



## Massachusetts Cannabis Control Commission

### Marijuana Cultivator

#### General Information:

License Number: MC281604  
Original Issued Date: 06/19/2020  
Issued Date: 06/19/2020  
Expiration Date: 06/19/2021

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Top Shelf Cannaseurs LLC

Phone Number: 508-494-5238  
Email Address: ryan@topshelfcannaseurs.com

Business Address 1: 11 Brent Drive	Business Address 2:
Business City: Hudson	Business State: MA
Business Zip Code: 01749	
Mailing Address 1: 25 Harriman Road	Mailing Address 2:
Mailing City: Hudson	Mailing State: MA
Mailing Zip Code: 01749	

### CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

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

### PRIORITY APPLICANT

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

### RMD INFORMATION

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

### PERSONS WITH DIRECT OR INDIRECT AUTHORITY

#### Person with Direct or Indirect Authority 1

Percentage Of Ownership: 45	Percentage Of Control: 45
Role: Owner / Partner	Other Role: Front end manager/Head of sales/ marketing

First Name: Ryan	Last Name: Cohen	Suffix:
Gender: Male	User Defined Gender:	
What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French), Some Other Race or Ethnicity		
Specify Race or Ethnicity: Jewish		

#### Person with Direct or Indirect Authority 2

Percentage Of Ownership: 45	Percentage Of Control: 45	
Role: Owner / Partner	Other Role:	
First Name: Scott	Last Name: Bulkeley	Suffix:
Gender: Male	User Defined Gender:	
What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)		
Specify Race or Ethnicity:		

#### Person with Direct or Indirect Authority 3

Percentage Of Ownership: 10	Percentage Of Control: 10	
Role: Owner / Partner	Other Role:	
First Name: William	Last Name: Garofalo	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	Last Name: Garofalo	Suffix:
Types of Capital: Monetary/Equity	Other Type of Capital:	Total Value of the Capital Provided: \$500000 Percentage of Initial Capital: 50
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: 11 Brent Drive	
Establishment Address 2:	
Establishment City: Hudson	Establishment Zip Code: 01749
Approximate square footage of the Establishment: 15000	How many abutters does this property have?: 10
Have all property abutters have been notified of the intent to open a Marijuana Establishment at this address?: Yes	
Cultivation Tier: Tier 03: 10,001 to 20,000 sq. ft	Cultivation Environment: Indoor
Date generated: 12/03/2020	

## FEE QUESTIONS

Cultivation Tier: Tier 03: 10,001 to 20,000 sq. ft    Cultivation Environment: Indoor

## HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Certification of Host Community Agreement	TSC-Hudson-HCA Certification.pdf	pdf	5d18fd9633099617d7947ec1	06/30/2019
Plan to Remain Compliant with Local Zoning	Top Shelf Cannaseurs LLC-Plan to Remain Compliant with Local Zoning.pdf	pdf	5d18fda9622b7c1357f74394	06/30/2019
Community Outreach Meeting Documentation	Top Shelf Cannaseurs-COM Notices.pdf	pdf	5e430a6b5b05c304785e7761	02/11/2020
Community Outreach Meeting Documentation	Mensing Group Mail - Fwd_ RFI Notice v.4- Top Shelf Cannaseurs, LLC-MCN281604-MPN281435.pdf	pdf	5e664a0d49038b46abf1d99a	03/09/2020
Community Outreach Meeting Documentation	certified sent (1).pdf	pdf	5e664a2ad2a4e44405839e55	03/09/2020

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

## PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	Top Shelf-PIP Cult.pdf	pdf	5de542feb4f83557d6cc93d0	12/02/2019
Plan for Positive Impact	Top Shelf-C3RN PIP Cult Letter.pdf	pdf	5de54317a9ef3857c445c109	12/02/2019
Plan for Positive Impact	Top Shelf Cannaseurs-MRCC Cult PIP letter.pdf	pdf	5de5431874bb15534cd4ef9f	12/02/2019

## ADDITIONAL INFORMATION NOTIFICATION

Notification: I Understand

## INDIVIDUAL BACKGROUND INFORMATION

### Individual Background Information 1

Role: Owner / Partner      Other Role: Manager  
First Name: Ryan      Last Name: Cohen    Suffix:  
RMD Association: Not associated with an RMD  
Background Question: yes

### Individual Background Information 2

Role: Owner / Partner      Other Role: Manager  
First Name: Scott      Last Name: Bulkeley    Suffix:  
RMD Association: Not associated with an RMD  
Background Question: no

### Individual Background Information 3

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

#### ENTITY BACKGROUND CHECK INFORMATION

No records found

#### MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	cert of org.pdf	pdf	5d13b73eacc50017edd64b9d	06/26/2019
Secretary of Commonwealth - Certificate of Good Standing	Certificate of good standing state.pdf	pdf	5d1bd620622b7c1357f749dd	07/02/2019
Department of Revenue - Certificate of Good standing	Certof good standing.pdf	pdf	5d1bd62b624ce5135e9296f6	07/02/2019
Bylaws	TSC operating agreement 6-28-19.pdf	pdf	5d1bd63f69291617ba86362d	07/02/2019

No documents uploaded

Massachusetts Business Identification Number: 001357427

Doing-Business-As Name:

DBA Registration City:

#### BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Proposed Timeline	TSC Proposed Timeline.pdf	pdf	5d18ff0c50e7af1803c22371	06/30/2019
Plan for Liability Insurance	TSC Plan to Obtain Insurance.pdf	pdf	5d18ff1769291617ba862fdb	06/30/2019
Business Plan	TSC Business plan PT 1.pdf	pdf	5d1bd72a722cea17c1264181	07/02/2019
Business Plan	TSC Business plan PT 3.pdf	pdf	5d1bffe142805c051718ad3e	07/02/2019
Business Plan	TSC Business plan PT 2.pdf	pdf	5d1bffe38e518f09d0717813	07/02/2019

#### OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Restricting Access to age 21 and older	TSC Plan for restricting Access to age 21 and older.pdf	pdf	5d18ff3b33099617d7947ec7	06/30/2019
Prevention of diversion	TSC-Prevention of Diversion SOPs.pdf	pdf	5d18ffa6fe6a8617e209179a	06/30/2019
Storage of marijuana	TSC Storage SOPs.pdf	pdf	5d18ffb064ca8317f4fce1fd	06/30/2019
Transportation of marijuana	TSC Transportation SOPs.pdf	pdf	5d18ffba50e7af1803c22375	06/30/2019
Inventory procedures	TSC Inventory SOPs.pdf	pdf	5d18ffc2c70e2b132b318108	06/30/2019



Quality control and testing	TSC Quality Control SOPs.pdf	pdf	5d18ffca722cea17c1263aed	06/30/2019
Record Keeping procedures	TSC Recordkeeping SOPs.pdf	pdf	5d18ffe7bbb965134133e925	06/30/2019
Maintaining of financial records	TSC Financial Recordkeeping SOPs.pdf	pdf	5d18fff7acc50017edd6553f	06/30/2019
Security plan	Security Plan_RFI_MCN281604.pdf	pdf	5dde7b826aa77532085d9f0	11/27/2019
Qualifications and training	Qual&Training_RFIv2_MCN281604.pdf	pdf	5e0f6b61bb37d053183dfd35	01/03/2020
Policies and Procedures for cultivating.	Cultivation_RFIv2_MCN281604.pdf	pdf	5e0f6b95bb37d053183dfd39	01/03/2020
Personnel policies including background checks	TSC-Personnel Policies.pdf	pdf	5e430c9a69dc9d0456db8918	02/11/2020
Diversity plan	TSC-Diversity Plan-3-9-2020.pdf	pdf	5e6657d79e668e468af07426	03/09/2020

### ATTESTATIONS

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

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

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

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

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

### ADDITIONAL INFORMATION NOTIFICATION

Notification: I Understand

### COMPLIANCE WITH POSITIVE IMPACT PLAN

No records found

### COMPLIANCE WITH DIVERSITY PLAN

No records found

### HOURS OF OPERATION

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

Sunday From: Open 24 Hours

Sunday To: Open 24 Hours

## Host Community Agreement 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, Ryan Cohen, (insert name) certify as an authorized representative of Top Shelf Cannabis (insert name of applicant) that the applicant has executed a host community agreement with Hudson, MA (insert name of host community) pursuant to G.L.c. 94G § 3(d) on 1/3/19 (insert date).

  
Signature of Authorized Representative of Applicant

### Host Community

I, Thomas Moser, (insert name) certify that I am the contracting authority or have been duly authorized by the contracting authority for the Town of Hudson (insert name of host community) to certify that the applicant and the Town of Hudson (insert name of host community) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on January 3, 2019 (insert date).

  
Signature of Contracting Authority or  
Authorized Representative of Host Community

**Top Shelf Cannaseurs LLC**  
**Plan to Remain Compliant with Local Zoning**

Top Shelf Cannaseurs LLC (“the Company”) is committed to remain compliant with all applicable provisions of the Hudson Protective Zoning By Law, including, but not limited to Section 5.13, Marijuana Industrial Overlay District, Section 7.1.7, Section 8.2, and Section 9. The Company’s facility is located at 11 Brent Drive, Hudson, MA 01749, which is in the M-6 Zoning District and the Brent Drive Industrial Park section of the Marijuana Industrial Overlay District. The facility’s location complies with the requirements of Section 5.13.3(1).

Pursuant to Section 5.13.4(1)-(3), the Company shall comply with the Town of Hudson’s Zoning Bylaw’s procedural requirements, which shall consist of the following: 1. An Application for Special Permit shall be filed with the Hudson Zoning Board of Appeals as the Special Permit Granting Authority in accordance with Section 8.2 of the Hudson Zoning By-Laws, and the provisions of M.G.L. c.40A, Section 9 as amended. 2. Applicants shall first obtain Site Plan Review from the Hudson Planning Board as provided in Section 7.1.7 of the Zoning by-laws of the Town of Hudson. 3. Applicants must be permitted by the Town of Hudson Board of Health prior of issuance of any Occupancy Permit. The applications and procedures enumerated herein shall be completed prior to the issuance of a provisional license from the Cannabis Control Commission.

The Company’s use as a proposed cultivator and manufacturer, as defined by Section 5.13.2, complies with Section 5.13.5.1. Pursuant to Section 5.13.5(2), no retail operation shall be conducted on site unless and until Hudson’s zoning bylaws are changed by valid 2/3rds Town Meeting Vote and approval by the Massachusetts Attorney General to allow for such use at some point in the future. Pursuant to Sections 5.13.5(3)-(13), the Company’s facility shall: be in a fixed location and not within a mobile facility; not permit outside storage; be located at least 500 feet from the property line of any school, daycare center, or library; not be located inside a building containing residential units including transient housing such as motels and dormitories; provide the Special Permit Granting Authority with proposed security measures for the Marijuana Establishment within the MIOD, including lighting, fencing, gates, and alarms, to ensure the safety of persons and to protect the premises from theft; not permit smoking, burning, consumption or ingestion of any product containing marijuana or marijuana related products on the premises; have business signage that is subject to the requirements as promulgated by the Cannabis Control Commission (935.CMR 500) and the requirements of the Hudson Protective Zoning By Law; have operating hours that have been reviewed and approved set by the Special Permit Granting Authority; provide express written authorization for the use as a cultivation and manufacturing facility from

the property owner of the proposed site; not permit activities occurring on the Company's premises to be displayed in the windows or on the building thereof, or be visible to the public from the pedestrian sidewalks or walkways or from other areas, public or semi-public, outside such facility or premises; not allow odor from marijuana cultivation, processing, manufacturing, to become noxious or cause a nuisance, a danger to public health, or public comfort and convenience and shall incorporate odor control and mitigation strategies, technology and provisions, to ensure that emissions do not violate M.G.L. Chapter 111, Section 31C, including but not limited to those specified for Odors, and the Company further acknowledges that the Special Permit Granting Authority may impose reasonable conditions including, but not limited to signage, painting and lighting standards.

The Company shall comply with the Annual Reporting Requirements of Section 5.13.7, as an additional condition of its Special Permit, and shall submit an Annual Report to the Special Permit Granting Authority and the Board of Health no later than January 31<sup>st</sup>, and which shall include a copy of the cultivation and manufacturing licenses from the Cannabis Control Commission and shall further demonstrate compliance with all conditions of the Special Permit.

In the event that the Company abandons or discontinues its use of the facility, the Company shall comply with Section 5.13.8(1) and remove all material, plants, equipment, including testing equipment, and other paraphernalia upon registration or licensure revocation, expiration, termination, transfer to another controlling entity relocation to a new site and any other cessation of operation as regulated by the Cannabis Control Commission. Such removal will be in compliance with 105 CMR 725.105 (J), (O.) and regulations from the Cannabis Control Commissions. Pursuant to Section 5.13.8(2), the Company expressly understands that a Special Permit granted pursuant to Section 5.13 shall lapse if the Company ceases marijuana establishment operations for a period of ninety (90) days and/or if the Company's license by the Cannabis Control Commission has been revoked, expires, is terminated, is transferred to another controlling entity or is relocated to a new site.

## 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, Ryan Cohen, (*insert name*) attest as an authorized representative of Top Shelf Cannaseurs 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 April 19, 2019 (*insert date*).
2. A copy of a notice of the time, place, and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was published in a newspaper of general circulation in the city or town on April 10, 2019 (*insert date*), which was at least seven calendar days prior to the meeting. A copy of the newspaper notice is attached as Attachment A (*please clearly label the newspaper notice in the upper right hand corner as Attachment A and upload it as part of this document*).
3. A copy of the meeting notice was also filed on April 10, 2019 (*insert date*) with the city or town clerk, the planning board, the contracting authority for the municipality, and local licensing authority for the adult use of marijuana, if applicable. A copy of the municipal notice is attached as Attachment B (*please clearly label the municipal notice in the upper right-hand corner as Attachment B and upload it as part of this document*).
4. Notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed on April 11, 2019 (*insert date*), which was at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town. A copy of one of the notices sent to abutters and parties of interest as described in this section is attached as Attachment C (*please clearly label the municipal notice in the upper right hand corner as Attachment C and upload it as part of this document; please only include a copy of one notice and please black out the name and the address of the addressee*).



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



Initials of Attester: 



in the city of Marlborough, in  
of Middlesex, State of  
ta. The undersigned, Kane  
P. Will sell at public auction  
bidding, the contents of the  
Terms of Sale CASH.

UNIT #

URA #104  
#13  
ULT #211  
#213/#236/#503  
#220  
ARDES #407  
ADA #447  
#456  
SON #460  
#465  
JR #467  
#474  
ESS #547  
BAIA #571  
#672C  
#673F

Joseph Coleman  
Melinda Ermin  
Paul Handy  
Jamie Hassett  
Joseph Lavelle  
Victoria Medina  
Richard Milburn

P6  
L15 / L21  
R1  
D5  
L10  
L9

AD#13787403  
Marlborough Enterprise 4/11, 4/18/19

11 Brent Dr. Hudson

LEGAL NOTICE

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for April 19 at 5:00 PM at the Hudson Town Hall, which is located at 78 Main St. The proposed recreational marijuana cultivator and manufacturer is anticipated to be located at 11 Brent Dr. Hudson MA 01749. There will be an opportunity for the public to ask questions.

AD#13787929  
Hudson Sun 4/11/19

ise 4/11, 4/18/19

Attachment A

800-722-

800-722

800-722

800-72

800-72



# Attachment B

Date: 4/9/2019

To: Abutters of 11 Brent Drive Hudson, MA 01749

From: Top Shelf Cannaseurs (TSC)

Subject: Community Outreach Meeting for a recreational marijuana cultivator and manufacturer

Top Shelf Cannaseurs (TSC) is writing this letter to inform the neighbors of 11 Brent Drive Hudson, MA 01749 as well as all Hudson townspeople, that there will be a Community Outreach Meeting on Friday April 19<sup>th</sup>, at 5:00 PM in the Hudson Town Hall. This meeting will give all interested stakeholders a chance to ask questions and add any concerns. TSC is committed to transparency and welcomes the chance to inform the community about its business, and ultimately why our company is a good fit for Hudson. Please join us on 4/19/2019 at 5:00 PM for your chance to be heard.

\*Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for April 19<sup>th</sup>, 2019 at 5:00 PM at the Hudson Town Hall, 78 Main Street. The proposed cultivator and manufacturer is anticipated to be located at 11 Brent Dr. Hudson MA, 01749. There will be an opportunity for the public to ask questions.\*

Top Shelf Cannaseurs LLC

## Attachment B

## Exhibit B

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

**OFFICIAL USE**

7017 2620 0000 4297 8154

[Redacted]

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

**OFFICIAL USE**

7017 2620 0000 4297 8154

[Redacted]

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

**OFFICIAL USE**

7017 2620 0000 4297 8154

[Redacted]

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

**OFFICIAL USE**

7017 2620 0000 4297 8154

[Redacted]

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

**OFFICIAL USE**

7017 2620 0000 4297 8154

[Redacted]

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

**OFFICIAL USE**

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

**OFFICIAL USE**

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**CERTIFIED MAIL® RECEIPT**  
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**CERTIFIED MAIL® RECEIPT**  
Domestic Mail Only

**OFFICIAL USE**

7017 2620 0000 4297 8154

45 / \$45

DAVID J SHEEHAN INVESTMENT TRUST  
C/O DAVID SHEEHAN

[Redacted]

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**CERTIFIED MAIL® RECEIPT**  
Domestic Mail Only

**OFFICIAL USE**

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Domestic Mail Only

**OFFICIAL USE**

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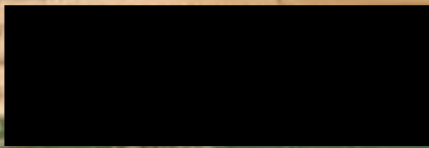
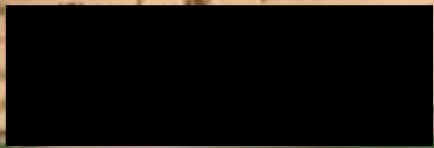
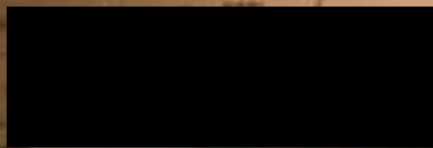
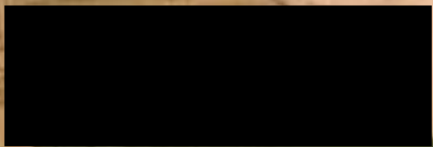
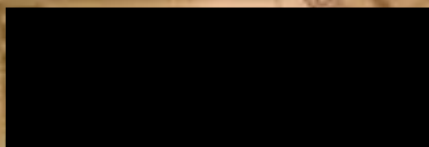
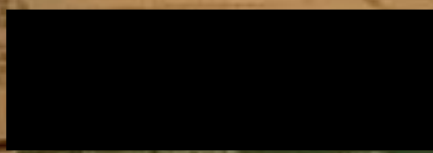
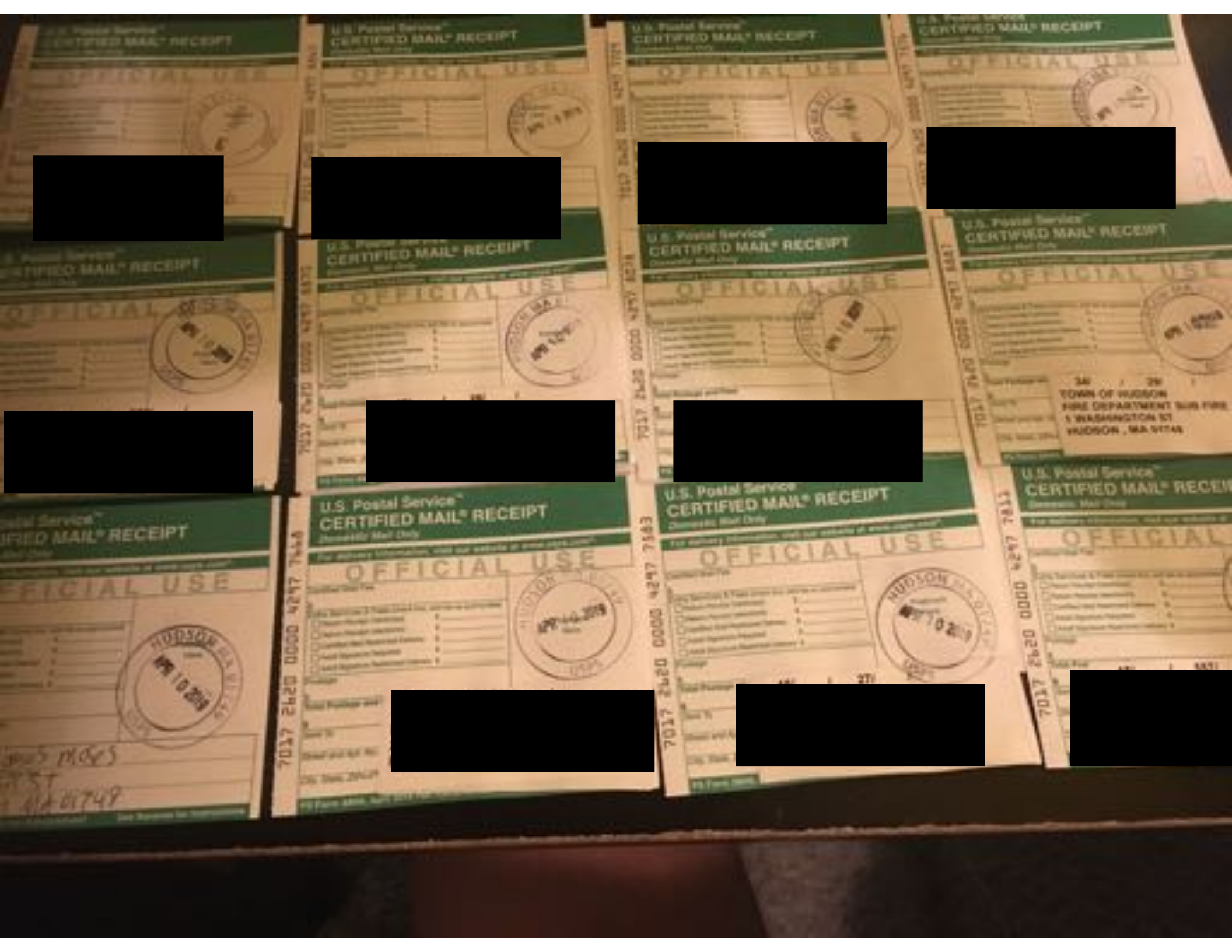




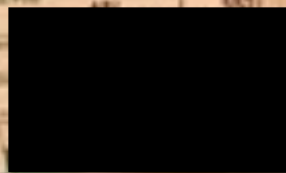
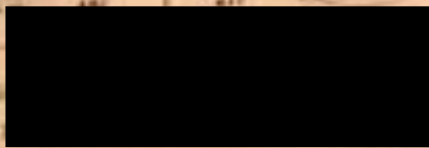
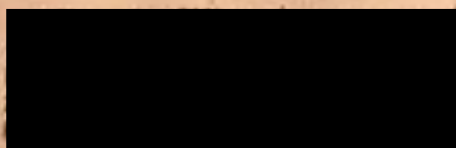








1005 M085  
ST  
01A 01749



34 / 29  
TOWN OF HUDSON  
FIRE DEPARTMENT SUB FIRE  
1 WASHINGTON ST  
HUDSON, MA 01745







# Attachment B

\*\*\*\*\*  
HUDSON  
25 CHURCH ST  
HUDSON  
MA  
01749-9998  
2436550749  
04/10/2019 18001275-8777 2:40 PM  
\*\*\*\*\*  
Product Description Sale Qty Final Price  
\$2 Patriotic Wave 162 \$324.00  
(Unit Price:\$2.00)  
5c Toleware PSA 81 \$4.05  
(Unit Price:\$0.05)  
Total \$328.05  
Debit Card Reinit'd \$328.05  
(Card Name:VISA)  
(Account #:XXXXXXXXXXXX0612)  
(Approval #:  
(Transaction #:121)  
(Receipt #:011242)  
(Debit Card Purchase:\$328.05)  
(Cash Back:\$0.00)  
(AID:A0000000980840 Chip)  
(AL:US DEBIT)  
(PIN:Verified)

Preview your Mail  
Track your Packages  
Sign up for FREE @  
[www.informedelivery.com](http://www.informedelivery.com)

All sales final on stamps and postage.  
Refunds for guaranteed services only.  
Thank you for your business.

NOW HIRING. Please visit  
[www.usps.com/careers](http://www.usps.com/careers) to apply.

HELP US SERVE YOU BETTER

# Attachment C

Date: 4/9/2019

To: Abutters of 11 Brent Drive Hudson, MA 01749

From: Top Shelf Cannaseurs (TSC)

Subject: Community Outreach Meeting for a recreational marijuana cultivator and manufacturer

Top Shelf Cannaseurs (TSC) is writing this letter to inform the neighbors of 11 Brent Drive Hudson, MA 01749 as well as all Hudson townspeople, that there will be a Community Outreach Meeting on Friday April 19<sup>th</sup>, at 5:00 PM in the Hudson Town Hall. This meeting will give all interested stakeholders a chance to ask questions and add any concerns. TSC is committed to transparency and welcomes the chance to inform the community about its business, and ultimately why our company is a good fit for Hudson. Please join us on 4/19/2019 at 5:00 PM for your chance to be heard.

\*Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for April 19<sup>th</sup>, 2019 at 5:00 PM at the Hudson Town Hall, 78 Main Street. The proposed cultivator and manufacturer is anticipated to be located at 11 Brent Dr. Hudson MA, 01749. There will be an opportunity for the public to ask questions.\*

Top Shelf Cannaseurs LLC

















100





# Attachment C

HUDSON  
25 CHURCH ST  
HUDSON  
MA  
01749-9998  
2436550749  
04/10/2019 1800)275-8777 2:40 PM

Product Description	Sale Qty	Final Price
\$2 Patriotic Wave (Unit Price:\$2.00)	162	\$324.00
5c Toleware PSA (Unit Price:\$0.05)	81	\$4.05

Total \$328.05

Debit Card Remit'd \$328.05  
(Card Name:VISA)  
(Account #:XXXXXXXXXXXX0612)  
(Approval #:  
(Transaction #:121)  
(Receipt #:011242)  
(Debit Card Purchase:\$328.05)  
(Cash Back:\$0.00)  
(AID:A0000000980840 Chip)  
(AL:US DEBIT)  
(PIN:Verified)

Preview your Mail  
Track your Packages  
Sign up for FREE @  
[www.informedelivery.com](http://www.informedelivery.com)

All sales final on stamps and postage.  
Refunds for guaranteed services only.  
Thank you for your business.

NOW HIRING. Please visit  
[www.usps.com/careers](http://www.usps.com/careers) to apply.

HELP US SERVE YOU BETTER

**From:** CCC Licensing <[licensing@cccmass.com](mailto:licensing@cccmass.com)>  
**Sent:** Friday, March 6, 2020 3:51 PM  
**To:** Ryan Cohen <[ryan@topshelfcannaseurs.com](mailto:ryan@topshelfcannaseurs.com)>; CCC Licensing <[licensing@cccmass.com](mailto:licensing@cccmass.com)>  
**Subject:** RE: RFI Notice v.4- Top Shelf Cannaseurs, LLC-MCN281604-MPN281435

Hello Ryan,

We've saved your email to be used as part of the application re-review. Should you feel it necessary, you can amend the document asking for the missing slip to include the information from your email below and this will be taken into consideration upon the re-review.

Best,



**Cannabis Control Commission**

Union Station

2 Washington Square,

Worcester, MA 01604

(O) 774.415.0200

[Licensing@cccmass.com](mailto:Licensing@cccmass.com)

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



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**From:** Ryan Cohen <[ryan@topshelfcannaseurs.com](mailto:ryan@topshelfcannaseurs.com)>

**Sent:** Thursday, March 5, 2020 11:01 AM

**To:** CCC Licensing <[licensing@cccmass.com](mailto:licensing@cccmass.com)>

**Subject:** Re: RFI Notice v.4- Top Shelf Cannaseurs, LLC-MCN281604-MPN281435

Hello,

In regards to the issue with the Community Outreach Meeting, it looks like we have certified mail receipts for both the town manager and planning board. What I seem to be missing is a receipt for the town clerk's office. Is there a chance I can please move forward in lieu of this missing receipt. I know that I did in fact send this to them but alas can't find the slip to show it. I would hate to have to spend the money and time to redo the community outreach meeting, especially when we actually did two meetings to better describe our plan and address concerns to our abutters. Please let me know as soon as possible if we can move forward.

Thank you kindly and hoping for a little mercy here.

[Quoted text hidden]

U.S. Postal Service<sup>TM</sup>  
CERTIFIED MAIL<sup>®</sup> RECEIPT  
Domestic Mail Only

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

OFFICIAL USE

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage

Total Postage and Fees

\$

Sent To Hudson Planning board

Street and Apt. No., or PO Box No.

78 Main St.

City, State, ZIP+4<sup>®</sup>

Hudson, MA 01749

See Reverse for Instructions

PS Form 3800, April 2015 PSN 7530-02-000-9047



7017 2620 0000 0292 2102  
6952 2624 0000 0292 2102

U.S. Postal Service<sup>TM</sup>  
CERTIFIED MAIL<sup>®</sup> RECEIPT  
Domestic Mail Only

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

OFFICIAL USE

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage

Total Postage and Fees

\$

Sent To Mr Thomas Moses

Street and Apt. No., or PO Box No.

78 Main St

City, State, ZIP+4<sup>®</sup>

Hudson MA 01749

See Reverse for Instructions

PS Form 3800, April 2015 PSN 7530-02-000-9047



## **TOP SHELF CANNASEURS LLC**

### **POSITIVE IMPACT PLAN**

**Goals:** Provide financial support to Cannabis Community Care and Research Network and Massachusetts Recreational Consumer Council because they are entities that offer support, education and/or job training to Massachusetts residents disproportionately impacted by the War on Drugs. The amounts of these donations will depend on the financial growth and profitability of the company. As sales and profits increase, Top Shelf Cannaseurs LLC (“Top Shelf”) will revisit its program donation goals to consider more generous donations as business allows.

Goal: Donate a total of \$5,000.00 annually to the organization as more particularly described below.

**Program:** The donations to be made to the following organizations are intended to benefit its ability to develop skills for Economic Empowerment Priority Applicants and Social Equity Training Program participants through mentoring, educational and informational events with cannabis industry networking opportunities, and to provide financial support to allow them to continue educating adult-use cannabis consumers in Massachusetts:

1. Cannabis Community Care and Research Network (\$2,500.00 annual donation)
2. Massachusetts Recreational Consumer Council (\$2,500.00 annual donation)

**Measurement and Accountability:** At the end of each year, Top Shelf will conduct an analysis and create a report on the amounts and percentages of donations and other financial support that the company has given to the programs outlined above. Top Shelf will continue to assess the viability and impact of financial donations made, and annually review donation goals amounts.

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

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

Top Shelf expressly understands that the progress or success of this plan will be required to be demonstrated upon each annual license renewal period in conformity with 935 CMR 500.101(1) and (2).





December 2, 2019

Re: Donation Acceptance Letter from **Top Shelf Cannaseurs LLC**

Dear Cannabis Control Commission,

It is with great pleasure that we accept a partnership and **\$2,500.00** annual donation from **Top Shelf Cannaseurs LLC** to open for adult use cannabis operations in Hudson, Massachusetts. Payments for the Positive Impact Plan to C3RN will be effected upon obtaining a provisional license for operation.

Cannabis Community Care and Research Network (C3RN) is a registered public benefit corporation (B Corp) based out of Worcester, MA. C3RN hosts a network of dedicated academics, industry, healthcare providers, consumers and patients that aim to end the stigma around medical and adult use cannabis through research and education. C3RN runs multiple research studies related to the adult and population use of cannabis in Massachusetts with UMass Dartmouth. C3RN is the Principal Investigator of ongoing studies focused on medical patients, consumers, and veterans. C3RN and Holyoke Community College host a Cannabis Education Center workforce and business opportunities for those who have been disadvantaged by the drug war, are unemployed or under employed. Learn more here: [www.cannacenterofexcellence.org](http://www.cannacenterofexcellence.org) and [www.cannabiseducationcenter.org](http://www.cannabiseducationcenter.org)

### **C3RN Positive Impact Plan Activities**

Top Shelf Cannaseurs LLC's annual donation will be used to support two scholarships for students to a certificate workforce training and internship program offered through the Cannabis Education Center at Holyoke Community College and C3RN. Scholarships will be given to students who have been disproportionately impacted by the drug war, and/or other criteria identified by the CCC as eligible for social equity program. Certificates of completion can be provided to Top Shelf Cannaseurs LLC, the CCC, and learners.

We look forward to working with **Top Shelf Cannaseurs!** Thank you for your support.

Sincerely,

Marion McNabb, MPH, DrPH  
CEO

Cannabis Community Care and Research Network (C3RN)  
[marion@c3researchnetwork.com](mailto:marion@c3researchnetwork.com)



**Informed consumers make strong industries.**

**To:** Top Shelf Cannaseurs LLC **Date:** 12/2/2019

**From:** Massachusetts Recreational Consumer Council

**Subject:**  
REQUESTED LETTER FOR DONATIONS



To the Cannabis Control Commission,

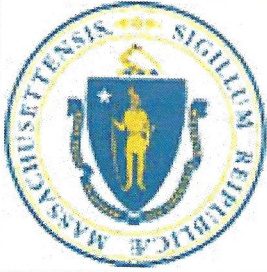
The Massachusetts Recreational Consumer Council (MRCC) is a 501c4 non-profit that Top Shelf Cannaseurs LLC intends to donate to. MRCC has been contacted and are willing to accept the donations listed below that **Top Shelf Cannaseurs LLC** intends to provide.

\$2,500.00 annually

A handwritten signature in black ink, appearing to read "Joseph Gilmore", written over a horizontal line.

Joseph Gilmore, President, Massachusetts Recreational Consumer Council

Date of Signature



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

Minimum Fee: \$500.00

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

**Certificate of Organization**

(General Laws, Chapter )

Identification Number: 001357427

1. The exact name of the limited liability company is: TOP SHELF CANNASEURS LLC

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

No. and Street: 11 BRENT DR  
City or Town: HUDSON State: MA Zip: 01749 Country: USA

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

No. and Street: 11 BRENT DR  
City or Town: HUDSON State: MA Zip: 01749 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:**

MANUFACTURING AND INDOOR AGRICULTURE. THIS ENTITY IS A STARTUP WHO IS ENTERING ITS APPLICATION(S) FOR RECREATIONAL CANNABIS LICENSING IN BOTH MANUFACTURING AND CULTIVATION.

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

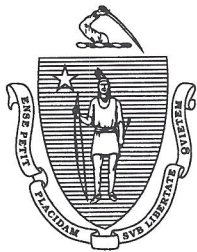
**5. Name and address of the Resident Agent:**

Name: MYCORPORATION BUSINESS SERVICES, INC.  
No. and Street: TEN POST OFFICE SQUARE  
8TH FLOOR SOUTH PMB#220  
City or Town: BOSTON State: MA Zip: 02109 Country: USA

I, DANA CASE ON BEHALF OF MYCORPORATION BUSINESS SERVICES 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



William Francis Galvin  
Secretary of the  
Commonwealth

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

June 17, 2019

TO WHOM IT MAY CONCERN:

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

**TOP SHELF CANNASEURS LLC**

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **December 6, 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; that there are no proceedings presently pending under the Massachusetts General Laws Chapter 156C, § 70 for said Limited Liability Company's dissolution; and that said Limited Liability Company is in good standing with this office.

I also certify that the names of all managers listed in the most recent filing are: **SCOTT BULKELY, RYAN COHEN**

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

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **SCOTT BULKELY, RYAN COHEN**

In testimony of which,

I have hereunto affixed the

Great Seal of the Commonwealth

on the date first above written.

*William Francis Galvin*

Secretary of the Commonwealth







Commonwealth of Massachusetts  
Department of Revenue  
Christopher C. Harding, Commissioner

mass.gov/dor

Letter ID: L0616680832  
Notice Date: June 6, 2019  
Case ID: 0-000-858-009



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



TOP SHELF CANNASEURS  
25 HARRIMAN RD  
HUDSON MA 01749-2718

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

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

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

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

### *What if I have questions?*

If you have questions, call us at (617) 887-6400 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 8:30 a.m. to 4:30 p.m..

### *Visit us online!*

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

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

Edward W. Coyle, Jr., Chief  
Collections Bureau

Use the confirmation code below to print another copy of this letter or to review your submission.

OPERATING AGREEMENT

OF

TOP SHELF CANNASEURS LLC

(a Manager-Managed Massachusetts Limited Liability Company)

Effective as of June 28, 2019

THE UNITS REPRESENTED BY THIS OPERATING AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS. SUCH UNITS MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION



UNDER SUCH ACT AND LAWS OR EXEMPTION THEREFROM, AND COMPLIANCE WITH THE OTHER  
SUBSTANTIAL RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN.

OPERATING AGREEMENT  
OF  
TOP SHELF CANNASEURS LLC

(a Massachusetts Limited Liability Company)

This OPERATING AGREEMENT (this “*Agreement*”) of TOP SHELF CANNASEURS LLC, a limited liability company organized under the laws of the Commonwealth of Massachusetts (the “*Company*”), is entered into and made effective as of March 1, 2019 by and among the Company, Ryan Cohen, a domiciliary of the Commonwealth of Massachusetts, Scott Bulkely, a domiciliary of the Commonwealth of Massachusetts, William A. Garofalo, a domiciliary of the Commonwealth of Massachusetts, Andrew Brown, a domiciliary of the Commonwealth of Massachusetts and all other persons or entities who shall execute and deliver this Agreement or authorized counterparts or facsimiles of the same pursuant to the provisions hereof.

WHEREAS, the Company was formed by the filing of the Certificate of Organization of the Company with the Secretary of the Commonwealth of Massachusetts on December 6, 2018;

WHEREAS, the Members, the Managers, and the Company intend that this Agreement shall set forth the understanding amongst them with respect to the terms and conditions of their respective interests, rights and obligations with respect to the Company, its management and operation, and the economic arrangement between the Members with respect to the Company; and

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

GENERAL

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

Overview. This Agreement sets forth, among other things, the manner in which the Company will be operated and the manner in which the profits and losses of the Company will be shared by the Members.

Name. The name of the Company shall be Top Shelf Cannaseurs LLC.

Principal Office. The principal office of the Company shall be at 11 Brent Drive, Hudson, MA 01749 or at such other place or places as a Manager may determine from time to time.

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

The registered agent for service of process on the Company in the Commonwealth of Massachusetts shall be the initial registered agent named in the Certificate of Organization or such other Person or Persons as the Members may designate from time to time in the manner provided by the Act and applicable law.

Term. The Company commenced on December 6, 2018, the date that the Certificate of Organization of the Company was filed with the Massachusetts Secretary of the Commonwealth and shall continue in existence in perpetuity or until earlier dissolved in accordance with the provisions of this Agreement and the Act.

Purposes. The purpose of the Company shall be to engage in any business that is not prohibited by the Act or any other law, and to enter into any lawful transaction and engage in any lawful activities in furtherance of the foregoing purpose as may be necessary, incidental or convenient to carry out the business of the Company as contemplated by this Agreement.

Title to Property. All Company Property shall be owned by the Company as an entity and no Member shall have any ownership interest in such property in his, her or its individual name or right solely by reason of being a Member, and except as otherwise provided in this Agreement, each Member's interest in the Company shall be personal property for all purposes. The Company shall hold all Company Property in the name of the Company and not in the name of any Member.

Operating Agreement and the Act. This Agreement shall constitute the

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

## **MEMBERS**

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

Quorum. Unless a quorum consisting of at least a Majority of the Management Interests of the Members is present in person or by proxy, no action may be taken at a meeting of Members.

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

Voting Rights; Required Vote. Each Member shall be entitled to vote



his, her or its Units with respect to any action required or permitted to be taken by the Members under this Agreement. All such actions that require the vote, consent or approval of the Members shall require the affirmative vote, consent or approval of a Majority of the Management Interests, as represented by Units, of the Members, unless the question or matter is one upon which, by express provision of applicable law or of the Certificate of Organization or this Agreement, a different vote is required, and in which case, such express provision shall govern and control the decision of such question or matter.

Deadlock. In the event that a proposed action of the Members does not receive the vote, consent or approval of a Majority of the Management Interest of the Members pursuant to this Agreement and results in a deadlock of the Members (a “*Deadlock*”), the Deadlock shall be resolved as follows:

1. The Class A Members shall mutually agree upon an independent third-party of relevant experience and competence to decide the matter by mediation.
2. If after 180 days of mediation the matter still has not been decided, the matter shall be submitted to the Class B Members for a vote. The proposed action shall prevail if the votes cast in favor exceed those cast against. In the event that there are no Class B Members at that time, the Company shall be dissolved.

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

Issuance of Additional Units. The Company may not sell or issue additional Units or other equity interests in the Company ( “*New Units*” ) without the affirmative vote, consent, or approval of a Majority of the Management Interest of the Members. Dilution shall occur on a *pro rata* basis, unless determined otherwise at the time of issuance of such Units by a majority vote of the Management Interest of the Members. The Company has already authorized the issuance of 100,000 New Units, representing a 10% interest in the Company, to Member William A. Garofalo. The Company has

further authorized the issuance of new units to Member Andrew Brown, to vest pursuant to a separate agreement between the Company and Andrew Brown. Subsequent New Units issuances shall be governed by the provisions of this Section.

Preemptive Rights of Members. Any sale and issuance of New Units shall be subject to the following preemptive rights of the Members (the "*Preemptive Rights*"):

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

Activities of Members. To the extent permitted under the Act, the following provisions shall apply:

Nothing in this Agreement shall preclude any Member, or any Affiliates of any Member, from engaging in other transactions and possessing interests and making investments in and loans to other business ventures of any nature or description (except, without limitation, businesses that compete directly with the Company), independently or with others, whether existing as of the date hereof or hereafter coming into existence, and neither the Company nor any other Member shall have any rights in or to any such other transactions, investments or ventures or the income or profits derived therefrom.

Subject to the other express provisions of this Agreement, each Member and agent of the Company at any time and from time to time may engage in and possess interests in other business ventures of any and every type and description, independently or with others, ventures not in direct competition with the Company, with no obligation to offer to the Company or any other Member or agent the right to participate therein.

Liability of the Members. Except as otherwise provided by the Act or as contemplated by this Agreement, the debts, obligations and liabilities of

the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company. No Member shall be obligated personally or have any liability for the debts, obligations or liabilities of the Company or for the acts or omissions of any other Member, officer, agent or employee of the Company, except to the extent provided in the Act or as specifically and expressly agreed to by such Member in writing.

No Withdrawal. A Member shall not cease to be a Member as a result of a Bankruptcy of such Member or as a result of any other events specified in the Act. So long as a Member continues to hold any Units, such Member shall not have the ability to withdraw or resign as a Member prior to the dissolution and winding up of the Company and any such withdrawal or resignation or attempted withdrawal or resignation by a Member prior to the dissolution or winding up of the Company shall be null and void. As soon as any Person who is a Member ceases to hold any Units, such Person shall no longer be a Member.

Compensation; Expenses. Members shall not be entitled to receive any salary, fee or draw for services rendered to or on behalf of the Company or otherwise in its capacity as a Member, unless otherwise approved by the Members; *provided, however*, that Members shall be entitled to be reimbursed for reasonable and necessary out-of-pocket costs and expenses incurred in the course of their services hereunder. Members who are also *bona fide* employees of the Company may receive salaries from the Company in their capacity as employees.

Priority and Return of Capital. No Member shall have priority over any other Member, either as to the return of Capital Contributions or as to Profits, Losses or distributions; *provided, however*, that this Section shall not apply to loans that a Member has made to the Company as authorized herein, or the terms of any New Units authorized in accordance with the terms of this Agreement.

No Company Certificates. The Units of the Members in the Company shall not be certificated.

Names and Capital Contributions of Members. The names of the Members, along with the number of Units owned by such Members and their respective Capital Contributions and Percentage Interests, are as set forth on Schedule A, attached hereto and made a part hereof. A Manager shall cause Schedule A to be updated as necessary from time to time.

Confidentiality. Each Manager and Member acknowledges that in their capacity as a member or principal of a Member, Manager, employee or officer of the Corporation they may from time to time be entrusted with various types of Confidential Information (e.g., customer lists, financial information, marketing strategies, production techniques, software etc.) and other information of a privileged and confidential nature which, upon disclosure, would be highly prejudicial to the interests of the Company (collectively the "Confidential Information").

Any matters, financial or otherwise, with respect to the Company, its subsidiaries or Affiliates, including without limitation the terms of this Agreement, which are not divulged by the Company to the public in the ordinary course of its Business shall be deemed to be Confidential Information and any Member who wishes to divulge such Confidential Information to any third party (other than a purchaser as permitted under this Agreement who is subject to obligations of confidentiality in favor of the Company) shall, as a condition to such divulging, obtain the prior approval of a Manager. Each Member acknowledges and agrees that the right to possess and maintain confidentially all such Confidential Information constitutes a proprietary right of the Company which the Company is entitled to protect.

Each Member and Manager agrees that it will not at any time, whether then a member or manager of the Company or not, directly or indirectly disclose Confidential Information to any Person (other than as required in the performance of a Manager's duties or to a Member's own professional advisors on a need-to-know basis or to a purchaser as permitted under this Agreement who is subject to obligations of confidentiality in favor of the Company) not authorized by the Company to receive such information except as required by law or court order.

Each Member and Manager shall return to the Company all property, written information and documents of the Corporation and all Confidential Information and all copies of the same, whether in written, electronic or other form and certify as to such information's return or destruction forthwith upon his or her cessation as a Member or Manager. For greater certainty, nothing in this Agreement imposes liability upon any Member or



Manager for making disclosures of Confidential Information where such disclosure (a) is required by law or court order; or (b) is otherwise disclosed not as a result of a breach by the Member of his, her or its obligations hereunder.

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

## MANAGEMENT AND OFFICERS

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

The initial Managers of the Company shall be Ryan Cohen and Scott Bulkely. A Manager may be removed for cause by the affirmative vote of two-thirds of the Management Interest of the Members, excluding those held by the Manager who is subject to removal. Replacement Managers shall be elected by a simple majority vote of the Management Interest of the Members.

Specific Rights and Powers of Managers. Without limiting the generality of this Section, each Manager shall have the power and authority on behalf

of the Company to do the following:

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

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

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

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

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

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

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

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

Supervise the preparation and filing of all Company tax returns;

Open, maintain and close bank and investment accounts and

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

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

Delegate any or all of the administrative and managerial powers conferred upon the Manager to officers, employees or agents of the Company;

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

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

Manager Deadlock Provision. In the event that a proposed action requiring the unanimous vote, consent or approval of the Managers does not receive such unanimous vote, consent or approval and results in a deadlock of the Managers (a "Deadlock"), the Deadlock shall be resolved as follows: the vote cast by the Manager holding the greatest number of Class A Units shall decide the action without regard to the vote(s) of the other Manager(s).

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

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

Returns and Other Elections. A Manager shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each

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

Tax Matters Partner. The Members shall designate a “*Tax Matters Partner*” (as defined in Code Section 6231) who shall be authorized and required to represent the Company (at the Company' s expense) in connection with all examinations of the Company' s affairs by tax authorities, including, without limitation, administrative and judicial proceedings, and to expend Company funds for professional services and costs associated therewith. The Members agree to cooperate with each other and to do, or refrain from doing, any and all things reasonably required to conduct such proceedings. The initial Tax Matters Partner shall be Ryan Cohen.

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

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

## CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS

Capital Contributions. The Members have contributed to the capital of the Company, as their “Initial Capital Contributions,” the sums (whether in cash, by contribution of property, or a combination thereof) set forth on Schedule A to this Agreement in exchange for the number of Units set forth thereon. No Member shall have any obligation to contribute any additional amount to the capital of the Company. Loans made to the Company by a Member pursuant to the below subsection shall not be deemed to be Capital Contributions.

Loans by Members. Any one or more Members may, but shall not be obligated to, loan to the Company additional amounts from time to time to enable the Company to meet operating expenses and other cash needs; provided, however, that each such loan shall be approved by the Members. Each such loan shall be at such rate of interest and be subject to such terms and conditions that are fair and reasonable to the Company and comparable to the terms otherwise generally available at the time from commercial lenders. Each such loan shall be evidenced by a written note executed by the Company and delivered to the Member making the loan.

Limitation on Return of Capital. None of the Members shall be entitled to a return of capital at any fixed time or upon demand, to receive interest on capital or to receive any distribution from the Company. In furtherance of and not in limitation of the foregoing sentence, the Members shall not have any right of any return of their Capital Contributions. A Member is not required to contribute or lend any cash or property to the Company to enable the Company to return any Member’ s Capital Contributions.

### Capital Accounts.

The Company shall maintain a separate Capital Account for each Member. Capital Accounts shall not govern distributions by the Company to the Members, it being understood that Capital Accounts shall be maintained solely to assist the Company in allocating Tax Items.

The Capital Account of each Member shall be increased by an amount equal to such Member’ s Capital Contribution as and when paid and by such Member’ s share of Profits, and reduced by such Member’ s share of



Losses and the amount of any distributions to such Member. Each Member's Capital Account will be maintained and adjusted in accordance with the Code and the Treasury Regulations thereunder, including the adjustments to capital accounts permitted by Section 704(b) of the Code and the Treasury Regulations thereunder in the case of a Member who receives the benefit or detriment of any basis adjustment under Sections 734, 743 and 754 of the Code. It is intended that appropriate adjustments will thereby be made to Capital Accounts to give effect to any Tax Item that is allocated pursuant to this Agreement and any adjustments to the allocation of any such item subsequently made upon audit by the Internal Revenue Service or otherwise. Each Member's Capital Account will include the Capital Account, as so adjusted, of any predecessor holders of the interest of such Member in the Company.

Capital Deficits. None of the Members shall be obligated to repay to the Company, any other Member or any creditor any deficit in such Member's Capital Account arising at any time during the term of the Company or upon dissolution and liquidation of the Company. The Members shall not be liable for the return of the capital of the Members and it is expressly understood that any such return shall be made solely from the Company's assets.

#### ALLOCATION OF PROFITS AND LOSSES

Allocation of Profits and Losses. Except as otherwise expressly provided in this Agreement, all Profits or Losses of the Company (including each item of income, gain, loss, deduction or credit entering into the computation thereof) for each Fiscal Year shall be allocated among the Members in accordance with their respective Economic Interests; provided, however, that (a) if one or more Members shall have positive balances in their Capital Accounts and one or more Members shall have deficit balances in their Capital Accounts, Profits shall first be allocated to those Members having deficit balances in their Capital Accounts to the extent of and in proportion to such deficit balances, and (b) if one or more Members shall have deficit balances in their Capital Accounts and one or more Members shall have positive balances in their Capital Accounts, Losses shall first be allocated to those Members having positive balances in their Capital Accounts to the extent of and in proportion to such positive balances. Capital Accounts will not govern distributions by the Company to the Members, it being understood that Capital Accounts will be maintained solely to assist the Company in allocating Tax Items of the Company.

Compliance with the Code. The allocation provisions in this Section

are intended to comply with applicable provisions of the Code, including regulations promulgated under Section 704 of the Code, and successor statutes and regulations thereof, and shall be interpreted and applied in a manner consistent with such statutory and regulatory provisions.

Allocation of Profits and Losses upon Transfer or Change in Units. It is agreed that if all or a portion of a Member' s Units are transferred or adjusted as permitted herein, Profits and Losses for the transfer' s Fiscal Year shall be allocated between the transferor and the transferee based upon the number of days in said Fiscal Year that each owned such Units, without regard to the dates upon which income was received or expenses were incurred during said Fiscal Year, except as otherwise required by the provisions of Code Section 706 and Treasury Regulations thereunder or as the transferor and transferee may agree with the Board' s consent.

Contributed Property. Notwithstanding anything contained herein to the contrary, if a Member contributes property to the Company having a fair market value that differs from its adjusted basis at the time of contribution, then items of income, gain, loss and deduction with respect to such property shall be shared among the Members so as to take account of the variation between the adjusted tax basis of the property to the Company and its fair market value at the time of contribution, in the manner prescribed in Code Section 704(c) and the Treasury Regulations thereunder. Any applicable tax elections will be made by the Board and shall be binding on all Members.

## DISTRIBUTIONS

### Tax Distributions.

The Company shall make distributions pursuant to this Section to each Member in an amount no less than the federal, state and local income tax liability of such Member as a result of the allocations of Tax Items to such Member. Any distribution made by reason of this Section is referred to as a “*Tax Distribution.*”

Each Tax Distribution shall be made not less than five (5) business days before the next occurring due date for federal estimated income tax payments. In determining the amount of any Tax Distribution, it shall be assumed that the Tax Items were the only items entering into the computation of tax liability of the Members.

Notwithstanding anything in this Section, the Company shall not be obligated, and the Members shall not be obligated to cause the Company, to borrow funds or obtain additional Capital Contributions to fund Tax Distributions.

Limitation upon Distributions. No distributions of any nature shall be permitted under this Section if, after any such distribution, either (i) the net assets of the Company would be less than zero, (ii) the Company would be insolvent or (iii) the Company would not have sufficient cash available to meet the reasonably anticipated needs of the Company, as such needs are determined in the reasonable discretion of the Members. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make any distribution to Members if such distribution would otherwise violate the Act or other applicable law.

## TRANSFER OF UNITS

Restrictions on Sale or Other Disposition. Except as otherwise provided for in this Agreement, each Member agrees not to sell, assign, transfer, give, donate, bequeath, pledge, deposit or in any way alienate, encumber, hypothecate, or dispose of (collectively, “*Transfer*”) all or any portion of such Member’s Units now owned or hereafter acquired by such Member. Any purported Transfer or other disposition of Units or assets of the Company in violation hereof shall be void and ineffectual and shall not operate to transfer any interest or title to the purported transferee.

### Members’ Right of First Refusal.

If a Member desires to Transfer any of his, her or its Units to any transferee other than those expressly permitted in this Section or any Units owned by any Member shall be subject to sale or other Transfer by reason of (i) bankruptcy or insolvency proceedings, whether voluntary or involuntary, (ii) distribution of marital property following divorce, or (iii) distraint, levy, execution or other involuntary Transfer, then such selling Member, or Member otherwise affected by such Transfer (in either case, a “*Selling Member*”), shall, as soon as reasonably practical (but in the case of a proposed Transfer pursuant to subsection (i), at least sixty (60) days prior to the effective date of such proposed Transfer), submit in writing to the other Member the proposed terms and conditions of the proposed Transfer (the “*Terms*”). Such Terms shall include, without limitation, the price to be received by the transferee (or in the case of a proposed Transfer

pursuant to subsection (ii), the price, value or consideration, if readily determinable, on the basis of which such Units are proposed to be transferred to such transferee), the number of Units to be transferred (the “*For Sale Units*”) and the proposed transferee. After receipt of the Terms of the proposed Transfer, the other Member will have thirty (30) days (the “*Notice Period*”) to exercise its right of first refusal hereunder to redeem the For Sale Units at the lesser of (xi) the price or value as may be set forth in the Terms or (xii) the Agreed Value, with the terms of such consideration to be paid for the Units to be in the manner as stated herein, by notifying the Selling Member in writing of its intention to exercise its first refusal right.

Notwithstanding anything herein to the contrary, in the event of the purchase by a Member of another Member’s Units pursuant to this Section due to the death of a Member, if at the time of such death the Company has in place a key man life insurance policy on such Member, then the proceeds from such life insurance policy shall be applied to the purchase price for such deceased Member’s Units and, if applicable, the Closing Date shall be delayed to allow for the administration and receipt of such life insurance proceeds from the insurer.

Restrictions Applicable to All Transfers. Except as may be otherwise set forth herein, all Transfers of Units will be subject to the following conditions:

Prior to any Transfer, the Transferor will cause the prospective transferee, if not already a Member, to execute and deliver to the Company and the other Members a joinder to this Agreement; and

The Units have not been registered under the Securities Act of 1933 or any applicable state securities laws, and may not be transferred in the absence of an effective registration statement under such laws or pursuant to an exemption from such laws. If Units are being transferred pursuant to such an exemption, then the transferor will give prior written notice of such exemption to the Company and the Company may request an opinion of the transferor’s counsel as to the availability of such exemption, which opinion and counsel must be reasonably satisfactory to the Company.

Exception for Estate Planning. A Transfer to an Affiliate of a Member or the Family of such Member of the right to receive distributions with respect to such Member’s Units, shall be permitted and shall not constitute a Transfer subject to the right of first refusal provisions of herein.

Further, the assignee of financial rights with respect to Units shall not become a Member or be treated as a holder of such Units, and the Company shall continue to treat the Member making such assignment as a Member and holder of such Units for all purposes under this Agreement.

## DISSOLUTION AND TERMINATION

Dissolution. The Company shall be dissolved upon the occurrence of any of the following events:

unanimous written consent of the Members;

the entry of a decree of judicial dissolution of the Company under the Act; or

a Deadlock of the Members is not resolved within 180 days of the Deadlock's commencement.

The Company shall not be dissolved upon the death, incompetency, retirement, resignation, expulsion, dissolution or bankruptcy of a Member, unless such an event occurs at a time when the Company has only one other Member and, within ninety (90) days after such event, the remaining Member determines that it does not want to continue the business of the Company. If a Member who is an individual dies or a court of competent jurisdiction adjudges him to be incompetent to manage his or her person or his or her property, then such Member's executor, administrator, guardian, conservator, or other legal representative may exercise all of the Member's rights for the purpose of settling his or her estate or administering his or her property, subject to the terms and conditions of this Agreement.

### Winding Up, Liquidation and Distribution of Assets

Upon dissolution, an accounting shall be made by the Company's independent accountants of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Members shall then promptly proceed to wind up the affairs of the Company.

If the Company is dissolved and its affairs are to be wound up, the Members are directed to:



sell or otherwise liquidate such of the Company' s assets as may be required to discharge all liabilities of the Company, including liabilities to Members who are creditors, to the extent otherwise permitted by law, other than liabilities to Members for distributions, and establish such reserves as may be reasonably necessary to provide for contingent liabilities of the Company (for purposes of determining the Capital Accounts of the Members, the amounts of such reserves shall be deemed to be an expense of the Company);

distribute the remaining assets to the Members on a pro-rata basis, in accordance with their respective Units, such distributions to be made either in cash or in kind, as determined by the Members, with any assets distributed in kind being valued for this purpose at their fair market value as determined by the Members; and

allocate any Profit or Loss resulting from such sales to the Capital Accounts.

Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of Treasury Regulation § 1.704-1(b)(2)(ii)(g), if any Member has a deficit Capital Account (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any Capital Contribution, and the negative balance of such Member' s Capital Account shall not be considered a debt owed by such Member to the Company or to any other Person for any purpose whatsoever.

The Members shall comply with all requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets, including filing a Certificate of Cancellation upon the completion of the winding up process.

Return of Contribution Nonrecourse to Other Members. Except as provided by law or as expressly provided in this Agreement, upon dissolution, each Member shall look solely to the assets of the Company for the return of such Member' s Capital Contribution. If the Company Property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the Capital Contribution of one or more Members in accordance with this Agreement, such Member or Members shall have no recourse against any other Member.

## EXCULPATION AND INDEMNIFICATION

### Exculpation of Covered Persons.

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

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

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

## MISCELLANEOUS PROVISIONS

Notices. All notices and communications required or permitted to be given hereunder (a) shall be in writing; (b) shall be sent by messenger, certified or registered U.S. mail, a reliable express delivery service, or electronic mail, charges prepaid as applicable, to the appropriate address(es) or number(s) set forth on Schedule A to this Agreement (or such other address as such party may designate by notice to all other parties

hereto); and (c) shall be deemed to have been given on the date of receipt by the addressee (or, if the date of receipt is not a business day, on the first business day after the date of receipt), as evidenced by (A) a receipt executed by the addressee (or a responsible person in his or her office or member of his or her household) or a notice to the effect that such addressee refused to accept such communication, if sent by messenger, U.S. mail or express delivery service, (B) confirmation of a facsimile transmission (either orally or by written confirmation) or (C) a receipt of such e-mail confirmed by reply message or read receipt. All parties shall act in good faith to promptly confirm receipt of communications where confirmation of receipt is required to effect notice pursuant to this subsection and is requested by the notifying party.

Waiver of Action for Partition. No Member or permitted assignee shall have the right to require a partition of all or a portion of the Company Property, and by signing this Agreement or a joinder hereto or counterpart hereof, each Member or permitted assignee irrevocably waives any right to maintain an action for partition of the Company Property.

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

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

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

the Members.

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

Amendment. This Agreement may be altered or amended only by the unanimous consent of the Management Interests.

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

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

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

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

Dispute Resolution. The parties hereto agree that any suit or proceeding arising out of this Agreement shall be brought only in the courts of the Commonwealth of Massachusetts; *provided, however*, that no party waives its right to request removal of such action or proceeding from the state court to a federal court. Each party hereto consents to the personal jurisdiction of such courts and agrees that service of process in any such

suit or proceeding will be sufficiently accomplished if accomplished in accordance with the notice provisions set forth in the Agreement.

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

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

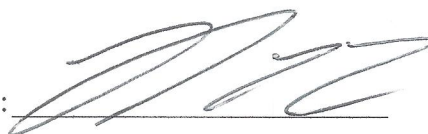
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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

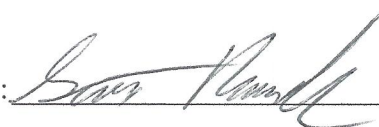
COMPANY:

TOP SHELF CANNASEURS LLC

By: 

Ryan Cohen

Manager and Member

By: 

Scott Bulkely

Manager and Member

By: 

William A. Garofalo

Member

SCHEDULE A  
OPERATING AGREEMENT  
OF  
TOP SHELF CANNASEURS LLC

CAPITALIZATION TABLE

Name	Capital Contribution	Class A Units	Class B Units	% Management Interest	% Economic Interest
Ryan Cohen  25 Harriman Rd.  Hudson, MA 01749	\$-	450,000	0	45.5%	45.5%
William A. Garofalo  30 Nobscot Road, Unit 8  Sudbury, MA 01776	\$85,000	100,000	0	10%	10%
Scott Bulkeley  11 Stanton St.  Wayland, MA 01778	\$-	450,000		45.5%	45.5%
Andrew Brown  15 Brookdale Ave.  Wellesley, MA 02482	\$-	RESERVED	RESERVED	RESERVED	RESERVED

SCHEDULE B  
OPERATING AGREEMENT  
OF  
TOP SHELF CANNASEURS LLC

DEFINITIONS

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

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

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

“*Agreed Value*” means the fair market value of any Units at issue, as mutually agreed to by the parties selling and purchasing Units, or in the absence of such mutual agreement, determined in the following manner:

Each party will obtain its own appraiser to conduct an appraisal, the cost of which will be borne by such party. If the two appraisals are within 10% of each other, the average of those appraisals will be the fair market value. If the two appraisals are more than 10% apart, then the two appraisers will hire a third appraiser, the cost of which will be split equally between the two parties, to obtain a third appraisal and the average of the two appraisals that are closest in amount will be the fair market value. Any appraisal will be based upon the value of the entire Company sold to a single buyer in a single transaction for cash and shall include discounts for illiquidity or lack of control but shall not include any premium for control.

“*Available Cash*” means the cash held by or immediately available to, the Company less such reserves for capital expenditures or other liabilities or other purposes as the Members, in their sole discretion, may determine.

***“Bankruptcy”*** means, with respect to a Member, the occurrence of any of the following: (a) the filing of an application by such Member for, or a consent to, the appointment of a trustee of such Member’ s assets, (b) the filing by such Member of a voluntary petition in bankruptcy or the filing of a pleading in any court of record admitting in writing such Member’ s inability to pay its debts as they come due, (c) the making by such Member of a general assignment for the benefit of such Member’ s creditors, (d) the filing by such Member of an answer admitting the material allegations of, or such Member’ s consenting to, or defaulting in answering a bankruptcy petition filed against such Member in any bankruptcy proceeding or (e) the expiration of sixty (60) days following the entry of an order, judgment or decree by any court of competent jurisdiction adjudicating such Member a bankrupt or appointing a trustee of such Member’ s assets.

***“Capital Account”*** as of any given date shall mean the amount set forth on Schedule A as adjusted.

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

***“Certificate of Organization”*** shall mean the Certificate of Organization of the Company as filed with the Massachusetts Secretary of the Commonwealth on December 6, 2018, as amended from time to time.

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

***“Company Property”*** means real and personal property owed, acquired by, or contributed to the Company and any improvements thereto, and shall include both tangible and intangible property.

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

***“Decedent”*** shall mean an individual Member who has died.

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

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

*“Fiscal Year”* shall mean the period terminating on December 31 of each year during the term hereof or on such earlier date in any year in which the Company shall be dissolved as provided herein.

*“Losses”* shall mean the net losses of the Company for federal income tax purposes, as determined separately, and not cumulatively, for each Fiscal Year of the Company or other relevant period, after appropriate adjustment for items otherwise allocated, if any, pursuant to this Agreement.

*“Majority in Interest”* of Members shall mean one or more Members whose combined Percentage Interests of a given class of Units exceed fifty percent (50%) of all Percentage Interests of Units owned by all Members of the same class of Units. The Company shall initially have one class of Units, with additional classes created or removed only in accordance with the procedures provided herein for the issuance of new Units.

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

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

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

*“Profits”* shall mean the net profits of the Company for federal income tax purposes, as determined separately, and not cumulatively, for each Fiscal Year of the Company or other relevant period, after appropriate adjustment for items otherwise allocated, if any, pursuant to this Agreement.

“*Tax Items*” means Profits and Losses and items of income, gain, loss, deduction and credit of the Company as determined for federal, state and local income tax purposes.

“*Treasury Regulations*” shall include proposed, temporary and final regulations promulgated under the Code.

“*Unit*” shall mean those interests in the Company that shall have (a) economic value and rights in or to the profits, gains, losses, distributions and other economic interests of the Company and/or (b) voting membership rights in the Company. The Company shall initially have two classes of Units: Class A Units and Class B Units. Class A Units shall bear both an economic interest in the Company and voting rights. Class B Units shall bear only an economic interest in the Company. The Units shall vest as set forth in Schedule A.



TOP SHELF CANNASEURS LLC  
PLAN FOR OBTAINING LIABILITY INSURANCE

Top Shelf Cannaseurs LLC (the “Company”) is a *marijuana establishment* as defined by 935 CMR 500.002. The Company sets forth the following plan to obtain a liability insurance policy pursuant to the Cannabis Control Commission’s (the “Commission”) regulations at 935 CMR 500.101(1)(c)(5). 935 CMR 500.101(1)(c)(5) requires that the marijuana establishment submit a plan to obtain a liability insurance policy or otherwise meet the requirements of 935 CMR 500.105(10) which sets forth provisions related to liability insurance coverage or maintenance of escrow. Reports documenting compliance with this regulation shall be made in a manner and form determined by the Commission pursuant to 935 CMR 500.00.

**A. REQUIREMENTS OF 935 CMR 500.105(10)**

The Company has obtained a liability insurance plan (detailed below) which meets the requirements of 935 CMR 500.105(10). In accordance with the regulation, the Company’s liability insurance plan includes both general liability insurance and product liability insurance each for \$1,000,000 per occurrence and \$2,000,000 aggregate, annually. The deductible for each policy is \$5,000 per occurrence.

**B. LIABILITY INSURANCE PLAN SPECIFICATIONS**

The Company currently meets all of the requirements set forth under 935 CMR 500.105(10). The specifications of the Company’s general and product liability coverage are as follows:

<u>Underwriter:</u>	ABC
<u>Policy Number:</u>	123
<u>General Aggregate Limit:</u>	\$
<u>Products/Completed Operations Aggregate Limit:</u>	\$
<u>Personal and Advertising Injury Limit:</u>	\$ Any one person or organization
<u>Each Occurrence Limit:</u>	\$
<u>Damage to Premises Rented to You Limit:</u>	\$ Any one premises
<u>Medical Expense Limit:</u>	\$ Any one person
<u>Deductible:</u>	\$ Each claim

# Top Shelf Cannaseurs

## 2019 Business Plan



*"The Region's Premier Cultivator and Manufacturrer"*

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This Business Plan does not constitute an offer to sell or solicitation of an offer to buy securities of Top Shelf Cannaseurs. Any such offers and sales will be made only to "Accredited Investors," as defined in Regulation D under the Securities Act of 1933, as amended, pursuant to separate agreements to be negotiated by the parties.

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## 1. Executive Summary

Top Shelf Cannaseurs (TSC) is a Massachusetts-based startup that intends to enter the recreational marijuana industry. TSC is seeking a Tier-3 Cultivation (up to 20,000 sq. ft of grow canopy) and manufacturing licenses (permits the production of cannabis concentrates, and edibles). TSC's owners are Scott Bulkeley and Ryan Cohen, both honorably discharged military veterans, with over 50 grow cycles of valuable indoor growing experience. TSC intends to leverage the discipline learned in the Army and Marines with their extensive cultivation experience, to produce high-volume & grade cannabis flowers and concentrates. TSC's leadership has embraced and is motivated by the hard work required to start this business.

In January 2019 TSC procured a contingent 10-20-year lease at a 15,000 sq. ft. warehouse in Centralized Hudson MA. This contract was favorable, since the facility is well equipped to handle our expansive cultivation and manufacturing needs. This building gives TSC an advantage- while other companies frantically search for less desirable buildings, in less desirable communities, and for more money. Hudson granted TSC a community host-town agreement in January of 2019 and has been very welcoming and helpful in the company's application process. Many municipalities have made it hard or impossible for cannabis companies to operate, and Hudson has been the opposite. They granted the company a standard agreement with no extra fees attached besides the state mandated 3% tax and donation of \$10,000. It should be noted that TSC has voluntarily pledged an additional \$5,000 for drug abuse and awareness.

TSC's primary purpose will be to gain the trust of high-end dispensary clients who too understand and appreciate craft cannabis. This is achievable by being a reliable product leader from the beginning, who is known for reaching higher standards than other cultivators and manufacturers. With patience, dedication, and a motivated team, TSC will produce award winning genetics that meet even the loftiest standards of excellence. This can be attained through careful strain acquisition and rotation, developing close vendor relations, exacting detailed protocol for fallout mitigation, stringently following and exceeding industry standard operating procedure (SOP), and by using and developing detailed analytics. Following lift-off, TSC will allocate substantial resources towards adapting their business to the maturing demands of the marijuana industry. Through arduous and meticulous work, TSC will develop a reputation as one of the most reliable and responsible players in this arena. It is imperative to enter this

developing market as one of the first available brands. Doing so will allow TSC to grab valuable early market share, and subsequent brand loyalty, thus advancing their innovative products early.

## **2. Market Size & Fit/ Target Market\_**

It's widely held that legalized adult-use marijuana is poised for explosive growth as this new industry unfolds. According to prnewswire.com, "Nationally, by 2021, legal cannabis will generate \$39.6 billion in overall economic impact, and much of that is coming from Massachusetts." Also, there are educated forecasts that have the Massachusetts market flourishing but expanding over time "The Bay State cannabis market will likely reach around \$1.8 billion, and it's going to take millions of square feet to meet the demand for cannabis in Massachusetts, and I think it's going to take years to get that built out"-Tim Keough CEO AmeriCann

A survey of adults in Massachusetts from the Department of Health suggests that "approximately 21% of adults have used marijuana in the past 30 days." Use suggests these individuals "use marijuana treatments for approximately 24 days a month on average and spend at least \$246 on marijuana each month. The most common method of marijuana administration is smoking dried flower (65%), followed by vaporizing marijuana concentrate (62%) and eating marijuana products (51%)." This semi- recent data (June 2018) shows local users are experimenting with various methods of ingestion, and that they are willing and able to consistently allocate substantial money towards these products.

Top Shelf Cannaseurs will target dispensaries in Massachusetts who can attract medium to high earners who appreciate and can afford a premium offering. This target market will seek a brand that consistently pushes the limits of quality. Like with craft beer breweries, acquiescing to these premium consumers tastes will require precision and receptiveness. Impressing these ultra- knowledgeable consumers will be possible through strong rotation of its impressive strain selections, while keeping the flagship strains that sell fastest. Reaching these dispensaries will require our sales team to cultivate meaningful relationships with buyers by fleshing out fair pricing for all to profit.

## **3. Customers**

TSC will work directly with dispensaries throughout Massachusetts who seek out premium products. Dealing in a Business-to-Business (B2B) market, TSC must seek out businesses that *want* to partner with smaller entities who can offer "Top Shelf" quality and consistency. TSC intends to drive mutual



profitability with other marijuana knowledge and opinion leaders who share a commitment to quality, and a reputation for running an ethically sound business. TSC's target market end-users will be consumers who judge dispensaries on the following:

- ✱ Consistency of flowers and concentrates that regularly strive towards excellence
- ✱ Rotation and variety of unique strains and products not easily accessible elsewhere
- ✱ A recognizable brand and packaging that is synonymous with being remarkable
- ✱ A transparent and honest company/brand that gives back and not seen as greedy
- ✱ Clean "tested" commodities that have airtight quality control

#### **4. Problem Statement**

Nationally, as seen in other states' recreational marijuana rollouts, there has been a litany of issues plaguing the industry, including: over-production and over-licensing, products containing systemic diseases or heavy metals, incorrect strain identification, and a general lack of consistent quality control. These problems are less apt to affect Massachusetts (and ultimately TSC), who has enacted strict measures to ensure quality throughout the product lifecycle. Massachusetts is just entering its infancy stage (first recreational dispensaries have only recently opened) and it remains to be seen how stringently/strictly these laws will be enforced.

Locally, some but not all cultivators and manufacturers have gained growing experience as medical entities. Can TSC match this experience with its own deep knowledge and cultivation history, and immediately produce at a high level? Soon there will be many entities trying to enter this industry. That is why establishing relationships and brand recognition early will help pave the road to the top. While this ascension will happen organically and over time, to stay relevant, and on top of the minds of cannabis' yet untapped and monumental customer base, TSC will need to find a fair price equilibrium that allows profitability and maximum exposure to the intended market.

#### **5. Products**

*"Under the voter-approved ballot measure here in Massachusetts legalizing recreational marijuana in 2016, the types of infused products allowed include edibles, beverages, topical products, ointments, oils, and tinctures." - Boston Globe May 2018*

## 5.1 Flower

Top Shelf Cannaseurs will produce marijuana “flower” that is grown in a state-of-the-art facility using House & Garden brand nutrients in a natural Coco coir grow-medium. TSC will cultivate rare and in-demand strains such as Sour Diesel and Chemdog, which can average close to 25% THC. By already procuring these amazing genetics (see several below), it sets TSC above other companies who are simply cultivating “what everyone is.” TSC will grow their flowers under innovative LED lighting which limits heat issues and allows maximum exposure while adding weight to the canopy. With precision execution and world class equipment, TSC has (samples available upon request) and will continue to reach the vaunted “AAA” level of cannabis that most growers never achieve.

TSC’ grow decisions will be based on industry SOP and compliance standards and will be carefully monitored and screened after each process. Leaving nothing to chance, TSC will cultivate in a clean and organized environment, and ultimately produce consistently high-grade cannabis. Using judicious and informed strain selection and rotation, TSC will keep existing customers satisfied, while also inviting new users to try TSC. With many companies also considering craft cannabis as an entry point, it is important to stand out and gain a competitive advantage. This distinction will become especially important as the industry beings to mature regionally in years 2-3 and beyond, when local cannabis users will become more knowledgeable and thus demanding.



## 5.2 Concentrates

With dozens of different options available for producing concentrates, TSC will choose the most viable path(s) that are in-demand both now and in the future. Below is a list of products Top Shelf Cannaseurs will pursue within its manufacturing division.

- ✿ (Year one and beyond )Solvent-less Concentrates- With product names such as Rosin Tech, bubble hash, ice water hash and dry sift hash, the market for “clean extracts” has emerged as flagship sellers. “Regular” bubble hash has recently made way for Rosin Technology that involves using a simple industrial compression to extract arguably the most “terpy” (tasty) finished product. Generally, consumers desire products that are natural (solvent free) and not volatile, and for this reason, Rosin is and will remain an emerging product. TSC will analyze the return ratios of Rosin vs. other methods of extraction and measure the true value of this strategy. This in-demand product costs relatively little to produce, is relatively simple to master, and will take up relatively little space to setup. Simply, Rosin has a high opportunity cost with low risk as compared to more in-depth options. (see below)



- ✿ (Year 2 and beyond) Solvent based Concentrates- Using solvents to extract concentrates that include: butane, ethanol, propane, CO2, and alcohol, TSCs can produce different variations of hash oil, including: diamonds, shatter, oil, crumble, or in liquid form to fill vape cartridges. While this sector remains viable and in demand, TSC feels that the high startup costs associated with these strategies (blast proof rooms, preventatively expensive setups, etc.) are a concern. However, the anticipated favorable returns make it a tempting approach to pursue in the near future provided the demand remains high.



## 6. Operations

### 6.1 Application/Build-out Phase

Upon receiving the provisional licenses, TSC will be operating without any cannabis cultivating for a period of 4-6 months while the retrofitting of the location takes place. During this initial phase, TSC will optimize their cost of production with the help of solar power, automation, and other innovation. TSC will can utilize economies of scale by being smarter, while still remaining smaller. This design/build phase will ensure optimal usage but also delay the first crop until approximately the eighth month of operation. This will be a transitional period when value added tasks will transition from assembly and construction to more day-to-day growing and eventually extraction.

### 6.2 Cultivation Phase

This will begin with the vegetative (propagation) phase where plants will be sized up and begin receiving their first nutrients (fertilization). Mothering rooms will then be filled with verified winning clones and seeds. From there, the SOP will dictate what happens daily, weekly, and monthly for each employee and each room. TSC anticipates 3 large flowering rooms that will be staggered in different phases of the grow cycle. This strategy helps immensely with fallout and will ensure that TSC will be harvesting more often. From seed to packaging, this is the production cycle-

- ✱ Cloning procedures
- ✱ Mother plant maintenance
- ✱ Transplanting/ Pruning
- ✱ Feeding
- ✱ Post-harvest procedures- trimming, curing, drying, weighing, packaging, and sterilization

**6.3 Manufacturing Phase** - In Q1, 2020 TSC will begin to manufacture its trim and bottom branch flowers, using Rosin Tech, a solvent-less extraction. This will be TSC's phase one manufacturing plan, as it provides a cost effective (\$15K) solution that people currently crave. TSC does not anticipate much learning curve for this process as owner Scott has already been trained on this revolutionary method.



## **7. Security Measures**

With security being a top concern for many stakeholders, Top Shelf Cannaseurs will carefully follow the State's guidance in securing all products and facilities. Keeping these products safe from entering the black market is important and should be treated as a major issue. Both internal and external security are important issues that can make or break a company.

TSC has finalized a contract with Setronics Security, who has secured and monitored other local cultivation, manufacturing, and retail operation. The security plan set in place will go above and beyond what the CCC requires. These additional measures will help affect more stringent control over the building, employees and deliveries, and products.

### **7.1 Internal Measures**

This will include: 24/7 surveillance of the entire grow/manufacturing space, a changing station at the entrance of the facility, and strict SOP to keep inventory over every gram of product. If/when the company needs to open the space to contractors or if trimming is outsourced onsite, TSC will be vigilant in maintaining full security. The State has enforced a seed to sale program which uses RFID barcodes to digitally track the whereabouts of each seed and plant at all times. These measures will help TSC to mitigate any theft, and thus prevent products from entering the black market.

### **7.2 External Measures**

Protection of the building will follow strict guidelines that have been enacted by the State. TSC does not take the threat of diversion to the black market, and especially to minors lightly. For this reason, TSC will ensure that it follows the law (from the CCC website)- "the Company agrees to implement a method such as a keypad, electronic access card, or other similar method for controlling access to areas in which marijuana or marijuana products are kept in compliance with 935 CMR 500.110." Additionally, if the town of Hudson wishes us to take further measures beyond what the State requires, we will work closely with them to ensure compliance.

## **8. Transportation Plan**

Both manufacturing and cultivating licenses include transporter provisions, allowing the licensee the ability to transport. However, TSC is not a transporter company, so it makes sense to outsource this service to an established and licensed company, at least initially. Depending on the costs that are

workers in year one, and more in months 18-24 and beyond. While on the manufacturing side, TSC will need 1 full time employee at the beginning of year 1, and more later depending on demand.

TSC main cultivator and co- Founder is Scott Bulkeley of Wayland MA. Scott is an experienced indoor grower who has been cultivating marijuana for 15+ years. He has excelled and perfected his craft using many different mediums of growing including soil, soil-less coco, deep-water hydroponics, aeroponics, and organic soil. For the past 13 years, and currently, he runs a small tiling and stone business in Middlesex County. Scott has seen positive growth in his business as he continues to delight customers who are solely responsible for marketing his services throughout Massachusetts. Scott is veteran of the United States Marine Corp where he served honorably in the 3<sup>rd</sup> BLT 6<sup>th</sup> Marines, which is a special operations Marine expeditionary unit, from 1996-2000.

Top Shelf Cannaseurs co-Founder Ryan Cohen of Hudson, MA will be head of sales and front-end management. Ryan is also an experienced grower who has produced medical grade cannabis since 2012. In addition, Ryan is a veteran who served honorably with the Army's elite 82<sup>nd</sup> Airborne Infantry from 2000-2003. In 2001 Ryan suffered traumatic brain and back injury's during a parachuting exercise. These debilitating injuries made it difficult for Ryan to acquiesce back into the civilian world. With dedication, and the ability to use his G.I. Bill and vocational rehab benefits, Ryan has since been able to overcome these injuries to complete his associates (Mass Bay), bachelor's (Framingham State), and master's degrees (Clark University) to further his knowledge and experience in the business world.

## **15. Launch/Implementation Plan**

See the timeline (Gantt Chart) below for TSC, which shows all completed, in-process, and future steps needed for the company to start operations in Q1, 2020.



1	12/9/2018	12/14/2018	Start Date
2	12/9/2018	2/12/2019	Begin/Develop Business Plan and Entry Strategy
3	12/10/2018	12/19/2018	Schedule/Finish Host Town Agreement
4	12/15/2018	1/4/2019	Identify Site Location (Signed Contract)
5	12/15/2018	12/19/2018	Await Town of Hudson Zoning Approval
6	12/28/2018	1/4/2019	Incorporate Top Shelf Cannaseurs as an LLC
7	5/5/2019	5/19/2019	Trademark Company Name/Website
8	1/15/2019	4/30/2019	Develop Standard Operating Procedures For Quality & Compliance
9	1/15/2019	5/1/2019	Identify Potential Investors/ Negotiate Deals
10	1/15/2019	3/31/2019	Develop Formula for ROI and Equity Investors
11	1/18/2019	3/31/2019	Refine Existing Cost/Revenue Assumptions for the Financial Projections
12	2/5/2019	3/22/2019	Develop Initial Facility Design (CAD or other)
13	2/10/2019	8/4/2019	Organize Buiness/Veteran Organizations that support endeavor
14	2/12/2019	11/1/2019	Await Planning Board Okay
15	2/12/2019	9/25/2019	Begin to ID and Visit Dispensaries
16	2/12/2019	10/20/2019	Solicit Potential Bids from Hvac/Plumbing/Electric/Security Contractors
17	2/14/2019	6/30/2019	Finalize/Submit/React to Comments on Licensure Application Submittal
18	2/21/2019	9/9/2019	Identify Potential Board Members; Secure D&O Insurance
19	5/5/2019	7/1/2019	Submit Application for Tier 3 Cultivation/Manufacturing
20	5/15/2019	9/15/2019	Identify a Banking Relationship That Does Not Involve FDIC
21	10/1/2019	12/1/2019	Identify Potential Employees by Function; Develop Job Descriptions
22	10/1/2019	12/15/2019	Application is Accepted (Undetermined amount of time)
23	6/1/2019	12/1/2019	Identify/Begin Negotiating With Potential Transporter Sub-Contractors
24	9/30/2019	11/1/2019	Finalize Equipment Purchase Schedule/Delivery
25	11/1/2019	2/1/2020	Finalize Operational Start-Up
26	8/1/2019	12/15/2019	Review/Asses Mitigation Plans For Fallout
27	2/1/2020	14/1/2020	Initiate Operations

## 16. Funding

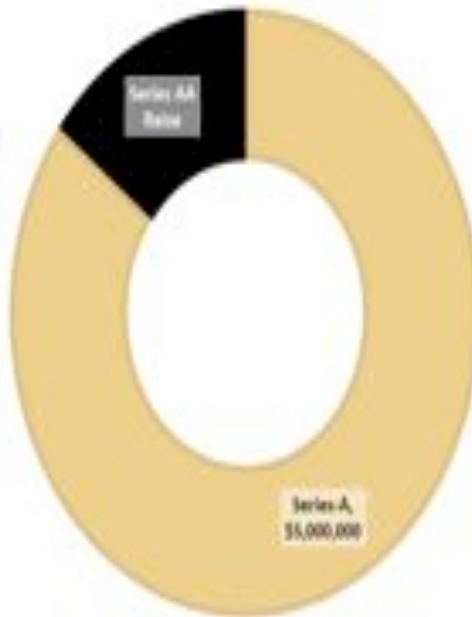
### Funding Requirements

#### AA-Raise Phase

- Q1 2019
- Approximate total to gain licensure \$ **150K**
- Will have contributed \$60K and raised another \$85K

#### \*Breakdown\*

- \$50K Rent/Building Hold
- \$40K Site Plan
- \$10K Regulatory Fees
- \$40K Legal Fees
- \$10-15K License application preparation



#### Series-A Round

- Q2-Q4 2019
- Seeking approximately **\$4-6 million** in capital

#### \*Breakdown (initial one-time and on-going annual costs)\*

- \$3.5+ million- retro-fit site
- \$1.25 million- equipment
- \$450K- Labor
- \$350K Utilities
- \$120K- Rent
- \$30K Deliveries
- \$100K- Security
- \$150K Ongoing legal fees



## 17. Cost to Produce Flower

### Estimated Avg. Price Per pound of Indoor Cultivation (including labor)

Yield	Cost (Including Labor)	Cost Per Gram
1 pound	\$400-\$1000	\$.88- \$2.21

## 18. Projected Revenue

### 4 -Year Sales Revenue Assumptions (low-end return)

**Harvest Forecasting- Assuming static 100% market penetration, 400 total flowering lights (3 rooms x's 133 lights), 1.25 pounds per light, 5 harvests each room annually, \$3150 per pound of flower, \$10 per gram of concentrates, and both prices decreasing 12.5% annually**

	Total # of Harvests	Pounds per Harvest (dry flower)	Total Pounds Annually	Flower Sales Revenue (60% Sold)	Pounds of Concentrates (20% trim & unsold flower *.20)	Concentrates Sales Revenue	Total Sales Revenue
<b>2020</b>	15	166	2500	\$7,875,000	200	\$896,000	\$8,771,000
<b>2021</b>	15	166	2500	\$7,087,500	200	\$806,400	\$7,893,900
<b>2022</b>	15	166	2500	\$6,378,750	200	\$725,760	\$7,104,510
<b>2023</b>	15	166	2500	\$5,740,875	200	\$653,184	\$6,394,059

#### **4 -Year Sales Revenue Assumptions (medium return)**

**Harvest Forecasting- (Assuming static 100% market penetration) 400 total flowering lights (3 rooms x's 133 lights), 1.5 pounds per light, 5 harvests each room annually, \$3400 per pound of flower, \$13 per gram of concentrates, and both prices decreasing 10% annually**

	Total # of Harvests	Pounds per Harvest (dry flower)	Total Pounds Annually	Flower Sales Revenue	Pounds of Concentrates (20% trim & bottom flower *.20)	Concentrates Sales Revenue	Total Sales Revenue
<b>2020</b>	15	200	3000	\$10,200,000	120	\$698,880	\$10,898,880
<b>2021</b>	15	200	3000	\$9,180,000	120	\$628,992	\$9,808,992
<b>2022</b>	15	200	3000	\$8,262,000	120	\$566,093	\$8,828,093
<b>2023</b>	15	200	3000	\$7,435,883	120	\$509,484	\$7,945,367

#### **4 -Year Sales Revenue Assumptions (high-end return)**

**Harvest Forecasting- (Assuming static market penetration of 100%) 400 flowering lights (3 rooms x's 133 lights), 1.75 pounds per light, 5 harvests each room annually, \$3700 per pound of flower, \$15 per gram of concentrates, and both prices decreasing 5% annually**

	Total # of Harvests	Pounds per Harvest (dry flower)	Total Pounds Annually	Flower Sales Revenue	Pounds of Concentrates (20% trim & bottom flower *.20)	Concentrates Sales Revenue	Total Sales Revenue
<b>2020</b>	15	700	3500	\$12,950,000	140	\$849,072	\$13,799,072
<b>2021</b>	15	700	3500	\$12,302,500	140	\$762,048	\$13,064,548
<b>2022</b>	15	700	3500	\$11,687,375	140	\$728,179	\$12,415,554
<b>2023</b>	15	700	3500	\$11,103,007	140	\$688,666	\$11,791,673

### **Cultivation Output- At capacity**

400 flower light	1.25 – 1.75 pounds per light / harvest	500 – 700 pounds/ Harvest
5 Annual Harvests	2500-3500 pounds X's \$3,400 (medium)	<b>\$8.5-\$11.9 million annually</b>

### **Manufacturing Output- At capacity**

1.12-1.34 million grams of total flower harvested	Using 10% of total flower for extracts=112-134K grams	+ 10% bio- mass trim =112-134K grams
=172,000-204,000 grams of flower/trim output for extracts	Using a 20% extraction return= 34,400-40,800 grams of extracted hash oil	X's \$10-\$15 per gram wholesale= <b>\$448,000-\$850,000- year</b>

associated with transporting, TSC might elect to purchase and retrofit their own transportation vehicle at a later time. For merchandise to reach these storefronts, TSC has a few options which include: pursuing a transport license, attempt to contract this process out, or rely on storefronts to visit TSC's cultivation facility for procurement. Finding a suitable partner for this will require meticulous background checks and other due diligence.

## **9. Legal Structure/Code of Conduct**

Top Shelf Cannaseurs has pursued incorporation as a limited liability corporation (LLC). This LLC will have 2+ owners who will work with the company's board to manage and grow the business. Research has shown that using an LLC for this entity makes the most sense because it allows the owners to define their compensation, responsibilities, and job descriptions, avoids double taxation, and also lessens the possibility of personal liabilities. LLC's also function with very little paper work, thus allowing TSC to concentrate on producing craft cannabis.

TSC will work tirelessly to promote honesty and integrity from within and seek partnerships with those companies who also emulate these qualities. Establishing a value chain that best represents TSC is an important consideration when building alliances. Further, TSC will only consider hiring those persons who have a significant and verifiable record of airtight integrity, selflessness, and coachability. With so much at stake for the company, especially in year 1, it is decidedly more important to hire and train an applicant with a positive attitude and a strong commitment, than one who may have more experience and less trainability.

## **10. Marketing Plan**




### **10.1 Social Media**

Marketing in the marijuana industry on social media has emerged as a main avenue for companies to promote and advertise their products. However, there is a certain amount of ambiguity currently regarding Facebook, Instagram, and other social media outlets as to their official stances on cannabis marketing. Many have had their pages suspended or deleted without warning, which would be difficult for our company. Using hashtags as anchors to drive consumers to the TSC website, as well as exploring cross promotion opportunities remain effective and affordable marketing tools. TSC will explore these avenues and decide which social media platform(s), if any to develop.



## 10.2 Tradeshows and Other Events

These events are a great way for TSC to engage and network with other companies and potential customers. These events have become increasingly popular regionally and beyond, and provide an opportunity to build alliances with others who can potentially be worthy parts of the value chain. Below are some local and national events that TSC can pursue:

	Held at the DCU Center in Worcester, MA on December 15-16 <sup>th</sup>	<i>"A premiere New England cannabis competition culminating with an expo featuring speakers, demos, vendors."</i>
	New England Cannabis Convention at the Hynes in Boston on March 22-24 <sup>th</sup>	<i>"3-day event will feature 350+ exhibitors, four programming tracks with 100+ speakers, and 10K people"</i>
	Las Vegas, NV Nov. 14-16 <sup>th</sup> 158 Speakers 27,600 Cannabis Professionals, and 1100 Booths	<i>"The preeminent conference to drive business deals/valuable connections with professionals."</i>

## 10.3 Direct Marketing

In a B2B market, it will be important for TSC to develop strong vendor relationships with area dispensaries. Strong relationship management is essential, especially considering the number of sales targets will be minimal as more entities gain licensing. TSC will garner its target market's needs and address any concerns or requests. Not all dispensaries will wish to enter the craft cannabis arena, making it even more important to flesh out the market and select those companies that will be most reciprocal to our offerings.

Beginning in July, 2019 TSC has started a networking luncheon at the Summit lounge in Worcester to give area cultivators, manufacturers, and wholesalers a chance to share information, product desires, and samples. TSC will continue this working lunch on a monthly basis as needed to help gather liaisons and better quantify data. TSC hopes that sponsoring this event will give the company a chance to establish one of the State's premier avenues for networking within the industry.



## 11. Sales Plan

Q1 2020, Top Shelf Cannaseurs will begin cultivating its first cycle of flower. Initially, Ryan Cohen will be the company's sole salesperson. TSC will encourage penetration into areas that will most demand craft cannabis. Middlesex and Norfolk Counties are the two most heavily populated and affluent areas in the State, and nearby Worcester County has the most (70 total) applications accepted or in process.

Infiltrating these three areas will be a key success factor that will determine TSC's sales ability.

Before cultivation begins, TSC will be visiting with dispensaries as they begin to open around the Commonwealth. TSC will educate potential partners about the company and why its products are special. By "*pounding the pavement*", TSC can also better qualify data to best define what products/strains dispensaries are seeking, and also what their desired purchase price will be. Once established, our sales team will:

- ✱ Establish realistic sales targets for the short, medium, and long term
- ✱ Be motivated and focused on achieving and exceeding said goals
- ✱ Balance its budget to operate efficiently
- ✱ Discover and Define best practices to attain maximum sales
- ✱ Analyze goals weekly, monthly, annually to improve/adapt overall approaches to selling

## 12. Regulatory and Intellectual Property

Many firms in this industry are forced to shut down due to not establishing or following guidelines.

There is no ambiguity when reviewing the regulations put out by the Cannabis Control Commission. The CCC has decided on the State's behalf how to enforce the law, and TSC respects these stringent laws and will abide by them from day one. TSC believes having a great training program will help focus the staff and force them to self-analyze if what they are working on falls exactly within the SOP for each step and process. Operating by the book will limit potential negligence, and ultimately protect TSC and its employees from any unneeded backlash and making them proactive in regard to compliance.

Protection of intellectual property (IP) has been an important focus as companies look to differentiate from the competition. With the cannabis field still far from maturity, companies are focusing on research and development ( R&D) and innovation in search of the next *big thing*. Lazy companies will do whatever it takes to gain a rivals IP, and with this in mind, TSC will guard its company's secrets and innovations by dedicating staff training time to IP protection, and the dangers of why it can be such a

threat. Just one rogue or weak employee could divulge: strain lists, specific equipment, feed ingredients and schedules, value chain information, or other trade secrets.

### **13. Outreach Plan**

Top Shelf's initial outreach plan will be to form a lasting relationship built on trust with our host community, Hudson. TSC intends to lead by example through voluntary outreach and financial contributions beyond what the State has required. Being transparent, sustainable, in addition to being philanthropic, will serve the company well in assuring elected officials and all Hudson stakeholders that they chose the right partner in TSC.

TSC is a veteran owned business, who wishes to take care of any potential veterans wanting to join the team. Top Shelf will give veterans preference over other applicants who have served honorably and will consider them strongly for any openings. This gesture will give back to the veterans in the community and also give TSC the distinction of being a veteran friendly employer.

Additionally, TSC would like to extend employment to any sufferers of the war on drugs, specifically with marijuana convictions. Many of these people have experience in the field and deserve a chance at gainful employment. TSC will look towards this pool of candidates and give them priority over other non-affected applicants. This outreach limits the stigma that society has branded on these people. TSC will gain valuable and hard-working staff members who share our passion for cannabis.

Finally, TSC takes drug abuse and drug education very seriously and will donate time and/or money to local efforts to combat the ongoing opioid epidemic. TSC hopes that by educating young people and adults about the potential dangers of cannabis; like driving while impaired or underage usage, it can better inform everyone and make a measurable difference ongoing.

### **14. Talent / Management Team**

Top Shelf Cannaseurs will begin employing salaried and hourly workers around month two or three after gaining license. This will allow our electrical, HVAC, plumbing, security, and engineering workers the needed time to properly retrofit the space. While TSC will not need a regular workforce during this time, Ryan and Scott will begin interviewing qualified candidates early in the process. Along with local veterans, TSC will also consider hiring from outside the State or region, to find talent with large-scale cultivating experience. TSC anticipates the cultivating department will need approximately 5-6 full-time

TOP SHELF CANNASEURS LLC  
POLICIES AND PROCEDURES FOR RESTRICTING ACCESS TO AGE 21 AND OLDER

Top Shelf Cannaseurs LLC (the “Company”) is a marijuana establishment as defined by 935 CMR 500.002. The Company sets forth the following policies and procedures for restricting access to marijuana and marijuana infused products to individuals over the age of twenty-one (21) pursuant to the Cannabis Control Commission’s (the “Commission”) regulations at 935 CMR 500.105(1)(o). This regulation states that written operating procedures for the Company shall include “[p]olicies and procedures to prevent the diversion of marijuana to individuals younger than 21 years old.”

**A. COMPLIANCE WITH 935 CMR 500.105(1)(o)**

The Company incorporates and adopts herein by reference, all of the provisions for the prevention of diversion outlined in the Company’s *Standard Operating Procedure for the Prevention of Diversion*. The provisions detailed in the Company’s *Standard Operating Procedure for the Prevention of Diversion* apply to the prevention of marijuana and marijuana infused products to all minors *and* all individuals under the age of twenty-one (21).

**B. SPECIFIC PROVISIONS FOR RESTRICTING ACCESS TO AGE 21 AND OLDER**

As stated above, the Company incorporates herein, all provisions for the prevention of diversion of marijuana and marijuana infused product to individuals under the age of twenty-one (21) as detailed in the Company’s *Standard Operating Procedure for the Prevention of Diversion*. Specific provisions regarding restricting access to individuals age twenty-one (21) and older include the following.

1. The Company will only employ *marijuana establishment agents*, as defined by the Commission’s definitions at 935 CMR 500.002, who are at least twenty-one (21) years old.
2. The Company understands that *consumers* of marijuana and marijuana infused products must be at least twenty-one (21) years old as defined by the Commission’s definitions at 935 CMR 500.002.
3. The Company will only allow *visitors*, age twenty-one (21) or older, at the Company’s facilities located in Hudson, Massachusetts. The Company defines *visitors* in accordance with the Commission’s definitions at 935 CMR 500.002. The Company will designate an authorized agent to check the identification of all visitors entering the Company’s facilities. Acceptable forms of identification include:
  - a. A motor vehicle license;
  - b. A liquor purchase identification card;
  - c. A government-issued identification card;
  - d. A valid government-issued passport; and
  - e. A valid United States-issued military identification card.

4. The Company will only market marijuana and marijuana infused products to individuals age twenty-one (21) or older. Any marijuana product labeling will make it clear that marijuana and marijuana infused products are not to be accessed or consumed by individuals under the age of twenty-one (21). Specifically, the Company will follow 935 CMR 500.105(4)(a)(5) to ensure that the Company's branding, marketing, and advertising is done in a manner that does not encourage or promote the diversion of marijuana. Furthermore, the Company understands that in accordance with 935 CMR 500.105(4)(a)(2), advertising of marijuana and marijuana infused products may only be done at charitable or public events where at least 85% of the audience is reasonably expected to be age twenty-one (21) or older.

TOP SHELF CANNASEURS LLC  
PROCEDURES FOR QUALITY CONTROL  
AND TESTING FOR POTENTIAL CONTAMINANTS

Top Shelf Cannaseurs LLC (the “Company”) is a marijuana establishment as defined by 935 CMR 500.002. The Company sets forth the following standard operating procedure for the quality control and testing of all marijuana and marijuana infused product pursuant to the Cannabis Control Commission’s (the “Commission”) regulations at 935 CMR 500.101(1)(c)(7) (f). The regulations require that the marijuana establishment provide a detailed summary of operating policies and procedures including provisions for the quality control and testing of marijuana and marijuana infused product for potential contaminants.

**A. STATEMENT OF INTENT**

Quality control and contaminant testing will be conducted for each batch of marijuana and marijuana infused products. The Company shall utilize the procedures set forth herein for the quality control and testing for potential contaminants for its Tier 3 cultivation and manufacturing operations. The Company understands that testing ensures that all marijuana and marijuana infused products are safe and appropriately potent. The Company shall not sell, market, or promote any marijuana or marijuana infused products that are incapable of being tested by a testing laboratory licensed by the Commission pursuant to 935 CMR 500.160(9).

The procedures contained herein shall be periodically reviewed and updated to ensure that the Company achieves its desired outcome of cultivating and producing only the highest quality marijuana and marijuana infused products that meet or exceed each and every testing requirement as mandated by the Commission’s regulations. The Company shall require that all employees adhere to these quality control and contaminant testing procedures as both an ongoing professional responsibility and an express condition of their continued employment.

**B. INDEPENDENT LICENSED TESTING LABORATORY**

The Company intends to contract with MCR Labs of Framingham, an independent testing laboratory licensed by the Commission, to perform all required testing pursuant to 935 CMR 500.160. The Company shall also contract with another independent testing laboratory licensed by the Commission to serve as a backup to MCR. Any independent testing laboratory (hereinafter “testing laboratory”) that the Company contracts with shall be licensed by the Commission, shall meet the definition under 935 CMR 500.002, and shall comply with all requirements set forth under 935 CMR 500.050(7).

For every sample of marijuana or marijuana infused product produced by the Company, the testing laboratory is required to abide by all of the Commission’s regulations, the standard operating procedures contained herein, and the DPH Finished Products Protocol published by the Department of Public Health (“DPH”). As a part of its contract, the Company shall require an authorized agent of the testing laboratory to provide a signature confirming that all provisions of the Commission’s regulations, the standard operating procedures contained herein, and the DPH Finished Products Protocol published by the Department of Public Health shall be adhered to.

### **C. PROCEDURES FOR QUALITY CONTROL DURING TESTING**

The Company, the selected testing laboratory, and any other involved, authorized, and licensed parties shall adhere to all of the following requirements to prevent the contamination of and to ensure the quality of all marijuana and marijuana infused product produced by the Company. The Company shall verify with the testing laboratory that all testing is done pursuant to the requirements under 935 CMR 500.160.

1. The Company shall verify that the independent testing laboratory it uses complies with 935 CMR 500.160(7), which requires that all storage of marijuana at a testing laboratory shall comply with 935 CMR 500.105(11).
2. The Company shall ensure that transportation of marijuana and marijuana infused products to an independent testing laboratory shall comply with 935 CMR 500.105(13). The Company shall communicate with both the testing laboratory and any licensed third party marijuana transporters to ensure that this regulation is adhered to.
3. The Company will request that the testing laboratory provide a variety of testing including but not limited to: cannabinoid potency profiling, pesticide residue analysis, plant growth regulator screening, microbial contamination assays, and heavy metal concentrations.
4. Pursuant to 935 CMR 500.160(2), the Company shall provide written notice to the Commission within seventy-two (72) hours of receiving laboratory test results that show contaminant levels above the acceptable limits established in the DPH Protocol. Likewise, the Company shall ensure that the selected testing laboratory also has a policy for, and a contractual obligation to, notify the Commission within 72 hours of the transmission of laboratory test results indicating that a contaminant has exceeded any applicable level found in the DPH Protocol. The Company's notification to the Commission in such an instance of contamination shall include a written description of a plan to destroy the contaminated batch in accordance with the requirements for waste disposal found in 935 CMR 500.105(12). The Company's notification shall also include a proposed plan of action to identify the source of the contamination and to promptly fix, remediate, or mitigate the source of the contamination once identified. If any of the Company's inventory is spoiled, deteriorated, mislabeled, contaminated, or expired, it shall be disposed of pursuant to 935 CMR 500.105(12).
5. The Company shall maintain all test results for its marijuana and marijuana infused products for no less than one year from the date of receipt of the results, pursuant to 935 CMR 500.160(3).
6. Following testing, all marijuana and marijuana infused product that meets all standards shall be labeled with a statement and a seal pursuant to 935 CMR 500.105(5)(a)(6), 935 CMR 500.105(5)(b)(14), 935 CMR 500.105(5)(c)(11), or 935 CMR 500.105(5)(d)(9).

### **D. PROCEDURES FOR QUALITY CONTROL THROUGHOUT CULTIVATION AND MANUFACTURING**



The Company shall follow the following procedures during the cultivation and manufacturing of all marijuana and marijuana infused product to ensure that marijuana and marijuana infused product is not contaminated and is of the highest quality. The Company shall also follow these procedures to protect the surrounding community and the environment.

1. An authorized marijuana establishment agent selected by the Company will examine all nutrients utilized in the process of cultivation for potential contaminants. The Company shall maintain records of the ingredient information of all supplemental nutrients utilized during cultivation and shall furnish said information to the Commission upon request.
2. All water utilized during cultivation shall be filtered via the process of reverse osmosis and treated in order to be reused to the maximum extent practicable in order to minimize total water consumption. Any water discharged from the Company's facilities shall be tested prior to discharge to ensure that it meets all applicable regulatory limits before entering the municipal system. The Company shall not discharge any water into the ambient environment.
3. Only approved, biologically derived, pesticides, insecticides, and fungicides shall be utilized in the cultivation facility, and the dosage of each shall adhere to the manufacturer's recommended dose for commercial scale cultivation.
4. In accordance with 935 CMR 500.120(5), pesticide application shall only be performed in compliance with M.G.L. c. 132B and the regulations promulgated at 333 CMR 2.00 through 333 CMR 14.00. Any testing results indicating noncompliance shall be immediately reported to the Commission, who may refer any such result to the Massachusetts Department of Agricultural Resources.
5. If applicable, soil for cultivation shall meet federal standards identified by the Commission.
6. Pursuant to 935 CMR 500.120(9), the Company shall conduct its cultivation processes using best practices to limit contamination including, but not limited to, mold, fungus, bacterial diseases, rot, pests, pesticides not in compliance with 935 CMR 500.120(5) for use on marijuana, mildew, and any other contaminant identified as posing potential harm.
7. All water used by the Company for irrigation shall be filtered or treated via reverse osmosis to ensure that there are no exceedances of contaminant levels.
8. All marijuana establishment agents, employees, and visitors shall be required to wear disposable cleanroom jumpsuits, protective footwear, and a protective head wrap or hood, prior to entering portions of the cultivation facility that house cultivation and manufacturing operations.
9. Any marijuana establishment agent or employee engaged in the handling of marijuana and marijuana infused products at any time shall be required to adhere to the regulations at 105 CMR 300.000 (which details the requirements for food handlers).
10. All edible marijuana infused products shall be prepared, handled, and stored in full compliance with 105 CMR 500.000's sanitation requirements and 105 CMR 300.000's requirements for food handlers.
11. All marijuana and marijuana infused products shall be stored at the appropriate temperature to guard against bacterial growth. The Company will use commercial-grade refrigeration to achieve the appropriate temperatures for all marijuana and marijuana infused product.

12. The Company's marijuana establishment agents shall abide by strict sanitary practices when working directly in the preparation of any marijuana infused products. Requisite sanitary practices include strict hand washing procedures and maintenance of personal cleanliness.
  - a. All marijuana establishment agents shall adhere to frequent and thorough hand washing practices in designated hand-washing stations. Hand washing shall occur frequently and always immediately prior to handling or working with marijuana and marijuana infused products. Hand washing stations will be located in close proximity to the production areas for cultivation and manufacturing. Hand washing stations will be equipped with: running water maintained at a suitable temperature; adequate antiseptic and antimicrobial soaps; surfaces that are impervious and easily cleaned; and an adequate drying apparatus. Hand washing will be performed with soap, under hot water, with vigorous agitation of the upper extremities and digits, and for a minimum of thirty (30) seconds. Hand washing shall be repeated whenever hands have, or may have, become contaminated, dirty, or soiled.
  - b. All marijuana establishment agents shall maintain the highest standards of personal cleanliness.
13. Waste and litter shall be disposed of and periodically removed to minimize odors and to reduce the potential for waste attracting or housing pests and other contaminants. All waste disposal shall be conducted in compliance with 935 CMR 500.105(12).
14. All cultivated and manufactured marijuana and marijuana infused product shall be stored in a manner that prevents the growth of any undesirable organisms.

#### **E. CONDITIONS OF THE COMPANY'S FACILITIES**

All facilities maintained and operated by the Company shall be kept in the appropriate condition to prevent contamination and to ensure production of the highest quality marijuana and marijuana infused products. The Company shall adhere to the following requirements in regards to its facilities.

1. The Company's cultivation and manufacturing operation shall be conducted within designated areas of the Company's facilities. The surfaces and equipment within these facilities, including all cooking utensils and vessels, shall be sanitized and cleaned as often as is required to maintain sanitary conditions. The surfaces and all equipment shall be subjected to sanitizing and anti-microbial cleaning by the Company's employees, who shall only utilize cleaning products that appear on the Commission's, or the United States Environmental Protection Agency's, list of approved/registered cleaning products. Administration and application of these cleaning products shall strictly adhere to the manufacturer's label and instructions.
2. The facility's physical plant, including, but not limited to floors, ceilings, walls, shall be constructed and retrofitted, as appropriate, to be both structurally sound and to allow for surfaces to be cleaned and sanitized. All fixtures shall be maintained in a sanitary condition.
3. All of the Company's facilities shall be laid out so as to allow for the storage of materials and equipment for sanitary maintenance of operations.

4. All restrooms within the Company's facilities shall be frequently stocked, cleaned and inspected to ensure that the Company's employees and visitors have adequate access to sanitary restrooms.
5. The Company's facilities will contain plumbing that is of adequate size and design and is adequately installed and maintained to carry sufficient quantities of water to required locations throughout the marijuana establishment. Plumbing will properly convey sewage and liquid disposable waste from the marijuana establishment. There will be no cross-connections between the potable and waste water lines.
6. Any cleaners containing toxic ingredients within the Company's facilities shall be held and stored away from marijuana and marijuana infused products to avoid contamination of those products. All cleaning products containing toxics shall be properly labeled to identify the presence of those toxics. Likewise, any other items containing toxics shall be similarly sequestered away from marijuana and marijuana infused products to ensure that the maximum protection against contamination of these products is achieved. All toxic-containing items shall be properly labeled.

#### **F. STORAGE AND TRANSPORTATION**

The Company shall ensure that all marijuana and marijuana infused product is transported and stored in a manner to promote and maintain the highest level of quality and to prevent any damage or contamination. The following provisions shall be followed.

1. The Company shall ensure that all products ready for wholesale are transported and stored under ambient environmental conditions that will provide protection against chemical, microbial, and other physical contamination.
2. Containers holding finished marijuana and marijuana infused products shall be designed to guard against deterioration of the finished tested product. Performance of the packaging with respect to contaminant protection shall be periodically evaluated and changed if appropriate.
3. Pursuant to 935 CMR 500.105(3)(b)(16), the Company shall require that all vehicles and transportation equipment used in the transportation of marijuana and marijuana infused products are designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the marijuana infused products or edibles from becoming unsafe during transportation, consistent with applicable requirements pursuant to 21 CFR 1.908(c).
4. The Company shall provide documentation to any marijuana establishment to which the Company transfers marijuana or marijuana infused products. This documentation will verify the Company's compliance with the testing requirements under 935 CMR 500.160.

TOP SHELF CANNASEURS LLC  
RECORD-KEEPING AND DOCUMENT RETENTION  
POLICIES AND PROCEDURES

Top Shelf Cannaseurs (the “Company”) is a *marijuana establishment* as defined by 935 CMR 500.002. The Company sets forth the following policies and procedures pursuant to the Cannabis Control Commission’s (the “Commission”) regulations at 935 CMR 500.101(1)(c)(7) (i). This regulation requires the Company to provide a detailed summary of operating procedures and policies including record-keeping procedures. All of the Company’s records shall be kept pursuant to 935 CMR 500.105(9). All records will be made readily available to the Commission upon request.

**A. COMPLIANCE WITH 935 CMR 500.105(9)**

The Company’s *Record-Keeping and Document Retention Policies and Procedures* are designed to:

1. Comply with all of the Commission’s record-keeping regulations;
2. Allow the Company to access, retain, and reconstruct any records relevant to security and the production of marijuana and marijuana infused product; and
3. Permit the Company to fully respond to requests for records from regulators, law enforcement officials, and judicial bodies.

The Company will keep diligent and detailed records regarding all standard operating procedures, including but not limited to the following areas: Company operating procedures; manufacturing; cultivation; responsible vendor training compliance; inventory; personnel; financial and business matters; waste disposal; transportation; storage; security; and quality control and testing of marijuana and marijuana infused products. All records will be kept securely in either hardcopy or electronic format. Only designated management-level authorized agents and employees will have access to the Company’s records. (All *agents* and *employees* referred to herein are licensed and defined in accordance with the Commission’s definitions at 935 CMR 500.002). All records shall be maintained dating back for a period of at least two (2) years. Pursuant to 935 CMR 500.105(9)(g), in the event the Company were to close, it would keep all financial and business records available to the Commission for two (2) years after closure at its sole expense.

**B. ACCESS TO RECORDS**

1. Agents and Employees with Access to Records

Only designated management-level agents and employees will have authorization to access the Company’s records. The Company may choose to designate a Chief Compliance Officer (“CCO”) to manage access to any Company records. The CCO or other reliable agent designated by the Company shall be responsible for compiling any and all information and documentation requested by the Commission, law enforcement, or judicial bodies; for taking charge of any offsite storage of hardcopy documents at a certified commercial storage

facility; for allowing regulators access to any and all documents and data stored remotely; for allocating space on-site at the Company's facilities for the storage of documents; and for external auditing of compliance with all provisions of record-keeping set forth by the Commission.

## 2. Provisions of Hardcopy and Electronic Record Keeping

The Company shall maintain some hardcopy records. The majority of the Company's records, however, shall be maintained electronically. The Company shall ensure that its records are maintained in a manner that: shall guarantee confidentiality of information; shall provide safeguards against erasures and unauthorized changes in data after information has been entered and verified; is capable of placing a litigation hold due to ongoing litigation or enforcing a records retention hold for investigatory purposes; and can be reconstructed if a computer malfunctions or an accident resulting in destruction of data occurs.

## 3. Security in Hardcopy and Electronic Record Keeping

Physical records shall be kept in a designated and monitored area of restricted access under lock and key. Areas of limited access shall comply with all provisions of 935 CMR 500.110(4). Access to electronic records will also be restricted. The Company will designate an Information Technology Administrator or other authorized agent or employee to ensure that access controls are implemented for each administrative, physical, and technical control of information technology systems. These access controls shall include:

- a. Security policy instruction and direction for each agent and employee regarding how information technology security should be implemented and followed, and repercussions for noncompliance;
- b. Personnel controls to indicate how employees are expected to interact with information technology security mechanisms and how to address noncompliance issues pertaining to these expectations;
- c. Enforcement of separation of duties so that no one individual can unilaterally carry out a critical task that could prove to be detrimental to the Company or its records;
- d. Regular policy reviews of record storage procedures (annually or more frequently), completed by the Information Technology Administrator or another designated agent or employee to ensure that storage procedures are appropriate for the Company's records;
- e. Maintenance of hardcopy records stored in a locked and restricted access area accessible to authorized personnel only; and
- f. Maintenance of quick response strategies to recover lost information in the event of a disaster or emergency. The Company's strict response strategies shall include duplication of hardcopy records, with offsite storage depending on criticality, and use of secure cloud storage for electronic records.

#### 4. Record Storage and Disposal

The Company shall audit its electronic and hardcopy records at its facility in limited access areas, which shall include a secure server room equipped with fire detection and suppression systems. Any hardcopy records held offsite shall be stored at certified commercial storage facilities. Before any vital records are destroyed, a list of records due for destruction or transfer shall be reviewed by one of the Company's C-level managers, (CFO, CEO, CCO, or COO). Records will not be destroyed or transferred without the approval of an authorized C-level manager.

### C. RECORD RETENTION

The Company shall keep all records for a period of at least two (2) years. Likewise, in the event of Company closure, the Company shall store at its own expense, all records, which will be made available to the Commission for two (2) years after closure pursuant to 935 CMR 500.105(9)(g). As indicated above, hardcopy records shall be stored in locked and fire-resistant limited access areas. Electronic records shall be stored in cloud-based auditable data servers which are backed up on a daily basis or more frequently. Financial and business records shall be maintained in accordance with Generally Accepted Accounting Principles (GAAP). (For more regarding the Company's Financial and Business Records, refer to the Company's *Policies and Procedures for Maintaining Financial Records*.)

The Company shall keep and maintain true, complete, legible, and current books and records of the following data types. All records and data shall be made readily available to the Commission upon request pursuant to 935 CMR 500.105(9).

#### 1. Written Operating Procedures

- a. In accordance with 935 CMR 500.105(9)(a), an authorized agent or employee shall be responsible for maintaining all written operating procedures that address the following 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 protocols and crime prevention techniques;
  - iii. Hours of operation and after-hours contact information;
  - iv. Storage of marijuana in compliance with 935 CMR 500.105(11) (for more information regarding the storage of marijuana, see the Company's *Standard Operating Procedures for the Storage of Marijuana*);
  - v. Description of strains of marijuana to be cultivated, processed, or sold, as applicable, and the forms of marijuana infused products to be cultivated, processed, or sold, as applicable;
  - vi. Procedures to ensure accurate record-keeping including inventory protocols in compliance with 935 CMR 500.105(8) and 935 CMR 500.105(9) (for more information regarding inventory, see the Company's *Inventory Policies and Procedures*);



- 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 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 for the maintenance of confidential information;
  - xii. A policy for immediate dismissal of any agent who has engaged in any of the following activities: diverted marijuana; engaged in unsafe practices; or been convicted or entered a guilty plea, plea of nolo contendere, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority.
  - xiii. Policies and procedures for making a list of all board members and executive members pursuant to 935 CMR 500.105(1)(m);
  - xiv. Policies and procedures for the handling of cash;
  - xv. Policies and procedures to prevent the diversion of marijuana to individuals younger than twenty-one (21) years of age (also see the Company's *Plan for Restricting Access to Age 21 and Older*); and
  - xvi. Policies and procedures for energy efficiency and conservation pursuant to 935 CMR 500.105(1)(p).
- b. In addition to the above general operating procedures set forth under 935 CMR 500.105(1), the Company shall also maintain additional policies and procedures addressing the following:
- i. Methods for identifying, recording, and reporting diversion, theft, or loss and methods for correcting all errors and inaccuracies in inventories which shall, at a minimum, be compliant with 935 CMR 500.105(8);
  - ii. Policies and procedures for handling voluntary and mandatory recalls of marijuana;
  - iii. Policies and procedures in compliance with 935 CMR 500.105(12) for ensuring outdated, damaged, deteriorated, mislabeled, or contaminated marijuana is segregated from other marijuana and destroyed;
  - iv. Transportation policies and procedures which shall be in compliance with 935 CMR 500.105(13) (also see the Company's *Standard Operating Procedures for the Transportation of Marijuana*);
  - v. Policies and procedures in compliance with 935 CMR 500.105(15) and 935 CMR 500.120(11) to reduce energy and water usage, engage in energy conservation, and mitigate other environmental impacts; and
  - vi. Policies and procedures for the transfer, acquisition, or sale of marijuana between the Company and other licensed marijuana establishments.

## 2. Cultivation and Manufacturing Records

A designated and authorized agent or employee of the marijuana establishment shall be responsible for maintaining all records relevant to the cultivation, manufacturing, and processing of marijuana and marijuana infused products. At a minimum, these records shall include the following:

- a. Standard operating procedures for the cultivation of marijuana (for more information see the Company's *Operational Plan: Policies and Procedures for Cultivation*);
- b. The forms and types of cannabis being cultivated;
- c. Soil amendment, fertilizers, pesticides, or other chemicals applied to growing medium or plants, including dates of application, amounts, and a signature of the agent responsible for application;
- d. Documentation that pesticides are applied in compliance with M.G.L. c. 132B and the regulations promulgated at 333 CMR 2.00-14.00;
- e. Documentation of compliance with the testing requirements of 935 CMR 500.160;
- f. Documentation of consistency with the United States Department of Agriculture's organic requirements at 7 CFR 205;
- g. Production records including planting, harvesting, curing, weighing, packaging, and labeling records; and
- h. Records of any recalled product including:
  - i. Date of recall;
  - ii. Whether recall was voluntary or mandatory;
  - iii. Batch and/or lot number of the product being recalled;
  - iv. Form of the product being recalled;
  - v. Reason for recall;
  - vi. Amount of recalled product sold;
  - vii. Amount of recalled product received; and
  - viii. Method and date of disposal of recalled product.

### 3. Records of Responsible Vendor Training Program Compliance

Records of Responsible Vendor Training Program Compliance for all owners, managers, and employees that are involved in the handling and sale of marijuana shall be maintained for a minimum of four (4) years in accordance with 935 CMR 500.105(2)(b)(5). These records shall be maintained by an authorized agent designated by the Company.

### 4. Inventory Records

In accordance with 935 CMR 500.105(9)(b), the Company shall maintain inventory records in compliance with 935 CMR 500.105(8). (For more information regarding inventory, see the Company's *Inventory Policies and Procedures*.) An authorized agent or employee designated by the Company shall be responsible for maintaining accurate inventory records. Records of marijuana in the process of cultivation and records of finished and stored marijuana and marijuana infused products shall be generated monthly or more frequently. Records of comprehensive annual inventory shall be generated at least once a year if not more often. Inventory records shall include at a minimum:

- a. Information related to initial inventory upon commencement of operations;
- b. The number of marijuana plants, plant-seeds, and clones in any phase of development;
- c. Information related to any marijuana ready for dispensing;
- d. A list of all marijuana infused products;
- e. A list of all damaged, defective, expired, or contaminated marijuana and marijuana infused products awaiting disposal;
- f. The date inventory was recorded or taken;
- g. A summary of all information collected during the inventory process; and
- h. The names, signatures, and titles of any individuals involved with the inventory process.

#### 5. Seed-To-Sale Tracking Records

In accordance with 935 CMR 500.105(9)(c), the Company shall maintain real-time seed-to-sale tracking records at each stage of cultivation, production, transport, and sale in compliance with 935 100.105(8)(e). The Company shall utilize Commission-approved software that is capable of integration with the State's METRC software platform for the purpose of seed-to-sale tracking. Seed-to-sale tracking records shall be recorded in accordance with the Company's standard operating procedures.

#### 6. Personnel Records

In compliance with 935 CMR 500.105(9)(d), a designated agent or employee authorized by the Company shall be responsible for maintaining personnel records, including but not limited to the information and records listed below. (For more information regarding personnel, see the Company's *Personnel Policies Including Background Checks and Standard Operating Procedures Regarding Qualifications, Training, and Requirements of Personnel*.)

- a. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with job descriptions;
- b. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;
- c. Personnel policies and procedures;
- d. All background checks in accordance with 935 CMR 500.030; and
- e. A personnel record for each agent or employee which shall be maintained for at least twelve (12) months after termination of an agent's affiliation with the Company. All personnel records shall include the following information:
  - i. All materials submitted to the Commission pursuant to 935 CMR 500.030(2), including a copy of the agent's registration card;
  - ii. Documentation of verification of references;
  - iii. A detailed job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;

- iv. Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the trainee indicating the date, time, and place they received said training and the topics discussed, including the name and title of presenters;
- v. Documentation of periodic performance evaluations;
- vi. Records of any disciplinary action taken; and
- vii. Notice of completed responsible vendor and eight-hour related duty training.

## 7. Financial and Business Records

All financial and business records will be kept in accordance with 935 CMR 500.105(9)(e). See the Company's *Policies and Procedures for Maintaining Financial Records* for a detailed description of the Company's compliance with 935 CMR 500.105(9)(e). An authorized agent designated by the Company shall be responsible for maintaining Company business and financial records. Hardcopies of business and financial records shall be maintained in secured areas accessible only to designated employees and agents. All financial records will be maintained in accordance with Generally Accepted Accounting Principles (GAAP).

## 8. Waste Disposal Records

Pursuant to 935 CMR 500.105(9)(f), waste disposal records shall be maintained as required under 935 CMR 500.105(12). An authorized agent or employee designated by the Company shall be designated to maintain all waste disposal records. (For more information regarding the Company's procedures for the disposal of plant, solid and liquid waste, see Section D of the Company's *Operational Plan: Policies and Procedures for Cultivation*.) Waste disposal records shall be kept for a minimum of three (3) years or throughout the duration of any enforcement action or as long as required by the Commission, whichever period is longest. Waste disposal records shall include the following information:

- a. Date of waste disposal or other handling;
- b. Type and quantity of waste disposed or handled;
- c. Manner of waste disposal or other handling;
- d. Location of waste disposal or handling; and
- e. Names and signatures of the two (2) agents present during the disposal or handling of waste.

## 9. Transportation Manifests

An authorized agent or employee designated by the Company shall be responsible for generating and maintaining transportation manifests documenting transportation of all marijuana and marijuana infused products as required under 935 CMR 500.105(13). Transportation manifests will comply with all provisions of 935 CMR 500.105(13)(f). Pursuant to 935 CMR 500.105(13)(f)(1), each transportation manifest will be kept in triplicate. The Company will have a copy of all manifests, any licensed third-party marijuana transporter is to maintain a copy of all relevant manifests, and all receiving marijuana

establishments will have a copy of relevant manifests. For more information regarding transportation manifests, see the Company's *Standard Operating Procedures for the Transportation of Marijuana*.

#### 10. Security Recordings

In accordance with 935 CMR 500.110(5)(a)(5), the Director of Security or another authorized agent or employee designated by the Company shall ensure that all 24-hour video surveillance recordings are retained for at least ninety (90) calendar days or as long as necessary in case of a pending criminal, civil, or administrative investigation or legal proceeding for which the recording may contain relevant information. In order to prevent theft, loss, destruction, or alterations, security recordings shall be maintained in a locked and restricted area accessible only to the Director of Security and other authorized agents and employees pursuant to 935 CMR 500.110(5)(b). Additionally, in accordance with 935 CMR 500.110(7), documentation related to security incidents that are reportable pursuant to 935 CMR 500.110(7)(a) shall be maintained by the Director of Security or other authorized agent or employee in an auditable form for a period one year or throughout the duration of an open investigation, whichever period is longer.

#### 11. Records of Testing of Marijuana and Marijuana Infused Products

An authorized agent or employee designated by the Company shall ensure that test results for all marijuana and marijuana infused products are generated in accordance with 935 CMR 500.160 and are maintained by the Company for no less than one year. The Company has written policies for responding to laboratory results that indicate contaminant levels are above the acceptable limits identified in DPH protocols pursuant to 935 CMR 500.160(1). For more information regarding the testing of marijuana and marijuana infused products, see the Company's *Procedures for Quality Control and Testing for Potential Contaminants*.

TOP SHELF CANNASEURS LLC  
POLICIES AND PROCEDURES FOR MAINTAINING FINANCIAL RECORDS

Top Shelf Cannaseurs LLC (the “Company”) is a *marijuana establishment* as defined by 935 CMR 500.002. The Company sets forth the following policies and procedures pursuant to the Cannabis Control Commission’s (the “Commission”) regulations at 935 CMR 500.101(1)(c)(7) (j). This regulation requires the Company to provide a detailed summary of operating procedures and policies including the maintenance of financial records.

All of the Company’s records including financial records shall be kept pursuant to 935 CMR 500.105(9). All records including financial records shall be made readily available to the Commission upon request. The Company’s policies and procedures for all record keeping are described in detail in the Company’s *Standard Operating Procedures for Record Keeping and Document Retention*. All of the provisions regarding record keeping described therein shall apply to the keeping of financial records as detailed herein.

**A. CONTROLLING ACCESS TO FINANCIAL RECORDS**

1. Individuals With Access To Financial Records

The Chief Financial Officer (or other authorized individual designated by the Company) shall be responsible for maintaining all financial records on behalf of the Company. The Company shall designate which management-level authorized agents and employees may access the Company’s financial records. Financial and business records will not be accessible to non-management-level employees or unauthorized agents.

2. Storage of Financial Records

Any hard copies of financial records shall be maintained on Company premises in locked, fireproof file cabinets accessible only to the Chief Financial Officer (“CFO”) and other authorized management-level personnel. Financial records kept electronically will be saved and backed up on a daily basis. All financial records shall be saved, stored, and kept for a minimum of seven (7) years.

**B. TRANSPARENCY AND ACCURACY**

The Company places a high level of importance on exercising transparency and accuracy in all of its financial record keeping activities. The Company shall ensure that all financial and business records are maintained in such a manner as to ensure accuracy and transparency. All financial records shall be maintained in accordance with Generally Accepted Accounting Principles (GAAP) in accordance with 935 CMR 500.105(9). All financial and business records will clearly reflect all financial transactions and the financial condition of the Company.

Also in the interest of transparency, information regarding all funding sources and persons and entities with financial interest in the Company shall be documented. These documents shall contain the following information: the name of the interested entity; the address of the interested

entity; the date of birth of the interested entity (if applicable); the social security number of the interested entity (if applicable); and an explanation of the financial interest. In addition, the Company shall maintain an accounting of the financial benefits accruing to the municipality as a result of the host agreement with the Company.

### **C. MANAGEMENT OF FINANCIAL RECORDS**

The Company plans to utilize Quickbooks or another equally comprehensive and secure accounting program to manage its financial records.

### **D. CONTENT OF FINANCIAL AND BUSINESS RECORDS**

The Company's financial and business records shall include manual or computerized records documenting the information listed below in compliance with 935 CMR 500.105(9)(e). The Company may choose to include more than is expressed by this list in its financial record keeping. The Company will keep all financial and business records dating back for a period of at least two (2) years. Pursuant to 935 CMR 500.105(9)(g), in the event the Company were to close, it would keep all financial and business records available to the Commission.

1. Company assets and liabilities;
2. Monetary transactions, including a daily reconciliation of cash-on-hand;
3. Books of accounts, which shall include journals, ledgers, and supporting documents such as agreements, checks, invoices, and vouchers dating back for a period of four (4) years;
4. Sales records including the quantity, form, and cost of each product sold;
5. Salary and wages paid to each establishment agent or employee, stipends paid to board members, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with the Company including members of a nonprofit corporation, if any;
6. Contracts for services performed or received;
7. Purchase invoices, bills of lading, manifests, sales records, copies of bills of sale, and any supporting documents, including items and/or services purchased, individuals from whom items and services were purchased, and the date of any purchase;
8. Bank statements and cancelled checks for all accounts;
9. Up-to-date information for all savings accounts, checking accounts, investment accounts, and trusts associated with the operation of the Company;
10. A copy of annual audit reports;
11. Accounting and tax records related to the Company; and
12. Records of any theft, loss, diversion, or other unaccountability.



TOP SHELF CANNASEURS LLC  
STANDARD OPERATION PROCEDURES REGARDING  
QUALIFICATIONS, TRAINING, AND REQUIREMENTS OF PERSONNEL

Top Shelf Cannaseurs LLC (the “Company”) is a marijuana establishment as defined by 935 CMR 500.002. The Company sets forth the following personnel policies pursuant to the Cannabis Control Commission’s (the “Commission”) regulations at 935 CMR 500.101(1)(c)(7) (g). The regulations require that the marijuana establishment provide a detailed summary of operating policies and procedures regarding personnel and background checks. This document and the personnel policies and procedures described herein shall be kept in accordance with the record keeping provisions at 935 CMR 500.105(9) and shall be made available to the Commission upon request.

- **STATEMENT OF INTENT AND SCOPE**

The Company understands the importance of ensuring that all personnel are properly licensed and registered. An important part of this process is the background check. All marijuana establishment agents are subject to the provisions described herein and within the Commission’s regulations.

Company standards are consistently met by all of its marijuana establishment agents and employees. 935 CMR 500.002 defines “*marijuana establishment agent*” as including, “*a board member, director, employee, executive manager, or volunteer of a marijuana establishment who is 21 years of age or older.*” 935 CMR 500.002 continues to define “*employee*” as including, “*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.*” These standard operating procedures shall apply to all of the above defined marijuana establishment agents and employees, collectively referred to herein as “personnel” or “authorized agents”.

Each authorized agent will receive a Copy of the Company’s handbook and all standard operating policies and procedures that are applicable to their function in relation to the Company. Authorized agents will only have access to the areas of the Company’s facilities which relate to their particular job function. For instance, an authorized agent working in the back office will not have access to the cultivation area of the Company’s facilities.

- **TRAINING**

All authorized agents will participate in a comprehensive training program to ensure that they perform their job functions safely and at the highest level. The training program will consist of written and online materials. All authorized agents shall have access to the training materials relevant to their particular job functions with the Company. The Company will also provide on-the-job training to authorized agents. On-the-job training will be tailored to the roles and responsibilities to of the job function of each authorized agent and will consist of “shadowing,” where a new authorized agent observes or works closely with a more veteran authorized agent. Additional training will include, at a minimum, laws regarding marijuana, privacy, confidentiality, prohibitions on harassment, safety and security, and effective interaction with law enforcement personnel. Authorized agents shall complete requisite initial training prior to performing job functions without supervision. Authorized agents shall receive a minimum of twenty-four hours of ongoing training annually.

The Company will document all required training as described above. The Company will require a signature and a statement from each authorized agent indicating the date, time, and place that they received any training as well as the topics discussed during training and the names and titles of any training presenters. This information will all be kept within each authorized agent's personnel file.

- **REQUIREMENTS FOR AUTHORIZED AGENTS**

1. **Punctuality and Attendance:** Authorized agents are required to be punctual and in regular attendance when scheduled to carry out work for the Company. Authorized agents are expected to report to work as scheduled, on time, and prepared to work. Authorized agents must remain at work for the entire time scheduled, except for meal times, break times, or when authorized. If an authorized agent must be absent or tardy from work, the authorized agent shall notify the Company as soon as the authorized agent is aware of the need to be absent or tardy.
2. **Nondisclosure or Use of Trade Secrets:** During employment with the Company, authorized agents may have access to and become familiar with confidential or proprietary information. Authorized agents will be required to sign a confidentiality agreement at the beginning of their employment.
3. **Drug and Alcohol Policy:** All authorized agents are strictly prohibited from working under the influence of drugs or alcohol. The use of prescription medication is not prohibited. However, authorized agents shall notify the Company if they will be taking prescription medication on the Company's facilities or while carrying out any work functions for the Company. Otherwise, the use of drugs and alcohol is strictly prohibited on the Company's facilities and while carrying out any work functions on behalf of the Company. Any violation of this provision will result in discipline which could include immediate discharge.

- **PERFORMANCE EVALUATION**

The Company will require periodic performance evaluations to confirm that authorized agents can demonstrate requisite skills and knowledge.

- **DISCIPLINARY ACTION**

A violation of any other safety standard, rule, policy, or procedure of the Company may lead to disciplinary action, up to and including termination of the violating authorized agent. The Company shall document all disciplinary actions taken.

- **DIVERSION PREVENTION**

The Company sets forth the following provisions to prevent the diversion of marijuana and marijuana infused products. These provisions are applicable to all authorized agents.

1. Authorized agents will be issued clear cases in which they can store personal belongings. Authorized agents may not bring bags, back packs, purses, or any other unauthorized container into the Company's work facilities. The Company will have lockers or a designated secure area where authorized agents may secure personal belongings.
2. The Company reserves the right to inspect each authorized agent's clear case upon

request. This measure will help to prevent any theft or diversion. In addition, the Company can maintain security and ensure that authorized agents are not bringing unauthorized items such as firearms or weapons in to the Company's facilities.

3. All authorized agents will wear Company-issued uniforms without pockets. Uniforms create a professional environment and the absence of pockets prevents employee theft of marijuana and other Company property.

The Company shall immediately dismiss any authorized agent who has diverted marijuana or marijuana infused products. Any such diversion will be reported to the Commission and local law enforcement. The Company shall also immediately dismiss any authorized agent who has engaged in unsafe practices with regard to the operation of the Company.

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1. Pursuant to 935 CMR 500.105, the Company includes a list of anticipated positions and the requisite qualifications for each position. All applicants for every position will be at least 21 years of age and be in compliance with all legal and company regulations for working in the Massachusetts cannabis industry.

- **Cultivation manager-**

- Bachelor's degree in plant biology, physiology, biological sciences, agricultural sciences, or equivalent experience preferred.
- Manufacturing experience is preferred.
- Two years of experience in a position with managerial responsibilities.
- Advanced knowledge of plant cultivation and cultivation facility operations and knowledge of medical cannabis policy and law.
- Proficiency in word processing, point-of-sale systems, and data base management.
- Excellent communication skills and attention to detail.
- Effective time-management and ability to multi-task.
- Ability to work in a fast-paced, changing and challenging environment.
- Ability to stand, sit, kneel, and lift up to 50 lbs. for extended periods of time.

- **Cultivation agent-**

- Two-year degree in horticulture or related field preferred
- Two years of experience in a general gardening production, preferably a regulated field producing for human consumption
- Knowledge of medical cannabis law, medicinal benefits preferred, and horticulture skills
- Effective time-management skills and ability to multi-task
- Ability to stand, sit, kneel, and lift equipment or plants up to 50 lbs. for extended periods
- Ability to work in a fast-paced, changing and challenging environment

- **Packaging agent-**

- Strong attention to detail and ability to adhere to strict policies and procedure

- Ability to measure, package and label in a precise manner
- Effective time-management skills and ability to multi-task
- Ability to work in a fast-paced, changing and challenging environment
- Proficiency in cannabis-based software and point of sale applications a plus

- **Lead Driver-**

- High school diploma or equivalent
- Valid Driver's License and clean driving record
- Ability to read maps and use GPS
- Strong ability to help and work with different customers

- **Trimmer-**

- Experience at a marijuana trimming job
  - Knowledge of marijuana plant anatomy and strains
  - Ability to focus on task for a long period of time
  - Accuracy and consistency in trimming
  - Trustworthiness
  - Ability to accurately weigh and measure
1. Pursuant to 935 CMR 500.105(2), the Company shall ensure that all employees are trained on job specific duties prior to performing job functions.
  2. Pursuant to 935 CMR 500.102(2), the Company shall ensure that employees receive a minimum of eight (8) hours of ongoing training annually.
  3. Pursuant to 935 CMR 500.105(2), all current owners, managers, and employees shall complete the Responsible Vendor Program after July 1, 2019 and when available.
  4. All new employees shall complete the Responsible Vendor Program within 90 days of being hired pursuant to 935 CMR 500.105(2).
  5. Responsible Vendor Program documentation must be retained for four (4) years in accordance with 935 CMR 500.105(2).

TOP SHELF CANNASEURS LLC  
PERSONNEL POLICIES INCLUDING BACKGROUND CHECKS

Top Shelf Cannaseurs LLC (the “Company”) is a *marijuana establishment* as defined by 935 CMR 500.002. The Company sets forth the following personnel policies pursuant to the Cannabis Control Commission’s (the “Commission”) regulations at 935 CMR 500.101(1)(c)(7) (g). The regulations require that the marijuana establishment provide a detailed summary of operating policies and procedures regarding personnel and background checks. This document and the personnel policies and procedures described herein shall be kept in accordance with the record keeping provisions at 935 CMR 500.105(9) and shall be made available to the Commission upon request.

**A. STATEMENT OF INTENT AND SCOPE**

The Company understands the importance of ensuring that all personnel are properly licensed and registered. An important part of this process is the background check. All marijuana establishment agents are subject to the provisions described herein and within the Commission’s regulations. 935 CMR 500.002 defines “*marijuana establishment agent*” as including, “*a board member, director, employee, executive manager, or volunteer of a marijuana establishment who is 21 years of age or older.*” 935 CMR 500.002 continues to define “*employee*” as including, “*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.*” These standard operating procedures shall apply to all of the above defined marijuana establishment agents and employees, collectively referred to herein as “personnel” or “authorized agents.”

**B. REGISTRATION OF AUTHORIZED AGENTS**

1. The Company must submit an application for registration for any individual which it wishes to employ as an authorized agent. All authorized agents shall be registered pursuant to requirements set forth under 935 CMR 500.030, and the Company shall strictly adhere to all provisions set forth under 935 CMR 500.030. Pursuant to 935 CMR 500.030(1), the Company must ensure that all applicants:
  - a. Are at least twenty-one (21) years old;
  - b. Have not been convicted of an offense involving the distribution of controlled substances to minors; and
  - c. Are suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802. 935 CMR 500.800 addresses the background check suitability standard for licensure and registration (discussed in further detail below), while 935 CMR 500.802 lists additional suitability standards for licensure as an authorized agent. The Company will always ensure that any applicants for licensure as authorized agent are in compliance with 935 CMR 500.802.

2. The Company shall submit a complete application for registration of all applicants to the Commission containing all of the information set forth under 935 CMR 500.030(2). This regulation requires that the submitted application includes the following information:
  - a. The full name, date of birth, and address of the applicant;
  - b. Any aliases used previously or currently by the applicant, including maiden names;
  - c. A copy of the applicant's driver's license, liquor purchase identification card pursuant to *M.G.L. c. 138 § 34B*, or other verifiable identity document acceptable to the Commission;
  - d. An attestation that the applicant will not engage in the diversion of marijuana products;
  - e. Written acknowledgment by the applicant of any limitations on his or her authorization to carry out any duties in relation to marijuana within the Commonwealth of Massachusetts;
  - f. Relevant background information as listed under 935 CMR 500.030(2)(f);
  - g. A nonrefundable fee paid by the Company; and
  - h. Any other information requested by the Commission.
3. As indicated above, the Company shall ensure that all provisions of 935 CMR 500.030 are adhered to. This means that the following shall apply.
  - a. The Company will submit to the Commission, a Criminal Offender Record Information (CORI) report and background check information for each applicant, obtained within 30 days prior to submission.
  - b. The Company will notify the Commission within twenty-four (24) hours in the event that an authorized agent ceases to be associated with the Company.
  - c. The Company will follow all procedures to assist in the renewal of an authorized agent's registration on an annual basis or as determined by the Commission.
  - d. The Company will notify the Commission within five (5) days if an authorized agent loses their registration card or if any of the authorized agent's personal information required for registration has changed.
4. Pursuant to 935 CMR 500.030, the Commission will give a registration card to each authorized agent deemed suitable for licensure. The Company will require that all authorized agents keep their registration card on their person at all times that they are either physically on Company property or carrying out a work function related to their employment or work for the Company. Likewise, pursuant to 935 CMR 500.030(7), authorized agents shall carry their registration cards at all times while in the possession of marijuana and marijuana infused products.

### **C. BACKGROUND CHECKS**

All applicants and authorized agents shall be subject to background checks. Pursuant to 935 CMR 500.030(3), a representative of the Company who is registered with the Department of Criminal Justice Information Systems pursuant to 803 CMR 2.04: *iCORI Registration* shall

submit to the Commission, a Criminal Offender Record Information (CORI) report and other background check information to the Commission as a part of the individual's application to become and authorized agent. 935 CMR 500.101(1)(b) sets forth that each applicant for licensure is subject to a background check and must submit specific information to the Commission. Information to be submitted includes all of the information listed under Section (B) above as well as an authorization for the Commission to obtain a full set of fingerprints from the applicant or authorized agent in accordance with M.G.L. c. 94G, § 21. In addition, pursuant to 935 CMR 500.101(1)(b)(3), applicants and authorized agents must provide to the Commission as a part of their application for licensure the following information: information related to relevant criminal action; relevant civil action; relevant dates of past or pending legal enforcement actions; relevant dates of any administrative action; relevant dates of actions; and any other information requested by the Commission.

The Company understands that pursuant to 935 CMR 500.800, the Commission has discretion to determine the suitability of any applicant for licensure as an authorized agent. The Company understands that the background checks of applicants and authorized agents play a large part in the Commission's determination of suitability for licensure and registration. Pursuant to 935 CMR 500.801(2), the Commission will consider specific conditions, offenses, violations, and criminal disqualifying conditions in order to determine whether an applicant or authorized agent is suitable for licensure.

#### **D. RECORD KEEPING**

The Company shall keep a personnel record for each authorized agent pursuant to 935 CMR 500.105(9)(d). Personnel records will be kept for a minimum of one year after termination of an authorized agent's relationship with the Company. Personnel records will include all of the information detailed under 935 CMR 500.105(9)(d)(2). In addition, the Company shall also require that personnel records include the following:

1. Job descriptions for the particular authorized agent including duties, authorities, responsibilities, qualifications, and supervision;
2. Any organizational charts consistent with relevant job descriptions;
3. The full name, date of birth, and address of the authorized agent;
4. A written acknowledgement signed by the authorized agent of any limitations on their ability to perform any job duties;
5. A copy of the authorized agent's driver's license or other form of identification acceptable by the Commission;
6. A signed attestation that the authorized agent will not engage in the diversion of marijuana;
7. Documentation of two of the authorized agent's professional references;
8. Documentation relating to all required training (*see Section (F)* below);
9. A copy of any materials related to the authorized agent's background check;
10. Documentation of periodic performance evaluations; and
11. Documentation relating to any disciplinary action taken against the authorized agent.



As indicated above, all personnel records and the personnel policies and procedures described herein shall be kept in accordance with the record keeping provisions at 935 CMR 500.105(9) and shall be made available to the Commission upon request.

#### **E. TRAINING**

All authorized agents will participate in a comprehensive training program to ensure that they perform their job functions safely and at the highest level. The training program is detailed in the Company's *Standard Operating Procedures Regarding the Qualifications, Training, and Requirements of Personnel*.

#### **F. PERFORMANCE EVALUATION AND DISCIPLINARY ACTION**

The Company will require periodic performance evaluations to confirm that authorized agents can demonstrate requisite skills and knowledge. The Company will discipline and potentially dismiss any authorized agents who violate any of the Commission's regulations or any standard, rule, policy, or procedure set forth by the Company. Performance evaluation and disciplinary action are discussed in detail in the Company's *Standard Operating Procedures Regarding the Qualifications, Training, and Requirements of Personnel*.

#### **G. DIVERSION PREVENTION**

The Company requires that authorized agents adhere to specific provisions designed to prevent the diversion of marijuana and marijuana infused products. These provisions are reviewed in detail in the Company's *Standard Operating Procedures Regarding the Qualifications, Training, and Requirements of Personnel*.

1. The Company hereby includes the following *staffing plan and records* in compliance with 935 CMR 500.105(1)(h) and 935 CMR 500.105(9). The Company will make all records available to the Commission upon request. The Company's records will be maintained in accordance with generally accepted accounting principles. The Company acknowledges that written personnel records are required and subject to inspection by the Commission.
  - a. Pursuant to 935 CMR 500.105(9)(d)(3), the Company's staffing plan demonstrates accessible business hours and safe cultivation conditions.
    - i. The Company's official business hours shall be as provided by the Town of Hudson's Zoning Board of Appeals Special Permit.

- ii. Only specifically-designated management-level employees will have access to the Company's facilities after business hours. The purpose of this access is in the instance of a security breach or other emergency which shall be properly reported to the Commission as detailed in the Company's *Security Plan*.
  - iii. The Company's facility conditions for the cultivation of marijuana are set forth in their entirety in the Company's *Policies and Procedures for the Cultivation of Marijuana*.
  - iv. Only Company employees who have completed all requisite trainings by authorized management-level employees shall participate in the cultivation process.
  - v. Cultivation areas shall be areas of limited access. Only specifically authorized and trained cultivation staff shall have access to cultivation areas of limited access.
- b. The Company acknowledges that personnel records shall be kept in strict confidence in accordance with 935 CMR 500.105(9)(d).
  - Pursuant to 935 CMR 500.105(9)(d)(1), personnel records shall include: job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions.
  - A personnel record for each marijuana establishment agent shall be kept during the term of employment and maintained for at least twelve (12) months following the individual's termination or affiliation with the Company. In accordance with 935 CMR 500.105(9)(2), these records shall include the following information:
    - All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
    - Documentation of verification of references;
    - The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;
    - Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;
    - Documentation of periodic performance evaluations;
    - A record of any disciplinary action taken; and
    - Notice of completed responsible vendor and eight-hour related duty training.
- 2. The Company maintains alcohol, smoke, and drug-free workplace policies in accordance with 935 CMR 500.105(1)(j). Specifically, the following shall apply:
  - a. The Company shall not allow the presence or use of alcohol on its premises/property at any time.
  - b. The Company shall not allow smoking or cigarettes on its premises/property at any time.
  - c. The Company shall not allow the presence or use of drugs on its premises/property at any time. The exception to this rule would be prescription drugs that are revealed to

authorized-management-level employees. Such prescription drugs shall be kept and stored in designated areas away from Company operations.

3. The Company maintains all confidential information pursuant to 935 CMR 500.105(1)(k). Confidential information shall be kept in the Company's records which shall be maintained as set forth under the Company's *Record Keeping and Document Retention Policies and Procedures* and the Company's *Policies and Procedures for Maintaining Financial Records*. As these documents set forth, confidential information shall be stored in electronic and hard-copy formats, and only Company-authorized employees shall have access to any confidential information.

## **TOP SHELF CANNASEURS LLC**

### **DIVERSITY PLAN**

Top Shelf Cannaseurs LLC (the “Company”) is a *marijuana establishment* as defined by 935 CMR 500.002. The Company sets forth the following diversity plan pursuant to the Cannabis Control Commission’s (the “Commission”) regulations at 935 CMR 500.101(1)(c)(7)(k).

#### **A. STATEMENT OF INTENT**

The Company recognizes the importance of *providing all groups with the tools and opportunities to be successful and leveling the playing field*. The Company also values diversity throughout its organization. Diversity within the Company will help the Company to remain connected to people from different backgrounds and communities. By employing people and groups of diverse perspectives, the Company will be able to work to better understand and meet the needs of its diverse clientele. The Company is specifically dedicated and committed to employing Veterans and minorities who are members of the local community. The Company is Veteran-owned and is very seriously considering Veterans and minorities for employment. The Company already has some Veteran and other minority candidates identified for the application process.

The Company’s Diversity Plan shall apply across all aspects of the Company’s relationship with its marijuana establishment agents, employees, contractors, and applicants for employment. The Diversity Plan shall be considered in relation to recruitment, employment, promotion, placement, transfer, and training. The Company’s Diversity Plan shall apply to the selection of applicants, employees, independent contractors, personnel working on company premises who are employed by temporary agencies, and any other persons or firms doing business for the Company.

#### **B. DIVERSITY PLAN**

The Company has established a diversity plan or policy (hereinafter “the Diversity Plan”) to ensure that the Company will take active measures to hire and contract with people and groups of diverse backgrounds. As a Veteran-owned Company, the Company is specifically dedicated to providing opportunities for Veterans and minorities.

##### **1. Goals: Recruitment and Employee Retention and Development**

- a. The Company maintains the goal of attaining 20% of its total non-executive/non- management staff being comprised of individuals falling into Commission-approved demographics. Specifically, the Company will ensure that at least 15% of its employees are Veterans and 5% of its employees are minorities.
- b. The Company maintains the goal of increasing the number of individuals falling into Commission-approved demographics in management and executive positions within the Company. Specifically, the Company will ensure that at least 10% of its management-level and executive employees are Veterans and at least 5% of its management-level and executive employees are minorities.
- c. The Company maintains the goal of increasing the number of businesses owned by individuals falling into Commission-approved demographics that can contract or otherwise do business as

or with marijuana establishments. Toward this end, the Company will provide an optional annual entrepreneurial training made available to all of its employees with the goal of specifically assisting Commission-approved demographics including Veterans and minorities to apply for licensure from the Commission.

## **2. Programs**

To meet the above-listed goals, the Company will make regular efforts to reach out to diverse groups and diverse populations for recruitment and to provide targeted training. Specifically, the Company shall:

- a. Engage in diversity networking. The Company shall connect with people of different backgrounds by attending events with professional organizations representing minority groups. Specifically, the Company shall send management-level employees to network at CannaCon or NECANN in Boston and The Harvest Cup in Worcester each year.
- b. Utilize diversity job boards. The Company shall post job announcements each month through <https://diversityjobs.com/> and <https://www.pdnrecruits.com/> to find diverse candidates for employment.
- c. As stated above, the Company will hold at least one annual entrepreneurial training to be made available to all Company employees with the specific goal of assisting Commission-approved demographics including Veterans and minorities. The training shall be a minimum of eight (8) hours of training time each year.

## **3. Measurements**

The Company acknowledges that in order to renew its license as a marijuana establishment, it must demonstrate to the Commission that the programs and strategies listed above were measurably successful in achieving the identified goals of the Company's Diversity Plan. The Company will keep and update a *Diversity Plan Data Sheet*, on a quarterly basis or more frequently, to showcase the following data below. The Company acknowledges that the progress or success of its plan must be documented annually upon renewal. The Company understands that renewal occurs one year from provisional licensure whether or not it has a final license.

Quantitative Metrics:

- a. The number of employees that were hired, retained, and promoted that come from Commission-approved demographics shall be divided by the total number of employees to determine if the percentage goal has been met;
- b. The number of employees from Commission-approved demographics that hold management and executive positions within the Company shall be divided by the total number of management/executive positions to determine if the percentage goal has been met;

- c. c. The number of entrepreneurial trainings made available to individuals from Commission-approved demographics, the date of each session, and a summary of the information presented during each session;
- d. The number of job announcements placed through <https://diversityjobs.com/> and <https://www.pdnrecruits.com/> to find diverse candidates for employment and the date of each placement; and
- e. The number of times and dates that the Company attended and networked at CannaCon or NECANN in Boston and The Harvest Cup in Worcester each year.

#### Qualitative Metrics:

A breakdown and evaluation of the levels of staffing to meet the Quantitative Metric to ensure that the goal of hiring employees from the Commission- approved demographics is met at all levels of the Company's hierarchy. The Company is committed to selecting at least 10% of its management-level employees and executives from a list of qualified members of Commission-approved demographics. Specifically, the Company will ensure that 5% of its management-level employees and executives are Veterans and 5% of its management-level employees and executives are minorities. Similarly, the Company will ensure that 20% of its total non-executive/non-management staff is comprised of individuals falling into Commission- approved demographics The Company is committed to diverse staffing at all rungs in our corporate ladder.

- a. An annual analysis of the demographic makeup of identified candidates from networking events and job diversity boards.
- b. A survey analysis of the quality of the instruction in the technical and entrepreneurial trainings provided by the Company.

#### **C. AFFIRMATIVE STATEMENTS**

1. The Company acknowledges, is aware of, and will adhere to the requirements set forth under 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment.
2. Any actions taken, or programs instituted, will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.
3. The Company acknowledges that the progress or success of this plan, in its entirety, must be documented upon renewal of licensure (one year from the grant of provisional licensure, and each year thereafter).