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## 12. Please identify any agreements or contracts, executed or proposed, in which the applicant will engage in a Related Party Transaction and summarize the terms of each such agreement.

Igor Striapko, President and CEO of SDIN, Inc., is also a contributor of 90% of initial capital to operate the proposed RMD. Mr. Striapko shall rescue himself from any SDIN Board vote pertaining to the loan arrangement.

Loan Terms:

Note Holder: SDIN, Inc.

Note: \$270,000

Term: 5 years

Interest Rate: 2.5% per annum.

Nataliya Striapko, Vice President of SDIN, Inc., is also a contributor of 10% of initial capital to operate the proposed RMD. Mrs. Striapko shall rescue herself from any SDIN Board vote pertaining to the loan arrangement.

Loan Terms:

Note Holder: SDIN, Inc.

Note: \$30,000

Term: 5 years

Interest Rate: 2.5% per annum.

All related party transactions between Mr. Striapko, Mrs. Striapko, and SDIN will comply with the regulations governing non-profit corporations in Massachusetts and Federal laws.

All lease and loan arrangements made between Igor Striapko, Nataliya Striapko, and SDIN will be submitted for review prior to execution.

MA Dept of Public Health  
89 Chauncy Street  
Boston, MA 02111

MAY 8 - 2017

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**SECTION F. CAPITAL CONTRIBUTORS**

List all persons and entities known to date that are committed to contributing 5% or more of initial capital to operate the proposed RMD. For entities contributing initial capital to operate the proposed RMD, list the entity's Chief Executive Officer/Executive Director and President/Chair of the Board of Directors.

Attach additional tables if needed.

<b>Individual Name</b>	<b>Amount of Initial Capital Committed</b>	<b>Percentage of Initial Capital Committed</b>
Igor Striapko	\$ 270,000.00	90
Nataliya Striapko	\$ 30,000.00	10
	\$	
	\$	
	\$	

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13. Please identify whether any members of the Board of Directors are also serving as employees of the proposed RMD and, if so, their title and role with the proposed RMD.

Igor Striapko, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, individual responsible for marijuana for medical use cultivation operations, and individual responsible for the RMD security plan and security operations currently serves as a member of the Board of Directors.

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**SECTION E. OPERATIONS**

21. Provide a summary of the RMD's operating procedures for the cultivation of marijuana for medical use.

The operations will conduct the highest of the standards for medical marijuana cultivation operation. SDIN will strive to demonstrate its highest virtue of integrity. SDIN will incorporate the latest modern technology and proven cultivation methods in providing compassionate care. The facility will be constructed and designed to maximize production efficiency adhering to all regulations and provisions of the §725.000. All phases of cultivation will take place in a designed, locked, limited access areas that will be monitored by 360-degree surveillance camera system. Cultivation operations will be divided among multiple grow room compartments designed to prevent cross-contamination from plant pests, pathogens, or pollen that would adversely affect crop health. The environment of each compartment will be controlled to precise tolerance for temperature, relative humidity and lighting levels, by a central control system that will operate redundant process systems. Facility's operations will be governed by detailed administrative plans, tools, and processes that will be developed with the assistance of industry leaders in medical marijuana cultivation operation and management including but not limited to, training, human resources tools, and systems ensuring the strictest compliance.

Cultivation operations will be divided among multiple grow rooms that are an estimated 65 x 17 x 16, a size that will avail to control the temperature and humidity levels at ease. Humidity levels will kept at the ideal range of 55% to 60% which will be consistent throughout the day and night. The temperature will be kept at a range of 74°-76° with each compartment being outfitted with commercial grade flood tables on steel benching designed for use in greenhouse cultivation environments to prevent the formation of mold, mildew, and rot on the benching structure. Each strain will start from the highest of the quality of seeds of a certified strain obtained from a known seed bank. The seeding will then mature into mother plants to ultimately supply the flowering rooms. Cutting will be taken to reproduce the exact genetic make-up of the original plant. The process will be repeated with new material.

SDIN employs a series of pest management and mitigation operations which includes a daily visual inspection of each plant to ensure healthy development, introduction of biological controls, combat any pest populations, and an overall culture of vigilance on the part of SDIN's cultivation. Plant cultivations rooms will utilize carbon dioxide augmentation and high-capacity fans to increase the overall health and size of the plants.

In order to ensure a healthy life cycle for each plant, SDIN will maintain a system of electronic record keeping. Every plant will be assigned a 13-digit non-repeatable bar code. Over the course of their life, plants will be inspected daily and information such as their growth, nutrient regimen, and general development will be entered and stored.

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29. Provide a summary of the RMD's operating procedures for quality control and testing of product for potential contaminants.

All marijuana cultivated, processed, and handled by SDIN will conduct testing at 7 different times throughout the production process. All growing surfaces, containers, floors, and cultivation tools will be properly sanitized for the prevention of molds and diseases. All air will be filtered to remove harmful pathogens, insects, and rogue pollen. All grow will be tested prior to use in compliance with DPH testing protocols. SDIN will ensure that testing of marijuana products will be performed at all stages of the production process. All testing will be conducted by an independent, ISO 17025 accredited laboratory and will include environmental media used in cultivation as well as finished medical marijuana and marijuana infused products.

The protocols for control and testing will strictly follow the guidelines in the "Protocol for Sampling and Analysis of Environmental Media" and the "Protocol for Sampling and Analysis of Finished Medical Marijuana Products and Marijuana-Infused Products" as set forth by the Department. Testing will ensure the suitability of materials used in all cultivation operations.

SDIN will employ a sensitive approach to mold, disease, pests and heavy metal management that emphasizes prevention, observation and intervention. All marijuana will be independently approached and tested for its cannabinoid profile and for contaminants as specified by DPH.

There will be no tolerance for products that are not compliant with both SDIN and DPH policies.

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## 31. Provide a summary of the RMD's personnel policies.

SDIN will be a friendly, community-oriented workplace for dispensary agents. SDIN dispensary agents will hold the highest of its professional standards as SDIN places a heightened level of scrutiny on its agents given the compliance environment and particularities of the medical marijuana industry. Every potential dispensary agent will be carefully pre-screened for compliance with DPH regulation prior to hiring. Once hired, an employee handbook depicting information about policies and procedures of the organization. SDIN will maintain personnel records for all employees, all records will be kept confidential. Confidentiality, non-compete, and non-solicitation clause will be enforced.

The stated above employee handbook will specify policies related to:

- ♦ Benefits and Compensation
- ♦ Non-Disclosure Agreement
- ♦ Training
- ♦ Anti-Discrimination Policies
- ♦ Sexual Harassment Policies
- ♦ Safety and Security
- ♦ Privacy and Data Protection

Any amendment to the policy will be communicated as appropriate as employee's review and acknowledgment will be tracked.

SDIN intends to be an employer of choice by providing compensation and benefits that will promote and result in low turnover. SDIN will be an Equal Opportunity Employer and will not discriminate on the basis of race, religion, sex, sexual orientation, nationality, age, medical conditions, disability, or any other basis. SDIN will ensure its compliance with FLSA by having the policy reviewed on an annual basis.



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37. Provide a summary of the training(s) that the RMD intends to provide to Dispensary Agents.

Dispensary Agents are required to have the applicable skills to successfully carry out assigned duties, be prepared to respond appropriately to patient needs, and comply with operations and regulatory protocols. In depth training for all Dispensary Agents, SDIN will ensure maximum efficiency and productivity in all aspects of operations and management. Training will focus on patient confidentiality, sensitivity, security, anti-diversion training, and other protocols. SDIN will devote 8 hours of an on-going annual training as per §725.105(H) to provide extensive job-specific training. As required by §725.105(H), additional mandatory and voluntary training will be provided from time to time throughout the year. Dispensary Agents will be required to maintain certifications in specific to their positions.

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38. Will the Corporation provide worker's compensation coverage to the RMD's Dispensary Agents?

Yes ☒ No ☐

39. Will the Corporation obtain professional and commercial insurance coverage?

Yes ☒ No ☐

40. Describe the Corporation's plan to obtain liability insurance or place in escrow the required amount to be expended for coverage of liabilities.

In accordance with the regulations at 105 CMR 725.105(Q), the organization will maintain general liability coverage for no less than \$1,000,000 per occurrence, and \$2,000,000 in aggregate, annually, and product liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, except as provided in 105 CMR 725.105(Q)(2). The deductible for such a liability policy shall be no higher than \$5,000 per occurrence. SDIN is confident that it will be successful in obtaining a policy that meets all requirements of Massachusetts Law and Department of Public Health.

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