



Massachusetts Cannabis Control Commission

Marijuana Retailer

General Information:

License Number: MR284387
Original Issued Date: 01/13/2025
Issued Date: 01/13/2025
Expiration Date: 01/13/2026

ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Hennep, Inc.

Phone Number: 914-483-9167 Email Address: akoudijs@hennep.com

Business Address 1: 164 Grove Street Business Address 2:

Business City: Franklin Business State: MA Business Zip Code: 02038

Mailing Address 1: 48 Winslow Street Mailing Address 2:

Mailing City: Provincetown Mailing State: MA Mailing Zip Code: 02657

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: Owner / Partner Other Role:

First Name: Andrew Last Name: Koudijs 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

Entity with Direct or Indirect Authority 1

Percentage of Control: 100

Percentage of Ownership: 100

Entity Legal Name: Hennep, Inc.

Entity DBA:

DBA

City:

Entity Description: The entity is 100% owned and controlled by Andrew Koudijs, the individual listed on this application.

Foreign Subsidiary Narrative:

Entity Phone: 914-483-9167

Entity Email: akoudijs@hennep.com

Entity Website: www.hennep.com

Entity Address 1: One International Place

Entity Address 2: Suite 3700

Entity City: Boston

Entity State: MA

Entity Zip Code: 02110

Entity Mailing Address 1: 48 Winslow Street

Entity Mailing Address 2:

Entity Mailing City: Provincetown

Entity Mailing State: MA

Entity Mailing Zip Code:

02657

Relationship Description: The entity, Hennep Inc., has 100% ownership and control of the marijuana establishment proposed in this application, as well as the existing retail marijuana establishment MR281450. Andrew Koudijs is the sole owner of Hennep, Inc. and owns and controls 100% of the entity and both Licenses.

CLOSE ASSOCIATES AND MEMBERS

No records found

CAPITAL RESOURCES - INDIVIDUALS

No records found

CAPITAL RESOURCES - ENTITIES

Entity Contributing Capital 1

Entity Legal Name: Hennep, Inc.

Entity DBA:

Email: akoudijs@hennep.com

Phone: 914-483-9167

Address 1: 48 Winslow Street

Address 2:

City: Provincetown

State: MA

Zip Code: 02657

Types of Capital: Monetary/Equity Other Type of Capital: Total Value of Capital Provided: \$16000 Percentage of Initial Capital: 100

Capital Attestation: Yes

BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

DISCLOSURE OF INDIVIDUAL INTERESTS

Individual 1

First Name: Andrew

Last Name: Koudijs

Suffix:

Marijuana Establishment Name: Hennep, Inc.

Business Type: Marijuana Retailer

Marijuana Establishment City: Provincetown

Marijuana Establishment State: MA

Individual 2

First Name: Andrew

Last Name: Koudijs

Suffix:

Marijuana Establishment Name: Hennep Cultivation LLC

Business Type: Marijuana Cultivator

Marijuana Establishment City: Franklin

Marijuana Establishment State: MA

Individual 3

First Name: Andrew

Last Name: Koudijs

Suffix:

Marijuana Establishment Name: Hennep Cultivation LLC

Business Type: Marijuana Product Manufacture

Marijuana Establishment City: Franklin

Marijuana Establishment State: MA

MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 164 Grove Street

Establishment Address 2:

Establishment City: Franklin

Establishment Zip Code: 02038

Approximate square footage of the establishment: 3956

How many abutters does this property have?: 9

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

HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan to Remain Compliant with Local Zoning	2024-05-13 Plan to Remain Compliant with Local Zoning (MRN284387).pdf	pdf	664bbbc08e66fe0008f51047	05/20/2024
Executed HCA Waiver	2024-06-26 EXECUTED HCA Waiver Hennep Inc (MRN284387).pdf	pdf	66e0913394e8b800085f05c8	09/10/2024
Community Outreach Meeting Documentation	2024-09-03 COM Binder RFI-1 (MRN284387) compressed.pdf	pdf	66e091f394e8b800085f07ed	09/10/2024
Community Outreach Meeting Documentation	Hennep 164 Grove St Franklin 8-4-23 Commnity Meeting presentation -updated3.pdf	pdf	66e0921394e8b800085f0925	09/10/2024

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	2024-09-10 Plan for Positive Impact (MRN284387) v1.1 (RFI-1).pdf	pdf	66e0923acfa6590008dd2254	09/10/2024

ADDITIONAL INFORMATION NOTIFICATION

Notification:

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: Owner / Partner

Other Role:

First Name: Andrew

Last Name: Koudijs

Suffix:

RMD Association: Not associated with an RMD

Background Question: no

ENTITY BACKGROUND CHECK INFORMATION
Entity Background Check Information 1

Role: Investor/Contributor

Other Role:

Entity Legal Name: Hennep, Inc.

Entity DBA:

Entity Description: Hennep, Inc. owns and controls 100% of the marijuana establishment license.
Hennep, Inc. is owned and controlled solely by Andrew Koudijs.

Phone: 914-483-9167

Email: akoudijs@hennep.com

Primary Business Address 1: One International Place

Primary Business Address 2: Suite 3700

Primary Business City: Boston

Primary Business State: MA

Principal Business Zip Code: 02110

Additional Information:

MASSACHUSETTS BUSINESS REGISTRATION
Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	Hennep Inc Articles of Organization (MRN284387).pdf	pdf	65b9635058452f0008a4b1f5	01/30/2024
Bylaws	Hennep Inc Bylaws (MRN284387).pdf	pdf	65b963717252ab000883e1ba	01/30/2024
Secretary of Commonwealth - Certificate of Good Standing	2024-09-10 SoC Certificate of Good Standing Hennep Inc.pdf	pdf	66e0935194e8b800085f0e2f	09/10/2024
Department of Revenue - Certificate of Good standing	Department of Revenue Certificate of Good Standing May 2024 Hennep Inc.pdf	pdf	66e0935694e8b800085f0e43	09/10/2024
Department of Unemployment Assistance - Certificate of Good standing	2024-07-05 DUA Certificate of Compliance.pdf	pdf	66e0936094e8b800085f0e5a	09/10/2024

No documents uploaded

Massachusetts Business Identification Number: 001322872

Doing-Business-As Name:

DBA Registration City:

BUSINESS PLAN
Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for Liability Insurance	2024-01-30 Plan for Obtaining Liability Insurance (MRN284387).pdf	pdf	65b9656158452f0008a4b679	01/30/2024
Proposed Timeline	2024-05-21 Timeline to Achieve Operations (MRN284387).pdf	pdf	664d0c1ae7dea20008ea7b06	05/21/2024
Business Plan	Hennep Inc Business Plan.pdf	pdf	664d0c86e7dea20008ea7be1	05/21/2024

OPERATING POLICIES AND PROCEDURES
Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Qualifications and training	2024-05-13 Employee Qualifications and Training.pdf	pdf	664d0e29e7dea20008ea7dbc	05/21/2024
Inventory procedures	2024-05-13 Inventory Procedures.pdf	pdf	664d0e2de7dea20008ea7dff	05/21/2024
Maintaining of financial records	2024-05-13 Maintaining of Financial Records.pdf	pdf	664d0e33e7dea20008ea7e32	05/21/2024
Plan for obtaining marijuana or marijuana products	2024-05-13 Plan for Obtaining Marijuana or Marijuana Products.pdf	pdf	664d0e428e66fe0008f6a43a	05/21/2024
Quality control and testing	2024-05-13 Quality Control and Testing.pdf	pdf	664d0e7b8e66fe0008f6a4b5	05/21/2024
Record Keeping procedures	2024-05-13 Record Keeping Procedures.pdf	pdf	664d0e85e7dea20008ea7ee1	05/21/2024
Restricting Access to age 21 and older	2024-05-13 Restricting Access to Age 21 and Older.pdf	pdf	664d0e8ae7dea20008ea7ef8	05/21/2024
Storage of marijuana	2024-05-13 Storage of Marijuana.pdf	pdf	664d0e8f8e66fe0008f6a532	05/21/2024
Transportation of marijuana	2024-05-13 Transportation of Marijuana.pdf	pdf	664d0e9d8e66fe0008f6a54c	05/21/2024
Energy Compliance Plan	2024-05-12 Energy Compliance Plan (MRN284387).pdf	pdf	664d12b1e7dea20008ea8636	05/21/2024
Security plan	2024-05-21 Hennep Security Plan (MRN284387).pdf	pdf	664d14998e66fe0008f6ae4c	05/21/2024
Dispensing procedures	Dispensing procedures (MRN284387).pdf	pdf	664d17a48e66fe0008f6b04e	05/21/2024
Diversity plan	2024-05-22 Plan for Diversity-Inclusion (MRN284387).pdf	pdf	664e34aee7dea20008eb904b	05/22/2024
Personnel policies including background checks	2024-09-06 Personnel Policies Including Background Checks v1.1 (RFI-1).pdf	pdf	66e093ce94e8b800085f10fb	09/10/2024
Prevention of diversion	2024-09-06 Prevention of Diversion v1.1 (RFI-1).pdf	pdf	66e093d994e8b800085f1128	09/10/2024

MARIJUANA RETAILER SPECIFIC REQUIREMENTS

No documents uploaded

No documents uploaded

ATTESTATIONS

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

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

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

Notification:

I 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

HOURS OF OPERATION

Monday From: 10:00 AM	Monday To: 9:00 PM
Tuesday From: 10:00 AM	Tuesday To: 9:00 PM
Wednesday From: 10:00 AM	Wednesday To: 9:00 PM
Thursday From: 10:00 AM	Thursday To: 9:00 PM
Friday From: 10:00 AM	Friday To: 9:00 PM
Saturday From: 10:00 AM	Saturday To: 9:00 PM
Sunday From: 10:00 AM	Sunday To: 9:00 PM



Hennep, Inc.
MRN248387

164 Grove Street
Franklin, MA 02038

Plan to Remain Compliant with Local Zoning

The Town of Franklin, Massachusetts (the “**Town**”) amended its zoning Bylaw at a Franklin Town Council meeting held on February 8, 2017, and added on February 15, 2017 by Bylaw Amendment 17-779, to allow the retail sale of non-medical marijuana (adult-use) in specific portions of the Industrial zoning district.

Hennep, Inc. (the “**Company**”), is proposing to develop and operate a Marijuana Establishment at 164 Grove Street. This site is located in the Industrial zone, and within the Marijuana Use Overlay District, which permits the operation of a Marijuana Establishment, specifically an adult-use retail Establishment pursuant to Chapter 185, Article V, Section 185-49 of the Bylaw, subject to the granting of a Special Permit from the Town of Franklin Planning Board (the “**Board**”). Please see the attached zoning bylaws and zoning map for reference.

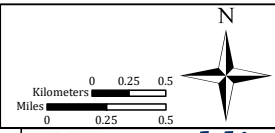
The Company entered into a host community agreement with the Town of Franklin on March 15, 2022. The host community agreement is valid for a period of five (5) years and will expire on March 14, 2027. The Company received Site Plan Approval from the Town on November 12, 2020.

The Company plans to continue to work with officials from the Town to ensure the operations will have a positive impact on the community and will work diligently to obtain all necessary approvals and permitting.

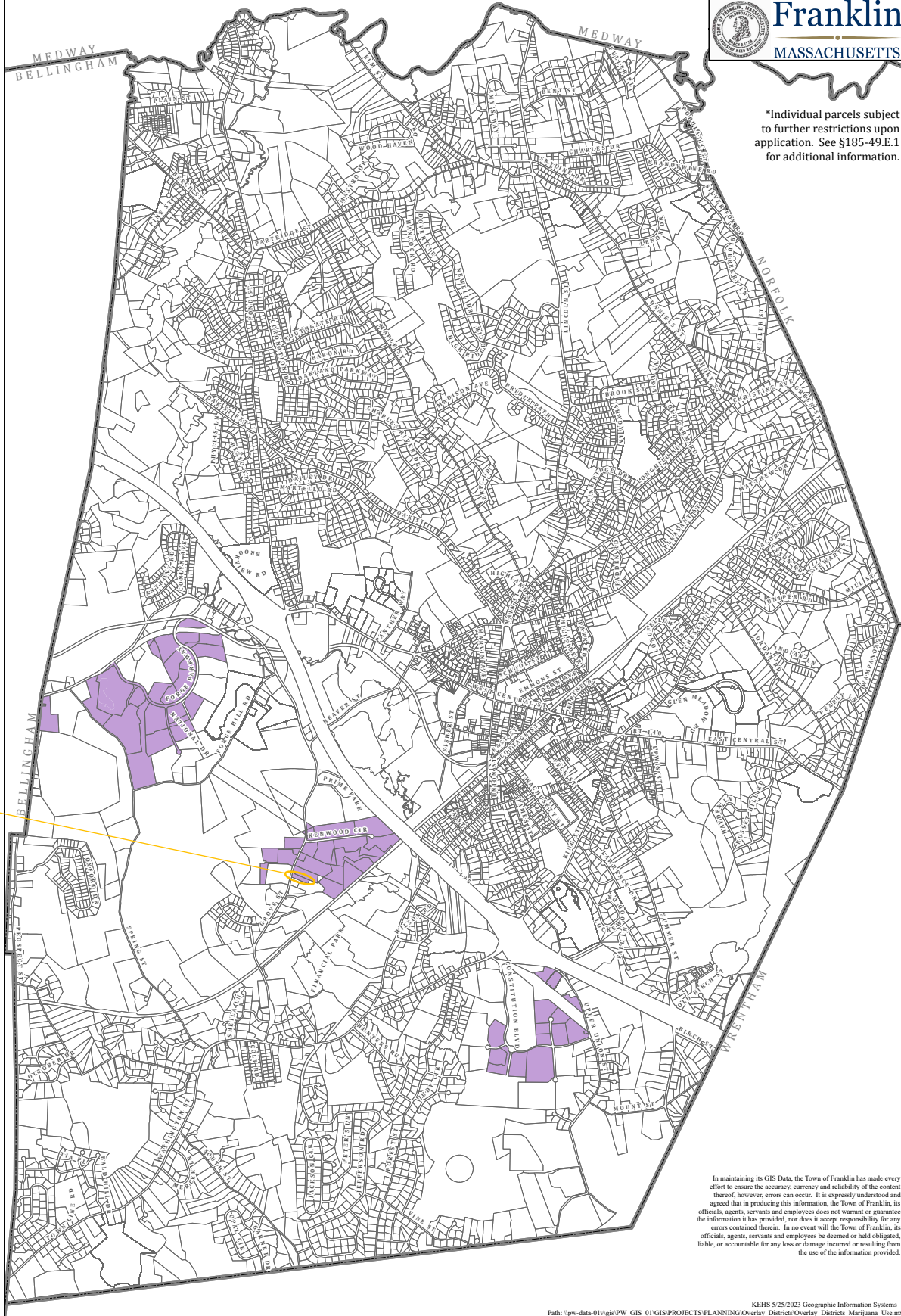
The Company hereby submits that it will continue to comply with all local and state requirements, and will be responsible for ongoing compliance with local and state rules and regulations.

MARIJUANA USE OVERLAY DISTRICTS

- Marijuana Use Overlay District*
- Parcel Line
- Municipal Boundary



*Individual parcels subject to further restrictions upon application. See §185-49.E.1 for additional information.



In maintaining its GIS Data, the Town of Franklin has made every effort to ensure the accuracy, currency and reliability of the content thereof, however, errors can occur. It is expressly understood and agreed that in producing this information, the Town of Franklin, its officials, agents, servants and employees does not warrant or guarantee the information it has provided, nor does it accept responsibility for any errors contained therein. In no event will the Town of Franklin, its officials, agents, servants and employees be deemed or held obligated, liable, or accountable for any loss or damage incurred or resulting from the use of the information provided.

Binder for Community Outreach Meeting Materials

Hennep, Inc. (MRN284387)

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:
- The type(s) of ME or MTC to be located at the proposed address;
 - Information adequate to demonstrate that the location will be maintained securely;
 - Steps to be taken by the ME or MTC to prevent diversion to minors;
 - A plan by the ME or MTC to positively impact the community; and
 - 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:

Andrew Koudijs



Attachment A:

Documentation of

Public

Notice

(attachment on following page)



Colin Noel <cnoel@hennep.com>

Fwd: Thank you for placing your order with us.

Thu, Jul 11, 2024 at 12:21 PM

To: Colin Noel <cnoel@hennep.com>, Andrew Koudijs <akoudijs@hennep.com>


THANK YOU for your ad submission!

This is your confirmation that your order has been submitted. Below are the details of your transaction. Please save this confirmation for your records.

We appreciate you using our online self-service ads portal, available 24/7. Please continue to visit MetroWest Daily News's online Classifieds [HERE](#) to place your legal notices in the future.

Changes and/or cancellations may not be honored up to 2 business days prior to your first publication date.


Job Details

Order Number: **LNEO0128629**
Classification: **Public Notices**
Package: **General Package**
Base amount: **\$178.40**
Service fee: **\$7.12**
Cash/Check/ACH 
Discount: **-\$0.00**
Total payment: **\$185.52**

As an incentive for customers, we provide a discount off the total order cost equal to the 3.99% service fee if you pay with Cash/Check/ACH. Pay by Cash/Check/ACH and save! In no event are service fees refundable.

Payment Type: **visa**

Account Details

Michael McCarthy
[164 Grove Street](#)
Franklin, MA  02038
508-479-4998
mmccarthy@hennep.com
Hennep, INC.
Credit Card - visa *****9046

Schedule for ad number LNEO01286290**Thu Jul 18, 2024****MetroWest Daily News** *All Zones***Thu Jul 25, 2024****MetroWest Daily News** *All Zones*

Hennep, Inc. Community Outreach Meeting Franklin, MA
Notice is hereby given that a Community Outreach Meeting
for a proposed Marijuana Establishment is scheduled for
August 28, 2024, at 4:30 PM at the Franklin Senior
Center located at 10 Daniel McCahill St, Franklin, MA
02038. The proposed Marijuana Retail Establishment is
anticipated to be located at 164 Grove Street, Franklin,
MA 02038. There will be an opportunity for the public to ask
questions.

Publication Dates

1 00000000

Attachment B:

Documentation of Notice Filing with Town Clerk

(attachment on following page)



hennep



164 Grove Street
Franklin, MA 02038

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for August 28, 2024, at 4:00 PM at the Franklin Senior Center located at 10 Daniel McCahill St, Franklin, MA 02038. The proposed Marijuana Retail Establishment is anticipated to be located at 164 Grove Street, Franklin, MA 02038. There will be an opportunity for the public to ask questions.

RECEIVED

2024 AUG - 8 P 2:00

TOWN OF FRANKLIN
TOWN CLERK

Attachment C:

Documentation of Mailing to 300-ft Abutters

(attachments on following page)

Hennep, Inc. Community Outreach Meeting Franklin, MA
Notice is hereby given that a Community Outreach Meeting
for a proposed Marijuana Establishment is scheduled for
August 28, 2024, at 4:30 PM at the Franklin Senior
Center located at 10 Daniel McCahill St, Franklin, MA
02038. The proposed Marijuana Retail Establishment is
anticipated to be located at 164 Grove Street, Franklin,
MA 02038. There will be an opportunity for the public to ask
questions.

Publication Dates

1 00000000

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

For delivery information, visit our website at www.usps.com.
Franklin, MA 02038

Certified Mail Fee	\$4.40	0520
Extra Services & Fees (check box, add fee as appropriate)	\$0.00	
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$0.68	
Total Postage and Fees	\$5.08	
Sent To		
Street and Apt. No., or PO Box No.		
City, State, ZIP+4®		

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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

For delivery information, visit our website at www.usps.com.
Franklin, MA 02038

Certified Mail Fee	\$4.40	0520
Extra Services & Fees (check box, add fee as appropriate)	\$0.00	
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$0.68	
Total Postage and Fees	\$5.08	
Sent To		
Street and Apt. No., or PO Box No.		
City, State, ZIP+4®		

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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

For delivery information, visit our website at www.usps.com.
Foxboro, MA 02035

Certified Mail Fee	\$4.40	0520
Extra Services & Fees (check box, add fee as appropriate)	\$0.00	
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$0.68	
Total Postage and Fees	\$5.08	
Sent To		
Street and Apt. No., or PO Box No.		
City, State, ZIP+4®		

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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

For delivery information, visit our website at www.usps.com.
Norfolk, MA 02056

Certified Mail Fee	\$4.40	0520
Extra Services & Fees (check box, add fee as appropriate)	\$0.00	
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$0.68	
Total Postage and Fees	\$5.08	
Sent To		
Street and Apt. No., or PO Box No.		
City, State, ZIP+4®		

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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

For delivery information, visit our website at www.usps.com.
Franklin, MA 02038

Certified Mail Fee	\$4.40	0520
Extra Services & Fees (check box, add fee as appropriate)	\$0.00	
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
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Sent To		
Street and Apt. No., or PO Box No.		
City, State, ZIP+4®		

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

For delivery information, visit our website at www.usps.com.
Charlotte, NC 28230

Certified Mail Fee	\$4.40	0520
Extra Services & Fees (check box, add fee as appropriate)	\$0.00	
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$0.68	
Total Postage and Fees	\$5.08	
Sent To		
Street and Apt. No., or PO Box No.		
City, State, ZIP+4®		

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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

For delivery information, visit our website at www.usps.com.
Concord, MA 01742

Certified Mail Fee	\$4.40	0520
Extra Services & Fees (check box, add fee as appropriate)	\$0.00	
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00	
<input type="checkbox"/> Return Receipt (electronic)	\$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00	
<input type="checkbox"/> Adult Signature Required	\$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00	
Postage	\$0.68	
Total Postage and Fees	\$5.08	
Sent To		

First-Class Mail® 1 \$0.68
Letter
Charlotte, NC 28230
Weight: 0 lb 0.30 oz
Estimated Delivery Date
Mon 07/15/2024
Certified Mail® \$4.40
Tracking #:
9589 0710 5270 0440 2681 80
Total \$5.08

First-Class Mail® 1 \$0.68
Letter
Concord, MA 01742
Weight: 0 lb 0.30 oz
Estimated Delivery Date
Sat 07/13/2024
Certified Mail® \$4.40
Tracking #:
9589 0710 5270 0440 2681 97
Total \$5.08

Grand Total: \$35.56

Debit Card Remit \$35.56
Card Name: VISA
Account #: XXXXXXXXXXXXX9046
Approval #: 004214
Transaction #: 441
Receipt #: 035135
Debit Card Purchase: \$35.56
AID: A0000000980840 Contactless
AL: US DEBIT

Text your tracking number to 28777 (2USPS)
to get the latest status. Standard Message
and Data rates may apply. You may also
visit www.usps.com USPS Tracking or call
1-800-222-1811.

Preview your Mail
Track your Packages
Sign up for FREE @
<https://informedelivery.usps.com>

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

Tell us about your experience.
Go to: <https://postalexperience.com/Pos>
or scan this code with your mobile device.



or call 1-800-410-7420.

UFN: 243519-0520
Receipt #: 840-50180039-1-6336705-2
Clerk: 9



Hennep Company Overview

Franklin, Massachusetts

August 4, 2023



OUR TEAM



Andrew Koudijs

Chief Executive Officer
Board Member

- Andrew graduated from Boston University with a Bachelor's Degree in Advertising. He founded Hennep while Administration from Boston University.



Colin Noel

Director of Operations

- Colin received a Bachelor's Degree in Business. Colin joined attending Boston University. Hennep with Andrew during his junior and senior years at BU.



Paige Koudijs

Senior Advisor
Board Member

- Paige Koudijs sits on the board of Hennep Cultivation and serves as an advisor. Paige has extensive experience in retail and wholesale operations.

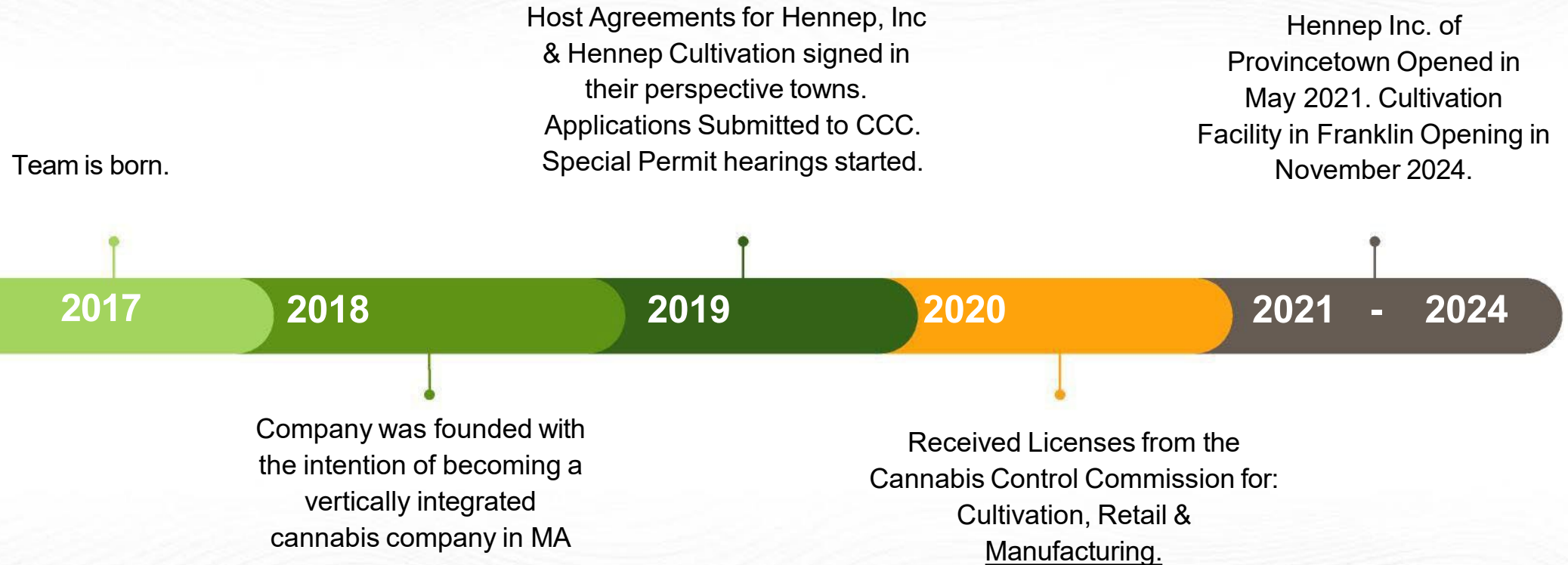


Michael McCarthy

Director of Compliance

- Michael McCarthy serves as the Director of Compliance for Hennep Inc. He comes from a compliance background most recently as an Investigator with the Cannabis Control Commission.

TIMELINE OF HENNEP



OUR CURRENT LICENSES



Retail

One Retail store opened in 2021.



Cultivation

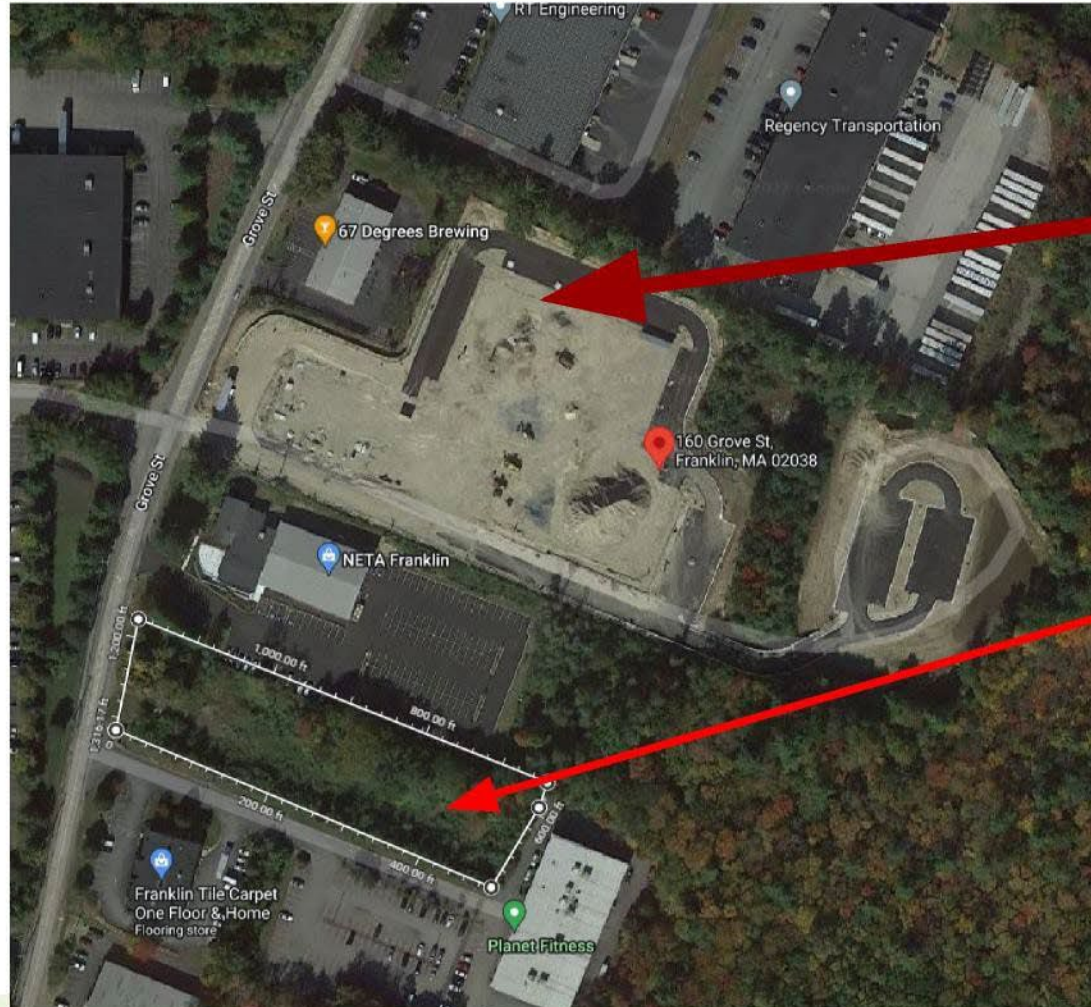
Tier 6 Licensed cultivation facility.
Expected to begin operations
November 2024 at 160 Grove
Street, Franklin, MA.



Manufacturing

Full sized industrial kitchen and two
extraction labs. Located within the
cultivation facility.

164 Grove Street



Grow Facility
160 Grove Street

Retail
164 Grove Street

SECURITY

- The establishment will adhere to strict security and access control policies and procedures.
- Controlled Access Area:
 - Employees will have tiered access to none-public areas of the facility based on job function.
 - No employee or a member of the public will ever have access to an area of the facility that is not pertinent to their interest in being on site.
 - Access can be altered immediately and remotely.
- Surveillance Systems include:
 - Extensive HD video surveillance systems in all areas that contain marijuana, and all entry- and exit points. As well as on the exterior of the facility.
 - Redundant extrusion detection systems on all entry- and exit-points and panic, duress, and hold up alarms.
 - Back up systems that will remain operational even in the instance of power outage.
- All security systems can be made available to the Town of Franklin Police Department.

PREVENT DIVERSION

Employees:

Hennep will hire only individuals aged 21 years or older.

The company will not hire any individuals who have been convicted of distribution of controlled substances to minors.

The Public:

No members of the public will be granted access to areas of the interior of the site that are off limits to the public.

If any member of the Hennep team distributes cannabis, intentionally or negligently, to an individual under the age of 21, they will be immediately terminated and reported to the MA Cannabis Control Commission.

No products will be designed to appeal to individuals under the age of 21, including through recognizable characters, brands, or cartoons.

Hennep's website will prompt users to confirm they are 21+ prior to navigating.

BENEFITS TO FRANKLIN

A host community agreement that provides the Town with the rights to potential impact fees to direct towards priorities of its choosing.

Increased tax revenue through local option agreements.

Participation in neighborhood civic and business associations.

Support towards local charitable and community-building initiatives.

Well-paying, salaried jobs with a preference to hire local.

A robust community outreach program to ensure our proposal is built on a foundation of local input

NUISANCE PREVENTION

Staff and security personnel will undergo rigorous training to implement a series of Standard Operating Procedures to ensure that our employees are well trained in prevention the diversion of product to unauthorized parties and prevention of neighborhood nuisance.

Consumption of marijuana on-site or in the immediate neighborhood will not be tolerated. Anyone violating this provision will be immediately reported to local law enforcement.

The following behaviors will not be permitted on site –

- Any disturbance of the peace.
- Public consumption of cannabis.
- Illegal drug activity under state or local law.
- Littering.
- Excessive loitering or pedestrian traffic.
- Queuing of patrons or other obstructions of the public or private way.

FRANKLIN

Cultivation & Manufacturing

- 60,000 sq. ft building
- Project Completion January 2024
- Manufacturing Facility
- Full sized industrial kitchen

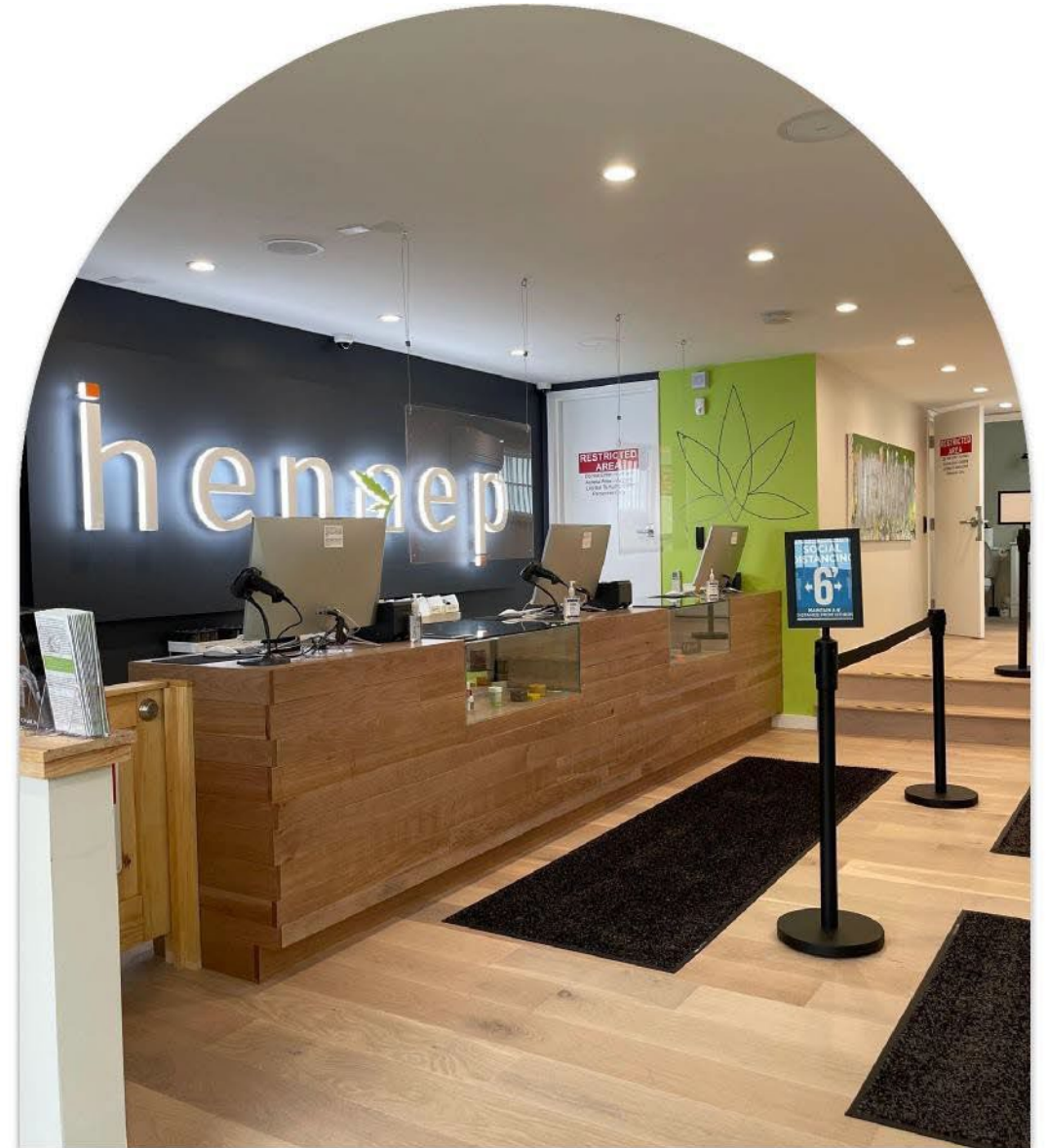


Photo of Hennep's Cultivation construction August 30th 2021

PROVINCETOWN

Retail Location

- Opened May, 2021 with 650 sq. ft.
- Expansion into adjacent retail space increasing square footage to 2,100 sq. ft.
 - 250-300 were seen per day over the summer of 2021. Staff and Management handled this customer flow easily with 650 sq. ft.
- No odor or nuisance complaints



Retail Experience



Customer Service

Customer service is a foundational pillar of our company. It is our mission to build customer relationships with each and every person who walks through our door. Out of the four operating dispensaries in Provincetown, ours is the highest rated with a 4.9/5 star rating.



High Level Training

We take our training very seriously. Each budtender goes through an extensive course that goes well beyond what is required. We want to build skills for employees that they can use beyond Henneep.



Shopping Experience

Our shopping experience is unlike any other. We pride ourselves on taking our time with each customer. This is why we have built an extensive one-on-one experience. This allows each customer to feel comfortable and vulnerable enough to ask our staff questions.

FUTURE RETAIL

Licensing

Massachusetts cannabis licensing can be tedious, but we have a team of specialized talent who can help expedite this process.

Operational Experience

With our retail store in Provincetown, we have gained invaluable operational experience. We feel confident in our abilities to open and operate a retail cannabis store in a safe, efficient and welcoming manner.

Compassionate Leadership

From the executive level to retail staff, we believe in creating an environment that is welcoming and inclusive to all. Our leadership is comprised of dedicated individuals who put the needs of its staff first. It is one of Hennep's goals to recruit local employees and utilize our high class training programs to ensure that as Hennep grows, our employees do too.



henæp

THANK YOU

Contact us:

📍 160 Grove Street, Franklin, MA 02038

📞 914-447-4448

✉ akoudijs@hennep.com



Hennep, Inc.
MRN284387

164 Grove Street
Franklin, MA 02038

Plan for Positive Impact

Overview

Hennep shall deem it a priority to pursue the actions contained herein. It is Hennep's responsibility according to M.G.L. c. 94G, § 4 to perform these actions. It is also the Hennep's social responsibility to assist those who have been negatively impacted by the disproportionate enforcement of the war on drugs. The Cannabis Control Commission (the "Commission") has identified the following:

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

Goals

Hennep seeks to:

1. Provide business assistance (time, organization skills, mentorship) that will have a direct impact on Social Equity and Economic Empowerment Applicants; and
2. Provide direct feedback to operating procedures, building layout, and inspection preparation.
3. Reduce barriers of entry to the adult-use cannabis industry, by;
4. Provide monetary funding to the Cannabis Social Equity Trust Fund.

Program #1:

- Hennep shall submit (upon approval of this plan) an Equity Involvement Form.
 - o Hennep will also contact Applicants who have been approved for Social Equity Status, to ensure that our mentorship program is active and robust.
- Hennep shall meet with the Applicant to assess the needs of the Applicant.
- Hennep shall bring the applicant to our Establishment to train the Applicant in best practices, procedures, and compliance.
- While the Applicant is moving through the application and inspection processes, Hennep shall make all efforts to assist the Applicant move through these processes in an efficient manner.
- Upon the Applicant reaching Commence Operations, Hennep will continue to provide consultation to the Licensee, as requested by the Licensee.

Goal of Program #1:

- o Assist one Social Equity Applicant in transitioning to Commence Operations stage.



Program #2:

- Hennep has identified Mansfield, MA as an Area of Disproportionate Impact through the Commission's "Guidance for Identifying Areas of Disproportionate Impact."
- Hennep shall give priority consideration to job applications who live in Mansfield.
- To further facilitate the hiring of individuals from this Area of Disproportionate Impact, Hennep has scheduled a meeting with the Assistant Town Manager, Matthew Violette, to best understand how to serve this community. At time of writing, Hennep intends, at the very least, to attend a job fair in the Town of Mansfield after Final Licensure, as well as posting job opportunities in local publications recommended by the Assistant Town Manager.

Goal of Program #2:

- o Make job offers to at least five and hire at least one registered Agent from the Town of Mansfield.

Programs #3 and #4:

- Hennep shall donate \$2,000 to the Cannabis Social Equity Trust Fund before its first annual license renewal, and annually thereafter, or until revising this Plan and having the revised version approved by the Commission.

Goal of Programs #3 and #4:

- o Provide capital to those applicants who apply for the loans and grants within the Cannabis Social Equity Trust Fund.
- o The Cannabis Social Equity Advisory Board will distribute funds to those in need.
- o These funds or grants are intended to reduce barriers of entry to this industry, by providing funding for startup costs including rent, consultation and legal fees, and other associated fees.

Acknowledgements

Hennep acknowledges the progress or success of this plan must be documented upon renewal of its license annually, starting from provisional licensure. Hennep will make available to the Commission a range of data that demonstrate progress or success toward the goals and programs described as part of this plan, as well as written narratives describing such progress or success.

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

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



The Commonwealth of Massachusetts
William Francis Galvin

Minimum Fee: \$250.00

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

[Special Filing Instructions](#)

Articles of Organization

(General Laws, Chapter 156D, Section 2.02; 950 CMR 113.16)

Identification Number: 001322872

ARTICLE I

The exact name of the corporation is:

HENNEP, INC.

ARTICLE II

Unless the articles of organization otherwise provide, all corporations formed pursuant to G.L. C156D have the purpose of engaging in any lawful business. Please specify if you want a more limited purpose:

ARTICLE III

State the total number of shares and par value, if any, of each class of stock that the corporation is authorized to issue. All corporations must authorize stock. If only one class or series is authorized, it is not necessary to specify any particular designation.

Class of Stock	Par Value Per Share Enter 0 if no Par	Total Authorized by Articles of Organization or Amendments		Total Issued and Outstanding Num of Shares
		Num of Shares	Total Par Value	
CNP	\$0.00000	100,000	\$0.00	1,000

G.L. C156D eliminates the concept of par value, however a corporation may specify par value in Article III. See G.L. C156D Section 6.21 and the comments thereto.

ARTICLE IV

If more than one class of stock is authorized, state a distinguishing designation for each class. Prior to the issuance of any shares of a class, if shares of another class are outstanding, the Business Entity must provide a description of the preferences, voting powers, qualifications, and special or relative rights or privileges of that class and of each other class of which shares are outstanding and of each series then established within any class.

ARTICLE V

The restrictions, if any, imposed by the Articles of Organization upon the transfer of shares of stock of any class are:

ANY STOCKHOLDER, INCLUDING THE HEIRS AND PERSONAL REPRESENTATIVES OF A DECEASED STOCKHOLDER, DESIRING TO SELL OR TRANSFER STOCK OWNED BY HIM OR HER, SHALL FIRST OFFER IT TO THE CORPORATION THROUGH THE BOARD OF DIRECTORS IN THE FOLLOWING MANNER: HE/SHE SHALL NOTIFY THE DIRECTORS OF HIS/HER DESIRE TO SELL OR TRANSFER BY NOTICE IN WRITING, WHICH NOTICE SHALL CONTAIN THE PRICE AT

WHICH HE IS WILLING TO SELL OR TRANSFER AND THE NAME OF ONE ARBITRATOR. THE DIRECTORS SHALL WITHIN THIRTY (30) DAYS THEREAFTER EITHER ACCEPT THE OFFER, OR BY NOTICE TO HIM IN WRITING NAME A SECOND ARBITRATOR, AND THESE TWO SHALL NAME A THIRD. IT SHALL THEN BE THE DUTY OF THE ARBITRATORS TO ASCERTAIN THE VALUE OF THE STOCK, AND IF ANY ARBITRATOR SHALL NEGLECT OR REFUSE TO APPEAR AT ANY MEETING APPOINTED BY THE ARBITRATORS, A MAJORITY MAY ACT IN THE ABSENCE OF SUCH ARBITRATOR. AFTER THE ACCEPTANCE OF THE OFFER, OR THE REPORT OF THE ARBITRATORS AS TO THE VALUE OF THE STOCK, THE DIRECTORS SHALL HAVE THIRTY (30) DAYS WITHIN WHICH TO PURCHASE THE SAME AT SUCH VALUATION, BUT IF AT THE EXPIRATION OF THIRTY (30) DAYS, THE CORPORATION SHALL HAVE NOT EXERCISED THE RIGHT TO SO PURCHASE, THE OWNER OF THE STOCK SHALL BE AT LIBERTY TO DISPOSE OF THE SAME IN ANY MANNER HE/SHE MAY SEE FIT. NO SHARES OF STOCK SHALL BE SOLD OR TRANSFERRED ON THE BOOKS OF THE CORPORATION UNTIL THESE PROVISIONS HAVE BEEN COMPLIED WITH, BUT THE BOARD OF DIRECTORS MAY IN ANY PARTICULAR INSTANCE WAIVE THE REQUIREMENT.

ARTICLE VI

Other lawful provisions, and if there are no provisions, this article may be left blank.

Note: The preceding six (6) articles are considered to be permanent and may be changed only by filing appropriate articles of amendment.

ARTICLE VII

The effective date of organization and time the articles were received for filing if the articles are not rejected within the time prescribed by law. If a *later* effective date is desired, specify such date, which may not be later than the *90th day* after the articles are received for filing.

Later Effective Date: Time:

ARTICLE VIII

The information contained in Article VIII is not a permanent part of the Articles of Organization.

a,b. The street address of the initial registered office of the corporation in the commonwealth and the name of the initial registered agent at the registered office:

Name: RICHARD M. EVANS
No. and Street: 90 CONZ STREET
City or Town: NORTHAMPTON State: MA Zip: 01060 Country: USA

c. The names and street addresses of the individuals who will serve as the initial directors, president, treasurer and secretary of the corporation (an address need not be specified if the business address of the officer or director is the same as the principal office location):

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
PRESIDENT	ANDREW KOUDIJS	11 TOMPKINS CT. NYACK, NY 10960 USA
TREASURER	ANDREW KOUDIJS	11 TOMPKINS CT. NYACK, NY 10960 USA
SECRETARY	ANDREW KOUDIJS	11 TOMPKINS CT.

DIRECTOR	ANDREW KOUDIJS	NYACK, NY 10960 USA 11 TOMPKINS CT. NYACK, NY 10960 USA
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d. The fiscal year end (i.e., tax year) of the corporation:

March

e. A brief description of the type of business in which the corporation intends to engage:

FARMING

f. The street address (post office boxes are not acceptable) of the principal office of the corporation:

No. and Street: 11 TOMPKINS CT.
City or Town: NYACK State: NY Zip: 10960 Country: USA

g. Street address where the records of the corporation required to be kept in the Commonwealth are located (post office boxes are not acceptable):

No. and Street: C/O RICHARD M. EVANS
90 CONZ STREET
City or Town: NORTHAMPTON State: MA Zip: 01060 Country: USA

which is

☐ its principal office ☐ an office of its transfer agent
☐ an office of its secretary/assistant secretary ☒ its registered office

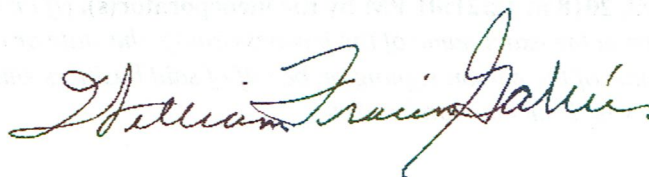
Signed this 20 Day of April, 2018 at 12:21:01 PM by the incorporator(s). *(If an existing corporation is acting as incorporator, type in the exact name of the business entity, the state or other jurisdiction where it was incorporated, the name of the person signing on behalf of said business entity and the title he/she holds or other authority by which such action is taken.)*

RICHARD M. EVANS

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:

April 20, 2018 12:20 PM

A handwritten signature in dark ink, reading "William Francis Galvin". The signature is fluid and cursive, with the first name "William" and last name "Galvin" being the most prominent parts.

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth



The Commonwealth of Massachusetts
William Francis Galvin

No Fee

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

Statement of Change of Supplemental Information

(General Laws, Chapter 156D, Section 2.02 AND Section 8.45; 950 CMR 113.17)

1. Exact name of the corporation: HENNEP, INC.

2. Current registered office address:

Name: RICHARD M. EVANS

No. and Street: 90 CONZ STREET

City or Town: NORTHAMPTON

State: MA

Zip: 01060

Country: USA

3. The following supplemental information has changed:

☒ Names and street addresses of the directors, president, treasurer, secretary

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box)
		Address, City or Town, State, Zip Code
PRESIDENT	ANDREW KOUDIJS	200 BROOKLINE AVE. #508 BOSTON, MA 02215 USA
TREASURER	ANDREW KOUDIJS	200 BROOKLINE AVE. #508 BOSTON, MA 02215 USA
SECRETARY	ANDREW KOUDIJS	200 BROOKLINE AVE. #508 BOSTON, MA 02215 USA
DIRECTOR	ANDREW KOUDIJS	200 BROOKLINE AVE. #508 BOSTON, MA 02215 USA

☐ Fiscal year end:

March

☐ Type of business in which the corporation intends to engage:

FARMING

☒ Principal office address:

No. and Street: 200 BROOKLINE AVE. #508

City or Town: BOSTON

State: MA

Zip: 02215

Country: USA

☐ g. Street address where the records of the corporation required to be kept in the Commonwealth are located (post office boxes are not acceptable):

No. and Street: C/O RICHARD M. EVANS

90 CONZ STREET

City or Town: NORTHAMPTON

State: MA

Zip: 01060

Country: USA

which is

☐ its principal office

☐ an office of its transfer agent

☐ an office of its secretary/assistant secretary ☒ its registered office

Signed by ANDREW KOUDLIS, its PRESIDENT
on this 7 Day of December, 2018

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HENNEP, INC.

Bylaws

ARTICLE I OFFICES

Section 1. The principal office of this corporation shall be in the Commonwealth of Massachusetts.

Section 2. The corporation may also have offices at such other places both within and without the Commonwealth of Massachusetts as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II MEETINGS OF STOCKHOLDERS

Section 1. All annual meetings of the stockholders shall be held at the registered office of the corporation or at such other place within or without the Commonwealth of Massachusetts as the directors shall determine. Special meetings of the stockholders may be held at such time and place within or without the Commonwealth as shall be stated in the notice of the meeting, or in a duly executed waiver of notice thereof.

Section 2. Annual meetings of the stockholders, commencing with the year 2019, shall be held in May of each year as may be set by the Board of Directors from time to time, at which the stockholders shall elect by vote a Board of Directors and transact such other business as may properly be brought before the meeting. Meetings may be held by telephonic conference call provided all stockholders are present telephonically, or have expressly declined to participate.

Section 3. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Organization, may be called by the President or the Secretary by resolution of the Board of Directors or at the request in writing of stockholders owning a majority in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose of the proposed meeting.

Section 4. Notices of meetings shall be in writing and signed by the President or the

Secretary or by such other person or persons as the directors shall designate. Such notices shall state the purpose or purposes for which the meeting is called and the time and the place, which maybe within or without the Commonwealth, where it is to be held. A copy of such notice shall be either delivered personally to or shall be mailed, postage prepaid, to each stockholder of record entitled to vote at such meeting not less than ten nor more than sixty days before such meeting. If mailed, it shall be directed to a stockholder at his address as it appears upon the records of the corporation and upon such mailing of any such notice, the service thereof shall be complete and the time of the notice shall begin to run from the date upon which such notice is deposited in the mail for transmission to such stockholder. Personal delivery of any such notice to any officer of a corporation or association, or to any member of a partnership shall constitute delivery of such notice to such corporation, association or partnership. In the event of the transfer of stock after delivery of such notice of and prior to the holding of the meeting it shall not be necessary to deliver or mail notice of the meeting to the transferee.

Section 5. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 6. The holders of a majority of the stock, issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the Articles of Organization. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 7. When a quorum is present or represented at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall be sufficient to elect directors or to decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the Articles of Organization, a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 8. Each stockholder of record of the corporation shall be entitled at each meeting of stockholders to one vote for each share of stock standing in his name on the books of the corporation. Upon the demand of any stockholder, the vote for directors and the vote upon any question before the meeting shall be by ballot.

Section 9. At any meeting of the stockholders any stockholder may be represented and vote by a proxy or proxies appointed by an instrument in writing. In the event that any such instrument in writing shall designate two or more persons to act as proxies, a majority of such persons present at the meeting, or, if only one shall be present, then that one shall have and may exercise all of the powers conferred by such written instrument upon all of the persons so

designated unless the instrument shall otherwise provide. No proxy or power of attorney to vote shall be used to vote at a meeting of the stockholders unless it shall have been filed with the secretary of the meeting when required by the inspectors of election. All questions regarding the qualification of voters, the validity of proxies and the acceptance or rejection of votes shall be decided by the inspectors of election who shall be appointed by the Board of Directors, or if not so appointed, then by the presiding officer of the meeting.

Section 10. Any action which may be taken by the vote of the stockholders at a meeting may be taken without a meeting if authorized by the written consent of stockholders holding at least a majority of the voting power, unless the provisions of the statutes or of the Articles of Organization require a greater proportion of voting power to authorize such action in which case such greater proportion of written consents shall be required.

ARTICLE III DIRECTORS

Section 1. The business of the corporation shall be managed by its Board of Directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Articles of Organization or by these Bylaws directed or required to be exercised or done by the stockholders.

Section 2. The number of directors which shall constitute the whole board shall initially be one (1). The number of directors may from time to time be increased or decreased to not less than one nor more than seven (7) by action of the Board of Directors. The directors shall be elected at the annual meeting of the stockholders and except as provided in Section 2 of this Article, each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.

Section 3. Vacancies in the Board of Directors including those caused by an increase in the number of Directors, may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until his successor is elected at an annual or a special meeting of the stockholders. The holders of a two-thirds of the outstanding shares of stock entitled to vote may at any time peremptorily terminate the term of office of all or any of the directors by vote at a meeting called for such purpose or by a written statement filed with the secretary or, in his absence, with any other officer. Such removal shall be effective immediately, even if successors are not elected simultaneously and the vacancies on the Board of Directors resulting therefrom shall be filled only by the stockholders.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of the death, resignation or removal of any directors, or if the authorized number of directors be increased, or if the stockholders fail at any annual or special meeting of stockholders at which any director or directors are elected to elect the full authorized number of directors to be voted for at that meeting.

The stockholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors. If the Board of Directors accepts the resignation of a director tendered to take effect at a future time, the Board or the stockholders shall have power to elect a successor to take office when the resignation is to become effective.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his term of office.

ARTICLE IV MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Regular meetings of the Board of Directors shall be held at any place within or without the Commonwealth or by written consent of all members of the Board. In the absence of such designation regular meetings shall be held at the registered office of the corporation. Special meetings of the Board may be held either at a place so designated or at the registered office.

Section 2. The first meeting of each newly elected Board of Directors shall be held immediately following the adjournment of the meeting of stockholders and at the place thereof. No notice of such meeting shall be necessary to the directors in order legally to constitute the meeting, provided a quorum be present. In the event such meeting is not so held, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors.

Section 3. Regular meetings of the Board of Directors may be held without call or notice at such time and at such place as shall from time to time be fixed and determined by the Board of Directors.

Section 4. Special meetings of the board of Directors may be called by the President. Written notice of the time and place of special meetings shall be delivered personally to each director, or sent to each director by mail or by other form of written communication, charges prepaid, addressed to him at his address as it is shown upon the records or is not readily ascertainable, at the place in which the meetings of the Directors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail at least forty-eight (48) hours prior to the time of the holding of the meeting. In case such notice is delivered as above provided, it shall be so delivered at least twenty-four (24) hours prior to the time of the holding of the meeting. Such mailing, telegraphing or delivery as above provided shall be due, legal and personal notice to such director.

Section 5. Notice of the time and place of holding an adjourned meeting need not be given to the absent directors if the time and place be fixed at the meeting adjourned.

Section 6. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the

directors not present signs a written waiver of notice, or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 7. A majority of the authorized number of directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number be required by law, or by the Articles of Organization. Any action of a majority, although not at a regularly called meeting, and the record thereof, if assented to in writing by all of the other members of the Board shall be as valid and effective in all respects as if passed by the Board in regular meeting.

Section 8. A quorum of the directors may adjourn any directors meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the directors present at any directors meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

ARTICLE V COMMITTEES OF DIRECTORS

Section 1. The Board of Directors may, by resolution adopted by a majority of the whole Board, designate one or more committees of the Board of Directors, each committee to consist of two or more of the directors of the corporation which, to the extent provided in the resolution, shall have and may exercise the power of the Board of Directors in the management of the business and affairs of the corporation and may have power to authorize the seal of the corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be determined from time to time by the Board of Directors. The members of any such committee present at any meeting and not disqualified from voting may, whether or not they constitute a quorum, unanimously appoint another member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. At meetings of such committees, a majority of the members or alternate members shall constitute a quorum for the transaction of business, and the act of a majority of the members or alternate members at any meeting at which there is a quorum shall be the act of the committee.

Section 2. The committees shall keep regular minutes of their proceedings and report the same to the Board of Directors.

Section 3. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if a written consent thereto is signed by all members of the Board of Directors or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

ARTICLE VI COMPENSATION OF DIRECTORS

Section 1. The directors may be paid their expenses of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like reimbursement and compensation for attending committee meetings.

ARTICLE VII NOTICES

Section 1. Notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice by mail shall be deemed to be given at the time when the same shall be mailed. Notice to directors may also be given by telegram.

Section 2. Whenever all parties entitled to vote at any meeting, whether of directors or stockholders, consent, either by a writing on the records of the meeting or filed with the secretary, or by presence at such meeting and oral consent entered on the minutes, or by taking part in the deliberations at such meeting without objection, the doings of such meeting shall be as valid as if had at a meeting regularly called and noticed, and at such meeting any business may be transacted which is not excepted from the written consent or to the consideration of which no objection for want of notice is made at the time, and if any meeting be irregular for want of notice or of such consent, provided a quorum was present at such meeting, the proceedings of said meeting may be ratified and approved and rendered likewise valid and the irregularity or defect therein waived by a writing signed by all parties having the right to vote at such meeting; and such consent or approval of stockholders may be by proxy or attorney, but all such proxies and powers of attorney must be in writing.

Section 3. Whenever any notice whatever is required to be given under the provisions of the statutes, of the Articles of Organization or of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE VIII OFFICERS

Section 1. The officers of the corporation shall be chosen by the Board of Directors and shall be a President, a Secretary and a Treasurer. Any person may hold two or more offices.

Section 2. The salaries and compensation of all officers of the corporation shall be fixed by the Board of Directors.

Section 3. The officers of the corporation shall hold office at the pleasure of the Board of Directors. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise shall be filled by the Board of Directors.

Section 4. The President shall be the chief executive officer of the corporation and shall have active management of the business of the corporation. He shall execute on behalf of the corporation all instruments requiring such execution except to the extent the signing and execution thereof shall be expressly designated by the Board of Directors to some other officer or agent of the corporation.

Section 5. The Secretary shall act under the direction of the President. subject to the direction of the President he shall attend all meetings of the Board of Directors and all meetings of the stockholders and record the proceedings. He shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the President or the Board of Directors.

Section 6. The Treasurer shall act under the direction of the President. Subject to the direction of the President he shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all monies and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the President or the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the corporation.

Section 7. If required by the Board of Directors, he shall give the corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

ARTICLE IX CERTIFICATES OF STOCK

Section 1. Every stockholder shall be entitled to have a certificate signed by the President and the Treasurer, certifying the number of shares owned by him in the corporation. If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the designations, preferences and relative, participating, optional or other special rights of the various classes of stock or series thereof and the qualifications, limitations or

restrictions of such rights, shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such stock.

Section 2. If a certificate is signed (a) by a transfer agent other than the corporation or its employees or (b) by a registrar other than the corporation or its employees, the signatures of the officers of the corporation may be facsimiles. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall cease to be such officer before such certificate is issued, such certificate may be issued with the same effect as though the person had not ceased to be such officer. The seal of the corporation, or a facsimile thereof, may, but need not be, affixed to certificates of stock.

Section 3. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost or destroyed upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost or destroyed.

Section 4. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for share duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation, if it is satisfied that all provisions of the laws and regulations applicable to the corporation regarding transfer and ownership of shares have been complied with, to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 5. The Board of Directors may fix in advance a date not exceeding sixty (60) days nor less than ten (10) days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining the consent of stockholders for any purpose, as a record date for the determination of the stockholders entitled to notice of and to vote at any such meeting, and any adjournment thereof, or entitled to receive payment of any such dividend, or to give such consent, and in such case, such stockholders, and only such stockholders as shall be stockholders of record on the date so fixed, shall be entitled to notice of and to vote at such meeting, or any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the corporation after any such record date fixed as aforesaid.

Section 6. The corporation shall be entitled to recognize the person registered on its books as the owner of shares to be the exclusive owner for all purposes including voting and

dividends, and the corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Massachusetts.

ARTICLE X GENERAL PROVISIONS

Section 1. Dividends upon the capital stock of the corporation, subject to the provisions of the Articles of Organization, if any, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of the Articles of Organization.

Section 2. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends or for repairing or maintaining any property of the corporation or for such other purpose as the directors shall think conducive to the interest of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 3. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 4. The fiscal year of the corporation shall end March 31 of each year unless fixed otherwise by resolution of the Board of Directors.

Section 5. The corporation may or may not have a corporate seal, as may from time to time be determined by resolution of the Board of Directors. If a corporate seal is adopted, it shall have inscribed thereon the name of the corporation and the words "Corporate Seal" and "Massachusetts." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

ARTICLE XI INDEMNIFICATION

Every person who was or is a party or is threatened to be made a party to or is involved in any action, suitor proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or a person of whom he is the legal representative is or was a director or officer of the corporation or is or was serving at the request of the corporation or for its benefit as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the law of the Commonwealth of Massachusetts from time to time against all expenses, liability and loss (including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by him in connection therewith. The expenses of officers and directors incurred in defending a civil or criminal

action, suit or proceeding must be paid by the corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the corporation. Such right of indemnification shall be a contract right which may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers or representatives may have or hereafter acquire and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any bylaw, agreement, vote of stockholders, provision of law or otherwise, as well as their rights under this Article.

The Board of Directors may cause the corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the corporation would have the power to indemnify such person.

The Board of Directors may from time to time adopt further Bylaws with respect to indemnification and may amend these and such Bylaws to provide at all times the fullest indemnification permitted by the law of the Commonwealth of Massachusetts.

ARTICLE XII AMENDMENTS

Section 1. The Bylaws may be amended by a majority vote of all the stock issued and outstanding and entitled to vote at any annual or special meeting of the stockholders, provided notice of intention to amend shall have been contained in the notice of the meeting.

Section 2. The Board of Directors by a majority vote of the whole Board at any meeting may amend these bylaws, including Bylaws adopted by the stockholders, but the stockholders may from time to time specify particular provisions of the Bylaws which shall not be amended by the Board of Directors.

###

APPROVED AND ADOPTED
April 20, 2018.



Andrew Koudijs, Secretary



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

William Francis Galvin
Secretary of the
Commonwealth

Date: September 09, 2024

To Whom It May Concern :

I hereby certify that according to the records of this office,
HENNEP, INC.

is a domestic corporation organized on **April 20, 2018** , under the General Laws of the Commonwealth of Massachusetts. I further certify that there are no proceedings presently pending under the Massachusetts General Laws Chapter 156D section 14.21 for said corporation's dissolution; that articles of dissolution have not been filed by said corporation; that, said corporation has filed all annual reports, and paid all fees with respect to such reports, and so far as appears of record said corporation has legal existence and is in good standing with this office.



In testimony of which,
I have hereunto affixed the
Great Seal of the Commonwealth
on the date first above written.

A handwritten signature in blue ink, reading "William Francis Galvin".

Secretary of the Commonwealth

Certificate Number: 24090111210

Verify this Certificate at: <http://corp.sec.state.ma.us/CorpWeb/Certificates/Verify.aspx>

Processed by: qle



Commonwealth of Massachusetts
Department of Revenue
Geoffrey E. Snyder, Commissioner

mass.gov/dor

Letter ID: L0292260512
Notice Date: May 21, 2024
Case ID: 0-002-419-000



CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



HENNEP, INC
200 BROOKLINE AVE UNIT 508
BOSTON MA 02215-3952

Why did I receive this notice?

The Commissioner of Revenue certifies that, as of the date of this certificate, HENNEP, INC 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 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



Hennep, Inc.
MRN284387

164 Grove Street
Franklin, MA 02038

Plan for Obtaining Liability Insurance

Hennep, Inc. (the “**Company**”) will work with an insurance broker licensed in the Commonwealth of Massachusetts to obtain insurance that meets or exceeds the requirements set forth in 935 CMR 500.105 (10).

Pursuant to 935 CMR 500.105(10) the Company shall 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, or such amount as otherwise approved by the Commission. The deductible for each policy shall be no higher than \$5,000 per occurrence.

Pursuant to 935 CMR 500.105(10)(b) if the Company is unable to obtain minimum liability insurance coverage as required by 935 CMR 500.105(10)(a) the Company will place in escrow (the “**Liability Insurance Escrow Account**”) a sum of no less than Two Hundred and Fifty Thousand and 00/100 (\$250,000.00) or such other amount approved by the Commission, to be expended for coverage of liabilities. If the Company is unable to obtain minimum liability insurance coverage as required by 935 CMR 500.105(10)(a) the Company will properly document such inability through written records that will be retained in accordance with the Company’s *Record Retention Policy* (incorporated herein by reference). If the Liability Insurance Escrow Account is used to cover such liabilities, it will be replenished within ten (10) business days of such expenditure.

The Company will submit reports documenting compliance with 935 CMR 500.105(10) in a manner and form determined by the Commission pursuant to 935 CMR 500.000: *Adult Use of Marijuana*.

This policy may also be referred to by the Company as the “**Liability Insurance Policy**”.



BUSINESS PLAN – HENNEP, INC. - PROVINCETOWN

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1. Executive Summary

SNAPSHOT: Hennep, Inc.

Business Overview

- Massachusetts-based retailer.
- Retailing flower (buds), cannabis extract products, high CBD oil products, and edibles in Massachusetts.
- Processed cannabis products sold under “Hennep” brand.
- Offering recreational cannabis & High-CBD cannabis strains for medical use.
- Secured location on Commercial street in Provincetown

Financial Projections

- Gross revenues are projected to be \$6.6M in year one, climbing to \$8M in year five.

Sources and Uses

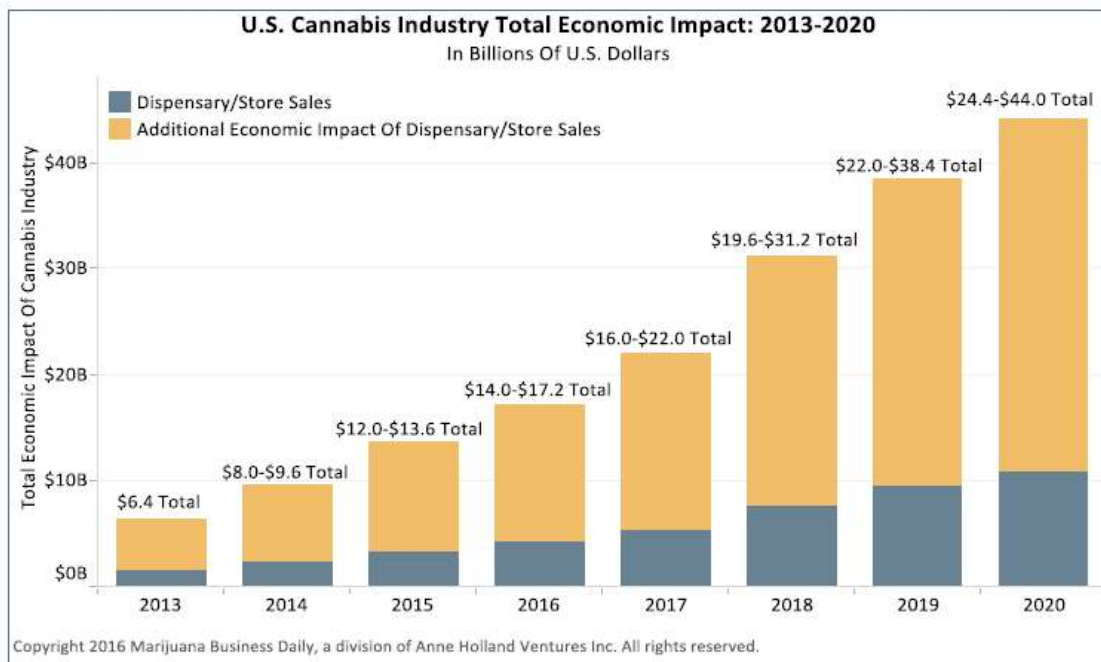
- Company is privately funded and will require approximately \$608,850 for start up
- Investment will be used to fund capital costs, startup expenses, and 1 year of working capital requirements.

Overview: *Hennep* is a Massachusetts-registered Limited Liability Corporation, established to achieve the legal retail sale of high-quality marijuana plants and products. The retail store will serve locals and visitors to the esteemed Provincetown commercial district.

Hennep will stand out in the market due to the uncompromising quality of its products, community engagement, and integration with local community. *Hennep's* core business strategy is to inspire a conscientious approach to responsible, adult-use cannabis consumption through community, retailer, and customer engagement.

Market: With the passing of new legislation, legalized marijuana is the fastest growing US Industry. According to ArcView Market Research, the US national legal marijuana market value is now assessed at \$6.7 billion, comprising all states that have active and open sales of marijuana to people legally allowed to possess it under state law. The national market is projected to grow from current levels to \$24.1 billion by 2025 according to New Frontier Data's 2017 Executive Summary. The opening and legalization of the Massachusetts adult-use marijuana market are sure to see a great many players of all sizes looking to claim their share of the market. The initial phases of this liberalization will likely witness much innovation, novelty, and social exploration. Certain constants will prevail, however. It is likely that a great many retailers will successfully apply for licenses and that these retailers will naturally need products to sell. The initial "novelty-factor" of legalized marijuana will (if legalization in

other states is anything to go by) likely lead to an initial surge in sales leading to shortages of supply, followed by a modest downward trend towards stabilization in sales on the market as a whole.



Hennep benefits from being rapidly able to offer a range of mature products. We intend to build and gain market share by appealing to a broad spectrum of customer groups and demographics and by supplying our own cannabis via our state of the art hybrid greenhouse located in Lancaster, MA. Utilizing sustainable, low energy greenhouse cultivation techniques, we will be able to bring higher quality products to market at a lower price.

Hennep will engage in numerous public relations and marketing strategies. These will include engagement and support of local community activities as well as consultative participation in marijuana educational seminars. These services are intended to build market awareness of the *Hennep* brand, highlight the quality of our products, and implement community objectives encouraged by *Hennep's* value system.

Competition: The Massachusetts adult-use marijuana industry is still in the emerging stages of market growth. *Hennep* undoubtedly will see competition from other retailers. It is evident that medical marijuana growers, confronted by the projected slump of the medical niche in favor of the recreational market, will rapidly make their product available to retailers or open recreational retail stores of their own. That being said, not all cultivators, manufacturers or retailers are created equal. A great many cultivators are planning to use indoor growing techniques that consume large quantities of electricity. While these methods are entirely viable, they are likely to create significantly higher overheads. Similarly, outdoor cultivators use large-scale cultivation techniques that focus on quantity rather than quality. *Hennep's* competitive advantage over such players is that our hybrid greenhouse technology, our cultivation, curing process, and mindful approach, together with enhanced energy efficient technologies, superior quality, advanced extraction techniques, lower overheads and readily

scalable production volume will allow us to successfully carve out an appropriate market share and aggressively establish brand recognition.

Risk/Opportunity: The most significant risk associated with our business model is timing. The early movers offering consistent quality and availability will have a distinct advantage and strong position within the local market. Rapid product launch will lead to the realization of a product offering that not only caters to immediate market needs, but that preemptively embraces the projected demands of the market. Implementing our strategy in a timely manner will put *Hennep* in the best position to succeed.

Price/Profitability Projections: It's important to note a few keys to this plan and how projections have been calculated. Our yields are conservatively based on known standards in the industry which this plan has rounded down by approximately 10-20%. For example, we have calculated a yield of 1lb of dried flower per 18 Sq. ft of space in the flowering sections of the greenhouse. We know that we can produce closer to 1lb per 12-14 Sq. ft., however. We have chosen to adopt a conservative approach to yield estimation as a form of contingency. We still anticipate higher profits at our retail location due to lower overhead at cultivation.

Similarly, we intend to use a portion of our concentrate to make edibles. Concentrate used in this manner will create a product that offers a 2-3 times greater profit margin than sales of concentrate alone. It is both challenging and speculative to estimate the likely sales of edibles at this stage. Therefore, for the purposes of this business plan, we have chosen to demonstrate projections based on sales of concentrate (and its respective products) alone rather than sales of edibles. This, again, allows us to demonstrate a conservative, default position as a form of contingency.

Sales price points have been estimated following a study of the sales patterns and trends in the states of Colorado, California, Washington, and Oregon. Since these states have a longer cannabis sales history than Massachusetts, their pricing trends over the past 2-3 years are useful and relevant to our projections. We have also considered current black-market pricing in Massachusetts along with the Cannabis Bench Mark.

- We have calculated our prices on sales per lb, whereas, in reality, we will be selling in increments of 1/8 oz, 1/4 oz, and 1/2 oz primarily. The margins on these smaller packaging units is much stronger and will likely strengthen our margin by 20% more than the price per lb we have used in our proforma projections.
- Our growing methods at the hybrid greenhouse which will supply *Hennep* will rely on a large proportion of organic sourced elements in our cultivation medium. Top quality product grown in this manner will sustain a higher price point, will be marketed as *Hennep's* high-end line and will serve as the bench mark for the *Hennep* brand.

Capital Requirements: The capital requirements for *Hennep* to execute this business plan are approximately **\$,358,850** plus working capital of a further **\$250,000** for the first year of operations.

The Company will allocate the invested capital to the following:

Construction and fit-out	261,000
Permits, consulting, licensing and applications	22,850
State-mandated contingency	75,000
Working Capital	250,000
TOTAL	608,850

Financial Snapshot:

Consolidated Financials				
	Year 1	Year 2	Year 3	Year 4
Flower revenue retail	2,911,516	3,057,092	3,209,947	3,370,444
Infused revenue retail	3,493,820	3,668,511	3,851,936	4,044,533
Other revenue retail	201,600	211,680	222,264	233,377
Total revenue	6,606,936	6,937,283	7,284,147	7,648,354
Total COGS	3,283,308	3,489,809	3,664,300	3,847,515
Total non-deductible expenses	557,620	483,634	503,760	529,619
Income Tax @30%	997,088	1,046,943	1,099,290	1,154,254
Estimated net income	\$1,570,711	\$1,751,115	\$1,842,725	\$1,934,191

Keys to Success:

- Licensing
- Build-out
- Community outreach, training, and engagement
- Effective management of funding and working capital

2. Project Overview

2.1 Introduction

Hennep will sell a range of expertly cultivated, high-quality marijuana products. *Hennep* will apply advanced horticulture production methodologies in a manner that allows for year-round production and superior yields. We will use commercial scale laboratory techniques to extract food-grade cannabis extract from much of the resulting plant growth. This cannabis extract will form the active ingredient in our topical and edible products. Excess cannabis extract may be used for additional cartridges or sold as bulk extract to retail customers as the key ingredient in other marijuana-based products.

100% of the harvested top-grade flower will be dried and cured for sales as pure flower product. Our cannabis extraction methods carefully avoid the toxic nature of some techniques by employing a non-hydrocarbon, clean extraction process. Production output will be sold retail directly to the end-user and wholesale to other licensed retail outlets and manufacturers.

2.2 Company Ownership

Hennep, Inc. will be owned by Andrew Koudijs

2.3 Company Location and Facilities

246 Commercial Street, Provincetown, MA 02657

2.4 Product Testing



ProVerde Laboratories, Inc. (PVL) in Medford, MA, will fulfill all laboratory testing requirements for the Company as per state regulations. ProVerde associates also have experience with the

logistical planning and build-out of production space, combining functional design with required production infrastructure, including electrical, ventilation, plumbing and specialty gases required for processing equipment.

PVL can advise on:

- Production Facility design
- Strain selection and blending of strains to meet desired composition of material for production
- Development of delivery systems consistent with the regulations
- Develop a variety of dosing levels for the selected product line
- Develop a staffing plan for the lab and production
- Providing quality control supervision for products being developed and produced in the facility

2.5 Legal Counsel



Richard M. Evans

Richard M. Evans has practiced law in Western Massachusetts for over 35 years, concentrating in the representation of non-profit state and regional land conservation organizations. As a Main Street practitioner, he has represented many business owners, buyers and sellers of residential and commercial real estate, litigants, estate fiduciaries and clients seeking permits or other indulgences from local and municipal boards. For nearly his entire professional career, he has participated prominently in the marijuana legalization effort. In 1981, he authored the first comprehensive regulation/taxation plan to be introduced as legislation in Massachusetts, upon which bills were modeled and introduced in other states. It was re-introduced for the 2011-12 legislative session as H1371, An Act to Tax and Regulate the Cannabis Industry. As a member of NORML's board of directors, he was the moving force behind NORML's adoption of the Principles of Responsible Cannabis Use. His numerous op-eds and other writings have helped shape and propel the counter-prohibitionist narrative. He maintains the archive, www.cantaxreg.com, a website providing resources for taxing and regulating the developing legal cannabis industry.

Michael D. Cutler

Michael D. Cutler has practiced law in Massachusetts for more than 35 years, focusing on criminal defense, civil litigation, and state and municipal administrative proceedings. He has served as a town planning board member evaluating applications for real estate development permits; he has represented applicants seeking such permits and others, including liquor licenses. He is state-certified to represent prisoners and patients in state criminal post-conviction and mental health proceedings, to train and recertify private lawyers who accept such appointments, and is state-certified to represent prisoners, convicted of murder at trial, in post-conviction proceedings in state and federal court. As a 20-year member of the National Legal Committee of NORML, Attorney Cutler is well connected with colleagues in states that protect medical marijuana. He has consulted for a successful cannabis dispensary licensee in a neighboring state overcoming the threat of federal interference.

3. Products

3.1 Product Description

As marijuana emerges from the shadow of prohibition it reveals itself to be a widely popular drug in the U.S., currently second only to alcohol and nicotine. Hennep will offer a spectrum of Indica, Sativa, and hybrid flower cultivars to serve market demand. The strains we have selected are prized genetics and have become sought after at legal and medical marijuana dispensaries nationwide. Our master grower will carefully select only the superior current and future stars of the marijuana constellation.

Hennep will offer the following products for sale to our retail and wholesale customers:



- **Flower** - The curing process is a critical determinant of the final quality of marijuana. While all cultivators and manufacturers understand the importance of the process, most accept sacrificing high quality for speed and convenience of production. At the same time, while some manufacturers do take the time to produce a beautifully cured product, their offerings are often defeated by woefully inadequate dispensing methods that see the product deteriorating rapidly pre-sale. We address this problem by hand-selecting flower buds, curing them correctly, and creating standardized weight portions pre-packaged that preserve freshness, quality, and flavor at the point of sale.



- **THC-Infused Edibles** – Cannabis edibles are preferred by some consumers because ingesting cannabinoids through the GI tract provides a different and often more therapeutic effect than inhaling. Hennep will offer a range of attractive, appetizing, and appealing, adult-use focused edible products.
- **Topicals** – These are external applications of cannabis that can be used to treat body pain or skin conditions. Topicals are infused with THC, CBD, and other cannabinoid extracts. Topicals include lotions, creams, balms, and oils. As they are non-psychoactive, topicals are often chosen by individuals who need the therapeutic benefits of marijuana without the cerebral euphoria associated with other delivery methods.
- **Other Products** – While our core products will be those listed above, Hennep fully intends to develop a number of cutting-edge products and will carefully study the opportunities offered for the profitable resale of exceptional products offered by other manufacturers. Hennep will also experiment with modern strain-specific capsules for medical uses.

4. The Market

4.1 Market Overview

Currently, 32 states in America and the District of Columbia have legalized marijuana use in some form (medical or recreational). The majority of these states have allowed sales for medical use and nine states, including Massachusetts, have legalized recreational or adult-use. Since 60% of the population resides in states that have legalized the use of marijuana for medical use, recreational use, or both, this indicates immense possibilities for the future growth of the industry.

4.2 Target Market

On November 8, 2016, Massachusetts voters approved the adult recreational use of marijuana. In 2017, an eight-person Cannabis Control Commission (CCC) was appointed by the Massachusetts state government to write the draft regulations for the law. The final regulations were released in April 2018, and outline the requirements for cultivation, production, security, transport, and retail sale of marijuana to consumers over 21 years of age. The CCC is now accepting applications for LMEs. With 39 cities, 312 towns, and 14 counties, the local municipalities of Massachusetts have been granted the authority to govern their own recreational marijuana industry which will inevitably result in varying local by-laws on the production, manufacturing, and sale of the plant across the state.

The advent of medical marijuana legalization in 2012 has helped produce market conditions that have created a more educated and sophisticated product consumer. It is natural, therefore, that the emerging adult-use market will lead consumers to have high expectations for the quality of the products they consume.

Hennep's high-end production and cultivation facility will supply quality products through our licensed retail store while building a brand that represents a culture of sophistication, quality, respect for the plant, and respect for the customer's interaction with cannabis.

5. Competition

5.1 Competitive Landscape

Companies in the marijuana industry typically compete on product type, quality, volume, and reliability. As a result of the maturity of a once illicit market, price competition, while an important factor, has widely recognized norms and expectations. These conditions may superficially appear to make competing on the price a somewhat lower expectation. Nonetheless, the sheer volume of potential cultivators makes price competition a genuine possibility. We will counter this with a robust pricing strategy that ensures the Cost of Goods Sold is carefully balanced against a potentially variable sales price providing revenue stability and continued profitability.

5.2 Direct Competition

The direct competition for *Hennep* will come, unsurprisingly, from cultivators, manufacturers and/or retailers that grow, produce or sell similar products with the same high quality and volume. The exact nature of such competition is difficult to quantify as the state of Massachusetts is in the very early stages of issuing adult-use marijuana licenses. With that said, Hennep feels that as the industry is inchoate, working collaboratively with competitors in the area will benefit the local community as well as the industry.

5.3 Competitive Advantages

- Family business with strong working capital
- Supplied by an energy-efficient greenhouse using a large proportion of natural light
- Mindful cultivation practices developed in the local climate
- Competitive pricing
- High traffic area in the commercial pedestrian district
- Effective and collaborative management
- Timing of entry into the marketplace

6. Strategy and Execution

6.1 Summary

Hennep will be recognized as a marijuana brand that offers a range of distinctive products representing excellence, quality, sophistication, mindful production practices, and community values that thoughtfully represent customer needs and shared ideals. *Hennep* will carve a significant niche among competitors using cultivation, extraction, sales, marketing and presentation methods that reflect a deeper understanding of the context for adult-use marijuana.

6.2 Marketing Strategy

Value Proposition – *Hennep* will produce exceptional flower and THC-infused products offering customers the convenience and pleasure of a premium marijuana experience. Our high-quality marijuana products will be created using careful cultivation, processing and extraction methods that demonstrate respect for the needs and nature of the cannabis plant. *Hennep* product users will, through the purchase of our products, signal their appreciation for a sophisticated, flavorful product, made by a mindful, community-supportive company.

The customer will recognize *Hennep* as a mindfully-produced, environmentally-friendly brand that offers an entirely natural product free from contaminants; where quality, consistency, and an appreciation of the recreational and healthful benefits of marijuana are held in high esteem.

Hennep customers, together with *Hennep*, will take an active role in supporting events and activities that matter to the community on a local or national level; and together, will take part in those endeavors through the various means outlined in the *customer engagement*, *direct advertising*, and *educational activities* sections below.

Product Differentiation - The biggest players in the market use cultivation and extraction techniques that often require the use of chemicals such as butane or methods that tend to strip the integrity and flavor of the marijuana plant, leaving a discernible aftertaste. While this approach aids product consistency and simplifies processing, it inevitably compromises the end product. These methods often result in marijuana products that seem lifeless and lack complexity with regards to both flavor and healthful attributes. In short, a product that is fine for a quick high, but which is sorely lacking for the more discerning or sophisticated demographic.

Hennep's approach allows us to respect and nurture the fundamental needs of the marijuana plant in a manner that ensures that we maintain and amplify its natural characteristics, preserving the flavor, complexity, and healthful benefits for which it is valued and appreciated. We achieve this using methods that allow us to compete favorably with industrial cultivation techniques while producing a superior product using processes that offer excellent energy efficiency and minimal environmental impact when compared to other approaches.

Price point - While price is rarely the most important factor affecting buying behavior, it should strive to achieve parity with the customer's perceived value of the product. All pricing will ultimately be determined by economic and marketplace conditions, not least those presented by competitors and their pricing models. Nonetheless, marijuana products enjoy – in no small degree – the benefits of commodity values. Most vendors have a good idea of the fair market price for marijuana products as do the majority of current consumers. Our target market users will seek out or be attracted to a product that offers quality and value. The financial projections take into account a potential price drop in year 3.

Promotion - The *Hennep* Brand and products will be promoted through the following means:

Branding through product appearance and packaging – *Hennep* products will be attractively presented in a manner that demonstrates the high-quality marijuana experience for which they stand. Our pure flower and THC-infused product packaging will boast design attributes that make them unique, distinctive, and distinguishable from afar.

Hennep's core flower product will comprise the standard eighth, quarter, and half ounce sizes, carefully pre-packaged to preserve quality and freshness. This will avoid the tendency of bud tenders to break large buds or colas into smaller buds which dry out and blend in with inferior product before resale.

Direct marketing through our retail outlet – While the main thrust of our marketing efforts will aim at building a brand relationship with end-users, our route to market through our retail outlet requires that our marketing and sales efforts work hand in hand. We will endeavor to engage our client-base personally with marketing collateral such as product information leaflets, advertising posters, product displays, and community campaign literature to support our retail sales efforts. We will establish marketing partnerships through workshops, presentations, and mutually beneficial training seminars that further strengthen our brand.

State, regional, and locally focused advertising and advertorials – The Massachusetts regulations regarding marijuana advertisements through print advertising, online advertising, sponsorship and more present many challenges. These challenges are further exacerbated by the unwillingness of players like Facebook and Google to allow paid, marijuana-related advertisements across their medium. Federal laws that currently prohibit the sale of marijuana products across state lines largely negate the need for brand-building beyond adjoining state borders in the short term. As the principal market for our immediate future lies within the state of Massachusetts and surrounding states, this is where the main thrust of the advertising opportunities lie. While there are numerous national marijuana advertising platforms – often pay-per-click models – these can be costly and are most likely to reach those who are already fully embedded in the marijuana culture rather than the more significant part of our general target market.

Hennep will circumvent the above-mentioned state advertising regulations by a policy of indirect advertising; leveraging our educational and community outreach programs to build

brand awareness, through advertorials and carefully "sanitized" brand message advertisements aimed exclusively at the Massachusetts market, and direct advertising through our customer database as this grows via promotional activities.

Customer engagement through community support activities – *Hennep* embraces community outreach, engagement, and support as a central tenet of our brand ethos. We aim to support activities, events, and organizations that benefit the local community and the causes our client-base support. Through packaging, marketing collateral and advertisements, current and prospective customers will be invited to visit our website and share in our support of local charities and organizations. These efforts will demonstrate *Hennep* customers' values to the local community while reinforcing the *Hennep* brand.

Direct advertising – The most straightforward and unfettered means of advertising to current and prospective customers is through direct advertising in the form of e-mail, electronic newsletters, social media and the like. Using branded marketing collateral available at our retail outlet, in product packages, on websites, and social media, current and prospective customers will be invited to participate in our program of community campaigns and events. A condition of voting in our community fund campaign or participation in our educational programs will be to share e-mail or social media contact details. This data will allow us to rapidly build our marketing database and enable us – in a manner that satisfies legislative constraints - to direct advertising and promotions at a target audience that is of legal age to consume, is pre-disposed to marijuana consumption and is likely to share our community support aspirations and values.

Educational activities – Massachusetts state regulations encourage all licensed marijuana establishments to provide relevant educational opportunities for their local communities. *Hennep* has created a comprehensive series of courses and lectures and will leverage the legitimate advertising and promotion of these courses to strengthen and enhance our brand and its underlying ethos. Participation in these classes will require online enrollment, providing additional opportunities to gather direct advertising data. The courses include:

- Cannabis 101 – An introduction to the complex world of marijuana.
- Effective Medicinal Cannabis Use to Manage Ailments
- Cannabis Use for Seniors
- The Marijuana Industry – An introduction to entrepreneurship in the industry.

Community informational activities – The *Hennep* team will engage in lectures, seminars, and presentations in support of promotional exercises at our retail outlet and community events. These activities may include educational activities, allowing *Hennep* to partner in activities that help us qualify for the *Leadership Ratings Program*. Such events will be used to promote *Hennep* products and the *Hennep* brand.

Customer Service Excellence - *Hennep* must engage their customers with superlative customer service. It is essential that each member of staff knows our products well, can speak to our brand

ethos, and understands customer needs and expectations. The entire *Hennep* team must strive to act as individual brand ambassadors at all times.

Sales and Marketing Relationship: As a retail vendor of marijuana products *Hennep* is compelled to approach the sales and marketing challenge with firm intent. We must strive to successfully engage our target market groups in a manner that facilitates sales by creating the desire to purchase among the end-user audience. Retail customers will learn about our product range and will be enticed to select our product above others through the activities mentioned above. Our marketing strategy will allow retail customers to view *Hennep* as a thoughtful, reliable and knowledgeable product supplier offering a branded product with which its customers can readily identify. At the same time, end-users will view *Hennep* as a responsible, mindful producer of high-quality marijuana products that meet their consumption needs in a manner that also satisfies their ethical, environmental, health, and recreational aspirations.

Marketing Objectives

1. Persuade our retail and wholesale customers that our brand and products represent qualities and features that they desire.
2. Persuade end-users that our brand and products fit well with their consumption patterns, lifestyle, and ethical self-image.
3. Engage end-user customers in our community supportive marketing efforts.
4. Satisfy and exceed supply and customer service expectations of retail customers.



Target Market - The traditional thrust of the Massachusetts marijuana market will aim to serve men in the 21-40 years age group primarily. While this is a market we fully intend to exploit, anecdotal evidence suggests that the real growth market lies elsewhere. *Hennep* aims to direct its products, marketing, and branding at three additional groups that we see as the emerging market;

Proprietary and Confidential – Do Not Distribute

Consumers over 40 years old – Those over 40 years old are statistically the highest earners in the household. They are more likely to have mature, sophisticated tastes, more aches and pains, a greater appreciation for high-quality products, and a willingness to pay for this higher quality.

Adult female consumers – With a tendency for the industry to aim marketing at men in the 21-40 years age group, women struggle to find products with which they can readily identify. Our products will be presented and packaged in a manner that women will find attractive, and that will demonstrate that marijuana is a product for them rather than a male-dominated culture to which they must adapt.

Independent medical consumers – While medical marijuana dispensaries will undoubtedly continue to thrive in one form or another, many current medical marijuana patients are merely regular consumers leveraging medical marijuana as a means to legitimize their purchase and use of marijuana recreationally. The advent of retail outlets will effectively eliminate the need for such patients to visit dispensaries to fulfill their marijuana needs. Genuine medical consumers with a good understanding of which form of marijuana offers them the benefits that they seek and new medical consumers who prefer to explore the benefits of marijuana through anecdotal advice or recommendation, will possibly do so through retail outlets rather than medical dispensaries.

Market Channels - Retail sales of marijuana are strictly limited to licensed retail outlets, medical marijuana dispensaries and, in the future, marijuana cafes and smoke clubs. The location, presence, and licensing status of these establishments will be publicly available through a single online source. Regulations effectively preclude opportunities for online purchases as the transportation of marijuana products is strictly regulated. Similarly, home delivery licenses are not yet permitted. *Hennep* will sell its products through our licensed retail marijuana establishment and wholesale to manufacturers and other retail outlets.

6.3 Sales Strategy

Target Sales Market

As a vertical cultivation, manufacturing and retail sales operation, our primary target sales market must be the current and potential adult cannabis users. It is challenging to make an exact prediction of the number of future retail outlets. We can make sensible estimates, however. There are currently 19 medical marijuana outlets in the state, most of which will likely make a rapid transition to selling recreational marijuana or supplying marijuana to retail outlets. Based on the fact that there are some 200 marijuana dispensaries awaiting licensure through the Department of Public Health, and that some of these will likely opt to apply for recreational retail licenses, it is estimated that by the end of year one 100 recreational marijuana retail outlets will have received licenses, with a further 150 outlets opening by the conclusion of year three. Naturally, these will be spread throughout the cities and towns of the state that have not chosen to prohibit cannabis or have not imposed a moratorium.



6.4 Implementation Strategy

Capex/Opex capital

The license application process requires that applicants demonstrate and document that the capital funds required to execute their business plan successfully are available (in escrow, initially), and have been obtained from legitimate sources. The *Hennep* business plan demonstrates a need for \$358,850 in capital expenditure for space preparation, fit-out, systems, and equipment, and a further \$250,000 to meet operational expenditure needs and a strategic reserve during the first twelve months of operation. These funds are readily available and privately funded.

License Application

The process for license application is divided into three "packets." These packets may be submitted simultaneously or sequentially. Each packet must be approved before the next will be considered. However, all packages must be submitted before any review commences. All three packages must be fully approved before a provisional license will be granted. Once a provisional license has been granted the state will verify the approval of the relevant municipality. Subsequently, the state will perform specific inspections before issuing a full license. No cultivation or manufacture may begin before a full license has been granted.

Construction, Fit-out, and Systems Acquisition

Hennep retail shop and equipment will be constructed, installed and commissioned under the supervision of the architect. The "breaking ground" to "ribbon-cutting" timeline is estimated to be 4-6 months.

Operations organization, Policies, and Inspection

The state of Massachusetts imposes substantial demands regarding systems and administration for marijuana establishment operators. State law provides powers to impose fines for violations of these regulations. Accordingly, it is essential we ensure that our systems, policies, and administrative routines are robust, compliant and efficient before any state inspection and the subsequent commencement of operations.

7. Management

The proper management of all aspects of the proposed project is crucial to the success of *Hennep*. We will bring together a highly-qualified team that offers the experience and knowledge to achieve our goals in the community. As the Koudijs family has decades of experience building and managing a retail chain, retail management is in our DNA. Andrew Koudijs will have decades of retail management experience behind him. Laura Amato, an experienced retail manager will oversee Hennep in Provincetown, and Ian Leahy, a Provincetown local with years of business experience will also serve in a managerial role.

7.1 Personnel plan

Making allowances for sickness, personal days, vacations, and the like, we anticipate 5 full-time, year-round employees. This number will increase to 7 or more during the peak summer season. Our retail manager who currently lives in Provincetown will start with a \$60,000 yearly salary with bonuses up to \$85,000. Our assistant manager will start at \$50,000 annually , and retail clerks and security staff at \$20 per hour. We feel that a living wage will help build and solidify a team that is inspired to contribute to Hennep and Provincetown.

The following positions will be filled to fulfill needs at full operation. The hiring schedule will be timed to meet production needs and is expected roll out in accordance with the headcount table below:

STAFFING – NON-DEDUCTIBLE					
Staff – Year-Round					
Store Manager	1	1	1	1	1
Assistant Store Manager	1	1	1	1	1
Store Associates	1	1	1	1	1
Security Personnel	2	2	2	2	2
Staff – Seasonal					
Store Associates	2	2	2	2	2

8. Financials

8.1 Financial Assumptions

The appended proforma financial statements are based upon the following financial assumptions:

Conservative sales estimates – Sales are estimated using average sales per person x average customer flow for a similarly-sized MMJ dispensary (an average of several states).

General costs are estimated to increase 5%, year-on-year.

Salaries are estimated to increase 5% year-on-year.

Summary

PROFORMA PROFIT AND LOSS STATEMENT Hennep, Inc.

Revenue	Year One	Year Two	Year Three	Year Four	Year Five
Retail sales pure flower products	2,911,516	3,057,092	3,209,947	3,370,444	3,538,966
Retail sales infused products	3,493,820	3,668,511	3,851,936	4,044,533	4,246,760
Retail sales other products	201,600	211,680	222,264	233,377	245,046
Net Sales	6,606,936	6,937,283	7,284,147	7,648,354	8,030,772
COGS pure flower products	1,455,758	1,834,255	1,925,968	2,022,266	2,123,380
COGS infused products	1,746,910	84,672	88,906	93,351	98,018
COGS other products	80,640	3,447,473	3,619,847	3,800,839	3,990,881
Total COGS	3,283,308	3,489,809	3,664,300	3,847,515	4,039,891
Gross Profit	50%	50%	50%	50%	50%
Expenses (Non-Deductible)	Year One	Year Two	Year Three	Year Four	Year Five
Salaries & Wages – Year-round	279,462	293,435	308,106	323,512	339,687
Salaries & Wages – Seasonal	43,908	46,104	46,104	50,830	53,371
Marketing, Advertising, PR	0	0	0	0	0
Security & Surveillance Monitoring	4,800	5,040	5,292	5,557	5,834
Utilities	4,200	4,410	4,631	4,862	5,105
Bank Services & Payment Processing	12,000	12,600	13,230	13,892	14,586
Permits, Licenses & Applications	97,850	5,000	5,000	5,000	5,000
Software	14,400	15,120	15,876	16,670	17,503
Insurance	8,500	8,925	9,371	9,840	10,332
Professional Fees	24,000	25,200	26,460	27,783	29,172
Property Lease	32,500	30,000	30,000	30,000	30,000
General Admin Overhead	30,000	31,500	33,075	34,729	36,465
General Distribution	6,000	6,300	6,615	6,946	7,293
Total Non-Deductible Expenses	557,620	483,634	503,760	529,619	554,349
Income From Operations	2,725,688	3,006,176	3,160,540	3,317,896	3,485,542
Community Fund @ 3% gross	198,208	208,118	218,524	229,451	240,923
Other Expenses	198,208	208,118	218,524	229,451	240,923
Income Before Income Taxes	2,567,800	2,798,057	2,942,015	3,088,446	3,244,618
Taxable Income	3,323,628	3,489,809	3,664,300	3,847,515	4,039,891
Income Tax @ 30%	997,088	1,046,943	1,099,290	1,154,254	1,211,967
Net Income	1,570,711	1,751,115	1,842,725	1,934,191	2,032,651
Income Margin	24%	25%	25%	25%	25%

Year 1

PROFORMA PROFIT AND LOSS STATEMENT Hennep, Inc.

NET INCOME

\$1,570,711

Revenue	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	NINE	TEN	ELEVEN	TWELVE	Year One
Retail sales pure flower products	242,626	242,626	242,626	242,626	242,626	242,626	242,626	242,626	242,626	242,626	242,626	242,626	2,911,516
Retail sales Infused products	291,152	291,152	291,152	291,152	291,152	291,152	291,152	291,152	291,152	291,152	291,152	291,152	3,493,820
Retail sales other products	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	201,600
Net Sales	550,578	550,578	550,578	550,578	550,578	550,578	550,578	550,578	550,578	550,578	550,578	550,578	6,606,936
COGS pure flower products	121,313	121,313	121,313	121,313	121,313	121,313	121,313	121,313	121,313	121,313	121,313	121,313	1,455,758
COGS infused products	145,576	145,576	145,576	145,576	145,576	145,576	145,576	145,576	145,576	145,576	145,576	145,576	1,746,910
COGS other products	6,720	6,720	6,720	6,720	6,720	6,720	6,720	6,720	6,720	6,720	6,720	6,720	80,640
Total COGS	273,609	273,609	273,609	273,609	273,609	273,609	273,609	273,609	273,609	273,609	273,609	273,609	3,283,308
Gross Profit	276,969	276,969	276,969	276,969	276,969	276,969	276,969	276,969	276,969	276,969	276,969	276,969	\$3,323,628
Expenses (Non-Deductible)	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	NINE	TEN	ELEVEN	TWELVE	Year One
Salaries & Wages – Year-round	23,288	23,288	23,288	23,288	23,288	23,288	23,288	23,288	23,288	23,288	23,288	23,288	279,462
Salaries & Wages – Seasonal	0	0	0	0	7,318	7,318	7,318	7,318	7,318	0	0	7,318	43,908
Marketing, Advertising, PR	0	0	0	0	0	0	0	0	0	0	0	0	0
Security & Surveillance Monitoring	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Utilities	350	350	350	350	350	350	350	350	350	350	350	350	4,200
Bank Services & Payment Processing	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Permits, Licenses & Applications	97,850	0	0	0	0	0	0	0	0	0	0	0	97,850
Software	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,400
Insurance	8,500	0	0	0	0	0	0	0	0	0	0	0	8,500
Professional Fees	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Property Lease	10,000	0	0	7,500	0	0	7,500	0	0	7,500	0	0	32,500
General Admin Overhead	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
General Distribution	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Total Non-Deductible Expenses	\$147,588	\$31,238	\$31,238	\$38,738	\$38,557	\$38,557	\$46,057	\$38,557	\$38,557	\$38,738	\$31,238	\$38,557	\$557,620
Income From Operations	129,381	245,731	245,731	238,231	238,412	238,412	230,912	238,412	238,412	238,231	245,731	238,412	2,766,008
Community Fund @ 3% gross	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	198,208
Other Expenses	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	198,208
Income Before Income Taxes	112,863	229,213	229,213	221,713	221,895	221,895	214,395	221,895	221,895	221,713	229,213	221,895	2,567,800
Taxable Income	276,969	276,969	276,969	276,969	276,969	276,969	276,969	276,969	276,969	276,969	276,969	276,969	3,323,628
Income Tax @ 30%	83,091	83,091	83,091	83,091	83,091	83,091	83,091	83,091	83,091	83,091	83,091	83,091	997,088
Net Income	\$29,772	\$146,122	\$146,122	\$138,622	\$138,804	\$138,804	\$131,304	\$138,804	\$138,804	\$138,622	\$146,122	\$138,804	\$1,570,711

Year 2

PROFORMA PROFIT AND LOSS STATEMENT Hennep, Inc.

NET INCOME

\$1,751,115

Revenue	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	NINE	TEN	ELEVEN	TWELVE	Year Two
Retail sales pure flower products	254,758	254,758	254,758	254,758	254,758	254,758	254,758	254,758	254,758	254,758	254,758	254,758	3,057,092
Retail sales Infused products	305,709	305,709	305,709	305,709	305,709	305,709	305,709	305,709	305,709	305,709	305,709	305,709	3,668,511
Retail sales other products	17,640	17,640	17,640	17,640	17,640	17,640	17,640	17,640	17,640	17,640	17,640	17,640	211,680
Net Sales	578,107	578,107	578,107	578,107	578,107	578,107	578,107	578,107	578,107	578,107	578,107	578,107	6,937,283
COGS pure flower products	127,379	127,379	127,379	127,379	127,379	127,379	127,379	127,379	127,379	127,379	127,379	127,379	1,528,546
COGS infused products	152,855	152,855	152,855	152,855	152,855	152,855	152,855	152,855	152,855	152,855	152,855	152,855	1,834,255
COGS other products	7,056	7,056	7,056	7,056	7,056	7,056	7,056	7,056	7,056	7,056	7,056	7,056	84,672
Total COGS	287,289	287,289	287,289	287,289	287,289	287,289	287,289	287,289	287,289	287,289	287,289	287,289	3,447,473
Gross Profit	290,817	290,817	290,817	290,817	290,817	290,817	290,817	290,817	290,817	290,817	290,817	290,817	3,489,809
Expenses (Non-Deductible)	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	NINE	TEN	ELEVEN	TWELVE	Year Two
Salaries & Wages – Year-round	24,453	24,453	24,453	24,453	24,453	24,453	24,453	24,453	24,453	24,453	24,453	24,453	293,435
Salaries & Wages – Seasonal	0	0	0	0	7,684	7,684	7,684	7,684	7,684	0	0	7,684	46,104
Marketing, Advertising, PR	0	0	0	0	0	0	0	0	0	0	0	0	0
Security & Surveillance Monitoring	420	420	420	420	420	420	420	420	420	420	420	420	5,040
Utilities	368	368	368	368	368	368	368	368	368	368	368	368	4,410
Bank Services & Payment Processing	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	12,600
Permits, Licenses & Applications	5,000	0	0	0	0	0	0	0	0	0	0	0	5,000
Software	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	15,120
Insurance	8,925	0	0	0	0	0	0	0	0	0	0	0	8,925
Professional Fees	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	25,200
Property Lease	7,500	0	0	7,500	0	0	7,500	0	0	7,500	0	0	30,000
General Admin Overhead	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	31,500
General Distribution	525	525	525	525	525	525	525	525	525	525	525	525	6,300
Total Non-Deductible Expenses	\$54,225	\$32,800	\$32,800	\$40,300	\$40,484	\$40,484	\$47,984	\$40,484	\$40,484	\$40,300	\$32,800	\$40,484	\$483,634
Income From Operations	236,592	258,017	258,017	250,517	250,333	250,333	242,833	250,333	250,333	250,517	258,017	250,333	3,006,176
Community Fund @ 3% gross	17,343	17,343	17,343	17,343	17,343	17,343	17,343	17,343	17,343	17,343	17,343	17,343	208,118
Other Expenses	17,343	17,343	17,343	17,343	17,343	17,343	17,343	17,343	17,343	17,343	17,343	17,343	208,118
Income Before Income Taxes	219,249	240,674	240,674	233,174	232,990	232,990	225,490	232,990	232,990	233,174	240,674	232,990	2,798,057
Taxable Income	290,817	290,817	290,817	290,817	290,817	290,817	290,817	290,817	290,817	290,817	290,817	290,817	3,489,809
Income Tax @ 30%	87,245	87,245	87,245	87,245	87,245	87,245	87,245	87,245	87,245	87,245	87,245	87,245	1,046,943
Net Income	\$132,004	\$153,429	\$153,429	\$145,929	\$145,745	\$145,745	\$138,245	\$145,745	\$145,745	\$145,929	\$153,429	\$145,745	\$1,751,115

Year 3

PROFORMA PROFIT AND LOSS STATEMENT Hennep, Inc.

NET INCOME

\$1,842,725

Revenue	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	NINE	TEN	ELEVEN	TWELVE	Year Three
Retail sales pure flower products	267,496	267,496	267,496	267,496	267,496	267,496	267,496	267,496	267,496	267,496	267,496	267,496	3,209,947
Retail sales Infused products	320,995	320,995	320,995	320,995	320,995	320,995	320,995	320,995	320,995	320,995	320,995	320,995	3,851,936
Retail sales other products	18,522	18,522	18,522	18,522	18,522	18,522	18,522	18,522	18,522	18,522	18,522	18,522	222,264
Net Sales	607,012	607,012	607,012	607,012	607,012	607,012	607,012	607,012	607,012	607,012	607,012	607,012	7,284,147
COGS pure flower products	133,748	133,748	133,748	133,748	133,748	133,748	133,748	133,748	133,748	133,748	133,748	133,748	1,604,973
COGS infused products	160,497	160,497	160,497	160,497	160,497	160,497	160,497	160,497	160,497	160,497	160,497	160,497	1,925,968
COGS other products	7,409	7,409	7,409	7,409	7,409	7,409	7,409	7,409	7,409	7,409	7,409	7,409	88,906
Total COGS	301,654	301,654	301,654	301,654	301,654	301,654	301,654	301,654	301,654	301,654	301,654	301,654	3,619,847
Gross Profit	\$305,358	\$305,358	\$305,358	\$305,358	\$305,358	\$305,358	\$305,358	\$305,358	\$305,358	\$305,358	\$305,358	\$305,358	\$3,664,300
Expenses (Non-Deductible)	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	NINE	TEN	ELEVEN	TWELVE	Year Three
Salaries & Wages – Year-round	25,676	25,676	25,676	25,676	25,676	25,676	25,676	25,676	25,676	25,676	25,676	25,676	308,106
Salaries & Wages – Seasonal	0	0	0	0	7,684	7,684	7,684	7,684	7,684	0	0	7,684	46,104
Marketing, Advertising, PR	0	0	0	0	0	0	0	0	0	0	0	0	0
Security & Surveillance Monitoring	441	441	441	441	441	441	441	441	441	441	441	441	5,292
Utilities	386	386	386	386	386	386	386	386	386	386	386	386	4,631
Bank Services & Payment Processing	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	13,230
Permits, Licenses & Applications	5,000	0	0	0	0	0	0	0	0	0	0	0	5,000
Software	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	15,876
Insurance	9,371	0	0	0	0	0	0	0	0	0	0	0	9,371
Professional Fees	2,205	2,205	2,205	2,205	2,205	2,205	2,205	2,205	2,205	2,205	2,205	2,205	26,460
Property Lease	7,500	0	0	7,500	0	0	7,500	0	0	7,500	0	0	30,000
General Admin Overhead	2,756	2,756	2,756	2,756	2,756	2,756	2,756	2,756	2,756	2,756	2,756	2,756	33,075
General Distribution	551	551	551	551	551	551	551	551	551	551	551	551	6,615
Total Non-Deductible Expenses	\$56,312	\$34,440	\$34,440	\$41,940	\$42,124	\$42,124	\$49,624	\$42,124	\$42,124	\$41,940	\$34,440	\$42,124	\$503,760
Income From Operations	249,047	270,918	270,918	263,418	263,234	263,234	255,734	263,234	263,234	263,418	270,918	263,234	3,160,540
Community Fund @ 3% gross	18,210	18,210	18,210	18,210	18,210	18,210	18,210	18,210	18,210	18,210	18,210	18,210	218,524
Other Expenses	18,210	18,210	18,210	18,210	18,210	18,210	18,210	18,210	18,210	18,210	18,210	18,210	218,524
Income Before Income Taxes	230,836	252,708	252,708	245,208	245,024	245,024	237,524	245,024	245,024	245,208	252,708	245,024	2,942,015
Taxable Income	305,358	305,358	305,358	305,358	305,358	305,358	305,358	305,358	305,358	305,358	305,358	305,358	3,664,300
Income Tax @ 30%	91,607	91,607	91,607	91,607	91,607	91,607	91,607	91,607	91,607	91,607	91,607	91,607	1,099,290
Net Income	\$139,229	\$161,100	\$161,100	\$153,600	\$153,416	\$153,416	\$145,916	\$153,416	\$153,416	\$153,600	\$161,100	\$153,416	\$1,842,725

Year 4

PROFORMA PROFIT AND LOSS STATEMENT Hennep, Inc.

NET INCOME

\$1,934,191

Revenue	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	NINE	TEN	ELEVEN	TWELVE	Year Four
Retail sales pure flower products	280,870	280,870	280,870	280,870	280,870	280,870	280,870	280,870	280,870	280,870	280,870	280,870	3,370,444
Retail sales Infused products	337,044	337,044	337,044	337,044	337,044	337,044	337,044	337,044	337,044	337,044	337,044	337,044	4,044,533
Retail sales other products	19,448	19,448	19,448	19,448	19,448	19,448	19,448	19,448	19,448	19,448	19,448	19,448	233,377
Net Sales	637,363	637,363	637,363	637,363	637,363	637,363	637,363	637,363	637,363	637,363	637,363	637,363	7,648,354
COGS pure flower products	140,435	140,435	140,435	140,435	140,435	140,435	140,435	140,435	140,435	140,435	140,435	140,435	1,685,222
COGS infused products	168,522	168,522	168,522	168,522	168,522	168,522	168,522	168,522	168,522	168,522	168,522	168,522	2,022,266
COGS other products	7,779	7,779	7,779	7,779	7,779	7,779	7,779	7,779	7,779	7,779	7,779	7,779	93,351
Total COGS	316,737	316,737	316,737	316,737	316,737	316,737	316,737	316,737	316,737	316,737	316,737	316,737	3,800,839
Gross Profit	\$320,626	\$320,626	\$320,626	\$320,626	\$320,626	\$320,626	\$320,626	\$320,626	\$320,626	\$320,626	\$320,626	\$320,626	\$3,847,515
Expenses (Non-Deductible)	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	NINE	TEN	ELEVEN	TWELVE	Year Four
Salaries & Wages – Year-round	26,959	26,959	26,959	26,959	26,959	26,959	26,959	26,959	26,959	26,959	26,959	26,959	323,512
Salaries & Wages – Seasonal	0	0	0	0	8,472	8,472	8,472	8,472	8,472	0	0	8,472	50,830
Marketing, Advertising, PR	0	0	0	0	0	0	0	0	0	0	0	0	0
Security & Surveillance Monitoring	463	463	463	463	463	463	463	463	463	463	463	463	5,557
Utilities	405	405	405	405	405	405	405	405	405	405	405	405	4,862
Bank Services & Payment Processing	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	13,892
Permits, Licenses & Applications	5,000	0	0	0	0	0	0	0	0	0	0	0	5,000
Software	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	16,670
Insurance	9,840	0	0	0	0	0	0	0	0	0	0	0	9,840
Professional Fees	2,315	2,315	2,315	2,315	2,315	2,315	2,315	2,315	2,315	2,315	2,315	2,315	27,783
Property Lease	7,500	0	0	7,500	0	0	7,500	0	0	7,500	0	0	30,000
General Admin Overhead	2,894	2,894	2,894	2,894	2,894	2,894	2,894	2,894	2,894	2,894	2,894	2,894	34,729
General Distribution	579	579	579	579	579	579	579	579	579	579	579	579	6,946
Total Non-Deductible Expenses	\$58,502	\$36,162	\$36,162	\$43,662	\$44,634	\$44,634	\$52,134	\$44,634	\$44,634	\$43,662	\$36,162	\$44,634	\$529,619
Income From Operations	262,124	284,464	284,464	276,964	275,992	275,992	268,492	275,992	275,992	276,964	284,464	275,992	3,317,896
Community Fund @ 3% gross	19,121	19,121	19,121	19,121	19,121	19,121	19,121	19,121	19,121	19,121	19,121	19,121	229,451
Other Expenses	19,121	19,121	19,121	19,121	19,121	19,121	19,121	19,121	19,121	19,121	19,121	19,121	229,451
Income Before Income Taxes	243,003	265,343	265,343	257,843	256,871	256,871	249,371	256,871	256,871	257,843	265,343	256,871	3,088,446
Taxable Income	320,626	320,626	320,626	320,626	320,626	320,626	320,626	320,626	320,626	320,626	320,626	320,626	3,847,515
Income Tax @ 30%	96,188	96,188	96,188	96,188	96,188	96,188	96,188	96,188	96,188	96,188	96,188	96,188	1,154,254
Net Income	\$146,815	\$169,155	\$169,155	\$161,655	\$160,683	\$160,683	\$153,183	\$160,683	\$160,683	\$161,655	\$169,155	\$160,683	\$1,934,191

Year 5

PROFORMA PROFIT AND LOSS STATEMENT Hennep, Inc.

NET INCOME

\$2,032,651

Revenue	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	NINE	TEN	ELEVEN	TWELVE	Year Five
Retail sales pure flower products	294,914	294,914	294,914	294,914	294,914	294,914	294,914	294,914	294,914	294,914	294,914	294,914	3,538,966
Retail sales Infused products	353,897	353,897	353,897	353,897	353,897	353,897	353,897	353,897	353,897	353,897	353,897	353,897	4,246,760
Retail sales other products	20,421	20,421	20,421	20,421	20,421	20,421	20,421	20,421	20,421	20,421	20,421	20,421	245,046
Net Sales	669,231	669,231	669,231	669,231	669,231	669,231	669,231	669,231	669,231	669,231	669,231	669,231	8,030,772
COGS pure flower products	147,457	147,457	147,457	147,457	147,457	147,457	147,457	147,457	147,457	147,457	147,457	147,457	1,769,483
COGS infused products	176,948	176,948	176,948	176,948	176,948	176,948	176,948	176,948	176,948	176,948	176,948	176,948	2,123,380
COGS other products	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	8,168	98,018
Total COGS	332,573	332,573	332,573	332,573	332,573	332,573	332,573	332,573	332,573	332,573	332,573	332,573	3,990,881
Gross Profit	\$336,658	\$336,658	\$336,658	\$336,658	\$336,658	\$336,658	\$336,658	\$336,658	\$336,658	\$336,658	\$336,658	\$336,658	\$4,039,891
Expenses (Non-Deductible)	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	NINE	TEN	ELEVEN	TWELVE	Year Five
Salaries & Wages – Year-round	28,307	28,307	28,307	28,307	28,307	28,307	28,307	28,307	28,307	28,307	28,307	28,307	339,687
Salaries & Wages – Seasonal	0	0	0	0	8,895	8,895	8,895	8,895	8,895	0	0	8,895	53,371
Marketing, Advertising, PR	0	0	0	0	0	0	0	0	0	0	0	0	0
Security & Surveillance Monitoring	486	486	486	486	486	486	486	486	486	486	486	486	5,834
Utilities	425	425	425	425	425	425	425	425	425	425	425	425	5,105
Bank Services & Payment Processing	1,216	1,216	1,216	1,216	1,216	1,216	1,216	1,216	1,216	1,216	1,216	1,216	14,586
Permits, Licenses & Applications	5,000	0	0	0	0	0	0	0	0	0	0	0	5,000
Software	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,459	17,503
Insurance	10,332	0	0	0	0	0	0	0	0	0	0	0	10,332
Professional Fees	2,431	2,431	2,431	2,431	2,431	2,431	2,431	2,431	2,431	2,431	2,431	2,431	29,172
Property Lease	7,500	0	0	7,500	0	0	7,500	0	0	7,500	0	0	30,000
General Admin Overhead	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	36,465
General Distribution	608	608	608	608	608	608	608	608	608	608	608	608	7,293
Total Non-Deductible Expenses	\$60,802	\$37,971	\$37,971	\$45,471	\$46,866	\$46,866	\$54,366	\$46,866	\$46,866	\$45,471	\$37,971	\$46,866	\$554,349
Income From Operations	275,855	298,687	298,687	291,187	289,792	289,792	282,292	289,792	289,792	291,187	298,687	289,792	3,485,542
Community Fund @ 3% gross	20,077	20,077	20,077	20,077	20,077	20,077	20,077	20,077	20,077	20,077	20,077	20,077	240,923
Other Expenses	20,077	20,077	20,077	20,077	20,077	20,077	20,077	20,077	20,077	20,077	20,077	20,077	240,923
Income Before Income Taxes	255,778	278,610	278,610	271,110	269,715	269,715	262,215	269,715	269,715	271,110	278,610	269,715	3,244,618
Taxable Income	336,658	336,658	336,658	336,658	336,658	336,658	336,658	336,658	336,658	336,658	336,658	336,658	4,039,891
Income Tax @ 30%	100,997	100,997	100,997	100,997	100,997	100,997	100,997	100,997	100,997	100,997	100,997	100,997	1,211,967
Net Income	\$154,781	\$177,613	\$177,613	\$170,113	\$168,718	\$168,718	\$161,218	\$168,718	\$168,718	\$170,113	\$177,613	\$168,718	\$2,032,651

Summary

PROFORMA CASH FLOW STATEMENT Hennep, Inc.

	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Cash on Hand	0	300,000	300,000	300,000	300,000
Startup Capital	250,000	0	0	0	0
Cash from reserve	0	0			
Cash Receipts					
Cash Sales	6,606,936	6,937,283	7,284,147	7,648,354	8,030,772
Total Cash Available (before cash out)	\$6,856,936	\$7,237,283	\$7,584,147	\$7,948,355	\$8,330,772
Cash Paid Out	Year 1	Year 2	Year 3	Year 4	Year 5
Cost of Goods Sold	3,283,308	3,447,473	3,619,847	3,800,839	3,990,881
Salaries & Wages – Year-round	279,462	293,435	308,106	323,512	339,687
Salaries & Wages – Seasonal	43,908	46,104	46,104	50,830	53,371
Marketing, Advertising, PR	0	0	0	0	0
Security & Surveillance Monitoring	4,800	5,040	5,292	5,557	5,834
Utilities	4,200	4,410	4,631	4,862	5,105
Bank Services & Payment Processing	12,000	12,600	13,230	13,892	14,586
Permits, Licenses & Applications	97,850	5,000	5,000	5,000	5,000
Software	14,400	15,120	15,876	16,670	17,503
Insurance	8,500	8,925	9,371	9,840	10,332
Professional Fees	24,000	25,200	26,460	27,783	29,172
Property Lease	32,500	30,000	30,000	30,000	30,000
General Admin Overhead	30,000	31,500	33,075	34,729	36,465
General Distribution	6,000	6,300	6,615	6,946	7,293
Total	3,840,928	3,931,107	4,123,607	4,330,458	4,545,230
Cash Paid Out (Non P&L)	Year 1	Year 2	Year 3	Year 4	Year 5
Community Fund @ 3% gross	198,208	208,118	218,524	229,451	240,923
Income Tax @30%	997,088	1,046,943	1,099,290	1,154,254	1,211,967
Owners' withdrawal	1,270,711	1,501,115	1,592,725	1,684,192	1,782,651
Total	2,466,007	2,756,176	2,910,539	3,067,897	3,235,541
Total Cash Paid Out	6,306,936	6,687,283	7,034,147	7,398,355	7,780,772
Cash Position Ending	550,000	550,000	550,000	550,000	550,000
Transfer to Cash Reserve	250,000	250,000	250,000	250,000	250,000
Operating Cash Balance	300,000	300,000	300,000	300,000	300,000
Cash Reserve					
Starting Balance	\$0	\$250,000	\$500,000	\$750,000	\$1,000,000
Credit	250,000	250,000	250,000	250,000	250,000
Debit	0	0	0	0	0
Ending Balance	\$250,000	\$500,000	\$750,000	\$1,000,000	\$1,250,000

PROFORMA CASH FLOW STATEMENT

Hennep, Inc.

	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	NINE	TEN	ELEVEN	TWELVE	Year One
Cash on Hand (Beginning of month)	0	279,772	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	0
Startup Capital	250,000	0	0	0	0	0	0	0	0	0	0	0	250,000
Cash from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Receipts													
Cash Sales	550,578	550,578	550,578	550,578	550,578	550,578	550,578	550,578	550,578	550,578	550,578	550,578	6,606,936
Total Cash Available (before cash out)	\$800,578	\$830,350	\$850,578	\$850,578	\$850,578	\$850,578	\$850,578	\$850,578	\$850,578	\$850,578	\$850,578	\$850,578	\$6,856,936
Cash Paid Out													
Cost of Goods Sold	273,609	273,609	273,609	273,609	273,609	273,609	273,609	273,609	273,609	273,609	273,609	273,609	3,283,308
Salaries & Wages – Year-round	23,288	23,288	23,288	23,288	23,288	23,288	23,288	23,288	23,288	23,288	23,288	23,288	279,462
Salaries & Wages – Seasonal	0	0	0	0	7,318	7,318	7,318	7,318	7,318	0	0	7,318	43,908
Marketing, Advertising, PR	0	0	0	0	0	0	0	0	0	0	0	0	0
Security & Surveillance Monitoring	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Utilities	350	350	350	350	350	350	350	350	350	350	350	350	4,200
Bank Services & Payment Processing	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Permits, Licenses & Applications	97,850	0	0	0	0	0	0	0	0	0	0	0	97,850
Software	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,400
Insurance	8,500	0	0	0	0	0	0	0	0	0	0	0	8,500
Professional Fees	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Property Lease	10,000	0	0	7,500	0	0	7,500	0	0	7,500	0	0	32,500
General Admin Overhead	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
General Distribution	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Total	421,197	304,847	304,847	312,347	312,166	312,166	319,666	312,166	312,166	312,347	304,847	312,166	3,840,928
Cash Paid Out (Non P&L)													
Community Fund @ 3% gross	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	198,208
Income Tax @30%	83,091	83,091	83,091	83,091	83,091	83,091	83,091	83,091	83,091	83,091	83,091	83,091	997,088
Owners' withdrawal	0	0	22,017	138,623	138,805	138,805	131,304	138,805	138,804	138,623	146,122	138,804	1,270,711
Total	99,608	99,608	121,625	238,231	238,412	238,413	230,912	238,413	238,412	238,231	245,730	238,412	2,466,007
Total Cash Paid Out	\$520,806	\$404,456	\$426,473	\$550,579	\$550,578	\$550,579	\$550,578	\$550,579	\$550,578	\$550,579	\$550,578	\$550,578	\$6,306,936
Total Cash	\$279,772	\$425,895	\$424,105	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$550,000
Transfer to Cash Reserve	0	125,895	124,105	0	0	0	0	0	0	0	0	0	250,000
Operating Cash Position (end of Month)	\$279,772	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	

PROFORMA CASH FLOW STATEMENT

Hennep, Inc.

Operating Cash Position (end of Month)

PROFORMA CASH FLOW STATEMENT

Hennep, Inc.

	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	NINE	TEN	ELEVEN	TWELVE	Year Four
Cash on Hand (Beginning of month)	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Startup Capital	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Receipts													
Cash Sales	637,363	637,363	637,363	637,363	637,363	637,363	637,363	637,363	637,363	637,363	637,363	637,363	7,648,354
Total Cash Available (before cash out)	\$937,363	\$937,362	\$937,363	\$937,363	\$937,363	\$937,363	\$937,363	\$937,363	\$937,362	\$937,363	\$937,363	\$937,363	\$7,948,355
Cash Paid Out													
Cost of Goods Sold	316,737	316,737	316,737	316,737	316,737	316,737	316,737	316,737	316,737	316,737	316,737	316,737	3,800,839
Salaries & Wages – Year-round	26,959	26,959	26,959	26,959	26,959	26,959	26,959	26,959	26,959	26,959	26,959	26,959	323,512
Salaries & Wages – Seasonal	0	0	0	0	8,472	8,472	8,472	8,472	8,472	0	0	8,472	50,830
Marketing, Advertising, PR	0	0	0	0	0	0	0	0	0	0	0	0	0
Security & Surveillance Monitoring	463	463	463	463	463	463	463	463	463	463	463	463	5,557
Utilities	405	405	405	405	405	405	405	405	405	405	405	405	4,862
Bank Services & Payment Processing	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	1,158	13,892
Permits, Licenses & Applications	5,000	0	0	0	0	0	0	0	0	0	0	0	5,000
Software	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	1,389	16,670
Insurance	9,840	0	0	0	0	0	0	0	0	0	0	0	9,840
Professional Fees	2,315	2,315	2,315	2,315	2,315	2,315	2,315	2,315	2,315	2,315	2,315	2,315	27,783
Property Lease	7,500	0	0	7,500	0	7,500	0	7,500	0	7,500	0	7,500	30,000
General Admin Overhead	2,894	2,894	2,894	2,894	2,894	2,894	2,894	2,894	2,894	2,894	2,894	2,894	34,729
General Distribution	579	579	579	579	579	579	579	579	579	579	579	579	6,946
Total	375,239	352,899	352,899	360,399	361,371	361,371	368,871	361,371	361,371	360,399	352,899	361,371	4,330,458
Cash Paid Out (Non P&L)													
Community Fund @ 3% gross	19,121	19,121	19,121	19,121	19,121	19,121	19,121	19,121	19,121	19,121	19,121	19,121	229,451
Income Tax @30%	96,188	96,188	96,188	96,188	96,188	96,188	96,188	96,188	96,188	96,188	96,188	96,188	1,154,254
Owners' withdrawal	0	65,971	169,155	161,655	160,683	160,683	153,183	160,684	160,683	161,655	169,155	160,684	1,684,192
Total	115,309	181,280	284,464	276,964	275,992	275,993	268,492	275,993	275,992	276,964	284,464	275,993	3,067,897
Total Cash Paid Out	\$490,548	\$534,179	\$637,363	\$637,363	\$637,362	\$637,363	\$637,362	\$637,363	\$637,362	\$637,363	\$637,363	\$637,363	\$7,398,355
Total Cash	446,816	403,184	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	550,000
Transfer to Cash Reserve	146,816	103,184	0	0	0	0	0	0	0	0	0	0	250,000
Operating Cash Position (end of Month)	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000

PROFORMA CASH FLOW STATEMENT
Hennep, Inc.

	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	NINE	TEN	ELEVEN	TWELVE	Year Five
Cash on Hand (Beginning of month)	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Main Loan	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Receipts													
Cash Sales	669,231	669,231	669,231	669,231	669,231	669,231	669,231	669,231	669,231	669,231	669,231	669,231	8,030,772
Collections from CR accounts	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan/other cash injections	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash Available (before cash out)	\$969,231	\$969,231	\$969,231	\$969,231	\$969,231	\$969,231	\$969,231	\$969,231	\$969,231	\$969,231	\$969,231	\$969,231	\$8,330,772
Cash Paid Out	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	NINE	TEN	ELEVEN	TWELVE	Year Five
Cost of Goods Sold	332,573	332,573	332,573	332,573	332,573	332,573	332,573	332,573	332,573	332,573	332,573	332,573	3,990,881
Salaries & Wages – Year-round	28,307	28,307	28,307	28,307	28,307	28,307	28,307	28,307	28,307	28,307	28,307	28,307	339,687
Salaries & Wages – Seasonal	0	0	0	0	8,895	8,895	8,895	8,895	8,895	0	0	8,895	53,371
Marketing, Advertising, PR	0	0	0	0	0	0	0	0	0	0	0	0	0
Security & Surveillance Monitoring	486	486	486	486	486	486	486	486	486	486	486	486	5,834
Utilities	425	425	425	425	425	425	425	425	425	425	425	425	5,105
Bank Services & Payment Processing	1,216	1,216	1,216	1,216	1,216	1,216	1,216	1,216	1,216	1,216	1,216	1,216	14,586
Permits, Licenses & Applications	5,000	0	0	0	0	0	0	0	0	0	0	0	5,000
Software	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,459	17,503
Insurance	10,332	0	0	0	0	0	0	0	0	0	0	0	10,332
Professional Fees	2,431	2,431	2,431	2,431	2,431	2,431	2,431	2,431	2,431	2,431	2,431	2,431	29,172
Property Lease	7,500	0	0	7,500	0	0	7,500	0	7,500	0	0	0	30,000
General Admin Overhead	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	3,039	36,465
General Distribution	608	608	608	608	608	608	608	608	608	608	608	608	7,293
Total	393,376	370,544	370,544	378,044	379,439	379,439	386,939	379,439	379,439	378,044	370,544	379,439	4,545,230
Cash Paid Out (Non P&L)	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	NINE	TEN	ELEVEN	TWELVE	Year Five
Community Fund @ 3% gross	20,077	20,077	20,077	20,077	20,077	20,077	20,077	20,077	20,077	20,077	20,077	20,077	240,923
Income Tax @30%	100,997	100,997	100,997	100,997	100,997	100,997	100,997	100,997	100,997	100,997	100,997	100,997	1,211,967
Owners' withdrawal	0	82,393	177,613	170,113	168,718	168,718	161,217	168,718	168,718	170,112	177,613	168,718	1,782,651
Total	121,074	203,467	298,687	291,187	289,792	289,792	282,291	289,792	289,792	291,186	298,687	289,792	3,235,541
Total Cash Paid Out	\$514,450	\$574,011	\$669,231	\$669,231	\$669,231	\$669,231	\$669,230	\$669,231	\$669,231	\$669,230	\$669,231	\$669,231	\$7,780,772
Total Cash	454,781	395,219	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	550,000
Transfer to Cash Reserve	154,781	95,219	0	0	0	0	0	0	0	0	0	0	250,000
Operating Cash Position (end of Month)	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000



Hennep, Inc.
MRN284387

164 Grove Street
Franklin, MA 02038

Employee Qualifications and Training

Hennep, Inc. (the “**Company**”) shall ensure that all marijuana establishment agents complete training prior to performing job functions. Training shall be tailored to the roles and responsibilities of the job function of each marijuana establishment agent, and at a minimum shall include a Responsible Vendor Program under 935 CMR 500.105(2)(b). It shall be a policy of the Company that all marijuana agents and staff shall receive and participate in, a minimum of, eight (8) hours of on-going training annually.

Company Training Policies shall be as follows:

1. All current owners, managers and employees of a the Company that are involved in the handling and sale of marijuana for adult use at the time of licensure or renewal of licensure, as applicable, shall have attended and successfully completed a responsible vendor program to be designated a "responsible vendor."
2. Once the Company is designated a "responsible vendor," all new employees involved in the handling and sale of marijuana for adult use shall successfully complete a responsible vendor program within 90 days of hire.
3. It shall be a policy of the Company that after initial successful completion of a responsible vendor program, each owner, manager, and employee involved in the handling and sale of marijuana for adult use shall successfully complete the program once every year thereafter to maintain designation as a "responsible vendor."
4. Administrative employees who do not handle or sell marijuana may take the "responsible vendor" program on a voluntary basis.
5. The Company shall maintain records of responsible vendor training program compliance for four (4) years and make them available to inspection by the Commission and any other applicable licensing authority upon request during normal business hours.

The Company shall ensure that such responsible vendor training programs core curriculum include the following:

- (a) Discussion concerning marijuana's effect on the human body. Training shall include:
 - i. Marijuana's physical effects based on type of marijuana product;
 - ii. The amount of time to feel impairment;
 - iii. Visible signs of impairment; and
 - iv. Recognizing the signs of impairment.
- (b) Diversion prevention and prevention of sales to minors, including best practices;
- (c) Compliance with all tracking requirements; and
- (d) Acceptable forms of identification. Training shall include:
 - i. How to check identification;
 - ii. Spotting false identification;
 - iii. Medical registration cards issued by the DPH;
 - iv. Provisions for confiscating fraudulent identifications; and
 - v. Common mistakes made in verification.



- (e) Other key state laws and rules affecting owners, managers, and employees, which shall include:
 - i. Local and state licensing and enforcement;
 - ii. Incident and notification requirements;
 - iii. Administrative and criminal liability;
 - iv. License sanctions and court sanctions;
 - v. Waste disposal;
 - vi. Health and safety standards;
 - vii. Patrons prohibited from bringing marijuana onto licensed premises;
 - viii. Permitted hours of sale;
 - ix. Conduct of establishment;
 - x. Permitting inspections by state and local licensing and enforcement authorities;
 - xi. Licensee responsibilities for activities occurring within licensed premises;
 - xii. Maintenance of records;
 - xiii. Privacy issues; and
 - xiv. Prohibited purchases and practices.
- (f) Any other areas of training determined by the Commission to be included in a responsible vendor training program.

This policy may also be referred to by the Company as the "**Employee Qualification and Training Policy.**"



Hennep, Inc.
MRN284387

164 Grove Street
Franklin, MA 02038

Maintaining of Financial Records

Hennep, Inc. (the “**Company**”) shall keep and maintain records of the Marijuana Establishment in accordance with generally accepted accounting principles. Such records shall be available for inspection by the Commission, upon request and shall include, but not be limited to, all financial records required in any section of 935 CMR 500.000, and business records, in accordance with 935 CMR 500.105(e), which shall include manual or computerized records of:

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

Furthermore, consistent with the Company's Dispensing Policy, the Company shall implement the following policies for Recording Sales

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

Following closure of a Marijuana Establishment, the Company shall keep all records for at least two years at the Company's expense and in a form and location acceptable to the Commission.



This policy may also be referred to by the Company as the "**Financial Record Maintenance and Retention Policy.**"



Hennep, Inc.
MRN284387

164 Grove Street
Franklin, MA 02038

Quality Control and Testing

Hennep, Inc. (the “**Company**”) shall not sell or otherwise market for adult use any marijuana product, including marijuana, that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000.

The Company shall engage an Independent Testing Laboratory to test its marijuana products in compliance with the *Protocol for Sampling and Analysis of Finished Medical Marijuana Products and Marijuana-infused Products*, as amended in November, 2016, published by the **DPH** and to test its environmental media (e.g., soils, solid growing media, and water) in compliance with the *Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana Dispensaries* published by the **DPH**.

The Company shall test for contaminants as specified and required by the Commission, including but not limited to mold, mildew, heavy metals, plant-growth regulators, and the presence of pesticides not approved for use on marijuana by the Massachusetts Department of Agricultural Resources.

The Company shall notify the Commission within seventy-two (72) hours of receipt in writing of any laboratory testing results indicating that the marijuana or marijuana products contaminant levels are above acceptable limits established in the DPH protocols identified in 935 CMR 500.160(1) that contamination cannot be remediated, an must be disposed of. The notification from the Company shall describe a proposed plan of action for both the destruction of the contaminated product and the assessment of the source of contamination. The Company shall ensure that notification come from both the Marijuana Establishment and the Independent Testing Laboratory, separately and directly.

The Company shall maintain the results of all testing for no less than one year.

All transportation of marijuana to and from Independent Testing Laboratories providing marijuana testing services shall comply with the Company's Transportation Policy and 935 CMR 500.105(13).

All excess marijuana shall be disposed of in compliance with the Company's Disposal Policy and 935 CMR 500.105(12), either by the Independent Testing Laboratory returning excess marijuana to the source Marijuana Establishment for disposal or by the Independent Testing Laboratory disposing of it directly.

Handling of Marijuana:

The Company shall handle and process in a safe and sanitary manner. The Company shall implement the following policies:

- (a) The Company shall process the leaves and flowers of the female marijuana plant only, which shall be:
 - 1) Well cured and generally free of seeds and stems;
 - 2) Free of dirt, sand, debris, and other foreign matter;
 - 3) Free of contamination by mold, rot, other fungus, and bacterial diseases;
 - 4) Prepared and handled on food-grade stainless steel tables; and

5) Packaged in a secure area.

(b) The Company shall comply with the following sanitary requirements:

- 1) Any marijuana establishment agent whose job includes contact with marijuana or nonedible marijuana products, including cultivation, production, or packaging shall comply with the requirements for food handlers specified in 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements;
- 2) Any marijuana establishment agent working in direct contact with preparation of marijuana or nonedible marijuana products shall conform to sanitary practices while on duty, including:
 - i. Maintaining adequate personal cleanliness; and
 - ii. Washing hands thoroughly in an adequate hand-washing area before starting work, and at any other time when hands may have become soiled or contaminated.
- 3) The Company shall supply adequate and convenient hand-washing facilities furnished with running water at a suitable temperature. Hand-washing facilities shall be located in the Marijuana Establishment in production areas and where good sanitary practices require employees to wash and sanitize their hands, and shall provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices;
- 4) The Company shall supply sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations;
- 5) Litter and waste shall be properly removed, disposed of so as to minimize the development of odor and minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal shall be maintained in an adequate manner pursuant to 935 CMR 500.105(12);
- 6) Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately kept clean and in good repair;
- 7) The Company shall ensure that there will be adequate safety lighting in all processing and storage areas, as well as areas where equipment or utensils are cleaned;
- 8) Buildings, fixtures, and other physical facilities shall be maintained in a sanitary condition;
- 9) All contact surfaces, including utensils and equipment, shall be maintained in a clean and sanitary condition. Such surfaces shall be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the US Environmental Protection Agency (EPA), in accordance with labeled instructions. Equipment and utensils shall be so designed and of such material and workmanship as to be adequately cleanable;
- 10) All toxic items shall be identified, held, and stored in a manner that protects against contamination of marijuana products;
- 11) The Company's water supply shall be sufficient for necessary operations. Any private water source shall be capable of providing a safe, potable, and adequate supply of water to meet the Marijuana Establishment's needs;
- 12) Plumbing shall be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the Marijuana Establishment. Plumbing shall properly convey sewage and liquid disposable waste from the Marijuana Establishment. There shall be no cross-connections between the potable and waste water lines;
- 13) The Company shall provide its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair;
- 14) Products that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms; and



- 15) Storage and transportation of finished products shall be under conditions that will protect them against physical, chemical, and microbial contamination as well as against deterioration of finished products or their containers.
- 16) All vehicles and transportation equipment used in the transportation of marijuana products or edibles requiring temperature control for safety must be designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the marijuana products or edibles from becoming unsafe during transportation, consistent with applicable requirements pursuant to 21 CFR 1.908(c).
- (c) The Company shall comply with sanitary requirements. All edible products shall be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 590.000: Minimum Sanitation Standards for Food Establishments.

This policy may also be referred to by the Company as the "**Quality Control and Testing Policy.**"



Hennep, Inc.
MRN284387

164 Grove Street
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Record Keeping Procedures

Hennep, Inc. (the "**Company**") shall keep and maintain records of the Marijuana Establishment in accordance with generally accepted accounting principles. Such records shall be available for inspection by the Commission, upon request and shall include, but not be limited to, all records required in any section of 935 CMR 500.000, in addition to the following:

- (a) Written operating procedures as required by 935 CMR 500.105(1);
- (b) Inventory records as required by 935 CMR 500.105(8);
- (c) Seed-to-sale tracking records for all marijuana products as required by 935 CMR 500.105(8)(e);
- (d) personnel records as described in the Company's *Personnel and Background Check Policy*;
- (e) Business records as described in the Company's *Financial Record Maintenance and Retention Policy*, which shall include manual or computerized records of assets and liabilities; and monetary transactions; books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers; sales records including the quantity, form, and cost of marijuana products; and salary and wages paid to each employee, stipend paid to each board member, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with a Marijuana Establishment, including members of the nonprofit corporation, if any; and
- (f) Waste disposal records as required under 935 CMR 500.105(12).

Following closure of a Marijuana Establishment, the Company shall keep all records for at least two years at the Company's expense and in a form and location acceptable to the Commission.

This policy may also be referred to by the Company as the "**Record Retention Policy.**"



Hennep, Inc.
MRN284387

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Restricting Access to Age 21 and Older

Hennep, Inc. (the "**Company**") shall require that all Marijuana Establishment Agents, Visitors and Consumers of marijuana for adult use (each as defined in 935 CMR 500.002) are 21 years of age or older. All employees will be at least 21 years of age. The Company will positively identify all employee individuals seeking access to the premises of the Marijuana Establishment, or to whom marijuana or marijuana products are being transported pursuant to 935 CMR 500.105(14) (if applicable) to limit access solely to individuals 21 years of age or older.

Pursuant to 935 CMR 500.140, the Company shall immediately inspect an individual's proof of identification and determine that the individual is 21 years of age or older upon entry to the Marijuana Establishment.

This policy may also be referred to by the Company as the "**Policy to Restrict Access to Persons Age 21 and Older.**"



Hennep, Inc.
MRN284387

164 Grove Street
Franklin, MA 02038

Energy Compliance Plan

5/12/24

Energy-Use Reduction Strategies:

- Hennep will utilize electronic lighting schedules to ensure the only lights remaining on after business close are for security purposes.
 - o Additionally, this lighting schedule will also ensure any lights that are not necessary for operation or security during the day are turned off automatically at the applicable time each day.
- The space is outfitted with zone-controlled, mini-split ductless heating and air conditioning. These systems allow for efficient heating and cooling with minimal loss on a room-by-room basis. During business close, we can maintain favorable conditions for marijuana product storage within the vault while the rest of the premises is kept at an energy-saving temperature.

Opportunities for Future Energy-Use Reduction

- Retrofit any replaceable lightbulbs to LED after taking possession of the premises.
- Replace fixtures with low-flow sink heads to reduce water use in the bathrooms and break room.

Consideration & Opportunities for Renewable Energy Generation

Solar photovoltaic is a feasible consideration for renewable energy generation at the proposed location. While no studies have been conducted as of yet for this purpose, the premises is located relatively far from any surrounding trees or vegetation that would block sunlight from reaching the roof of the building.

However, the premises is leased, which may complicate this effort or preclude it entirely. Hennep will work in good faith with its landlord to explore an agreement where solar photovoltaic panels could be installed on the premises.

Engagement with Energy Efficiency Programs

- Hennep will engage with Mass Save or a similar program pursuant to MGL c. 25 s. 21 to determine if any rebate or incentive programs are available, as well as to discover additional energy-use reduction strategies.



Hennep, Inc.
MRN284387

164 Grove Street
Franklin, MA 02038

Plan for Diversity & Inclusion

Statement of Purpose

Hennep recognizes and understands the importance of diversity and inclusion in the workplace to maintain a productive, happy, and welcoming environment for both employees and customers, as well as the beneficial impacts that a diverse workforce has on a retail business's ability to interact with all its customers in a meaningful way.

Hennep is committed to promoting and facilitating diversity and inclusion in the workplace, evidenced by the quantifiable goals developed for this plan. At least 50% of Hennep's workforce will be comprised of individuals considered to be part of "diverse populations" by or before the first annual license renewal. Additionally, Hennep will require all registered Agents to attend at least 1 hour of diversity training annually, and offer at no cost to the Agent additional related trainings, courses or seminars. Finally, Hennep will engage with, through monetary transactions, at least 5 businesses certified by the Supplier Diversity Office or similar organizations in Massachusetts.

Goals

- **Goal 1:** Hire a workforce that meets or exceeds 50% representation by individuals considered to be part of "diverse populations," identified in the strategies section of this plan.
- **Goal 2:** Promote and facilitate education about the importance and benefits of diversity and inclusion in the workplace, by requiring at least 1 hour of diversity and inclusion training annually for all registered Agents and by offering, at no cost to the Agent, numerous other training courses, programs, or seminars related to diversity and inclusion that Agents may elect to enroll in.
- **Goal 3:** Engage with (purchase goods or services from) at least 5 businesses that meet any one or more of the following definitions:
 - Small Businesses
 - Women Business Enterprises, Minority Business Enterprises, or Veteran Business Enterprises
 - Economic Empowerment or Social Equity-certified Marijuana Establishments

Strategies/Programs

Diverse Hiring: Hennep will hire a workforce comprised of at least 50% individuals considered to be part of "diverse populations" by or before its first annual license renewal. Diverse populations include people of color, women, veterans, persons with disabilities, and LGBTQIA+ people. Hennep will achieve this goal by participating in job fairs targeted at such groups, by posting job listings in publications targeted at such groups, as well as job listings online services such as Indeed for maximum visibility and reach to as many demographics as possible.

Education and Training: Hennep will promote and facilitate learning related to diversity and inclusion in two ways. All registered Agents will be required to complete at least 1 hour of diversity training annually. In addition, the company will facilitate additional training for registered Agents who elect to do so by paying any associated enrollment fees or ticket prices, if applicable, to trainings, seminars, or other diversity-focused events.



Engagement with Diverse Suppliers/Contractors: Hennep will engage with, through monetary transactions, at least 5 businesses annually that are certified by the Cannabis Control Commission as Economic Empowerment or Social Equity applicants/participants, or the Supplier Diversity Office (SDO), or other similar organizations in Massachusetts.

Measurements

Measurement towards the progress or success of the goals identified and described above will occur on a quarterly basis. The Store Manager will develop and present a quarterly report concerning the progress (or lack thereof) towards the success of these goals. If, at the time of the quarterly report, it's determined that insufficient progress has been made towards any of these goals, an increased effort will be made so that the goals can be accomplished by or before the annual license renewal process.

Diverse Hiring: Hennep will utilize the data collected during the Agent registration process to quantify the progress/success of meeting the diverse hiring goal.

Education and Training: Hennep will maintain a training log in each Agent's "employee file." Although not exclusive to diversity training, the training log will show the name or title of the training, a brief description of the contents of the training, who the training was provided by, the length or duration of the training, and the date the training was completed, among other information.

Engagement with Diverse Suppliers/Contractors: Hennep will take note of contractors/vendors/suppliers status as any of the aforementioned business types in its Quickbooks account.

Acknowledgements

Hennep acknowledges and is aware, and will adhere to, the requirements set forth in 935 CMR.104(4) and 935 CMR 501.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every ME and TMC, respectively.

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



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Personnel Policies Including Background Checks

Hennep, Inc. (the “**Company**”) shall implement the following Personnel Policies and Background Check policies:

1. The Company shall ensure that the workplace remains free of alcohol, smoke, and drug use. This includes any such use by employees, customers, visitors, or members of the general public alike.
2. The Company shall impose a policy for the immediate dismissal of any Agent who has engaged in the diversion of 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.
3. The Company shall apply for registration for all of its board members, directors, employees, executives, managers, and volunteers. All such individuals shall:
 - a. be 21 years of age or older;
 - b. 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
 - c. be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802.
4. An application for registration of a marijuana establishment agent shall include:
 - a. the full name, date of birth, and address of the individual;
 - b. all aliases used previously or currently in use by the individual, including maiden name, if any;
 - c. a copy of the applicant's driver's license, government-issued identification card, liquor purchase identification card issued pursuant to M.G.L. c. 138, § 34B, or other verifiable identity document acceptable to the Commission;
 - d. an attestation that the individual will not engage in the diversion of marijuana products;
 - e. written acknowledgment by the applicant of any limitations on his or her authorization to cultivate, harvest, prepare, package, possess, transport, and dispense marijuana in the Commonwealth;
 - f. background information, including, as applicable:
 - i. a description and the relevant dates of any criminal action under the laws of the Commonwealth, or another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority, whether for a felony or misdemeanor and which resulted in conviction, or guilty plea, or plea of nolo contendere, or admission of sufficient facts;
 - ii. a description and the relevant dates of any civil or administrative action under the laws of the Commonwealth, another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority relating to any professional or occupational or fraudulent practices;
 - iii. a description and relevant dates of any past or pending denial, suspension, or revocation of a license or registration, or the denial of a renewal of a license or registration, for any type of business or profession, by any federal, state, or local government, or any foreign jurisdiction;

- iv. a description and relevant dates of any past discipline by, or a pending disciplinary action or unresolved complaint by, the Commonwealth, or a like action or complaint by another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority with regard to any professional license or registration held by the applicant;
 - g. a nonrefundable application fee paid by the Marijuana Establishment with which the marijuana establishment agent will be associated; and
 - h. any other information required by the Commission.
- 5. An executive of the Company registered with the Department of Criminal Justice Information Systems pursuant to 803 CMR 2.04: iCORI Registration, shall submit to the Commission a Criminal Offender Record Information (CORI) report and any other background check information required by the Commission for each individual for whom the Marijuana Establishment seeks a marijuana establishment agent registration, obtained within 30 days prior to submission.
- 6. The Company shall notify the Commission no more than one (1) business day after a marijuana establishment agent ceases to be associated with the Company. The subject agent's registration shall be immediately void when the agent is no longer associated with the Company.
- 7. The Company shall require that all agents renew their registration cards annually from the date of issue, subject to a determination by the Commission that the agent continues to be suitable for registration.
- 8. After obtaining a registration card for a marijuana establishment agent, the Company shall notify the Commission, in a form and manner determined by the Commission, as soon as possible, but in any event, within five (5) business days of any changes to the information that the establishment was previously required to submit to the Commission or after discovery that a registration card has been lost or stolen.
- 9. The Company's agents shall carry their registration card at all times while in possession of marijuana products, including at all times while at the Marijuana Establishment or while transporting marijuana products.
- 10. Should any of the Company's agents be affiliated with multiple Marijuana Establishments the Company shall ensure that such agents are registered as a marijuana establishment agent by each Marijuana Establishment and shall be issued a registration card for each establishment.

The Company shall also maintain the following Personnel Records:

- 1. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
- 2. A personnel record for each marijuana establishment agent. Such records shall be maintained for at least 12 months after termination of the individual's affiliation with the Marijuana Establishment and shall include, at a minimum, the following:
 - a. all materials submitted to the Commission pursuant to 935 CMR 500.030(2);
 - b. documentation of verification of references;
 - c. the job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision
 - d. documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;



- e. documentation of periodic performance evaluations;
 - f. a record of any disciplinary action taken; and
 - g. notice of completed responsible vendor and eight-hour related duty training.
3. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;
4. Personnel policies and procedures; and
5. All background check reports obtained in accordance with 935 CMR 500.030.

The company shall hire and maintain staff according to the following Staffing Plan:

1. Store Manager/Assistant Store Manager: The Store Manager shall be responsible for overseeing day-to-day the operations of the Marijuana Establishment, including but not limited to maintaining a workplace compliant with 935 CMR 500.000 and other applicable federal, state, and local laws or regulations, in addition to the safety and security of the premises, the employees, and other individuals. The Store Manager and/or Assistant Store Manager are responsible for ensuring compliance with 935 CMR 500.000 and all other applicable state and local laws and regulations.
2. Inventory Lead: The Inventory Lead(s) shall be responsible for maintaining compliance with 935 CMR 500.000 regarding inventory of marijuana and marijuana products being stored on the Premises for sale to consumers, marijuana in transit to and/or from the Marijuana Establishment, as well as marijuana waste pending disposal and removal from the Establishment.
3. Sales Lead: The Sales Lead(s) shall be responsible for maintaining compliance with 935 CMR 500.000 regarding the sale of marijuana and marijuana products to consumers.
4. Sales Associates: Sales Associates shall be responsible for conducting retail transactions of marijuana and marijuana products to consumers.

This policy may also be referred to by the Company as the "**Personnel and Background Check Policy.**"