



Massachusetts Cannabis Control Commission

Marijuana Retailer

General Information:

License Number: MR281863
Original Issued Date: 12/05/2019
Issued Date: 11/18/2021
Expiration Date: 12/05/2022

ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Just Healthy LLC

Phone Number: 440-623-4528 **Email Address:** bsprau@thesource.green

Business Address 1: 58 Pleasant Street **Business Address 2:**

Business City: Northampton **Business State:** MA **Business Zip Code:** 01060

Mailing Address 1: 58 Pleasant Street **Mailing Address 2:**

Mailing City: Northampton **Mailing State:** MA **Mailing Zip Code:** 01060

CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

PRIORITY APPLICANT

Priority Applicant: yes

Priority Applicant Type: RMD Priority

Economic Empowerment Applicant Certification Number:

RMD Priority Certification Number: RPA201898

RMD INFORMATION

Name of RMD: Just Healthy, LLC

Department of Public Health RMD Registration Number:

Operational and Registration Status: Obtained Provisional Certificate of Registration only

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

If no, describe the circumstances below:

PERSONS WITH DIRECT OR INDIRECT AUTHORITY

Person with Direct or Indirect Authority 1

Percentage Of Ownership: **Percentage Of Control:** 16

Role: Board Member **Other Role:** Board Member of The Source Holding LLC

First Name: Joseph **Last Name:** Schottenstein **Suffix:**

Gender: Male

User Defined Gender: Male

What is this person's race or ethnicity?: Hispanic, Latino, or Spanish (Mexican or Mexican American, Puerto Rican, Cuban, Salvadoran, Dominican, Colombian), White (German, Irish, English, Italian, Polish, French), Middle Eastern or North African (Lebanese, Iranian, Egyptian, Syrian, Moroccan, Algerian)

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 2

Percentage Of Ownership:

Percentage Of Control: 16

Role: Board Member

Other Role: Board member/Officer of The Source Holding LLC

First Name: Benton

Last Name: Kraner

Suffix:

Gender: Male

User Defined Gender: Male

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:

Percentage Of Control: 16

Role: Board Member

Other Role: Board Member of The Source Holding LLC

First Name: Wayne

Last Name: Boich

Suffix:

Gender: Male

User Defined Gender: Male

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 4

Percentage Of Ownership:

Percentage Of Control: 16

Role: Board Member

Other Role: Board Member/Officer of The Source Holding LLC

First Name: Brian

Last Name: Murphy

Suffix:

Gender: Male

User Defined Gender: Male

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 5

Percentage Of Ownership:

Percentage Of Control: 16

Role: Board Member

Other Role: Board Member of The Source Holding LLC

First Name: Andrew

Last Name: Jolley

Suffix:

Gender: Male

User Defined Gender: Male

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 6

Percentage Of Ownership:

Percentage Of Control: 16

Role: Executive / Officer

Other Role: CEO of The Source Holding LLC

First Name: Simon

Last Name: Nankervis

Suffix:

Gender: Male

User Defined Gender: Male

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

Date generated: 02/01/2022

Entity with Direct or Indirect Authority 1

Percentage of Control: 100	Percentage of Ownership: 100		
Entity Legal Name: GGB Massachusetts, LLC	Entity DBA:		DBA City:
Entity Description: GGB Massachusetts, LLC is the capital contributor and sole owner of Just Healthy, LLC.			
Foreign Subsidiary Narrative:			
Entity Phone:	Entity Email:	Entity Website:	
Entity Address 1:		Entity Address 2:	
Entity City:	Entity State:	Entity Zip Code:	
Entity Mailing Address 1:		Entity Mailing Address 2:	
Entity Mailing City:	Entity Mailing State:	Entity Mailing Zip Code:	
Relationship Description: GGB Massachusetts, LLC is the capital contributor and sole member of Just Healthy, LLC, which is member-managed.			

Entity with Direct or Indirect Authority 2

Percentage of Control: 100	Percentage of Ownership: 100		
Entity Legal Name: The Source Holding LLC	Entity DBA:		DBA City:
Entity Description: Entity is an indirect holding company for operations in both Nevada and Massachusetts; control and ownership are indirect.			
Foreign Subsidiary Narrative:			
Entity Phone:	Entity Email:	Entity Website:	
Entity Address 1:		Entity Address 2:	
Entity City:	Entity State:	Entity Zip Code:	
Entity Mailing Address 1:		Entity Mailing Address 2:	
Entity Mailing City:	Entity Mailing State:	Entity Mailing Zip Code:	
Relationship Description: Entity's Board will indirectly control license-holder. 100% indirect ownership through subsidiary, GGB Holdco.			

Entity with Direct or Indirect Authority 3

Percentage of Control:	Percentage of Ownership: 100		
Entity Legal Name: GGB Holdco	Entity DBA:		DBA City:
Entity Description: Entity is an indirect holding company for operations in both Nevada and Massachusetts.			
Foreign Subsidiary Narrative:			
Entity Phone:	Entity Email:	Entity Website:	
Entity Address 1:		Entity Address 2:	
Entity City:	Entity State:	Entity Zip Code:	
Entity Mailing Address 1:		Entity Mailing Address 2:	
Entity Mailing City:	Entity Mailing State:	Entity Mailing Zip Code:	
Relationship Description: No direct role in management of establishment. 100% indirect ownership through subsidiary, GGB Green Holdings LLC.			

Entity with Direct or Indirect Authority 4

Percentage of Control:	Percentage of Ownership: 100		
Entity Legal Name: GGB Green Holdings LLC	Entity DBA:	DBA City:	
Entity Description: Entity is an indirect holding company for operations in both Nevada and Massachusetts.			
Foreign Subsidiary Narrative:			
Entity Phone:	Entity Email:	Entity Website:	
Entity Address 1:	Entity Address 2:		
Entity City:	Entity State:	Entity Zip Code:	
Entity Mailing Address 1:	Entity Mailing Address 2:		
Entity Mailing City:	Entity Mailing State:	Entity Mailing Zip Code:	
Relationship Description: No direct role in management of establishment. 100% indirect ownership through subsidiary, GGB Massachusetts LLC.			

CLOSE ASSOCIATES AND MEMBERS

Close Associates or Member 1

First Name: Neil	Last Name: Phelan	Suffix:
Describe the nature of the relationship this person has with the Marijuana Establishment: Mr. Phelan is a registered agent of Just Healthy, LLC.		

Close Associates or Member 2

First Name: Brett	Last Name: Sprau	Suffix:
Describe the nature of the relationship this person has with the Marijuana Establishment: Mr. Sprau is a registered agent of Just Healthy, LLC.		

Close Associates or Member 3

First Name: Kent	Last Name: Kiffner	Suffix:
Describe the nature of the relationship this person has with the Marijuana Establishment: Mr. Kiffner is the Secretary of Just Healthy, LLC.		

Close Associates or Member 4

First Name: GGB	Last Name: Massachusetts, LLC	Suffix:
Describe the nature of the relationship this person has with the Marijuana Establishment: GGB Massachusetts, LLC is the capital contributor and owner of Just Healthy, LLC.		

Close Associates or Member 5

First Name: Green Growth	Last Name: Brands, Inc.	Suffix:
Describe the nature of the relationship this person has with the Marijuana Establishment: The Source Holding LLC is the parent company of GGB Massachusetts, LLC.		

Close Associates or Member 6

First Name: Marc	Last Name: Lehmann	Suffix:
Describe the nature of the relationship this person has with the Marijuana Establishment: Mr. Lehmann is a board member of The Source Holding LLC		

CAPITAL RESOURCES - INDIVIDUALS

No records found

CAPITAL RESOURCES - ENTITIES

Entity Contributing Capital 1

Entity Legal Name: GGB Massachusetts, LLC	Entity DBA:
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Email: kkiffner@greengrowthbrands.com **Phone:** 440-623-4528
Address 1: 4300 East 5th Ave **Address 2:**
City: Columbus **State:** OH **Zip Code:** 43218
Types of Capital: Monetary/Equity **Other Type of Capital:** **Total Value of Capital Provided:** \$7600000 **Percentage of Initial Capital:** 100
Capital Attestation: Yes

BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

Business Interest in Other State 1

Business Interest of an Owner or the Marijuana Establishment: Business Interest of an Owner
Owner First Name: GGB Massachusetts, LLC **Owner Last Name:** **Owner Suffix:**
Entity Legal Name: Nevada Organic Remedies, LLC **Entity DBA:** The Source
Entity Description: Medical and Recreational Dispensary in Nevada owned by GGB Massachusetts, LLC's parent company The Source Holding LLC
Entity Phone: 702-708-1111 **Entity Email:** info@thesourcenv.com **Entity Website:**
Entity Address 1: 2905 E. Windmill Lane **Entity Address 2:**
Entity City: Las Vegas **Entity State:** NV **Entity Zip Code:** 89123 **Entity Country:** United States
Entity Mailing Address 1: 2905 E. Windmill Lane **Entity Mailing Address 2:**
Entity Mailing City: Las Vegas **Entity Mailing State:** NV **Entity Mailing Zip Code:** 89123 **Entity Mailing Country:** United States

Business Interest in Other State 2

Business Interest of an Owner or the Marijuana Establishment: Business Interest of an Owner
Owner First Name: GGB Massachusetts, LLC **Owner Last Name:** **Owner Suffix:**
Entity Legal Name: Henderson Organic Remedies LLC **Entity DBA:** The Source
Entity Description: Owns and operates an adult-use dispensary license in Henderson, NV
Entity Phone: 702-708-2222 **Entity Email:** info@thesourcenv.com **Entity Website:**
Entity Address 1: 9480 S. Eastern Boulevard **Entity Address 2:** Suite 185
Entity City: Henderson **Entity State:** NV **Entity Zip Code:** 89123 **Entity Country:** United States
Entity Mailing Address 1: 2009 E. Windmill Lane **Entity Mailing Address 2:**
Entity Mailing City: Las Vegas **Entity Mailing State:** NV **Entity Mailing Zip Code:** 89123 **Entity Mailing Country:** United States

Business Interest in Other State 3

Business Interest of an Owner or the Marijuana Establishment: Business Interest of an Owner
Owner First Name: GGB Massachusetts, LLC **Owner Last Name:** **Owner Suffix:**
Entity Legal Name: Wellness Orchards of Nevada LLC **Entity DBA:**
Entity Description: Owns and operates an adult-use and medical cultivation facility in Pahrump, NV
Entity Phone: 702-708-1111 **Entity Email:** info@thesourcenv.com **Entity Website:**

Entity Address 1: 801 S. Panorama Street

Entity Address 2:

Entity City: Pahrump

Entity State: NV

Entity Zip Code: 89048

Entity Country: United States

Entity Mailing Address 1: 2009 E. Windmill Lane

Entity Mailing Address 2:

Entity Mailing City: Las Vegas

Entity Mailing State: NV

Entity Mailing Zip Code:

Entity Mailing Country:

89123

United States

DISCLOSURE OF INDIVIDUAL INTERESTS

No records found

MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 58 Pleasant Street

Establishment Address 2:

Establishment City: Northampton

Establishment Zip Code: 01060

Approximate square footage of the establishment: 5215

How many abutters does this property have?: 103

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

HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Certification of Host Community Agreement	HCA Certification Form_Northampton.pdf	pdf	5c210fa53fb3fc7ac18926ae	12/24/2018
Community Outreach Meeting Documentation	Just Healthy Community Outreach Meeting Documentation.pdf	pdf	5c210fb272d0047a89d844cf	12/24/2018
Plan to Remain Compliant with Local Zoning	Just Healthy_Compliance with Local Zoning_Retailer.pdf	pdf	5c210fd121b7c17a8fe2e0e3	12/24/2018

Total amount of financial benefits accruing to the municipality as a result of the host community agreement. If the total amount is zero, please enter zero and provide documentation explaining this number.: \$-1

PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	Just Healthy_Revised Plan for Positive Impact.pdf	pdf	5ca798eaeadf341230f6d155	04/05/2019

ADDITIONAL INFORMATION NOTIFICATION

Notification: I understand

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role:

Other Role:

First Name: Brett

Last Name: Sprau Suffix:

RMD Association: RMD Staff

Background Question: yes

Individual Background Information 2

Role: **Other Role:**
First Name: Neil **Last Name:** Phelan **Suffix:**
RMD Association: RMD Staff
Background Question: no

Individual Background Information 3

Role: **Other Role:**
First Name: Kent **Last Name:** Kiffner **Suffix:**
RMD Association: RMD Staff
Background Question: no

Individual Background Information 4

Role: **Other Role:**
First Name: Marc **Last Name:** Lehmann **Suffix:**
RMD Association: RMD Manager
Background Question: no

Individual Background Information 5

Role: **Other Role:**
First Name: Joseph **Last Name:** Schottenstein **Suffix:**
RMD Association: RMD Manager
Background Question: no

Individual Background Information 6

Role: **Other Role:**
First Name: Benton **Last Name:** Kraner **Suffix:**
RMD Association: RMD Manager
Background Question: no

Individual Background Information 7

Role: **Other Role:**
First Name: Wayne **Last Name:** Boich **Suffix:**
RMD Association: RMD Manager
Background Question: yes

Individual Background Information 8

Role: **Other Role:**
First Name: Brian **Last Name:** Murphy **Suffix:**
RMD Association: RMD Manager
Background Question: no

Individual Background Information 9

Role: **Other Role:**
First Name: Andrew **Last Name:** Jolley **Suffix:**
RMD Association: RMD Manager
Background Question: no

Individual Background Information 10

Role:
Other Role:
First Name: Simon **Last Name:** Nankervis **Suffix:**
RMD Association: RMD Staff
Background Question: no

ENTITY BACKGROUND CHECK INFORMATION
 Entity Background Check Information 1

Role: Investor/Contributor **Other Role:** Owner
Entity Legal Name: GGB Massachusetts LLC **Entity DBA:**
Entity Description: Capital Contributor and Owner of Just Healthy, LLC
Phone: 440-623-4528 **Email:** kkiffner@thesource.green
Primary Business Address 1: 4300 East 5th Ave **Primary Business Address 2:**
Primary Business City: Columbus **Primary Business State:** OH **Principal Business Zip Code:** 43218
Additional Information:

Entity Background Check Information 2

Role: Parent Company **Other Role:**
Entity Legal Name: Green Growth Brands, Inc. **Entity DBA:** Formally known as Xanthic Biopharma
Entity Description: The Source Holding LLC is the parent company of GGB Massachusetts, LLC.
Phone: 614-508-4222 **Email:** kkiffner@thesource.green
Primary Business Address 1: 4300 East Fifth Avenue **Primary Business Address 2:**
Primary Business City: Columbus **Primary Business State:** OH **Principal Business Zip Code:**
 43219
Additional Information: This ultimate indirect parent entity should be The Source Holding LLC, with an EIN of 85-3141570

MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Department of Revenue - Certificate of Good standing	Mass_Cert_Good_Standing_DOR.pdf	pdf	5c1d208b6b68fa71e8599ef7	12/21/2018
Articles of Organization	Just Healthy LLC - Articles of Entity Conversion.pdf	pdf	5c1d39c78f456971f84510b5	12/21/2018
Bylaws	Just_Healthy_LLC_Operating_Agreement_02.23.18_FINAL.pdf	pdf	5c212e726b68fa71e859a217	12/24/2018
Secretary of Commonwealth - Certificate of Good Standing	9-27-19_JUST HEALTHY LLC-MA-Good Standing.pdf	pdf	5e7505f610c7a8691ecc95d2	03/20/2020

Certificates of Good Standing:

Document Category	Document Name	Type	ID	Upload Date
Secretary of Commonwealth - Certificate of Good Standing	JH CoGS 9.15.21.pdf	pdf	6151cc972831f56830cd36b4	09/27/2021
Department of Unemployment Assistance - Certificate of	JH DUA CoGS	pdf	6151cca51a0911693590b5d3	09/27/2021

Good standing	9.22.21.pdf			
Department of Revenue - Certificate of Good standing	CoGS DOR.pdf	pdf	616088422831f56830cd8551	10/08/2021

Massachusetts Business Identification Number: 001316877

Doing-Business-As Name: The Source

DBA Registration City: Northampton

BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Business Plan	Just Healthy_Business Plan.pdf	pdf	5c2111d18f456971f84512e0	12/24/2018
Plan for Liability Insurance	Just Healthy_Plan for Obtaining Liability Insurance.pdf	pdf	5c212eac7f373a7220c2ce2e	12/24/2018
Plan for Liability Insurance	COI Information[1].pdf	pdf	6151ccf8c28c0968f38425b0	09/27/2021
Proposed Timeline	Proposed Timeline 9.22.21.pdf	pdf	6151cd1d7afdc8683b264a02	09/27/2021

OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Diversity plan	Just Healthy_Revised Diversity Plan.pdf	pdf	5ca799a0eadf341230f6d15b	04/05/2019
Prevention of diversion	Just Healthy_Prevention of Diversion.pdf	pdf	5f720ec4d4713f079b924a68	09/28/2020
Separating recreational from medical operations, if applicable	Just Healthy_Plan for Separating Recreational from Medical Operations.pdf	pdf	5f7213b2ac4d5e07c7f9d112	09/28/2020
Maintaining of financial records	Just Healthy_Financial Records.pdf	pdf	5f7213bf7e8b3807d9e5ef50	09/28/2020
Record Keeping procedures	Just Healthy_Recordkeeping Procedures.pdf	pdf	5f7213caf3e55207cefa3992	09/28/2020
Dispensing procedures	Just Healthy_Dispensing Procedures.pdf	pdf	5f7213dc7e8b3807d9e5ef54	09/28/2020
Qualifications and training	Just Healthy_Qualifications and Training.pdf	pdf	5f7213e8f3e55207cefa3996	09/28/2020
Personnel policies including background checks	Just Healthy_Personnel Policies Including Background Checks.pdf	pdf	5f7213f173481907b14c84b0	09/28/2020
Storage of marijuana	Just Healthy_Storage Policy.pdf	pdf	5f721406ac4d5e07c7f9d118	09/28/2020
Quality control and testing	Just Healthy_Quality Control and Testing.pdf	pdf	5f72142e564e5f07d034b040	09/28/2020
Restricting Access to age 21 and older	Just Healthy_Plan for Restricting Access to 21.pdf	pdf	5f72144ad4713f079b924a9c	09/28/2020
Transportation of marijuana	Just Healthy_Transportation of Marijuana.pdf	pdf	5f721455be635707e886c8aa	09/28/2020
Inventory procedures	Just Healthy_Inventory Procedures.pdf	pdf	5f721475e3e99907b865a701	09/28/2020
Security plan	Just Healthy_Security Plan.pdf	pdf	5f721490ac4d5e07c7f9d11e	09/28/2020
Plan for obtaining marijuana or marijuana products	Just Healthy_Plan for Obtaining Marijuana or Marijuana Products.pdf	pdf	5f7214d9564e5f07d034b046	09/28/2020
Energy Compliance Plan	Just Healthy_Energy Compliance Plan.pdf	pdf	5f7b7f63e3e99907b865bd66	10/05/2020

Record Keeping procedures	SOP-The Source+ Final Draft.pdf	pdf	6151ce571a0911693590b5ea	09/27/2021
Diversity plan	Just Healthy LLC DEI Plan.pdf	pdf	6151ce784c206f685c097396	09/27/2021

MARIJUANA RETAILER SPECIFIC REQUIREMENTS

Adequate Patient Supply Documentation:

Document Category	Document Name	Type	ID	Upload Date
	Maintaining Adequate Patient Supply.pdf	pdf	5f7a74c67e8b3807d9e60254	10/04/2020

Reasonable Substitutions of Marijuana Types and Strains Documentation:

Document Category	Document Name	Type	ID	Upload Date
	Reasonable Substitutions for Medical Products.pdf	pdf	5f7a74cc9193d007a2196009	10/04/2020

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 Agree

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

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

ADDITIONAL INFORMATION NOTIFICATION

Notification: I Understand

COMPLIANCE WITH POSITIVE IMPACT PLAN

Progress or Success Goal 1

Description of Progress or Success: Although Just Healthy has not yet received a Final License for any of its adult-use licenses, Just Healthy has already begun the process of drafting the materials and documentation that it needs in order to effectuate its Positive Impact Plan. A copy of some of those materials is included below, as well as the updated Plan for Positive Community Impact.

COMPLIANCE WITH DIVERSITY PLAN

Diversity Progress or Success 1

Description of Progress or Success: Although Just Healthy has not yet received a Final License for any of its adult-use licenses, Just Healthy has already begun the process of drafting the materials and documentation that it needs in order to effectuate its Diversity Plan. A copy of some of those materials is included below, as well as the updated DEI Plan.

HOURS OF OPERATION

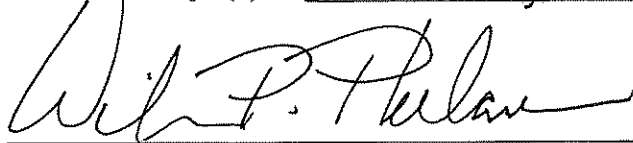
Monday From: 8:00 AM	Monday To: 10:00 PM
Tuesday From: 8:00 AM	Tuesday To: 10:00 PM
Wednesday From: 8:00 AM	Wednesday To: 10:00 PM
Thursday From: 8:00 AM	Thursday To: 10:00 PM
Friday From: 8:00 AM	Friday To: 10:00 PM
Saturday From: 8:00 AM	Saturday To: 10:00 PM
Sunday From: 8:00 AM	Sunday To: 10:00 PM

Host Community Agreement Certification Form

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

Applicant

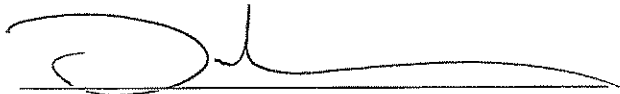
I, William P. Puelan, (*insert name*) certify as an authorized representative of Just Healthy LLC, (*insert name of applicant*) that the applicant has executed a host community agreement with City of Northampton (*insert name of host community*) pursuant to G.L.c. 94G § 3(d) on December 7, 2018 (*insert date*).



Signature of Authorized Representative of Applicant

Host Community

I, DAVID J. NARKEWICZ, (*insert name*) certify that I am the contracting authority or have been duly authorized by the contracting authority for CITY OF NORTHAMPTON (*insert name of host community*) to certify that the applicant and CITY OF NORTHAMPTON (*insert name of host community*) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on DECEMBER 7, 2018 (*insert date*).



Signature of Contracting Authority or
Authorized Representative of Host Community

Community Outreach Meeting Attestation Form

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

I, Neil Phelan, (insert name) attest as an authorized representative of Just Health 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 Sept. 19, 2018 (insert date).
2. A copy of a notice of the time, place, and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was published in a newspaper of general circulation in the city or town on Sept. 12, 2018 (insert date), which was at least seven calendar days prior to the meeting. A copy of the newspaper notice is attached as Attachment A (*please clearly label the newspaper notice in the upper right hand corner as Attachment A and upload it as part of this document*).
3. A copy of the meeting notice was also filed on Sept. 12, 2018 (insert date) with the city or town clerk, the planning board, the contracting authority for the municipality, and local licensing authority for the adult use of marijuana, if applicable. A copy of the municipal notice is attached as Attachment B (*please clearly label the municipal notice in the upper right-hand corner as Attachment B and upload it as part of this document*).
4. Notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed on Sept. 11, 2018 (insert date), which was at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town. A copy of one of the notices sent to abutters and parties of interest as described in this section is attached as Attachment C (*please clearly label the municipal notice in the upper right hand corner as Attachment C and upload it as part of this document; please only include a copy of one notice and please black out the name and the address of the addressee*).

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

6. Community members were permitted to ask questions and receive answers from representatives of the Marijuana Establishment.

Tax: 0.00

Total Payments: 68.27

Amount Due: 0.00

ATTACHMENT A

Community Outreach Meeting 9/19 - Thank you for your business!

Ad Copy

A Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for 9/19/18 at 7:00 pm at Florence Civic & Business Association. The proposed cultivation and retail is anticipated to be located at 1010 Ryan Road in Florence (cultivation) and 58 Pleasant Street in Northampton (retail). There will be an opportunity for the public to ask questions. September 12 18382

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Neil Phelan
518-369-0542

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Neil Phelan
518-369-0542

The Daily Hampshire Gazette

115 Conz Street, Northampton, MA

413-584-5000 | Fax: 413-584-5299 | Customer Service 413-586-1925

Advertising Receipt

CREDIT LEGALS
115 CONZ ST
NORTHAMPTON, MA 01060

Cust#:22224
Ad#:18382
Phone#:413-586-1700
Date:09/12/2018

Salesperson: DANE KUTTLER

Classification: Legals

Ad Size: 1.0 x 1.50

Advertisement Information:

Description	Start	Stop	Ins.	Cost/Day	Total
Daily Hampshire Gazette	09/12/2018	09/12/2018	1	68.27	68.27

Payment Information:

Date:	Order#	Type
09/11/2018	18382	CreditCard

Total Amount: 68.27

Tax: 0.00

Total Payments: 68.27

Amount Due: 0.00

Community Outreach Meeting 9/19 - Thank you for your business!

Ad Copy

A Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for 9/19/18 at 7:00 pm at Florence Civic & Business Association. The proposed cultivation and retail is anticipated to be located at 1010 Ryan Road in Florence (cultivation) and 58 Pleasant Street in Northampton (retail). There will be an opportunity for the public to ask questions. September 12

18382

ATTACHMENT B

September 12, 2018

Just Healthy, LLC
56 Colborne Road
Boston, MA 02135 USA

Pamela L. Powers
210 Main St.: Room 4
Northampton, MA 01060

Re: Notice by Just Healthy, LLC of Community Outreach Meeting

To Whom it May Concern:

I Pamela Powers, the City Clerk of the City of Northampton, MA received notice of Just Healthy, LLC's September 19, 2018 community outreach meeting for the siting of an Adult Use or Recreational Marijuana Cultivator, Marijuana Product Manufacturer facility, Marijuana Retail licenses at 1010 Ryan Road (Marijuana Cultivator, Marijuana Product Manufacturer Facility, Marijuana Retail) and 58 Pleasant Street, Northampton (Marijuana Retail). The meeting is to be held on September 19th, 2018 at 7:00 pm at the Florence Civic & Business Association. Legal notice was published today in the The Daily Hampshire Gazette and a mailed notice has been sent yesterday (9/11/18) to all abuters within 300 feet.

Sincerely,

Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for **9/19/18 at 7:00 pm** at **Florence Civic & Business Association** at 90 Park St, Florence, MA 01062

The proposed cultivation and retail is anticipated to be located at 1010 Ryan Road in Florence (Cultivation/Processing) and 58 Pleasant Street in Northampton (Retail). There will be an opportunity for the public to ask questions.

We look forward to seeing everyone at 7:00 pm
neil@justhealthy.org | www.justhealthy.org



PLAN TO REMAIN COMPLIANT WITH LOCAL ZONING

Just Healthy, LLC (“Just Healthy”) will remain compliant at all times with the local zoning requirements set forth in the City of Northampton’s Zoning Ordinance. In accordance with Section 350 – 5.2 and Attachment 9, Table of Use, Just Healthy’s proposed Marijuana Retailer is located in the Central Business (CB) zoning district designated for retail marijuana sales and supply and medical marijuana. Both uses, retail sales and supply of marijuana and medical marijuana are allowed by right in the CB zoning district where the premises at 58 Pleasant Street are located.

Just Healthy has already attended several meetings with various municipal officials and boards to discuss Just Healthy’s plans for a proposed Marijuana Retailer location and has executed a Host Community Agreement with the City of Northampton. Just Healthy will continue to work cooperatively with various municipal departments, boards and officials to ensure that Just Healthy’s Marijuana Retailer location remains compliant with all local laws, regulations, rules and codes with respect to design, construction, operation and security.

As Just Healthy LLC is not yet operational for adult use at this location, the municipality has not borne any costs reasonably related to the operation of the adult-use establishment.



PLAN TO POSITIVELY IMPACT AREAS OF DISPROPORTIONATE IMPACT

Overview

Just Healthy, LLC (“Just Healthy”) is dedicated to serving and supporting populations falling within areas of disproportionate impact, which the Commission has identified as the following:

1. Past or present residents of the geographic “areas of disproportionate impact,” which have been defined by the Commission and identified in its Guidance for Identifying Areas of Disproportionate Impact;
2. Commission-designated Economic Empowerment Priority applicants;
3. Commission-designated Social Equity Program participants;
4. Massachusetts residents who have past drug convictions; and
5. Massachusetts residents with parents or spouses who have drug convictions are classified as areas of disproportionate impact.

To support such populations, Just Healthy has created the following Plan to Positively Impact Areas of Disproportionate Impact (the “Plan”) and has identified and created goals/programs to positively impact the City of Holyoke.

Goals

In order for Just Healthy to positively impact Holyoke, Just Healthy has established the following goals:

1. Investing the future of Holyoke by supporting, tutoring and mentoring children at-risk;
2. Developing and improving housing for low and moderate-income Holyoke residents;
3. Preserving Holyoke’s historic architectural heritage;
4. Helping to facilitate entry into the adult-use cannabis industry for past or present residents of Holyoke; and
5. Assisting aspiring adult-use cannabis business owners and operators in Holyoke.

Programs

Just Healthy has developed specific programs to effectuate its stated goals to positively impact Holyoke. Such programs will include the following:

1. Supporting Homework House in Holyoke—a nonprofit in Holyoke that promotes educational success through free, individualized tutoring and mentoring for children at-risk—by volunteering on a quarterly basis and providing a monetary donation of \$500.00
2. Supporting One Holyoke—a private nonprofit organization dedicated to improving housing for low- and moderate-income Holyoke residents— through a monetary donation of \$500.00

3. Supporting Holyoke Preservation Trust—a 501(c)(3) non-profit organization invested in the preservation and restoration of historic and cultural properties and places within the city of Holyoke—through a monetary donation of \$250.00
4. Giving hiring preference to individuals who are past or present residents of the City of Holyoke, whereby qualified candidates for open job postings with equal qualifications will be selected if they self-identify as a resident of Holyoke;
5. Creating a mentorship program designed to help aspiring cannabis business owners and operators in Holyoke by providing mentoring, consulting, and support for their adult-use cannabis business. Such support will cover but not be limited to the following:
 - Application guidance
 - Zoning guidance
 - Help with Funding
 - Cultivation guidance
 - Processing guidance
 - Retail guidance

Just Healthy will assist no fewer than two (2) Holyoke residents a year through this mentorship program.

Measurements

Beginning upon receipt of Just Healthy’s first “Commence Operations” designation from the Commission to operate a marijuana establishment in the Commonwealth, Just Healthy will utilize the proposed metrics to assess its Plan and will account for demonstrating proof of success or progress of the Plan upon the yearly renewal of a license. Just Healthy will appoint a Director who will administer the Plan and will be responsible for developing measurable outcomes to ensure Just Healthy continues to meet its commitments. Such measurable outcomes, in accordance with Just Healthy’s goals and programs described above, include:

- Supporting Homework House in Holyoke by volunteering on a quarterly basis and a monetary donation of \$500.00
- Supporting One Holyoke with a monetary donation of \$500.00
- Supporting Holyoke Preservation Trust with a monetary donation of \$250.00
- The number of employees hired who are past or present residents of Holyoke and their retention rate.
- The number of aspiring cannabis business owners and operators from Holyoke who have participated in the mentorship program.

The Director will review and evaluate Just Healthy’s measurable outcomes no less than quarterly to ensure that Just Healthy is meeting its commitments. Just Healthy is mindful that demonstration of the Plan’s progress and success will be submitted to the Commission upon renewal.

Acknowledgements

- As identified above, Just Healthy intends to support Homework House, One Holyoke, and Holyoke Preservation Trust and acknowledges that Homework House, One Holyoke,

and Holyoke Preservation Trust have been contacted and will receive the support described herein.

- Just Healthy 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 Just Healthy will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.



CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



NEIL PHELAN
JUST HEALTHY LLC
56 COLBORNE RD
BOSTON MA 02135-4103

000073

Why did I receive this notice?

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

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

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

What if I have questions?

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

Visit us online!

Visit mass.gov/dor 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

D
PC

The Commonwealth of Massachusetts

William Francis Galvin
Secretary of the Commonwealth
One Ashburton Place, Boston, Massachusetts 02108-1512

FORM MUST BE TYPED

Articles of Entity Conversion of a Domestic Business Corporation to a Domestic Other Entity (General Laws Chapter 156D, Section 9.53; 950 CMR 113.29)

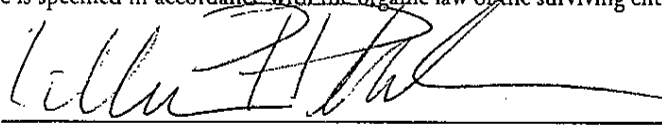
FOR

Just Healthy, Inc. is an applicant
with an application pending before
the Department of Public Health
in accordance with 105 CMR 725.100(C)
as of March 6, 2018.


Bryan Harter
Director

Medical Use of Marijuana Program
Bureau of Healthcare Safety and Quality
Massachusetts Department of Public Health


- (1) Exact name of corporation prior to conversion: Just Healthy, Inc.
- (2) Registered office address: 56 Colborne Road, Boston, MA 02135
(number, street, city or town, state, zip code)
- (3) New name after conversion, which shall satisfy the organic law of the surviving entity:
Just Healthy, LLC
- (4) New type of entity: Limited Liability Company
- (5) The plan of entity conversion was duly approved by the shareholders, and where required, by each separate voting group in the manner required by G.L. Chapter 156D and the articles of organization.
- (6) Attach any additional sheets containing all information required to be set forth in the public organic document of the surviving entity.
- (7) The conversion of the corporation shall be effective at the time and on the date approved by the Division, unless a later effective date is specified in accordance with the organic law of the surviving entity: _____

Signed by: 
(signature of authorized individual)

(Please check appropriate box)

- Chairman of the board of directors,
- President,
- Other officer,
- Court-appointed fiduciary,

on this 27th day of February, 2018


P.C.

**D
PC**

The Commonwealth of Massachusetts

William Francis Galvin
Secretary of the Commonwealth
One Ashburton Place, Boston, Massachusetts 02108-1512

FORM MUST BE TYPED

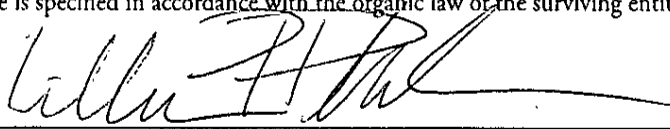
**Articles of Entity Conversion of a
Domestic Business Corporation to a
Domestic Other Entity**

FORM MUST BE TYPED

(General Laws Chapter 156D, Section 9.53; 950 CMR 113.29)

- (1) Exact name of corporation prior to conversion: Just Healthy, Inc.
- (2) Registered office address: 56 Colborne Road, Boston, MA 02135
(number, street, city or town, state, zip code)
- (3) New name after conversion, which shall satisfy the organic law of the surviving entity:
Just Healthy, LLC
- (4) New type of entity: Limited Liability Company
- (5) The plan of entity conversion was duly approved by the shareholders, and where required, by each separate voting group in the manner required by G.L. Chapter 156D and the articles of organization.
- (6) Attach any additional sheets containing all information required to be set forth in the public organic document of the surviving entity.
- (7) The conversion of the corporation shall be effective at the time and on the date approved by the Division, unless a later effective date is specified in accordance with the organic law of the surviving entity: _____

Signed by: _____



(signature of authorized individual)

(Please check appropriate box)

- Chairman of the board of directors,
 President,
 Other officer,
 Court-appointed fiduciary,

on this 27th day of February, 2018

D

The Commonwealth of Massachusetts

William Francis Galvin

Secretary of the Commonwealth

One Ashburton Place, Room 1717, Boston, Massachusetts 02108-1512

**Limited Liability Company
Certificate of Organization
(General Laws Chapter 156C, Section 12)**

Federal Identification No.: _____

- (1) The exact name of the limited liability company:

Just Healthy, LLC

- (2) The street address of the office in the commonwealth at which its records will be maintained:

56 Colborne Road, Boston, MA 02135

- (3) The general character of the business:

To cultivate, process, and dispense marijuana for medical purposes

- (4) Latest date of dissolution, if specified: _____

- (5) The name and street address, of the resident agent in the commonwealth:

NAME

ADDRESS

Neil Phelan

56 Colborne Road, Boston, MA 02135

- (6) The name and business address, if different from office location, of each manager, if any:

NAME

ADDRESS

William Phelan

6 Turnberry Lane, Loudonville, NY 12211

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

NAME

ADDRESS

Neil Phelan

56 Colborne Road, Boston, MA 02135

- (8) The name and business address, if different from office location, of each person authorized to execute, acknowledge, deliver and record any recordable instrument purporting to affect an interest in real property recorded with a registry of deeds or district office of the land court:

NAME

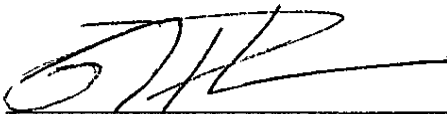
ADDRESS

William Phelan

6 Turnberry Lane, Loudonville, NY 12211

- (9) Additional matters:

Signed by (by at least one authorized signatory):



Consent of resident agent:

I Neil Phelan

resident agent of the above limited liability company, consent to my appointment as resident agent pursuant to G.L. c 156C § 12*

**or attach resident agent's consent hereto.*

COMMONWEALTH OF MASSACHUSETTS

William Francis Galvin
Secretary of the Commonwealth
One Ashburton Place, Boston, Massachusetts 02108-1512

2497

Articles of Entity Conversion of a
Domestic Business Corporation to a
Domestic Other Entity
(General Laws Chapter 156D, Section 9.53; 950 CMR 113.29)

I hereby certify that upon examination of these articles of conversion, duly submitted to me, it appears that the provisions of the General Laws relative thereto have been complied with, and I hereby approve said articles; and the filing fee in the amount of \$ 700 having been paid, said articles are deemed to have been filed with me this 9 day of March, 2018, at 3:47 a.m./p.m. (p.m.)
time

Effective date: _____
(must be within 90 days of date submitted)


WILLIAM FRANCIS GALVIN
Secretary of the Commonwealth

SB
Examiner
A
Name approval

Filing fee: Minimum \$250

TO BE FILLED IN BY CORPORATION
Contact Information:

C

M

Just Healthy, LLC

Attn: William Phelan, President

6 Turnberry Lane, Loudonville, NY 12211

Telephone: 518-369-4902

Email: billphelan@gmail.com

Upon filing, a copy of this filing will be available at www.sec.state.ma.us/cor.
If the document is rejected, a copy of the rejection sheet and rejected document will be available in the rejected queue.

SECRETARY OF THE
COMMONWEALTH
2018 MAR -9 PM 3:47
CORPORATIONS DIVISION

1307046

OPERATING AGREEMENT
OF
JUST HEALTHY, LLC

THIS OPERATING AGREEMENT (this “Agreement”) is dated as of February 23, 2018 by and among those Persons who have subscribed to this Agreement and been admitted to the Company from time to time as Members.

Recitals

A. Just Healthy, LLC (the “Company”) was formed as a Massachusetts limited liability company by the filing of Articles of Entity Conversion with the Commonwealth of Massachusetts on February 23, 2018. The Company is the successor by conversion to Just Healthy, Inc., a Massachusetts corporation.

B. The Company operates a business pursuant to St. 2012, ch. 369 and 105 CMR 725.000 *et seq.*, both as may be amended or replaced from time to time, and all regulations and applicable local laws promulgated pursuant thereto (the “Medical Marijuana Code”).

C. The parties hereto have entered into this Agreement in order to establish the manner in which the business and affairs of the Company will be managed and to determine their respective rights, duties, and obligations with respect to the Company.

NOW, THEREFORE, in consideration of the mutual promises of the parties hereto, and for other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINED TERMS; RULES OF CONSTRUCTION

1.1 Defined Terms. As used in this Agreement (including, without limitation, the preamble and Recitals set forth above), the following terms have the respective meanings specified below:

“Additional Member” means a Member admitted to the Company other than as a transferee of all or a portion of a previously admitted Member’s Units, including an existing Member who is issued Additional Member Units pursuant to Section 3.8 hereof.

“Additional Member Units” has the meaning specified in Section 3.8(b) hereof.

“Adjusted Capital Account Deficit” means, with respect to any Member, the deficit balance, if any, in the Member’s Capital Account as of the end of the relevant taxable year, after giving effect to the following adjustments:

(i) the deficit shall be decreased by the amounts which the Member is deemed obligated to restore pursuant to Section 4.4(b) or is deemed obligated to restore pursuant to Regulation Section 1.704-1(b)(2)(ii)(c), Regulation Section 1.704-2(g)(1) and Regulation Section 1.704-2(i)(5); and

(ii) the deficit shall be increased by the items described in Regulation Section 1.704-1(b)(2)(ii)-(d)(4), (5) and (6).

“Adjusted Prime Rate” means, as of any date, the “prime rate” as published in *The Wall Street Journal* under the caption “Money Rates - Prime Rate” on such date (or, if the rate is not so published on such date, the most recent date of publication of such rate), plus the Applicable Margin.

“Affiliate” means, with respect to any Person, any Person which directly or indirectly controls, is controlled by, or is under common control with such Person. A Person shall be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the controlled Person, whether through ownership of voting securities, by contract, or otherwise.

“Applicable Margin” means (i) with respect to each Cash Shortfall Loan for which each Member has funded such Member’s pro rata share (based on the applicable Member’s percentage ownership of the outstanding Units as of the date on which such Cash Shortfall Loan is made) of the principal amount thereof, two (2) percentage points, and (ii) in all other cases, five (5) percentage points.

“Certificate of Organization” means the Company’s Articles of Entity Conversion, and all amendments thereto, as filed with the Secretary.

“Available Cash” means, as of the applicable determination date, all cash and cash equivalents of the Company, of whatever source or nature, that the Managing Member determines are available for distribution to the Members and are not necessary to (a) pay expenses and obligations of the Company (including, without limitation, current payments of principal and interest on Cash Shortfall Loans), (b) fund reserves (including, without limitation, reserves for working capital, taxes, insurance, replacements and capital improvements, contingent or anticipated liabilities, payment of Company indebtedness, and other Company expenses), or (c) make any other expenditure by the Company; provided, however, that Available Cash shall not include (i) proceeds from Capital Contributions, or (ii) loans made by a Member or a lender, or net refinancing proceeds in respect thereof.

“Capital Account” means the account maintained by the Company for each Member in accordance with the following provisions:

(a) a Member’s Capital Account shall be credited with the Member’s Capital Contributions, the amount of any Company liabilities assumed by the Member (or which are secured by Company property distributed to the Member), the Member’s distributive share of Profit, and any item in the nature of income or gain specially allocated to such Member pursuant to the provisions of Article IV (other than Section 4.4(c)); and

(b) a Member’s Capital Account shall be debited with the amount of money and the fair market value of any Company property distributed to the Member, the amount of any liabilities of the Member assumed by the Company (or which are secured by property contributed by the Member to the Company), the Member’s distributive share of Loss, and any item in the nature of expenses or losses specially allocated to the Member pursuant to the provisions of Article IV (other than Section 4.4(c)).

“Capital Contribution” means the total amount of cash and the fair market value of any other assets contributed (or deemed contributed under Regulation Section 1.704-1(b)(2)(iv)(d)) by a Member to the Company, net of liabilities assumed or to which the assets are subject.

“Cash Shortfall Loans” has the meaning specified in Section 3.6(b) hereof.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and published rules, rulings and Regulations thereunder at the time of reference thereto.

“Confidential Information” means any and all trade secrets or confidential or proprietary information of the Company, any Affiliate thereof, or any third party to which the Company has a duty of confidentiality, including, but not limited to, trade secrets or confidential or proprietary information relating to intellectual property, patents, trademarks, trade names, trade dress, works of authorship, inventions, technology, software, hardware, middleware, service-oriented architectures, source codes, object codes, computer-based languages, coding sheets, specifications, documentation, modules, flow charts, abstractions, data, information, concepts, materials, descriptions, innovations, improvements, revisions, compositions of matter, designs, drafts, schematics, sketchbooks, diagrams, applications, applets, patterns, plans, representations, models, drawings, writings, images, illustrations, graphics, text, audio and video materials, content, embodiments, computer-aided design systems, computer-aided manufacturing systems, operations management procedures, databases, know-how, discoveries, techniques, systems, projects, processes, formulas, algorithms, research, methods, procedures, products, business operations or internal structure, business methods, financial statements, financial projections, financial data, ownership information, operating records, pricing plans, business and marketing plans and proposals, strategic and operating plans, financing agreements, private placement memoranda, third-party negotiations (whether past, current, and/or contemplated), formal and informal policies, procedures, and guidelines, billing procedures, employee lists and salaries and other personnel information, customer lists, customer records and information, names of and information concerning independent contractors, and security devices, as well as any and all copies of any of the foregoing and any and all documents, memoranda, summaries, studies, reports, analyses, excerpts, reproductions, extracts, interpretations, compilations, compositions, notes, and other materials whatsoever derived therefrom or based thereon, in whole or in part. “Confidential Information” does not include information that is generally available to the public prior to the date of this Agreement or becomes generally available to the public on or after the date of this Agreement as a result of intended action by the Company.

“Covered Person” means (i) the Managing Member, and (ii) each director, officer, stockholder, manager, member, partner, or Affiliate of the Managing Member.

“Licensing Authority” means the Massachusetts Department of Public Health, or any Massachusetts regulatory body succeeding to the administration of the Massachusetts medical marijuana program, as the case may be.

“Liquidation Funds” means, upon the liquidation and dissolution of the Company, the assets of the Company remaining after satisfaction (whether by payment or by establishment of reserves therefor) of creditors, including Members who are creditors.

“Liquidator” has the meaning specified in Section 10.2 hereof.

“LLC Act” means the Massachusetts Limited Liability Company Act, as amended from time to time.

“LLC Interest” means the ownership interest of a Member in the Company at any particular time, including the Member’s share of the profits and losses of the Company, the Member’s right to receive distributions from the Company, the Member’s right to inspect the Company’s books and records, the Member’s right to participate in the management of and vote on matters coming before the Company, and all other rights and benefits to which such Member may be entitled pursuant to this Agreement and the LLC Act, together with the obligations of such Member to comply with the provisions of this Agreement and the LLC Act.

“Managing Member” means William P. Phelan or, if William P. Phelan (or any successor Managing Member) resigns, dies, or otherwise fails to continue as Managing Member, such other Person who is elected to serve as Managing Member pursuant to the provisions of this Agreement.

“Member” means each Person that has subscribed to this Agreement and been admitted to the Company as a member thereof.

“Member Dissociation Event” has the meaning specified in Section 7.5 hereof.

“Member Minimum Gain” means an amount, with respect to each Member Nonrecourse Debt, equal to the minimum gain that would result if such Member Nonrecourse Debt were treated as a nonrecourse liability, determined in accordance with Section 1.704-2(i)(3) of the Regulations for partner nonrecourse deductions.

“Member Nonrecourse Debt” has the meaning specified in Section 1.704-2(b)(4) of the Regulations.

“Member Nonrecourse Deductions” has the meaning specified in Sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Regulations for partner nonrecourse debt.

“Minimum Gain” has the meaning specified in Regulation Section 1.704-2(d). Minimum Gain shall be computed separately for each Member in a manner consistent with the Regulations under Code Section 704(b).

“Negative Capital Account” means a Capital Account with a balance less than zero.

“Percentage Interest” means; as to each Member, the quotient obtained by dividing (i) the number of Units owned by such Member that are taken into account for purposes of a calculation under this Agreement, by (ii) the aggregate number of Units owned by all Members that are taken into account for that purpose.

“Person” means any individual, partnership (whether general or limited), limited liability company, corporation, trust, estate, association, nominee, nation and any political subdivision of any nation (or any governmental authority thereof), or other entity.

“Profit” and “Loss” means, for each taxable year of the Company (or other period for which Profit or Loss must be computed) the Company’s taxable income or loss determined in accordance with Code Section 703(a), with the following adjustments:

(a) all items of income, gain, loss, deduction or credit required to be stated separately pursuant to Code Section 703(a)(1) shall be included in computing taxable income or loss;

(b) any tax-exempt income of the Company, not otherwise taken into account in computing taxable income or loss, shall be included in computing Profit or Loss;

(c) any expenditures of the Company described in Code Section 705(a)(2)(B) (or treated as such pursuant to Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, shall be subtracted from taxable income or loss;

(d) gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the adjusted book value of the property disposed of, notwithstanding

the fact that the adjusted book value differs from the adjusted basis of the property for federal income tax purposes;

(e) in lieu of the depreciation, amortization or cost recovery deductions allowable in computing taxable income or loss, there shall be taken into account the depreciation computed based upon the adjusted book value of the asset; and

(f) notwithstanding any other provision of this definition, any items which are specially allocated pursuant to Section 4.4 hereof shall not be taken into account in computing Profit or Loss.

“Profit Only Base Amount” means the adjusted book value of the Company, as determined by the Managing Member in connection with the issuance of a Profit Only Unit, subject to adjustment as appropriate to reflect (i) Capital Contributions made after the issuance of the Profit Only Unit, and (ii) distributions made after the issuance of the Profit Only Unit that represent a return of amounts previously included in the determination of the Profit Only Base Amount with respect to that Profit Only Unit.

“Profit Only Unit” means a Unit that is taken into account in determining Percentage Interests only with respect to that portion (if any) of the adjusted book value of the Company that exceeds the Profit Only Base Amount applicable to that Unit, but which otherwise represents the same LLC Interest as each other Unit.

“Regulation” means the income tax regulations, including any temporary regulations, from time to time promulgated under the Code.

“Required Percentage of Members” means Members holding a majority of the then-outstanding Units held by all Members.

“Restricted Area” means the Commonwealth of Massachusetts and all other nations in which the Company conducts business or has conducted business during the immediately preceding 24-month period.

“Restricted Business” means the growing, processing, distribution, and sale of cannabis and cannabis-related products.

“Secretary” means the Secretary of the Commonwealth of Massachusetts.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder at the time of reference thereto.

“Substitute Member” means any Person who, in accordance with the provisions of this Agreement, acquires Units by Transfer from an existing Member and is admitted to the Company as a substitute Member with respect to the Units so acquired.

“Terminating Event” means, with respect to the affected Member:

- (a) any portion of such Member’s Units are attached or taken in execution;
- (b) such Member applies for the benefit of, or files a case under, any provision of the Federal bankruptcy law or any other law relating to insolvency or relief of debtors;

(c) a case or proceeding is brought against such Member under any provision of the Federal bankruptcy law or any other law relating to insolvency or relief of debtors and is not dismissed within sixty (60) days after the commencement thereof;

(d) such Member makes an assignment for the benefit of creditors;

(e) any portion of such Member's Units is made subject to a charging order;

(f) any portion of such Member's Units (or any interest therein) is transferred pursuant to a divorce decree or similar arrangement;

(g) such Member is convicted of, or pleads guilty or *nolo contendere* to, any felony or other crime involving moral turpitude, deceit, dishonesty, or fraud under the laws of the United States of America or any other jurisdiction;

(h) the unlawful use (including being under the influence) or possession of illegal drugs by such Member on the premises of the Company or any of the Company's subsidiaries while performing any duties or responsibilities with the Company or any of the Company's subsidiaries, with the exception of all federal laws pertaining to marijuana;

(i) a breach by such Member of any of the provisions of Section 6.6 or Article IX hereof; and/or

(j) the occurrence of a Member Dissociation Event with respect to such Member.

"Transfer" means, as a noun, any voluntary or involuntary sale, assignment, transfer, pledge, hypothecation, exchange or other disposition (whether or not for consideration) of one or more Units (or any interest therein) by any means whatsoever, whether by operation of law or otherwise; and as a verb, any action or actions taken by or on behalf of a Member which result in such sale, assignment, transfer, pledge, hypothecation, exchange or other disposition (whether or not for consideration) of one or more Units (or any interest therein).

"Unit" means a unit of LLC Interest in the Company.

1.2 Additional Definitions. Capitalized terms used in this Agreement but not defined in Section 1.1 above have the respective meanings specified herein.

1.3 Rules of Construction. Unless the context clearly indicates to the contrary, the following rules apply to the construction of this Agreement:

(i) Words importing the singular number include the plural number, and words importing the plural number include the singular number.

(ii) Words of the masculine gender include correlative words of the feminine and neuter genders, and vice versa.

(iii) The headings or captions used in this Agreement are for convenience of reference only and do not constitute a part of this Agreement, nor affect its meaning, construction, or effect.

(iv) Any reference in this Agreement to a particular “Article,” “Section” or other subdivision shall be to such Article, Section or subdivision of this Agreement, unless the context shall otherwise require.

(v) Each reference in this Agreement to an agreement or contract shall include all amendments, modifications, and supplements to such agreement or contract, unless the context shall otherwise require.

(vi) When any reference is made in this document, or any of the schedules or exhibits attached hereto, to the “Agreement,” it shall mean this Agreement, together with all other schedules and exhibits attached hereto, as though one document.

ARTICLE II FORMATION

2.1 Formation. The parties hereto have organized the Company as a limited liability company pursuant to the LLC Act and, for that purpose, have caused the Certificate of Organization to be filed with Secretary. A copy of the Certificate of Organization is attached hereto as Exhibit A.

2.2 Name. The name of the Company shall be “Just Healthy, LLC.”

2.3 Purpose. The purpose for which the Company is formed is to engage in any lawful act or activity which may be carried on by a limited liability company under the LLC Act which may be authorized or approved from time to time by the Managing Member, whether or not related to any other business at the time or theretofore engaged in by the Company. The foregoing purpose shall be in addition to and not in limitation of the general powers of limited liability companies under the LLC Act.

2.4 Principal Office; Resident Agent. The address of the principal office of the Company in the Commonwealth of Massachusetts and the name and address of the resident agent of the Company in the Commonwealth of Massachusetts are as set forth in the Certificate of Organization. The Company may have such other offices, either within or without the Commonwealth of Massachusetts, as the business of the Company may require from time to time.

2.5 Certificate of Organization. The Certificate of Organization has been executed by an authorized person and filed for record with the Secretary. The Managing Member shall take all necessary action to maintain the Company in good standing as a limited liability company under the LLC Act, including (without limitation) the filing of any certificates of correction or amendment and such other applications and certificates as may be necessary to protect the limited liability of the Members and to cause the Company to comply with the applicable laws of any jurisdiction in which the Company owns property or transacts business.

2.6 Term. The Company shall have a perpetual existence beginning on the date that the Certificate of Organization is filed with and accepted by Secretary, except that the Company may be dissolved in accordance with the terms of Article X hereof.

2.7 Intent. It is the intent of the Members that the Company shall always be operated in a manner consistent with its treatment as a “partnership” under the Code. No election shall be made by the Company, the Managing Member, or any Member for the Company to be excluded from the application of the provisions of Subchapter K of the Code, or from any similar provisions of state and foreign tax laws which relate to the taxation of partnerships. It also is the intent of the Members that the Company not be operated or treated as a “partnership” for purposes of Section 303 of the Federal Bankruptcy Code.

No Member shall take any action inconsistent with the express intent of the Members as set forth in this Section 2.7.

2.8 No State Law Partnership. The Members intend that the Company shall not be a partnership (including a limited partnership) or joint venture, and that no Member shall be a partner or joint venturer of any other Member, for any purposes other than federal and, if applicable, state tax purposes, and this Agreement shall not be construed to the contrary.

2.9 Title to Company Property. The Company shall hold all of its real and personal property in the name of the Company and not in the name of any Member.

2.10 Liability of the Members. No Member shall be liable under a judgment, decree or order of a court, or in any other manner for the debts or any other obligations or liabilities of the Company solely by reason of being a Member of the Company.

2.11 Fictitious Names. The business of the Company may be conducted under such name or names as the Managing Member shall determine from time to time. The Managing Member is authorized to cause any such fictitious names to be registered or filed with such governmental officers as is necessary or in the best interests of the Company.

ARTICLE III MEMBERS; CAPITAL

3.1 Members; Capital Contributions. The name, address, initial Capital Contribution, and number of Units of each Member are as set forth on Schedule 1. Schedule 1 shall be amended from time to time to reflect any changes of address, the admission of any Additional Members or Substitute Members, changes to the number of Units of any Member, or any other changes to the information set forth thereon.

3.2 Additional Capital Contributions. No Member shall be required to make any further Capital Contributions or to lend any funds to the Company. Furthermore, except as specifically provided in this Agreement, no Member shall have the right to make any further Capital Contribution or to lend any funds to the Company.

3.3 No Interest on Capital Contributions. No Member shall be paid interest on his Capital Contribution or Capital Account.

3.4 Return of Capital Contributions; Form. Except as specifically provided in this Agreement, no Member shall have the right to receive the return of any Capital Contribution. Except as specifically provided in this Agreement, if a Member is entitled to receive a return of a Capital Contribution, the Company may distribute cash, notes, property, or a combination thereof to such Member in return of the Capital Contribution.

3.5 Capital Accounts. A separate Capital Account shall be maintained for each Member. Each Member's Capital Account shall be determined, maintained and adjusted in accordance with the Code and the Regulations, including the capital account maintenance rules in Regulations Section 1.704-(1)(b)(2)(iv).

3.6 Funding of Additional Cash Requirements. If, at any time or from time to time, the Managing Member determines that the Company requires additional capital, then the Managing Member may obtain the required funds through any one or more of the following means:

(a) Cause the Company to borrow the required funds from any third-party lender, on such terms and conditions as the Managing Member may determine;

(b) Cause the Company to borrow the required funds from one or more Members (or any of their respective Affiliates) as a loan (each a "Cash Shortfall Loan"). Cash Shortfall Loans shall: (i) be evidenced by a written promissory note containing customary terms and conditions, (ii) bear interest at a fixed annual rate equal to the Adjusted Prime Rate in effect on the date such Cash Shortfall Loan is made, and (iii) to the extent of current payments of principal and interest, be an expenditure of the Company in computing Available Cash; and/or

(c) Cause the Company to obtain the required funds through the issuance of Additional Member Units to Additional Members as provided in Section 3.8 hereof.

3.7 Capital Account Adjustments upon Revaluation of Company Property. Unless otherwise determined by the Managing Member, the Members' Capital Accounts shall be adjusted in accordance with Regulation Section 1.704-1(b)(2)(iv)(f) to reflect a revaluation of Company property (including, but not limited to, intangible property such as goodwill) in connection with (i) the admission of an Additional Member, (ii) a distribution in liquidation of a Member's Unit(s) in the Company, (iii) the dissolution of the Company, or (iv) such other matters as the Managing Member deems appropriate. Following such an adjustment of Capital Accounts, the Members' Capital Accounts shall be adjusted in accordance with Regulation Section 1.704-1(b)(2)(iv)(g) to reflect their distributive shares of depreciation, depletion, amortization, and gain or loss, as computed for book purposes, and the Members' distributive shares of depreciation, depletion, amortization, and gain or loss, as computed for tax purposes, shall be determined in the same manner as under Code Section 704(c) and Regulation Section 1.704-1(b)(4)(i).

3.8 Additional Members.

(a) Additional Members may be admitted to the Company upon such terms of admission (including, without limitation, the rights and obligations of the Additional Members) as the Managing Member may determine and upon execution and delivery by the Additional Member of a counterpart signature page to this Agreement and execution and delivery of such other agreements, documents, instruments, certificates, and other items as the Managing Member may require. Further, Additional Members may be admitted to the Company only if the Additional Member is qualified under the Medical Marijuana Code to have an ownership or economic interest in a marijuana business as evidenced by the issuance of an occupational license or other final written determination by the Licensing Authority.

(b) The admission of Additional Members to the Company shall be structured as an issuance of new Units or other ownership interests in the Company ("Additional Member Units"). Additional Member Units may be issued in exchange for cash, services performed or to be performed for or on behalf of the Company or any of its Affiliates, in-kind contributions of property to the Company, or such other consideration as may be deemed advisable by the Managing Member. Additional Member Units may have rights and obligations on parity with, superior to or subordinate to the rights and obligations of the Units. Accordingly, the admission of Additional Members and the related issuance of Additional Member Units may, among other things, decrease each existing Member's ownership interest in the Company and/or decrease the distribution rights of the Members. For the avoidance of doubt, no existing Member shall have any preemptive or similar right to purchase or acquire any Additional Member Units.

(c) In connection with any such admission of Additional Members, unless otherwise determined by the Managing Member, the Capital Accounts of the existing Members shall be adjusted to reflect the revaluation of the Company's property in accordance with the terms and conditions upon which the Additional Member Units are issued to the Additional Members, and thereafter the Members'

Capital Accounts shall be maintained and adjusted, and their distributive shares of Company items as computed for tax purposes shall be determined, in accordance with Regulations Section 1.704-1(b)(2)(iv)(f). In addition, the Managing Member may amend this Agreement in such manner as the Managing Member deems appropriate to reflect the admission of Additional Members.

3.9 Capital Account Adjustments upon Exercise of Noncompensatory Options. If the Company has outstanding or issues hereafter any warrant, convertible security or other right to acquire an interest in the Company, other than in connection with the performance of services (a “Noncompensatory Option”), that entitles the holder, upon exercise, to a share of the capital of the Company that exceeds, or is less than, the sum of the consideration paid to the Company for the issuance of the Noncompensatory Option and the consideration paid upon the exercise of the Noncompensatory Option, then upon exercise of the Noncompensatory Option the Members’ Capital Accounts shall be adjusted and maintained in accordance with Proposed Regulation Section 1.704 1(b)(2)(iv)(s), as amended or made final.

3.10 Compensatory Interests. If the Company issues Profit Only Units or any other interest in connection with the performance of services on or after the effective date of final regulations issued by the IRS concerning the federal income tax consequences of partnership interests transferred in connection with the performance of services, the Company is authorized and directed to elect to treat the fair market value of the Profit Only Units or other interest as equal to its liquidation value (the “Safe Harbor”). In such event, the Company and all of the Members shall comply with all requirements of the Safe Harbor with respect to all Profit Only Units or other interest transferred in connection with the performance of services while the election remains effective, including without limitation making such allocations as may be required following the forfeiture of Profit Only Units or other interests with respect to which the recipient made an election under Section 83(b) of the Code.

ARTICLE IV DISTRIBUTIONS; ALLOCATIONS

4.1 Distributions.

(a) Subject to the provisions of Section 4.1(b) and Section 4.1(c) below, (i) Available Cash shall be distributed by the Company to the Members at such times and in such amounts as shall be determined by the Managing Member, and (ii) Available Cash that the Managing Member determines to be available for distribution shall be distributed by the Company to the Members in accordance with their respective Percentage Interests.

(b) The Company shall endeavor, to the extent it has cash available for such purpose, to distribute to the Members, on or before April 1 of each year, an amount of cash sufficient to enable the Members to pay the aggregate federal, state and local income taxes derived by them from the allocation of taxable net income of the Company for the prior taxable year. Tax distributions under this Section 4.1(b) shall be determined assuming that each Member’s distributive share of taxable income of the Company is subject to a combined effective federal and state income tax rate of forty percent (40%). All tax distributions made to the Members pursuant to this Section 4.1(b) shall be credited against and shall reduce subsequent distributions to the Members under the provisions of Section 4.1(a) above.

(c) The Company’s obligation to make distributions pursuant to this Agreement (including, without limitation, Section 4.1 hereof) shall be subject to the restrictions governing distributions under the LLC Act and such other pertinent governmental restrictions as are now or may hereafter become effective.

4.2 Apportionment of Certain Proceeds. Upon a merger or consolidation of the Company with or into any other entity, or any other sale or disposition of all or substantially all of the Company's outstanding Units to another entity in one transaction or a series of related transactions, the Members will apportion the proceeds of such transaction(s) among themselves in the same order, manner, and proportions as such proceeds would have been distributed by the Company to the Members pursuant to Section 4.1(a) hereof.

4.3 Allocations of Profit and Loss.

(a) Subject to the provisions of Section 4.4 below, Profit for each fiscal year of the Company shall be allocated among the Members as follows:

(i) First, if one or more Members has been allocated a Loss pursuant to Section 4.3(b) hereof, to each such Member in proportion to the amount of Loss so allocated until the amount of Profit allocated to each such Member under this Section 4.3(a)(i) is equal to the amount of Loss previously allocated to that Member pursuant to Section 4.3(b)(ii); and

(ii) Second, to the Members in accordance with their respective Percentage Interests.

(b) Subject to the provisions of Section 4.4 below, Loss for each fiscal year of the Company shall be allocated among the Members as follows:

(i) First, to the Members in accordance with their respective Percentage Interests until the amount of Loss so allocated to each Member under this Section 4.3(b)(i) is equal to the amount of Profit previously allocated to that Member pursuant to Section 4.3(a)(ii); and

(ii) Second, to the Members in proportion to the positive balances in their respective Capital Accounts.

4.4 Regulatory Allocations.

(a) Qualified Income Offset. No Member shall be allocated Loss or deductions if the allocation causes the Member to have an Adjusted Capital Account Deficit. Any amount not allocated to a Member due to the preceding sentence shall be allocated among the Members not affected by the preceding sentence in proportion to their percentage ownership of the then-outstanding Units. If a Member receives (1) an allocation of Loss or deduction (or item thereof) or (2) any distribution which causes the Member to have an Adjusted Capital Account Deficit at the end of any taxable year, then all items of income and gain of the Company (consisting of a pro rata portion of each item of Company income, including gross income and gain) for that taxable year shall be allocated to that Member before any other allocation is made of Company items for that taxable year, in the amount and in proportions required to eliminate the excess as quickly as possible. This Section 4.4(a) is intended to comply with, and shall be interpreted consistently with, the "qualified income offset" provisions of the Regulations promulgated under Code Section 704(b).

(b) Minimum Gain Chargeback. Except as set forth in Regulation Section 1.704-2(f)(2), (3), and (4), if, during any taxable year, there is a net decrease in Minimum Gain, each Member, prior to any other allocation pursuant to this Article IV, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that Member's share of the net decrease of Minimum Gain, computed in accordance with Regulation Section 1.704-2(g). Allocations of gross income and gain pursuant to this Section 4.4(b) shall be made first from gain recognized from the disposition of Company assets subject to nonrecourse liabilities (within the

meaning of the Regulations promulgated under Code Section 752), to the extent of the Minimum Gain attributable to those assets, and thereafter, from a pro rata portion of the Company's other items of income and gain for the taxable year. It is the intent of the parties hereto that any allocation pursuant to this Section 4.4(b) shall constitute a "minimum gain chargeback" under Regulation Section 1.704-2(f).

(c) Contributed Property and Book-Ups. In accordance with Code Section 704(c) and the Regulations thereunder, as well as Regulation Section 1.704-1(b)(2)(iv)(d)(3), income, gain, loss, and deduction with respect to any property contributed (or deemed contributed) to the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of the property to the Company for federal income tax purposes and its fair market value at the date of contribution (or deemed contribution). If the adjusted book value of any Company asset is adjusted as provided herein, subsequent allocations of income, gain, loss and deduction with respect to the asset shall take account of any variation between the adjusted basis of the asset for federal income tax purposes and its adjusted book value in the manner required under Code Section 704(c) and the Regulations promulgated thereunder.

(d) Member Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(i)(4) of the Regulations, notwithstanding any other provision of this Article IV, if there is a net decrease in Member Minimum Gain during any taxable year, each Member who has a share of such Member Minimum Gain, determined in accordance with Section 1.704-2(i)(5) of the Regulations, shall be specially allocated items of Company income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to such Member's share of the net decrease in Member Minimum Gain, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Regulations. This Section 4.4(d) is intended to comply with the partner minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(e) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any taxable year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

(f) Regulatory Allocations. The allocations set forth in this Section 4.4 (the "Regulatory Allocations") are intended to comply with certain requirements of Regulations Section 1.704-1(b). Notwithstanding any other provisions of this Article IV (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account in allocating other profits, losses, and other items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of allocations of other profits, losses and other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

4.5 General.

(a) If any assets of the Company are distributed in kind to the Members, those assets shall be valued on the basis of their fair market value, and any Member receiving any interest in those assets shall receive that interest as a tenant-in-common with all other Members so entitled to such assets. Unless the Managing Member or, if applicable, the Liquidator determines otherwise, the fair market value of the assets shall be determined by an independent appraiser who shall be selected by the Managing Member or the Liquidator (in the case of a dissolution). The Profit or Loss for each unsold asset shall be determined as if the asset had been sold at its fair market value, and the Profit or Loss shall be allocated as

provided in Section 4.3 and shall be properly credited or charged to the Capital Accounts of the Members prior to the distribution of the assets in liquidation.

(b) All Profit and Loss shall be allocated, and all distributions shall be made, to the Persons shown on the records of the Company to have been Members as of the last day of the taxable year or portion thereof for which the allocation or distribution is to be made. Notwithstanding the foregoing, unless the Company's taxable year is separated into segments, if there is a Transfer (in accordance with the provisions of this Agreement) during the taxable year, Profit or Loss shall be allocated between the transferor and the transferee on the basis of the number of days each was a Member during the taxable year. The Company's taxable year shall be segregated into two or more segments in order to account for Profit, Loss, or proceeds attributable to, any extraordinary non-recurring items of the Company.

(c) The Managing Member shall amend this Article IV so as to cause this Article IV to comply with the Code and the Regulations promulgated under Code Section 704(b).

(d) For purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulation Section 1.752-3(a)(3), the Members' interests in Company Profit are in proportion to their percentage ownership of the then-outstanding Units.

(e) All amounts withheld or paid as taxes pursuant to the Code or any provision of any state or local tax law with respect to any payment, distribution, or allocation to the Company or the Members shall be treated as amounts distributed to the Members pursuant to Section 4.1 for all purposes of this Agreement. The Company is authorized to withhold from distributions (or to withhold with respect to allocations) to the Members and to pay over to the applicable federal, state, or local taxing authority any amounts required to be so withheld pursuant to the Code or any provisions of state or local law and to treat such amounts as having been distributed to the Members with respect to which such amounts were withheld.

(f) The Profit or Loss of the Company shall be determined in accordance with the accounting methods followed for federal income tax purposes and otherwise in accordance with sound accounting principles and procedures applied in a consistent manner. An accounting shall be made for each fiscal year by the accountants employed by the Company as soon as possible after the close of each such fiscal year, to determine the Members' respective shares of Profit or Loss of the Company, which shall be credited or debited, as the case may be, to the Members' respective Capital Accounts. For tax purposes, all items of income, gain, loss, deduction or credit shall be allocated to and among the Members in the same proportion in which they share Profit and Loss.

(g) No Member shall have the right to receive distributions from the Company in any form other than cash.

(h) No Member shall be obligated to restore a Negative Capital Account.

(i) If a Unit is issued, through the exercise of an option or otherwise, under terms that give the Member acquiring the Unit a share of Profits accruing prior to the date the Unit is issued, then, notwithstanding any other provision of this Agreement: (i) such Member shall be specially allocated, from such Profits accruing from and after the date the Unit is issued, an amount equal to the Member's share of such Profits accruing prior to the date the Unit is issued, and (ii) the amount of that special allocation shall reduce the amount of such Profits accruing from and after the date the Unit is issued that is allocated to each other Member in proportion to the amount of such Profits accruing prior to the date the Unit is issued that were allocated to that Member.

4.6 Tax Matters Partner. The Managing Member shall serve as the “tax matters partner” (as defined in Code Section 6231) of the Company. The tax matters partner is 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 (collectively, “Audits”), 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 Company shall indemnify and hold harmless the tax matters partner from and against any loss, expense, damage or injury suffered or sustained by them by reason of any acts, omissions or alleged acts or omissions arising out of its activities on behalf of the Company as tax matters partner, treating the tax matters partner as a Covered Person under Section 12.2 below. The Members specifically acknowledge that the tax matters partner shall not be liable, responsible or accountable in damages or otherwise to the Company or any Member with respect to any action taken by the tax matters partner with respect to an Audit.

ARTICLE V MANAGEMENT

5.1 Managing Member. Except as specifically provided in this Agreement (including, but not limited to, Section 6.2 below), the Managing Member shall have the full, exclusive, and complete discretion, right, power, and authority to manage, control, administer, and operate the business and affairs of the Company, to make all decisions affecting such business and affairs, and to do all things which the Managing Member deems necessary or desirable in connection with the conduct of the business and affairs of the Company. Except as specifically provided in this Agreement, the Managing Member is authorized to act without the requirement of any consent or approval by the Members, including, without limitation, authorizing or taking any actions for which the unanimous consent of the Members is required under the LLC Act. The Managing Member shall be a “manager” within the meaning of the LLC Act.

5.2 Right to Rely on the Managing Member. No Person dealing with the Company shall be required to inquire into or to obtain any other documentation as to the authority of the Managing Member to take any action permitted under Section 5.1 hereof.

5.3 Reimbursement. The Managing Member shall be entitled to reimbursement for reasonable, ordinary and necessary fees and expenses incurred by the Managing Member in connection with his duties as Managing Member of the Company.

5.4 Time and Efforts. The Members acknowledge and agree that the Managing Member is not required to devote its full time and efforts to the Company, but shall devote such time to the Company as is necessary to operate and manage the Company in a professional and competent manner.

5.5 Delegation of Duties. Notwithstanding anything to the contrary contained in this Agreement, the Managing Member may delegate all or any part of his duties as Managing Member to other Persons. The fees paid by the Company to any such Person shall be determined by the Managing Member.

5.6 Resignation of Managing Member. The Managing Member may resign as the Managing Member of the Company upon sixty (60) days notice to all Members. If a Terminating Event occurs with respect to the Managing Member, then the Managing Member shall be deemed to have resigned as Managing Member of the Company immediately following the occurrence of such Terminating Event. The Managing Member’s resignation as the Managing Member of the Company shall not affect the Managing Member’s interest in his capacity as a Member (except as otherwise provided by this Agreement upon the occurrence of a Terminating Event).

5.7 Election of New Managing Member The election of a new Managing Member following the resignation of the Managing Member pursuant to Section 5.6 above shall be effective only if each of the following conditions has been satisfied:

(a) The new Managing Member shall have agreed to accept the responsibilities of the Managing Member hereunder; and

(b) The new Managing Member shall have been elected by the Required Percentage of Members.

In the event of the election of a new Managing Member, the new Managing Member shall amend this Agreement to reflect the election of the new Managing Member and shall make all necessary or appropriate filings with the Commonwealth of Massachusetts or other authorities.

5.8 Interpretation of Terms. Whenever this Agreement provides that an act or decision or determination or similar matter (each a “Determination”) be made by the Managing Member, such Determination shall be made in the sole discretion of the Managing Member, even if the reference to the sole discretion of the Managing Member is not elsewhere provided in this Agreement.

5.9 Reserves. The Managing Member may cause the Company to establish, fund, and maintain reasonable reserves for working capital, taxes, insurance, replacements and capital improvements, contingent or anticipated liabilities, payment of Company indebtedness, and other Company expenses.

5.10 No Certificates. The Units will not be evidenced or represented by certificates of membership interest issued by the Company.

ARTICLE VI MEMBERS

6.1 No Management Rights. Except as specifically provided in this Agreement (including, but not limited to, Section 6.2 below), no Member, in his or its capacity as such, shall have any authority or right to act for or bind the Company or to participate in or have any control over the Company’s business or affairs, except for such authority to act for and bind the Company as the Managing Member may, from time to time and in the exercise of its sole discretion, delegate to such Member in writing.

6.2 Member Approval Requirements. Notwithstanding anything to the contrary contained in this Agreement, the Company shall not take any of the following actions without the prior consent of the Required Percentage of Members:

- (i) merge or consolidate with any Person;
- (ii) sell or otherwise transfer all or substantially all of the Company’s assets;
- (iii) issue Units or other ownership interests in the Company (or securities convertible into or exchangeable for Units or other ownership interests in the Company) to any Person; or
- (iv) purchase, redeem or otherwise acquire for value any Units or other ownership interests in the Company, except pursuant to Article VIII hereof.

6.3 Meetings of and Voting by Members.

(a) If the vote, consent, approval or determination of the Members is required pursuant to this Agreement, a meeting of the Members may be called by the Managing Member or any Member. Meetings of Members shall be held at the Company's principal place of business in the Commonwealth of Massachusetts or at any other place designated by the Managing Member. No less than two (2) or more than ninety (90) days before the meeting, the Managing Member shall give written notice of the meeting to each Member. The notice shall state the time, place, and purpose of the meeting. Notwithstanding the foregoing provisions, each Member waives notice if before or at the meeting the Member signs a waiver of the notice which is filed with the records of Members' meetings, or is present at the meeting in person or by proxy. A Member may vote either in person or by written proxy signed by the Member or by the Member's duly authorized attorney in fact. A Member may participate in any meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at the meeting. Except as specifically provided in this Agreement, action by the Members under this Agreement, if required, shall be taken only by the Required Percentage of Members.

(b) In lieu of holding a meeting, the Members may vote or otherwise take action by a written instrument indicating the consent of the Required Percentage of Members or such other percentage as may be required by this Agreement.

6.4 Withdrawal.

(a) A Member may not withdraw from the Company as a Member without the prior written consent of the Managing Member, which consent may be withheld for any reason or for no reason, or unless such withdrawal is in connection with the sale or other transfer of all of such Member's Units pursuant to Article VII or Article VIII hereof. If a Member withdraws in violation of this Section 6.4, then such Member hereby agrees that such withdrawal will constitute a breach of this Agreement and such Member also agrees that the Company, in addition to any remedies otherwise available to the Company, may offset any damages due to such breach against any amounts otherwise distributable to such Member. Notwithstanding anything contained herein to the contrary, in the event any Member is determined to be unfit for marijuana licensure by the final decision of the Licensing Authority, such Member shall be subject to Automatic Divestiture as set forth in Section 8.5 below.

(b) Unless a Member withdraws with the consent of the Managing Member or such Member's Units are sold or otherwise transferred pursuant to Article VII or Article VIII hereof, upon withdrawal by any Member the withdrawn Member shall not be entitled to receive any monies or property for its Units, and the withdrawn Member and/or the successor to the withdrawn Member shall have only the rights of an assignee under Section 39 of the LLC Act.

6.5 Liability for Member Indebtedness; Indemnification by Members. If any Member (or any of such Member's Affiliates, directors, officers, stockholders, managers, members, partners, employees or agents) (each a "Liable Person") has incurred any indebtedness or obligation prior to the date of this Agreement that relates to or otherwise affects the Company, then neither the Company nor the other Members shall have any liability or responsibility for or with respect to such indebtedness or obligation, unless such indebtedness or obligation is assumed by the Company with the consent of the Managing Member. Furthermore, neither the Company nor any Member shall be responsible or liable for any indebtedness or obligation that is hereafter incurred by any Liable Person, unless such indebtedness or obligation is incurred in accordance with the authority granted to such Member under the terms of this Agreement. Each Liable Person shall indemnify and hold harmless the Company and the other Members from and against any and all claims, actions, demands, costs, expenses (including reasonable attorneys'

fees), liabilities, damages and losses resulting or arising, directly or indirectly, from any indebtedness or obligation such Liabe Person has incurred prior to the date of this Agreement or that such Liabe Person may incur hereafter for which neither the Company nor the other Members has any liability or responsibility.

6.6 Business Opportunities. Each Member (the “Referring Member”) shall offer first to the Company all business opportunities that the Referring Member or any of its Affiliates may be offered, or that the Referring Member or any of its Affiliates may itself determine to undertake, which involve, directly or indirectly, the Business (each a “Business Opportunity”). The Referring Member shall deliver written notice (the “Business Opportunity Notice”) of each such Business Opportunity to the Managing Member as soon as practicable. If the applicable Business Opportunity originates with a third party, it shall be offered to the Company under the same terms that it was offered to the Referring Member or its Affiliate. If the Company desires to pursue the applicable Business Opportunity, the Managing Member shall so notify the Referring Member in writing within thirty (30) days after the date of the Business Opportunity Notice (the “Business Opportunity Acceptance”). If the Managing Member affirmatively rejects the applicable Business Opportunity or fails to deliver a Business Opportunity Acceptance to the Referring Member as provided in the immediately preceding sentence, then the Referring Member or its Affiliate shall be free to pursue such Business Opportunity on its own, subject to the provisions of Article IX hereof.

6.7 Related-Party Transactions. The Company may engage in transactions with its Members and their respective Affiliates on such terms as are determined to be appropriate by the Managing Member.

6.8 Other Businesses of Members. Subject to the provisions of Section 6.6 above and Article IX below, any Member and any Affiliate thereof may engage in or possess an interest in other business ventures of any nature or description independently or with others, and neither the Company nor any Member shall have any rights in or to such independent ventures or the income or profits derived therefrom, and such activities shall not be construed as a breach of any duty of loyalty or other duty to the other Members or the Company.

ARTICLE VII TRANSFERS

7.1 General Rule.

(a) Except as specifically permitted in this Article VII or in Article VIII hereof, no Member shall Transfer all or any portion of such Member’s Units (or any interest therein) without the prior written consent of the Required Percentage of Members, which consent may be withheld for any reason or for no reason. Without limiting the generality of the foregoing, no such Transfer shall be approved hereunder if such Transfer would cause the Company to be unfit for licensure by the Licensing Authority or otherwise subject to Licensing Authority disciplinary action.

(b) Every Transfer shall be subject to all of the terms, conditions, restrictions and obligations set forth in this Agreement. In addition, each Transfer shall be evidenced by a written agreement, in form and substance satisfactory to the Managing Member, which is executed by the transferor and the transferee(s). No Person shall be a transferee of Units hereunder unless such Person is qualified under the Medical Marijuana Code to have an ownership or economic interest in a marijuana business as evidenced by the issuance of an occupational license or other final written determination by the Licensing Authority.

(c) The transferee of an interest in the Company transferred pursuant to this Article VII that is admitted to the Company as a Substitute Member in accordance with Section 7.6 hereof shall succeed to the rights and liabilities of the transferor Member and, after the effective date of such admission, the Capital Contribution and Capital Account of the transferor shall become the Capital Contribution and Capital Account, respectively, of the transferee, to the extent of the interest transferred.

(d) The admission of a transferee as a Substitute Member shall become effective on the date an amendment to reflect the transferred Units is duly recorded in the Company's records. Upon the admission of a Substitute Member, Schedule 1 shall be amended to reflect the name and address of the Substitute Member.

(e) Any attempted Transfer or withdrawal in contravention of any of the provisions of this Agreement shall be void *ab initio* and shall not bind or be recognized by the Company, the Managing Member, or the Members.

7.2 Certain Covenants of the Members. Each Member agrees with all other Members that such Member will not make any Transfer of all or any part of such Member's Units (or any interest therein) except in accordance with this Agreement.

7.3 Effect of Bankruptcy, Dissolution or Termination of a Member. The bankruptcy, dissolution, liquidation or termination of a Member shall not cause the termination or dissolution of the Company and the business of the Company shall continue. Except as otherwise provided in this Agreement, (i) upon any such occurrence, the trustee, receiver, executor, administrator, committee or conservator of such Member shall have all the rights of such Member for the purpose of settling or managing its estate or property, subject to the provisions of Section 7.5 hereof; and (ii) the Transfer by such trustee, receiver, executor, administrator, committee or conservator of any Member of any Units shall be subject to all of the restrictions hereunder to which such Transfer would have been subject if such Transfer had been made by such bankrupt, dissolved, liquidated or terminated Member.

7.4 Securities Laws Restrictions. Each Member understands that in addition to the restrictions on transfer contained in this Agreement, such Member must bear the economic risks of such Member's investment for an indefinite period because the Units have not been registered under the Securities Act and, therefore, may not be sold or otherwise transferred unless they are registered under the Securities Act or an exemption from such registration is available. Each Member agrees with all other Members that such Member will not Transfer its Units unless such Units have been so registered or in the opinion of counsel for the Company, or of other counsel reasonably satisfactory to the Company, such an exemption is available.

7.5 Member Dissociation Event.

(a) A Person shall cease to be a Member (a "Former Member") upon the occurrence of any of the following events (each a "Member Dissociation Event"):

(i) if the Member is an individual, the individual's death or adjudication by a court of competent jurisdiction as incompetent to manage the individual's person or property;

(ii) if the Member is acting as a Member by virtue of being a trustee of a trust, the termination of the trust;

(iii) if the Member is a partnership or a limited liability company, the dissolution and commencement of winding up of the partnership or limited liability company;

(iv) if the Member is a corporation, the dissolution of the corporation or the revocation of its charter;

(v) if the Member is an estate, the distribution by the fiduciary of the estate's entire interest in the Company; and

(vi) any other event or condition with respect to a Member described in Section 42 of the LLC Act.

(b) Immediately upon the occurrence of a Member Dissociation Event, the Former Member shall cease to have any rights under this Agreement as a Member and shall only have the rights of an assignee to receive distributions which the Former Member was entitled to receive with respect to his or its Units pursuant to the provisions of this Agreement. A Former Member expressly shall have no right to require the Company to redeem and liquidate the Former Member's Units.

7.6 Admission of Substitute Member.

(a) A Member who Transfers all or any part of its Units in accordance with the provisions of this Agreement shall remain a Member of the Company notwithstanding the Transfer of such Units, unless and until the transferee is admitted to the Company as a Substitute Member in accordance with the terms of this Section. Upon any permitted Transfer of any Member's Units pursuant to this Agreement, the transferor and transferee shall file with the Company an executed or authenticated copy of the written instrument of transfer.

(b) A transferee of a Member may be admitted as a Substitute Member with respect to the Units acquired by such transferee pursuant to this Agreement only if and when each and all of the following conditions are satisfied:

(i) the Managing Member approves the substitution of the transferee for the transferor;

(ii) the transferor and transferee have executed and acknowledged such instruments as the Managing Member may reasonably deem necessary or desirable to effect such Transfer;

(iii) unless waived by the Managing Member, a transfer fee has been paid to the Company sufficient to cover all expenses of the Company connected with such Transfer;

(iv) if requested by the Managing Member, the transferor or the transferee has furnished to the Company an opinion of counsel satisfactory to counsel to the Company that the Transfer can be effected without registration under the Securities Act and applicable state securities laws, and that the Transfer will not result in a termination of the Company for federal income tax purposes;

(v) a duly executed and acknowledged written instrument of transfer approved in form by the Managing Member has been filed with the Company setting forth the intention of the transferor that the transferee become a substituted Member in his place;

(vi) the transferee accepts and agrees to be bound by all the provisions of this Agreement by executing any documents required by the Managing Member; and

(vii) the transferee is eligible, pursuant to the Medical Marijuana Code, to be a Member of the Company.

7.7 Status of Certain Transferees.

(a) *Permitted Transfers*

(i) Any transferee in a Transfer made in accordance with this Agreement shall have all the economic rights of a Member with respect to the interest transferred, to the maximum extent permitted by the LLC Act and the Code, and shall be subject to the terms, conditions, and restrictions set forth in this Agreement.

(ii) Unless and until the transferee of part or all of the Units of a Member is admitted to the Company as a Substitute Member pursuant to this Agreement: (A) the transferee shall have no right to participate with the Members in any votes taken or consents granted or withheld by the Members hereunder, (B) the transferee shall have no right to further Transfer the Units transferred to him, and (C) the transferor shall remain liable to the Company for all contributions and other amounts payable with respect to the transferred Units to the same extent as if no Transfer had occurred.

(b) *Non-permitted Transfers*

(i) Unless and until all requirements set forth in this Agreement have been satisfied with respect to a proposed Transfer of Units, the Company shall continue to treat the transferor as the sole owner of the Units purportedly transferred, shall make no distributions to the purported transferee, shall not furnish to purported transferee any tax or financial information regarding the Company, and shall otherwise not treat the purported transferee as an owner of any Units or any other interest in the Company (either legal or equitable), unless otherwise required by law.

(ii) The Company shall be entitled to seek injunctive relief, at the expense of the putative transferor, to prevent any such purported Transfer.

ARTICLE VIII
TERMINATING EVENTS; REDEMPTION

8.1 Terminating Event. Upon the occurrence of a Terminating Event with respect to a Member, such Member or such Member's legal or personal representative(s), as applicable (individually and collectively, the "Terminating Member") immediately shall give written notice thereof to the Company, and the Company shall have the right (but not the obligation) to redeem (the "Redemption Option") all (but not less than all) of the Units held by such Terminating Member (collectively, the "Redemption Units") for an aggregate redemption price (the "Redemption Option Purchase Price") equal to the Fair Market Value (as defined below) of the Redemption Units; provided, however, that if the applicable Terminating Event is any event or condition described in clause (g), clause (h), or clause (i) of the definition of Terminating Event, then the Redemption Option Purchase Price shall be an amount equal to fifty percent (50%) of the Fair Market Value of the Redemption Units. If the Company desires to exercise the Redemption Option, then the Company shall so notify the Terminating Member in writing. The closing of the Redemption Option shall be held at the Company's principal office within sixty (60) days after the date on which the Company delivers to the Terminating Member written notice of the exercise of the Redemption Option. At such closing, (i) the Terminating Member shall assign and transfer to the Company all right, title, and interest in and to the Redemption Units (free and clear of all liens, security interests, and other encumbrances) and shall execute and deliver to the Company such other and further assurances as the Company's attorney may reasonably require to transfer to and vest the Redemption Units in the Company; and (ii) the Company shall execute and deliver to the Terminating Member a promissory note in such form as determined to be reasonable by the Board of Managers and with a principal amount equal to the Redemption Option Purchase Price. Such promissory note shall

provide for sixty (60) consecutive equal monthly payments of principal, plus interest on the unpaid balance at a rate equal to the minimum rate necessary to avoid imputed interest or original issue discount under the Code, beginning three (3) months after the date of the closing. In addition, such promissory note will provide that the unpaid balance thereof may be prepaid at any time without premium or penalty. Furthermore, such promissory note shall be subject and subordinate to the Company's current and future obligations to any bank, finance company, or other financial institution in respect of extensions of credit to the Company, and the Terminating Member shall take such steps and execute such agreements, documents, instruments, and certificates as may be necessary or appropriate to effectuate such subordination.

8.2 Determination of Fair Market Value. The fair market value (the "Fair Market Value") of the Redemption Units, shall be determined in accordance with this Section 8.2:

(a) Agreement of Parties. If the Company and the Terminating Member, can agree in writing as to the Fair Market Value of the Redemption Units, then such agreed value shall be the Fair Market Value of the Redemption Units. If no agreement on the Fair Market Value of the Redemption Units can be reached within fifteen (15) days after the date on which the Company first elects to redeem the Redemption Units pursuant to Section 8.1 then the Fair Market Value of the Redemption Units shall be determined pursuant to Section 8.2(b) below.

(b) Third Party Appraisal. If the Fair Market Value of the Redemption Units is not agreed upon as provided in Section 8.2(a) above within the time period stated therein, then, within seven (7) days thereafter, an appraiser shall be jointly selected by the Company and the Terminating Member. The determination of such jointly selected appraiser as to the Fair Market Value of the Redemption Units shall be final, binding, and conclusive. If the Company and the Terminating Member are unable to reach an agreement as to an appraiser within the time period herein stated, then the provisions of Section 8.2(c) below shall apply.

(c) Additional Appraiser. If the Company and the Terminating Member do not agree upon the selection of an appraiser as provided in Section 8.2(b) above within the period stated therein, then, within five (5) days after the expiration of the seven (7) day period provided for in Section 8.2(b) hereof, the Company and the Terminating Member each shall select one (1) appraiser and those two (2) appraisers shall select a third appraiser. All such appraisers shall be regionally recognized appraisers with substantial experience valuing entities similar to the Company. If either party fails to deliver the name of an appraiser within said five (5) day period, then the other party's appraiser shall serve as the sole appraiser. The appraiser so selected shall, within fifteen (15) days of being selected, determine the Fair Market Value of the Redemption Units. The determination of such appraiser shall be final, binding, and conclusive.

(d) Costs of Appraisals. The costs, expenses, and fees of the appraiser(s) shall be shared equally by the Company and the Terminating Member. Otherwise, each of the Company and the Terminating Member shall bear its own respective costs, expenses, and fees (including, without limitation, legal, accounting, and consulting fees) incurred in connection with the appraisal and closing process.

(e) Valuation Factors. All determinations of Fair Market Value hereunder shall take into account discounts for (i) minority interests, and/or (ii) any lack of liquidity or marketability of the Units.

8.3 Company Decisions. All elections, determinations, and other decisions by the Company under this Article VIII shall be made by the Managing Member; provided, however, that if the Terminating Member was, prior to such Terminating Event, the Managing Member or an Affiliate

thereof, then all elections, determinations, and other decisions of the Company under this Article VIII shall be made by the Required Percentage of Members.

8.4 Life Insurance. The Company may purchase insurance on the lives of one or more of its Members in connection with its rights under Section 8.1 above. The Company shall be the sole owner of the policies described in this Section and shall have all incidents of ownership connected with those policies. Each Member shall complete all applications and submit to all physical examinations required by any company to which an application is submitted for the insurance on his life. The amount to be paid to a deceased Member's personal or legal representative under this Article VIII shall be deemed to be paid in exchange for the interest of the Member in Company property, in accordance with Section 736(b) of the Code.

8.5 Automatic Divestiture. If, during anytime while the Company holds a local or state license pursuant to the Medical Marijuana Code, any of the following occur to a Member or to a member of an entity that is a Member of Company, all interests of that Member in the Company (the "Affected Member") will automatically and immediately terminate, and the Affected Member will cease to be a Member:

(a) The Affected Member is charged with or convicted of any criminal offense, if a conviction of the offense in question would, pursuant to the Medical Marijuana Code, disqualify the Affected Member from owning a marijuana business. However, where an Affected Member is only charged with a criminal offense and not convicted, and where the Licensing Authority and the local or state licensing authority upon request have agreed to defer pursuing any action against the Company's marijuana business license(s) based upon such charges, or where any such actions of the Licensing Authority and local licensing authorities are subject to a stay order, then the Affected Member's Units shall not be subject to divestiture under this Section;

(b) The Affected Member or any entity that it owns or controls incurs a revocation of any Massachusetts marijuana business license, and it is determined by the Manager that such revocation has a material adverse effect upon the issuance or continued good standing of the Company's marijuana business license;

(c) The Licensing Authority or local licensing authority issues a formal recommendation stating that the Affected Member is unfit for occupational licensure under the Medical Marijuana Code;

(d) The Licensing Authority or local licensing authority issues a formal recommendation against the issuance to the Company of a marijuana business license or revokes a marijuana business license, which recommendation cites the participation of the Affected Member as a material factor in the decision, or the Licensing Authority or local licensing authority conditions the issuance of a marijuana business license on the Company removing the Affected Member in the Company;

(e) The Licensing Authority or local licensing authority advises the Company in writing, or it is otherwise determined by court order, that a decision on the Company's marijuana business license is being delayed beyond one (1) year following the filing of the Company's application for a marijuana business license, and the Company is advised before or after said date that the sole reason for such delay is the participation of or concerns about the Affected Member;

(f) The Affected Member demonstrates a repeated failure to attend meetings with the Licensing Authority or any local licensing authority as required for Company business to be

conducted. As used herein, repeated failure to attend shall be demonstrated by failure to attend any meeting without good cause, or any two (2) meetings with any licensing authority;

(g) The Affected Member fails to provide information to the Licensing Authority which is requested by or required by the Licensing Authority; and

(h) If the Affected Member is a partnership or other business entity and not a natural person, a member of the Affected Member is disqualified from obtaining an ownership interest in a licensed marijuana business by final written determination of the Licensing Authority, unless, unless such member is divested from the Affected Member in a timely manner.

8.6 Settling of Accounts Following Automatic Divestiture.

(a) The Company shall continue in existence notwithstanding the automatic termination of any Member pursuant to Section 8.5 above. Notwithstanding any provision of this Agreement to the contrary, if the Affected Member is a corporate entity and the occurrence of any of the events enumerated in Section 8.5 above, is due to a member, shareholder, or manager of the Affected Member, the Affected Member shall have an option to redeem its Units and shall be restored to its ownership position before the divestiture event occurred if the Affected Member, a court of law, or the Licensing Authority provides a written assurance or order that Affected Member has removed the member, shareholder, or manager that caused any of the events enumerated in Section 8.5 above, pursuant to the terms of the Affected Member's governing documents.

(b) The Company shall be liable for the terminated ownership interest of the Affected Member as follows: (i) the Company and the Affected Member shall determine the fair market value of the Affected Member's Units by a mutually-agreed upon third party appraisal; (ii) If the Affected Member and the Company cannot agree on a third party appraisal, they shall both individually choose and pay for their own appraisal and the differences, if any, between the two valuations of the Affected Member's Units shall be averaged and used for calculating the Payoff Note (as defined herein); (iii) once the value of the Affected Member's Units is determined, the Company shall deliver a note (the "Payoff Note") to the Affected Member for fifty percent (50%) of the value determined by the appraisal or the average of the appraisals. The Payoff Note shall be payable over a five (5) year period and shall bear interest at a rate equal to the prime rate of interest as announced from time to time by the Wall Street Journal or shall be discounted (using the same rate) to present value if an earlier payoff is required under the Medical Marijuana Code. The terms of the Payoff Note shall include equal monthly payments and shall be reasonable and customary for a transaction of this type. The Company may sell the Affected Member's Units, in accordance with the terms of this Agreement, to finance the Payoff Note or for any other lawful reason.

(c) The provisions of Section 8.5 and Section 8.6 are in addition to, and not in limitation of, the provisions of Section 7.5 and Section 8.1 above.

ARTICLE IX MEMBER COVENANTS

9.1 Confidential Information.

(a) No Member shall for any reason, directly or indirectly, disclose to any Person other than the Company, or use for its own personal benefit or for the benefit of any Person other than the Company, any Confidential Information.

(b) Each Member shall, at all times take all precautions necessary to protect from loss or disclosure any and all documents or other information containing, referring to or relating to Confidential Information.

(c) Notwithstanding the foregoing, a Member may disclose Confidential Information pursuant to a subpoena or other order issued by a court of competent jurisdiction or governmental agency, but only if such Member notifies the other Members in writing in advance of such disclosure and cooperates with the other Members in the event the Managing Member elects to legally contest and avoid such disclosure. In any event, such Member may disclose only such portion of the Confidential Information that such Member is advised by a written opinion of counsel is legally required to be disclosed.

9.2 Noncompetition. Each Member covenants and agrees that, for so long as such Member holds any Units, and for a period of one (1) year thereafter, neither such Member nor any of its Affiliates will, without the prior written consent of the Managing Member, directly or indirectly, alone or as a director, officer, employee, agent, consultant, independent contractor, stockholder, partner, manager, member, joint venturer, or owner of (or as a lender or financier to) any company, business, enterprise, or entity, engage in or participate in the Restricted Business within the Restricted Area. A Member's ownership of not more than 4.99% of the shares of stock of any corporation having a class of equity securities actively traded on a national securities exchange shall not be deemed, in and of itself, to violate the prohibitions of this Section.

9.3 Nonsolicitation. Each Member covenants and agrees that, for so long as such Member holds any Units, and for a period of one (1) year thereafter, neither such Member nor any of its Affiliates will, without the prior written consent of the Managing Member, directly or indirectly, alone or as a director, officer, employee, agent, consultant, independent contractor, stockholder, partner, manager, member, joint venturer, or owner of (or as a lender or financier to) any company, business, enterprise, or entity (i) solicit, encourage, or induce (or attempt to solicit, encourage, or induce) any client, customer, supplier, business partner, technology partner, contractor, subcontractor, licensor, licensee, landlord, lessor, or other Person with whom the Company has a business relationship to cease doing business with (or alter or reduce its business relationship with) the Company, or to commence or expand a similar business relationship with any other Person, (ii) solicit, encourage, or induce (or attempt to solicit, encourage, or induce) any individual or entity with whom the Company had at least one sales meeting (whether in-person, telephonic, or through electronic means) within the preceding six-month period to refrain from doing business with the Company, or to commence or expand a similar relationship with any other individual or entity; (iii) solicit, encourage, or induce (or attempt to solicit, encourage, or induce) any employee or service contractor of the Company to leave the employ or service of the Company, or in any way interfere with the relationship between the Company and its respective employees and/or service contractors, or (iv) hire or engage (or attempt to hire or engage) any person who was an employee of the Company until six (6) months after such person's employment with the Company has ended.

9.4 Nature of Restrictions; Enforcement.

(a) Each Member hereby acknowledges and agrees that the restrictions and covenants set forth in Section 9.1, Section 9.2, and Section 9.3 hereof (i) are reasonable, in terms of scope, subject matter, geographic area, duration, and otherwise, and that the protections afforded to the Company thereunder are necessary to protect its legitimate business interests, and (ii) do not preclude such Member from earning a livelihood or unreasonably impose limitations on such Member's ability to earn a living. In addition, each Member acknowledges and agrees that the potential harm to the Company of the non-enforcement of the provisions of Section 9.1, Section 9.2, and/or Section 9.3 outweighs any harm to such Member of their enforcement by injunction or otherwise. Each Member agrees that each provision of Section 9.1, Section 9.2, and Section 9.3 hereof shall be treated as a separate and independent clause, and the unenforceability of any one clause shall in no way impair the enforceability of any of the

other clauses hereof. Moreover, each Member agrees that if one or more of such provisions shall for any reason be held to be unenforceable, such provision or provisions shall be construed by the appropriate judicial body so as to be enforceable to the maximum extent compatible with applicable law.

(b) Each Member acknowledges and agrees that any breach of the provisions of Section 9.1, Section 9.2, and/or Section 9.3 hereof will cause irreparable harm to the Company. Accordingly, each Member acknowledges and agrees that the Company shall be entitled, in addition to any other remedies that may be available at law or in equity (including, without limitation, monetary damages), to obtain injunctive or other equitable relief in connection with any breach or threatened breach thereof, without the necessity of posting bond or other security, and each Member hereby agrees to waive the defense that there is an adequate remedy at law in any action, suit, or proceeding relating to such injunctive or other equitable relief.

(c) In addition to any other remedies that the Company may seek and obtain pursuant to this Agreement, the duration of the restrictions set forth in each of Section 9.2 and Section 9.3 hereof shall be extended by any and all periods of time during which such Member shall be found by a court of competent jurisdiction (or arbitrator) to have been in violation of any provision thereof.

(d) Each Member acknowledges and agrees that, in the event of any breach by such Member of the provisions of Section 9.1, Section 9.2, and/or Section 9.3 of this Agreement, the Company shall be entitled to an accounting and repayment of all profits, compensation, commissions, remuneration, or benefits which such Member and/or its Affiliates directly or indirectly have received or realized and/or may receive or realize as a result of, growing out of, or in connection with any such breach; such remedy shall be in addition to and not in limitation of any injunctive relief or other rights or remedies to which the Company is or may be entitled pursuant to this Agreement or applicable law.

9.5 Survival. The provisions of this Article IX shall survive the termination of each Member's interest in the Company.

ARTICLE X DISSOLUTION

10.1 Events of Dissolution. The Company shall be dissolved upon the happening of any of the following events:

(a) the election to dissolve and terminate the Company proposed by the Managing Member and approved by the Required Percentage of Members;

(b) the entry of a decree of judicial dissolution or administrative order of dissolution by the Licensing Authority; or

(c) the entry of a decree of judicial dissolution under Section 44 of the LLC Act in respect of the Company.

10.2 Winding Up. Upon dissolution under Section 10.1 hereof, no further business shall be conducted by the Company except for the taking of such action as shall be necessary for the winding up of the affairs of the Company and the distribution of its assets to the Members pursuant to the provisions hereof, and thereupon such Person or Persons as the Managing Member shall designate shall act as liquidating trustee (the "Liquidator") and with reasonable speed proceed to wind up and terminate the business and affairs of the Company.

10.3 Sale of Company Assets. Upon dissolution, the Liquidator shall sell such of the Company assets as it deems necessary or appropriate. In lieu of the sale of any or all of the Company's property, the Liquidator may convey and assign all or any part of the Company's property to the Members. Such property shall be conveyed and accounted for in accordance with Section 4.5(a) above. A full accounting shall be made of the accounts of the Company and each Member thereof and of the Company's assets, liabilities and income, from the date of the last accounting to the date of such dissolution.

10.4 Distribution of Assets. Upon the liquidation or dissolution of the Company, the Liquidation Funds shall be distributed to the Members to the extent of and in proportion to their respective Capital Accounts, after taking into account the allocations of Profit or Loss pursuant to Section 4.3 hereof and prior distributions of cash or property pursuant to Section 4.1 hereof. The Liquidator shall use commercially reasonable efforts to carry out the liquidation in conformity with the timing requirements of Regulation Section 1.704-1(b)(2)(ii)(g), but will not be bound to do so or liable in any way to any Member for failure to do so.

10.5 Return of Capital Contributions. The Members shall look solely to the assets of the Company for the return of their Capital Contributions, and if the Company property remaining after the payment or discharge of the debts, obligations and liabilities of the Company is insufficient to return the Capital Contributions, they shall have no recourse therefor against the Liquidator, the Managing Member, or any Member.

10.6 Termination. A reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the discharge of liabilities to creditors so as to enable the Liquidator to minimize the normal losses attendant upon a liquidation. Each of the Members shall be furnished with a statement prepared by the Company's accountants which shall set forth the property and liabilities of the Company as of the date of complete liquidation. Upon compliance with the distribution plan set forth herein, the Members shall cease to be such, and the Liquidator shall execute, acknowledge and cause to be filed with the Secretary a Certificate of Cancellation for the Company. Upon completion of the dissolution, winding up, liquidation and distribution of the liquidation proceeds, the Company and this Agreement shall terminate.

ARTICLE XI BOOKS AND RECORDS; ACCOUNTING, TAX ELECTIONS, ETC.

11.1 Fiscal Year; Methods of Accounting. The fiscal year of the Company shall be the year ending December 31. The method of accounting to be used in keeping the books of the Company shall be determined by the Managing Member in accordance with applicable law.

11.2 Tax Elections. All tax elections required or permitted to be made by the Company shall be made by the Managing Member.

11.3 Information Rights. As soon as practicable after the end of each fiscal year, the Company shall make the necessary arrangements such that all information relating to the Company necessary for the preparation by each Member of its federal income tax return is provided to the Member.

11.4 List of Members. The Company shall maintain a list of the names and addresses of all Members at the principal office of the Company. Such list shall be made available for the review of any Member or its representative at reasonable times, and upon request, either in person or by mail, the Company shall furnish a copy of such list to any Member or its representative for the cost of reproduction and mailing.

11.5 Accountants. The accountants for the Company shall be selected by the Managing Member.

11.6 Organizational Expenses. The organizational expenses of the Company shall be deducted and amortized to the extent permitted by Section 709 of the Code.

ARTICLE XII
EXCULPATION; INDEMNIFICATION

12.1 Exculpation.

(a) No Covered Person shall have any liability to the Company or to any Member for any loss suffered by the Company or any Member that arises out of any action or omission of such Covered Person in connection with or related to the Company, unless such action or omission constituted fraud, gross negligence or willful misconduct of such Covered Person.

(b) No Person that serves as Liquidator pursuant to Article X shall have any liability to the Company or any Member for any loss suffered by the Company or any Member that arises out of any action or omission of such Person in connection with or related to the Company, unless such action or omission constituted fraud, gross negligence or willful misconduct of such Liquidator.

(c) Any repeal of or amendment to this Section 12.1 shall be prospective only and shall not adversely affect any limitation on the liability of a Covered Person or Person serving as Liquidator existing at the time of such repeal or amendment.

12.2 Indemnification.

(a) Each Covered Person and each Liquidator (if any) (each an "Indemnitee") shall be indemnified, subject to the other provisions of this Agreement, by the Company (only out of Company assets, including the proceeds of liability insurance) against any claim, demand, controversy, dispute, cost, loss, damage, expense (including, without limitation, reasonable attorneys' fees), judgment, fine, or liability incurred by or imposed upon the Indemnitee in connection with any action, suit or proceeding (including any proceeding before any administrative or legislative body or agency), to which the Indemnitee may be made a party or otherwise involved or with which the Indemnitee shall be threatened, by reason of any acts or omissions, or alleged acts or omissions, arising out of (i) the Indemnitee's status or activities as the Managing Member and/or Liquidator, or (ii) the Indemnitee's status as a director and/or officer of the Managing Member, in each case whether or not the Indemnitee continues to serve in such capacity at the time such action, suit or proceeding is brought or threatened, unless a court of competent jurisdiction finally determines (all appeals having been exhausted or waived) that such Indemnitee's course of conduct constituted fraud, gross negligence or willful misconduct of such Indemnitee; provided, however, that no Covered Person shall be entitled to indemnification hereunder for any matter for which the Company does not have any liability under Section 6.5 hereof. The termination of any action by judgment, order, settlement, or upon a plea of *nolo contendere* or its equivalent, shall not create a presumption that the Indemnitee's conduct constituted fraud, gross negligence or willful misconduct.

(b) Any indemnity under this Section 12.2 shall be paid from assets of the Company (including, without limitation, insurance proceeds). No Member shall have any personal liability for indemnity payments to be made hereunder. The indemnification rights contained in this Section 12.2 shall be limited to out-of-pocket loss or expense.

(c) Each Indemnitee shall be entitled to receive, upon application therefor, reasonable advances to cover the costs of defending any proceedings against him.

(d) The Managing Member may cause the Company to purchase and maintain insurance, at the expense of the Company and to the extent available, for the protection of Covered Persons and such other Persons as the Managing Member deems appropriate against any liability incurred by any such Covered Person or other Person, whether or not the Company has the power to indemnify such Covered Person or other Person against such liability.

(e) The foregoing right of indemnification shall inure to the benefit of the executors, administrators, personal representatives, successors or assigns of each such Indemnitee.

(f) The rights to indemnification and advancement of expenses conferred in this Section 12.2 shall not be exclusive of any other right which any Indemnitee may have or hereafter acquire under any law, statute, rule, regulation, charter document, by-law, contract or agreement.

(g) Any repeal of or amendment to this Section 12.2 shall be prospective only and shall not limit or eliminate the right to indemnification provided hereunder with respect to acts or omissions occurring prior to such repeal or amendment.

12.3 Conflicting Provisions. If any Covered Person or Indemnitee or the Company itself is subject to any federal or state law, rule or regulation which restricts the extent to which any Person may be exonerated or indemnified by the Company, then the exonerated provisions set forth in Section 12.1 and the indemnification provisions set forth in Section 12.2 shall be deemed to be amended, automatically and without further action by the Managing Member or the Members, to the minimum extent necessary to conform to such restrictions.

ARTICLE XIII DISPUTE RESOLUTION

13.1 Disputes. Subject to the provisions of Section 13.5 below, in the event there is any dispute among the Members regarding the proper interpretation or effect of this Agreement (each a "Dispute"), any Member affected by such Dispute shall have the immediate right, upon notice to the other Members (the "Dispute Notice"), to initiate a discussion directed at resolving such Dispute.

13.2 Mediation. If the Members are unable to resolve the Dispute on a mutually satisfactory basis within thirty (30) days after the date of the Dispute Notice, then the Members shall submit the Dispute to non-binding mediation in accordance with procedures agreed upon by the Members. If the Dispute is not resolved through mediation within thirty (30) days of the initial request for mediation or within a time frame mutually agreed upon by the Members, then the Dispute shall be submitted for binding arbitration as provided in Section 13.3 below.

13.3 Binding Arbitration.

(a) If a Dispute is required to be submitted to binding arbitration pursuant to Section 13.2 above (each an "Arbitration Matter"), then, in each such case, the procedures set forth in this Section 13.3 shall apply.

(b) *Pre-Arbitration Procedure.*

(i) Any Arbitration Matter shall be submitted to arbitration by notifying the other Member or Members, as the case may be, in writing of the submission of such Arbitration Matter to arbitration (the "Arbitration Notice"). The Member delivering the Arbitration Notice shall specify therein, to the fullest extent then possible, its version of the facts surrounding the Arbitration Matter and the amount of any damages and/or the nature of any injunctive or other relief such Member claims.

(ii) Each Member receiving such Arbitration Notice shall respond within 10 business days after receipt thereof (the "Arbitration Response"), stating its version of the facts to the fullest extent then possible and, if applicable, its position as to damages or other relief sought by the Member delivering the Arbitration Notice.

(c) *Arbitration Procedure.*

(i) The arbitration shall be conducted in Boston, Massachusetts before one (1) arbitrator selected by the American Arbitration Association, unless otherwise agreed to by the parties in writing. The Commercial Arbitration Rules of the American Arbitration Association in effect on the date the matter is submitted to arbitration shall apply, unless otherwise agreed by the parties in writing. The Members shall submit the Arbitration Notice and the Arbitration Response to the arbitrator(s).

(ii) The decision of the arbitrator(s) shall be in writing and shall contain the findings of fact and conclusions of law on which the decision is based. The arbitrator(s) shall not have the power to make any award that is inconsistent with the provisions of this Agreement or with the substantive law of the Commonwealth of Massachusetts. Any award or final decision rendered pursuant to the arbitration may be entered for enforcement in any court of competent jurisdiction.

13.4 Expenses. The expenses of the arbitration proceeding, with the exception of attorney fees' (if any) and other expenses independently undertaken by each party, will be shared equally by the parties to the arbitration; provided, however, that the party which prevails in any such arbitration shall be entitled to reimbursement of its reasonable attorney's fees and costs associated with the arbitration proceeding as approved by the arbitrator(s).

13.5 Certain Breaches. Notwithstanding the terms of Section 13.1 above, the Company shall be entitled, if it so elects, to institute and prosecute proceedings in any court of competent jurisdiction in order to enforce the Company's rights and remedies under Article IX above.

ARTICLE XIV GENERAL PROVISIONS

14.1 Notices. Except as otherwise provided in this Agreement, all notices, consents or other communications required to be given under this Agreement shall be deemed sufficient for all purposes hereof if such notice, consent or other communication is in writing (including a written electronic communication) and: (a) personally delivered to the party to whom it is directed; (b) sent by facsimile telecommunication to a number provided by the party to whom it is directed, or by electronic mail to an electronic mail address provided by the party to whom it is directed, in each case with written confirmation of receipt; (c) sent by certified or registered mail return receipt requested, to the party to whom it is directed, postage and charges pre-paid, addressed to such party's address as set forth next to such party's name on Schedule 1; or (d) sent by express overnight delivery by a national carrier to the party to whom it is directed, addressed to such party's address as set forth next to such party's name on Schedule 1.

Except as otherwise expressly provided in this Agreement, (x) any notice, consent or other communication that is delivered in accordance with Section 14.1(b) above shall be deemed to be given when sent, if sent during normal business hours of the recipient; if not, then on the next business day, (y) any notice, consent or other communication that is sent by mail in accordance with Section 14.1(c) above shall be deemed to be given on the fifth (5th) business day after the date on which it was deposited in a regularly maintained receptacle for the deposit of United States mail, and (z) any notice, consent or other communication that is delivered in accordance with Section 14.1(a) or Section 14.1(d) above shall be deemed to be given when received.

Any Member may change its address by giving notice in writing stating its new address to the Company and all other Members. Commencing on the tenth (10th) day after the giving of such notice, such newly designated address shall be the Person's address for the purposes of all notices, consents or other communications required or permitted to be given pursuant to this Agreement.

14.2 Specific Performance. Each of the parties hereto recognizes that if any party hereto refuses to perform under the provisions of this Agreement or any other agreements or instruments provided for herein, then monetary damages alone would not be adequate to compensate the other parties for their injury. Accordingly, each party hereto shall be entitled, in addition to any remedies that may be available at law or in equity (including, without limitation, monetary damages), to obtain specific performance of the parties' obligations hereunder or thereunder, without the necessity of posting bond or other security. If any action is brought by a party hereto to specifically enforce this Agreement or any other agreements or instruments provided for herein, then the other parties shall waive the defense that there is an adequate remedy at law.

14.3 Severability. If any provision (or any part of any provision) contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such invalidity, illegality, or unenforceability shall not affect any other provision (or remaining part of the affected provision) of this Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision (or part thereof) had never been contained herein, but only to the extent such provision (or part thereof) is invalid, illegal, or unenforceable.

14.4 Third Party Beneficiary Rights. No provision of this Agreement is intended to be for the benefit of any creditor to whom any debts, liabilities or obligations are owed by, or who otherwise has any claim against, the Company or any of the Members, and no such creditor shall obtain any right under any such provisions or shall by reason of such provisions make any claim in respect of any debt, liability or obligation (or otherwise) against the Company or any of the Members.

14.5 Entire Agreement; Amendment; Waiver. The Certificate of Organization and this Agreement constitute the entire understanding and agreement of the parties hereto with respect to the subject matter hereof and thereof, and supersede any and all prior agreements, communications and negotiations (whether oral or written) regarding the transactions contemplated hereby and thereby. No modification, amendment, or waiver of any provision of this Agreement or the Certificate of Organization shall be effective unless such modification, amendment or waiver is approved in writing by the Required Percentage of Members.

14.6 Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without giving effect to its conflict of law provisions. Each Member irrevocably consents to the non-exclusive jurisdiction of the courts of the Commonwealth of Massachusetts.

14.7 Expenses. All expenses in connection with the development, financing and operation of the Company's business as well as the annual accounting fees, expenses for preparing and distributing

Company financial statements and tax returns, and Company insurance premiums, shall be considered Company expenses. Each Member shall pay its own legal and accounting fees in connection with protecting or enforcing its particular Units.

14.8 Statutory References. Each reference in this Agreement to a particular statute or regulation, or a provision thereof shall, at any particular time, be deemed to be a reference to such statute or regulation, or provision thereof or to any similar or superseding statute or regulation, or provision thereof, as at such time is in effect.

14.9 Member Representations. Each Member represents and warrants to the Company and the other Members that (A) such Member has the power and authority to execute, deliver and perform this Agreement and the transactions contemplated hereby, (B) this Agreement has been duly executed and delivered by such Member and, assuming the due execution and delivery by the other Members, constitutes the legal, valid and binding obligation of such Member, enforceable in accordance with its terms, and (c) such Member is suitable for licensure by the Licensing Authority.

14.10 Further Assurances. Each Member shall execute and deliver all such agreements, documents, instruments, and certificates, and shall do all such filing, recording, publishing, and other acts as the Managing Member deems appropriate to effectuate the provisions of this Agreement, to comply with the requirements of law for the formation and operation of the Company and to comply with any laws, rules, and regulations relating to the acquisition, operation, or holding of the property of the Company.

14.11 Binding Effect. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

14.12 Waiver of Right to Judicial Dissolution. The Members agree that irreparable damage would be done to the goodwill and reputation of the Company if any Member should bring an action in court to dissolve the Company. Each party hereby waives and renounces its right to seek a court decree of dissolution or to seek the appointment by a court of a liquidator for the Company.

14.13 Waiver of Partition and Valuation. Each Member, on behalf of himself and his successors, representatives, heirs and assigns, hereby waives and releases each and all of the following rights that he has or may have, if any, by virtue of holding Units: (a) any right of partition or any right to take any other action which otherwise might be available to such Member for the purpose of severing its relationship with the Company or such Member's interest in the assets held by the Company from the interests of the other Members; and (b) except as expressly provided herein, any right to valuation and payment of the Units of any Member.

14.14 Spousal Interests in Units. To the extent that any Units of a Member constitute the marital or community property of such Member and his or her spouse, the Member shall obtain the spouse's acknowledgment of and consent to the existence and binding effect of this Agreement by having the spouse execute a spousal consent in the form of Exhibit B attached hereto. If a Member marries or remarries subsequent to the date of this Agreement, the Member shall obtain the required spousal consent within a reasonable time, not to exceed thirty (30) days, following the marriage.

14.15 Testamentary Provisions. Each Member shall insert in his or her will a direction and authorization to the executor to fulfill and comply with the provisions of this Agreement.

14.16 Waiver of Jury Trial. EACH OF THE MEMBERS WAIVES ALL RIGHTS TO TRIAL BY JURY OF ANY CLAIMS OF ANY KIND ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE MEMBERS ACKNOWLEDGE THAT THIS IS A WAIVER OF A LEGAL RIGHT AND REPRESENT TO EACH

OTHER THAT THESE WAIVERS ARE MADE KNOWINGLY AND VOLUNTARILY AFTER CONSULTATION WITH COUNSEL OF THEIR CHOICE. EACH OF THE MEMBERS AGREES THAT ALL SUCH CLAIMS SHALL BE TRIED BEFORE A JUDGE OF A COURT HAVING JURISDICTION WITHOUT A JURY.

14.17 Advisement of Counsel. THE CULTIVATION, PRODUCTION AND SALE OF CANNABIS IS ILLEGAL UNDER FEDERAL LAW. NONE OF THE COMPANY, THE MANAGING MEMBER, THE MEMBERS, NOR ATTORNEYS FOR COMPANY, HAVE MADE ANY REPRESENTATION OR WARRANTY TO THE CONTRARY.

14.18 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and may be delivered via facsimile or electronic transmission.

[Signature Page Follows]

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

Members:



William P. Phelan

Neil Phelan

Brett Sprau

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

Members:

William P. Phelan

A handwritten signature in cursive script, appearing to read "Neil W. Phelan", written over a horizontal line.

Neil W. Phelan

A handwritten signature in cursive script, appearing to read "Brett Sprau", written below a horizontal line.

Brett A. Sprau

Schedule 1
(List of Members)

Capitalized terms used in this Schedule 1 but not otherwise defined herein shall have the respective meanings specified in the foregoing Operating Agreement of Just Healthy, LLC.

<u>Name and Address</u>	<u>Initial Capital Contribution</u>	<u>Number of Units</u>
William P. Phelan 6 Turnberry Lane Loudonville, New York 12211	\$12,603	12,603
Neil Phelan 202 State Street Northampton, Massachusetts 01060	\$4,867	4,867
Brett Sprau 45 East Northampton Street Apartment 306 Wilkes-Barre, Pennsylvania 18701	\$2,531	2,531

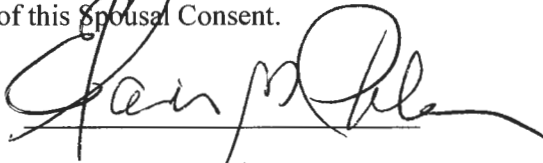
Exhibit A
(Certificate of Organization)

Exhibit B
(Spousal Consent)

SPOUSAL CONSENT

I, the spouse of a Member of Just Healthy, LLC (the "Company"), hereby acknowledge that I have read the foregoing Operating Agreement (the "LLC Agreement") and know its contents, including, but not limited to, those provisions that establish the rights of the Company to purchase any and all Units (as defined in the LLC Agreement) (or any interest therein) acquired by or awarded to me pursuant to a decree of divorce, dissolution, or separate maintenance, or pursuant to any property settlement or separation agreement. In accordance with the LLC Agreement, I hereby agree on behalf of myself and all my successors in interest that the LLC Agreement shall bind my marital or community interest, if any, in any and all Units (and any interest therein) that are at any time registered on the books and records of the Company in the name of my spouse. I acknowledge that I have been represented by separate counsel in the execution of this Spousal Consent.

Signature:

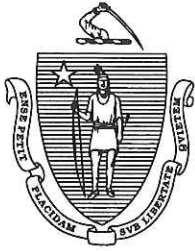


Name:

Elaine M. Phelan

Date:

7.23.18



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

William Francis Galvin
Secretary of the
Commonwealth

September 25, 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

JUST HEALTHY, LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **March 9, 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: **NONE**

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

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



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



Just Healthy, LLC

Business Plan

December 24, 2018

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1. EXECUTIVE SUMMARY

1.1 Mission Statement and Message from the CEO

Just Healthy, LLC. (“Just Healthy”) is a Marijuana Establishment (“ME”) committed to creating a safe and clean community environment that provides consistent, high quality cannabis to consumers who are 21 years of age or older.

Just Healthy’s vision is to be the Earth’s most people-centric company, where customers can educate, find and discover any marijuana product they might want to experience. We seek to advance the medical and adult use marijuana market further through consistent research and development and aim to find new strains and cannabinoid profiles that will further help the patients and adults of Massachusetts.

1.2 License Type

Just Healthy is applying for a Certificate of Registration from the Massachusetts Cannabis Control Commission (the “Commission”) for the following licenses to operate in Northampton, Massachusetts;

1. Marijuana Retailer License,
2. Marijuana Product Manufacturer License, and a
3. Marijuana Cultivator Tier 7 License.

1.3 Product

Just Healthy will offer flower, concentrates, edibles and topicals. All offerings will be compliant with the guidelines and regulations set out by the Commission.

In addition to traditional sativa, indica, and hybrid cannabis flower, Just Healthy will offer a wide range of products and services that will allow Just Healthy to serve customers with a wide variety of needs. Products Just Healthy intends to offer include, but will not be limited to:

1. Concentrates
2. Topical Salves
3. Creams & Lotions
4. Patches
5. Oral Mucosal / Sublingual dissolving tablets
6. Tinctures
7. Sprays
8. Inhalation ready to use CO2 extracted oils
9. Pre-dosed oil vaporizers
10. Ingestion capsules
11. Edibles & Beverages

1.4 Customers

Just Healthy’s target customers include adults 21 years of age and older. Modern research suggests that marijuana is a valuable aid in the treatment of a wide range of clinical applications. These include pain relief, particularly neuropathic pain nausea, spasticity, glaucoma, and

movement disorders. Marijuana is also a powerful appetite stimulant, specifically for patients suffering from HIV, the AIDS wasting syndrome, or dementia.

1.5 What Drives Us

As the leading cannabis technology company in Massachusetts, we recognize the role we have in driving forward the industry. We're committed to changing the conversation around marijuana through education. We want to demonstrate how easily marijuana can integrate into your health care or lifestyle. In order to achieve this, we must commit to:

1. Serving customers 21 years of age or older with a wide variety of high quality, consistent, laboratory-tested cannabis and derivatives;
2. Assisting local communities in offsetting the cost of Just Healthy's operations within their communities;
3. Hiring employees and contractors from within the communities served;
4. Hiring employees and contractors from communities that have been particularly harmed by the war on drugs;
5. Hiring employees from economically distressed communities and giving them the space and knowledge to flourish professionally within Just Healthy and the cannabis industry as a whole;
6. Having a diverse and socially representative pool of employees;
7. Empower the next generation of entrepreneurs and leaders through hiring, training, and teaching;
8. Running an environmentally friendly ME in the Commonwealth of Massachusetts through the use of efficient cultivation methods; and
9. Creating marijuana products that are safe, effective, consistent, and high quality.

2. COMPANY DESCRIPTION

2.1 Structure

Just Healthy is a Massachusetts domestic for-profit limited liability company ("LLC") interested in applying for a Certificate of Registration from the Massachusetts Cannabis Control Commission (the "Commission") to operate a ME in the Commonwealth.

Just Healthy will file, in a form and manner specified by the Commission, an application for licensure as a ME consisting of three packets: An Application of Intent packet; a Background Check packet; and a Management and Operations Profile packet.

2.2 Operations

- Marijuana Cultivator
- Marijuana Product Manufacturer,
- Marijuana Retailer

Just Healthy will be located in Northampton at 1010 Ryan Road (Cultivation/Manufacturing) and 58 Pleasant Street (Retail).

The retail facility is well positioned and matches the ideal picture of a community dispensary store. Before taking over the facility, it was used as a center piece of commerce in downtown Northampton and remains in good condition. The business will be launching with just one outlet in Northampton but has plans to open other outlets in key locations in Massachusetts.

The retail facility encompasses a total of 5,000 square feet. The cultivation facility encompasses a total 60,000 square feet with approximately 40,000 square feet dedicated exclusively to cultivation and approximately 20,000 square feet of space dedicated to supporting cultivation efforts.

Just Healthy will establish inventory controls and procedures for reviewing comprehensive inventories of marijuana products in the process of cultivation and finished, stored marijuana; conduct a monthly inventory of marijuana in the process of cultivation and finished, stored marijuana; conduct a comprehensive annual inventory at least once every year after the date of the previous comprehensive inventory; and promptly transcribe inventories if taken by use of an oral recording device.

Just Healthy will tag and track all marijuana seeds, clones, plants, and marijuana products using a seed-to-sale methodology in a form and manner approved by the Commission.

No marijuana product, including marijuana, will be sold or otherwise marketed that is not tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000.

Just Healthy will maintain records which will be available for inspection by the Commission upon request. The records will be maintained in accordance with generally accepted accounting principles. Records will be maintained for at least 12 months.

Just Healthy will obtain and maintain general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, and product liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, except as provided in 935 CMR 500.105(10)(b) or otherwise approved by the Commission. The deductible for each policy will be no higher than \$5,000 per occurrence.

Just Healthy will provide adequate lighting, ventilation, temperature, humidity, space, and equipment, in accordance with applicable provisions of 935 CMR 500.105 and 500.110.

All recyclables and waste, including organic waste composed of or containing finished marijuana and marijuana products, will be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations. Organic material, recyclable material, solid waste, and liquid waste containing marijuana or by-products of marijuana processing will be disposed of in compliance with all applicable state and federal requirements.

Just Healthy will demonstrate consideration of the factors for Energy Efficiency and Conservation outlined in 935 CMR 500.105(15) as part of its operating plan and application for licensure.

Prior to commencing operations, Just Healthy will provide proof of having obtained a surety bond in an amount equal to its licensure fee payable to the Marijuana Regulation Fund. The bond will ensure payment of the cost incurred for the destruction of cannabis goods necessitated by a violation of St. 2016, c. 334, as amended by St. 2017, c. 55 or 935 CMR 500.000 or the cessation of operation of Just Healthy.

Just Healthy and Just Healthy's agents will comply with all local rules, regulations, ordinances, and bylaws.

We have achieved:

1. RMD Priority Applicant Status
2. Provisional Licensing
3. Letter of Non-opposition from Northampton

2.3 Security

Just Healthy will contract with a professional security and alarm company to design, implement, and monitor a comprehensive security plan to ensure that the facility is a safe and secure environment for employees and the local community.

Just Healthy's state-of-the-art security system will consist of perimeter windows, as well as duress, panic, and holdup alarms connected to local law enforcement for efficient notification and response in the event of a security threat. The system will also include a failure notification system that will immediately alert the executive management team if a system failure occurs.

A redundant alarm system will be installed to ensure that active alarms remain operational if the primary system is compromised.

Interior and exterior HD video surveillance of all areas that contain marijuana, entrances, exits, and parking lots will be operational 24/7 and available to the Just Healthy Police Department. These surveillance cameras will remain operational even in the event of a power outage.

The exterior of the dispensary and surrounding area will be sufficiently lit, and foliage will be minimized to ensure clear visibility of the area at all times.

Only Just Healthy's registered agents and other authorized visitors (e.g. contractors, vendors) will be allowed access to the facility, and a visitor log will be maintained in perpetuity.

All agents and visitors will be required to visibly display an ID badge, and Just Healthy will maintain a current list of individuals with access.

On-site consumption of marijuana by Just Healthy's employees and visitors will be prohibited.

Just Healthy will have security personnel on-site during business hours.

2.4 Benefits to the Municipality

Just Healthy looks forward to working cooperatively with the City of Northampton (which

approved 2016 Ballot Question 4 legalizing adult use marijuana with 68.9% of the vote to ensure that Just Healthy operates as a responsible, contributing member of the Northampton community. Just Healthy anticipates establishing a mutually beneficial relationship with the City in exchange for permitting Just Healthy to site and operate in Northampton. The City stands to benefit in various ways, including but not limited to the following:

- Jobs:
 - A cultivation, processing, manufacturing and retail facility will add 30-40 full-time jobs, in addition to hiring qualified, local contractors and vendors.
- Monetary Benefits:
 - A Host Community Agreement with significant monetary donations will provide the City with additional financial benefits beyond local property taxes.
- Access to Quality Product:
 - Just Healthy will allow qualified consumers in the Commonwealth to have access to high quality marijuana and marijuana products that are tested for cannabinoid content and contaminants
- Control:
 - In addition to the Commission, the Northampton Police Department and other municipal departments will have oversight over Just Healthy’s security systems and processes.
- Responsibility:
 - Just Healthy is comprised of experienced cultivators and professionals who will be thoroughly background checked and scrutinized by the Commission.
- Economic Development:
 - Just Healthy’s re-development and construction of the former Bill Willard gravel operation at 1010 Ryan Road will revitalize the Florence/ Northampton community and contribute to the overall economic development of the local community.

3. MARKET RESEARCH

3.1 Industry

Just Healthy’s proposed location is located in the City of Northampton.

3.2 Customers

In Massachusetts, sales are expected to increase from \$106 million in 2017 to \$457 million in 2018, and eventually to \$1.4 billion in 2025, according to New Frontier Data.

3.3 Competitors

Just Healthy’s competitor is the non-tax paying illicit market.

3.4 Competitive Advantage

Just Healthy’s competitive advantages over their competition include is based around the implementation of skilled management and technology from direct experience in CO, in a market that tends to lean away from such attributes. By building a state-of-the-art greenhouse complex in the Massachusetts, we will be able to consistently produce the highest quality cannabis in the market. Our facility, knowledge, and a perpetual garden will allow us to run our business at a

cost that will keep us profitable while consistently producing the various products our customer's demand.

In every business, there is competition. However, the retail cannabis industry is known to be highly competitive. Just Healthy possesses several strengths which will separate Just Healthy from the competition. The industry is rapidly growing, and customers are scrutinizing the quality of cannabis dispensed, the service offered, the location of the dispensary, the discounts offered for the products, and to some extent, the branding of the business.

3.5 Regulations

Just Healthy is a Marijuana Establishment, consistent with the objectives of St. 2016, c. 334, as amended by St. 2017, c. 55 and 935 CMR 500.000.

Just Healthy will be registered to do business in the Commonwealth as a domestic business corporation or another domestic business entity. Just Healthy will maintain the corporation in good standing with the Massachusetts Secretary of the Commonwealth and the Department of Revenue.

Just Healthy will apply for all state and local permits and approvals required to renovate and operate the facility.

Just Healthy will also work cooperatively with various municipal departments to ensure that the proposed facility complies with all state and local codes, rules and regulations with respect to design, renovation, operation, and security.

Just Healthy's facility will utilize a state-of-the-art hybrid greenhouse complex to reduce costs and increase production yields.

4. PRODUCT / SERVICE

4.1 Product & Service

Just Healthy brings together a collection of retailers, scientists, botanists, developers, artists and business leaders. All experts in our fields. All with years of hands-on experience. Together, we bring a wealth of experience to product manufacturing and packaging, creating retail & educational opportunities in the store and online.

Our core product as marijuana dispensary for medical and adult use will be marijuana, which will come in a variety of strains and product types. We will also engage in ongoing education and support programs for our customers and prospective customers.

4.2 Pricing Structure

Just Healthy's pricing structure will vary based on market conditions. Just Healthy plans to produce products of superior quality and will price its products accordingly.

4.3 Intellectual Property Rights

Just Healthy intellectual property rights include all the standard operating procedures (SOPs)

associated with the cultivation, processing, manufacturing and dispensing of products.

4.4 Research & Development

Just Healthy research and development activities to establish a cutting-edge RMD which will provide the highest level of care to our patients and consistently produce the highest quality cannabis products for the Massachusetts market.

5. MARKETING & SALES

5.1 Growth Strategy

Just Healthy’s plan to grow the company includes:

1. Strong and consistent branding;
2. Intelligent, targeted, and compliant marketing programs;
3. A compelling loyalty program;
4. An exemplary customer in-store experience;
5. A caring and thoughtful staff made of consummate professionals

Just Healthy plans to seek additional, appropriate locations in the surrounding area to expand business and reach an increased number of customers in the future.

5.2 Communication

Just Healthy will engage in reasonable marketing, advertising, and branding practices that do not jeopardize the public health, welfare, or safety of the general public, or promote the diversion of marijuana or marijuana use in individuals younger than 21 years old. Any such marketing, advertising, and branding created for viewing by the public will include the statement: “Please Consume Responsibly,” in a conspicuous manner on the face of the advertisement and will include a minimum of two of the warnings, located at 935 CMR 500.105(4)(a), in their entirety in a conspicuous manner on the advertisement.

All marketing, advertising, and branding produced by or on behalf of [ME SHORT NAME] will include the following warning, including capitalization, in accordance with M.G.L. c. 94G, § 4(a½)(xxvi): “This product has not been analyzed or approved by the Food and Drug Administration (FDA). There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN. There may be health risks associated with consumption of this product. Marijuana can impair concentration, coordination, and judgment. The impairment effects of edible marijuana may be delayed by two hours or more. In case of accidental ingestion, contact poison control hotline 1-800-222-1222 or 9-1-1. This product may be illegal outside of MA.”

Just Healthy will communicate with customers through:

1. A company run website;
2. A company blog
3. Popular cannabis discover networks such as WeedMaps and Leafly;
4. Popular social media platforms such as Instagram, Facebook, Twitter, and SnapChat;

5. Opt-in direct communications; and

Just Healthy will provide a catalogue and a printed list of the prices and strains of marijuana available to consumers and will post the same catalogue and list on its website and in the retail store.

5.3 Sales

Just Healthy will sell its product and service by engaging customers with knowledgeable in-store personnel.

Just Healthy will seek events where 85% or more of the audience is reasonably expected to be 21 years of age or older, as determined by reliable, current audience composition data. At these events, Just Healthy will market its products and services to reach a wide range of qualified consumers.

Just Healthy will ensure that all marijuana products that are provided for sale to consumers are sold in tamper or child-resistant packaging. Packaging for marijuana products sold or displayed for consumers, including any label or imprint affixed to any packaging containing marijuana products or any exit packages, will not be attractive to minors.

Packaging for marijuana products sold or displayed for consumers in multiple servings will allow a consumer to easily perform the division into single servings and include the following statement on the exterior of the package in a printed font that is no smaller than ten-point Times New Roman, Helvetica, or Arial, including capitalization: “INCLUDES MULTIPLE SERVINGS.” Just Healthy will not sell multiple serving beverages and each single serving of an edible marijuana product contained in a multiple-serving package will be marked, stamped, or otherwise imprinted with the symbol issued by the Commission under 935 CMR 500.105(5) that indicates that the single serving is a marijuana product. At no point will an individual serving size of any marijuana product contain more than five (5) milligrams of delta-nine tetrahydrocannabinol.

5.4 Logo

Just Healthy has developed a logo to be used in labeling, signage, and other materials such as letterhead and distributed materials.

The logo is discreet, unassuming, and does not use medical symbols, images of marijuana, related paraphernalia, or colloquial references to cannabis or marijuana.



6. FINANCIAL PROJECTIONS

Fiscal Year	FIRST FULL FISCAL YEAR PROJECTIONS 2019	SECOND FULL FISCAL YEAR PROJECTIONS 2020	THIRD FULL FISCAL YEAR PROJECTIONS 2021
Projected Revenue	\$1,779,724.00	2,441,274.00	3,014,178.00
Projected Expenses	2,087,124.00	2,494,038.00	2,925,247.00
VARIANCE:	\$ -287,400.00	-\$52,764.00	-\$88931.00
Number of unique patients for the year	670	910	1,150
Number of patient visits for the year	33,600	54,800	62,400
Projected % of patient growth rate annually	--	35.8	26.4
Estimated purchased ounces per visit	0.13	0.13	0.13
Estimated cost per ounce	\$350	\$333	\$300
Total FTEs in staffing	15	20	20
Total marijuana for medical use inventory for the year (in lbs.)	305	393	506
Total marijuana for medical use sold for the year (in lbs.)	262	375	488
Total marijuana for medical use left for roll over (in lbs.)	43	62	80

6.1 Financial Assumptions

See above

7. TEAM

7.1 General

Just Healthy has put together a team to implement the operations of the ME. Just Healthy intends to create 30-40 full-time staff positions within the first three years of operations in the City of Northampton

7.2 Founders

William Phelan

William is a serial entrepreneur focused on technology and emerging markets. He is Co-

founder and CEO of Bright Hub Inc., a media publishing company, and also serves as a Board Member and Corporation Secretary of Capital District Physician’s Health Plan (CDPHP). CDPHP is the dominant non-profit regional healthcare plan in upstate New York, founded by physicians and serving the needs of 500,000 Members and generating \$2.3 billion in annual revenues

Brett Sprau

Brett Sprau directs the growth and cultivation efforts. Brett is the co-founder of Colorado Leaf, a purveyor of the finest wholesale organic cannabis in the Colorado retail marketplace. The company utilizes the latest industry technology in a state-of-the-art licensed cannabis greenhouse, consistently producing a high-quality finished product that has never before been seen on a wholesale level. By implementing the strictest controls while the company’s growers focus on finding the rarest and most elite strains, Colorado Leaf is raising standards for the cannabis industry worldwide.

Neil Phelan

Neil Phelan assists in the project management needs and requirements and patient development. Passionate about digital technology, Neil is a specialist in marketing, sales and customer acquisition. Understanding and creating demand, Neil has both lead and contributed to targeted and forecasted growth. He is a resident of Brighton, Massachusetts and received a B.A. in Accounting and Finance from Bentley University where he developed a passion for understanding and developing strategic technology to create disruptive businesses.

7.3 CEO / COO / CFO

Neil Phelan-CEO

William Phelan-CFO

Brett Sprau- COO

7.4 Head of Cultivation & Head of Security

Head of Cultivation: Brett Sprau-The Head of Cultivation is responsible for all daily operations and maintenance of the Cultivation Facility. The Head of Cultivation will:

- Be responsible for implementing policies with the Cultivation Facility;
- Coordinate space assignments;
- Receive and review work requests;
- Coordinate repairs and maintenance;
- Be responsible for supervision and training of agents;
- Provide mandatory training for new agents;
- Maintain a record of space allocations;
- Work with the Greenhouse Technician to promote successful operations in the Cultivation Facility;
- Program and monitor the Environmental Control System (DDC);

- Maintain a database of environmental controls and conditions;
- Adjust DDC for optimum efficiency of operation; and
- Provide pesticide recommendations and ensure Integrated Pest Management (IPM) Program is sufficient.

7.5 Additional Staff

Additional team members will be brought on at the necessary point.

8. FINAL REMARKS

As a RMD with RMD Priority Applicant Status, Just Healthy has the experience and know-how to safely and efficiently serve customers and patients with high quality, consistent, laboratory-tested medical grade cannabis and derivatives. By expanding operations to include adult-use products, Just Healthy hopes to bring its high-quality standards to adult-use Consumers to provide them with a safe and clean community environment. To accomplish this, Just Healthy will leverage and expand its existing RMD infrastructure while maintaining its committed services to existing and future patients and their caregivers. Further, Just Healthy will leverage existing protocols and standard operating procedures to control, review, test, and track inventory, consistent with regulations set forth by the Commission. Just Healthy's state-of-the-art security systems and contracted professional security and alarm companies, along with other comprehensive security measures will also help ensure a safe and secure environment for both Consumers and staff and will help deter and prevent diversion.

In Massachusetts, cannabis-related sales are expected to increase from \$106 million in 2017 to \$457 millions in 2018, and eventually to \$1.4 billion in 2025. Just Healthy is prepared to position itself well in this market and contribute to this growth through a highly experienced team of successful operators working under an established framework of high quality standard operating procedures, research and development plans, and growth strategies. In doing so, Just Healthy looks forward to working cooperatively with all the municipalities in which it is operating to help spread the benefits this market will yield.



PLAN FOR OBTAINING LIABILITY INSURANCE

Just Healthy, LLC (“Just Healthy”) plans to contract with James River Insurance to maintain general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate annually and product liability coverage for no less than \$1,000,000 per occurrence & \$2,000,000 in aggregate annually. The policy deductible will be no higher than \$5,000 per occurrence. Just Healthy will consider additional coverage based on availability & cost-benefit analysis. If adequate coverage is unavailable at a reasonable rate, Just Healthy will place in escrow at least \$250,000 to be expended for liabilities coverage. Any withdrawal from such escrow will be replenished within 10 business days. Just Healthy will keep reports documenting compliance with 935 CMR 500.105(10).



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/13/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement.

PRODUCER License # 0E67768
Insurance Office of America
15A Melanie Lane, Suite 1
East Hanover, NJ 07936
CONTACT NAME: Christopher Longo
PHONE (A/C, No, Ext): (732) 919-0243 45112
FAX (A/C, No): (973) 805-2654
E-MAIL ADDRESS: Christopher.Longo@ioausa.com
INSURER(S) AFFORDING COVERAGE
INSURER A : James River Insurance Company NAIC # 12203
INSURER B : Protective Insurance Company NAIC # 12416

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

Table with columns: INSR LTR, TYPE OF INSURANCE, ADDL INSD, SUBR WVD, POLICY NUMBER, POLICY EFF (MM/DD/YYYY), POLICY EXP (MM/DD/YYYY), LIMITS. Rows include Commercial General Liability, Automobile Liability, Umbrella Liab, and Workers Compensation.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
RE: 58 Pleasant Street, Northampton, MA 01062. EVIDENCE OF COVERAGE.

CERTIFICATE HOLDER CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
FOR INFORMATION ONLY AUTHORIZED REPRESENTATIVE (Signature)



DIVERSITY PLAN

Overview

The Cannabis Control Commission is charged by state law to adopt procedures and policies to promote and encourage full participation in the regulated cannabis industry by individuals from communities disproportionately harmed by marijuana prohibition and enforcement and to positively impact those communities. M.G.L. c. 94G, § 4. State law specifically requires the Commission to “provide meaningful participation of communities disproportionately affected by cannabis prohibition and enforcement, including minority business enterprises, women business enterprises, and veteran business enterprises.” St. 2017, c. 55, § 77.

Just Healthy, LLC (“Just Healthy”) is dedicated to promoting equity in its operations for diverse populations, which the Commission has identified as the following:

1. Minorities;
2. Women;
3. Veterans;
4. People with disabilities; and
5. People of all gender identities and sexual orientations.

To support such populations, Just Healthy has created the following Diversity Plan (the “Plan”) and has identified and created goals/programs to promote equity in Just Healthy’s operations.

Goals

Just Healthy has established the following goals in order to promote equity for the above-listed groups in its operations:

1. Recruiting diverse employees at all levels;
2. Developing and retaining diverse employees by promoting an environment that values differences;
3. Increasing the diversity of employees in senior and management positions; and
4. Increasing access to the adult-use cannabis industry for members of diverse populations.

Programs

Just Healthy has developed specific programs to effectuate its stated goals to promote diversity and equity in its operations, which will include the following:

Goal: Recruiting diverse employees at all levels

Strategies to Achieve:

1. Creating a diverse employment panel to evaluate potential candidates for open positions.
2. Partnering with local diverse organizations to identify diverse job candidates.

Goal: Developing and retaining diverse employees by promoting an environment that values differences.

Strategies to Achieve:

1. Communicating diversity strategies to all Just Healthy employees to clarify links between diversity management strategies and mission accomplishment.
2. Supporting skills/training development and developing individual plans to assess progress.
3. Conducting quarterly organizational assessments to determine organizational strengths and areas for improvement related to diversity management principles.

Goal: Increasing the diversity of employees in senior and managerial positions

Strategies to Achieve:

1. Supporting participation of qualified employees in internal and external leadership and executive development programs.
2. Providing staff with meaningful career planning, mentoring and developmental opportunities for exposure to senior management.
3. Holding quarterly focus groups among Just Healthy employees and community stakeholders to determine where there may be concerns or problems with fairness in recruiting, developmental opportunities, promotions and awards.

Goal: Increasing accessibility into the adult-use cannabis industry for members of diverse populations.

Strategies to Achieve:

1. Participating in job fairs that are directed towards members of diverse populations identified by the Commission.
2. As job postings become available, advertising employment opportunities in diverse publications.
3. Providing on-the-job training and mentoring for all employees to advance their professional development.

Measurements

Beginning upon receipt of Just Healthy’s first “Commence Operations” designation from the Commission to operate a marijuana establishment in the Commonwealth, Just Healthy will utilize the proposed metrics to assess its Plan and will account for demonstrating proof of success or progress of the Plan upon the yearly renewal of a license. Just Healthy will establish a Diversity Committee (the “Committee”) that will administer the Plan and will be responsible for developing measurable outcomes to ensure Just Healthy continues to meet its commitments. Such measurable outcomes, in accordance with Just Healthy’s goals and programs described above, include:

- The number of diverse employees who have been hired and retained for a period of no less than six (6) months
- The number of diverse employees who have received a promotion since the previous audit of the Plan.
- The number of jobs posted in diverse media and documentation in support of such postings.

- The number of job fairs participated in that are directed towards members of diverse populations and documentation in support of such job fairs.
- The number of internal and internal external leadership and executive development programs provided to diverse employees and documentation of participants in such programs.
- Documentation of quarterly focus groups.

The Committee will review and evaluate Just Healthy's measurable outcomes no less than quarterly to ensure that Just Healthy is meeting its commitments. Such evaluation will include a staffing analysis, which will include a comprehensive review of Just Healthy's human resources files, Just Healthy is mindful that demonstration of the Plan's progress and success will be submitted to the Commission upon license renewal.

Acknowledgements

- Just Healthy 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 Just Healthy will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.



PLAN FOR SEPARATING RECREATIONAL FROM MEDICAL OPERATIONS

Just Healthy, LLC (“Just Healthy”) has developed plans and procedures to ensure virtual and physical separation between medical and adult use marijuana operations in accordance with 935 CMR 502.000.

Prior to the point of sale or at the point of sale, Just Healthy will designate whether marijuana and/or Marijuana Products are intended for sale for adult use or medical use through the SOR. All marijuana and Marijuana Products will be transferred to the appropriate license within the Seed-to-Sale SOR prior to sale. After the point of sale, Just Healthy will reconcile that inventory in the SOR.

In compliance with 935 CMR 502.140, Just Healthy will ensure that registered patients have access to a sufficient quantity and variety of medical marijuana and marijuana products. For the first six (6) months of operations, 35% of Just Healthy’s marijuana product inventory will be marked for medical use and reserved for registered patients. Thereafter, Just Healthy will maintain a quantity and variety of medical marijuana products for registered patients that is sufficient to meet the demand indicated by an analysis of sales data collected during the preceding six (6) months. Marijuana products reserved for patient supply will, unless unreasonably impracticable, reflect the actual types and strains of marijuana products documented during the previous six (6) months. If a substitution must be made, the substitution will reflect the type and strain no longer available as closely as possible.

On a quarterly basis, Just Healthy will submit to the Commission an inventory plan to reserve a sufficient quantity and variety of medical marijuana and Marijuana products for registered patients, based on reasonably anticipated patient needs as documented by sales records over the preceding six (6) months. On each occasion that the supply of any product within the reserved patient supply is exhausted and a reasonable substitution cannot be made, Just Healthy will submit a report to the Commission. Marijuana products reserved for patient supply will be either: (1) maintained on-site at Just Healthy’s retailer or easily accessible at another Just Healthy location and transferable to the retailer location within 48 hours of notification that the

on-site supply has been exhausted. Just Healthy will perform audits of patient supply available on a weekly basis and retain those records for a period of six (6) months.

In addition to virtual separation, Just Healthy will provide for physical separation between the medical and adult use sales areas. A temporary or semi-permanent physical barrier, such as a stanchion or other divider, will be installed to create separate, clearly marked lines for patients/caregivers and adult-use consumers. Trained marijuana establishment agents will verify the age of all individuals, as well the validity of any Medical Use of Marijuana Program ID Cards, upon entry to the facility and direct them to the appropriate queue. Just Healthy's agents will prioritize patient and caregiver identification verification and physical entry into the retail area.

Access to the adult-use marijuana queue will be limited to individuals 21 years of age or older, regardless if the individual is registered as a patient/caregiver. Registered patients under the age of 21 will only have access to the medical marijuana queue. A registered patient/caregiver 21 years of age or older will be permitted to access either queue and will not be limited only to the medical marijuana queue, so long as the transaction can be recorded in accordance with 935 CMR 501.105.

Just Healthy will also provide an enclosed patient consultation area that is separate from the sales floor to allow privacy and for confidential visual and auditory consultation. The patient consultation area will have signage stating, "Consultation Area" and will be accessible by patients and caregivers without having to traverse a Limited Access area.

Just Healthy will also maintain separate financial records for adult-use products and medical products to ensure compliance with the applicable tax laws.



MAINTAINING OF FINANCIAL RECORDS

Just Healthy, LLC's ("Just Healthy") operating policies and procedures ensure financial records are accurate and maintained in compliance with the Commission's Adult Use of Marijuana regulations (935 CMR 500). Financial records maintenance measures include policies and procedures requiring that:

- Confidential information will be maintained in a secure location, kept separate from all other records, and will not be disclosed without the written consent of the individual to whom the information applies, or as required under law or pursuant to an order from a court of competent jurisdiction; provided however, the Commission may access this information to carry out its official duties.
- All recordkeeping requirements under 935 CMR 500.105(9) are followed, including:
 - Keeping written business records, available for inspection, and in accordance with generally accepted accounting principles, which will include manual or computerized records of:
 - Assets and liabilities;
 - Monetary transactions;
 - Books of accounts, which will include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
 - Sales records including the quantity, form, and cost of marijuana products; and
 - Salary and wages paid to each employee, or stipend, executive compensation, bonus, benefit, or item of value paid to any persons having direct or indirect control over Just Healthy.
- All sales recording requirements under 935 CMR 500.140(5) are followed, including:
 - Utilizing a point-of-sale (POS) system approved by the Commission, in consultation with the DOR, and a sales recording module approved by DOR;
 - Conducting a monthly analysis of its equipment and sales date, and maintaining records, available to the Commission upon request, that the monthly analysis has been performed;
 - Complying with 830 CMR 62C.25.1: *Record Retention* and DOR Directive 16-1 regarding recordkeeping requirements;
 - Adopting separate accounting practices at the point-of-sale for marijuana and marijuana product sales, and non-marijuana sales;
 - Maintaining such records that would allow for the Commission and the DOR to audit and examine the point-of-sale system used in order to ensure compliance with Massachusetts tax laws and 935 CMR 500; and

- If colocated with a medical marijuana treatment center, maintaining and providing the Commission on a biannual basis accurate sales data collected by the licensee during the six (6) months immediately preceding this application for the purpose of ensuring an adequate supply of marijuana and marijuana products under 935 CMR 500.140(10).
- Additional written business records will be kept, including, but not limited to, records of:
 - Compliance with liability insurance coverage or maintenance of escrow requirements under 935 CMR 500.105(10) and all bond or escrow requirements under 935 CMR 500.105(16);
 - Fees paid under 935 CMR 500.005 or any other section of the Commission's regulations; and
 - Fines or penalties, if any, paid under 935 CMR 500.360 or any other section of the Commission's regulations.
- Application Renewal Records
 - Just Healthy will keep and submit as a component of the renewal application documentation that the establishment requested from its Host Community the records of any cost to a city or town reasonably related to the operation of the establishment, which would include the city's or town's anticipated and actual expenses resulting from the operation of the establishment in its community. The applicant shall provide a copy of the electronic or written request, which should include the date of the request, and either the substantive response(s) received or an attestation that no response was received from the city or town. The request should state that, in accordance with M.G.L. c. 94G, § 3(d), any cost to a city or town imposed by the operation of a Marijuana Establishment or MTC shall be documented and considered a public record as defined by M.G.L. c. 4, § 7, cl. 26.



RECORDKEEPING PROCEDURES

Just Healthy, LLC (“Just Healthy”) has established policies regarding recordkeeping and record-retention in order to ensure the maintenance, safe keeping, and accessibility of critical documents. Electronic and wet signatures are accepted forms of execution of Just Healthy documents. Records will be stored at Just Healthy in a locked room designated for record retention. All written records will be available for inspection by the Commission upon request.

Recordkeeping

To ensure that Just Healthy is keeping and retaining all records as noted in this policy, reviewing Corporate Records, Business Records, and Personnel Records to ensure completeness, accuracy, and timeliness of such documents will occur as part of Just Healthy’s quarter-end closing procedures. In addition, Just Healthy’s operating procedures will be updated on an ongoing basis as needed and undergo a review by the executive management team on an annual basis.

- Corporate Records: are defined as those records that require, at a minimum, annual reviews, updates, and renewals, including:
 - Insurance Coverage:
 - Directors & Officers Policy
 - Product Liability Policy
 - General Liability Policy
 - Umbrella Policy
 - Workers Compensation Policy
 - Employer Professional Liability Policy
 - Third-Party Laboratory Contracts
 - Commission Requirements:
 - Annual Agent Registration
 - Annual Marijuana Establishment Registration
 - Local Compliance:
 - Certificate of Occupancy
 - Special Permits
 - Variances
 - Site Plan Approvals

- As-Built Drawings
 - Corporate Governance:
 - Annual Report
 - Secretary of Commonwealth Filings
- Business Records: Records that require ongoing maintenance and updates. These records can be electronic or hard copy (preferably electronic) and at minimum include:
 - Assets and liabilities;
 - Monetary transactions;
 - Books of accounts, which will include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
 - Sales records including the quantity, form, and cost of marijuana products;
 - Salary and wages paid to each employee, or stipend, executive compensation, bonus, benefit, or item of value paid to any persons having direct or indirect control over the Just Healthy.
- Personnel Records: At a minimum will include:
 - Job descriptions for each agent and volunteer position, as well as organizational charts consistent with the job descriptions;
 - A personnel record for each marijuana establishment agent. Such records will be maintained for at least twelve (12) months after termination of the agent's affiliation with Just Healthy and will include, at a minimum, the following:
 - All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
 - Documentation of verification of references;
 - The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;
 - Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;
 - Documentation of periodic performance evaluations; and
 - A record of any disciplinary action taken.
 - Notice of completed responsible vendor and eight-hour related duty training.
 - Personnel policies and procedures; and
 - All background check reports obtained in accordance with [M.G.L c. 6 § 172, 935 CMR 500.029: Registration of Independent Testing Laboratory Agents], 935 CMR 500.030: Registration of Marijuana Establishment Agents 803 CMR 2.00: Criminal Offender Record Information (CORI).

- Handling and Testing of Marijuana Records
 - Just Healthy will maintain the results of all testing for a minimum of one (1) year.
- Inventory Records
 - The record of each inventory will include, at a minimum, the date of the inventory, a summary of the inventory findings, and the names, signatures, and titles of the agents who conducted the inventory.
- Seed-to-Sale Tracking Records
 - Just Healthy will use seed-to-sale tracking software to maintain real-time inventory. The seed-to-sale tracking software inventory reporting will meet the requirements specified by the Commission and 935 CMR 500.105(8)(e), including, at a minimum, an inventory of marijuana plants; marijuana plant-seeds and clones in any phase of development such as propagation, vegetation, flowering; marijuana ready for dispensing; all marijuana products; and all damaged, defective, expired, or contaminated marijuana and marijuana products awaiting disposal.
- Sales Records for Marijuana Retailer
 - Just Healthy will maintain records that it has performed a monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate the sales data and produce such records on request to the Commission.
- Incident Reporting Records
 - Within ten (10) calendar days, Just Healthy will provide notice to the Commission of any incident described in 935 CMR 500.110(9)(a), by submitting an incident report in the form and manner determined by the Commission which details the circumstances of the event, any corrective action taken, and confirmation that the appropriate law enforcement authorities were notified within twenty-four (24) hours of discovering the breach or incident .
 - All documentation related to an incident that is reportable pursuant to 935 CMR 500.110(9)(a) will be maintained by Just Healthy for no less than one year or the duration of an open investigation, whichever is longer, and made available to the Commission and law enforcement authorities within Just Healthy's jurisdiction on request.
- Visitor Records
 - A visitor sign-in and sign-out log will be maintained at the security office. The log will include the visitor's name, address, organization or firm, date, time in and out, and the name of the authorized agent who will be escorting the visitor.
- Waste Disposal Records
 - When marijuana or marijuana products are disposed of, Just Healthy will create and maintain an electronic record of the date, the type and quantity disposed of or

handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two Just Healthy agents present during the disposal or other handling, with their signatures. Just Healthy will keep disposal records for at least three (3) years. This period will automatically be extended for the duration of any enforcement action and may be extended by an order of the Commission.

- Security Records
 - A current list of authorized agents and service personnel that have access to the surveillance room will be available to the Commission upon request.
 - Recordings from all video cameras which shall be enabled to record twenty-four (24) hours each day shall be available for immediate viewing by the Commission on request for at least the preceding ninety (90) calendar days or the duration of a request to preserve the recordings for a specified period of time made by the Commission, whichever is longer.
 - Recordings shall not be destroyed or altered and shall be retained as long as necessary if Just Healthy is aware of pending criminal, civil or administrative investigation or legal proceeding for which the recording may contain relevant information.
- Transportation Records
 - Just Healthy will retain all transportation manifests for a minimum of one (1) year and make them available to the Commission upon request.
- Agent Training Records
 - Documentation of all required training, including training regarding privacy and confidentiality requirements, and a signed statement of the individual indicating the date, time, and place he or she received the training, the topics discussed and the name and title of the presenter(s).
- Responsible Vendor Training
 - Just Healthy shall maintain records of Responsible Vendor Training Program compliance for four (4) years and make them available to inspection by the Commission and any other applicable licensing authority on request during normal business hours.
- Closure
 - In the event Just Healthy closes, all records will be kept for at least two (2) years at Just Healthy's expense in a form (electronic, hard copies, etc.) and location acceptable to the Commission. In addition, Just Healthy will communicate with the Commission during the closure process and accommodate any additional requests the Commission or other agencies may have.
- Written Operating Policies and Procedures: Policies and Procedures related to Just Healthy's operations will be updated on an ongoing basis as needed and undergo a review

by the executive management team on an annual basis. Policies and Procedures will include the following:

- Security measures in compliance with 935 CMR 500.110;
- Employee security policies, including personal safety and crime prevention techniques;
- A description of Just Healthy's hours of operation and after-hours contact information, which will be provided to the Commission, made available to law enforcement officials upon request, and updated pursuant to 935 CMR 500.000.
- Storage of marijuana in compliance with 935 CMR 500.105(11);
- Description of the various strains of marijuana to be cultivated, processed or sold, as applicable, and the form(s) in which marijuana will be sold;
- Price list for Marijuana and Marijuana Products, and alternate price lists for patients with documented Verified Financial Hardship as defined in 501.002: *Definitions*, as required by 935 CMR 501.100(1)(f);
- Procedures to ensure accurate recordkeeping, including inventory protocols in compliance with 935 CMR 500.105(8) and (9);
- Plans for quality control, including product testing for contaminants in compliance with 935 CMR 500.160;
- A staffing plan and staffing records in compliance with 935 CMR 500.105(9)(d);
- Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;
- Alcohol, smoke, and drug-free workplace policies;
- A plan describing how confidential information will be maintained;
- Policy for the immediate dismissal of any dispensary agent who has:
 - Diverted marijuana, which will be reported to Law Enforcement Authorities and to the Commission;
 - Engaged in unsafe practices with regard to Just Healthy operations, which will be reported to the Commission; or
 - Been convicted or entered a guilty plea, plea of *nolo contendere*, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority.
- A list of all board of directors, members, and executives of Just Healthy, and members, if any, of the licensee must be made available upon request by any individual. This requirement may be fulfilled by placing this information on Just Healthy's website.
- Policies and procedures for the handling of cash on Just Healthy premises including but not limited to storage, collection frequency and transport to financial institution(s), to be available upon inspection.

- Policies and procedures to prevent the diversion of marijuana to individuals younger than 21 years old.
- Policies and procedures for energy efficiency and conservation that will include:
 - Identification of potential energy use reduction opportunities (including but not limited to natural lighting, heat recovery ventilation and energy efficiency measures), and a plan for implementation of such opportunities;
 - Consideration of opportunities for renewable energy generation, including, where applicable, submission of building plans showing where energy generators could be placed on site, and an explanation of why the identified opportunities were not pursued, if applicable;
 - Strategies to reduce electric demand (such as lighting schedules, active load management and energy storage); and
 - Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25 § 21, or through municipal lighting plants.
- Policies and procedures to promote workplace safety consistent with applicable standards set by the Occupational Safety and Health Administration, including plans to identify and address any biological, chemical or physical hazards. Such policies and procedures shall include, at a minimum, a hazard communication plan, personal protective equipment assessment, a fire protection plan, and an emergency action plan.
- Application Renewal Records
 - Just Healthy will keep and submit as a component of the renewal application documentation that the establishment requested from its Host Community the records of any cost to a city or town reasonably related to the operation of the establishment, which would include the city's or town's anticipated and actual expenses resulting from the operation of the establishment in its community. The applicant shall provide a copy of the electronic or written request, which should include the date of the request, and either the substantive response(s) received or an attestation that no response was received from the city or town. The request should state that, in accordance with M.G.L. c. 94G, § 3(d), any cost to a city or town imposed by the operation of a Marijuana Establishment or MTC shall be documented and considered a public record as defined by M.G.L. c. 4, § 7, cl. 26.

Record-Retention

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



QUALIFICATIONS AND TRAINING

Just Healthy, LLC (“Just Healthy”) will ensure that all employees hired to work at a Just Healthy facility will be qualified to work as a marijuana establishment agent and properly trained to serve in their respective roles in a compliant manner.

Qualifications

In accordance with 935 CMR 500.030, a candidate for employment as a marijuana establishment agent must be 21 years of age or older. In addition, the candidate cannot have been convicted of a criminal offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of another state, the United States, or foreign jurisdiction, or a military, territorial, or Native American tribal authority.

Just Healthy will also ensure that its employees are suitable for registration consistent with the provisions of 935 CMR 500.802. In the event that Just Healthy discovers any of its agents are not suitable for registration as a marijuana establishment agent, the agent’s employment will be terminated, and Just Healthy will notify the Commission within one (1) business day that the agent is no longer associated with the establishment.

Training

As required by 935 CMR 500.105(2), and prior to performing job functions, each of Just Healthy’s agents will successfully complete a comprehensive training program that is tailored to the roles and responsibilities of the agent’s job function. Agent training will at least include the Responsible Vendor Training Program and eight (8) hours of on-going training annually.

All of Just Healthy’s current Owners, managers, and employees that are involved in the handling and sale of marijuana at the time of licensure or renewal of licensure will have attended and successfully completed the mandatory Responsible Vendor Training Program operated by an education provider accredited by the Commission to provide the annual minimum of three (3) hours of required training to marijuana establishment agents to be designated a “Responsible Vendor”. Once Just Healthy is designated a “Responsible Vendor”, all new employees involved in the handling and sale of marijuana will successfully complete a Responsible Vendor Training

Program within 90 days of the date they are hired. After initial successful completion of a Responsible Vendor Training Program, each Owner, manager, and employee involved in the handling and sale of marijuana will successfully complete the program once every year thereafter to maintain designation as a “Responsible Vendor”.

Just Healthy will also encourage administrative employees who do not handle or sell marijuana to take the “Responsible Vendor” program on a voluntary basis to help ensure compliance. Just Healthy’s records of Responsible Vendor Training Program compliance will be maintained for at least four (4) years and made available during normal business hours for inspection by the Commission and any other applicable licensing authority on request.

As part of the Responsible Vendor Training Program, Just Healthy’s agents will receive training on a variety of topics relevant to marijuana establishment operations, including but not limited to the following:

1. Marijuana’s effect on the human body, including:
 - Scientifically based evidence on the physical and mental health effects based on the type of Marijuana Product;
 - The amount of time to feel impairment;
 - Visible signs of impairment; and
 - Recognizing signs of impairment
2. Diversion prevention and prevention of sales to minors, including best practices;
3. Compliance with all tracking requirements;
4. Acceptable forms of identification, including:
 - How to check identification;
 - Spotting false identification;
 - Patient registration cards formerly and validly issued by the DPH or currently and validly issued by the Commission; and
 - Common mistakes made in verification
5. Other key state laws and rules affecting Owners, managers, and employees, including:
 - Local and state licensing and enforcement;
 - Incident and notification requirements;
 - Administrative and criminal liability;
 - License sanctions;
 - Waste disposal;
 - Health and safety standards;
 - Patrons prohibited from bringing marijuana onto licensed premises;
 - Permitted hours of sale;
 - Conduct of establishment;
 - Permitting inspections by state and local licensing and enforcement authorities;

- Licensee responsibilities for activities occurring within licensed premises;
- Maintenance of records;
- Privacy issues; and
- Prohibited purchases and practices.



PERSONNEL POLICIES INCLUDING BACKGROUND CHECKS

Just Healthy, LLC (“Just Healthy”) will securely maintain personnel records, including registration status and background check records. Just Healthy will keep, at a minimum, the following personnel records:

- 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;
- A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;
- Personnel policies and procedures; and
- All background check reports obtained in accordance with 935 CMR 500.030.

Agent Personnel Records

In compliance with 935 CMR 500.105(9), personnel records for each agent will be maintained for at least twelve (12) months after termination of the agent’s affiliation with Just Healthy and will include, at a minimum, the following:

- All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
- Documentation of verification of references;
- The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;
- Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;
- Documentation of periodic performance evaluations;
- A record of any disciplinary action taken;
- Notice of completed responsible vendor and eight-hour related duty training; and
- Results of initial background investigation, including CORI reports.

Personnel records will be kept in a secure location to maintain confidentiality and be only accessible to the agent’s manager or members of the executive management team.

Business Hours

Monday: 8:00 a.m. – 10:00 p.m.

Tuesday: 8:00 a.m. – 10:00 p.m.

Wednesday: 8:00 a.m. – 10:00 p.m.

Thursday: 8:00 a.m. – 10:00 p.m.

Friday: 8:00 a.m. – 10:00 p.m.

Saturday: 8:00 a.m. – 10:00 p.m.

Sunday: 8:00 a.m. – 10:00 p.m.

Agent Background Checks

- In addition to completing the Commission’s agent registration process, all agents hired to work for Just Healthy will undergo a detailed background investigation prior to being granted access to a Just Healthy facility or beginning work duties.
- Background checks will be conducted on all agents in their capacity as employees or volunteers for Just Healthy pursuant to 935 CMR 500.030 and will be used by the Director of Security, who will be registered with the Department of Criminal Justice Information Systems pursuant to 803 CMR 2.04: iCORI Registration and the Commission for purposes of determining the suitability of individuals for registration as a marijuana establishment agent with the licensee.
- For purposes of determining suitability based on background checks performed in accordance with 935 CMR 500.030, Just Healthy will consider:
 - a. All conditions, offenses, and violations are construed to include Massachusetts law or like or similar law(s) of another state, the United States or foreign jurisdiction, a military, territorial or Native American tribal authority, or any other jurisdiction.
 - b. All criminal disqualifying conditions, offenses, and violations include the crimes of attempt, accessory, conspiracy, and solicitation. Juvenile dispositions will not be considered as a factor for determining suitability.
 - c. Where applicable, all look-back periods for criminal conditions, offenses, and violations included in 935 CMR 500.802 commence upon the date of disposition; provided, however, that if disposition results in incarceration in any institution, the look-back period will commence upon release from incarceration.
- Suitability determinations will be made in accordance with the procedures set forth in 935 CMR 500.800. In addition to the requirements established in 935 CMR 500.800, Just Healthy will:
 - a. Comply with all guidance provided by the Commission and 935 CMR 500.802: Tables B through D to determine if the results of the background are grounds for Mandatory Disqualification or Presumptive Negative Suitability Determination.
 - b. Consider whether offense(s) or information that would result in a Presumptive Negative Suitability Determination under 935 CMR 500.802. In the event a Presumptive Negative Suitability Determination is made, Just Healthy will consider the following factors:
 - i. Time since the offense or incident;
 - ii. Age of the subject at the time of the offense or incident;
 - iii. Nature and specific circumstances of the offense or incident;

- iv. Sentence imposed and length, if any, of incarceration, if criminal;
 - v. Penalty or discipline imposed, including damages awarded, if civil or administrative;
 - vi. Relationship of offense or incident to nature of work to be performed;
 - vii. Number of offenses or incidents;
 - viii. Whether offenses or incidents were committed in association with dependence on drugs or alcohol from which the subject has since recovered;
 - ix. If criminal, any relevant evidence of rehabilitation or lack thereof, such as information about compliance with conditions of parole or probation, including orders of no contact with victims and witnesses, and the subject's conduct and experience since the time of the offense including, but not limited to, professional or educational certifications obtained; and
 - x. Any other relevant information, including information submitted by the subject.
- c. Consider appeals of determinations of unsuitability based on claims of erroneous information received as part of the background check during the application process in accordance with 803 CMR 2.17: Requirement to Maintain a Secondary Dissemination Log and 2.18: Adverse Employment Decision Based on CORI or Other Types of Criminal History Information Received from a Source Other than the DCJIS.
- All suitability determinations will be documented in compliance with all requirements set forth in 935 CMR 500 et seq. and guidance provided by the Commission.
 - Background screening will be conducted by an investigative firm holding the National Association of Professional Background Screeners (NAPBS®) Background Screening Credentialing Council (BSCC) accreditation and capable of performing the searches required by the regulations and guidance provided by the Commission.
 - References provided by the agent will be verified at the time of hire.
 - As a condition of their continued employment, agents, volunteers, contractors, and subcontractors are required to renew their Program ID cards annually and submit to other background screening as may be required by Just Healthy or the Commission.

Personnel Policies and Training

As outlined in Just Healthy's Record Keeping Procedures, a staffing plan and staffing records will be maintained in compliance with 935 CMR 500.105(9) and will be made available to the Commission, upon request. All Just Healthy agents are required to complete training as detailed in Just Healthy's Qualifications and Training plan which includes but is not limited to the Just Healthy's strict alcohol, smoke and drug-free workplace policy, job specific training, Responsible Vendor Training Program, confidentiality training including how confidential information is maintained at the marijuana establishment and a comprehensive discussion regarding the marijuana establishment's policy for immediate dismissal. All training will be documented in accordance with 935 CMR 105(9)(d)(2)(d).

Just Healthy will have a policy for the immediate dismissal of any dispensary agent who has:

- Diverted marijuana, which will be reported the Police Department and to the Commission;
- Engaged in unsafe practices with regard to Just Healthy operations, which will be reported to the Commission; or
- Been convicted or entered a guilty plea, plea of *nolo contendere*, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority.



QUALITY CONTROL AND TESTING

Quality Control

Just Healthy, LLC (“Just Healthy”) will comply with the following sanitary requirements:

1. Any Just Healthy agent whose job includes contact with marijuana or nonedible marijuana products, including cultivation, production, or packaging, is subject to the requirements for food handlers specified in 105 CMR 300.000, and all edible marijuana products will be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 590.000, and with the requirements for food handlers specified in 105 CMR 300.000.
2. Any Just Healthy agent working in direct contact with preparation of marijuana or nonedible marijuana products will conform to sanitary practices while on duty, including:
 - a. Maintaining adequate personal cleanliness; and
 - b. Washing hands thoroughly in an adequate hand-washing area before starting work, and at any other time when hands may have become soiled or contaminated.
3. Just Healthy’s hand-washing facilities will be adequate and convenient and will be furnished with running water at a suitable temperature. Hand-washing facilities will be located in Just Healthy’s production areas and where good sanitary practices require employees to wash and sanitize their hands, and will provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices;
4. Just Healthy’s facility will have sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations;
5. Just Healthy will ensure that litter and waste is properly removed and disposed of so as to minimize the development of odor and minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal will be maintained in an adequate manner pursuant to 935 CMR 500.105(12);
6. Just Healthy’s floors, walls, and ceilings will be constructed in such a manner that they may be adequately kept clean and in good repair;
7. Just Healthy’s facility will have adequate safety lighting in all processing and storage areas, as well as areas where equipment or utensils are cleaned;

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

Just Healthy's vehicles and transportation equipment used in the transportation of marijuana products or edibles requiring temperature control for safety will be designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the marijuana products or edibles from becoming unsafe during transportation, consistent with applicable requirements pursuant to 21 CFR 1.908(c).

Just Healthy will ensure that Just Healthy's facility is always maintained in a sanitary fashion and will comply with all applicable sanitary requirements.

Just Healthy will follow established policies and procedures for handling voluntary and mandatory recalls of marijuana products. Such procedures are sufficient to deal with recalls due

to any action initiated at the request or order of the Commission, and any voluntary action by Just Healthy to remove defective or potentially defective marijuana products from the market, as well as any action undertaken to promote public health and safety.

Any inventory that becomes outdated, spoiled, damaged, deteriorated, mislabeled, or contaminated will be disposed of in accordance with the provisions of 935 CMR 500.105(12), and any such waste will be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations.

Testing

Just Healthy will not sell or otherwise market marijuana or marijuana products that are not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000. No marijuana product will be sold or otherwise marketed for adult use that has not first been tested by an Independent Testing Laboratory and deemed to comply with the standards required under 935 CMR 500.160.

Any Independent Testing Laboratory relied upon by Just Healthy for testing will be licensed or registered by the Commission and (i) currently and validly licensed under 935 CMR 500.101: *Application Requirements*, or formerly and validly registered by the Commission; (ii) accredited to ISO 17025:2017 or the most current International Organization for Standardization 17025 by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the Commission; (iii) independent financially from any Medical Marijuana Treatment Center, Marijuana Establishment or Licensee; and (iv) qualified to test marijuana and marijuana products, including marijuana-infused products, in compliance with M.G.L. c. 94C, § 34; M.G.L. c. 94G, § 15; 935 CMR 500.000: *Adult Use of Marijuana*; 935 CMR 501.000: *Medical Use of Marijuana*; and Commission protocol(s).

Testing of Just Healthy's marijuana products will be performed by an Independent Testing Laboratory in compliance with a protocol(s) established in accordance with M.G.L. c. 94G, § 15 and in a form and manner determined by the Commission, including but not limited to, the *Protocol for Sampling and Analysis of Finished Medical Marijuana Products and Marijuana-infused Products*. Testing of Just Healthy's environmental media will be performed in compliance with the *Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana Dispensaries* published by the Commission.

Just Healthy's marijuana will be tested for the cannabinoid profile and for contaminants as specified by the Commission including, but not limited to, mold, mildew, heavy metals, plant-growth regulators, and the presence of pesticides. Just Healthy acknowledges and understands that the Commission may require additional testing.

Just Healthy's policy of responding to laboratory results that indicate contaminant levels are above acceptable limits established in the protocols identified in 935 CMR 500.160(1) will include notifying the Commission (i) within 72 hours of any laboratory testing results indicating that the contamination cannot be remediated and disposing of the production batch and (ii) of any information regarding contamination as specified by the Commission immediately upon request by the Commission. Such notification will be from both Just Healthy and the Independent Testing Laboratory, separately and directly, and will describe a proposed plan of action for both the destruction of the contaminated product and the assessment of the source of contamination.

Just Healthy will maintain testing results in compliance with 935 CMR 500.000 *et seq* and the record keeping policies described herein and will maintain the results of all testing for no less than one year. Just Healthy acknowledges and understands that testing results will be valid for a period of one year, and that marijuana or marijuana products with testing dates in excess of one year shall be deemed expired and may not be dispensed, sold, transferred or otherwise conveyed until retested.

All transportation of marijuana to and from Independent Testing Laboratories providing marijuana testing services will comply with 935 CMR 500.105(13). All storage of Just Healthy's marijuana at a laboratory providing marijuana testing services will comply with 935 CMR 500.105(11). All excess marijuana will be disposed in compliance with 935 CMR 500.105(12), either by the Independent Testing Laboratory returning excess marijuana to Just Healthy for disposal or by the Independent Testing Laboratory disposing of it directly. All Single-servings of marijuana products will be tested for potency in accordance with 935 CMR 500.150(4)(a) and subject to a potency variance of no greater than plus/minus ten percent (+/- 10%). Any marijuana or marijuana products submitted for retesting prior to remediation will be submitted to an Independent Testing Laboratory other than the laboratory which provided the initial failed result. Marijuana submitted for retesting after documented remediation may be submitted to the same Independent Testing Laboratory that produced the initial failed testing result prior to remediation.



PLAN FOR RESTRICTING ACCESS TO AGE 21 AND OLDER

Pursuant to 935 CMR 500.050(8)(b), Just Healthy, LLC (“Just Healthy”) will only be accessible to consumers 21 years of age or older with a verified and valid government-issued photo ID. Upon entry into the premises of the marijuana establishment by an individual, a Just Healthy agent will immediately inspect the individual’s proof of identification and determine the individual’s age, in accordance with 935 CMR 500.140(2).

In the event Just Healthy discovers any of its agents intentionally or negligently sold marijuana to an individual under the age of 21, the agent will be immediately terminated, and the Commission will be promptly notified, pursuant to 935 CMR 500.105(1)(m). Just Healthy will not hire any individuals who are under the age of 21 or who have been convicted of distribution of controlled substances to minors in the Commonwealth or a like violation of the laws in other jurisdictions, pursuant to 935 CMR 500.030(1).

Pursuant to 935 CMR 500.105(4), Just Healthy will not engage in any marketing, advertising or branding practices that are targeted to, deemed to appeal to or portray minors under the age of 21. Just Healthy will not engage in any advertising, marketing and branding by means of television, radio, internet, mobile applications, social media, or other electronic communication, billboard or other outdoor advertising, including sponsorship of charitable, sporting or similar events, unless at least 85% of the audience is reasonably expected to be 21 years of age or older as determined by reliable and current audience composition data. Just Healthy will not manufacture or sell any edible products that resemble a realistic or fictional human, animal or fruit, including artistic, caricature or cartoon renderings, pursuant to 935 CMR 500.150(1)(b). In accordance with 935 CMR 500.105(4)(a)(5), any marketing, advertising and branding materials for public viewing will include a warning stating, **“For use only by adults 21 years of age or older. Keep out of the reach of children. Marijuana can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of marijuana. Please Consume Responsibly.”** Pursuant to 935 CMR 500.105(6)(b), Just Healthy packaging for any marijuana or marijuana products will not use bright colors, resemble existing branded products, feature cartoons or celebrities commonly used to market products to minors, feature images of minors or other words that refer to products commonly associated with minors

or otherwise be attractive to minors. Just Healthy's website will require all online visitors to verify they are 21 years of age or older prior to accessing the website, in accordance with 935 CMR 500.105(4)(b)(13).



JUST HEALTHY, LLC

NORTHAMPTON ENERGY COMPLIANCE PLAN

Just Healthy, LLC (“Just Healthy”) will ensure the facility remains in compliance with the energy efficiency and conservation regulations codified in 935 CMR 500.105(1)(q) and 500.105(15).

Potential Energy-Use Reduction Opportunities

Just Healthy is considering the following potential opportunities for energy-use reduction and plans for implementation of such opportunities.

1. Natural lighting
2. All tenant space lighting is high efficiency LED lighting
3. Window and glass door areas have been maximized for the use of natural daylight

As the need and opportunity for facility upgrades and maintenance arise in the future and the company becomes cash flow positive, Just Healthy will continue to evaluate energy-use reduction opportunities.

Renewable Energy Generation Opportunities

Just Healthy does not currently plan to utilize renewable energy generation for its facility. However, as the need and opportunity for facility upgrades and maintenance arise in the future and the company becomes cash flow positive, Just Healthy will continue to evaluate opportunities for renewable energy generation.

Strategies to Reduce Electric Demand

Just Healthy is considering the following strategies to reduce electric demand.

1. All tenant space lighting is high efficiency LED lighting
2. Window and glass door areas have been maximized for the use of natural daylight
3. Mechanical units are being re-used 80% efficient furnaces with 13.0 SEER cooling
4. Additional mechanical unit is 80% efficient with 12.5 SEER cooling. Unit is to be equipped with Economizer and ultra-low leakage dampers.

As the need and opportunity for facility upgrades and maintenance arise in the future and the company becomes cash flow positive, Just Healthy will continue to evaluate strategies to reduce electric demand.

Opportunities for Engagement with Energy Efficiency Programs

As the need and opportunity for facility upgrades and maintenance arise in the future and the company becomes cash flow positive, Just Healthy will continue to evaluate its options for engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, s. 21, or through municipal lighting plants.

the + source

Northampton, Massachusetts

Operating Policies and Procedures

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Definitions

1. Administrative Hold means a hold requiring temporary isolation of Marijuana or Marijuana Products by a Licensee or Registrant pending further investigation.
2. Advertising means a form of marketing communication that employs a sponsored, nonpersonal message to sell or promote a Marijuana Establishment's Brand Name, Marijuana Establishment Branded Good, service, product or idea.
3. Affixed means the attachment of a label or other packaging material so that it is not easily removed or lost.
4. Brand Name means a brand name (alone or in conjunction with any other word), registered trademark, logo, symbol, motto, selling message, recognizable pattern of colors, or any other identifiable marker associated with a Marijuana Establishment.
5. Brand Name Sponsorship means the payment by a Marijuana Establishment in exchange for use of a Brand Name:
 - a. to sponsor an athletic, musical, artistic, or other social or cultural event; or
 - b. to identify, advertise, or promote such event, or an entrant, or participant of such an event.
6. Cannabis or Marijuana means all parts of any plant of the genus Cannabis, not excepted in 935 CMR 500.002 (a) through (c) and whether growing or not; the seeds thereof; and resin extracted from any part of the plant; Clones of the plant; and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin including tetrahydrocannabinol as defined in M.G.L. c. 94G, § 1; provided that Cannabis shall not include:
 - a. the mature stalks of the plant, fiber produced from the stalks, oil, or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks, fiber, oil, or cake made from the seeds of the plant or the sterilized seed of the plant that is incapable of germination;
 - b. Hemp; or
 - c. the weight of any other ingredient combined with Cannabis or Marijuana to prepare topical or oral administrations, food, drink or other products.
7. Commission means the Massachusetts Cannabis Control Commission as established by M.G.L. c. 10, § 76, or its representatives. The Commission has authority to implement the state Marijuana laws which include, but are not limited to, St. 2016, c. 334, The Regulation and Taxation of Marijuana Act, as amended by St. 2017, c. 55, An Act to Ensure Safe Access to Marijuana; M.G.L. 10, § 76, M.G.L. c. 94G; M.G.L. c. 94I; 935 CMR 500.000 and 935 CMR 501.000: Medical Use of Marijuana.
8. Confidential Records means any electronic or written record required to be kept confidential or protected from disclosure by law, which includes, but is not limited to, Confidential Application Materials, Confidential Social Equity Application Materials, Confidential Investigatory Materials, and Protected Patient Records (as defined in 935 CMR 501.002: Protected Patient Records).
9. Consumer means a person who is 21 years of age or older.
10. Court Appointee shall mean a person or entity appointed by a court of competent jurisdiction to exercise court oversight with respect to the property, assets, management, or operations of a Licensee or Person or Entity Having Direct or Indirect Control over a Licensee including, without limitation, a receiver, custodian, guardian, trustee, and executor or administrator of estate. This could include a person or entity preapproved or recommended by the Commission or its delegee appointed by the court.
11. Edibles means a Marijuana Product that is to be consumed by humans by eating or drinking. These products, when created or sold by a Marijuana Establishment or an MTC, shall not be considered a food or a drug as defined in M.G.L. c. 94, § 1.

12. Finished Marijuana Product means a Marijuana Product that is completely manufactured and ready for retail sale and shall include Finished Marijuana that has been separated into individual packages or containers for sale.
13. Independent Testing Laboratory means a laboratory that is licensed or registered by the Commission and is:
 - a. Currently and validly licensed under 935 CMR 500.101, or formerly and validly registered by the Commission;
 - b. Accredited to ISO 17025: 2017 or the International Organization for Standardization 17025 by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the Commission;
 - c. Independent financially from any MTC Marijuana Establishment or Licensee; and
 - d. Qualified to test Marijuana and Marijuana Products, including MIPs, in compliance with M.G.L. c. 94C, § 34; M.G.L. c. 94G, § 15; 935 CMR 500.000; and 935 CMR 501.000: Medical Use of Marijuana; and Commission protocol(s).
14. Known Allergen means milk, egg, fish, crustacean shellfish, tree nuts, wheat, peanuts, and soybeans, or such other allergen identified by the U.S. Food and Drug Administration (FDA).
15. Limited Access Area means an indoor or outdoor area on the Premises of a Marijuana Establishment where Marijuana or Marijuana Products, or their byproducts are cultivated, stored, weighed, packaged, Processed, or disposed, under the control of a Marijuana Establishment, with access limited to only those Marijuana Establishment or Laboratory Agents designated by the Establishment after receipt of a Final License.
16. Limitation on Sales means a limitation on the sales of Marijuana or Marijuana Products by a Marijuana Establishment Licensee or Registrant arising from the regulations and until substantial compliance by a Licensee or Registrant with a law, regulation, guidance or other requirement for licensure or registration.
17. Marijuana Establishment means a Marijuana Cultivator (Indoor or Outdoor), Craft Marijuana Cooperative, Marijuana Product Manufacturer, Marijuana Microbusiness, Independent Testing Laboratory, Marijuana Retailer, Marijuana Transporter, Delivery-only Licensee, Marijuana Research Facility, Social Consumption Establishment or any other type of licensed Marijuana related business, except a Medical Marijuana Treatment Center (MTC).
18. Marijuana Establishment Agent means any Owner, employee, Executive, or volunteer of a Marijuana Establishment, who shall be 21 years of age or older. Employee includes a consultant or contractor who provides on-site services to a Marijuana Establishment related to the cultivation, harvesting, preparation, packaging, storage, testing, or dispensing of Marijuana.
19. Marijuana Establishment Branded Good means a merchandise item offered for sale by a Marijuana Establishment, and identifiable as being of a particular Marijuana Establishment, distinct from those of other entities, by having the Marijuana Establishment's Brand Name. A Marijuana Establishment Branded Good does not include Marijuana, Marijuana Products, or Marijuana Accessories. It may include apparel, water bottles or other similar non-edible merchandise.
20. Marijuana-infused Product (MIP) means a Marijuana Product infused with Marijuana that is intended for use or consumption including, but not limited to, Edibles, ointments, aerosols, oils, and Tinctures. A Marijuana-infused Product (MIP), when created or sold by a Marijuana Establishment or an MTC, shall not be considered a food or a drug as defined in M.G.L. c. 94, § 1. MIPs are a type of Marijuana Product.
21. Marijuana Products (or Cannabis Products) means Marijuana and its products, unless otherwise indicated. Marijuana Products includes products that have been Manufactured and contain Cannabis,

Marijuana, or an extract from Cannabis or Marijuana, including concentrated forms of Marijuana and products composed of Marijuana and other ingredients that are intended for use or consumption, including Edibles, Beverages, topical products, ointments, oils and Tinctures. Marijuana Products include Marijuana-infused Products (MIPs) defined in 935 CMR 500.002.

22. Marijuana Vaporizer Device means a product containing concentrated marijuana oil that is converted into inhalable marijuana aerosolized vapors.
23. Premises means any indoor or outdoor location over which a Marijuana Establishment or Independent Testing Laboratory or its agents may lawfully exert substantial supervision or control over entry or access to the property or the conduct of persons.
24. Pre-verification means the process of a Marijuana Establishment examining the identification presented by an individual Consumer to confirm that the identification is valid and matches the individual presenting it and collecting the information required by 935 CMR 500.000 prior to that Consumer being able to receive deliveries of Marijuana or Marijuana Products to the Consumer's Residence. A Marijuana Establishment may not acquire or record personal information about Consumers other than information typically required in a retail transaction.
25. Production Area means a Limited Access Area within the Marijuana Establishment where Cannabis or Marijuana is handled or produced in preparation for sale.
26. Process or Processing means to harvest, dry, cure, trim and separate parts of the Cannabis or Marijuana plant by manual or mechanical means, except it shall not include Manufacture as defined in 935 CMR 500.002.
27. Repackage means to uniformly wrap or seal Marijuana that has already been wrapped or sealed, into a ready-made product for retail sale, without combining, infusing, or changing the chemical composition of the Marijuana.
28. Responsible Vendor Training (RVT) Program means a mandatory program that provides training courses taught by a Responsible Vendor Trainer for Marijuana Establishment Agents in order to satisfy the minimum training hours required under 935 CMR 500.105(2).
29. Seed-to-sale Electronic Tracking System means a system designated by the Commission as the system of record (Seed-to-sale SOR) or a secondary electronic tracking system used by a Marijuana Establishment or an MTC or an Independent Testing Laboratory. This system shall capture everything that happens to an individual Marijuana plant, from seed and cultivation, through growth, harvest and Manufacture of Marijuana Products and MIPs, including transportation, if any, to final sale of finished products. Seed-to-sale Electronic Tracking System shall utilize a unique-plant identification and unique-batch identification. It will also be able to track agents' and Registrants' involvement with the Marijuana Product. Any secondary system used by the Marijuana Establishment or an MTC or an Independent Testing Laboratory shall integrate with the SOR in a form and manner determined by the Commission.
30. Tincture means a Cannabis-infused alcohol or oils concentrate administered orally in small amounts using a dropper or measuring spoon. Tinctures are not considered an Edibles under 935 CMR 500.000 and are not subject to the dosing limitations applicable to Edibles.
31. Transfer means the sale of Marijuana or Marijuana Products from a Marijuana Establishment to a separate Marijuana Establishment, Independent Testing Laboratory or MTC (but not to Consumers) subject to entry of the transaction in the Commission's Seed-to-sale SOR.
32. Usable Marijuana means the fresh or dried leaves and flowers of the female Marijuana plant and any mixture or preparation thereof, including Marijuana, Marijuana Products or MIPs, but does not include the seedlings, seeds, stalks, roots of the plant, or Marijuana rendered unusable in accordance with 935 CMR 500.105(12)(c)

33. Vault means a secured, limited access storage room within a Marijuana Establishment that is outfitted with adequate security features for the purposes of storing Marijuana or Marijuana Products or cash. A vault must be adequately sized to store inventory that is not being actively handled for purposes of dispensing, packaging, processing or transportation.
34. Vendor Sample means a sample of Marijuana or Marijuana Product developed by a Marijuana Cultivator or a Marijuana Product Manufacturer licensed under the provisions of 935 CMR 500.000 that is provided to a Marijuana Product Manufacturer, a Marijuana Retailer or a Delivery Operator to promote product awareness.
35. Visitor means an individual, other than a Marijuana Establishment Agent or Laboratory Agent, authorized by the Marijuana Establishment or Independent Testing Laboratory to be on the Premises of an Establishment for a purpose related to its operations and consistent with the objectives of St. 2016, c. 334, as amended by St. 2017, c. 55, M.G.L. c. 94G, and 935 CMR 500.000; provided, however, that no such individual shall be younger than 21 years old.
36. Visitor Identification Badge means a badge issued by an MTC, Marijuana Establishment or the Commission to be used at all times while on the Premises of a Marijuana Establishment or an MTC or Independent Testing Laboratory. These identification badges shall be issued in a form and manner determined by the Commission.
37. White Labeling means to affix a product label that includes the branding, including the name and logo, of a specific Marijuana Establishment Licensee to a Finished Marijuana Product that was previously produced and packaged by a licensed Product Manufacturer, Cultivator, Microbusiness or Craft Marijuana Cooperative for sale to Consumers. Vaporizer Devices shall not be white labeled. White labeled products shall be required to comply with 935 CMR 500.105(5), and (6), 935 CMR 500.130(6) and 935 CMR 500.146(7).
38. Wholesale means the Transfer of Marijuana or Marijuana Product between Marijuana Establishments.

Purpose

Just Healthy, LLC, d/b/a The Source+ (“The Source+”), a Marijuana Establishment in the Commonwealth of Massachusetts, has prepared and developed policies and procedures to provide for the safe, orderly, and legal production and distribution of adult-use marijuana.

Chapter 1

Facility and Entity

A. Directory of Board Members and Executives

- i. Joseph Schottenstein, Manager, The Source Holding LLC (Parent entity)
- ii. Wayne Boich, Manager, The Source Holding LLC (Parent entity)
- iii. Benton Kraner, Manager, The Source Holding LLC (Parent entity)
- iv. Brian Murphy, Manager, The Source Holding LLC (Parent entity)
- v. Marc Lehmann, Manager, The Source Holding LLC (Parent entity)
- vi. Andrew Jolley, Manager, The Source Holding LLC (Parent entity)
- vii. Simon Nankervis, Chief Executive Officer, The Source Holding LLC (Parent entity);
President, Just Healthy LLC
- viii. Kent Kiffner, Secretary, The Source Holding LLC (Parent entity); Secretary, Just Healthy
LLC

B. Hours of Operation

- i. The Source+ will maintain and publish its after-hours contact information and hours of
operation in accordance with 935 CMR 500.000.
- ii. The following hours of operation and after-hours contact information will be provided to the
Commission and made available to law enforcement officials upon request:
- iii. Monday – Sunday: 8:00 a.m. – 10:00 p.m.

C. After-Hours Contact Information

- i. Brett Sprau
 - a. 570-362-2512
 - b. bsprau@thesource.green
- ii. Jack Davidson- Head of Safety and Security
 - a. 702-708-1111 ext 761
 - b. jdavidson@thesource.green
- iii. The Source+ will update the after-hours contact information and business hours in
accordance with 935 CMR 500.000.

D. Advertising

- i. **Advertising Policy**
 - a. This SOP applies to all advertising produced by or on behalf of the Marijuana
Establishment. The Source+ management will update SOP's as needed per regulation
or other mandates. This SOP will be reviewed at least yearly.
- ii. **Advertising Practices**
 - a. The Source+ will only engage in reasonable advertising practices that do not promote
the diversion of marijuana and comply with all other advertising requirements under
935 CMR 500.105(4).
 - b. The Source+ 's website will require verification that the entrant is 21 years of age or
older.
 - c. The Source+ will not engage in any of the following advertising practices:
 1. Advertising in such a manner that is deemed to be is deceptive, misleading,
false or fraudulent, or that tends to deceive or create a misleading impression,
whether directly or by omission or ambiguity;

2. Advertising by means of television, radio, internet, mobile applications, social media, or other electronic communication, billboard or other outdoor Advertising, or print publication, unless at least 85% of the audience is reasonably expected to be 21 years of age or older as determined by reliable and current audience composition data;
3. Advertising that utilizes statements, designs, representations, pictures or illustrations that portray anyone younger than 21 years old;
4. Advertising including, but not limited to, mascots, cartoons, and celebrity endorsements, that is deemed to appeal to a person younger than 21 years old;
5. Brand sponsorship including, but not limited to, mascots, cartoons, and celebrity endorsements, that is deemed to appeal to a person younger than 21 years old;
6. Advertising, including statements by The Source+, that makes any false or statements concerning other marijuana establishments and the conduct and products of such other marijuana establishments that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly or by omission or ambiguity;
7. Advertising that asserts that its products are safe, or represent that its products have curative or therapeutic effects, other than labeling required pursuant to M.G.L. c. 94G, § 4(a½)(xxvi), unless supported by substantial evidence or substantial clinical data with reasonable scientific rigor as determined by the Commission;
8. Advertising on any billboards, or any other public signage, which fails to comply with all state and local ordinances and requirements;
9. Use of any illuminated or external signage beyond the period of 30 minutes before sundown until closing;
10. The use of vehicles equipped with radio or loudspeakers for the advertising of Products;
11. The use of radio or loudspeaker equipment in any Marijuana Establishment for the purpose of Advertising the sale of Products;
12. Brand Name Sponsorship of a charitable, sporting or similar event, unless such advertising is targeted to entrants or participants reasonably expected to be 21 years of age or older, as determined by reliable, current audience composition data, and reasonable safeguards have been employed to prohibit Advertising from targeting or otherwise reaching entrants or participants reasonably expected to be under 21 years of age, as determined by reliable, current audience composition data;
13. Operation of any website that fails to verify that the entrant is 21 years of age or older;
14. Any advertising, including the use of Brand Names, of an improper or objectionable nature including, but not limited to, the use of language or images offensive or disparaging to certain groups;
15. Any Advertising, solely for the promotion of Products on Marijuana Establishment Branded Goods including, but not limited to, clothing, cups, drink holders, apparel accessories, electronic equipment or accessories, sporting equipment, novelty items and similar portable promotional items;

16. Advertising on or in public or private vehicles and at bus stops, taxi stands, transportation waiting areas, train stations, airports, or other similar transportation venues including, but not limited to, vinyl-wrapped vehicles or signs or logos on transportation vehicles not owned by The Source+;
 17. The display of signs or other printed material advertising any brand or any kind of Products that are displayed on the exterior of the facility;
 18. Advertising of the price of Marijuana or Marijuana Products, except as permitted above pursuant to 935 CMR 500.105(4)(a)(6);
 19. Display of Marijuana or Marijuana Products so as to be clearly visible to a person from the exterior of the facility;
 20. Advertising through the marketing of free promotional items including, but not limited to, gifts, giveaways, discounts, points-based reward systems, customer loyalty programs, coupons, and "free" or "donated" marijuana, except as otherwise permitted by 935 CMR 500.105(4)(a)9 and except for the provision of Brand Name take-away bags by The Source+ for the benefit of customers after a retail purchase is completed.
- d. The Source+ is cognizant of the appropriate audience for advertising created by or on behalf of the Marijuana Establishment.
- e. As such, without reliable and current audience composition data determining that at least 85% of the audience is reasonably expected to be 21 years of age or older, The Source+ will not engage in any advertising in connection with a charitable, sporting or similar event, television, radio, internet, mobile applications, social media, or other electronic communication, billboard or other outdoor advertising, or print publication.
- f. The Source+ uses the following mediums, among others if and to the extent permissible under applicable law, to advertise:
1. The Source+'s website at <https://www.thesource.green>
 2. Social media outlets such as Text, Facebook, Twitter, and Instagram
 3. Billboard or signage advertisements that comply with state and local ordinances and requirements.
- g. All advertising is reviewed by the General Counsel to ensure compliance prior to proceeding with publication or print.

iii. **Advertising: Warnings and Statements**

- a. The Source+ may engage in reasonable advertising practices that are not otherwise prohibited in 935 CMR 500.105(4)(b) that do not jeopardize the public health, welfare or safety of the general public or promote the diversion of marijuana or marijuana use in individuals younger than 21 years old.
- b. Any such advertising created for viewing by the public will include the statement, "Please Consume Responsibly", in a conspicuous manner on the face of the advertisement and will include a minimum of two of the following warnings in their entirety in a conspicuous manner on the face of the advertisement:
 1. "This product may cause impairment and may be habit forming."
 2. "Marijuana can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of this drug.";
 3. "There may be health risks associated with consumption of this product.";
 4. "For use only by adults 21 years of age or older. Keep out of the reach of children."; or

5. "Marijuana should not be used by women who are pregnant or breastfeeding."

c. All advertising produced by or on behalf of The Source+ will include the following warning, including capitalization, in accordance with M.G.L. c. 94G, § 4(a½)(xxvi):

1. "This product has not been analyzed or approved by the Food and Drug Administration (FDA). There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN. There may be health risks associated with consumption of this product. Marijuana can impair concentration, coordination, and judgment. The impairment effects of Edibles may be delayed by two hours or more. In case of accidental ingestion, contact poison control hotline 1-800-222-1222 or 9-1-1. This product may be illegal outside of MA

iv. **Vehicles**

- a. The Source+ will not utilize vehicles equipped with radio or loudspeakers for the advertising of marijuana or marijuana products or for the purpose of attracting attention to the sale of marijuana
- b. The Source+ will not advertise on transportation vehicles, public or private vehicles, at bus stops, taxi stands, transportation waiting areas, train stations, airports, or other similar transportation venues including, but not limited to, vinyl-wrapped vehicles, signs, logos or markings, indicating that the vehicle is being used to transport marijuana on transportation vehicles not owned by The Source+.

v. **Advertising at the Facility: The Source+'s Logo:**

- a. The Source+ has developed a brand name to be used in labeling, signage, and other materials such as letterhead.



- b.
- c. The logo is discreet, unassuming, and does not use medical symbols, images of marijuana, related paraphernalia images, that are appealing to individuals younger than 21 years old or make colloquial references to marijuana.

vi. **Signage**

- a. External signage at The Source+'s facility will only be illuminated thirty (30) minutes prior to sundown until closing and will not use neon colors. Illumination times will be updated on an ongoing basis to ensure compliance.
- b. The Source+ will comply with any other restrictions or requirements set forth by the host municipality.
- c. Advertisements for marijuana, brand names, or graphics related to marijuana or paraphernalia will not be placed on the exterior of the building.
- d. Any advertising on billboards, or any other public signage, will comply with all state and local ordinances and requirements.

vii. **Promotional Materials**

- a. The Source+ will not advertise through the marketing of free promotional items including, but not limited to, gifts, giveaways, discounts, points-based reward systems, customer loyalty programs, coupons, and "free" or "donated" Marijuana, except as otherwise permitted by 935 CMR 500.105(4)(a)(9). and except for the provision of Brand Name take-away bags by a Marijuana Establishment for the benefit of customers after a retail purchase is completed.
- b. The Source+ may produce a Marijuana Establishment Branded Good which is a merchandise item offered for sale by a Marijuana Establishment, and identifiable as being of a particular Marijuana Establishment, distinct from those of other entities, by having the Marijuana Establishment's Brand Name.
- c. A Marijuana Establishment Branded Good does not include Marijuana, Marijuana Products, or Marijuana Accessories. It may include apparel, water bottles or other similar non-edible merchandise.
- d. If The Source+ produces Marijuana Establishment Branded Goods, they will not include advertising solely for the promotion of Marijuana or Marijuana Products

viii. **Product Visibility**

- a. Marijuana, marijuana products, and other associated products will not be displayed or clearly visible from the exterior of The Source+'s facility.

ix. **Brand Name Sponsorship**

- a. The Source+ may engage in Brand Name Sponsorship of a charitable, sporting, or similar event, so long as the following conditions are met:
 - 1. Sponsorship of the event is limited to the Brand Name.
 - 2. Any Advertising at or in connection with such an event is prohibited, unless such Advertising is targeted to entrants or participants reasonably expected to be 21 years of age or older, as determined by reliable, current audience composition data, and reasonable safeguards have been employed to prohibit Advertising from targeting or otherwise reaching entrants or participants reasonably expected to be younger than 21 years old, as determined by reliable, current audience composition data;
- b. Brand Name Sponsorship of a charitable, cultural, or similar event both held and organized by the city or town in which The Source+ is licensed to conduct business, so long as the following conditions are met:
 - 1. Sponsorship of said event shall be included in The Source+'s Positive Impact Plan submitted in accordance with 935 CMR 500.101(1)(a)11;
 - 2. Sponsorship of the event is limited to the Brand Name;
 - 3. Any Advertising at or in connection with such an event is prohibited, unless such Advertising is targeted to entrants or participants reasonably expected to be 21 years of age or older, as determined by reliable, current audience composition data, and reasonable safeguards have been employed to prohibit Advertising from targeting or otherwise reaching entrants or participants reasonably expected to be younger than 21 years old, as determined by reliable, current audience composition data;
 - 4. If, The Source+ engages in Brand Name Sponsorship documentation of reliable, reasonable audience composition data that is the basis for allowing any such Advertising or branding will be retained for a period of one year, or longer if otherwise required by the Commission, or a court or agency with jurisdiction.

E. Energy and Conservation

i. Energy Conservation Policies

- a. This SOP applies to all energy efficiency and conservation policies in the Marijuana Establishment. The Source+ management will update SOP's as needed per regulation or other mandates. This SOP will be reviewed at least yearly.
- b. The Source+ will demonstrate consideration of the following factors:
 1. Identification of potential energy use reduction opportunities (such as natural lighting and energy efficiency measures), and a plan for implementation of such opportunities;
 2. Consideration of opportunities for renewable energy generation, including, where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable;
 3. Strategies to reduce electric demand (such as lighting schedules, active load management, and energy storage); and
 4. Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.

ii. Energy Efficiency and Conservation

- a. The Source+ has identified potential energy use reduction opportunities such as natural lighting and energy efficiency measures and a plan for implementation of such opportunities. Our facility has been fully designed with features including; new Roof Top Unit is high efficiency, all lighting is energy efficient LED, R38 insulation has been added to the entire roof assembly, all appliances and climate control equipment are energy star rated for high efficiency.
- b. The Source+ has considered opportunities for renewable energy generation. Our team is dedicated to consistently striving for sustainability and emissions reduction. Renewable energy (Solar) was not feasible as roof structure was not capable of additional roof loading
- c. The Source+ is pursuing the following strategies to reduce electric demand. Programs include lighting schedules, active load management and energy storage programs.
 1. Except for security lighting in off hours, all lights will be turned off in the Marijuana Establishment. After-hours cleaning companies will only be permitted to turn on lights in rooms they are actively cleaning.
 2. The Source+'s facilities, unless otherwise required, will use maximum efficiency light-emitting diode bulbs.
 3. All new equipment – including Heating, Ventilation and Air Conditioning as well as appliances – purchased for the Marijuana Establishment are ENERGY STAR compliant, with ENERGY STAR features enabled.
 4. An Energy Management System (“EMS”) shall be utilized to automatically schedule shutdown of HVAC equipment during unoccupied periods
- d. The Source+ plans on engaging with the energy efficiency program offered by National Grid.

iii. Standards and Recordkeeping

- a. The Source+ will document renewable or alternative energy credits that represent a portion of the energy usage not generated onsite, has been purchased and retired yearly.

- b. The Commission may further define these standards, or create reasonable exemptions or modifications, through guidelines issued in consultation with the energy and environmental standards working group established under St. 2017, c. 55, § 78(b).
- c. The Source+ will regularly check for such guidelines and continue to follow the Commission's standards.

F. Liability Insurance and Maintenance of Escrow

- i. This SOP applies to Liability Insurance and Maintenance of Escrow in the Marijuana Establishment. The Source+'s management will update SOP's as needed per regulation or other mandates. This SOP will be reviewed at least yearly.
- ii. **Liability Insurance Policy**
 - a. The Source+ will contract with the James River Insurance Company to maintain general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate annually and product liability coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate annually.
 - b. The policy deductible will be no higher than \$5,000 per occurrence.
 - c. The Source+ will consider additional coverage based on availability and cost-benefit analysis.
 - d. If adequate coverage is unavailable at a reasonable rate, The Source+ will place in escrow at least \$250,000 to be expended for liability coverage.
 - e. Any withdrawal from such escrow will be replenished within 10 business days.
 - f. The Source+ will keep reports documenting compliance with 935 CMR 500.105(10).
- iii. **Bond and Escrow Policy**
 - a. Prior to commencing operations, The Source+ will provide proof of having obtained a surety bond in an amount equal to its licensure fee payable to the Marijuana Regulation Fund to ensure payment of the cost incurred for the destruction of cannabis goods necessitated by a violation of St. 2016, c. 334, as amended by St. 2017, c. 55 or 935 CMR 500.000, the costs and compensation of a Court Appointee, the cessation of operation of the Marijuana Establishment or such other uses that the Commission may authorize to ensure public health safety and welfare.
 - b. The amount set aside will be enough to cover the cost of satisfying any outstanding state or municipal sales tax obligations, costs incurred securing the Marijuana Establishment, and cost incurred for destroying the marijuana and marijuana products in its inventory.
 - 1. The Source+ will obtain documentation of a bond or other resources held in an escrow account in an amount sufficient to adequately support the dismantling and winding down of the Marijuana Establishment.
 - 2. All bonds obtained under 935 CMR 500.000 will be issued by a corporate surety licensed to transact surety business in the Commonwealth.
 - 3. If The Source+ is unable to secure a surety bond, as required by 935 CMR 500.105(16) it will place in escrow a sum of no less than \$5,000 or such other amount approved by the Commission, to be expended for coverage of liabilities.
 - 4. The escrow account required pursuant to 935 CMR 500.105(16)(c) will be replenished within ten business days of any expenditure required under 935 CMR 500.105 except if the Marijuana Establishment has ceased operations.
 - 5. Documentation of the replenishment will be promptly sent to the Commission, in accordance with 935 CMR 500.105(16)

- c. If The Source+ acquires a bond, the bond will reflect the following:
1. Just Healthy LLC is the Principal;
 2. The Commonwealth of Massachusetts Cannabis Control Commission, Union Station, 2 Washington Square, Worcester, MA 01604, is the obligee;
 3. The purpose of the bond is to cover any costs incurred by the Commission to satisfy any outstanding state and local sales tax obligations, costs incurred to secure the Marijuana Establishment, costs incurred to destroy the marijuana and marijuana products in its inventory, and to cover other costs incurred by the Commission in dismantling or winding down of the Marijuana Establishment in accordance with its policies and governing laws.
- d. If The Source+ establishes a trust account, the account will reflect the following:
1. The Commonwealth of Massachusetts Cannabis Control Commission, Union Station, 2 Washington Square, Worcester, MA 01604, is the sole beneficiary; and The funds are to cover any costs incurred by the Commission to satisfy any outstanding state and local sales tax obligations, costs incurred to secure the Marijuana Establishment, costs incurred to destroy the marijuana and marijuana products in its inventory, and to cover other costs incurred by the Commission in dismantling or winding down of the Marijuana Establishment in accordance with its policies and governing laws.

Chapter 2

Human Resources, Staffing and Training

A. Staffing, Training, and Hiring Responsibilities

- i. This SOP applies to staffing, training, and hiring plans in the Marijuana Establishment. The Source+ management will update SOP's as needed per regulation or other mandates. This SOP will be reviewed at least yearly.

B. Hiring

i. Hiring Procedures

- a. The Chief Executive Officer will evaluate hiring needs on an ongoing basis.
- b. Hiring procedures include:
 1. internal and external posting of the position, candidate interviews, reference checks, and background checks.
- c. The Source+ is dedicated to hiring local residents, when possible.
- d. The Source+'s available jobs will be posted on our career page, [Thesourceenv.com/careers](https://thesourceenv.com/careers), and the following 3rd party sites; Indeed.com, Glassdoor.com and Ziprecruiter.com.
- e. The Source+ is committed to building a professional environment for all of our agents.
- f. The Source+ is committed to complying with all laws and Commission regulations, maintaining high standards of ethical conduct in dealings with agents of The Source+, registered patients, vendors, and the community at large.
- g. The Source+ seeks to hire individuals who are dedicated and motivated, resulting in advancement whenever possible.
- h. In order to promote job satisfaction and employee retention, we will communicate clear performance expectations and deliver incentives in a fair and consistent manner across the company.
- i. The Source+ will strictly adhere to behavior and harassment policies set forth in the Employee Handbook and will take prompt action to address questions, concerns, or complaints regarding work conditions, discrimination, or any other matter.
- j. Agents of The Source+ are expected to be present during department meetings as well as company-wide meetings.

ii. Hiring Process

- a. Applicants will be required to submit a written application for employment to ensure all applicants are evaluated equally in the initial stages of hiring.
- b. All offers will be contingent upon the successful completion of all required background investigations, including an iCORI, agent registration, and proof of employment eligibility in the U.S.
- c. The Source+ will comply with EEOC guidelines and will not discriminate on the basis of race, color, religion, sex, sexual orientation, national origin, age, disability, or genetic information and will not discriminate against a candidate who has participated in an employment discrimination investigation or lawsuit.
- d. The Source+ will focus hiring efforts on the goals and programs developed by the company to support the Diversity and Positive Impact Plans approved by the Cannabis Control Commission during the application and licensing.

- e. The Source+ will apply for the registration of all board members, directors, employees, executives, managers, and volunteers associated with The Source+, in accordance with 935 CMR 500.030(1).

C. Training

i. Training Processes

- a. As a condition of employment, new agents will complete training prior to performing their job functions. Training will be tailored to the roles and responsibilities of the job function of each dispensary agent, and at a minimum, will include Responsible Vendor Training, training on confidentiality and other topics as specified by the Cannabis Control Commission (“Commission”).
- b. Responsible Vendor Training will be completed within 90 days of hire. At a minimum, staff will also receive eight (8) hours of ongoing training annually.
- c. A minimum of four (4) hours of training may be from the Responsible Vendor Training Program. Any additional Responsible Vendor Training over four (4) hours may count toward the eight (8) hour total training requirements.
- d. Any training not specific to Responsible Vendor Training may be conducted in-house by The Source+, a third-party vendor, or any basis on the job training by The Source+ and may be counted toward the eight (8) hour total training requirements.

ii. Training Requirements

- a. Training will include, at minimum:
 - 1. Responsible Vendor Training
 - 2. Confidentiality and Privacy
 - 3. Compliance and Regulatory Review
 - 4. Review of Written Operating Policies and Procedures
 - 5. Workplace Safety and Emergency Protocols
 - 6. Security Training
 - 7. Diversity and Positive Impact Plan goals and programs
 - 8. Anti-Diversion Training
 - 9. Handling of Marijuana
 - 10. Personnel Policies and Procedures
 - 11. Recordkeeping
 - 12. Inventory Management and POS Systems
 - 13. Quality Assurance

D. Staffing Procedures

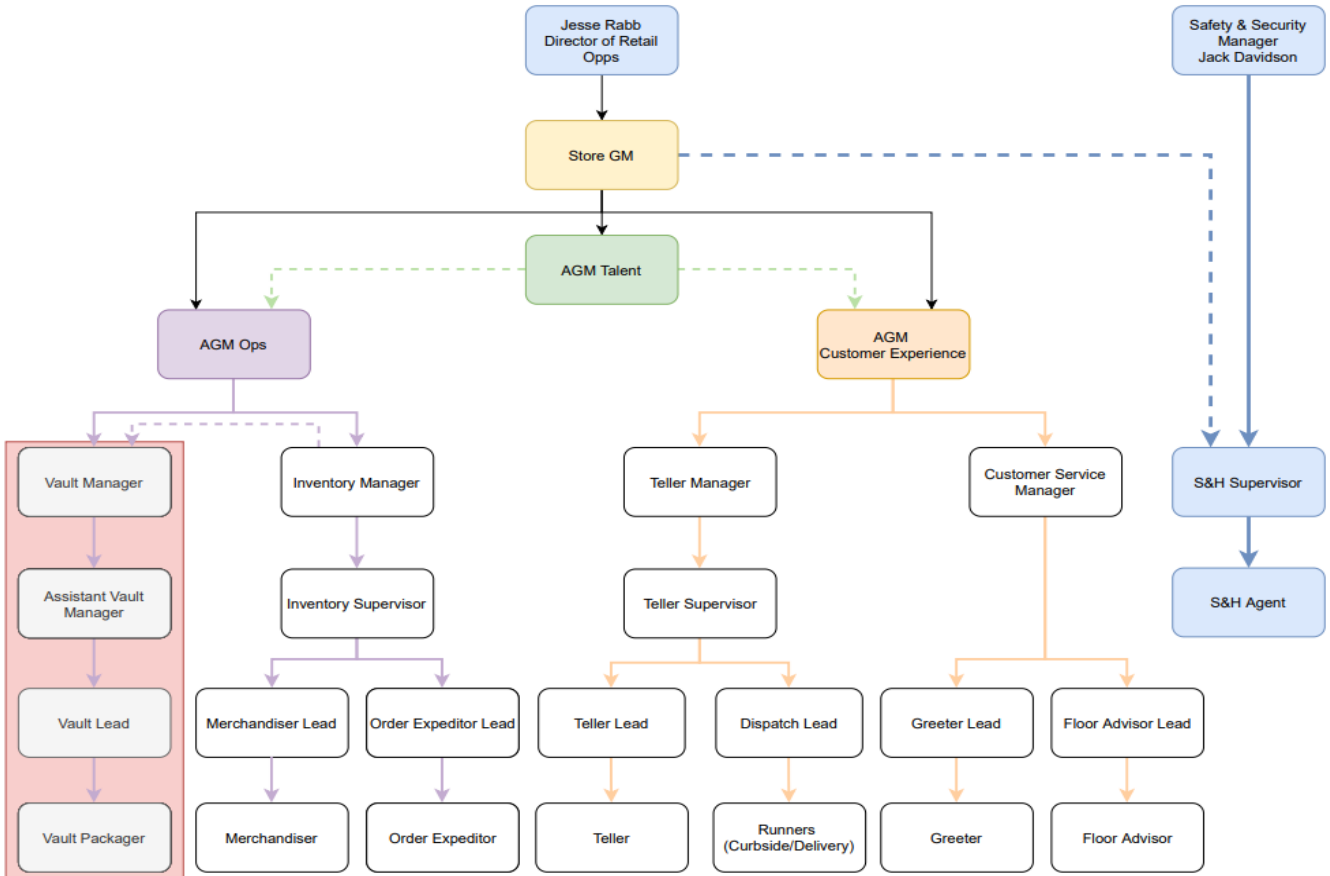
i. Estimated Staffing Levels

- a. During our hours of operation (which are subject to change), agents of The Source+ will be available for customers to assist with any questions they may have, provide information that is relevant, and complete sales transactions using a Point of Sale (“POS”) System.
- b. Inventory Agents will be on-site, with the number of agents on duty varying according to operational needs.
- c. Inventory Agents will be dedicated to filling orders and ensuring products are properly labeled pursuant to The Source+’s labeling requirements prior to dispensing.
- d. Security Agents will be available as needed with the number of agents on duty varying according to operational needs.

ii. Organizational Structure

- a. The Source+ encourages employee development and empowerment.

- b. Employees are encouraged to provide input and suggest new policies and processes on a regular basis.
- c. The Manager or Supervisor of the assigned department is responsible for oversight of the agents.
- d. The General Manager oversees staff assigned to the retail department.
- e. The Chief Executive Officer will oversee the operation as a whole.



iii. **Staffing Records**

- a. Personnel Records at a minimum will include:
 - 1. Job descriptions for each agent and volunteer position, as well as organizational charts consistent with the job descriptions;
 - 2. A personnel record for each Marijuana Establishment agent. Such records will be maintained for at least twelve (12) months after termination of the agent’s affiliation with The Source+ and will include, at a minimum, the following:
 - a. All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
 - b. Documentation of verification of references;
 - c. The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;

- d. Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;
 - e. Documentation of periodic performance evaluations; and
 - f. A record of any disciplinary action taken.
 - g. Notice of completed responsible vendor and eight-hour related duty training.
- 3. A staffing plan that will demonstrate accessible business hours;
 - 4. Personnel policies and procedures; and
 - 5. All background check reports obtained in accordance with 935 CMR 500.030.

E. Workplace Safety

This SOP applies to all workplace safety policies in the Marijuana Establishment. The Source+ management will update SOP's as needed per regulation or other mandates. This SOP will be reviewed at least yearly.

i. Safety Procedures

- a. The Source+ promotes workplace safety consistent with applicable standards set by the Occupational Safety and Health Administration, including plans to identify and address any biological, chemical or physical hazards.
- b. Policies and procedures include, at a minimum, a hazard communication plan, personal protective equipment assessment, a fire protection plan, and an emergency action plan.
- c. In accordance with 935 CMR 500.105(3)(b), The Source+ will ensure that all edible products will be prepared, handled and stored in compliance with the sanitation requirements in 105 CMR 590.000: *State sanitary code chapter X: Minimum Sanitation Standards for Food Establishments*.
- d. In accordance with 935 CMR 500.150(1), The Source+ will not sell any edible product that resembles the distinct shape of a human, animal, fruit, or sporting-equipment item.

ii. Agent Health and Safety Program

- a. Eight basic components have been identified to help prevent accidents and injuries from occurring within the Facility, as well as to help deal effectively with any incidents that do occur. These components are:
 - 1. Hazard Identification & Risk Control—determine which hazards are present in the workplace and take steps to eliminate or minimize such hazard.
 - 2. Safe Work Procedures:
 - a. Dealing with wet surfaces;
 - b. Wearing proper personal protective equipment and clothing;
 - c. Handling solvents with use of protective gloves and proper ventilation; and
 - d. Using proper body mechanics when lifting heavy objects.
 - 3. Orientation, Education, Training & Supervision—properly prepare agents for job duties and ensure policies and procedures are consistently followed.

4. Safety Inspections—regular safety inspections throughout the Facility, which will help identify workplace hazards so that Agents can be eliminated or controlled.
 5. Incident Investigation—determine cause of accident or injury and implement preventive measures.
 6. Health and Safety Meetings—regular meetings to provide an opportunity for agents and managers to communicate any concerns about health and safety.
 7. First Aid—determine what level of first aid is necessary on-site.
 8. Records & Statistics—maintain documentation to help identify recurring problems and ensure that hazardous conditions are corrected.
- b. An annual Health and Safety Program review will be carried out to address current concerns.
- iii. **Health and Safety Responsibilities**
- a. All agents will complete mandatory safety training sessions. Management and agents of The Source+ will have specific responsibilities to ensure health and safety at the Facility:
- iv. **Health and Safety Responsibilities for Management**
- a. Ensure the health and safety of all agents;
 - b. Correct any workplace conditions that are hazardous to the health and safety of agents;
 - c. Inform Cultivation Technicians about any remaining hazards;
 - d. Make copies of the *Workers Compensation Act* and OSHA Regulations available by posting throughout the Facility;
 - e. Ensure agents know their rights and responsibilities under OSHA Regulations and the Act and that Agents comply with them;
 - f. Provide and maintain protective devices, equipment, and clothing, and ensure that agents use them;
 - g. Provide agents with education, supervision, and training specific to the Facility and equipment used to cultivate, process and manufacture marijuana and marijuana products; and
 - h. Perform ongoing reviews of policies and procedures and update as needed.
- v. **Health and Safety Responsibilities for Agents**
- a. Take care to protect individual health and safety and the health and safety of others who may be affected by individual's actions;
 - b. Comply with all regulations and other legal requirements;
 - c. Follow established safe work procedures;
 - d. Use the required personal protective equipment;
 - e. Refrain from horseplay or similar conduct that may endanger others;
 - f. Ensure individual ability to work safely is not impaired by drugs or alcohol;
 - g. Report accidents and other incidents (including near misses) to management; and
 - h. Report the following to their supervisor:
 1. A hazard that might endanger agents;
 2. A problem with personal protective equipment or clothing; and
 3. Any suggestions to improve workplace safety
- vi. **Cleanliness & Sanitation Training**
- a. The Source+ will combine its existing successful agent training program, supplemented with Commission rules and Marijuana-specific training to provide

exhaustive training curricula to all agents. This training will include USDA Good Handling Practices and Quality Systems, FDA Current Good Manufacturing Practices, and sickness or illness policies. Agents who handle Marijuana will receive hygiene training with specific attention to preventing microbial contamination. All agents will receive, at a minimum, the following quality assurance and contamination prevention training:

1. USDA Good Handling Practices and Quality Systems, including but not limited to 21 CFR part 110.
2. Product care, inspection, and maintenance techniques.
3. Policies which prohibit agents showing signs of illness, open wounds, sores, or skin infections from handling Marijuana or materials that come into contact with Marijuana.
4. Hygiene training for agents who handle Marijuana with specific attention to preventing microbial contamination.
5. Handwashing requirements, including washing hands with soap and hot water before beginning work, after using the bathroom, and after meal breaks.
6. Quality assurance procedures and consequences of failing to follow The Source+'s established processes.

vii. **Agent Hygiene Practices**

- a. Agents of The Source+ will follow thorough hygienic practices and will maintain adequate personal cleanliness.
- b. All agents of The Source+ will wash their hands thoroughly before starting work, and at any other time when hands may have become soiled or contaminated.
- c. Hand-washing facilities will be placed conveniently within The Source+'s facility and will be equipped with running water, effective hand-cleaning and sanitizing preparations, suitable drying devices, and sufficient storage for all cleaning and sanitation materials.
- d. All agents of The Source+ will also wear food grade disposable gloves when handling Marijuana and in the creation of Marijuana Products.
- e. Any agent who, by medical examination or supervisory observation, is shown to have, or appears to have, an illness, open lesion (e.g., boils, sores, infected wounds), or any other abnormal source of microbial contamination for which there is a reasonable possibility of contact with cannabis shall be excluded from any operations that may be expected to result in microbial contamination until the condition is corrected.

viii. **Hazard Communications Plan**

- a. The Source+'s Hazard Communication policies and procedures shall ensure it is compliant with applicable Occupational Safety and Health Administration (OSHA) requirements and all applicable state and local laws, regulations, ordinances, and other requirements.
- b. All levels of supervision will be held accountable for the safety of those agents under their direction.
- c. Copies of these Hazard Communication policies and procedures shall be given to all agents and be available for all to review, upon request.
- d. The Source+'s Hazard Communication policies and procedures shall, at a minimum, address the following:
 1. Informing agents of hazardous chemicals used at the facility.
 2. Use of labels and other forms of warning.

3. Use of Material Safety Data Sheets (MSDS).
 4. Procedure with respect to hazardous non-routine tasks.
 5. Maintaining a list of known hazardous chemicals used by agents and independent contractors.
 6. Communication of hazards.
 7. Training of agents and independent contractors.
- e. The Source+'s General Manager and Human Resources Department will maintain, review, and update the Hazard Communication policies and procedures and be responsible for:
1. Implementation of The Source+'s Hazard Communication policies and procedures.
 2. Ensure that OSHA records are maintained at all times.
 3. Train all agents and visiting independent contractors as required.
 4. Provide documentation of all training and communications to the Human Resources Manager.

ix. **Personal Protective Equipment (PPE)**

- a. The Source+'s personal protective equipment (PPE) policies and procedures have been developed to identify work situations that require the use of PPE and to determine the proper selection and use of PPE.
- b. PPE will be selected and used to protect agents from the hazards and potential hazards that they are likely to encounter.
- c. Employees will wear appropriate PPE at all times.
- d. All managers, will implement all aspects of The Source+'s PPE policies and procedures, including:
 1. Understanding of the applicable federal, state and local laws, regulations, ordinances, and other requirements, as well as best practice safety standards.
 2. Reviewing hazard assessments to determine the need for PPE.
 3. Acquiring the correct PPE.
 4. Training agents on the use of PPE.
 5. In coordination with the Human Resources Manager, documenting and maintaining agent PPE training.
 6. Ensuring PPE is available, provided and documented.
 7. Conducting hazard specific training for the use of PPE.
 8. Establishing inspections, maintenance and replacement procedures to make sure damaged PPE is not used.
- e. All Managers will:
 1. Ensure all agents wear the appropriate PPE.
 2. Ensure that all agents have completed PPE training.
 3. Contact the appropriate corporate officer when a hazard or process has changed which may render previously used PPE ineffective.
 4. Comply with PPE policies as required and support the PPE program as necessary.
 5. Participate in quarterly training for the use and maintenance of PPE.
 6. Replace all damaged PPE.
- f. Employees will:
 1. Inspect PPE before use and ensure proper maintenance.
 2. Wear all assigned PPE and conduct assigned tasks in a safe manner.

3. Notify a manager when PPE is damaged and needs to be replaced.
4. Participate in quarterly training for the use and maintenance of PPE.
5. Comply with PPE policies as required and support the PPE program as necessary.

g. Assessment

1. For each hazard identified during the hazard assessment, PPE will be selected to protect the agent by creating a barrier against the workplace hazard.
2. PPE will be selected to protect against any hazard that is present or likely to be present.
3. PPE selections will be compliant with all applicable federal (excepting federal laws related to Marijuana), state and local laws, regulations, ordinances, and other requirements.
4. All managers will choose PPE based on characteristics such as design, reliability, and suitability for the hazardous task.
5. Managers will ensure the PPE selected offers a level of protection greater than the minimum required to protect agents from the identified hazards.
6. Upgraded PPE will be immediately provided if any change in facility status results in dangerous exposures to agents.

F. Protection Plans

i. Fire Protection Plan

- a. All agents, supervisors, and managers are expected to follow the procedures outlined in this plan to ensure that agents and consumers are protected.
- b. The General Manager and the Assistant General Managers are responsible for the control of accumulation of flammable or combustible waste materials.
- c. In addition, the General Manager is responsible for maintenance of equipment and systems installed to prevent or control ignitions of fires (ex. Fire Extinguishers, fire hoses, etc.)
- d. All agents will be trained on and are responsible for understanding the following Safe Code of Work Practices:
 1. Flammables, including datasheets, books, rags, clothing, flammable liquids or trash shall not be placed or stored near heaters or their vents, any electrical appliance, or other potential sources of ignition.
 2. Sources of actual or potential heat such as hot plates or electric coffee pots shall not be placed near flammable materials. Portable space heaters and candles are prohibited.
 3. Care must be taken not to block potential escape routes, particularly with flammable materials.
 4. Each individual is personally responsible for assuring that extension cords and multiple plugs are in good condition. Cords that are missing the grounding prong, are spliced together, or that are missing their protective sheath shall not be used.
- e. Additionally, fire control measures installed or available in work areas include installed and monitored sprinkler systems, fire extinguishers and fire alarms systems.
- f. The Facility has eight (8) Fire Extinguishers throughout the facility. Final placement is to be determined by the Fire Marshal. Five will be located at exit/exit path locations. One in the Secure Storage, one in the employee breakroom and one located at reception.

ii. **Emergency Action Plan**

- a. The Source+'s emergency action plan serves to outline procedures for handling of emergency situations.
- b. These protocols ensure the safety of all personnel in an emergency situation.
- c. The General Manager and AGM of Operations will oversee policy compliance for personnel under his or her supervision. Facility managers are responsible for oversight of all the agents and all emergency procedures.
- d. All agents will adhere to the policies and SOPs in this manual.
- e. All agents will have proper training in emergency preparedness as a condition of employment.

G. Responses to Emergencies

i. **Response to a Medical Emergency**

- a. Medical problems may range from minor, isolated events such as a fall down the stairs to the significant events involving many people. All agents will be trained in the following responses to medical emergencies:
- b. They should assess the situation.
- c. If the person is conscious, agents should ask him or her to tell them if anything hurts. If unconscious, agents should gently inspect the person for obvious signs of injury.
- d. Agents should not move the person (especially if he or she indicates any pain) unless agents are in imminent danger of further injury, e.g., an approaching fire.
- e. Agents should ask someone else to call 911 if agents are helping an injured person.
- f. Agents should also call the manager if he or she is not present and inform them of the situation, the location, etc.
- g. Agents may render first aid if agents are knowledgeable and willing, but if possible, should wait for qualified personnel to deliver medical attention.
- h. Agents should ask someone else to recover the first aid kit to utilize during the emergency and avoid coming in contact with blood, vomit, or other bodily fluids without the use of rubber gloves.
- i. Agents should not provide or administer any medicines and defer to emergency personnel once agents arrive.
- j. Agents should limit their conversation with the person to reassurances and not discuss their injury, the accident, or what circumstances might have contributed to its cause, if possible.
- k. After the person has been given first aid and the incident is over, agents should provide police or other emergency personnel with any details that agents know.
- l. After the medical emergency is over, the injured person, witness, and/or supervisor should formally document the incident and maintain a record of it.

ii. **Response to a Fire Emergency**

- a. Activate nearest fire alarm (if installed)
 - 1. Notify the local fire department by calling 911
 - 2. If no fire alarm is available notify on-site personnel via:
 - a. Voice communication
 - b. Phone paging Radio
- b. Fight the fire ONLY if:
 - 1. The fire department has been notified
 - 2. The fire is small and not spreading to other areas
 - 3. Escaping the area is possible by backing up to the nearest exit
 - 4. The fire extinguisher is in working condition and personnel are trained to use it

- c. Upon being notified of a fire emergency, occupants must:
 - 1. Leave the building using designated escape routes
 - 2. Assemble in the designated area
 - 3. Remain outside until the competent authority (Designated Official or designee) announces that it is safe to re-enter.
- d. The General Manager shall designate agents emergency responders who shall:
 - 1. Disconnect utilities and equipment unless doing so jeopardizes his/her safety
 - 2. Coordinate an orderly evacuation of personnel
 - 3. Perform an accurate headcount of personnel reported to the designated area
 - 4. Determine a rescue method to locate missing personnel
 - 5. Provide fire department personnel with the necessary information about the facility

iii. **Extended Power Loss**

- a. In the event of an extended power loss to this facility, precautionary measures should be taken including but not limited to:
 - 1. Unnecessary electrical equipment and instruments should be turned off if power restoration causes a surge that could damage electronics and sensitive equipment.
- b. If the power loss causes freezing temperatures within the building the following measures should be taken:
 - 1. Emergency eyewash station should be drained of water to avoid freezing and cracking of pipes.
 - 2. Equipment that contains fluids that can freeze due to long-term exposure should be drained of all such fluids.
 - 3. Propylene-glycol may be added to drains to prevent traps from freezing.
- c. Upon restoration of power (and heat):
 - 1. Electronic equipment should be brought up to ambient temperatures before energizing to prevent condensate from forming in circuitry.
 - 2. Water pipes should be checked for leaks after heat has been restored to prevent flooding.

iv. **Bomb Threat**

- a. In the event of a bomb threat made in person or over the phone:
 - 1. Be calm and listen,
 - 2. Do not interrupt the caller,
 - 3. Record your name, time, and date,
 - 4. Record the following about the caller's identity:
 - a. Sex (Male or female)
 - b. Adult or juvenile
 - c. Origin of call (local, long distance, telephone booth):
 - d. Voice characteristics: loud/soft, high pitch/deep, raspy/pleasant, intoxicated, other
 - e. Accent: local/not local, foreign/regional, race
 - f. Speech: fast/slow, distinct/distorted, stutter/slurred/nasal
 - g. Manner: calm/angry, rational/irrational, coherent/incoherent, deliberate/emotional, righteous/laughing
 - h. Language: excellent, good, fair, poor, foul
 - i. Background noises: factory, trains, machines, animals, music, quiet, office, voices, airplanes, street, party, traffic, atmosphere
 - 5. If told, record all the following facts:
 - a. When will it go off

- b. Where is it located
 - c. What kind of bomb
 - d. What kind of package
 - 6. While on the phone or handling the person deploy the silent alarm button nearest your position.
 - 7. If the threat is made by phone, signal personnel to evacuate the facility immediately.
 - 8. As soon as possible call 911 and all company emergency contacts.
- v. **Flood**
 - a. Stay calm and await instructions from designate emergency personnel or first responders.
 - b. Shut down all utilities and equipment if it is safe to do so.
 - c. Follow the recommended primary or secondary evacuation routes
- vi. **Blizzard**
 - a. Stay calm and await instructions from designate emergency personnel or first responders.
 - b. Stay indoors.
 - c. If there is no heat:
 - 1. Close off unneeded rooms or areas
 - 2. Stuff towels or rags in cracks under doors
 - 3. Cover windows
 - 4. Eat and drink. Food provides the body with energy and heat. Fluids prevent dehydration.
 - 5. Wear layers of loose-fitting, lightweight warm clothing, if available.
- vii. **Armed Robbery**
 - a. All agents will be trained on how to respond to an armed robbery. Agents will receive initial training as a component of onboarding, re-fresher training annually and as needed throughout the year:
 - 1. If a firearm is displayed, agents should assume it is real and loaded.
 - 2. Agents should not do anything that would jeopardize their safety or the safety of others
 - 3. Agents should remain calm and not make any sudden moves. If agents must put their hands into a pocket or make any other moves, explain the action before doing it. If the robber(s) have a weapon, they will likely use it if provoked.
 - 4. Agents should activate alarms ONLY if agents can do so safely and without detection.
 - 5. Agents should follow the directions of the robber(s), but not volunteer to anything more than asked.
 - 6. If the robber hands them a note, agents should drop it on the floor or place it out of sight to retain as evidence.
 - 7. Agents should study the robber(s) as carefully as possible without being obvious, noting height, weight, race, age, clothing, jewelry, sex, speech characteristics, scars, tattoos, physical characteristics, gait, and method of operation.

8. Agents should note the number of accomplices and where they stood, paying special attention to the way the robbers address each other because under stress, they may use real names.
 9. Agents should note the type of weapon used by the robber and where he or she carried it.
 10. Agents should note the direction in which the robber(s) departed and how they carried the money or cannabis away (sack, bank bag, etc.).
 11. Agents should try to remember exactly what the robber(s) said.
 12. Agents should prioritize their safety and the safety of others because money or Marijuana can be recovered or replaced but a life cannot.
- b. After an armed robbery, any agent can call 911 to report the robbery and provide their name and location. Agents should not leave the phone until they have answered all of the operator's questions. If injury occurred, agents should advise the police if an ambulance is needed. The person who actually dealt with the robber(s) should be near the person designated to telephone the police to assist in answering any questions.
- c. As soon as the robbery has been reported to the police, the agents should lock all doors, ask all witnesses to remain, and allow no one to enter until officers arrive. Agents should not touch anything. All persons who dealt with the robber or were present during the robbery should immediately begin writing all they can remember of the incident but not discuss the robbery with anyone until after agents have given their information to the police.

viii. **Active Shooter**

- a. The U.S. Department of Homeland Security defines an active shooter as “an individual actively engaged in shooting or attempting to shoot people in a confined and populated area.” The Source+ will teach all agents the DHS-recommended procedures of Run.Hide.Fight. if they find themselves in an area with an active shooter:
1. **Evacuate (RUN):** If agents are in the building where an active shooter is present, they should look and listen for indications of where the threat is. If they see people fleeing from a particular area, they know that the threat is in that area and could be coming toward them. They can try to evacuate the building if the nearest route is away from the active shooter or move to a room that can be locked (safe room). If they cannot evacuate or move to a safe room, they should move away from the threat and away from the noise and commotion.
 2. **Lockdown and Shelter-in-Place (HIDE):** If they cannot safely evacuate the area, the best option is for the agents to find a room with a door that locks from the inside. If the door does not lock, they should barricade it with large heavy objects such as desks, tables, file cabinets, furniture, and books to make entry as difficult as possible. They should locate an area with ballistic cover, not just visual concealment, because cover stops and slows bullets while concealment does not. If for some reason the agents are caught in an open area such as a hallway or reception area, they can try to hide, remain as quiet and calm as possible, or “play dead” to avoid detection. Employees should also:
 - a. Cover windows and draw blinds
 - b. Turn off radios and computer monitors
 - c. Keep out of sight
 - d. Silence cell phones and remain as quiet as possible
 3. **Confront the Shooter (FIGHT):** If the agents come face to face with the assailant, as a last resort and because no single procedure can be recommended in this situation, they should attempt to quickly overpower the individual with

force in the most violent manner possible. If the agents are with other people they should work as a collective group to overcome the shooter by yelling “Gun!”, throwing items at the shooter’s head to distract him or her, grabbing the weapon, or holding the shooter for police. They should remember that in most cases, the attacker will continue to shoot victims unless he or she is stopped.

H. Emergency Training

- i. The Source+ will prioritize frequent training, so all agents are familiar with the contents of the emergency management plan.
- ii. The Source+ will plan and schedule the emergency exercises to minimize disruption of normal business operations and maximize the participation of agents and management.
- iii. Due to the severity of many emergencies, The Source+ will conduct semiannual emergency training exercises including bomb threat, fire, active shooter, armed robbery, and medical emergency drills and maintain a record of all training, noting any issues during these drills, so that solutions will be implemented before the next drill.
- iv. Training will include the emergency evacuation plan, including regular evacuation drills that practice varying escape routes in the event the designated evacuation route is not available.

Chapter 3

Retail Procedures

A. Retail Sales Procedures

- i. This SOP applies to all Retail Sales in the Marijuana Establishment. The Source+ management will update SOP's as needed per regulation or other mandates. This SOP will be reviewed at least yearly.
- ii. In addition to the general operational requirements for Marijuana Establishments required under 935 CMR 500.105, The Source+ will comply with additional operational requirements for Marijuana Retailers under 935 CMR 500.140.

B. Sales Process

i. Identification Verification

- a. The Source+ will perform on-premises verification of identification for consumers and patients.
 1. Upon an individual's entry into The Source+'s retailer operations, an employee will immediately inspect the individual's proof of identification and determine that the individual is 21 years of age or older.
 2. At the point of sale, an agent of The Source+ will re-verify the individual's identification and determine the individual's age.
- b. All government-issued identification will be verified using the Veriscan ID scan. The Source+ will not acquire or record Consumer personal information other than information typically required in a retail transaction, which can include identifying information to determine the Consumer's age.
- c. In addition, The Source+ will not record or retain any additional personal information from Consumer without the Consumer's voluntary written permission
- d. The Source+ will not record or retain any additional personal information from Consumer without the Consumer's voluntary written permission.
- e. Verification process- All customers will have their ID checked once they enter the retail location by an Agent. After the customer's ID is scanned into the Veriscan ID scanner, it then syncs with the LLx, so when an ID is scanned, the customer is checked into the POS.
- f. Line forming procedures- We will use NextMe for waitlists

ii. Refusal of Sales

- a. The Source+ will refuse to sell Marijuana to any consumer who is unable to produce valid proof of government-issued identification or Registration Card.
- b. The Source+ may refuse to sell Marijuana Products to a consumer if, in the opinion of an employee based on the information available to the employee at that time, the consumer or the public would be placed at risk.

iii. Limitations of Sales

- a. In accordance with M.G.L. c. 94G, § 7, The Source+ will not sell more than one ounce of Marijuana or its combined dry weight equivalent in Marijuana concentrate or Edibles to a consumer per day (except as otherwise allowed for registered qualifying patients).
 1. One ounce of Marijuana flower shall be equivalent to five grams of active tetrahydrocannabinol (THC) in Marijuana concentrate including, but not limited to, Tinctures.

2. One ounce of Marijuana flower shall be equivalent to five hundred milligrams of active tetrahydrocannabinol (THC) in Edibles.
 3. Topicals and ointments shall not be subject to a limitation on daily sales.
- b. The Source+ shall ensure that its Point-of-sale System does not allow for a transaction in excess of the limit established in 935 CMR 500.140(3)(a).
- c. The Source+ will not sell Marijuana or Marijuana Products in excess of the potency levels established by 935 CMR 500.150(3).
- d. Specifically, The Source+ will not deliver, sell or otherwise distribute an Edible Marijuana Product for adult-use sales with potency levels exceeding the following:
1. For a single serving of an Edible, 5.5 milligrams (5.50 mg) of active tetrahydrocannabinol (THC);
 2. In a single package of multiple Edible to be eaten, swallowed, or otherwise ingested, not more than 20 servings or 110 milligrams (110.00mg) of active THC; and
 3. The THC content must be homogenous, or evenly distributed throughout the Edible Marijuana Product. A Retail Marijuana Product will be considered to not be homogenous if 10% of the infused portion of the Marijuana Product contains more than 20% of the total THC contained within entire Marijuana Product.
- e. As reference above, in accordance with M.G.L. c. 94G, § 7, The Source+ will not sell more than one ounce of Marijuana or five grams of Marijuana concentrate to a consumer per transaction (except as otherwise allowed for registered qualifying patients).
- f. The Source+ will not sell Marijuana Products containing nicotine or Marijuana products containing alcohol, if sales of such alcohol would require licensure pursuant to M.G.L. c. 138, in accordance with 935 CMR 500.140(4).

iv. **Point of Sales System and Systems Data**

- a. The Source+'s POS system, LeafLogix, will be approved by the Commission, in consultation with the DOR, and The Source+ may utilize a sales recording module approved by the DOR.
- b. The Source+ will not utilize software or other methods to manipulate or alter sales data and will undergo best efforts to prevent the manipulation of such data.
- c. The Source+ will conduct a monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate or alter sales data.
- d. The Source+ will maintain records that it has performed the monthly analysis and produce it upon request to the Commission.
- e. If The Source+ determines that software has been installed for the purpose of manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data, it will :
 1. immediately disclose the information to the Commission;
 2. cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
 3. take such other action directed by the Commission to comply with 935 CMR 500.105.

- f. The Source+ will adopt separate accounting practices at the point-of-sale for Marijuana and Marijuana Product sales, and non-marijuana sales. The LLx can report on marijuana and marijuana product sales and non-marijuana transactions and charges the appropriate taxes.
- g. The Commission and the DOR may audit and examine the LeafLogix point-of-sale system used in order to ensure compliance with Massachusetts tax laws and 935 CMR 500.000.
- h. The Source+ will maintain and provide to the Commission on a biannual basis accurate sales data collected by it during the six months immediately preceding this application for the purpose of ensuring an adequate supply of Marijuana and Marijuana Products under 935 CMR 500.140(15).

v. **Sale of Vaporizer Devices**

- a. In the event The Source+ offers Marijuana Vaporizer Devices for sale to Consumers, it will include signage at the point of sale that is legible and enlarged and contains the following statements:
 - 1. "Marijuana Vaporizer Devices have been tested for Vitamin E Acetate and other contaminants, with no adverse findings. WARNING: Vaporizer Devices may contain ingredients harmful to health when inhaled."
 - 2. "Consumers shall have access to the test results of Marijuana Vaporizer Devices including copies of any Certificates of Analysis provided by the device's manufacturer."
- b. The Source+ will also provide a physical insert to Consumers that accompanies all purchased Marijuana Vaporizer Devices that states, including capitalization and emphasis, the following:
 - 1. "Marijuana Vaporizer Devices have been tested for Vitamin E Acetate and other contaminants, with no adverse findings. WARNING: Vaporizer Devices may contain ingredients harmful to health when inhaled."
- c. The sale of disposable and reusable vaporizer pens and devices will be accompanied by a product insert identifying the materials used in the vaporizer device's atomizer coil (e.g., titanium, titanium alloy, quartz, copper, nichrome, kanthal, or other specified material), and manufacturer identification of the device hardware, cartridge, battery and other components.
- d. The Source+ will make available the information contained in 935 CMR 500.105(5)(c) in the product description at the point of sale and as part of any product list posted on The Source+'s website
- e. The Source+ will retain all records of purchases from any Product Manufacturer or supplier of any ingredient, additive, device, component part or other materials provided to it about Marijuana Vaporizer Devices sold at The Source+.
- f. Records will be made available to the Commission upon request.

vi. **Testing**

- a. No Marijuana Product, including Marijuana, may be sold or otherwise marketed for use that was not previously tested by a Commission-approved testing laboratory.
- b. Test results will be obtained and reviewed prior to accepting a wholesale transfer of product.

vii. **Pre-Verification**

- a. Should the Source+ elect to enter into Delivery Agreements with Delivery-Only Retailers for the purpose of transacting home deliveries to Consumers under 935

- CMR 500.140(2), it will establish a Pre-Verification process for Consumers who intend to place orders for delivery with The Source+.
- b. To comply with the requirements of pre-verification, The Source+ will require the Consumer to appear in-person at The Source+ to present the Consumer's valid, unexpired government-issued photo identification and examine the identification and verify that the individual Consumer presenting the identification is the individual Consumer that matches the identification, and that the individual Consumer is 21 years of age or older.
 - c. The Source+ will collect and maintain relevant information about the individual Consumer, for the purpose of transacting a delivery and ensuring that the recipient of a delivery under 935 CMR 500.145: Additional Operational Requirements for Delivery of Marijuana and Marijuana Products to Consumers is legally allowed to receive Marijuana and Marijuana Products, including the individual's name, date of birth, address, telephone number, and email address.
 - d. Any such information collected by The Source+ will be used solely for the purpose of transacting a delivery of Marijuana or Marijuana Products and shall be otherwise maintained confidentially.

C. Recordkeeping

i. Recordkeeping Responsibilities

- a. This SOP applies to all recordkeeping in the Marijuana Establishment. The Source+ management will update SOP's as needed per regulation or other mandates. This SOP will be reviewed at least yearly.
- b. The Source+ has established policies regarding recordkeeping and record-retention in order to ensure the maintenance, safe keeping, and accessibility of critical documents. Unless otherwise dictated, electronic and wet signatures are accepted forms of execution of documents. Records will be stored at The Source+ in a locked file cabinet which will be locked in the managers office which is our room designated for record retention. All written records will be available for inspection by the Commission upon request. The Source+ records are only accessible by the General Manager as necessary as well as Commission staff.
- c. To ensure that The Source+ is keeping and retaining all records as noted in this policy, the review of corporate records, business records, and personnel records to ensure completeness, accuracy, and timeliness of such documents will occur as part of The Source+'s quarter-end closing procedures. In addition, operating procedures will be updated on an ongoing basis as needed.
- d. The Source+ shall make all records available for inspection by the Commission upon request, and shall keep all records in accordance with generally accepted accounting principles, in accordance with 935 CMR 500.105(9). In accordance with 935 CMR 500.105(9)(g), in the event that The Source+ should close, it shall retain all such records for at least two years at its expense and in a form acceptable to the Commission. Records to be made available to the Commission upon request include, but are not limited to the following:
 - 1. Written operating procedures as required by 935 CMR 500.105(1).
 - 2. Inventory records as required by 935 CMR 500.105(8).
 - 3. Seed-to-sale tracking records for all Products as required by 935 CMR 500.0105(8)(e).
 - 4. Personnel records including the following:

- a. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with such descriptions.
 - b. A personnel record for each marijuana establishment agent. Such records shall be maintained for at least 12 months following termination, and shall include, at a minimum, the following:
 - c. A staffing plan that demonstrates accessible business hours.
 - d. Personnel policies and procedures.
 - e. Background checks retained in accordance with 935 CMR 500.030.
 - 5. Business records including the following:
 - a. Assets and liabilities.
 - b. Monetary transactions.
 - c. Books of accounts, including journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers.
 - d. Sales records including the quantity, form, and cost of Products.
 - e. Salary and wages paid to each employee, stipend paid to each board member, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with the facility.
 - 6. Waste disposal records as required by 935 CMR 500.105(12).
- ii. **Recordkeeping Policies**
 - a. **Corporate Records**
 - 1. Those records that require, at a minimum, annual reviews, updates, and renewals, including:
 - a. Insurance Coverage:
 - i. Directors & Officers Policy
 - ii. Product Liability Policy
 - iii. General Liability Policy
 - iv. Umbrella Policy
 - v. Workers Compensation Policy
 - vi. Employer Professional Liability Policy
 - b. Third-Party Laboratory Contracts
 - c. Commission Requirements
 - i. Annual Agent Registration for the first year and Tri-annual thereafter
 - ii. Annual Marijuana Establishment Registration
 - d. Local Compliance:
 - i. Certificate of Occupancy
 - ii. Special Permits
 - iii. Variances
 - iv. Site Plan Approvals
 - v. As-Built Drawings
 - e. Corporate Governance:
 - i. Annual Report
 - ii. Secretary of State Filings
 - iii. Board of Managers Meetings
 - iv. Minutes from Board of Managers Meetings
 - b. **Business Records**

1. Records that require ongoing maintenance and updates. These records can be electronic or hard copy (preferably electronic) and at minimum include:
 - a. Assets and liabilities;
 - b. Monetary transactions;
 - c. Books of accounts, which will include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
 - d. Sales records including the quantity, form, and cost of Marijuana Products;
 - e. Salary and wages paid to each agent, or stipend, and any executive compensation, bonus, benefit, or item of value paid to any individual having direct or indirect control over The Source+;
 - f. List of all executives of The Source+, and members, if any, which must be made available upon request by any individual.

c. Personnel Records

1. At a minimum will include:
 - a. Job descriptions for each agent and volunteer position, as well as organizational charts consistent with the job descriptions;
 - b. A personnel record for each agent. Such records will be maintained for at least 12 months after termination of the agent's affiliation with The Source+ and will include, at a minimum, the following:
 - i. All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
 - ii. Documentation of verification of references;
 - iii. The 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 individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;
 - v. Documentation of periodic performance evaluations; and
 - vi. A record of any disciplinary action taken.
 - vii. Notice of completed responsible vendor and eight-hour related duty training.
 - c. A staffing plan that will demonstrate accessible business hours;
 - d. Personnel policies and procedures; and
 - e. All background check reports obtained in accordance with 935 CMR 500.030.

iii. Marijuana and Other Records

a. Handling and Testing Records

1. The Source+ will maintain the results of all testing for a minimum of one (1) year.

b. Inventory Records

1. In accordance with 935 CMR 500.105(8), the record of each inventory will include, at a minimum, the date of the inventory, a summary of the inventory

findings, and the names, signatures, and titles of the agents who conducted the inventory.

2. As further detailed in our protocols regarding inventory, audits will be conducted, at minimum, monthly with a comprehensive inventory conducted annually.

c. Seed-To-Sale Tracking Records

1. The Source+ will use Metrc to maintain real-time inventory. Metrc inventory reporting will meet the requirements specified by the Commission and 935 CMR 500.105(8)(e), including, at a minimum, an inventory of Marijuana Products; and all damaged, defective, expired, or contaminated Marijuana and Marijuana Products awaiting disposal.
2. The Source+'s Point of Sale System, LeafLogix, will integrate with the Metrc system and update records in real-time.

d. Incident Reporting Records

1. Within ten (10) calendar days, The Source+ will provide written notice to the Commission of any incident by submitting an incident report, detailing the incident, the investigation, the findings, resolution (if any), confirmation that the local law enforcement and Commission were notified within twenty-four (24) hours of discovering the breach, and any other relevant information.
2. Reports and supporting documents, including photos and surveillance video related to a reportable incident, will be maintained by The Source+ for no less than one year or the duration of an open investigation, whichever is longer, and made available to the Commission and law enforcement authorities upon request, in accordance with 935 CMR 500.110(9)(c).

e. Visitor Record

1. A visitor sign-in and sign-out record will be maintained at the security office.
2. The record will include the visitor's name, address, organization or firm, date, time in and out, and the name of the authorized agent who will be escorting the visitor.
3. The visitor log will be audited daily by the lead Greeter.

f. Waste Disposal Records

1. When Marijuana or Marijuana Products are disposed of or handled, The Source+ will create and maintain an electric record of the date, the type and quantity disposed of or handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two agents present during the disposal or handling, with their signatures.
2. The Source+ will keep disposal records for at least 3 years.
3. This period will automatically be extended for the duration of any enforcement action and may be extended by an order of the Commission.

g. Security Records

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

h. Transportation Records

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

i. Agent Training Records

1. Documentation of all required training, including training regarding privacy and confidentiality requirements, Responsible Vendor Training and a signed statement of the individual indicating the date, time, and place he or she received the training, the topics discussed and the name and title of the presenter(s).

j. Closure

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

k. Vendor Sample Recordkeeping

1. Upon The Source+ providing vendor samples to our employee's, The Source+ will record:
 - a. The reduction in quantity of the total weight or item count under the unique alphanumeric identifier associated with the Vendor Sample;
 - b. The date and time the Vendor Sample was provided to the employee;
 - c. The agent registration number of the employee receiving the Vendor Sample; and
 - d. The name of the employee as it appears on their agent registration card.

l. Written Operating Policies and Procedures

1. The Source+ will maintain Written Operating Policies and Procedures as required by 935 CMR 500.105(1). Written Operating Policies and Procedures related to The Source+'s operations will be updated on an ongoing basis as needed and undergo a review by the executive management team on an annual basis. Policies and Procedures will include the following:
 - a. Security measures in compliance with 935 CMR 500.110;
 - b. Employee security policies, including personal safety and crime prevention techniques;
 - c. A description of the Marijuana Establishment's hours of operation and after-hours contact information, which shall be provided to the Commission, made available to Law Enforcement Authorities on request, and updated pursuant to 935 CMR 500.000;
 - d. Storage and waste disposal of Marijuana in compliance with 935 CMR 500.105(11 - 12);
 - e. Description of the various strains of Marijuana to be cultivated, Processed or sold, as applicable, and the form(s) in which Marijuana will be sold;
 - f. Price list for Marijuana and Marijuana Products and any other available products, and alternate price lists for patients with

- documented Verified Financial Hardship, as defined in 935 CMR 501.002, as required by 935 CMR 501.100(1)(f);
- g. Procedures to ensure accurate recordkeeping, including inventory protocols for Transfer and inventory in compliance with 935 CMR 500.105(8) and (9);
 - h. Plans for quality control, including product testing for contaminants in compliance with 935 CMR 500.160;
 - i. A staffing plan and staffing records in compliance with 935 CMR 500.105(9)(d);
 - j. Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;
 - k. Alcohol, smoke, and drug-free workplace policies;
 - l. A plan describing how Confidential Information and other records required to be maintained confidentially will be maintained;
 - m. A policy for the immediate dismissal of any Marijuana Establishment Agent who has:
 - i. Diverted Marijuana, which shall be reported to Law Enforcement Authorities and to the Commission;
 - ii. Engaged in unsafe practices with regard to operation of the Marijuana Establishment, which shall be reported to the Commission; or
 - iii. Been convicted or entered a guilty plea, plea of nolo contendere, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of any Other Jurisdiction
 - n. A list of all board of directors, members and Executives of a Marijuana Establishment, and Members, if any, of the Licensee must be made available on request by any individual. This requirement may be fulfilled by placing this required information on the Marijuana Establishment's website;
 - o. Policies and procedure for the handling of cash on Marijuana Establishment Premises including, but not limited to, storage, collection frequency, and transport to financial institution(s), to be available on inspection.
 - p. Policies and procedures to prevent the diversion of Marijuana to individuals younger than 21 years old;
 - q. Policies and procedures for energy efficiency and conservation that shall include:
 - i. Identification of potential energy use reduction opportunities (including, but not limited to, natural lighting, heat recovery ventilation and energy efficiency measures), and a plan for implementation of such opportunities;
 - ii. Consideration of opportunities for renewable energy generation including, where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable;

- iii. Strategies to reduce electric demand (such as lighting schedules, active load management and energy storage); and
 - iv. Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.
- r. Policies and procedures to promote workplace safety consistent with the standards set forth under the Occupational Safety and Health Act of 1970, 29 U.S.C. § 651, et seq., including the general duty clause under 29 U.S.C. § 654, whereby:
- i. Each employer must furnish to each of its employees employment and a place of employment which are free from recognized hazards that are causing or are likely to cause death or serious physical harm to its employees;
 - ii. Each employer must comply with occupational safety and health standards promulgated under this act. Each employee must comply with occupational safety and health standards and all rules, regulations, and orders issued pursuant to 29 U.S.C. § 651, et seq., which are applicable to the employee's own actions and conduct.
- m. **Record Retention**
1. The Source+ will meet Commission recordkeeping requirements and retain a copy of all records for two (2) years, unless otherwise specified in the regulations.

D. Waste Disposal Procedures

This SOP applies to all Waste Disposal in the Marijuana Establishment. The Source+ management will update SOP's as needed per regulation or other mandates. This SOP will be reviewed at least yearly.

- i. **Disposal of Waste**
 - a. The Source+ will ensure that all recyclables and waste, including organic waste composed of or containing finished Marijuana and Marijuana Products, are stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations.
 - b. The Source+ will dispose of marijuana that is in excess of the quantity required for normal, efficient operation, in accordance with 935 CMR 500.110(1)(c) and, as set forth below, in the manner established by 935 CMR 500.105.
 - c. All exterior waste receptacles located on The Source+ premises will be locked and secured so as to prevent unauthorized access.
 - d. The Source+ will dispose of all liquid waste containing Marijuana or by-products of Marijuana processing in compliance with all applicable state and federal requirements, including but not limited to, for discharge of pollutants into surface water or groundwater (Massachusetts Clean Waters Act, [M.G.L. c. 21 §§ 26 through 53](#); [314 CMR 3.00: Surface Water Discharge Permit Program](#); [314 CMR 5.00: Groundwater Discharge Program](#); [314 CMR 12.00: Operation Maintenance and Pretreatment Standards for Wastewater Treatment Works and Indirect Dischargers](#); the [Federal Clean Water Act, 33 U.S.C. 1251 et seq.](#), the [National Pollutant Discharge Elimination System Permit Regulations at 40 CFR Part 122](#), [314 CMR 7.00: Sewer System Extension and Connection Permit Program](#)), or stored pending

disposal in an industrial wastewater holding tank in accordance with [314 CMR 18.00: Industrial Wastewater Holding Tanks and Containers](#).

- e. Organic material, recyclable material and solid waste generated at The Source+ will be redirected or disposed of as follows:
 - 1. The Source+ will dispose of all organic material and recyclable material will be redirected from disposal in accordance with the waste disposal bans described at [310 CMR 19.017: Waste Bans](#).
- f. To the greatest extent feasible:
 - 1. Any recyclable material as defined in 310 CMR 16.02: Definitions will be recycled in a manner approved by the Commission; and
 - 2. Any Marijuana containing organic material as defined in 310 CMR 16.02: Definitions will be ground up and mixed with other organic material as defined in 310 CMR 16.02 such that the resulting mixture renders any Marijuana unusable for its original purpose.
- g. Once such Marijuana waste has been rendered unusable, the mixture may be composted or digested at an aerobic or anaerobic digester at an operation that is in compliance with the requirements of [310 CMR 16.00: Site Assignment Regulations for Solid Waste Facilities](#).
- h. Solid waste containing Marijuana waste generated at The Source+ will be ground up and mixed with solid wastes such that the resulting mixture renders the Marijuana unusable for its original purposes.
- i. Once such Marijuana waste has been rendered unusable, it may be brought to a solid waste transfer facility or a solid waste disposal facility (e.g., landfill or incinerator) that holds a valid permit issued by the Department of Environmental Protection or by the appropriate state agency in the jurisdiction, in which the facility is located.
- j. Litter and waste will be properly removed, disposed of so as to minimize the development of odor and minimize the potential for the waste attracting and harboring pests.

ii. **Recordkeeping**

- a. No fewer than two Agents of The Source+ must witness and document how the solid waste or organic material containing Marijuana is handled on-site including, but not limited to, the grinding up, mixing, storage and removal from the Marijuana Establishment in accordance with 935 CMR 500.105(12).
- b. When Marijuana Products or waste is disposed or handled, The Source+ must create and maintain an electronic record of the date, the type and quantity disposed or handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two agents present during the disposal or other handling, with their signatures.
- c. The Source+ will keep these records for at least three years.
- d. This may automatically be extended for the duration of any enforcement action by the Commission.
- e. The operating systems for waste disposal will be maintained in an adequate manner pursuant to 935 CMR 500.105(12).

iii. **Waste Storage**

- a. Prior to rendering plant waste unusable, it will be stored in the vault, in a secure container.

- b. Where finished or returned products must be destroyed, they will be sent to the originating licensee for destruction.
- c. The Source+ will request evidence of destruction from the wholesaler when waste is sent for proper destruction.
- d. Pending destruction, they will be securely stored separately from Products ready for retail or wholesale. In the event a product cannot be sent back to the wholesaler, The Source+ will render waste unusable every week by two agents as described above.
- e. Where finished or returned products must be destroyed, they will be sent to The Source+'s cultivation or product manufacturing facility or the originating licensee for destruction.
- f. Pending destruction, they will be securely stored separately from Products ready for retail or wholesale.

iv. **Rendering Marijuana Unusable**

- a. The Source+ will store Marijuana and Marijuana Products pending destruction in a locked waste cage located in the Vault Room of the facility. Marijuana will be rendered unusable in accordance with steps outlined herein. At the end of each business day, two agents of The Source+ will witness the handling and destruction of the Marijuana and document the destruction as described herein.
 - 1. Two agents of The Source+ will weigh the Marijuana waste that will be rendered unusable and document it on the Waste Disposal Log.
 - 2. Once the Marijuana waste has been weighed and required information has been documented on the Waste Disposal Log, the waste will be placed into a locked box until received by the vendor who it was purchased from who will then complete the remaining waste destruction process in accordance with state, local and federal law. .

E. Storage of Marijuana and Marijuana Products

This SOP applies to all storage of marijuana in the Marijuana Establishment. The Source+ management will update SOP's as needed per regulation or other mandates. This SOP will be reviewed at least yearly.

i. **Storage Requirements**

- a. Marijuana and Marijuana Products ("Products") will be stored in a designated vault room, a highly secure interior room within a Limited Access Area of The Source+'s facility. In accordance with 935 CMR 500.110(1)(f), all Products shall be stored in such a manner as to prevent diversion, theft, and loss, as set forth below.
- b. No Marijuana Products or byproducts will be left unsecured or unattended at any time.
- c. All Marijuana in the process of transport will be housed and stored in such a manner as to prevent diversion, theft, or loss.
- d. Records of the date/time and the agents present when the storage vault is opened will be maintained via electronic access control records at the storage vault by the General Manager of the store, with visibility to the Assistant General Manager of Operations, Safety and Security Manager, and the S&H Supervisor.
- e. At no time will the door of the vault be left open while the room is unattended.
- f. The vault will only be open during the time required to remove/replace Marijuana and Marijuana Products.
- g. Marijuana Products and cash will not be commingled in the same container.

- h. A record of the names of persons having access to the vault rooms will be maintained by the Director of Security.
 - i. Final product storage vaults, cabinets, and other authorized storage containers will be kept locked when not under the direct supervision of an authorized agent and only so long as is necessary to remove or replace marijuana, in accordance with 935 CMR 500.110(1)(g).
 - j. Access to vault room is highly restricted and is safeguarded via the use of an authorized key access control panel.
 - k. There will be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations.
- ii. **Secure Storage Areas and Vaults**
- a. Storage areas and vaults will have clearly posted Limited Access Area signs and be monitored by additional security measures, including surveillance in the room, and motion detection. The minimum number of authorized agents essential for efficient operation will be granted access to storage areas and vaults.
 - b. A list of authorized agents will be kept and maintained by the General Manager of the store as well as the Director of Security and updated as needed.
 - c. Storage areas used for the production, cultivation, harvesting, processing or storage, including prior to disposal, of Marijuana or Marijuana Products will be securely locked and protected from entry, except for the actual time required to remove or replace Marijuana.
 - d. Within the vault, quarantined Products and Products pending destruction will be stored separately in a secure container clearly marked “Quarantine”.
 - e. Marijuana waste pending destruction will be stored separate from Quarantine and active inventory in a secure container labeled “Pending Destruction” or “Waste.”
 - f. Cash will be stored separately at all times and never commingled in the same container as marijuana or marijuana products.
- iii. **Day Storage and Dispensing Procedures**
- a. All marijuana and marijuana products will be contained in the Limited Access, access controlled, Secure Storage/Vault room until the transaction is completed by the teller. The Vault room is climate controlled with a dedicated de-humidifier and air scrubber to ensure the product stays fresh. There are also refrigerators in the vault to store any marijuana products that need to be stored at a colder temperature. Other marijuana and marijuana products will be stored in the vault on rolling shelves in labeled bins. The products will be picked by an order expeditor after an order is placed and paid for with the teller. Once the order picking is complete, the products will be passed from the vault to the teller who will seal them in an exit bag with receipt and any information required and then hand it over to the customer.
- iv. **Overnight Storage**
- a. All marijuana and marijuana products will be stored overnight in the locked, limited access, access controlled Vault or Secure Storage room is 17’-3” x 30’-8” with metal stud walls to the roof deck and 13ga. Security lathe installed on the interior under the gypsum board finish. This Secure Storage room is climate controlled with a dedicated de-humidifier and air scrubber.
- v. **Storage Conditions**
- a. The Source+ will maintain the following conditions for its storage areas:

1. provide adequate lighting, ventilation, temperature, humidity, space, and equipment, in accordance with applicable provisions of 935 CMR 500.105: *General Operational Requirements for Marijuana Establishments* and 935 CMR 500.010: *Security Requirements for Marijuana Establishments*;
 2. have separate areas for storage of marijuana that is outdated, damaged, deteriorated, mislabeled, or contaminated, or whose containers or packaging have become open or breached, until such products are destroyed;
 3. storage areas will be maintained in a clean and orderly condition;
 4. storage areas will be free from infestation by insects, rodents, birds, and pests of any kind; and
- b. storage areas will also be maintained in accordance with the security requirements of 935 CMR 500.110: *Security Requirements for Marijuana Establishments*.
 - c. While every room in the facility is monitored for temperature, the Vault/Secure Storage Room has independent climate control to ensure temperature is adequate for Product storage.
 - d. In the vault and secure storage areas there are separate areas for storage of marijuana that is outdated, damaged, deteriorated, mislabeled, or contaminated, or whose containers or packaging have become open or breached, until such products are destroyed.
 - e. These storage areas are clearly labeled to ensure agents are aware of the Product's accessibility.
 - f. Packaged products, Marijuana flower and Marijuana in process is stored in containers that protect from physical, chemical, and microbial contamination, while also protecting against deterioration of finished products or their containers.
 - g. Storage areas will be maintained in a clean and orderly condition and will be free from infestation by insects, rodents, birds, and pests of any kind.
 - h. The entire facility is cleaned on a bi-weekly basis through the use of a cleaning service, and surfaces are sanitized after every transaction and our team will also clean throughout the day. .
 - i. In addition, storage areas will also be maintained in accordance with the security requirements of 935 CMR 500.110, including limiting access to individuals required for the operation of the facility and ensuring the vault and day storage areas are locked and secure at all times except when retrieving or placing Product into the area.

F. Strain and Product List

This SOP applies to all strains and products in the Marijuana Establishment. The Source+ management will update SOP's as needed per regulation or other mandates. This SOP will be reviewed at least yearly.

i. Strain and Product List Requirements

- a. The Source+ is committed to providing high-quality and safe adult-use Marijuana to customers.
- b. The strains The Source+ is selecting will provide consistent, reliable Marijuana and Marijuana Products based on levels of chemical compounds (Cannabinoids) including CBD (Cannabidiol), CBN (Cannabinol), THC (^Δ9-Tetrahydrocannabinol), and various Terpenes. Many customers identify their preferred strain through its colloquial name.
- c. Agents of The Source+ will be available to educate and assist customers to select the most appropriate strains.

- d. Materials will be offered to consumers to enable them to track the strains used and their associated effects.
- ii. **Quality Control**
 - a. All Marijuana and Marijuana Product testing will be performed by an Independent Testing Laboratory prior to being sold or otherwise marketed for sale.
 - b. The Source+ will ensure that contaminant levels are below acceptable limits identified in 935 CMR 500.160(1).
 - c. The Source+ will maintain the results of all testing for no less than one (1) year.
- iii. **Products List with Descriptions**
 - a. *See Attachment 1*
 - 1. **Voluntary and Mandatory Recalls of Marijuana and Marijuana Product**

This SOP applies to all voluntary and mandatory recalls of Marijuana and Marijuana Products (“Product” or “Products”) in the Marijuana Establishment. The Source+ management will update SOP’s as needed per regulation or other mandates. This SOP will be reviewed at least yearly.

- iv. **Recall Policies**
 - a. In order to adhere to its comprehensive approach to Product safety, The Source+ will maintain policies that try to combat and prevent the need for recalls.
 - b. These policies include accepting Products only from a licensed adult-use cultivation center, craft grower, infuser organization, or another dispensary.
 - c. The Source+ will only receive Products after they have a passing certificate of analysis from a licensed Testing Laboratory.
 - d. If a sample fails a pesticide chemical residue test, The Source+ will recall all Products from the entire batch from which the sample was taken in accordance with all applicable procedures and rules.
 - e. The Source+ will maintain policies that also handle voluntary and mandatory recalls. Such procedures are sufficient to deal with recalls due to any action initiated at the request or order of the Commission, and any voluntary action by The Source+ to remove defective or potentially defective Products from the market, as well as any action undertaken to promote public health and safety.
 - f. Any inventory that becomes outdated, spoiled, damaged, deteriorated, mislabeled, or contaminated will be segregated, destroyed, and disposed of in accordance with the provisions of 935 CMR 500.105(12), and any such waste will be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations.
 - g. The Source+ will create a plan which includes the following steps to take when a recall must take place:
 - 1. Determining whether there is a reason for initiating a public recall.
 - 2. Organizing the Recall Management Team (discussed in detail below).
 - 3. Communicating the recall to regulatory authorities and the public.
 - 4. Identifying Products that should be included in the recall.
 - 5. Quarantining impacted Products within the Dispensary and retrieving and quarantining Products that have left the Dispensary as a result of being purchased.
 - 6. Destroying the affected Product in compliance with The Source’s + destruction and waste procedures.

7. Tracking all related actions taken during the recall scenario, maintaining accurate inventory, documenting recall-related records, and issuing prompt communications to notify affected purchasers, license holders, and the Department.
 8. Reviewing the recall process effectiveness and gaining stakeholder feedback.
- v. **Recall Process**
- a. **Determining Whether there is a Reason for Initiating a Public Recall**
 1. The Source+ will initiate a recall when a Product in its inventory could present a health or safety risk to a consumer.
 2. This may include discovering or receiving communication regarding market complaints about a Product's risks, communication from the Commission or a licensee regarding a possible occurrence of a health or safety risk for a particular Product or notification that a recall should be initiated, or if a passing certificate of analysis for a Product is subsequently determined to have been issued in error.
 3. Within 24 hours of discovering such products, The Source+ will contact the Commission.
- vi. **The Recall Management Team**
- a. The team will consist of the [CEO, COO and managers] from affected departments.
- vii. **Recall Assessment**
- a. If The Source+ receives a complaint or information regarding a potential health risk that may necessitate a recall, a recall assessment must occur immediately.
 - b. The Recall Management Team members and on-duty management will first gather and review the following information, as available:
 1. Product Information: labels, packaging, testing analysis, and Product specifications.
 2. Distribution Pattern: review all applicable inventory tracking data to locate Products.
 3. Additional Product Complaints.
- viii. **Recall Investigation**
- a. Next, the Recall Management Team will investigate to identify and document the root cause of the potential non-compliance issue, if determinable, and decide as to whether a voluntary recall is required.
 - b. If other Products are affected, these Products will be added to the recall plan.
 - c. Using the inventory management and tracking system the Recall Management Team will produce a report listing all licensees that received the affected Product.
 - d. If a recall is determined to be required, the Source+ will contact the Commission and relevant legal counsel and insurance providers.
- ix. **Quarantine and Destruction of Recalled Product**
- a. Any affected Product still at the facility will be isolated, and any pending sales containing the affected Product will be canceled, and an alternative Product or refund will be offered to affected licensees.
 - b. Products will be entered into quarantine in the inventory tracking system, held in the vault or secure storage, clearly labeled as quarantine.
 - c. Upon the determination, the affected products must be destroyed, The Source+ will follow the proper protocols for disposal.
- x. **Communicating the Recall**

- a. Agents will be informed of the policies for communicating recall information to licensees.
 - b. Once the Company's Agents have been properly trained and briefed on communication protocol for recalls, The Source+ will initiate a recall communication mechanism that is reasonably calculated to contact licensees who have, or likely have, obtained the affected Product from The Source+ , including information regarding reasons for the recall and instructions for the return policy of the recalled product as well as a mechanism to contact the Company regarding any questions, and additional communication and media outreach, as necessary and appropriate.
- xi. **Recall Training**
- a. The Source+ will create and have all agents study internal procedures and will receive training through mock recalls so that The Source+ can guarantee all Agents handling a recall understand their responsibilities.
 - b. The mock recalls will be used to determine whether the recall procedures can identify and quickly control a given batch of potentially affected Products and reconcile the quantities produced, quantities in inventory, and quantities distributed.
 - c. A mock recall will serve to both identify potential problems and allow Agents to become more familiar with recall procedures.
 - d. The Source+ will carry out surprise mock recalls and live drills annually.

G. Handling of Marijuana and Marijuana Products

This SOP applies to all Handlings of Marijuana in the Marijuana Establishment. The Source+ management will update SOP's as needed per regulation or other mandates. This SOP will be reviewed at least yearly.

- i. **Sanitation Requirements**
- a. The Source+ will implement the following sanitary requirements:
 - b. Any agent of The Source+ whose job includes contact with Marijuana or non-edible Marijuana Products, including cultivation, production, or packaging, is subject to the requirements for food handlers specified in 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements;
 - c. Any agent of the Source+ working in direct contact with the preparation of Marijuana or non-edible Marijuana Products will conform to sanitary practices while on duty, including:
 - 1. Maintaining adequate personal cleanliness and washing hands thoroughly in an adequate hand-washing area before starting work, and at any other time when hands may have become soiled or contaminated.
 - d. Hand-washing facilities will be adequate and convenient and will be furnished with running water at a suitable temperature. Hand-washing facilities are located in each of the unisex toilet rooms as well as in the employee breakroom. Next to each of the three (3) hand sinks there are effective hand-cleaning and sanitizing preparations and sanitary towel service.
 - e. Ensure sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations;
 - f. Litter and waste will be properly removed and disposed of so as to minimize the development of odor and minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal will be maintained in an adequate manner pursuant to 935 CMR 500.105(12): *Waste Disposal*;

- g. Floors, walls, and ceilings will be constructed in such a manner that they may be adequately kept clean and in good repair; All floors are vinyl flooring that can be easily mopped for cleaning. All walls in the back of house and most of the sales floor are painted gypsum board which can be wiped down with towels and sanitizing cleaner. The ceilings in the back of house are ACT and the sales floor and toilet rooms are gypsum board ceilings. Both of which can be wiped down and cleaned with towels and sanitizing cleaner.
 - h. Adequate safety lighting in all processing and storage areas, as well as areas where equipment or utensils are cleaned;
 - i. Buildings, fixtures, and other physical facilities will be maintained in a sanitary condition;
 - j. All contact surfaces, including utensils and equipment, will be maintained in a clean and sanitary condition. Such surfaces will be cleaned and sanitized after each use or as necessary to protect against contamination, using a sanitizing agent registered by the US Environmental Protection Agency (EPA), in accordance with labeled instructions. Equipment and utensils will be so designed and of such material and workmanship as to be adequately cleanable;
 - k. The Source+'s water supply will be sufficient for necessary operations. Any private water source will be capable of providing a safe, potable, and adequate supply of water to meet the Marijuana Establishment's needs;
 - l. Plumbing will be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the Source+ facility. Plumbing properly conveys sewage and liquid disposable waste from The Source+. There will be no cross-connections between the potable and wastewater lines;
 - m. The Source+ will provide its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair;
 - n. Products that can support the rapid growth of undesirable microorganisms will be held in a manner that prevents the growth of these microorganisms;
 - o. Storage and transportation of finished products will be under conditions that will protect them against physical, chemical, and microbial contamination as well as against deterioration of finished products or their containers; and
 - p. If The Source+ transports marijuana or marijuana products, all vehicles and transportation equipment used in the transportation of Marijuana Products or Edibles requiring temperature control for safety must be designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the Marijuana Products or edibles from becoming unsafe during transportation, consistent with applicable requirements pursuant to 21 CFR 1.908(c).
- ii. **Handling of Waste Disposal**
- a. If The Source+ disposes of its own waste, no fewer than two agents of The Source+ will witness and document how the solid waste or organic material containing marijuana is handled on-site including, but not limited to, the grinding up, mixing, storage and removal from the location in accordance with 935 CMR 500.105(12).
 - b. When marijuana products or waste is disposed or handled, The Source+ will create and maintain an electronic record of the date, the type and quantity disposed or handled, the manner of disposal or other handling, the location of disposal or other

handling, and the names of the two agents present during the disposal or other handling, with their signatures.

c. The Source+ will keep these records for at least three years.

d. This period will automatically be extended for the duration of any enforcement action and may be extended by an order of the Commission.

Chapter 4

Inventory Control

A. Inventory Responsibilities

The Source+ has established inventory controls and procedures for the conduct of inventory reviews and comprehensive inventories of stored marijuana. The Source+ recognizes that the following operational aspects are necessary in order to maximize the effectiveness of its inventory control program: proper product storage, security that addresses internal and external threats, accurate record-keeping policies and procedures, and scheduled and random audits. The Source+ has developed an internal control environment that mitigates the risk of inventory loss. This SOP will be reviewed at least yearly.

i. Inventory Procedures

- a. Tracking and Notification Procedures
- b. The Source+ Chief Operating Officer and Assistant General Manager of Operations will provide oversight of the inventory control system, supervising agents to ensure that all daily tasks are completed accurately, conducting inventory counts, physically moving inventory and cash, and tracking and recording movements.
- c. The Source+ will also implement a secure chain-of-custody system, whereby any time marijuana is transferred from the vault to the Point of Sale, the transfer will be documented.
- d. Inventory reports will be generated showing current inventory levels.
- e. Each product will have a unique transaction history that shows every addition/removal from inventory, as well as a date/time stamp and the user ID of the agent who executed the transfer.
- f. Customizable entries must designate reasons for inventory adjustments. Only designated agents of The Source+ can view inventory reports. Inventory reports will be generated and customized based on a wide variety of data fields.

ii. Inventory Storage

- a. Marijuana and marijuana products will be stored in the vault, a highly secure Limited Access Area of The Source+'s Facility.
- b. The vault is adequately sized to store inventory that is not being actively handled for purposes of dispensing, packaging, processing, or transportation.
- c. Finished Marijuana Products will be stored in the vault overnight, as well as marijuana in process. This vault is appropriate for the temperature and safe storage of the marijuana or marijuana product.

iii. Inventory Control System

- a. Metrc will be used to track marijuana and marijuana products onsite at The Source+.
- b. In addition, records of sales transactions will be recorded by Metrc and LeafLogix.
- c. Any changes made to the system have to be reviewed and approved by the Chief Operating Officer or Assistant General Manager of Operations in advance of the change being made.
- d. A limited number of individuals will have access to the Metrc system and will not be granted access until completion of Metrc training.

iv. Inventory Control Procedures

- a. At the conclusion of each business day (before 12am), the following will be performed:
 1. Ensure that all marijuana products are properly stored in the vault.
 2. Ensure that all worktables and surfaces are clear of marijuana product.
 3. Ensure that all marijuana product has been removed from processing equipment and is properly stored.

- v. **Inventory Audit**
 - a. The Chief Operating Officer, Assistant General Manager of Operations or an appropriate designee, will use Metrc to conduct and document an audit of the inventory once every thirty (30) calendar days.
 - b. If the audit identifies a reduction in the amount of marijuana or marijuana products in inventory not due to documented causes, an investigation led by the Chief Operating Officer will determine where the loss occurred and immediately take and document corrective action.
 - c. The Source+ will notify appropriate Law Enforcement and the Commission within 24 hours following discovery of an inventory discrepancy, diversion, theft or loss of marijuana or marijuana products and within ten (10) business days, submit a written report that details the circumstances of the event, any corrective actions taken, and confirmation that the appropriate law enforcement authorities were immediately notified.
 - 1. Note, this is not the exhaustive list of incidents requiring notification. See the Security Plan for additional details.
- vi. **Conducting Physical Inventory**
 - a. Physical inventory will include a hand count of all finished products which will be compared against Metrc records.
 - b. The Source+ will conduct physical inventory counts and comprehensive inventories of stored marijuana.
 - c. The General Manager or another appropriate designee will also conduct a monthly inventory of stored marijuana.
 - d. In addition, a comprehensive annual inventory will be conducted at least once every year after the date of the previous comprehensive inventory.
 - e. Inventory will be conducted by at least two (2) agents of The Source.
 - f. If a recording device is used to conduct inventory, the contents of the recording will be promptly transcribed.
- vii. **Inventory Recordkeeping**
 - a. The record of inventory will include, at a minimum, the date of the inventory, a summary of the inventory findings, and the names, signatures, and titles of the individuals who conducted the inventory.
 - b. All documentation related to an incident that is reportable will be maintained by The Source+ for no less than two (2) years and made available to the Commission and to law enforcement authorities acting within their lawful jurisdiction upon request.
- viii. **Wholesale Inventory**
 - a. Upon receipt of marijuana and marijuana products, The Source+ will weigh, inventory, and account for, on video, all marijuana products to be transported.
 - b. When videotaping the weighing, inventorying, and accounting of marijuana products after receipt, the video must show each product being weighed, the weight, and the manifest.
 - c. The Source+ will document and report any unusual discrepancy in weight or inventory to the Commission and Law Enforcement Authorities not more than 24 hours of the discovery of such a discrepancy.
 - d. The Source+ will report to the Commission and Law Enforcement Authorities any vehicle accidents, diversions, losses, or other reportable incidents that occur during

transport, not more than 24 hours of such accidents, diversions, losses, or other reportable incident.

- e. On arrival, an Agent of The Source+ will compare the manifest produced by the agents who transported the marijuana product to the copy transmitted by fax or email.
- f. This manifest must include the weight and inventory before departure and on receipt as well as additional information listed on the Transportation Policy and Procedure document.

ix. **Physical Count Discrepancies**

a. Any discrepancy (regardless of amount) will be reported to the Executive Management Team for investigation and identification of the reason for the difference. All discrepancies will be considered serious in nature, investigated thoroughly, and require that the General Counsel be briefed throughout the investigation. Investigations into discrepancy will include, but are not limited to, the following procedures:

1. If the location can be identified whereby the discrepancy arose
 - a. Review the camera surveillance of the location to determine who accessed the area;
 - b. Review who accessed the location via card reader records;
 - c. Determine that the discrepancy is not accounted for elsewhere (i.e. that the discrepancy is not an inventory recording error); and,
 - d. Document results of investigation including resolution actions.
2. If the location of the discrepancy cannot be identified, determine the day (or range of days) when the discrepancy was created:
 - a. Review indoor and outdoor surveillance footage for the day(s) to identify any peculiarities;
 - b. Review card reader records for the days to determine who accessed what areas of The Source+, when such areas were accessed, and if applicable, why such areas were accessed;
 - c. Determine that the discrepancy is not accounted for elsewhere (i.e. that the discrepancy is not an inventory recording error); and,
 - d. Document results of investigation including resolution actions.
3. Securing inventory in the event of a discrepancy:
 - a. If the discrepancy is uncovered during business hours, all product will be returned to the vault room;
 - b. All surveillance footage from the time of the last reconciled inventory count will be reviewed by the General Counsel, or an appropriate designee, in its entirety to uncover the source of the discrepancy;
 - c. Access to all storage areas, including the vault room, will be immediately limited to only the Director of Security until such time as the discrepancy is resolved;
 - d. Unless the General Counsel has reason to believe that the following actions will prejudice the investigation into the source of the discrepancy, the General Counsel will notify personnel that such a discrepancy exists and to be on heightened alert of the possibility of future discrepancies;

4. The procedures contained herein will continue until such time as the discrepancy or discrepancies are resolved.

B. Administrative Hold

- i. If The Source+ is subject to an Administrative Hold, it will retain the inventory pending further investigation by the Commission or a Commission Delegee pursuant to 935 CMR 500.321(2)(a).

C. Vendor Samples

This SOP applies to all vendor samples provided by the Marijuana Establishment and to agents of The Source+. The Source+ management will update SOP's as needed per regulation or other mandates. This SOP will be reviewed at least yearly.

i. Vendor Sample Policies

- a. Policies and procedures must include methods by which The Source+ will adequately track, record, and document all Vendor Samples developed on, or provided from, the licensed Premises in satisfaction of 935 CMR 500.120(13).

ii. Vendor Samples from a Marijuana Cultivator or Product Manufacturer

a. Receiving and Tracking Samples

1. The Source+ may receive a vendor sample of Marijuana flower from a Marijuana Cultivator pursuant to 935 CMR 500.120(13) or from a Product Manufacturer pursuant to 935 CMR 500.130(7).
2. Testing of Marijuana and Marijuana Products and will be transported in accordance with 935 CMR 500.105(13): Transportation Between Marijuana Establishments.
3. All Vendor Samples shall be assigned a unique, sequential alphanumeric identifier and entered into the Seed-to-sale SOR in a form and manner to be determined by the Commission, and further, shall be designated as "Vendor Sample".
4. All Vendor Samples provided by The Source+ to our employees will be entered into Metrc and will count against the individual employee's daily purchase limit, if applicable, consistent with 935 CMR 500.140(3): *Limitation on Sales*.

b. Labeling of Vendor Samples

1. The Source+ will only accept vendor samples from a Cultivator that has a legible, firmly affixed label on which the wording is no less than 1/16 inch in size containing at minimum the following information:
2. A statement that reads: "VENDOR SAMPLE NOT FOR RESALE";
3. The name and registration number of the Marijuana Cultivator;
4. The quantity, net weight, and type of Marijuana flower contained within the package; and
5. A unique sequential, alphanumeric identifier assigned to the Cultivation Batch associated with the Vendor Sample that is traceable in Metrc.
6. The Source will only accept vendor samples from a Product Manufacturer that has a legible, firmly affixed label on which the wording is no less than 1/16 inch in size containing at minimum the following information:
 - a. A statement that reads: "VENDOR SAMPLE NOT FOR RESALE";
 - b. The name and registration number of the Marijuana Product Manufacturer;

- c. The quantity, net weight, and type of Marijuana flower contained within the package; and
 - d. A unique sequential, alphanumeric identifier assigned to the Production Batch associated with the Vendor Sample that is traceable in Metrc.
- iii. **Vendor Sample Limitations**
 - a. The Source+ may provide the vendor samples it receives from a Marijuana Cultivator or a Marijuana Product Manufacturer to its employees for the purpose of assessing product quality and determining whether to make the product available to sell the product.
 - b. The Source+ will provide the following vendor samples limitations in a calendar month period to our employees:
 - 1. Four grams per strain of Marijuana flower and no more than seven strains of Marijuana flower;
 - 2. Five grams of Marijuana concentrate or extract, including but not limited to Tinctures;
 - 3. Five hundred milligrams of Edibles whereby the serving size of each individual sample does not exceed five milligrams and otherwise satisfies the potency levels set forth in 935 CMR 500.150(4): Dosing Limitations; and
 - 4. Five units of sale per cannabis product line and no more than six individual cannabis product lines.
- iv. **Preventing on-site Consumption of Samples**
 - a. The Source+ will ensure that Agents do not consume samples on any licensed premises and do not sell a sample to another licensee or consumer.
 - b. During onboarding training, Agents of The Source+ will be provided this policy and procedure and will sign off on the completion of training.
 - c. In the event an agent is caught consuming samples on the premises, The Source+'s Chief Executive Officer, or other designee, will immediately be notified and take action as provided in The Source+'s Personnel Policies and Procedures.

D. Transportation

This SOP applies to all transportation procedures for the Marijuana Establishment. The Source+ management will update SOPs as needed per regulation or other mandates. This SOP will be reviewed at least yearly.

- i. **Transportation Procedures**
 - a. The Source+ will ensure that all transported Marijuana and Marijuana Products (“Products”) are properly tracked through Metrc.
 - b. The Source+ will only receive Products from licensed facilities and will only transport Products utilizing registered marijuana establishment agents, in accordance with 935 CMR 500.105(13)(a)(2).
 - c. In the event that The Source+ determines to transport Products from a licensed marijuana establishment to another licensed marijuana establishment, it may contract with another licensed marijuana establishment to do so, in accordance with 935 CMR 500.105(13)(a)(3).
 - d. All transported Products will be linked to and tracked in the seed-to-sale tracking program in accordance with guidance of the Commission, in accordance with 935 CMR 500.105(13)(a)(4).

- e. Products shall not be visible from outside the transportation vehicles, in accordance with 935 CMR 500.105(13)(c)(2).
- f. There will be no advertising, including, but not limited to, vinyl-wrapped vehicles, signs, logos or markings, indicating that the vehicle is being used to transport Marijuana on transportation vehicles or company cars, nor shall the vehicle indicate the name of The Source+, in accordance with 935 CMR 500.105(13)(c)(3).
- g. While transporting Products, the transportation vehicles may not be used to transport any other product, in accordance with 935 CMR 500.105(13)(c)(4).
- h. No firearms may be located within the transportation vehicle, nor on the person of an agent, in accordance with 935 CMR 500.105(13)(c)(5).
- i. In the event that any Marijuana Product is undeliverable or refused by The Source+, The Source+ will ensure that it is transported back to its originating facility, in accordance with 935 CMR 500.105(13)(a)(5).
- j. All vehicles transporting Products will be staffed with at least two agents, one of whom will remain in the vehicle at all times that the vehicle contains Products, in accordance with 935 CMR 500.105(13)(a)(6).
- k. Prior to leaving the facility for the purpose of transporting Products, the originating marijuana establishment shall weigh, inventory, and account for all Products to be transported under video surveillance, in accordance with 935 CMR 500.105(13)(a)(7).
- l. Within eight hours after arrival, The Source+ shall re-weigh, re-inventory, and account for all Products that have arrived under video surveillance, in accordance with 935 CMR 500.105(13)(a)(8).
- m. When videotaping the weighing, inventorying, and accounting of Products before and after transportation, the video shall show each Product being weighed, the weight, and the manifest, in accordance with 935 CMR 500.105(13)(a)(9).
- n. When being transported and prior to transportation, Products will be packaged in sealed, labeled, and tamper- and child-resistant packaging, in accordance with 935 CMR 500.105(13)(a)(10).
- o. The Source+ personnel will document and report any unusual discrepancy in weight or inventory to the Commission and to law enforcement within 24 hours of discovery, in accordance with 935 CMR 500.105(13)(b)(1).
- p. The Source+ personnel will report to the Commission and law enforcement any vehicle accidents, diversions, losses, or reportable incidents that occur within 24 hours of occurrence, in accordance with 935 CMR 500.105(13)(b)(2).
- q. Products shall be transported in a secure, locked storage compartment that is part of the vehicle transporting the Products, in accordance with 935 CMR 500.105(13)(d)(1). The storage compartment must be sufficiently secure that it cannot easily be removed, in accordance with 935 CMR 500.105(13)(d)(2).
- r. In the event that The Source+ is transporting Products for more than one marijuana establishment on a given trip, the Products for each marijuana establishment shall be kept in a separate, locked storage compartment during transportation, with separate manifests for each unless it obtains the Commission's permission to adopt alternative reasonable safeguards, in accordance with 935 CMR 500.105(13)(d)(3) and (d)(4).
- s. All vehicles and transportation equipment used in the transportation of Products requiring temperature control for safety will be designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the Products from

- becoming unsafe during transportation, consistent with applicable requirements pursuant to 21 CFR 1.908(c), and in accordance with 935 CMR 500.105(13)(a)(14).
- t. Any vehicle used to transport Products will be owned or leased by the licensee or a Marijuana Transporter, will be properly registered, inspected and insured in the Commonwealth (documentation of such status will be maintained as records of licensee or the Marijuana Transporter, and will be made available to the Commission on request), equipped with an alarm system approved by the Commission, and equipped with functioning heating and air conditioning systems for maintaining correct temperatures for storage of marijuana products, in accordance with 935 CMR 500.105(13)(c)(1).
 - u. In the case of an emergency stop during the transportation of Products, the transporting licensee will maintain a log describing the reason for the stop, the duration of the stop, the location of the stop, and any activities of its personnel exiting the vehicle, in accordance with 935 CMR 500.105(13)(a)(11).
 - v. All routes used for the transportation of Products are randomized and remain within the Commonwealth, in accordance with 935 CMR 500.105(13)(a)(13).

ii. **Transportation Manifest**

- a. All manifests used in the transportation of Products will be filled out by the wholesaler's agents in triplicate, with the original manifest remaining with the originating Marijuana Establishment, a second copy provided to The Source+, and a copy to be kept with the delivery agent during transportation and returned to the originating facility upon completion of the transportation, in accordance with 935 CMR 500.105(13)(f)(1).
- b. The Source+ will receive the securely transmitted manifest via facsimile or email prior to departure from the originating Marijuana Establishment in accordance with 935 CMR 500.105(13)(f)(2).
- c. The originating Marijuana Establishment will securely transmit the manifest to The Source+ via facsimile or email prior to departure.
- d. Upon arrival at The Source+, agents will compare the manifest produced by the transportation agent and the copy transmitted by facsimile or email to The Source.
- e. Each manifest will include, in accordance with 935 CMR 500.105(13)(f)(3), at a minimum,
 - 1. the originating Marijuana Establishment name, address, and registration number;
 - 2. the names and registration numbers of the agents who transported the Products;
 - 3. the name and registration number of the Marijuana Establishment agent who prepared the manifest;
 - 4. the destination Marijuana Establishment name, address, and registration number;
 - 5. a description of the Products being transported, including the weight and form or type of the Product;
 - 6. the mileage of the transporting vehicle at departure and mileage upon arrival at destination marijuana establishment, as well as mileage upon return;
 - 7. the date and time of departure from the originating Marijuana Establishment and arrival at destination Marijuana Establishment for each transportation;

- 8. a signature line for the Marijuana Establishment agent who receives the Products;
 - 9. the weight and inventory before departure and upon receipt;
 - 10. the date and time that the transported Products were re-weighed and re-inventoried;
 - 11. the name of the Marijuana Establishment agent at the destination Marijuana Establishment who re-weighed and re-inventoried Products; and
 - 12. the vehicle make, model, and license plate number.
- f. The transporting agent will maintain the manifest inside of its vehicle throughout the entire transportation process until delivery is complete, in accordance with 935 CMR 500.105(13)(f)(4).
 - g. All transportation manifests will be retained by The Source+ for a minimum of one year and will be available for inspection by the Commission upon request, in accordance with 935 CMR 500.105(13)(f)(5).
 - h. All agents shall carry his or her registration card at all times while transporting products and shall produce his or her registration card to the Commission or law enforcement officials upon request, in accordance with 935 CMR 500.105(13)(g)(2).
 - i. Should any unusual discrepancy occur in weight or inventory, The Source+ agents will document and report the discrepancy to the Commission and law enforcement authorities not more than 24 hours after the discovery of such a discrepancy.
 - j. The Source+ agents will report to the Commission and law enforcement authorities any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport, not more than 24 hours after such accidents, diversions, losses, or other reportable incidents.

iii. **Transportation Agents**

- a. Each agent transporting or otherwise handling Products will be registered as a Marijuana Establishment agent and have a driver's license in good standing issued by the Massachusetts Registry of Motor Vehicles for all classes of vehicle the Marijuana Establishment agent will operate prior to transporting or otherwise handling Products.
- b. All transportation agents will carry their registration cards at all times when transporting Products and will produce their registration card to the Commission or law enforcement officials upon request.
- c. The transporting agents will notify their supervisor in the event that there are any changes to the pre-planned route due to traffic, an emergency, or any other event.
- d. When the vehicle is approximately five (5) minutes away from the delivery destination, one of the transporting agents will telephone the agents at The Source+ to inform them of the impending arrival and confirm the delivery appointment.
- e. Representatives of the Commission, other Commonwealth agencies, and emergency responders responding in the course of an emergency will have access to all transportation vehicles as necessary.

E. Delivery Plan

i. **Receiving Product**

- a. All deliveries of Products will be scheduled. Once the transportation vehicle reaches the rear parking area an agent of The Source+ will log the driver's information via the visitor log and direct the vehicle to park at the rear of the facility.
- b. Once the delivery agent reaches the door, an agent of The Source+ will open the door and allow the agent in.

- c. An agent of The Source+ will, within eight hours after arrival at The Source+, reweigh, re-inventory, and account for, on video, all Products transported.
- d. An agent of The Source+ will ensure that all transported Products are properly entered into Metrc.
- e. An agent of The Source+ will also document and report any unusual discrepancy in weight or inventory to the Commission and Law Enforcement Authorities no more than 24 hours of the discovery of a discrepancy.

Chapter 5

Security

A. Plan to Prevent Diversion of Marijuana and Marijuana Products

This SOP applies to prevention of diversion in the Marijuana Establishment. The Source+ management will update SOP's as needed per regulation or other mandates. This SOP will be reviewed at least yearly.

Considerations regarding diversion prevention measures include, but are not limited to, The Source+ agent and consumer accountability, and identifying, recording, and reporting diversion, theft, or loss. Marijuana in the process of transport, analysis, or retail sale is to be stored and tracked in a manner that prevents diversion, theft, or loss.

i. **Inventory Control and Handling of Marijuana**

- a. The Source+ will maintain real-time inventory, and tracking and tagging all Marijuana and Marijuana Products, using a seed-to-sale methodology in a form and manner to be approved by the Commission.
- b. Tracking Marijuana and Marijuana Products from seed to sale with frequent audits of inventory will deter theft or diversion and allow for an immediate response in the event inventory discrepancies are discovered.
- c. Records are kept for inventory, seed-to-sale tracking for all Marijuana Products, personnel (including documentation of the completion of required training), and waste disposal, and that The Source+ will comply with all other recordkeeping requirements under 935 CMR 500.105(9).
- d. Where waste and finished products that cannot be sold may be vulnerable, Marijuana that is outdated, damaged, deteriorated, mislabeled, or contaminated, or whose containers or packaging have been opened or breached, is stored in a separate area, until such products are destroyed.
- e. The Source+ will use a secure container for such products, maintain an electronic and written log of products pending destruction and audit the contents in association with inventory audits.
- f. Waste will be sent back to the originating facility for destruction.

ii. **Safe and Secure Storage of Marijuana**

- a. The Source+ will comply with all other storage requirements under 935 CMR 500.105(11) and ensure the storage spaces are clean, sufficient, temperature-controlled and most importantly, limited to the minimum number of individuals required for safe operation of the facility.
- b. All finished marijuana products are stored in a secure, locked safe or vault in such a manner as to prevent diversion, theft, and loss.
- c. The Source+ shall comply with all security requirements under 935 CMR 500.110(1)(a) – (n), including implementing sufficient safety measures to deter and prevent unauthorized entrance into areas containing marijuana and theft of marijuana.
- d. The Source+ shall positively identify all individuals seeking access to the facility premises or to whom marijuana products are being transported and, as part of positive identification, shall limit such access to individuals 21 years of age or older in accordance with 935 CMR 500.110(1)(a).
- e. The Source+ shall secure all entrances to the facility to prevent unauthorized access in accordance with 935 CMR 500.110(1)(d); no employee, outside vendor, contractor, or other visitor may access the facility without identity verification.
- f. The Source+ shall establish limited access areas, as further explained below and in accordance with 935 CMR 500.110(4), which shall be accessible only to specifically authorized personnel, which shall be limited to the number of individuals necessary for efficient operation.
- g. The Source+ shall limit access to the vault to the following employees;
 - i. General Manager

- ii. Assistant General Manager of Operations
 - iii. Assistant General Manager of Talent
 - iv. Assistant General Manager of Customer Experience
 - v. Safety and Security Manager
 - vi. S&H Supervisor
 - vii. Inventory Manager
 - viii. Inventory Supervisor
 - ix. Order Expeditor Lead
 - x. Order Expeditor
 - xi. Teller Manager
 - xii. Teller Supervisor
- h. All Limited Access Areas, in accordance with 935 CMR 500.110(4)(a), are identified by the posting of a sign that shall be a minimum of 12" x 12" and which states:
- i. "Do Not Enter-limited Access Area-access Limited to Authorized Personnel Only" in lettering no smaller than one inch in height.
- i. Limited Access Areas will be designated and tracked via a diagram reflecting, at the least, all entrances and exits, walls, partitions, vegetation, flowering, processing, production, storage, disposal, and retail sales, in accordance with 935 CMR 500.110(4)(a).
- j. Access to Limited Access Areas is restricted to employees, agents or volunteers specifically permitted by The Source+, agents of the Commission, Commission Delegees, and state and local Law Enforcement Authorities acting within their lawful jurisdictions, police and fire departments, and emergency medical services acting in the course of their official capacity, in accordance with 935 CMR 500.110(4)(c).
- k. Employees of the facility shall display an employee identification badge at all times while on the premises or while transporting marijuana, in accordance with 935 CMR 500.110(4)(d).
- l. All outside vendors, contractors and Visitors shall obtain a Visitor Identification Badge prior to entering a Limited Access Area and shall be escorted at all times by a Source+ Agent authorized to enter the Limited Access Area, in accordance with 935 CMR 500.110(4)(e).
- m. The Source+ will prevent loitering and ensure that only individuals engaging in activity expressly or by necessary implication permitted by the Commission's regulations and its enabling statute are allowed to remain on the premises, in accordance with 935 CMR 500.110(1)(b).
- n. The Security and Safety Manager as well as the S&H Supervisor are responsible for monitoring exterior surveillance footage and notifying the Director of Security or a designee when an individual remains on the premises beyond a reasonable amount of time.
- o. In addition, the facility has signage stating that loitering is prohibited. [NTD: If not a requirement, do we want to implement now?]
- p. The Source+ will ensure that the outside perimeter of the facility is sufficiently lit to facilitate surveillance and to identify unauthorized persons, in accordance with 935 CMR 500.110(1)(k).
- q. The Source+ shall prohibit employees from storing products in plain sight; all products will not be visible from a public place without the use of optical aids, in accordance with 935 CMR 500.110(1)(l).

- r. In the event that any instance of diversion is identified, The Source+ shall immediately take steps to secure all products, and immediately conduct an assessment to determine whether additional anti-diversion safeguards are necessary, in accordance with 935 CMR 500.110(1)(m).
- s. The Source+ shall modify its security procedures as necessary to comply with any additional safeguards required by the Commission with respect to matters that present special security concerns, in accordance with 935 CMR 500.110(1)(n).

iii. **Security System**

- a. The Source+ has an adequate security system to prevent and detect diversion, theft or loss of Marijuana, notifying law enforcement and the Commission within 24 hours of a diversion, theft or loss of any marijuana product, and all other security and alarm requirements under 935 CMR 500.110(5)(a). The security system includes:
 - i. A perimeter alarm on all entry points and perimeter windows, in accordance with 935 CMR 500.110(5)(a)(1).
 - ii. A failure notification system that provides an audible, text, or visual notification of any failure in the surveillance system, that provides alerts to designated employees of the facility within five minutes of such failure, by telephone, email, or text message, in accordance with 935 CMR 500.110(5)(a)(2).
 - iii. A duress alarm, panic, or holdup alarm connected to local law enforcement authorities, in accordance with 935 CMR 500.110(5)(a)(3).
 - iv. Video cameras in all areas that may contain Marijuana or vaults or safes for the purpose of securing cash, at all points of entry and exit and in any parking lot which will be appropriate for the normal lighting conditions of the area under surveillance, in accordance with 935 CMR 500.110(5)(a)(4). The cameras are directed at all safes, vaults, sales areas and areas where Marijuana is stored, handled or dispensed, or where cash is kept and processed, and angled so as to allow the capture of clear and certain identification of any person entering or exiting the facility or area.
 - v. 24 hour video recordings from all video cameras shall be available for immediate viewing by the Commission and be retained for at least 90 calendar days. Recordings shall not be destroyed or altered, and shall be retained as long as necessary if The Source+ becomes aware of any pending criminal, civil, administrative, or legal proceeding to which the recording may be relevant, in accordance with 935 CMR 500.110(5)(a)(5).
 - vi. Video cameras will have the ability to produce clear, color, still photo, whether live or recorded, in accordance with 935 CMR 500.110(5)(a)(6).
 - vii. All video recordings will have an embedded time and data stamp, synchronized correctly at all times, that does not obscure the image, in accordance with 935 CMR 500.110(5)(a)(7).
 - viii. The security system shall have the ability to remain operational during a power outage, in accordance with 935 CMR 500.110(5)(a)(8).
 - ix. The video cameras will have the ability to export still images in industry-standard formats, such as .jpg, .bmp, and .gif, as well as the ability to be archived in a proprietary format that ensures authentication of the video and guarantees that no alteration of the recorded image has taken place, as well as saved in an industry standard format, in accordance with 935 CMR

500.110(5)(a)(9). All recordings shall be erased or destroyed prior to disposal.

- b. All security system equipment and recordings shall be maintained in a secure location so as to prevent theft, loss, destruction, and alterations, in accordance with 935 CMR 500.110(5)(b).
- c. The facility will have a back-up security system – supplied by an entity different from that supplying the primary security system – that will, in the event of any interruption to the primary alarm system, immediately send text alerts to the Security Director, any designees of the Security Director, the primary system vendor, and, if requested, to the Northampton Police Department as well. The Security Director will act immediately to restore the functioning of the primary alarm system, and to secure marijuana and marijuana products at the facility, in accordance with 935 CMR 500.110(5)(c).
- d. The Source+ shall limit access to areas containing surveillance equipment to individuals who are essential to surveillance operations, law enforcement, authorities, security system service personnel, and the Commission, and shall keep a list of individuals so authorized to be produced to the Commission upon request, in accordance with 935 CMR 500.110(5)(d). Areas of the facility housing surveillance equipment shall remain locked at all times and shall not be used for any other function.
- e. Video cameras are recording 24/7 and allow authorized agents of The Source+ to view activity on the premises in real-time.
- f. The security system will be audited by a vendor approved by the Commission, and all security equipment will be in good working order and inspected and tested at regular intervals, not to exceed 30 calendar days from the previous inspection and test.
- g. All portions of the security system, including all equipment and locks, shall be kept in good working order, and regularly inspected at least monthly, in accordance with 935 CMR 500.110(1)(h) and 935 CMR 500.110(5)(e).
- h. The Source+ shall not permit employees to leave keys in locks or stored in any location accessible to persons other than personnel who are authorized to handle keys, in accordance with 935 CMR 500.110(1)(i).
- i. The Source+ shall not permit the sharing of passwords, combination numbers, or any other method by which the facility limits access to specific individuals to be shared between personnel, or to be shared with unauthorized persons, in accordance with 935 CMR 500.110(1)(j).
- j. The Source+ shall maintain foliage, trees, and bushes outside the facility so as to prevent persons from concealing themselves, in accordance with 935 CMR 500.110(5)(f).

iv. **Limitations on Sales**

- a. All other operating requirements for retail sale under 935 CMR 500.140 are followed, including:
 - i. Limiting sales to one ounce of marijuana or its combined dry weight equivalent in Marijuana concentrate or Edible to a retail customer per day;
 - ii. Utilization of a point-of-sale (POS) system approved by the Commission, in consultation with the DOR and does not allow for a transaction in excess of

the limit established in 935 CMR 935.140(3)(a) or the potency levels established in 935 CMR 935.140(3)(b);

- iii. Refusing to sell Marijuana Products to a Consumer if, in the opinion of the Agent based on the information available to the agent at that time, the Consumer or the public would be placed at risk. This includes, but is not limited to, the Consumer engaging in daily transactions that exceed the legal possession limits or that create a risk of diversion;
- iv. Providing educational materials to consumers stating that they may not sell Marijuana to any other individual and which include information regarding penalties for possession and distribution of marijuana in violation of Massachusetts law.

v. **The Source+ Products and Packaging**

- a. The Source+ will not provide samples or give away Marijuana to consumers.
- b. Warning statements required by the Commission's regulations are affixed to all applicable products, and labels comply with all other labeling of Marijuana and Marijuana Products requirements under 935 CMR 500.105(5).
- c. Child-resistant packaging is used for applicable Marijuana Products, and that The Source+'s products comply with all other packaging of Marijuana and Marijuana Products requirements under 935 CMR 500.105(6).

vi. **Identification Verification**

- a. The Source+ will perform on-premises verification of identification for consumers and visitors in accordance with 935 CMR 500.140(2 – 3).
 - i. Upon an individual's entry into The Source+'s retailer operations, an employee will immediately inspect the individual's proof of identification and determine that the individual is 21 years of age or older.
 - ii. Identification will be verified using the Gemalto by Thales AT9000 MK2 Full Page Passport & Document Reader (UV) as well as through the IDScan.nets powerful mobile visitor management software paired with the TOUGHBOOK N!, a system designed to verify the authenticity of government issued identification. This also allows for touch free ID validation and enrollment into the cloud-based visitor management solution.
 - iii. If the government issued identification presented by an individual seeking access is not valid, they will not be permitted to enter the facility and will be asked to leave the premises immediately.
 - iv. In addition to the primary verification, at the Point of Sale, Agents will re-verify the consumers identification via a visual inspection.
 - v. If an Agent suspects identification is not valid at either verification point, a manager on duty will be notified to conduct an additional inspection and assist with escalation of the issue if the individual must be escorted off the premises.
- b. The Source+ will refuse to sell Marijuana to any consumer who is unable to produce valid proof of identification. The Source+ may refuse to sell Marijuana Products to a consumer if, in the opinion of an employee based on the information available to the employee at that time, the consumer or the public would be placed at risk.

vii. **Incident Reporting**

- a. The Source+ will immediately notify appropriate law enforcement authorities and the Commission within 24 hours after discovery of any of the following, in accordance with 935 CMR 500.110(9):
 - i. Discovery of inventory discrepancies.
 - ii. Diversion, theft or loss of any Product.
 - iii. Any criminal action involving or occurring on or in the facility premises or involving a facility agent.
 - iv. Any suspicious act involving the sale, cultivation, distribution, processing or production of marijuana by any person.
 - v. Unauthorized destruction of marijuana.
 - vi. Any loss or unauthorized alteration of records related to marijuana.
 - vii. An alarm activation or other event that requires response by public safety personnel, including but not limited to local law enforcement, police and fire departments, public works or municipal sanitation departments, and municipal inspectional services departments, or security personnel privately engaged by the facility.
 - viii. The failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last more than eight hours.
 - ix. A significant motor vehicle crash that occurs while transporting or delivering Products and would require the filing of a Motor Vehicle Crash Operator Report pursuant to M.G.L. c. 90 § 26; provided however that a motor vehicle crash that renders the vehicle inoperable shall be reported immediately to state and local law enforcement so that Products may be adequately secured.
 - x. Any other breach of security.
- b. The Source+ will provide notice to the Commission of any of the above incidents by submitting an incident report in the form and manner determined by the Commission, including the circumstances of the event, corrective actions taken, and confirmation that the appropriate law enforcement authorities were notified.

viii. **Security Audits**

- a. The Source+ will, on an annual basis, obtain an audit of the security system by a vendor approved by the Commission, including, in the event that such audit identifies concerns about the security system, a plan to mitigate any such concerns within ten business days of submission of the audit.

ix. **Employee Diversion Training and Discounts**

- a. To further prevent internal diversion, The Source+ will offer employees a 40% discount on all products with the exception of new arrivals- new products are protected for the first 10 days of sales and employee discount is reduced to 15%.
- b. Offering a discount will encourage the legal purchase of Marijuana where an employee may otherwise not be able to afford it.
- c. Employees are made aware of crime prevention techniques pursuant to 935 CMR 500.105(1)(b). Any agent of The Source+ who has diverted marijuana is immediately dismissed, and this is reported to law enforcement and to the Commission pursuant to 935 CMR 500.105(1)(1).
- d. All employees involved in the handling and sale of Marijuana for adult use complete a responsible vendor training program with a curriculum covering diversion prevention and prevention of sales to minors and comply with all other Marijuana Establishment Agent training requirements under 935 CMR 500.105(2).

- e. In addition, Agent bag checks will be performed at the discretion of The Source+ management team and as needed during investigations.

B. Cash Handling Policies

The Source+ management will update SOP's as needed per regulation or other mandates. This SOP will be reviewed at least yearly.

- i. **Agent Responsibility**
 - a. Agents that handle and store cash are responsible for the funds while under their control.
 - b. The Source+ will limit the amount of cash in cash drawers by limiting the amount of cash at the beginning of an agent's shift and by conducting four cash sweeps throughout the day, and as otherwise needed.
 - c. These measures are designed to reduce the risk of discrepancies and allow for frequent counting to occur.
- ii. **Point of Sale System**
 - a. The Source's + Point of Sale System, LeafLogix, and Metrc will track each transaction.
 - b. A record of all sales transactions will be stored and readily available.
 - c. Any change made to the Point-of-Sale System, LeafLogix must be reviewed and approved by the Chief Operating Officer, in advance of the change being made.
- iii. **Cash Storage**
 - a. All cash will be secured in a locked safe or vault in an area, exclusively for the purpose of securing cash.
 - b. Cash will be stored in one of three safes in the limited access cash counting office. Each safe will hold cash for a specific purpose. One safe will store all petty cash, one safe will store cash for cash drops, and one safe will store all cash for the drawers
 - c. All of the safes will be digital combination safes and the combination will only be provided to the General Manager and the Assistant General Managers to access.
- iv. **Recordkeeping Policies (cash)**
 - a. Records of the date/time and the agents present when the cash storage safe or vault is opened will be maintained via sign-in logs at the cash storage vault.
 - b. At no time will the door of the cash storage vault be left open while the room is unattended.
 - c. If the room is in use, then the outer door will be kept closed.
 - d. The vault will only be open during the time required to remove/replace cash.
 - e. Until further agents are identified, the only agents authorized to access the safe will be the Chief Executive Officer, Chief Operating Officer, Director of Security, General Manager, Assistant General Managers and the Teller Manager.
 - f. A record of the names of persons having access to the vault room will be maintained by the Director of Security.
 - g. Access to the vault room is highly restricted and is safeguarded via the use of card key access. Cash will be counted at minimum three (3) times each day according to the following schedule:
 - i. Prior to opening;
 - ii. At the end of a shift – each agent is required to reconcile his/her cash drawer at the end of his/her scheduled shift; and

- iii. After the last sales transaction of the day has occurred.
- v. **Retail Manager Duties**
 - a. At the start of the day, each Agent is assigned their POS and given their cash drawer by the Teller Manager. The cash drawer will have the following:
 - i. 10/\$20
 - ii. 10/\$10
 - iii. 10/\$5
 - iv. 50/\$1
 - b. Each teller will be responsible for their own cash drawer and they will be counted at shift switch and the end of the day. Cash will be stored in a safe located in the secure access managers office.
- vi. **Cash Discrepancy Plan (Contingency Plan)**
 - a. In the event of a discrepancy, the Safety and Security Manager, S&H Supervisor, General Manager, Assistant General Manager of Operations, Chief Executive Officer, and Chief Operating Officer will be notified, and an immediate internal audit will be conducted to determine where and when the discrepancy occurred.
 - b. If it is determined that there is an error or inaccuracy in the reporting, then the cause will be investigated, and corrective action measures will immediately be put into place to avoid such error or inaccuracy in the future.
- vii. **Security and Alarm Requirements**
 - a. The Source will have video cameras in all areas that may contain marijuana, vaults or safes for the purpose of securing cash and at all points of entry and exit.
 - b. The Source+ will have video cameras in any parking lot, which will be appropriate for the normal lighting conditions of the area under surveillance.
 - c. The cameras will be directed at all safes, vaults, and areas where marijuana is handled, or where cash is kept, stored and processed.
 - d. Cameras will be angled to allow for the capture of clear and certain identification of any person entering or exiting any secure limited access areas.
- viii. **Transportation of Cash**
 - a. Cash will be transported from The Source’s facility to Century Bank by an armored transport provider that is licensed pursuant to [M.G.L. c. 147, § 25](#) and has been approved by the financial institution or DOR facility. Currently waiting on terms from both Plymouth Armor Group and MMM Transports
 - b. Pickups will occur once a week or as requested by the Chief Executive Officer, Director of Security, Chief Operating Officer or General Manager.
 - c. The Source+ will coordinate with the financial institution and DOR facilities to comply with their requirements for frequency of deposits.
 - d. Video cameras will be directed to provide images of areas where cash is kept, handled, and packaged for transport to financial institutions or DOR facilities, provided that the cameras may be motion-sensor activated cameras and provided, further, that all cameras be able to produce a clear, still image whether live or recorded.

A written process for securing cash and ensuring transfers of deposits to The Source+’s financial institutions on an incremental basis consistent with the requirements for deposit by the financial institution or DOR facilities will be implemented and maintained

Chapter 6

Consumer Education

A. Consumer Education

This SOP applies to all Consumer Education Policies in the Marijuana Establishment. The Source+ management will update SOP's as needed per regulation or other mandates. This SOP will be reviewed at least yearly.

i. Consumer Education Procedure

a. The Source+ will comply with the following requirements for its consumer education practices in accordance with 935 CMR 500.140:

1. The Source+ will make available educational materials about marijuana products to consumers.
2. The Source+ will have an adequate supply of current educational material available for distribution.
3. Educational materials will be available in commonly spoken languages designated by the Commission, including Spanish and English. Hard copies will be available at the retail location for any customer.
4. Such materials will be made available for inspection by the Commission upon request.
5. The Commission will establish fines or other civil penalties for a Marijuana Establishment's failure to provide these materials.

b. The educational material will include at least the following:

1. A warning that marijuana has not been analyzed or approved by the FDA, that there is limited information on side effects, that there may be health risks associated with using marijuana, and that it should be kept away from children;
2. A warning that when under the influence of marijuana, driving is prohibited by [M.G.L. c. 90, § 24](#), and machinery should not be operated;
3. Information to assist in the selection of marijuana, describing the potential differing effects of various strains of marijuana, as well as various forms and routes of administration;
4. Materials offered to consumers to enable them to track the strains used and their associated effects;
5. Information describing proper dosage and titration for different routes of administration. Emphasis shall be on using the smallest amount possible to achieve the desired effect. The impact of potency must also be explained;
6. A discussion of tolerance, dependence, and withdrawal;
7. Facts regarding substance use disorder signs and symptoms, as well as referral information for substance use disorder treatment programs, and the telephone number for the Massachusetts Substance Use Helpline (800-327-5050);
8. A statement that consumers may not sell marijuana to any other individual;
9. Information regarding penalties for possession or distribution of marijuana in violation of Massachusetts law; and

10. Any other information required by the Commission.

ii. **Material Review**

a. The General Counsel will be responsible for reviewing consumer education materials on a quarterly basis to ensure the information contained within is correct.

Specifically, the General Counsel will:

1. Verify all links and program information provided is accurate;
2. Information is compliant with current regulations and Commission guidance;
3. Ensure consistency with internal marketing and The Source+'s mission statement.

b. In addition, the director of marketing and director of retail will be responsible for ensuring an adequate supply of materials is readily available at all times.

Chapter 7

Quality Control, Testing and Packaging

A. Quality Control

This SOP applies to all quality control and testing in the Marijuana Establishment. The Source+ management will update SOP's as needed per regulation or other mandates. This SOP will be reviewed at least yearly.

i. Sanitation Policies

- a. The Source+ will comply with the following sanitary requirements:
 1. Any agent of The Source+ whose job includes contact with Marijuana or nonedible Marijuana Products, including cultivation, production, or packaging, is subject to the requirements for food handlers specified in 105 CMR 300.00, and all edible Marijuana Products will be prepared, handled, and stored in compliance with sanitation requirements in 105 CMR 500.000, and with the requirements for food handlers, specified in 105 CMR 300.000.
 2. Any agent of The Source+ working in direct contact with preparation of Marijuana or nonedible Marijuana Products will conform to sanitary practices while on duty, including:
 3. Maintaining adequate personal cleanliness; and
 4. Washing hands thoroughly in an adequate hand-washing area before starting work, and at any other time when hands may have become soiled or contaminated.
- b. The Source+'s hand-washing facilities will be adequate and convenient and will be furnished with running water at a suitable temperature. Hand-washing facilities will be located in production areas and where good sanitary practices require employees to wash and sanitize their hands and will provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices. Specifically, hand-washing facilities are located in the following locations: one in each of the two (2) unisex toilet rooms and one in the employee breakroom.
- c. The Source+'s facility will have sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations;
- d. The Source+ will ensure that litter and waste is properly removed and disposed of so as to minimize the development of odor and minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal will be maintained in an adequate manner pursuant to 935 CMR 500.105(12);
- e. The Source+'s floors, walls, and ceilings will be constructed in such a manner that they may be adequately kept clean and in good repair;
- f. The Source+'s facility will have adequate safety lighting in all processing and storage areas, as well as areas where equipment or utensils are cleaned;
- g. The Source+'s buildings, fixtures, and other physical facilities will be maintained in a sanitary condition;
- h. The Source+ will ensure that all contact surfaces, including utensils and equipment, will be maintained in a clean and sanitary condition. Such surfaces will be cleaned and sanitized as frequently as necessary to protect against contamination, using a

sanitizing agent registered by the US Environmental Protection Agency (EPA), in accordance with labeled instructions. Equipment and utensils will be so designed and of such material and workmanship as to be adequately cleanable;

- i. All toxic items will be identified, held, and stored in a manner that protects against contamination of Marijuana Products. The Commission may require The Source+ to demonstrate the intended and actual use of any toxic items found on the premises;
- j. The Source+ will ensure that its water supply is sufficient for necessary operations. Any private water source will be capable of providing a safe, potable, and adequate supply of water to meet The Source+'s needs;
- k. The Source+'s plumbing will be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the Marijuana Establishment. Plumbing will properly convey sewage and liquid disposable waste from the location. There will be no cross-connections between the potable and wastewater lines;
- l. The Source+ will provide its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair;
- m. The Source+ will hold all products that can support the rapid growth of undesirable microorganisms in a manner that prevents the growth of these microorganisms; and
- n. The Source+ will store, and transport finished products under conditions that will protect them against physical, chemical, and microbial contamination, as well as against deterioration of finished products or their containers.
- o. The Source+ will ensure that its facility is always maintained in a sanitary fashion and will comply with all applicable sanitary requirements.

ii. **Recall Policy**

- a. The Source+ will follow established policies and procedures for handling voluntary and mandatory recalls of Marijuana Products.
- b. Such procedures are sufficient to deal with recalls due to any action initiated at the request or order of the Commission, and any voluntary action by The Source+ to remove defective or potentially defective Marijuana Products from the market, as well as any action undertaken to promote public health and safety.
- c. Any inventory that becomes outdated, spoiled, damaged, deteriorated, mislabeled, or contaminated will be disposed of in accordance with applicable regulatory provisions, and any such waste will be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations.

B. Testing

i. **Testing Policy**

- a. The Source+ will not sell or otherwise market Marijuana or Marijuana Products that are not capable of being tested by Independent Testing Laboratories, except as otherwise allowed, in accordance with 935 CMR 500.160(1).
- b. Test results for products pending wholesale transfer to The Source+'s facility will be reviewed by the Retail Manager [NTD: Note role and need to determine if this is the person who will be doing this] and compared against the packaging and labeling information prior to accepting the shipment.
- c. Marijuana will be tested for the Cannabinoid Profile and for contaminants as specified by the Commission including, but not limited to, mold, mildew, heavy

metals, plant growth regulators, and the presence of pesticides, in accordance with 935 CMR 500.160(2).

- d. In addition to these contaminant tests, final ready-to-sell Marijuana Vaporizer Products must be screened for heavy metals and Vitamin E Acetate (VEA) in accordance with the relevant provisions of the Protocol for Sampling and Analysis of Finished Marijuana and Marijuana Products for Marijuana Establishments, Medical Marijuana Treatment Centers and Co-located Marijuana Operations.
- e. In compliance with the Protocol, testing for all production batches of finished plant material will include pesticides and plant growth regulators and production batches to be dispensed as finished Product will be tested for Metals, Bacteria, fungi, mycotoxins, and Cannabinoid profile.
- f. All Products sold as resin or concentrates will be tested for Solvents (if used) and Metals with only production batches to be dispensed as finished product tested for bacteria, fungi, mycotoxins and Cannabinoid profile. Edibles, tinctures and topicals will be tested for bacteria, fungi, mycotoxins and Cannabinoid profile.
- g. All Products will be tested in accordance with Commission guidance and orders in place at the time of testing.
- h. Single-servings of Marijuana Products tested for potency in accordance with 935 CMR 500.150(4)(a) will be subject to a potency variance of no greater than plus/minus ten percent (+/- 10%).
- i. The Source+ will notify the Commission within 72 hours of any laboratory results indicating contamination that cannot be remedied, and will disposing of all affected products, in accordance with 935 CMR 500.160(4).
- j. The Source+ will maintain the results of all testing for not less than one year.

C. Packaging and Labeling

This SOP applies to all packaging and labeling procedures associated Marijuana Products handled, Repackaged, White labeled or sold by The Source+. The Source+ management will update SOP's as needed per regulation or other mandates. This SOP will be reviewed at least yearly.

i. Packaging Policy

- a. In compliance with 935 CMR 500.105(6), all Marijuana and Marijuana Products will be packaged in accordance with the following:
 - 1. All Marijuana Products that are provided for sale to consumers will be sold in child-resistant packaging;
 - 2. To the extent that it is not unreasonably impracticable for the specific type of product, Marijuana Products will be packaged in containers that are:
 - a. opaque and plain in design;
 - b. do not use bright colors, cartoon characters and other features designed to appeal to minors;
 - c. resealable for any Marijuana Product intended for more than a single use or containing multiple servings; and
 - d. certified by a qualified child-resistant packaging testing firm that the packaging is in compliance with the most recent poison prevention packaging regulations of the US Consumer Product Safety Commission as included at 16 CFR 1700; or

3. That where compliance with the requirements of child-resistant packaging is deemed to be unreasonably impracticable, Marijuana Products will be placed in an exit package that is:
 - a. capable of being resealed and made child-resistant resistant again after it has been opened;
 - b. includes the following statement, including capitalization, in at least ten-point Times New Roman, Helvetica or Arial font: KEEP OUT OF REACH OF CHILDREN; and
 - c. is certified by a qualified child-resistant packaging testing firm that the packaging is in compliance with the most recent poison prevention packaging regulations of the US Consumer Product Safety Commission as included at 16 CFR 1700.

ii. **Packaging of Marijuana and Marijuana Products**

a. **Limits on Packaging Design**

1. Packaging for Marijuana Products sold or displayed for consumers, including any label or imprint affixed to any packaging containing Marijuana Products or any exit packages will not be attractive to minors and will refrain from:
 - a. using bright colors, defined as colors that are “neon” in appearance;
 - b. imitating or having a semblance to any existing branded consumer products, including foods and beverages, that do not contain Marijuana;
 - c. featuring cartoons;
 - d. featuring a design, brand or name that resembles a non-cannabis consumer product of the type that is typically marketed to minors;
 - e. featuring symbols or celebrities that are commonly used to market products to minors;
 - f. featuring images of minors; or
 - g. featuring words that refer to products that are commonly associated with minors or marketed to minors.

b. **Packaging of Multiple Servings**

1. Packaging for Marijuana Products sold or displayed for consumers in multiple servings will include the following statement on the exterior of the package in a printed font that is no smaller than ten-point Times New Roman, Helvetica or Arial, including capitalization: “INCLUDES MULTIPLE SERVINGS.”
2. Furthermore, packaging for Marijuana Products in solid form sold or displayed for consumers in multiple servings will allow a consumer to easily perform the division into single servings by adhering to the following:
 - a. Edibles in a solid form will be easily and permanently scored to identify individual servings.
 - b. Notwithstanding 935 CMR 500.105(6)(c), where a product is unable, because of its form, to be easily and permanently scored to identify individual servings, the product will be packaged in a single serving size. The determination as to whether a product is able to be easily and permanently scored will be decided by the Commission, consistent with sub-regulatory guidelines established by the Commission.

3. Packaging for Marijuana Product beverages shall be packaged solely in a single serving size.
4. Multiple serving beverages are strictly prohibited for sale.
5. Each serving of an Edible within a multi-serving package of edible Marijuana Products must be easily separable in order to allow an average person 21 years of age or older to physically separate, with minimal effort, individual servings of the product. Each single serving of an Edible contained in a multiple-serving package will be marked, stamped or otherwise imprinted with the symbol issued by the Commission under 935 CMR 500.105(5): *Labeling of Marijuana and Marijuana Products* that indicates that the single serving is a Marijuana Product.
6. Serving size will be determined by the processor, but in no instance will an individual serving size of any Marijuana Product contain more than five milligrams of delta-nine-tetrahydrocannabinol (D9-THC) subject to the testing variance specified in 935 CMR 500.160(12).

c. Packaging and Labeling Pre-Approval

1. Prior to Marijuana or Marijuana Product being sold at a Marijuana Establishment, The Source+ may submit an application, in a form and manner determined by the Commission.
2. An application can be submitted at any time prior to Marijuana or Marijuana Product being sold or at any time a substantive change is made to the packaging or labeling.
3. The Commission may charge a fee of \$50.00 for packaging and labeling preapproval.
4. Packaging and labeling pre-approval review will be limited to the physical attributes of, and statutorily required warnings on, the packaging and label, including but not limited to legibility.
5. The pre-approval review will not include a review of specific Independent Testing Laboratory test results required pursuant to 935 CMR 500.105(5) and (6).
6. The packaging and labeling preapproval process will be in addition to the requirements of 935 CMR 500.105(4) through (6).
7. Packaging pre-approval review submission will include electronic files of the following to the Commission:
8. For packaging pre-approval, two images of the packaging.
 - a. One depicting the front of the packaging.
 - b. One depicting the back of the packaging.
 - c. Photographs must be electronic files in a JPEG format with a minimum photo resolution of 640 x 480 and print resolution of 300 DPI.
 - d. Photographs must be against a white background.
9. For labeling pre-approval, one image of each label requested for review.
 - a. Photographs must be electronic files in a JPEG format with a minimum photo resolution of 640 x 480 and print resolution of 300 DPI.
 - b. Photographs must be against a white background.

10. In the event that a pre-approval determination is unable to be made conclusively based on submitted photographs, The Source+ will, as reasonable, accommodate any Commission request to view the packaging or label in person or through a video conference.

D. Labeling of Marijuana and Marijuana Products

i. Labeling of Marijuana Not Sold as a Marijuana Product

a. Prior to Marijuana being sold or transferred, a legible label will be firmly affixed with wording in no less than 1/16 of an inch in size on each package of Marijuana that it makes available for retail sale or wholesale, containing at a minimum the following information:

1. The name and registration number, telephone number and email address of the Licensee that produced the Marijuana, together with our retail business telephone number, electronic mail address, and website information, if any;
2. The date that the contents were packaged, and a statement of which The Source+ performed the packaging;
3. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and processing;
4. Net weight or volume in US customary and metric units, listed in that order;
5. The full cannabinoid profile of the Marijuana contained within the package, including THC and other cannabinoid level;
6. A statement and a seal certifying that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;
7. This statement, including capitalization: “This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.”;
8. The following symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana:
9. The following symbol or other easily recognizable mark issued by the



Commission that indicates that the product is harmful to children:



ii. **Labeling of Edibles**

a. In accordance with 935 CMR 500.105(5)(b), prior to an Edible being sold or transferred, a legible label will be firmly Affixed, with wording in no less than 1/16 of an inch in size, on each Edible that it prepares for retail sale or wholesale, containing at a minimum the following information:

1. The name and registration number of the Marijuana Product Manufacturer that produced the Marijuana Product, together with business telephone number, electronic mail address, and website information, if any;
2. The name of the Marijuana Product;
3. Refrigeration of the product is required, as applicable;
4. Total net weight or volume in US customary and metric units, listed in that order;
5. The number of servings within the Marijuana Product based on the limits provided in 935 CMR 500.150(3): Additional Labeling and Packaging Requirements for Edibles and the specific weight in milligrams of a serving size;
6. The type of Marijuana used to produce the product, including what, if any, processing technique or solvents were used;
7. A list of ingredients, including the full cannabinoid profile of the Marijuana contained within the Marijuana Product, including the amount of delta-nine-tetrahydrocannabinol (D9-THC) and other cannabinoids in the package and in each serving of a Marijuana Product as expressed in absolute terms and as a percentage of volume;
8. The amount, in grams, of sodium, sugar, carbohydrates and total fat per serving;
9. The date of creation and the recommended “use by” or expiration date which will not be altered or changed;
10. A batch number, sequential serial number and bar codes when used, to identify the batch associated with manufacturing and processing;
11. Directions for use of the Marijuana Product;
12. A statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;
13. A warning if nuts or other Known Allergens are contained in the product;
14. This statement, including capitalization:
 - a. “The impairment effects of edible products may be delayed by two hours or more. This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. **KEEP THIS PRODUCT AWAY FROM CHILDREN**”;

15. The following symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana:



16. The following symbol or other easily recognizable mark issued by the Commission that indicates that the product is harmful to children:



iii. **Additional Requirements for Edibles**

- a. In addition to the requirements set forth in M.G.L. c. 94G, § 4(a^{1/2})(xxvi), and 935 CMR 500.105(5) and (6), The Source+ will ensure that the following information or statement is affixed to every container holding an Edible:
- 1.If the Edible is perishable or time and temperature controlled, a statement that the Edible Marijuana Product must be refrigerated.
 - 2.The date on which the Edible was produced.
 - 3.A nutritional fact panel that must be based on the number of THC servings within the container.
 - 4.Information regarding the size of each serving for the product by milligrams, the total number of servings of Marijuana in the product, and the total amount of active THC in the product by milligrams (mgs). For example: "The serving size of active THC in this product is X mg(s), this product contains Y servings of Marijuana, and the total amount of active THC in this product is (X*Y) mg(s)."
 - 5.A warning that the impairment effects of Edible Marijuana may be delayed by two hours or more.
- b. Once a label with a use-by date has been affixed to a container holding an Edible, The Source+ will not alter that date or affix a new label with a later use-by date.
- c. Edibles cannot exceed 5.5 mg of active THC per serving and the package cannot exceed 110 mg of active THC.

iv. **Labeling of Marijuana Concentrates and Extracts**

- a. Prior to Marijuana concentrates or extracts being sold or transferred, a legible label will be firmly Affixed, with wording in no less than 1/16 of an inch in size, on each Marijuana concentrate container that it prepares for retail sale or wholesale, containing at a minimum the following information:
1. The name and registration number of the Marijuana Product Manufacturer that produced the Marijuana Product, together with the Marijuana Product Manufacturer's business telephone number, e- mail address, and website information, if any;

2. The name of the Marijuana Product;
3. Product identity including the word “concentrate” or “extract” as applicable;
4. Total net weight of volume expressed in US customary units and metric units, listed in that order;
5. If applicable, the number of servings in the Marijuana Product based on the limits provided in in 935 CMR 500.150(4) and the specific weight in milligrams of a serving size
6. The type of Marijuana used to produce the product, including what, if any, processing technique or solvents were used;
7. A list of ingredients including, but not limited to, the full Cannabinoid Profile of the Marijuana contained within the Marijuana Product, including the amount of delta-nine-tetrahydrocannabinol (Δ 9-THC) and other Cannabinoids in the package and in each serving of a Marijuana Product as expressed in absolute terms and as a percentage of volume, and the amount of specific additives infused or incorporated during the manufacturing process, whether active or inactive, including, but not limited to, thickening agents, thinning agents, and specific terpenes, expressed in absolute terms and as a percentage of volume;
8. For Marijuana Vaporizer Devices, identification of specific additives must include, but not be limited to, any additives identified on the FDA’s Inactive Ingredient Database for “Respiratory (inhalation)” or “Oral” routes of administration and based on dosage form as an aerosol product or inhalant. The FDA Inactive Ingredient Database is available at <https://www.fda.gov/media/72482/download>. If the FDA database or its equivalent is no longer available, licensees shall use the database identified by the Commission
9. For Marijuana Vaporizer Devices produced using only cannabis derived terpenes, the following statement: “This product was produced using only cannabis-derived terpenes.”
10. For Marijuana Vaporizer Devices produced using terpenes other than cannabis-derived terpenes, the following statement: “This product was produced using terpenes derived from sources other than cannabis.”
 - a. The date of creation and the recommended “use by” or expiration date;
 - b. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and processing;
 - c. Directions for use of the Marijuana Product;
 - d. A statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;
 - e. A warning if nuts or other Known Allergens are contained in the product;
 - f. This statement, including capitalization: “This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.”;
 - g. The following symbol or easily recognizable mark issued by the

Commission that indicates the package contains Marijuana:



- h. The following symbol or other easily recognizable mark issued by the Commission that indicates that the product is harmful to children:



v. **Labeling of Marijuana Infused Tinctures and Topicals**

- a. Prior to Marijuana infused Tinctures or topicals being sold or transferred a legible label will be firmly Affixed with wording in no less than 1/16 of an inch in size, on each container of Marijuana infused Tincture or topical that it prepares for retail sale or wholesale, containing at a minimum the following information:
1. The name and registration number of the Marijuana Product Manufacturer that produced the Marijuana Product, together with Marijuana Product Manufacturer's business telephone number, e-mail address, and website information, if any;
 2. The Marijuana Product's identity;
 3. The type of Marijuana used to produce the product, including what, if any, processing technique or solvents were used;
 4. A list of ingredients, including the full cannabinoid profile of the Marijuana contained within the Marijuana Product, including the amount of delta-nine-tetrahydrocannabinol (D9-THC) and other cannabinoids in the package and in each serving of a Marijuana Product as expressed in absolute terms and as a percentage of volume;
 5. Total net weight or volume as expressed in US customary units or metric units, listed in that order;
 6. If applicable, the number of servings based on the limits provided in 935 CMR 500.150(3): Additional Labeling and Packaging Requirements for Edibles and the specific weight in milligrams of a serving size;
 7. The date of product creation;
 8. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and processing;
 9. Directions for use of the Marijuana Product;
 10. A statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;

11. A warning if nuts or other Known Allergens are contained in the product;
12. This statement, including capitalization:
 - a. “This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. **KEEP THIS PRODUCT AWAY FROM CHILDREN.**”;
13. The following symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana:



14. The following symbol or other easily recognizable mark issued by the Commission that indicates that the product is harmful to children:



15. In circumstances where the labeling of the Marijuana Product is unreasonable or impractical, The Source+ may include the labeling information on a peel- back label or may place the product in a sealed bag with an insert or additional, easily readable label firmly affixed to that bag.

vi. **Labeling of Repackaged Marijuana**

- a. Prior to Repackaged Marijuana being sold, The Source+ may place a legible, firmly Affixed label on which the wording is no less than 1/16 inch in size on each container of Marijuana that it prepares for retail sale. The Affixed label must contain at a minimum, the following information:
 1. The name and registration number of the Cultivator that produced the Marijuana.
 2. Business or trade name of licensee that packaged the product, if different from the Cultivator;
 3. Date of harvest;

4. Type of Marijuana or name of strain;
5. The full Cannabinoid Profile of the Marijuana contained within the Repackaged Product, including the amount of delta-nine-tetrahydrocannabinol (Δ 9-THC) and other Cannabinoids in the package;
6. The net weight or volume as expressed in US customary units or metric units;
7. A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and processing;
8. A statement and a seal that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with M.G.L. c. 94G, § 15;
9. This statement, including capitalization:
 - a. “This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. **KEEP THIS PRODUCT AWAY FROM CHILDREN.**”;
10. The following symbol or easily recognizable mark issued by the Commission that indicates the package contains Marijuana:



11. The following symbol or other easily recognizable mark issued by the Commission that indicates that the product is harmful to children:



12. In circumstances where the labeling of the Marijuana Product is unreasonable or impractical, The Source+ may include the labeling information on a peel-back label or may place the product in a take-away bag with an insert or additional, easily readable label placed within that bag.

vii. **Internal Packaging and Labeling Approval**

- a. Prior to accepting a wholesale transfer, the Inventory Manager will request from the originating licensee the following for a compliance review:

1. Photo of packaging and container;
2. Image or copy of labeling information for the exact batch The Source+ is expected to receive;
3. Child Resistant Certification
4. Test results; and
5. Insert information

References

935 CMR 500.000: Adult Use of Marijuana

M.G.L. c. 94G: Regulation of the Use and Distribution of Marijuana Not Medically Prescribed

Attachments

A. Attachment 1- Product List and Description

- i. See Attached Excel Document-Product List with Descriptions*

Just Healthy LLC

Diversity, Equity, and Inclusion Plan

Commitments to diversity, equity, and inclusion – including of communities facing barriers to employment, such as people of color with prior cannabis convictions – will serve as cornerstones of Just Healthy’s hiring plan (“DEI Plan”) in the state of Massachusetts. Just Healthy seeks to ensure equal opportunity and the affirmative employment of individuals of all walks of life and past experiences. As explained below, these commitments begin at the stage of identifying potential employees, but do not end there; Just Healthy will monitor recruitment, hiring decisions, as well as retention and advancement to build a workplace that respects, celebrates, and cultivates diverse perspectives and experiences.

As further explained below, the highlights of Just Healthy’s DEI Plan include:

- Ambitious but achievable goals of approximately 67% of full-time employees self-identifying as diverse in at least one respect, as well as at least 67% of full-time employees hailing from the applicable locality or disproportionately impacted communities.
- Ambitious outreach to meet potential employees of color where they are, utilizing multiple, specific avenues designed to yield diverse applicants. These include:
 - Posting all open positions on the Employment Opportunities web page of local job boards; and
 - Micro-focus job advertisements to persons of color within the applicable locality on both traditional and social media platforms.
- Focus on DEI goals at all stages of the employment life cycle, including outreach to potential employees, applications, hiring, retention, and advancement.
- Commitment and involvement at the highest levels of executive leadership.
- Payment of course fees for all necessary trainings, third party certifications, and continuing education.
- Aiming to use minority-, women-, and veteran-owned enterprises for up to 100% of vendor contracts.

Development and Administration

The DEI Plan was developed by Just Healthy’s founders in collaboration with Just Healthy’s Chief Diversity Officer, and is based on the U.S. Department of Labor’s guidance for small businesses and guidance from the Cannabis Control Commission. The DEI plan will be overseen by Just Healthy’s Director of Retail, Jesse Rabb, and implemented by Just Healthy’s Chief Diversity Officer and Chief Operating Officer.

The DEI Plan also enjoys the benefit of the experiences of Just Healthy’s founders in operating dispensaries with diverse employees in Nevada. The Source Holding LLC is operated

by a diverse group of individuals; among The Source Holding LLC's nine directors, four individuals identify as female, and two individuals identify as persons of color.

2020 and early 2021 in particular have heightened awareness about difficult but needed discourse around ensuring the equal rights of people of color, and have been times of learning for employers. Cognizant of the need continually to improve its support of all employees, Just Healthy's parent, The Source Holding LLC, conducted comprehensive DEI surveys and trainings throughout all of its operations in 2020. The results of these efforts were as follows:

- The Source Holding LLC completed a comprehensive DEI survey across all of its operations, regarding employees' feelings about their ability to be their authentic selves while at work, as well as employee involvement in decision-making, fairness of compensation, and feelings of openness, respect, and belonging in the workplace.
- The Source Holding LLC completed a comprehensive DEI training with its entire leadership team, as well as a follow-up training regarding the results of the DEI survey and measures to improve DEI initiatives going forward.
- The Source Holding LLC generated – with the help of outside consultants – clear, actionable ideas to improve its progress towards DEI goals, including creating a reverse mentoring program to ensure that employee perspectives filter upwards through the company, increasing avenues for constructive feedback for managerial and supervisory employees, regular engagement of expert stakeholders, increasing clarity and transparency in compensation negotiations, and highlighting the contributions of all employees.
- The Source Holding LLC sought to be an empathetic, understanding employer during the many necessary demonstrations surrounding the equal rights of persons of color in 2020-21. In specific, The Source Holding LLC made Juneteenth an optional holiday, and approved paid time off requests for employees to participate in protests in support of Black Lives Matter and similar initiatives.

DEI Plan Goals

The DEI Plan sets forth both qualitative and quantitative goals for diversity, equity, and inclusion. Just Healthy will strive to:

- Foster and promote teamwork, understanding, and respect for all team members, regardless of race, ethnicity, sexual orientation, veteran status, gender expression, and prior involvement with law enforcement related to cannabis.
- Cultivate an environment in which all team members can thrive, advance, and grow in a career that includes a variety of opportunities within the Massachusetts adult and medical use cannabis industries.
- Utilize metrics at all stages of recruitment, hiring, and advancement to keep diversity goals top of mind at all phases of employment.
- Serve as a model of diverse employment within the Massachusetts cannabis industry.
- Further increase economic benefits to under-represented portions of the local community by contracting with certified minority-, women-, and veteran-owned businesses.

Just Healthy will seek to achieve the following benchmarks:

- Achieve a proportion of at least 67% of full-time employees identifying as:
 - persons of color,
 - members of the LGBTQ+ community,
 - women,
 - persons with a disability
 - veterans, or
 - persons with non-disqualifying convictions and/or arrests related to possession of controlled substances.
- Achieve a proportion of at least 67% of full-time employees residing locally or in communities identified by the Cannabis Control Commission as historically disproportionately impacted by cannabis-related law enforcement.
- Evaluate the possibility for contracting with minority-, women-, and veteran-owned businesses in 100% of vendor contracts, and utilize a preference for such businesses in contracting decisions to achieve at least 25% of contracting with minority-, women-, and veteran-owned businesses on a dollar value basis.

DEI Emphasis Throughout the Employment Life Cycle

Just Healthy will emphasize the importance of diversity, equity, and inclusion, at all stages of hiring and employment, as explained below:

- Outreach: Just Healthy will ensure that its hiring message reaches a diverse set of candidates in the local community. To do so, Just Healthy will:
 - Utilize social media advertising that makes use of geo-targeting features to pinpoint advertisement of employment opportunities to local communities and communities identified as disproportionately impacted by the historic enforcement of cannabis prohibitions.
 - Just Healthy will partner with the Massachusetts Military Support Foundation to identify hiring opportunities and provide job training and continuing job support for local veterans and their families. Just Healthy also anticipates donating \$15,000 annually to support programming needs.
 - Just Healthy will work with local partners to identify job fairs and similar events frequented by job seekers residing locally.
 - Engage with a local job placement agency that specializes in placing diverse applicants with career opportunities in the cannabis field.
- Hiring: Just Healthy will seek to attain concrete DEI goals in hiring, both respect to proportions of individuals who:
 - identify as persons of color, members of the LGBTQ+ community, veterans, persons with disabilities, or (to the extent permitted by state law) persons with non-disqualifying convictions and/or arrests related to possession of cannabis; and
 - reside locally or in communities identified by the Cannabis Control Commission as historically disproportionately impacted by cannabis-related law enforcement.
- Just Healthy will track the self-reported diversity characteristics of individuals who choose to submit an application for employment, who are selected to interview for an available position, and who are ultimately hired. Just Healthy will analyze this data to identify

bottlenecks and to focus efforts on increasing the proportion of diverse applicants who are ultimately successful in obtaining employment.

- Retention and Advancement: In addition to analyzing hiring, Just Healthy will create, maintain, and review metrics related to diversity in current employees. Just Healthy will primarily ask whether:
 - Diverse employees are remaining employed with Just Healthy at the same rate as all Just Healthy employees, as well as factors affecting the decisions of diverse employees to remain employed with Just Healthy or to seek other employment.
 - Diverse employees are advancing at the same rate as all Just Healthy employees, by analyzing promotion decisions and the makeup of managers and leadership.

Employment Opportunities for Veterans and Direct Financial Support to Veterans

Just Healthy will collaborate with the Massachusetts Military Support Foundation to identify employment opportunities for veterans. Just Healthy will also provide job training and continuing individualized employment support to local veterans as well as their family members. Just Healthy also anticipates donating \$15,000 annually to support the Massachusetts Military Support Foundation programming.

Responsibilities of Executive Management

The Chief Diversity Officer and Chief Operating Officer and their designees are responsible for the management of the DEI with oversight by the Chief Executive Officer. These responsibilities include, but are not limited to, the following:

- Developing Equal Employment Opportunity policy statements, affirmative action programs, and internal and external communication procedures.
- Assisting in the ongoing assessment, identification, and remediation of areas in which Just Healthy is not achieving its DEI goals.
- Developing concrete, actionable, and effective solutions in situations in which Just Healthy is not achieving its DEI goals.
- Designing and implementing an internal audit and reporting system that:
 - Measures the effectiveness of the DEI program;
 - Determines the degree to which DEI goals and objectives are met; and
 - Identifies needs for remedial actions to achieve DEI goals.
- Keeping executive leadership regularly informed of progress towards DEI goals.
- Reviewing the DEI Plan with all managers and supervisors to ensure that the DEI Plan is followed in all personnel activities.
- Auditing the contents of Just Healthy's internal message boards and intranet to ensure the availability of information related to the DEI plan.

Responsibilities of Managerial and Supervisory Staff

All managerial and supervisory staff are responsible to implement the DEI Plan. These responsibilities include, but are not limited to the following:

- Assisting in the identification of problem areas, formulating solutions, and establishing departmental goals and objectives when necessary.
- Reviewing the qualifications of all applicants and employees to ensure qualified individuals are treated in a nondiscriminatory manner related to hiring, promotion, transfer, and termination actions.
- Reviewing the job performance of each employee to assess whether personnel actions are justified solely upon the basis of the employee’s performance of his or her duties and responsibilities.

Action Programs

The Chief Diversity Officer may at any time institute action programs to address identified areas of improvement to help achieve specific DEI Plan objectives in the locality, in consultation with its Director of Retail. A three- to five- member Diversity Advisory Committee (“DAC”), appointed by the CEO, including our Chief Diversity Officer and Chief Operations Officer, shall implement any new programs and communicate them throughout Just Healthy. These programs may include:

- Conducting annual analyses of job descriptions to ensure they accurately reflect job functions.
- Reviewing job descriptions by department and job title using job performance criteria.
- Making job descriptions available to recruiting sources and available to all members of management involved in the recruiting, screening, selection, and promotion processes.
- Evaluating the total selection process to ensure freedom from bias throughout.

DEI Plan Goals and Action Steps

Just Healthy describes below the main goals that inform its DEI Plan and the designated action steps to achieve them, based upon the experience of its principals. Though these goals form an important groundwork, like all aspects of the DEI Plan, they are subject to ongoing scrutiny and updating based on Just Healthy’s progress towards its DEI goals.

- Develop and implement hiring guidelines to encourage diversity and ensure that age, cultural identity, gender identity or expression, racial and ethnic identity, physical and mental ability, political or ideological perspectives, religious and spiritual identity, sexual orientation, and/or social and economic status are not barriers when recruiting or employing the workforce.
 - State explicitly in any published materials and job ads that Just Healthy welcomes applications from members of underrepresented or minority groups and that Just Healthy does not discriminate on the basis of sex, sexual orientation, religion, disabilities, etc. More than simply not engaging in illegal discrimination, Just Healthy seeks proactively to discourage discrimination and promote its DEI Plan.
 - Work with a local career placement agency focusing on workforce development that specializes in placing applicants from underrepresented communities. Just

Healthy will partner with a local workforce development organization to tailor training curriculum for local individuals and disproportionately impacted communities as designated by the Cannabis Control Commission to encourage meaningful careers cannabis industry at wages that are substantially above minimum wage and with advancement potential.

- Just Healthy may host or sponsor expungement clinics for individuals with marijuana related offenses that are no longer subject to criminal prosecution in an effort to clear their records, provide informational resources, and assist in finding careers in the medical marijuana industry in connection with Massachusetts leaders in this area, such as CultivatED.
- Encourage courteous and proactive leadership in the company.
 - To be successful, the DEI Plan must be embraced by all members of management.
 - On a weekly basis, supervisory staff is expected to check in with each individual employee, one-on-one. Management will foster meaningful with each employee about their previous workweek in terms of personal and professional satisfaction and gauge if a longer conversation is warranted.
- Ensure wage equality amongst diverse employees.
 - Regularly conduct labor market surveys to ensure that Just Healthy is paying competitive wages within the industry. Just Healthy will disclose median employee salaries and transparent information about hourly wages.
 - Ensure that individuals are compensated equally and fairly for the same job regardless of race, or gender, sexual orientation, age, and other similar characteristics.
 - Conduct regular performance reviews with employees to discuss their contribution to the company and the medical marijuana patient community. Just Healthy will keep an open line of honest communication with employees to explain the factors that impact their compensation.
- Educate staff regularly on the topics of diversity, equity, and inclusion.
 - Ensure that all employees experience a variety of multicultural perspectives in training and in the workplace.
 - Develop and host bi-annual employee appreciation and diversity education event for employees, taking cultural sensitivities into account when planning food choices, event activities, date of event, etc.
 - Ensure that monthly employee communications will include at least two stories that highlight the importance and contributions of diversity and/or inclusion.
- Maintain a close connection between supervisory staff and individual employees.
 - Implement a mentor program for new hires and senior employees. The mentor program allows for peer support and assists new hires by giving them a resource to help them navigate within the culture of Just Healthy.
 - Support a paid volunteer program wherein employees volunteer as a group for local organizations in need and in the name of Just Healthy.
- Obtain consistent and honest feedback about our diversity efforts from employees and clients.

- Encourage employee feedback via an Open-Door Policy that promotes candor and transparency, allowing Just Healthy to focus on the issues impacting the environment and business processes.
- Routinely assess the culture and climate of Just Healthy to understand how the company is perceived and experienced by employees and clients. The DAC will work in collaboration with the CEO to address issues that emerge from these assessments. The DAC will utilize a best practices approach to identify any gaps that appear in our DEI efforts.

Actionable Timeframes

Because achieving DEI goals is an ongoing task, Just Healthy will follow clear timelines to implement the DEI Plan:

- Weekly:
 - On rotation, one executive-level staff member must complete three hours on the ground with staff employees and in our operations.
 - Supervisory staff must check-in with each individual employee and document that they have done so.
- Monthly:
 - The Human Resources department staff must produce employee communication content focused on the contributions of diverse employees and the value of diversity, equity, and inclusion.
 - On a rotating basis, employees will be regularly provided with a survey on company diversity efforts.
- Bi-Monthly:
 - The DAC will convene to discuss:
 - Recent events regarding Just Healthy’s diversity efforts.
 - How to better meet Just Healthy’s DEI goals.
 - How to create educational opportunities and awareness of diversity, equity, and inclusion.
 - Improving employee engagement rates among other associated topics.
 - The DAC will update the Employee Median Salary Report and ensure that it is accessible to employees.
- Annually:
 - Annual Diversity Audit to be completed by the DAC.
 - Presentation of the Annual Diversity Audit findings to the executive management team.

Promoting DEI Goals through Contracting

Just Healthy will evaluate every vendor contract decision for the potential to contract with minority-, women-, and veteran-owned businesses, and will pursue a goal of achieving at least 25 of contracts with such businesses on a dollar value basis.

DEI Training Materials

All trainings delivered pursuant to our DEI Plan will be provided in-house by either the CEO, Chief Diversity Officer or Chief Operating Officer to emphasize the importance of these policies to our employees. Training will be updated and provided annually based on changes to the DEI Plan and advancements in diversity programming.

DEI Plan Auditing

Just Healthy believes accountability is critical in achieving our desired diversity results. Each year, the DAC will meet with our Chief Diversity Officer and perform an in-depth audit of our diversity efforts and progress towards our DEI goals. The DAC will be led by the CEO and managed by a designated employee. The DAC will be comprised of third-party advisors, management and staff level employees and include representatives from our community partners. The collected information from the current and previous year will be reviewed to identify strengths and shortcomings with respect to DEI goals. Audit findings will then be presented by the DAC to the company's executive management team.

Our Chief Diversity Officer will be responsible for developing and preparing the formal documents of the audit. The CEO will be responsible for the effective implementation of the DEI Plan, though responsibility for implementation of the plan also rests with every managerial and supervisory employee.

As part of the audit, the DAC will review the following personnel activities to ensure nondiscrimination and equal employment opportunity for all individuals without regard to their race, color, sex, sexual orientation, gender identity, religion, national origin, and similar characteristics:

- Recruitment, advertising, and job application procedures;
- Hiring, promotion, upgrading, award of tenure, layoff, recall from layoff;
- Rates of pay and any other forms of compensation including fringe benefits;
- Job assignments, job classifications, job descriptions, and seniority lists;
- Sick leave, leaves or absence, or any other leave;
- Training, apprenticeships, and attendance at professional meetings and conferences; and
- Any other term, condition, or privilege of employment.

The DAC will maintain the following documents as a component of the internal audit process:

- An applicant flow log showing the name, race, sex, date of application, job title,
- interview status and the action taken for all individuals applying for job opportunities;
- Summary data of external job offers and hires, promotions, resignations, terminations, and layoffs by job group and by sex and minority group identification.