, including compliance and confidentiality. All digital records will be kept for no less than one (1) year, unless mandated otherwise by the Commission or State government, or stated herein.

Record Requests

As required by 935 CMR 500.105(9), records, including all information that may be relevant to a Commission inspection or an investigation of any incident or complaint, will promptly be made available to the Commission and when applicable, law enforcement, upon request. In accordance with 935 CMR 500.301(3), the RT will coordinate to locate and release the information to the Commission as soon as possible but no later than the end of the business day, unless the Commission grants more time to complete the request. Applicant is further mindful that, under 935 CMR 500.301(1), the Commission or its agents may inspect its facility and vehicles without prior notice in order to ensure compliance with applicable regulations, which includes access to records.

Other parties who request or require records will receive a timely response from RT within one business day or in accordance with other mandates.

SOPs will require that every record request is documented and retained in the Secure Records Room along with a copy of any records that were released. If electronic recordings, physical or digital copies of documents, or products are released to the Commission or law enforcement, the items will be prepared to remain compliant with chain of custody SOPs.

Record Destruction

Records will not be intentionally damaged, altered, disposed of, or removed except with authorization from the RT in accordance with record retention and destruction SOPs or as otherwise directed by the Commission. This includes both hard-copy, physical records and electronic, digital records. In the event it is discovered that there is any manipulation or alteration of records, Applicant will immediately disclose the situation to the Commission and will comply with any investigation and resulting action plans, up to and including termination of the individual responsible and notification to law enforcement. Applicant will keep all incident report documentation as stated below in “Operational Records.”

The Director of Compliance is responsible for identifying which, if any, records must be destroyed and for overseeing their destruction. Duplicate physical documents printed for use in operations, documents with incorrect information, and other unnecessary documents are all examples of documents that can and should be destroyed in order to limit the amount of paper records in storage to pertinent documentation. Destruction of all physical records and other business documents will be accomplished by cross-shredding.

In the event the licensed business should close operations, Applicant will maintain records at Applicant’s expense for at least two (2) years in a form and location acceptable to the Commission at the expense of Applicant, per 935 CMR 500.105(9)(g). Applicant will identify and provide telephone, address, and electronic contact information for a primary and secondary person to facilitate future record reviews in accordance with the approved closing plan.

Standard Operating Procedures (SOPs)

Written detailed SOPs will be developed for Applicant’s manufacturing facility in accordance with 935 CMR 500.105(1)(a)-(r) and 935 CMR 500.130(5) and will include, at a minimum:

- Security measures that comply with 935 CMR 500.110;
- Employee security policies, including personal safety and crime prevention techniques;
- Hours of operation and after-hours contact information (which shall be provided to the Commission, made available to law enforcement officials upon request, and updated pursuant to 935 CMR 500.000.);
- Storage and waste disposal of Marijuana and Marijuana Products in compliance with 935 CMR 500.105(11);
- Accurate recordkeeping, including inventory protocols in compliance with 935 CMR 500.105(8) and (9);

- Prevention of diversion of cannabis to individuals younger than 21 years old, as required by 935 CMR 500.105(1)(p);
- Quality control, including product testing for contaminants in compliance with 935 CMR 500.160;
- A staffing plan, with staffing records procedures written in compliance with 935 CMR 500.105(9);
- 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;
- Maintenance of confidential information;
- A policy for the immediate dismissal of any agent who has:
 - Diverted cannabis, which shall be reported to law enforcement officials and to the Commission;
 - Engaged in unsafe practices with regard to the operation of the Marijuana Establishment, which shall be reported to the Commission; or
 - Been convicted or entered a guilty plea, plea of *nolo contendere*, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority;
- Cash Handling (storage, collection frequency, and transport to financial institution(s));
- A list of all board members and executives (which will also be satisfied by placing the information on Applicant's website, per 935 CMR 500.105(1)(n));
- Plans to reduce energy and water usage, engage in energy conservation, and mitigate other environmental impacts in compliance with 935 CMR 500.105(15), as required by 935 CMR 500.130(5)(e), which are further detailed in Applicant's *Production Methods Plan*;
- Protection plans for workers and consumers (e.g., eyewear near operating grow lights) as required by 935 CMR 500.105(1)(r);
- Protocol relating to testing for contaminants and pesticides as provided under 935 CMR 500.160, M.G.L.c. 132B, and 333 CMR 2.00-14.00; and
- Packaging and labeling products per 935 CMR 500.105(5)-(7).

Applicant's department Directors will work with the Director of Compliance to ensure that all SOPs are written according to both industry best practices and Massachusetts and local regulations. In addition to the above SOPs, Applicant will also maintain written policies and procedures related to the following activities at the facility:

- Visitor log and age verification of visitors, prepared in accordance with 935 CMR 500.110(4)(e);
- Inventory records prepared in compliance with 935 CMR 500.105(8)(d), including, 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;
- Methods for identifying, recording, and reporting diversion in compliance with 935 CMR 500.105(8), as required by 935 CMR 500.130(5)(a)
- All documentation of recalls, whether voluntary or mandatory, of products, as well as all actions or mitigation plans to remove the product from the market, and safely and properly dispose of the product, as required by 935 CMR 500.130(5)(b) -- Such procedures shall be adequate to deal with recalls due to any action initiated at the request or order of the Commission, and any voluntary action by Applicant to remove defective or potentially defective Marijuana from the market, as well as any action undertaken to promote public health and safety;
- Policies and procedures to assure proper segregation and destruction of quarantine and destruction of outdated, damaged, deteriorated, mislabeled, or contaminated product prepared in compliance with 935 CMR 500.105(12), as required by 935 CMR 500.130(5)(c);
- Preparation, handling, and storage of Edible Marijuana Products, in compliance with the sanitation requirements in 105 CMR 590.000: State Sanitary Code Chapter X: Minimum Sanitation Standards for Food Establishments, and with the requirements for food handlers specified in 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements, as required by 935 CMR 500.130(5)(g);
- Maintaining a product catalogue identifying all types of Marijuana Products to be manufactured at the facility, which will include a description of each product with a photograph or illustration, packaging design, dosage, and expected cannabinoid profiles, as required by 935 CMR 500.130(5)(h);
- Price list of Marijuana Products to be sold, as required by 935 CMR 500.105(1)(f);
- Records relating to transportation prepared in compliance with 935 CMR 500.105(13), as required by 935 CMR 500.130(5)(d); and
- All records relating to sales and transfers of Marijuana between Applicant and other Marijuana Establishments, as required by 935 CMR 500.130(5)(f).

Business Records

In accordance with 935 CMR 500.105(9)(e), Applicant will maintain and make available to the Commission upon request, business records. Such business records will include but are not limited to all approved versions of SOP's with uncompleted form templates, facility and equipment-related documentations, and financial records, which shall include manual or computerized records of: (i) assets and liabilities; (ii) monetary transactions; (iii) books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers; (iv) sales records including the quantity, form, and cost of Marijuana Products; and (v) salary and wages paid to each employee, stipend paid to each board member, and any executive compensation, bonus, benefit, or item paid to any individual affiliated with Applicant.

Facility and Equipment Records

Applicant will create and maintain records related to the facility and equipment. These will include but are not limited to: blueprints, occupancy permits, maps, equipment handbooks, and surveillance system information. As described in Applicant's *Insurance Plan*, Applicant will also keep reports documenting compliance with the continuous liability insurance coverage requirements as stated in 935 CMR 500.105(10), along with any other business insurance records. Applicant will keep all vehicle insurance records in compliance with 935 CMR 500.105(13)(c)(1)(b), as noted in Applicant's *Transportation Plan*.

Applicant will have detailed equipment and supply operations plans, including a lighting power densities (LPD) plan and the implementation of heating, ventilation, air conditioning and dehumidification systems according to all Massachusetts codes including 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*.

Financial Records

Detailed information regarding Applicant's financial recordkeeping procedures are set forth in Applicant's *Financial Recordkeeping Plan*. As shown therein, Applicant will keep financial records in accordance with generally accepted accounting principles. These financial records will include ongoing documentation of assets and liabilities; all monetary transactions; books of accounts such as journals, ledgers, supporting documents, agreements, checks, invoices, and vouchers; and salaries and wages paid to all employees, stipends paid to each board member and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with Applicant.

Applicant's Bookkeeper will use an accounting software (Quickbooks or similar) to record all financial transactions, and Applicant will retain a third-party accountant experienced with the special accounting needs of a Marijuana Establishment to audit the company's books on a regular basis in order to prevent accounting errors and to ensure both generally accepted accounting principles and accounting best practices are in use. The reviews generated by the accountant will

be kept on file for easy access to the Commission whenever requested. The same accountant, assisted by a tax attorney experienced in providing legal services to cannabis businesses, will file business reports and taxes to the City, Commonwealth, and Federal Government, as necessary.

Each employee of the company will also be extensively trained and retrained in all accounting and expense reimbursement procedures in order to minimize all accounting errors to the greatest extent possible and to protect the integrity of such records.

Human Resources Records

Personnel policies and procedures are described in Applicant's *Personnel Plan*. As shown therein, Personnel policies and procedures will be outlined for all employees in the Employee Handbook and in SOPs. As required by 935 CMR 500.105(1)(i), Applicant will keep copies of Staffing Plans and staffing records prepared in compliance with 935 CMR 500.105(9)(d).

Personnel Records

As required by 935 CMR 500.105(9)(d)(1), Applicant will create and maintain personnel records that include job descriptions for each employee or volunteer position and organizational charts consistent with the job descriptions. Applicant will maintain a log of the initial date of approval and expiration dates as well as supporting documents for agent registrations and other licenses required for employment to ensure that these documents do not expire.

Personnel records for each employee will be maintained for the life of the employee's employment and at least one (1) year after termination or resignation, as required by 935 CMR 500.105(9)(d)(2). Individual personnel files will be located within a locked, fireproof filing cabinet in the Secure Records Room, will be monitored by the HR Administrator, and will contain (at a minimum) the following information:

- Reference verification documents;
- Job description or employment contract, including duties, authority, responsibilities, qualifications, and supervision;
- Individual training logs & records (such as privacy and confidentiality training and responsible vendor and eight-hour related duty training), these records will include a verification form signed by the employee containing training specifics, such as date, time, place, topics, and presenters;
- Periodic performance evaluations;
- Disciplinary action taken (if any);
- Registered agent documentation submitted to the Commission pursuant to 935 CMR 500.030, including background check reports, CORI documentation, correspondence with the Commission regarding suitability, approvals with supporting documents, annual renewals, and any termination or resignation notices to the Commission; and

- Photocopy of registered agent card, driver's license, and/or professional license.

Operational Records

As required by 935 CMR 500.105(9)(a) and described herein, operational procedures will be created and maintained in compliance with 935 CMR 500.105(1) to document daily activities in accordance with State regulations, Applicant's SOPs, and METRC requirements for documentation. These records will include inventory and sales records, recall and waste disposal records, incident reports, and transportation records, as outlined below.

In addition, operational records will also include security-related documentation, which will include equipment checks, access controls, visit logs, surveillance logs, as outlined in Applicant's *Security Plan*. Applicant will also keep Commission correspondence, such as permits, renewals, leadership rating information, audits, complaint investigation/reports, deficiency statements and plans of correction (if any), as party of the operational records.

Inventory & Quality Control Records

As required by 935 CMR 500.105(9)(b), Inventory records will be created and maintained as Operational Records in compliance with 935 CMR 500.105(8). This will include results obtained through lab sampling and testing, tracking the flow of the product up through and including the transport to a transporter or a retail or manufacturing facility. Applicant's SOPs will provide for the documentation of inventory control in accordance with METRC requirements as required by 935 CMR 500.105(8)(e), thus meeting the seed-to-sale tracking requirements for record retention in accordance with 935 CMR 500.105(9)(c). Some examples of recordkeeping logs that Applicant will maintain, are as follows, with samples exhibited beneath:

- Daily Product Manufacturing Log;
- Environment Documentation Log;
- Product Recall Log;
- Equipment Maintenance Log;
- Manufacture Waste Log;
- Disposal Log; and
- Master Inventory Log.

Sample Logs

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Applicant will require that best practice testing and quality control protocols are implemented and understood by all members of the facility. Meeting and exceeding the requirements of 935 CMR 500.101(1)(c)(8)(f) and 935 CMR 500.105(1)(h), to ensure that all product produced by Applicant

meets the highest quality standards and regulation, Applicant will ensure SOPs include the following:

- A mandatory review of the batch production records;
- Results of all tests and examinations of components used through in-process materials, the finished product, and all packaging and labeling;
- Written approval or rejection of the batch and reasons for rejection; and
- Documentation of any required material review, inventory reconciliation and disposition, and any other documentation required by the Commission.

Product Transfer or Sale Records

As required by 935 CMR 500.130(4), for the sale or transfer of cannabis products, Applicant will document testing compliance in accordance with 935 CMR 500.160 and the guidance provided by *Protocol for Sampling and Analysis of Finished Medical Marijuana Products and Marijuana-infused Products*, including the environmental media testing of soils, solid growing media, and water; as well as testing for contaminated products in accordance with 935 CMR 500.105(1)(h).

The RT must record all lab results which will be maintained for no less than one (1) year. Applicant will implement a written policy for responding to any results indicating higher than acceptable contaminant levels. For any tested product that is contaminated, Applicant will require a record notice be provided to the Commission, including its assessment of the contaminant's source and plan for the destruction of the product.

Recall and Waste Disposal Records

As required by 935 CMR 500.105(9)(f), Applicant will keep written procedures and policies for the recall and waste disposal of Marijuana and Marijuana Products prepared in compliance with 935 CMR 500.105(12). When it is determined that a product is rendered defective or potentially defective, Applicant will require its removal from the market and any facilities where it has been transferred. This mitigation process will begin by requiring employees to immediately notify the Director of Operations and Director of Inventory of the contaminated product and to record the batch number, type of contamination, date, time, any facilities the product had been transferred to, notes of communications with the facilities, and any other information required by the Commission. The product will immediately be segregated from the uncontaminated product and will be subsequently disposed of according to regulatory requirements.

All waste disposal will also be recorded and kept for at least three (3) years, or longer if the Commission orders its extension due to an enforcement action under 935 CMR 500.105(12)(d). Waste handling will also be recorded in extensive detail to include the date and time of disposal, product being disposed of, agents disposing, and a summary of how the product was disposed of. In compliance with regulation, Applicant requires two agents to be present during the disposal and each agent will sign off on the Manufacturing Waste Log. Electronic records of the waste and

disposal records will be located in METRC and through surveillance tapes. Further detail on Applicant's waste disposal procedures can be found in Applicant's *Inventory Plan*.

Incident Report Records

As required by 935 CMR 500.110(9)(c), Applicant will maintain all documentation related to all incidents that are reportable under 935 CMR 500.110(9) and its security plans detailed within its *Security Plan* and *Diversion Prevention Plan*. To this end, Applicant will create and maintain incident reports in the following circumstances:

- Upon the discovery of discrepancies identified during inventory;
- After the diversion, theft or loss of any cannabis product;
- When any criminal action occurs on or in the Marijuana Establishment premises;
- After any suspicious act involving the sale, manufacture, distribution, processing or production of cannabis by any person;
- Upon the unauthorized destruction of cannabis;
- When any loss or unauthorized alteration of records related to cannabis occurs;
- After an alarm activation or other event that requires response by public safety personnel or security personnel privately engaged by Applicant;
- Upon 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 (8) hours; or
- After any other breach of security.

After the initial notification to the appropriate authorities and the Commission as required by 935 CMR 500.110(9)(a), Applicant will, within ten (10) days, create an incident report, as required by 935 CMR 500.110(9)(b), in a form and manner determined by the Commission which details the circumstances of the event, any corrective actions taken, and confirmation that the appropriate law enforcement authorities were notified. Applicant will retain these reports for at least one (1) year or for the duration of an open investigation, whichever is longer, as required by 935 CMR 500.110(9)(c).

Transportation Records

Transportation records will be documented within METRC and will be retained by Applicant in hard-copy and/or electronic file. These transportation records will include the transport and shipping manifests mandated by 935 CMR 500.105(13)(f), the original of which will always remain at the facility in the Secure Records Room (highlighted on *Recordkeeping Plan Exhibit A*). All transportation manifests will remain of record at the facility for at least one (1) year and will be made available to the Commission upon request.

Applicant will also keep on record any Emergency Stop Log that was created during an emergency stop of the transportation vehicle and any records created during a report of unusual discrepancy in weight or any accidents, diversions, losses, or other reportable incidents within 24 hours of the emergency stop or discovery of the discrepancy as required by 935 CMR 500.105(13)(b). Lastly, Applicant will maintain all vehicle records, such as maintenance, repairs, registration, and insurance. For more detail, see Applicant's *Transportation Plan*.

THE HIGH END CHOCOLATE COMPANY, LLC
MASSACHUSETTS ADULT-USE MARIJUANA PRODUCT MANUFACTURER:
Restricting Access to Age 21 and Older

Summary Overview

In accordance with 935 CMR 500.105(1)(p) and 935 CMR 500.105(14), Applicant submits the following summary of policies and procedures for restricting access to its product manufacturing facility (“*Restricting Access Plan*”), as well as its Marijuana and Marijuana Products, to persons age 21 and older.

Key Staff

Key staff members who are responsible to implement the *Restricting Access Plan* are as follows. A complete organizational chart may be found in Applicant’s *Business Plan*.

Directory of Compliance:

- Ensuring that procedures for positive identification are appropriately defined in new agent onboarding training, as well as in continuing education modules;
- Ensuring that all packaging and marketing materials are produced in strict accordance with regulations;

Director of Security:

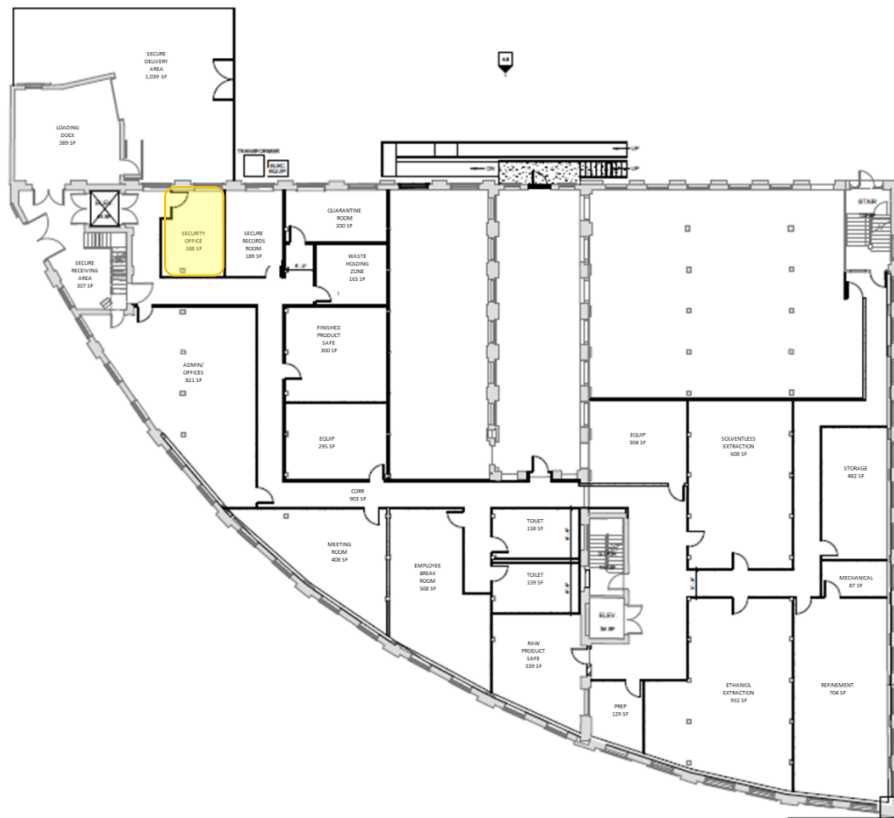
- Monitoring video surveillance; and
- Overseeing visitor access.

Facility Overview

Highlighted on the following floorplan is the Security Office, through which all entry into the facility will pass. Complete site plans showing all areas where manufacturing activities will occur, from acquisition of raw materials to transport can be found in the Appendix of Applicant’s *Proposed Timeline*.

Restricting Access Plan Exhibit A: Ground Floor

- **Security Office**



Positive Identification

Positive Identification will be the primary means of restricting access to the premises of Applicant's product manufacturing areas and the rest of its production facility. Training for Checking IDs is set forth in Applicant's *Qualifications and Training Plan*. Applicant will limit access to its facility to individuals on the premises of its establishment for a purpose related to its operations and consistent with the direction of 935 CMR 500.105, provided, however, that no such individual will be younger than 21 years old.

All outside vendors, contractors, and visitors will obtain a visitor identification badge prior to entering the facility, and after having their identification and age checked by any staff member at management level or above. The visitor identification badge will be visibly displayed at all times while the visitor is in the facility, and they will be escorted at all times by a designated staff member authorized to enter the product manufacturing areas. All visitors will be logged in and out at the Security Office, and the log shall be made available to the Commission for inspection at all times. All visitor identification badges will be returned to the Security Office upon exit. The Security Office is located on Ground Floor, as shown on *Restricting Access Plan Exhibit A*.

All registered agents will be subject to suitability standards and background checks to ensure they are 21 years of age or older. Further details on staff/candidate review and onboarding can be found in Applicant's *Qualifications and Training Plan*.

Applicant's comprehensive security measures are written in accordance with 935 CMR 500.110, and can be found in Applicant's *Security Plan*.

Access

In accordance 935 CMR 500.105(14), Applicant shall grant access into the facility, and review of staffing and visitor logs, to the following individuals:

- Representatives of the Cannabis Control Commission in the course of responsibilities authorized by St. 2016, c. 334, as amended by St. 2017, c. 55 M.G.L. c. 94G and 935 CMR 500.000;
- Representatives of other state agencies of the Commonwealth;
- Emergency responders in the course of responding to an emergency; and
- Other authorized law enforcement personnel or local public health inspectional services, or other permit-granting agents acting within their lawful jurisdictions.

Marketing and Packaging

As described more comprehensively in Applicant's *Branding and Packaging Plan*, to further protect against diversion to minors, all products manufactured by Applicant for sale to wholesalers and consumers will be packaged in tamper or child-resistant packaging certified by a qualified third-party tamper or child resistant packaging testing firm that the packaging is in compliance with most recent poison prevention packaging regulations of the US Consumer Product Safety Commission as included at 16 CFR 1700, as required by 935 CMR 500.105(6)(a)(1)(d). As applicable, Applicant's Marijuana Products will be labeled in full compliance with the requirements of 935 CMR 500.105(5), including, among other things the capitalized statement, "KEEP THIS PRODUCT AWAY FROM CHILDREN," and a symbol indicating that the product is harmful to children, providing "NOT SAFE FOR KIDS," similar to sample below.



Packaging will not include any of design elements determined by the Commission to appeal to minors, as required by 935 CMR 500.105(6)(b), which expressly prohibits, among other design elements, the following:

- Use of bright colors, defined as “neon” in appearance;
- Imitating or resembling any existing branded consumer products, such as food or beverages that do not contain Marijuana;
- Featuring cartoons;
- Featuring a design, brand or name that resembles a non-cannabis consumer product of the type that is typically marketed to minors;
- Featuring symbols or celebrities commonly used to market products to minors;
- Featuring images of minors; or
- Featuring words that refer to products that are commonly associated with minors or marketed to minors.

All other marketing, advertising and branding produced by or on behalf of Applicant will also be designed with the prevention of diversion to minors in mind, in strict accordance with 935 CMR 500.105(4). Specifically, among other things, Applicant will only engage in reasonable marketing, advertising and branding practices that are not otherwise prohibited in 935 CMR 105(4)(b) and that do not promote the diversion of Marijuana or Marijuana use in individuals younger than 21 years old; in this connection, Applicant’s marketing, advertising, and branding created for viewing by the public shall include various warnings, which may include: “For use only by adults 21 years of age or older. Keep out of reach of children,” and a capitalized statement providing, among other things, “KEEP THIS PRODUCT AWAY FROM CHILDREN,” as required by 935 CMR 500.105(4)(a)(5) and (6), respectively. Applicant’s website, when established, will include an age verification gate to ensure that only individuals age 21 or older may enter the website, as required by 935 CMR 500.105(4)(b)(13). And Applicant will only sponsor charitable, sporting, or other similar events if Applicant has a reasonable expectation that at least 85% of the audience will be 21 years of age or older, as required by 935 CMR 500.105(4)(a)(2).