

Proposed Retail Marijuana Establishment

21 Republic Rd, Billerica MA 01862



Key Features of Application

- **Standalone building** located at 21 Republic Rd, Billerica, MA 01862
- Large parking capacity with over **50 parking spaces**
- Pure has obtained a Host Community Agreement (HCA) for **Recreational Cultivation in Lowell, MA**. Pure's application has been submitted to the Cannabis Control Commission and is undergoing review.
- **Experienced Management Team** in regulated industries and hospitality businesses.
- **Extensive Financial Resources** to build out and operate a recreational marijuana establishment quickly and efficiently with a reliance on local vendors.

Location and property interest information

Pure Industries, Inc. has a signed Letter of Intent (“LOI”) to purchase 21-25 Republic Road, Billerica, MA 01862 (“the Property”). The LOI is contingent upon permitting from both the Town of Billerica and the Cannabis Control Commission (“CCC”). The LOI is enclosed as Exhibit A

The Property is located in the Adult Use Marijuana Overlay District of the Town of Billerica. The Property is not located within 500 feet of any schools, childcare facilities, libraries, public swimming pools, video arcade facility, or similar facilities in which minors commonly congregate. Based on guidance from the Town of Billerica, this location is over 250 feet from 3 Esquire Road.

Located at the end of Republic Road, the Property offers a significant amount of parking, estimated by management to be in excess of 50 parking spots with the ability to expand if required. Based on traffic reports Pure has conducted on other locations with an approximate customer transaction time of 15 minutes, parking would require roughly one spot for every four customers during peak hours, totaling 200 customers per hour for a 50-spot lot. With an approximate opening duration of 10 hours, this location would have the capacity to service 2,000 customers. Other retail marijuana establishments in the Commonwealth are currently averaging approximately 600 customers each day. Pure’s parking capacity will exceeds estimated demand.

In the event the Town of Billerica finds it necessary, Pure is willing to rent a satellite parking lot for an extended period of time to management traffic overflow and provide transportation to and from the retail establishment.

21 Republic Road, is a 15,000 SF facility that is currently used for area of storage by the current building owner who occupies the entire building. Pure anticipates utilizing 5,000 SF for retail space and will allow the previous owner to continue occupying the remaining 10,000 SF for 15 months following the sale of the parcel. At that time, Pure will determine what is best for the additional units, including but not limited to expanding dispensary footprint, utilizing as company offices or leasing the space for other retail or office uses. Pure respectfully submits that its proposed plans for the facility are a better use than the existing storage use and would catalyze economic development at the parcel. Pure will also execute a Transportation Demand Management Plan to outline the impact of the customer traffic in the specific location as well as additional items required by the Town of Billerica regarding parking and traffic flow.



Business Summary

Primary Business Contact

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Proposed Marijuana Establishment Specifications

Pure's proposed marijuana establishment is comprised of 5,000 SF of space within a 15,000 SF stand-alone building. The marijuana establishment will sell a variety of cannabis products, including but not limited to sativa, indica, and hybrid cannabis flower; pre-dosed oil vaporizers; sublingual tablets; topical salves, creams, and lotions; concentrates; edible products; tinctures; and sprays.

Local Jobs - Employee Base

The marijuana establishment will generate roughly 30 full time positions with the opportunity for upward growth in the organization. Billerica residents will have first priority of employment opportunities. Pure intends to host job fairs in Billerica and plans to hire for social equity and diverse applicants, laid out in the Equity Consideration section. The estimated annual payroll in the facility will be ~\$1,000,000 annually. In addition to preference to hiring Billerica residents, Pure will also give preference to local vendors when bidding the construction, suppliers or other needs of the retail establishment.

Hours of Operation

The marijuana establishment is estimated to be open for the following hours:

Monday – Friday: 10am – 8pm

Saturday & Sunday: 11am – 6pm

For the first 30 days of opening, Pure will open by appointment only to manage traffic flow. After 30 days, Pure will seek review with the Town of Billerica to gauge if appointment only should continue or if normal business hours should proceed. In addition to appointment only, Pure intends to establish a state and local compliant pre-order system with an expedited line to improve customer traffic flow in and around the marijuana establishment.

Financial Estimates

	2020*	2021	2022	2023	2024
Avg. Weekly Customers	4,000	4,080	4,162	4,245	4,330
Avg. \$ per Customer	\$75	\$75	\$75	\$75	\$75
Est. Annual Sales	\$11,700,000	\$15,912,000	\$16,230,240	\$16,554,845	\$16,885,942
3% Host Fee	\$351,000	\$477,360	\$486,907	\$496,645	\$506,578

*Assumes open May 1, 2020. Boulder, CO has one of the most established retail marijuana markets in the country. With a population of 110K, it generated ~\$85,000,000 in retail marijuana sales in 2018. Based on those figures, it is estimated that Billerica should generate ~\$34M in retail marijuana sales, potentially more in the early years. With two (2) establishments projected in Billerica, MA, each could

generate in excess of \$15M annually. We believe Pure will be one of the top performing retail establishments in the Commonwealth of Massachusetts.

Operational Timetable to Opening*:

May 1, 2019: Application Submittal

May 1 – June 30, 2019: Town Review, Team Meeting, Community Outreach Meeting, Traffic Studies, etc.

June 30, 2019: Host Community Agreement Issued

July 31, 2019: State Application Filed

September 30, 2019: Local permit approvals

October 31, 2019: State Application Approved (if existing que has been cleared)

December 1, 2019: Buildout Construction Begins

March 31, 2019: Buildout Construction Completed, Local Certificate of Occupancy

May 1, 2019: CCC final approval, local approval and open for operations

**Timelines subject to change based on CCC and other regulatory based factors.*

Proposed Marijuana Establishment Building Redevelopment

Pure's proposed marijuana establishment at 21 Republic Road will require a minor exterior renovation and a material internal renovation. Pure plans to update the security of the outside of the building with potential branding opportunities to show the facility as a customer welcoming establishment. On the interior, Pure intends to modify the premises for a secure entry with a high-end retail interior design, including product displays, point of service terminals and education information, all of the upmost security. In the back of the unit, there will be offices and secure rooms for cameras, safes, and product.

Dispensing Operations

In accordance with 935 CMR 500.140(3), access to Pure's facility will be limited to individuals 21 years of age and older. Upon a customer's entry into the premises, an agent will immediately inspect the customer's proof of identification and determine the individual's age. An individual will not be admitted to the premises unless the retailer has verified that the individual is 21 years of age or older by an individual's proof of identification. At the door, a designated staff member will collect valid customer identification and confirm a minimum age of 21 years old, failing the confirmation of 21 years of age or older, an individual will be prohibited from entering the premises.

Once inside the retail area, customers will enter a queue to obtain individualized service where they may select any of the products available to them with the help of an agent. Once a customer has selected a product for purchase, an agent will collect the chosen items from the designated product storage area. An agent will then scan each product barcode into the point of sale system. An agent will affix a label, as generated by the point of sale system, indicating the date, strain name, cannabinoid profile, and all applicable warnings detailed in 935 CMR 500.105.

Upon checkout, customers will be required to confirm their identities and age a second time. Check out also activates the seed-to-sale tracking system that is compliant with 935 CMR 500.105(8). Sales are limited to one ounce of marijuana flower or five grams of marijuana concentrate per transaction. All required taxes will be collected at the point of sale. In the event an agent determines an individual would place themselves or the public at risk, the agent will refuse to sell any marijuana products to the consumer.

Educational Materials

In compliance with 935 CMR 500.140(8), Pure will provide educational materials designed to help consumers make informed marijuana product purchases. Pure's educational materials will describe the

varying types of products available at Pure, as well as the types and methods of consumption. The materials will offer education on cannabis titration: the method of using the smallest amount of a given marijuana product necessary to bring about the desired effect. Additional topics discussed in consumer materials will include potency; proper dosing; the delayed effects of edible marijuana products; and substance abuse and related treatment programs, marijuana tolerance, dependence, and withdrawal.

Pure will have a plan for a customer's first visit, as well as visual, auditory and takeaway materials throughout the retail establishment focused on safety guidelines, community guidelines and how public consumption, diversion, queuing, loitering, and other behaviors are not tolerated and practicing them will eliminate the opportunity for future store visits.

Community Involvement

Pure's team is an integral part of their neighborhood where they currently operate in South Boston. They donate annually to dozens of local charities, sponsoring local teams, holding fundraiser events for individuals and people in need. The team all live within 30 miles of Billerica and plan on playing an important role in the development of the marijuana field in and around Billerica, all while giving back to the local community. **This includes donating a minimum of 1% of profits to local charities and organizations in need with the sole goal of further supporting the community of Billerica, specifically those that may be affected by disproportionate impact.**

Sustainability

During the buildout of the marijuana establishment, Pure will fit the facility with energy and water efficient fixtures and systems, including LED lights. Pure also intends on participating in the Town's energy aggregation program.

Security Plan

The marijuana establishment will utilize a comprehensive Security Plan for the proposed licensed retail marijuana establishment. Pure will strictly follow all rules and regulations set forth by the Town of Billerica and the Commonwealth of Massachusetts regarding the security of the facility. Measures to deter and prevent unauthorized entrance into areas containing marijuana and theft of marijuana at the retail marijuana establishment are addressed through the security plan. On site, there will be multiple security personnel assisting at the entrance, exit and exterior of the retail establishment.

The retail marijuana establishment will have a secure entrance, managed by security personnel as well as a safe room and security room. All marijuana and marijuana products will be stored in a secure, locked safe, within a Limited Access Area ("LAA") so as to prevent diversion, theft, and loss. Commercial-grade equipment will be utilized, including locks, alarm systems, and a failure notification system, in compliance with the state regulations. Video cameras will be installed in all areas that may contain marijuana, all LAAs, the security room, at all indoor and outdoor points of entry and exit, roof access hatches and any other similar portals, and any parking lots.

Differentiation

Pure intends to be one of the top performing retail establishments in the Commonwealth of Massachusetts. Management's existing marijuana establishments in Colorado produce extremely high quality product, selling for 30% above average market prices. In Massachusetts, Pure intends to cultivate of the same quality which will be sold via the retail establishment in Billerica. With above market product quality, a high-end retail establishment and excellent customer service Pure intends to be a top performing retail establishment.

Experience Operating a Marijuana Establishment

Pure's management team consists of successful business owners in cannabis, hospitality and real estate. Our team has run successful businesses in regulated markets (cannabis & alcohol) while operating both infrastructure driven businesses (real estate development/cannabis cultivation) and customer service driven business (bars & restaurants). Our team takes a hands-on management approach and is deeply involved in all ventures in which we have undertaken. Unlike many large, out of state operators, we take a hands-on approach and plan to actively be involved in the business' day to day on site operations. We are not a major corporation, nor do we have investors or interests from a large corporation. We believe this will allow Pure to become the most successful marijuana operation within Billerica. Our entire team is located within 30 miles of the Town and plans to become an integral part of the community, driving positive impact.

Todd Brady, a director of Pure Industries, Inc. has significant experience in the marijuana business, including over 8 years of direct involvement with marijuana businesses. These experiences include:

1. Founder of Rx Green Technologies, LLC (2012 – present), a cannabis supply business that develops and manufactures agriculture inputs specifically for cannabis businesses. Key products include nutrients (fertilizers), growing media and pest management products to licensed cannabis cultivators in North America and Puerto Rico. Rx Green works directly with hundreds of cannabis businesses throughout North America, assisting in helping to provide high quality clean cannabis. To date, Rx Green works directly with several million SF of licensed cultivation and is a critical team member in cannabis facilities. Rx Green has over 30 employees in North America
2. Founder & CEO of CO Development Holdings, Inc. (dba Host Cannabis Co.) a licensed cannabis cultivator in Colorado. Founded in 2018, Host Cannabis Co is a high-quality producer of cannabis, producing over 2,000 lbs. of cannabis on an annual basis. Host has clean record without any violations or compliance issues in one of the most established regulated market in the country. Colorado also uses the METRC system, which is the seed to sale tracking system utilized in Massachusetts for retail marijuana. Host has over 10 employees in Colorado
3. In addition to the extensive experience in cannabis, Pure's management team has received a Host Community Agreement from the City of Lowell to operate a cultivation facility as well as an application to receive a HCA for a retail marijuana establishment in the Town of Billerica.

Jim & Andrew Statires, Directors of Pure are the owners and operators of the Statires Group, LLC, which was founded in 2008. The Statires Group has owned multiple restaurants in Boston including currently Stats Bar and Grille in South Boston. They have been responsible for the day to day operations as well as managing 50+ employees. Jim & Andrew have also been actively working in real estate development, completing over \$10M worth of new construction, focusing on the South End and North End neighborhoods in Boston

Equity & Diversity Considerations

Pure Industries, Inc. principals have shown to work directly with those involved in social equity, but are active in social and diversity inclusion in the workforce:

- Key management of agriculture supply business had 75% female-led divisions
- Key management of cannabis cultivation business has 66% female and / or minority as division heads, the other being a military veteran
- Key management of hospitality operation has 50% of managers being female and /or minorities, with over 75% of staff being either female or minorities.

In addition, Pure's cultivation facility is located in Lowell, which has been designated by the Cannabis Control Commission ("the Commission") as an area of disproportionate impact. Pure intends to support the communities of which it is a part through volunteering, donations and employment positions within the company.

Equity Consideration Overview

As a proposed facility located within an area of disproportionate impact, Pure is dedicated to serving and supporting the surrounding community. Marijuana businesses have an obligation to the health and well-being of their customers as well as the communities that have had historically high rates of arrest, conviction, and incarceration related to marijuana crimes. It is Pure's intention to be a contributing, positive force in areas of disproportionate impact, which the Commission has identified as the following:

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

To support such populations, Pure Industries has created the following Plan to Positively Impact Areas of Disproportionate Impact (the "Plan").

Goals

In order for Pure Industries to positively 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, Pure Industries has established the following goals:

1. Providing mentoring, professional, and technical services for individuals and businesses facing systemic barriers; and
2. Providing business assets towards endeavors in a geographical location designated as a disproportionately impacted area that will have a positive impact on the members of that community or the community as a whole.

Programs

Pure Industries has developed specific programs to effectuate its stated goals to positively impact areas of disproportionate impact. Such programs will include the following:

1. Conduct at least two (2) one-hour industry-specific educational seminars annually across one or more of the following topics: marijuana cultivation techniques, marijuana product manufacturing, marijuana business training, marijuana compliance, and energy efficient cultivation practices. Seminars will be publicized within local newspapers, including bilingual media; distributed at local career agencies and community centers; and circulated to marijuana advocacy organizations.
2. Conduct at least two (2) annual community service days towards organizations that will improve the immediate community. Pure Industries will seek feedback from local employees and customers as to which local organizations to volunteer at each year to ensure employee engagement and interest, provided that they fall into the below-listed categories:
 - a. Workforce training and development
 - b. Jail diversion
 - c. Community clean up or other neighborhood enhancement
 - d. Homelessness and hunger
 - e. Environmental sustainability

Measurements

The Directors will administer the Plan and will be responsible for developing measurable outcomes to ensure Pure Industries continues to meet its commitments. Such measurable outcomes, in accordance with Pure Industries' goals and programs described above, include:

- Number and subject matter of trainings offered and performed, and to whom;
- Number of individuals who attended the trainings;
- Feedback received from evaluations of individuals attending the trainings;
- Employee hours showing time investments in specific local causes; and
- Number of employee community service events held.

The Directors will review and evaluate Pure Industries' measurable outcomes at the end of each calendar year to ensure that Pure Industries is meeting its commitments. Pure Industries is mindful that demonstration of the Plan's progress and success will be submitted to the Commission upon renewal.

Diversity Plan Overview:

Given the managements history with diversity, Pure believes in creating and sustaining a robust policy of inclusivity and diversity. Pure recognizes that diversity in the workforce is key to the integrity of a company's commitment to its community. Pure is dedicated to promoting equity in its operations for diverse populations, which the Commission has identified as the following:

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

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

Goals

In order for Pure to promote equity for the above-listed groups in its operations, Pure has established the following goals:

1. Increasing the number of individuals falling into the above-listed demographics working in the establishment; and
2. Providing tools to ensure their success.

Diversity Recruitment and Sourcing

Pure’s recruitment efforts are designed to maintain a steady flow of qualified diverse applicants and includes the following steps:

- Advertising employment opportunities and career fairs in diverse publications or other mediums, including bilingual newspapers, networking groups for those who identify with the above-listed demographics, and posting job options on public boards;
- Advertising employment opportunities and career fairs with organizations serving minorities, women, people of all gender identities and sexual orientations, veterans, and persons with disabilities for employment referrals;
- Providing briefings to representatives from recruitment sources concerning current and future job openings;
- Encouraging employees from diverse groups to refer applicants for employment;
- Participating in career day programs and encouraging Pure’s diverse employees to participate whenever possible;
- Participating in or hosting job fairs with a focus on attracting individuals falling into the above-listed demographics;
- Establishing recruitment efforts at higher learning institutions, and institutions with special programs that reach diverse people; and
- Developing relationships with programs designed to improve employment opportunities for diverse persons.

Employee Retention, Training and Development

Perhaps the most critical element of maintaining a diverse and inclusive workforce is keeping the pathways to professional development and promotion open for all employees. Therefore, Pure’s mentoring, training, and professional development programs are structured with the intention of finding, fostering, and promoting diverse employees.

Pure will offer promotions, career counseling, and training to provide all employees with equal opportunity for growth and to decrease turnover. Pure will ensure that all employees are given equal opportunities for promotion by communicating opportunities, training programs, and clearly-defined job descriptions. Pure will ensure that all employees receive equal opportunity for career counseling, counsel employees on advancement opportunities, and provide training programs to assist them in career development. Training programs will be both internal and external to the company and cannabis industry, and may include topics such as: marijuana cultivation techniques, product manufacturing

techniques, retail practices, compliance, writing, management training, and industry seminars provided at annual conferences such as MJBizCon. Pure anticipates hosting quarterly educational trainings.

Pure's diversity awareness training emphasizes Pure's zero-tolerance commitment of harassment and discrimination and Pure's strict adherence to take corrective action should any issues, concerns, or complaints arise. All Pure employees are required to complete the diversity awareness training program during employee orientation. Training will begin immediately upon hiring, and all new employees will be required to participate in an orientation program that will introduce and stress the importance of the Diversity Plan.

Upon completion of the orientation program, new hires will be equipped to describe, discuss, and implement the Diversity Plan. Following successful completion of the general orientation program, employees will undergo additional diversity training that will be tailored to the employee's specific job function. All employees will also be required to undergo ongoing diversity training to ensure knowledge of newly determined best practices and policies and continued familiarity and compliance with the Diversity Plan.

Awareness of Diversity Plan goals and Pure's efforts to create an open culture with zero tolerance for discrimination, harassment, or retaliation, is crucial to Pure's success. Management, staff, associates, vendors, contractors, and the general public all benefit from being informed of the Diversity Plan objectives and procedures. Dissemination of information of the Diversity Plan includes the following:

- Inclusion of Pure's Equal Employment Opportunity and Reasonable Accommodation statement in the Employee Handbook;
- Inclusion of Pure's zero-tolerance policies for harassment, discrimination, bullying, and other actions which oppose Pure's goal for a diverse workforce;
- Postings in suitable areas for employee communication;
- Diversity training programs for all employees;
- Quarterly progress evaluation meetings with appropriate personnel; and
- Formal presentations made to management and employees on diversity initiatives.

Measuring Progress

The Directors at Pure will be responsible for auditing the Diversity Plan annually at the end of each calendar year. The audit report setting forth the Company's performance in fulfilling the goals of the Plan will contain:

- Employment data, including information on minority, women, disabled, and veteran representation in the workforce in all job classifications; average salary ranges; recruitment and training information (all job categories); and retention and outreach efforts;
- A comprehensive description of all efforts made by Pure to monitor and enforce the Diversity Plan;
- Number of individuals from the above-referenced demographic groups who were hired and retained after the issuance of a license;
- Number of promotions for people falling into the above-listed demographics since initial licensure;
- Number of positions created since initial licensure;
- Number of and type of information sessions held or participated in with supporting documentation.