



## Massachusetts Cannabis Control Commission

### Marijuana Product Manufacturer

#### General Information:

License Number: MP281412  
Original Issued Date: 08/20/2020  
Issued Date: 08/20/2020  
Expiration Date: 08/20/2021

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Cloud Creamery LLC

Phone Number: 612-615-3354  
Email Address: david@cloudcreamery.co

Business Address 1: 119 Herbert St  
Business City: Framingham Business State: MA Business Zip Code: 01702  
Business Address 2:  
Mailing Address 1: 15 Irene Rd  
Mailing City: Framingham Mailing State: MA Mailing Zip Code: 01701  
Mailing Address 2:

### CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

### PRIORITY APPLICANT

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

### RMD INFORMATION

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

### PERSONS WITH DIRECT OR INDIRECT AUTHORITY

Person with Direct or Indirect Authority 1

Percentage Of Ownership: 100 Percentage Of Control: 100  
Role: Owner / Partner Other Role: CEO/Founder

First Name: David Last Name: Yusefzadeh 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:

#### Person with Direct or Indirect Authority 2

Percentage Of Ownership: Percentage Of Control:

Role: Manager Other Role:

First Name: Sean Last Name: Couture Suffix:

Gender: Male User Defined Gender:

What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)

Specify Race or Ethnicity:

#### ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

No records found

#### CLOSE ASSOCIATES AND MEMBERS

No records found

#### CAPITAL RESOURCES - INDIVIDUALS

No records found

#### CAPITAL RESOURCES - ENTITIES

No records found

#### BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

#### DISCLOSURE OF INDIVIDUAL INTERESTS

No records found

#### MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 119 Herbert Street

Establishment Address 2:

Establishment City: Framingham Establishment Zip Code: 01702

Approximate square footage of the Establishment: 1300 How many abutters does this property have?: 6

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

#### HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Certification of Host Community Agreement	HCA.Framingham.pdf	pdf	5d82683c816d7b225d15b357	09/18/2019
Community Outreach Meeting Documentation	Meeting.Notice.pdf	pdf	5e78e0fabdddf0438d21d9bf0	03/23/2020
Plan to Remain Compliant with Local Zoning	Zoning.Compliance.pdf	pdf	5e78e10d961ad539052bb618	03/23/2020
Community Outreach Meeting Documentation	CommunityAttestationForm.pdf	pdf	5eb995f78caba634a8438dfa	05/11/2020
Certification of Host Community Agreement	south_edition_20200313_A13.pdf	pdf	5eb996780e32c52d2bdd13db	05/11/2020

Certification of Host Community Agreement	Zoning.pdf	pdf	5eb996d50f6f0d34840b3226	05/11/2020
Community Outreach Meeting Documentation	Attachment B.pdf	pdf	5ec419058caba634a843a15b	05/19/2020
Community Outreach Meeting Documentation	Attachment C.pdf	pdf	5ec430b47dc0413492817705	05/19/2020

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.: \$

#### PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	Cloud Creamery - impact.pdf	pdf	5eb99d717d78332d19fc7650	05/11/2020

#### ADDITIONAL INFORMATION NOTIFICATION

Notification: I Understand

#### INDIVIDUAL BACKGROUND INFORMATION

##### Individual Background Information 1

Role: Executive / Officer

Other Role:

First Name: David

Last Name: Yusefzadeh Suffix:

RMD Association: Not associated with an RMD

Background Question: no

##### Individual Background Information 2

Role: Manager

Other Role:

First Name: Sean

Last Name: Couture Suffix:

RMD Association: Not associated with an RMD

Background Question: yes

#### ENTITY BACKGROUND CHECK INFORMATION

No records found

#### MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	Articles of Incorporation.pdf	pdf	5c29667da2404e71ee7e5953	12/30/2018
Department of Revenue - Certificate of Good standing	Cloud Creamery_Certificate of Good Standing_3.6.20.pdf	pdf	5e78e2089a385038d9d87e98	03/23/2020
Secretary of Commonwealth - Certificate of Good Standing	Cert.of.good.standing.(new).pdf	pdf	5e78e25b482e703583b78ae7	03/23/2020
Bylaws	Cloud Creamery LLC - Limited Liability Company Agreement.pdf	pdf	5e78e294961ad539052bb625	03/23/2020

No documents uploaded

Massachusetts Business Identification Number: 001323477

Doing-Business-As Name:

DBA Registration City:

#### BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for Liability Insurance	Plan For Insurance.pdf	pdf	5d84ed1f629a272281d33f10	09/20/2019
Plan for Liability Insurance	cloud products.pdf	pdf	5e94bae7b7c619391b8bb3d7	04/13/2020
Plan for Liability Insurance	cloud excess.pdf	pdf	5e94baf7bddf0438d21de235	04/13/2020
Plan for Liability Insurance	cloud pkg.pdf	pdf	5e94bb0b2eba6d38ef16701f	04/13/2020
Proposed Timeline	Proposed Timeline-3.pdf	pdf	5eb9a1d35f1314349d5f86cc	05/11/2020
Business Plan	Biz.Plan.Cloud Creamery LLC.pdf	pdf	5eb9a240cb1edf34af2ddbaa	05/11/2020

#### OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Record Keeping procedures	Cloud Creamery LLC_SOP_Record Keeping Procedures.pdf	pdf	5d84f46232375f1de7f70e9b	09/20/2019
Maintaining of financial records	Cloud Creamery LLC_SOP_Maintaining Financial Records.pdf	pdf	5d84f623af9d6f1dd58a4c5f	09/20/2019
Prevention of diversion	Cloud Creamery Diversion Control Procedures_Draft_v.1.pdf	pdf	5d84f751af9d6f1dd58a4c7b	09/20/2019
Qualifications and training	Demonstrated Experience.pdf	pdf	5d84f78c3aff472290ba28ef	09/20/2019
Personnel policies including background checks	Cloud Creamery Employee Handbook_2019.pdf	pdf	5d84f93e3aff472290ba2905	09/20/2019
Inventory procedures	Inventory Procedures.pdf	pdf	5d84fa708906c11df69cca90	09/20/2019
Transportation of marijuana	Transportation of Marijuana.pdf	pdf	5d84fb157e918b22a66c23b6	09/20/2019
Quality control and testing	Quality Control and Testing.pdf	pdf	5d84fe81dfdea2264a66ffc	09/20/2019
Sample of unique identifying marks used for branding	Samples of unique identifying marks used for branding.pdf	pdf	5d84ffacaf9d6f1dd58a4cb8	09/20/2019
Method used to produce products	Methods Used to produce Products.pdf	pdf	5d85025fc544c91e011c9b52	09/20/2019
Transportation of marijuana	Cloud Creamery LLC_SOP_Transportation Plan.pdf	pdf	5e78e7dcbdd0438d21d9c13	03/23/2020
Storage of marijuana	Cloud Creamery LLC_SOP_Storage of Marijuana (updated).pdf	pdf	5e78e7e85f1da0353e2b0598	03/23/2020
Qualifications and training	Description of Qualification and Intended Trainings for Agents (#15).pdf	pdf	5e78e87c2b97cf38fa37322c	03/23/2020
Security plan	Cloud Creamery Security Camera Layout.pdf	pdf	5e94c26db3c49635509ec737	04/13/2020
Inventory procedures	5. Cloud Creamery LLC_SOP_Inventory Control V.2.pdf	pdf	5e94c6fe172cbc3545977892	04/13/2020

Quality control and testing	Cloud Creamery LLC_SOP_Quality Control Protocol and Outline V.2.pdf	pdf	5e94c72eb3c49635509ec75e	04/13/2020
Maintaining of financial records	8_9 - Cloud Creamery LLC_SOP_Financial Record Keeping Procedures.pdf	pdf	5e94c8105f1da0353e2b4afc	04/13/2020
Method used to produce products	Cloud Creamery LLC_SOP_Testing Procedures V.2.pdf	pdf	5e94c834d29ad935715987f8	04/13/2020
Dispensing procedures	Zoning.pdf	pdf	5e94c873482e703583b7d1de	04/13/2020
Security plan	Cloud Creamery facility security plan (2).pdf	pdf	5eb9a46c7dc04134928162ff	05/11/2020
Restricting Access to age 21 and older	Restricting Access to age 21 and older.pdf	pdf	5eb9a5fc504715348b1e19a7	05/11/2020
Record Keeping procedures	Record Keeping Procedures .pdf	pdf	5eb9b3bb7d78332d19fc7704	05/11/2020
Maintaining of financial records	Maintenance of Financial Records Plan.pdf	pdf	5eb9b3caddb8c72d5360a6d6	05/11/2020
Types of products Manufactured.	Types of Products Manufacturing.pdf	pdf	5eb9c9ef0f6f0d34840b3332	05/11/2020
Diversity plan	Diversity Plan (revised).pdf	pdf	5ec41a825c6c422d41afc650	05/19/2020
Method used to produce products	Methods Used to produce Products (revised).pdf	pdf	5ec42f380f6f0d34840b45b3	05/19/2020

#### ATTESTATIONS

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

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

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

**Notification:** I Understand

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

I 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:** I Understand

#### COMPLIANCE WITH POSITIVE IMPACT PLAN

No records found

#### COMPLIANCE WITH DIVERSITY PLAN

No records found

#### PRODUCT MANUFACTURER SPECIFIC REQUIREMENTS

No records found

#### HOURS OF OPERATION

Monday From: 8:00 AM	Monday To: 6:00 PM
Tuesday From: 8:00 AM	Tuesday To: 6:00 PM
Wednesday From: 8:00 AM	Wednesday To: 6:00 PM
Thursday From: 8:00 AM	Thursday To: 6:00 PM
Friday From: 8:00 AM	Friday To: 6:00 PM
Saturday From: Closed	Saturday To:
Sunday From: Closed	Sunday To:

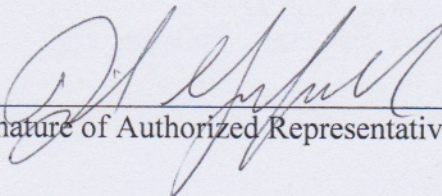


## Host Community Agreement Certification Form

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

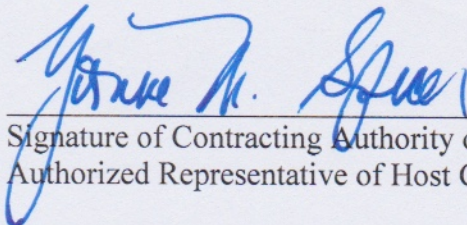
### Applicant

I, David Yusefzadeh, (*insert name*) certify as an authorized representative of **Cloud Creamery, LLC** (*insert name of applicant*) that the applicant has executed a host community agreement with the **City of Framingham** (*insert name of host community*) pursuant to G.L.c. 94G § 3(d) on 7/26/19 (*insert date*).

  
\_\_\_\_\_  
Signature of Authorized Representative of Applicant

### Host Community

I, **Yvonne M. Spicer, Mayor** (*insert name*) certify that I am the contracting authority or have been duly authorized by the contracting authority for the **City of Framingham** (*insert name of host community*) to certify that the applicant and the **City of Framingham** (*insert name of host community*) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on 7/26/19 (*insert date*).

  
\_\_\_\_\_  
Signature of Contracting Authority or  
Authorized Representative of Host Community

## **MEETING NOTICE**

Notice is hereby given that a Community Outreach Meeting for a proposed marijuana establishment is scheduled for 1 p.m. on Friday, March 27 at the Framingham Public Library McAuliffe Branch, 746 Water Street, Framingham.

The proposed marijuana manufacturing operation will be located at 119 Herbert Street, Framingham, MA.

There will be an opportunity for the public to ask questions.

CITY OF FRAMINGHAM  
CITY CLERK'S OFFICE  
2020 MAR 11 A 11:45



 Trello  
 Base Theme  
 Board Map  
 Working Information  
 Zoning  


Zoning Information  
 1.  **Residential Single-Family**  
 2.  **Residential Medium-Density**  
 3.  **Residential High-Density**  
 4.  **Commercial Light**  
 5.  **Commercial Medium**  
 6.  **Commercial Heavy**  
 7.  **Industrial Light**  
 8.  **Industrial Medium**  
 9.  **Industrial Heavy**  
 10.  **Office**  
 11.  **Community Center**  
 12.  **Public Use**  
 13.  **Open Space**  
 14.  **Other**  
 15.  **Other**  
 16.  **Other**  
 17.  **Other**  
 18.  **Other**  
 19.  **Other**  
 20.  **Other**  
 21.  **Other**  
 22.  **Other**  
 23.  **Other**  
 24.  **Other**  
 25.  **Other**  
 26.  **Other**  
 27.  **Other**  
 28.  **Other**  
 29.  **Other**  
 30.  **Other**  
 31.  **Other**

**Exhibit B**

Use Category	R	G	B-1	B-2	B-3 B-4	CB	B	P	PRD	M-1	M	OSR	TP	Parking Code
5. Commercial														
D. Retail Services	N	N	Y	Y	Y	Y	Y	N	Y	Y	Y	N	-	19

(12) Marijuana Retailers shall only be permitted within the Marijuana Retail Overlay District. Such Marijuana Retailer shall not be located within a 500' buffer of schools, which shall be measured from boundary line of the school owned property to the boundary line the proposed location.

**Exhibit C**

USE CATEGORY	R	G	B-1 <sup>1</sup>	B-2 <sup>2</sup>	B-3 B-4 <sup>4</sup>	CB <sup>4</sup>	B <sup>3</sup>	P <sup>3</sup>	PRD <sup>3</sup>	M-1 <sup>3</sup>	M <sup>3</sup>	OSR <sup>4</sup>	TP <sup>2</sup>	Parking code
6. MANUFACTURING AND INDUSTRIAL														
A. Research, Development & Laboratories	N	N	N	SP	SP	SP	SP	N	N	Y	Y	N	Y	25

13 Marijuana Independent Testing Laboratory shall be classified under Research, Development & Laboratories for the purposes of Section II.B.2 of the Framingham Zoning By-Law

**Exhibit D**

USE CATEGORY	R	G	B-1 <sup>1</sup>	B-2 <sup>2</sup>	B-3 B-4 <sup>4</sup>	CB <sup>4</sup>	B <sup>3</sup>	P <sup>2</sup>	PRD <sup>3</sup>	M-1 <sup>3</sup>	M <sup>3</sup>	OSR <sup>6</sup>	TP <sup>2</sup>	Parking code
6. MANUFACTURING AND INDUSTRIAL														
C. Processing, assembly and manufacturing	N <sup>15</sup>	N	N	N	N	N	N	N	N	SPP	Y	N	Y	25

14 Marijuana Cultivator and Marijuana Product Manufacturer shall be classified under Processing, Assembly and manufacturing for the purposes of Section II.B.2 of the Framingham Zoning By-Law



## Community Outreach Meeting Attestation Form

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

I, David Yusefzadeh, (insert name) attest as an authorized representative of Cloud Creamery LLC (insert name of applicant) that the applicant has complied with the requirements of 935 CMR 500 and the guidance for licensed applicants on community outreach, as detailed below.

1. The Community Outreach Meeting was held on 3/27/20 (insert date).
2. A copy of a notice of the time, place, and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was published in a newspaper of general circulation in the city or town on 3/13/20 (insert date), which was at least seven calendar days prior to the meeting. A copy of the newspaper notice is attached as Attachment A (*please clearly label the newspaper notice in the upper right hand corner as Attachment A and upload it as part of this document*).
3. A copy of the meeting notice was also filed on 3/11/20 (insert date) with the city or town clerk, the planning board, the contracting authority for the municipality, and local licensing authority for the adult use of marijuana, if applicable. A copy of the municipal notice is attached as Attachment B (*please clearly label the municipal notice in the upper right-hand corner as Attachment B and upload it as part of this document*).
4. Notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed on 3/17/20 (insert date), which was at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town. A copy of one of the notices sent to abutters and parties of interest as described in this section is attached as Attachment C (*please clearly label the municipal notice in the upper right hand corner as Attachment C and upload it as part of this document; please only include a copy of one notice and please black out the name and the address of the addressee*).

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



# New species of ‘bird dinosaur’ discovered

**Tiny remains found trapped in 99-million-year-old amber**

By Doyle Rice  
USA TODAY

A new species of a bird-like dinosaur that lived 99 million years ago has been identified from a fossilized skull trapped in a block of amber, a study said.

Even tinier than a hummingbird, it's among the smallest dinosaurs from the Mesozoic Era yet found. It's also one of the most ancient birds ever reported.

"When I first saw it, I was blown away," Jingmai O'Connor, a paleontologist from the Chinese Academy of Sciences and lead author of the study, told AFP.

"Amber preservation of vertebrates is rare, and this provides us a window into the world of dinosaurs at the lowest end of the body-size spectrum," said study co-author Lars Schmitz, a

biologist at the W.M. Keck Science Department in California, in a statement.

The skull specimen, which was discovered in a mine in northern Myanmar, is only about ½ inch in length. The entire bird weighed less than a tenth of an ounce, scientists estimate.

The animal was given the scientific name *Oculudentavis khaungraae*. *Oculudentavis* means "eye tooth bird," reflecting notable features that give hints into how the animal lived.

The creature's skull is dominated by a large eye socket that's similar to a modern lizard's eye. The eye socket has a narrow opening and only lets in a small amount of light, which means that *Oculudentavis* was suited to being active in daylight conditions.

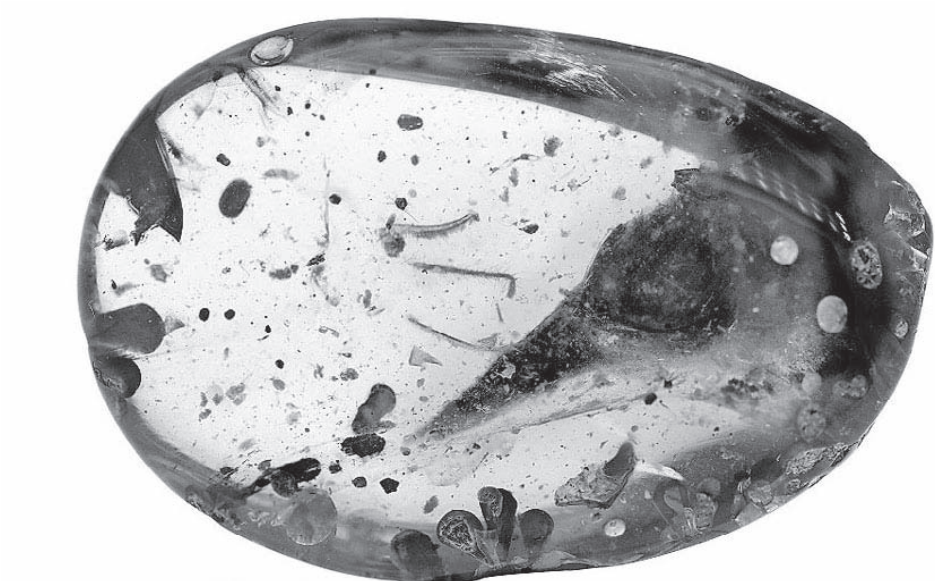
Its upper and lower jaws contain a large number of sharp teeth and the study authors estimate each jaw would have had 29 to 30

teeth in total.

Despite its small size, this finding suggests *Oculudentavis* was a predator and likely ate small arthropods or invertebrates, unlike similar-size modern birds, which have no teeth and feed on nectar.

"This is truly one of the rarest and most spectacular of finds!" The University of Central Florida paleontologist Ryan Carney, who wasn't involved with the study, told National Geographic. "Like capturing Cretaceous lightning in a bottle, this amber preserves an unprecedented snapshot of a miniature dinosaur skull with exciting new features."

The researchers concluded that the specimen's tiny size and unusual form suggests a never-before-seen combination of features.



**Amber with the *Oculudentavis* skull inside. The skull is 99 million years old, nearly perfectly preserved.** [LIDA XING VIA USA TODAY]

"This discovery shows us that we have only a small glimpse of what tiny

vertebrates looked like in the age of the dinosaurs," Schmitz said.

The study was published in the peer-reviewed British journal *Nature*.



**Defense Secretary Mark Esper testifies to the Senate Armed Services Committee about the budget, March 4, on Capitol Hill in Washington.** [JACQUELYN MARTIN/ASSOCIATED PRESS FILE PHOTO]

## Pentagon threatening retaliatory strike after attack in Iraq

By Lolita C. Baldor  
The Associated Press

WASHINGTON — U.S. defense leaders on Thursday threatened a retaliatory strike against Iranian-backed Shia militia in Iraq, saying they know who launched the rockets in Iraq that killed and wounded U.S. and coalition troops and the attackers will be held accountable.

Defense Secretary Mark Esper told reporters at the Pentagon that President Donald Trump on Wednesday night gave him the authority to do what he needs to do. The rapidly unfolding events signaled a renewed spike in tensions with Tehran and its proxy groups in Iraq, just two months after Iran carried out a massive ballistic missile attack against American troops at a base in Iraq.

"We're going to take this one step at a time, but we've got to hold the perpetrators accountable," Esper said. "You don't get to shoot at our bases and kill and wound Americans and get away with it."

At the White House, Trump said the attackers were a rebel group that "mostly likely looked like it could be backed by Iran. And we'll see what the response is." And Army Gen. Mark Milley, chairman of the Joint Chiefs of Staff, told Pentagon reporters the U.S. knows "with a high degree of certainty" who launched the attack.

Esper and Milley declined to provide any more information about any impending U.S. retaliation for the attack at Camp Taji north of Baghdad. But Esper said all options are on the table. On Capitol Hill, Marine Gen. Frank McKenzie, the top U.S. commander for the Middle East, told senators that the deaths of U.S. and coalition troops is a "red line" for the U.S., but said he doesn't think Iran has "a good understanding of where our red line is."

Asked if any counterattack could include a strike inside Iran, Esper said, "We are focused on the group that we believe perpetrated this in Iraq."

Two U.S. troops and one British service member were killed and 14 other personnel were wounded when 18 rockets

hit the base on Wednesday. The U.S. military said the 107 mm Katyusha rockets were fired from a truck launcher that was found by Iraqi security forces near the base after the attack.

U.S. officials have not publicly said what group they believe launched the rocket attack, but Kataib Hezbollah, an Iranian-backed Shia militia group, is likely.

Kataib Hezbollah was responsible for a late December rocket attack on a military base in Kirkuk that killed a U.S. contractor, prompting American military strikes in response.

That in turn led to protests at the U.S. Embassy in Baghdad. They were followed Jan. 3 by a U.S. airstrike that killed Iran's most powerful military officer, Gen. Qassem Soleimani, and Abu Mahdi al-Muhandis, a leader of the Iran-backed militias in Iraq, of which Kataib Hezbollah is a member. In response to the Soleimani killing, Iran launched a massive ballistic missile attack on Jan. 8, at al-Asad air base in Iraq, that resulted in traumatic brain injuries to more than 100 American troops.

McKenzie told the Senate Armed Services Committee on Thursday morning that the killing of Soleimani and the increase in U.S. troops and assets in the region has made clear to Iran that the U.S. will defend its interests there. He said the U.S. has re-established a level of deterrence for state-on-state attacks by Iran.

But, he said, "What has not been changed is their continuing desire to operate through their proxies indirectly again us. That is a far more difficult area to deter."

On Thursday, Esper and Milley said they spoke with their British counterparts about the attack, but declined to provide details.

Asked why none of the rockets was intercepted, Milley said there are no systems on the base capable of defending against that type of attack.

He also said the 14 injured personnel were a mix of U.S. and allied troops as well as contractors, and that they will also be monitored for possible traumatic brain injury in the wake of the blasts.

### 39 TAYLOR ROAD HOLLISTON LEGAL NOTICE NOTICE OF MORTGAGE'S SALE OF REAL ESTATE

By virtue and in execution of the Power of Sale contained in a certain mortgage given by Tarsalia D. Schaller to Mortgage Electronic Registration Systems, Inc. as nominee for SurePoint Lending abn First Residential Mortgage Network, Inc., dated February 7, 2011 and registered at the Middlesex County (Southern District) Registry District of the Land Court as document number 1559102, and noted on certificate of title number 214372 of which mortgage the undersigned is the present holder, by assignment from:

Mortgage Electronic Registration Systems, Inc. to Bank of America, N.A. Successor by Merger to BAC Home Loan Servicing, LP FKA Countrywide Home Loans Servicing, LP, registered on July 10, 2019, Document No. 1617541, as noted on Certificate of Title No. 214372

Bank of America, N.A. Successor by Merger to BAC Home Loans Servicing, LP FKA Countrywide Home Loans Servicing, LP to Nationstar Mortgage LLC d/b/a Mr. Cooper, registered on July 10, 2019, Document No. 1617541, as noted on Certificate of Title No. 214372

for breach of the conditions of said mortgage and for the purpose of foreclosing the same will be sold at Public Auction at 1:00 PM on March 27, 2020, on the mortgaged premises located at 39 Taylor Road, Holliston, Middlesex County, Massachusetts, all and singular the premises described in said mortgage,

TO WIT: The land with the buildings thereon situated in Holliston, Middlesex County, Massachusetts, in undivided and described as follows: Southerly by Taylor Road, being a curving line, one hundred twenty and 65/100 feet; Southeasterly by lot 9 as shown on plan hereinafter mentioned, two hundred twenty-six and 35/100 feet; Southwesterly by land now or formerly of The Salvation Army of Massachusetts Inc., two hundred sixty-seven and 78/100 feet; Northerly by land now or formerly of Mary Ellis, four hundred forty-nine and 44/100 feet; and Easterly by lot 5 on said plan, one hundred six and 28/100 feet; Said parcel is shown as lot 8 on said plan, (Plan No. 19077-C). All of said boundaries are determined by the Court to be located as shown on a subdivision plan, as approved by the Court, filed in the Land Registration Office, a copy of which is filed in the Registry of Deeds for the Southern District of Middlesex County in Registration Book 557, Page 30, with Certificate 85380. Being the same property conveyed to Tarsalia D. Schaller, individually, by Quitclaim Deed dated January 28, 1999, of record in Document No. 1100556 with Certificate of Title No. 214372, Registration Book 1202, Page 22, in the Land Court Office of the Registry of Deeds of Middlesex County, Massachusetts, and being the same property PREVIOUSLY conveyed to Donald P. Schaller and Tarsalia D. Shatter, husband and wife, by Quitclaim Deed dated December 19, 1978, of record in Document No. 579131, with Certificate of Title No. 85380, Registration Book 557, Page 30, in the Office aforesaid.

For mortgagor's(s)' title see deed registered with Middlesex County (Southern District) Registry District of the Land Court as Document No. 1100556, as noted on Certificate of Title No. 214372.

These premises will be sold and conveyed subject to and with the benefit of all rights, rights of way, restrictions, easements, covenants, liens or claims in the nature of liens, improvements, public assessments, liens or claims and unpaid taxes, tax titles, tax liens, water and sewer liens and any other municipal assessments or liens or existing encumbrances of record which are in force and are applicable, having priority over said mortgage, whether or not reference to such restrictions, easements, improvements, liens or encumbrances is made in the deed.

#### TERMS OF SALE:

A deposit of Five Thousand (\$5,000.00) Dollars by certified or bank check will be required to be paid by the purchaser at the time and place of sale. The balance is to be paid by certified or bank check at Harmon Law Offices, P.C., 150 California St., Newton, Massachusetts 02458, or by mail to P.O. Box 610389, Newton Highlands, Massachusetts 02461-0389, within thirty (30) days from the date of sale. Deed will be provided to purchaser for recording upon receipt in full of the purchase price. The description of the premises contained in said mortgage shall control in the event of an error in this publication.

Other terms, if any, to be announced at the sale.

NATIONSTAR MORTGAGE LLC  
D/B/A MR. COOPER  
Present holder of said mortgage

By its Attorneys,  
HARMON LAW OFFICES, P.C.  
150 California St.  
Newton, MA 02458  
(617)558-0500  
2016120160

AD# 13872867  
MWDN 2/28, 3/6, 3/13/20

### 13 HIGH ST ASHLAND LEGAL NOTICE ASHLAND CONSERVATION COMMISSION

#### NOTICE OF PUBLIC HEARING

The Ashland Conservation Commission will hold a public hearing on Monday, March 23, 2020, at 7:15 p.m., at the Ashland Town Hall (101 Main Street), under the Wetlands Protection Act (MGL c. 131 section 40), and the Wetlands Protection Bylaw (Chapter 280 of the Ashland Town Code) to consider a Request for Determination of Applicability filed by Grant Kieffer for a fence at 23 High Street Extension.

AD# 13878426  
MWDN 3/13/20

### 411 Union Avenue, Framingham LEGAL NOTICE NOTICE OF MORTGAGE'S SALE OF REAL ESTATE

By virtue and in execution of the Power of Sale contained in a certain mortgage dated November 20, 2017 given by Bruno Casalini to Steven A. Ross, Trustee of 411 Union Lending Trust u/d/t dated November 16, 2017, said mortgage recorded with Middlesex County (Southern District) Registry of Deeds in Book 70270, Page 410, and which mortgage the undersigned is the present holder, for breach of the conditions of said mortgage and for the purpose of foreclosing the same will be sold at Public Auction at 10:00 A.M. on the 9th day of April, 2020 at 411 Union Avenue, Framingham, Massachusetts, all and singular the premises described in said mortgage.

To wit:

**Property Address: 411 Union Avenue, Framingham, Massachusetts.**

The Land referred to herein below is situated in the County of Middlesex, Commonwealth of Massachusetts, and is described as follows:

A certain parcel of land with the buildings thereon situated in Framingham, Middlesex County, Massachusetts, known as and numbered 411 Union Avenue, and being shown as Parcels "A" and "B" on a Compiled Plan of Land in Framingham, Massachusetts, Joseph R. Sullivan, Registered Land Surveyor, containing a total of 14,095 square feet, more or less, which plan is recorded as Plan #1623 of 1973 in the Middlesex County District Registry of Deeds, Book 12572, Page 497, which plan may be referred to for a more particular description.

Subject to easements and restrictions of record, insofar as the same are now in force and applicable.

For title reference see deed recorded herewith [Book 70270, Page 407 at the Middlesex County (Southern District) Registry of Deeds].

Premises to be sold and conveyed subject to and with the benefit of all rights, rights of way, restrictions, easements, covenants, liens or claims in the nature of liens, improvements, public assessments, any and all unpaid taxes, tax titles, tax liens, water and sewer liens and any other municipal assessments or liens or existing encumbrances of record which are in force and are applicable, having priority over said mortgage, whether or not reference to such restrictions, easements, improvements, liens or encumbrances is made in the deed. The successful bidder will pay all costs of recording the foreclosure deed and any other foreclosure documents including, without limitation, all state and county excise stamp fees, and shall also be responsible for any Title V inspection and repair requirements.

Terms of sale: A deposit of ten thousand dollars (\$10,000.00) by certified or bank check will be required to be paid by the purchaser at the time and place of sale. The balance is to be paid by certified or bank check to Baker, Braverman & Barbadoro, P.C., 300 Crown Colony Drive, Suite 500, Quincy, MA 02169 within thirty (30) days from the date of sale. Deed will be provided to purchaser for recording upon receipt in full of the purchase price. In the event of an error in this publication, the description of the premises contained in said mortgage shall control.

Other terms, if any, to be announced at the sale.

Steven A. Ross, Trustee of 411 Union Lending Trust u/d/t dated November 16, 2017  
Present holder of said mortgage  
By its Attorneys,  
Baker, Braverman & Barbadoro, P.C.  
300 Crown Colony Drive, Suite 500  
Quincy, MA 02169

AD#13878686  
MWDN 3/13, 3/20, 3/27/20

### 12 ANTIQUE CIRCLE LEGAL NOTICE NOTICE OF PUBLIC HEARING SUDBURY CONSERVATION COMMISSION

The Sudbury Conservation Commission will hold a public hearing to review the state and local bylaw Wetlands Notice of Intent filing for invasive species management and fence replacement within isolated land subject to flooding and adjacent upland resource area, at 12 Antique Circle, Sudbury, MA. Dean Perry, applicant. The hearing will be held on Mon., March 23, 2020 at 6:45 pm, at the Lower Town Hall, 322 Concord Road, Sudbury MA. Copies of the application may be reviewed at the Conservation Office at 275 Old Lancaster Rd, Sudbury MA, during business hours.

SUDBURY CONSERVATION COMMISSION  
March 9, 2020

AD# 13878549  
MWDN 3/13/20

### 26 COUNTRY VILLAGE LN LEGAL NOTICE NOTICE OF PUBLIC MEETING SUDBURY CONSERVATION COMMISSION

The Sudbury Conservation Commission will hold a public meeting to review the Request for Determination of Applicability (RDA) filing, under the State Act and local Wetland Bylaw to replace a failed septic system within the 100' buffer zone at 26 Country Village Lane, in Sudbury, MA. Thomas Lopez, applicant. The hearing will be held on Mon., March 23, 2020 at 6:45 pm, at the Lower Town Hall, 322 Concord Road, Sudbury MA. Copies of the application may be reviewed at the Conservation Office at 275 Old Lancaster Rd, Sudbury MA, during business hours.

SUDBURY CONSERVATION COMMISSION  
March 2, 2020

AD# 13878595  
MWDN 3/13/20

### ZBA HOLLISTON HEARING 3/3/20 LEGAL NOTICE TOWN OF HOLLISTON ZONING BOARD OF APPEALS

In accordance with the Town of Holliston Zoning By-Laws, the Board will hold public hearings at 7:00 p.m. on Monday, March 30, 2020 in the lower level conference room (#014) of Town Hall, 703 Washington Street. The following applications are under consideration:

Special Permit petition of AT&T Mobility, New England (Applicant) for relief under the provisions of Section V-O(4)(c), 4(a)(3) and 4(c)(2)(e) to allow installation of a 15 foot wireless communication facility at an existing 135 foot high transmission tower. The locus is 0 Marilyn Street in the Agricultural-Residential District B (AR-2) zoning district. The owner is NSTA Electric Company d/b/a Eversource Energy.

Use Variance petition of applicant Marshall Street Solar, LLC (Applicant) for relief under the provisions of Section VI-B(3) for construction and operation of a large-scale ground-mounted solar energy generation system. The locus is 39 Marshall Street in the Agricultural-Residential A zoning district. The owner is Green View Realty Collateral Trust.

Special Permit petition of William L. Harvey III, Esq., (Applicant) for relief under the provisions of Sections VI-E (3 and 4), Use Regulations, IV-B Schedule of Intensity Regulations footnote \*\* and V-K (5) Village Center Commercial District, to operate a self-serve gas station with repair garage and establishment of a building foot pump canopy within the required front yard setback. The locus is 799 Washington Street in the Village Center Commercial District (VC) zoning district. The owner is Gulf Services, Inc.

Special Permit petition of Lindsay Maloney (Applicant/Owner) for relief under the provisions of Section VI-E and Section VI-D (21), Animal Kennels for a small kennel for daily and overnight care of 10 dogs. The locus is 28 Curve Street in the Agricultural-Residential District B (AR-2) zoning district.

Dimensional Variance petition of Ronald Cavallo (Applicant) for relief under the provisions of Section IV-B, Schedule of Intensity Regulations, for establishment of a building foot less than the required minimum lot area, frontage and lot depth. The applicant is proposing to construct a 40'x34' single-family dwelling with a detached 24'x28' garage in compliance with all other applicable regulations. The locus is 0 Birchwood Road in the Agricultural-Residential District B (AR-2) zoning district. The owner is Varle Organics, LLC.

All application materials are available for review in the Town Clerk's Office during regular business hours. All interested parties are invited to attend or submit written comments.

John Love  
Chairman

AD# 13875198  
MWDN 3/13, 3/20/20

### 26 SPRING LANE LEGAL NOTICE COMMONWEALTH OF MASSACHUSETTS



### COURT LAND DEPARTMENT OF THE TRIAL COURT Docket 20 SM 001198 ORDER OF NOTICE

TO:  
**GARY C. Hicks Jr. : Tina M. Hicks FKA Tina M. MacGillivray, AKA Tina M MacGillivray**

and to all persons entitled to the benefit of the Servicemembers Civil Relief Act, 50 U.S.C.c. 50 §3901 (et seq):

#### Select Portfolio Servicing, Inc.,

claiming to have an interest in a Mortgage covering real property in Framingham, numbered 26 Spring Lane, given by Gary C. Hicks, Jr. and Tina M. Hicks FKA Tina M. MacGillivray to Mortgage Electronic Registration Systems, Inc. as nominee for Powder House Mortgage Company, Inc., its successors and assigns, dated March 18, 2005, and recorded in Middlesex County (Southern District) Registry District of the Land Court as Document Number 1368616, noted on Certificate of Title Number 229948, as affected by an Order dated September 27, 2019, and registered in Said Registry District of the Land Court as Document Number 1825445, noted on Certificate of Title Number 229948, and now held by plaintiff by assignment, has/have filed with this court a complaint for determination of Defendant's/Defendants' Servicemembers status.

If you now are, or recently have been, in the active military service of the United States of America, then you may be entitled to the benefits of the Servicemembers Civil Relief Act. If you object to a foreclosure of the above-mentioned property on that basis, then you or your attorney must file a written appearance and answer in this court at Three Pemberton Square, Boston, MA 02108 on or before April 20, 2020 or you may lose the opportunity to challenge the foreclosure on the ground of noncompliance with the Act.

Witness, GORDON H. PIPER, Chief Justice of this Court on March 4, 2020

Attest: Deborah J. Patterson  
Recorder

(17-013366 Orlans)

AD# 13878417  
MWDN 3/13/20

### 45 LIBERTY STREET LEGAL NOTICE COMMONWEALTH OF MASSACHUSETTS



### LAND COURT DEPARTMENT OF THE TRIAL COURT

20 SM 000846

#### ORDER OF NOTICE

TO: Fernando Neiva

and to all persons entitled to the benefit of the Servicemembers Civil Relief Act, 50 U.S.C. c. 50 § 3901 et seq:

Mid-Island Mortgage Corp. claiming to have an interest in a Mortgage covering real property in Marlborough, numbered 45 Liberty Street, given by Fernando Neiva to Mortgage Electronic Registration Systems, Inc., as Nominee for Mid-Island Mortgage Corp., dated August 25, 2014, recorded at the Middlesex County (Southern District) Registry of Deeds in Book 64158, Page 568, and now held by Plaintiff by assignment, has/have filed with this court a complaint for determination of Defendant's/Defendants' Servicemembers status.

If you now are, or recently have been, in the active military service of the United States of America, then you may be entitled to the benefits of the Servicemembers Civil Relief Act. If you object to a foreclosure of the above-mentioned property on that basis, then you or your attorney must file a written appearance and answer in this court at Three Pemberton Square, Boston, MA 02108 on or before April 6, 2020 or you may lose the opportunity to challenge the foreclosure on the ground of noncompliance with the Act.

Witness, GORDON H. PIPER, Chief Justice of this Court on February 18, 2020.

Attest: Deborah J. Patterson  
Recorder

AD#13878201  
MWDN 3/13/20

### 26 COUNTRY VILLAGE LN LEGAL NOTICE NOTICE OF PUBLIC MEETING SUDBURY CONSERVATION COMMISSION

The Sudbury Conservation Commission will hold a public meeting to review the Request for Determination of Applicability (RDA) filing, under the State Act and local Wetland Bylaw to replace a failed septic system within the 100' buffer zone at 26 Country Village Lane, in Sudbury, MA. Thomas Lopez, applicant. The hearing will be held on Mon., March 23, 2020 at 6:45 pm, at the Lower Town Hall, 322 Concord Road, Sudbury MA. Copies of the application may be reviewed at the Conservation Office at 275 Old Lancaster Rd, Sudbury MA, during business hours.

SUDBURY CONSERVATION COMMISSION  
March 2, 2020

AD# 13878577  
MWDN 3/13/20

### 659 WORCESTER RD LEGAL NOTICE

A public hearing will be held in the 659 Worcester Rd, 659 Worcester Room, Memorial Building, Framingham, MA, on Monday, March 23 at 7:00 PM under the provisions of M.G.L. Chapter 138, Section 12 on the application for the Change of Officers/Directors/LLC Manager & Change of Ownership Interest for the Annual All Alcohol Restaurant License held by 99 Restaurants of Boston, LLC d/b/a 99 Restaurant & Pub, 659 Worcester Rd., Framingham, MA.

Adam R. Barnosky  
Stuart Pologe  
Sara Porter  
Tiel D. Wadland  
Framingham Board of License Commissioners

Reference: masspublicnotices.org

AD# 13877936  
MWDN 3/13/20

### 119 Herbert Street, Framingham LEGAL NOTICE MEETING NOTICE

Notice is hereby given that a Community Outreach Meeting for a proposed marijuana establishment is scheduled for 1 p.m. on Friday, March 27 at the Framingham Public Library McAuliffe Branch, 746 Water Street, Framingham.

The proposed marijuana manufacturing operation will be located at 119 Herbert Street, Framingham, MA.

There will be an opportunity for the public to ask questions.

AD#13878674  
MWDN 3/13/20

Muscular Dystrophy Association

Where Hope Begins

**MDA**

1-800-FIGHT-MD  
www.mdausa.org



## **Zoning**

- There are no City of Framingham special permits required for Cloud Creamery to operate an adult-use manufacturing facility in Framingham
- 119 Herbert St. meets all City of Framingham zoning requirements to operate an adult-use manufacturing facility
- We do not need any special building permits other than:
  - Health department approval - this document was included in our last RFI
  - We have passed all state health department requirements
- 119 Herbert St. is within an industrial zone specifically designated by the City of Framingham for cannabis business operations. Thus, Cloud Creamery is allowed to operate at 119 Herbert St. as a matter of right.

## **MEETING NOTICE**

Notice is hereby given that a Community Outreach Meeting for a proposed marijuana establishment is scheduled for 1 p.m. on Friday, March 27 at the Framingham Public Library McAuliffe Branch, 746 Water Street, Framingham.

The proposed marijuana manufacturing operation will be located at 119 Herbert Street, Framingham, MA.

There will be an opportunity for the public to ask questions.

CITY OF FRAMINGHAM  
CITY CLERK'S OFFICE  
2020 MAR 11 A 11:45

**Attachment C**

**Meeting Notice**

Notice is hereby given that a Community Outreach Meeting for a proposed marijuana establishment is scheduled for 1 p.m. on Friday, March 27 at the Framingham Library McAuliffe Branch, 746 Water Street, Framingham.

The proposed marijuana manufacturing operation will be located at 119, Herbert Street, Framingham, MA.

There will be an opportunity for the public to ask questions.

Cloud Creamery is committed to positively impacting areas of disproportionate impact, as defined in 935 CMR 500.040 and 500.100. The company will focus its disproportionate impact efforts in Worcester, which is the closest designated area of disproportionate impact to Framingham. The exact census tracts of disproportionate impact in Worcester, as defined by the Cannabis Control Commission, are listed below.

### **Goals**

The overall goal of Cloud Creamery's plan for disproportionate impact will be to create and execute measurable actions to positively impact areas of disproportionate impact, as defined in 935 CMR 500.040 and 500.100. The program goals and objectives will be measurable. The measuring methods are defined in the Metrics section below.

Cloud Creamery's goals are to hire at least 50% of our workforce from people that have prior drug convictions.

Cloud Creamery will also teach 4 classes per year educating consumers on edibles and how to infuse food.

### **Disproportionate Impact Plan Components**

1. Cloud Creamery will develop and present a seminar or lecture at Quinsigamond Community College (QCC) in Worcester, specifically in the Business, Financial and Hospitality Management program. The seminar or lecture will commence within three months of receiving provisional licensure and will occur once per academic semester. The seminar or lecture will be open to a minimum of 20 people, and as many people as the assigned meeting room can hold. The seminar, to be taught by Cloud Creamery founder and internationally-renowned chef David Yusefzadeh, would include the following focus areas:

- a. Safe and Creative Cooking with Cannabis
- b. Proper Handling of Cannabis Extract used for Cooking
- c. Determining Proper Cannabis Infusion Levels in Food

2. Cloud Creamery will develop and present a general cannabis-business seminar with a food-service focus area for Quinsigamond Community College's Center for Workforce Development and Continuing Education. The seminar will commence within three months of receiving provisional licensure and will occur once per academic semester. The seminar will be open to a minimum of 20 people, and as many people as the assigned meeting room can hold. This seminar, to be taught by David Yusefzadeh or an appropriate Cloud Creamery principle, will be designed to assist working adults seeking to enhance their career options.

3. Cloud Creamery will develop an annual internship program to last four to six

months, available to certain Worcester residents over the age of 21 who are interested in entering the cannabis business. There will be two internships per calendar year. The first internship will run from January 1 to June 30. The second internship will run from July 1 to December 31. The interns will participate in all aspects of Cloud Creamery product development and will be supervised by Cloud Creamery principles. Eligible to apply are 21+ residents of the following census tracts, as identified in Guidance for Identifying Areas of Disproportionate Impact: Worcester County Census Tract 730500, Worcester County Census Tract 731002, Worcester County Census Tract 731203, Worcester County Census Tract 731204, Worcester County Census Tract 731300, Worcester County Census Tract 731400, Worcester County Census Tract 731500, Worcester County Census Tract 731700, Worcester County Census Tract 731800, Worcester County Census Tract 732302, Worcester County Census Tract 732400, Worcester County Census Tract 732700 and Worcester County Census Tract 733000. Cloud Creamery will post the internship position at various public and non-profit sites, including:

- a. The City of Worcester Veterans' Service Division
- b. Quinsigamond Community College Career Services Department
- c. The Martin Luther King Jr Business Empowerment Center

4. If and when Cloud Creamery develops a non-management workforce, the company will participate in job fairs in Worcester with a focus on the census tracts listed above. If and when Cloud Creamery develops a non-management workforce, the company will participate in a minimum of two job fairs per calendar year. If and when Cloud Creamery develops a non-management workforce, the company will participate in job fairs at an accessible location within one of the census tracts listed above. No job fair will take place in the same census tract in the same calendar year.

5. If and when Cloud Creamery develops a non-management workforce, at least 50 percent of persons hired will be Massachusetts residents with prior drug convictions.

6. If and when Cloud Creamery develops a non-management workforce, and in addition to participating in job fairs as defined above, the company will take out an advertisement in the Worcester Telegram & Gazette stating it is seeking employees who have past drug convictions. The ads will run monthly until the existing job openings are full.

### **Metrics**

Cloud Creamery will measure its goals for the above by providing semi-annual internal data for the following questions:

1. Were the Quinsigamond seminars completed on schedule and effectively



- communicated to potential participants?
2. Was attendance at the seminars acceptable?
  3. Have future seminars been planned and is there a process for communicating their occurrence?
  4. Is there a current intern and are there additional interns in the queue for interviews?
  5. Has the intern's experience been instructive and meaningful?
  6. Have the interns represented the identified census tracts?
  7. Is there an effective method for advertising the internship positions, either through non-profit listings or through newspaper advertising?
  8. Did the company have any job openings, and if so, did the company participate in job fairs in the census tracts listed above?
  9. Did the company have any job openings, and if so, did the company take out newspaper advertisements as described above? How many monthly ads were run until the jobs were filled?
  10. If the company hired any non-management workers, did 50 percent of those workers have a prior drug conviction?

#### **Attestations**

- The progress and success of the plans and programs listed above will be documented one year from provisional licensure, and each year thereafter.
- Cloud Creamery's plan for positive impact will adhere to all requirements set forth in 935 CMR 500.105(4), which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practice of marijuana establishments.
- No actions taken by Cloud Creamery, or programs instituted by Cloud Creamery, will violate the Cannabis Control 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: \$500.00

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

**Certificate of Organization**

(General Laws, Chapter )

Identification Number: 001323477

1. The exact name of the limited liability company is: CLOUD CREAMERY, LLC

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

No. and Street: 78 CLAYMOSS ROAD, UNIT #1  
 City or Town: BRIGHTON State: MA Zip: 02135 Country: USA

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

No. and Street: 78 CLAYMOSS ROAD, UNIT #1  
 City or Town: BRIGHTON State: MA Zip: 02135 Country: USA

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

THE GENERAL CHARACTER OF THE COMPANY'S BUSINESS IS TO OWN AND OPERATE A RETAIL OPERATION, AND ANY AND ALL ACTIVITIES RELATED THERETO, AND TO CARRY ON ANY LAWFUL BUSINESS OR ACTIVITY WHICH MAY BE CONDUCTED BY A LIMITED LIABILITY COMPANY ORGANIZED UNDER THE MASSACHUSETTS LIMITED LIABILITY COMPANY ACT.

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

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

Name: SCOTT H. MOSKOL, ESQ.  
 No. and Street: C/O BURNS & LEVINSON LLP  
125 SUMMER STREET  
 City or Town: BOSTON State: MA Zip: 02110 Country: USA

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

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code

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

<b>Title</b>	<b>Individual Name</b> First, Middle, Last, Suffix	<b>Address</b> (no PO Box) Address, City or Town, State, Zip Code
SOC SIGNATORY	DAVID YUSEFZADEH	78 CLAYMOSS ROAD, UNIT #1 BRIGHTON, MA 02135 USA

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

<b>Title</b>	<b>Individual Name</b> First, Middle, Last, Suffix	<b>Address</b> (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	DAVID YUSEFZADEH	78 CLAYMOSS ROAD, UNIT #1 BRIGHTON, MA 02135 USA

**9. Additional matters:**

**SIGNED UNDER THE PENALTIES OF PERJURY, this 18 Day of April, 2018,**  
DAVID YUSEFZADEH  
*(The certificate must be signed by the person forming the LLC.)*

THE COMMONWEALTH OF MASSACHUSETTS

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

April 18, 2018 04:25 PM

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

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



CLOUD CREAMERY LLC  
119 HERBERT ST  
FRAMINGHAM MA 01702-8774

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

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

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

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

### ***What if I have questions?***

If you have questions, call us at (617) 887-6400 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 8:30 a.m. to 4:30 p.m..

### ***Visit us online!***

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

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

Edward W. Coyle, Jr., Chief  
Collections Bureau





William Francis Galvin  
Secretary of the  
Commonwealth

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

March 18, 2020

TO WHOM IT MAY CONCERN:

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

**CLOUD CREAMERY, LLC**

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **April 18, 2018.**

I further certify that said Limited Liability Company has filed all annual reports due and paid all fees with respect to such reports; that said Limited Liability Company has not filed a certificate of cancellation; that there are no proceedings presently pending under the Massachusetts General Laws Chapter 156C, § 70 for said Limited Liability Company's dissolution; and that said Limited Liability Company is in good standing with this office.

I also certify that the names of all managers listed in the most recent filing are: **DAVID SAMUEL YUSEFZADEH**

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

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



In testimony of which,

I have hereunto affixed the

Great Seal of the Commonwealth

on the date first above written.

*William Francis Galvin*

Secretary of the Commonwealth

**THE MEMBERSHIP INTERESTS AND UNITS DESCRIBED IN AND/OR REPRESENTED BY THIS LIMITED LIABILITY COMPANY AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER SECURITIES LAW OF ANY JURISDICTION. SUCH MEMBERSHIP INTERESTS AND UNITS MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE TRANSFERRED OR DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION UNDER SUCH ACT AND LAWS OR EXEMPTION THEREFROM, AND COMPLIANCE WITH THE OTHER RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN. THE MEMBERSHIP INTERESTS AND UNITS DESCRIBED BY THIS LIMITED LIABILITY COMPANY AGREEMENT ARE SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER SET FORTH IN THIS AGREEMENT.**

**LIMITED LIABILITY COMPANY AGREEMENT  
OF  
CLOUD CREAMERY LLC  
A MASSACHUSETTS LIMITED LIABILITY COMPANY**

dated as of

May 15th, 2019



**LIMITED LIABILITY COMPANY AGREEMENT  
OF  
CLOUD CREAMERY LLC  
A MASSACHUSETTS LIMITED LIABILITY COMPANY**

**THIS LIMITED LIABILITY COMPANY AGREEMENT** is entered into as of May [15], 2019 (the “**Effective Date**”), by and among those parties whose names are set forth on the signature pages hereto, and any other parties who from time to time may execute the Limited Liability Company Agreement Joinder attached hereto as Exhibit A (the “**Joinder**”).

**RECITALS**

**WHEREAS**, on April 18, 2018, the Certificate of Organization of Cloud Creamery LLC, a limited liability company organized under the laws of the Commonwealth of Massachusetts (“**Company**”), were filed with the Massachusetts Secretary of the Commonwealth; and

**WHEREAS**, the parties desire to operate Company as a limited liability company under the Act (as defined below) as set forth in this Agreement to provide for the management of the business and the affairs of Company, the allocation of profits and losses, the distribution of cash of Company among the Members (as defined below), the rights, obligations and interests of the Members to each other and to Company, and certain other matters.

**NOW, THEREFORE**, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

**Article I  
DEFINITIONS**

Capitalized terms used in this Agreement have the meanings specified in this Article or elsewhere in this Agreement. In referring to sections or provisions of the Code or Regulations, it is intended that the terms “partner” and “partnership” (or variations thereof) appearing therein shall be read, respectively, as Member or Company (or variations thereof).

I.1 “**Act**” means the Massachusetts Limited Liability Company Act, Chapter 156C of the Massachusetts Code, Sections XXII *et seq.*, as the same may be amended from time to time.

I.2 “**Additional Units**” means any new Equity Interests or securities convertible into Equity Interests issued by Company other than: (i) Incentive Units issued in compliance with the applicable Incentive Plan and the terms of this Agreement; (ii) Equity Interests issued to financial institutions or lessors in connection with commercial credit arrangements, equipment financings or similar transactions in the ordinary course of business, each of which has a primary business purpose other than raising capital and each of which has been approved by Manager; (iii) Equity Interests issued or issuable as a result of any split, recombination or other similar transaction that does not alter the proportion or seniority of the rights and preferences of the Units held by each Member relative to the others; or (iv) Equity Interests deemed not to be Additional Units by the affirmative vote or written consent of Manager.

I.3 “**Adjusted Capital Account Deficit**” means, with respect to any Person, the deficit balance, if any, in such Person’s Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(a) credit to such Capital Account any amounts that such Person is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the next to the last sentence of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations after taking into account any changes during such year in Company Minimum Gain and Member Nonrecourse Debt Minimum Gain; and

(b) debit to such Capital Account for the items described in Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Regulations.

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

I.4 “**Affiliate**” means with respect to a specified Person any Person that directly or indirectly through one or more intermediaries, alone or through an affiliated group, controls, is controlled by, or is under common control with, such specified Person.

I.5 “**Agreement**” means this Limited Liability Company Agreement.

I.6 “**Allocated Portion**” of a Member, with respect to any Offered Units to be Transferred pursuant to Article VIII, means the portion of such Offered Units that such Member is entitled to purchase or sell, as applicable, stated as a percentage, the numerator of which shall be the number of Units (including all Units issuable upon the exercise of any outstanding warrants or options) of which such Member is deemed to be a holder as of the applicable date, and the denominator of which shall be the aggregate number of Units (including all Units issuable upon the exercise of any outstanding warrants or options) held by all Members as of the applicable date; provided that the Class P Units shall be excluded from both the numerator and the denominator with respect to the calculation of the Allocated Portion.

I.7 “**Available Cash**” means the amount of cash held by Company, less: (i) all current liabilities of Company; and (ii) reasonable working capital and other amounts that Manager deems advisable or necessary for the operation of the business of Company, including amounts that Manager deems advisable or necessary to place into reserves for (a) customary and usual claims and costs, (b) contingent liabilities, and (c) anticipated expenditures. Unless otherwise determined by Manager, Available Cash shall not include amounts raised through financing transactions.

I.8 “**Award Agreement**” has the meaning ascribed thereto in Section 3.5.

I.9 “**Business**” means the business of formulating, manufacturing and selling ice cream infused with cannabis or cbd, and any other food and beverage products as determined by Manager in its sole discretion from time to time.



I.10 “**Business Day**” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to remain closed.

I.11 “**Capital Account**” means, in respect of any Member, the capital account that Company establishes and maintains for such Member pursuant to Section 3.1.

I.12 “**Capital Contribution**” means a cash contribution to the capital of Company with respect to a Member’s Membership Interest; provided that, if approved by Manager, such contribution may be in the form of property valued at the Gross Asset Value of such approved property contributed or deemed contributed to the capital of Company with respect to a Member’s Membership Interest (net of liabilities secured by such contributed property that Company is considered to assume or take “subject to” under Code Section 752). A Capital Contribution shall not be considered a loan to Company.

I.13 “**Certificate of Organization**” means the Certificate of Organization of Company filed pursuant to Section 2.1.

I.14 “**Class F Majority**” means Class F Members holding more than fifty percent (50%) of the outstanding Class F Units.

I.15 “**Class F Member**” means a Member holding Class F Units.

I.16 “**Class F Supermajority**” has the meaning ascribed thereto in Section 14.2.

I.17 “**Class F Unit**” means an interest in Company designated as a Class F Unit, which Class F Unit shall have the rights, preferences and privileges as set forth herein with respect thereto.

I.18 “**Class P Member**” means a Member holding Class P Units.

I.19 “**Class P Unit**” means an interest in Company designated as a Class P Unit, which Class P Unit shall have the rights, preferences and privileges as set forth herein with respect thereto.

I.20 “**Code**” means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

I.21 “**Company**” means Cloud Creamery LLC, a Massachusetts limited liability company.

I.22 “**Company Minimum Gain**” has the meaning ascribed to the term “partnership minimum gain” in the Regulations Section 1.704-2(b)(2) and Regulations Section 1.704-2(d).

I.23 “**Company Right of First Refusal Option**” has the meaning ascribed thereto in Section 8.5(b).

I.24 “**Company Right of First Refusal Option Period**” has the meaning ascribed thereto in Section 8.5(b).

I.25 “**Company Right of First Refusal Notice**” has the meaning ascribed thereto in Section 8.5(a).

I.26 “**Competitor**” means any Person engaged, directly or indirectly (including through any partnership, limited liability company, corporation, joint venture or similar arrangement (whether now

existing or formed hereafter)), in a business that produces, markets or sells ice cream, gelato or any other frozen dessert or edible that contains cbd, the or cannabis in any respect.

I.27 “**Controls**,” “**Control**,” “**Controlling**,” whether or not capitalized, means the power, directly or indirectly, to direct or cause the direction of the management and policies of a Person through ownership of voting securities, contract or otherwise.

I.28 “**Deadline**” has the meaning ascribed thereto in Section 3.6(a).

I.29 “**Depreciation**” means an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; provided, however, that: (i) if the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by Manager in good faith; and (ii) for any asset with respect to which Company uses the “remedial allocation method” under Regulations Section 1.704-3(d), Depreciation shall be determined in accordance with Regulations Section 1.704-3(d)(2).

I.30 “**Designee**” has the meaning ascribed thereto in Section 9.3.

I.31 “**Drag-Along Group**” has the meaning ascribed thereto in Section 8.7(a).

I.32 “**Drag-Along Transaction**” has the meaning ascribed thereto in Section 8.7(a).

I.33 “**Economic Interest**” means a Person’s right to share in the income, gains, losses, deductions, credit or similar items of, and to receive distributions from, Company, but does not include any other rights of a Member, including the right to vote, participate in the management of Company, or the right to information concerning the business and affairs of Company.

I.34 “**Economic Risk of Loss**” shall have the meaning specified in Regulations Section 1.752-2.

I.35 “**Effective Date**” has the meaning ascribed thereto in the preamble to this Agreement.

I.36 “**Election Period**” has the meaning ascribed thereto in Section 3.6(a).

I.37 “**Equity Interests**” means all shares of capital stock, partnership interests (whether general or limited), limited liability company membership interests, beneficial interests in a trust and any other interest or participation that confers on a Person the right to receive a share of profits or losses, or distributions of assets, of an issuing Person, including any debt securities convertible into such Equity Interests.

I.38 “**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended, and all guidance promulgated thereunder.

I.39 “**Excluded Proceeding**” has the meaning ascribed thereto in Section 10.2.

I.40 “**Exercising Member**” has the meaning ascribed thereto in Section 3.6(b).

I.41 “**Fiscal Year**” means Company’s fiscal year, which shall be the calendar year (except as otherwise required by law) or any portion of such period for which Company is required to allocate Net Profits, Net Losses or other items of Company income, gain, loss or deductions pursuant hereto.

I.42 “**Gross Asset Value**” means with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to Company will be the gross fair market value of such asset, as determined by Manager in good faith;

(b) The Gross Asset Value of all Company’s assets will be adjusted to equal their respective gross fair market values (taking Code Section 7701(g) into account), as determined by Manager in good faith, as of the following events:

(i) the acquisition of an interest or an additional Membership Interest in Company by any new or existing Member in exchange for more than a *de minimis* Capital Contribution;

(ii) the distribution by Company to a Member of more than a *de minimis* amount of property or money as consideration for an interest in Company;

(iii) the grant of a Membership Interest in Company (other than a *de minimis* Membership Interest) as consideration for the provision of services to or for the benefit of Company by an existing Member acting in the capacity of a Member or by a new Member acting in the capacity of a Member or in anticipation of being a Member;

(iv) the liquidation of Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); and

(v) at such other times as required or permitted under Regulations Section 1.704-1(b);

provided, however, that adjustments pursuant to clauses (i), (ii), (iii) and (v) (to the extent permitted and not required) of this paragraph (b) will be made only if Manager determines in good faith that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in Company;

(c) The Gross Asset Value of any Company asset distributed to a Member shall be adjusted to equal the gross fair market value of such asset on the date of distribution as determined by Manager in good faith;

(d) The Gross Asset Values of Company’s assets will be increased or decreased to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and paragraph (f) of the definition of “Net Profits” and “Net Losses”; provided, however, that Gross Asset Values shall not be adjusted pursuant to this paragraph (d) to the extent that an adjustment pursuant to paragraph (b) is required in connection with a transaction that would otherwise result in an adjustment pursuant to this paragraph (d); and

(e) If the Gross Asset Value of an asset has been determined or adjusted pursuant to paragraphs (a), (b), or (d), then the Gross Asset Value will thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Profits and Net Losses.

I.43 The “**Hurdle Amount**” means an amount equal to the amount determined by Manager to be necessary to cause an Incentive Unit to constitute a “profits interest” in Company within the meaning of Revenue Procedure 93-27, 1993-2 C.B. 343, as clarified by Revenue Procedure 2001-43, 2001-2 C.B. 191. The Hurdle Amount shall be set forth in the applicable Award Agreement or otherwise determined by Manager.

I.44 “**Incentive Plan**” means any plan for the benefit of employees, managers, professional advisors, advisory board members and consultants to Company or its Affiliates (as defined in such plan).

I.45 “**Incentive Units**” means a Membership Interest awarded pursuant to an Award Agreement or an Incentive Plan or otherwise that is intended to be a “profits interest” within the meaning of IRS Revenue Procedures 93-27, 1993-2 C.B. 343, and 2001-43, 2001-2 C.B. 191 and: (i) entails no voting, approval or consent rights; (ii) entails no initial Capital Contribution; (iii) is credited with zero dollars as the initial Capital Account; and (iv) would not give the holder a share of the capital proceeds of Company if on the date of the award Company’s assets were sold at fair market value (as determined by Manager in good faith) and the capital proceeds were distributed in a complete liquidation of Company, with the rights and privileges set forth in this Agreement. All Class P Units are Incentive Units.

I.46 “**Indemnitee**” has the meaning ascribed thereto in Section 10.2.

I.47 “**Initial Notice Period**” has the meaning ascribed thereto in Section 3.6(a).

I.48 “**IRS Notice**” has the meaning ascribed thereto in Section 7.6(c)(i).

I.49 “**Joinder**” has the meaning ascribed thereto in the Preamble of this Agreement.

I.50 “**Liquidity Event**” means each of the following events: (i) a sale, exchange, lease or other disposition of all or substantially all of the assets (including goodwill and intangible assets) of Company (in a single transaction or series of transactions); (ii) the liquidation, dissolution or winding up of Company; or (iii) any consolidation, merger of Company with or into any other Person (other than one in which Members own a majority by voting power of the Equity Interests of the surviving or acquiring entity), recapitalization, conversion (including into a corporation), sale or issuance of Equity Interests of Company, or other transaction or series of related transactions, following which the Members immediately prior to such transaction do not own a majority of the outstanding Equity Interests of the entity surviving such transaction or its parent entity.

I.51 “**Losses**” means all damages, liabilities, awards, judgments, assessments, fines, sanctions, penalties, charges, costs, liens, losses, payments, expenses and fees, including all court costs and reasonable attorneys’ and accountants’ fees and expenses sustained or incurred in connection with the defense or investigation of any Proceeding.

I.52 “**Majority-in-Interest**” means Members holding more than fifty percent (50%) of the Percentage Interests entitled to vote.

I.53 “**Manager**” means the Person designated as such in Section 5.1(a).

I.54 “**Mark**” means the service mark, trademark and trade name “Cloud Creamery” and any other service mark, trademark or trade name owned, licensed or controlled by Company or any Subsidiary, whether registered or unregistered and all goodwill associated thereto.

I.55 “**Member**” means: (i) each Person who is an initial signatory to this Agreement; (ii) each Person who has been admitted to Company as a Member in accordance with this Agreement and, if applicable, has executed the Joinder; and (iii) each Person who is an assignee or Transferee who becomes a Member in accordance with Article VIII, in each case as reflected on Schedule I hereto, as the same may be updated from time to time.

I.56 “**Member Nonrecourse Debt**” has the meaning ascribed to the term “partner nonrecourse debt” in Regulations Section 1.704-2(b)(4).

I.57 “**Member Nonrecourse Debt Minimum Gain**” means an amount, with respect to each Member Nonrecourse Debt, equal to Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

I.58 “**Member Nonrecourse Deductions**” means items of Company loss, deduction, or Code Section 705(a)(2)(B) expenditures that are attributable to Member Nonrecourse Debt or to other liabilities of Company owed to or guaranteed by a Member (or a related person within the meaning of Regulations Section 1.752-4(b)) to the extent that no other Member bears the Economic Risk of Loss.

I.59 “**Member Right of First Refusal Option**” has the meaning ascribed thereto in Section 8.5(c).

I.60 “**Member Right of First Refusal Option Period**” has the meaning ascribed thereto in Section 8.5(c).

I.61 “**Member Right of First Refusal Notice**” has the meaning ascribed thereto in Section 8.5(c).

I.62 “**Membership Interest**” means a Member’s entire limited liability company interest (as represented by Units) in Company, including such Member’s right to share in income, gains, losses, deductions, credits or similar items of, and to receive distributions (liquidating or otherwise) from Company, the right to vote or participate in the management of Company, and the right to receive information concerning the business and affairs of Company, in each case pursuant to and to the extent provided by the terms of this Agreement and the Act.

I.63 “**Net Profits**” and “**Net Losses**” means, for each Fiscal Year, an amount equal to Company’s taxable income or loss for such Fiscal Year, determined in accordance with Code Section 703(a) and the Regulations, and, for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss. The determination of Net Profits and Net Losses pursuant to the previous sentence shall be subject to the following adjustments:

(a) Any income of Company that is exempt from federal income tax and not otherwise taken into account in computing Net Profits or Net Losses shall be added to such taxable income or loss;

(b) Any expenditures of Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing Net Profits or Net Losses shall be subtracted from Net Profits or Net Losses;

(c) In the event the Gross Asset Value of any Company asset is adjusted pursuant to paragraph (b) or (c) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain (if the adjustment increases the Gross Asset Value of the asset) or loss (if the adjustment decreases the Gross Asset Value of the asset) from the disposition of such asset and shall be taken into account for purposes of computing Net Profits or Net Losses;

(d) Gains or losses resulting from any disposition of a Company asset with respect to which gains or losses are recognized for federal income tax purposes shall be computed with reference to the Gross Asset Value of Company asset disposed of, notwithstanding the fact that the adjusted tax basis of such Company asset differs from its Gross Asset Value;

(e) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing the taxable income or loss, there will be taken into account Depreciation;

(f) If an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's Membership Interest in Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of such asset) or loss (if the adjustment decreases such basis) from the disposition of such asset and shall be taken into account for purposes of computing Net Profits or Losses;

(g) Notwithstanding any other provision of this subsection, any items of income, gain, loss or deduction that are specially allocated shall not be taken into account in computing Net Profits and Net Losses; and

(h) Company's distributive share of any Net Profits and Net Losses (as defined herein) from any partnership (including any limited liability company or other entity treated as a partnership for tax purposes) in which it holds an interest, adjusted to avoid taking into account any items otherwise reflected in Company's Net Profits and Net Losses, shall be included in Company's Net Profits and Net Losses.

I.64 “**Non-Exercising Member**” has the meaning ascribed thereto in Section 3.6(b).

I.65 “**Nonrecourse Deductions**” has the meaning ascribed thereto in Regulations Section 1.704-2(b)(1).

I.66 “**Nonrecourse Liability**” has the meaning ascribed thereto in Regulations Section 1.704-2(b)(3) and Section 1.752-1(a)(2).

I.67 “**Notice**” has the meaning ascribed thereto in Section 14.1.

I.68     **“Offering Notice”** means a Notice that contains the material terms of an offering of Additional Units by Company, which such terms shall include, at a minimum: (i) the proposed number and class of the Additional Units being offered and a description of the rights and preferences of such class if such class is other than existing Units; (ii) the prospective sale price per Unit; and (iii) the identity of the prospective purchaser(s), if known.

I.69     **“Offered Units”** has the meaning ascribed thereto in Section 8.5(a).

I.70     **“Offeror”** means (i) Class F Members, and (ii) employees holding greater than one percent (1%) of Company’s Equity Securities.

I.71     **“Outside Interests”** has the meaning ascribed thereto in Section 6.11.

I.72     **“Over-Allotment Additional Units”** has the meaning ascribed thereto in Section 3.6(b).

I.73     **“Over-Allotment Exercise Period”** has the meaning ascribed thereto in Section 3.6(b).

I.74     **“Over-Allotment Notice”** has the meaning ascribed thereto in Section 3.6(b).

I.75     **“Participation Right”** has the meaning ascribed thereto in Section 3.6(a).

I.76     **“Percentage Interest”** means, with respect to a Member, the Units held by such Member, as a percentage of the total of all issued and outstanding Units. The number of Units held by each Member and the Percentage Interest of such Member, shall be as set forth opposite such Member’s name on Schedule I attached hereto, which shall be amended from time to time in accordance with the terms of this Agreement.

I.77     **“Person”** means and includes any natural person, corporation, firm, partnership, limited liability company, trust, unincorporated organization, other entity, government or any department, political subdivision or agency of a government.

I.78     **“Pro Rata Share”** has the meaning ascribed thereto in Section 3.6(a).

I.79     **“Proceeding”** means and includes any action, suit, arbitration, alternative dispute resolution mechanism, investigation, administrative hearing or other proceeding, whether civil, criminal, administrative or investigative in nature.

I.80     **“Proprietary Information”** has the meaning ascribed thereto in Section 11.1.

I.81     **“Qualified Appraiser”** has the meaning ascribed thereto in Section 8.5(e)(i).

I.82     **“Regulations”** means the income tax regulations promulgated by the United States Department of the Treasury and published in the Federal Register for the purpose of interpreting and applying the provisions of the Code, as such Regulations may be amended from time to time, including corresponding provisions of applicable successor regulations.

I.83     **“Regulatory Allocations”** has the meaning ascribed thereto in Section 4.5.

- I.84     **“Remaining Members”** means the Class F Members, in each case, other than the Offeror.
- I.85     **“Remaining Offered Units”** means, with respect to any proposed Transfer subject to Section 8.5, the portion of any Offered Units not purchased by Company pursuant to the Company Right of First Refusal Option.
- I.86     **“Repurchase Rights”** has the meaning ascribed thereto in Section 8.8.
- I.87     **“Restricted Member”** has the meaning ascribed thereto in Section 4.3.
- I.88     **“ROFR Member”** has the meaning ascribed thereto in Section 3.6(a).
- I.89     **“Safe Harbor”** has the meaning ascribed thereto in Section 7.6(c)(i).
- I.90     **“Sale Notice”** has the meaning ascribed thereto in Section 8.7(b).
- I.91     **“Securities Act”** has the meaning ascribed thereto in Section 13.1.
- I.92     **“Subsidiary”** means, with respect to any Person, any legal entity of which such Person (either alone or through or together with any other Subsidiary or Subsidiaries thereof) owns, directly or indirectly, fifty percent (50%) or more of the stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body or Persons of such legal entity.
- I.93     **“Supplemental Offering Notice”** has the meaning ascribed thereto in Section 3.6(a).
- I.94     **“Tag-Along Notice”** has the meaning ascribed thereto in Section 8.6(a).
- I.95     **“Tag-Along Option Period”** has the meaning ascribed thereto in Section 8.6(a).
- I.96     **“Tax Distribution”** has the meaning ascribed thereto in Section 4.11(a).
- I.97     **“Tax Matters Member”** has the meaning ascribed thereto in Section 7.6(a).
- I.98     **“Transfer”** means and includes, in respect of a Membership Interest, or any element thereof, when used as a noun, any sale, hypothecation, pledge, assignment, attachment, gift or other disposition or encumbrance of a Membership Interest or any element thereof, and, when used as a verb, to sell, hypothecate, pledge, assign, attach, bequest or otherwise dispose or encumber a Membership Interest or any element thereof.
- I.99     **“Transferee”** means a Person who obtains or receives a Membership Interest or any element thereof by means of a Transfer.
- I.100    **“Unit”** has the meaning ascribed thereto in Section 2.10.

## **Article II**

### **ORGANIZATIONAL MATTERS**



II.1 Formation. Company was formed as a Massachusetts limited liability company under and pursuant to the Act on April 18, 2018 by an authorized person within the meaning of the Act, by the filing in the office of the Massachusetts Secretary of the Commonwealth the Certificate of Organization. The Members agree that the rights, duties and liabilities of the Members and Managers shall be as expressly provided herein, except as expressly required under non-waivable provisions of the Act.

II.2 Name of Company. The name of Company is “Cloud Creamery LLC.” Company may do business under that name and under any other name or names that Manager selects. If Company does business under a name other than that set forth in the Certificate of Organization, then Company shall comply with any requirements of the Act or applicable law.

II.3 Registered Office. The registered office of Company in Massachusetts shall be 78 Claymoss Road, Unit 1, Brighton, Massachusetts 02135 or such other location as may be determined by Manager from time to time.

II.4 Registered Agent. The registered agent of Company shall be Scott Moskol at 125 Summer Street, Boston, Massachusetts 02110, or such other agent as may be determined by Manager from time to time.

II.5 Principal Office. The principal office of Company shall be at such place as Manager may designate from time to time, which need not be in the Commonwealth of Massachusetts. Company may select or change its principal office or have such other offices as Manager may designate from time to time.

II.6 Purpose; Qualification to do Business. The purpose of Company is to operate the Business and all businesses related to the Business and to own the assets thereof. Company shall possess and may exercise all powers necessary or convenient to the conduct and promotion of Company’s business or activities. Manager shall have the authority to cause Company to qualify itself to do business in any jurisdiction.

II.7 Tax Treatment as Partnership. It is the intent of the Members that Company shall always be operated in a manner consistent with its treatment as a “partnership” solely for federal and state income tax purposes. No Member shall take any action inconsistent with the express intent of the parties set forth herein. Notwithstanding the foregoing, Company may change its tax treatment as determined by Manager.

II.8 No Partnership Intended for Non-Tax Purposes. Although the Members intend for Company to be a partnership for state and federal income tax purposes, Company is a Massachusetts limited liability company and is not (nor is it intended by the Members to be) a general or limited partnership for any other purpose, and no Member shall have personal liability for any Company operations, debts, obligations or liability merely as a result of being a Member.

II.9 Term of Company’s Existence. In accordance with the Act, the term of existence of Company commenced on the effective date of filing of the Certificate of Organization with the Massachusetts Secretary of the Commonwealth, and shall continue in perpetuity, unless sooner terminated by the provisions of this Agreement or as provided by law.

II.10 Units; Classes of Members. Each Member’s Membership Interest shall be denominated in units (each a “Unit”). Company initially shall have two (2) authorized classes of Units, designated Class F Units and Class P Units, and Company shall have two (2) classes of Members, the Class F Members and

the Class P Members. The ownership by a Member of Class F Units or Class P Units shall entitle such Member to allocations of Net Profits and Net Losses and other items of income, gain, loss or deduction, and distributions of cash and other property, as set forth in Article IV. Company may issue fractional Units and all Units shall be rounded to the third decimal place. The names of the Members and the number and class of Units held by such Members, among other things, shall be as set forth on Schedule I attached hereto, as such Schedule may be amended by Manager from time to time in accordance with the terms of this Agreement.

### **Article III**

#### **CAPITAL ACCOUNTS AND CAPITAL CONTRIBUTIONS**

III.1 Initial Capital Contributions and Capital Accounts. An individual Capital Account shall be maintained for each Member in accordance with the requirements of Regulations Section 1.704-1(b)(2)(iv). The provisions of this Agreement respecting the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with those Regulations. In the event Manager determines that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto, are computed in order to comply with such Regulations, Manager may cause Company to make such modification; provided, however, that no such modification shall have an identifiable material adverse effect upon any Member's economic entitlement under this Agreement. If any Membership Interest (or portion thereof) is Transferred pursuant to and in accordance with this Agreement, the Transferee of such Membership Interest (or portion thereof) shall succeed to the transferring Member's Capital Account attributable to such Membership Interest (or portion thereof). As of the Effective Date, each Member has contributed its respective Capital Contribution and has a Capital Account and Percentage Interest as set forth on Schedule I.

III.2 No Additional Capital Contributions. No Member shall be required to make any additional Capital Contributions to Company.

III.3 Return of Capital Contributions. Except in accordance with the terms of this Agreement: (i) no Member shall be entitled to withdraw, redeem, or to receive a return of, any part of a Capital Contribution or to receive any distributions, whether of money or property, from Company; (ii) no Member or Manager shall have any liability for the return of the Capital Contribution of any Member; and (iii) no Member shall have any priority over any other Member with respect to the return of any Capital Contribution.

III.4 No Interest on Capital Contributions or Capital Accounts. Except as otherwise provided in this Agreement, no interest shall be paid on any Capital Contributions or on the balance of any Capital Account.

III.5 Incentive Plan and Class P Units. Company may issue Class P Units to existing or new employees, officers, managers, and other service providers or consultants of Company or its Subsidiaries pursuant to written agreements approved by Manager (each, an "**Award Agreement**"). Moreover, Company may adopt and amend an Incentive Plan as approved by Manager. Company, without the need for any action by the Members, may issue Class P Units pursuant to an Award Agreement and consistent with the terms of an Incentive Plan (if applicable) adopted or awarded in accordance with the foregoing sentence, subject to Manager approving, for each award, the identity of the participant, the number of Class P Units, the vesting terms, the relevant Hurdle Amount, the repurchase terms, and the exercise of any repurchase rights. Class P Units issued pursuant to any Award Agreement or Incentive Plan and this Agreement are intended to be "profits interests" and shall have all of the rights and powers of holders of Membership Interests generally; provided, however, that Class P Units shall be non-voting Units and shall

have no voting, consent or approval rights or powers. In connection with the awarding of Class P Units to Class P Members under this Section 3.5 as “profits interests,” Company shall take such actions as are reasonably requested by the relevant participant from time to time and as may be necessary to establish and maintain a Hurdle Amount (as set in accordance with the definition of Hurdle Amount in Article I) and such other indicia of “profits interests” as may be applicable pursuant to state and federal tax regulations and laws. In the event that a Class P Member ceases to perform services for Company or an Affiliate, Company shall have the right, but not the obligation, to purchase all or any portion of the Class P Units on the terms and conditions set forth in the applicable Award Agreement or Incentive Plan.

### III.6 Participation Right.

(a) Each Class F Member (each, a “**ROFR Member**”) shall have the right of first refusal to purchase such ROFR Member’s Pro Rata Share (as defined herein) of all Additional Units that Company may from time to time issue (“**Participation Right**”). A ROFR Member’s “**Pro Rata Share**” for purposes of this Participation Right is the ratio of: (i) the total number of Units held by such ROFR Member; to (ii) the total number of Units then outstanding prior to such offering. In the event Company elects to issue Additional Units, Company shall deliver an Offering Notice to each ROFR Member not less than thirty (30) days prior to any such issuance (the “**Initial Notice Period**”). The Offering Notice shall offer to each ROFR Member the opportunity to purchase its Pro Rata Share of the Additional Units offered on the same terms and conditions (including, if more than one type of security is issued, each type of security in the same proportion offered) and at the same time as the Additional Units are proposed to be issued by Company. If, following delivery of the initial Offering Notice, the terms of the proposed issuance materially change, Company shall furnish a supplemental Offering Notice (a “**Supplemental Offering Notice**”) describing the revised terms; *provided* that the Supplemental Offering Notice shall not restart the Initial Notice Period, but Company shall give each ROFR Member a reasonable period of time (no fewer than ten (10) days after such ROFR Member receives such Supplemental Offering Notice, which shall, to the extent necessary, extend the Initial Notice Period) (such Initial Notice Period, as extended if applicable, being referred to as the “**Election Period**”) to consider the revised terms. Each ROFR Member may exercise such ROFR Member’s Participation Right by providing Notice thereof (which Notice shall include the maximum portion of such offering that such ROFR Member desires to purchase) to Company prior to the expiration of the Election Period or such later date determined by Company due to material changes in the terms of the issuance or for any other reason (the “**Deadline**”). Failure by a ROFR Member to deliver to Company a Notice of its intent to exercise its Participation Rights prior to the expiration of the Deadline shall be deemed an election of such ROFR Member not to participate in such offering. To the extent a ROFR Member does not participate in an offering, its Participation Right is not transferable to any other Person, including, without limitation, any other Member, except pursuant to Section 3.6(b).

(b) No later than ten (10) Business Days following the Deadline, Company shall notify each ROFR Member in writing of the number of Additional Units that each ROFR Member has agreed to purchase (the “**Over-Allotment Notice**”). Each ROFR Member exercising its Participation Right in full (an “**Exercising Member**”) shall have a right of over-allotment such that if any other ROFR Member has failed to exercise its Participation Right in full (each, a “**Non-Exercising Member**”), such Exercising Member may purchase its relative Pro Rata Share of the excess Additional Units (the “**Over-Allotment Additional Units**”) by giving written Notice to Company within five (5) Business Days of receipt of the Over-Allotment Notice (the “**Over-Allotment Exercise Period**”). Such Exercising Member’s election to purchase Over-Allotment Additional Units shall be binding and irrevocable. If the issuance by Company of such Additional Units pursuant to this Section 3.6 is not consummated by the Deadline, then the issuance of such Additional Units shall again become subject to the provisions of this

Agreement, and the provisions of this Section 3.6 must be satisfied *de novo* before Company can issue such Additional Units.

#### **Article IV** **PROFITS, LOSSES AND DISTRIBUTIONS**

IV.1 Book Allocations of Net Profits and Net Losses from Operations. After giving effect to the special allocations set forth in Section 4.4 and Section 4.5, and then subject to Section 4.3, Net Profits, Net Losses, and to the extent necessary, individual items of income, gain, loss or deduction of Company shall be allocated to all Members in proportion to their relative Percentage Interests.

IV.2 Book Allocations of Net Profits and Net Losses in Liquidation. After giving effect to the special allocations set forth in Section 4.4 and Section 4.5, Net Profits, Net Losses, and to the extent necessary, individual items of income, gain, loss or deduction of Company for each Fiscal Year or other applicable tax period shall be allocated among the Members in a manner such that the Capital Account of each Member is, as nearly as possible, equal (proportionately) to the excess of:

(a) the distributions that would be made to that Member if:

(i) Company were dissolved, its affairs wound up and its assets sold for an amount of cash equal to their Gross Asset Values;

(ii) all liabilities of Company were satisfied (limited with respect to each non-recourse liability to the Gross Asset Value of the assets securing such liability); and

(iii) the net assets of Company were distributed to the Members in accordance with Section 4.6 (but assuming for this purpose that all outstanding Class P Units were fully vested) immediately after making such allocation; over

(b) the sum of: (i) the Member's share of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain; and (ii) the amount, if any, that such Member is obligated (or deemed obligated) to contribute, in its capacity as a Member, to Company, computed immediately prior to the hypothetical sale of assets described in this Section 4.2.

IV.3 Loss Limitation. Notwithstanding anything to the contrary in Section 4.1 and Section 4.2, items of Net Losses, including losses and deductions otherwise allocable to a Member under this Agreement that would cause such Member (hereinafter, a "**Restricted Member**") to have an Adjusted Capital Account Deficit (or increase such a deficit) as of the end of the Fiscal Year to which such items relate shall not be allocated to such Restricted Member and instead shall be specially allocated as follows:

(a) first, to all Members who would not have an Adjusted Capital Account Deficit, on a pro rata basis in accordance with their relative Percentage Interest, until no Member would be entitled to a further allocation; and

(b) thereafter, as determined by Manager.

IV.4 Regulatory Allocations. Notwithstanding any other provision of this Agreement, the following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain during any fiscal year, each Member shall be specially allocated items of Company income and gain for such year (and, if necessary, for subsequent years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, as determined under Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 4.4(a) is intended to comply with the "minimum gain chargeback" requirements of Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) Chargeback Attributable to Member Nonrecourse Debt. If there is a net decrease in Member Nonrecourse Debt Minimum Gain during any Fiscal Year, each Member with a share of Member Nonrecourse Debt Minimum Gain at the beginning of such Fiscal Year shall be specially allocated items of income and gain for such Fiscal Year (and, if necessary, for subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain, determined in accordance with Regulations Section 1.704-2(i)(4) and (5). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2)(i). This Section 4.4(b) is intended to comply with the "partner minimum gain chargeback" requirements of Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) Qualified Income Offset. If any Member unexpectedly receives any adjustment, allocation or distribution described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) that results in an Adjusted Capital Account Deficit for the Member, such Member shall be allocated items of income and book gain in an amount and manner sufficient to eliminate such Adjusted Capital Account Deficit as quickly as possible; provided, that an allocation pursuant to this Section 4.4(c) shall be made if and only to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article IV have been tentatively made as if this Section 4.4(c) were not in this Agreement. This Section 4.4(c) is intended to constitute a "qualified income offset" as provided by Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(d) Gross Income Allocation. In the event any Member has an Adjusted Capital Account Deficit at the end of any Fiscal Year that is in excess of the amount such Member is obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member will be specially allocated items of Company income and gain in the amount of such excess as quickly as possible; provided that an allocation pursuant to this Section 4.4(d) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit in excess of such sum after all other allocations provided for in this Article IV have been made as if Section 4.4(c) and this Section 4.4(d) were not in this Agreement.

(e) Member Nonrecourse Deductions. Member Nonrecourse Deductions shall be allocated among the Members who bear the Economic Risk of Loss for the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in the ratio in which they share Economic Risk of Loss for such Member Nonrecourse Debt. This provision is to be interpreted in a manner consistent with the requirements of Regulations Section 1.704-2(b)(4) and (i)(1).

(f) Nonrecourse Deductions. Any Nonrecourse Deductions for any Fiscal Year and any other deductions or losses for any Fiscal Year referable to a liability owed by Company to a Person other than a Member to the extent that no Member bears the Economic Risk of Loss shall be specially allocated to the Members in proportion with their respective Percentage Interests.

(g) Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of such Member's Membership Interest, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Members in a manner consistent with their interests in Company in the event Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Member to whom such distribution was made in the event Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

IV.5 Curative Allocations. The allocations set forth in Section 4.4 (the "**Regulatory Allocations**") are intended to comply with certain requirements of the applicable Regulations promulgated under Code Section 704(b). Notwithstanding any other provision of this Article IV, the Regulatory Allocations shall be taken into account in allocating Net Profits, Net Losses and other items of income, gain, loss and deduction to the Members for Capital Account purposes so that, to the extent possible, the net amount of such allocations of Net Profits, Net Losses and other items shall be equal to the amount that would have been allocated to each Member if the Regulatory Allocations had not occurred. Manager, acting in its reasonable discretion, shall make the minimum modifications to the allocation provisions of this Agreement necessary or appropriate to preserve the underlying economic objectives of the Members as reflected in this Agreement.

#### IV.6 Distributions of Available Cash.

(a) Subject to Section 4.6(b) and Section 4.11, the Available Cash of Company shall be distributed to the Members, as and when determined by Manager, in proportion to their relative Percentage Interests, provided, that when tabulating a Member's Percentage Interest for the purposes of distributions pursuant to this Section 4.6(a), all Class P Units that do not qualify for a distribution in accordance with Section 4.6(b) shall be excluded entirely.

(b) Notwithstanding the foregoing provisions of Section 4.6(a) or any other provision of this Agreement, any Award Agreement or any Incentive Plan, Class P Members shall not be entitled to receive any distributions pursuant to Section 4.6(a) in respect of such Class P Units: (i) if and to the extent that such Class P Units are not vested (*i.e.*, such Class P Units are subject to forfeiture or a repurchase right pursuant to the terms of the applicable Award Agreement or the applicable Incentive Plan (if any)) as of the date of any such distribution pursuant to Section 4.6(a); and (ii) unless and until the aggregate distributions by Company in respect of all Units entitled to distributions (other than distributions in respect of Class P Units with higher Hurdle Amounts) meet the Hurdle Amount applicable to such Class P Units. After distributions have been made in respect of all Units in the amount of the Hurdle Amount applicable to a Class P Member's Class P Units, such Class P Member shall be entitled to receive such Member's pro rata portion of all distributions in excess of such applicable Hurdle Amount in accordance with Section 4.6(a) in respect of such Class P Units.

IV.7 Record Dates. All Net Profits and Net Losses shall be allocated to the Persons shown on the records of Company to have been Members as of the last day of the taxable year for which the allocation or distribution is to be made. Notwithstanding the foregoing, unless Company's taxable year is

separated into segments, if there is a Transfer of a Membership Interest during the taxable year, the Net Profits and Net Losses shall be allocated between the original Member and the successor on the basis of the number of days each was a Member during the taxable year; provided, however, that Company's taxable year shall be segregated into two or more segments in order to account for Net Profits, Net Losses, or proceeds attributable to any extraordinary non-recurring items of Company.

#### IV.8 Withholding Taxes.

(a) Company shall withhold taxes from distributions to the Members to the extent required by law. Except as otherwise provided in this Section 4.8, any amount so withheld by Company with regard to a Member shall be treated for purposes of this Agreement as an amount actually distributed to such Member pursuant to Section 4.6(a). An amount shall be considered withheld by Company if, and at the time, remitted to a governmental agency without regard to whether such remittance occurs at the same time as the distribution to which such amount relates; provided, however, that an amount actually withheld from a specific distribution or designated by Company as withheld from a specific allocation shall be treated as if distributed at the time such distribution or allocation occurs.

(b) Each Member hereby agrees to indemnify Manager, Company and the other Members for any liability they may incur for failure to properly withhold taxes in respect of such Member. Moreover, each Member hereby agrees that none of Manager, Company or any other Member shall be liable for any excess taxes withheld in respect of such Member's Membership Interest and that, in the event of overwithholding, a Member's sole recourse shall be to apply for a refund from the appropriate governmental authority.

(c) Taxes withheld by third parties from payments to Company shall be treated as if withheld by Company for purposes of this Section 4.8. Such withholding shall be deemed to have been made in respect of all the Members in proportion to their respective allocable shares of the underlying items of Net Profits to which such third-party payments are attributable. In the event that Company receives a refund of taxes previously withheld by a third party from one or more payments to Company, the economic benefit of such refund shall be apportioned among the Members in a manner reasonably determined to offset the prior operation of this Section 4.8(c) in respect of such withheld taxes.

IV.9 No Restoration of Negative Capital Accounts. No Member shall be obligated to restore a Capital Account with a balance of less than zero.

IV.10 Compliance with Laws and Regulations. It is the intent of the Members that each Member's distributive share of Company tax items be determined in accordance with this Agreement to the fullest extent permitted by Sections 704(b) and 704(c) of the Code. Therefore, notwithstanding anything to the contrary contained herein, if Company is advised, as a result of the adoption of new or amended regulations pursuant to Code Sections 704(b) and 704(c), or the issuance of authorized interpretations, that the allocations provided in this Agreement are unlikely to be respected for Federal income tax purposes, Manager is hereby granted the power to amend the allocation provisions of this Agreement, on advice of accountants and legal counsel, to the minimum extent necessary to cause such allocation provisions to be respected for Federal income tax purposes.

#### IV.11 Distributions with Respect to Taxes.

(a) Within ninety (90) days after the conclusion of each Fiscal Year, and to the extent of the Available Cash, Company shall make a distribution to each Member entitled to receive a distribution (a "**Tax Distribution**") equal to the product of: (i) highest combined effective federal and Commonwealth

of Massachusetts income tax rates imposed on the income of individuals or entities, as applicable for such Member (based upon the nature of the income; for example, ordinary income, interest income or capital gains), taking into account any deductibility of state taxes for federal income tax purposes, if applicable; and (ii) Company's taxable income allocated to such Member for such Fiscal Year; provided, however, that to the extent possible, Company shall make quarterly distributions in respect of the amounts to be distributed annually pursuant to this Section 4.11(a) in order to facilitate the Members' ability to make quarterly estimated tax payments with respect to the taxable income of Company allocated to them, and in determining and making the required Tax Distribution after the end of each Fiscal Year, Company shall make appropriate adjustments to reflect the actual results of such Fiscal Year and take into account any quarterly Tax Distributions made during such Fiscal Year.

(b) The amount of any Tax Distributions made to a Member under Section 4.11(a) shall be offset against future distributions to which such Member is entitled under Section 4.6(a) as quickly as possible in such a manner that, immediately after any distribution has been made pursuant to Section 4.6(a), the cumulative amount of distributions that have actually been received by each Member pursuant to Section 4.6(a) and Section 4.11(a) shall equal (to the extent possible) the distributions to which such Member would have been entitled if all such distributions had been made by Company in accordance with Section 4.6(a).

## **Article V MANAGEMENT**

### **V.1    Management.**

(a)    Management of Company by Manager. In accordance with Section 24 of the Act, the business, property and affairs of Company shall be managed, and all powers of Company shall be exercised, by or under the direction of the "manager" of Company within the meaning of the Act (the "**Manager**"). David Yusefzadeh is hereby designated Company's initial Manager. Except for matters for which approval by the Members is expressly required by this Agreement, all decisions concerning the management, operation and policy of Company's business shall be made by Manager, and Manager shall have full, complete and exclusive authority, power and discretion to manage and control the business, property and affairs of Company, to make all decisions regarding those matters, and to perform any and all acts or activities customary or incident to the management, operation and policy of Company's business, property or affairs. Decisions of Manager within Manager's scope of authority shall be binding upon Company and each Member. Except for matters for which approval by the Members is expressly required by this Agreement, no Member shall have the right to vote on any matter concerning the business, property or affairs of Company.

(b)    Devotion of Time as Manager. It is acknowledged that Manager has other business interests to which Manager may devote part of Manager's time. Manager shall devote to Company such efforts as Manager in Manager's sole discretion shall deem reasonably necessary to manage the business and affairs of Company, it being understood that nothing herein shall require Manager to devote Manager's full time to the business and affairs of Company. Nothing contained in this Agreement shall preclude Manager or any of Manager's employees, representatives, officers, shareholders, members, equityholders, attorneys, accountants or agents (or any of their respective partners, employees, representatives, members, equityholders, attorneys, accountants or agents) from acting as a director, stockholder, member, officer, official, consultant or employee or advisor of any Person, from receiving compensation for services rendered in connection with the foregoing, from acting as a principal or employee of any Person with whom Company may contract for services or otherwise, or participating in



profits derived from investments in any such Person, or from investing in any securities or other property for his, her or its own account.

(c) Reimbursements. Upon substantiation of the amount and purpose thereof, Manager shall be entitled to reimbursement for expenses reasonably incurred in connection with the activities of Company, including, without limitation, reimbursement for reasonable legal fees and expenses incurred by Manager or one or more of Manager's Affiliates in connection with the formation and funding of Company, and the preparation, negotiation, execution, delivery and amendment of this Agreement and any and all agreements and dealings between Manager and Company.

(d) Exculpation. Any fiduciary duties of Manager hereby are reduced to the maximum extent permissible under Massachusetts law. Without limiting the foregoing, Manager shall not be liable to Company or any Member for: (i) any claims, costs, expenses, damages or losses arising out of or in connection with the performance of Manager's duties as Manager; or (ii) any act or omission performed or omitted to be performed by Manager in good faith and pursuant to the authority granted to Manager under this Agreement, other than those solely and directly attributable to Manager's gross negligence or willful misconduct. Manager shall not be liable to any Member for claims, costs, expenses, damages or losses due to circumstances beyond Manager's control, including, without limitation, due to the negligence, dishonesty, bad faith or misfeasance of any employee, broker or other agent of Company.

V.2 Officers. Manager may appoint officers of Company in Manager's discretion. Any number of offices may be held by the same person. Manager may choose such officers and agents, as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by Manager. The officers of Company shall be empowered to carry out the day-to-day operations of Company and to implement the actions authorized by Manager. Any officer may be removed either with or without cause by Manager at any time. Any officer may resign at any time by giving written notice to Manager. No officer need be a Member.

V.3 Title to Assets. Manager shall cause all assets of Company to be held in the name of Company. Nothing in this Agreement shall require that any asset of Manager, any Member or any of their Affiliates not contributed pursuant to this Agreement, or in a separate agreement by and between such Manager, Member or any of their Affiliates, and Company, be made an asset of Company.

V.4 Resignation, Removal and Replacement of Manager. Manager may resign at any time by giving Notice to the Members, but may not be removed. A Manager who is incapacitated shall be deemed to have resigned and such form of resignation shall not require that such Manager deliver formal Notice of resignation. For purposes of this Agreement, a Manager is "incapacitated" upon the death, adjudication of permanent disability, incompetence or insanity of such Manager, in each case as determined by a qualified medical professional. The incapacity, resignation or removal of a Manager shall not affect the former Manager's rights as a Member, if applicable, and shall not constitute a withdrawal from Company.

V.5 Vacancies. Subject to the remainder of this Section 5.5, vacancies in the position of Manager caused by the resignation or removal of such Manager, shall be filled by the approval or consent of a Supermajority. Notwithstanding the foregoing, if David Yusefzadeh resigns as Manager due to being "incapacitated," then such position shall be filled by the approval or consent of the Members holding seventy percent (70%) or more of the Percentage Interests entitled to vote.

V.6 Affiliate Transactions. The Members acknowledge and agree that Company may enter into arrangements or agreements (either written or oral) with Manager, a Member, and/or one of their respective Affiliates, whereby Manager, a Member, and/or one of their respective Affiliates, or one of

Company's Affiliates, may provide certain services and/or financing to Company at agreed rates, including, without limitation, leasing space to Company and providing professional, administrative and/or advisory services for Company.

## **Article VI**

### **MEMBERSHIP, MEETINGS AND VOTING**

VI.1 Members and Voting Rights. The Members shall have the right to vote only on those matters specifically reserved for their approval or consent set forth in this Agreement or pursuant to unwaivable provisions of the Act. Unless otherwise provided in this Agreement: (i) actions of Members permitted by this Agreement shall be pursuant to the prevailing vote of a Majority-in-Interest; and (ii) no Member shall be prohibited from voting merely by reason of the fact that such Member would be voting on a matter of particular interest to such Member. Except as expressly set forth in this Agreement, the holders of all Units entitled to vote (i.e. Class F Units) shall vote together as a single class on all matters before the Members. Notwithstanding any other provision of this Agreement, in connection with this Section 6.1 and any and all provisions of this Agreement that include or relate to voting, consent or approval rights or powers of Members: (a) the term "Member" shall not mean or include any Class P Units or any Person that holds only Class P Units; and (b) when tabulating a Member's Percentage Interest for the purposes of voting, consent or approval rights or powers of Members, any holdings of Class P Units shall be excluded entirely.

VI.2 Record Dates. The record date for determining the Members entitled to Notice at any meeting or to vote, or entitled to receive any distribution, or to exercise any right in respect of any other lawful action, shall be the date set by Manager.

VI.3 Membership Certificates. Company may, but shall not be required, to issue certificates evidencing Units to Persons who, from time to time, are Members of Company; provided, that once such certificates have been issued, they shall continue to be issued as necessary to reflect current Units held by Members. To the extent issued, such membership certificates shall be in such form as may be approved by Manager, shall be manually signed by Manager, and shall bear conspicuous legends evidencing the restrictions on transfer described in, and the purchase rights of Company and Members set forth in, Article VIII. All issuances, reissuances, exchanges and other transactions in Units involving Members shall be recorded in a permanent ledger as part of the books and records of Company. Unless and until membership certificates are issued, a signed copy of this Agreement with Schedule I appended hereto (as amended from time to time) shall evidence the Units to Persons who, from time to time, are Members of Company. The failure of any Person signing a membership certificate to continue to be associated with Company shall not affect the validity of the certificates. This provision is not intended to be an "opt-in" with respect to Article 8 of the Uniform Commercial Code.

VI.4 Meetings: Call, Notice and Quorum. Company shall not be required to hold any annual or regular meeting of Members; if convened, however, meetings of the Members may be held at such date, time and place as the Manager may fix from time to time. At any meeting of the Members, Manager shall preside at the meeting. A meeting of the Members may be called at any time by the Manager or by any Member holding at least fifteen percent (15%) Percentage Interest for the purpose of addressing any matters on which the Members may vote pursuant to an express provision of this Agreement by delivering Notice to the Members. Meetings may be held at the principal executive office of Company or at such other location as may be designated by Manager. Following the call of a meeting, Manager shall give Notice of such meeting not less than ten (10) or more than sixty (60) days prior to the date of the meeting to all Members entitled to vote at the meeting. The Notice shall state the place, date, and hour of the

meeting and the general nature of business to be transacted. Except as the Members may otherwise unanimously agree, no business other than that described in the Notice may be transacted at the meeting. A quorum at any meeting of Members shall consist of a Majority-in-Interest, represented in person or by proxy. The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, if the action taken, other than adjournment, is approved by the requisite Percentage Interests as specified in this Agreement or the Act.

VI.5 Adjournment of Meetings. A meeting of Members at which a quorum is present may be adjourned to another time or place and any business that might have been transacted at the original meeting may be transacted at the adjourned meeting. If a quorum is not present at an original meeting, that meeting may be adjourned by the vote of a majority of the Percentage Interests represented at that meeting either in person or by proxy. Notice of the adjourned meeting need not be given to Members entitled to Notice if the time and place thereof are announced at the meeting at which the adjournment is taken, unless the adjournment is for more than forty-five (45) days, or if, after the adjournment, a new record date is fixed for the adjourned meeting, in which cases Notice of the adjourned meeting shall be given to each Member of record entitled to vote at the adjourned meeting in the manner provided in Section 6.4.

VI.6 Waiver of Notice. The transaction of any meeting of Members, however called and noticed, and wherever held, shall be as valid as though consummated at a meeting duly held after regular call and Notice, if a quorum is present at that meeting, either in person or by proxy, and if, either before or after the meeting, each of the Persons entitled to vote, not present in person or by proxy, signs either a written waiver of Notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting (if any). Attendance of a Member at a meeting shall constitute waiver of Notice, except when that Member objects at the beginning of that meeting to the transaction of any business on the ground that the meeting was not lawfully called or convened. Attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be described in the Notice of the meeting and not so included, if the objection is expressly made at the meeting.

VI.7 Proxies. At all meetings of Members, a Member may vote in person or by written proxy. Such proxy shall be filed with Company before or at the time of the meeting, and may be filed by facsimile or other electronic transmission to Company at the principal office of Company or such other address as may be given by Company to the Members for such purposes.

VI.8 Participation in Meetings by Conference Telephone. Members may participate in a meeting through use of telephone, conference telephone, electronic video screen communications or similar communications equipment, so long as all Members participating in such meeting can hear one another. Such participation shall be deemed attendance at the meeting.

VI.9 Action by Members Without a Meeting. Any action that may be taken at any meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by Members having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all Members entitled to vote thereon were present and voted. If the Members are requested to consent to a matter without a meeting, each Member shall be given Notice of the matter to be voted upon through an email from Manager to each Member delivered at least five (5) days prior to the intended day of such action provided, however, that this notice requirement may be waived by the Members and such notice requirement shall be deemed waived if, and only if, all Members consent to such action being requested. Any action taken without a meeting shall be effective when the required minimum number of votes have been received. Prompt Notice of the action taken shall

be given to all Members who have not consented to the action; provided that failure to give such Notice shall not affect any action taken by this Section 6.9.

VI.10 No Withdrawal. Except as otherwise provided in this Agreement, no Member may withdraw from Company. A Member who withdraws from Company in violation of this Agreement shall have no right under applicable provisions of the Act to be paid the fair value of such Member's Membership Interest as a result of such withdrawal.

VI.11 Restriction on Members' Authority; Outside Interests. No Member is an agent of Company solely by virtue of being a Member, and no Member has the authority to act for or bind Company or any other Member solely by virtue of being a Member. Subject to Section 6.12 and any employment agreement or other agreement between Company and a Member or Manager, but notwithstanding any provision to the contrary herein, each Member, each Manager and Company agree and acknowledge that each Member, each Manager and each of their respective Affiliates may have an ownership interest in, investment in, provide services for, and/or operate any business other than a Competitor ("**Outside Interests**"). The Outside Interests are not and shall not be deemed to be a breach of this Agreement and none of the Members, Managers or Company shall have any interest or right in or to the Outside Interests of any other Member or Affiliate thereof, or to the income or proceeds derived therefrom, unless otherwise agreed between any such parties in a separate agreement signed by such parties thereto.

VI.12 Restrictions on Members. All Members of Company shall be expressly subject to the corporate opportunity doctrine as and to the extent applicable to each Member pursuant to such doctrine as set forth and interpreted pursuant to Massachusetts law.

## **Article VII**

### **ACCOUNTING AND FINANCIAL REPORTING**

VII.1 Accounts and Accounting. Proper and complete books of account of Company's business shall be kept at Company's principal executive office, and at such other locations as Manager shall determine from time to time.

VII.2 Financial Statements. The financial statements of Company shall be prepared in a form that is appropriate and adequate for Company's business and for carrying out the provisions of this Agreement. Company's taxable year shall be selected by Manager, subject to the requirements of the Code.

VII.3 Records. At all times during the term of existence of Company, and beyond such term if Manager deems it necessary, Manager shall keep or cause to be kept the books of account referred to in Section 7.1, together with:

(a) a current list of the full name and last known business or residence address of each Manager and each Member, together with the Capital Contribution and the Percentage Interest of each Member;

(b) a copy of the Certificate of Organization and all amendments thereto;

(c) copies of Company's federal, state, and local income tax or information returns and reports, if any, for the six (6) most recent taxable years, if available;

(d) executed counterparts of this Agreement, as amended from time to time; and

(e) any powers of attorney pursuant to which the Certificate of Organization or any amendments thereto were executed.

VII.4 Member's Rights to Records. Upon the written request of any Member (other than a Class P Member), for purposes stated in writing and reasonably related to the interest of such Member, Manager shall cause to be promptly delivered to such Member, at the expense of such Member, a copy of the information required to be maintained pursuant to Section 7.3.

VII.5 Tax Preparation. Manager shall, among other things, send, or cause to be sent, in writing to each Member by March 31 of each year, such Member's Schedule K-1 and any other information necessary for each Member to complete federal and state income tax or information returns for the applicable Fiscal Year, and a copy of Company's federal, state, and local income tax or information returns for such Fiscal Year.

VII.6 Tax Matters Member.

(a) Manager shall designate a "tax matters partner" (as defined in Code Section 6231, as in effect for Company tax returns filed for Company tax years beginning before January 1, 2019) and a "partnership representative" (as defined in Code Section 6223, as in effect for Company tax returns filed for Company tax years beginning after December 31, 2018) to oversee or handle matters relating to the taxation of Company, including all federal, state and local income tax administrative or judicial proceedings, in each case, subject to the direction of Manager. Manager shall have the right to designate any replacement "tax matters partner" or "partnership representative" (in either case, referred to herein as the "**Tax Matters Member**"). The Tax Matters Member shall have the right to retain professional assistance in respect of any audit of Company by the IRS and all out-of-pocket expenses and fees incurred by the Tax Matters Member on behalf of Company as the Tax Matters Member shall be reimbursed by Company. The taking of any action and the incurring of any expense by the Tax Matters Member in connection with such audit or proceeding involving Company, except to the extent required by law, is a matter in the sole and absolute discretion of the Tax Matters Member, subject to the direction of Manager, and the provisions relating to indemnification set forth in Article X of this Agreement shall be fully applicable to the Tax Matters Member in its capacity as such. Initially, David Yusefzadeh shall be the Tax Matters Member.

(b) The Tax Matters Member, subject to the direction of Manager, may make all elections for federal income and all other tax purposes (including, without limitation, pursuant to Section 754 of the Code). The Members shall provide such information, cooperation and assistance as the Tax Matters Member may reasonably request (including, without limitation, filing amended tax returns at such Member's expense and paying any tax (including related interest, penalties or other additions to tax) due and indemnifying and paying Company for any tax liability imposed on Company that the Tax Matters Member reasonably determines is attributable to, and allocates to, the Member) in connection with the partnership audit procedures described in Chapter 63, Subchapter C of the Code. The obligations of the Members, including the indemnification and payment obligations, under this Section 7.6 shall survive such Member's withdrawal from Company.

(c) Safe Harbor Election.

(i) By executing this Agreement, each Member authorizes and directs Company to elect to have the safe harbor described in Section 4 of the proposed Revenue Procedure (the

“**Safe Harbor**”) set forth in Internal Revenue Service Notice 2005-43 (the “**IRS Notice**”), or any successor guidance or provision, apply to any interest in Company transferred to a service provider by Company in connection with services provided to Company on or after the effective date of the proposed Revenue Procedure. For purposes of making the Safe Harbor election, the Tax Matters Member is hereby designated as the “partner who has responsibility for federal income tax reporting” by Company and, accordingly, execution of this Safe Harbor election by the Tax Matters Member constitutes execution of a “Safe Harbor Election” in accordance with Section 3.03(1) of the IRS Notice. Notwithstanding the foregoing provisions in this Section 7.6(c)(i), to the extent that any successor guidance to the IRS Notice, materially and adversely changes the obligations, or materially and adversely affects the economic rights, of the Members under the Safe Harbor, the Tax Matters Member will not make such election and the Members will not be required to comply with such Safe Harbor or successor guidance unless and until the Tax Matters Member consults with and obtains the consent of the Members.

(ii) Subject to Section 7.6(c)(i), Company and each Member hereby agree to comply with all requirements of the Safe Harbor described in the IRS Notice, including the requirement that Company and each Member shall prepare and file all federal income tax returns reporting the income tax effects of each Company interest issued by Company that qualifies for the Safe Harbor in a manner consistent with the requirements of the IRS Notice as determined by the Tax Matters Member in its discretion. A Member’s obligations to comply with the requirements of this Section 7.6(c) shall survive such Member ceasing to be a Member of Company and/or the termination, dissolution, liquidation and winding up of Company and, for purposes of this Section 7.6(c), Company shall be treated as continuing in existence.

(iii) Notwithstanding anything to the contrary in this Agreement, each Member authorizes the Tax Matters Member to amend, and the Tax Matters Member has the power to amend, subject to the direction of Manager, this Section 7.6(c) and any other relevant provision herein to the extent necessary to achieve substantially the same or similar tax treatment with respect to any interest in Company transferred to a service provider by Company in connection with services provided to Company as set forth in Section 4 of the IRS Notice (e.g., to reflect changes from the rules set forth in the IRS Notice in subsequent Internal Revenue Service guidance), provided that: (i) such amendment does not result in disproportionately adverse treatment of such Member as compared to the treatment of a Member holding similar Company interests; (ii) the amendment does not materially alter the economic rights of the Members under this Agreement; and (iii) to the extent the amendment arises from successor guidance to the IRS Notice that materially and adversely changes the obligations of the Members under the Safe Harbor, the Tax Matters Member consults with and obtains the consent of Members prior to making such amendment.

## **Article VIII**

### **TRANSFERS OF MEMBERSHIP INTERESTS**

VIII.1 Transfer and Assignment of Interests. Subject to the requirements of this Article VIII and except for Transfers made pursuant to Sections 8.3, 8.6, 8.7 or 8.8, a Member may only Transfer all or any part of such Member’s Membership Interest, upon the prior approval or consent of Manager, in accordance with the terms and conditions of this Agreement, including this Article VIII. After the consummation of any Transfer of any part of a Member’s Membership Interest, the Membership Interest so Transferred shall continue to be subject to the terms and provisions of this Agreement and any further Transfers shall be required to comply with all the terms and provisions of this Agreement. Any voluntary Transfer in violation of the provisions of this Article VIII shall be void *ab initio*.

VIII.2 Further Restrictions on Transfer of Interests. In addition to other restrictions contained in this Agreement, no Member shall Transfer all or any part of such Member's Membership Interest: (i) without compliance with all federal and state securities laws to the extent applicable; (ii) without providing Company prior Notice of the intent to effect such Transfer; (iii) except as otherwise agreed by Company, unless the transferor pays all expenses reasonably incurred by Company, including reasonable attorneys' fees and costs of Company, in connection with the Transfer; or (iv) to a Competitor without the approval of Manager.

VIII.3 Permitted Transfers. Notwithstanding the provisions of Sections 8.1, 8.5 and 8.6, the Membership Interest of any Member may be Transferred, with or without consideration, subject to compliance with Section 8.2, and without the prior consent of Manager or any Member, as follows: (i) in the case of a Member who is a natural Person, whether *inter vivos* or by will or the laws of descent and distribution, to (a) his or her spouse, (b) his or her lineal descendants (including adopted children and the children of such spouse), (c) any trust for the benefit of such Member or any Person listed in (a) or (b), or (d) to an entity wholly owned and controlled by such Member; or (ii) in the case of David Yusefzadeh, to an entity that is controlled by David Yusefzadeh; so long as in the event of any Transfer pursuant to this Section 8.3, each such Transferring Member (unless deceased) and Transferee remains bound by the provisions of this Agreement.

VIII.4 Effective Date of Permitted Transfers. Any Transfer permitted by this Article VIII of all or any portion of a Member's Membership Interest shall be effective on the day upon which the requirements of this Article VIII, as applicable, have been satisfied. The Member that is a party to the Transfer shall provide Company with Notice of such Transfer as promptly as possible after the requirements of this Article VIII have been met, as well as any such documents as reasonably requested by Company upon such request. Any Transferee of all or any portion of a Member's Membership Interest shall take subject to the terms and provisions of this Agreement by signing a Joinder.

VIII.5 Right of First Refusal. For the purposes of this Section 8.5, decisions of Company shall require the consent of Manager.

(a) Prior to any Offeror Transferring all or part of such Offeror's Units (the "**Offered Units**") to any Person or group of Persons, the Offeror shall deliver prompt written Notice (the "**Company Right of First Refusal Notice**") to Company, which shall set forth all relevant information regarding such proposed Transfer, including, but not limited to: (i) the identity and address of each proposed Transferee; (ii) the number of Offered Units; (iii) the form and amount of consideration to be paid by such proposed Transferee for such Offered Units; and (iv) all other material terms and conditions of such proposed Transfer, including but not limited to representations and warranties to be given to the proposed Transferee and similar provisions, if known.

(b) Company shall have the right, but not the obligation (the "**Company Right of First Refusal Option**"), to purchase all or any portion of the Offered Units on the same terms and conditions as set forth in the Company Right of First Refusal Notice. Company may exercise the Company Right of First Refusal Option only by providing written Notice thereof to the Offeror within twenty (20) days after its receipt of the Company Right of First Refusal Notice (the "**Company Right of First Refusal Option Period**"); provided, however, that if the purchase price consists of, or includes, non-cash consideration: (i) the fair market value of such non-cash consideration shall be determined pursuant to Section 8.5(e); (ii) the Company Right of First Refusal Option Period shall not commence until the fair market value of such non-cash consideration has been so determined; and (iii) Company shall have the right to pay the Offeror a cash amount equal to the fair market value of such non-cash consideration in lieu

of delivering such non-cash consideration. In the event that Company elects to exercise the Company Right of First Refusal Option, Company shall effect the purchase of the Offered Units, including payment of the purchase price, not more than fifteen (15) days after expiration of the Company Right of First Refusal Option Period.

(c) In the event Company does not elect to purchase all of the Offered Units available pursuant to the Company Right of First Refusal Option within the Company Right of First Refusal Option Period, the Offeror shall promptly deliver to each of the Remaining Members: (i) a copy of the Company Right of First Refusal Notice and any other updated information relating to the information contained in the Company Right of First Refusal Notice (including, if applicable, the fair market value of any non-cash consideration as determined in accordance with Section 8.5(e)); (ii) a statement of the portion of the Offered Units that Company elected to purchase pursuant to Section 8.5(b) (if any); and (iii) a statement of the Remaining Offered Units (collectively, the “**Member Right of First Refusal Notice**”). Each Remaining Member shall have the right, but not the obligation (the “**Member Right of First Refusal Option**”), to purchase such Remaining Member’s Allocated Portion of the Remaining Offered Units at the purchase price (or cash amount equal to the fair market value thereof as determined by Section 8.5(e)) set forth in the Member Right of First Refusal Notice. Each Remaining Member may exercise such Member’s Member Right of First Refusal Option by providing Notice thereof (which Notice shall include the maximum portion of such Remaining Offered Units that such Remaining Member desires to purchase) to the Offeror within fifteen (15) days after its receipt of the Member Right of First Refusal Notice (the “**Member Right of First Refusal Option Period**”). In the event that any Remaining Member elects to exercise such Remaining Member’s Member Right of First Refusal Option, such Remaining Member shall effect the purchase of its Allocated Portion of the Remaining Offered Units, including payment of the purchase price, not more than fifteen (15) days after expiration of the Member Right of First Refusal Option Period. In the event that not all of the Remaining Offered Units are purchased by the Remaining Members hereunder, each Remaining Member that elected to acquire its Allocated Portion of the Remaining Offered Units shall be entitled to exercise a pro rata (based on such Remaining Member’s relative Allocated Portion of the excess Remaining Offered Units) right of overallocation to acquire any Remaining Offered Units not purchased by the other Remaining Members pursuant to this Section 8.5(c).

(d) In the event that Company and the Remaining Members elect to purchase fewer than all of the Offered Units pursuant to Section 8.5(b) and 8.5(c), the Offeror shall have the right, but not the obligation, subject to compliance with Section 8.2 and Section 8.6, to Transfer the remaining Offered Units to the proposed Transferee, for the purchase price and upon the terms and conditions set forth in the Company Right of First Refusal Notice, which right shall be exercisable for a period of thirty (30) days immediately following the expiration of the Member Right of First Refusal Option Period. If the Transfer is not consummated within such period in the manner described above on the same terms and conditions set forth in the Company Right of First Refusal Notice, then the Offeror shall continue to hold the remaining Offered Units subject to the provisions of this Agreement and the provisions of this Article VIII must be satisfied *de novo* before the Offeror can Transfer the Offered Units.

(e)

(i) In the event that the consideration offered by a proposed Transferee consists, in whole or in part, of non-cash consideration, the fair market value of such non-cash consideration shall be determined by the Offeror in Offeror’s good faith reasonable discretion, and shall be set forth in the Company Right of First Refusal Notice. If Company or a Remaining Member holding at least ten percent (10%) of the Percentage Interests, based upon its good faith reasonable belief, objects to such fair market value determination within seven (7) days after delivery to it of the Company Right of



First Refusal Notice or Member Right of First Refusal Notice, as applicable, the fair market value of such non-cash consideration shall be determined in writing by an independent and duly qualified appraiser having a minimum of five (5) years' experience in making similar appraisals (a "**Qualified Appraiser**") mutually agreed to by the Offeror and Manager. The Qualified Appraiser shall prepare and deliver to each of the Offeror and Company or Remaining Member, as applicable, a written appraisal of the fair market value of the non-cash consideration as of the date of the Company Right of First Refusal Notice, and such determination by the Qualified Appraiser shall be final and binding upon the parties. The cost of such Qualified Appraiser shall be borne by the Offeror.

(ii) Company and each Member hereby acknowledge that time is of the essence with respect to the determination of any non-cash consideration pursuant to this Section 8.5(e), and hereby agree to cooperate fully with the other parties, and take all necessary and advisable actions, in order to facilitate the determination of such fair market value in an expeditious and timely basis, including without limitation, by executing additional instruments, documents and agreements as may be reasonably necessary to facilitate the determination of such fair market value; provided, however, that if a Qualified Appraiser is necessary, Company's and the Remaining Members' respective option periods shall be extended to the extent necessary to determine such non-cash consideration.

#### VIII.6 Tag-Along Rights.

(a) if any Offeror desires to Transfer all or any portion of its Units, the Offeror shall deliver a tag-along Notice (the "**Tag-Along Notice**") to each Remaining Member no later than three (3) days after the expiration of the Member Right of First Refusal Option Period. The Tag-Along Notice shall include all of the information previously included in the Member Right of First Refusal Notice. The Remaining Members shall have the right to elect to participate in the proposed Transfer, upon the terms and conditions set forth in the Tag-Along Notice, by delivering Notice of such election to the Offeror and Company within fifteen (15) days after the Tag-Along Notice is delivered to such Remaining Member (such fifteen (15) day period, the "**Tag-Along Option Period**"). Each Remaining Member shall be entitled, but is not required, to sell to the prospective Transferee, on substantially the same terms and conditions as the Offeror, such Remaining Member's Allocated Portion of the Offered Units. Each Remaining Member that exercises its right to sell any portion of its Membership Interest pursuant to this Section 8.6(a) agrees to timely take all such other actions as the Offeror reasonably requests in connection with such proposed Transfer (provided the Offeror is taking such action), and to make representations and warranties and agree to covenants and indemnities that are substantially similar to those made by the Offeror in connection with such Transfer. If any Remaining Member elects to sell its Allocated Portion of the Offered Units pursuant to this Section 8.6(a), the aggregate Units that the Offeror shall be entitled to Transfer shall be reduced by an amount equal to such electing Remaining Member's Allocated Portion.

(b) Failure by a Remaining Member to deliver to the Offeror and Company a Notice of its intent to participate prior to the expiration of the Tag-Along Option Period shall be deemed an election of such Remaining Member not to participate in the proposed Transfer. To the extent that any prospective Transferee refuses to purchase such Membership Interest from any Remaining Member, the Offeror shall not sell any Membership Interest to such prospective Transferee unless and until, simultaneously with such sale, the Offeror purchases such Membership Interest from such Remaining Member(s) for the same consideration and on the same terms and conditions as set forth in the Tag-Along Notice. If the Tag-Along sale is not consummated within thirty (30) days following the expiration of the Tag-Along Option Period in the manner described above on the same terms and conditions set forth in the Tag-Along Notice, then the Offeror shall continue to hold the Offered Units subject to the provisions of

this Agreement and the provisions of this Article VIII must be satisfied *de novo* before the Offeror can Transfer the Offered Units.

#### VIII.7 Drag-Along Rights.

(a) Notwithstanding any other provision of this Agreement (including, without limitation, any other provision of this Article VIII), if each of: (i) Manager; and (ii) the Class F Majority (collectively, “**Drag-Along Group**”) shall approve or consent to enter into, or propose to enter into, a transaction (or a series of related transactions) whereby (a) the Members would Transfer an aggregate number of Units representing more than fifty percent (50%) of the Units then issued and outstanding to one or more Persons, (b) Company would consolidate or merge with or into any other Person (other than one in which Members own a majority by voting power of the Equity Interests of the surviving or acquiring entity) or enter into a reorganization, in each case in which the Members immediately prior to such consolidation, merger or reorganization own Equity Interests of the entity surviving such merger, consolidation or reorganization representing less than fifty percent (50%) of the combined voting power or economic interests of the outstanding securities of such entity immediately after such consolidation, merger or reorganization, or (c) Company and its Subsidiaries (on a consolidated basis) would sell all or substantially all of its assets (each a “**Drag-Along Transaction**”), then such Drag-Along Group shall have the option to require all, but not less than all, of the other Members to: (v) consent to, vote in favor of, and raise no objections against such Drag-Along Transaction and vote in opposition to any and all other proposals that delay or impair the ability of Company to consummate such Drag-Along Transaction; (w) sell the same percentage of their Units as proposed to be sold by the Drag-Along Group in such Drag-Along Transaction; (x) timely take all such other actions as such Drag-Along Group, on its own behalf, reasonably requests in connection with such proposed Drag-Along Transaction, including executing and delivering documents relating to the Drag-Along Transaction in the same form as executed and delivered by the Drag-Along Group; (y) reasonably cooperate with the Drag-Along Group in connection with the consummation of the Drag-Along Transaction; and (z) agree not to assert any “dissenters” or similar statutory or legal right or otherwise challenge such Drag-Along Transaction; provided, that the liability for indemnification, if any, of the Members for the inaccuracy of any representations and warranties made by Company in connection with such Drag-Along Transaction, shall be several and not joint with any other Person (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of Company), and is pro rata in proportion to, and does not exceed, the amount of consideration paid to such Members in connection with such Drag-Along Transaction. The aggregate purchase price paid by the Transferee(s) or the purchaser(s) in a Drag-Along Transaction shall be allocated and disbursed to each of the Members in the same order and manner as distributions under Section 4.6.

(b) The rights of such Drag-Along Group under this Section 8.7 may be exercised only by delivery by or on behalf of such Drag-Along Group to each other Member of a written Notice (the “**Sale Notice**”) of such proposed Drag-Along Transaction no later than ten (10) days prior to the proposed closing thereof. The Sale Notice shall make reference to the obligations of the Members hereunder and shall describe: (i) the Percentage Interest then owned by each Member; (ii) the name of the Transferee(s) or purchaser(s); (iii) the material and relevant terms and conditions of the Drag-Along Transaction, including the form and amount of the consideration to be paid therefor; and (iv) the proposed date, time and location of the closing of such Drag-Along Transaction (if known). Each other Member shall thereupon deliver at such closing duly executed documents in respect of such Drag-Along Transaction consistent with the requirements of this Section 8.7.

VIII.8 Repurchase by Company. Company may enforce its rights to repurchase Units from Members in accordance with any applicable Award Agreement, Incentive Plan or other agreement (“**Repurchases Rights**”), and any Transfer that takes place pursuant to any such Repurchase Rights shall be exempt from the requirements of this Article VIII.

VIII.9 Involuntary Transfers. Except as otherwise provided in this Agreement, upon any involuntary Transfer of a Membership Interest in violation of this Article VIII (including, without limitation, by means of the dissolution, death (except pursuant to a permitted transfer as set forth in Section 8.3) or mental disability of a Member, a court award in a divorce or similar proceeding or by other operation of law), the Transferee shall hold only an Economic Interest.

## **Article IX      DISSOLUTION AND WINDING UP**

IX.1 Mandatory Dissolution. Company shall be dissolved immediately upon the first to occur of the following events:

- (a) the sale of all or substantially all of Company’s assets and conversion of the purchase price for such assets into cash when the provisions of Section 9.2 have been met;
- (b) the entry of a decree of judicial dissolution pursuant to Section 44 of the Act, as amended from time to time, and any succeeding law; or
- (c) the approval of Manager and the Class F Majority.

IX.2 Discretionary Dissolution. Company may be dissolved, at the sole discretion of Manager, at any time after the sale of all or substantially all of Company’s assets; provided that in the absence of approval by Manager prior to such date, Company shall be dissolved thirty-six (36) months following the date of such sale.

IX.3 Winding Up. Upon the dissolution of Company, Company shall engage in no further business other than that necessary to wind up the business and affairs of Company. Manager shall select a Person, who may or may not be a Member or Manager, to wind up the affairs of Company in an orderly manner (such selected Person shall be the “**Designee**”). The Designee shall give Notice of the commencement of winding up by mail to all known creditors and claimants against Company whose addresses appear in the records of Company. After paying or adequately providing for the payment of all known debts and liabilities of Company (including all costs of dissolution) and the establishment of reasonable reserves that the Designee may deem reasonably necessary for contingent or unforeseen liabilities or obligations of Company, the remaining assets of Company shall be distributed or applied to the Members in the same order and manner as distributions under Section 4.6(a).

IX.4 Distributions-in-Kind. Any non-cash asset distributed to one or more Members shall first be valued at its fair market value to determine the Net Profits or Net Losses that would have resulted if such asset were sold for such value. Such Net Profits or Net Losses shall then be allocated among the Members pursuant to Article IV, and the Members’ Capital Accounts shall be adjusted to reflect such allocations. The amount distributed and charged to the Capital Account of each Member receiving an interest in such distributed asset shall be the fair market value of such interest (net of any liability secured by such asset that such Member assumes or takes subject to). The Designee shall reasonably determine the fair market value of such asset.

IX.5 Limitations on Payments Made in Dissolution. Each Member shall look solely to the assets of Company for the return of such Member's Capital Contribution (including, for a return of and on its investment) and shall have no right or power to demand or receive property other than cash of Company. If the assets of Company remaining after payment or discharge of the debts and liabilities of Company are insufficient to return the Capital Contribution of each Member (including, for a return of and on its investment), each such Member shall have no recourse against Company, Manager or any Member or Affiliate thereof for indemnification, contribution or reimbursement except as specifically provided in this Agreement.

IX.6 No Liability. Notwithstanding anything to the contrary contained in this Agreement, upon liquidation of Company within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations, if any Member has a negative Capital Account balance (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during such liquidation occurs), that Member shall not have any obligation to make any contribution to the capital of Company and the negative balance of that Member's Capital Account shall not be considered to be a debt owed by any such Member to Company or to any other Person for any purpose whatsoever.

IX.7 Certificate of Cancellation. Upon completion of the winding up of the affairs of Company, Manager, Designee or other Person(s) winding up the affairs of Company, shall cause to be filed in the office of, and on a form prescribed by, the Massachusetts Secretary of the Commonwealth, a certificate of cancellation.

IX.8 Termination. Company shall terminate when all of the assets of Company have been distributed in the manner provided for in this Article IX, and the certificate of cancellation is filed in accordance with Section 9.7.

## **Article X**

### **LIABILITY/INDEMNIFICATION**

#### **X.1 Liability.**

(a) No Member or Manager shall be personally liable for any debt, obligation or liability of Company, whether that liability or obligation arises in contract, tort or otherwise, except as otherwise provided in the Act or in this Agreement.

(b) No Member or Manager shall be liable, responsible or accountable, in damages or otherwise, to any Member or to Company for any act or omission by such Member or such Manager within the scope of the authority conferred on such Member (as a Member) or such Manager by this Agreement, except for any liability that results from such Member's gross negligence, willful misconduct or material breach of this Agreement.

X.2 Indemnification of Members, Manager and Certain Officers. Company shall defend, indemnify and hold harmless the Members, Manager, and any officer of Company, in their capacity as such, and each of their respective partners, officers, directors, shareholders, managers, members, attorneys, accountants and trustees (individually, an "**Indemnitee**") to the fullest extent permitted by law in effect on the date hereof and to such greater extent permitted by law as may hereafter from time to time permit, against any and all Losses, amounts paid in settlement, judgments, fines, penalties and ERISA excise taxes actually incurred by or levied against such Indemnitee in connection with any Proceeding to which the Indemnitee was or is a party or is threatened to be made a party, or in which the Indemnitee is otherwise

involved, by reason of the fact that the Indemnitee was or is a Member, Manager or an officer of Company, other than such a Proceeding initiated by such Person (an “**Excluded Proceeding**”). Each Indemnitee is entitled to indemnification under this Section 10.2 in the case of such Proceedings (other than Excluded Proceedings) in all instances, without further action or determination by Company, except in the event that it has been judicially determined that the Indemnitee is guilty of gross negligence, bad faith, recklessness, fraud or willful misconduct in the discharge of Indemnitee’s duties or that Indemnitee has breached this Agreement in any material way.

### X.3 Defense of Proceeding.

(a) An Indemnitee shall give prompt Notice to Company of the commencement, assertion or threat of any Proceeding in respect of which such Indemnitee shall seek defense or indemnification hereunder. Any failure to so notify Company shall not relieve Company from any liability that it may have to such Indemnitee under this Agreement except to the extent that the failure to give such Notice materially and adversely prejudices Company.

(b) Company (with the approval of Manager) shall have the right to assume control of the defense, settlement or other disposition of such Proceeding on such terms, as it deems appropriate, with counsel reasonably satisfactory to such Indemnitee; provided, however, that:

(i) if Company so elects to assume the control of the defense, settlement or other disposition of such Proceeding, it will notify the Indemnitee reasonably promptly so as to avoid any material adverse prejudice to the Indemnitee;

(ii) the Indemnitee shall be entitled, at Indemnitee’s own expense, to participate in the defense of any Proceeding;

(iii) Company shall obtain the prior written approval of the Indemnitee, which approval shall not be unreasonably withheld, conditioned or delayed, before entering into or making any settlement, compromise, admission, or acknowledgment of the validity of such Proceeding or any liability in respect thereof if, pursuant to or as a result of such settlement, compromise, admission, or acknowledgment, injunctive or other equitable relief would be imposed against the Indemnitee;

(iv) Company shall not consent to the entry of any judgment or enter into any settlement with or involving any claimant or plaintiff that does not include as an unconditional term thereof the execution and delivery of a release from all liability in respect of such Proceeding by such claimant or plaintiff to, and in favor of, such Indemnitee; and

(v) The parties hereto shall extend reasonable cooperation in connection with the defense of any Proceeding pursuant to this and, in connection therewith, shall furnish such records, information, and testimony and attend such conferences, discovery proceedings, hearings, trials, and appeals as may be reasonably requested.

(b) In the event Company elects not to assume control of the defense, settlement or other disposition of such Proceeding: (i) Company shall make payments of all amounts required to be made pursuant to the provisions of this Article X to or for the account of the Indemnitee from time to time promptly upon receipt of bills or invoices relating thereto or when otherwise due and payable, provided, that the Indemnitee has agreed in writing to reimburse Company for the full amount of such payments if the Indemnitee is ultimately determined not to be entitled to such indemnification; (ii) Indemnitee shall

obtain the prior written approval of Company, which approval shall not be unreasonably withheld, conditioned or delayed, before entering into or making any settlement, compromise, admission, or acknowledgment of the validity of such Proceeding or any liability in respect thereof; and (iii) the parties hereto shall extend reasonable cooperation in connection with the defense of any Proceeding pursuant to this and, in connection therewith, shall furnish such records, information, and testimony and attend such conferences, discovery proceedings, hearings, trials, and appeals as may be reasonably requested.

I.2 Permissive Indemnification. Subject to the mandatory indemnification obligations of Company set forth in Section 10.2, Company (with the approval of Manager) may, but shall not be obligated to, indemnify any Person who was or is a party or is threatened to be made a party to, or otherwise becomes involved in, any Proceeding (including, without limitation, an Excluded Proceeding) by reason of the fact that such Person was or is a Member, Manager, officer, employee, or agent of Company, to the same extent as is provided in Sections 10.2 and 10.3 with respect to the Indemnitees set forth therein or to such lesser extent and upon such terms and conditions as Manager deems appropriate in its business judgment.

I.3 Indemnity Not Exclusive. The indemnification and advancement of expenses provided by, or granted pursuant to, the provisions of this Article X, shall not be deemed exclusive of any other rights to which any Person seeking indemnification or advancement of expenses may be entitled under any agreement, action of the Members, or otherwise, both as to action in such Person's capacity as an agent of Company and as to action in another capacity while serving as an agent. All rights to indemnification under this Article X shall be deemed to be provided by a contract between Company and each Indemnatee while this Agreement and relevant provisions of the Act and other applicable law, if any, are in effect. Any repeal or modification hereof or thereof shall not affect any such rights then existing.

I.4 Insurance. Company may purchase and maintain "directors and officers" (*i.e.*, D&O) insurance with a carrier as determined by Manager, and will use commercially reasonable efforts to cause such insurance policies to be maintained until such time as Manager determines that such insurance should be discontinued. Subject to review of the annual cost and approval by Manager, Company may acquire life insurance on key employees in amounts satisfactory to Manager with proceeds therefrom payable to Company.

I.5 Partial Indemnification. If a Person is entitled under any provision of this Article X to indemnification by Company for a portion of Losses, incurred by such Person in connection with any Proceeding but not, however, for the total amount thereof, Company shall nevertheless indemnify such Person for the portion of such Losses, amounts paid in settlement, judgments, fines, penalties or ERISA excise taxes to which such Person is entitled.

I.6 Heirs and Estate. The indemnification provisions and advancement of expenses provided by, or granted pursuant to, this Article X shall, unless otherwise provided when authorized or ratified, continue as to a Person who has ceased to be an agent of Company and shall inure to the benefit of such Person's heirs and estate.

I.7 Assets. Any indemnification under this Article X shall be satisfied solely out of the assets of Company. No Member or Manager shall be subject to personal liability or required to fund or cause to be funded any obligation by reason of these indemnification provisions.

I.8 Survival of Indemnification. In the event Company merges with another entity and Company is not the surviving entity, or transfers all of its assets, proper provisions shall be made so that



successors of Company assume Company's obligations with respect to indemnification of Manager and officers.

## **Article II CONFIDENTIALITY**

II.1 Proprietary Information. Each Member acknowledges and agrees that it will receive and become aware of certain information that is proprietary to Company, including, without limitation, prices, costs, software, code, applications, personnel, knowledge, customer information, supplier information, manufacturer information, marketing plans, business plans, data and techniques, other non-public information concerning the business or finances of Company, and other information the disclosure of which might harm or destroy the competitive advantage of Company (all of the foregoing shall hereinafter be referred to as the "**Proprietary Information**"). Notwithstanding the foregoing, the Proprietary Information shall not include any information that: (i) a Member has or obtains other than as a result of being a Member or Manager; (ii) is generally known or becomes part of the public domain through no fault of a Member; or (iii) is required to be disclosed in the context of any administrative or judicial proceeding.

II.2 Confidentiality. Each Member agrees that it shall not, directly or indirectly, disclose any Proprietary Information to third parties other than such Member's attorneys, accountants, and financial advisors, copy or use any Proprietary Information, or publish any Proprietary Information, except for the purpose of fulfilling its obligations to Company.

II.3 Equitable Relief. Each Member hereby acknowledges and agrees that the breach by such Member of its covenants and obligations under this Article XI may cause irreparable harm and significant injury to Company that could be difficult to limit or quantify. Accordingly, such Member agrees that Company shall have the right to seek an immediate injunction, specific performance or other equitable relief due to any such breach, without posting any bond therefor, in addition to any other remedies that may be available to Company or the other Members at law or in equity.

## **Article III POWER OF ATTORNEY**

### III.1 Appointment of Manager as Attorney-in-Fact.

(a) Each party to this Agreement, by the execution of this Agreement, irrevocably constitutes and appoints Manager as such party's true and lawful attorney-in-fact with full power and authority in its name, place and stead to execute, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to carry out the following actions:

(i) All fictitious name certificates and all certificates and other instruments (including the Certificate of Organization and counterparts of this Agreement), and any amendment or restatement thereof, that Manager deems appropriate to form, qualify or continue Company as a limited liability company in the jurisdictions in which Company may conduct business or in which such formation, qualification or continuation is, in the opinion of Manager, necessary or desirable to protect the limited liability of the Members;

(ii) All instruments that Manager deems appropriate to reflect a change or modification of Company in accordance with the terms of this Agreement;

(iii) All bills of sale, assignment forms or other appropriate transfer documents necessary to effectuate Transfers of a Member's Membership Interest in accordance with Article VIII; and

(iv) All conveyances and other instruments that Manager deems reasonably appropriate to reflect the dissolution and termination of Company, which has been authorized in accordance with the terms of this Agreement.

(b) The foregoing appointment shall be deemed to be a power coupled with an interest, in recognition of the fact that each of the parties to this Agreement will be relying upon the power of Manager to act as contemplated by this Agreement in any filing and other action by Manager on behalf of Company, and shall survive the bankruptcy, death, adjudication of incompetence or insanity, or dissolution of any Member hereby giving such power and the transfer or assignment of all or any part of the Membership Interest of such Member; provided, however, that in the event of the Transfer by a Member of all of its Membership Interest, the foregoing power of attorney of a transferor Member shall survive such Transfer only until such time as the Transferee shall have been admitted to Company as a Member, and all required documents and instruments shall have been duly executed, filed and recorded to effect such substitution.

## **Article XII**

### **SECURITIES LAWS AND INVESTMENT REPRESENTATIONS**

XII.1 Securities Laws. The sale of Membership Interests in Company to the Members has not been qualified or registered under the securities laws of any state, nor registered under the Securities Act of 1933, as amended (the "**Securities Act**"), in reliance upon exemptions from the registration provisions of such laws. In addition, no attempt has been made to qualify the offering and sale of Membership Interests to Members under any state's "blue sky" laws, also in reliance upon exemptions from any requirements that a permit for issuance of securities be procured.

**Each Member hereby represents and warrants to the other Members and Company as follows:**

XII.2 Pre-existing Relationship or Experience. Such Member has a pre-existing personal or business relationship with Company, Manager or one or more of such party's officers or controlling Persons, which may include such Member's position as an officer or employee of Company, or by reason of such Member's business or financial experience (including, without limitation, experience in making investments similar to such Member's investment in Company), such Member is capable of evaluating the risks and merits of an investment in Company and of protecting such Member's own interests in connection with this investment.

XII.3 High-Risk Investment. Each Member understands that there is an extremely high degree of risk in this investment. Investment into Company should not be purchased by any purchaser who cannot afford the loss of its entire investment. An investment in a Membership Interest is riskier than an investment in publicly traded securities of companies traded on exchanges or over-the-counter, mutual funds, certificates of deposit, municipal bonds, corporate bonds, government obligations or securities purchased in firmly underwritten offerings. Only those investors who can tolerate such risk should purchase the Membership Interest.

XII.4 No Advertising. Such Member has not seen, received, been presented with, or been solicited by any leaflet, public promotional meeting, article or any other form of advertising or general solicitation with respect to the sale of the Membership Interests.

XII.5 Investment Intent. Such Member is acquiring the Membership Interest for investment purposes for such Member's own account and not with a view to or for sale in connection with any distribution of all or any part of the Membership Interest.

XII.6 Accredited Investor. Such Member is an "accredited investor" within the meaning of Rule 501 under Regulation D of the Securities Act.

XII.7 No Obligation to Register. Such Member understood as of the date of such Member's investment in Company, and understands as of the Effective Date, that Company and Manager are under no obligation to register or qualify the Membership Interest under the Securities Act or under any state securities law, or to assist such Member in complying with any exemption from registration and qualification.

XII.8 Information Reviewed. Prior to the date on which such Member invested in Company, such Member received and reviewed all information such Member considered necessary or appropriate for deciding whether to purchase the Membership Interest. Prior to making such Member's investment in Company, such Member had an opportunity to ask questions and receive answers from Company and Manager regarding the terms and conditions of purchase of the Membership Interest and the business, financial affairs, assets, and other aspects of Company and its business, actual and prospective.

XII.9 Power and Authority. Such Member has all necessary power and authority to execute and deliver this Agreement, and, if such Member is an entity, the individual signing this Agreement on behalf of, or as an officer or manager of, such Member, has all corporate, limited liability company or partnership power and authority as such to execute and deliver this Agreement and to render this Agreement and all its relevant provisions enforceable against the relevant Member.

### **Article XIII**

#### **GENERAL PROVISIONS**

XIII.1 Notices. Any notice that may or must be given under this Agreement (each, a "Notice") shall be in writing and sent to the relevant address of the intended recipient set forth on Schedule I hereto, or, if such Notice is by means of e-mail, to the e-mail address set forth under the intended recipient's name on Schedule I hereto. A Notice from: (i) Company or Manager to a Member (as such); or (ii) from Company to Manager (as such), shall be deemed given: (a) when delivery is confirmed by a recognized overnight courier (e.g., FedEx); (b) when personally delivered to the recipient; (c) when transmitted by e-mail, and such transmission is electronically confirmed as having been successfully transmitted; or (d) when delivered to the home or office of a recipient in the care of a person whom the sender has reason to believe will promptly communicate the Notice to the recipient. All Notices to Company, or from a Member to Manager (as such), or from a Member to other Members (as such), shall be deemed given by the sender thereof when personally delivered to the recipient or when delivery is confirmed by a recognized overnight courier (e.g., FedEx).

XIII.2 Entire Agreement; Amendment. This Agreement, together with any annexes, appendixes, exhibits and schedules hereto, shall constitute the whole and entire agreement of the parties hereto with respect to the matters set forth herein. This Agreement shall not be modified or amended in any respect except with the approval of the Class F Members holding more than seventy percent (70%) of the outstanding Class F Units (the "**Class F Supermajority**").

XIII.3 Choice of Law; Interpretation. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts, without giving effect to any choice of law or conflict of law rules or provisions (whether of the Commonwealth of Massachusetts or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the Commonwealth of Massachusetts, and notwithstanding the fact that one or more counterparts hereof or of any document associated herewith or with Company may be executed outside of Massachusetts or one or more of the obligations of the parties hereto or to any document associated herewith or with Company may or shall be performed outside of Massachusetts. This Agreement shall not be construed strictly against the drafter hereof or such drafter's Affiliates. Without limiting the foregoing sentence, the parties agree that should any provision of this Agreement be found to be ambiguous in any way, such ambiguity shall not be resolved by constructing such provisions or any part of (or the entirety of) this Agreement in favor of or against any of the parties hereto (including, without limitation, the drafter hereof or thereof), but rather by construing the terms of this Agreement and/or such document fairly and reasonably in accordance with their generally accepted meaning.

XIII.4 Jurisdiction. The parties hereto hereby consent to the exclusive jurisdiction of the state and federal courts sitting in Suffolk County, Massachusetts, for any action, suit, proceeding, claim or counterclaim directly or indirectly arising out of, under or in any way relating to this Agreement or the transactions contemplated by this Agreement. Each Member further agrees that personal jurisdiction over such Member may be effected by service of process by personal delivery or by a nationally recognized overnight courier addressed as provided in Section 14.1 of this Agreement, and that when so made shall be as if served upon such Member personally within the Commonwealth of Massachusetts.

XIII.5 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Members and their respective legal representatives, successors and assigns.

XIII.6 Spousal Consent. Each spouse of a Member or other signatory hereto hereby acknowledges, by executing a copy of a Consent of Member's Spouse substantially in the form of Exhibit B attached hereto, that he or she has read and understands the contents of this Agreement and agrees that the ownership and Transfer of any Membership Interest subject to this Agreement, including any community property interest he or she may have in such Membership Interest, shall be governed by this Agreement. In the event that a Member marries subsequent to the execution of this Agreement, the Member agrees, warrants and covenants that: (i) any interest in the Membership Interest that the subsequent spouse shall obtain by virtue of marriage, shall be subject to the terms of this Agreement; and (ii) the subsequent spouse shall either (y) execute a copy of a Consent of Member's Spouse substantially in the form of Exhibit B attached hereto as soon as practical following the marriage or (z) shall have executed a separate binding agreement prior to the marriage of such spouse-to-be's understanding and agreement that the Member's Membership Interest shall be and remain such Member's sole and separate property following the marriage of the parties and subject to the provisions of this Agreement as such.

XIII.7 Injunctive Relief; Specific Performance. The parties hereby agree and acknowledge that a breach of any material term, condition or provision of this Agreement that provides for an obligation other than the payment of money may result in severe and irreparable injury to the other parties, which injury could not be adequately compensated by an award of money damages, and the parties therefore agree and acknowledge that they shall be entitled to seek injunctive relief in the event of any breach of any material term, condition or provision of this Agreement, or to enjoin or prevent such a breach, including without limitation an action for specific performance hereof, and the parties hereby irrevocably consent to the issuance of any such injunction. The parties further agree that no bond or surety shall be required in connection therewith.

XIII.8 Counterparts. This Agreement may be executed in any number of counterparts, any of which may be executed and transmitted by facsimile or email, and each of which will be deemed an original of this Agreement, and all of which, when taken together, shall be deemed to constitute one and the same Agreement.

XIII.9 Number and Gender. The use of the neuter gender herein shall be deemed to include the feminine and masculine genders. The use of either the singular or the plural includes the other unless the context clearly requires otherwise.

XIII.10 Further Assurances. Each party hereto shall timely execute and deliver any and all additional documents, instruments, notices, and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of such party's obligations hereunder and to carry out the intent of the parties hereto.

XIII.11 Partition. Each Member irrevocably waives any right that such Member may have to maintain an action for partition with respect to property of Company.

XIII.12 Authority to Contract. Each party hereto hereby represents and covenants to the other Members that such party has the capacity and authority to enter into this Agreement without the joinder of any other Person.

XIII.13 Titles and Headings. The Article, Section and Paragraph titles and headings contained in this Agreement are inserted only as a matter of convenience and for ease of reference and in no way define, limit, extend or proscribe the scope of this Agreement or the intent or content of any provision hereof. All references to sections, articles, schedules or exhibits contained herein mean sections, articles, schedules or exhibits of this Agreement unless otherwise stated.

XIII.14 Validity and Severability. If any provision of this Agreement is held invalid or unenforceable, such decision shall not affect the validity or enforceability of any other provision of this Agreement, all of which other provisions shall remain in full force and effect.

XIII.15 Statutory References. Each reference in this Agreement to a particular statute or regulation, or a provision thereof, shall be deemed to refer to such statute or regulation, or provision thereof, or to any similar or superseding statute or regulation, or provisions thereof, as is from time to time in effect. Where any provision of this Agreement modifies, contradicts or is otherwise inconsistent with the Act, the provisions of this Agreement shall govern and control to the maximum extent allowable under Massachusetts law.

XIII.16 Construction. Whenever examples are used in this Agreement with the words "including," "for example," "any," "each," "e.g.," "such as," "etc." or any derivation thereof, such examples are intended to be illustrative and not in limitation thereof, and "all" shall mean "any and all." All uses of the word "or" herein are as a logical disjunction unless otherwise specified. All references to the masculine, feminine or neuter genders shall mean and include all genders.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

**Cloud Creamery LLC,**  
a Massachusetts limited liability company

By its Manager:

---

David Yusefzadeh

Member:

---

David Yusefzadeh



**SCHEDULE I**

**Members, Units, Percentage Interests, Capital Contributions and Capital Accounts**

<b><u>Member</u></b>	<b><u>Units</u></b>	<b><u>Class</u></b>	<b><u>Percentage Interest</u></b>	<b><u>Capital Contributions</u></b>	<b><u>Capital Account</u></b>
David Yusefzadeh _____ _____	890,000	F	89%	TBD CPA	TBD CPA
Sean Couture	50,000	F	5%		
Scott Alexander	50,000	F	5%		
Jim Borghesani	10,000	P	1%		
<b>Totals</b>	<b>1,000,000</b>		<b>100%</b>		

## **EXHIBIT A**

### **Cloud Creamery LLC Limited Liability Company Agreement Joinder**

The undersigned hereby acknowledges that the undersigned has received and reviewed a true and correct copy of that certain Limited Liability Company Agreement of Cloud Creamery LLC, a Massachusetts limited liability company, dated as of May [\*], 2019 (the “**LLC Agreement**”).

This Limited Liability Company Agreement Joinder (this “**Joinder**”) is hereby incorporated into and made a part of the LLC Agreement for all purposes. Company hereby acknowledges and agrees that the undersigned is hereby deemed a “Member” under the LLC Agreement for all purposes with the same effect as if the undersigned had been a signatory as a Member to the LLC Agreement initially, provided, however, that the undersigned’s right to participate in the profits, losses and distributions of Company pursuant to the LLC Agreement shall begin as of the date of this Joinder.

The undersigned hereby approves, consents to and agrees to be bound by the terms, conditions and other provisions of the LLC Agreement to the extent that such terms, conditions and other provisions are expressly imposed upon the undersigned as a Member as provided therein. Company acknowledges and agrees that, as set forth in this Joinder, the undersigned shall have all of the rights of a Member subject to the terms, conditions and other provisions of the LLC Agreement.

Each capitalized term used in this Joinder, but not otherwise defined herein, shall have the meaning ascribed to such term in the LLC Agreement.

Dated:

---

(Signature)

**Cloud Creamery LLC,**  
a Massachusetts limited liability company

By: \_\_\_\_\_

Name: David Yusefzadeh

Title: Manager

**EXHIBIT B**

**CONSENT OF MEMBER'S SPOUSE**

I acknowledge that I have read and understand the contents of the Limited Liability Company Agreement of Cloud Creamery LLC, dated as of May [\*], 2019 (as amended from time to time, the "Agreement"). I am aware that by its provisions, my spouse has agreed to certain restrictions on the sale of the Membership Interest presently held by my spouse, and that upon the death or disability of my spouse, or upon the legal separation or dissolution of my marriage to my spouse, certain obligations to such Membership Interest must be adhered to.

I hereby approve and consent to the provisions of the Agreement and agree that to the extent, if any, that I have or hereafter acquire any interest in any portion or all of the Membership Interest, I shall be bound by and shall comply with all of the terms of the Agreement. I do further agree that if I predecease my spouse, any interest in the Membership Interest passing under my will shall pass subject to the provisions of the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Consent of Member's Spouse as of the date, month and year written below.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

### **Plan For Insurance**

We have already obtained business operating insurance (no cannabis) and are in the process of obtaining cannabis insurance.

We went ahead with regular insurance so that we can update our current facility and ensure that we are meeting the health inspector's standards in preparation for food manufacturing.



1468 W. 9th Street  
Cleveland, OH 44113  
Phone: (800) 420-5757  
Fax: (800) 420-1975

Apr 08, 2020

**\*\*INDICATION\*\***

**Insurance Proposal Prepared Exclusively For:**

Cloud Creamery LLC  
15 IRENE RD  
Framingham, MA 01701

**Prepared By**

Mary Beth Cummins  
(440) 385-2754  
mcummins@cannasure.com

**Quote Information**

Named Insured	Cloud Creamery LLC
Issuing Company	Topa Insurance Company; A.M. Best Rated A- (Excellent)
Admitted	No
Coverage	Product Liability
Policy Term	12 Months
Description of Business	Manufacturer

**Premium Summary**

Total Premium, Taxes, Fees	
Product Liability Premium	\$4,000.00
Policy Fee	\$250.00
Taxes	\$160.00
Total Amount Due	\$4,410.00*

*\*Premiums noted above do not include Terrorism coverage. Terrorism coverage is available for an additional premium*

**Additional Comments**

25% Minimum Earned Premium

Please make checks payable to:  
Please mail payment to:

CIS Insurance Services. LLC  
1468 W. 9th Street  
Cleveland, OH 44113



1468 W. 9th Street  
Cleveland, OH 44113  
Phone: (800) 420-5757  
Fax: (800) 420-1975

## Product Liability Quote

Apr 08, 2020

### Coverage Information

Coverage	Products Liability
Coverage Form	Claims Made
Retroactive Date	inception

### Limits

Each Occurrence Limit	\$1,000,000
Aggregate Limit	\$2,000,000

### Deductible

Per Claim	\$2,500
	Per Claim

### Classification

Operations	Manufacturer
Premium Basis/ Exposure	\$500,000 Sales

### Schedule of Named Insureds

Cloud Creamery LLC
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### Additional Comments

Defense is within limits

### Optional Coverages Available (additional premium may apply and underwriting required)

Limited Pesticide Coverage	Included
Limited Product Withdrawal	\$250,000 limit available for \$1,500 premium , plus tax
Professional Liability Sublimit	\$50,000 Sublimit available for \$350 premium, plus tax
Terrorism	\$100.00 a/p, plus tax

**FORMS LIST**

CG 00 38 (04 13) PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM  
CG 03 00 (01 96) DEDUCTIBLE LIABILITY INSURANCE  
CG 21 73 (01 15) EXCLUSION OF CERTIFIED ACTS OF TERRORISM  
CG 21 98 (12 07) TOTAL POLLUTION EXCLUSION ENDORSEMENT  
CG 24 10 (07 98) EXCESS PROVISION-VENDORS  
CG 33 59 (05 14) EXCLUSION-ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFO  
CG 33 70 (03 05) SILICA OR SILICA-RELATED DUST EXCLUSION  
CG 33 76 (05 09) COMMUNICABLE DISEASE EXCLUSION  
CIS ASF (04 19) TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US  
CIS AUDIT PRODUCT 02 (10 17) AUDIT PREMIUMS-AMENDATORY ENDORSEMENT  
CIS DISCLOSURE TRIA (12 17) DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT  
CIS FORMS (10 17) FORMS AND ENDORSEMENTS THAT APPLY TO THIS POLICY  
CIS MP 004 (10 17) 25% MINIMUM EARNED PREMIUM ENDORSEMENT  
CIS PROD DEC 01 (11 17) PRODUCTS/COMPLETED OPERATIONS LIABILITY DECLARATIONS  
CIS PROD DWL 01 (12 17) AMENDMENT-DEFENSE WITHIN LIMITS  
CIS PROD EX 001 (10 19) EXCLUSION-SPECIFIED PRODUCTS OR SUBSTANCES  
CIS PROD EX 002 (11 17) EXCLUSION-SPECIFIED NUTRACEUTICAL SUBSTANCES  
CIS PROD EX 003 (11 17) EXCLUSION-NEW ENTITIES  
CIS PROD EX 004 (11 17) FUNGI OR BACTERIA EXCLUSION  
CIS PROD EX 006 (11 17) EXCLUSION-CROSS SUITS  
CIS PROD EX 007 (11 17) EXCLUSION-ADDITIONAL DAMAGES, TAXES, FINES OR PENALTIES  
CIS PROD EX 008 (11 17) ILLEGAL FERTILIZER EXCLUSION  
CIS PROD EX 012 (11 19) EXCLUSION "a" SPECIFIED DISEASE  
CIS PROD PEST (11 17) LIMITED PESTICIDE COVERAGE  
CIS SUIT T N006 (10 17) SERVICE OF SUIT CLAUSE  
CISDEC T 01 (10 17) COMMON POLICY DECLARATIONS - PROD  
IL 00 17 (11 98) COMMON POLICY CONDITIONS  
IL 00 21 (09 08) NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT  
IL N 001 (09 03) FRAUD STATEMENT



Apr 08, 2020

**\*\*INDICATION\*\***

**Insurance Proposal Prepared Exclusively For:**

Cloud Creamery LLC  
15 IRENE RD  
Framingham, MA 01701

**Prepared By**

Mary Beth Cummins  
(440) 385-2754  
mcummins@cannasure.com

**Quote Information**

Named Insured	Cloud Creamery LLC
Issuing Company	Topa Insurance Company; A.M. Best Rated A- (Excellent)
Admitted	No
Coverage	Excess General Liability
Policy Term	12 Months
Description	Manufacturer

**Premium Summary**

Total Premium, Taxes, Fees	
Total Premium	\$2,500.00
Policy Fee	\$250.00
Tax	\$100.00
Total Amount Due	\$2,850.00*

*\*Premiums noted above do not include Terrorism coverage. Terrorism coverage is available for an additional premium*

**Optional Coverages**

Terrorism - \$63.00 a/p, plus  
tax

**Additional Comments**

25 % Minimum Earned Premium

Please make checks payable to:  
Please mail payment to:

CIS Insurance Services, LLC  
1468 W. 9th Street  
Cleveland, OH 44113

**Excess General Liability Quote**

Apr 08, 2020

**Coverage Information**

Coverage	Excess General Liability
Coverage Form	Occurrence

**Limits**

Each Occurrence Limit	\$1,000,000
Aggregate Limit	\$1,000,000

**Schedule of Underlying Insurance**

Policy Number	TBD
Policy Period	TBD

**Limits of Insurance**

Each Occurrence	\$1,000,000
General Aggregate	\$2,000,000

**Schedule of Named Insureds**

Cloud Creamery LLC
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**Classification**

Manufacturer
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**Additional Comments**

Defense is outside limits
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**FORMS LIST**

CIS ASF (04 19) TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US  
CIS CX DEC 01 (01 18) COMMERCIAL EXCESS LIABILITY DECLARATIONS  
CIS CX EX 001 (03 20) EXCLUSION HIRED AUTO AND NON-OWNED AUTO LIABILITY  
CIS FORMS (10 17) FORMS AND ENDORSEMENTS THAT APPLY TO THIS POLICY  
CIS MP 004 (10 17) 25% MINIMUM EARNED PREMIUM ENDORSEMENT  
CIS SUIT T N006 (10 17) SERVICE OF SUIT CLAUSE  
CISDECT 01 (01 18) EXCESS COMMON DEC  
CX 00 01 (04 13) COMMERCIAL EXCESS LIABILITY COVERAGE FORM  
CX 21 01 (09 08) NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT  
CX 21 06 (04 13) EXCLUSIONS - PRODUCTS-COMPLETED OPERATIONS HAZARD  
CX 21 35 (01 15) EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND EXCLUSION OF OTHER ACTS OF  
TERRORISM COMMITTED OUTSIDE THE UNITED STATES  
IL N 001 (09 03) FRAUD STATEMENT

Apr 08, 2020

**\*\*INDICATION\*\***

**Insurance Proposal Prepared Exclusively For:**

Cloud Creamery LLC  
15 IRENE RD  
Framingham, MA 01701

**Prepared By**

Mary Beth Cummins  
(440) 385-2754  
mcummins@cannasure.com

**Quote Information**

Named Insured	Cloud Creamery LLC
Issuing Company	Topa Insurance Company; A.M. Best Rated A- (Excellent)
Admitted	No
Coverage	Commercial Property and General Liability
Policy Term	12 Months
Description of Business	Manufacturer

**Premium Summary**

Total Premium, Taxes, Fees	
Property Premium	\$1,000.00
General Liability Premium	\$1,750.00
Equipment Breakdown Premium	\$25.00
Inspection Fee	\$175.00
Policy Fee	\$250.00
Taxes	\$111.00
Total Amount Due	\$3,311.00*

*\*Premiums noted above do not include Terrorism coverage. Terrorism coverage is available for an additional premium*

**Additional Comments**

25% Minimum Earned Premium

Please make checks payable to:  
Please mail payment to:

CIS Insurance Services, LLC  
1468 W. 9th Street  
Cleveland, OH 44113

## Commercial General Liability Quote

Apr 08, 2020

### Coverage Information

Coverage  
Coverage Form

Commercial General Liability  
Occurrence

### Limits

General Aggregate Limit (Other than Products-Completed Operations)	\$2,000,000
Products/Completed Operations Limit	Excluded
Personal and Advertising Injury	\$1,000,000
Each Occurrence Limit	\$1,000,000
Damage To Premises Rented To You Limit	\$100,000
Medical Expense Limit	\$5,000
Employers Liability "Stop Gap" Limit	Excluded
Employee Benefits Liability Limit	Excluded
Hired & Non-Owned Auto Limit	\$1,000,000

**\*\* Defense Outside the Limit**

### Deductible

No Deductible

### Classification

Operations  
Premium Basis / Exposure

Manufacturer  
\$500,000 Sales

### Schedule of Named Insured(s)

Cloud Creamery LLC

### List of Locations

1-1: 119 Herbert st, Framingham, MA 01702

### Optional Coverages Available (additional premium may apply and underwriting required)

Terrorism - \$44.00 a/p, plus tax  
Employee Benefits Liability  
Employers Liability "Stop Gap" (OH, ND, WY, WA PR)  
Additional Insured

## Commercial Property Quote

Apr 08, 2020

### Property Schedule

Location 1/Building 1: 119 Herbert St, Framingham, MA 01702	
\$0	Building – Replacement Cost, 80% Coinsurance
\$20,000	Business Personal Property – Replacement Cost, 80% Coinsurance
\$0	Tenant Improvements and Betterments – Replacement Cost, 80% Coinsurance
\$0	Business Income including Extra Expense – 1/3 Monthly Limit of Indemnity
\$0	Living Plant Material
\$0	Goods In Process
\$0	Completed Stock
\$0	Seeds

### Deductible

Each Claim	\$2,500
Wind and Hail	2%

### Additional Coverages Included

Equipment Breakdown	
Expanded Property Endorsement	
Property in Transit	Limit \$10,000/Agg \$20,000

### Optional Coverages Available (additional premium may apply and underwriting required)

Terrorism - \$26.00 a/p, plus tax	
Sewer Backup	
Ordinance or Law	

**FORMS LIST**

CG 00 01 (04 13) COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
CG 21 04 (11 85) EXCLUSION-PRODUCTS-COMPLETED OPERATIONS HAZARD  
CG 21 06 (05 14) EXCLUSION-ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY-WITH LIMITED BODILY INJURY EXCEPTION  
CG 21 09 (06 15) EXCLUSION-UNMANNED AIRCRAFT  
CG 21 32 (05 09) COMMUNICABLE DISEASE EXCLUSION  
CG 21 36 (03 05) EXCLUSION-NEW ENTITIES  
CG 21 44 (04 17) LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION  
CG 21 46 (07 98) ABUSE OR MOLESTATION EXCLUSION  
CG 21 47 (12 07) EMPLOYMENT-RELATED PRACTICES EXCLUSION  
CG 21 49 (09 99) TOTAL POLLUTION EXCLUSION ENDORSEMENT  
CG 21 51 (04 13) AMENDMENT OF LIQUOR LIABILITY EXCLUSION-EXCEPTION FOR SCHEDULED PREMISES OR ACTIVITIES  
CG 21 66 (06 15) EXCLUSION-VOLUNTEER WORKERS  
CG 21 67 (12 04) FUNGI OR BACTERIA EXCLUSION  
CG 21 73 (01 15) EXCLUSION OF CERTIFIED ACTS OF TERRORISM  
CG 21 96 (03 05) SILICA OR SILICA-RELATED DUST EXCLUSION  
CG 24 10 (07 98) EXCESS PROVISION-VENDORS  
CIS ASF (04 19) TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US  
CIS AUDIT 01 (10 17) AUDIT PREMIUMS-AMENDATORY ENDORSEMENT  
CIS CGL DEC 01 (10 17) COMMERCIAL GENERAL LIABILITY DECLARATIONS  
CIS CP 14 20(02 19) ADDITIONAL PROPERTY NOT COVERED-CANNABIS AND HEMP  
CIS CP 99 11(02 20) PROTECTIVE SAFEGUARDS  
CIS CP 99 12(02 20) PROTECTIVE SAFEGUARDS SCHEDULE  
CIS CP 99 30(10 17) TOTAL FUNGUS, WET ROT, DRY ROT AND BACTERIA EXCLUSION  
CIS CP 99 31(10 17) EXCLUSION-NAMED STORM  
CIS CP 99 50(02 20) EXPANDED PROPERTY ENDORSEMENT  
CIS CP 99 60(08 18) EQUIPMENT BREAKDOWN ENHANCEMENT ENDORSEMENT  
CIS CP DEC 02 (10 17) COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS PAGE  
CIS CP DEC 02 A (10 17) CANNABIS AND HEMP SCHEDULE  
CIS CP TRANSIT (11 17) PROPERTY IN TRANSIT  
CIS DEC T 01 (10 17) COMMON POLICY DECLARATIONS - PCKG  
CIS DISCLOSURE TRIA (12 17) DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT  
CIS FORMS (10 17) FORMS AND ENDORSEMENTS THAT APPLY TO THIS POLICY  
CIS GL 30 01(10 17) EXCLUSION-BANNED SUBSTANCES  
CIS GL 34 50(10 17) EXCLUSION-LIQUOR LIABILITY  
CIS GL 34 51(10 17) EXCLUSION-ASSAULT OR BATTERY  
CIS GL 34 52(10 17) EXCLUSION-ASBESTOS  
CIS GL 34 53(10 17) EXCLUSION-FIREARMS  
CIS GL 34 54(10 17) EXCLUSION-ANIMAL  
CIS GL 34 55(10 17) EXCLUSION-AMERICANS WITH DISABILITIES ACT  
CIS GL 34 56(10 17) EXCLUSION-RESIDENTIAL OCCUPANCY  
CIS GL 34 57(10 17) EXCLUSION-LEAD  
CIS GL 34 58(10 17) EXCLUSION-ADDITIONAL DAMAGES, TAXES, FINES OR PENALTIES  
CIS GL 34 59(10 17) EXCLUSION-CROSS SUITS  
CIS GL 34 60(10 17) EXCLUSION-FIDUCIARY  
CIS GL 34 61(10 17) EXCLUSION-GOVERNMENTAL ACTS AND CRIMINAL ACTIVITIES  
CIS GL 34 62(10 17) EXCLUSION-PROFESSIONAL SERVICES  
CIS GL 34 66(11 19) EXCLUSION "SPECIFIED DISEASE"  
CIS GL 40 01(10 17) HIRED AUTO AND NON-OWNED AUTO LIABILITY  
CIS MP 004 (10 17) 25% MINIMUM EARNED PREMIUM ENDORSEMENT  
CIS SUIT T N006 (10 17) SERVICE OF SUIT CLAUSE  
CP 00 10 (10 12) BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CP 00 90 (07 88) COMMERCIAL PROPERTY CONDITIONS





1468 W. 9th Street  
Cleveland, OH 44113  
Phone: (800) 420-5757  
Fax: (800) 420-1975

CP 01 09 (10 00) MASSACHUSETTS CHANGES  
CP 01 40 (07 06) EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA  
CP 03 21 (10 12) WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE  
CP 10 30 (09 17) CAUSES OF LOSS-SPECIAL FORM  
CP 10 36 (10 12) LIMITATIONS ON COVERAGE FOR ROOF SURFACING  
CP 10 64 (10 12) MASSACHUSETTS-FUNGUS, WET ROT, DRY ROT AND BACTERIA EXCLUSION AND  
LIMITATIONS  
IL 00 17(11 98) COMMON POLICY CONDITIONS  
IL 00 21(09 08) NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT  
IL 09 35(07 02) EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES  
IL 09 53(01 15) EXCLUSION OF CERTIFIED ACTS OF TERRORISM  
IL N 001 (09 03) FRAUD STATEMENT

## EXPANDED PROPERTY ENDORSEMENT SUMMARY

### SUMMARY OF COVERAGE LIMITS

This is a summary of the Coverages and the Limits of Insurance provided by the Expanded Property Endorsement, form CIS CP 99 50 (10 17). No coverage is provided by this summary. Refer to coverage form CIS CP 99 50 (10 17) to determine the scope of your insurance protection

The Expanded Property Endorsement adds new coverages and also adds to the limits of other coverages that are already in the policy. The Limits of Insurance for the following coverages are the policy totals for each:

Coverage	Limit
Arson Reward	\$5,000
Lock Replacement	\$1,000
Fire Extinguisher Recharge	\$50/\$500/\$1,000
Personal Effects and Property of Others	\$25,000
Valuable Papers and Records	\$25,000
Property Off-Premises	\$15,000
Outdoor Property	\$500/\$5,000
Money and Securities	\$10,000
Property of Others Off-Premises	\$1,000/\$10,000
Employee Dishonesty	\$15,000
Miscellaneous Tools and Equipment	\$1,000/\$15,000
Accounts Receivable	\$25,000
Electronic Data Processing	\$5,000/\$25,000
Outdoor Signs	\$10,000

The Limits of Insurance for the following Coverage Extensions are a replacement of the Limit of Insurance provided under the Standard Property Coverage Form or the Special Property Coverage Form, whichever applies to the policy:



CONFIDENTIAL

# Cloud Creamery

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**Business plan**  
Prepared March 2020

**Contact Information**

David Yusefzadeh  
david@cloudcreamery.co  
612-615-3354  
cloudcreamery.co

# Executive Summary

## Opportunity

### Problem

Patients that want to consume the benefits of Cannabis without damaging their lungs by smoking are turning to cannabis in its edible form (edibles). Edibles on the current market are lacking innovation, are synthetically flavored and are high in chemical content. There are zero products on the North American market for consumers that use local, healthy and sustainable ingredients specifically designed for consumer benefit.

Our customers face daily, weekly, and monthly pain/discomfort from their diseases and from the side effects of the medications they must take to survive. Opioids are the main class of drugs given to patients with chronic pain and our company will offer a thoughtful and delicious pain-management alternative.

### Solution

Our solution to this problem in the market is to offer premium Cannabis edibles that are created from sustainable sources and crafted with integrity. We have partnered with multiple local and organic farms to ensure we are getting the freshest fruit and vegetables into our products when in season.

Ice cream and sorbets will be our flagship products however we are creating multiple edibles in the savory and beverage marketplace that will cover the entire landscape of products. We are using the highest quality grass-fed milk in our ice cream. This dairy is high in healthy fat and natural protein that the human body needs to recover and build strength. We will also have an alternative option that uses oat milk for those people that have trouble digesting dairy.

Cloud Creamery will offer edible items that are not only delicious, but specifically designed to consumers with auto-immune diseases and other painful health issues.

For example, we are designing an ice cream with added pea-protein for people that are going through chemotherapy. Cancer patients have trouble keeping food down, gaining an appetite and getting quality sleep. Our ice cream will give them the energy they need (9 kilocalories of energy per gram/fat), the protein to maintain a healthy body weight, balance their nausea, help them sleep, and regain their appetite.

## **Market**

Cloud Creamery will be producing products for the adult-use market.

The legalization of Cannabis is on a rapid rise with 29 of the 50 states having legalized it for medical use and 9 states legalizing adult-use. According to a recent Gallup poll, 33 million Americans currently use cannabis in some form. After speaking to multiple dispensary owners, the consensus is that edibles only make up on average, 12% of sales. We feel that this number is low for a variety of reasons but most importantly, quality.

The strongest customer groups are those that are suffering from an auto-immune disease as well as those that possess a Cannabis Medical card. We are in the process of negotiating contracts with local hospitals and hospice facilities to offer single serving portions for patients in treatment. These are both prime markets as patients are searching for alternatives to opioids and do not want to take steroids.

Cancer and HIV patients that are facing the challenges of their diseases and its treatment are our most serious customers. Chemotherapy spawns nausea, indigestion, lack of sleep and lack of appetite. Cannabis with TCH balances nausea, promotes healthy gut movement, assists with sleep and is the #1 stimulate for appetite among cancer patients.

Adult-use cannabis customers range in age and economic status. We will offer two sizes to specifically lower the financial barrier for people to try our product without over committing financially.

## Competition

We have a unique offering as there are no other companies on the East Coast producing cannabis ice cream. Every dispensary with a medical license in the state of Massachusetts is obligated to create their own edibles in one of their locations.

The dispensaries with "Adult-Use" permits are more free to choose collaborations and licensing agreements. The current edible competition consists of brownies, cookies, lozenges and gummies.

Our direct competition are the dispensaries making their own lines of products and other edibles. Our goal is to have these dispensaries utilize our cooking background and partner with us to carry our product instead of making their own.

## Why Us?

David has spent eighteen years working in and opening restaurants-hotels around the world. His main focus during all of this experience was designing menus, creating new dishes and listening to customers and their eating preferences. He has also sold six formulas to Kellogg's Canada (Kashi) of protein bars that are currently on the Canadian market. This process included multiple trials with potential consumers and extensive research into how people make choices while at grocery stores.

David spent his undergraduate degree triple-majoring in Food Science and Nutrition, Sociology and Agriculture Economics. His graduate degree is in U.S. Food Policy from Boston University. All of his education and career has focused on examining food trends, trade, cultures, flavors, early food economies and the human movement using food as a lens.

Food is one of the most controversial items in society today and customers want to feel great about the product they are buying. By feeling "great" we are implying that the customer wants to feel as if they are supporting something positive while

eating something delicious. Because one of our goals is to donate a portion of every container to Cancer/Crohn's disease research we know that people will respect and appreciate our contribution.

We believe that educating our consumers about grass-fed dairy and other sustainable ingredients/processes will communicate our drive to build an extremely high quality brand while creating a loyal customer base. One of our board members, Janice Bissex, is a registered dietician and currently holds a women of cannabis educational meeting once a month at her home in Medford. We are planning to expand this group and potentially put some of our conversations online so that people can sign in from all over the country to ask questions and have direct conversations with Janice about cannabis related personal nutrition.

## **SWOT Analysis**

The strengths of our new company are obvious: a unique concept for the edible market, ripe time to enter the market, strong chef background and following with business expertise to manage food costs and help the company grow.

Weaknesses include a lack of experience in the cannabis industry however we are surrounding ourselves with advisors that have a depth of knowledge in this field

For opportunities, we see promising growth potential in opening up to all parts of the state and not just the dispensaries in the metro area. We also see strong potential in hospitals and hospice facilities moving forward.

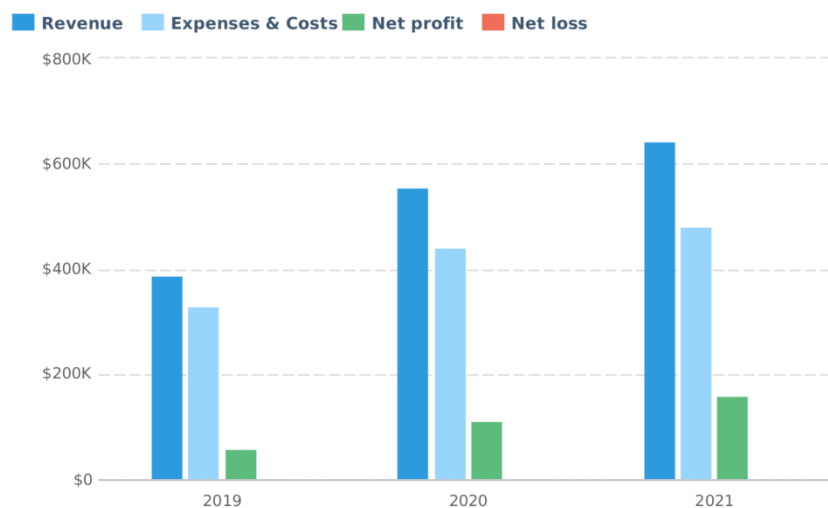
The most noticeable threat to the business is for dispensaries to update their cannabis edible selections and invest in making higher quality products on site.

## Expectations

### Forecast

Our financial goal is to earn over 400k in our first year of operation. Selling to the growing number of dispensaries in the state will give us access to the entire market state wide.

### Financial Highlights by Year



### Financing Needed

- 750,000 For all three senior team members to come on board full-time
- -65k annually (Pastry Chef)
- -75k annually (Food Scientist)
- Following steps:
  - -20,000 needed for initial lease
  - -20,000 for all legal fees associated
  - -15,000 for testing R+D



- -3,000 for application fee to CCC
- -20,000 for initial ingredients
- -15,000 to get started with packaging and production

# Opportunity

## Problem & Solution

### Problem Worth Solving

Cannabis is consistently growing in recognition as a valid option for patients with auto-immune diseases, chronic pain, anxiety and sleeping disorders. Many of the medications prescribed to people that have these issues affect their sleep, appetite and overall comfort level while functioning in their every day lives.

People that do not want to damage their lungs by smoking in order to receive the benefits of Cannabis have turned to infusing Cannabis concentrate into items they can eat (a.k.a. edibles).

Individuals that purchase their edibles from dispensaries are limited to boring, tasteless, synthetic flavored lozenges, caramels, cookies and chocolate bites. The edibles on the current market are full of fake and unhealthy ingredients that offer stale flavors with no innovation.

### Our solution

Our solution is to be the first chef-driven edible company that delivers specific formulas designed for people that are suffering from pain and discomfort. We have created unique flavors and are sourcing local ingredients from high quality farms in New England.

We will be a new option to patients in dispensaries within the state of Massachusetts and eventually in every state where Cannabis is legal. We will offer two size containers: one pint (40mg THC) and a 4-ounce single serving (5mg THC).

THC and CBD, the two main components of Cannabis, are both fat soluble. Ice cream, high in healthy fats, allows the THC and CBD to reach the patient quickly in order to relieve pain faster than any other edible on the current market.

We also want to be an option for hospice facilities as well as hospitals for patients that need an alternative choice to opioids. Instead of ingesting a Vicodin or Percocet, patients can have an individualized portion of our ice cream to rest, regain their strength and assist in pain with comfort.

## Target Market

Our target market consists of two main segments. The first, people that use cannabis on a daily basis that are either purchasing their own edibles from dispensaries or are a patient in a hospital setting where cannabis is an option for pain relief. This group of users hold a medical marijuana card. The Marijuana Policy Project states that 40,000 people in the state of Massachusetts hold medical cannabis cards.

The second group consists of Adult-Use users that will be purchasing our ice cream for personal relief and enjoyment.

For the Adult-Use users, we will be selling in dispensaries, stores that hold the appropriate permits and delivery services via an app such as Gold Bely and Caviar which offer high-end food delivery on demand.

## Competition

### Current alternatives

Every medical dispensary that is currently in operation has to make every edible in house. Some of these dispensaries have hired chefs to assist with the flavor combinations however the products themselves have not changed much. "In Good Health" a dispensary in Brockton, Massachusetts currently makes multiple candy bars with Reese's Pieces and other candies inside. That is about as innovative as they get.

There is a company called "Drip Sweets" in Portland, Oregon that was called "Drip Ice Cream". They only list two flavors (Salted Caramel and Cookies and Cream) and have recently moved into making bite-sized sweet candies instead of ice cream.

We do anticipate current edible companies starting to make ice cream once they see our progress however we have still yet to see any restaurant-industry chefs cooking edibles that will be in the Consumer Packaged Goods market.

## **Our advantages**

We have multiple key advantages:

1. We will be the 1st Cannabis Ice Cream company to market on the East Coast.
2. Our flavor profiles are unique and thoughtful.
3. Will are using local farms and ingredients to support our local communities.
4. We are using the highest quality grass-fed milk from Vermont.
5. Our honey and chocolate are sourced from sustainable projects around the world including Tanzania and Oaxaca, Mexico.
6. We have Jim Borghesani, the spokesperson for the Marijuana Policy Project, on our board. Jim has been working in Cannabis policy for over 30 years.
7. We have Janice Bissex, a registered dietician of 28 years, on our board to assist with an educational platform.
8. We are working with Dana Farber Cancer Institute as well as the Crohn's and Colitis Foundation of New England to donate a portion of our proceeds to Crohn's and Cancer research.
9. Every one of our employees from CEO to front line will be obligated to volunteer in the community 10 hours per month.
10. David, the CEO and Founder, is a chef and has Crohn's disease. He uses medical cannabis on a regular basis and knows the ins and outs of various strains, potency, delivery and accessibility.

# Execution

## Marketing & Sales

### Marketing Plan

Our ice cream will be considered a premium product using local and premium ingredients. We will be locally sourced, using honey from sustainable bee farms, biodegradable packaging and cream from grass fed cows. We want our customers to know that integrity is the foundation of our company. A percentage of every container of ice cream that we sell will go towards cancer research. Our aim is to partner with hospitals around the country and start a Cannabis Campaign against Cancer.

We currently have a website, via Squarespace, where visitors can sign up with their email addresses to receive our newsletters and information. We will use these emails to tell everyone new ideas, specials and where we are selling our products. We have a facebook page, instagram account and Linked-In page where we post articles, pictures and news updates to what is happening in our company.

We are currently researching search engine optimization and other media outreach programs. We do have a logo however we have not decided on packaging for our ice cream. We will most likely keep our current logo however our packaging will set the tone for our color scheme moving forward.

We are verbally connected (no contract yet) with a marketing and branding firm, Unconquered LLC., based out of New York City. Unconquered represents Adidas and various other large scale advertising programs. Instagram is our most widely used marketing right now. Food pictures are an easy and attractive way to showcase our ideas to millions of people. We have data analytics on every picture we post to study and learn what time of day to post and certain hashtags that gain us the most followers.

Distribution will be unique as there will be various stores with permits opening after July 1st. The current dispensaries will still operate as is however it is still unclear if major grocery stores will sell our products. The amount of shelf

opportunity that we hold will dictate our avenues of distribution. It is also unclear at the moment if existing distributors will carry Cannabis products.

We will sell our ice cream to dispensaries that hold the adult-use permit. We will not sell any ice cream directly to our consumers until delivery avenues are sorted with the government with the exception of special events where we will be a food vendor (possibly having an ice cream stand at an outdoor concert, etc).

## Sales Plan

Our plan is to have two sizes of ice cream. The smaller, 5-ounce, single serving, containers will be our first to market as we want to lower the cost barrier for people trying our product for the first time. The larger container will be one pint and will consist of 4 servings.

We will start by selling our ice cream at dispensaries that are already in operation (NETA, Garden Remedies, In Good Health and Sira Naturals). This is currently the only place where customers can purchase regulated and tested edibles. We will also connect with delivery companies that are currently in operation (Gold Bely, Leafly, Weedmaps) in preparation for legalization of delivery.

In the dispensaries, we will start out by being listed on their chalkboard of "specials" for that week. Once sales pick up we will ask to be printed on their monthly menus and cross market on social media. We will bring a small chest freezer to each dispensary that we are working with in order to provide proper storage for our product. Once sales increase we will negotiate a deal for temperature controlled storage.

We prefer to not deal in cash in any context however, we will have to pay attention to state regulations surrounding use of credit and bank acceptance.

For special events, like concerts, we will not accept cash and will only use our "Square" reader which is a credit strip reading device that is linked to an account.

## Operations

### Locations & Facilities

We have leased a 1,300 square foot facility in the industrial zone of southern Framingham that will host all of our production and storage.

Our initial space will serve as an office, production facility, packaging area and photo studio however we will not have any store front where customers can walk in to purchase anything.

### Technology

- Starting with Intuit Quickbooks for early record keeping of financial statement.
- We are using one batch freezer from Emory Thompson that produces eight quarts of ice cream every ten minutes
- We have sourced recyclable packaging for the ice cream containers
- Negotiations are currently underway with Salesforce for our CRM software

### Equipment & Tools

Our goal is to find a preexisting restaurant space that is already up to code

- Medium sized batch freezer (8-10 quarts)
- (1) Table top small ice cream machine for R and D
- Stainless steel oven
- 4-Burner stove top
- High temperature dishwasher
- 3-compartment sink
- Ecolab Sanitizing system

There will also be a small photography studio. The details of this all depend on what space we rent. Ideally we will use natural light. Regardless of what space we lease, the photo studio will be small in square footage.

## Milestones & Metrics

### Milestones Table

Milestone	Due Date	Who's Responsible	Details
Lease of space	Completed	David Y.	Lease is signed. First month, last month and security deposit have been paid.
Serving in first dispensary	February 01, 2019	David Y.	

### Key metrics

- Weekly Revenue
- Food Cost
- Payroll metrics
- Profit margins for each branch of distribution
- Price per volume of concentrate
- Cost for 3rd party secured temperature controlled delivery
- Overhead costs for space
- # of units sold to each given dispensary per month
- # of units sold per hospice facility or hospital
- # of units events per month for outreach
- Price per container of production
- Price per unit for 3rd party testing



# Company

## Overview

### Ownership & Structure

Cloud Creamery is an LLC with David Yusefzadeh as the sole proprietor with 95% of the equity. David will handle all of the client relationships as well as design and create all of the flavor profiles.

Sean Couture is the "Director of Operations" and will hold 5% of the company equity that will be vested over a three year period. Sean is responsible for supply chain and distribution related aspects of the company. Tracking invoices, negotiating prices and logging all data into our system will be three of Sean's main responsibilities.

Scott Alexander will also be a full-time employee once we have funded our seed-round of funding. He will focus on all financial aspects of the business via sales, growth, inbound business and future opportunities.

No outside investors are involved at this point in time however there will be opportunities for investors as the company grows.

### Company history

We are a new company but we have gained a significant amount of traction in the marketplace. Four different dispensary companies in the Boston area will be our first entries to market as well as two-third party delivery services. We are currently in negotiations for out of state licensing agreements in Vermont, New Hampshire, Rhode Island, Maine, Connecticut, Washington State and Toronto, Canada.

We recently appeared on ABC news in Boston for an hour long piece about the emerging Cannabis Industry and Cannabis Entrepreneurs. Chowhound.com published an article on April 13, 2018 and The Boston Globe will be publishing an

article in early May about us. David has spoken with Bon Appetit about an additional article which is slated to come out throughout 2019

## Team

### Management team

- David Yusefzadeh (CEO/Founder) - David has spent 18 years in the restaurant/hotel industry from Hong Kong to Chicago. He has opened multiple restaurants as well as been involved with two separate start-ups based in food innovation. His education is focused on U.S. Food Policy
- Sean Couture (Partner) - Sean will lead distribution and supply chain aspects of the business. He has worked for commercial ice cream companies in the past as well as other Consumer Packaged Goods companies.
- Scott Alexander - Scott will focus on the financial health of the business. He has spent fifteen years in private accounting and has scaled multiple Boston start-up companies.

### Advisors

- **Gregg Steinberg** - Gregg is a member of the Board of Directors of the ArcView Group.
- **Jim Borghesani** - Spokesperson for the Marijuana Policy Project
- **Justin Bazdarich** - Michelin Star Chef in NYC.

- **Janice Bissex** - MS, RDN (Registered Dietician Nutritionist) as well as Holistic Cannabis Consultant

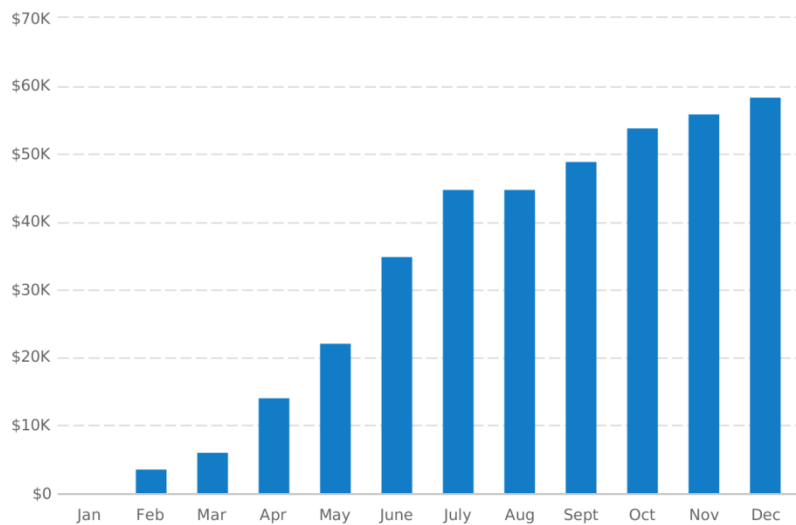
# Financial Plan

## Forecast

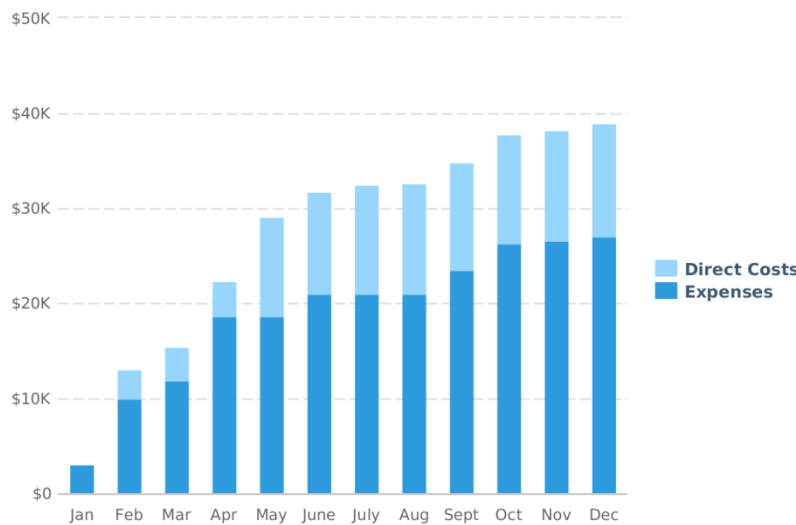
### Key assumptions

- We have been able to gather data from multiple dispensaries around New England to analyze edible sales.
- After speaking with 9 different dispensary owners, edibles average to be close to only 10% of their sales. Our initial feeling is that most of the edibles they carry are not chef driven, delicious or nutritious yet they are simply stoner foods.
- If we use the numbers from Brockton alone, 4000 visitors buying 10% edibles = 400 edibles sold over the weekend. If we can secure 50% of that business that will be 200 units sold in one dispensary alone for a given weekend. Again, this is before "adult-use" infiltration to the market place which we know will only increase our sales.
- There are a multitude of applicants with intentions of opening dispensaries or storefronts where cannabis related products can be sold. There is no telling how many applicants the state will approve. Our expectation of growth is conservative as we would prefer to treat additional avenues of revenue as a bonus.
- We have hired an account deeply versed in Massachusetts and Federal Cannabis Law. She has helped us to start our documentation and allocation of revenue to the appropriate areas from the beginning and will keep us informed of any updates or modifications we need to make along the way.

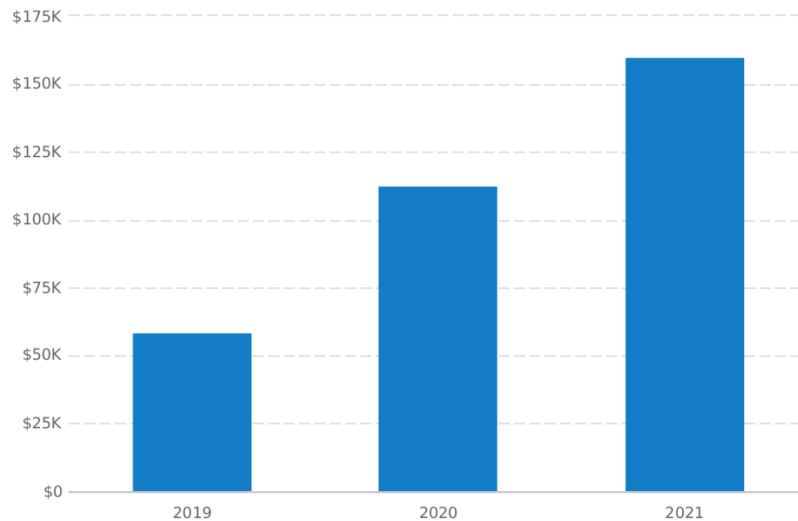
Revenue by Month



Expenses by Month



## Net Profit (or Loss) by Year



## Financing

### Use of funds

- Our Lawyer requires a 10k retainer
- Our account is on a \$2500 retainer
- Our initial expenses will be new employees, an ice cream machine, other kitchen equipment, packaging, ingredients and permits to operate.
- Once we are able to sell 750,000 units of ice cream we are able to lease an industrial quality ice cream machine for free as long as we commit to purchasing 750,000 units of packaging from the distributor.
- We will be responsible for contributing to the community in which we establish our manufacturing facility. Our goal is to contribute with a percentage of our sales in order to keep our initial costs low. We will also offset our financial contribution with community service.
- Our funds will allow us to increase our market to other states as well as Toronto, Canada.

## Sources of Funds

David has \$54,000 of his own money in the business at this stage. We are working with multiple small investors on how they can contribute. Our goal is to raise \$750k at a \$3 million dollar valuation thus offering %25 percent of the business.

As soon as sales begin we will be using these funds for growth. I am taking a low salary in order to put profits back into the company in order for us to take on less debt.

## Statements

### Projected Profit and Loss

	2019	2020	2021
<b>Revenue</b>	<b>\$388,600</b>	<b>\$554,900</b>	<b>\$642,400</b>
<b>Direct Costs</b>	<b>\$100,838</b>	<b>\$135,275</b>	<b>\$139,650</b>
Gross Margin	\$287,763	\$419,625	\$502,750
<b>Gross Margin %</b>	<b>74%</b>	<b>76%</b>	<b>78%</b>
<b>Operating Expenses</b>			
Salaries & Wages	\$146,336	\$200,000	\$220,000
Employee Related Expenses	\$29,267	\$40,000	\$44,000
Rent	\$14,400	\$14,400	\$14,400
Utilities	\$0	\$0	\$0
Security System	\$1,800	\$1,800	\$1,800
Internet	\$960	\$960	\$960
Liability Insurance	\$10,200	\$10,200	\$10,200
Marketing Costs	\$7,800	\$7,800	\$7,800
Office Supplies	\$600	\$600	\$600
Triple Net	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$211,363</b>	<b>\$275,760</b>	<b>\$299,760</b>
<b>Operating Income</b>	<b>\$76,399</b>	<b>\$143,865</b>	<b>\$202,990</b>
Interest Incurred	\$938	\$933	\$709
Depreciation and Amortization	\$2,060	\$2,060	\$2,060
Gain or Loss from Sale of Assets			
Income Taxes	\$14,680	\$28,175	\$40,044
<b>Total Expenses</b>	<b>\$329,878</b>	<b>\$442,204</b>	<b>\$482,223</b>
<b>Net Profit</b>	<b>\$58,722</b>	<b>\$112,696</b>	<b>\$160,177</b>



<b>Net Profit / Sales</b>	<b>15%</b>	<b>20%</b>	<b>25%</b>
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## Projected Balance Sheet

	2019	2020	2021
Cash	\$162,130	\$261,865	\$428,578
Accounts Receivable	\$0	\$0	\$0
Inventory			
Other Current Assets			
<b>Total Current Assets</b>	<b>\$162,130</b>	<b>\$261,865</b>	<b>\$428,578</b>
Long-Term Assets	\$10,300	\$10,300	\$10,300
Accumulated Depreciation	(\$2,060)	(\$4,120)	(\$6,180)
<b>Total Long-Term Assets</b>	<b>\$8,240</b>	<b>\$6,180</b>	<b>\$4,120</b>
<b>Total Assets</b>	<b>\$170,370</b>	<b>\$268,045</b>	<b>\$432,698</b>
Accounts Payable	\$1,751	\$1,651	\$1,724
Income Taxes Payable	\$13,330	\$7,048	\$10,015
Sales Taxes Payable	\$33,670	\$27,745	\$32,120
Short-Term Debt	\$2,714	\$2,940	\$3,184
Prepaid Revenue			
<b>Total Current Liabilities</b>	<b>\$51,465</b>	<b>\$39,383</b>	<b>\$47,042</b>
Long-Term Debt	\$10,183	\$7,244	\$4,060
<b>Long-Term Liabilities</b>	<b>\$10,183</b>	<b>\$7,244</b>	<b>\$4,060</b>
<b>Total Liabilities</b>	<b>\$61,649</b>	<b>\$46,627</b>	<b>\$51,102</b>
Paid-In Capital	\$50,000	\$50,000	\$50,000
Retained Earnings		\$58,722	\$171,418
Earnings	\$58,722	\$112,696	\$160,178
<b>Total Owner's Equity</b>	<b>\$108,722</b>	<b>\$221,418</b>	<b>\$381,595</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$170,370</b>	<b>\$268,045</b>	<b>\$432,698</b>

## Projected Cash Flow Statement

	2019	2020	2021
<b>Net Cash Flow from Operations</b>			
Net Profit	\$58,722	\$112,696	\$160,177
Depreciation & Amortization	\$2,060	\$2,060	\$2,060
Change in Accounts Receivable	\$0	\$0	\$0
Change in Inventory			
Change in Accounts Payable	\$1,751	(\$100)	\$73
Change in Income Tax Payable	\$13,330	(\$6,282)	\$2,967
Change in Sales Tax Payable	\$33,670	(\$5,925)	\$4,375
Change in Prepaid Revenue			
<b>Net Cash Flow from Operations</b>	<b>\$109,533</b>	<b>\$102,449</b>	<b>\$169,652</b>
<b>Investing &amp; Financing</b>			
Assets Purchased or Sold	(\$10,300)		
<b>Net Cash from Investing</b>	<b>(\$10,300)</b>		
Investments Received	\$50,000		
Dividends & Distributions			
Change in Short-Term Debt	\$2,714	\$225	\$244
Change in Long-Term Debt	\$10,183	(\$2,940)	(\$3,184)
<b>Net Cash from Financing</b>	<b>\$62,898</b>	<b>(\$2,714)</b>	<b>(\$2,940)</b>
Cash at Beginning of Period	\$0	\$162,130	\$261,865
Net Change in Cash	\$162,130	\$99,735	\$166,713
<b>Cash at End of Period</b>	<b>\$162,130</b>	<b>\$261,865</b>	<b>\$428,578</b>

# Appendix

## Profit and Loss Statement (With monthly detail)

2019	Jan '19	Feb '19	Mar '19	Apr '19	May '19	June '19	July '19	Aug '19	Sept '19	Oct '19	Nov '19	Dec '19
<b>Total Revenue</b>		\$3,750	\$6,250	\$14,250	\$22,200	\$34,950	\$44,950	\$44,950	\$48,950	\$53,950	\$55,950	\$58,450
<b>Total Direct Costs</b>		\$3,163	\$3,537	\$3,713	\$10,400	\$10,750	\$11,450	\$11,600	\$11,250	\$11,600	\$11,600	\$11,775
Gross Margin		\$588	\$2,713	\$10,538	\$11,800	\$24,200	\$33,500	\$33,350	\$37,700	\$42,350	\$44,350	\$46,675
<b>Gross Margin %</b>		<b>16%</b>	<b>43%</b>	<b>74%</b>	<b>53%</b>	<b>69%</b>	<b>75%</b>	<b>74%</b>	<b>77%</b>	<b>78%</b>	<b>79%</b>	<b>80%</b>
<b>Operating Expenses</b>												
Salaries and Wages		\$5,666	\$7,166	\$12,832	\$12,834	\$14,834	\$14,834	\$14,834	\$15,834	\$15,834	\$15,834	\$15,834
Employee Related Expenses		\$1,133	\$1,433	\$2,567	\$2,567	\$2,966	\$2,967	\$2,967	\$3,167	\$3,167	\$3,166	\$3,167
Rent	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Security System	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Internet	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80	\$80
Liability Insurance	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850
Marketing Costs	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650
Office Supplies	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Triple Net				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$2,980</b>	<b>\$9,779</b>	<b>\$11,579</b>	<b>\$18,379</b>	<b>\$18,381</b>	<b>\$20,780</b>	<b>\$20,781</b>	<b>\$20,781</b>	<b>\$21,981</b>	<b>\$21,981</b>	<b>\$21,980</b>	<b>\$21,981</b>

## Cloud Creamery LLC

Operating Income	(\$2,980)	(\$9,192)	(\$8,866)	(\$7,841)	(\$6,581)	\$3,419	\$12,719	\$12,569	\$15,720	\$20,369	\$22,369	\$24,694
Interest Incurred			\$100	\$99	\$97	\$96	\$94	\$93	\$92	\$90	\$89	\$88
Depreciation and Amortization	\$172	\$171	\$172	\$172	\$171	\$172	\$172	\$171	\$172	\$172	\$171	\$172
Gain or Loss from Sale of Assets												
Income Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,350	\$4,022	\$4,421	\$4,887
<b>Total Expenses</b>	<b>\$3,152</b>	<b>\$13,113</b>	<b>\$15,388</b>	<b>\$22,362</b>	<b>\$29,049</b>	<b>\$31,799</b>	<b>\$32,497</b>	<b>\$32,645</b>	<b>\$34,844</b>	<b>\$37,865</b>	<b>\$38,263</b>	<b>\$38,901</b>
<b>Net Profit</b>	<b>(\$3,152)</b>	<b>(\$9,363)</b>	<b>(\$9,138)</b>	<b>(\$8,112)</b>	<b>(\$6,849)</b>	<b>\$3,151</b>	<b>\$12,453</b>	<b>\$12,305</b>	<b>\$14,106</b>	<b>\$16,085</b>	<b>\$17,687</b>	<b>\$19,549</b>
<b>Net Profit / Sales</b>		<b>(250%)</b>	<b>(146%)</b>	<b>(57%)</b>	<b>(31%)</b>	<b>9%</b>	<b>28%</b>	<b>27%</b>	<b>29%</b>	<b>30%</b>	<b>32%</b>	<b>33%</b>

	2019	2020	2021
<b>Total Revenue</b>	<b>\$388,600</b>	<b>\$554,900</b>	<b>\$642,400</b>
<b>Total Direct Costs</b>	<b>\$100,838</b>	<b>\$135,275</b>	<b>\$139,650</b>
Gross Margin	\$287,763	\$419,625	\$502,750
<b>Gross Margin %</b>	<b>74%</b>	<b>76%</b>	<b>78%</b>
<b>Operating Expenses</b>			
Salaries and Wages	\$146,336	\$200,000	\$220,000
Employee Related Expenses	\$29,267	\$40,000	\$44,000
Rent	\$14,400	\$14,400	\$14,400
Utilities	\$0	\$0	\$0
Security System	\$1,800	\$1,800	\$1,800
Internet	\$960	\$960	\$960
Liability Insurance	\$10,200	\$10,200	\$10,200
Marketing Costs	\$7,800	\$7,800	\$7,800
Office Supplies	\$600	\$600	\$600
Triple Net	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$211,363</b>	<b>\$275,760</b>	<b>\$299,760</b>
<b>Operating Income</b>	<b>\$76,399</b>	<b>\$143,865</b>	<b>\$202,990</b>
Interest Incurred	\$938	\$933	\$709
Depreciation and Amortization	\$2,060	\$2,060	\$2,060
Gain or Loss from Sale of Assets			
Income Taxes	\$14,680	\$28,175	\$40,044
<b>Total Expenses</b>	<b>\$329,878</b>	<b>\$442,204</b>	<b>\$482,223</b>

Net Profit	\$58,722	\$112,696	\$160,177
Net Profit / Sales	15%	20%	25%

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## Balance Sheet (With Monthly Detail)

2019	Jan '19	Feb '19	Mar '19	Apr '19	May '19	June '19	July '19	Aug '19	Sept '19	Oct '19	Nov '19	Dec '19
Cash	\$37,316	\$44,507	\$36,661	\$29,401	\$27,094	\$37,269	\$44,534	\$65,820	\$90,955	\$92,760	\$126,015	\$162,130
Accounts Receivable		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Inventory												
Other Current Assets												
<b>Total Current Assets</b>	<b>\$37,316</b>	<b>\$44,507</b>	<b>\$36,661</b>	<b>\$29,401</b>	<b>\$27,094</b>	<b>\$37,269</b>	<b>\$44,534</b>	<b>\$65,820</b>	<b>\$90,955</b>	<b>\$92,760</b>	<b>\$126,015</b>	<b>\$162,130</b>
Long-Term Assets	\$10,300	\$10,300	\$10,300	\$10,300	\$10,300	\$10,300	\$10,300	\$10,300	\$10,300	\$10,300	\$10,300	\$10,300
Accumulated Depreciation	(\$172)	(\$343)	(\$515)	(\$687)	(\$858)	(\$1,030)	(\$1,202)	(\$1,373)	(\$1,545)	(\$1,717)	(\$1,888)	(\$2,060)
<b>Total Long-Term Assets</b>	<b>\$10,128</b>	<b>\$9,957</b>	<b>\$9,785</b>	<b>\$9,613</b>	<b>\$9,442</b>	<b>\$9,270</b>	<b>\$9,098</b>	<b>\$8,927</b>	<b>\$8,755</b>	<b>\$8,583</b>	<b>\$8,412</b>	<b>\$8,240</b>
<b>Total Assets</b>	<b>\$47,444</b>	<b>\$54,463</b>	<b>\$46,446</b>	<b>\$39,015</b>	<b>\$36,536</b>	<b>\$46,539</b>	<b>\$53,633</b>	<b>\$74,746</b>	<b>\$99,710</b>	<b>\$101,343</b>	<b>\$134,427</b>	<b>\$170,370</b>
Accounts Payable	\$596	\$1,229	\$1,304	\$1,339	\$1,476	\$1,546	\$1,686	\$1,716	\$1,646	\$1,716	\$1,716	\$1,751
Income Taxes Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,350	\$4,022	\$8,443	\$13,330
Sales Taxes Payable		\$750	\$2,000	\$2,850	\$7,290	\$14,280	\$8,990	\$17,980	\$27,770	\$10,790	\$21,980	\$33,670
Short-Term Debt		\$2,540	\$2,557	\$2,574	\$2,591	\$2,608	\$2,626	\$2,643	\$2,661	\$2,678	\$2,696	\$2,714
Prepaid Revenue												
<b>Total Current Liabilities</b>	<b>\$596</b>	<b>\$4,518</b>	<b>\$5,860</b>	<b>\$6,762</b>	<b>\$11,357</b>	<b>\$18,434</b>	<b>\$13,302</b>	<b>\$22,339</b>	<b>\$33,427</b>	<b>\$19,206</b>	<b>\$34,835</b>	<b>\$51,465</b>
Long-Term Debt		\$12,460	\$12,239	\$12,017	\$11,793	\$11,568	\$11,341	\$11,112	\$10,882	\$10,651	\$10,418	\$10,183
<b>Long-Term Liabilities</b>		<b>\$12,460</b>	<b>\$12,239</b>	<b>\$12,017</b>	<b>\$11,793</b>	<b>\$11,568</b>	<b>\$11,341</b>	<b>\$11,112</b>	<b>\$10,882</b>	<b>\$10,651</b>	<b>\$10,418</b>	<b>\$10,183</b>



## Cloud Creamery LLC

<b>Total Liabilities</b>	<b>\$596</b>	<b>\$16,979</b>	<b>\$18,100</b>	<b>\$18,779</b>	<b>\$23,150</b>	<b>\$30,002</b>	<b>\$24,642</b>	<b>\$33,451</b>	<b>\$44,309</b>	<b>\$29,857</b>	<b>\$45,253</b>	<b>\$61,649</b>
Paid-In Capital	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Retained Earnings												
Earnings	(\$3,152)	(\$12,515)	(\$21,653)	(\$29,765)	(\$36,614)	(\$33,463)	(\$21,010)	(\$8,705)	\$5,401	\$21,486	\$39,173	\$58,722
<b>Total Owner's Equity</b>	<b>\$46,848</b>	<b>\$37,485</b>	<b>\$28,347</b>	<b>\$20,235</b>	<b>\$13,386</b>	<b>\$16,537</b>	<b>\$28,990</b>	<b>\$41,295</b>	<b>\$55,401</b>	<b>\$71,486</b>	<b>\$89,173</b>	<b>\$108,722</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$47,444</b>	<b>\$54,463</b>	<b>\$46,446</b>	<b>\$39,015</b>	<b>\$36,536</b>	<b>\$46,539</b>	<b>\$53,633</b>	<b>\$74,746</b>	<b>\$99,710</b>	<b>\$101,343</b>	<b>\$134,427</b>	<b>\$170,370</b>

	2019	2020	2021
Cash	\$162,130	\$261,865	\$428,578
Accounts Receivable	\$0	\$0	\$0
Inventory			
Other Current Assets			
<b>Total Current Assets</b>	<b>\$162,130</b>	<b>\$261,865</b>	<b>\$428,578</b>
Long-Term Assets	\$10,300	\$10,300	\$10,300
Accumulated Depreciation	(\$2,060)	(\$4,120)	(\$6,180)
<b>Total Long-Term Assets</b>	<b>\$8,240</b>	<b>\$6,180</b>	<b>\$4,120</b>
<b>Total Assets</b>	<b>\$170,370</b>	<b>\$268,045</b>	<b>\$432,698</b>
Accounts Payable	\$1,751	\$1,651	\$1,724
Income Taxes Payable	\$13,330	\$7,048	\$10,015
Sales Taxes Payable	\$33,670	\$27,745	\$32,120
Short-Term Debt	\$2,714	\$2,940	\$3,184
Prepaid Revenue			
<b>Total Current Liabilities</b>	<b>\$51,465</b>	<b>\$39,383</b>	<b>\$47,042</b>
Long-Term Debt	\$10,183	\$7,244	\$4,060
<b>Long-Term Liabilities</b>	<b>\$10,183</b>	<b>\$7,244</b>	<b>\$4,060</b>
<b>Total Liabilities</b>	<b>\$61,649</b>	<b>\$46,627</b>	<b>\$51,102</b>
Paid-In Capital	\$50,000	\$50,000	\$50,000
Retained Earnings		\$58,722	\$171,418
Earnings	\$58,722	\$112,696	\$160,178
<b>Total Owner's Equity</b>	<b>\$108,722</b>	<b>\$221,418</b>	<b>\$381,595</b>

Total Liabilities & Equity	\$170,370	\$268,045	\$432,698
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## Cash Flow Statement (With Monthly Detail)

2019	Jan '19	Feb '19	Mar '19	Apr '19	May '19	June '19	July '19	Aug '19	Sept '19	Oct '19	Nov '19	Dec '19
<b>Net Cash Flow from Operations</b>												
Net Profit	(\$3,152)	(\$9,363)	(\$9,138)	(\$8,112)	(\$6,849)	\$3,151	\$12,453	\$12,305	\$14,106	\$16,085	\$17,687	\$19,549
Depreciation & Amortization	\$172	\$172	\$172	\$172	\$172	\$172	\$172	\$172	\$172	\$172	\$172	\$172
Change in Accounts Receivable		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in Inventory												
Change in Accounts Payable	\$596	\$633	\$75	\$35	\$138	\$70	\$140	\$30	(\$70)	\$70	\$0	\$35
Change in Income Tax Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,350	\$2,672	\$4,421	\$4,887
Change in Sales Tax Payable		\$750	\$1,250	\$850	\$4,440	\$6,990	(\$5,290)	\$8,990	\$9,790	(\$16,980)	\$11,190	\$11,690
Change in Prepaid Revenue												
<b>Net Cash Flow from Operations</b>	<b>(\$2,384)</b>	<b>(\$7,809)</b>	<b>(\$7,642)</b>	<b>(\$7,055)</b>	<b>(\$2,101)</b>	<b>\$10,383</b>	<b>\$7,475</b>	<b>\$21,496</b>	<b>\$25,347</b>	<b>\$2,019</b>	<b>\$33,470</b>	<b>\$36,332</b>
<b>Investing &amp; Financing</b>												
Assets Purchased or Sold	(\$10,300)											
<b>Net Cash from Investing</b>	<b>(\$10,300)</b>											

## Cloud Creamery LLC

Investments Received	\$50,000											
Dividends & Distributions												
Change in Short-Term Debt		\$2,540	\$17	\$17	\$17	\$17	\$17	\$18	\$18	\$18	\$18	\$18
Change in Long-Term Debt		\$12,460	(\$221)	(\$222)	(\$224)	(\$225)	(\$227)	(\$228)	(\$230)	(\$231)	(\$233)	(\$235)
<b>Net Cash from Financing</b>	<b>\$50,000</b>	<b>\$15,000</b>	<b>(\$204)</b>	<b>(\$205)</b>	<b>(\$207)</b>	<b>(\$208)</b>	<b>(\$209)</b>	<b>(\$211)</b>	<b>(\$212)</b>	<b>(\$214)</b>	<b>(\$215)</b>	<b>(\$217)</b>
Cash at Beginning of Period	\$0	\$37,316	\$44,507	\$36,661	\$29,401	\$27,094	\$37,269	\$44,534	\$65,820	\$90,955	\$92,760	\$126,015
Net Change in Cash	\$37,316	\$7,191	(\$7,846)	(\$7,260)	(\$2,307)	\$10,175	\$7,265	\$21,285	\$25,135	\$1,805	\$33,255	\$36,115
<b>Cash at End of Period</b>	<b>\$37,316</b>	<b>\$44,507</b>	<b>\$36,661</b>	<b>\$29,401</b>	<b>\$27,094</b>	<b>\$37,269</b>	<b>\$44,534</b>	<b>\$65,820</b>	<b>\$90,955</b>	<b>\$92,760</b>	<b>\$126,015</b>	<b>\$162,130</b>

	2019	2020	2021
<b>Net Cash Flow from Operations</b>			
Net Profit	\$58,722	\$112,696	\$160,177
Depreciation & Amortization	\$2,060	\$2,060	\$2,060
Change in Accounts Receivable	\$0	\$0	\$0
Change in Inventory			
Change in Accounts Payable	\$1,751	(\$100)	\$73
Change in Income Tax Payable	\$13,330	(\$6,282)	\$2,967
Change in Sales Tax Payable	\$33,670	(\$5,925)	\$4,375
Change in Prepaid Revenue			
<b>Net Cash Flow from Operations</b>	<b>\$109,533</b>	<b>\$102,449</b>	<b>\$169,652</b>
<b>Investing &amp; Financing</b>			
Assets Purchased or Sold	(\$10,300)		
<b>Net Cash from Investing</b>	<b>(\$10,300)</b>		
Investments Received	\$50,000		
Dividends & Distributions			
Change in Short-Term Debt	\$2,714	\$225	\$244
Change in Long-Term Debt	\$10,183	(\$2,940)	(\$3,184)
<b>Net Cash from Financing</b>	<b>\$62,898</b>	<b>(\$2,714)</b>	<b>(\$2,940)</b>
Cash at Beginning of Period	\$0	\$162,130	\$261,865
Net Change in Cash	\$162,130	\$99,735	\$166,713
<b>Cash at End of Period</b>	<b>\$162,130</b>	<b>\$261,865</b>	<b>\$428,578</b>

**SOP:** Record Keeping Procedures

**Version:** V.1

**Date Revised:** 8.6.19

**Page**

## **I . Cannabis Infused Finished Product Record Keeping**

1. All finished products will have a completed ***product specifications sheet***, that details the amount of ingredients in the product, with corresponding lot codes for traceability purposes.
2. The ***product specification sheet*** will be in a digital version, stored on the company's secure cloud based server\*.
3. Additional records that will be associated with them ***product specification sheet*** will be;
  - a. Product's batch microbiological, cannabinoid, and mycotoxins lab test results.
  - b. Raw cannabis's spec sheet, with detail on origin and efficacy from the vendor.
4. Access to this server will be limited to select employees.

## **II. Raw Cannabis Record Keeping**

1. All received cannabis, following the receiving SOP, will be stored in the safe, according to the company's storage SOP.
2. All records of the inbound cannabis will be scanned and stored on the company's cloud based server.
3. Records include, but not limited to;
  - a. Certificate of Authenticity from the vendor.
  - b. Lab results of the product from the vendor.
  - c. Specification sheets
  - d. Kosher Certifications
  - e. MSDS Sheets (product specific)
4. Access to these files will be allowed by all employees in a "read only" setting.

\*Company's cloud based server will be backed up by a third party company, as well as all employee computers to prevent loss of data and increase security.

**SOP:** Maintaining Financial Records

**Version:** V.1

**Date Revised:** 8.6.19

**Page 1 of**

**Objective:** Outline the company's procedures on handling of financial procedures and documents.

**I. Financial Records Management**

- a) The company will use a third party accounting platform, like Quickbooks, to record all company financial activities.
- b) The company will have an established bank account.
  - i) **GFA Federal Credit Union** is where the account will be set.
  - ii) Director of Finance and CEO will have sole access.
- c) Generated reports will be stored on the company's secure cloud based server, with limited access to the CEO and Director of Finance.

**II. Financial reporting -**

- a) The Director of Finance will be responsible for generating the financial reports on a weekly and monthly basis.
- b) Twice a year, an outside agency (Citrin Cooperman) will be commissioned to host in-house financial audits.

**III. Budget management -**

- a) Budget will be monitored by both the CEO and Director of Finance.
- b) Weekly P+L meetings will take place as well as monthly deeper financial dives and quarterly financial meetings

**IV. Capital expenditures -**

- a) The CEO and Director of Finance will be the only two people with access to funds



## **Demonstrated Experience**

**David Yusefzadeh (CEO)** has worked in the food industry for seventeen years. Food production has been an integral part of his daily routine for more than half of his life. David spent two years in Culinary School and four years at the University of Minnesota where he triple-majored in Food Science, Agricultural Economics and Sociology. He also recently received his graduate degree from Boston University in Gastronomy- U.S. Food Policy. While in the restaurant industry David was responsible for:

- Ordering all of the food and controlling waste
- Controlling food-cost for various outlets within one operation
- Menu creation
- Sourcing ingredients
- Hiring, teaching, training others in food production
- Handling all HACCP (Food Safety) documentation

### **Sean Couture - Director of Operations**

Sean spent 10 years in fine dining ending as the Executive Sous Chef at Stowe Mountain Resort. He has spent the remaining years in the CPG product management industry, working for Starbucks and Crumbs Bake Shop. His vast experience with product development, market launch, supply chain and co-manufacturing management add to the team's key talent resources.

### **Scott Alexander - Director of Finance**

Scott supports the financial and administrative functions of the operation. Having spent over a decade in operational finance and accounting with entrepreneurial starts up in the Boston tech space, he understands what it means to wear many hats in order to drive growth. Scott met David and Sean while serving in a brief stint as head of finance for a local food and beverage start up and looks forward to reuniting with his former colleagues.

**Employee Handbook**  
**Cloud Creamery LLC**  
**A Guide For Our Employees**

**Acknowledgement of Receipt of Cloud Creamery LLC Employee Handbook**

I acknowledge that I have received a copy of the [Cloud Creamery LLC] Employee Handbook (“Handbook”). I understand that I am responsible for reading and abiding by all policies and procedures in this Handbook, as well as all other policies and procedures of the Company.

I also understand that the purpose of this Handbook is to inform me of the Company’s policies and procedures, and that it is not a contract of employment. Nothing in this Handbook provides any entitlement to me or to any Company employee, nor is it intended to create contractual obligations of any kind. I understand that the Company has the right to change any provision of this Handbook at any time and that I will be bound by any such changes.

I expressly agree to the provisions of Part 6, Dispute Resolution, of the Handbook, in which I have agreed to use alternative dispute resolution, in lieu of litigation, as the sole means of resolving any dispute that may arise between the Company and me, subject to the Company’s right to seek injunctive relief. I agree to first seek to mediate any dispute with the Company with a mediator from the American Arbitration Association or similar organization trained and experienced in employment disputes. If mediation is not successful, I agree to submit the dispute to arbitration. I understand that by agreeing to arbitration I waive any right I may have to sue or seek a jury trial. The decision of the arbitrator will be final and binding.<sup>1</sup>

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*Signature*

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*Date*

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*Full Name (please print)*

Please sign and date one copy of this acknowledgement and return it to Human Resources. Retain a second copy for your reference.

**Table of Contents**

Welcome .....	5
Introduction.....	6
Part 1 – General Employment Policies and Practices .....	7
Equal Employment Opportunity .....	7
Your Employment Relationship with the Company .....	7
Recruitment and Hiring.....	7
Employment Classifications .....	10
Exempt Employees .....	10
Non-Exempt Employees .....	10
Full-Time Employees.....	10
Part-Time Employees.....	10
Temporary Employees .....	10
Orientation and Training.....	10
Immigration Law Applicable to All Employees .....	10
Hours of Work .....	11
Flex Time and Telecommuting.....	11
Overtime .....	11
Attendance and Punctuality .....	11
Inclement Weather .....	12
Dress Code and Public Image .....	12
Workspace.....	13
Office Equipment.....	13
Personnel Records.....	13
Performance Reviews, Salary Reviews .....	13
Internet Access.....	13
Right to Monitor .....	13
Responsibilities and Obligations.....	14
Violation of this Policy .....	14
Email .....	14
Confidentiality of Electronic Mail .....	14
Social Media .....	15
Telephones .....	15
Smoking .....	15
Drug-Free Workplace .....	16
Substance Abuse .....	16
Safety and Accident Rules .....	16
Workplace Violence Prevention Policy .....	17
Promotions and Transfers .....	17
Part 2 – Anti-Discrimination & Harassment.....	19
Discrimination Is Prohibited.....	19
Americans with Disabilities Act .....	19
Disabled Defined .....	19
Reasonable Accommodation .....	20
Workplace Harassment .....	20

Sexual Harassment.....	20
Supervisors' Responsibilities.....	21
Procedures for Reporting and Investigating Harassment.....	21
Penalties for Violation of Anti-Harassment Policy .....	22
Part 3 – Compensation.....	23
Payroll Practices.....	23
Salary Deductions and Withholding .....	23
Taxes .....	23
Insurance .....	23
Other Deductions .....	23
Direct Deposit .....	23
Part 4 – Benefits.....	24
General.....	<b>Error! Bookmark not defined.</b>
Medical Insurance .....	24
Employee Contributions .....	<b>Error! Bookmark not defined.</b>
Open Enrollment.....	<b>Error! Bookmark not defined.</b>
Special Enrollment.....	<b>Error! Bookmark not defined.</b>
Continuation of Health Coverage .....	<b>Error! Bookmark not defined.</b>
Dental Insurance .....	24
Short-Term Disability Plan (STD).....	24
Long-Term Disability Plan (LTD).....	24
Life Insurance .....	24
Supplemental Life Insurance .....	<b>Error! Bookmark not defined.</b>
Workers' Compensation Insurance.....	24
Travel .....	24
Part 5 – Holidays, Vacation and Other Leave.....	25
Religious Observance .....	25
Vacation .....	25
Accrual and Carryover.....	25
Procedure .....	26
Holiday Pay.....	26
Personal Leave.....	26
Notification Procedures .....	27
Bereavement Leave.....	27
Military Service Leave.....	27
Family and Medical Leave.....	27
Military Caregiver Leave.....	28
Qualifying (Military) Exigency Leave.....	28
Break Time for Nursing Mothers.....	28
Civic Duty Leave .....	29
Jury Duty.....	29
Appearance as a Witness .....	29
Voting .....	29
Part 6 – Miscellaneous .....	30
Leaving the Company .....	30
Dispute Resolution.....	30

## Welcome

It is our privilege to welcome you to *[Cloud Creamery LLC]*. We wish you every success in your new job, and we hope that you quickly feel at home. This Handbook was developed to describe some of the expectations we have for all of our employees and what you can expect from us. We hope that your experience here will be challenging, enjoyable, and rewarding. Again, welcome!

*[Signing Name]*

*[Job Title]*

## Introduction

This Employee Handbook (“Handbook”) is a compilation of personnel policies, practices and procedures currently in effect at [Cloud Creamery LLC] (“Company”).

The Handbook is designed to introduce you to our Company, familiarize you with Company policies, provide general guidelines on work rules, benefits and other issues related to your employment, and help answer many of the questions that may arise in connection with your employment.

**This Employee Handbook is not a contract of employment, and does not create a contract of employment.** Like most American companies, [Cloud Creamery LLC] generally does not offer individual employees formal employment contracts with the Company. This Handbook does not create a contract, express or implied, guaranteeing you any specific term of employment, nor does it obligate you to continue your employment for a specific period of time. The purpose of the Handbook is simply to provide you with a convenient explanation of present policies and practices at the Company. This Handbook is an overview or a guideline. It cannot cover every matter that might arise in the workplace. For this reason, specific questions regarding the applicability of a particular policy or practice should be addressed to the Human Resources Department.

The Company reserves the right to modify any of our policies and procedures, including those covered in this Handbook, at any time. We will seek to notify you of such changes by email and other appropriate means. However, such a notice is not required for changes to be effective.

## Part 1 – General Employment Policies and Practices

### ***Equal Employment Opportunity***

The Company is an equal opportunity employer. We will extend equal opportunity to all individuals without regard to race, religion, color, sex (including pregnancy, sexual orientation and gender identity), national origin, disability, age, genetic information, or any other status protected under applicable federal, state, or local laws. Our policy reflects and affirms the Company's commitment to the principles of fair employment and the elimination of all discriminatory practices. Details of our equal employment opportunity policies are further explained in Part 2.

### ***Your Employment Relationship with the Company***

Like most American companies, ***Cloud Creamery LLC***, generally does not offer individual employees a formal employment contract with the Company. Employment is “at will,” meaning that you or the Company may end your employment at any time for any lawful reason.

**This Employee Handbook is not a contract.** It does not create any agreement, express or implied, guaranteeing you any specific terms or conditions of employment. Nothing contained in this Handbook should be construed as creating a contract guaranteeing employment for any specific duration, nor does the Handbook obligate you to continue your employment for a specific period of time. Unless you have entered into an employment agreement that supersedes this document, either you or the Company may terminate the employment relationship at any time. The Handbook does not guarantee any prescribed process for discipline and discharge.

No manager or other representative of the Company, other than the President, has the authority to enter into any agreement guaranteeing employment for any specific period. No such agreement shall be enforceable unless it is in writing and signed by the President<sup>2</sup> and the employee.

### ***Recruitment and Hiring***

The Company's primary goal when recruiting new employees is to fill vacancies with persons who have the best available skills, abilities, or experience needed to perform the work. Decisions regarding the recruitment, selection, and placement of employees are made on the basis of job-related criteria.

When positions become available, qualified current employees are encouraged and are welcome to apply for the position. As openings occur, notices relating general information about the position are posted. The manager of the department with the opening will arrange interviews with employees who apply.

We encourage current employees to recruit new talent for our Company.

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<sup>2</sup> The officer may be the CEO or other top executive.



## ***Background Checks***

### **WHEN BACKGROUND INVESTIGATIONS WILL BE CONDUCTED**

**Applicants for Employment.** All applicants who are offered employment with *Cloud Creamery LLC* will be subject to a background investigation. Offers of employment are contingent on the successful completion of a background investigation and drug test conducted in accordance with *Cloud Creamery LLC* will policy and state law.

**Current Employees.** Current employees who are being considered for promotion or transfer may be subject to a background investigation. Background investigations may also be conducted as part of an internal investigation of alleged employee misconduct.

### **INFORMATION OBTAINED IN BACKGROUND INVESTIGATIONS**

Every offer of employment with [Company Name] will be made contingent on a background investigation. The nature and extent of the investigation will depend on the job duties of the position for which an offer is made. The following chart sets forth the types of background investigations that may be conducted:

<b>Type of Investigation</b>	<b>Guidelines</b>	<b>Coverage</b>
Criminal History Check	<i>Cloud Creamery LLC</i> will request criminal records related to felony and misdemeanor convictions in the past 7 years. Crimes of particular concern include crimes against persons, crimes involving weapons, crimes involving theft or fraud, and crimes involving drugs or alcohol.	All Positions
Reference checks; verification of past employment, education, military record, driving record, professional certifications, and other information provided by an applicant	<i>Cloud Creamery LLC</i> will request references from past employers and verify previous employment, education, military service, and professional certifications. [Company Name] will also verify any other information provided by an applicant that it determines is job related.	All Positions

Credit History Report	<i>Cloud Creamery LLC</i> will obtain a credit report in situations where there is a business necessity for such information, e.g., security-sensitive positions.	Security-sensitive positions include positions in [Applicable Departments]. These positions involve access to significant levels of cash or negotiable securities, responsibility for the execution or approval of financial transactions, responsibility for accounting related to accounts receivables, responsibility for inventory receipt and control, and access to sensitive data such as <i>Cloud Creamery LLC</i> 's computer systems, customer credit cards, and personal information.
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### **USE OF INFORMATION OBTAINED IN A BACKGROUND INVESTIGATION**

Information obtained from a background investigation will be considered for employment purposes as permitted by federal and state law and in accordance with [Company Name]'s Equal Employment Opportunity Policy. Information will be reviewed to determine:

- Whether false statements or material omissions were made by an individual on an application for employment or during an interview;
- Whether an applicant or employee, based on the job duties of the position in question, poses a threat to security and/or employee safety in the workplace; and
- The likelihood of an applicant or employee being successful and productive on the job.

## ***Employment Classifications***

The following terms will be used to describe employment classifications and status:

### **Exempt Employees**

Exempt employees are not subject to the overtime pay provisions of the federal Fair Labor Standards Act (FLSA). An exempt employee is one whose specific job duties and salary meet all of the requirements of the U.S. Department of Labor's regulations. In general, an exempt employee is one who is paid on a salary basis at not less than \$455 per week who holds an administrative, professional, or management position. Certain outside sales persons and a few other job categories are also exempt.

### **Non-Exempt Employees**

Salaried employees who are not administrative, professional, or managerial employees (as defined by the U.S. Department of Labor) and many hourly employees are generally not exempt from the FLSA's overtime provisions.

### **Full-Time Employees**

Full-time employees are those who are regularly scheduled to work at least **[40 hours]** per week that are not hired on a temporary basis.<sup>3</sup>

### **Part-Time Employees**

Part-time employees are those who are regularly scheduled to work fewer than **[40 hours]** per week that are not hired on a temporary basis. Part-time employees are not eligible for Company paid benefits, with the exception of the 401(k) plan, except as required by law. Any employee who works 1,000 hours per year or more may participate in the 401(k) plan.<sup>4</sup>

### **Temporary Employees**

Employees hired for an interim period of time, usually to fill in for vacations, leaves of absence, or projects of a limited duration. Temporary employees are not eligible for Company paid benefits, except as required by law.

## ***Orientation and Training***

To help you become familiar with the Company and our way of doing things, the Company will provide an orientation and training session within the first few days after you begin work. Some of the content of the session will depend in large part on the nature of your responsibilities, while other parts will be applicable to all employees. In addition, the Company may periodically offer additional training or educational programs. Some programs may be voluntary, while others will be required.

## ***Immigration Law Applicable to All Employees***

The Company complies with the Immigration Reform and Control Act of 1986 by employing only U.S. citizens and non-citizens who are authorized to work in the United States. All

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<sup>4</sup> Under the federal Employee Retirement Income Security Act (ERISA), employees working 1,000 hours annually or more are entitled to enroll in certain deferred compensation plans.

employees are asked on their first day of work to provide original documents verifying the right to work in the United States and to sign a verification form required by federal law (Form I-9). If you cannot verify your right to work in the United States within three (3) days of hire, the Company is required by law to terminate your employment.

### ***Hours of Work***

The workweek is generally from [Monday through Friday], with normal operating hours from [8:30 a.m. to 5:30 p.m.], with one hour for lunch.

In accordance with Massachusetts Labor Laws, workers have a right to at least a 30-minute meal break for each 6 hours worked in a calendar day. During their meal break, workers must be free of all duties and free to leave the workplace. This break may be unpaid.

### ***Flex Time and Telecommuting***

The Company recognizes that many employees need flexibility in work schedules in order to meet child care and other needs. Core hours are [9:30 a.m. to 2:30 p.m.] and all employees should be at work during those hours. Within the structure of the core hours, you may schedule your [eight (8) hour] work day as you choose, if the nature of your job permits such flexibility and your supervisor approves your schedule.

The Company also offers employees the opportunity to telecommute. Not all jobs are suitable for telecommuting. You may telecommute up to [three (3) days] per week with the approval of your supervisor.

### ***Overtime***

Because of the nature of our business, your job may periodically require overtime work.<sup>5</sup> If the Company requires that you work overtime, we will give you as much advance notice as possible. You should not work overtime hours without prior approval by your immediate supervisor or the designated manager.

### ***Attendance and Punctuality***

It is important for you to report to work on time and to avoid unnecessary absences. The Company recognizes that illness or other circumstances beyond your control may cause you to be absent from work from time to time. However, frequent absenteeism or tardiness may result in disciplinary action, up to and including discharge. Excessive absenteeism or frequent tardiness puts an unnecessary strain on your co-workers and can have a negative impact on the success of the Company.

You are expected to report to work when scheduled. Whenever you know in advance that you are going to be absent, you should notify your immediate supervisor or the designated manager. If your absence is unexpected, you should attempt to reach your immediate supervisor as soon as possible, but in no event later than one hour before you are due at work. In the event your

immediate supervisor is unavailable, you must speak with a manager. If you must leave a voicemail, you must provide a number where your supervisor may reach you if need be.

Some, but not all, absences are compensated under the Company's leave policies described in Part 5.

You are expected to be at your workstation at the beginning of each business day. If you are delayed, you must call your immediate supervisor to state the reason for the delay. As with absences, you must make every effort to speak directly with a manager. Regular delays in reporting to work will result in disciplinary action up to and including discharge.

### ***Inclement Weather***

The Company is open for business unless there is a government-declared state of emergency or unless you are advised otherwise by your supervisor. There may be times when we will delay opening, and on rare occasions, we may have to close. Use common sense and your best judgment when traveling to work in inclement weather.

In the event that the Company's facilities are closed by the Company or the government, employees will be paid for the day. If the Company's facilities are open and you are delayed getting to work or cannot get to work at all because of inclement weather, the absence will be charged to (1) personal/sick time, (2) vacation time, or (3) unpaid time off, in that order. You should always use your judgment about your own safety in getting to work.

When severe weather develops or is anticipated to develop during the day and a decision is made by the Company to close before [5:30 p.m.], you will be compensated as if you had worked to the end of your regularly scheduled hours for that day. If you elect to leave prior to the time the Company closes, you will be required to use personal/sick time or vacation time in an amount equal to the number of hours between the time you left and the time the office closed.

### ***Dress Code and Public Image***

As an employee of the Company, we expect you to present a clean and professional appearance when you represent us, whether you are in or outside of the office. You are, therefore, required to dress in appropriate business attire and to behave in a professional, businesslike manner.

The current Company dress code is ***business casual and foodservice approved***. Please keep in mind, however, that the Company is a professional business office, where clients and others often visit. Generally, clean, neat clothing is acceptable. However, torn jeans or other torn clothing and tee shirts with inappropriate verbiage or pictures are not appropriate casual attire. As always, please use common sense in your choice of business attire.

It is the intent of this policy to comply with applicable state, local and federal laws prohibiting discrimination on the basis of color, race, religion, sex (including pregnancy, sexual orientation and gender identity), national origin, disability, age, genetic information and any other status protected under such laws.

## ***Workspace***

Employees are responsible for maintaining the workspace assigned to them. A clean, orderly workspace provides an environment conducive to working efficiently. Employees should keep in mind that their workspace is part of a professional environment that portrays the Company's overall dedication to providing quality service to its clients. Therefore, your workspace should be clean, organized and free of items that are not required to perform your job.

## ***Office Equipment***

Certain equipment is assigned to staff depending on the needs of the job, such as a calculator, personal computer, printer and access to our central computers and servers. This equipment is the property of the Company and cannot be removed from the office without prior approval from your supervisor. The Company expects that you will treat this equipment with care and report any malfunctions immediately to staff members equipped to diagnose the problem and take corrective action.

## ***Personnel Records***

It is important that the Company maintain accurate personnel records at all times. You are responsible for notifying your immediate supervisor or the Human Resources Department of any change in name, home address, telephone number, immigration status, or any other pertinent information. By promptly notifying the Company of such changes, you will avoid compromise of your benefit eligibility, the return of W-2 forms, or similar inconvenience.

## ***Performance Reviews, Salary Reviews***

You will have your first performance review at the end of your first **[three (3) months]** of employment with the Company. Thereafter, performance reviews will normally be conducted annually on or about your anniversary date. All performance reviews will be completed in writing by your supervisor or manager on the form designated by the Company, and reviewed during a conference with you. Factors considered in your review include the quality of your job performance, your attendance, meeting the requirements of your job description, dependability, attitude, cooperation, compliance with Company employment policies, any disciplinary actions, and year-to-year improvement in overall performance. Compensation increases are given by the Company at its discretion in consideration of various factors, including your performance review.

## ***Internet Access***

Access to the Internet is given principally for work-related activities or approved educational/training activities. Incidental and occasional personal use and study use is permitted. This privilege should not be abused and must not affect the employee's performance of employment-related activities.

## ***Right to Monitor***

The Company email and Internet system is at all times the property of the Company. By accessing the Internet, Intranet and electronic mail services through facilities provided by the Company, you acknowledge that the Company (by itself or through its Internet Service Provider)

may from time to time monitor, log and gather statistics on employee Internet activity and may examine all individual connections and communications. Please note that the Company uses email filters to block spam and computer viruses. These filters may from time to time block legitimate email messages.

## **Responsibilities and Obligations**

Employees may not access, download or distribute material that is illegal, or which others may find offensive or objectionable, such as material that is pornographic, discriminatory, harassing, or an incitement to violence.

You must respect and comply with copyright, trademark and similar laws, and use such protected information in compliance with applicable legal standards. When using web-based sources, you must provide appropriate attribution and citation of information to the websites. Software must not be downloaded from the Internet without the prior approval of qualified persons within the Company.

## **Violation of this Policy**

In all circumstances, use of Internet access and email systems must be consistent with the law and Company policies. Violation of this policy is a serious offense and, subject to the requirements of the law, may result in a range of sanctions, from restriction of access to electronic communication facilities to disciplinary action, up to and including termination.

## ***Email***

The email system is the property of the Company. All emails are archived on the server in accordance with our records retention policy, and all emails are subject to review by the Company. You may make limited use of our email system for matters involving your own personal business, so long as such use is kept to a minimum and does not interfere with your work.

The Company email system is Company property, and as such, is subject to monitoring. System monitoring is done for your protection and the protection of the rights or property of the provider of these services. Please consider this when conducting personal business using Company hardware and software.

Electronic mail is like any other form of Company communication, and may not be used for harassment or other unlawful purposes. Your email account is a Company-provided privilege, and is Company property. Remember that when you send email from the Company domain, you represent the Company whether your message is business-related or personal.<sup>6</sup>

## **Confidentiality of Electronic Mail**

As noted above, electronic mail is subject at all times to monitoring, and the release of specific information is subject to applicable laws and Company rules, policies and procedures on confidentiality. Existing rules, policies and procedures governing the sharing of confidential information also apply to the sharing of information via commercial software.

## ***Social Media***

The term “social media” includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else’s web log or blog, journal or diary, personal website, social networking or affinity website, web bulletin board, or a chat room, whether or not associated or affiliated with the Company, as well as any other form of electronic communication. The same principles and guidelines found in the Company rules, policies and procedures apply to an employee’s social media activities online.

Any conduct that adversely affects an employee’s job performance or the performance of fellow employees, or otherwise adversely affects the Company’s legitimate business interests, may result in disciplinary action, up to and including termination. Similarly, inappropriate postings, including but not limited to discriminatory remarks, harassment and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and may result in disciplinary action, up to and including termination. However, this restriction will not apply to any postings made in the exercise of any rights granted to an employee by federal law.<sup>9</sup>

## ***Telephones***

Access to the Company telephone system is given principally for work-related activities or approved educational/training activities. Incidental and occasional personal use is permitted. This privilege should not be abused and must not affect the employee’s performance of employment-related activities. Telephone usage should be based upon cost-effective practices that support the Company’s mission and should comply with applicable rules and regulations.

You should use common sense and your best judgment when making or receiving personal cellular phone calls at work. To the extent possible, employees should make personal cell phone calls during their breaks or lunch times. The use of cameras on cell phones during work hours is prohibited to protect the privacy of the Company as well as of fellow employees. However, this restriction will not apply to any recordings made in the exercise of any rights granted to an employee by federal law.

The Company telephone system is at all times the property of the Company. By accessing the telephone system through facilities provided by the Company, you acknowledge that the Company has the right to monitor its telephone system from time to time to ensure that employees are using the system for its intended purposes.

The Company prohibits the use of hand-held cellular devices while driving. Employees are strongly encouraged to use a hands-free cellular device while driving, should the use become a necessity in the course of employment. Sending and/or receiving text messages is expressly prohibited while operating any vehicle.

## ***Smoking***

In order to provide a safe and comfortable working environment for all employees, smoking is strictly prohibited at all times inside any Company building.



***Drug-Free Workplace***

The Company takes the problem of drug and alcohol abuse seriously, and is committed to providing a substance abuse-free workplace for its employees. Substance abuse of any kind is inconsistent with the behavior expected of our employees, subjects all employees and visitors to our facilities to unacceptable safety risks, and undermines our ability to operate effectively and efficiently. The Company has adopted a formal policy related to substance abuse. A copy of the complete policy is contained in this Handbook.

***Substance Abuse***

The Company recognizes alcohol and drug abuse as potential health, safety and security problems. The Company expects all employees to assist in maintaining a work environment free from the effects of alcohol, drugs or other intoxicating substances. Compliance with this substance abuse policy is made a condition of employment, and violations of the policy may lead to discipline and/or discharge.

All employees are prohibited from engaging in the unlawful manufacture, possession, use, distribution or purchase of illicit drugs, alcohol or other intoxicants, as well as the misuse of prescription drugs on Company premises or at any time and any place during working hours. While we cannot control your behavior off the premises on your own time, we certainly encourage you to behave responsibly and appropriately at all times.<sup>7</sup> All employees are required to report to their jobs in appropriate mental and physical condition, ready to work.

Substance abuse is an illness that can be treated. Employees who have an alcohol or drug abuse problem are encouraged to seek appropriate professional assistance. You may inform your immediate supervisor, designated manager, or Human Resources for assistance in seeking help to address substance abuse, who can also help you determine coverage available under the Company's medical insurance plan.

When work performance is impaired, admission to or use of a treatment or other program does not preclude appropriate action by the Company.

Any violator of this substance abuse policy will be subject to disciplinary action up to and including termination of employment.

***Safety and Accident Rules***

Safety is a joint venture at the Company. We strive to provide a clean, hazard-free, healthy, safe environment in which to work, and we make every effort to comply with all relevant federal, state and local occupational health and safety laws, including the federal Occupational Safety and Health Act. As an employee, you have a duty to comply with the safety rules of the Company, and you are expected to take an active part in maintaining this hazard-free environment. You must observe all posted safety rules, adhere to all safety instructions provided

by your supervisor, and use safety equipment where required. Your workspace should be kept neat, clean and orderly. You are required to report any accidents or injuries – including any breaches of safety – and to promptly report any unsafe equipment, working condition, process or procedure to a supervisor. In addition, if you become ill or get injured while at work, you must notify your manager immediately. Failure to do so may result in a loss of benefits under the state workers' compensation law.

Failure to abide by the Company's safety and accident rules may result in disciplinary action, up to and including termination.

### ***Workplace Violence Prevention Policy***

As stated above, the Company is committed to the safety and security of our employees. Workplace violence presents a serious occupational safety hazard to our organization, staff, and clients.

Workplace violence includes any physical assault or act of aggressive behavior occurring where an employee performs any work-related duty in the course of his or her employment, including but not limited to an attempt or threat, whether verbal or physical, to inflict physical injury upon an employee; any intentional display of force which would give an employee reason to fear or expect bodily harm; intentional and wrongful physical contact with a person without his or her consent that entails some injury; or stalking an employee with the intent of causing fear of material harm to the physical safety and health of such employee when such stalking has arisen through and in the course of employment.

Acts of violence by or against any of our employees where any work-related duty is performed will be thoroughly investigated and appropriate action will be taken, including involving law enforcement authorities when warranted. All employees are responsible for helping to create an environment of mutual respect for each other as well as clients and visitors, following all policies, procedures and practices, and for assisting in maintaining a safe and secure work environment.

### ***Promotions and Transfers***

In an effort to match you with the job for which you are most suited and/or to meet the business and operational needs of the Company, you may be transferred from your current job. This may be either at your request or as a result of a decision by the Company.

Reasons for transfer may include, but are not necessarily limited to, fluctuations in department workloads or production flow; a desire for more efficient utilization of personnel; increased career opportunities; personality conflicts; health; other personal situations; or other business reasons.

Most job openings that are intended to be filled from within the Company will be posted on the internal job post board for 30 days, then on the company website after that time. The management of the Company does reserve the right, however, to transfer or promote an employee without posting the availability of that position. Temporary transfers may be made at the discretion of the Company management.

You are eligible to request a transfer and to be considered for promotions upon completion of *[six (6) months]* of satisfactory performance in your current job. Your eligibility is also dependent, of course, on your having the needed skills, education, experience and other qualifications that are required for the job. However, a transfer may take place within the first *[six (6) months]* of employment if the management of the Company believes that it is in the best interest of the Company to make an exception to this guideline.

## **Part 2 – Anti-Discrimination & Harassment**

### ***Discrimination Is Prohibited***

The Company is an equal opportunity employer and makes all employment decisions without regard to race, religion, color, sex (including pregnancy, sexual orientation and gender identity), national origin, disability, age, genetic information, or any other status protected under applicable federal, state, or local laws. This policy applies to all terms and conditions of employment, including but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, benefits, compensation and training. We seek to comply with all applicable federal, state and local laws related to discrimination and will not tolerate the interference with the ability of any of the Company's employees to perform their job duties.

The Company makes decisions concerning employment based strictly on an individual's qualifications and ability to perform the job under consideration, the comparative qualifications and abilities of other applicants or employees, and the individual's past performance within the organization.

If you believe that an employment decision has been made that does not conform with management's commitment to equal opportunity, you should promptly bring the matter to the attention of your immediate supervisor, designated manager, or Human Resources. Your complaint will be promptly, thoroughly and impartially investigated. There will be no retaliation against any employee who files a complaint in good faith, even if the result of the investigation produces insufficient evidence to support the complaint.

### ***Americans with Disabilities Act***

The federal Americans with Disabilities Act (ADA) prohibits discrimination against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, fringe benefits, job training, and other terms, conditions and privileges of employment. The ADA does not alter the Company's right to hire the best-qualified applicant, but it does prohibit discrimination against a qualified applicant or employee because of his or her disability, or because of a perceived disability. As a matter of Company policy, the Company prohibits discrimination of any kind against people with disabilities.

### **Disabled Defined**

An applicant or employee is considered disabled if he or she (1) has a physical or mental impairment that substantially limits one or more major life activities; (2) has a record or past history of such an impairment; or (3) is regarded or perceived (correctly or incorrectly) as having such impairment.

A qualified employee or applicant with a disability is an individual who satisfies the requisite skill, experience, education and other job-related requirements of the position held or desired, and who, with or without reasonable accommodation, can perform the essential functions of that position.

## **Reasonable Accommodation**

A reasonable accommodation is any change in the work environment (or in the way things are usually done) to help a person with a disability apply for a job, perform the duties of a job, or enjoy the benefits and privileges of employment.

Qualified applicants or employees who are disabled should request reasonable accommodation from the Company in order to allow them to perform a particular job. If you are disabled and you desire such reasonable accommodation, contact your immediate supervisor, designated manager, or Human Resources. On receipt of your request we will meet with you to discuss your disability. We may ask for information from your health care provider(s) regarding the nature of your disability and the nature of your limitations, or take other steps necessary to help us determine viable options for reasonable accommodation. We will then work with you to determine whether your disability can be reasonably accommodated, and if it can be accommodated, we will explore alternatives with you and endeavor to implement a mutually agreeable accommodation.

Reasonable accommodation may take many forms and it will vary from one employee to another. Please note that according to the ADA, the Company does not have to provide the exact accommodation you want, and if more than one accommodation works, we may choose which one to provide. Furthermore, the Company does not have to provide an accommodation if doing so would cause undue hardship to the Company.

## ***Workplace Harassment***

The Company is committed to providing a work environment that provides employees equality, respect and dignity. In keeping with this commitment, the Company has adopted a policy of “zero tolerance” with regard to employee harassment. Harassment is defined under federal law as unwelcome conduct that is based on race, color, religion, sex (including pregnancy, sexual orientation and gender identity), national origin, age (40 or older), disability or genetic information. Harassment becomes unlawful where: (1) enduring the offensive conduct becomes a condition of continued employment; or (2) the conduct is severe or pervasive enough to create a work environment that a reasonable person would consider intimidating, hostile, or abusive.

This policy applies to all aspects of your employment. Harassment of any other person, including, without limitation, fellow employees, contractors, visitors, clients or customers, whether at work or outside of work, is grounds for immediate termination. The Company will make every reasonable effort to ensure that its entire community is familiar with this policy and that all employees are aware that every complaint received will be promptly, thoroughly and impartially investigated, and resolved appropriately. The Company will not tolerate retaliation against anyone who complains of harassment or who participates in an investigation.

## **Sexual Harassment**

Sexual harassment is prohibited by federal, state and local laws, and applies equally to men and women. Federal law defines sexual harassment as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature, when the conduct: (1) explicitly or implicitly affects a term or condition of an employee’s employment; (2) is used as

the basis for employment decisions affecting the employee; or (3) unreasonably interferes with an employee's work performance or creates an intimidating, hostile or offensive working environment.

Such conduct may include, but is not limited to: subtle or overt pressure for sexual favors; inappropriate touching; lewd, sexually oriented comments or jokes; foul or obscene language; posting of suggestive or sexually explicit posters, calendars, photographs, graffiti, or cartoons; and repeated requests for dates. Company policy further prohibits harassment and discrimination based on sex stereotyping. (Sex stereotyping occurs when one person perceives a man to be unduly effeminate or a woman to be unduly masculine and harasses or discriminates against that person because he or she does not fit the stereotype of being male or female.) The Company encourages reporting of all perceived incidents of sexual harassment, regardless of who the offender may be. Every employee is encouraged to raise any questions or concerns with his or her immediate supervisor, designated manager, or Human Resources.

### ***Supervisors' Responsibilities***

All managers are expected to ensure that the work environment is free from sexual and other harassment. They are responsible for the application and communication of this policy within their work areas. Managers should:

- Encourage employees to report any violations of this policy *before* the harassment becomes severe or pervasive.
- Make sure the Human Resources Department is made aware of any inappropriate behavior in the workplace.
- Create a work environment where sexual and other harassment is not permitted.

### ***Procedures for Reporting and Investigating Harassment***

Employees should report incidents of inappropriate behavior or sexual harassment as soon as possible after the occurrence. Employees who believe they have been harassed, regardless of whether the offensive act was committed by a manager, co-worker, vendor, visitor, or client, should promptly notify their immediate supervisor, designated manager, or Human Resources.<sup>8</sup> If the employee's immediate supervisor is involved in the incident, the employee should report the incident to the Human Resources Department. The Company takes claims of harassment seriously, no matter how trivial a claim may appear. All complaints of harassment, sexual harassment, or other inappropriate sexual conduct will be promptly, thoroughly and impartially investigated by the Company.

The Company prohibits retaliation against any employee who files or pursues a harassment claim. To the extent possible, all complaints and related information will remain confidential, except to those individuals who need the information to investigate, educate, or take action in response to the complaint.

All employees are expected to cooperate fully with any ongoing investigation regarding a harassment incident. Employees who believe they have been unjustly charged with harassment can defend themselves verbally or in writing at any stage of the investigation.

To protect the privacy of persons involved, confidentiality will be maintained throughout the investigatory process to the extent practicable and appropriate under the circumstances.

Investigations may include interviews with the parties involved, and, where necessary, individuals who may have observed the alleged conduct or who may have relevant knowledge.

At the conclusion of a harassment investigation, the complainant and the alleged “harasser” will be informed of the determination. Where appropriate, the “harasser” and the “victim” may be offered mediation or counseling through an employee assistance program (EAP).

### ***Penalties for Violation of Anti-Harassment Policy***

If it is determined that inappropriate conduct has occurred, the Company will act promptly to eliminate the offending conduct, and take such action as is appropriate under the circumstances. Such action may range from counseling to termination of employment, and may include such other forms of disciplinary action (such as, for example, suspension), as the Company deems appropriate under the circumstances and in accordance with applicable law.

## **Part 3 – Compensation**

### ***Payroll Practices***

Employees are paid [*semi-monthly*], on or about [*the 15th and the 30th of each month*]. If the regularly scheduled payroll date falls on a Saturday, the Company will attempt to deliver paychecks on Friday. If the regular payday falls on a Sunday, employees will be paid on Monday. When a payroll date falls on a holiday, employees will, when possible, be paid on the last business day before the holiday. Otherwise, employees will be paid on the first business day following the scheduled payroll date.

### ***Salary Deductions and Withholding***

The Company will withhold the following from your paycheck:

#### **Taxes**

Federal, state and local taxes, as required by law, as well as the required FICA (Social Security and Medicare) payments.

#### **Insurance**

Your contribution to health insurance or other insurance premiums for yourself and any eligible family members or to other contributory benefit programs.

#### **Other Deductions**

Other deductions which you authorize, including; short-term disability insurance, and future retirement accounts (To be determined)

### ***Direct Deposit***

You may have your paycheck deposited directly into your bank account. You will be given the authorization form for deposit by your immediate supervisor, designated manager, or Human Resources.



## **Part 4 – Benefits**

### ***Medical Insurance***

The company does not offer medical insurance at this time.

### ***Dental Insurance***

The Company does not offer dental insurance at this time.

### ***Short-Term Disability Plan (STD)***

A short-term disability plan is provided for eligible full-time employees. Please refer to the STD Summary Plan Description for an explanation of the plan benefits and limitations.

### ***Long-Term Disability Plan (LTD)***

Long-term disability coverage is a voluntary benefit that may be made available to employees. This benefit would pay a portion of your regular salary for an extended period of time. LTD is employee-specific. If you elect this type of coverage, please refer to the LTD Summary Plan Description for an explanation of the plan benefits and limitations.

### ***Life Insurance***

Full-time employees are eligible for and are automatically enrolled in a group term life insurance program. Enrollees may designate or change the beneficiary for this policy at any time. The Company pays the premium for this program. The face value of this benefit is equal to one times the employee's annual salary. For details, please refer to the plan SPD.

### ***Workers' Compensation Insurance***

To provide for payment of your medical expenses and for partial salary continuation in the event of a work-related accident or illness, you are covered by workers' compensation insurance, provided by the Company and based on state regulations. The amount of benefits payable, as well as the duration of payments, depends upon the nature of your injury or illness. However, all medical expenses incurred in connection with an on-the-job injury or illness and partial salary payments are paid in accordance with applicable state law. If you are injured or become ill on the job, you must immediately report the injury or illness to your manager and the Human Resources Department. This ensures that the Company can help you obtain appropriate medical treatment. Your failure to follow this procedure may delay your benefits or may even jeopardize your receipt of benefits. Questions regarding workers' compensation insurance should be directed to the Human Resources Department.

### ***Travel***

Details of the Company's Travel and Expense Reimbursement Policy are contained in the appendix to this Handbook.

## Part 5 – Holidays, Vacation and Other Leave

### ***Religious Observance***

Federal and state equal opportunity laws generally require employers to accommodate the religious beliefs of employees, but do not require them to provide paid leave. The Company respects your religious beliefs, however, and therefore, will provide **[one (1) day]** of paid leave to employees who, for religious reasons, must be away from the office on days of normal operation. Employees who require additional time off may use vacation and/or personal days. This leave must be requested through the department manager two weeks prior to the event.

### ***Vacation***

The Company recognizes the importance of vacation time in providing rest, recreation and personal enrichment. Vacations are established on a calendar-year basis.

Full-time employees earn vacation time as follows:

<i>1st year of employment</i>	<i>Two (2) weeks</i>
<i>2nd through 5th year of employment</i>	<i>Twelve (12) days</i>
<i>6th through 15th year of employment</i>	<i>Three (3) weeks</i>
<i>16th year of employment and following</i>	<i>Four (4) weeks</i>

Part-time employees earn vacation on a pro-rata basis. For example, an employee who works 30 hours per week will earn  $\frac{3}{4}$  of the amount of vacation a full-time employee earns, while an employee working one-half time earns one-half the vacation of a full-time employee.

### ***Accrual and Carryover***

Employees begin to accrue vacation time when they begin work for the Company. Employees may use their vacation at any time after the first **[90 days]** of employment. Employees may generally carry over vacation days from one year to the next. However, to encourage employees to use vacation, there is a cap on the amount of vacation that can be accumulated. Vacation accrual is capped at one and one-half times ( $1\frac{1}{2}$ ) an employee's annual vacation accrual rate. Once the cap is reached, an employee will not be able to accumulate any more vacation until some of it is used and drops below the cap. After vacation goes below the cap, employees can begin accruing vacation again.

## Procedure

You should submit requests for vacation time to your supervisor as soon as you know when you wish to schedule your vacation, but in no event less than two weeks prior to the time requested. Vacation requests are approved by your immediate supervisor. Vacation time is coordinated so that sufficient staff is available to provide adequate coverage at all times, and there may be Company-wide or department-specific “blackout dates,” as necessary. Vacation requests are granted on a first-come, first-served basis. In the event of a conflict in vacation requests, your supervisor will consider the Company’s staffing needs during the relevant period, as well as the length of service with the Company of the employees involved.

## Holiday Pay

Employees are entitled to the following paid holidays:<sup>9</sup>

New Year’s Day  
Martin Luther King Day  
Presidents Day  
Memorial Day  
4th of July  
Labor Day  
Columbus Day  
Veteran’s Day  
Thanksgiving  
Day after thanksgiving  
Christmas Eve  
Christmas Day  
Pending: Week between Christmas and New Years work remotely

## Personal Leave

Personal leave may be used for the following:

- Medical and dental appointments for yourself or family members;
- Your personal illness, or that of a member of your family; or
- Personal business that cannot be tended to outside of work hours, e.g., a house closing.

You are not required to give any specific reason for using your personal/sick time. However, when you do take personal/sick time you should give your immediate supervisor as much advance notice as possible.

You will accrue four [(4) hours] of personal leave each month, up to a total of [six (6) days] per 12-month period. You may carry over personal leave from year to year and accumulate a maximum of [480 hours of leave] for full-time employees and [240 hours] for part-time employees.

## **Notification Procedures**

When you are absent from work and your absence has not been previously scheduled, you must personally notify your immediate supervisor or manager as soon as you are aware that you will be late or unable to report to work. Leaving a voicemail or message with another staff member does not qualify as notifying your supervisor.

When absence is due to illness, the Company reserves the right to require appropriate medical documentation. Such documentation includes the employee's name, the date and time the employee was seen, and if applicable, a specific instruction regarding the employee's incapacity to perform his or her job. Excessive absenteeism or tardiness can result in discipline, up to and including discharge. (Also see the section on Family & Medical Leave for extended leave situations.)

If you are absent because of an accident or you are absent for longer than seven (7) days due to illness, compensation is paid under the benefits of the Company's short-term disability plan, provided you are eligible for and participate in that plan.

## **Bereavement Leave**

Employees will receive up to **[three (3) days]** of paid time off in the event of the death of a member of their immediate family. Immediate family includes spouses, domestic partners, children, parents, parents-in-law, brothers or sisters, and brothers-in-law or sisters-in-law. You are allowed **[one (1) day]** of paid leave in the event of the death of an extended family member. Extended family includes grandparents, aunts and uncles, and other more distant relatives.

## **Military Service Leave**

Employees serving in the uniformed services, including the Army, Navy, Marine Corps, Air Force, Coast Guard and Public Health Service commissioned corps, as well as the reserve components of each of these services, may take unpaid military leave, as needed, to enable them to fulfill their obligations as servicemembers. Servicemembers must provide advance written or verbal notice to the Company for all military duty, unless giving notice is impossible, unreasonable, or precluded by military necessity. Employees should provide notice as far in advance as is reasonable under the circumstances. In addition, employees may, but are not required to, use accrued vacation or personal leave while performing military duty.

## **Family and Medical Leave**

The federal Family and Medical Leave Act (FMLA) allows certain employees to take up to 12 weeks of unpaid leave per year for the serious health condition of the employee or an immediate family member, or for childbirth or adoption. An employee who assumes the role of caring for a child is also entitled to receive parental rights to family leave, regardless of the legal or biological relationship. Either day-to-day care or financial support may establish a parental relationship when the employee intends to assume the responsibilities of a parent with regard to a child. The Human Resources Department will guide you in completing appropriate forms for the leave. Any paid leave that you have accrued may be counted as part of your FMLA leave.

To take FMLA leave, you must provide the Company with appropriate notice. If you know in advance that you will need FMLA leave, you must notify your supervisor or the HR Department at least 30 days in advance. If you learn of your need for leave less than 30 days in advance, you must give notice as soon as you can (generally either the day you learn of the need or the next work day). When you need FMLA leave unexpectedly (for example, if a family member is injured in an accident), you must inform your supervisor or the HR Department as soon as you can.<sup>10</sup>

### **Military Caregiver Leave**

The FMLA also allows an eligible employee who is the spouse, son, daughter, parent or next of kin of a member of the Armed Forces, National Guard or Reserves or of certain recent veterans with a serious illness or injury, up to 26 weeks of unpaid leave within a 12-month period to care for the injured or ill servicemember or veteran. A “serious illness or injury” is generally an injury or illness incurred by the covered servicemember in the line of duty on active duty (or that existed before the beginning of the member’s active duty and was aggravated by service in the line of duty on active duty) that may render the servicemember medically unfit to perform the duties of the member’s office, grade, rank, or rating.

An eligible employee is entitled to a combined total of 26 workweeks of military caregiver leave and leave for any other FMLA-qualifying reason in a single 12-month period, provided that the employee may not take more than 12 weeks of leave for any other FMLA-qualifying reason during this period. (For example, in the single 12-month period an employee could take 12 weeks of FMLA leave to care for a newborn child and 14 weeks of military caregiver leave, but could not take 16 weeks of leave to care for a newborn child and 10 weeks of military caregiver leave.) Generally, you must give the Company at least 30 days’ notice before the commencement of any military caregiver leave.

### **Qualifying (Military) Exigency Leave**

The FMLA also provides for up to 12 weeks of unpaid leave within a 12-month period when an eligible employee’s spouse, son, daughter, or parent is on (or has been notified of an impending call to) “covered active duty” in the Armed Forces. (“Covered active duty” for members of a regular component of the Armed Forces means duty during deployment of the member with the Armed Forces to a foreign country. “Covered active duty” for members of the U.S. National Guard and Reserves means duty during deployment of the member with the Armed Forces to a foreign country under a call or order to active duty in a contingency operation.) The leave may also be extended to the family members of certain retired military. This leave may be used to take care of such things as child care or financial and legal arrangements necessitated by the deployment of the family member.

### ***Break Time for Nursing Mothers***

The federal Fair Labor Standards Act (FLSA) allows employees to take reasonable, unpaid break time to express breast milk as needed for up to one (1) year after the birth of a child. The Company will provide a place for the employee to express breast milk, other than a bathroom, that is shielded from view and free from intrusion from co-workers and the public. Employees

will not be discharged or in any other manner discriminated against in exercising their rights under this policy.

## ***Civic Duty Leave***

### **Jury Duty**

The Company encourages employees to fulfill their civic duties. To that end, employees will be allowed leave to serve on a jury, if summoned. We request that you give us a copy of your summons notice as soon as you receive it, so that we may keep it on file. If you are called during a particularly busy period, we may ask you to request a postponement. The Company will provide additional documentation in this regard, if necessary, to obtain such postponement.

Jury duty can last from a portion of a single day to several months or more. During this time you will be considered on a leave of absence and will be entitled to continue to participate in insurance and other benefits as if you were working. While serving on jury duty, you are expected to call in to your supervisor periodically to keep him or her apprised of your status.

The Company will compensate full-time employees for the difference between jury duty compensation and your current daily pay for the first *[five (5) days]* of jury service (or in accordance with applicable law, if different). If additional time is required, it will be granted, but without pay.

### **Appearance as a Witness**

An employee called to appear as a witness will be permitted time off to appear, but without pay. Employees will be permitted to use accrued vacation time when appearing as witnesses.

### **Voting**

The Company encourages all employees to vote. Most polling facilities for elections for public office have hours that are scheduled to accommodate working voters. The Company, therefore, requests that employees schedule their voting for before or after their work shifts. An employee who expects a conflict, however, should notify his or her supervisor, in advance, so that schedules can be adjusted if necessary.

## **Part 6 – Miscellaneous**

### ***Leaving the Company***

If you wish to resign your employment with the Company, we request that you notify your manager of your anticipated departure date at least (30) days in advance for executive team, for (2) weeks for standard employees. This notice should be in the form of a written note or letter.

You will be paid for accrued but unused vacation time as part of your last paycheck.

The Company asks all employees to participate in an exit interview with their immediate supervisor prior to leaving the Company. This provides an opportunity to return parking passes, keys and other property and to tie up any loose ends. You will receive preliminary information at that time regarding continuation coverage and any other continuation of benefits for which you may be eligible.

If you leave the Company in good standing, you may be considered for reemployment at a later date. However, in the case of rehiring, the Company may consider you to be a new employee with respect to vacation time, benefits and seniority.

### ***Dispute Resolution***

In a perfect world, every employment relationship would be smooth and harmonious. However, there are, unfortunately, times when employees and employers disagree. These disagreements often arise in the context of involuntary employment termination, but there may be disagreements regarding the right to a promotion, expense reimbursement, or on other matters.

All employees of the Company agree to first seek to mediate any dispute with the Company with a mediator from the American Arbitration Association or similar organization trained and experienced in employment disputes.<sup>11</sup> If mediation is not successful, both the Company and the employee agree to submit their dispute to arbitration. The arbitrator will be chosen from a panel presented by the American Arbitration Association or such other organization as is acceptable to both parties. The cost of the arbitrator will be split between the Company and the employee. Each party will be responsible for its own attorney or other related fees. Both the Company and the employee acknowledge that by agreeing to arbitrate, each gives up its right to litigate their employment dispute in court or to submit it to a jury. The decision of the arbitrator is final and binding.<sup>12</sup>

However, either party may seek to have a court of competent jurisdiction enforce an arbitration award. In addition, the Company retains the right to seek injunctive or other relief in the case of misappropriation of trade secrets or other confidential information, or any other action by an employee which might reasonably be expected to lead to irreparable harm to the Company.

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### **Quality Control and Testing**

Cloud Creamery will use a CCC licensed testing facility such as MCR Labs in Framingham to test all products.

Every batch of every product going to market will be tested, approved and verified but a registered testing facility.

Standard batch identification numbers and manufactured dates will be recorded and registered in house for all products.



## **Description of Qualification and Intended Trainings for Agents**

### **General**

- All employees will be trained on job specific training prior to performing any job functions
- All employees will receive a minimum of eight(8) hours of ongoing training annually for job specific roles and responsibilities
- All current owners, managers, and employees shall complete the Responsible Vendor Program after July 1, 2019 or when available
- All new employees shall complete the Responsible Vendor Program within 90 days of being hired
- Responsible Vendor Program documentation must be retained for four (4) years.

### **Anticipated Positions and Qualifications**

- **Pastry Chef** - this individual will be responsible for managing consistency of flavor and ingredients across all items. This person will also be responsible for food safety and sanitation maintenance of the kitchen.
  - **Qualifications:** This role will be filled by someone that has 10+ years in the pastry/production field. Ideally hotel experience or previous ice cream company production experience. They will also have to be Serve Safe certified with an additional permit specifically pertaining to allergens.
- **Food Scientist** - This person will monitor all infusions of cannabis into our products. This person will also focus on internal research and development of all our products on a consistent basis. This person will be responsible for monitoring shelf life as well as water content in all items produced in the facility.
  - **Qualifications:** This role will be filled by someone that has 5+years experience in a Food Science related role. Research and development of product water content, shelf-life stability and product development as a whole will be the basis of this position.

**SOP:** Quality Control Protocol and Outline

**Version:** V.2

**Date Revised:** 4.2.20

**Page 1 of 2**

**Objective:**

Ensuring the quality of raw materials, including any cannabis, is properly stored, and handled within Cloud Creamery LLC.

**Definitions:**

Meet and/or exceed the commission's guidelines on cannabis quality control and testing under the Commission's code 935 CMR 500.101.1

**I. Requirements for the Handling of Marijuana**

1. Cloud Creamery LLC will process marijuana in a safe and sanitary manner. Cloud Creamery shall process the leaves and flowers of the female marijuana plant only, which shall be:
  - a. Well cured and generally free of seeds and stems;
  - b. Free of dirt, sand, debris, and other foreign matter;
  - c. Free of contamination by mold, rot, other fungus, and bacterial diseases;
  - d. Prepared and handled on food-grade stainless steel tables; and
  - e. Packaged in a secure area.
2. Cloud Creamery LLC will comply with the following sanitary requirements set forth by the Commission, State of Massachusetts and City of Framingham:
  - a. Cloud Creamery LLC agents whose job include contact with marijuana will be required to obtain and maintain a food handlers specified in 105 CMR 300.000:*Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements*;
  - b. Any Cloud Creamery LLC 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 per Commissions code 935 CMR500.105(3)
  - c. Hand-washing facilities will be adequate and convenient and shall be furnished with running water at a suitable temperature per commission's code 935 CMR 50.105(3)

**SOP:** Quality Control Protocol and Outline

**Version:** V.2

**Date Revised:** 4.2.20

**Page 2 of 3**

### **Requirements for the Handling of Marijuana cont..**

- d. Hand-washing facilities shall be located in the Cloud Creamery LLC 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.
- e. There shall be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations;
- f. 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.
- g. Cloud Creamery LLC operating systems for waste disposal shall be maintained in an adequate manner pursuant to 935 CMR 500.105(12);
- h. Floors, walls, and ceilings will be constructed in such a manner that they may be adequately kept clean and in good repair.
- i. There will be adequate safety lighting in all processing and storage areas, as well as areas where equipment or utensils are cleaned.
- j. Buildings, fixtures, and other physical facilities will be maintained in a sanitary condition;
- k. All contact surfaces, including utensils and equipment, will 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.
- l. Equipment and utensils shall be so designed and of such material and workmanship as to be adequately cleanable.
- m. All toxic items shall be identified, held, and stored in a manner that protects against contamination of marijuana products.
- n. A Cloud Creamery LLC'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 Cloud Creamery LLC's needs.
- o. Plumbing will be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the establishment. Plumbing shall properly convey sewage and liquid disposable waste from Cloud Creamery LLC. There shall be no cross-connections between the potable and wastewater lines.
- p. Cloud Creamery will provide its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair.

**SOP:** Quality Control Protocol and Outline

**Version:** V.2

Date Revised: 4.2.20

Page 3 of 3

**Requirements for the Handling of Marijuana cont..**

- q. Products that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms; and
  - r. 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.
  - s. 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).
3. Cloud Creamery LLC, 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 and through state and local health boards.

**SOP:** Record Keeping Procedures and Maintenance of Financial Records Plan

**Version:** V.1

**Date Revised:** 3.19.20

**Page 1**

**Objective:**

Have a dedicated, proper way of maintaining record keeping procedures.

**Definitions:**

Meet and/or exceed the commission's guidelines on maintaining record keeping procedures and financial records.

1. Establishments shall keep waste records for at least three years. 935 CMR 500.105 (12)
2. Establishments shall maintain their records in accordance with generally accepted accounting principles. 935 CMR 500.105 (9)
3. Written operating procedures shall be maintained as required by 935 CMR 500.105(1). 935 CMR 500.105(9)
4. Inventory records as required by 935 CMR 500.105(8)(e). 935 CMR 500.105(9)
5. Seed-to-sale tracking records for all marijuana as required by 935 CMR 500.105(8)(e). 935 CMR 500.105(9)
6. The following personnel records shall be maintained:
  - a. Job description for each agent;
  - b. A personnel record for each agent.
  - c. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;
  - d. Personnel policies and procedures; and
  - e. All background check reports obtained in accordance with 935 CMR 500.030. 935 CMR 500.105(9)
7. The following business records shall be maintained:
  - a. Assets and Liabilities;
  - b. Monetary transactions;
  - c. Books of accounts;
  - d. Sales records; and
  - e. Salary and wages paid to each employee. 935 CMR 500.105(9)

**Restricting Access to age 21 and older**

We will not hire anyone under 21 years of age and all visitors will be over the age of 21.

Cloud Creamery LLC  
Record Keeping Procedures  
Version: V.2  
Date Revised: 4.11.20

**Objective:**

Have a dedicated, proper way of maintaining record keeping procedures

**Definitions:**

Meet and/or exceed the commission's guidelines on maintaining record keeping procedures and financial records.

1. Establishments shall keep waste records for at least three years. 935 CMR 500.105 (12)
2. Establishments shall maintain their records in accordance with generally accepted accounting principles. 935 CMR 500.105 (9)
3. Written operating procedures shall be maintained as required by 935 CMR 500.105(1). 935 CMR 500.105(9)
4. Inventory records as required by 935 CMR 500.105(8)(e). 935 CMR 500.105(9)
5. Seed-to-sale tracking records for all marijuana as required by 935 CMR 500.105(8)(e). 935 CMR 500.105(9)
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  - a. Job description for each agent;
  - b. A personnel record for each agent.
  - c. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;
  - d. Personnel policies and procedures; and
  - e. All background check reports obtained in accordance with 935 CMR 500.030. 935 CMR 500.105(9)



Cloud Creamery LLC  
Maintenance of Financial Records Plan  
Version: V.2  
Date Revised 4.11.20

**The following business records shall be maintained:**

- a. Assets and Liabilities;
- b. Monetary transactions;
- c. Books of accounts;
- d. Sales records; and
- e. Salary and wages paid to each employee. 935 CMR 500.105(9)

## **Diversity Plan**

Though Cloud Creamery will not utilize line employees in its initial business model and has no timeline to do so, if and when it does hire line employees it will apply the following diversity targets and metrics.

### **Targets**

Cloud Creamery's employee base, when and if it comes into existence, will consist of a minimum of 50 percent female workers. In addition, a minimum of 50 percent of employees will be members of the Hispanic/Latinx, Black/African Americans and U.S. military veteran populations. Cloud Creamery will participate in job fairs 4 times per year and will post job advertisements on Indeed.com and various other online job platforms.

- Cloud Creamery will adhere to the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of Marijuana Establishments.

### **Metrics**

Cloud Creamery will continually measure and address its diversity and inclusiveness activities and status by tracking and analyzing information including, but not limited to, the following:

- 1) Employees overall, by function, seniority, and tenure
- 2) Employee status (full-time/part-time/contractor)
- 3) Management and leadership
  - a) Employees reporting to female managers
  - b) Employees reporting to managers from underrepresented groups
- 4) Salary
  - a) Raises and bonuses
- 5) Equity, for all-time and 12 months trailing
  - a) Employee equity pool, for all-time and 12 months trailing, sorted by gender and race
  - b) Investor equity pool
  - c) Vesting rate
- 6) Board of Directors
- 7) Candidate pools and hiring funnels, by role
- 8) Voluntary and involuntary attrition rates
- 9) Promotion rates, sorted by demographics
- 10) Complaints (formal and informal)
  - a) Complaint resolution status

### **Reviews**

Annual performance reviews of employees, if applicable, will commence after provisional licensure. Cloud Creamery will report on the progress of the reviews and the process and progress of the diversity initiative upon license renewal.

### **Attestation**

Actions taken or programs instituted by Cloud Creamery will not violate Cannabis Control Commission regulations with respect to limitations on ownership or control or other applicable state laws.