



# Massachusetts Cannabis Control Commission

## Marijuana Microbusiness

### General Information:

License Number: MB282429  
Original Issued Date: 01/10/2025  
Issued Date: 01/10/2025  
Expiration Date: 01/10/2026

## ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Red Barn Growers, LLC

Phone Number: 413-896-6546  
Email Address: Redbarngrowers@outlook.com

Business Address 1: 24 Pickering Street  
Business City: Chicopee Business State: MA Business Zip Code: 01013  
Business Address 2:  
Mailing Address 1: 24 Pickering Street  
Mailing City: Chicopee Mailing State: MA Mailing Zip Code: 01013  
Mailing Address 2:

## CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

## PRIORITY APPLICANT

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

## RMD INFORMATION

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

## PERSONS WITH DIRECT OR INDIRECT AUTHORITY

### Person with Direct or Indirect Authority 1

Percentage Of Ownership: 100 Percentage Of Control: 100  
Role: Manager Other Role:

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

**ENTITIES WITH DIRECT OR INDIRECT AUTHORITY**  
No records found

**CLOSE ASSOCIATES AND MEMBERS**  
No records found

**CAPITAL RESOURCES - INDIVIDUALS**  
No records found

**CAPITAL RESOURCES - ENTITIES**  
No records found

**BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES**  
No records found

**DISCLOSURE OF INDIVIDUAL INTERESTS**  
No records found

**MARIJUANA ESTABLISHMENT PROPERTY DETAILS**

Cultivation Environment: Indoor Establishment Activities: Cultivating  
Establishment Address 1: 1 Cabot Street Units 5 & 6  
Establishment Address 2:  
Establishment City: Holyoke Establishment Zip Code: 01040  
Approximate square footage of the Establishment: 4000 How many abutters does this property have?: 30  
Have all property abutters have been notified of the intent to open a Marijuana Establishment at this address?: Yes

**HOST COMMUNITY INFORMATION**

Host Community Documentation:

| Document Category                          | Document Name   | Type | ID                       | Upload Date |
|--|---|------|--------------------------|-------------|
| Community Outreach Meeting Documentation   | COM Abutter Notice - {RBG} - (7.25.23).pdf  | pdf  | 65296ba2ca49d200073d1c8b | 10/13/2023  |
| Community Outreach Meeting Documentation   | COM Newspaper Notice - {RBG} - (7.7.23).pdf   | pdf  | 65296ba4ca49d200073d1c9f | 10/13/2023  |
| Community Outreach Meeting Documentation   | COM Town Notice - {RBG} - (7.25.23).pdf   | pdf  | 65296ba75df17300087aa7d8 | 10/13/2023  |
| Plan to Remain Compliant with Local Zoning | Plan to Remain Compliant with Zoning - {Holyoke}.pdf                                | pdf  | 65296ba8ca49d200073d1cb3 | 10/13/2023  |
| Community Outreach Meeting Documentation   | 1 Cabot Street - 300 feet - Abutter Mailing Labels - Avery 5160 Format_Redacted.pdf | pdf  | 65296babca49d200073d1cca | 10/13/2023  |
| Community Outreach Meeting Documentation   | COM Attestation Form - {RBG}.pdf  | pdf  | 6529a297ca49d200073da73c | 10/13/2023  |
| Community Outreach Meeting Documentation   | Red Barn Attestation COM letters.pdf  | pdf  | 6570c3f83ba785000761549a | 12/06/2023  |

|  |  |     |                          |            |
|--|--|-----|--------------------------|------------|
| Community Outreach Meeting Documentation | Red Barn COM presented notes.pdf                   | pdf | 6570c4664a8d510008a13654 | 12/06/2023 |
| Community Outreach Meeting Documentation | HCA Certification Red Barn 1.26.24.pdf             | pdf | 65e024d2bb75a600086d4265 | 02/29/2024 |
| Executed HCA                             | HCA model Red Barn Executed 6.14.24-compressed.pdf | pdf | 666c852e368f12000859fcf7 | 06/14/2024 |

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

**POSITIVE IMPACT PLAN**

Positive Impact Plan:

| Document Category        | Document Name                | Type | ID                       | Upload Date |
|--------------------------|------------------------------|------|--------------------------|-------------|
| Plan for Positive Impact | PIP - {RBG} - (1.26.24) .pdf | pdf  | 65b3f3f358452f0008a0f267 | 01/26/2024  |

**ADDITIONAL INFORMATION NOTIFICATION**

Notification:

**INDIVIDUAL BACKGROUND INFORMATION**

Individual Background Information 1

Role: Owner / Partner

Other Role:

First Name: David

Last Name: Grey Suffix:

RMD Association: Not associated with an RMD

Background Question: no

**ENTITY BACKGROUND CHECK INFORMATION**

No records found

**MASSACHUSETTS BUSINESS REGISTRATION**

Required Business Documentation:

| Document Category  | Document Name                           | Type | ID                       | Upload Date |
|--|---|------|--------------------------|-------------|
| Articles of Organization                                 | Certificate of Organization - {RBG}.pdf | pdf  | 652970de5df17300087ab032 | 10/13/2023  |
| Department of Revenue - Certificate of Good standing     | CGS DOR - {RBG} - (10.9.23).pdf         | pdf  | 652970e0ca49d200073d258c | 10/13/2023  |
| Bylaws   | Red Barn OA [ICF] [7-17-2023].pdf       | pdf  | 652971325df17300087ab056 | 10/13/2023  |
| DUA attestation if no employees                          | CGS DUA - {RBG} - (10.13.23).pdf        | pdf  | 652971ff5df17300087ab19d | 10/13/2023  |
| Secretary of Commonwealth - Certificate of Good Standing | Cert GS SOC Red Barn.PDF                | pdf  | 6570ce5e3ba7850007616eb3 | 12/06/2023  |

No documents uploaded

Massachusetts Business Identification Number: 001585365

Doing-Business-As Name:

DBA Registration City: Not Applicable

### BUSINESS PLAN

Business Plan Documentation:

| Document Category            | Document Name   | Type | ID                       | Upload Date |
|------------------------------|---|------|--------------------------|-------------|
| Plan for Liability Insurance | Plan for Obtaining Liability Insurance - {RBG}.pdf              | pdf  | 65297342ca49d200073d28ec | 10/13/2023  |
| Business Plan                | Business Plan - {RBG} - (11.27.23).pdf                          | pdf  | 6570c8474a8d510008a13fc2 | 12/06/2023  |
| Business Plan                | Attestation on Persons with Control and Ownership Red barn .pdf | pdf  | 65b3f47f58452f0008a0f513 | 01/26/2024  |
| Proposed Timeline            | Proposed Timeline - {RBG} - (8.13.24).pdf                       | pdf  | 66bb5b57d94c2400088a24e9 | 08/13/2024  |

### OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

| Document Category                              | Document Name  | Type | ID                       | Upload Date |
|--|--|------|--------------------------|-------------|
| Maintaining of financial records               | Maintaining Financial Records - {RBG} - (8.31.23).pdf            | pdf  | 652977b2ca49d200073d31d1 | 10/13/2023  |
| Personnel policies including background checks | Personnel Policies - {RBG} - (8.31.23).pdf                       | pdf  | 652977b65df17300087abd76 | 10/13/2023  |
| Dispensing procedures                          | Dispensing Procedures - {RBG} - (8.31.23).pdf                    | pdf  | 652977b8ca49d200073d31e5 | 10/13/2023  |
| Energy Compliance Plan                         | Energy Compliance Plan - {RBG} - (8.31.23).pdf                   | pdf  | 652977baca49d200073d31f9 | 10/13/2023  |
| Inventory procedures                           | Inventory procedures - {RBG} - (8.31.23).pdf                     | pdf  | 652977bb5df17300087abd8a | 10/13/2023  |
| Policies and procedures for cultivating        | Policies and Procedures for Cultivation - {RBG} - (10.13.23).pdf | pdf  | 652977e6ca49d200073d3238 | 10/13/2023  |
| Qualifications and training                    | Qualifications and training - {RBG} - (8.31.23).pdf              | pdf  | 652977e9ca49d200073d324c | 10/13/2023  |
| Plan to Obtain Marijuana                       | Plan for Obtaining Marijuana - {RBG} - (10.13.23).pdf            | pdf  | 652977ebca49d200073d3260 | 10/13/2023  |
| Record Keeping procedures                      | Record Keeping Procedures - {RBG} - (8.31.23).pdf                | pdf  | 65297818ca49d200073d3295 | 10/13/2023  |
| Quality control and testing                    | Quality Control and Testing - {RBG} - (8.31.23).pdf              | pdf  | 6529781a5df17300087abde2 | 10/13/2023  |
| Storage of marijuana                           | Storage of Marijuana - {RBG} - (8.31.23).pdf                     | pdf  | 6529781bca49d200073d32d1 | 10/13/2023  |
| Transportation of marijuana                    | Transportation of marijuana - {RBG} - (8.31.23).pdf              | pdf  | 6529781cca49d200073d32e5 | 10/13/2023  |
| Security plan                                  | Security Plan - {RBG} - (8.31.23).pdf                            | pdf  | 6529781eca49d200073d32fb | 10/13/2023  |
| Safety Plan for Manufacturing                  | Safety & Security Plan - {Red Barn Growers} - (04.20.23).pdf     | pdf  | 6529782aca49d200073d3384 | 10/13/2023  |
| Diversity plan                                 | Diversity Plan - {RBG} - (12.6.23).pdf                           | pdf  | 6570ca453ba78500076163d4 | 12/06/2023  |
| Restricting Access to age 21 and               | Plan to restrict access 21 - {RBG} -                             | pdf  | 6570cdc23ba7850007616c73 | 12/06/2023  |

|                         |  |     |                          |            |
|-------------------------|--|-----|--------------------------|------------|
| older                   | (8.31.23).pdf  |     |                          |            |
| Prevention of diversion | Prevention of Diversion - {RBG} - (2.28.24).pdf          | pdf | 65e02517bb75a600086d42d1 | 02/29/2024 |
| Types of products       | Types of Products Manufactured - {RBG} - (2.28.24).pdf   | pdf | 65e026bb09bc0b0008713d5c | 02/29/2024 |
| Production methods      | Methods Used to Produce Products - {RBG} - (2.28.24).pdf | pdf | 65e0286f09bc0b0008713dad | 02/29/2024 |

### ATTESTATIONS

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

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

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

#### Notification:

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

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

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

### ADDITIONAL INFORMATION NOTIFICATION

Notification:

### COMPLIANCE WITH POSITIVE IMPACT PLAN - PRE FEBRUARY 27, 2024

No records found

### COMPLIANCE WITH DIVERSITY PLAN

No records found

### PRODUCT MANUFACTURER SPECIFIC REQUIREMENTS

No records found

### HOURS OF OPERATION

|                         |                       |
|-------------------------|-----------------------|
| Monday From: 8:30 AM    | Monday To: 9:00 PM    |
| Tuesday From: 8:30 AM   | Tuesday To: 9:00 PM   |
| Wednesday From: 8:30 AM | Wednesday To: 9:00 PM |
| Thursday From: 8:30 AM  | Thursday To: 9:00 PM  |
| Friday From: 8:30 AM    | Friday To: 9:00 PM    |
| Saturday From: 8:30 AM  | Saturday To: 9:00 PM  |
| Sunday From: 8:30 AM    | Sunday To: 9:00 PM    |

Upper Echelon Cultivation LLC  
Red Barn Growers LLC  
1 Cabot St.  
Holyoke, MA 01040

To: Abutters within 300' of 1 Cabot St.  
and Holyoke City Departments

June 30th, 2023

Dear Abutters and City of Holyoke,

We are giving notice that a Community Outreach Meeting for Upper Echelon Cultivaton LLC and Red Barn Growers LLC, two proposed marijuana microbusinesses, is scheduled for **July 25, 2023 at 5:15 pm** at the proposed location: **1 Cabot St. Holyoke, MA 01040**. There will be an opportunity for the public to ask questions or, email [ezra@blueskiescan.com](mailto:ezra@blueskiescan.com).

Sincerely,



Ezra Parzybok

Consultant on behalf of Upper Echelon Cultivation LLC & Red Barn Growers LLC

Public Notices

**Sale of Motor Vehicles Under G.L.c. 159B Sec 6B as Amended by Senate 466 of 1989**

Notice is hereby given by Reardon's Garage, Inc., 1537 Northampton St., Holyoke, MA pursuant to the provisions of G.L.c 255, p39 that on **Friday, July 7, 2023 at 12 p.m.** at 1537 Northampton St., Holyoke, MA the following motor vehicles will be sold at private sale to satisfy our garage keeper's lien.

2004 Honda Odyssey  
VIN: 5FNRL18694B020879  
LKO: Catherine Willson  
170 Hampshire St., Apt. 1L  
Holyoke, MA 01040

2007 Honda Odyssey  
VIN: 5FNRL38727B006458  
LKO: Maina Brito  
31 Varney St.  
Springfield, MA 01109

2009 Honda Civic  
VIN: 2HGFA16629H332492  
LKO: Carmen J Nivar  
43 Vernon St., 1st Flr  
Holyoke, MA 01040

2008 Nissan Altima  
VIN: 1N4CL21E38C116447  
LKO: Nicole A Descovich  
209 Manning Hill Rd.  
Winchester, NH 03470

2010 Honda Civic  
VIN: 2HGFA1F53AH305460  
LKO: Javier Burgos  
63 King St.  
Springfield, MA 01109

06/23, 06/30, 07/07/2023

**City of Holyoke Office of Planning & Economic Development License Board**

The Holyoke License Board will be holding a Public Hearing on **Wednesday, July 12, 2023, at 5:15 p.m.** You can join via Zoom.com; ID: 85787398285; CALL IN: \*67 646 558 8656 or in person at City Hall Annex 20 Korean Veterans Plaza Room 403, regarding the application for a Transfer of an All Annual All Alcohol Liquor License (On- Premises) from Slainte Inc. DBA Slainte, at 80 Jarvis Ave. to Pirate Queen, Inc at 80 Jarvis Ave., pursuant to M.G.L. Ch.138.

Applicant: Pirate Queen Inc.

License Board:  
Anthony Luciano, Chairman  
06/30, 07/07/2023

**Commonwealth of Massachusetts The Trial Court Hampden Probate and Family Court 50 State Street Springfield, MA 01103 Docket No. HD23P1258PM In the matter of: David Bryan Provencal, II Of: Holyoke, MA RESPONDENT (Person to be Protected/Minor) CITATION GIVING NOTICE OF PETITION FOR APPOINTMENT OF CONSERVATOR OR OTHER PROTECTIVE**

**ORDER PURSUANT TO G.L. c. 190B, §5-304 & §5-405**

To the named Respondent and all other interested persons, a petition has been filed by Amelia M Jayne of Holyoke, MA in the above captioned matter alleging that **David Bryan Provencal, II** is in need of a Conservator or other protective order and requesting that **Amelia M. Jayne** of Holyoke, MA (or some other suitable person) be appointed as Conservator to serve **Without Surety** on the bond.

The petition asks the court to determine that the Respondent is disabled,

that a protective order or appointment of a Conservator is necessary, and that the proposed conservator is appropriate. The petition is on file with this court.

**You have the right to object to this proceeding.** If you wish to do so, you or your attorney must file a written appearance at this court on or before 10:00 a.m. on the return date of **07/20/2023**. This day is NOT a hearing date, but a deadline date by which you have to file the written appearance if you object to the petition. If you fail to file the written appearance by the return date, action may be taken in this matter without further notice to you. In addition to filing the written appearance, you or your attorney must file a written affi-

dativ stating the specific facts and grounds of your objection within 30 days after the return date.

**IMPORTANT NOTICE**

**The outcome of this proceeding may limit or completely take away the above-named person's right to make decisions about personal affairs or financial affairs or both. The above-named person has the right to ask for a lawyer. Anyone may make this request on behalf of the above-named person. If the above-named person cannot afford a lawyer, one may be appointed at State expense.**

WITNESS, Hon. **Barbara M. Hyland**, First Justice of this Court.

Date: June 22, 2023  
**Rosemary A. Saccomani**  
Register of Probate  
07/07/2023

**Commonwealth of Massachusetts The Trial Court Hampden Probate and Family Court 50 State Street Springfield, MA 01103 Docket No. HD23P1259PM In the matter of: Maxwell Logan Jayne Provencal Of: Holyoke, MA RESPONDENT (Person to be Protected/Minor) CITATION GIVING NOTICE OF PETITION FOR APPOINTMENT**

**OF CONSERVATOR OR OTHER PROTECTIVE ORDER PURSUANT TO G.L. c. 190B, §5-304 & §5-405**

To the named Respondent and all other interested persons, a petition has been filed by Amelia M Jayne of Holyoke, MA in the above captioned matter alleging that **Maxwell Logan Jayne Provencal** is in need of a Conservator or other protective order and requesting that **Amelia M Jayne** of Holyoke, MA (or some other suitable person) be appointed as Conservator to serve **Without Surety** on the bond.

The petition asks the court to determine that the Respondent is disabled,

that a protective order or appointment of a Conservator is necessary, and that the proposed conservator is appropriate. The petition is on file with this court.

**You have the right to object to this proceeding.** If you wish to do so, you or your attorney must file a written appearance at this court on or before 10:00 a.m. on the return date of **07/20/2023**. This day is NOT a hearing date, but a deadline date by which you have to file the written appearance if you object to the petition. If you fail to file the written appearance by the return date, action may be taken in this matter without further notice to you. In addition to filing the written

appearance, you or your attorney must file a written affidavit stating the specific facts and grounds of your objection within 30 days after the return date.

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WITNESS, Hon. **Barbara M. Hyland**, First Justice of this Court.

Date: June 22, 2023  
**Rosemary A. Saccomani**  
Register of Probate  
07/07/2023

**COMMUNITY OUTREACH MEETING**  
Upper Echelon Cultivator LLC and Red Barn Growers LLC, two proposed marijuana microbusinesses, are giving notice of a Community Outreach Meeting on **July 25, 2023 at 5:15 pm** at the proposed location: **1 Cabot St. Holyoke, MA 01040**. There will be an opportunity for the public to ask questions or, email ezra@blueskiescan.com.  
07/07/2023

In The News

**KIWANIS, from page 1**

some funds from the New England and Bermuda district of Kiwanis," Delisle said. "We arranged for Kiwanis international to send a team of professionals into the community that was supplemented by volunteers from all the Kiwanis clubs in the surrounding area."

From there, they did a "membership blitz", which was a three-day gathering where they compiled a list of prospective members and asked community members to agree to become a part of the new club. Once they hit 15 members, they were ready to charter a new club.

"We are a legal Kiwanis club as of right now and they're ready to start doing service," Delisle said.

Now the club is ready to begin planning programs to help around the community.

"We're ready to start our service with some children's safety kits and we're getting our charter event ready, which will hopefully take place in September," Candace Daigneault, assistant manager of the TDBank branch in Holyoke and president of the new club, said.

The children's safety kit is a pack of items geared to help prevent injury in



Thanks to a grant, the Kiwanis Club of Greater Holyoke has begun activity again. Submitted photo

young children. They hope to give these out to families in the city of Holyoke. The goal is to adopt a park, through the parks and rec department, for a cleanup project. Then, they would clean up the park so children can enjoy it in the summer and have it as a space to give out these safety kits.

"The primary mission is the prevention and treatment of pediatric trauma," Delisle said. "That is injuries to children that occur as a result of accidents.

So these child safety kits that we've developed over the course of the last 50 years include educational items as well as items that help a new parent or young parent to protect the safety of their infant and young children."

This group also hopes to do work with teaching children about bicycle safety in the future.

Both Delisle and Daigneault are delighted to be part of the work bringing this club back into Holyoke.

"It's great to be able to have the Kiwanis presence back in the city, because they were so well known prior to them disbanding, and I think having the group of people that we have on board, it's such a diverse group and it's ready to go, and I think it's going to give back to Holyoke," Daigneault said.

This club is still open to new members and they would love to see new faces join this group.

"It's really important to stress that the recruiting continues," Delisle said. "The more members the club has, the more folks from the Holyoke community who chose to become members and get involved, that means more diversity, that means more people to do service, it means that the club will be able to take on bigger and more important projects. The door is open and we are very anxious to welcome folks who might be interested in becoming a part of this effort."

Meetings for the club are every Thursday morning at 9 at the Holyoke Public Library. Members are also welcome to join on zoom. The meetings are open to the public so anyone interested is welcome to attend.

For more information, go to the club's facebook page at <https://www.facebook.com/HolyokeKiwanis100>.

*The Holyoke Sun*  
**OBITUARY POLICY**

Turley Publications offers two types of obituaries.

One is a free, brief **Death Notice** listing the name of deceased, date of death and funeral date and place.

The other is a **Paid Obituary**, costing \$225, which allows families to publish extended death notice information of their own choice and may include a photograph. **Death Notices & Paid Obituaries** should be submitted through a funeral home to: [obits@turley.com](mailto:obits@turley.com).

*Exceptions will be made only when the family provides a death certificate and must be pre-paid.*

**PUBLIC NOTICES ARE NOW ONLINE**

- 1 Email all notices to [notices@turley.com](mailto:notices@turley.com)
- 2 Access archives and digital tear sheets by newspaper title.
- 3 Find a quick link to the state of Massachusetts' public notice web site to search all notices in Massachusetts newspapers.

*Public notice deadlines are Mondays at noon, Fridays noon for Monday holidays.*

**visit [www.publicnotices.turley.com](http://www.publicnotices.turley.com)**

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|   |   |   |   | C | R | A | N | E | D |   | A | D |

Upper Echelon Cultivation LLC  
Red Barn Growers LLC  
1 Cabot St.  
Holyoke, MA 01040

RECEIVED

JUL 25 2023

To: Abutters within 300' of 1 Cabot St.  
and Holyoke City Departments

Holyoke City Clerk's  
Holyoke, MA

June 30th, 2023

Dear Abutters and City of Holyoke,

We are giving notice that a Community Outreach Meeting for Upper Echelon Cultivaton LLC and Red Barn Growers LLC, two proposed marijuana microbusinesses, is scheduled for **July 25, 2023 at 5:15 pm** at the proposed location: **1 Cabot St. Holyoke, MA 01040**. There will be an opportunity for the public to ask questions or, email [ezra@blueskiescan.com](mailto:ezra@blueskiescan.com).

Sincerely,



Ezra Parzybok

Consultant on behalf of Upper Echelon Cultivation LLC & Red Barn Growers LLC



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

The purpose of this plan is to outline how Applicant will remain in compliance with local codes, ordinances, and bylaws for the physical address of our Marijuana Establishment at 414 Race St in Holyoke, which shall include, but not be limited to, the identification of any local licensing requirements for the adult use of marijuana.

### **Background**

The City of Holyoke has an approved zoning ordinance regulating the time, place and manner of Marijuana Establishments. This ordinance, Section 7-10 allows Recreational Marijuana Establishments, including Cultivation Product Manufacturing and Retail in the (“IG”) General Industrial Zoning district. 414 Race St is located in the IG district and is compliant with all physical siting requirements outlined in the Ordinance. A Special Permit from the Holyoke City Council is also required. Applicant has applied for a Special Permit from the City Council. Special Permits do not expire unless a change of use occurs.

Applicant and its attorneys and consultants have reviewed this ordinance in its entirety and have developed plans and strategies on compliance with all of the requirements and special permit conditions.

### **Ongoing Compliance**

Applicant is committed to remaining in compliance with all local codes, ordinances, and bylaws. Our attorney and compliance consultant will make periodic assessments of our operation for compliance with all applicable local, state and federal laws and regulations, including zoning and special permit compliance.

Our Team is in regular contact with and will remain in contact with the Mayor and other applicable municipal officials to ensure that there is an open line of communications. We will remain up to date with all zoning ordinance changes and requirements to ensure that Applicant remains in compliance.

[REDACTED]  
99 SUFFOLK ST  
HOLYOKE, MA 01040

[REDACTED]  
99 SUFFOLK ST  
HOLYOKE, MA 01040

[REDACTED]  
99 SUFFOLK ST  
HOLYOKE, MA 01040

[REDACTED]  
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HOLYOKE, MA 01040

[REDACTED]  
99 SUFFOLK ST  
HOLYOKE, MA 01040

[REDACTED]  
99 SUFFOLK ST  
HOLYOKE, MA 01040

[REDACTED]  
99 SUFFOLK ST  
HOLYOKE, MA 01040

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99 SUFFOLK ST  
HOLYOKE, MA 01040

[REDACTED]  
99 SUFFOLK ST  
HOLYOKE, MA 01040

[REDACTED]  
99 SUFFOLK ST  
HOLYOKE, MA 01040

[REDACTED]  
99 SUFFOLK ST  
HOLYOKE, MA 01040

[REDACTED]  
528 WATER ST  
HOLYOKE, MA 01040

[REDACTED]  
63 NORTH CANAL STREET  
HOLYOKE, MA 01040

[REDACTED]  
85 SARGEANT ST  
HOLYOKE, MA 01040

[REDACTED]  
2 CABOT ST  
HOLYOKE, MA 01040

[REDACTED]  
170 LOCKHOUSE ROAD # 7  
WESTF ELD, MA 01085

[REDACTED]  
10 PARK PLAZA  
BOSTON, MA 02116

[REDACTED]  
10 PARK PLAZA  
BOSTON, MA 02116

[REDACTED]  
10 PARK PLAZA  
BOSTON, MA 02116

[REDACTED]  
10 PARK PLAZA  
BOSTON, MA 02116

[REDACTED]  
10 PARK PLAZA  
BOSTON, MA 02116

[REDACTED]  
191 ELM STREET  
EAST LONGMEADOW, MA 01028

[REDACTED]  
16027 CHALFONT PLACE  
DALLAS, TX 75248

[REDACTED]  
16027 CHALFONT PLACE  
DALLAS, TX 75248

[REDACTED]  
1017 S MONDS ROAD  
W LL AMSTOWN, MA 01267

[REDACTED]  
6 L BERTY SQUARE SU TE 2601  
BOSTON, MA 02109

[REDACTED]  
325 WEST HURON STREET SU TE 700  
CH CAGO, L 60654

[REDACTED]  
325 WEST HURON STREET SU TE 700  
CH CAGO, L 60654

[REDACTED]  
325 WEST HURON STREET SU TE 700  
CH CAGO, L 60654

[REDACTED]  
800 KELLY WAY SU TE 200  
HOLYOKE, MA 01040

# Community Outreach Meeting Attestation Form

## Instructions

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

## Attestation

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

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



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

a. Date of publication:

b. Name of publication:

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

a. Date notice filed:

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

a. Date notice(s) mailed:

7. The applicant presented information at the Community Outreach Meeting, which at a minimum included the following:

- a. The type(s) of ME or MTC 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 ME or MTC to prevent diversion to minors;
- d. A plan by the ME or MTC to positively impact the community; and
- e. Information adequate to demonstrate that the location will not constitute a nuisance as defined by law.

8. Community members were permitted to ask questions and receive answers from representatives of the ME or MTC.



Name of applicant:

Name of applicant's authorized representative:

Signature of applicant's authorized representative:

*Anna V. B. King*



Red Barn Growers  
David Grey

November 22, 2023

As there is no requirement that abutter letters are sent certified mail and photographic proof of mailing was not recorded, we attest that letters announcing our Community Outreach Meeting were sent to all abutters regular mail. Additionally, as over 8 Community Meetings have been held at this building for various tenants, abutters have been notified of cannabis activity at the building numerous times and no longer attend meetings. Attendance at our meeting did not include any abutters despite the letters.

  
David Grey

## COM Requirements for Red Barn presentation to community

**“Welcome. We are here to talk about Red Barn Growers, LLC and their proposed Cannabis cultivation at 1 Cabot St.**

**The site is correctly zoned manufacturing.**

### **Security**

- Preventing Diversion**
  - Nuisance**
  - Traffic**
  - Positive Impact**
  - They will answer your questions**
- 
- Location** of the proposed Marijuana Establishment.
    - What type(s) of Marijuana Establishment will be sited at the location?
  - Is the proposed Marijuana Establishment **allowed under current zoning** bylaws/ordinances or is a zoning amendment required to allow it to go there? **We are correctly zoned.**
  - Is the proposed Marijuana Establishment allowed by right or does it require local zoning permitting? What permits are required? **The town selects us for a Host Agreement and has Special Permit process**
  - Is there a local licensing regulation pertaining to Marijuana Establishments? **There are town bylaws for “marijuana establishments. Sections 10 and 7 outline this in the bylaw.”**
  - Is there a local Board of Health regulation pertaining to Marijuana Establishments? **No, only no smoking indoors but smoking not allowed on site at any facility.**
  - Does the proposed location comply with the 500-foot buffer zone from existing public or private school buildings (K-12)? **Yes**

- If the applicant is moving into an existing building or building a new one, will its premises comply with the **security** requirements set forth in 935 CMR 500? **We will have:**
  - Video Surveillance
  - Alarm System
  - Secure Vault
  - Secure Transport
  - Background Checks
  - Law Enforcement video access
  - Certified Staff training
  - Controlled Access by specific staff (not all staff can go in all locations of the dispensary)
  - ID check (and false ID training)
  
- What steps will be taken by the Marijuana Establishment to prevent **diversion to minors**?
  - Seed to sale tracking
  - Strict Inventory Protocols
  - Strict Waste Disposal requirements
  - Employee incentives for diversion control (bonuses for reporting incidents)
  - Employees go through extensive background checks (state requirement)
  - High risk to losing license is a deterrent
  - No visible product
  - No slang words
  - No advertising to audiences with less than 85% adults over 21
  
- Information demonstrating how the applicant intends to ensure that the location will not constitute a **nuisance** to the community as defined by law.



- Noise, Dust, Vibration, Odor, Light, (**Cultivation locations have sophisticated air scrubbers to clean the air and there are no residential abutters within 300 feet.**)
  - Infrared cameras allow low light detection (dark sky compliant so don't disrupt neighbors)
  - Air/Odor scrubbing devices
  
- H the Marijuana Establishment will **positively impact the community.**
  - Property taxes
  - ~~3% Impact fee (only industry that pays this)~~
  - Employment (higher than average wage and cannabis is the fastest growing job category in the U.S.)
  - **Our POSITIVE IMPACT PLAN will be to engage with Social Equity applicants (there are two companies in our same building) to assist them in business processes as well as utilize their services (transport and manufacturing.)**

Further notes:

- It is a myth that cannabis is a “cash only” business. Cash is very secure and there are now banks in the state that work with the industry. Cash in a dispensary is as secure as it is in a bank (and there is less of it.)
- Edibles are limited to 5mg per serving. Medical dispensaries can have a 100mg edible so the adult-use market will have much more conservative edible options. Still, edibles do not cause toxicity in the body and do not cause fatal overdose in adults, children or pets (unlike “Tide Pods,” household chemicals, and readily available pharmaceuticals and OTC medication such as Ibuprofen)
- The fastest growing consumer demographic is adults 50 and above. We are seeking that demographic and feel providing a more

sophisticated and educational business environment is good for our  
business model and good for the community

# Host Community Agreement Certification Form

## Instructions

Certification of a host community agreement is a requirement of the application to become a Marijuana Establishment (ME) and Medical Marijuana Treatment Center (MTC). Applicants must complete items 1-3. The contracting authority for the municipality must complete items 4-8. Failure to complete a section will result in the application not being deemed complete. This form should be completed and uploaded into your application. Please note that submission of information that is “misleading, incorrect, false, or fraudulent” is grounds for denial of an application for a license pursuant to 935 CMR 500.400(2) and 501.400(2).

## Certification

The parties listed below do certify that the applicant and municipality have executed a host community agreement on the specified date below pursuant to G.L. c. 94G § 3(d):

1. Name of applicant:

*Red Barn Growers, LLC*

2. Name of applicant's authorized representative:

David Grey, manager

3. Signature of applicant's authorized representative:

*David B Grey*

4. Name of municipality:

*City of Holyoke, MA*

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

*Joshua A. Garcia, Mayor, City of Holyoke*



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

[Handwritten signature]

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

Mayorsoffice@tplyoke.org

8. Host community agreement execution date:

12/1/23



## Red Barn Growers LLC Positive Impact Plan

This program will meet the spirit and objectives of state law M.G.L. Ch. 94G §4 requires Licensed Marijuana Establishments to, “...engage in processes and policies that promote and encourage full participation in the regulated cannabis industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement and to positively impact those communities.”

The Commission has identified the groups Positive Impact Plans are intended to impact as the following:

- Past or present residents of the geographic ADI, which have been defined by the Commission and identified in its *Guidance for Identifying Areas of Disproportionate Impact*.
- Commission-designated Economic Empowerment Priority applicants;
- **Commission-designated Social Equity Program participants;**
- Massachusetts residents who have past drug convictions; and
- Massachusetts residents with parents or spouses who have drug convictions.
- The above persons are hereinafter be referred to as the **Primary Target Group (PTG)**

### **Programs:**

#### **1. Hiring from ADI Holyoke:**

- a. Utilize online platforms like LinkedIn and local newspapers for job postings, focusing on Holyoke
- b. Conduct at least two major hiring drives per year, specifically targeting residents from these areas (and Holyoke in particular). Hiring Drive will be advertised on our social media and with LinkedIn and the Holyoke Sun.

#### **2. Engagement with SE-Owned Businesses:**

- a. Collaborate with industry-specific consultants, professionals, and trainers with owners designated as SE, and identify potential SE-owned business partners through our contacts and networking. The City of Holyoke maintains a list of SE applicants from which we will contact owners for collaboration.
- b. As for ancillary businesses, our network within the industry knows of consultants, designers, and contractors whose owners are certified as Social Equity and operating their businesses while they pursue or sustain participation in the industry. Holyoke engages with an SE-owned ancillary consultancy for example. As there is no CCC-provided list of SE applicants or SE ancillary businesses, our engagement with these companies will be through word of mouth, attending conferences and industry events, and other means.

### **Goals:**

These above programs will facilitate direct assistance in the achievement of some or all of the following goals for at least one social equity business and hiring Holyoke PTGs:

**1. Hiring from ADI Holyoke**

- a. Hire at least 50% of new employees annually from Holyoke. We anticipate 2-3 total staff.

**2. Engage with at least one SE-owned ancillary business.**

- a. Form partnerships with at least one Social Equity (SE)-owned ancillary business annually and one SE-owned operating licensee.

**Measurements and Metrics:**

**1. For Hiring from ADI:**

- a. Monitor the number and percentage of new hires from Holyoke, with a target of hiring at least two new employees from Holyoke per year. Additionally, we will tabulate the percentage of hires as Holyoke residents.

**2. For Engagement with SE-Owned Businesses:**

- a. Track the number of SE-owned businesses engaged annually, aiming for at least one new partnership or contract per year. If we have an invoice or contract with this business, we have a metric.
- b. Did we engage with at least one Social Equity program participant who is an operating licensee (or seeking licensing) to meet the spirit of 94G §4?

**Acknowledgments**

*The applicant 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.*

*No actions taken, or programs instituted by the applicant will violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.*

*No donation or program to support any specifically named organizations or the furtherance of their goals have been proposed as this is a direct mentor-to-mentee program.*

*We acknowledge that the progress or success of our plan's goals must be documented upon license renewal, which occurs one year from provisional licensure, and each year thereafter.*

*We attest we will not provide any of our Positive Impact Plan program resources to Independent Testing Laboratories.*



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

Minimum Fee: \$500.00

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

**Certificate of Organization**

(General Laws, Chapter )

Identification Number: 001585365

1. The exact name of the limited liability company is: RED BARN GROWERS LLC

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

No. and Street: 24 PICKERING STREET  
 City or Town: CHICOPEE State: MA Zip: 01013 Country: USA

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

No. and Street: 24 PICKERING STREET  
 City or Town: CHICOPEE State: MA Zip: 01013 Country: USA

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

APPLYING FOR A LICENSE WITH THE CANNABIS CONTROL COMMISSION.

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

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

Name: STEPHEN G. ROCHE  
 No. and Street: 35 WILLOW STREET  
UNIT 203  
 City or Town: SPRINGFIELD State: MA Zip: 01103 Country: USA

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

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

| Title   | Individual Name<br>First, Middle, Last, Suffix | Address (no PO Box)<br>Address, City or Town, State, Zip Code |
|---------|--|---|
| MANAGER | DAVID B. GREY                                  | 24 PICKERING STREET<br>CHICOPEE, MA 01013 USA                 |

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

| Title         | Individual Name<br>First, Middle, Last, Suffix | Address (no PO Box)<br>Address, City or Town, State, Zip Code |
|---------------|--|---|
| SOC SIGNATORY | STEPHEN G. ROCHE ESQ.                          | 35 WILLOW STREET, UNIT 203                                    |

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

| <b>Title</b>  | <b>Individual Name</b><br>First, Middle, Last, Suffix | <b>Address</b> (no PO Box)<br>Address, City or Town, State, Zip Code |
|---------------|---|--|
| REAL PROPERTY | DAVID B. GREY   | 24 PICKERING STREET<br>CHICOPEE, MA 01013 USA                        |

**9. Additional matters:**

**SIGNED UNDER THE PENALTIES OF PERJURY, this 26 Day of May, 2022,**  
**STEPHEN G. ROCHE**

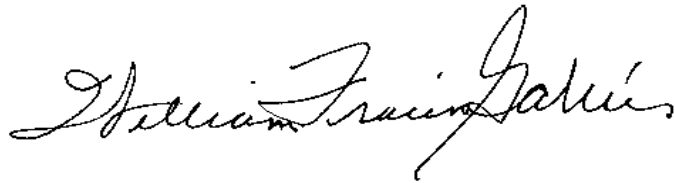
*(The certificate must be signed by the person forming the LLC.)*



THE COMMONWEALTH OF MASSACHUSETTS

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

May 26, 2022 11:33 AM

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

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



RED BARN GROWERS, LLC  
24 PICKERING ST # CHICOPEE  
CHICOPEE MA 01013-2029

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

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

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

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

### *What if I have questions?*

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

### *Visit us online!*

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

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

Edward W. Coyle, Jr., Chief  
Collections Bureau

**OPERATING AGREEMENT  
OF  
RED BARN GROWERS, LLC  
A MASSACHUSETTS LIMITED LIABILITY COMPANY**

**Effective: April 1, 2023**

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

| <b>Title</b>  | <b>Individual Name</b><br>First, Middle, Last, Suffix | <b>Address</b> (no PO Box)<br>Address, City or Town, State, Zip Code |
|---------------|---|--|
| REAL PROPERTY | DAVID B. GREY   | 24 PICKERING STREET<br>CHICOPEE, MA 01013 USA                        |

**9. Additional matters:**

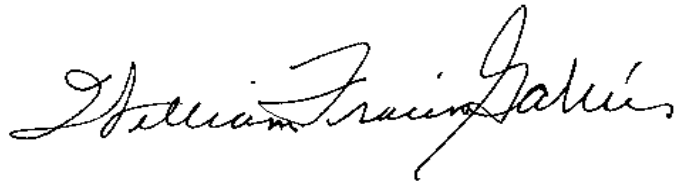
**SIGNED UNDER THE PENALTIES OF PERJURY, this 26 Day of May, 2022,**  
STEPHEN G. ROCHE

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

THE COMMONWEALTH OF MASSACHUSETTS

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

May 26, 2022 11:33 AM

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

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*

**ARTICLE I**  
**DEFINITIONS**

The following terms used in the Operating Agreement shall have the following meanings (unless otherwise expressly provided herein);

(a) “Certificate” shall mean the Certificate of Organization of RED BARN GROWERS, LLC, as filed with the Secretary of the Commonwealth of Massachusetts, as the same may be amended from time to time. A copy of the Certificate of Organization is attached hereto as Exhibit A.

(b) “Capital Account” as of any given date shall mean the Capital Contribution to the Company by a Member as adjusted up to the date in question.

(c) “Capital Contribution” shall mean any agreed contribution to the capital of the Company in cash or property by a Member whenever made. “Initial Capital Contribution” shall mean the initial contribution to the capital of the Company.

(d) “Code” shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent superseding federal revenue laws.

(e) “Class A Unit” means a class of Membership Unit that entitles the holder to a Membership Interest equal to 29.7% of all outstanding Membership Interest divided by the total number of outstanding Class A Units.

(f) “Common Unit” means a class of Membership Unit that entitles the holder to a Membership Interest equal to 70.3% of all outstanding Membership Interest divided by the total number of outstanding Common Units.

(g) “Company” shall refer to Red Barn Growers, LLC.

(h) “Deficit Capital Account” shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the taxable year.

(i) “Distributable Cash” means all cash, revenues and funds received by the Company from Company operations, less the sum of the following to the extent paid or set aside by the Company: (i) all principal and interest payments on indebtedness of the Company and all other sums paid to lenders; (ii) all cash expenditures incurred incident to the normal operation of the Company's business; (iii) such Reserves as the Managers deem reasonably necessary to the proper operation of the Company's business.

(j) “Entity” shall mean a general partnership, a limited partnership, a domestic or foreign limited liability company, a trust, an estate, an association, a corporation or any other legal or commercial entity.

(k) “Fiscal Year” shall mean the Company's fiscal year, which shall be the calendar year.

(l) “Managers” shall mean one or more Managers designated in the manner provided in this Agreement.

(m) “Massachusetts Act” shall mean the Massachusetts Limited Liability Company Act (M.G.L. Ch. 156C).

(n) “Member” shall mean each of the parties who executes a counterpart of this Operating Agreement as a Member and each of the parties who may hereafter become Members as permitted herein. To the extent a Manager is also a Member of the Company, he will have all rights and interests of a Member, and such person’s rights and interest as a Manager shall be distinct and separate from such person’s rights and interest as a Member.

(o) “Membership Interest” shall mean, with respect to each Member, such Member's relative ownership interest in the Company as set forth on the Company’s cap table, as amended from time to time.

(p) “Membership Units” shall mean, a unit representing a fractional portion of a Member’s Membership Interest. Membership Units shall be issued as Common Units or Class A Units.

(q) “Net Profits” and “Net Losses” shall mean the income, gain, loss, deductions and credits of the Company in the aggregate or separately stated, as appropriate, determined in accordance with the method of accounting selected by the Managers at the close of each Fiscal Year on the Company's information tax return filed for federal income tax purposes.

(r) “Operating Agreement” shall mean this Operating Agreement as originally executed and as amended from time to time.

(s) “Person” shall mean an individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns or such “Person” where the context so permits.

(t) “Reserves” shall mean, with respect to any fiscal period, funds set aside or amounts allocated during such period to reserves which shall be maintained in amounts deemed sufficient by the Managers for capital expenditures, working capital and to pay taxes, insurance, debt service or other costs or expenses incident to the ownership or operation of the Company's business.

(u) “Treasury Regulations” shall include proposed, temporary and final regulations promulgated under the Code in effect as of the date of filing the Certificate of Organization and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

(v) “Unreturned Invested Capital” means, at any point in time, for any Member, the excess of (i) the aggregate amount of such Member’s Capital Contributions over (ii) the aggregate amount of Distributions received by such Member.

## ARTICLE II

### FORMATION OF COMPANY

**Section 2.1 - Formation.** The Company whose address is 24 Pickering Street, Chicopee, MA, was formed as a limited liability company under the Massachusetts Act by the filing of its Certificate of Organization with the Secretary of the Commonwealth of Massachusetts on May 26, 2022.

### ARTICLE III

#### BUSINESS OF COMPANY

**Section 3.1 - Permitted Businesses.** The business of the Company shall be as set forth in its Certificate of Organization.

### ARTICLE IV

#### MEMBERS

**Section 4.1 – Names and Addresses of Members.** The names and addresses of the initial and subsequent Members are as set forth in the Company’s cap table, which shall be updated regularly by the Company’s Manager. There are two classes of Membership Units, Common and Class A. The amount of Membership Units of each class held by each Member shall be set forth in the Company’s cap table, as amended from time to time.

**Section 4.2 – Additional Members.** Additional Members may be admitted as Members only as provided in this Operating Agreement.

### ARTICLE V

#### RIGHTS AND DUTIES OF MANAGERS

**Section 5.1 - Management.** The business and affairs of the Company shall be managed by its Managers. The Managers shall direct, manage and control the business of the Company to the best of their ability. Except for situations in which the approval of the members is expressly required by this Operating Agreement or by nonwaivable provisions of applicable law, the Managers shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business. At any time when there is more than one Manager, any one Manager may exercise all of the powers delegated to the Managers herein and may take any action permitted to be taken by the Managers, unless the approval of more than one of the Managers is expressly required pursuant to this Operating Agreement.

**Section 5.2 - Number, Identity, Tenure and Qualifications.** As of the date of this Operating Agreement the Company’s sole Manager is **David B. Grey**.

The number of Managers of the Company shall be fixed from time to time by the affirmative vote or written consent of Members holding Membership Units representing at least 51% of all outstanding Membership Interests, but in no instances shall there be less than one Manager. Each Manager shall hold office until such time as he/she may resign or be removed as provided herein. Upon the occurrence of a vacancy, Managers shall be elected by the affirmative vote or written consent of Members holding Membership Units representing at least 51% of the outstanding Membership Interests. A Manager need not be a Member.

**Section 5.3 - Certain Powers of Managers.** All management and other responsibilities not specifically reserved to the Members in this Agreement shall be vested in the Managers, provided that, certain actions shall require Membership approval in accordance with Article VI hereunder. Without limiting the generality of the foregoing, the Managers shall have power and authority on behalf of the Company:



- (a) To acquire property from any Person as the Managers may determine;
- (b) To borrow money for the Company from banks, other lending institutions, individuals, the Managers, Members, or affiliates of the Managers or Members on such terms as the Managers deem appropriate, and in connection therewith, to mortgage, hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the borrowed sums;
- (c) To purchase liability and other insurance to protect the Company's property and business;
- (d) To hold and own any Company real and/or personal properties in the name of the Company;
- (e) To invest any company funds temporarily (by way of example but not limitation) in time deposits, short term governmental obligations, commercial paper or other investments;
- (f) To execute on behalf of the Company all instruments and documents, including, without limitation, checks; drafts; notes and other negotiable instruments; mortgages or deeds of trust; security agreements; financing statements; documents providing for the acquisition, mortgage or disposition of the Company's property; assignments; bills of sale; leases; partnership agreements, operating agreements of other limited liability companies; and any other instruments or documents necessary or appropriate, in the opinion of the Managers, to the business of the Company;
- (g) To employ accountants, legal counsel, managing agents or other experts to perform services for the Company and to compensate them from Company funds;
- (h) To do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business; and
- (i) To delegate his/her power and authority to another party of his/her choice by the use of a valid Power of Attorney.

Unless authorized to so do by the Operating Agreement or by written authorization of a Manager or Managers of the Company, no attorney-in-fact, employee or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable for any purpose. No Member (other than a Member who is also a Manager) shall have any power or authority to bind the Company unless the Member has been authorized by the Managers to act as an agent of the Company in accordance with the previous sentence.

**Section 5.4 - Bank Accounts.** The Managers may from time to time open bank accounts in the name of the Company, and the Managers shall be the sole signatory thereon, unless the Managers determine otherwise.

**Section 5.5 - Company Books.** In accordance with Section 9.2 herein, the Managers shall maintain and preserve, during the term of the Company existence, and for five (5) years thereafter, all accounts, books, and other relevant Company documents. Upon reasonable request, each Member shall have the right, during ordinary business hours, to inspect and copy such Company documents at the requesting Member's expense.

**Section 5.6 - Indemnity of Managers.** The Company shall indemnify the Managers from and against any claim by any third party seeking monetary damages against such Managers arising out of such Managers' performance of their duties in good faith and in accordance with Section 8 of the Massachusetts Act.

**Section 5.7 - Resignation.** Any Manager of the Company may resign at any time by giving written notice to the Members of the Company. The resignation of any Manager shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The resignation of a Manager who is also a Member shall not, by itself, affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

**Section 5.8 - Removal.** Any Manager may be removed at any time, with or without cause, by the affirmative vote or written consent of Members holding Membership Units representing at least 51% of the Membership Interest. The removal of a Manager who is also a Member shall not, by itself, affect the Manager's rights as a Member and shall not constitute a withdrawal of a Member.

**Section 5.10 - Vacancies.** Any vacancy occurring for any reason in the number of Managers of the Company may be filled by the affirmative vote or written consent of Members holding Membership Units representing at least 51% of the Membership Interest.

**Section 5.11 - Compensation of Managers.** Each Manager shall receive guaranteed payments of \$75,000 per year. Such amount shall only be increased or decreased upon affirmative vote or written consent of Members representing at least 51% of all outstanding Membership Interest.

## **ARTICLE VI**

### **RIGHTS AND OBLIGATIONS OF MEMBERS**

**Section 6.1 - Limitation of Liability.** Each Member's liability shall be limited as set forth in this Operating Agreement by the Massachusetts Act and other applicable law.

**Section 6.2 - List of Members.** Upon written request of any Member, the Managers shall provide a list showing the names, addresses, Membership Units and corresponding Membership Interest of all Members.

**Section 6.3 – Member Approval.** The Company shall not take any of the following actions without the affirmative vote or written consent of Members holding Membership Units representing at least 51% of the Membership Interest:

- (a) issue any new Membership Units of any class;
- (b) create any new class of Membership Units;
- (c) acquire any Membership Units of any Member;
- (d) amend, modify or waive the Certificate or this Operating Agreement; *provided* that the Managers may, without the consent of the Members, amend the Company's cap table following any new issuance, redemption, repurchase or transfer of Membership Units in accordance with this Operating Agreement;
- (e) incur any indebtedness, pledge or grant liens, claims, charges or encumbrances on any assets or guaranty, assume, endorse or otherwise become responsible for the obligations of any other Person in excess of \$100,000 in the aggregate at any time outstanding;
- (f) make any loan, advance or capital contribution in any Person in excess of \$100,000;

- (g) make any changes in the accounting methods or policies of the Company;
- (h) settle any lawsuit, action, dispute or other proceeding or otherwise assume any liability with a value in excess of \$100,000 or agree to the provision of any equitable relief by the Company;
- (i) enter into or effect any transaction or series of related transactions involving the purchase, lease, license, exchange or other acquisition (including by merger, consolidation, acquisition of stock or acquisition of assets) by the Company of any assets and/or equity interests of any Person, other than in the ordinary course of business.
- (j) enter into or effect any transaction or series of related transactions involving the sale, lease, license, exchange or other disposition (including by merger, consolidation, sale of stock or sale of assets) by the Company of all, or substantially all, of its assets, other than sales of inventory in the ordinary course of business;
- (k) establish a subsidiary of the Company or enter into any joint venture or similar business arrangement;
- (l) initiate or consummate an initial public offering or make a public offering and sale of the Membership Units or any other securities;
- (m) make any investments in any other Person in excess of \$5,000; or
- (n) merge, consolidate, dissolve, wind-up or liquidate the Company or initiate a bankruptcy proceeding involving the Company.

**Section 6.4 – Member Action.**

(a) Action at a Meeting. Any action required or permitted to be taken by Members of the Company (including, but not limited to, such Member approvals as set forth in Section 6.3 above) may be taken by the affirmative vote or written consent of Members holding Membership Units representing at least 51% of the outstanding Membership Interest (or, if there are two or more classes of Members entitled to vote as separate classes, then in the case of each such class, the holders of 51% of the total Membership Interests of that class entitled to vote on such matter), except when a different vote is required by express provision of law, the Certificate or this Agreement.

(b) Action Without Meeting. Any action required or permitted to be taken at any meeting of Members of the Company may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the Members having not less than the minimum aggregate Membership Interests that would be necessary to authorize or take such action at a meeting at which all Members to vote on such action were present and voted. Prompt notice of taking an action without a meeting by less than unanimous written consent shall be given to those Members who have not consented in writing.

**Section 6.5 Information.** Each Member shall provide to the Company such information (including without limitation any personally identifying information and “acceptable identification documents” of the Member and its beneficial owners) as may be required by the Company to comply with the Corporate Transparency Act, Title LXIV of the 2021 National Defense Authorization Act, and the regulations promulgated thereunder from time to time. Each Member agrees to update the Company upon request of any changes to the Member’s beneficial ownership. Each Member, on behalf of itself and its beneficial owners, consents to disclosure of such information pursuant to that act, other laws or regulations or order of any court,

arbitrator or regulatory body having or claiming authority over the Company. Each Member agrees to provide the Company with any information relating to such Member, its members and other persons exercising control over decision making of the Member within the meaning of 935 CMR 500.050, that the Company reasonably requests in connection with any inquiry, request, or requirement of the Commonwealth of Massachusetts, including without limitation the Massachusetts Cannabis Control Commission, within five (5) business days following the request.

## ARTICLE VII

### CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS

**Section 7.1 - Members' Capital Contributions.** Each Member has made an initial Capital Contribution as is set forth in the Company's cap table.

**Section 7.2 - Additional Capital Contributions.** No Member shall be required to make any additional Capital Contributions to the Company. If at any time the Managers determine that additional capital is necessary to satisfy the Company's liabilities, anticipated operating expenses, capital expenditures or other Company obligations, the Managers may authorize the Company to raise funds by issuing new Membership Units to existing Members or new Members upon such terms and conditions as shall be approved by the Managers in their sole discretion, subject to any Member Approval requirements set forth in Article VI above.

**Section 7.3 - Interest On and Return of Capital Contributions.** No Member shall be entitled to interest on its Capital Contribution or to return of its Capital Contribution, except as otherwise specifically provided for herein.

**Section 7.4 – Third-Party Loans to Company.** If at any time the Managers determine that additional capital is necessary to satisfy the Company's liabilities, anticipated operating expenses, capital expenditures or other Company obligations, the Managers may authorize the Company to borrow funds from banks or other third-party lenders upon such terms and conditions as shall be approved by the Managers in their sole discretion, subject to any Member Approval requirements set forth in Article VI above.

**Section 7.5 – Member Loans to Company.** If at any time the Managers determine that additional capital is necessary to satisfy the Company's liabilities, anticipated operating expenses, capital expenditures or other Company obligations, and sufficient funds cannot be raised through Additional Capital Contribution pursuant to Section 7.2, or from third-party loans pursuant to Section 7.4 on terms acceptable to the Managers in their sole discretion, any Member may, but shall not be obligated to, loan such funds to the Company. Any such borrowing from Members shall not be considered Contributions or reflected in their Capital Accounts. Unless otherwise agreed to in writing by the Company and the lending Member, any loan made pursuant to this Section 7.5 shall be nonrecourse to the Members; shall be evidenced by a promissory note; shall be unsecured; shall not violate the Company's other contractual arrangements; shall bear interest, compounded monthly, at a rate of interest equal to the prime rate of interest announced from time to time by The Wall Street Journal; shall be repaid out of the first funds available therefor after payment of Company expenses to third parties and in any event prior to any distribution to any Member of Distributable Cash; and shall be due and payable in full on the fifth anniversary of the date on which any such loan is made.

**Section 7.6 - Capital Accounts.**

(a) A separate Capital Account will be maintained for each Member. In general, each Member's Capital Account will be: (I) increased by (a) the amount of money contributed by such Member to the Company; (b) the agreed fair market value of property or services contributed by such Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Section 752 of the Code); and (c) allocations to such Member of Company income and gain (or items thereof), including income or gain exempt from tax and income and gain described in Treasury Regulation Section 1.704-1(b)(2)(iv)(g), but excluding income and gain described in Treasury Regulation Section 1.704-1(b)(4)(i); and (II) decreased by (a) the amount of money distributed to such Member by the Company; (b) the fair market value of property distributed to such Member by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to under Section 752 of the Code); and (c) allocations to the account of expenditures of the Company described in Code Section 705(a)(2)(B) and (vii) allocations to such Member of Company loss and deduction (or items thereof), including loss or deduction described in Treasury Regulation Section 1.704-1(b)(2)(iv)(g), but excluding items described in (vi) above and loss or deduction described in Treasury Regulation Section 1.704-1(b)(4)(i) or 1.704-1(b)(4)(iii). Capital Accounts will be maintained in accordance with the requirements of 704(b) of the Code and the Treasury Regulations promulgated thereunder.

(b) In the event of a permitted sale or exchange of any Membership Units, the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Units in accordance with Section 1.704-1(b)(iv) of the Treasury Regulations.

(c) Except as otherwise required in the Massachusetts Act (and subject to Section 7.1 and 7.2), no Member shall have any liability to restore all or any portion of a deficit balance in such Member's Capital Account.

## ARTICLE VIII

### ALLOCATIONS, INCOME TAX AND DISTRIBUTIONS

**Section 8.1 - Allocations of Profit and Losses.** Certain tax-related provisions are set forth in Exhibit B. The Company shall determine its profits and losses for each Fiscal Year (or portion thereof) in accordance with the accounting method used by the Company for federal income tax purposes. Except as provided in Exhibit B (which shall be applied first), Net Profits and Net Losses for each Fiscal Year (or portion thereof) shall be allocated among the Members as follows:

- (a) Net Profit of the Company for any Fiscal Year (or portion thereof) shall be allocated in accordance with each Member's Membership Interest.
- (b) Net Loss of the Company for any Fiscal Year (or portion thereof) shall be allocated as follows:
  - (i) First, until the Members' Adjusted Capital Account Balances have been reduced to zero (0), to the Members in such amounts and proportions as are necessary for their respective Adjusted Capital Account Balances, if any, to equal their respective Target Capital Account Balances as of the close of such Fiscal Year (or portion thereof) (or, if such equalization is not possible, as are necessary to reduce proportionately the differences between their respective Adjusted Capital Account Balances and their respective Target Capital Account Balances); and
  - (ii) Second, thereafter, to the Members pro rata in accordance with their respective Percentage of Membership Interests as set forth in the Company's cap table.

(c) For purposes of this Agreement, the following terms have the meanings set forth below:

“Adjusted Capital Account Balance” means, with respect to any Member as of the close of any Fiscal Year or other accounting period, the balance in such Member’s capital account adjusted by adding to such balance such Member’s share of any Company Minimum Gain or Member Nonrecourse Debt Minimum Gain (as such terms are defined in Exhibit B), of the Company as of the close of such year or other period.

“Target Capital Account Balance” means, for any Member as of the close of any Fiscal Year (or portion thereof), the amount which such Member would then be entitled to receive if the Company were to sell its non-cash assets at book value as then determined in accordance with the Treasury Regulations under Section 704(b) of the Code, satisfy its debts and obligations in accordance with their terms (limited, in the case of any nonrecourse liability of the Company, to the assets securing such liability), and then liquidate in accordance with Article XII.

**Section 8.2– Additional Members.** No additional Members shall be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Company. The Managers may, at their option, at the time a Member is admitted, close the Company books (as though the Company's tax year had ended) or make pro rata allocations of loss, income and expense deductions to a new Member for that portion of the Company's tax year in which a Member was admitted

**Section 8.3 - Distributions.** Distributions shall only be made from Distributable Cash and only at such times as determined by the Managers in their reasonable discretion.

(a) Except in the case of the liquidation of the Company, the Company shall make any distributions to each Member in proportion to their respective Membership Interest on the record date of such distribution.

(b) No Member shall have the right to demand and receive property other than cash irrespective of the nature of its Capital Contribution. All amounts withheld pursuant to the Code or any provisions of state or local tax law with respect to any payment or distribution to the Members from the Company shall be treated as amounts distributed to the relevant Member or Members pursuant to this Section 8.2.

**Section 8.4 - No Right to Distribution.** Anything in this Agreement or in Section 32 of the Massachusetts Act to the contrary notwithstanding, no Member shall be entitled to receive any distribution of money or other property by reason of such Person’s ceasing to be a Member, except upon dissolution of the Company.

## **ARTICLE IX**

### **ACCOUNTING REPORTS**

**Section 9.1 - Accounting Period.** The Company's accounting period shall be the calendar year.

**Section 9.2 - Records, Audits and Reports.** The Managers shall maintain records and accounts of all operations and expenditures of the Company. At a minimum the Company shall keep at its principal place of business the following records:

- (a) A current and a past list setting forth in alphabetical order the full name and last known business, residence, or mailing address of each Member, both past and present;
- (b) A copy of the Certificate and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any articles of amendment have been executed;
- (c) Copies of the Company's federal, state, and local income tax returns and financial statements for the three most recent years, or if such returns or statements were not prepared for any reason, copies of the information and statements provided to, or which should have been provided to, the members to enable them to prepare their federal, state and local tax returns for such period;
- (d) Copies of the Company's current effective written Operating Agreement and all amendments thereto and copies of any written operating agreements no longer in effect;
- (e) A writing setting forth the amount of cash, if any, and a statement of the agreed value of other property contributed by each member and the times at which or the events upon the happening of which any additional contributions are to be made by each Member;
- (f) A writing stating events, if any, upon the happening of which the Company is to be dissolved and its affairs wound up;
- (g) Other writings, if any, prepared pursuant to a requirement in this Agreement.

**Section 9.3 - Returns and Other Elections.**

- (a) The Managers shall cause the preparation and timely filing of all returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the Members as soon as practical after the end of the Company's Fiscal Year but in any event prior to the date upon which Federal and Massachusetts State tax returns are required to be filed by Members.
- (b) For purposes of this Section 9.3, the following terms shall have the meanings set forth below:
  - (i) “Designated Individual” means the individual appointed under this Section 9.2(b) to serve as the “designated individual” of the Company for purposes of Subchapter C of Chapter 63 of the Code and the Treasury Regulations relating thereto, or similar role under provisions of state, local and non-U.S. law.
  - (ii) “Partnership Representative” means the individual or entity designated by the Managers to serve as the Partnership Representative of the Company for purposes of the Code, or similar role under provisions of state, local and non- U.S. law.
  - (iii) “Partnership Tax Audit Rules” means Code Sections 6221 through 6241, as amended by the Bipartisan Budget Act of 2015, together with any guidance issued thereunder or successor provisions and any similar provision of state or local tax laws.

(a) David B. Grey shall be the Company’s initial “Partnership Representative” within the meaning of I.R.C. § 6223. The Company may revoke the designation of the Partnership Representative and designate a replacement Partnership Representative at any time allowable under applicable Treasury Regulations upon the vote of the Members holding Membership Units representing at least 51% of the Membership Interest. The

Partnership Representative may appoint or revoke the appointment of the Designated Individual. The Partnership Representative and Designated Individual (as relevant) shall have and exercise any authority permitted the Partnership Representative under the Partnership Tax Audit Rules, including representing the Company in any disputes, controversies or proceedings with the U.S. Internal Revenue Service or with any state or local taxing authority; take whatever steps the Partnership Representative, in its reasonable discretion, deems necessary or desirable to perfect such designation and exercise such authority, including filing any forms and documents with the U.S. Internal Revenue Service or any other tax authority; and take such other action as may from time to time be required or authorized under applicable law. The Members shall cooperate and take such actions as the Partnership Representative in its reasonable discretion requests in connection with the foregoing.

(b) The Partnership Representative may make any elections available to be made as Partnership Representative, including, without limitation, (i) electing out of the Partnership Tax Audit Rules and (ii) making an election to have the Members take tax adjustments into account on their own tax returns.

(c) In the event that an election for adjustment to be taken into account by Members is made, the Members agree and covenant to take into account and report to the U.S. Internal Revenue Service (or any other applicable taxing authority) any adjustment to their tax items for the reviewed year of which they are notified by the Company in a written statement, whether or not the Member owns any Membership Units at such time. Any Member that fails to report its share of such adjustments on the Member's tax return for the taxable year including the date of the Company's statement described immediately above shall indemnify and hold the Company harmless from and against any and all liabilities related to taxes (including penalties and interest) imposed on the Company as a result of the Member's inaction.

(d) The Partnership Representative and Designated Individual (as appropriate) shall be entitled to be reimbursed by the Company for all costs and expenses incurred by it in connection with any proceeding affecting tax matters of the Company and shall be indemnified by the Company with respect to any such proceeding brought against it in connection with any judgment in or settlement of such proceeding.

(e) The provisions of this Section 9.3 shall survive the termination of any Member's interest in the Company and shall remain binding on the Company and the Members for so long as necessary to resolve with the U.S. Internal Revenue Service or any other taxing authority any and all matters regarding the taxation of the Members with respect to the Company.

## **ARTICLE X**

### **TRANSFERABILITY**

**Section 10.1 - General.** No Member shall have the right to pledge, mortgage, hypothecate, charge, encumber, sell, gift, bequeath, exchange or otherwise transfer (collectively, a "Transfer,"), with or without consideration, whether or not by operation of law, all or any part of its Membership Interest, except for in accordance with the terms of this Article 10.

#### **Section 10.2 – Voluntary Transfer.**

(a) No voluntary Transfer of a Membership Interest by a Member shall be permitted if, in the opinion of counsel to the Company, such Transfer (i) may not be effected without registration under the Securities Act; (ii) would result in the violation of any applicable state securities laws; or (iii) would result in a



Membership Interest being held by a Persons that is ineligible to hold interests in cannabis businesses under Massachusetts law.

- (b) Any Voluntary Transfer shall be subject to a “Right of First Refusal” as follows:
- (i) A Member who desires to Transfer all or any portion of its Membership Interest (a “Transferring Member”) shall first deliver written notice to the Company (an “Offer Notice”) specifying (i) the Membership Units that the Transferring Member desires to Transfer (the “Offered Interest”), (ii) the proposed purchase price per 1% Membership Unit included in the Offered Interest, which must be entirely in cash (the “Offer Price”), (iii) all other terms and conditions of the offer and (iv) the identity of the Person to which the Member desires to Transfer the Offered Interest (the “Proposed Transferee”). The Offer Notice shall constitute an irrevocable offer by the Transferring Member to sell to the Company and the other Members the Offered Interest at the Offer Price and upon the other terms contained in the Offer Notice. The Company shall deliver a copy of the Offer Notice to each other Member within five business days of the Company’s receiving it.
  - (ii) Within twenty (20) calendar days following its receipt of the Offer Notice, the Company shall notify the Transferring Member and each Member as to the amount of Membership Interest, if any, it elects to purchase. The notice shall constitute an irrevocable commitment to purchase from the Transferring Member the amount of Membership Interest specified in the notice at the Offer Price under the other terms and conditions contained in the Offer Notice. If the Company does not deliver a written notice within the twenty (20) calendar day time period set forth above, it shall be deemed to have declined to purchase any portion of the Offered Interest. The Transferring Member shall not participate in the decision whether to purchase all or any portion of the Offered Interest, and if the Transferring Member is a Manager the decision shall be made by the disinterested Managers or, if there are none, the disinterested Members.
  - (iii) If the Company does not deliver a written notice under Section 10.2(b)(ii) within twenty (20) calendar days following its receipt of the Offer Notice that it intends to purchase all the Offered Interest, then, within fifteen (15) calendar days thereafter each Member shall notify the Company and the other Members in writing as to amount, if any, of the Offered Interest it desires to purchase. The written notice shall constitute an irrevocable commitment to purchase from the Transferring Member up to the amount of Membership Interest specified in the written notice at the Offer Price in cash under the other terms and conditions contained in the Offer Notice. Members who do not deliver a written notice within the fifteen (15) calendar day time period set forth above shall be deemed to have declined to purchase any portion of the Offered Interest.
  - (iv) If the Company and the other Members have elected to purchase a Membership Percentage that in the aggregate exceeds the Offered Interest, the Company may purchase the amount of Offered Interest specified in its notice and the remaining Offered Interest shall be allocated among the other Members electing to purchase Offered Interest (A) first, as nearly as possible in proportion to the those Members’ existing Membership Percentages, and (B) second, to those Members, if any, that have elected to purchase more of the Offered Interest than the amount to which they are entitled under clause (A), in such equitable manner as the Company may

determine. The Company shall promptly notify Members that have been allocated any portion of the Offered Interest under this section.

- (v) If the Company and the other Members do not elect to purchase the entire amount of the Offered Interest, the Transferring Member shall, subject to the other provisions of this Agreement, within sixty (60) calendar days of the date it delivered the Offer Notice to the Company, sell that portion of the Offered Interest that the Company and the other Members have not elected to purchase to the Proposed Transferee for cash at the Offer Price and on the other terms and conditions contained in the Offer Notice, subject to all required regulatory filings and approvals.
- (vi) If the Transferring Member does not consummate a sale of the Offered Interest by the close of business on the sixtieth (60th) calendar day of the date it delivered the Offer Notice to the Company, the provisions of this Section 10.2(b) shall again apply, and the Transferring Member may not Transfer all or any portion of its Membership Units except in accordance with this Agreement.
- (vii) The closing of purchases of Offered Interests by the Company and/or other Members pursuant to this Section 10.2(b) shall take place within sixty (60) calendar days after the date of the Offer Notice, subject to extension if a longer period is required under applicable regulations prior to a change in ownership. The closing shall take place at 11:00 a.m. local time at the principal office of the Company or such other place and time as the parties agree. At least five (5) business days prior to the closing, the Company shall notify the Transferring Member in writing of the identity of the purchasers and the amount of the Offered Interest each is purchasing, and the Transferring Member shall notify the Company in writing of its bank, account and routing information if it desires payment for the Offered Interest by wire transfer. At the closing, the Transferring Member shall sell, transfer and deliver to each purchaser all right, title and interest in and to the Offered Interest being acquired by such purchaser, free and clear of all Encumbrances other than this Agreement, and shall deliver to each purchaser a written instrument that so indicates. Simultaneously with the delivery of such written instrument, each purchaser of any portion of the Offered Interest shall deliver to the Selling Member, by certified or bank check or by wire transfer of immediately available funds (if so requested), a cash amount equal to the product of (x) that portion of the Offer Price payable at closing under the terms described in the Offer Notice and (y) the amount of Membership Interest being acquired by such purchaser represented as a percentage, in payment of the purchase price for the Offered Interest purchased. In addition, the Transferring Member and purchasers shall execute and deliver such further documents and instruments as are necessary to effect the other terms and conditions contained in the Offer Notice. Offered Interests purchased under this Section 10.2(b) shall continue to be subject to all the terms and conditions of this Agreement, including but not limited to restrictions on further transfer or encumbrance.
- (viii) The transfer of an Offered Interest shall not discharge any obligations of the Selling Member under this Agreement arising prior to such transfer.

**Section 10.3 – Involuntary Transfer.** In the event of the involuntary Transfer of a Member’s Membership Interest as a result of a Member’s death, disability, bankruptcy, insolvency or divorce, the Company shall have an option (the “Company Call Option”) to purchase such Membership Interest from the transferee as follows:

(a) The Company Call Option shall be exercisable by the Company at any time after three (3) years from the date that the Company receives permission from the Cannabis Control Commission to commence operations

(b) The purchase price for the Membership Interest shall equal the Membership Interest of the Terminated Member multiplied by the Appraised Value, as hereinafter defined. The Appraised Value shall equal the fair market value of the assets of the Company net of any liabilities of the Company, as determined by a certified appraiser selected by the Manager. Such appraiser shall estimate the fairest price (in terms of money) that could be obtained if the Company's assets were offered for sale in the open market, allowing a reasonable time to find a purchaser who buys with knowledge of the uses to which such Company assets in their then current condition are adapted, and for which use such assets are capable of being put at the time of the appraisal. The appraiser shall also take into consideration whether or not any debt to which the assets are subject is prepayable or callable.

#### **Section 10.4 – Drag-Along Rights.**

(a) Participation. Subject to the other terms and conditions specified in Section 10 of this Agreement, if one or more Members (such Member or Members, the “Dragging Member”), proposes to consummate, in one transaction or a series of related transactions, the transfer of more than Sixty-Six percent (66%) of the outstanding Membership Interests as set forth on the Company's cap table, the Dragging Member shall have the right to cause the other Members to Transfer (the “Drag-Along Transfer”) to the Proposed Transferee the same proportion of their Membership Interests as the Dragging Member is Transferring (the “Drag-Along Percentage”) in the manner set forth below.

(b) Drag-Along Notice. The Dragging Member shall exercise its rights pursuant to this Section 10.4 by delivering a written notice (the “Drag-along Notice”) to the Company and each Drag-along Member. The Drag-along Notice shall make reference to the Dragging Members' rights and obligations hereunder and shall describe in reasonable detail: (A) the name of the Person to which Membership Units are proposed to be transferred; (B) the proposed date, time and location of the closing of the transfer; (C) the amount of Membership Interest to be sold by the Dragging Member, the proposed amount of consideration for the Drag-along Transfer and the other material terms and conditions of the Drag-along Transfer, including a description of any non-cash consideration in sufficient detail to permit the valuation thereof and including, if available, the purchase price per 1% Membership Interest; and (D) a copy of any form of agreement proposed to be executed in connection therewith.

(c) Conditions of Transfer. The obligations of the Drag-along Members in respect of a Drag-along Transfer under this Section 10.3 are subject to the following conditions:

- (i) the consideration to be received by each Drag-along Member shall be the same form and amount of consideration to be received by the Dragging Member per Membership Unit and the terms and conditions of such sale shall, except as otherwise provided in Section 10.4(c)(iii), be the same as those upon which the Dragging Member sells its Membership Units;
- (ii) If the Dragging Member or any Drag-along Member is given an option as to the form and amount of consideration to be received, the same option shall be given to all Drag-along Members; and
- (iii) Each Drag-along Member shall execute the applicable purchase or other transfer agreement, if applicable, and make or provide the same representations, warranties,

covenants, indemnities and agreements as the Dragging Member makes or provides in connection with the Drag-along Transfer; provided, that each Drag-along Member shall only be obligated to make individual representations and warranties with respect to its title to and ownership of the applicable Membership Units, authorization, execution and delivery of relevant documents, enforceability of such documents against the Drag-along Member, and other matters relating to such Drag-along Member, but not with respect to any of the foregoing with respect to any other Members or their Membership Units; provided, further, that all representations, warranties, covenants and indemnities shall be made by the Dragging Member and each Drag-along Member severally and not jointly and any indemnification obligation shall be pro rata based on the consideration received by the Dragging Member and each Drag-along Member, in each case in an amount not to exceed the aggregate proceeds received by the Dragging Member and each such Drag-along Member in connection with the Drag-along Transfer.

(d) Cooperation. Each Drag-along Member shall take all actions as may be reasonably necessary to consummate the Drag-along Transfer, including, without limitation, entering into agreements and delivering certificates and instruments, in each case, consistent with the agreements being entered into and the certificates being delivered by the Dragging Member, but subject to Section 10.4(c)(iii).

**Section 10.5 - Transferee Not Member in Absence of Consent of the Manager.** Notwithstanding anything contained herein to the contrary, a Transferee that is not already a Member shall only be admitted as a Member of the Company upon written approval of the Manager and pursuant to the terms and conditions of Article 11 below. A Transferee that is not admitted as a Member shall have no right to participate in the management of the business and affairs of the Company and instead shall have only the right to receive distributions and allocations of income as and when made to the Members and shall be owed only contractual duties with respect to this Agreement, not fiduciary duties.

## **ARTICLE XI**

### **ADDITIONAL MEMBERS**

**Section 11.1 – Criteria for Admission as Member.** A Transferee shall become a Member of the Company, if and only if the following occurs:

(a) the Transferee pays to the Company all costs and expenses incurred in connection the admission of such Transferee as a Member, including, specifically and without limitation, costs incurred in reviewing and processing the Transfer and amending this Agreement;

(b) All required regulatory approvals shall have been received;

(c) The Transferee shall execute and deliver to the Company a counterpart signature page to this Agreement and a certificate containing such representations, warranties, covenants and agreements as the Manager may determine;

(d) The Transfer and admission shall not cause any contract or agreement between the Company and any other individual or entity to be terminated or to become terminable, or otherwise require novation; and

(e) The transfer and admission shall not require filing, consent or approval under, or violate, any federal, state, local or foreign law, rule or regulation to which the Company or its assets is subject, other than those to which the Manager reasonably agrees.

**Section 11.2 New Members Capital Accounts.** No new Members shall be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Company. The Managers may, at their option, at the time a Member is admitted, close the Company books (as though the Company's tax year had ended) or make pro rata allocations of loss, income and expense deductions to a new Member for that portion of the Company's tax year in which a Member was admitted in accordance with the provisions of Section 706(d) of the Code and the Treasury Regulations promulgated thereunder.

## **ARTICLE XII**

### **DISSOLUTION AND TERMINATION**

#### **Section 12.1 - Dissolution.**

(a) The Company shall be dissolved and its affairs shall be wound up upon the happening of any of first to occur of the following:

- (i) at the time specified in the Certificate;
- (ii) consent of Members in accordance with Section 6.3; or
- (iii) entry of a decree of final dissolution under Section 43 of the Massachusetts Act or other event that, by operation of law, causes the Company to be terminated.

(b) Upon the dissolution of the Company, the Managers shall take full account of the assets and liabilities of the Company, shall liquidate the assets (unless the Managers determine that a distribution of any Company property in-kind would be more advantageous to the Members than the sale thereof) as promptly as is consistent with obtaining the fair value thereof, and shall apply and distribute the proceeds therefrom in the following order:

- (i) first, to creditors, including Members who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company, whether by payment or the making of reasonable provision for payment thereof, other than liabilities for which reasonable provision for payment has been made, liabilities for distributions previously declared but not paid to Members and amounts owed to partially or totally withdrawn Members under Section 10.1(f);
- (ii) second, to fund or increase any reserve of the Company which the Managers may deem necessary or appropriate for any anticipated obligations or contingencies of the Company arising out of or in connection with the operation or business of the Company. Such reserve may be paid over by the Managers to an escrow agent or trustee selected by the Managers to be disbursed by such escrow agent or trustee in payment of any of the aforementioned obligations or contingencies and, if any balance remains at the expiration of such period as the Managers shall deem advisable, shall be distributed by such escrow agent or trustee in the manner hereinafter provided;
- (iii) third, to current Members to the extent of distributions previously declared but not paid;
- (iv) fourth, to partially or totally withdrawn Members to the extent they are owed amounts under Section 10.1(f); and
- (v) fifth, in accordance with Section 8.2(a) as if the date the Company was terminated were the date of distribution.

(c) Liquidation Proceeds.

(i) Liquidation proceeds shall be paid by the end of the Fiscal Year in which the liquidation occurs (or, if later, within 90 days after the date of such liquidation). Such distributions shall be in cash or property (which need not be distributed proportionately) or partly in both, as determined by the Managers.

(ii) If, at the time of the Company's dissolution, the Managers shall determine that an immediate sale of some or all Company property would cause undue loss to the Members, the Managers may, in order to avoid such loss, defer such sale for not more than six (6) months, *provided, however*, that the distributions that would otherwise be made to the Members pursuant to Section 12(b) shall be distributed to a trust established for the benefit of the Members for the purposes of liquidating Company assets, collecting amounts owed to the Company, and paying any contingent or unforeseen liabilities or obligations of the Company or of the Members arising out of or in connection with the Company. The assets of any such trust shall be distributed to the Members from time to time, in the reasonable discretion of the Managers, in the same manner and in the same proportions as the amount distributed to such trust by the Company would otherwise have been distributed to the Members pursuant to Section 12(b).

(d) No Personal Liability of a Person Winding Up the Company's Affairs. Any Person responsible for winding up the Company's affairs under Section 12(b) who complies with this Agreement and Section 46 of the Massachusetts Act shall not be personally liable to the claimants of the Company by reason of such Person's actions in winding up the Company.

(e) Conduct of Company's Business From Dissolution Until Filing of Certificate of Cancellation. Upon dissolution of the Company and until the filing of a certificate of cancellation as provided in Section 12(f), the Persons winding up the Company's affairs may, in the name of, and for and on behalf of, the Company, prosecute and defend suits, whether civil, criminal or administrative, gradually settle and close the Company's business, dispose of and convey the Company's property, discharge or make reasonable provision for the Company's liabilities, and distribute to the Members any remaining assets of the Company, all without affecting the liability of Members and Managers and without imposing liability on a liquidating trustee.

(f) Certificate of Cancellation. Upon the completion of the winding up of the Company, a certificate of cancellation conforming to applicable law shall be delivered by the Company to the Secretary of the Commonwealth of Massachusetts for filing. The winding up of the Company shall be completed when all debts, liabilities, and obligations of the Company have been paid and discharged or reasonably adequate provision therefor has been made, and all remaining property of the Company has been distributed to the Members.

(g) A Member may not voluntarily resign. Any purported resignation shall cause the Membership Units of the purported resignee to become solely a contractual right to receive payments or distributions hereunder; and no duties, fiduciary or otherwise, shall be owed to the holder of that contractual right other than contractual duties specified hereunder. Any damages for breach of this Section 12.1(g) shall be monetary damages only (and not specific performance) may be offset against distributions by the Company to which the holder of contractual rights under this Section 12.1(g) would otherwise be entitled.

## ARTICLE XIII

### MISCELLANEOUS PROVISIONS

**Section 13.1 – Company Call Option.** All Membership Units, regardless of Class, shall be subject to the Company Call Option described in Section 10.2. The Company Call Option shall be exercisable by the Company at any time after five (5) years from the date that the Company receives permission from the Cannabis Control Commission to commence operations, unless it is exercised earlier in accordance with Section 10.2. For the sake of clarity, Section 10.2 describes the conditions for early exercise of the Company Call Option, however, there is no condition precedent for exercise of the Company Call Option time after five (5) years from the date that the Company receives permission from the Cannabis Control Commission to commence operations, and the Company Call Option shall vest automatically at such time.

**Section 13.1 - Notices.** Any notice, demand, or communication required or permitted to be given by any provision of this Operating Agreement shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the party or to an executive officer of the party to whom the same is directed or, if sent by registered or certified mail, postage and charges prepaid, addressed to the Member's and/or Company's address, as appropriate, which is set forth in this Operating Agreement. Except as otherwise provided herein, any such notice shall be deemed to be given three business days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as aforesaid.

**Section 13.2 - Application of Massachusetts Law.** This Operating Agreement, and the application of interpretation hereof, shall be governed exclusively by its terms and by the laws of the Commonwealth of Massachusetts, and specifically the Massachusetts Act.

**Section 13.3 - Waiver of Action for Partition.** Each Member irrevocably waives during the term of the Company any right that it may have to maintain any action for partition with respect to the property of the Company.

**Section 13.4 - Amendments.** This Operating Agreement may not be amended except by the unanimous written agreement of all of the Members.

**Section 13.5 - Execution of Additional Instruments.** Each Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules or regulations.

**Section 13.6 - Construction.** Whenever the singular number is used in this Operating Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

**Section 13.7 - Headings.** The headings in this Operating Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Operating Agreement or any provision hereof.

**Section 13.8 - Waivers.** The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

**Section 13.9 - Rights and Remedies Cumulative.** The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

**Section 13.10 - Severability.** If any provision of this Operating Agreement or the application thereof to any Person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Operating Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

**Section 13.11 - Heirs, Successor and Assigns.** Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

**Section 13.12 - Creditors.** None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company.

**Section 13.13 - Counterparts.** This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

**Section 13.14 - Rule Against Perpetuities.** The parties hereto intend that the Rule against Perpetuities (and any similar rule of law) not be applicable to any provisions of this Operating Agreement. However, notwithstanding anything to the contrary in this Operating Agreement, if any provision in this Operating Agreement would be invalid or enforceable because of the Rule against Perpetuities or any similar rule of law but for this Section 13.14, the parties hereto hereby agree that any future interest which is created pursuant to said provision shall cease if it is not vested within twenty-one years after the death of the survivor of the group composed of the initial Members who are individuals and their issue who are living on the date of this Operating Agreement and their issue, if any, who are living on the effective date of this Operating Agreement.



**EXHIBIT A**

**CERTIFICATE OF ORGANIZATION**

See Attached Certificate of Organization



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

Minimum Fee: \$500.00

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

**Certificate of Organization**

(General Laws, Chapter )

Identification Number: 001585365

1. The exact name of the limited liability company is: RED BARN GROWERS LLC

2a. Location of its principal office:

No. and Street: 24 PICKERING STREET  
 City or Town: CHICOPEE State: MA Zip: 01013 Country: USA

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

No. and Street: 24 PICKERING STREET  
 City or Town: CHICOPEE State: MA Zip: 01013 Country: USA

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

APPLYING FOR A LICENSE WITH THE CANNABIS CONTROL COMMISSION.

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:

Name: STEPHEN G. ROCHE  
 No. and Street: 35 WILLOW STREET  
UNIT 203  
 City or Town: SPRINGFIELD State: MA Zip: 01103 Country: USA

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

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

| Title   | Individual Name<br>First, Middle, Last, Suffix | Address (no PO Box)<br>Address, City or Town, State, Zip Code |
|---------|--|---|
| MANAGER | DAVID B. GREY                                  | 24 PICKERING STREET<br>CHICOPEE, MA 01013 USA                 |

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

| Title         | Individual Name<br>First, Middle, Last, Suffix | Address (no PO Box)<br>Address, City or Town, State, Zip Code |
|---------------|--|---|
| SOC SIGNATORY | STEPHEN G. ROCHE ESQ.                          | 35 WILLOW STREET, UNIT 203                                    |

## EXHIBIT B

### Certain Tax-Related Provisions

1. Limitation on Allocation of Net Losses. Notwithstanding Section 8.1 of the Agreement, the Net Losses allocated to any Member pursuant to this Agreement shall not exceed the maximum amount of Net Losses that can be allocated to that Member without causing or increasing an Adjusted Capital Account Deficit for such Member at the end of any Fiscal Year. All Net Losses in excess of the amount that may be allocated to that Member shall be reallocated to any other Members which would not have an Adjusted Capital Account Deficit as a result of the allocation, in proportion to their respective Membership Interests, or, if no such Members exist, then to the Members in accordance with their respective Membership Interests.
2. Allocation of Gain Upon Liquidation. Except as otherwise provided in Section 3 of Exhibit B, upon the sale, exchange or other disposition of all or substantially all of the assets of the Company or upon the dissolution of the Company, the Company shall make a final allocation of Net Profit or Net Loss, as the case may be, and other items in such amounts and proportions as are necessary (to the extent possible) for the Members' Capital Account balances to equal the amounts of any remaining assets of the Company they would be entitled to receive if such remaining assets were to be distributed in accordance with Section 8 of the Agreement.
3. Special Provisions Regarding Allocations of Net Profits and Net Losses.
  - (a) Minimum Gain Chargeback. Notwithstanding any other provision of Section 8 of the Agreement or this Exhibit B, if there is a net decrease in Minimum Gain for any Fiscal Year, each Member shall, in the manner provided in Treasury Regulations Section 1.704-2(f), be allocated items of Company income and gain for such year (and, if necessary, for subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g)(2); provided, however, that this Section 3(a) of Exhibit B shall not apply to the extent the circumstances described in Treasury Regulations Sections 1.704-2(f)(2), 1.704-2(f)(3), 1.704-2(f)(4), or 1.704-2(f)(5) exist. The items of Company income and gain to be allocated pursuant to this Section 3(a) of Exhibit B shall be determined in accordance with Treasury Regulations Section 1.704-2(f)(6). This Section 3(a) of Exhibit B is intended to comply with the minimum gain chargeback requirement in Treasury Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.
  - (b) Member Minimum Gain Chargeback. Notwithstanding any other provision of Section 8 of the Agreement or this Exhibit B except Section 3(a) of Exhibit B, if during any Fiscal Year there is a net decrease in Member Nonrecourse Debt Minimum Gain, any Member with a share of that Member Nonrecourse Debt Minimum Gain (determined in accordance with Treasury Regulations Section 1.704-2(i)(5)) as of the beginning of such Fiscal Year shall be allocated items of Company income and gain for the Fiscal Year (and, if necessary, for succeeding Fiscal Years) equal to that Member's share of the net decrease in the Member Nonrecourse Debt Minimum Gain (determined in accordance with Treasury Regulations Section 1.704-2(i)(4)); provided, however, that this Section 3(b) of Exhibit B shall not apply to the extent the circumstances described in the third and fifth sentences of Treasury Regulations Section 1.704-2(i)(4) exist. The items of Company income and gain to be allocated pursuant to this Section 3(b) of Exhibit B shall be determined in accordance with Treasury Regulations Section 1.704-2(i)(4). This Section 3(b) of Exhibit B is intended to

comply with the minimum gain chargeback requirement in Treasury Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

- (c) Corrective Income Allocation. Notwithstanding any other provision of Section 8 of the Agreement or this Exhibit B, in the event that Net Losses are specially reallocated to any Member in a Fiscal Year pursuant to Section 1 of Exhibit B, items of Company income and gain for the next succeeding Fiscal Year (and, if necessary, for additional succeeding Fiscal Years) shall be allocated to the Members, as is practicable (consistent with the provisions of Section 1 of Exhibit B) to the extent of the excess, if any, of (x) the cumulative amount of Net Losses re-allocated to such Members pursuant to Section 1 of Exhibit B for all prior Fiscal Years over (y) the cumulative amount of items of Company income and gain previously allocated to those Members pursuant to this Section 3(c) of Exhibit B.
- (d) Qualified Income Offset. If any Member unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulations Sections 1.704-1 (b)(2)(ii)(d)(4), (5) or (6) that create an Adjusted Capital Account Deficit for such Member, items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year) shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit for such Member as quickly as possible; provided, however that an allocation pursuant to this Section 3(d) of Exhibit B shall be made if and only to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 3 of Exhibit B have been tentatively made as if this Section 3(d) of Exhibit B were not in this Agreement.
- (e) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year or other period shall be specially allocated as Net Losses in accordance with the Members' Percentage Interests in the manner provided in Treasury Regulations Section 1.704-2(j)(1)(ii).
- (f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Fiscal Year or other period 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 Treasury Regulations Section 1.704-2(i).
- (g) Section 754 Adjustment. To the extent any adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Treasury Regulations Section 1.704-1 (b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Treasury Regulations. If the Manager is a Members, the Manager may make an election permitted under Code Section 754.
- (h) Distributions of Property. If any property is distributed in kind to any Member (whether in connection with a liquidation of the Company or otherwise), the difference between its fair value and its book value at the time of distribution shall be treated as Net Profits or Net Losses recognized by the Company and allocated pursuant to the provisions of this Section 3 of Exhibit B, in accordance with Treasury Regulations Section 1.704-1 (b)(2)(iv)(f). For this purpose, the Managers shall determine the fair value of any property.

4. Curative Allocations. The Managers shall determine if any special allocations of items of income, gain, loss or deduction pursuant to Section 3 of this Exhibit B shall be taken into account in computing allocations in a subsequent Fiscal Year (or portion thereof) pursuant to the other provisions of Exhibit B so that the net amount of any items so allocated and all other items allocated to each Member pursuant to Exhibit B shall, to the extent possible, be equal to the net amount that would have been allocated to each Member pursuant to Exhibit B if the special allocations in Section 3 of Exhibit B had not been made.
5. Other Allocation Rules.
  - (a) Transfers, etc. For purposes of determining Net Profits, Net Losses or any other items allocable to any period, Net Profits, Net Losses and any such other items shall be determined on a daily, monthly or other basis, as determined by the Manager using any method that is permissible under Code Section 706. If an interest in the Company is transferred then, except as otherwise provided by Code Section 706, the Net Profits and Net Losses and any such other items of the Company shall be allocated between the periods before and after the transfer by the closing-of-the-books method. As of the date of such transfer, the transferee shall succeed to the Capital Account of the transferor Member with respect to the transferred Interest. This paragraph shall apply for purposes of computing a Member's Capital Account and for federal income tax purposes.
  - (b) Recharacterization. If any fees or other payments deducted for federal income tax purposes by the Company are recharacterized by a final determination of the U.S. Internal Revenue Service as nondeductible distributions to any Member, then, notwithstanding all other allocation provisions (other than the special allocations pursuant to Section 3 of Exhibit B), gross income shall be allocated to such Member (for each Fiscal Year in which such recharacterization occurs) in an amount equal to the fees or payments recharacterized.
  - (c) Application of Code Section 704(c).
    - (i) In accordance with Code Section 704(c), the traditional method with curative allocations as set forth in Treasury Regulations Section 1.704-3(c), shall, solely for tax purposes, direct the allocation of income, gain, loss and deduction with respect to any property contributed to the capital of the Company among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial fair market value.
    - (ii) When the value of any Company property is adjusted in accordance with Treasury Regulations Section 1.704-1 (b)(2)(iv)(f) to reflect fair market value of such property, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its fair market value in the same manner as under Code Section 704(c) and in accordance with the traditional method with curative allocations as set forth in Treasury Regulations Section 1.704-3(c).
    - (iii) Except as provided in Sections 5(c)(i) and 5(c)(ii) of this Exhibit B, for federal income tax purposes, under the Code and Treasury Regulations, each Company item of income, gain, loss and deduction shall be allocated among the Members in the same manner as its correlative item of book income, gain, loss or deduction is allocated pursuant to Section 8.1 of this Agreement or elsewhere in this Exhibit B. Any elections or other decisions relating to such allocations shall be made by the Members in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 5(c) of Exhibit B are solely for purposes

of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Net Profits or Net Losses, other items or distributions pursuant to any provision of this Agreement.

6. Adjustment to Net Profits and Net Losses. Net Profits and Net Losses of the Company shall be subject to the following adjustments:

- (a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Profits or Net Losses shall be added to such taxable income or loss;
- (b) Any Code Section 705(a)(2)(B) expenditures of the Company that are not otherwise taken into account in computing Net Profits or Net Losses shall be subtracted from such taxable income or loss;
- (c) If the Gross Asset Value of any Company asset is adjusted pursuant to paragraph (ii) or (iii) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset, for purposes of computing Net Profits or Net Losses;
- (d) Gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes (or is deemed recognized pursuant to paragraph (iii) above) shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;
- (e) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or other period;
- (f) To the extent that a Code Section 734(b) or Code Section 743(b) adjustment is required to be taken into account in determining Capital Accounts, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Net Profits or Net Losses;
- (g) Notwithstanding anything to the contrary in the definition of the terms "Net Profits" and "Net Losses," any items that are specially allocated pursuant to Exhibit B shall be excluded in computing Net Profits or Net Losses; and
- (h) For purposes of this Agreement, any deduction for a loss on a sale or exchange of Company property that is disallowed to the Company under Code Section 267(a)(1) or Code Section 707(b) shall be treated as a Code Section 705(a)(2)(B) expenditure.

7. Certain Definitions.

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

- (i) crediting to such Capital Account any amounts that such Member is obligated to restore to the Company pursuant to Treasury Regulations Section 1.704-1 (b)(2)(ii)(c) or is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

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

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

“Depreciation” means an amount equal to the depreciation, amortization, or other cost recovery deduction allowable for federal income tax purposes with respect to an asset for each Fiscal Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization, or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Members.

“Gross Asset Value” means, with respect to any asset, the following:

- (i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the Manager;
- (ii) The Gross Asset Values of all assets of the Company shall be adjusted to equal their respective gross fair market values, as determined by the Manager, as of the following times: (a) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (b) the distribution by the Company to a Member of more than a de minimis amount of Company property as consideration for an interest in the Company; and (c) the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g). Notwithstanding the foregoing, the adjustments pursuant to clauses (a) and above shall be made only if the Manager determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;
- (iii) The Gross Asset Value of any Company asset distributed to any Member shall be the gross fair market value of such asset as determined by the Manager on the date of distribution; and
- (iv) The Gross Asset Value of the assets of the Company shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulations Section 1.704-1 (b)(2)(iv)(m); provided, however, that Gross Asset Value shall not be adjusted pursuant to this paragraph (iv) to the extent that an adjustment was made pursuant to paragraph (ii) of this definition in connection with any transaction that would otherwise have resulted in an adjustment pursuant to this paragraph (iv).
- (v) In all other cases, the Gross Asset Value of an asset shall be its adjusted basis for federal income tax purposes.

If the Gross Asset Value of an asset has been determined or adjusted pursuant to paragraph (i), (ii), or (iv) of this definition, the Gross Asset Value of such asset shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Profits and Net Losses.

“Member Nonrecourse Debt” means any indebtedness that is, or is treated as, a nonrecourse debt of the Company for which any Member bears (or is treated as bearing) the economic risk of loss, as determined pursuant to Treasury Regulations Sections 1.704-2(i)(1) and 1.752-2.

“Member Nonrecourse Deductions” means “partner nonrecourse deductions” as defined in Treasury Regulations Section 1.704-2(i)(2).

“Member Nonrecourse Debt Minimum Gain” means a Member's share of “partner nonrecourse debt minimum gain” as determined pursuant to Treasury Regulations Section 1.704-2(i)(5).

“Minimum Gain” means “partnership minimum gain” as determined pursuant to Treasury Regulations Section 1.704-2(d).

“Nonrecourse Deductions” has the meaning set forth in Treasury Regulations Section 1.704-2(b)(1).





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

William Francis Galvin  
Secretary of the  
Commonwealth

November 21, 2023

TO WHOM IT MAY CONCERN:

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

**RED BARN GROWERS LLC**

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **MAY 26, 2022.**

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: **DAVID B. GREY**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **DAVID B. GREY, ISAAC FLEISHER MR**

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **DAVID B. GREY, DAVID B GREY**



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

# Red Barn Growers LLC

## Plan for Obtaining Liability Insurance

### Overview

We are in discussions with insurance providers and will engage with the provider who best suits the needs of the company once we receive a Provisional License.

1. Once the company receives its Provisional Marijuana Establishment License, we will engage with an insurance provider who is experienced in the legal marijuana industry.
  - a. The company 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.
  - b. The deductible for each policy will be no higher than \$5,000 per occurrence.
2. The company will maintain reports documenting compliance with 935 CMR 500.105(10) in a manner and form determined by the Commission and make these reports available to the Commission upon request.

# Red Barn

## Growers

Holyoke MA  
2023



## **Business Summary**

Red Barn Growers is a new cultivation company that intends to grow commercial cannabis in a controlled indoor facility located in Holyoke MA.

Red Barn Growers will have a strong social justice focus, recognizing the disproportionate negative impact past drug laws have had on segments of the population. Our staffing levels will be low, but we will make every effort to provide employment to individuals who have been negatively impacted by historic drug laws. Our greater focus, however, will be on providing annual donations to organizations that are focused on social justice efforts for those impacted and/or on the communities, such as Holyoke and surrounding areas that were negatively impacted over time. Specific organizations will be researched to ensure that funds will have a strong and direct impact.

Our intent is to obtain a Microbusiness Tier 1 license from the Massachusetts Cannabis Commission for up to 5,000 SF of grow space (plant canopy).

Once the final space is identified, we will formalize a build-out plan. We intend to have the necessary and required designated space for cloning, a drying room, nutrient storage, changing rooms for staff, a security station, and the like.

We intend to reach out to local processors and dispensaries to determine which strains are most in demand and/or of greatest appeal. We intend to then purchase clones of those strains and to grow at least four varieties initially. We do not intend to have a retail operation but would consider partnering with a retail buyer and growing to the buyer's specifications (to the extent possible and economically viable).

***Red Barn Growers intends to create a demand for their high-quality cannabis flower by utilizing their over 50 unique and personal Strains. We intend to create brand loyalty for Red Barn Growers. These strains have been developed and perfected for over 15 years, and will now be grown and harvested for the public to enjoy and crave. We at Red Barn Growers will create a Brand of the highest-quality flower and Derivatives in the industry. We plan to become the Benchmark that all of our competitors will try to copy. We feel this will insulate our product from market dips in pricing.***

We will consider options to make as much use of the plants as possible and assess marketing options and reach out to potential buyers.

The facility will be designed for long-term efficiency. This will require higher cost fit-out but will improve profitability over time and may facilitate scaling up if we choose to expand the facility in the future. We will use highly efficient resources for grow lights, irrigation, and ventilation to enhance product quality, ensure a rapid growth cycle, and be as environmentally friendly as possible. We understand the need to minimize any negative impact on our neighbors and on the environment, and this will be a focus in our build-out planning.

### **Microbusiness**

Why would we choose to be a Cannabis Microbusiness? There are many advantages in creating a Cannabis Microbusiness. One of the main purposes the Commonwealth proposed having cannabis microbusiness licenses was to allow the “mom & pop” approach to own a piece of this industry. It shouldn’t be only for the “deep-pocketed” type corporations or wealthy individuals. Introduced to let regular farmers, and other people from all walks of life be involved in a highly lucrative industry, gives everyone the opportunity to take a bite of the apple so to speak. Some of the benefits are as follows:

- 50% reduction in licensing application fees
- Drastically reduced start-up costs
- Smaller canopy layout which means better manageability
- Licensing approval and acceptance expedited on state level
- Streamlined application process
- Advantages for women & minority owned
- Increased efficiency

## Goals & Objectives

### **Main Goals**

- Obtain a Host Agreement from the City of Holyoke MA
- Obtain a Microbusiness Tier 1 Cultivation license from the Massachusetts Cannabis Commission
- Establish a 1000 SF canopy indoor grow operation in Holyoke MA for the first year and expand for two following years
- Be fully compliant with all state and municipal requirements

### **Mission**

- Have a positive social justice impact
- Produce high-quality strains of cannabis, for sale to wholesalers and retailers in Massachusetts
- Have a highly efficient facility which minimizes any negative environmental impact

### **Main Objectives**

- Obtain Microbusiness Tier 1 grower's license
- Build-out a quality indoor grow facility
- Find local markets to sell product; ensure our products match customer demand
- Become profitable within one year of active production and sale

### **Keys to Success**

- High quality product, grown consistently and responsibly
- Marketing outreach to wholesalers and retailers
- Effective management oversight of the operation
- A quality Grow Master to ensure product is grown effectively with minimal issues

## Market and Opportunities

Massachusetts legalized recreational cannabis in 2016 and the first adult retail stores opened in 2018.

### **Market demand**

In the first full year of retail operations (November 2018 to November 2019), gross sales were close to \$600 million. Through August 31, 2021, gross sales were \$1.3 Billion. The most recent figures reflect \$1.5 Billion in 2022. The number with everything related to Cannabis sales is closing in on **\$4 Billion**, that's a big pie in a short period of time. Sales of Cannabis in Massachusetts are presently at **\$28 million per week.**<sup>1</sup>

As of 10/5/21, there are 301 licensed cannabis companies in MA, including retailers, couriers, cultivators (indoor and outdoor), and product manufacturers and testing laboratories.<sup>2</sup> As of 12/08/22 there are 95 cultivators operational within Massachusetts, more are in the licensing process.<sup>3</sup>

These numbers are very fluid, increasing every quarter in some cases. This is a good barometer. Covid slowed licensing approvals drastically, we can now see that the CCC is catching up. Below is a table showing some of the licenses granted thus far in Massachusetts.

| Business Type                     | Number of Businesses | Western MA                            |
|-----------------------------------|----------------------|---------------------------------------|
| Courier                           | 5                    | Athol                                 |
| Cultivation – Tier 1<br>Indoor    | 11                   | Athol, Sheffield, West<br>Stockbridge |
| Cultivation – Tier 1<br>Outdoor   |                      |                                       |
| Cultivation – Tier 2 –<br>Indoor  | 11                   | Barre, Pittsfield, Bernardston        |
| Cultivation – Tier 2 –<br>Outdoor | 2                    | Barre                                 |

<sup>1</sup> Source: BusinessWest Magazine, 2/6/23 edition

<sup>2</sup> Source: Massachusetts Cannabis Control Commission

<sup>3</sup> Source: BusinessWest Magazine, 2/6/23 edition

|                                 |     |  |
|---------------------------------|-----|--|
| Cultivation – Tier 3 – Indoor   | 7   | Chicopee   |
| Cultivation – Tier 4 – Indoor   | 7   | Montague, Westfield  |
| Cultivation – Tier 5 – Indoor   | 6   | Sheffield  |
| Cultivation – Tier 6 – Indoor   | 2   |  |
| Cultivation – Tier 6 – Outdoor  | 2   | Sheffield  |
| Cultivation – Tier 7 – Indoor   | 2   | Easthampton  |
| Cultivation – Tier 7 – Outdoor  | 1   | Sheffield  |
| Cultivation – Tier 8 – Indoor   | 1   |  |
| Cultivation – Tier 9 – Outdoor  | 1   | Sheffield  |
| Cultivation – Tier 10 – Outdoor | 1   |  |
| Cultivation – Tier 11 – Indoor  | 3   | Athol, Holyoke   |
| Cultivation – Tier 11 – Outdoor | 1   |  |
| Independent Testing Lab         | 7   | Holyoke  |
| Transporter with other License  | 2   | Pittsfield   |
| Microbusiness                   | 4   |  |
| Product Manufacturer            | 50  | Montague, Pittsfield, Sheffield, Northampton, Westfield, Great Barrington, Easthampton, Chicopee, Holyoke, Orange, Bernardston, Hatfield |
| Retailer                        | 172 | Numerous   |
| Third Party Transport           | 2   |  |



Connecticut legalized recreational cannabis in 2021. This may reduce the stigma for CT residents and increase travel to Western MA for products until CT develops its own grow and retail infrastructure. Like MA, CT has a strong social justice component, which will potentially slow the development of grow operations and retail outlets. Over the longer term, there may be synergies between the two states, and there may be opportunities for cross-border transactions.

## **Products and Services**

Massachusetts has an environment that can support outdoor, greenhouse, or indoor grow operations. While outdoor and greenhouse operations are less expensive to establish and operate, we are focused on an indoor controlled environment.

Red Barn Growers will establish an indoor grow operation:

### **Pros**

- No weather related issues, particularly with a relatively short outdoor growing cycle. We will be able to produce year around, with consistent product quality.
- Complete environmental control to maximize bud production
- Increased security of having a fully contained facility
- Independent grow rooms will reduce risk of any cross-contamination, will ensure entire crop is not ruined if there is a problem

### **Cons**

- Higher build-out cost / need for larger amount of capital to establish facility and carry overhead until sale of product(approximately 3-4 months from initial seed)
  - Cost of individual grow rooms
  - HVAC
  - Water treatment and waste water management
  - Electricity to operate grow lights
- Higher overall grow costs (utilities) compared to outdoor greenhouse or open land growing

## **Sales Strategy**

To obtain higher prices, marijuana products need to be of quality strains and grown in optimal conditions. We can grow for a less sophisticated market which will be less demanding, but will obtain a lower price/pound.

Red Barn Growers, LLC intends to create a niche in the cannabis market. We plan on growing and creating the highest quality flower on the market. Our small size will enable us to watch over the plants very carefully, inspecting each plant and ensuring each produces the optimal flower. Small batches means it is very manageable, correcting any problems that may arise very quickly thus ensuring the best harvests possible. Our goal is to be the true leaders in the cannabis industry. When achieved our brand will be priceless!

### **Key Steps**

- Perform market research during build-out to determine strains that are in demand
- Determine what strains product manufacturers want, and establish agreements with them to provide specific product and specific volumes
- Obtain clones, ideally at least 4 strains and potentially more, based on market research
- Determine market buyers for leaves and stems, to reduce plant waste

### **Wholesale Market Pricing, yield/plant, number of harvests/year, Projected plant increases for years Two & Three**

Based upon research gathered from other microbusiness Growers, other larger commercial Growers, industry consultants, industry statistics and pricing we can say with confidence that High-Quality Marijuana Flower harvests have a wholesale price of \$2250/lb.

Premium High Quality grown = \$2500/lb.

Average Quality grown= \$2000/lb.

We will use the \$2250/lb., it's an average of the two and will take into account any slippage in the wholesale market in the next three years. Retail outlets are far exceeding the number of wholesale growers according to the Cannabis Control

Commission and industry watch groups and associations. Major markets like Boston have very few retail outlets opened at present time, more retail in the pipeline, demand is far out-stretching supply.

Each light can yield approximately 10 lbs. of Flower/year and we have 52 lights, this would equate to 5 harvests/year. We will grow and harvest 5-6 times/year. Each grow would result in approximately 104 lbs. of high quality Cannabis Flower.

The Microbusiness under Tier 1 has a limit of 5,000 sf, anything beyond that will require a separate license falling under Tier 2. We plan to increase using a tiered system and maximizing existing space. Installing a tiered grow system will more than double our output in year three.

### **Revenue Projections- Gross**

Assumes 1000 SF of Canopy grow, 52 Grow Lights, clone to harvest, and an average yearly yield of 10 lbs./ light.. 5-6 Harvests in first year projected. 104 lbs. / Harvest, 520 lbs. – 624 lbs. / year. Current wholesale price-\$2250 for Premium high quality product. The prices for wholesale Marijuana Flowers are determined by the trimming methods as well as the THC results. The flowers that are hand-trimmed and have a THC concentration greater than 25% and above attract higher demand and prices. For our purposes we will be using the average between Average and Premium which is \$2250/lb.

Concentrate will be extracted from the left-over parts of the plant: trimming, stems, clippings, stalk, roots etc. Concentrate is approximately 98%-99% pure. This material can be used in the manufacturing process of edibles, liquid infused products, dabs, etc. A realized addition to our projected Revenue will be approximately 20% of the Gross added to the bottom line. Red Barn Growers will begin with this Concentrate process in year two and three and beyond.

Year Three Red Barn Growers plans to add a Tier System to the Cannabis Canopy, effectively doubling the number of pounds that can be grown and harvested. The system will need capital investment which will hopefully be funded by Red Barns own capital derived from year 1 & 2.

**Gross Revenue Projections:**

**Augmented Year of Growing- Projected  
8 Month Build-out Phase with 1 Harvest and 2-3 Harvest to end 12 month Grow  
2-3 Harvests Projected**

2 Harvests x 104lbs. = 208lbs. x \$2250/lb. = \$468,000

3 Harvests x 104lbs. = 312lbs. x \$2250/lb. = \$702,000

**Year One- First Full Year of Growing**

**5-6 Harvests projected, each Harvest yields 104 lbs. of Cannabis Flower.**

5 Harvests x 104lbs. = 520 lbs. x \$2250/lb. = \$1,170,000

6 Harvests x 104lbs. = 624 lbs. x \$2250/lb. = \$1,404,000

**Year Two**

**5 – 7 Harvests projected, each Harvest 104 lbs. of Cannabis Flower, 20% of  
Revenue for each Harvests added for Concentrate Extracts**

5 Harvests x 104 lbs. = 520 x \$2250/lb. = \$1,170,000 + \$234,000(20%)=\$1,404,000

6 Harvests x 104 lbs. = 624 x \$2250/lb. = \$1,404,000 + \$280,800(20%)=\$1,684,800

7 Harvests x 104 lbs. = 728 x \$2250lb. = \$1,638,000 + \$327,600(20%)=\$1.965,600

### Year Three

**5- 7 Harvests projected, with a 20% or more addition to Revenue projections for Concentrate Extraction. Addition of a PIP Tier System- double output and revenue projections.**

5 Harvests x 208 lbs. = 1,040 lbs. x \$2250/lb.= \$2,340,000  
+\$468,000(20%)=\$2,808,000

6 Harvests x 208 lbs. = 1,248 x \$2250/lb.= \$2,808,000+  
\$561,600(20%)=\$3,369,600

7 Harvests x 208 lbs. = 1,456 x \$2250/lb.= \$3,276,000+\$655,200(20%)=  
\$3,931,200

**Anticipated  
Return on Investment (R.O.I.)**

\$100,000 investment -7.5% equity interest

\$200,000 investment - 15% equity interest

\$300,000 investment - 22.5% equity interest

\$400,000 investment – 30% equity interest

**Augmented year (2 Harvests) and Years 1-3 (5 - lowest number of Harvests)  
Explanation of each years anticipated increase  
R.O.I. Percentage**

*Aug. Year* = **10.53% Anticipated Return on Investment (R.O.I.)**. This year is a shortened grow year- we can only achieve approximately 2 Harvests due to the “Build-Out” of the facility taking 8 – 9 months, leaves us a short window to grow beyond 2 to 3 Harvests- 2 Harvests will be used, a conservative number.

*Year One* = **26.33% Anticipated Return on Investment (R.O.I.)** First full year of growing, conservative number of Harvests being used- 5 Harvests, but drastic increase from Augmented year ROI.

*Year Two* = **31.59% Anticipated Return on Investment (R.O.I.)** This year sees an increase in ROI due to the introduction of Concentrates being processed from the trimmings of the plant. Concentrates adds approximately 20% revenue to the bottom line from the previous year.

*Year Three* = **63.18% Anticipated Return on Investment (R.O.I.)** This year we see the ROI increase by doubling from year two, the reason for this is the introduction of a “tier-system” of planting, we are doubling the number of plants, thus doubling revenue for this given year.

**Anticipated Return on Initial Investment over Augmented Year + Year 1-3  
Table Form**

**Initial Investment (I.I.)**

| <b>I.I.</b> | <b>Aug. Year</b> | <b>+ Year 1</b> | <b>+ Year 2</b> | <b>+ Year 3</b> | <b>= Total:</b> |
|-------------|------------------|-----------------|-----------------|-----------------|-----------------|
| (\$100k)    | \$10,530         | \$26,325        | \$31,590        | \$63,180        | \$131,625       |
| (\$200k)    | \$21,060         | \$52,650        | \$63,180        | \$126,360       | \$263,250       |
| (\$300k)    | \$31,590         | \$78,975        | \$94,770        | \$189,540       | \$394,875       |
| (\$400k)    | \$42,120         | \$105,300       | \$126,360       | \$252,720       | \$526,500       |

**Pre-Build-out Costs- Licensing Stage**

Costs will be incurred during the process of obtaining city Special Permits and approval from the Massachusetts Cannabis Control Commission. The following administrative and professional services will need to be secured to assist with a positive decision for our applications. There may be additional unforeseen expenses as well. The following services include: legal, architectural, security, fire safety and regulations adherence, community outreach, advertising, other professional services. Possible funds needed to secure a Master Grower. Licensing stage costs will be included in “Projected build-out Costs”.

**Projected Build-out Costs**

Shortages & increased prices of building products in particular are far different than our recent past. The pandemic situation as well as demand for certain equipment needed in the marijuana industry- i.e. LED lighting, irrigation systems, security systems, HVAC units etc. has increased prices across the board. Fortunately we are seeing prices decreasing for some products and various building materials.

## Projected Build-out Costs cover three main component areas: **Costs**

1. **Cannabis Grow Lighting:** LED Fixtures will be used for all aspect of the growing phases- main growing pods, cloning rooms, drying rooms etc. LED advantages: Little to no heat produced, thus huge savings on A/C costs, Life of Fixture much longer than HID and HPS Fixtures, Environmentally Friendly, Various colors and hues can be achieved. LED better at simulating the Sun, Energy savings compared to HID/HPS fixtures is 38%.<sup>4</sup> For our operation we estimate lighting equipment to number 52 fixtures @ 640 Watt LED fixtures needed @ \$1000/ea. **\$52,000**
2. **Grow Equipment:** Irrigation Systems & Supplies, Media/Nutrients, Tables, Trays, Tools, Sprays, Humidifiers & De-humidifiers, Fans & Filters, Automatic Dosing Machines, Strains, Clones, Seeds, Supports, Containers, Cannabis Testing Equipment, Plant Waste Disposal, Extraction machinery<sup>5</sup> - **\$92,000**
3. **Construction Materials:** Labor Costs, Constructing the associated Grow Rooms, Walk-in Vault, Pod Construction, IT Software and Equipment, Fire Safety, HVAC, Security System Installation, Clean Room Construction, Architectural Plans, Other rooms and misc. Equipment. \$150/SF x 1000SF= **\$150,000**

### **Add the Three Main Component Areas**

$$\begin{aligned} &\text{Cannabis Grow Lighting} + \text{Grow Equipment} + \text{Construction Materials} \\ &= \\ &\$52,000 + \$92,000 + \$150,000 = \$294,000 \end{aligned}$$

### **Projected Build-Out Costs**

**Total: \$294,000**

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<sup>4</sup> www.Montereybayreef.com

<sup>5</sup> HTGsupply.com



## Projected Operating Costs for 8 months

For the first eight months there will be no income, the company will only be incurring expenses, until the first crop at the end of the 8<sup>th</sup> month has been sold. For the first 8 months the Operating Budget monies must be on hand to pay for services, labor and maintenance of the company.

Once the Provisional License has been granted and provisions have been met by Red Barn, the Full Operational License granted, approximately 8 months as stated is needed before the 1<sup>st</sup> harvest occurs. Red Barn should be able to have two harvests within the first 12 months of its license.

There are numerous expenses that must be paid, until revenues are generated. These expenses include, but not limited to the following:

- Electricity
  - Lease
- Water usage
- Employee salaries
  - Insurance
- Security monitoring service
  - Personnel
  - Trimming services
  - Consultants
- Annual license renewal
- **Professional Services (PS)**
- On-going accounting services(PS), Computer and IT services(PS)
- Laboratory testing(PS), On-going plant waste disposal(PS)
  - Advertising(PS), Compliance services(PS)
    - Legal services(PS)
  - Community outreach(PS)

## Electricity Costs

Examples of two expenses from the list above are electricity usage and water consumption. Electricity is the most costly utility there is when growing marijuana indoors. It is used for everything, especially to power the LED lights. Growers and industry experts estimate that a bare minimum 128 watts of light is needed to effectively grow 4 Marijuana plants.<sup>6</sup> These lights and their energy consumption will be turned on for over 18 hours straight in certain growing stages of the plant. Massive amounts of energy consumed.

Holyoke, MA, our choice of location has one of the lowest commercial electrical rate in the entire state of Massachusetts. According to the US Dept. of Energy Holyoke's Electrical rate is 24.11% less than The Massachusetts average.<sup>7</sup> Their power is generated using hydro, solar, wind, oil, methane, natural gas and oil fired plants.

Current Electric Industrial rate in Holyoke is \$.1154/KWH.<sup>8</sup>

On average it takes approx. 2,000KWH<sup>9</sup> to grow 1 Lb. of Cannabis(13)  
104 lbs. of Cannabis **per** Harvest  
Costs between \$230/LB  
Cost would be \$230/LB x 104Lbs. = **\$23,920/Harvest for Energy costs**

**Non-growing electric projected \$300/month x 8 = \$2400**

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<sup>6</sup> [www.thekushlush.com](http://www.thekushlush.com), Lighting Guide for Cannabis Cultivation

<sup>7</sup> U.S. Department of Energy

<sup>8</sup> Holyoke Gas & Electric, Holyoke, MA 01040

<sup>9</sup> Northeast Power Coordinating Council

### Water costs

Each saleable pound of cannabis takes 1 gallon of water per day to grow effectively. A plant will transpire approximately 90% of water fed for the day.<sup>10</sup> The transpired water may then be filtered and purified, sent to a holding tank then can be re-used. This recycling of the plant water drastically reduces consumption of fresh water per plant. Vapor Pressure Deficit must also be monitored constantly due to high transpiration rate.

Each Cannabis plant consumes approximately 1 gallon of water per day, approximately 60 days from clone to plant harvest. Growing approximately 500 plants per harvest for 60 days = 500 gallons x 60 days = 30,000 gallons of water needed per harvest.

- Holyoke water rate is \$4.73/1000 gallons.(16) 30 x \$4.73 = **\$142 per harvest.**<sup>11</sup>

### Salaries- Master and Asst. Grower, Office personnel & other

- **Master Grower-** \$90,000/yr.<sup>12</sup> – Higher the % pays bonus money. Throw-away harvest pays minimum agreed upon wage. Merit based pay will be implemented. **\$24,000 for 8 month build-out and 1<sup>st</sup> Grow**
- **Asst. Master Grower-** \$56,000/yr. **\$16,000 for 8 month build-out and 1<sup>st</sup> Grow**
- **Office personnel** – Manager of LLC
- **Office Manager** – Manager of LLC
- **Trimmers-** 3<sup>rd</sup> Party Trimming Company will be hired. \$150- \$225/lb of Flower. Average of \$188/lb. x 104lbs(1<sup>st</sup> Grow)= **\$19,552 for 1<sup>st</sup> Grow**
- **Security Monitoring-** Generally \$35-\$50/camera, 15-20 cameras, \$525-\$750 - \$700-\$1000, Avg. \$640- \$850/month, **\$750/Month x 8 months=\$6000**
- **Maintenance Personnel** - Manager

**Total Personnel Costs for 8 months: \$65,552**

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<sup>10</sup> www.Mintcopy.com

<sup>11</sup> Holyoke Water & Sewer Commission, Holyoke, MA 01040

<sup>12</sup> www.ziprecruiter.com

## Insurance

- General insurance covering liability, loss of product, liability etc. for a smaller grow operation is approximately \$1833/month.
- **8 months coverage = \$14,664**

## Rent/Lease

- Generally a 5 year lease, terms: \$25/SF. Tenant is responsible for his/her improvements, NNN adds approximately \$1,000/month.
- We will be renting approximately 3,600SF, gives us room to expand in years 2-3.
- \$90,000/yr. + \$12,000(NNN) = \$102,000/yr. 12months=\$8500/monthly
- **\$68,000/8 months**

## Professional Services

- These services can include but not limited to the following:  
Computer/Information Technology, Testing laboratory services, plant disposal, advertising, public outreach, compliance consultants, legal services, accounting services, etc.
- The above services will be designated "as needed".
- \$12,000-\$15,000/year.
- **\$9000 for 8 months**

**Total Operating Costs for 8 months=  
\$183,678.00**

## Total funding needed for project:

Projected Build-out costs + 8 month operating budget  
\$294,000 + \$183,678

**Total: \$477,678 + \$47,768(10% misc.)  
\$525,446 is projected to build-out Red Barn Growers, LLC operation.**

Unfortunately, due to our nation's highest inflation rate over in the past 40 years, current inflation rate is 9.06%, this time last year it was 5.39%. Buy-in rates, projected build-out numbers will have to take into account, and added to the above number at required time. This will be discussed further in person.

### **Training Plans**

1. Train employees at time of hire on business operations, compliance, and safety/security processes
2. Train employees regularly after hire
3. Training plan and training log will be available for inspection
4. Any person entering data into the Cannabis Tracking System (CTS) will first be trained by the CTS administrator; secondary review of data entry will take place to ensure accurate data capture
5. All individuals will have any required permits or licenses, as required for the specific job function

### **Operating Plan**

#### **Physical Security Plan**

#### **Premises Exterior**

- The facility will be in a discreet location and will not have direct street access (access will be interior, within the building).

#### **Premises Access**

- All exterior access point will be secured with commercial locking mechanisms and with key card access system to track who is entering and exiting the premises.
- During non-operating (non-staffed) hours, all usable marijuana, harvested plants and finished product will be stored in an interior locked room which will also have key card access for entry and exit tracking.
- During non-operating (non-staffed) hours, all interior locking doors and all exterior doors, windows and any other points of entry will be locked and alarms will be set.

### **Storage of Key Documents/Cash**

- The facility will have a walk-in, fireproof safe, constructed in accordance with the requirements of the MA Cannabis Commission/State law. All cash will be retained in the safe, as well as any critical paperwork.
- Computers will have appropriate security settings and will be backed up regularly to ensure the safety of electronic records.

### **Premises Alarm and Monitoring**

- The premises will have an alarm system programmed to activate upon any unauthorized breach of any door, window or other point of entry
- The alarm system will have panic button installations to trigger a notification to appropriate parties (security company, law enforcement)
- Staff will have wearable panic buttons to which can be used to notify appropriate parties (security company, law enforcement)
- The premises will have a landline telephone access in secured rooms to ensure an employee can contact appropriate parties in the event of an issue
- The alarm system will provide notification to an authorized representative in the event of any activation/alarm event
- The premises will have a key card entry system, which will also be programmed for appropriate interior rooms
- The premises will have 24 hour, recording video surveillance with interior cameras covering all areas where marijuana items will be present, as well as covering all points of entry/exit to the premises. Video will be of acceptable resolution in all lighting conditions. Video equipment and surveillance logs will be maintained in a locked security room. A log will be maintained for all surveillance maintenance activity, and personnel with access to the security room will be limited with restricted key card access. A back-up battery will provide for at least one hour of recording in the event of power failure. Surveillance recordings will be retained for a minimum of 90 days.
- The premises will have 24 hour on-site security personnel provided by landlord for all tenants, cost included in Lease

## Projected Financial Forecast

These are general estimates.

- Specific expenses will vary based on build-out and plant grow plans (lighting, shelving, irrigation, etc.)
- Plant production assumes 1000 SF of canopy but includes allowance for aisle space and adequate grow space per plant. Depending on build-out, HVAC, irrigation method, and strains of plants, the number of plants may increase.
- Pounds per Grow Light fixture is estimated at 10 pounds/year; depending on strains, grow methods and plant maintenance methods, production could be higher.
- Cost of Goods/ SG&A is estimated at 70%, being liberal with this figure.
- SG&A- Selling, General & Administrative expenses- the costs of running a business, include but not limited to: rent, utility costs non-product related, computer equipment, employee benefits. Fixed costs of the business.
- SG&A ratio of 9.5%, which means 9.5% of every dollar Red Barn Growers earns is SG&A- Selling, General and Administrative Expense.
- Taxes are estimated at 20% of gross income – note that certain expenses may not be deductible for tax purposes and therefore taxes may be proportionally higher.
- 1%-3% of gross income to the City of Holyoke yearly.
- 12% of gross income to Commonwealth of Massachusetts according to Cannabis law.
- Break-even figure for Operating Budget for 12 month full year: **\$445,000**
- **First Full Year Projected Net Profit** - Gross income yearly for 624lbs, + 20% Concentrate = \$1,404,000 (5-7 Harvests, + 20% Concentrate)(6 Harvest Avg.) = \$1,684, 000
- Income after COGS = \$673,600 projected year 1
- **Year 3 Projected Net Profit is as follows:**
- 5-7 Harvests, PIP Tiered Growing System implemented (Avg. 6 Harvests)
- 6 Harvests x 208 lbs. = 1,248 x \$2250/lb.= \$2,808,000+  
\$561,600(20%)=\$3,369,600
- Income after COGS = \$1,010,880




Attestation on Persons of Control and Ownership  
Red Barn Growers LLC  
1 Cabot St.  
Holyoke, MA 01040

January 22, 2024

In a previously submitted- now amended business plan, it was stated that “one of the partners is a former long-time Chicopee, MA firefighter.” This refers to myself, David Grey, the only individual on the application who has complete control of the day-to-day operations. The plan was edited for simplicity to avoid long delays through RFIs. The other equity holders are all less than 10% equity holders.

We also referred to a Master Grower which we still intend to hire when we reach Final license. We had an individual in mind, Steven Fontana, who may not be available for our project. I, David Grey, will not be the grower. I will manage the operations. We will have to find another grower and we do not have that name because it is difficult to pin down a grower a year plus from now when we get through the State process.

This letter is responding to requests for information and names of individuals no longer on our submitted and reviewed Business Plan.

  
Dave Grey, Manager



## 1.1. Maintenance of Financial Records Plan

Pursuant to 935 CMR 500.000, company records will be available for inspection by the Commission, upon request. All financial records will be maintained in accordance with generally accepted accounting principles. The company will maintain the following written records that are required and subject to inspection, as well as any additional documentation that it may be directed to record by the Commission:

- 1.1.1. The company will maintain business financial records, which shall include manual or computerized records of:
  - 1.1.1.1. Assets and liabilities.
  - 1.1.1.2. Monetary transactions.
  - 1.1.1.3. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers
  - 1.1.1.4. Sales records including the quantity, form, and cost of marijuana products; and
  - 1.1.1.5. Inventory records as required by 935 CMR 500.105(8) and as outlined in the General Record Keeping section of our standard operating procedures.
- 1.2. The company shall fully comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements.
- 1.3. Our point of sale systems and software are configured to separate accounting practices for marijuana products from non-marijuana products.
- 1.4. Our facility is not co-located with a medical dispensary and has no obligation to maintain an adequate supply of marijuana and marijuana products under 935 CMR 500.140(10) and 935 CMR 500.140(6).
  - 1.4.1. General
    - 1.4.1.1. We are prohibited from utilizing software or other methods to manipulate or alter sales data.
    - 1.4.1.2. We will conduct a monthly analysis of equipment to determine that no software has been installed that could be utilized to manipulate or alter sales data.
    - 1.4.1.3. A record that this monthly analysis has been performed shall be maintained by us and made available to the Commission upon request.
    - 1.4.1.4. Should such analysis determine that software or other methods have been installed or utilized to manipulate or alter sales date, Senior management will immediately disclose this information to the Commission, and cooperate in any investigation, and take such other action directed by the Commission.
  - 1.4.2. Inventory records include:
    - 1.4.2.1. Shipping manifests
    - 1.4.2.2. Delivery and unpacking video recordings
    - 1.4.2.3. Daily sales stock withdrawal and return reports
    - 1.4.2.4. Weekly inventory reports
    - 1.4.2.5. Product return reports
  - 1.4.3. Salary and wages paid to each employee, stipends paid to each board member, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with a Marijuana Establishment, including members of the nonprofit corporation, if any.

- 1.4.4. All financial transactions and accounts will be entered into a proprietary accounting software by a bookkeeper specifically employed for the purpose.
- 1.4.5. The accounting software used will provide security and backup capabilities in accordance with 935 CMR 500.000 and the company security plan.
- 1.4.6. Daily sales reports will be generated by the bookkeeper and stored both digitally and as a hard copy in the records cabinet.
- 1.4.7. The accounts will be reviewed monthly by a licensed CPA.
- 1.4.8. The point of sale system software will automatically transfer all sales transactions to our accounting system for reconciliation by the bookkeeper.
- 1.4.9. The duty manager will generate a sales report from the point of sale system at the conclusion of each day. This report should be digitized and a hard copy stored in the records cabinet
- 1.4.10. Expense records
  - 1.4.10.1. Duty managers and senior management may be provided with a company debit card and/or check-signing authorization. A receipt must be obtained and presented to the bookkeeper for all expenses paid through these means.
  - 1.4.10.2. Documentation supporting business expenses such as statements and invoices, details of cash payments, receipts and the like must be securely stored in the records cabinet and presented to the bookkeeper for entry into the accounting software.
- 1.4.11. Contracts and Agreements - The Company, will likely enter into a number of contracts and agreements with the host municipality, service providers, financial institutions, property owners etc. Such contracts and agreements include, but are not limited to;
  - Sales and Purchase agreements
  - Loan agreements
  - Rental agreements
  - Lease agreements
  - Franchise agreements
  - Sale and lease back agreements
  - Trading agreements with suppliers
  - Insurance policies
  - Legal documentation
 All such documentation must be digitized and a hard copy stored in the records cabinet.
- 1.4.12. Other documents may include;
  - Deposits with utility companies
  - Contracts with telecommunications companies
  - Business registration documents and certificates
  - Business licensing documents
  - Surety bonds
  - Tax records

All such documentation must be digitized and a hard copy stored in the records cabinet.

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# 1. Introduction

## 1.1. The Employee Handbook

- 1.1.1. This Employee Handbook ("Handbook") is designed to summarize certain personnel policies and benefits of the Company and to acquaint employees with many of the rules concerning employment with the Company. This Handbook applies to all employees, and compliance with the Company's policies is a condition of employment. This Handbook supersedes all previous employment policies, written and oral, express and implied. The Company reserves the right to modify, rescind, delete, or add to the provisions of this Handbook from time to time at its sole and absolute discretion. This Employee Handbook is not a binding contract between the Company and its employees, nor is it intended to alter the at-will employment relationship between the Company and its employees. The Company reserves the right to interpret the policies in this Handbook and to deviate from them when, in its discretion, it determines it is appropriate.

## 1.2. Changes in Policy

- 1.2.1. Since our business is constantly changing, the Company expressly reserves the right to revise, modify, delete, or add to any and all policies, procedures, work rules, or benefits stated in this handbook or in any other document, except for the policy of at-will employment as described below. Nothing in this employee handbook or in any other document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee. Any changes to your at-will employment status, described below, must be in writing and must be signed by the Company.
- 1.2.2. With respect to all other changes to Company policies, we will notify you of these changes in writing. No oral statements or representations can in any way alter the provisions of this Handbook. Changes will be effective on dates determined by the Company. and you may not rely on policies that have been superseded.
- 1.2.3. **If you are uncertain about any policy or procedure, please check with your Supervisor or Human Resources Manager.**

## 1.3. Employment-At-Will

- 1.3.1. Employment with the Company is on an at-will basis, unless otherwise specified in a written employment agreement. You are free to resign at any time, for any reason, with five days notice. Similarly, the Company is free to conclude the employment relationship at any time for any lawful reason, with or without cause, and with five days notice.
- 1.3.2. Nothing in this Handbook will limit the right of either party to terminate an at-will employment. No section of this Handbook is meant to be construed, nor should be construed as establishing anything other than an employment-at-will relationship. This Handbook does not limit management's discretion to make personnel decisions such as reassignment, change of wages and benefits, demotion, etc. No person other than the Executive Director, President, or a member of the Board of Directors has the authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment other than at-will terms. Only the Executive Director, President, or member of the Board of Directors of the Company has the authority to make any such agreement, which is only binding if it is in writing and signed by the President of the Company.

## 1.4. Marijuana Establishment Agent - Background Checks

- 1.4.1. The Commonwealth of Massachusetts requires that all board members, directors, employees, executives, managers, or volunteers of a Marijuana Establishment must be 21 years of age or older and in possession of a state-issued Registration Card. Consequently, all those described above are subject to extensive background checks.

- 1.4.2. Executive officers, managers and employees of a Licensed Marijuana Establishment shall apply for registration for all of its board members, directors, employees, executives, managers, and volunteers who are associated with that Marijuana Establishment.
- 1.4.3. The Commission shall issue a registration card to each individual determined to be suitable for registration. All such individuals shall:
  - 1.4.3.1. be 21 years of age or older;
  - 1.4.3.2. not been convicted of an offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority; and
  - 1.4.3.3. be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802.
- 1.4.4. The Commonwealth of Massachusetts requires, as a condition of employment in a Licensed Marijuana Establishment, the possession of a valid marijuana establishment agent Registration Card. No board member, director, employee, executive, manager, or volunteer may be engaged by a Licensed Marijuana Establishment without possession of a valid Registration Card.
- 1.4.5. Consequently, denial or revocation of a registration card by the Commission will render any individual unemployable by a Licensed Marijuana Establishment. This may lead to the withdrawal of offers of employment or appointment in the event of a denial of a registration card, and immediate dismissal in the event of revocation of a registration card.
- 1.4.6. The Company shall notify the Commission no more than one business day after a marijuana establishment agent ceases to be associated with the establishment. The registration shall be immediately void when the agent is no longer associated with the Company.
- 1.4.7. Registration cards are valid for one year from the date of issue, and may be renewed on an annual basis upon a determination by the Commission that the applicant for renewal continues to be suitable for registration.
- 1.4.8. After obtaining a registration card for a marijuana establishment agent, the Company is responsible for notifying the Commission of any changes to the information that the establishment was previously required to submit to the Commission or after discovery that a registration card has been lost or stolen.
- 1.4.9. All marijuana establishment agents shall carry the registration card associated with the appropriate Marijuana Establishment at all times while in possession of marijuana products, including at all times while at the establishment or while transporting marijuana products.
- 1.4.10. A marijuana establishment agent affiliated with multiple Marijuana Establishments shall be registered as a marijuana establishment agent by each Marijuana Establishment and shall be issued a registration card for each establishment.

## 2. Roles, Qualifications, and, Training

### 2.1. Facility Job Classifications and Requirements:

- 2.1.1. **Operations Manager** - The operations manager is the face of the facility. The manager must interface with staff, law enforcement, vendors, and customers. The principal responsibility of the operations manager is to coordinate and facilitate the operations of the facility. They must maintain records, have contact with suppliers and the grow site, embrace customer service and understand marketing. They will train employees and decide which products to process and manufacture, and determine best pricing based on market conditions. They are responsible for keeping up with all changes in local and state law regarding operation of the facility. The most important job of the store manager is to ensure the security and integrity of our inventory.
- 2.1.2. **Wholesale Sales Agent** - The store has a need for retail professionals who can

communicate articulately and passionately with customers about a wide range of cannabis products. Desirable backgrounds include previous marijuana vertical experience, sales, pharmacy, education, and customer service. Knowledge of cannabis, the varieties of cannabis, and their effects is highly relevant. They must be keenly aware of the difference of Indica, Sativa and their hybrids. A sales agent will maintain records in accordance with the Operations Manual, serve customers, offering advice and recommendations, be mindful and vigilant in terms of security, and diversion. Sales agents will be trained by the operations manager. This position may be full-, or part-time.

- 2.1.3. **Production Associate** - Our facility has an ongoing need for production associates to process and manufacture our range of cannabis products. This product range includes, but is not limited to:

- Edibles
- Extracts
- Pre-rolls
- Tinctures
- Beverages
- Vape pens

Production associates will be required to possess or undergo training in the following manufacturing skills:

- Extraction
- Weighing
- Measuring
- Filling cones
- Freezing
- Drying

As with all employees, their duties include ensuring the integrity of the facility's security systems and protecting the facility and its customers from outside criminal disturbance. Desired backgrounds include previous marijuana vertical experience, pharmacy, education, and customer service. Knowledge of cannabis the varieties of cannabis, and their effects is highly relevant. They must be keenly aware of the difference of Indica, Sativa and their hybrids. A production associate will maintain records in accordance with the Operations Manual, fulfill production routines, offering advice and recommendations, be mindful and vigilant in terms of security, and diversion. Production associates will be trained by the operations manager. This position may be full-, or part-time

## 2.2. Employee Training and Selection

- 2.2.1. Our production facility is looking for motivated, friendly, articulate and compassionate people to help create our products and provide our customers and consumers with the finest cannabis products available. We look for people with the above attributes and certain preferred core skills. We are willing to train others in order to ensure workforce diversity. Some of the desirable backgrounds we are looking for include sales, pharmacy, and those with previous experience in the cultivation, processing, and sale of cannabis products through various networks. Previous work experience in a medical or production marijuana facility is highly desirable. We generally train all employees in the following subjects, but tailor each course according to their role within our organization.

- 2.2.1.1. Cannabis Science
- 2.2.1.2. Horticultural & Organic Cultivation
- 2.2.1.3. Methods of Extraction
- 2.2.1.4. Methods of Ingestion
- 2.2.1.5. Cooking with Cannabis
- 2.2.1.6. Medical marijuana use
- 2.2.1.7. Massachusetts Cannabis Law

- 2.2.2. Our company is looking for all types of help for our wholesale manufacturing operation, both operational, and administrative. Typical responsibilities include:
  - 2.2.2.1. Production management
  - 2.2.2.2. Wholesale Sales
  - 2.2.2.3. Production and manufacturing
  - 2.2.2.4. Packaging labeling and inventory
  - 2.2.2.5. Sanitation and maintenance of the facility
  - 2.2.2.6. Security of the facility and deliveries
  - 2.2.2.7. Back-office business and management roles such as, account management, administration, etc.

### 3. Employment Policies

#### 3.1. Employee Classifications

- 3.1.1. The following terms are used to describe employees and their employment status:
- 3.1.2. **Exempt Employees** - Employees whose positions meet specific tests established by the Federal Labor Standards Act ("FLSA") and Massachusetts state law. In general, exempt employees are those engaged in executive, managerial, high-level administrative and professional jobs who are paid a fixed salary and perform certain duties. In addition, certain commissioned sales employees and highly paid computer professionals are exempt. Exempt employees are not subject to the minimum wage and overtime laws.
- 3.1.3. **Non-exempt Employees** - Employees whose positions do not meet specific tests established by the FLSA and Massachusetts state law. All employees who are covered by the federal or state minimum wage and overtime laws are considered non-exempt. Employees working in non-exempt jobs are entitled to be paid at least the minimum wage per hour and a premium for overtime.
- 3.1.4. **Regular Employee** - Employees who are hired to work on a regular schedule. Such employees can be either full-time or part-time. The distinction between full-time and part-time depends upon the number of hours that an employee works.
- 3.1.5. **Full-Time Employee**- Employees who are not temporary employees, independent contractors, or independent consultants and who are regularly scheduled to work a schedule of 40 hours per work week.
- 3.1.6. **Part-Time Employee** - Employees who are not temporary employees, independent contractors, or independent consultants and who are regularly scheduled to work less than 40 hours per work week.
- 3.1.7. **Temporary Employees** - Employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project. Employment assignments in this category are of limited duration and the temporary employee can be let go before the end of the defined period.



Short-term assignments generally are periods of three (3) months or less, however, such assignments may be extended. All Temporary employees are at-will regardless of the anticipated duration of the assignment [see Employment-at-Will Policy). Temporary employees retain that status unless and until notified in writing of a change.

- 3.1.8. **Independent Contractor or Consultant** - These individuals are not employees of the Company and are self-employed. An independent contractor or consultant is engaged to perform a task according to his/her own methods and is subject to control and direction only as to the results to be accomplished. Independent contractors or consultants are not entitled to benefits.
- 3.1.9. Each employee will be advised of his or her status at the time of hire and any change in status. Regardless of the employee's status, the employee is employed at-will and the employment relationship can be terminated by the Company or the employee at any time, with or without cause.

### **3.2. Equal Employment Opportunity & American with Disabilities Act.**

- 3.2.1. It is the policy of the Company to provide equal employment opportunities to all employees and employment applicants without regard to unlawful considerations of race, religion, creed, color, national origin, sex, sexual orientation, gender identity, age, ancestry, physical or mental disability, medical condition including medical characteristics, marital status or any other classification protected by applicable local, state or federal laws. This policy prohibits unlawful discrimination based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. This policy applies to all aspects of employment, including, but not limited to, hiring, job assignment, working conditions, compensation, promotion, benefits, scheduling, training, discipline and termination. Reasonable accommodation is available for qualified individuals with disabilities, upon request.
- 3.2.2. The Company expects all employees to support our equal employment opportunity policy, and to take all steps necessary to maintain a workplace free from unlawful discrimination and harassment.
- 3.2.3. In compliance with the Americans with Disabilities Act (ADA), the Company provides accommodation to the disabled to the full extent required by law. The Company may require medical certification of both the disability and the need for accommodation. Keep in mind that the Company can only seek to accommodate the known physical or mental limitations of an otherwise qualified disabled individual. Therefore, it is your responsibility to come forward if you are in need of accommodation. The Company will engage in an interactive process with the employee to identify possible accommodations if any will help the applicant or employee perform the job. We further recognize that employees with life-threatening illnesses, including but not limited to cancer, heart disease and AIDS, may wish to continue engaging in as many of their normal pursuits as their condition allows, including work. As long as these employees are able to meet acceptable performance standards with or without reasonable accommodation, and medical evidence indicates that their working does not present a substantial threat to themselves or others, they will be permitted to do so.

### **3.3. Diversity Plan**

It is the policy of this company to foster equal opportunity for all employees and to promote principles of diversity management that will enhance the level of effectiveness and efficiency of its business operations. The concept of diversity management is a strategic business objective that seeks to increase organizational capacity in a workplace

where the contributions of all employees are recognized and valued. Our company's goal is to build a high-performing, diverse workforce based on mutual acceptance and trust. It is also our company's policy to select the best-qualified applicant for the job, regardless of race, national origin, gender, age, disability, religion, sexual orientation, or any other non-merit factor.

### **3.4. Confidentiality.**

- 3.4.1. In the course of employment with the Company, employees may have access to "Confidential Information" regarding the Company, which may include its business strategy, future plans, financial information, contracts, suppliers, customers, personnel information or other information that the Company considers proprietary and confidential. Maintaining the confidentiality of this information is vital to the Company's competitive position in the industry and, ultimately, to its ability to achieve financial success and stability. Employees must protect this information by safeguarding it when in use, using it only for the business of the Company and disclosing it only when authorized to do so and to those who have a legitimate business need to know about it. This duty of confidentiality applies whether the employee is on or off the Company's premises, and during and even after the end of the employee's employment with the Company. This duty of confidentiality also applies to communications transmitted by the Company's electronic communications. See Internet, Email and Computer Use policy, below
- 3.4.2. As a condition of employment with the Company, all employees must sign a Non-Disclosure Agreement.

### **3.5. Employment of Relatives**

- 3.5.1. The Company recognizes that the employment of relatives in certain circumstances, such as when they will work in the same department, or supervise or manage the other, or have access to confidential or sensitive information regarding the other, can cause problems related to supervision, safety, security or morale, or create conflicts of interest that materially and substantially disrupt the Company's operations. When the Company determines any of these problems will be present, it will decline to hire an individual to work in the same department as a relative of an existing employee. Relatives subject to this policy include: father, mother, sister, brother, current spouse or domestic partner, child (natural, foster, or adopted), current mother-in-law, current father-in-law, grandparent, or grandchild.
- 3.5.2. If present employees become relatives during employment, the Company should be notified so that we may determine whether a problem involving supervision, safety, security or morale, or a conflict of interest that would materially and substantially disrupt the Company's operations exists. If the Company determines that such a problem exists, the Company will take appropriate steps to resolve the problem, which may include reassignment of one relative (if feasible) or asking for the resignation of one of the relatives.

### **3.6. Introductory Period**

- 3.6.1. The first 30 days of employment are considered an introductory period for all newly hired employees. During this time, you will learn your new responsibilities, get acquainted with fellow employees, and determine whether you are happy with the position. Also, during this time, your manager will monitor your performance. Upon completion of the introductory period, your manager will review your performance. If the Company finds your performance satisfactory and decides to continue your employment, you will be advised of any improvements expected. This is also an opportunity for you to make suggestions to improve the Company's efficiency and operations. Completion of the

introductory period does not entitle you to remain employed by the Company for any definite period of time, but instead allows both you and the Company to evaluate whether or not you are right for the position. Your status as an at-will employee does not change. The employment relationship may be terminated with or without cause and with or without advance notice, at any time by you or the Company.

### **3.7. Personnel Records and Employee References**

- 3.7.1. The Company maintains a personnel file and payroll records for each employee as required by law. Personnel files and payroll records are the property of the Company and may not be removed from Company premises without written authorization. Because personnel files and payroll records are confidential, access to the records is restricted. Generally, only those who have a legitimate reason to review information in an employee's file are allowed to do so. Disclosure of personnel information to outside sources will be limited. However, the Company will cooperate with requests from authorized law enforcement or local, state, or federal agencies conducting official investigations and as otherwise legally required.
- 3.7.2. Employees may contact a Human Resources representative to request a time to review their payroll records and/or personnel file. With reasonable advance notice, an employee may review his or her own records in the Company's offices and in the presence of an individual appointed by the Company to maintain the records. No copies of documents in your file may be made, with the exception of documents that you have previously signed, or documents that may be obtained by you subject to state and/or federal law. You may add your comments to any disputed item in the file.
- 3.7.3. By policy, the Company will provide only the former or present employee's dates of employment and position(s) held with the Company and eligibility for rehire, if asked. Compensation information may also be verified if written authorization is provided by the employee

### **3.8. Privacy**

- 3.8.1. The Company is respectful of employee privacy. All employee demographic and personal information will be shared only as required in the normal course of business. If a healthcare plan becomes available in the future, healthcare enrollment information will be kept in a separate folder from other human resources forms. Workers' Compensation information is not considered private healthcare information; however, this information will be released only on a need-to-know basis.
- 3.8.2. The Company does not make or receive any private healthcare information through the course of normal work. If any employee voluntarily shares private healthcare information with a member of management, this information will be kept confidential. If applicable, the Company will set up guidelines for employees and management to follow to ensure that company employees conform to the requirements of the Health Insurance Portability and Accountability Act (HIPAA).

### **3.9. Immigration Law Compliance**

- 3.9.1. In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form 1-9 on day of hire and present documentation establishing identity and employment eligibility within three business days of date of hire. Former employees who are rehired must also complete an 1-9 form if they have not completed an 1-9 form with the

Company within the past three years, or if their previous 1-9 form is no longer retained or valid. You may raise questions or complaints about immigration law compliance without fear of reprisal.

### **3.10. Religious Accommodation**

- 3.10.1. The Company will make reasonable accommodations for employees' observance of religious holidays and practices unless the accommodation would cause an undue hardship on the Company's operations. If you desire a religious accommodation, you are required to make the request in writing to your manager as far in advance as possible. You are expected to strive to find co-workers who can assist in the accommodation (e.g., trade shifts) and cooperate with the Company in seeking and evaluating alternatives.

### **3.11. Political Neutrality**

- 3.11.1. Maintenance of individual freedom and our political institutions necessitates broad-scale participation by citizens concerning the selection, nomination and election of our public office holders. The Company will not discriminate against any employee because of identification with and support of any lawful political activity. Company employees are entitled to their own personal political position. The Company will not discriminate against employees based on their lawful political activity engaged in outside of work. If you are engaging in political activity, however, you should always make it clear that your actions and opinions are your own and not necessarily those of the Company, and that you are not representing the Company.

## **4. Hours of Work and Payroll Practices**

### **4.1. Pay Periods and Paydays**

- 4.1.1. Employees are paid on a weekly basis. All employees will be paid on Friday of each week. All employees are paid by check on the above-mentioned payday. If the regular payday falls on a weekend or Company holiday, employees will be paid on the last business day before the holiday and/or weekend.

### **4.2. Overtime**

- 4.2.1. non-exempt employees will be paid in accordance with Federal and Massachusetts state law. All overtime work by non-exempt employees must be authorized in advance by their manager. Only hours actually worked will be used to calculate overtime pay.

### **4.3. Rest and Meal Periods**

- 4.3.1. All rest and meal periods will be in accordance with Massachusetts state law. To the extent Massachusetts state law does not require rest and meal breaks, non-exempt employees will be provided a 10-minute rest break for every four hour period of work. This time is counted and paid as time worked. Non-exempt employees scheduled to work more than a five-hour period will be provided a 30-minute unpaid meal period.

### **4.4. Time Cards**

- 4.4.1. Non-exempt employees are required to keep an accurate and complete record of their attendance and hours worked. Time cards are official business records and may not be altered without the employee's supervisor's approval and may not be falsified in any way.

### **4.5. Payroll Deductions**

- 4.5.1. Various payroll deductions are made each payday to comply with federal and state laws pertaining to taxes and insurance. Deductions will be made for the following: Federal and State Income Tax Withholding, Social Security, Medicare, State Disability Insurance & Family Temporary Disability Insurance, and other items designated by you or required by law (including a valid court order]. You can adjust your federal and state income tax withholding by completing the proper federal or state form and submitting it to Accounting. At the start of each calendar year, you will be supplied with your Wage and Tax Statement (W-2] form for the prior year. This statement summarizes your income and deductions for the year.

#### **4.6. Wage Garnishment**

- 4.6.1. A garnishment is a court order requiring an employer to remit part of an employee's wages to a third party to satisfy a just debt. Once the Company receives the legal papers ordering a garnishment, we are required by law to continue making deductions from your check until we have withheld the full amount or until we receive legal papers from the court to stop the garnishment. Even if you have already paid the debt, we still need the legal papers to stop the garnishment.

## **5. Standards of Conduct and Employee Performance**

### **5.1. Anti-Harassment and Discrimination**

- 5.1.1. The Company is committed to providing a work environment free of sexual or any form of unlawful harassment or discrimination. Harassment or unlawful discrimination against individuals on the basis of race, religion, creed, color, national origin, sex, sexual orientation, gender identity, age, ancestry, physical or mental disability, medical condition including medical characteristics, marital status or any other classification protected by local, state or federal laws is illegal and prohibited by Company policy. Such conduct by or towards any employee, contract worker, customer, vendor or anyone else who does business with the Company will not be tolerated. Any employee or contract worker who violates this policy will be subject to disciplinary action, up to and including termination of his or her employment or engagement. To the extent a customer, vendor or other person with whom the Company does business engages in unlawful harassment or discrimination, the Company will take appropriate corrective action.

### **5.2. Prohibited Conduct**

- 5.2.1. Prohibited harassment or discrimination includes any verbal, physical or visual conduct based on sex, race, age, national origin, disability or any other legally protected basis if:
  - 5.2.1.1. submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment or engagement.
  - 5.2.1.2. submission to or rejection of such conduct by an individual is used as a basis for decisions concerning that individual's employment or engagement; or it creates a hostile or offensive work environment.
- 5.2.2. Prohibited harassment includes unwelcome sexual advances, requests for sexual favors and lewd, vulgar or obscene remarks, jokes, posters or cartoons, and any unwelcome touching, pinching or other physical contact. Other forms of unlawful harassment or discrimination may include racial

epithets, slurs and derogatory remarks, stereotypes, jokes, posters or cartoons based on race, national origin, age, disability, marital status or other legally protected categories

- 5.2.3. Prohibited harassment might also be transmitted using the Company's electronic communications system, or through other on-line conduct.

### **5.3. Complaint Procedure**

- 5.3.1. Employees or contract workers who feel that they have been harassed or discriminated against, or who witness any harassment or discrimination by an employee, contract worker, customer, vendor or anyone else who does business with the Company, should immediately report such conduct to their supervisor or any other member of management.
- 5.3.2. Do not allow an inappropriate situation to continue by not reporting it, regardless of who is creating the situation. No employee, contract worker, customer, vendor or other person who does business with this organization is exempt from the prohibitions in this policy. In response to every complaint, the Company will conduct an investigation and, if improper conduct is found, take appropriate corrective action.
- 5.3.3. To the extent that an employee or contract worker is not satisfied with the Company's handling of a harassment or discrimination complaint, he or she may also contact the appropriate state or federal enforcement agency for legal relief.

### **5.4. Attendance**

- 5.4.1. Punctuality and regular attendance are essential to the successful operation of the Company's business. If an employee is unable to report to work (or to report to work on time) for any reason, the employee must notify his or her supervisor before his or her starting time. If an employee desires to leave work for any reason during the workday, the employee must obtain the approval of his or her supervisor prior to leaving. In the event that the employee fails to call his or her supervisor or report for work for 3 consecutive workdays, the employee will be deemed to have voluntarily resigned from his or her employment with the Company and will be removed from the payroll.
- 5.4.2. Excessive absenteeism or tardiness may subject the employee to disciplinary action, up to and including termination.

### **5.5. Discipline and Standards of Conduct**

- 5.5.1. As an at-will employer, the Company may impose discipline whenever it determines it is necessary or appropriate. Discipline may take various forms, including verbal counseling, written warnings, suspension, demotion, transfer, reassignment or termination. The discipline imposed will depend on the circumstances of each case; therefore, discipline will not necessarily be imposed in any particular sequence. Moreover, at any time the Company determines it is appropriate, an employee may be discharged immediately.
- 5.5.2. Every organization must have certain standards of conduct to guide the behavior of employees. Although there is no possible way to identify every rule of conduct, the following is an illustrative list (not intended to be comprehensive or to limit the Company's right to impose discipline for any other conduct it deems inappropriate]. Keep in mind that these standards of conduct apply to all employees whenever they are on Company property and/or conducting Company business (on or off Company property]. Engaging in any conduct the Company deems inappropriate may result in disciplinary action, up to and including termination. Such conduct may include:
  - 5.5.2.1. Dishonesty;
  - 5.5.2.2. Any agent found to have diverted marijuana, engaged in unsafe practices, or been convicted or entered a guilty plea for a felony

charge of distribution of a drug to a minor may be subject to immediate dismissal.

- 5.5.2.3. Falsification of Company records;
- 5.5.2.4. Unauthorized use or possession of property that belongs to the Company, a coworker, or member of the public;
- 5.5.2.5. Possession or control of illegal drugs, weapons, explosives, or other dangerous or unauthorized materials;
- 5.5.2.6. Fighting, engaging in threats of violence or violence, use of vulgar or abusive language, horseplay, practical jokes or other disorderly conduct that may endanger others or damage property;
- 5.5.2.7. Insubordination, failure to perform assigned duties or failure to comply with the Company's health, safety or other rules;
- 5.5.2.8. Unauthorized or careless use of the Company's materials, equipment or property;
- 5.5.2.9. Unauthorized and/or excessive absenteeism or tardiness;
- 5.5.2.10. Lack of teamwork, poor communication, unsatisfactory performance, unprofessional conduct, or conduct improper for the workplace;
- 5.5.2.11. Sexual or other illegal harassment or discrimination;
- 5.5.2.12. Unauthorized use or disclosure of the Company's confidential information;
- 5.5.2.13. Violation of any Company policy.

## **5.6. Dress Code**

- 5.6.1. What we wear to work is a reflection of the pride we have in our Company, in what we do, and in ourselves. Although dress code requirements will vary according to job responsibilities, we ask that your appearance at all times show discretion, good taste, and not present a hazard in the performance of your job.
- 5.6.2. Approval or disapproval of what constitutes appropriate dress is at the discretion of the duty manager.

## **5.7. Safety**

- 5.7.1. The Company is committed to providing a safe workplace. Accordingly, the Company emphasizes "safety first." It is the employee's responsibility to take steps to promote safety in the workplace and work in a safe manner. By remaining safety conscious, employees can protect themselves and their coworkers.
- 5.7.2. Employees are expected to promptly report all unsafe working conditions, accidents and injuries, regardless of how minor so that any potential hazards can be corrected.

## **5.8. Substance and Abuse**

- 5.8.1. The Company is committed to providing its employees with a safe and productive work environment. In keeping with this commitment, it maintains a strict policy against the use of alcohol, smoking, and the unlawful use of drugs in the workplace. Consequently, no employee may consume or possess alcohol, or use, possess, sell, purchase or transfer illegal drugs at any time while on the Company's premises or while using the Company vehicles or equipment, or
- 5.8.2. No employee may report to work with illegal drugs (or their metabolites) or alcohol in his or her bodily system. The only exception to this rule is that employees may engage in moderate consumption of alcohol that may be served and/or consumed as part of an authorized Company social or business event.
- 5.8.3. "Illegal drug" means any drug that is not legally obtainable or that is legally obtainable but has not been legally obtained in accordance with the Laws of the

Commonwealth of Massachusetts. It includes prescription drugs not being used for prescribed purposes or by the person to whom it is prescribed or in prescribed amounts. It also includes any substance a person holds out to another as an illegal drug.

- 5.8.4. Any violation of this policy will result in disciplinary action, up to and including termination of employment.
- 5.8.5. Any employee who feels he or she has developed an addiction to, dependence upon, or problem with alcohol or drugs, legal or illegal, is strongly encouraged to seek assistance before a violation of this policy occurs. Any employee who requests time off to participate in a rehabilitation program will be reasonably accommodated. However, employees may not avoid disciplinary action, up to and including termination, by entering a rehabilitation program after a violation of this policy is suspected or discovered. When, in the Company's sole and absolute discretion, the Company determines it is appropriate, an employee may be offered the option of participating in and satisfactorily completing a Company-approved drug and/or alcohol rehabilitation program in lieu of termination.

## **5.9. Workplace Searches**

- 5.9.1. To protect Company property, prevent diversion, and to ensure the safety of all employees, the Company reserves the right to inspect and search any employee's office, desk, drawers, cabinets, files, locker, equipment, including computers, e-mail and voicemail, Company vehicles, and any area on Company premises. In this regard, it should be noted that all offices, desks, file drawers, cabinets, lockers, and other Company equipment and facilities are the property of the Company, and are intended for business use.
- 5.9.2. Employees should have no expectation of privacy with respect to items brought onto Company property and/or stored in Company facilities. Inspection may be conducted at any time, without notice, at the discretion of the Company.
- 5.9.3. In addition, when the Company deems appropriate, employees may be required to submit to searches of their personal vehicles, parcels, purses, handbags, backpacks, briefcases, lunch boxes or any other possessions or articles brought on to the Company's property.
- 5.9.4. Persons entering the premises who refuse to cooperate in an inspection conducted pursuant to this policy may not be permitted to enter the premises. All employees must cooperate in an inspection; failure to do so is insubordination and will result in disciplinary action, up to and including termination.

## **5.10. Social Media Policy**

- 5.10.1. The Company is committed to utilizing social media to enhance its profile and reputation, to listen and respond to customer opinions and feedback, and to drive revenue, loyalty and advocacy. We encourage employees to support our activities through their personal social networking channels while adhering to the guidelines outlined in this section.
- 5.10.2. For the purpose of this section, social media and networking refers to the use of web-based and mobile applications for social interaction and the exchange of user generated content. Social media channels can include, but are not limited to: Facebook, Twitter, LinkedIn, YouTube, blogs, review sites, forums, online communities and any similar online platforms.
- 5.10.3. Employees are expected to conduct themselves in a professional manner, to respect the views and opinions of others, and to demonstrate respect for the company, its ownership, clients, guests, vendors, employees and competitors.
- 5.10.4. The Company and its employees are committed to conducting ourselves in accordance with best industry practices in social networking, to being



responsible citizens and community members, to listening and responding to feedback, and to communicating in a courteous and professional manner. Behavior and content that may be deemed disrespectful, dishonest, offensive, harassing or damaging to the company's interests or reputation are not permitted.

- 5.10.5. The use of social media channels on company time for personal purposes is not allowed.
- 5.10.6. Any social media contacts, including "followers" or "friends," that are acquired through accounts (including but not limited to email addresses, blogs, Twitter, Facebook, YouTube, LinkedIn, or other social media networks) created on behalf of the Company will be the property of the Company.
- 5.10.7. Employees must not disclose private or confidential information about the Company, its employees, clients, suppliers or customers on social networks. Employees must respect trademarks, copyrights, intellectual property and proprietary information. No third-party content should be published without prior permission from the owner.
- 5.10.8. The Company maintains the right to monitor company-related employee activity in social networks. Violation of policy guidelines is grounds for discipline, up to and including termination.

### **5.11. Cell Phone Policy**

- 5.11.1. The use of personal cell phones at work is discouraged because it can interfere with work and be disruptive to others. Therefore, employees who bring personal cell phones to work are required to keep the ringer shut off or placed on vibrate mode when they are in the facility, and to keep cell phone use confined to breaks and meal periods. Conversations should be had away from areas where other employees are working. When cell phone use interferes with the satisfactory performance of an employee's duties or disturbs others, the privilege of using a personal cell phone at work may be taken away and other disciplinary action, up to and including termination, may be imposed.
- 5.11.2. The Company may provide cell phone allowances to employees in certain positions in an effort to improve efficiency and effectiveness. When cell phones are used for Company business, employees must comply with all Company policies governing conduct, including our policies prohibiting discrimination, harassment, and violence in the workplace. When using the cell phone in a public place, please remember to maintain the confidentiality of any private or confidential business information. As a courtesy to others, please shut cell phones off or place on vibrate mode during meetings.

## **6. Employee Benefits and Services**

### **6.1. General**

- 6.1.1. Aside from those benefits required by state and federal regulations, the Company also offers additional benefits for its full-time employees.
- 6.1.2. From time to time, benefits may be added or deleted from the benefits package.
- 6.1.3. The Company reserves the right to make such changes. This Handbook does not contain the complete terms and/or conditions of any of the Company's current benefit plans. It is intended only to provide general explanations.
- 6.1.4. For information regarding employee benefits and services, employees should contact Human Resources.

### **6.2. COBRA**

- 6.2.1. Under the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986, if you are covered under the Company's group health insurance plan(s) you are entitled to continue your coverage in the event that your employment with the Company ends. Under COBRA, the

Company must offer each qualified beneficiary (the employee and any covered dependents) who would otherwise lose coverage under the plan as a result of a qualifying event an opportunity to continue their insurance coverage. A qualifying event is defined as termination of employment, a reduction in the number of hours of employment, death of covered employee, divorce or legal separation, a dependent child ceases to be dependent, eligibility of the covered employee for Medicare, or an employer's bankruptcy.

### **6.3. Worker's Compensation**

- 6.3.1. All states have Workers' Compensation laws whose purpose is to promote the general welfare of people by providing compensation for accidental injuries or death suffered in the course of employment. These laws are designed to provide protection to workers suffering occupational disabilities through accidents arising out of, and in the course of employment.
- 6.3.2. The Company carries Workers' Compensation Insurance for all employees and pays the entire cost of the insurance program.
- 6.3.3. An employee who suffers an injury or illness in connection with the job is usually eligible to receive payment through the insurance company for lost wages.
- 6.3.4. In addition to disability payments, necessary hospital, medical and surgical expenses are covered under Workers' Compensation, with payments being made directly to the hospital or physician.
- 6.3.5. Workers' Compensation benefits to injured workers also includes assistance to help qualified injured employees return to suitable employment.

### **6.4. Social Security Benefits (FICA)**

- 6.4.1. During your employment, you and the Company both contribute funds to the Federal government to support the Social Security Program. This program is intended to provide you with retirement benefit payments and medical coverage once you reach retirement age.

### **6.5. Unemployment Insurance**

- 6.5.1. The company pays a state and federal tax to provide employees with unemployment insurance coverage in the event they become unemployed through no fault of their own or due to circumstances described by law. This insurance is administered by applicable state agencies, who determine eligibility for benefits, the amount of benefits (if any), and duration of benefits.

## **7. Employee Leaves of Absence and Time Off**

### **7.1. General**

- 7.1.1. While regular attendance is crucial to maintain business operations, the Company recognizes that, for a variety of reasons, employees may need time off from work. The Company has available a number of types of leaves of absence. Some are governed by law and others are discretionary. For all planned leaves, however, employees must submit a request at least 14 days in advance; in case of emergencies, employees should submit the request as soon as they become aware of the need for leave. All leaves must have the approval of the Company management. If, during a leave, an employee accepts another job, engages in other employment or consulting outside of the Company, or applies for unemployment insurance benefits, the employee may be considered to have voluntarily resigned from employment with the Company.
- 7.1.2. All requests for a leave of absence will be considered in light of their effect on

the Company and its work requirements, as determined by the Company management, which reserves the right to approve or deny such requests in its sole discretion, unless otherwise required by law. For disability-related leave requests, the Company will engage in an interactive process with the employee to determine if a leave is the most appropriate accommodation.

- 7.1.3. The employee must provide a certification from his or her health care provider to the Company to support a leave for medical reasons. Failure to provide the required certification to the Company in a timely manner will result in delay or denial of leave.
- 7.1.4. If an employee requires an extension of leave, the employee must request such extension and have it approved before the expiration of the currently approved leave.
- 7.1.5. While the Company will make a reasonable effort to return the employee to his or her former position or a comparable position following an approved leave of absence, there is no guarantee that the employee will be reinstated to his or her position, or any position, except as required by law.

## **7.2. Sick Days**

- 7.2.1. Eligible employees are entitled to paid sick days in accordance with Massachusetts law.

## **7.3. Pregnancy-Disability Leave**

- 7.3.1. Employees who are disabled on account of pregnancy, childbirth, or a related medical condition may request an unpaid leave of absence. Such leave will be granted for the period of disability, up to a maximum of four months. Time off may be requested for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth, and recovery from childbirth.
- 7.3.2. Leave provided for pregnancy disability is treated separately from leaves required by the state family and medical leave law. However, the first 12 workweeks of a pregnancy disability leave will be treated concurrently as a leave pursuant to the federal Family and Medical Leave Act ("FMLA") for all eligible employees.
- 7.3.3. Employees who wish to take a pregnancy disability leave must notify Human Resources of the date the leave is expected to commence and the estimated duration of the leave. Notice should be given as indicated above. The employee must also provide a medical certification of disability to the Company. Failure to provide the required medical certification to the Company in a timely manner will result in delay or denial of leave. Before returning to work, the employee must provide a medical certification that she is able to resume her original job duties. Appropriate forms may be obtained from Human Resources.
- 7.3.4. Employees who return to work immediately following the expiration of an approved pregnancy disability leave will generally be reemployed in their former position or a comparable job, as required by law.
- 7.3.5. Employees who are affected by pregnancy may also be eligible to transfer to a less strenuous or hazardous position or duties, provided certain prerequisites are met. Reasonable accommodations may be requested with the advice of the employee's health care provider. In addition, lactation accommodation is also available, upon request. For more information on pregnancy disability leave or transfer and its effect on the terms, conditions or benefits of employment, please contact Human Resources.

## **7.4. Workers' Compensation Leave**

- 7.4.1. Any employee who is unable to work due to a work related injury or illness and who is eligible for Workers' Compensation benefits will be provided an unpaid leave for the period required. The first 12 weeks will be treated concurrently as a family and medical leave under the federal Family Medical Leave Act ("FMLA") for eligible employees.

## **7.5. Voting Time**

- 7.5.1. Employees who are registered voters and who lack sufficient time outside of work to vote in any local, state, and national election may take up to two hours off work with pay at the beginning or end of the day for this purpose. Employees should provide at least two working days' notice when time off is required.

## 1. Environmental Policies and Procedures -

- a. We endeavor to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts. These include, but are not limited to;
  - i. In accordance with 935 CMR 500.103(4), we will, at the time of license renewal, provide a report that documents our energy and water usage over the preceding 12-month period.
  - ii. The use of natural light where possible. We use natural light where possible and only utilize supplemental lighting when needed. Our lighting system is LED-based and offers substantial energy savings.
  - iii. While not initially feasible, we hope to explore the addition of a photo-voltaic array to supplement and offset electrical demand through a renewable energy source.
  - iv. We will closely follow the development, viability, and availability of energy technology and will incorporate energy-saving systems into their technical operations once their value has been demonstrated. We are committed to the adoption and application of any technology that may practically and reliably reduce our electric demand.
  - v. We will actively pursue engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.
- b. We shall satisfy minimum energy efficiency and equipment standards established by the Commission and meet all applicable environmental laws, regulations, permits and other applicable approvals, including those related to water quality and solid and hazardous waste management under 935 CMR 500.103(2).
- c. We shall adopt and use additional best management practices as determined by the Commission, in consultation with the working group established under St. 2017, c. 55, § 78(b), to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts, and shall provide energy and water usage reporting to the Commission in a form determined by the Commission.
- d. We will adhere to the following minimum energy efficiency and equipment standards;
  - i. The building envelope for our facilities except greenhouses, will meet minimum Massachusetts Building Code requirements and all Massachusetts amendments (790 CMR: State Building Code), International Energy Conservation Code (IECC) Section C.402 or The American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE) Chapters 5.4 and 5.5 as applied or incorporated by reference in 780 CMR; State Building Code.

- ii. Requirements 935 CMR 500.120(11)(b) and (c) shall not be required if we are generating 100% or more of the onsite load from an onsite clean or renewable resource.
- iii. Heating Ventilation and Air Conditioning (HVAC) and dehumidification systems will meet Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR: State Building Code, IECC Section C.403 ASHRAE Chapter 67 as applied or incorporated by reference in (780 CMR: State Building Code).
- iv. 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), including but not limited to provisions for greenhouses and agricultural buildings.

# 1. Detailed Description of Qualification and Intended Trainings for Agents

## 1.1. Store Job Classifications and Requirements:

- 1.1.1. All employees must be trained on their job-specific duties prior to performing their job functions.
  - 1.1.1.1.1. All employees must receive a minimum of eight (8) hours job-specific training each year.
  - 1.1.1.1.2. All current owners, managers, and employees must complete the Responsible Vendor Program as soon as possible after this becomes available. Employees must complete the program within 90 days of being hired.
  - 1.1.1.1.3. Responsible Vendor Program documentation will be retained for four (4) years.
- 1.1.2. **Store Manager** - The store manager is the face of the facility. The manager must interface with staff, law enforcement, vendors, and others. The principal responsibility of the store manager is to coordinate and facilitate the transactions of the store. They must maintain records, have contact with suppliers and the grow site, embrace customer service and understand marketing. They will train employees and decide which products to carry and determine best pricing based on market conditions. They are responsible for keeping up with all changes in local and state law regarding operation of the facility. The most important job of the store manager is to ensure the security and integrity of our inventory.
- 1.1.3. **Retail Sales Agent** - The store has a need for retail professionals who can communicate articulately and passionately with customers about a wide range of cannabis products. Desirable backgrounds include previous marijuana vertical experience, retail sales, pharmacy, education, and customer service. Knowledge of cannabis, the varieties of cannabis, and their effects is highly relevant. They must be keenly aware of the difference of Indica, Sativa and their hybrids. A retail sales agent will maintain records in accordance with the Operations Manual, serve customers, offer advice and recommendations, be mindful and vigilant in terms of security, diversion, and facility cleanliness. Retail Sales Agents will be trained by the store manager alongside whom they will work to learn the total operation of the retail store. This position may be full-, or part-time.
- 1.1.4. **Security Guards** - Our retail store has an ongoing demand for trained law enforcement and security professionals. The store employs 24/7 security protection. Duties include ensuring the integrity of the facility's security systems and protecting the facility and its customers from outside criminal disturbance. Desired backgrounds include previous military, law enforcement, and security experience.

## 1.2. Employee Training and Selection

- 1.2.1. Our retail store is constantly looking for motivated, friendly, articulate and passionate people to work with our customers to provide them with the best product for their recreational needs. We are looking for people with the above attributes and are willing to train others in order to have a diverse workforce. Some of the desirable backgrounds we are looking for include marijuana vertical experience, retail sales, pharmacy, education, and customer service. We tend to train all employees in the following subjects, but tailor each topic to meet the needs required by individual roles:
  - 1.2.1.1. Cannabis Science

- 1.2.1.2. Horticultural & Organic Cultivation
- 1.2.1.3. Methods of Extraction
- 1.2.1.4. Methods of Ingestion
- 1.2.1.5. Cooking with Cannabis
- 1.2.1.6. Medical marijuana use
- 1.2.1.7. Harm Reduction Methods
- 1.2.1.8. Sensible Cannabis Use
- 1.2.1.9. Customer Relations
- 1.2.1.10. Massachusetts Cannabis Law

- 1.3. Our company is looking for all types of help for our retail sales operation, both front-of-house, and in the back office. Typical responsibilities include:
  - 1.3.1. Retails Sales
  - 1.3.2. Packaging labeling and inventory
  - 1.3.3. Sanitation and maintenance of the facility
  - 1.3.4. Security of the facility and deliveries
  - 1.3.5. Standard business and management roles such as, account management, administration, etc.



## **Record Keeping Procedures**

- 1.1.** Pursuant to 935 CMR 500.000, company records will be available for inspection by the Commission, upon request. We will maintain the following written records that are required and subject to inspection, as well as any additional documentation that it may be directed to record by the Commission:

- 1.1.1.** Written Operating Procedures as required by 935 CMR 500.105 (1)The Operations Manager has copies of the company operating procedures.
- 1.1.1.1. It is the responsibility of all employees to carefully read, understand and follow these operating procedures.
- 1.1.1.2. All employees are responsible for ensuring that these operating procedures are followed.
- 1.1.1.3. Any deviation from standard operating procedures must be authorized by the Operations Manager or your immediate supervisor.
- 1.1.1.4. These operating procedures will be revised from time-to-time and minor adjustments will likely be made. All revisions will be carefully noted and the operating procedures manual updated.
- 1.1.1.5. Any material changes will be communicated to the Commission
- 1.1.1.6. Inventory records as required by 935 CMR500.105(8);

**1.1.2. Inventory records include:**

- Shipping and delivery manifests Delivery and shipping video recordings  
Daily production stock withdrawal and return reports  
Weekly inventory reports  
Product return reports
- 1.1.2.1. Shipping manifests - All deliveries and shipments will be accompanied by a shipping manifest. Once this document has been used to verify the delivery or shipment it must be scanned for digital storage and the original placed in the appropriate ring binder and stored in the records cabinet.
- 1.1.2.2. Delivery and shipment packing and unpacking video recordings - All deliveries and shipments will be recorded using a video recording device. These recordings will be transferred to digital storage medium, clearly labeled with the date and manifest number(s), and stored in the records cabinet. Any and all variances from the manifest must be reported in accordance with standard operating procedures.
- 1.1.2.3. Daily production stock withdrawal and return reports - Each day, items will be removed from the main storage vault and placed in the production area for use. These items will be carefully recorded at the time of withdrawal. Unused production stock will be recorded on the same sheet when returned to the storage vault at the end of daily operations.
- 1.1.2.3.1. If, during the course of the day, additional items must be withdrawn from the storage vault, they too will be added to the withdrawal report and accounted for upon the return of production stock to the storage vault.
- 1.1.2.3.2. Any and all variances must be reported in accordance with standard operating procedures. All inventory records are to

- be digitized and a hard copy kept in the records cabinet.
  - 1.1.2.4. Weekly inventory reports - Each week, the Operations Manager, together with another licensed employee will conduct an inventory of all goods in the storage vault. Any and all variances must be reported in accordance with standard operating procedures. All inventory records are to be digitized and a hard copy kept in the records cabinet.
  - 1.1.2.5. Seed-to-sale tracking records for all marijuana products as required by 935 CMR 500.105(8)(e). The company uses a proprietary Seed-to-sale tracking software that allows cultivators, manufacturers, retailers, the Commission and others to quickly and easily track marijuana and marijuana products from propagation to sale.
  - 1.1.2.6. Our manufacturing establishment receives raw marijuana, and marijuana products in a variety of forms for use in our range of products.
  - 1.1.2.7. Once goods are delivered and manifests verified, all marijuana products must be entered into the Seed-to-sale tracking software in order to maintain an unbroken chain of custody.
  - 1.1.2.8. All goods pertaining to a specific manifest will be entered into the system as a batch. Where applicable, a report pertaining to these items will be generated on the seed-to-sale software, printed out, and securely attached to the manifest.

**1.1.3. Personnel records:**

- 1.1.3.1. All personnel files are to be stored in the records cabinet
- 1.1.3.2. The employee handbook contains a job description for each employee and volunteer position in the company. A signed copy of the relevant job description for each employee will also be kept in the individual personnel record of each employee.
- 1.1.3.3. A personnel record for each marijuana establishment agent shall be maintained for at least 12 months after termination of the individual's affiliation with the Marijuana Establishment and shall include, at a minimum, the following:
  - 1.1.3.3.1. all materials submitted to the Commission pursuant to 935CMR 500.030(2);
  - 1.1.3.3.2. documentation of verification of references; the job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision
  - 1.1.3.3.3. 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 topic discussed, including the name and title of presenters;
  - 1.1.3.3.4. documentation of periodic performance evaluations;
  - 1.1.3.3.5. a record of any disciplinary action taken.
  - 1.1.3.3.6. notice of completed responsible vendor and eight-hour related duty training.
  - 1.1.3.3.7. records of any health and safety-related incidents

**1.1.4. Personnel policies and procedures**

- 1.1.4.1. All personnel policies and procedures are clearly outlined in the employee handbook, a copy of which is available to all employees and includes:

- 1.1.4.1.1. Our Code of Ethics
- 1.1.4.1.2. Whistle-blower Policy; and
- 1.1.4.1.3. Our policy that notifies persons with disabilities of their rights under <https://www.mass.gov/service-details/about-employment-rights>
- 1.1.4.2. Certain specialized procedures are contained in the security plan.
- 1.1.4.3. All new employees will be required to read the employee handbook and security plan, undergo basic security training and sign a document acknowledging receipt of each and all of these elements. This acknowledgment will be stored with their individual personnel record.
- 1.1.4.4. All personnel files are to be stored in the records cabinet
- 1.1.4.5. All employees will be subject to a state-mandated background check. Background check reports obtained in accordance with 935 CMR 500.030 will be digitized and a hard copy placed into the individual personnel records
- 1.1.4.6. All records of waste disposal must be maintained pursuant to 935 CMR 500.105(12).
- 1.1.4.7. In the course of normal operations quantities of marijuana waste may be generated from normal processing operations, packaging errors, or customer returns. All marijuana waste must be disposed of in accordance with 935 CMR 500.105 (12).
- 1.1.4.8. All cannabis waste must be handled in accordance with the **Cannabis Waste Disposal Procedures** above.
- 1.1.4.9. The items disposed of and recorded in the inventory reconciliation report must also be entered in the seed-to-sale tracking software to ensure the completion of an unbroken chain of custody.
- 1.1.4.10. At least two licensed marijuana agents must witness and document this process.
- 1.1.4.11. Such documentation shall be retained for a minimum of three years or longer if so directed by the Commission.

**1.1.5. Security Device Log**

- 1.1.5.1. The issue and return of all security devices such as swipe cards, keys, codes and combinations must be noted in the security device log.
- 1.1.5.2. Employees acknowledge the receipt or return of such devices by signing this log.
- 1.1.5.3. Recording the issue and return of all security devices is the responsibility of the Operations Manager or senior management as required in the security plan.
- 1.1.5.4. The issue of security devices may only be authorized by the Operations Manager or senior management as required in the security plan.
- 1.1.5.5. The issue of codes and combinations is acknowledged by signing the relevant entry in the security device log. On NO account may the actual code or combination be noted or written down, either in the security device log or elsewhere. See the security plan for additional details.

- 1.1.6.** Following closure of a Marijuana Establishment, all records must be kept for at least two years at the expense of the Marijuana Establishment and in a form and location acceptable to the Commission.

- 1.2. As per 935 CMR 500.105 (9) we will maintain our records in accordance with generally accepted accounting principles.
- 1.3. Our written operating procedures will be maintained as required by 935 CMR 500.105(1). 935 CMR 500.105(9)
- 1.4. The following business records will be maintained;
  - Assets and liabilities;
  - Monetary transactions;
  - Books of accounts;
  - Sales records; and
  - Salary and wages paid to each employee. 935 CMR 500.105(9)

## 1.1. Quality Control and Testing

### 1.1.1. Incoming marijuana inventory

- 1.1.1.1. In accordance with 935 CMR 500.160 (9), no marijuana product shall be sold or otherwise marketed for adult use that has not first been tested by an independent, state-licensed, testing laboratory and deemed to comply with the standards required under 935 CMR 500.160
- 1.1.1.2. We must ensure that only the leaves and flowers of the female marijuana plant are processed accordingly in a safe and sanitary manner as prescribed below:
- Well cured and generally free of seeds and stems;
  - Free of dirt, . Sand, debris, and other foreign matter;
  - Free of contamination by mold, rot, other fungus, and bacterial diseases;
  - Prepared and handled on food-grade stainless steel tables; and
  - Packaged in a secure area.
- 1.1.1.3. All of the raw cannabis materials used in our products are tested by our cultivation suppliers. The initial quality control and testing of these raw cannabis materials is the responsibility of these suppliers. That being said, there are certain steps that we can take to ensure that the products entering our inventory are tested, have achieved the correct quality, and are stored and rotated in a manner that best ensures their continued quality throughout their shelf-life.
- All products must be thoroughly checked upon arrival at our facility in accordance with **Transportation of Marijuana and Inventory Control and Reconciliation** protocols above.
  - Should the accompanying test report indicate contaminant levels in excess of those accepted by DPH protocols identified in 935 CMR 500. 160 (1), the Operations Manager will immediately notify senior management who will notify the commission within 72 hours.
  - Together, the Operations Manager, the testing laboratory, and the original producer will determine whether the product is suitable for remediation or whether the entire batch must be destroyed in accordance with 935 CMR 500.105 (12).
  - Each of the three parties should submit a report on the incident to the Commission.
  - The Operations Manager should check each item and identify any that are outdated, damaged, mislabeled, contaminated or compromised. Any such products should be set aside for disposal.
  - Once the products enter our inventory it is the Operations Manager's responsibility to ensure that:
- 1.1.1.3.○.1. Stock is efficiently rotated to ensure that older product is used before newer product.

- 1.1.1.3.○.2. All stock is appropriately stored to prevent spoiling and damage to the product.

**1.1.2. Outgoing marijuana inventory**

- 1.1.2.1. In accordance with 935 CMR 500.160 (9), no marijuana product shall be sold or otherwise marketed for adult use that has not first been tested by an independent, state-licensed, testing laboratory and deemed to comply with the standards required under 935 CMR 500.160
- 1.1.2.2. All of our products are sold pre-packaged and tested by a state-licensed, marijuana test laboratory. The final quality control and testing of our products is the responsibility of both the test laboratory and the Company. There are certain steps that we must take to ensure that the products leaving our inventory for delivery to licensed retail establishments are tested, have achieved the correct quality, and are stored and rotated in a manner the best ensures their continued quality throughout their shelf-life.
- 1.1.2.3. All products must be thoroughly checked prior to shipment from our facility in accordance with **Transportation of marijuana and Inventory Control and Reconciliation** protocols above.
- 1.1.2.4. No production batch may be cleared for shipment before a sample has been submitted to the testing lab for analysis and the relevant test report has been received by us and entered into the database.
- 1.1.2.5. Should the test report indicate contaminant levels in excess of those accepted by DPH protocols identified in 935 CMR 500. 160 (1), the Operations Manager will immediately notify senior management who will notify the commission within 72 hours.
- 1.1.2.6. Together, the Operations Manager, the testing laboratory, and the original cultivator will determine whether the product is suitable for remediation or whether the entire production batch must be destroyed in accordance with 935 CMR 500.105 (12).
- 1.1.2.7. Each of the three parties should submit a report on the incident to the Commission.
- 1.1.2.8. The Operations Manager should check each item and identify any that are outdated, damaged, mislabeled, contaminated or compromised. Any such products should be set aside for disposal.
- 1.1.2.9. Whilst our products remain in our inventory it is the Operations Manager's responsibility to ensure that:
  - Stock is efficiently rotated to ensure that older product is sold before newer product.
  - All stock is appropriately stored to prevent spoiling and damage to the product.

**1.1.3. Hygiene**

- 1.1.3.1. All agents whose job includes contact with marijuana is subject to the requirements for food handlers specified.
- 1.1.3.2. Any agent working in direct contact with marijuana shall conform to sanitary practices while on duty, including:
  - Maintaining adequate personal cleanliness; and

- Washing hands appropriately.
- 1.1.3.3. Hand-washing facilities shall be located in production areas and where good sanitary practices require employees to wash and sanitize their hands.
- 1.1.3.4. There shall be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations.
- 1.1.3.5. Litter and waste shall be properly removed so as to minimize the development of odor and the potential for the waste attracting and harboring pests.
- 1.1.3.6. Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately kept clean and in good repair.
- 1.1.3.7. All contact surfaces shall be maintained, cleaned, and sanitized as frequently as necessary to protect against contamination.
- 1.1.3.8. All toxic items shall be identified, held, and stored in a manner that protects against contamination of marijuana.
- 1.1.3.9. Water supply shall be sufficient for necessary operations.
- 1.1.3.10. Plumbing shall be of adequate size and design and maintained to carry sufficient quantities of water to required locations throughout the establishment.
- 1.1.3.11. The establishment shall provide its employees with adequate, readily accessible toilet facilities.
- 1.1.3.12. Storage and transportation of finished products shall be under conditions that will protect them against physical, chemical, and microbial contamination.

# **Red Barn Growers LLC**

## **Diversity Plan**

### **Introduction**

Our purpose is to support minorities, veterans, women, disabled individuals, and LGBTQ+ residents of the Commonwealth in order to stop the continuation of an inequitable status quo in the workplace. To do so, we intend to teach the importance of ownership, build community between diverse groups and neighboring organizations, and provide job opportunities to diverse groups, with a variety of responsibilities, that will build an efficient and robust operation all Massachusetts residents can be proud of.

To the extent permissible by law, it is the policy of this company to prioritize hiring and community engagement and support among the following demographic groups:

1. Minorities, people of color, particularly Black, African American, Hispanic, Latinx, and Indigenous people;
2. Women
3. Veterans
4. People with disabilities
5. People who identify as LGBTQ+

*The execution of this plan will be documented and reviewed annually. The outcome of this review will be provided by our company to the Commission prior to the annual renewal of our license.*

*Any action taken, or programs instituted, by our company for the execution of this plan will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.*

*This plan 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 Marijuana Establishments.*

### **Goals**

1. Employing 20% women, 20% minorities, 20% LGBTQ+ members, 20% veterans, and 20% those with disabilities.
2. An employee promotion goal wherein at least 50% of the employees who receive promotions within our first year of operations are of the above-listed groups.
3. Ancillary or third-party suppliers are diversely owned



## **Programs**

The following programs will help effectuate the above goals:

1. Employment opportunities- when available- will be published no less frequently than annually on Indeed.com, LinkedIn, or in the Boston Globe, with the objective of reaching, women, veterans, minorities, LGBTQ+ members, and those with disabilities. People who respond to the ads will be screened for the above demographics and be given priority for hiring decisions.
2. Relay verbally at team meetings, encouraging current employees to recommend women, veterans, minorities, LGBTQ+ members, and those with disabilities for employment.
3. A company policy of pursuing diversely-owned businesses by utilizing the Supplier Diversity Office list, seeking diversely-owned cannabis businesses from CCC publicly available lists and documents to work with, and prioritizing ancillary contracts with diversely-owned businesses.

## **Measurement:**

We intend to focus our efforts on the following metrics:

1. Have diverse employment positions been created since initial licensure?
2. Have we advertised available positions on Indeed.com and/or other sources with the objective of more effectively reaching women, veterans, minorities, LGBTQ+ members, and those with disabilities?
3. Have we relayed our hiring needs to the CCC Social Equity and EE cohorts and did the CCC notify or post our hiring needs regarding employment opportunities?
4. Have we hired 50% women, 20% minorities, 20% LGBTQ+ members, 10% veterans, and 10% those with disabilities, or do at least 60% of our total hires include a mix of these above demographics?
5. Have any employees brought on diverse employees in their network which has increased company or management diversity?
6. Have we partnered with at least 2 women, veteran, minority, LGBTQ+ member, and disabled-owned businesses or wholesalers?
7. Are staff aware through verbal reminders at staff meetings and when we are seeking new employees that diversity is a compliance issue and important to the company and community?



## Plan to Restrict Access to 21 or Older

### 1. Restricting Access to age 21 and older

- 1.1. All employees and registered agents must be 21 years of age or older.
- 1.2. All visitors must be 21 years of age or older.
- 1.3. In accordance with 935 CMR 500.110 (1) (a) and 935 CMR 500.105 (14), **NO** person may enter our premises without first producing a valid, state or federal, photo ID.
- 1.4. Valid ID must be presented to the Duty Manager prior to entering the facility, and at the Point of Sale for data-entry purposes.
- 1.5. No person under 21 years of age may enter the premises. There are **NO** exceptions to this rule.
- 1.6. Loitering, in accordance with 935 CMR 500.110 (1) (b) is not permitted under any circumstances. Any person suspected of loitering should be politely questioned by a member of staff and, if unable to credibly account for their presence, be asked to leave the vicinity. Should the person refuse, the matter should be elevated to the Operations Manager who may, if necessary, contact local law enforcement for assistance in removing the person from the facility.
- 1.7. All cannabis waste will be rendered unusable and safely disposed of as outlined in **Cannabis Waste Disposal Procedures**.
- 1.8. All access to cannabis products will be strictly controlled and monitored as outlined in **Prevention of Diversion**.

**NO** customer may enter our production premises without first presenting a valid, recognized, photo ID to the Duty Manager. Valid ID must be shown before entering the facility and at the Point of Sale for data-entry purposes.

**There are NO EXCEPTIONS, and NO EXCUSES to this rule.**