



# Massachusetts Cannabis Control Commission

## Public Record Request

### Marijuana Retailer

#### General Information:

License Number: MR281637  
Original Issued Date: 12/17/2018  
Issued Date: 12/30/2019  
Expiration Date: 12/30/2020  
Payment Received: \$5000 Payment Required: \$10000

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: The Verb is Herb, LLC. Federal Tax Identification Number EIN/TIN: [REDACTED]  
Phone Number: 860-803-3675 Email Address: bill@theverbisherb.com  
Business Address 1: 74 Cottage St Business Address 2:  
Business City: Easthampton Business State: MA Business Zip Code: 01027  
Mailing Address 1: 74 Cottage St. Mailing Address 2:  
Mailing City: Easthampton Mailing State: MA Mailing Zip Code: 01027

### CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

### PRIORITY APPLICANT

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

### RMD INFORMATION

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

#### PERSONS WITH DIRECT OR INDIRECT AUTHORITY

Person with Direct or Indirect Authority 1

Percentage Of Ownership: 100

Percentage Of Control: 100

Role: Executive / Officer

Other Role:

First Name: William

Middle Name: [REDACTED]

Last Name: Hartley Suffix:

Gender: Male

User Defined Gender:

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

Specify Race or Ethnicity:

#### ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

No records found

#### CLOSE ASSOCIATES AND MEMBERS

No records found

#### CAPITAL RESOURCES - INDIVIDUALS

Individual Contributing Capital 1

First Name: William

Middle Name: [REDACTED]

Last Name: Hartley

Suffix:

Types of Capital: Monetary/Equity

Other Type of Capital:

Total Value of the Capital Provided: \$200000

Percentage of Initial Capital: 100

Capital Attestation: Yes

#### CAPITAL RESOURCES - ENTITIES

No records found

#### BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

#### DISCLOSURE OF INDIVIDUAL INTERESTS

No records found

#### MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 74 Cottage St

Establishment Address 2:

Establishment City: Easthampton

Establishment Zip Code: 01027

Approximate square footage of the establishment: 1000

How many abutters does this property have?:

56

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

#### HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Certification of Host Community Agreement	HCA Certification Form.pdf	pdf	5b2e811d53361a503c1d5990	06/23/2018
Plan to Remain Compliant with Local Zoning	Plan to Remain Compliant with Zoning.pdf	pdf	5b2e8c98480890506ed9b7bd	06/23/2018
Community Outreach Meeting Documentation	Community Outreach Attestation Final_092418.pdf	pdf	5ba9a1a6c5b78d6cdece03d0	09/24/2018

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.: \$15000

#### PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	TVIH Plan for Positive Impact.pdf	pdf	5b64b66903a477392d0a1e16	08/03/2018

#### ADDITIONAL INFORMATION NOTIFICATION

Notification: I understand

#### INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role:	Other Role:
First Name: William	Middle Name: Last Name: Hartley Suffix:
RMD Association: Not associated with an RMD	
Background Question: no	

#### ENTITY BACKGROUND CHECK INFORMATION

No records found

#### MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Department of Revenue - Certificate of Good standing	COGS_DOR.pdf	pdf	5b363a9207462b506437a8fe	06/29/2018
Articles of Organization	TVIH Certificate of Organization.pdf	pdf	5b363ccee0abb143d3546982	06/29/2018
Bylaws	TVIH Operating Agreement signed.pdf	pdf	5b3642a107462b506437a91a	06/29/2018
Secretary of Commonwealth - Certificate of Good Standing	COGS SOC.pdf	pdf	5b65d465cea8212d4c7b420f	08/04/2018

Certificates of Good Standing:

Document Category	Document Name	Type	ID	Upload Date
Department of Revenue - Certificate of Good standing	DOR COGS.pdf	pdf	5de68bbd40e348579197f44d	12/03/2019
Department of Unemployment Assistance - Certificate of Good standing	Verb is Herb Certificate of Good Standing DUA.pdf	pdf	5de68be074bb15534cd4f28b	12/03/2019
Secretary of Commonwealth - Certificate of Good Standing	Secretary of State COGS.pdf	pdf	5de85f15160e3b57a3dd555d	12/04/2019

Massachusetts Business Identification Number: 001317103

Doing-Business-As Name:

DBA Registration City:

## BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Proposed Timeline	THIV Proposed Timeline_1219.pdf	pdf	5de68f73a9ef3857c445c3db	12/03/2019
Business Plan	The Verb is Herb Business Plan_1219.pdf	pdf	5de691088bdcfd57ae5287a7	12/03/2019
Plan for Liability Insurance	TVIH Insurance Plan.pdf	pdf	5de6a6aa0f35e05798b39e1e	12/03/2019

## OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Separating recreational from medical operations, if applicable	TVIH Policy for Separating Recreational from Medical Operations.pdf	pdf	5b65b3f1b60ce4391d87daa2	08/04/2018
Storage of marijuana	TVIH Policy and Procedure for Storage of Marijuana FINAL.pdf	pdf	5b65b7f08d67cc394b81a8a9	08/04/2018
Security plan	TVIH Security Plan Final.pdf	pdf	5b65d1c1185bb22d71064ea4	08/04/2018
Plan for obtaining marijuana or marijuana products	TVIH Plan to Obtain marijuana or marijuana products_1219.pdf	pdf	5de6b07abcb01253152f8c0d	12/03/2019
Transportation of marijuana	EH- TVIH Policy and Procedure for the Transportation of Marijuana.pdf	pdf	5de6b25d9c1081532b9a81f7	12/03/2019
Inventory procedures	EH- TVIH Policy for Inventory.pdf	pdf	5de6b356b4f83557d6cc97a6	12/03/2019
Restricting Access to age 21 and older	EH-TVIHPolicy for Limiting Access to Age 21 and Older.pdf	pdf	5de6b4467aad8653363bfc41	12/03/2019
Quality control and testing	EH- TVIH Policy for Quality Control and Product Testing.pdf	pdf	5de6b658170b4c5353e3cf8e	12/03/2019
Dispensing procedures	EH-TVIH Dispensing Procedure FINAL.pdf	pdf	5de6ba637aad8653363bfc75	12/03/2019
Personnel policies including background checks	EH- TVIH Personnel Policies.pdf	pdf	5de6bd499c1081532b9a8248	12/03/2019
Record Keeping procedures	EH-TVIH Record Keeping Procedure .pdf	pdf	5de6bef774bb15534cd4f3c3	12/03/2019
Prevention of diversion	EH- TVIH Prevention of Diversion Policy and Procedure .pdf	pdf	5de6bf728bdcfd57ae5288b3	12/03/2019
Maintaining of financial records	EH- TVIH Maintenance of Financial Records Policy and Procedure .pdf	pdf	5de6c23266a32657cfbdbc1f	12/03/2019
Diversity plan	TVIH Diversity Plan_1219.pdf	pdf	5de91dfbbcb01253152f91e2	12/05/2019
Qualifications and training	TVIH Qualifications and Training Policy and Procedure_1219.pdf	pdf	5de9be1d0f35e05798b3a718	12/05/2019

## MARIJUANA RETAILER SPECIFIC REQUIREMENTS

No documents uploaded

No documents uploaded

## ATTESTATIONS

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

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

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

Notification: I Understand

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 Agree

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 Agree

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

## ADDITIONAL INFORMATION NOTIFICATION

Notification: I Understand

## COMPLIANCE WITH POSITIVE IMPACT PLAN

### Progress or Success Goal 1

**Description of Progress or Success:** GOAL #1- Provide career opportunities to past or present residents of Holyoke, Springfield, Amherst or other areas of disproportionate impact and/or are Massachusetts residents who have a past drug conviction or have parents or spouses who have a past drug conviction. Our specific goal is that 20% of our workforce is composed of employees that meet the above criteria.

**EVIDENCE OF SUCCESS-** Even though The Verb is Herb is not yet operations we have hired 40 Agents. 2 Agents (5% of our hires) have identified that they have a past drug conviction.

27 Agents (67.5% of our workforce) are past of present residents of an "Area of Disproportionate Impact"

To attain such a high percentage of Agents from Areas of Disproportionate Impact, The Verb is Herb has posted our job opportunities in 7 recruitment centers that serve Areas of Disproportionate Impact (see Attached) and held a job fair on September 5, 2019 with Nueva Esperanza. Nueva Esperanza is a non-profit organization in Holyoke that serves the Puerto Rican/Afro-Caribbean community in Holyoke.

### Progress or Success Goal 2

**Description of Progress or Success:** GOAL #2- Provide financial support to groups and/or organizations that offer support, education or job training to residents of Areas of Disproportionate Impact. Our specific goal is to donate ~1% of our profits to one or more of these groups.

**EVIDENCE OF SUCCESS-** Even though we are not operational and have no profits, The Verb is Herb has donated \$20,000 to two non-profits whose services offer support, education or job training to residents of Areas of Disproportionate Impact.

\$10,000- Cannabis Community Care and Research Network (C3RN)

\$10,000- Girls Inc. of Holyoke

See attached documentation

### Progress or Success Goal 3

**Description of Progress or Success:** GOAL #3- To attain Social Justice Leader, Leadership Rating pursuant to 935 CMR 500.040(3)(a) in year three of operation.

**EVIDENCE OF PROGRESS-** To attain Social Justice Leader status, The Verb is Herb must become operational and create revenue. Our goal is to attain this

status by year three. Once operational for one year, we will donate one percent of our revenue to the Social Equity Training and Technical Assistance Fund. Once operational we will also begin to offer educational seminars targeted to the residents of Holyoke, Springfield, Amherst. We plan to begin these seminars in the Summer of 2020.

#### Progress or Success Goal 4

**Description of Progress or Success:** GOAL #4- To the extent possible, engage with suppliers, contractors and business partners who are past or present residents of Holyoke, Springfield, Amherst or other areas of disproportionate impact and/or are Massachusetts residents who have a past drug conviction or have parents or spouses who have a past drug conviction. Furthermore, we will prioritize industry relationships with Marijuana Establishments that are Economic Empowerment priority applicants, Social Equity Program participants or have attained Social Justice Leader rating from the Commission.

~20% of our contractors will meet the above criteria.

~20% of our non-marijuana suppliers will meet the above criteria.

~20% of our marijuana business partners will meet the above criteria

**EVIDENCE OF PROGRESS-** As The Verb is Herb is not operational, we have not met our goals for this program. When possible, we sourced contractors and suppliers from the City of Holyoke. This included hiring Nueva Esperanza, a non-profit in Holyoke, for job sourcing and electronic filing as well as renting their location for our job fair.

As for our marijuana business partners, we were unable to source any Licensed Marijuana Establishments that are Economic Empowerment priority applicants, Social Equity Program participants or have attained Social Justice Leader rating from the Commission. We entered into a non-binding agreement with a Holyoke company that has applied for a Marijuana Cultivation and Product Manufacturing Licenses from the Commission, but they are not yet operational.

We will continue to try and source marijuana companies who are Economic Empowerment priority applicants, Social Equity Program participants or have attained Social Justice Leader as marijuana and marijuana product suppliers for our retail location.

#### COMPLIANCE WITH DIVERSITY PLAN

##### Diversity Progress or Success 1

**Description of Progress or Success:** GOAL #1- 1. Make The Verb is Herb workplace and management team as diverse as possible to include attracting and retaining qualified employees with no regard to race, national origin, gender, age, disability, religion, sexual orientation, or any other non-merit factor.

**EVIDENCE OF SUCCESS-** Even though The Verb is Herb is not yet operations we have hired 40 Agents. 2 Agents (5% of our hires) have identified that they are LGBTQ+, 2 are Veterans (5% of our hires) and 2 are persons with disabilities.

14 of our Agents (35% of our workforce) are female.

To attract such a diverse workforce, The Verb is Herb has posted our job opportunities in 7 recruitment centers that serve diverse communities (see Attached) and held a job fair on September 5, 2019 with Nueva Esperanza. Nueva Esperanza is a non-profit organization in Holyoke that serves the Puerto Rican/Afro-Caribbean community in Holyoke.

##### Diversity Progress or Success 2

**Description of Progress or Success:** GOAL #2- The Verb is Herb is determined to provide a work environment that is a diverse and inclusive workplace. We encourage a broad range of opinions, ideas and perspectives that drives creativity, innovation and excellence. Our goal, which must be met, is to ensure that every employee, contractor and visitor feels safe, respected, welcome, comfortable, supported and accepted.

**EVIDENCE OF SUCCESS-** While we are not operational as of yet, The Verb is Herb has fostered an environment of diversity and inclusivity through our hiring, training and policies.

All The Verb is Herb Agents are trained on inclusion in the workplace and advanced training is given to managers.

We have drafted and implemented a Non-Discrimination, Harassment and Retaliation Policy. This policy includes provisions for responding to complaints, discipline for non-compliance and evaluation of the circumstances to see if this plan needs improvements.

Once we become operational, we will periodically evaluate the workplace environment through interviews with employees and through exit interviews with Agents who leave the company and employee surveys.

##### Diversity Progress or Success 3

**Description of Progress or Success:** GOAL #3- 3. Include as our suppliers, contractors and wholesale partners businesses owned by minorities, women, veterans, people who are LGBTQ+ and by persons with disabilities.

**EVIDENCE OF PROGRESS-** As The Verb is Herb is not operational, we have not met our goals for this program.

We have had conversations with a local Marijuana Cultivator/Product Manufacturer that is owned and managed by minorities. We continue to attempt to located and engage with marijuana establishments that are woman, minority, veteran owned or owned by people who are disabled or are LGBTQ+.

#### HOURS OF OPERATION

<b>Monday From: 10:00 AM</b>	<b>Monday To: 10:00 PM</b>
<b>Tuesday From: 10:00 AM</b>	<b>Tuesday To: 10:00 PM</b>
<b>Wednesday From: 10:00 AM</b>	<b>Wednesday To: 10:00 PM</b>
<b>Thursday From: 10:00 AM</b>	<b>Thursday To: 10:00 PM</b>
<b>Friday From: 10:00 AM</b>	<b>Friday To: 10:00 PM</b>
<b>Saturday From: 10:00 AM</b>	<b>Saturday To: 10:00 PM</b>
<b>Sunday From: 10:00 AM</b>	<b>Sunday To: 10:00 PM</b>

# The Verb is Herb, Inc.

## Business Plan

74 Cottage Street, Easthampton MA

November 2018

## **Executive Summary-**

There is a massive market for recreational cannabis in Massachusetts. Within three years, sales could be as high as \$2.1 billion per year. A limited number of Retail Marijuana Establishments ("RME") will be open in 2018-2019. Existing Medical Marijuana dispensaries will be, in all likelihood, the first to open RME's and capture the market.

Unlike with the Medical Use of Marijuana Program, there is no more requirement for vertical integration, whereas a company entering the market must Cultivate, Manufacture Products and conduct Retail Sales. Under 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 ("the Acts") and its regulations stand-alone retail establishments are allowed. With no requirement of being vertically integrated and needing a \$5-10MM capital raise, an entrepreneur can now enter the industry with relatively low capital requirement and succeed.

Our proposed location in Easthampton will be marketed as a "mom and pop" type retail establishment catering to customers in the downtown area. Unlike our competitors, The Verb is Herb is located amongst other retail stores, restaurants and clubs. Our RME will add to the diverse retail environment and bring revenue to the City.

The Verb is Herb will be owner, operated and financed solely by me. I Have dedicated much of my retirement saving to this venture but have also lined up supplemental funding when the need arises.

I am very determined to succeed with venture and have begun to form a team of industry consultants, other operators in the industry and other business professionals to assist.

Our location, customer service and atmosphere along with fiscal responsibility and planning will allow The Verb is Herb to succeed and flourish in this new industry.

William Charles Hartley  
President  
The Verb is Herb, LLC.

# Company Overview-

## Mission Statement

To provide the highest quality cannabis products in a clean, safe, pleasant and “unique” environment.

## Principal Members

William Hartley — President, CEO, CFO and Marketing

- Associate Director Data Science at The Hartford
- Served on the Board of Directors for four different small companies
- Security expert, Owner of Griffin Security, LLC. (Master Electrician)
- Property owner and manager
- Lay Episcopal Minister and Vestry Member
- Six Sigma Blackbelt (Process Improvement)
- Advanced SAS Certification in Predictive Modeling

## Legal Structure

The Verb is Herb is a single member LLC incorporated in Easthampton, Massachusetts.

## Location

74 Cottage Street, Easthampton, MA

## License Type

Retail Marijuana Establishment

## Hours of Operation

Sunday through Saturday      10:00 AM-10:00 PM

## Emergency Contact Information

Title/Name	Phone Number	Email
CEO: William Hartley	860-803-3675	bill@theverbisherb.com

## Market Analysis

Easthampton and its largest neighbors, Northampton and Holyoke, will enter the Adult Use Marijuana Market in 2018-2019. Each City will have multiple Retail Marijuana Establishments ("RME"). Most of these RME will be existing Medical Use of Marijuana RMD's that will convert to adult use or co-locate medical and adult use marijuana.

Easthampton will license up to 6 Adult Use RME's. With 3 or 4 Medical Marijuana RMDs looking to co-locate Adult Use and Medical Marijuana. This means 1-3 non-vertically integrated stand-alone RME's may be allowed.

Under the Medical Use of Marijuana program where operators must be vertically integrated the capital raise was on the average of \$5-10MM. We expect that The Verb is Herb can enter the market with less than \$500,000 which includes our first year of operational expenses. While sourcing our products from the wholesale market requires us to purchase at the market rate, our Capital Expenses ("capex") and Operating Expenses ("opex") are much lower than the vertically integrated companies which allows us to operate with less of a profit margin.

### Our Plan

The Verb is Herb plans to operate a "mom and pop" type RME with its location, pricing and customer service as its main selling points.

**Location-** Our location is the most desirable in the City of Easthampton as it is the only RME that plans to open in the downtown area. This location, in the middle of the retail hub of the City will allow for the capture of pedestrian and vehicular traffic in the downtown area. Cottage Street a/k/a State Route 141 is the main thoroughfare through the City and connects Interstate 91 to Route 10.

**Pricing-** We plan to price our products at or below the local market rate. We have begun wholesale talks with many operating RMD's in the state and will sign wholesale agreements for product once we are Provisionally Licensed. Keeping our prices at the market rate will allow us to compete with the vertically integrated company's and help us keep our client base. Having such a low opex allows us to keep our prices low.

**Customer Service-** Our philosophy is to keep our customers happy and they will return. Our RME will not be a revolving door dispensary, we plan to engage our customers and offer them a safe relaxing place to purchase their products. To the extent allowable in the regulations we will institute a customer loyalty program that will alert customers to new products, share educational materials and offer discounts.

# SWOT Analysis

<b>Strength</b>	<ul style="list-style-type: none"> <li>● Well-funded- Capital to receive Final License from the CNB</li> <li>● Speed to Market- Our Location and wholesale relationships will allow us to be one of the first RME's to open in Easthampton</li> <li>● Location- Best location in the City for pedestrian and vehicular traffic</li> <li>● Community and consumer driven, excellent customer service culture</li> <li>● Expected growth rate of this industry is 28.3%.</li> <li>● Market is in Quality Growth Stage.</li> <li>● Cannabis is beginning to be viewed more positively.</li> <li>● Extremely Low capex and opex- Allows us to operate with lower profits while the vertically integrated market must make a much larger amount of sales and a larger profit.</li> </ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>● Possible Saturated Market- With 6 possible RME's in Easthampton and several other bigger cities entering the market the market share could be small.</li> <li>● 280E and COGS- As a marijuana retailer we must deal with Section 280E of the Tax Code that limits the amount of "Costs of Goods Sold" that can be deducted by the RME.</li> <li>● Must source product from wholesale market- While the market will be a commodity in the future, the present wholesale market fluctuates and is unpredictable.</li> <li>● Banking- While we are speaking with prospective banking relationships, as of right now we will not be able to have accounts with traditional banks once we begin operations.</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>● To capture our customer base in Easthampton before many of the other competitors are open.</li> <li>● To expand and offer Medical Marijuana to Patients in 2019.</li> <li>● To expand our retail model into other markets in Central and Western Massachusetts</li> </ul>
<b>Threats</b>	<ul style="list-style-type: none"> <li>● Cannabis is still a Schedule I drug</li> <li>● Vertically Integrated competitors undercutting prices</li> <li>● Illicit Market still getting large market share</li> <li>● Pharmaceutical industry will increase competition with Cannabis industry.</li> </ul>

## Products

The Verb is Herb will contract with Massachusetts based cultivators and product manufacturers to provide customers with a wide selection of products, including, but not limited to:

- Flower strains
- Concentrates (wax, oil, etc.)
- Edibles
- Topicals
- Pre-rolled Joints

All the products sold at our RME will be properly packaged and labeled according to the regulations.

## Staffing

Year	2019	2020	2021	2022	2023
Total FTE	15	15	15	15	15

## Financial Analysis- Based upon a license date of October 2018

Capital and Operating Expenses Overview					
Start-up Funding		Capital Expenses		Operational Expenses	
Total Requirements		Capital Expenses		6 Months Operational Expenses	
Total capex	\$135,050	Construction/FF&E	\$72,900	Inventory	\$118,000
6 Month opex	\$239,544	Security System	\$28,500	Rent	\$10,800
<b>Total Funding Required</b>	<b>\$374,594</b>	Legal/Consulting	\$950	Insurance	\$3,720
		Regulatory Costs	\$15,000	Utilities	\$3,653
		Surety Bond	\$13,000	Salaries	\$103,372
		Computers and Software	\$2,500		
		Accounting	\$2,200		
<b>Capital</b>					
Current Borrowing	\$275,000				
Income from first 6 Months of sales	\$297,150				
^ \$0 for first month of license	\$572,150				
<b>Additional Capital Required (not needed)</b>	<b>(\$197,556)</b>				
		<b>Total capex</b>	<b>\$135,050</b>	<b>Total opex</b>	<b>\$239,544</b>

# Retail Capital Flow Overview

## Projected Pro Forma Cash Flow

	Year 1	Year 2	Year3	Year 4	Year 5
<b>Cash from Operations</b>					
Cash Sales	\$826,200	\$908,820	\$999,702	\$1,099,672	\$1,209,639
Subtotal Cash from Operations	\$826,200	\$908,820	\$999,702	\$1,099,672	\$1,209,639
Combined Taxes	190,026	209,029	229,931	252,925	278,217
<b>Expenditures</b>					
Payroll	\$235,938	\$259,532	\$311,439	\$342,582	\$359,712
Sales and Marketing	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Rent	\$21,600	\$21,600	\$21,600	\$21,600	\$21,600
Utilities	\$4,390	\$4,610	\$4,840	\$5,082	\$5,336
Insurance	\$8,640	\$8,640	\$8,640	\$8,640	\$8,640
Payroll Taxes 15%	\$35,391	\$38,930	\$46,716	\$51,387	\$53,957
Licensure Fee	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Background Checks and Agent Fee	\$5,000	\$5,000	\$5,000	\$5,500	\$5,500
Legal and Consulting	\$6,000	\$6,500	\$7,000	\$7,500	\$8,000
Misc. Expenses	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Marijuana Inventory	\$235,938	\$228,860	\$221,994	\$215,335	\$208,874
Other Inventory	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000
Loan Repayment	\$0	\$20,000	\$30,000	\$30,000	\$0
<b>Subtotal Cash Spent</b>	\$819,923	\$879,700	\$964,160	\$1,017,551	\$1,026,836
<b>Net Cash Flow</b>	\$6,277	\$29,120	\$35,542	\$82,121	\$182,803

# Plan for Obtaining Liability Insurance

## **I. Purpose**

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

## **II. Research**

The Verb is Herb has an insurance policy in place that provides General and Product Liability Insurance coverage in the amounts required in 935 CMR 500.105(10) (See attached binder).

## **III. Plan**

1. The Verb is Herb has obtained and will maintain the required insurance coverage as required in 935 CMR 500.105(10)
  - a. General liability insurance coverage for \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually;
  - b. Product liability insurance coverage for \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually.
  - c. The deductible for this policy is \$5,000 per occurrence.
2. In the event that The Verb is Herb cannot maintain the required insurance coverage, The Verb is Herb will place a minimum of \$250,000 in an escrow account. These funds will be used solely for the coverage of liabilities.
  - a. The Verb is Herb will replenish this account within ten business days of any expenditure.
3. The Verb is Herb will maintain reports documenting compliance with 935 CMR 500.105(10) in a manner and form determined by the Commission and make these reports available to the Commission up request.



# Binder

P.O.Box 27648, Richmond, VA 23261; (804) 289-2700.

This Binder is only a summary of the coverages(s) you have ordered. For a complete description of the terms and conditions of coverage, please refer to the policy itself including all endorsements.

<b>Attention:</b>	Sean McVicker	<b>Policy No.:</b>	00092714-0
<b>Firm:</b>	XS Brokers Insurance Agency, Inc. (Quincy)	<b>Division:</b>	Life Sciences
<b>Applicant:</b>	The Verb is Herb LLC	<b>Company:</b>	James River Insurance Company
<b>Date:</b>	6/13/2019		
<b>Proposed Policy Term:</b>	6/13/2019 to 6/13/2020		
<b>Description:</b>	Recreational Marijuana Dispensary		

**Schedule of Named Insureds**  
The Verb is Herb LLC

## Terms and Conditions

<b>Coverage</b>	<b>Coverage Form</b>	<b>Retro Date</b>
General Liability	Claims Made	06/13/2019

### Limits

General Aggregate	\$2,000,000
Each Occurrence	\$1,000,000
Prod & Comp Ops Agg	\$2,000,000
Medical Expense	Excluded
Damages to Premises	\$50,000
Personal & Advertising Injury	\$1,000,000

### Deductible

Deductible	\$5,000 Per Claim
------------	----------------------

<b>Class</b>	<b>Class Description</b>	<b>Exposure</b>
18707A	Recreational Marijuana - Dist	1,000,000 Revenue

<b>Premium:</b>	\$4,500	<b>TRIA:</b>	Coverage Rejected
<b>Minimum Earned Percent:</b>	25%	<b>Company Fee:</b>	\$350

**Total Amount Due:** \$4,850\*

\* Refer to XSB Binder Confirm cover letter for total due after taxes A/O fees \*

### Forms

See attached schedule.

### Audit Information

<b>Audit Frequency</b>	Annual	<b>Audit Type</b>	Physical
<b>Exposure Base</b>	1,000,000	<b>Audit Rate</b>	\$2.7000
<b>Rating Basis</b>	Gross Sales		



# Binder

P.O.Box 27648, Richmond, VA 23261; (804) 289-2700.

This Binder is only a summary of the coverages(s) you have ordered. For a complete description of the terms and conditions of coverage, please refer to the policy itself including all endorsements.

## Contingencies

- SEE XSB BINDER COVER

## List of Locations

### Address

74 Cottage St

### City

Easthampton

### State

MA

### Zip

01027



# Binder

P.O.Box 27648, Richmond, VA 23261; (804) 289-2700.

This Binder is only a summary of the coverages(s) you have ordered. For a complete description of the terms and conditions of coverage, please refer to the policy itself including all endorsements.

**Forms to be Attached (Please click form name or number to open a specimen copy in another browser window):**

<a href="#">LS0005US-0416</a>	Commercial General Liability Policy Declarations
<a href="#">AP0001US-0403</a>	Schedule A
<a href="#">CG0002-1207</a>	Commercial General Liability Coverage Form -Claims Made
<a href="#">AP2702US-0107</a>	Extended Reporting Period Endorsement
<a href="#">AP2704US-0406</a>	Restricted Reporting Endorsement
<a href="#">AH2307US-1016</a>	Deductible Endorsement - Damages and Expenses
<a href="#">AP2103US-0607</a>	Minimum Policy Premium
<a href="#">AP2108US-0811</a>	Supplementary Payments (Defense Costs) within Limits of Insurance
<a href="#">LS2010US-0505</a>	Non-Stacking Endorsement
<a href="#">LS2025US-0907</a>	Life Sciences Premium Endorsement
<a href="#">AP2004US-0403</a>	Additional Insured - Managers or Lessors of Premises <where required by written contract or written agreement>
<a href="#">AP2104US-1012</a>	Common Policy Conditions
<a href="#">AP2107US-0403</a>	Binding Arbitration
<a href="#">CG0068-0509</a>	Recording and Distribution of Material or Information in Violation of the Law Exclusion
<a href="#">CG2135-1001</a>	Exclusion - Coverage C - Medical Payments
<a href="#">CG2136-0305</a>	Exclusion - New Entities
<a href="#">CG2147-1207</a>	Employment-Related Practices Exclusion
<a href="#">CG2167-1204</a>	Fungi or Bacteria Exclusion
<a href="#">IL0021-0908</a>	Nuclear Energy Liability Exclusion
<a href="#">AH2309US-1003</a>	Exclusion - Designated Operations <1) The furnishing of marijuana for consumption at the Insured's premises (2) Any and all participation by the insured in conventions, trade shows, festivals, or other special events where marijuana will be distributed and/or consumed>
<a href="#">AP2020US-1206</a>	Exclusion - Occupational Disease
<a href="#">AP2028US-0505</a>	Exclusion - Electronic Media
<a href="#">AP2031US-0411</a>	Exclusion - Cross Suits
<a href="#">AP2032US-0518</a>	Exclusion - Employers Liability
<a href="#">AP2036US-1105</a>	Absolute Pollution and Pollution Related Liability - Exclusion
<a href="#">AP2111US-1105</a>	Exclusion - Punitive Damages
<a href="#">AP5040US-1209</a>	Exclusion - Firearms
<a href="#">AP5054US-0311</a>	Combined Policy Exclusions
<a href="#">AP5058US-1215</a>	Exclusion - Business Conduct
<a href="#">GC2131US-0403</a>	Fiduciary Exclusion
<a href="#">GC2141US-0107</a>	Exclusion - Construction Activities
<a href="#">LS2005US-1110</a>	Specified Products Exclusion Endorsement
<a href="#">LS2020US-1108</a>	Additional Specific Product Exclusion <1) DMAA; (2) Dendrobium; (3) DMBA / AMP Citrate; (4) BMPEA; (5) Picamilon; (6) Methlsynephtrine; (7) Kratom; (8) DMHA; (9) Eria Jarensis; (10) Diacetyl; Including all chemical names for these compounds. See additional comments for full wording.>
<a href="#">LS2101US-1108</a>	Specified Nutraceutical Substances Exclusion
<a href="#">LS2108US-0219</a>	Exclusion - Health Hazards - Tobacco & Cannabis Business
<a href="#">MC2161US-0903</a>	Exclusion - Designated Product(s) <1. Vaporizing devices of any kind. 2. Any and all products consumed at 74 Cottage St, Easthampton, MA 01027 products consumed>
<a href="#">AP5027R-0115</a>	Rejection of Coverage for Certified Acts of Terrorism Coverage
<a href="#">CG2175-0115</a>	Exclusion of Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism Committed Outside the United States
<a href="#">ILP001-0104</a>	US Treasury Departments Office of Foreign Assets Control (OFAC) Advisory Notice to Policyholders
<a href="#">AP0100US-0403</a>	Privacy Policy



## CITY OF EASTHAMPTON

*Mayor Nicole LaChapelle*

50 Payson Avenue, Suite 115, Easthampton, MA 01027- 2263

413-529-1470 Fax 413-529-1488

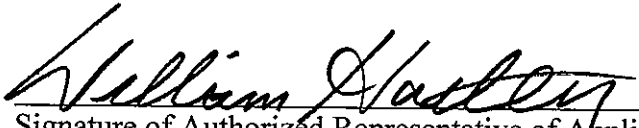
e-mail: [mayor@easthampton.org](mailto:mayor@easthampton.org)

### City of Easthampton - 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).

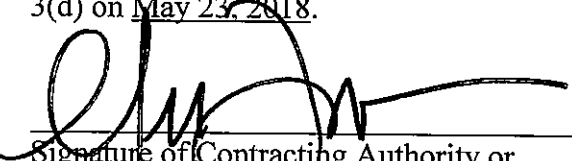
#### **Applicant**

I, William Hartley, certify as an authorized representative of The Verb is Herb, LLC that the applicant has executed a host community agreement with the City of Easthampton pursuant to G.L.c. 94G § 3(d) on May 23, 2018.

  
Signature of Authorized Representative of Applicant

#### **Host Community**

I, Mayor Nicole LaChapelle, certify that I am the contracting authority or have been duly authorized by the contracting authority for the City of Easthampton to certify that the applicant and the City of Easthampton has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on May 23, 2018.

  
Signature of Contracting Authority or  
Authorized Representative of Host Community

## 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, William Hartley, (*insert name*) attest as an authorized representative of The Verb is Herb, LLC. (*insert name of applicant*) that the applicant has complied with the requirements of 935 CMR 500 and the guidance for licensed applicants on community outreach, as detailed below.

1. The Community Outreach Meeting was held on June 19, 2018 (*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 June 8, 2018 (*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 June 11, 2018 (*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 June 7, 2018 (*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.

Publication Name:

**Daily Hampshire Gazette**

Publication URL:

[www.gazettenet.com/](http://www.gazettenet.com/)

Publication City and State:

**Northampton, MA**

Publication County:

**Hampshire**

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Notice Popular Keyword Category:

Notice Keywords:

**community outreach meeting**

Notice Authentication Number:

**201806231142429845547  
1239071861**

Notice URL:

[gazettenet.com](http://gazettenet.com)

[Back](#)

Notice Publish Date:

Friday, June 08, 2018

## Notice Content

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for Tuesday, June 19, 2018 from 5:00 p.m. to 7:00 p.m. at The Pulaski Club of Easthampton, located at 79 Maple Street, Easthampton, MA. The proposed Storefront Marijuana Retailer is anticipated to be located at 74 Cottage Street, Easthampton, MA. There will be an opportunity for the public to ask questions.

June 8

14264

[Back](#)

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for Tuesday, June 19, 2018 from 5:00 p.m. to 7:00 p.m. at The Pulaski Club of Easthampton, located at 79 Maple Street, Easthampton, MA. The proposed Storefront Marijuana Retailer is anticipated to be located at 74 Cottage Street, Easthampton, MA. There will be an opportunity for the public to ask questions.

June 8

14264

# Attachement B

June 6, 2016

RECEIVED  
2018 JUN 11 AM 10:27  
EASTHAMPTON, MASS.  
OFFICE OF THE CITY CLERK

Dear Sirs/Madams,

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for Tuesday, June 19, 2018 from 5:00 p.m. to 7:00 p.m. at The Pulaski Club of Easthampton, located at 79 Maple Street, Easthampton, MA. The proposed Storefront Marijuana Retailer is anticipated to be located at 74 Cottage Street, Easthampton, MA.

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

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

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

EASTHAMPTON, MA 01027

Official Use

Certified Mail Fee	\$3.45	0174
Extra Services & Fees (check box, add fee as appropriate)	\$0.00	12
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$0.50	
Total Postage and Fees	\$3.95	06/07/2018

Sent To: City of Easthampton  
Street and Apt. No., or PO Box No.: 50 Payson Ave  
City, State, ZIP+4®: Easthampton, MA

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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

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

EASTHAMPTON, MA 01027

Official Use

Certified Mail Fee	\$3.45	0174
Extra Services & Fees (check box, add fee as appropriate)	\$0.00	12
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$0.50	
Total Postage and Fees	\$3.95	06/07/2018

Sent To: City Clerk Easthampton  
Street and Apt. No., or PO Box No.: 50 Payson Avenue  
City, State, ZIP+4®: Easthampton MA

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT  
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For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

EASTHAMPTON, MA 01027

Official Use

Certified Mail Fee	\$3.45	0174
Extra Services & Fees (check box, add fee as appropriate)	\$0.00	12
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$0.50	
Total Postage and Fees	\$3.95	06/07/2018

Sent To: Mayor LaChapelle  
Street and Apt. No., or PO Box No.: 50 Payson Avenue  
City, State, ZIP+4®: Easthampton MA

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

# Attachment C

June 6, 2016

Dear Sirs/Madams,

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for Tuesday, June 19, 2018 from 5:00 p.m. to 7:00 p.m. at The Pulaski Club of Easthampton, located at 79 Maple Street, Easthampton, MA. The proposed Storefront Marijuana Retailer is anticipated to be located at 74 Cottage Street, Easthampton, MA.

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



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

The purpose of this plan is to outline how The Verb is Herb, LLC. will remain in compliance with local codes, ordinances, and bylaws for the physical address of our Marijuana Establishment at 74 Cottage Street in Easthampton, which shall include, but not be limited to, the identification of any local licensing requirements for the adult use of marijuana

### **Background**

On March 29, 2018 the City of Easthampton approved a zoning ordinance regulating the time place and manner of Marijuana Establishments. This ordinance, Section 10.10 allows a Cannabis Retailers in the Highway Business (HB), Downtown Business (DB), Mixed-Use / Mill Industrial (MI) and industrial (I) zoning districts. 74 Cottage Street is located in the Downtown Business Zoning District. A Special Permit from the Easthampton Planning Board is also required. This ordinance also creates a 350-foot buffer zone from pre-existing public or private school providing education in kindergarten or any of grades 1 through 12 and a 200-foot buffer zone from another Cannabis Retailer. There are no buffer zone issues at this location.

The Verb is Herb, LLC. and its consultants have reviewed this ordinance in its entirety and have developed plans and strategies on compliance with all of the requirements and special permit conditions. We plan to immediately apply for a Special Permit from the Easthampton Planning Board and will meet all of the special permit conditions. Once we receive Provisional Licensure from the Commission the Special Permit may be granted by the Planning Board.

### **Ongoing Compliance**

The Verb is Herb is committed to remaining in compliance with all with local codes, ordinances, and bylaws. We will engage the services of a compliance consultant who will make periodic assessments of our operation for compliance with all applicable local, state and federal laws and regulations, including zoning and special permit compliance.

The CEO will remain in contact with municipal officials including the Mayors Office, Planning Director, Building Inspector and other applicable officials to ensure that there is an open line of communications. We will remain up to date with all zoning ordinance changes and requirements to ensure that The Verb is Herb, LLC. remains in compliance.



**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

Special Filing Instructions

**Certificate of Organization**

(General Laws, Chapter )

Identification Number: 001317103

1. The exact name of the limited liability company is: THE VERB IS HERB, LLC

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

No. and Street: 74 COTTAGE STREET

City or Town: EASTHAMPTON State: MA Zip: 01027 Country: USA

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

No. and Street: 74 COTTAGE STREET

City or Town: EASTHAMPTON State: MA Zip: 01027 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:**

THE GENERAL CHARACTER OF THE BUSINESS OF THE LLC IS TO OPERATE A RETAIL BUSINESS AND TO ACQUIRE, MAINTAIN, RENT, DEVELOP AND SELL VACANT AND IMPROVED REAL ESTATE AND TO ENGAGE IN ANY ACTIVITIES DIRECTLY OR INDIRECTLY RELATED OR INCIDENTAL THERETO.

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

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

Name: STEPHEN A. CHAISSON

No. and Street: AC3, LLC

14 FERRY LOTS LANE

City or Town: SALISBURY State: MA Zip: 01952 Country: USA

I, STEPHEN A CHAISSON 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	WILLIAM HARTLEY	635 GRAHAM ROAD SOUTH WINDSOR, CT 06074 USA

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

<b>Title</b>	<b>Individual Name</b> First, Middle, Last, Suffix	<b>Address</b> (no PO Box) Address, City or Town, State, Zip Code
SOC SIGNATORY	WILLIAM HARTLEY	635 GRAHAM ROAD SOUTH WINDSOR, CT 06074

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

<b>Title</b>	<b>Individual Name</b> First, Middle, Last, Suffix	<b>Address</b> (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	WILLIAM HARTLEY	635 GRAHAM ROAD SOUTH WINDSOR, CT 06074

**9. Additional matters:**

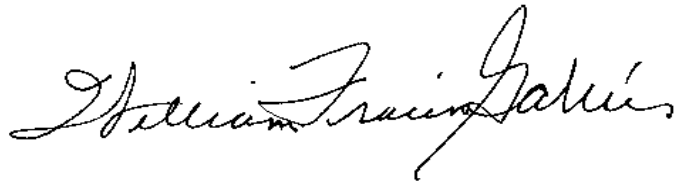
NONE

**SIGNED UNDER THE PENALTIES OF PERJURY, this 10 Day of May, 2018,**  
WILLIAM HARTLEY  
*(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:

May 10, 2018 01:12 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*

**Operating Agreement  
of  
THE VERB IS HERB, LLC**

This Operating Agreement of THE VERB IS HERB, LLC (the "LLC"), dated as of March 11, 2018, is made by William Hartley, ("Members"), intending to form a limited liability company pursuant to the Massachusetts Limited Liability Company Act (the "Act"), hereby agree as follows:

1. Name of LLC. The name of the LLC is:

THE VERB IS HERB, LLC, (the "LLC").

2. Business of LLC; Purposes and Powers.

(a) The general character of the business of the LLC is to operate a licensed retail cannabis entity, and to acquire, maintain, rent, develop and sell vacant and improved real estate and to engage in any activities directly or indirectly related or incidental thereto.

(b) The LLC shall be member-managed. All decisions respecting any matter set forth herein or otherwise affecting or arising out of the conduct of the business of the LLC shall be made by the Members, by action of a majority in number thereof.

The Members shall have the exclusive right and full authority to manage, conduct and operate the LLC's business. Specifically, but not by way of limitation, the Members shall be authorized, for and on behalf of the LLC to do the following:

(i) to borrow money, to issue evidences of indebtedness and to guarantee the debts of others for whatever purposes they may specify, whether or not related to the LLC or the LLC's assets, and, as security therefore, to mortgage, pledge or otherwise encumber the assets of the LLC;

(ii) to cause to be paid on or before the due date thereof all amounts due and payable by the LLC to any person or entity;

(iii) to employ such agents, employees, managers, accountants, attorneys, consultants and other persons necessary or appropriate to carry out the business and affairs of the LLC, whether or not any such persons so employed are Members or are affiliated or related to any Member; and to pay such fees, expenses, salaries, wages

and other compensation to such persons as the Members shall in their sole discretion determine;

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

(v) to pay any and all fees and to make any and all expenditures that the Members, in their discretion, deem necessary or appropriate in connection with the organization of the LLC, and the carrying out of its obligations and responsibilities under this or any other Agreement;

(vi) to cause the LLC's property to be maintained and operated in a manner that satisfies in all respects the obligations imposed with respect to such maintenance and operation by law, by any mortgages encumbering such property from time to time, and by any lease, agreement or rental arrangement pertaining to such property;

(vii) to cause necessary and proper repairs to be made, and supplies necessary for the proper operation, maintenance and repair of the LLC's property to be obtained;

(viii) to lease, sell, finance or refinance all or any portion of the LLC's property; and

(ix) to exercise all powers and authority granted by the Act to Members, except as otherwise specifically provided in this Agreement.

### 3. Office of the Limited Liability Company.

The address of the office of the LLC for purposes of Section 5 of the Act is 74 Cottage Street, Easthampton, MA 01027.

### 4. Agent for Service of Process.

The name and address of the resident agent for service of process for the LLC is Stephen A. Chaisson, AC3, LLC, 14 Ferry Lots Lane, Salisbury, MA 01952.

### 5. Members' Names and Business Addresses.

The names and business addresses of the Members with their capital contributions are set forth on Schedule A, attached hereto.

William Hartley shall be authorized to file documents with the Corporations Division and the Hampshire County Registry of Deeds.

#### 6. Term of the LLC.

(a) The term of the LLC commenced upon filing on the date hereof a Certificate of Organization in the Office of the Secretary of State of the Commonwealth of Massachusetts. The term shall continue until the LLC is terminated by agreement of the Members unless earlier dissolved upon the occurrence of an event of dissolution under Section 43 of the Act (subject to the right to continue the LLC as set forth in Section 6(b) below or pursuant to the Act).

(b) The Members may continue the business of the LLC upon the occurrence of any event that constitutes an event of dissolution of an LLC under the Act by electing to do so within 90 days after the occurrence of any of such event. Any such election shall be made by Members whose capital contributions to the LLC represent at least a majority of the capital contributions made by all Members.

#### 7. Capital Contributions and Liability of Members.

Except as otherwise provided in this Section 7, no Member shall be obligated or permitted to contribute any additional capital to the LLC. No interest shall accrue on any contributions to the capital of the LLC, and no Member shall have the right to withdraw or be repaid any capital contributed by it or to receive any other payment in respect of its interest in the LLC, including, without limitation, as a result of the withdrawal or resignation of such Member from the LLC, except as specifically provided in this Agreement.

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

personal liability on the Members or Managers for liabilities of the LLC.

8. Return of contributions.

The contribution of each member is to be returned to such member only upon the termination and liquidation of the LLC, but contributions may be returned prior to such time if agreed upon by all members.

9. Share of Net Profits, Net Losses and Cash Distributions.

(a) During the term of the LLC, the net cash flow, net proceeds of any sale or refinancing of any property of the LLC, and any other distributions of cash or other property of the LLC, shall be allocated among the Members equally. Subject to the foregoing, distributions to the Members shall be made at such times and in such amounts as the Members shall determine.

(b) Distributions of net proceeds of liquidation of the LLC (whether of cash or other assets) shall be distributed to all Members equally.

(c) William Hartley shall be the "tax matters partner" of the LLC for purposes of the Code.

(d) No Member shall have any right to distributions respecting such Member's interest (upon withdrawal or resignation from the LLC or otherwise) except as expressly set forth in this Agreement.

10. Substitution and Assignment of a Member's Interest; Resignation; Additional Members.

(a) No Member may sell, assign, give, pledge, hypothecate, encumber or otherwise transfer, including, without limitation, any assignment or transfer by operation of law or by order of court, such Member's interest in the LLC or any part thereof, or in all or any part of the assets of the LLC, without the unanimous written consent of all of the other Members, and any purported assignment without such consent shall be null and void and of no effect whatsoever.

(b) No assignee of the interest of a Member may be substituted as a member of the LLC without the unanimous written consent of all other Members.

(c) A Member may not resign from or otherwise terminate such Member's membership in the LLC without the prior approval of all other Members.

(d) Additional Members may be admitted to the LLC if agreed to by all Members.

#### 11. Miscellaneous.

(a) The Members shall cause the LLC to keep just and true books of account with respect to the operations of the LLC. Such books shall be maintained at the principal place of business of the LLC, or at such other place as the Members shall determine, and all Members, and their duly authorized representatives, shall at all reasonable times have access to such books.

(b) The LLC may maintain such books and records and may provide such financial or other statements as the managing member(s) may deem advisable. The books and records of the LLC, for income tax reporting purposes, shall be kept using an accounting method determined by the managing member(s), consistent with the rules and regulations promulgated by the taxing authorities. The accounting year for financial and income tax reporting shall be December 31.

The managing member(s) shall cause to be prepared and sent to each of the members each year annual statements indicating the share of each member of the net income, net loss, gain, loss, credits or deductions and other relevant items of the LLC for federal and state(s) income tax purposes.

(c) If and when the LLC has any cash receipts or expenses, the Members shall cause the LLC to maintain one or more accounts in a bank (or banks) that is a member of the Federal Deposit Insurance Corporation (FDIC), which accounts shall be used for the payment of the expenditures incurred by the Members in connection with the business of the LLC, and in which shall be deposited any and all cash receipts. All such amounts shall be and remain the property of the LLC, and shall be received, held and disbursed by the Members for the purposes specified in this Agreement.

(d) Subject to the restrictions on transfers set forth herein, this Agreement, and each and every provision hereof, shall be binding upon and shall inure to the benefit of the Members, their respective successors, successors in title, heirs and assigns, and each and every successor in interest to any Member, whether such successor acquires such interest by way of gift, purchase, foreclosure or any other method, and each party shall hold such interest subject to all of the terms and provisions of this Agreement.

(e) No change, modification or amendment of this Agreement shall be valid or binding unless such change,

modification or amendment shall be in writing and duly executed by all of the Members.

(f) This Agreement and the rights and obligations of the parties hereunder shall be governed by and interpreted, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts.

(g) This Agreement may be executed in a number of counterparts, all of which together shall for all purposes constitute one Agreement, binding on all the Members, notwithstanding that all Members have not signed the same counterpart.

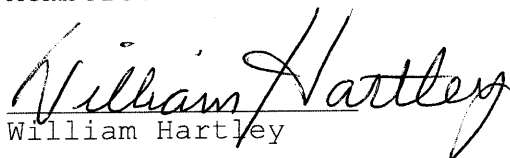
(h) None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of any Member, or any creditor of the LLC other than a member who is such a creditor of the LLC.

(i) The Members hereby agree that no Member or any successor in interest to any Member shall have the right while this Agreement remains in effect to have the property of the LLC partitioned, or to file a complaint or institute any proceeding at law or in equity to have the property of the LLC partitioned, and that each Member, on behalf of such Member and such Member's successors, representatives, heirs and assigns, hereby waives any such right. It is the intention of the Members that during the term of this Agreement, the rights of the Members and their successors in interest, as among themselves, shall be governed by the terms of this Agreement, and that the right of any Member or successor in interest to assign, transfer, sell or otherwise dispose of his or her interest in the LLC shall be subject to the limitations and restrictions of this Agreement.

(j) This Agreement constitutes the full and complete agreement of the parties hereto with respect to the subject matter hereof

In witness whereof, the Members have signed and sworn to this Agreement under penalties of perjury as of the date first above written.

Members:

  
William Hartley

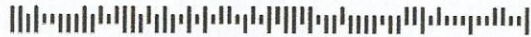
SCHEDULE A

<u>Members</u>	<u>Business Address</u>	<u>Capital Contribution</u>
William Hartley	635 Graham Road South Windsor, CT 06074	\$100.00



mass.gov/dor

## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



THE VERB IS HERB, LLC  
74 COTTAGE ST  
EASTHAMPTON MA 01027-1653

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

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

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

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

### *What if I have questions?*

If you have questions, call us at (617) 887-6367 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 8:30 a.m. to 4:30 p.m..

### *Visit us online!*

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

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

Edward W. Coyle, Jr., Chief  
Collections Bureau



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

William Francis Galvin  
Secretary of the  
Commonwealth

June 28, 2018

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 VERB IS HERB, LLC**

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **May 10, 2018**.

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 or withdrawal; 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:  
**WILLIAM HARTLEY**

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

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



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 Verb Is Herb Dispensing Procedure

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## **Intent**

The Verb Is Herb is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. (“the Regulations”) and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission (“CCC” or “the Commission”) or any other regulatory agency.

To provide clear and concise instructions for employees of The Verb Is Herb regarding the dispensing of marijuana and marijuana product to consumers that are in compliance with the Regulations

## **Purpose**

The purpose of this policy is to outline the responsibilities of the Company, the Company’s management team and Agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that the dispensing of marijuana and marijuana products are in compliance with all regulations and laws.

## **Requirements**

Pursuant to 935 CMR 500.140 The Verb Is Herb will ensure that upon entry into our facility by an individual, a The Verb Is Herb Agent will immediately inspect the individual’s proof of identification and determine the individual’s age. No one will be admitted to the premises unless the Agent has verified that the individual is 21 years of age or older by an individual’s proof of identification.

Pursuant to 935 CMR 500.140(4) and in accordance with M.G.L. c. 94G, § 7, The Verb Is Herb will not sell more than one ounce of marijuana or five grams of marijuana concentrate to a consumer per transaction.

Pursuant to 105 CMR 935.140(5) The Verb Is Herb:

1. Will refuse to sell marijuana to any consumer who is unable to produce valid proof of identification
2. Will refuse to sell marijuana products to a consumer if, in the opinion of The Verb Is Herb Agent based on the information available to the agent at that time, the consumer or the public would be placed at risk
3. Will not sell to an individual more than one ounce of marijuana or five grams of marijuana concentrate per transaction
4. Will not sell or offer for sale marijuana products containing nicotine
5. Will not sell or offer for sale marijuana products containing alcohol, if sales of such alcohol would require licensure pursuant to M.G.L. c. 138
6. Pursuant to 935 CMR 935.500(6) The Verb Is Herb:
1. Will only utilize a point-of-sale (POS) system approved by the Commission, in consultation with the DOR

2. May utilize a sales recording module approved by the DOR
3. Will not utilize software or other methods to manipulate or alter sales data;
4. Will conduct a monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate or alter sales data. A Marijuana Retailer shall maintain records that it has performed the monthly analysis and produce it upon request to the Commission. If a retailer determines that software has been installed for the purpose of manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data:
  - a. it shall immediately disclose the information to the Commission;
  - b. it shall cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
  - c. take such other action directed by the Commission to comply with 935 CMR 500.105.
5. Will comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements.
6. Will adopt separate accounting practices at the point-of-sale for marijuana and marijuana product sales, and non-marijuana sales.
7. Understands that the Commission and the DOR may audit and examine the point-of-sale system used by a retailer in order to ensure compliance with Massachusetts tax laws and 935 CMR 500.000;

The Verb Is Herb will make available educational materials about marijuana products to consumers. We will have an adequate supply of current educational material available for distribution. These materials will be available in commonly spoken languages designated by the Commission, which will include, but not be limited to appropriate materials for the visually- and hearing-impaired. These materials will be made available for inspection by the Commission upon request. The Commission will establish fines or other civil penalties for a Marijuana Establishment's failure to provide these materials. These educational materials must include at least the following:

1. A warning that marijuana has not been analyzed or approved by the FDA, that there is limited information on side effects, that there may be health risks associated with using marijuana, and that it should be kept away from children;
2. A warning that when under the influence of marijuana, driving is prohibited by M.G.L. c. 90, § 24, and machinery should not be operated;
3. Information to assist in the selection of marijuana, describing the potential differing effects of various strains of marijuana, as well as various forms and routes of administration;
4. Materials offered to consumers to enable them to track the strains used and their associated effects;
5. Information describing proper dosage and titration for different routes of administration. Emphasis shall be on using the smallest amount possible to achieve the desired effect. The impact of potency must also be explained;
6. A discussion of tolerance, dependence, and withdrawal;
7. Facts regarding substance abuse signs and symptoms, as well as referral information for substance abuse treatment programs;
8. A statement that consumers may not sell marijuana to any other individual;

9. Information regarding penalties for possession or distribution of marijuana in violation of Massachusetts law; and
10. Any other information required by the Commission.

No marijuana product, including marijuana, will be sold or otherwise marketed by The Verb Is Herb that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000. The product must be deemed to comply with the standards required under 935 CMR 500.160.

### **Consumer Access to the Facility**

Customers/Consumers access to the facility will be done through the main entrance. The main entrance is locked at all times and the customer must present an authorized government issued ID card to either a The Verb Is Herb Agent ("Agent") or to a video intercom located adjacent to the door. One that ID is presented the door will be opened and the customer can access the waiting area.

The waiting areas is a mantrap where the customer must go through another secure door to access the sales floor. In the waiting area an Agent will take the ID and verify that the ID is valid and that the customer is 21 or older.

1. To verify a customer is 21 or older an Agent must receive and examine from the customer one of the following authorized government issued ID Cards;
  - a. Massachusetts Issued driver's license
  - b. Massachusetts Issued ID card
  - c. Out-of-state driver's license or ID card (with photo)
  - d. Passport
  - e. U.S. Military I.D.
2. To verify the age of the customer the Agent will use an Age Verification Smart ID Scanner that will be supplied by The Verb Is Herb.
  - a. In the event that the ID is not a scannable ID, or if for any reason the scanner is not operational or available or if the ID is questionable the Agent must use the **FLAG** methodology of ID verification

#### **F. Feel**

- Have the customer remove the ID from their wallet or plastic holder (never accept a laminated document)
- Feel for information cut-out or pasted on (especially near photo and birth date areas)
- Feel the texture – most driver's license should feel smooth, or (depending on your State) they will have an identifying texture

#### **L. Look**

- Look for the State seals or water marks; these seals are highly visible without any special light.
- Look at the photograph. Hairstyles, eye makeup and eye color can be altered, so focus your attention on the person's nose and chin as these features don't change. When encountering people with beards or facial

hair, cover the facial hair portion of the photo and concentrate on the nose or ears.

- Look at the height and weight. They should reasonably match the person.
- Look at the date of birth and do the math!
- Compare the age on the ID with the person's apparent age.
- Look at the expiration date. If the ID has expired, it is not acceptable.
- If needed, compare the ID to the book of Government Issued ID's

**A. Ask**

- Ask questions of the person, such as their middle name, zodiac sign, or year of high school graduation. Ask them the month they were born. If they respond with a number, they may be lying. If the person is with a companion, ask the companion to quickly tell you the person's name.
- If you have questions as to their identity, ask the person to sign their name, and then compare signatures.

**G. Give Back**

- If the ID looks genuine, give the ID back to the customer and allow entry.

3. If the customer does not have a valid ID or for any reason the identity of the customer or the validity of the ID is in question, do not allow the customer to enter the facility.

The waiting area will be used to limit the number of customers in the sales area. For security reasons there will be a limit on the number of customers in the sales area. This number will be determined once the design and buildout are complete.

**Access to the Sales Floor**

As customers enter the sales floor, they will be greeted by an Agent (guide) who will check their ID one more time, introduce themselves as their guide for the day and take them to a sales kiosk. In the sales area customers will have access to marketing material, educational material and displays of non-marijuana products. Each sales area has a tablet for entering orders and a menu on display.

Sales Agents will engage customers in conversation and allow them to ask questions about the products, delivery methods and other product questions.

If a customer does not speak English or is visually or hearing impaired the Facility Manager will be notified. Pursuant to our Interpreter Policy and Procedure the Facility Manager will implement our interpretation procedure:

- a. For Language barriers we will provide telephone interpretation services to all non-English speaking customers. This service connects a live human interpreter via phone. During these appointments, interpretation is consecutive which means the interpreter waits until the speaker is finished to convert what was said from one language to another.

- b. For visually impaired customers we will have our forms and education materials transcribed in a process that meets or exceeds the standards set forth by the Braille Authority of North America (BANA) and Unified English Braille (UEB).
  - i. Our Sales Agents will also offer verbal translation of the material in a confidential area to all visually impaired customers.
  - ii. For the hearing-impaired customers, we will contract with a contractor that offers video interpretation in American Sign Language.

*(Note: Additionally, The Verb Is Herb will give hiring preferences to applicants who are fluent in Spanish or competent in American Sign Language.)*

Once the customer's order is completed at the sales kiosk, they will be directed to the fulfillment counter where they will pay for their transaction and collect their package. During the entire visit to The Verb Is Herb, they will be asked other questions regarding their product preferences, usage habits or other data. They will also be given customer education materials if they wish.

The following steps are part of the sales and fulfillment process.

The Verb Is Herb will only sell marijuana and marijuana products that are pre-packed for individual sale. Customers will place their order with the sales agent. The fulfillment agent will:

- a. Retrieve the products from the rack system that is behind the limited access counter.
- b. Fulfillment Agent will check the customers ID to ensure the customer is at least 21 years of age.
- c. Once the entire order has been retrieved the fulfillment Agent will confirm each item on the order in the POS system.
- c. Our POS system will not allow over 1 ounce of marijuana flower product or more than 5 grams of concentrate to be entered into a single transaction.
- d. After the order has been entered into the POS system the customer will pay the Fulfillment Agent in cash or electronically with a Debit Card.
- e. Before placing the order into an exit-bag the Fulfillment Agent will verify once again that each individual item is contained in a Tamper and Child-resistant package and properly labeled.
- f. The Fulfillment Agent will then place the order in an exit bag, staple the bag closed and give the order and the paper receipt to the customer.

After the sale has been completed the customer will exit through the waiting area and main entrance.

# The Verb is Herb Diversity Plan

It is the policy of The Verb is Herb to foster equitable opportunity for all employees and to promote principles of diversity management that will enhance the level of effectiveness and efficiency of its programs. The concept of diversity management is a strategic business objective that seeks to increase organizational capacity in a workplace where the contributions of all employees are recognized and valued. The Verb is Herb's goal is to build a high-performing, diverse workforce based on mutual acceptance and trust. It is also our policy to select the best qualified applicant for the job, regardless of race, national origin, gender, age, disability, religion, sexual orientation, or any other non-merit factor.

The Verb is Herb will comply with the requirements of 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment

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

## I. Purpose

The purpose of this policy is to outline the responsibilities of the Company, the Company's management team and Agents to ensure that The Verb is Herb is a diverse and inclusive company that promotes a discrimination-free work environment and providing opportunities for all employees to use their diverse talents to support the company's mission.

## II. Goals

The goals that The Verb is Herb is committed to achieving through this plan and our vision include;

1. Make The Verb is Herb workplace and management team as diverse as possible to include attracting and retaining qualified employees with no regard to race, national origin, gender, age, disability, religion, sexual orientation, or any other non-merit factor.
  - a. 50% female.
  - b. 40% will be a minority, veteran, persons with a disability and/or persons who are LGBTQ+.
2. Make The Verb is Herb workplace a safe, accepting, respectful, welcoming, comfortable and supportive place to work.
  - a. 60% annual retention rate
3. Include as our suppliers, contractors and wholesale partners businesses owned by minorities, women, veterans, people who are LGBTQ+, and by persons with disabilities.
  - a. 15% of our suppliers, contractors and wholesale partners will meet the above criteria.

## III. Recruitment and Hiring

The Verb is Herb looks to recruit and hire diverse employees and plans to promote equity among minorities, women, veterans, people with disabilities, and people of all gender identities and sexual orientations in the operation of our company. To promote diversity and equity The Verb is Herb will;

1. Institute a "blind hiring" policy that anonymizes or "blinds" demographic-related information about a candidate from the recruiter or hiring manager that can lead to bias about the candidate.

2. Human Resource training for Hiring Managers that address unconscious bias and cultural sensitivity.
  - a. This training will be held upon hiring and annually thereafter.
3. Promote our Diversity Hiring policy on recruitment websites, our social media presence and traditional hiring platforms. We have identified three communities that are designated as “Areas of Disproportionate Impact” within a 10-mile radius of our Retail Marijuana Establishment (“RME”); Holyoke, West Springfield and Amherst. We will engage these populations with the goal of attracting and retaining a qualified diverse workforce.
  - a. We will engage with MassHire, which is a Massachusetts One Stop Career center. MassHire serves Western Massachusetts. The Verb is Herb will post all job postings through MassHire and will engage in job fairs and other services that CareerPoint offers.
  - b. We will engage with the Mass Hire Franklin/Hampshire Career Center, which also posts through MassHire. The Franklin/Hampshire Career Center serves the City of East Hampton. The Verb is Herb will post all job postings through the Franklin/Hampshire Career Center and will engage in job fairs and other services that the Franklin/Hampshire Career Center offers.
  - c. We will engage with Greater East Hampton Chamber of Commerce, Greater Holyoke Chamber of Commerce, The Kittredge Center for Business, and the Greenfield Community College Career Center. We will post all job postings through these job sites.
  - d. Candidates from these communities will be given preference for open positions at our facilities.
  - e. We will work directly with local veteran organizations to notify their members of any and all hiring fairs and open positions and will actively recruit veterans.
4. Use job descriptions that are catered to and appeal to diverse candidates.
5. Engage with Industry trade groups, training companies and recruitment companies that promote diversity and inclusion. These groups include:
  - a. [Mass CBA Cannabis Community Care Research Network](#); and
  - b. Elevate NE
6. [Offer unique “parents’ hours” work scheduling to attract more women and give options to parents.](#)

#### IV. Inclusion

The Verb is Herb is determined to provide a work environment that is a diverse and inclusive workplace. We encourage a broad range of opinions, ideas and perspectives that drives creativity, innovation and excellence. Our goal, which must be met, is to ensure that every employee, contractor and visitor feels safe, respected, welcome, comfortable, supported and accepted. To ensure inclusion in our workplace The Verb is Herb will;

1. Provide training to all employees regarding inclusion in the workplace and provide advanced training to managers in their roles in fostering an inclusive workplace environment.

- a. This ongoing training will be completed for all employees during employee onboarding and annually thereafter.
  - b. Advanced training to managers will occur within 60 days of hiring or promotion and annually thereafter.
2. Draft and implement a Non-Discrimination, Harassment and Retaliation Policy. This policy will include provisions for responding to complaints, discipline for non-compliance and evaluation of the circumstances to see if this plan needs improvements.
3. Periodically evaluate the workplace climate through observations, employee meetings and individual conversations with employees to ensure our workplace is inclusive.

#### **V. Supplier Diversity Plan**

The Verb is Herb is committed to utilizing, to the extent possible, minority-owned, women owned, veteran owned, LGBT+ owned and businesses owned by persons with disabilities as suppliers, contractors and wholesale partners. The Verb is Herb recognizes that sourcing products and services from previously under-used suppliers helps to sustain and progressively transform a company's supply chain, thus quantitatively reflecting the demographics of the community in which it operates by recording transactions with diverse suppliers.

1. The Verb is Herb has drafted a plan that requires that the underrepresented businesses identified above are included and chosen, when possible, as our suppliers, contractors and wholesale partners.
2. We plan to partner with a local Marijuana Cultivator and Product Manufacturer whose leadership team is entirely compromised of minorities.

#### **VI. Measurement and Accountability**

The Verb is Herb realized that any plan needs to be evaluated once it is implemented. We will perform an ongoing and comprehensive evaluation of this plan to ensure that it accomplishes our 3 goals.

60 days prior to the renewal of our license we will provide a report to the Commission for review. The Verb is Herb Managers and appropriate community leaders will meet to discuss the report and make any necessary adjustments. This report, at a minimum will include:

1. The demographics of all applicants to ensure we are reaching the desired population of candidates;
2. The number and percentage of applicants that are minorities, LBGTQ+, veterans and persons with disabilities and women.
3. A report on the workplace climate through observations, employee meetings and individual conversations with individual employees to ensure our workplace is a place of inclusion.
  - a. Feedback from the data received from this process will be evaluated and new programs or processes will be implemented if needed.
4. Data on employee retention.
5. Data on the Supplier Diversity Plan that includes the demographics of all contractors, suppliers and industry partners to ensure we are identifying and engaging with diverse business partners.

## 6. Conclusions and recommendations.

# The Verb Is Herb Maintenance of Financial Records Policy and Procedure Summary

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## **Intent**

The Verb Is Herb is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. (“the Regulations”) and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission (“CCC” or “the Commission”) or any other regulatory agency.

To provide clear and concise instructions for The Verb Is Herb employees regarding the Maintenance of Financial Records that are in compliance with Regulations

## **Purpose**

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

## **Policy**

The Verb Is Herb financial records will be kept and maintained according to generally accepted accounting principles. The CFO is responsible for all accounting responsibilities and will engage the services of external Accountants and Tax Professionals to ensure proper accounting compliance. The Financial Controller assists in the maintaining of these records. All The Verb Is Herb financial/business records will be available for inspection to the Commission upon request.

The Verb Is Herb will maintain all business records in Manual and electronic (computerized) form. These records include, but are not limited to;

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

In relation to the maintenance of financial records The Verb Is Herb will incorporate the following into our business operations;

1. The Verb Is Herb will engage the services of a professional payroll and human resources company to assist in Human resources management and payroll services for our employees

2. The Verb Is Herb will engage, to the extent possible, a banking relationship in Massachusetts to provide banking services for our company.
3. The Verb Is Herb will use up to date financial software programs for all financial transactions.
4. The Verb Is Herb does not plan to make cash transactions with other Marijuana Establishments. All transactions will be done through traditional banking transactions including checks, wire transfers or credit cards.
5. On an annual basis The Verb Is Herb will engage the services of an independent certified public accountant who is preferably experienced in the legal marijuana industry, to conduct a financial audit of The Verb Is Herb finances (books).
6. The Verb Is Herb will engage the services of an industry experienced tax professional for the filing of all required state and federal tax documents.
7. At the end of each business day a reconciliation audit will be done on each POS station by the Facility Manager or designee.
8. Comprehensive financial audits will be done at the end of every day by the CFO or designee. At the discretion of the CFO the frequency of these audits may be changed to weekly and then monthly
9. At a minimum, a comprehensive audit by the CFO or designee of all sales transactions will be completed every month.
10. For the first year of operation the CFO will conduct a comprehensive audit of all of the facilities financial records every 3 months and report their findings to the CEO and COO.

#### **Access to the Commission**

The Verb Is Herb electronic and hard copy (written) records will be available to the Commission upon request pursuant to 935 CMR 500.105(9). The records will be maintained in accordance with generally accepted accounting principles. All written records required in any section of 935 CMR 500.000 are subject to inspection.

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

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

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

Additionally, The Verb Is Herb will comply with all records retention requirements outlined in the DOR Regulations including but limited to 830 CMR 62C.25.1: Record Retention.

## **Point of Sale (POS) Systems**

The Verb Is Herb will utilize a POS system that complies with the requirements in G.L. c. 62C, § 25; 830 CMR 62C.25.1 (the Records Retention Regulation); and the Massachusetts Department of Revenue ("DOR") Directive 16-1 *"Recordkeeping Requirements for Sales and Use Tax Vendors Utilizing Point of Sale (POS) Systems"*

1. Our POS system will record all transactions in a manner that will allow the DOR to verify what was sold and whether the appropriate amount of tax was collected. Along with the data in the POS system, The Verb Is Herb will maintain the following records:
  - a. A journal or its equivalent, which records daily all non-cash transactions affecting accounts payable;
  - b. A cash journal or its equivalent, which records daily all cash receipts and cash disbursements, including any check transactions;
  - c. A sales slip, invoice, cash register tape, or other document evidencing the original transaction, which substantiates each entry in the journal or cash journal;
  - d. Memorandum accounts, records or lists concerning inventories, fixed assets or prepaid items, except in cases where the accounting system clearly records such information; and
  - e. A ledger to which totals from the journal, cash journal and other records have been periodically posted. The ledger must clearly classify the individual accounts receivable and payable and the capital account.
2. Each POS transaction record will provide enough detail to independently determine the taxability of each sale and the amount of tax due and collected. Information on each sales transaction will include, but is not limited to the:
  - a. individual item(s) sold,
  - b. selling price,
  - c. tax due,
  - d. invoice number,
  - e. date of sale,
  - f. method of payment, and
  - g. POS terminal number and POS transaction number.
3. The Verb Is Herb will maintain auditable internal controls to ensure the accuracy and completeness of the transactions recorded in the POS system. The audit trail details include, but are not limited to:
  - a. Internal sequential transaction numbers;
  - b. Records of all POS terminal activity; and
  - c. Procedures to account for voids, cancellations, or other discrepancies in sequential numbering.
  - d. The POS audit trail or logging functionality must be activated and operational at all times, and it must record:
  - e. Any and all activity related to other operating modes available in the system, such as a training mode; and
  - f. Any and all changes in the setup of the system.
4. The Verb is Herb will comply with the provisions of 935 CMR 500.140(6): Recording Sales.

- a. The Verb is Herb will only utilize a point-of-sale (POS) system approved by the Commission, in consultation with the DOR.
- b. The Verb is Herb may utilize a sales recording module approved by the DOR.
- c. The Verb is Herb will not utilize software or other methods to manipulate or alter sales data.
- d. The Verb is Herb will conduct a monthly analysis of our equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate or alter sales data. The Verb is Herb will maintain records that it has performed the monthly analysis and produce it upon request to the Commission. If The Verb is Herb determines that software has been installed for the purpose of manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data:
  - i. We will immediately disclose the information to the Commission;
  - ii. We will cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
  - iii. We will take such other action directed by the Commission to comply with 935 CMR 500.105.
- e. The Verb is Herb will comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements.
- f. The Verb is Herb will adopt separate accounting practices at the point-of-sale for marijuana and marijuana product sales, and non-marijuana sales.
- g. The Verb is Herb will allow the Commission and the DOR may audit and examine our point-of-sale system in order to ensure compliance with Massachusetts tax laws and 935CMR 500.000.

### **Cash Handling and Transportation**

Pursuant to 935 CMR 500.110(7) 6 bricks with a contract to deposit funds with a financial institution that conducts any transaction in cash shall establish and implement adequate security measures and procedures for safe cash handling and cash transportation to financial institutions or DOR facilities to prevent theft and loss, and to mitigate associated risks to the safety of employees, customers and the general public. These security measures include:

1. An on-site secure locked vault maintained in an area separate from retail sales areas used exclusively for the purpose of securing cash;
2. Video cameras will be directed to provide images of areas where cash is kept, handled and packaged for transport to financial institutions or DOR facilities, these cameras may be motion-sensor activated cameras and provided, further, that all cameras be able to produce a clear, still image whether live or recorded;
3. The Verb is Herb will have a written process for securing cash and ensuring transfers of deposits to the Marijuana Establishment's financial institutions and DOR facilities on an incremental basis consistent with the requirements for deposit by the financial institution or DOR facilities; and
4. We will utilize an armored transport provider that is licensed pursuant to M.G.L. c. 147, § 25 (watch, guard or patrol agency) and has been approved by the financial institution or DOR facility.

# The Verb Is Herb Personnel and Background Check Policy Summary

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## **Intent**

The Verb Is Herb is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. (“the Regulations”) and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission (“CCC” or “the Commission”) or any other regulatory agency.

To provide clear and concise instructions for employees of The Verb Is Herb regarding Personnel Policies in compliance with the Regulations.

## **Purpose**

The purpose of this policy is to outline the responsibilities of the Company, the Company’s management team and Agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that our personnel policies are compliant with all regulations and laws.

## **Personnel Records**

The Verb Is Herb will maintain the following Personnel Records:

1. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
2. A personnel record for each agent of The Verb Is Herb. Such records shall be maintained for at least 12 months after termination of the individual’s affiliation with The Verb Is Herb and shall include, at a minimum, the following:
  - a. All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
  - b. Documentation of verification of references;
  - c. The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;
  - d. Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;
  - e. Documentation of periodic performance evaluations;
  - f. A record of any disciplinary action taken; and
  - g. Notice of completed responsible vendor and eight-hour related duty training.
3. A staffing plan that will demonstrate accessible business hours and safe manufacturing & processing conditions;
4. Personnel policies and procedures; and
5. All background check reports obtained in accordance with 935 CMR 500.030.

These Personnel Records will be held electronically and in hard copy. The electronic records will be stored in a secure server with encryption software that protects against unauthorized access to the files.

Access to the electronic records will only be allowed to Management Agents of The Verb Is Herb who require access. as part of their job duties. Hard Copy (written records) will be stored in a secure, locked cabinet in a locked room accessible to only The Verb Is Herb **Management** agents who require access. These records will be made available for inspection by the Commission upon request.

### **The Verb Is Herb Agents**

All The Verb Is Herb board members, directors, employees, executives, managers and volunteers will register with the Commission as a The Verb Is Herb Marijuana Establishment Agent ("The Verb Is Herb Agent"). For clarity an employee also means any consultant or contractor who provides on-site services to a Marijuana Establishment related to the cultivation, harvesting, preparation, packaging, storage, testing, or dispensing of marijuana.

All Agents of The Verb Is Herb shall:

1. Be 21 years of age or older;
2. Not been convicted of an offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority; and
3. Be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802.

The Verb Is Herb will submit to the Commission an application for every Agent of The Verb Is Herb. This application will include;

1. The full name, date of birth, and address of the individual;
2. All aliases used previously or currently in use by the individual, including maiden name, if any;
3. 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;
4. An attestation that the individual will not engage in the diversion of marijuana products;
5. Written acknowledgment by the applicant of any limitations on his or her authorization to cultivate, harvest, prepare, package, possess, transport, and dispense marijuana in the Commonwealth;
6. 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; and
7. A nonrefundable application fee paid by the Marijuana Establishment with which the marijuana establishment agent will be associated; and
8. Any other information required by the Commission.

The Verb Is Herb CEO will register with the Department of Criminal Justice Information Systems pursuant to 803 CMR 2.04: iCORI Registration and 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 The Verb Is Herb seeks a marijuana establishment agent registration which was obtained within 30 days prior to submission.

The Verb Is Herb **will** notify the Commission no more than one business day after a agent of The Verb Is Herb ceases to be associated with the establishment. The registration shall be immediately void when the agent is no longer associated with the establishment.

The Agent registration card is valid for one year from the date of issue. The Verb Is Herb **will** renew each Agent Registration Card of The Verb Is Herb **on** an annual basis upon a determination by the Commission that the applicant for renewal continues to be suitable for registration.

After obtaining a registration card for an Agent of The Verb Is Herb, The Verb Is Herb will notify the Commission, in a form and manner determined by the Commission, as soon as possible, but in any event, within five business days of any changes to the information that the establishment was previously required to submit to the Commission or after discovery that a registration card has been lost or stolen.

All Agents will carry the registration card at all times while in possession of marijuana products, including at all times while at the establishment or while transporting marijuana products.

### **Background Checks**

The Verb Is Herb will comply with all Background Check requirements in the Regulations and any other sub-regulatory guidance issued by the Commission.

1. **Application Process-** During the application process The Verb Is Herb will complete the Background Check Packet as outlined in 935 CMR 500.101(1)(b) which includes;
  - a. The list of individuals and entities in 935 CMR 500.101(1)(a)1. (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);
  - b. Information for each individual identified in 935 CMR 500.101(1)(a)1., which shall include:
    - i. The individual's full legal name and any aliases;

- ii. The individual's address;
  - iii. The individual's date of birth;
  - iv. A photocopy of the individual's driver's license or other government-issued identification card;
  - v. A CORI Acknowledgment Form, pursuant to 803 CMR 2.09: Requirements for Requestors to Request CORI, provided by the Commission, signed by the individual and notarized;
  - vi. 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;
- c. Relevant Background Check Information. Applicants for licensure will also be required to provide information detailing involvement in any criminal or civil or administrative matters:
  - i. 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 including, but not limited to, action against any health care facility or facility for providing marijuana for medical or recreational purposes, in which those individuals either owned shares of stock or served as board member, executive, officer, director or member, and which resulted in conviction, or guilty plea, or plea of nolo contendere, or admission of sufficient facts;
  - ii. A description and the relevant dates of any civil action under the laws of the Commonwealth, another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority, including, but not limited to a complaint relating to any professional or occupational or fraudulent practices;
  - iii. A description and relevant dates of any past or pending legal or enforcement actions in any other state against any board member, executive, officer, director or member, or against any entity owned or controlled in whole or in part by them, related to the cultivation, processing, distribution, or sale of marijuana for medical or recreational purposes;
  - iv. A description and the relevant dates of any administrative action, including any complaint, order or disciplinary action, by the Commonwealth, or like action by another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority, including, but not limited to any complaint or issuance of an order relating to the denial, suspension, or revocation of a license, registration, or certification;
  - v. A description and relevant dates of any administrative action, including any complaint, order or disciplinary action, by the Commonwealth, or a like action by another state, the United States or foreign jurisdiction, or a military, territorial, Native American tribal authority or foreign jurisdiction, with regard to any professional license, registration, or certification, held by any board member, executive, officer, director, or member that is part of the applicant's application, if any;

- vi. A description and relevant dates of actions against a license to prescribe or distribute controlled substances or legend drugs held by any board member, executive, officer, director or member that is part of the applicant's application, if any; and
- vii. Any other information required by the Commission.

The Verb Is Herb **will** not present any individual in our application whose background check will result in a Mandatory Disqualification or Presumptive Negative Suitability Determination as outlined in Table A of 935 CMR 500.801.

2. **Background Checks not included in the Application Process-** For all Marijuana Establishment Agent Registrations not included in the application process The Verb Is Herb **will** submit Marijuana Establishment Agent applications for all required individuals. The Verb Is Herb will perform its own due diligence in the hiring of employees and contractors and will not knowingly submit an employee or contractors' application if the background check would result in a Mandatory Disqualification or Presumptive Negative Suitability Determination as outlined in Table B: Retail and Transporter Marijuana Establishment Agents, under 935 CMR 500.802.

### **Equal Employment Policy**

It is the policy of The Verb Is Herb to provide equal employment opportunities to all employees and employment applicants without regard to unlawful considerations of race, religion, creed, color, national origin, sex, pregnancy, sexual orientation, gender identity, age, ancestry, physical or mental disability, genetic information, marital status or any other classification protected by applicable local, state or federal laws. This policy prohibits unlawful discrimination based on the perception that anyone has any of those characteristics or is associated with a person who has or is perceived as having any of those characteristics. This policy applies to all aspects of employment, including, but not limited to, hiring, job assignment, working conditions, compensation, promotion, benefits, scheduling, training, discipline and termination.

The Verb Is Herb expects all employees to support our equal employment opportunity policy, and to take all steps necessary to maintain a workplace free from unlawful discrimination and harassment and to accommodate others in line with this policy to the fullest extent required by law. For example, The Verb Is Herb will make reasonable accommodations for employees' observance of religious holidays and practices unless the accommodation would cause an undue hardship on The Verb Is Herb operations. If an employee desires a religious accommodation, they are required to make the request in writing to their manager as far in advance as possible. Employees requesting accommodations are expected to attempt to find co-workers who can assist in the accommodation (e.g. trade shifts) and cooperate with The Verb Is Herb in seeking and evaluating alternatives.

Moreover, in compliance with the Americans with Disabilities Act (ADA), The Verb Is Herb provides reasonable accommodations to qualified individuals with disabilities to the fullest extent required by law. The Verb Is Herb **may** require medical certification of both the disability and the need for accommodation. Keep in mind that The Verb Is Herb can only seek to accommodate the known physical or mental limitations of an otherwise qualified individual. Therefore, it is the employees' responsibility to come forward if they are in need of an accommodation. The Verb Is Herb **will** engage in

an interactive process with the employee to identify possible accommodations, if any will help the applicant or employee perform the job.

### **Anti-Harassment and Sexual Harassment Policy**

The Verb Is Herb **seeks** to promote a workplace that is free from discrimination and harassment, whether based on race, color, gender, age, religion, creed, national origin, ancestry, sexual orientation, marital status or disability. Inappropriate interference with the ability of The Verb Is Herb employees to perform their expected job duties is not tolerated.

It is illegal and against The Verb Is Herb policy for any employee, male or female, to harass another employee. Examples of such harassment include making sexual advances or favors or other verbal or physical conduct of a sexual nature a condition of any employee's employment; using an employee's submission to or rejection of such conduct as the basis for, or as a factor in, any employment decision affecting the individual; or otherwise creating an intimidating, hostile, or offensive working environment by such conduct.

The creation of an intimidating, hostile, or offensive working environment may include but is not limited to such actions as persistent comments on an employee's sexual preferences, the display of obscene or sexually oriented photographs or drawings, or the telling of sexual jokes. Conduct or actions that arise out of a personal or social relationship and that are not intended to have a discriminatory employment effect may not be viewed as harassment. The Verb Is Herb will determine whether such conduct constitutes sexual harassment, based on a review of the facts and circumstances of each situation.

The Verb Is Herb **will** not condone any sexual harassment of its employees. All employees, including supervisors and managers, will be subject to severe discipline, up to and including discharge, for any act of sexual harassment they commit.

The Verb Is Herb **will** not condone sexual harassment of its employees by non-employees, and instances of such harassment should be reported as indicated below for harassment by employees.

If you feel victimized by sexual harassment you should report the harassment to your manager immediately. If your immediate manager is the source of the alleged harassment, you should report the problem to the Human Resources Department.

Managers who receive a sexual harassment complaint should carefully investigate the matter, questioning all employees who may have knowledge of either the incident in question or similar problems. The complaint, the investigative steps and findings, and disciplinary actions (if any) should be documented as thoroughly as possible.

Any employee who makes a complaint, or who cooperates in any way in the investigation of same, will not be subjected to any retaliation or discipline of any kind.

In addition to the above, if you believe you have been subjected to sexual harassment, you may file a formal complaint with either or both of the government agencies set forth below. Using our complaint process does not prohibit you from filing a complaint with these agencies. Each of the agencies has a short time period for filing a claim (EEOC - 300 days; MCAD - 300 days).

**The United States Equal Employment Opportunity Commission ("EEOC")** One Congress Street,  
10th Floor Boston, MA 02114, (617) 565-3200.

**The Massachusetts Commission Against Discrimination ("MCAD")** One Ashburton Place,  
Rm. 601, Boston, MA 02108, (617) 994-6000.

### **Americans with Disability Act**

The Verb Is Herb **strongly** supports the policies of the Americans with Disabilities Act and is completely committed to treating all applicants and employees with disabilities in accordance with the requirements of that act. The Verb Is Herb **judge's** individuals by their abilities, not their disabilities, and seeks to give full and equal employment opportunities to all persons capable of performing successfully in the company's positions. The Verb Is Herb **will** provide reasonable accommodations to any persons with disabilities who require them, who advise The Verb Is Herb **of** their particular needs. Information concerning individuals' disabilities and their need for accommodation will of course be handled with the utmost discretion.

### **Drug Free Workplace**

The Verb Is Herb is committed to providing its employees with a safe and productive work environment. In keeping with this commitment, it maintains a strict policy against the use of alcohol and the unlawful use of drugs in the workplace. Consequently, no employee may consume or possess alcohol, or use, possess, sell, purchase or transfer illegal drugs at any time while on The Verb Is Herb **premises** or while using The Verb Is Herb vehicles or equipment, or at any location during work time.

No employee may report to work with illegal drugs (or their metabolites) or alcohol in his or her bodily system. The only exception to this rule is that employees may engage in moderate consumption of alcohol that may be served and/or consumed as part of an authorized Company social or business event. "Illegal drug" means any drug that is not legally obtainable or that is legally obtainable but has not been legally obtained. It includes prescription drugs not being used for prescribed purposes or by the person to whom it is prescribed or in prescribed amounts. It also includes any substance a person holds out to another as an illegal drug.

Any violation of this policy will result in disciplinary action, up to and including termination.

Any employee who feels he or she has developed an addiction to, dependence upon, or problem with alcohol or drugs, legal or illegal, is strongly encouraged to seek assistance before a violation of this policy occurs. Any employee who requests time off to participate in a rehabilitation program will be reasonably accommodated. However, employees may not avoid disciplinary action, up to and including termination, by entering a rehabilitation program after a violation of this policy is suspected or discovered.

### **Smoke Free Workplace**

Smoking is prohibited throughout the workplace. This policy applies equally to all employees, clients, partners, and visitors.

### **Employee Assistance Policy**

To help employees in circumstances where counseling services would be helpful, The Verb Is Herb will make an Employee Assistance Program (EAP) counseling service available to employees, when needed, at no personal cost.

### **Employee Diversion of Marijuana**

If an agent of The Verb Is Herb is found to have diverted marijuana, that agent will immediately be dismissed and have their Marijuana Establishment Registration Card confiscated. The CEO will immediately be notified. The CEO will make a detailed report of the event and report it to local law enforcement and the Commission within 24 hours.

### **Employee Handbook**

The Verb Is Herb **will** provide a comprehensive employee handbook to all employees that will outline all the information pertinent to their employment with The Verb Is Herb. These subjects will include, but not be limited to;

1. The Verb Is Herb **Mission** and Vision
2. Organizational Structure
3. General Employment Policies
4. Employee Categories
5. Conflicts of Interest
6. Access to Personnel Files
7. Performance Evaluations
8. Hours of Work
9. Compensation
10. Benefits
11. Code of Conduct
12. Discipline
13. Training

# Qualifications and Training Policy and Procedure

(This document is a summary of the Qualifications and Training Policy and Procedure for The Verb is Herb LLC.)

## **I. Intent**

The Verb is Herb is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. (“the Regulations”) and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission (“CNB” or “the Commission”) or any other regulatory agency.

To provide clear and concise instructions for The Verb is Herb employees regarding the qualifications for employment and agent training that are in compliance with the Regulations

## **II. Purpose**

The purpose of this policy is to outline the responsibilities of the Company, the Company’s management team and Agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that we only hire qualified Marijuana Establishment Agents and that our training process and curriculum are in compliance with all regulations and laws.

## **III. Qualifications for a The Verb is Herb Marijuana Establishment Agent**

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

All The Verb is Herb Agents must;

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

The Verb is Herb will develop a job description for all positions with the company. While all Agents must meet the qualifications listed above, several of our positions will require additional qualifications depending on the required duties.

## **IV. Required Training for The Verb is Herb Agents**

Pursuant to 935 CMR 500.105(2)(a) The Verb is Herb will ensure all The Verb is Herb Agents complete training prior to performing job functions. Training will be tailored to the role and responsibilities of the job function.

1. Our initial training begins during employee orientation where all new employees will be issued their employee handbook. Classroom or online training on this day will include, but not be limited to;
  - a. Code of Conduct;
  - b. Verifying Identifications;
  - c. Marijuana Regulations;
  - d. Security and Safety;
  - e. Emergency Procedures/Disaster Plan;
  - f. Diversion of Marijuana;
  - g. Terminatable Offences;
  - h. Confidential Information;
  - i. Employee Policies (all employee policies from the handbook will be covered) including but not limited to;
    - i. Alcohol, smoke and drug-free workplace;
    - ii. Equal Employment Policy;
    - iii. Anti-Harassment and Sexual Harassment Policy;
    - iv. Americans with Disability Act;
    - v. Employee Assistance Policy; and
    - vi. Diversity Plan
2. After the initial training is complete agents will be trained on job specific areas depending on their duties. This training can be done in a classroom setting, online or computerized, on the job training ("OJT") or through external training platforms.
3. All The Verb is Herb Agents will receive a minimum of 8 hours of training annually.
4. The Verb is Herb will record, maintain and store documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters. These records will be stored in the Agents Personnel File. Training records will be retained by The Verb is Herb for at least one year after agents' termination.
5. Within 90 days of hire, The Verb is Herb will require all of its Agents to attend and complete a Responsible Vendor Training Program to become designated as a "responsible vendor."
  - a. After the responsible vendor designation is applied each The Verb is Herb owner, manager, and employee involved in the handling and sale of marijuana for adult use will successfully complete the program once every year thereafter to maintain designation as a "responsible vendor."
  - b. The Verb is Herb will maintain records of responsible vendor training program compliance for four years and make them available to inspection by the Commission and any other applicable licensing authority upon request during normal business hours.
6. All The Verb is Herb Agents responsible for tracking and entering product into the Seed-to-sale SOR (Metrc) will receive training in a form and manner determined by the Commission.

**V. Additional Training**

The Verb is Herb will provide training and training opportunities to its employees. In addition to required training, The Verb is Herb will encourage advanced training to our employees in the areas of Safety and Security, Marijuana Science or other areas then enhance the Company's, our Agents and our customers safety and shopping experience.

# The Verb Is Herb Policy for Quality Control and Testing of Marijuana and Marijuana Products

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## **Intent**

The Verb Is Herb is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. (“the Regulations”) and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission (“CCC” or “the Commission”) or any other regulatory agency.

To provide clear and concise instructions for The Verb Is Herb employees on Quality Control and Testing that are in compliance with the Regulations

Superb quality control and the testing of marijuana products are essential for the operation of The Verb Is Herb Retail Marijuana Facility. The Verb Is Herb uses best industry practices when it comes to quality control and product testing, furthermore The Verb Is Herb will not sell any marijuana product that is a potentially hazardous food (PHF) or time/temperature control for safety food (TCS food).

## **General Requirements**

Quality Control will be maintained through the strict adherence to Good Manufacturing Practices and compliance with 935 CMR 500.000 et. seq, 105 CMR 590.000: *Minimum Sanitation Standards for Food Establishments*, the sanitation requirement in 105 CMR 500.000: *Good Manufacturing Practices for Food*, and with the requirements for food handlers specified in 105 CMR 300.000: *Reportable Diseases, Surveillance, and Isolation and Quarantine*.

When acquiring wholesale products, The Verb Is Herb will only source marijuana products from Marijuana Establishments where the product has been tested in accordance with the Regulations. Prior to accepting any marijuana or marijuana product from a source Marijuana Establishment The Verb Is Herb will view and confirm that the source products have been tested in accordance with the Regulations and will store and maintain the testing records.

No marijuana product, including marijuana, may be sold or otherwise marketed for adult use that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000.

Any testing results indicating noncompliance with M.G.L. c.132B and the regulations at 333 CMR 2.00 through 333 CMR 14.00 will be immediately reported to the Commission, who may refer any such result to the Massachusetts Department of Agricultural Resources.

The Verb Is Herb will not prepare, sell or otherwise transfer an edible marijuana product with potency levels exceeding the following, as tested by an independent marijuana testing facility licensed in accordance with M.G.L. c. 94G, § 15:

1. For a single serving of an Edible Marijuana Product, five milligrams (5.00 mg) of active tetrahydrocannabinol (THC);

2. In a single package of multiple Edible Marijuana Product to be eaten, swallowed, or otherwise ingested, not more than 20 servings or 100 milligrams (100.00mg) of active THC; and
3. The THC content must be homogenous, or evenly distributed throughout the Edible Marijuana Product. A Retail Marijuana Product shall be considered to not be homogenous if 10% of the infused portion of the Marijuana Product contains more than 20% of the total THC contained within entire Marijuana Product.

The Verb Is Herb will periodically send an already tested and approved wholesale products out for testing as an additional layer to our quality assurance practices. If for any reason the test results are significantly different than test results received- including potency or contamination, this information will be immediately shared with the wholesale marijuana vendor, and if appropriate, the product will be quarantined.

The Verb Is Herb will satisfy minimum energy efficiency and equipment standards established by the Commission and meet all applicable environmental laws, regulations, permits and other applicable approvals, including those related to water quality and solid waste disposal, and to use additional best management practices as determined by the Commission in consultation with the working group established under St. 2017, c. 55, § 78(b) to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts. If minimum standards or best management practices are not established by the time of an application for initial licensure, a The Verb Is Herb will satisfy such standards or best management practices as a condition of license renewal, in addition to any the terms and conditions of any environmental permit regulating the licensed activity.

### **Sanitation**

The Verb Is Herb Retail Marijuana facility ("the facility or facilities") will be designed and constructed with sanitation in mind.

All product contact surfaces will be smooth, durable and easily cleanable.

1. The walls, ceiling and floors of all storage and packaging areas will be constructed of materials that are smooth, durable and can be adequately kept clean and in good repair.
  - a. There will be coving at base junctures that is compatible with both wall and floor coverings. The coving should provide at least 1/4-inch radius and 4" in height.
  - b. The COO will prepare a cleaning and sanitation checklist for oversee that the cleaning and sanitation is performed to a satisfactory manner.
2. The facility will provide sufficient space for the placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations and the sale of safe marijuana products.
3. Lighting and Light Fittings - Shatter-proof or safety-type light bulbs, fixtures, or other glass is used where lighting is suspended over retail or storage areas or otherwise protect against marijuana product contamination in case of glass breakage.
  - a. Suspended lighting is constructed from non- corrodible and cleanable assemblies.
  - b. All light bulbs used in the production, processing and storage areas are shatterproof and/or protected with plastic covers.
  - c. Adequate safety lighting in all areas.

4. Buildings, fixtures, and other physical facilities will be constructed in such a manner that allow them to be maintained in a sanitary condition
5. Product Preparation Surfaces (stainless steel tables, scale surfaces and utensils) will be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the US Environmental Protection Agency (EPA), in accordance with labeled instructions.
  - a. Pre-scrape surface to remove gross soils.
  - b. Wash surface with recommended strength solution of pot & pan detergent.
  - c. Rinse with water and wipe dry.
  - d. Using trigger sprayer bottle and a different wiping cloth, apply sanitizing solution of sanitizer.
  - e. Per label directions, use appropriate test papers to determine correct concentration of the sanitizer solution. Surfaces must remain wet for 60 seconds
  - f. Allow to air dry.
6. Hand-washing facilities will be adequate and convenient and shall be furnished with running water at a suitable temperature.
  - a. Located in the packaging area and where good sanitary practices require employees to wash and sanitize their hands
  - b. Provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices.
7. Each of the facilities water supply comes from the municipal water supply and is sufficient for necessary operations.
8. The facilities plumbing will be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the facility.
  - a. Plumbing shall properly convey sewage and liquid disposable waste from the facility.
  - b. There will be no cross-connections between the potable and wastewater lines;
9. The facility will provide its employees with adequate, readily accessible toilet facilities that will be maintained in a sanitary condition and in good repair.
10. All storage areas will be constructed in a manner that will protect its contents against physical, chemical, and microbial contamination as well as against deterioration of marijuana products or their containers.

### **Contamination Control**

1. Training
  - a. All employees will be trained on pest prevention, pest management, pest detection, and pest treatments.
2. Traps for monitoring
  - a. Small sticky traps for monitoring of flying or airborne pest shall be posted, mapped and levels of any pest monitored/documented.
3. Handling and storage of marijuana product or marijuana plant waste (only when applicable)
  - a. All marijuana plant waste will be placed in the hermetically sealed "Marijuana Waste" container. This container must impervious and covered.
  - b. All marijuana waste will be stored in the vault in sealed, locked containers until disposal
4. Handling and storage of non-marijuana waste.

- a. All non-marijuana waste will be placed into the appropriate impervious covered waste receptacles
    - i. Recyclable
    - ii. Organic
    - iii. Solid waste
  - b. At the end of every day these containers will be emptied, and the contents removed from the building and placed in the appropriate containers to await pickup
5. All toxic materials including cleaning compounds, sanitizers, etc. will be stored in an area away from marijuana storage areas.

## **Personnel**

1. Any employee or contractor who, by medical examination or supervisory observation, is shown to have, or appears to have, any disease transmissible through food, an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination shall be excluded from any operations which may be expected to result in contamination of the facility or others until the condition is corrected. Personnel shall be instructed to report such health conditions to their supervisors.
  - a. Any manager, when he or she knows or has reason to believe that an employee has contracted any disease transmissible through food or has become a carrier of such disease, or any disease listed in 105 CMR 300.200(A) will report the same immediately by email to the Local Board of Health.
  - b. The Verb Is Herb will voluntarily comply with any and all isolation and/or quarantine orders issued by the Commission, Local Board of Health or the Department of Public Health.
  - c. The Verb Is Herb Agents must report any flu-like symptoms, diarrhea, and/or vomiting to their supervisor. Employees with these symptoms will be sent home with the exception of symptoms from a noninfectious condition
2. All Agents of The Verb Is Herb shall conform to sanitary practices while on duty, including
  - a. Maintain adequate personal cleanliness:
    - Grooming:
      - i. Arrive at work clean – clean hair, teeth brushed, bathed and used deodorant daily.
      - ii. Maintain short, clean, and polish-free fingernails. No artificial nails are permitted in the food/product production or processing area. Fingernails should be trimmed, filed, and maintained so edges and surfaces are cleanable and not rough.
      - iii. Wash hands (including under fingernails vigorously and thoroughly with soap and warm water for a period of 20 seconds:
        - When entering the facility before work begins.
        - In the restroom after toilet use and when you return to your work station.
        - After touching face, nose, hair, or any other body part, and after sneezing or coughing.

- After cleaning duties.
- After eating or drinking.
- Any other time an unsanitary task has been performed – i.e. taking out garbage, handling cleaning chemicals, wiping tables, picking up a dropped item, etc.
- Wash hands only in hand sinks designated for that purpose.
- Dry hands with single use towels. Turn off faucets using a paper towel, in order to prevent recontamination of clean hands.

Proper Attire:

- i. Wear appropriate clothing – clean uniform with sleeves and clean non-skid close-toed work shoes (or tennis shoes) that are comfortable for standing and working on floors that can be slippery.

Cuts, Abrasions, and Burns:

- i. Bandage any cut, abrasion, or burn that has broken the skin.
- ii. Cover bandages on hands with gloves and finger cots and change as appropriate.
- iii. Inform supervisor of all wounds.

Smoking, eating, and gum chewing:

- i. The Verb Is Herb facility is a smoke free facility. No smoking or chewing tobacco shall occur on the premises.
- ii. Eat and drink in designated areas only.
- iii. Refrain from chewing gum or eating candy during work.

## **HACCP- Hazard Analysis and Critical Control Point**

The Verb Is Herb will implement a HACCP plan in accordance with *the HACCP Principles & Application Guidelines* issued by the FDA. This HACCP plan will address packaging of all marijuana products that will take place in the facility. Once operational The Verb Is Herb will:

1. Assemble the HACCP team (CEO, Facility Manager, and outside consultants)
2. Describe the product and its distribution
3. Describe the intended use and consumers of the product
4. Develop a flow diagram which describes each process
5. Verify the flow diagram
6. Conduct a hazard analysis for each product (Principle 1)
7. Determine critical control points (CCPs) for each product (Principle 2)
8. Establish critical limits (Principle 3)
9. Establish monitoring procedures (Principle 4)
10. Establish corrective actions (Principle 5)
11. Establish verification procedures (Principle 6)
12. Establish record-keeping and documentation procedures (Principle 7)

## **Training**

The Verb Is Herb will provide training and training opportunities to all of its employees. In addition to required training, The Verb Is Herb will encourage advanced training to packaging agents in the areas of Good Manufacturing Practices and HACCP.

1. All employees will be trained on Good Manufacturing Practices (“GMP”) and Sanitation during their training period and prior to them performing actual job duties.
  - a. Include basic product safety training as part of new employee orientation.
  - b. The sanitation requirements in 105 CMR 500.000: Good Manufacturing Practices for Food;
  - c. The sanitation requirements in 105 CMR 590.000: Minimum Sanitation Standards for Food Establishments; and
  - d. The requirements for food handlers specified in 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements
2. Employees engaging in packaging will be trained and certified in;
  - a. A nationally accredited Food Handler Program (i.e. ServSafe)
3. Provide staff with at least bi-annual training on Good Manufacturing Practices and HACCP.
4. Monthly in-service training.
5. At least 1 Manager must be a Certified Food Protection Managers (CFPM) by completing a ServSafe or similar nationally accredited food safety certification course.
6. Use outside resources, such as Extension specialists, vendors, health department inspectors, or qualified trainers to provide GMP, Sanitation and HACCP training.
7. Observe staff to ensure they demonstrate plant safety knowledge each day in the workplace.
8. Document the content of all training sessions and attendance.

File documentation in HACCP records.

## **Testing of Marijuana and Marijuana Products**

The Verb Is Herb Retail Marijuana Establishments will only have marijuana and marijuana products that have passed the required testing at a Licensed Testing Lab.

The Verb Is Herb will only source marijuana products from Marijuana Establishments where the product has been tested in accordance with the Regulations. Prior to accepting any marijuana or marijuana product from a source Marijuana Establishment The Verb Is Herb will view and confirm that the source products have been tested in accordance with the testing requirements outlined in 935 CMR 725.160 and the *“Protocol for sampling and analysis of finished medical marijuana products and marijuana-infused products for Massachusetts Registered Medical Marijuana Dispensaries”* published by the Commission. These testing records will be stored and maintained pursuant to our Records Retention Policy and Procedure

We will contract with a Licensed Independent Testing Laboratory for the purposes of “Quality Control Testing.” Our quality control testing will be used to ensure that the products we are receiving from our wholesale partners are consistent with the testing records that have been reported to us. These quality

control tests will help us to ensure that our products are contaminant-free and the correct dosage and potency. We plan to use CDX Analytics which is Accredited to International Organization for Standardization (ISO) 17025 by Perry Johnson Laboratory Accreditation, Inc. (PJLA), 755 W. Big Beaver, Suite 1325 Troy, Michigan 48084, a third-party accrediting body that is a signatory to the International Laboratory Accreditation Cooperation (ILAC) Mutual Recognition Arrangement. CDX Analytics will be Licensed by the Commission prior to The Verb Is Herb contracting them for testing services.

1. This testing lab will pick up and transport our testing samples to and from their lab.
2. The Verb Is Herb will ensure that the storage of all marijuana products at the laboratory complies with 935 CMR 500.105(11).
3. Any and all excess The Verb Is Herb marijuana product samples used in testing will be disposed of in compliance with 935 CMR 500.105(12), either by the Independent Testing Laboratory returning excess marijuana to The Verb Is Herb Facility for disposal or by the Independent Testing Laboratory disposing of it directly.

The Verb Is Herb will not sell or otherwise market for adult use any Marijuana Product that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000. The product must be deemed to comply with the standards required under 935 CMR 500.160

Required testing includes:

1. Cannabinoid Profile
2. Contaminants as specified by the Commission including, but not limited to:
  - a. Mold
  - b. Mildew
  - c. Heavy metals
  - d. Plant-Growth Regulators and Pesticides that are compliant with M.G.L. c. 132B and the regulations promulgated at 333 CMR 2.00 through 333 CMR 14.00.
  - e. Bacteria
  - f. Fungi
  - g. Mycotoxins.

The Verb Is Herb will maintain the results of all testing for no less than one year.

If a marijuana product fails the laboratory testing, it will be quarantined and stored away from other product and the Commission and the Source Marijuana establishment will be notified immediately. The Verb Is Herb will submit to the Commission upon their request, any information regarding contamination. The entire batch of the product will be quarantined and not sold to customers. If through a re-test of the product, it is determined that there is no contamination, the product may be removed from quarantine status and sold. Product that is confirmed to be contaminated, or if the testing results are inconsistent with the labels on the product, will be returned to the Source Marijuana Establishment.



# The Verb Is Herb Record Keeping Procedure

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## **Intent**

The Verb Is Herb is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. (“the Regulations”) and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission (“CCC” or “the Commission”) or any other regulatory agency.

To provide clear and concise instructions for The Verb Is Herb employees regarding Record Keeping that are in compliance with the Regulations

## **Purpose**

The purpose of this policy is to outline the responsibilities of the Company, the Company’s management team and Agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that our Record Keeping Procedures are compliant will all regulations and laws.

## **Access to the Commission**

The Verb Is Herb electronic and hard copy (written) records will be available to the Commission upon request pursuant to 935 CMR 500.105(9). The records will be maintained in accordance with generally accepted accounting principles. All written records required in any section of 935 CMR 500.000 are subject to inspection.

## **Access to the Massachusetts Department of Revenue (“DOR”)**

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

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

Additionally, The Verb Is Herb will comply with all records retention requirements outlined in the DOR Regulations including but limited to 830 CMR 62C.25.1: Record Retention.

### **1. Point of Sale (POS) Systems**

The Verb Is Herb will utilize a POS system that complies with the requirements in G.L. c. 62C, § 25; 830 CMR 62C.25.1 (the Records Retention Regulation); and the Massachusetts Department of Revenue ("DOR") Directive 16-1 *"Recordkeeping Requirements for Sales and Use Tax Vendors Utilizing Point of Sale (POS) Systems"*

- a. Our POS system will record all transactions in a manner that will allow the DOR to verify what was sold and whether the appropriate amount of tax was collected. Along with the data in the POS system, The Verb Is Herb will maintain the following records:
  - i. A journal or its equivalent, which records daily all non-cash transactions affecting accounts payable;
  - ii. A cash journal or its equivalent, which records daily all cash receipts and cash disbursements, including any check transactions;
  - iii. A sales slip, invoice, cash register tape, or other document evidencing the original transaction, which substantiates each entry in the journal or cash journal;
  - iv. Memorandum accounts, records or lists concerning inventories, fixed assets or prepaid items, except in cases where the accounting system clearly records such information; and
  - v. A ledger to which totals from the journal, cash journal and other records have been periodically posted. The ledger must clearly classify the individual accounts receivable and payable and the capital account.
- b. Each POS transaction record will provide enough detail to independently determine the taxability of each sale and the amount of tax due and collected. Information on each sales transaction will include, but is not limited to the:
  - i. individual item(s) sold,
  - ii. selling price,
  - iii. tax due,
  - iv. invoice number,
  - v. date of sale,
  - vi. method of payment, and
  - vii. POS terminal number and POS transaction number.
- c. The Verb Is Herb will maintain auditable internal controls to ensure the accuracy and completeness of the transactions recorded in the POS system. The audit trail details include, but are not limited to:
  - i. Internal sequential transaction numbers;
  - ii. Records of all POS terminal activity; and
  - iii. Procedures to account for voids, cancellations, or other discrepancies in sequential numbering.
  - iv. The POS audit trail or logging functionality must be activated and operational at all times, and it must record:
  - v. Any and all activity related to other operating modes available in the system, such as a training mode; and
  - vi. Any and all changes in the setup of the system.

## **2. Types of Records**

The following records will be maintained and stored by The Verb Is Herb and available to the Commission upon request:

- a. Operating procedures as required by 935 CMR 500.105(1)
  - i. Security measures in compliance with 935 CMR 500.110;
  - ii. Employee security policies, including personal safety and crime prevention techniques;
  - iii. A description of the Marijuana Establishment's hours of operation and after-hours contact information, which shall be provided to the Commission, made available to law enforcement officials upon request, and updated pursuant to 935 CMR 500.000.
  - iv. Storage of marijuana in compliance with 935 CMR 500.105(11);
  - v. Description of the various strains of marijuana to be cultivated, processed or sold, as applicable, and the form(s) in which marijuana will be sold;
  - vi. Procedures to ensure accurate recordkeeping, including inventory protocols in compliance with 935 CMR 500.105(8) and (9);
  - vii. Plans for quality control, including product testing for contaminants in compliance with 935 CMR 500.160;
  - viii. A staffing plan and staffing records in compliance with 935 CMR 500.105(9);
  - ix. Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;
  - x. Alcohol, smoke, and drug-free workplace policies;
  - xi. A plan describing how confidential information will be maintained;
  - xii. A policy for the immediate dismissal of any marijuana establishment agent who has:
    - 1) Diverted marijuana, which shall be reported to law enforcement officials and to the Commission;
    - 2) Engaged in unsafe practices with regard to operation of the Marijuana Establishment, which shall be reported to the Commission; or
    - 3) Been convicted or entered a guilty plea, plea of nolo contendere, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority.
  - xiii. A list of all board members and executives of a Marijuana Establishment, and members, if any, of the licensee must be made available upon request by any individual. 935 CMR This requirement may be fulfilled by placing this information on the Marijuana Establishment's website.
  - xiv. Policies and procedures for the handling of cash on Marijuana Establishment premises including but not limited to storage, collection frequency, and transport to financial institution(s).
  - xv. Policies and procedures to prevent the diversion of marijuana to individuals younger than 21 years old.

- xvi. Policies and procedures for energy efficiency and conservation that shall include:
  - 1) 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;
  - 2) Consideration of opportunities for renewable energy generation, including, where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable;
  - 3) Strategies to reduce electric demand (such as lighting schedules, active load management and energy storage); and
  - 4) Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.
- b. Operating procedures as required by 935 CMR 500.130(5)
  - i. Methods for identifying, recording, and reporting diversion, theft, or loss, and for correcting all errors and inaccuracies in inventories. The policies and procedures, at a minimum, must be in compliance with 935 CMR 500.105(8);
  - ii. Policies and procedures for handling voluntary and mandatory recalls of marijuana products. 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 a Marijuana Establishment to remove defective or potentially defective marijuana products from the market, as well as any action undertaken to promote public health and safety;
  - iii. Policies and procedures for ensuring that any outdated, damaged, deteriorated, mislabeled, or contaminated marijuana products is segregated from other product and destroyed. Such procedures shall provide for written documentation of the disposition of the marijuana products. The policies and procedures, at a minimum, must be in compliance with 935 CMR 500.105(12);
  - iv. Policies and procedures for transportation. The policies and procedures, at a minimum, must be in compliance with 935 CMR 500.105(13);
  - v. Policies and procedures to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts. The policies and procedures, at a minimum, must be in compliance with 935 CMR 500.105(15); and
  - vi. Policies and procedures for the transfer, acquisition, or sale of marijuana products
  - vii. between Marijuana Establishments.
- c. Inventory records as required by 935 CMR 500.105(8);
- d. Seed-to-sale tracking records for all marijuana products are required by 935 CMR 500.105(8)(e).
- e. Personnel records required by 935 CMR 500.105(9)(d), including but not limited to;
  - i. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
  - ii. A personnel record for each marijuana establishment agent. Such records shall be maintained for at least 12 months after termination of the individual's affiliation with the Marijuana Establishment and shall include, at a minimum, the following:
    - 1) All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
    - 2) Documentation of verification of references;

- 3) The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision
  - 4) 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;
  - 5) Documentation of periodic performance evaluations;
  - 6) A record of any disciplinary action taken; and
  - 7) Notice of completed responsible vendor and eight-hour related duty training.
- iii. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;
  - iv. Personnel policies and procedures; and
  - v. All background check reports obtained in accordance with 935 CMR 500.030
- f. Business 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 an executive compensation, bonus, benefit, or item of value paid to any individual affiliated with a Marijuana Establishment, including members of the nonprofit corporation, if any.
  - g. Waste disposal records as required under 935 CMR 500.105(12); and
  - h. Following closure of a Marijuana Establishment, all records must be kept for at least two years at the expense of the Marijuana Establishment and in a form and location acceptable to the Commission.
  - i. Responsible vendor training program compliance records.
  - j. Vehicle registration, inspection and insurance records. (If Applicable)

All records kept and maintained by The Verb Is Herb will be securely held. Access to these records will only be accessible to those The Verb Is Herb Agents who require access as a part of their job duties.

# The Verb Is Herb Policy for Restricting Access to Age 21 and Older

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## **Intent**

Retail Marijuana Establishment operations will be compliant with all regulations outlined in 935 CMR 500.000 et. seq. ("the Regulations") and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission ("CCC") or any other regulatory agency.

## **Purpose**

The purpose of this policy is to outline the responsibilities of the Company, the Company's management team and Agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that access to our facility is restricted to only persons who are 21 years of age or older.

## **Definitions**

**Consumer** means a person who is 21 years of age or older.

**Law Enforcement Authorities** means local law enforcement unless otherwise indicated.

**Marijuana Establishment Agent** means a board member, director, employee, executive, manager, or volunteer of a Marijuana Establishment, who is **21 years of age or older**. Employee includes a consultant or contractor who provides on-site services to a Marijuana Establishment related to the cultivation, harvesting, preparation, packaging, storage, testing, or dispensing of marijuana.

**Proof of Identification** means a government issued photograph that contains the name, date of birth, physical description and signature of the individual and is currently valid (in other words, not expired). The Verb Is Herb will only accept the following forms of proof of identification that include all of the above criteria;

1. Massachusetts driver's license
2. Massachusetts Issued ID card
3. Out-of-state driver's license or ID card
4. Government issued Passport
5. U.S. Military I.D.

**Visitor** means an individual, other than a Marijuana Establishment Agent authorized by the Marijuana Establishment, on the premises of an establishment for a purpose related to its operations and consistent with the objectives of St. 2016, c. 334, as amended by St. 2017, c. 55 and 935 CMR 500.000, provided, however, that **no such individual shall be younger than 21 years old**.

## **Responsibilities**

The Verb Is Herb Management team is responsible for ensuring that all persons who enter the facility or are otherwise associated with the operations of The Verb Is Herb are 21 years of age or older.

## **Access to the Facility**

The Verb Is Herb only allows the following individuals into our facilities located at 74 Cottage Street in Easthampton. For the purposes of this Policy the term facility also refers to any vehicle owned, leased, rented or otherwise used by The Verb Is Herb for the transportation of Marijuana:

1. The Verb Is Herb Agents (including board members, directors, employees, executives, managers, or volunteers)
  - a. While at the facility or transporting marijuana for the facility all The Verb Is Herb Agents must carry their valid Agent Registration Card issued by the Commission
  - b. While at the facility or transporting marijuana for the facility all The Verb Is Herb Agents must carry their company issued ID card.
  - c. All The Verb Is Herb Agents are verified to be 21 years of age or older prior to being issued a Marijuana Establishment Agent card.
2. Customers/Consumers (Note: All Agents will be trained in the Verification and Identification of individuals)
  - a. To verify a customer is 21 or older a The Verb Is Herb Agent must receive and examine from the customer one of the following authorized government issued ID Cards;
    - i. Massachusetts Issued driver's license
    - ii. Massachusetts Issued ID card
    - iii. Out-of-state driver's license or ID card (with photo)
    - iv. Passport
    - v. U.S. Military I.D.
  - b. To verify the age of the customer the Agent will use an Age Verification Smart ID Scanner that will be supplied by The Verb Is Herb.
  - c. In the event that the ID is not a scannable ID, or if for any reason the scanner is not operational or available or if the ID is questionable the Agent must use the **FLAG** methodology of ID verification
    - i. **F. Feel**
      1. Have the customer remove the ID from their wallet or plastic holder (never accept a laminated document)
      2. Feel for information cut-out or pasted on (especially near photo and birth date areas)
      3. Feel the texture – most driver's license should feel smooth, or (depending on your State) they will have an identifying texture
    - ii. **L. Look**
      1. Look for the State seals or water marks; these seals are highly visible without any special light.
      2. Look at the photograph. Hairstyles, eye makeup and eye color can be altered, so focus your attention on the person's nose and chin as these features don't change. When encountering people with beards or facial

hair, cover the facial hair portion of the photo and concentrate on the nose or ears.

3. Look at the height and weight. They should reasonably match the person.
4. Look at the date of birth and do the math!
5. Compare the age on the ID with the person's apparent age.
6. Look at the expiration date. If the ID has expired, it is not acceptable.
7. If needed, compare the ID to the book of Government Issued ID's

iii. **A.** Ask

1. Ask questions of the person, such as their middle name, zodiac sign, or year of high school graduation. Ask them the month they were born. If they respond with a number, they may be lying. If the person is with a companion, ask the companion to quickly tell you the person's name.
2. If you have questions as to their identity, ask the person to sign their name, and then compare signatures.

iv. **G.** Give Back

1. If the ID looks genuine, give the ID back to the customer and allow entry.

- d. If for any reason the identity of the customer or the validity of the ID is in question, do not allow the customer to enter the facility.
- e. All Customers/Consumers will have their ID checked at entry, after entry to the sales floor and then once again at fulfillment where the sales transaction occurs.

3. Visitors (including outside vendors and contractors)

- a. Prior to being allowed access to the facility or any Limited Access Area, the visitor must produce a Government issued Identification Card to a member of the management team and have their age verified to be 21 years of age or older.
  - i. If there is any question as to the visitors age, or if the visitor cannot produce a Government Issued Identification Card, they will not be granted access.
- b. After the age of the visitor is verified they will be asked to completely fill out the visitor log and then they will be given a Visitor Identification Badge
- c. Visitors will be escorted at all times by a marijuana establishment agent authorized to enter the limited access area.
- d. Visitors will be logged in and out of the facility and must return the Visitor Identification Badge upon exit.
  - i. The visitor log will be available for inspection by the Commission at all times

4. Access to the Commission, Emergency Responders and Law Enforcement.

- a. The following individuals shall have access to a Marijuana Establishment or Marijuana Establishment transportation vehicle:
  - i. Representatives of the Commission in the course of responsibilities authorized by St. 2016, c. 334, as amended by St. 2017, c. 55 or 935 CMR 500.000;
  - ii. Representatives of other state agencies of the Commonwealth; and
  - iii. Emergency responders in the course of responding to an emergency.
  - iv. Law enforcement personnel or local public health, inspectional services, or other permit-granting agents acting within their lawful jurisdiction.

- b. Individuals described above in this policy will be granted immediate access to the facility.

**I. Training**

The Verb Is Herb will train all Agents on the verification and identification of individuals. This training will be done prior to Agents performing age verification duties. Management will supply Age Verification Smart ID Scanners and hardcover books to assist Agents in age verification.

The Verb Is Herb has taken the lead in Responsible Vendor Training by working with a national training platform which provides 5 hours of training on Massachusetts regulations. All The Verb Is Herb agents will enroll and complete the Responsible Vendor Training Program. Certificates of Completion will be placed in each employees file. This curriculum will include:

- a. Diversion prevention and prevention of sales to minors;
- b. Acceptable forms of identification, including:
  - i. How to check identification;
  - ii. Spotting false identification;
  - iii. Medical registration cards issued by the DPH;
  - iv. Provisions for confiscating fraudulent identifications; and
  - v. Common mistakes made in verification.

# Policy for Separating Recreational from Medical Operations

**Not Applicable**

(The Verb is Herb, LLC. is not a Medical Marijuana Treatment Center or Existing RMD Applicant)

# Plan to Positively Impact Areas of Disproportionate Impact

The Verb is Herb, LLC. is committed to do our part in positively impacting areas of disproportionate impact. Our plan focuses on four areas: **1. Employment, 2. Donations, 3. Social Justice Leader Status and 4. The Use of Suppliers, Contractors and Business Partners.**

The Verb is Herb, LLC. has identified three communities that are designated as “Areas of Disproportionate Impact” within a 10-mile radius of our Retail Marijuana Establishment (“RME”); Holyoke, West Springfield and Amherst.

## EMPLOYMENT-

**Goals-** Provide career opportunities to past or present residents of Holyoke, Springfield, Amherst or other areas of disproportionate impact and/or are Massachusetts residents who have a past drug conviction or have parents or spouses who have a past drug conviction.

Year 1 goal: 20% of our workforce is composed of employees that meet the above criteria.

Year 2 goal: 25% of our workforce and at least one management role is composed of employees that meet the above criteria.

Year 3 and beyond goal: 30% of our workforce and at least two management roles are composed of employees that meet the above criteria.

**Programs-** Target Holyoke, Springfield and Amherst residents for all job opportunities with our company. These postings will outline this plan and our diversity plan and will specifically encourage candidates that have a past drug conviction or have parents or spouses who have a past drug conviction to apply. Specifically, we will:

1. Engage with CareerPoint, 850 High Street Holyoke, MA, which as a Massachusetts One Stop Career center. CareerPoint serves Holyoke, West Springfield and Amherst. The Verb is Herb will post all job posing through CareerPoint and will engage in job fairs and other services that CareerPoint offers.
2. Engage with Greater Holyoke Chamber of Commerce, Centennial Foundation, Holyoke Job Link. We will post all job posing through this job site.

**Measurement and Accountability-** At the end of each year of operation we will conduct an analysis and create a report on the demographics of our workforce that will include the number and percentage of employees who are past or present residents of Holyoke, Springfield, Amherst or other areas of disproportionate impact and/or are Massachusetts residents who have a past drug conviction or have parents or spouses who have a past drug conviction.

This analysis will include whether we have met the goals outlined in this plan. If these goals are not met, the programs will be evaluated, and a determination will be made if changes need to be made.

## DONATIONS-

**Goals-** Provide financial support to groups and/or organizations that offer support, education or job training to residents of areas of disproportionate impact. The amounts of these donations will depend on the financial stability of the company and the impact they will have on our ability to operate. Once cash flow positive donations will be made. As profits increase the amounts and percentage of these donations will also increase.

Year 1 goal: Donate ~1% of profits to the organizations below.

Year 2 goal: Donate ~2.5% of profits to the organizations below.

Year 3 goal: Donate at least 1% of gross sales to the organizations below.

**Programs-** Donations to be made to the organizations, or similar organizations below:

1. Social Equity Training and Technical Assistance Fund
2. CareerPoint
3. Boys and Girls Club of Greater Holyoke
4. Girls, Inc. of Holyoke

**Measurement and Accountability-** At the end of each year The Verb is Herb will conduct an analysis and create a report on the amounts and percentages of donations and other financial support that we have given to the programs outlined above. Taking into account the financial status of the company the next years goal may be amended.

#### **SOCIAL JUSTICE LEADER-**

**Goals-** To attain Social Justice Leader, Leadership Rating pursuant to 935 CMR 500.040(3)(a) in year three of operation.

**Programs-** To attain this leadership rating The Verb is Herb is committed, by year three, to meet the following criteria.

1. In the preceding year one percent of our gross revenue is donated to the Social Equity Training and Technical Assistance Fund; and
2. In the preceding year we have conducted 50 hours of educational seminars targeted to the residents of Holyoke, Springfield, Amherst or other areas of disproportionate impact in marijuana retailing or marijuana business training.
  - i. We are looking into engaging with Holyoke Community College and other educational or job training organizations to fulfill this criteria.

**Measurement and Accountability-** By the end of the second year of operations we will evaluate the company's ability to fulfill the criteria outlined above. At this time the financial status of the company must be analyzed to see if we will be able to fulfill criteria 1. The process and programs needed to fulfill criteria 2 should be in place ensuring our ability to meet this criteria.

#### **THE USE OF SUPPLIERS, CONTRACTORS AND BUSINESS PARTNERS-**

**Goals-** To the extent possible, engage with suppliers, contractors and business partners who are past or present residents of Holyoke, Springfield, Amherst or other areas of disproportionate

impact and/or are Massachusetts residents who have a past drug conviction or have parents or spouses who have a past drug conviction. Furthermore, we will prioritize industry relationships with Marijuana Establishments that are Economic Empowerment priority applicants, Social Equity Program participants or have attained Social Justice Leader rating from the Commission.

~20% of our contractors will meet the above criteria.

~20% of our non-marijuana suppliers will meet the above criteria.

~20% of our marijuana business partners will meet the above criteria in year 1 and 2.

~33% of our marijuana business partners will meet the above criteria after year 2.

**Programs-** The Verb is Herb will proactively seek contractors and suppliers who meet the above criteria. When seeking bids for services we will provide this plan to prospective bidders and identify the priority criteria.

When engaging with other Licensed Marijuana Establishments we will ask for documentation as to their Economic Empowerment priority applicant status, Social Equity Program status and Social Justice Leader rating status. Priority will be given to these companies in sourcing products and services needed by the Verb is Herb.

**Measurement and Accountability-** At the end of each year of operation we will conduct an analysis and create a report on the demographics of our contractors, suppliers and business partners that will include the number and percentage who are past or present residents of Holyoke, Springfield, Amherst or other areas of disproportionate impact and/or are Massachusetts residents who have a past drug conviction or have parents or spouses who have a past drug conviction, Marijuana Establishments that are Economic Empowerment priority applicants, Social Equity Program participants or have attained Social Justice Leader rating from the Commission.

This analysis will include whether we have met the goals outlined in this plan. If these goals are not met, the programs will be evaluated, and a determination will be made if changes need to be made.