



Massachusetts Cannabis Control Commission

Marijuana Retailer

General Information:

License Number: MR283092
Original Issued Date: 06/23/2020
Issued Date: 06/23/2020
Expiration Date: 06/23/2021

ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Elevated Roots, LLC

Phone Number: 617-688-4225 Email Address: bobbypalma7@me.com

Business Address 1: 44 William C. Gould Jr. Way Business Address 2:

Business City: Kingston Business State: MA Business Zip Code: 02364

Mailing Address 1: 44 William C. Gould Jr. Way Mailing Address 2:

Mailing City: Kingston Mailing State: MA Mailing Zip Code: 02364

CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Minority-Owned Business

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: Percentage Of Control: 30

Role: Owner / Partner Other Role: Manager

First Name: Vivekanand Last Name: Patel Suffix:

Gender: Male User Defined Gender:

What is this person's race or ethnicity?: Middle Eastern or North African (Lebanese, Iranian, Egyptian, Syrian, Moroccan, Algerian)

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 2

Percentage Of Ownership: Percentage Of Control: 30

Role: Owner / Partner Other Role: Manager

First Name: Barznab Last Name: Khan Suffix:

Gender: Male User Defined Gender:

What is this person's race or ethnicity?: Middle Eastern or North African (Lebanese, Iranian, Egyptian, Syrian, Moroccan, Algerian)

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 3

Percentage Of Ownership: Percentage Of Control: 40

Role: Owner / Partner Other Role: Manager

First Name: Robert Last Name: Palma Suffix: Jr.

Gender: Male User Defined Gender:

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

Specify Race or Ethnicity:

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

Entity with Direct or Indirect Authority 1

Percentage of Control: 40 Percentage of Ownership: 40

Entity Legal Name: BAMA Holdings, LLC Entity DBA: DBA
City:

Entity Description: To own stock or membership interests in other companies as well as limited liability companies and to engage in such business activities as are allowed under Massachusetts law.

Foreign Subsidiary Narrative:

Entity Phone: 617-688-4225 Entity Email: Entity Website:
bobbypalma7@me.com

Entity Address 1: 37 Industrial Park Road Entity Address 2:
Entity City: Plymouth Entity State: MA Entity Zip Code: 02360

Entity Mailing Address 1: 37 Industrial Park Road Entity Mailing Address 2:
Entity Mailing City: Plymouth Entity Mailing State: MA Entity Mailing Zip Code:
02360

Relationship Description: BAMA Holdings, Inc. is a member of and owns 40% of the interest in Elevated Roots LLC.

Entity with Direct or Indirect Authority 2

Percentage of Control: 60 Percentage of Ownership: 60

Entity Legal Name: BKVP 420 Holding LLC Entity DBA: DBA
City:

Entity Description: To directly or indirectly invest in the acquisition of units in Elevated Roots LLC, and any other business in which a Massachusetts limited liability company is authorized to engage.

Foreign Subsidiary Narrative:

Entity Phone: 978-609-7658 Entity Email: Entity Website:
vivek1119@yahoo.com

Entity Address 1: 859 Willard Street Entity Address 2: Suite 400

Entity City: Quincy	Entity State: MA	Entity Zip Code: 02169
Entity Mailing Address 1: 859 Willard Street	Entity Mailing Address 2: Suite 400	
Entity Mailing City: Quincy	Entity Mailing State: MA	Entity Mailing Zip Code: 02169

Relationship Description: BKVP 420 Holding LLC, is a member of and owns 60% of the interest of Elevated Roots, LLC.

CLOSE ASSOCIATES AND MEMBERS

No records found

CAPITAL RESOURCES - INDIVIDUALS

Individual Contributing Capital 1

First Name: Vivekanand	Last Name: Patel	Suffix:
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Types of Capital: Monetary/Equity Other Type of Capital: Total Value of the Capital Provided: \$79500 Percentage of Initial Capital: 30

Capital Attestation: Yes

Individual Contributing Capital 2

First Name: Robert	Last Name: Palma	Suffix: Jr.
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Types of Capital: Monetary/Equity Other Type of Capital: Total Value of the Capital Provided: \$106000 Percentage of Initial Capital: 40

Capital Attestation: Yes

Individual Contributing Capital 3

First Name: Barznab	Last Name: Khan	Suffix:
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Types of Capital: Monetary/Equity Other Type of Capital: Total Value of the Capital Provided: \$79500 Percentage of Initial Capital: 30

Capital Attestation: Yes

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: 44 William C. Gould Jr. Way

Establishment Address 2:

Establishment City: Kingston Establishment Zip Code: 02364

Approximate square footage of the establishment: 4050 How many abutters does this property have?: 8

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

HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan to Remain Compliant with Local Zoning	Elevated Roots - Plan to Remain Compliant with Local Zoning.pdf	pdf	5dc1b5d6a9ef3857c4457bfe	11/05/2019
Community Outreach	ElevatedRoots -	pdf	5dc3473cea4df3530e643000	11/06/2019

Meeting Documentation	CommuntyOutreacMeetingDocuments.pdf			
Certification of Host Community Agreement	Certificate of HostCommunityAgreement.pdf	pdf	5dcd601bd5b0805341c61cea	11/14/2019

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
Other	CrohnsColitisFoundation Letter 3.26.20.pdf	pdf	5e81f75f5f1da0353e2b1c85	03/30/2020
Plan for Positive Impact	Elevated Roots Updated Plan for Positive Impact 4-14-20.pdf	pdf	5e95f07b5f1da0353e2b4e13	04/14/2020

ADDITIONAL INFORMATION NOTIFICATION

Notification: I understand

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: Owner / Partner Other Role: Manager
 First Name: Vivekanand Last Name: Patel Suffix:
 RMD Association: Not associated with an RMD
 Background Question: no

Individual Background Information 2

Role: Owner / Partner Other Role: President
 First Name: Robert Last Name: Palma Suffix: Jr.
 RMD Association: Not associated with an RMD
 Background Question: no

Individual Background Information 3

Role: Owner / Partner Other Role: Manager
 First Name: Barznab Last Name: Khan Suffix:
 RMD Association: Not associated with an RMD
 Background Question: no

ENTITY BACKGROUND CHECK INFORMATION

Entity Background Check Information 1

Role: Other (specify) Other Role: 40% owner of Elevated Roots LLC
 Entity Legal Name: BAMA Holdings, LLC Entity DBA:
 Entity Description: A Massachusetts limited liability company established to own stock or membership interests in other companies as well as limited liability companies and to engage in such business activities as are allowed under Massachusetts law.
 Phone: 617-688-4225 Email: bobbypalma7@me.com
 Primary Business Address 1: 37 Industrial Park Road Primary Business Address

Primary Business City: Plymouth	Primary Business State: MA	2:
		Principal Business
		Zip Code: 02360

Additional Information: BAMA Holdings LLC owns 40% of the shares of Elevated Roots LLC.

Entity Background Check Information 2

Role: Other (specify)	Other Role: 60% owner of Elevated Roots LLC	
Entity Legal Name: BKVP 420 Holdings LLC	Entity DBA:	
Entity Description: Directly or indirectly invest in the acquisition of units or shares in Elevated Roots LLC, and any other business in which a Massachusetts limited liability company is authorized to engage.		
Phone: 978-609-7658	Email: vivek1119@yahoo.com	
Primary Business Address 1: 859 Willard Street	Primary Business Address 2:	
	Suite 400	
Primary Business City: Quincy	Primary Business State: MA	Principal Business
		Zip Code: 02169

Additional Information: BKVP 420 Holdings LLC owns 60% of the shares of Elevated Roots LLC

MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	Elevated Roots Certificate of Organization.pdf	pdf	5db9ae8dba9d562b3e032b85	10/30/2019
Bylaws	Elevated Roots LLC - Operating Agreement.pdf	pdf	5db9c32273225f2fcd766bc8	10/30/2019
Secretary of Commonwealth - Certificate of Good Standing	Elevated Roots Cert of Good Standing - Sec of State MA.pdf	pdf	5dc03e0126aa7753208593ed	11/04/2019
Department of Revenue - Certificate of Good standing	Elevated Roots CertOfGoodStanding - MA DOR.pdf	pdf	5dcd958974bb15534cd4c3ee	11/14/2019
Bylaws	Elevated Roots Assignment of Membership Interest.pdf	pdf	5e6ba61f554b033566ccc433	03/13/2020
Department of Revenue - Certificate of Good standing	ElevatedRoots DUA Employee Attestation 3-12-20.pdf	pdf	5e6bdbbc3554b033566ccc58b	03/13/2020

No documents uploaded

Massachusetts Business Identification Number: 001363380

Doing-Business-As Name:

DBA Registration City:

BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for Liability Insurance	Elevated Roots Plan for Obtaining Liability Insurance.pdf	pdf	5dc08ce4bcb01253152f3f75	11/04/2019
Proposed Timeline	Elevated Roots Proposed Timeline.pdf	pdf	5dc0ad4466a32657cfbd900b	11/04/2019

Business Plan	Elevated Roots - Business Plan - updatd 3-13-20.pdf	pdf	5e6ba70cb7c619391b8b5373	03/13/2020
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OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Separating recreational from medical operations, if applicable	Elevated Roots - Seperating Recreational from Medical Operations -not applicable.pdf	pdf	5dc0aeb926aa77532085967a	11/04/2019
Restricting Access to age 21 and older	Elevated Roots - Restricting Access to age 21 and older.pdf	pdf	5dc0aed2bcb01253152f3fe1	11/04/2019
Prevention of diversion	Elevated Roots Prevention of Diversion.pdf	pdf	5dc0b0238bdcfd57ae523c6a	11/04/2019
Storage of marijuana	Elevated Roots Storage of Marijuana.pdf	pdf	5dc0b10eea4df3530e64281b	11/04/2019
Transportation of marijuana	Elevated Roots - Transportation of Marijuana.pdf	pdf	5dc0b11b26aa77532085967f	11/04/2019
Inventory procedures	Elevated Roots - Inventory Procedures.pdf	pdf	5dc0b1b6ea4df3530e64281f	11/04/2019
Quality control and testing	Elevated Roots - Quality Control and Testing.pdf	pdf	5dc0b25b7aad8653363bb05a	11/04/2019
Dispensing procedures	Elevated Roots - Retail Dispensing Procedures.pdf	pdf	5dc0b2c1160e3b57a3dd04de	11/04/2019
Record Keeping procedures	Elevated Roots - Record Keeping Procedures.pdf	pdf	5dc0b4998bdcfd57ae523c81	11/04/2019
Maintaining of financial records	Elevated Roots - Maintaining of Financial Records.pdf	pdf	5dc0b4b5b4f83557d6cc4b07	11/04/2019
Qualifications and training	Elevated Roots - Employee Qualifications and Training.pdf	pdf	5dc1aa990f35e05798b35461	11/05/2019
Plan for obtaining marijuana or marijuana products	Elevated Roots - Plan to Obtain marijuana or marijuana products.pdf	pdf	5dc1d05466a32657cfbd9350	11/05/2019
Personnel policies including background checks	Elevated Roots - Personnel Policies Including Background Checks.pdf	pdf	5dc2e06f40e348579197af27	11/06/2019
Security plan	Elevated Roots Updated Security Plan 3-12-20.pdf	pdf	5e6ba842bddf0438d21d81d0	03/13/2020
Diversity plan	Elevated Roots Updated Diversity Plan 4-13-20.pdf	pdf	5e94b89f172cbc354597781f	04/13/2020

MARIJUANA RETAILER SPECIFIC REQUIREMENTS

No documents uploaded

No documents uploaded

ATTESTATIONS

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

I understand that the regulations stated above require an applicant for licensure to list all executives, managers, persons or entities having direct

or indirect authority over the management, policies, security operations or cultivation operations of the Marijuana Establishment; close associates and members of the applicant, if any; and a list of all persons or entities contributing 10% or more of the initial capital to operate the Marijuana Establishment including capital that is in the form of land or buildings.: I Agree

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

I Agree

Notification: I 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

HOURS OF OPERATION

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

Elevated Roots LLC

Plan to Remain Compliant with Local Zoning

The Town of Kingston, MA (the “**Town**”) amended its zoning code at a Special Town Meeting on June 26, 2018, to allow the dispensing of marijuana for adult-use in the Commercial zoning district.

Elevated Roots LLC (the “**Company**”), is proposing to develop and operate a Marijuana Establishment at 44 William C Gould Jr Way, Kingston, MA 02364. This site is located in the Commercial zone, which permits the operation of a marijuana establishment, specifically a marijuana retail facility, pursuant to Section 4.21.4(p) of the Kingston Zoning By-laws and the table of use regulations for the Commercial zone, subject to the granting of a Special Permit from the Planning Board (the “**Board**”). Please see the attached zoning bylaws and zoning map for reference.

The Company has discussed its marijuana retail facility with town officials, including the Town of Kingston building and zoning department, the police department, the fire department, health department, and has appeared before the Town of Kingston Board of Selectmen and entered into a host community agreement with the Town. Pursuant to Section 4.21.3(f) and Section 4.23.5(u)(03) of the Kingston Zoning By-Laws, the Company must be issued a provisional license from the Cannabis Control Commission (the “**Provisional License**”), and include a certified copy of the Provisional License with its special permit application, prior to receiving a special permit. The Company shall apply for a special permit for a marijuana retail facility with the Board prior to, or as soon as practically possible after receiving the Provisional License for the Cannabis Control Commission.

The Company expects the following timing with respect to obtaining all Town zoning relief:

- March 2019: file for the Special Permit, provided the Company is in receipt of the Provisional License.
- June 2020: receipt of the Special Permit
- July 2020: issuance of the building permit.

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

The Company hereby submits that it will continue to comply with all local and state requirements and Robert Palma, Owner and Member of the Board of Managers will be responsible for ongoing compliance with local and state rules and regulations.

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, Robert Palma, (insert name) attest as an authorized representative of Elevated Roots, 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 August 7, 2019 (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 July 29, 2019 (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 July 25, 2019 (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 July 25, 2019 (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.

elevated roots

**NOTICE OF COMMUNITY OUTREACH MEETING
REGARDING ADULT-USE MARIJUANA
RETAILER ESTABLISHMENT
ELEVATED ROOTS
44 WILLIAM C. GOULD JR. WAY,
KINGSTON, MASSACHUSETTS**

**Meet The Team Behind Elevated Roots
Community Outreach Meeting Planned for Aug. 7**

Kingston, MA - Residents, officials, and members of the media are invited to join the entrepreneurs behind Elevated Roots, a planned Adult-Use Marijuana Retailer Establishment, at our Community Outreach Meeting at 6 p.m., on Wednesday, Aug. 7, 2019 at the Beal House, at 222 Main Street in Kingston, MA.

The Community Outreach Meeting will give citizens an opportunity to learn more about the proposed Adult-Use Marijuana Retailer, which is anticipated to be located at 44 William C. Gould Jr. Way, Kingston MA, 02364.

Information presented at the outreach meeting will include, but not be limited to: steps that will be taken to ensure security and prevent diversion to minors, a plan by the anticipated Adult-Use Marijuana Retailer to positively impact the community, and information that adequately demonstrates the cannabis retailer will not become a nuisance to the community. Refreshments will be provided and community feedback, along with questions, will be welcomed.

ATTACHMENT B

**NOTICE OF COMMUNITY OUTREACH MEETING
REGARDING ADULT-USE MARIJUANA RETAILER ESTABLISHMENT
ELEVATED ROOTS
44 WILLIAM C. GOULD JR. WAY, KINGSTON, MASSACHUSETTS**

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Community Outreach Meeting Planned for Aug. 7**

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RECEIVED
2019 JUL 25 P 2:59
TOWN OF
KINGSTON

ATTACHMENT C

NOTICE OF COMMUNITY OUTREACH MEETING REGARDING ADULT-USE MARIJUANA RETAILER ESTABLISHMENT ELEVATED ROOTS 44 WILLIAM C. GOULD JR. WAY, KINGSTON, MASSACHUSETTS

Meet The Team Behind Elevated Roots Community Outreach Meeting Planned for Aug. 7

Kingston, MA - Residents, officials, and members of the media are invited to join the entrepreneurs behind Elevated Roots, a planned Adult-Use Marijuana Retailer Establishment, at our Community Outreach Meeting at 6 p.m., on Wednesday, Aug. 7, 2019 at the Beal House, at 222 Main Street in Kingston, MA.

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Information presented at the outreach meeting will include, but not be limited to: steps that will be taken to ensure security and prevent diversion to minors, a plan by the anticipated Adult-Use Marijuana Retailer to positively impact the community, and information that adequately demonstrates the cannabis retailer will not become a nuisance to the community. Refreshments will be provided and community feedback, along with questions, will be welcomed.

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, (Robert Palma), (insert name) certify as an authorized representative of Elevated Roots, LLC (insert name of applicant) that the applicant has executed a host community agreement with Kingston (insert name of host community) pursuant to G.L.c. 94G § 3(d) on July 10, 2019 (insert date).


Signature of Authorized Representative of Applicant

Host Community

I, Thomas J. Calter, (insert name) certify that I am the contracting authority or have been duly authorized by the contracting authority for Kingston (insert name of host community) to certify that the applicant and Kingston (insert name of host community) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on July 10, 2019 (insert date).


Signature of Contracting Authority or
Authorized Representative of Host Community

Elevated Roots LLC

Plan for Positive Impact

Elevated Roots LLC (the “**Company**”) is basing its headquarters in Kingston, MA, an area that has not been identified by the Commission as an area of disproportionate impact. However, the Town of Abington, the Town of Wareham and City of Brockton have been identified as area of disproportional impact, and these communities are located approximately 16, 19 and 18 miles (respectively) from Kingston. Accordingly, the Company intends to focus its efforts in those communities and the surrounding community, and on Massachusetts Residents who have, or have parents or spouses who have, past drug convictions. (the “**Target Areas**”)

The Company will implement the following goals, programs and measurements pursuant to this Plan for Positive Impact (the “**Positive Impact Plan**”).

Goals:

The Company’s goals for this Positive Impact Plan are as follows:

1. Hire, in a legal and non-discriminatory manner, at least 25% of its employees from Target Areas including Brockton, and/or Massachusetts residents who have, or have parents or spouses who have, past drug convictions, or who are participants in the Commissions Social Equity Program (“SEP”);
2. Contribute a minimum of Ten Thousand and 00/100 Dollars (\$10,000.00) to charitable groups serving the Target Areas, including areas of disproportionate impact, and servicing individuals across Massachusetts, including Brockton, Abington, and Wareham; and/or Massachusetts residents who have, or have parents or spouses who have, past drug convictions; and
3. Provide educational programs and informational sessions geared towards individuals interested in the cannabis industry, with specific focuses on marijuana retailers and entrepreneurship, at least twice a year.

Programs:

In an effort to reach the abovementioned goals, the Company shall implement the following practices and programs:

1. In an effort to ensure that the Company has the opportunity to interview, and hire, individuals from the Target Areas or Massachusetts residents who have past drug convictions it shall post monthly notices for at least three (3) months prior to opening at the municipal offices of the Target Areas and in newspapers of general circulation in the Target Areas, including but not limited to, Abington Mariner, Brockton Enterprise, and Taunton Daily Gazette. these notices will state, among other things, that the Company is specifically looking for Massachusetts residents who are 21 years or older and either (i) live in a Target Area or another area of disproportionate impact as defined by the Commission; or (ii) have past drug convictions, for employment.

Elevated Roots LLC

Such residency, or prior drug conviction status, will be a positive factor in hiring decisions, but this does not prevent the Company from hiring the most qualified candidates and complying with all employment laws and other legal requirements.

2. In an effort to ensure that it will meet its contribution goals, the Company has corresponded with representatives from the Crohn's and Colitis Foundation (the "C&CF"), servicing individuals across Massachusetts, including Brockton, Abington, and Wareham. Please see attached letter from the C&CF confirming its willingness to accept these contributions from the Company.
3. In an effort to ensure that the Company provides opportunities for individuals from the Target Areas and/or Massachusetts residents who have past drug convictions to attend its educational events the Company shall post monthly notices at least two months two (2) months prior to hosting said educational programs or informational sessions in newspapers of general circulation in the Target Areas including but not limited to, the Abington Mariner, Brockton Enterprise, and Taunton Daily Gazette, and these notices will state, among other things, that the Company is specifically looking for Massachusetts residents who are 21 years or older and either (i) live in a Target Area or another area of disproportionate impact as defined by the Commission; or (ii) have past drug convictions to attend these events.

The Company respectfully submits that it will comply with the advertising, branding, marketing and sponsorship practices as outlined in 935 CMR 500.105(4) with respect to accomplishing the foregoing goals. The abovementioned notices will not include any Company advertisements, marketing materials or branding. To the extent the Commission deems necessary, notices and event programming materials will be made available to the Commission for review and inspection prior to publishing.

Annual Review:

Each year, the Company will review the following criteria in an effort to measure the success of its Positive Impact Plan.

1. Identify the number of individuals hired who (i) came from Target Areas, or other areas of disproportionate impact as defined by the Commission; or (ii) have past drug convictions;
2. Identify the amount of charitable donations the Company has made during the positive impact plan year, and to which organizations those donations went (documentation from said charities about whether or not they serve the Target Areas or other areas of disproportionate impact, or residents with previous drug convictions, will be available for inspection by the Commission upon request); and
3. Identify the number of educational events or informational sessions it holds and attendance at the same.

The Company affirmatively states that it: (1) has confirmed that all of the abovementioned charities have (or will) accepted donations from the Company; (2) acknowledges and is aware,

Elevated Roots LLC

and will adhere to, the requirements set forth in 935 CMR 500.105(4), which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment; (3) any actions taken, or programs instituted, will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws; and (4) the Company will be required to document progress or success of this plan, in its entirety, annually upon renewal of this provisional license.

ELEVATED ROOTS LLC**CERTIFICATE OF ORGANIZATION**

Pursuant to Chapter 156C of the Laws of the Commonwealth of Massachusetts (hereinafter the "Act") the undersigned hereby certifies as follows:

1. **Name.** The name of the limited liability company is Elevated Roots LLC (hereinafter "LLC").
2. **Office.**
 - a. The street address of the Principal Office of the LLC is:
110 Main Street, Kingston, Massachusetts 02364.
 - b. The location in Massachusetts where records will be maintained is:
110 Main Street, Kingston, Massachusetts 02364.
3. **Business of the LLC.** The general character of the business of the LLC shall be the initial purpose of submitting applications with all applicable Massachusetts regulatory agencies to obtain authorization to engage in a retail adult use dispensary, and any other business in which a Massachusetts limited liability company is authorized to engage. The LLC will not engage in any activity requiring the approval and endorsement of the Department of Public Health or the Cannabis Control Commission until such authorizations have been received.
4. **Date of Dissolution.** The LLC has no specific date of dissolution.
5. **Resident Agent.** As of the date hereof, the following person has been appointed and has agreed to act as resident agent of the LLC:

John F. Bradley, Esq.
Prince Lobel Tye LLP
One International Place, Suite 3700
Boston, MA 02110

I, John F. Bradley, Esq., consent to being appointed resident agent of Elevated Roots LLC:

6. **Managers.** As of the date hereof, the following persons have been appointed and has agreed to act as Manager of the LLC:

Robert Thomas Palma, Jr.
61 Longwood Circle
Kingston, MA 02364

Vivekanand Patel
66 Main Street
Kingston, MA 02364

Joshua E. Koenig
85 Samoset Street
Plymouth, MA 02360

Barznab Khan
859 Willard Street, Suite 400
Quincy, MA 02169

7. **Execution of Documents.** The Managers are authorized to execute any document to be filed with the office of the Secretary of State of the Commonwealth of Massachusetts, to execute, acknowledge, deliver and record any recordable instrument purporting to affect an interest in real property, whether to be recorded with a registry of deeds or a district office of the Land Court, and to execute, acknowledge, deliver and file or record any instrument, document or certificate, which execution, acknowledgment, delivery, filing and/or recording shall bind the LLC, without further action.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Organization as of January 9, 2019.


Barznab Khan, Authorized Person

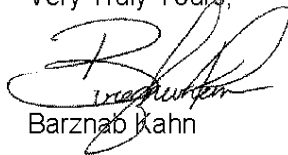
January 4, 2019

Secretary of the Commonwealth
Corporations Division
One Ashburton Place
Boston, MA 02108

RE: Elevated Roots LLC

Please be advised that on 12/18/2018 I, Barznab Khan, reserved the name Elevated Roots LLC. Be further advised that I hereby consent to the use of the reserved name of Elevated Roots LLC to be used for the Certificate of Organization of a Limited Liability Company being filed on 01/04/2019 with the named Managers of Robert Thomas Palma, Jr., Joshua E. Koenig, Vivekanand Patel and Barznab Khan.

Very Truly Yours,



Barznab Khan

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:

January 11, 2019 11:04 AM

A handwritten signature in black ink, reading "William Francis Galvin". The signature is written in a cursive style with a large, prominent "G" at the end.

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth

OPERATING AGREEMENT

OF

Elevated Roots, LLC

Dated as of January 11, 2019

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OPERATING AGREEMENT
OF
ELEVATED ROOTS, LLC

THIS OPERATING AGREEMENT (this "Agreement") of Elevated Roots, LLC, a Massachusetts limited liability company (the "Company"), is made as of (the "Effective Date"), on January 11, 2019, by and among the Company, the Persons identified on the signature page hereto as "Members" and each of the Persons identified in Section 4.1 below (as from time to time removed or replaced) as "Managers" (and collectively, the "Board").

RECITALS

WHEREAS, the Company was formed as of January 11, 2019 as a limited liability company under the laws of the Commonwealth of Massachusetts in accordance with the provisions of the Massachusetts Limited Liability Company Act by the filing of a Certificate of Organization for the Company (the "Certificate") in the Office of the Secretary of State of the Commonwealth of Massachusetts; and

WHEREAS, the Company, the Members, and the Board wish to set out fully their respective rights, obligations and duties regarding the Company and its affairs, assets, liabilities and the conduct of its business; and

NOW THEREFORE, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which each of the parties hereto hereby acknowledge, the Company, the Members and the Board hereby agree as follows:

ARTICLE I
DEFINITIONS

For purposes of this Agreement, capitalized terms used, and not otherwise defined, herein shall have the meanings set forth below:

"Abandoned Interest" shall have the meaning set forth in Section 6.4(b).

"Abandonment Interest Purchase Price" shall have the meaning set forth in Section 6.4(d).

"Act" shall mean the Massachusetts Limited Liability Company Act and any successor statute, as amended from time to time.

"Adjusted Capital Account Balance" shall mean with respect to any Member, such Member's Capital Account balance maintained in accordance with this Agreement, as of the end of the relevant Fiscal Year or other allocation period, after giving effect to the following adjustments:

(i) increase such Capital Account by any amounts that such Member is obligated to restore pursuant to any provision of this Agreement, is treated as obligated to restore pursuant to Regulations Section 1.704-1(b)(2)(ii)(c), or is deemed obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) decrease such Capital Account by the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4) through (d)(6).

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

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"Affiliate" shall mean, as to any Member, any Person that (i) directly or indirectly Controls, is Controlled by or is under common Control with such Member; (ii) directly or indirectly owns a beneficial interest of ten percent (10%) or more in such Member or (iii) is a Family Member.

"Assumed Tax Rate" shall mean, as determined by the Board in its sole discretion, the single highest effective marginal statutory combined federal, state, municipal and local income tax rate for any Fiscal Year applicable to individuals to which the income of the Company for such Fiscal Year could be subject (on a flow-through basis), determined by also taking into account the comparative applicable tax rates in Massachusetts and in the various jurisdictions in which any Member who is an individual (or in the case of a Member that is a flow-through entity for tax purposes, its direct or indirect members through chains of flow-through entities who are individuals) reside for tax purposes for the applicable Fiscal Year, and taking into account the character (e.g., long-term or short-term capital gain, ordinary or exempt) of the applicable income (but without taking into account any deductibility of state and local income taxes for federal income tax purposes).

"Agreement" shall have the meaning set forth in the Preamble.

"Board" shall have the meaning set forth in the introductory paragraph of this Agreement.

"Capital Account" shall have the meaning set forth in Section 5.1(b).

"Capital Contributions" shall have the meaning set forth in Section 3.2.

"Certificate" shall have the meaning set forth in the Recitals above.

"Claim" shall have the meaning set forth in Section 9.2.

"Code" shall mean the Internal Revenue Code of 1986, as amended and in effect from time to time (or any corresponding provisions of succeeding law).

"Company" has the meaning given that term in the opening paragraph.

"Company Property" shall mean and include all property owned by the Company, whether real or personal and tangible or intangible.

"Control" and "Controlling" means either ownership of a majority of the outstanding voting interests with full right to vote the same and/or the capacity (whether or not exercised) to manage or direct the management of the business or affairs of the relevant Person.

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

"Drag-Along Right" shall have the meaning set forth in Section 6.9(a).

"Drag-Along Seller" shall have the meaning set forth in Section 6.9(b).

"Effective Date" shall have the meaning set forth in the Preamble.

"Employee" means any individual performing services for the Company.

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"Event of Withdrawal" shall mean (i) the bankruptcy or insolvency of any Member, a general assignment for the benefit of creditors of a Member, or the occurrence of any event causing the termination of a Member's interest in the Company; or (ii) the assumption by a legal representative or successor in interest of control over the rights of a Member due to the death or incompetence of an individual Member, or dissolution or termination of any entity which is a Member or (iii) the failure of any Member at any time to qualify as a party under all applicable law allowed to hold an interest in a Marijuana Establishment pursuant to Chapter 55 of the Acts of 2017, Mass. General Laws Ch 94G, and its implementing regulations 935 CMR 500.000, et seq.

"Excluded Claim" shall have the meaning set forth in Section 9.3.

"Fair Market Value" shall mean, as of any date and as to any asset, the price which a knowledgeable, willing buyer would pay to a knowledgeable, willing seller for such asset, neither buyer nor seller being under any obligation to engage in such transaction, reflecting appropriate adjustments for lack of control, lack of marketability and the like.

"Family Member" shall mean and include a Member's spouse, parent, child, brother, sister, grandparent, grandchild, uncle, aunt, nephew, niece or in-law (whether naturally or by marriage or adoption) of such Person and trusts for the benefit of each of the foregoing.

"Fiscal Year" shall have the meaning set forth in Section 2.9.

"Gross Asset Value" shall mean with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross Fair Market Value of such asset, as determined by the contributing Member and the Board, provided, that if the contributing Member is a member of the Board, the determination of Fair Market Value of a contributed asset shall be made by independent appraisal;

(ii) The Gross Asset Value of all Company assets shall be adjusted from time to time to reflect their respective gross Fair Market Values, as determined by the Board taking into account: (A) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (B) the distribution by the Company to a Member of more than a de minimis amount of Company property as consideration for an interest in the Company; (C) the grant of an interest in the Company (other than a *de minimis* interest) as consideration for the provision of services to or for the benefit of the Company by a new or existing Member acting in a Member capacity or in anticipation of becoming a Member; (D) in connection with the issuance by the Company of a non-compensatory option to acquire an interest (other than an option for a *de minimis* interest); and (E) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), provided, however, that the adjustments pursuant to clauses (A) through (D) above shall only be made if the Board reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(iii) The Gross Asset Value of any Company asset distributed to any Member shall be adjusted to equal the gross Fair Market Value of such asset on the date of distribution as determined by the Board provided, that if the distributee is a member of the Board, the determination of Fair Market Value of such distributed asset shall be made by independent appraisal; and

(iv) The Gross Asset Value of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Sections 734(b) or 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); provided, however, that Gross Asset Value shall not be adjusted pursuant to this subparagraph (iv) to the extent the Board determines that an adjustment pursuant to subparagraph (ii) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (iv).

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

"Indemnified Person" shall have the meaning set forth in Section 9.1.

"Initial Members" shall mean such Persons holding Initial Units, as identified in Exhibit A hereto.

"Initial Member Units" shall mean the Units of initial membership interests in the Company, possessing all rights, privileges, duties and obligations as set forth in this Agreement, as amended from time to time.

"Lien" shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement of any kind or nature whatsoever.

"Majority of Members" shall mean as of any date, as to any class, the holders of the Units of the Class constituting a majority of all issued and outstanding Units of that Class. If any act requires the consent or approval of all Members, a "Majority of Members" shall mean the holders of a majority of all Classes as a single group.

"Member" shall mean any Person named as a member of the Company on Exhibit A hereto as of the date hereof and any Person admitted as an additional Member or as a Substitute Member pursuant to the provisions of this Agreement, in such Person's capacity as a member of the Company.

"Member Bankruptcy" shall mean any of the following actions if not dismissed within 120 days: the filing of a petition for bankruptcy or reorganization, an assignment for the benefit of creditors, or the appointment of a receiver, trustee or liquidator of all or substantially all of the Member's assets, in each case under the U.S. Bankruptcy Code or the bankruptcy code or similar laws of any state.

"Offer" shall have the meaning set forth in Section 6.3(a).

"Offer Notice" shall have the meaning set forth in Section 6.3(a).

"Offered Units" shall have the meaning set forth in Section 6.3(a)(ii).

"Offeror" shall have the meaning set forth in Section 6.3(a).

"Option" shall have the meaning set forth in Section 6.4(b).

"Partnership Representative" shall have the meaning set forth in Section 7.5(b)(i).

"Percentage Interest" shall mean, with respect to any Member, as of any date, (i) if of a Class of Units, the ratio (expressed as a percentage) of such Member's Units of such Class on such date to the aggregate Units of that Class held by all Members on such date; and (ii) if of all Units, the ratio (expressed as a percentage) of all of such Member's Units on such date to the aggregate Units of all Members on such date. In the event that all or any portion of a Member's Units are Transferred in accordance with the terms of this Agreement, the Transferee shall succeed to the Percentage Interest of the transferor to the extent it relates to the Transferred Units.

"Permitted Transfers" shall have the meaning set forth in Section 6.5(a).

"Person" shall mean a natural person or any corporation, association, joint venture, limited liability company, general or limited partnership, trust or other legal person or entity.

"Profits" and "Losses" shall mean, for each Fiscal Year or other period, an amount equal to the Company's taxable income or loss for such Fiscal Year or other period, determined in accordance with Code

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Section 703(a) (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), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits and Losses pursuant to this definition of "Profits and "Losses" shall increase such taxable income or decrease such loss;

(ii) Any expenditure of the 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 Profits and Losses pursuant to this definition of "Profits and "Losses" shall increase such taxable income or decrease such loss;

(iii) In the event that the Gross Asset Value of any Company asset is adjusted pursuant to subparagraphs (ii) or (iii) of the definition of "Gross Asset Value," the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits and Losses;

(iv) Gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(v) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or other period, computed in accordance with the definition of "Depreciation"; and

(vi) 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 a result of a distribution other than in liquidation of a Member's interest in the Company, the amount of such adjustment shall be treated as an item of gain (if such item increases the basis of such asset) or loss (if the adjustment decreases the basis of such asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses.

"Property" shall have the meaning set forth in Section 4.8(b).

"Proposed Sale" shall have the meaning set forth in Section 6.8(a).

"Purchaser Notice" shall have the meaning set forth in Section 6.3(c).

"Purchase Option" shall have the meaning set forth in Section 6.3(b).

"Purchase Price" shall have the meaning set forth in Section 6.8(a).

"Purchasers" shall have the meaning set forth in Section 6.3(c).

"Regulations" shall mean the rules and regulations promulgated by the Internal Revenue Service pursuant to the Code.

"Representatives" shall have the meaning set forth in Section 6.4(a).

"Selling Party" shall have the meaning set forth in Section 6.3(a).

"Substitute Member" shall mean a Transferee of all or any portion of the Units of Membership Interest of a Member, which Transferee is admitted as a Member of the Company pursuant to Article VI.

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"Tag-Along Exercise Period" shall have the meaning set forth in Section 6.8(b).

"Tag-Along Right" shall have the meaning set forth in Section 6.8(b).

"Tax-Along Members" shall have the meaning set forth in Section 6.8(a).

"Tax-Along Transferors" shall have the meaning set forth in Section 6.8(a).

"Taxing Jurisdiction" shall have the meaning set forth in Section 5.4.

"Transfer" shall mean any offer, sale, conveyance, assignment, hypothecation, pledge, encumbrance, grant of a security interest in, transfer, or other disposition (including any gift, bequeath or otherwise transfer for no consideration (whether or not by operation of law, except in the case of bankruptcy)) of any Unit or any rights therein.

"Transfer Notice" shall have the meaning set forth in Section 6.8(a).

"Transfer Terms" shall have the meaning set forth in Section 6.8(a).

"Transferee" shall mean and include any recipient of a Transfer pursuant to Article VI.

"Transferor" shall mean and include any Person who Transfers any Units pursuant to Article VI.

"Units" and "Units of Membership Interests" shall represent the Members' interests in the Company's Profits and Losses, distributions of the Company's assets pursuant to this Operating Agreement and the Act, holder's Capital Contribution and Percentage Interest and all rights granted to Members to participate in the management or affairs of the Company, including the right to vote on, consent to or otherwise participate in any decision of the Members or the Board. Units shall include all types and classes of Units, including any class of Units established after the effective date of this Agreement.

"Withdrawal Notice" shall have the meaning set forth in Section 6.4(a).

"Withdrawing Member" shall have the meaning set forth in Section 6.4(a).

ARTICLE II THE LIMITED LIABILITY COMPANY

2.1 Formation. The Company was formed as a limited liability company pursuant to the provisions of the Act, the Certificate was filed in the Office of the Secretary of State of the Commonwealth of Massachusetts as of the date set forth in the Recitals in conformity with the Act.

2.2 Name. The business of the Company shall be carried on in the name of the Company with such variations and changes as the Board shall determine or deem necessary to comply with the requirements of the jurisdictions in which the Company's operations are conducted.

2.3 Registered Office; Registered Agent. The name and address of the Company's registered agent in the Commonwealth of Massachusetts is John F. Bradley of Prince Lobel Tye LLP, One International Place, Boston, MA 02110.

2.4 Principal Place of Business. The principal place of business of the Company shall be at 110 Main Street, Kingston, MA 02364 or such other location as the Board may select from time to time.

2.5 Business Purpose of the Company. The general character of the business of the Company shall be to engage in a retail adult use dispensary of cannabis, to the extent permitted and in accordance with applicable

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Massachusetts law, and engaging in all other lawful business that a limited liability company may conduct in accordance with the Act.

2.6 Powers. The Company shall have all the powers necessary or convenient to carry out its purposes including, without limitation, all powers granted by the Act. In furtherance, and not in limitation, of the foregoing, the Company shall have the power to engage in the following activities:

(a) to enter into and perform its obligations under any ground lease, residential or commercial lease, loan, mortgage, and/or security, other agreements contemplated by any of the foregoing and contracts, instruments and agreements incidental to the operation of the Property;

(b) to enter into and perform its obligations under such contracts, agreements, instruments, guarantees of wholly-owned subsidiaries and other arrangements as the Board may deem necessary or appropriate in connection with the management and operation of the Company including, without limitation, contracts, agreements and arrangements with vendors, consultants, advisers, accountants, attorneys and other service providers;

(c) to enter into any contract, agreement or arrangement with any Member, any Manager, principal or guarantor of the obligations of the Company, or any Affiliate of any of the foregoing, provided, that the terms and conditions of any such contract, agreement, and/or arrangement shall be commercially reasonable, shall reflect competitive market rate pricing, and shall otherwise be substantially similar to those that would be available on an arm's length basis with an unaffiliated third party;

(d) subject to Section 5.1(a), to admit new Members to the Company and to accept capital contributions from time to time from the Members;

(e) to distribute to the Members all available cash to the extent that such distributions of available cash are not prohibited by applicable law and are otherwise in accordance with the terms and provisions of this Agreement;

(f) to pay (or to reimburse one or more Affiliates for) (i) the organizational, start-up and routine transactional and maintenance expenses of the Company, including the creation, assumption or incurrence of obligations to pay service providers to the Company and other ordinary course expenses of maintaining its existence and carrying out its various purposes under this Agreement and (ii) the fees, costs and expenses incurred in connection with the issuance and sale of Units to new Members; and

(g) to engage in any other lawful activities which are necessary to accomplish the foregoing or are incidental thereto or necessary in connection therewith.

2.7 LLC Formalities; Financial Statements. The Company shall abide by all limited liability company formalities, including the maintenance of current minute books, and the Company shall cause its financial statements to be prepared in a manner that indicates the separate existence of the Company and its assets and liabilities and not permit its assets to be listed on the financial statements of any other entity, except that the assets and liabilities of the Company may be consolidated with one or more Affiliates in accordance with generally accepted accounting principles. The Company shall not assume the liabilities of any Member or any Affiliate of any Member, and shall not guarantee the liabilities of any Member or any Affiliate of any Member thereof (unless such Affiliate is also an Affiliate of the Company).

2.8 Continuation. Subject to the provisions of Article VIII, the Company shall have perpetual existence.

2.9 Fiscal Year. The fiscal year (the "Fiscal Year") of the Company for financial statement and accounting purposes shall end on the 31st day of December in each year.

ARTICLE III MEMBERS

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3.1 Members. No Person may become a Member unless he, she or it is admitted in accordance with this Agreement, and also qualifies as a Person allowed to hold an interest in all licenses and registrations held by the Company, including to the extent applicable: (a) a Registered Marijuana Dispensary Certificate of Registration issued pursuant to the Humanitarian Medical Use of Marijuana Act, Ch. 369 of the Acts of 2012, or Mass. General Laws Ch. 94I and their implementing regulations 105 CMR 725.000, et seq. as applicable; and (b) any Final License(s) for a Marijuana Establishment pursuant to Ch. 55 of the Acts of 2017, Mass. General Laws Ch. 94G and its implementing regulations 935 CMR 500.000, et seq., each as applicable to the Company's business.

3.2 Roster. The Company shall maintain a roster of the Members and the number of Units, Classes of Units (if any), and amounts of cash or the Fair Market Value (as determined under this Agreement) of other property contributed to the initial capital of the Company as of the date hereof (each contribution, a "Capital Contribution"), as well as all additional Capital Contributions, of each Member.

3.3 Authority of Members. Except as otherwise provided herein, no Member shall, or shall have any right to, participate in the management of the Company merely by virtue of such Member's status as a Member. Except as otherwise expressly provided herein, all authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters, and to perform any and all other acts or activities customary or incident to the management of the Company's business is, and shall be vested in the Board.

3.4 Meetings of Members. At any time and from time to time, the Board may, but shall not have any obligation to, call meetings of the Members, and Members holding not less than []% of the Units may call a meeting. Written notice of any such meeting shall be given to all Members not less than five (5) days and not more than sixty (60) days prior to the date of such meeting. A Majority of the Members shall constitute quorum for all purposes at any such meeting. Each meeting shall be conducted by the Board or a designee of the Board. Each Member may authorize any other Person (regardless of whether such Person is a Member) to act on its behalf with respect to all matters on which such Member is entitled to consent or otherwise participate. Any proxy must be signed by the Member giving such proxy or by such Member's attorney-in-fact. A Member may attend a meeting by telephonic or other electronic method of participation.

3.5. Written Consent in Lieu of Meeting. Any action of the Members which may be undertaken pursuant to Section 3.3 or 3.4 may also be taken by a written consent executed by such Members as would be required to approve such action at a duly convened meeting at which all Members were present.

3.6 Liability of the Members.

(a) No Liability for Company Obligations. All debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member shall have any obligation with respect to for any such debt, obligation or liability of the Company solely by reason of being the Member.

(b) Limitation on Liability. Except as otherwise expressly required by law, no Member shall have any liability in excess of: (i) the amount of its aggregate Capital Contributions to the Company, (ii) its share of any assets and undistributed profits of the Company, and (iii) the amount of any distributions wrongfully distributed to it.

3.7 Compliance with Securities Laws and Other Laws and Obligations. Each Member hereby represents and warrants to the Company and to each other Member and acknowledges that (a) it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in the Company and making an informed investment decision with respect thereto, (b) it is able to bear the economic and financial risk of an investment in the Company for an indefinite period of time and understands that it has no right to withdraw and have its Units of Membership Interest repurchased by the Company, (c) it is acquiring its Units of Membership Interest in the Company for investment only and not with a view to, or for resale in connection with, any distribution to the public or public offering thereof, and (d) it understands that the Units of Membership Interests have not been registered under the securities laws of any

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jurisdiction and cannot be disposed of unless they are subsequently registered and/or qualified under applicable securities laws and the provisions of this Agreement have been complied with.

3.8 Power to Bind the Company. No Member, in its capacity as a Member, shall take part in the management or control of the business of the Company, transact any business in the name of the Company, have the power or authority to bind the Company or to sign any agreement or document in the name of the Company, or have any power or authority with respect to the Company except (i) as expressly provided in this Agreement, (ii) as directed by the Board or (iii) as provided in the Certificate of Organization, as the same may be amended from time to time.

3.9 Admission of Members. New Members shall be admitted to the Company only with the prior written consent of the Board, subject to Section 5.1(a) and the provisions of Article VI, and the prior consent of a Majority of Members of each Class of Units.

3.10 Member Resignation. Except in the case of a Transfer of its Units to a new Member in accordance herewith, a Member may not resign from the Company or otherwise disassociate itself from the Company without the consent of the Board.

ARTICLE IV MANAGEMENT OF THE COMPANY

4.1 Management by the Board. The management of the Company is fully vested in the Board. All management and other responsibilities not specifically reserved to the Members in this Agreement shall be vested solely in the Board, and the powers of the Company shall be exercised by or under, the sole authority of the Board; and the daily business and affairs of the Company shall be managed under the direction of, the Board. All services to be furnished by the Board may be delegated to and furnished by an officer or employee of the Company or any other Person or agent designated or retained by the Board. Decisions or actions taken by the Board in accordance with this Agreement shall constitute decisions or actions by the Company and shall be binding on the Company. In connection with the management of the business and affairs of the Company, without limiting the foregoing, the Board for and in the name of, and on behalf of Company, and unless otherwise provided without any approval by or Consent of the Members, are hereby authorized:

(a) to execute any and all agreements, contracts, documents, certifications and instruments necessary or convenient in connection with the development, financing, management, maintenance, operation and disposition of any Company asset;

(b) to borrow money from the Members or third parties, to issue evidences of such indebtedness as is necessary, convenient or incidental to the accomplishment of the purposes of Company, and to secure the same by mortgage, pledge or other Lien on any Company asset;

(c) to borrow money from and for, and to guarantee the indebtedness of, wholly owned Affiliates, and to issue evidences of such indebtedness as is necessary, convenient or incidental to the accomplishment of the purposes of Company, and to secure the same by mortgage, pledge or other Lien on any Company asset;

(d) to prepay in whole or in part, renew, refinance, recast, consolidate, increase, modify or extend any debt of Company, and in connection therewith to execute and record any documents relating thereto;

(e) to enter into agreements to employ agents, attorneys, accountants, engineers, appraisers, or other consultants or contractors who may be Affiliates of, or otherwise affiliated with, any one or more of the Manager or Members, and to enter into agreements to employ any Member, Manager or other Person to provide management or other goods and/or services to Company; provided, that any employment of such Member, Manager or Person is on terms not less favorable to Company than those offered by Persons who are not Affiliates of a Manager or Member for comparable good or services;

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(f) to pay out of Company funds any and all fees and make any and all expenditures which the Board, in its sole discretion, deems necessary or appropriate in connection with the organization of Company, the management of the affairs of Company, and the carrying out of the Board's obligations and responsibilities under this Agreement and the Act;

(g) except as otherwise directed by the Partnership Representative, as herein defined, with respect to those matters within the powers of the Partnership Representative, to make and revoke any election permitted to Company by any taxing authority in such manner as the Board may decide, and to cause to be paid any and all taxes, charges and assessments that may be levied, assessed or imposed upon any of the assets of Company, unless the same are contested by the Partnership Representative, which the Partnership Representative is hereby expressly authorized to do; and

(h) except as otherwise provided herein, to engage in any kind of activity and perform and carry out contracts of any kind necessary to, in connection with, or incidental to the accomplishment of the purposes of Company as may be lawfully carried on or performed by a limited liability company under the laws of the Commonwealth of Massachusetts (including, without limitation, the Act) and in each jurisdiction where Company has qualified or is doing business (including, without limitation, their respective limited liability company acts or analogs thereof).

4.2 The Board and Voting. The Company may have four persons serving as Managers from time to time, and all of those collectively shall constitute the Board of Managers. Initially, the Managers shall be all of Vivekanand Patel ("Patel"), Joshua E. Koenig, Robert Thomas Palma, Jr. and Barznab Khan ("Khan"). A quorum shall consist of all Managers if there be 2 or less Managers in office, and otherwise a quorum shall be all of the Managers then on the Board. The Board shall act by the affirmative vote of both Khan and Patel. However, if Khan and Patel do not vote in unison, the affirmative vote of a majority of Managers shall be required for any action to be approved. However, if Khan and Patel do not vote in unison, and the vote of the entire Board is deadlocked, Rahul Patel an officer of the Company shall cast the deciding vote as long as he remains an officer. Meetings of the Board shall be held at such places and times and with such frequency as is determined by the Board, and may be conducted through in-person meetings, telephonically, or through other electronic communication permitting all Managers to communicate simultaneously. Actions of the Board may also be taken by written consent of Khan and Patel. Any Manager may call a meeting of the Board upon not less than 6 hours advance notice, which notice may be given by electronic communication. Accurate minutes of any meeting of the Board shall be maintained by the Manager selected at that Board meeting.

4.3 Appointment, Removal or Replacement of a Manager. Each Manager shall serve until such Manager (i) dies, (ii) resigns upon giving sixty (60) days written notice to the Members, or (iii) is removed by the affirmative majority vote of the Members, and until such Manager's successor shall have been appointed and qualified. Any replacement(s) to fill the vacancy of any such Manager(s) shall be appointed by the Members.

4.4 Manager Has No Exclusive Duty to Company. Each Manager shall devote to the Company such time as he/she may deem necessary to manage the affairs of the Company. Each Manager may engage in or have an interest in other business ventures which are similar to or competitive with the business of the Company, including but not limited to, the ownership, financing, leasing, operation, management, syndication, brokerage or development of ventures competitive with ventures owned by the Company and the pursuit of such ventures shall not be deemed wrongful or improper or give the Company or the Members any rights with respect thereto. Neither the Board nor any Member shall be obligated to present an investment opportunity to the Company even if such investment opportunity is similar to or consistent with the business of the Company, and any such Person shall have a right to take for its own account or recommend to others any such investment opportunity.

4.5 Bank Accounts; Company Books. The Board may from time to time open bank accounts in the name of the Company. In accordance with Section 2.6, the Board shall maintain and preserve, during the term of the Company, and for six (6) years thereafter, all accounts, books, and other relevant Company documents. Upon reasonable request, each Member shall have the right, during ordinary business hours, to inspect and copy such Company documents at the requesting Member's expense.

4.6 Officers. The Board may appoint individuals as officers of the Company with such titles as the Board may select, including the titles of CEO, CFO and COO, to act on behalf of the Company, with such power and

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authority as the Board may delegate to any such individual.

4.7 Elimination of Fiduciary Duties. The fiduciary duties of the Members to the Company and of each Manager and each Officer to the Company and the Members are hereby eliminated except to the limited extent expressly provided in this Agreement or as required by law.

ARTICLE V
ADDITIONAL CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNT;
ALLOCATIONS OF PROFITS AND LOSSES; DISTRIBUTIONS

5.1 Additional Capital Contributions; Capital Accounts.

(a) Issuance of Units; Additional Capital Contributions. Initially, the Board is authorized to issue [] Units. With the consent of the Members holding 60% of the Units, the Board may, from time to time, cause the Company to raise additional capital. In connection with any such capital raising, the Company may issue and sell additional Units, and additional classes of Units in the Company which may be *pari passu* with, or senior in right to, any class of Units, provided however, that the Company shall first comply with the provisions of Section 7.3 with respect to any newly issued, re-issued, or additional Units as though it were the Selling Party as defined in said Section.

(b) Capital Accounts. A Capital Account shall be maintained on the books and records of the Company for each Member (each, a "Capital Account") in accordance with the provisions of Section 5.3(a) and accordingly:

(i) To each Member's Capital Account there generally shall be credited such Member's Capital Contributions, such Member's distributive share of Profits and the amount of any Company liabilities assumed by such Member or that are secured by any Company property distributed to such Member.

(ii) To each Member's Capital Account there generally shall be debited the amount of cash and the Gross Asset Value of any Company property distributed to such Member pursuant to any provision of this Agreement, such Member's distributive share of Losses, and the amount of any liabilities of the Company assumed by such Member or that are secured by any property contributed by such Member to the Company.

(iii) In the event that all or a portion of any interest in the Company is Transferred in accordance with this Agreement, the Transferee shall succeed to the Capital Account of the Transferor to the extent it relates to the Transferred interest.

(iv) If during any Fiscal Year of the Company there is a change in any Member's Units of Membership Interest, allocations of Profits or Losses (or items thereof) for such Fiscal Year shall take into account the varying interests of the Members in the Company in a manner consistent with the requirements of Code Section 706.

The foregoing provisions, and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 1.704-1(b) of the Regulations and shall be interpreted and applied in a manner consistent with such Regulations. In the event that the Board shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities that are secured by contributed or distributed property or that are assumed by the Company or the Members) are computed in order to comply with such Regulations, the Board may make such modification, provided that it is not likely to have a material effect on the amounts otherwise distributable to any Member pursuant to this Agreement.

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(c) Loans. No Member shall have any obligation to loan funds to the Company; provided, however, that subject to the provisions of Section 4.1(c), the Company may borrow funds or enter into other similar financial accommodations with any Member or any Affiliate of any Member. Loans to the Company by any Member shall not be considered Capital Contributions.

5.2 Calculation of Profits and Losses. For financial accounting purposes, the Profits and Losses of the Company shall be determined on an annual basis in accordance with this Agreement.

5.3 Allocation of Profits, Losses, Credits and Other Items.

(a) Profits and Losses. Profits and Losses (and each item thereof) shall be allocated among the Members in such manner and amount as shall accurately reflect (a) such Member's obligation, if any, to make future contributions to the Company, (b) such Member's right to receive distributions from the Company, and (c) such Member's economic risk of loss with respect to any liability of the Company. It is the intention of the Members that the allocations pursuant to this Section 5.3(a) be made in such manner as will have substantial economic effect or otherwise be in accordance with the Members' interest in the Company in accordance with Treasury Regulations Section 1.704-1(b) and 1.704-2. Without limiting the foregoing, it is anticipated that all allocations of Profits and Losses (and items thereof) among the Members will be allocated to the Members, in accordance with the provisions of such Regulations regarding "partner nonrecourse deductions," "nonrecourse deductions," limitations imposed on the deficit balance in a Member's capital account and "qualified income offset," "partnership minimum gain," and "partner nonrecourse debt minimum gain," as such terms are defined in Regulations Sections 1.704-2(i)(1), 1.704-2(b)(1), 1.704-1(b)(2)(ii)(d), 1.704-2(b)(2) and 1.704-2(i)(2), respectively, are incorporated herein by reference, and shall apply to the Members (and any Transferees) in such Member's capacity as a member of the Company for federal income purposes. Losses allocated to a Member pursuant to this Section 5.3(a) shall not exceed the maximum amount of Losses that can be allocated to such Member without causing such Member to have a negative Adjusted Capital Account Balance at the end of any Fiscal Year or other allocation period in which any other Member does not have a negative Adjusted Capital Account Balance.

(b) Tax Allocations.

(i) Subject to Section 5.3(b)(ii) and 5.3(b)(iii), each item of income, gain, loss, or deduction for federal income tax purposes that corresponds to an item of income, gain, loss or expense that is either taken into account in computing Profits or Losses or is specially allocated pursuant to Section 5.3(a) shall be allocated among the Members in the same proportion as the corresponding item is allocated among them pursuant to Section 5.3(a).

(ii) In the event any property of the Company is credited to the Capital Account of a Member at a value other than its tax basis, then allocations of taxable income, gain, loss and deductions with respect to such property shall be made in a manner which will comply with Code Section 704(c). In connection with the admission of a subsequent Member as of the date hereof, the Capital Accounts of the Members shall be adjusted to reflect the current Gross Asset Values of the Company's assets, as described in subsection (ii)(A) of the definition of Gross Asset Value.

(iii) The tax allocations made pursuant to this Section 5.3(b) shall be solely for tax purposes and shall not affect any Member's Capital Account or share of non-tax allocations or distributions under this Agreement.

(c) Former Members. Any allocations described above in this Section 5.3 also shall be made by the Company to any former Member to the extent applicable, as reasonably determined by the Board.

(d) Code Section 754 Election. The allocation to a Member of items of taxable income, gain, loss, and deduction of the Company also shall be adjusted to reflect any election under Code Section 754.

5.4 Non-Federal Taxes. As determined by the Board, to the extent that the laws of any state, or other local jurisdiction having jurisdiction over the Company ("Taxing Jurisdiction") require, each Member requested

to do so will submit to the Taxing Jurisdiction an agreement indicating that the Member will timely file all returns and make all income tax payments to the Taxing Jurisdiction or that the Member accepts personal jurisdiction of the Taxing Jurisdiction with regard to the collection of income taxes attributable to the Member's income, and interest and penalties assessed on such income or such other agreement as the Taxing Jurisdiction provides. If the Member fails to provide such agreement, to file such returns, or to make such tax payments, the Company may, and if required by the Taxing Jurisdiction shall, withhold and pay over to such Taxing Jurisdiction the amount of tax, penalty and interest determined as due under the laws of the Taxing Jurisdiction. Any such payments with respect to a Member shall be treated as an advance of a distribution to such Member, provided that if the Member was not entitled to such a distribution, upon written notice or demand by the Company to the Member evidencing such payments by the Company, such Member shall pay to the Company the amount the Company paid to the Taxing Jurisdiction. The Company may, where permitted by the rules of any Taxing Jurisdiction, file a composite, combined or aggregate tax return reflecting the income of the Company and pay the tax, interest and penalties of some or all of the Members on such income to the Taxing Jurisdiction, in which case the Company shall inform the Members of the amount of such tax, interest and penalties so paid and such amounts shall be also treated as such an advance distribution and, if the Member is not entitled to a distribution, be subject to repayment as provided above in this paragraph.

5.5 Distributions.

(a) Generally. Distributions by the Company to its Members, in their capacity as such, shall be made to all the Members in accordance with Section 5.5(b) at such time and in such amounts as may be determined by the Board. The Board shall have sole discretion to determine the amounts and time for any such distributions. In this regard, the Board may take into account such matters as the repayment of obligations to creditors and the setting aside of amounts to be retained by the Company for any purpose, including the conduct of the Company's business affairs. Distributions may be made in cash or in other property, as reasonably determined by the Board. Distributions other than in cash shall be valued as reasonably determined by the Board.

(b) Priorities. All distributions hereunder shall be made simultaneously to all the Members in proportion to their respective Percentage Interests at such time.

(c) Tax Distributions to Members. Notwithstanding the other provisions of this Agreement, to the extent funds are available, the Board shall make minimum distributions to each Member from time to time with respect to any Fiscal Year or other tax period in an amount sufficient to pay when due any federal, state and local income taxes imposed on such Member, calculated using the Assumed Tax Rate, that is attributable to the cumulative taxable income allocated to such Member under this Agreement with respect to the applicable Fiscal Year or other tax period. Tax distributions pursuant to this Section 5.5(c) shall not be made with respect to the year in which the Company liquidates. Tax distributions made hereunder shall be treated as an advance on other distributions to which a Member otherwise would be entitled in respect of such Member's Units, and shall therefore reduce the amount of such other distributions payable to that Member under this Agreement in respect thereof. The amount of tax distributions made to any Member with respect to a Fiscal Year or other tax period shall be reduced by the amount of the distributions made to such Member with respect to such Fiscal Year or other period pursuant to Section 5.5(b), as determined by the Board.

(d) Prohibited Distributions. Notwithstanding anything to the contrary contained herein, the Company shall not make any distribution to the Member if such distribution would violate the Act or other applicable law.

5.6 Withholding Taxes. The Company is authorized to withhold from distributions to the Members, and to pay over to a federal, state or local government, any amounts required to be withheld pursuant to the Internal Revenue Code of 1986, as amended, or any other provisions of any other federal, state, local or foreign law. Any amounts so withheld shall be treated as having been distributed to the Members pursuant to Section 5.5(b) for all purposes of this Agreement.

5.7 Condition to Distributions. At any time or from time to time, and prior to making any distributions, the Board may request from any Member or other Person receiving a distribution an affidavit or other evidence that such Person is not a "foreign person" within the meaning of Code Section 1445 or Code Section 1446. If

such Person does not provide such affidavit or other evidence in form and content reasonably satisfactory to the Members within 30 days after such request, the Board may withhold and pay over to the IRS such portion of such Person's distribution as may be necessary to comply with Code Section 1445 or Code Section 1446, and any amount so withheld and paid over shall be treated as a distribution to such Person at the time it is paid over to the IRS.

5.8 Creditor Status. No Member shall have the status of, or be entitled to any remedies available to, a creditor of the Company with respect to any distribution to which such Member may become entitled.

ARTICLE VI TRANSFERABILITY

6.1 Transfers Generally.

(a) Generally. No Member shall have the right to Transfer all or any of its Units except in accordance with this Article VI.

(b) Requirements. In the event that Sections 6.2 - 6.6, below are satisfied with regard to any Transfer of any Units, as a condition to recognizing the effectiveness and binding nature of such Transfer as against the Company or otherwise, and the substitution of a new Member, the Board may require the Transferring Member and the proposed Transferee to execute, acknowledge and deliver to the Board such instruments of Transfer, assignment and assumption and such other certificates, representations and documents, and to perform all such other acts which the Board may deem necessary or desirable to:

- (i) constitute such Transferee as a Member;
- (ii) assure that the Transferee qualifies as a Member under Section 3.1;
- (iii) confirm that the Transferee has accepted, assumed and agreed to be subject and bound by all of the terms, obligations and conditions of this Agreement, as the same may have been further amended (whether such Person is to be admitted as a new Member);
- (iv) preserve the Company after the completion of such Transfer or substitution under the laws of each jurisdiction in which the Company is qualified, organized or does business;
- (v) maintain the status of the Company as a partnership for federal tax purposes; and
- (vi) assure compliance with any applicable state and federal laws including securities laws and regulations.

(c) Effective Date of Transfer. Any Transfer of a Unit or admission of a Member in compliance with this Article VI shall be deemed effective as of the last day of the calendar month in which the Board's written consent thereto was given, unless the Board agrees in writing to a different date.

(d) Indemnification. The Transferring Member hereby indemnifies the Company, each Member of the Board and the remaining Members against any and all loss, damage, or expense (including, without limitation, tax liabilities or loss of tax benefits and reasonable accounting and legal expense) arising directly or indirectly as a result of any Transfer.

6.2 Failure of Board to Approve. Notwithstanding anything contained herein to the contrary, if the Board does/do not approve the proposed Transfer of any Unit to a Transferee which is not a Member immediately prior to such Transfer, then the proposed Transferee shall have no right to become an owner of Units or a Member or otherwise to participate in the management of the business and affairs of the Company. No Transfer of a Member's Interest in the Company (including any Transfer which has not been approved by the Board) shall be effective unless and until written notice (including the name and address of the proposed

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Transferee and the date of such transfer) has been provided to the Company and the non-transferring Members.

6.3 Right of First Refusal Upon Sale of Units

(a) In the event that any Member or Members holding less than a majority of Units (each, a "Selling Party") shall at any time desire to sell some or all of his/their Units to any Person then, in addition to other requirements and limitations set forth in this Agreement, such Selling Party shall first receive a bona fide written offer (the "Offer") from an offeror (the "Offeror") to purchase such Units. The Selling Party shall then give written notice (the "Offer Notice") to the other Members of his intention to so sell. The Offer Notice shall:

- (i) include a copy of the Offer;
- (ii) state the intention to Transfer the Units and the amount to be transferred (the "Offered Units");
- (iii) state the name, business, and address of the Offeror; and
- (iv) state the amount of the consideration and the other terms of the Offer.

(b) The non-Selling Members shall have an option to Purchase ("Purchase Option") Offered Units all, or any portion, of the Offered Units on the same terms and conditions as set forth in the Offer Notice.

(c) The Purchase Option granted in this Section must be exercised by non-Selling Members wishing to do so (the "Purchasers"), by notice given by each during the period ending fifteen (15) Business Days after the receipt by all the Members of the Offer Notice, stating the number of Units the Purchaser wishes to purchase (the "Purchase Notice"). The Closing Date for all such Purchases shall be ninety (90) days after the date of the Offer Notice. If a Purchase Notice is not timely given, or if timely given, the Purchaser does not timely close the Purchase, it shall be deemed that the Purchase Option was rejected.

(d) If and to the extent that the non-Selling Members do not exercise their right to purchase all of the Offered Units in their entirety, then the Selling Party shall then have the right to transfer that portion of the Offered Units which the non-Selling Members have not elected to purchase in accordance with the Offer Notice within a period no sooner than thirty (30) days but no later than sixty (60) days next following the expiration of the Purchase Option. In the event the Selling Party has not transferred the Offered Units during such period in accordance with the Offer Notice or the Board does not approve the transferee then any transfer shall be null and void, and the Offered Units will continue to be subject to this Agreement.

6.4 Right of First Refusal Upon Involuntary Withdrawal

(a) Notice of Withdrawal. In the event that any Member (a "Withdrawing Member") shall suffer an Event of Withdrawal, then in addition to the other requirements and limitations set forth in this Agreement, the legal representatives of the Withdrawing Member ("Representatives") shall give written notice within ninety (90) days of the occurrence of such event (the "Withdrawal Notice") to the other Members of the withdrawal of the Withdrawing Member.

(b) Option to Purchase. For a period of ninety (90) days after the receipt by the Members of the Withdrawal Notice, the non-withdrawing Members shall have an option to purchase ("Option") all, but not less than all, of the Withdrawing Member's Units in the Company ("Abandoned Interest"), on the terms and conditions set forth below in subparagraphs (c) and (d).

(c) Exercise of Option. The Option granted in this Section to the Members must be exercised by notice within said ninety (90) day period and the purchase shall occur no later than sixty (60) days thereafter. If and to the extent that the Members do not exercise their right to purchase the Abandoned Interest in its entirety, the Units represented by the Abandoned Interest and right to request admission as a Substitute Member shall pass to the authorized legal representative(s) of the Withdrawing Member by operation of law, but subject, nevertheless, to the provisions of Section 6.1.

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(d) Purchase Price. If the non-withdrawing Members elect to exercise the Option, the purchase price for the Abandoned Interest ("Abandoned Interest Purchase Price") shall be the Fair Market Value of the Abandoned Interest as determined by an appraiser selected by the Board. The value of the Abandoned Interest shall be determined as of the date of the Event of Withdrawal, unless otherwise mutually agreed by the Company and the legal representatives of the Withdrawing Member. The cost of the appraisal shall be paid by the Company. The Abandoned Interest Purchase Price shall be paid in cash by the non-withdrawing Members by wire transfer of immediately available funds or by certified or bank treasurer's check upon the Transfer of the Abandoned Interest.

6.5 Permitted Transfers.

(a) Generally. Notwithstanding anything in the Agreement to the contrary, but subject to the requirements of Section 3.1 and 6.1(b), all Transfers of Units to a current Member, an Affiliate or to a Family Member may be undertaken without restriction ("Permitted Transfers"). Notwithstanding anything in this Section 6.5 to the contrary, the Transferring Member shall maintain all voting rights attached to his Units during his lifetime in regard to any Transfer to an Affiliate or Family Member.

6.6 Tax Limitation. Notwithstanding anything to the contrary contained herein, no Transfer of, or Lien on, any interest in the Company shall be permitted if such Transfer or Lien would cause the Company to be treated as an association taxable as a corporation for federal income tax purposes, including pursuant to Code Section 7704.

6.7 Holder of Record. The Company shall be entitled to treat the record owner of Units as the absolute owner thereof in all respects, and shall incur no liability for distributions of cash or other property made in good faith to such owner until such time as (i) a written assignment of such Units has been received and accepted by the Company in accordance with the terms and conditions set forth in this Agreement and (ii) the Transferee has been admitted as a Member of the Company and has fulfilled the terms and conditions of Section 6.1(b). In the absence of the substitution (as provided herein) of a Member for any Transferring Member, any payment to a Member, or any trustee in bankruptcy in accordance with the terms of this Agreement, shall acquit the Company and all other Members of all liability to any other Persons who may be interested in such payment by reason of any purported Transfer by such Member. In addition to and not in limitation of any other legal or equitable remedies which it may have, the Company and any of its Members may enforce its rights hereunder by actions for specific performance.

6.8 Tag Along Rights.

(a) Delivery of Tag-Along Notice. Subject to the provisions of this Article VI, in the event that the holders of a majority of Units desire to Transfer all of their Units (the "Tax-Along Transferors") to any one or more Persons in an arm's length single transaction or series of related transactions, then the Tax-Along Transferors shall provide all other Members (the "Tax-Along Members") with written notice ("Transfer Notice") of their intention to Transfer the Units, specifying in such Transfer Notice the identity of the proposed Transferee, the number of Units to be transferred, the purchase price therefor (the "Purchase Price"), and the terms (the "Transfer Terms") of the proposed sale (the "Proposed Sale").

(b) Tag-Along Right. Upon receipt of Transfer Notice, each Member that is not a Tag-Along Transferor, shall have a period of twenty (20) days ("Tag-Along Exercise Period") to exercise the right and option ("Tag-Along Right") to sell to the proposed Transferee in the Proposed Sale at a price and on terms equivalent to the per Unit Purchase Price and the Transfer Terms, up to that number of Units owned by such Tax-Along Member as shall equal the product of (i) a fraction, the numerator of which is the number of Tag-Along Units and the denominator of which is the aggregate number of Units owned of record as of the date of the Tag-Along Notice by the Tag-Along Transferors, multiplied by (ii) the number of Units owned of record by such Tag-Along Member as of the date of the Tag-Along Notice. Such written notice shall state the aggregate number of Units that such Tag-Along Member proposes to include in such Transfer.

(c) Exercise. If any Tag-Along Member exercises its rights pursuant to this Section 6.8, then Tag-Along Transferors will attempt to obtain from the proposed Transferee a commitment, for the benefit of each such Tag-Along Member, to purchase the number of Units that such Tag-Along Member proposes to include in such Transfer pursuant to this Section 6.8. To the extent Tag-Along Transferors cannot obtain such a

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commitment from such proposed Transferee for each of the Tag-Along Members, the Tag-Along Transferors and Tag-Along Members shall reduce the number of Units being sold by the Tag-Along Transferors and Tag-Along Members such that each Tag-Along Transferor and each Tag-Along Member sells a number of Units as is determined by multiplying (i) a fraction, the numerator of which is equal to the number of Units that such Tag-Along Transferor or such Tag-Along Member, as the case may be, would have sold if Tag-Along Transferors had obtained such commitments from such proposed Transferee, and the denominator of which is equal to the total number of Units that would have been sold by all of such Tag-Along Transferors and all of such Tag-Along Members if Tag-Along Transferors had obtained such commitments from such proposed Transferee, multiplied by (ii) the total number of Units that such proposed Transferee is in fact acquiring from all Tag-Along Transferors and all Tag-Along Members. Anything in this Section to the contrary notwithstanding, each reduction shall be determined based on the amount to be distributed to each of the Tag-Along Transferors and each of the Tag-Along Members as if the proceeds were to be distributed pursuant to Section 5.5 at the time of such Transfer.

(d) Closing. The closing of the Transfer of the Units with respect to which rights have been exercised by a Tag-Along Member pursuant to this Section 6.8 is subject to, and will take place concurrently with, the closing of the Transfer of the Units by Tag-Along Transferors to the proposed Transferee. At such closing, each Tag-Along Member electing to Transfer Units shall deliver to the proposed Transferee, free and clear of all liens, the Units to be sold and shall receive in exchange therefor, the consideration to be paid by the proposed Transferee (but giving effect to the distribution priorities set forth in Section 5.5) in respect of such Units as described in the Tag-Along Notice.

(e) Subsequent Transfer. If any Tag-Along Transfer is not closed within six (6) months from the date of the Transfer Notice, with the same proposed transferee and at the same or better Purchase Price and Transfer Terms than those set forth in the transfer Notice, then prior to concluding any other proposed transfer of a majority of Units to any one or more Persons in a single transaction or series of related transactions, the Tag-Along Transferors shall be required to give all Members a new notice of their desire to transfer in accordance with the foregoing requirements and the foregoing procedures shall again be followed.

6.9 Drag Along Rights.

(a) Following the expiration of the Tag-Along Exercise Period, the Tag-Along Transferors shall have a period of fifteen (15) days to elect by written notice to require all Members that did not exercise their Tag Along Right to participate in the proposed transaction (the "Drag-Along Right") at a price and on terms equivalent to the per Unit Purchase Price and the Transfer Terms, provided that the liability of any Member for any breach of representations or covenants shall be joint but not several for any Member holding less than 20% of all Units outstanding.

(b) No Member participating in a Proposed Sale ("Drag-Along Seller") pursuant to the exercise of Drag Along Rights of the Tag-Along Transferors shall be required to make any representations and warranties other than those related to authority, ownership and the ability to convey title to such Units, including, but not limited to, representations and warranties that (i) the Drag-Along Seller holds all right, title and interest in and to the Units such Drag-Along Seller purports to hold, free and clear of all liens and encumbrances, (ii) the obligations of the Drag-Along Seller in connection with the transaction have been duly authorized, if applicable, (iii) the documents to be entered into by the Drag-Along Seller have been duly executed by the Drag-Along Seller and delivered to the acquirer and are enforceable (subject to customary limitations) against the Drag-Along Seller in accordance with their respective terms; and (iv) neither the execution and delivery of documents to be entered into by the Drag-Along Seller in connection with the transaction, nor the performance of the Drag-Along Seller's obligations thereunder, will cause a breach or violation of the terms of any agreement to which the Drag-Along Seller is a party, or any law or judgment, order or decree of any court or governmental agency that applies to the Drag-Along Seller.

(c) A Drag-Along Seller is not required to agree (unless such Drag-Along Seller is a Corporation officer or employee) to any restrictive covenant in connection with the Proposed Sale (including without limitation any covenant not to compete or covenant not to solicit customers, employees or suppliers of any party to the Proposed Sale).

(d) A Drag-Along Seller is not liable for the breach of any representation, warranty or covenant

made by any other Person in connection with the Proposed Sale), other than the Corporation (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Corporation as well as breach by any member of any of identical representations, warranties and covenants provided by all Members).

(e) A Drag-Along Seller's liability shall be limited to such Drag-Along Seller applicable share (determined based on the respective proceeds payable to each Drag-Along Seller in connection with such Proposed Sale but that in no event exceeds the amount of consideration otherwise payable to such Drag-Along Seller in connection with the Proposed Sale, except with respect to claims related to fraud by such Drag-Along Seller, the liability for which need not be limited as to such Drag-Along Seller.

(f) Upon the consummation of the Proposed Sale (i) each holder of the Units must receive the same form of consideration for their Units as is received by other holders in respect of their Units, and (ii) unless waived pursuant to the terms of this Agreement and as may be required by law, the aggregate consideration receivable by all holders of the Units shall be allocated among the holders of Units giving effect to the distribution priorities set forth in Section 5.5.

(g) If any Proposed Sale is not closed within six (6) months from the date of the Transfer Notice, with the same proposed transferee and at the same or better Purchase Price and Transfer Terms than those set forth in the Transfer Notice, then prior to concluding any other proposed transfer of a majority of Units to any one or more Persons in a single transaction or series of related transactions, the Tag-Along Transferors shall be required to give all Members a new notice of their desire to transfer in accordance with the foregoing requirements and the foregoing procedures shall again be followed.

6.10 Securities Issues. If the consideration to be paid in exchange for the Units pursuant to this Section 6 includes any securities and due receipt thereof by any Member would require under applicable law (x) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities; or (y) the provision to any Member of any information other than such information as a prudent issuer would generally furnish in an offering made solely to "accredited investors" as defined in Regulation D promulgated under the Securities Act of 1933, as amended, the Company may cause to be paid to any such Member in lieu thereof, against surrender of the Units which would have otherwise been sold by such Member, an amount in cash equal to the fair value (as determined in good faith by the Board) of the securities which such Member would otherwise receive as of the date of the issuance of such securities in exchange for the Units; provided that if there is insufficient cash available for such Members, the Company shall make such other arrangements as are reasonably necessary to make such payments within one year of the Closing.

ARTICLE VII BOOKS, ACCOUNTING AND TAX TREATMENT

7.1 Books and Records; Accounting. The Board shall keep or cause to be kept at the principal place of business of the Company (or at such other place as the Board shall determine in its discretion) true and complete books and records regarding the status of the business and financial condition of the Company. At a minimum, the Company shall keep (and, at the request of a Member, shall deliver to such Member by U.S. or electronic mail, as requested by the Member) the following records:

(a) A copy of the Certificate of Organization of the Company and all amendments thereto, together with executed copies;

(b) Copies of the Company's federal, state, and local income tax returns and financial statements for the six (6) most recent years, or, if such returns or statements were not prepared for any reason, copies of the information and statements provided to, or which should have been provided to, the Members to enable them to prepare their federal, state and local tax returns for such period. Tax returns and financial statements shall be prepared by an accountant selected by the Board;

(c) Copies of the Company's current effective written Agreement and all amendments thereto and copies of any written operating agreements no longer in effect;

(d) A writing setting forth the amount of cash, if any, and a statement of the agreed value of other property or services contributed by each Member and the times at which or the events upon the happening of which any additional contributions are to be made by each Member;

(e) A writing stating events, if any, upon the happening of which the Company is to be dissolved and its affairs wound up;

(f) Other writings, if any, prepared pursuant to a requirement in this Agreement or prepared according to requirements of the Act.

7.2 Financial Statements. The Company will send to all Members not more than ninety (90) days after the end of each Fiscal Year a financial report including a balance sheet and statements of income, changes in Member's equity and changes in cash flows, prepared in accordance with accounting principles used to prepare the Company's federal income tax return and a statement for each Member of its Capital Account. In addition, within sixty (60) days after the end of each calendar quarter the Company will provide its members with unaudited financial statements. Notwithstanding the foregoing, the Board may, in its discretion, also provide an audited financial report and any other information.

7.3 Accounting Period. The Company's accounting period shall be the calendar year.

7.4 Tax Treatment. The Members intend for the Company to be considered a partnership for federal income tax purposes and agree that the Company will be governed by the provisions of Subchapter K of the Code and the applicable Regulations promulgated thereunder. The Members are aware of the income tax consequences of the allocations made by Article V and hereby agree to be bound by the provisions of Article V in reporting their shares of Profits and Losses (and items thereof) for income tax purposes. The Board will undertake any and all actions necessary under the Code and the Regulations to ensure that the Company will be classified as a partnership for federal income tax purposes and will file or cause to be filed any elections that may be required (but only if required) under the Code and the Regulations in order to ensure that the Company will be classified as a partnership for federal income tax purposes.

7.5 Tax Returns: Partnership Representative.

(a) Preparation and Filing. The Board shall cause the preparation and timely filing of all returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to each Member as soon as practical after the end of the Company's fiscal year but in any event not more than ninety (90) days after the end of each Fiscal Year. The tax information provided to each Member shall include, without limitation, such Member's federal tax Schedule K-1.

(b) Partnership Representative.

(i) Khan or such other Person designated by the Board in accordance with the Code and any similar provisions of state and local law, shall be the "partnership representative" of the Company within the meaning of Code Section 6223 or any successor provision or similar provision of state or local tax law (the "Partnership Representative"). Each Member hereby consents to such designation and agrees that, upon the request of the Partnership Representative, such Member shall execute, certify, acknowledge, deliver, swear to, file and record such documents as may be necessary or appropriate to evidence such consent.

(ii) The Partnership Representative shall have the right to take all actions authorized, permitted or required by the Code (or any similar provision of state or local tax law) for such a "partnership representative," but subject to the restrictions and limitations set forth in this Agreement and subject to Board approval. Without limiting the generality of the foregoing, the Partnership Representative shall have the discretion to determine all matters, and shall be authorized to take any actions necessary, with respect to any audit, examination or investigation (including any judicial or

Handwritten signatures and initials:
Top right: *mp*
Middle right: *JK*
Bottom right: *OK JK*

administrative proceedings) of the Company by any taxing authority and whether to make any available election under Code Sections 6221 through 6241 (or any successor provision or similar provision of state or local tax law) with respect to any audit or other examination of the Company relating to taxes; provided, however, that the Partnership Representative shall make any tax election requested by the remaining Members holding a Majority Interest if such election does not materially increase the tax obligations of any other Member. If there is a deadlock between the Managers regarding any tax election or other material duty to be performed by the Partnership Representative, the Partnership Representative shall present the issue to the Company's accountants and follow the recommendation of such accountants. In making any recommendation hereunder, the Company's accountants shall consider the interests of the Company and all of the Members.

(iii) Each Member shall promptly, upon request, furnish to the Partnership Representative any information that the Partnership Representative may reasonably request in connection with (A) any tax election of the Company (and the Company's and such Member's compliance with any such election) or (B) any audit, examination or investigation (including any judicial or administrative proceeding) of the Company by any taxing authority. Without limiting the foregoing, at the request of the Partnership Representative in connection with an adjustment of any item of income, gain, loss, deduction or credit of the Company or any partnership in which the Company invests, directly or indirectly, each Member shall promptly file one or more amended returns in the manner contemplated by Code Section 6225(c) (or any successor provision or similar provision of state or local tax law) and pay any tax due with respect to such returns. If the Partnership Representative makes an election pursuant to Code Section 6226 (or any successor provision or similar provision of state or local tax law) with respect to an "imputed underpayment," each Member shall comply with the applicable requirements under the Code and applicable Regulations.

(iv) At the request of the Partnership Representative, each Member shall provide the Partnership Representative and the Company with any information available to such Member and with such representations, certificates or forms relating to such Member (or its direct or indirect owners or account holders) and any other documentation, in each case, that the Partnership Representative determines are necessary to make an election under Code Section 6221(b)(1) (or any successor provision or similar provision of state or local tax law), to modify an "imputed underpayment" under Code Section 6225(c) (or any successor provision or similar provision of state or local tax law), or to take any other actions or make any elections allowed to be taken or made under Code Sections 6221 through 6241 (or any successor provision or similar provision of state or local tax law). Notwithstanding anything to the contrary in this Agreement, any information, representations, certificates, forms or documentation so provided may be disclosed to any applicable taxing authority.

(v) In the event that the Company is responsible for the payment of any "imputed underpayment" in respect of an administrative adjustment pursuant to Code Section 6225(a) (or any successor provision or similar provision of state or local tax law), the Partnership Representative shall determine the treatment of, including the relative obligations of the Members with respect to any amounts paid by the Company to any taxing authority with respect to, such "imputed underpayment," and each Member hereby agrees to satisfy in full such obligations as so determined. Notwithstanding anything to the contrary in this Agreement, the Partnership Representative may cause each Member (including any former Member) to return amounts distributed to such Member pursuant to this Agreement in order to satisfy in full any such obligation of such Member. Any distributions returned pursuant to this provision shall not be treated as Capital Contributions, but shall be treated as returns of distributions for all purposes of this Agreement.

(vi) The Partnership Representative shall have the right to retain professional assistance in respect of any audit of the Company, and all reasonable out-of-pocket expenses and fees incurred by the Partnership Representative on behalf of the Company shall be reimbursed by the Company.

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(vii) The provisions of this Section 7.5(b) shall apply to all actions taken by the Partnership Representative in its capacity as such. The provisions of, and each Member's obligations to comply with, the requirements of this Section 7.5(b) shall survive the Member's ceasing to be a Member of the Company and/or the termination, dissolution and winding up of the Company.

ARTICLE VIII DISSOLUTION

8.1 Duration and Dissolution. The Company shall be dissolved and its affairs shall be wound up upon the first to occur of the following:

- (a) the determination by the Board to dissolve the Company; and
- (b) the entry of a decree of judicial dissolution under Section 44 of the Act.

The Company shall not be dissolved or otherwise terminated by reason of any Member Bankruptcy, and the Company shall continue its existence as a limited liability company upon, during and following any Member Bankruptcy.

8.2 Winding Up. Subject to the provisions of the Act and, unless otherwise required by law, the Board shall have the right to wind up the Company's affairs in accordance with Section 45 of the Act (and shall promptly do so upon dissolution of the Company in accordance with Section 43 or 44 of the Act) and shall also have the right to act as or appoint a liquidating trustee in connection therewith.

8.3 Distribution of Assets. Upon the winding up of the Company, once the Company has made payment of, or adequate provisions for, the debts, expenses and obligations of the Company, the remaining assets of the Company shall be distributed to the Members in proportion to their relative Percentage Interests.

8.4 Certificate of Termination. Upon the completion of the winding up of the Company and the distribution of the Company's assets, the Company shall be terminated and the Board shall cause the Company to execute and file a Certificate of Termination in accordance with Section 14 of the Act.

ARTICLE IX EXCULPATION AND INDEMNIFICATION

9.1 Exculpation. Notwithstanding any other provisions of this Agreement, whether express or implied, or obligation or duty at law or in equity, none of (i) the members of the Board, (ii) the Members or (iii) any of their respective officers, directors, stockholders, partners, members, employees, representatives or agents, or (iii) any director, officer, employee, or representative, or any agent of the Company or any of its affiliates (each individually, an "Indemnified Person" and collectively, the "Indemnified Persons") shall be liable to the Company or any other Person for any act or omission (in relation to the Company, this Agreement, any related document or any transaction or investment contemplated hereby or thereby) taken or omitted in good faith by an Indemnified Person and in the reasonable belief that such act or omission is in or is not contrary to the best interests of the Company and is within the scope of authority granted to such Indemnified Person by this Agreement, provided that such act or omission does not constitute fraud, willful misconduct, bad faith or gross negligence.

9.2 Indemnification. To the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless each of the Indemnified Persons from and against any and all losses, claims, demands, liabilities, expenses, judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Indemnified Person may be involved, or threatened to be involved, as a party or otherwise, by reason of its management of the affairs of the Company or which relates to or arises out of the Company or its property, business or affairs (a "Claim"). An Indemnified Person shall not be entitled to indemnification under this Section 9.2 with respect to any claim, issue or matter in which it has engaged in fraud, willful misconduct, bad faith or gross negligence. The Company shall advance to any Indemnified Person reasonable attorneys' fees and other costs

and expenses incurred in connection with the defense of any such Claim if the Indemnified Person agrees in writing before any such advancement that he will reimburse the Company for such fees, costs and expenses to the extent that it is determined that he was not entitled to indemnification under this Section 9.2.

9.3 Exclusions. The Company will not be liable to pay any Covered Loss or Covered Expense (an "Excluded Claim"):

- (a) For which payment is actually made to or on behalf of the Indemnified Person under such Members' and Manager's liability insurance policy as may be maintained by the Company (except for any deductible under, or excess beyond the amount covered by, such insurance);
- (b) For which the Indemnified Person is otherwise indemnified or reimbursed;
- (c) With respect to a Proceeding in which a final judgment or other final adjudication determines that the Indemnified Person is liable to the Company for breach of fiduciary duty by such person; or
- (d) If a final judgment or other final adjudication determines that such payment is unlawful.

9.4 Notice to Company; Insurance. Promptly after receipt by the Indemnified Person of notice of the commencement of or the threat of commencement of any Proceeding, the Indemnified Person will, if indemnification with respect thereto may be sought from the Company under this Article IX, notify the Company of the commencement thereof. If, at the time of the receipt of such notice, the Company has any Members' and Manager's liability insurance in effect, the Company will give prompt notice of the commencement of such Proceeding to the insurer in accordance with the procedures set forth in the policy or policies in favor of the Indemnified Person. The Company will thereafter take all necessary or desirable action to cause such insurer to pay, on behalf of the Indemnified Person, any and all Covered Loss and Covered Expense payable as a result of such Proceeding in accordance with the terms of such policies.

9.5 Indemnification Procedures.

(a) Payments on account of the Company's indemnity against Covered Loss will be subject to the Company's first determining that the Covered Loss results from a claim which is not an Excluded Claim. Such a determination will be made by a determination of the Managers not at the time parties to the Proceeding. The determination required by this Section 9.5(a) will be made within 60 days of the Indemnified Person's written request for payment of a Loss, and if it is determined that the Covered Loss is not an Excluded Claim payment will be made forthwith thereafter.

(b) Payment of an Indemnified Person's Covered Expenses in advance of the final disposition of any Proceeding will be made within 20 days of the Indemnified Person's written request therefor. From time to time prior to the payment of Covered Expenses the Company may, but is not required to, determine (in accordance with Section 9.5(a) whether the Covered Expenses claimed may reasonably be expected, upon final disposition of the Proceeding, to constitute an Excluded Claim. If such a determination is pending, payment of the Indemnified Person's Covered Expenses may be delayed up to 60 days after the Indemnified Person's written request therefor, and if it is determined that the Covered Expenses are not an Excluded Claim, payment will be made forthwith thereafter.

9.7 Settlement. The Company will have no obligation to indemnify the Indemnified Person under this Article IX for any amounts paid in settlement of any Proceeding effected without the Company's prior written consent. The Company will not unreasonably withhold or delay its consent to any proposed settlement. The Company may consent to a settlement subject to the requirement that a determination thereafter will be made as to whether the Proceeding involved an Excluded Claim or not.

9.8 Rights Not Exclusive. The rights provided hereunder will not be deemed exclusive of any other rights to which the Indemnified Person may be entitled under the Act, any agreement, vote of Members or of the disinterested Manager(s) or otherwise, both as to action in the Indemnified Person's official capacity and as to action in any other capacity while holding such position or office, and shall continue after the Indemnified Person ceases to serve the Company in an official capacity.

9.9 Enforcement.

(a) The Indemnified Person's right to indemnification hereunder will be enforceable by the Indemnified Person in any court of competent jurisdiction and will be enforceable notwithstanding that an adverse determination has been made as provided in Section 9.5.

(b) In the event that any action is instituted by the Indemnified Person under this Article IX to enforce or interpret any of the terms of this Article IX, the Indemnified Person will be entitled to be paid all court costs and expenses, including reasonable attorneys' fees, incurred by the Indemnified Person with respect to such action, unless the court determines that each of the material assertions made by the Indemnified Person as a basis for such action was not made in good faith or was frivolous.

9.10 Successors and Assigns. This Article IX will be (a) binding upon all successors and assigns of the Company (including any transferee of all or substantially all of its assets) and (b) binding on and inure to the benefit of the heirs, executors, administrators, and other personal representatives of the Indemnified Person. If the Company sells or otherwise transfers all or substantially all of its assets to a third party, the Company will, as a condition of such sale or other transfer, require such third party to assume and perform the obligations of the Company under this Article IX.

9.11 Amendment. No amendment of this Article IX will be effective as to an Indemnified Person without such Indemnified Person's written consent.

9.12 Acceptance by Indemnified Person. This Article IX will apply, and the benefits hereof will be available, to each Member and Manager(s), of the Company who by accepting a respective position and serving on behalf of the Company will be deemed to have accepted the provisions of this Article IX and to have agreed to abide by the terms contained herein.

ARTICLE X
MISCELLANEOUS

10.1 Power of Attorney. Each Member does hereby irrevocably constitute and appoint each of the Managers and any Person which becomes an additional or substituted Manager, and any of the foregoing acting alone, in each case with full power of substitution, his, her or its true and lawful agent and attorney-in-fact, with full power and authority in his, her or its name, place, and stead, to make, execute, acknowledge, swear to, attest, seal, deliver, file, register, and record such documents and instruments as may be necessary, convenient, or advisable, in the sole discretion of any such attorney-in-fact, to carry out the provisions of this Agreement, including (a) such amendments to this Agreement and the Articles of Organization as are necessary, convenient, or advisable as are described below or to admit to the Company any additional or Substitute Member or an additional or substituted Manager in accordance with the terms and provisions of this Agreement, (b) such documents and instruments as are necessary to cancel the Articles of Organization, (c) an amended Articles of Organization reflecting the terms of this Agreement, (d) all certificates and other instruments deemed necessary, convenient, or advisable by the Manager to permit the Company to become or to continue as a limited liability company wherein the Members have limited liability in the jurisdictions where the Company may be doing business, (e) all fictitious or assumed name certificates required or permitted to be filed on behalf of the Company, and (f) all other instruments which may be required or permitted by law to be filed on behalf of the Company. The foregoing power of attorney is coupled with an interest and shall be irrevocable and survive the death, dissolution, bankruptcy, or incapacity of any Member.

10.2 Title to Company Property. All Company Property shall be deemed to be owned by the Company as an entity, and no Member, individually, shall have any ownership of such property. The Company may hold any of its assets in its own name or in the name of its nominee, which nominee may be one or more trusts, corporations, individuals or other entities. Any property held by a nominee trust for the benefit of the Company shall, for purposes of this Agreement, be treated as if such property were directly owned by the Company.

10.3 Amendments to the Agreement. Amendments to this Agreement may be made from time to time upon the approval of the Board and a Majority of Members, except that no amendment may amend Section 5.5, eliminate any Member's or Class of Members rights to consent or approve any action of the Company; or

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reduce any Units' share of the Company's Profits, Losses or distributions without the consent of the adversely affected Members. However, the Board may amend this Agreement without the approval of the Members to (i) reflect changes validly made in the ownership of Units and the Capital Contributions of the Member, (ii) reflect a change in the name of the Company, (iii) make any change that is necessary to cure any ambiguity, to correct or supplement any provision of this Agreement that would be inconsistent with any other provision contained herein, in each case so long as such change does not adversely affect any Members in any material respect, and (iv) make a change that is necessary or desirable to satisfy any requirements, conditions, or guidelines in any opinion, directive, order, statute, ruling or regulation of any federal, state or local governmental entity so long as such change is made in a manner which minimizes any adverse effect on the Members.

10.4 Successors. Counterparts. This Agreement (i) shall be a legal, valid and binding agreement of the Company and the Members enforceable against the Company and each Member in accordance with its terms and (ii) may be executed in several counterparts with the same effect as if the parties executing the several counterparts had all executed one counterpart.

10.5 Waiver of Action for Partition. Each Member irrevocably waives during the term of the Company any right that such Member has or may have to maintain any action for partition with respect to the property of the Company.

10.6 Governing Law; Consent to Jurisdiction; Waiver of Jury Trial. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without giving effect to the principles of conflict of laws thereof. In particular, this Agreement shall be construed to the maximum extent possible to comply with all the terms and conditions of the Act. Each Member hereby irrevocably consents to the exclusive jurisdiction of the state and federal courts sitting in Boston, Massachusetts in connection with any matter or dispute relating to or arising under this Agreement or relating to the affairs of the Company. Further, each of the parties to this Agreement hereby waives any and all rights such party may have to a trial by jury in connection with any such matter or dispute.

10.7 Severability. If it shall be determined by a court of competent jurisdiction that any provisions or wording of this Agreement shall be invalid or unenforceable under the Act or other applicable law, such invalidity or unenforceability shall not invalidate the entire Agreement. In that case, this Agreement shall be construed so as to limit any term or provision so as to make it enforceable or valid within the requirements of any applicable law, and, in the event such term or provisions cannot be so limited, this Agreement shall be construed to omit such invalid or unenforceable terms or provisions. If it shall be determined by a court of competent jurisdiction that any provision relating to the distributions and allocations of the Company or to any expenses payable by the Company is invalid or unenforceable, this Agreement shall be construed or interpreted so as (i) to make it enforceable or valid and (ii) to make the distributions and allocations as closely equivalent to those set forth in this Agreement as is permissible under applicable law.

10.8 Integration. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and supersedes all prior agreements and understanding pertaining thereto. No covenant shall affect or be deemed to interpret, change or restrict the express provisions hereof.

10.9 Filings. Following the execution and delivery of this Agreement, the Board shall promptly prepare or cause to be prepared any documents required to be filed and recorded under the Act and shall promptly cause each such document to be filed and recorded in accordance with the Act and, to the extent required by applicable law, to be filed and recorded or notice thereof to be published in the appropriate place in each jurisdiction in which the Company may hereafter establish a place of business. The Board shall also promptly cause to be filed, recorded and published such statements of fictitious business name and any other notices, certificates, statements or other instruments required by any provision of any applicable law of the United States or any state or other jurisdiction which governs the conduct of its business from time to time.

10.10 Headings. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope or intent of this Agreement or any provision hereof.

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10.11 Additional Documents. The Members agree to perform all further acts and execute, acknowledge and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

10.12 Notices. All notices, requests and other communications shall be in writing (including facsimile or similar writing) and shall be given to the Members (and any other Person designated by any Member) at its address or facsimile number set forth in his, her or its Subscription for the Units, or such other address or facsimile number as such Member may hereafter specify for the purpose by notice. Each such notice, request or other communication shall be effective (a) if given by facsimile, when transmitted to the number specified pursuant to this Section 10.12 and the appropriate confirmation is received, (b) if given by mail, 72 hours after such communication is deposited in the mails with first-class postage prepaid, addressed as aforesaid, or (c) if given by any other means, when delivered at the address specified pursuant to this Section 10.12.

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

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

10.15 Separate Counsel. Each Member has been represented by legal counsel chosen by such Member in connection with the negotiation, documentation, execution and delivery of this Agreement.

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IN WITNESS WHEREOF, the undersigned have duly executed this Operating Agreement of Elevated Roots, LLC as of the date first above written.

MANAGERS:




Vivekanand Patel



Joshua E. Koenig




Robert Thomas Palma, Jr.




Barznab Khan

MEMBERS:




Joshua Koenig

BAMA HOLDINGS, LLC



By: Robert Thomas Palma, Jr.
Title: Manager

BKVP 420 HOLDING, LLC



By: Barznab Khan
Title: Manager

Elevated Roots, LLC

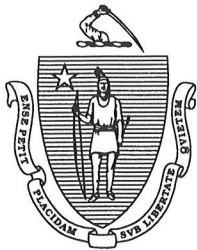
EXHIBIT A

January 11, 2019

Members and Units

Member's Name	Units	Percentage Interest
Joshua Koenig	2,000	20.00%
BAMA HOLDINGS, LLC	2,000	20.00%
BKVP 420 HOLDING, LLC	6,000	60.00%
TOTAL	10,000	100%

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BMA
BKVP



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

William Francis Galvin
Secretary of the
Commonwealth

October 28, 2019

TO WHOM IT MAY CONCERN:

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

ELEVATED ROOTS LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **January 11, 2019**.

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: **ROBERT THOMAS PALMA, JR., JOSHUA E. KOENIG, VIVEKANAND PATEL, BARZNAB KHAN**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **ROBERT THOMAS PALMA, JR., JOSHUA E. KOENIG, VIVEKANAND PATEL, BARZNAB KHAN**

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **ROBERT THOMAS PALMA, JR., JOSHUA E. KOENIG, VIVEKANAND PATEL, BARZNAB KHAN**

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



Commonwealth of Massachusetts
Department of Revenue
Christopher C. Harding, Commissioner

mass.gov/dor

Letter ID: L0159273024
Notice Date: November 14, 2019
Case ID: 0-000-851-118



CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



ROBERT PALMA
ELEVATED ROOTS LLC
110 MAIN ST
KINGSTON MA 02364-2240

Why did I receive this notice?

The Commissioner of Revenue certifies that, as of the date of this certificate, ELEVATED ROOTS 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 to learn more about Massachusetts tax laws and DOR policies and procedures, including your Taxpayer Bill of Rights, and MassTaxConnect for easy access to your account:

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

Edward W. Coyle, Jr., Chief
Collections Bureau

OPERATING AGREEMENT

OF

Elevated Roots, LLC

Dated as of January 11, 2019

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OPERATING AGREEMENT

OF

ELEVATED ROOTS, LLC

THIS OPERATING AGREEMENT (this "Agreement") of Elevated Roots, LLC, a Massachusetts limited liability company (the "Company"), is made as of (the "Effective Date"), on January 11, 2019, by and among the Company, the Persons identified on the signature page hereto as "Members" and each of the Persons identified in Section 4.1 below (as from time to time removed or replaced) as "Managers" (and collectively, the "Board").

RECITALS

WHEREAS, the Company was formed as of January 11, 2019 as a limited liability company under the laws of the Commonwealth of Massachusetts in accordance with the provisions of the Massachusetts Limited Liability Company Act by the filing of a Certificate of Organization for the Company (the "Certificate") in the Office of the Secretary of State of the Commonwealth of Massachusetts; and

WHEREAS, the Company, the Members, and the Board wish to set out fully their respective rights, obligations and duties regarding the Company and its affairs, assets, liabilities and the conduct of its business; and

NOW THEREFORE, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which each of the parties hereto hereby acknowledge, the Company, the Members and the Board hereby agree as follows:

ARTICLE I DEFINITIONS

For purposes of this Agreement, capitalized terms used, and not otherwise defined, herein shall have the meanings set forth below:

"Abandoned Interest" shall have the meaning set forth in Section 6.4(b).

"Abandonment Interest Purchase Price" shall have the meaning set forth in Section 6.4(d).

"Act" shall mean the Massachusetts Limited Liability Company Act and any successor statute, as amended from time to time.

"Adjusted Capital Account Balance" shall mean with respect to any Member, such Member's Capital Account balance maintained in accordance with this Agreement, as of the end of the relevant Fiscal Year or other allocation period, after giving effect to the following adjustments:

(i) increase such Capital Account by any amounts that such Member is obligated to restore pursuant to any provision of this Agreement, is treated as obligated to restore pursuant to Regulations Section 1.704-1(b)(2)(ii)(c), or is deemed obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) decrease such Capital Account by the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4) through (d)(6).

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

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"Affiliate" shall mean, as to any Member, any Person that (i) directly or indirectly Controls, is Controlled by or is under common Control with such Member; (ii) directly or indirectly owns a beneficial interest of ten percent (10%) or more in such Member or (iii) is a Family Member.

"Assumed Tax Rate" shall mean, as determined by the Board in its sole discretion, the single highest effective marginal statutory combined federal, state, municipal and local income tax rate for any Fiscal Year applicable to individuals to which the income of the Company for such Fiscal Year could be subject (on a flow-through basis), determined by also taking into account the comparative applicable tax rates in Massachusetts and in the various jurisdictions in which any Member who is an individual (or in the case of a Member that is a flow-through entity for tax purposes, its direct or indirect members through chains of flow-through entities who are individuals) reside for tax purposes for the applicable Fiscal Year, and taking into account the character (e.g., long-term or short-term capital gain, ordinary or exempt) of the applicable income (but without taking into account any deductibility of state and local income taxes for federal income tax purposes).

"Agreement" shall have the meaning set forth in the Preamble.

"Board" shall have the meaning set forth in the introductory paragraph of this Agreement.

"Capital Account" shall have the meaning set forth in Section 5.1(b).

"Capital Contributions" shall have the meaning set forth in Section 3.2.

"Certificate" shall have the meaning set forth in the Recitals above.

"Claim" shall have the meaning set forth in Section 9.2.

"Code" shall mean the Internal Revenue Code of 1986, as amended and in effect from time to time (or any corresponding provisions of succeeding law).

"Company" has the meaning given that term in the opening paragraph.

"Company Property" shall mean and include all property owned by the Company, whether real or personal and tangible or intangible.

"Control" and "Controlling" means either ownership of a majority of the outstanding voting interests with full right to vote the same and/or the capacity (whether or not exercised) to manage or direct the management of the business or affairs of the relevant Person.

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

"Drag-Along Right" shall have the meaning set forth in Section 6.9(a).

"Drag-Along Seller" shall have the meaning set forth in Section 6.9(b).

"Effective Date" shall have the meaning set forth in the Preamble.

"Employee" means any individual performing services for the Company.

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"Event of Withdrawal" shall mean (i) the bankruptcy or insolvency of any Member, a general assignment for the benefit of creditors of a Member, or the occurrence of any event causing the termination of a Member's interest in the Company; or (ii) the assumption by a legal representative or successor in interest of control over the rights of a Member due to the death or incompetence of an individual Member, or dissolution or termination of any entity which is a Member or (iii) the failure of any Member at any time to qualify as a party under all applicable law allowed to hold an interest in a Marijuana Establishment pursuant to Chapter 55 of the Acts of 2017, Mass. General Laws Ch 94G, and its implementing regulations 935 CMR 500.000, et seq.

"Excluded Claim" shall have the meaning set forth in Section 9.3.

"Fair Market Value" shall mean, as of any date and as to any asset, the price which a knowledgeable, willing buyer would pay to a knowledgeable, willing seller for such asset, neither buyer nor seller being under any obligation to engage in such transaction, reflecting appropriate adjustments for lack of control, lack of marketability and the like.

"Family Member" shall mean and include a Member's spouse, parent, child, brother, sister, grandparent, grandchild, uncle, aunt, nephew, niece or in-law (whether naturally or by marriage or adoption) of such Person and trusts for the benefit of each of the foregoing.

"Fiscal Year" shall have the meaning set forth in Section 2.9.

"Gross Asset Value" shall mean with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross Fair Market Value of such asset, as determined by the contributing Member and the Board, provided, that if the contributing Member is a member of the Board, the determination of Fair Market Value of a contributed asset shall be made by independent appraisal;

(ii) The Gross Asset Value of all Company assets shall be adjusted from time to time to reflect their respective gross Fair Market Values, as determined by the Board taking into account: (A) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (B) the distribution by the Company to a Member of more than a de minimis amount of Company property as consideration for an interest in the Company; (C) the grant of an interest in the Company (other than a *de minimis* interest) as consideration for the provision of services to or for the benefit of the Company by a new or existing Member acting in a Member capacity or in anticipation of becoming a Member; (D) in connection with the issuance by the Company of a non-compensatory option to acquire an interest (other than an option for a *de minimis* interest); and (E) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), provided, however, that the adjustments pursuant to clauses (A) through (D) above shall only be made if the Board reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(iii) The Gross Asset Value of any Company asset distributed to any Member shall be adjusted to equal the gross Fair Market Value of such asset on the date of distribution as determined by the Board provided, that if the distributee is a member of the Board, the determination of Fair Market Value of such distributed asset shall be made by independent appraisal; and

(iv) The Gross Asset Value of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Sections 734(b) or 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); provided, however, that Gross Asset Value shall not be adjusted pursuant to this subparagraph (iv) to the extent the Board determines that an adjustment pursuant to subparagraph (ii) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (iv).

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

"Indemnified Person" shall have the meaning set forth in Section 9.1.

"Initial Members" shall mean such Persons holding Initial Units, as identified in Exhibit A hereto.

"Initial Member Units" shall mean the Units of initial membership interests in the Company, possessing all rights, privileges, duties and obligations as set forth in this Agreement, as amended from time to time.

"Lien" shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement of any kind or nature whatsoever.

"Majority of Members" shall mean as of any date, as to any class, the holders of the Units of the Class constituting a majority of all issued and outstanding Units of that Class. If any act requires the consent or approval of all Members, a "Majority of Members" shall mean the holders of a majority of all Classes as a single group.

"Member" shall mean any Person named as a member of the Company on Exhibit A hereto as of the date hereof and any Person admitted as an additional Member or as a Substitute Member pursuant to the provisions of this Agreement, in such Person's capacity as a member of the Company.

"Member Bankruptcy" shall mean any of the following actions if not dismissed within 120 days: the filing of a petition for bankruptcy or reorganization, an assignment for the benefit of creditors, or the appointment of a receiver, trustee or liquidator of all or substantially all of the Member's assets, in each case under the U.S. Bankruptcy Code or the bankruptcy code or similar laws of any state.

"Offer" shall have the meaning set forth in Section 6.3(a).

"Offer Notice" shall have the meaning set forth in Section 6.3(a).

"Offered Units" shall have the meaning set forth in Section 6.3(a)(ii).

"Offeror" shall have the meaning set forth in Section 6.3(a).

"Option" shall have the meaning set forth in Section 6.4(b).

"Partnership Representative" shall have the meaning set forth in Section 7.5(b)(i).

"Percentage Interest" shall mean, with respect to any Member, as of any date, (i) if of a Class of Units, the ratio (expressed as a percentage) of such Member's Units of such Class on such date to the aggregate Units of that Class held by all Members on such date; and (ii) if of all Units, the ratio (expressed as a percentage) of all of such Member's Units on such date to the aggregate Units of all Members on such date. In the event that all or any portion of a Member's Units are Transferred in accordance with the terms of this Agreement, the Transferee shall succeed to the Percentage Interest of the transferor to the extent it relates to the Transferred Units.

"Permitted Transfers" shall have the meaning set forth in Section 6.5(a).

"Person" shall mean a natural person or any corporation, association, joint venture, limited liability company, general or limited partnership, trust or other legal person or entity.

"Profits" and "Losses" shall mean, for each Fiscal Year or other period, an amount equal to the Company's taxable income or loss for such Fiscal Year or other period, determined in accordance with Code

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Section 703(a) (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), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits and Losses pursuant to this definition of "Profits and Losses" shall increase such taxable income or decrease such loss;

(ii) Any expenditure of the 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 Profits and Losses pursuant to this definition of "Profits and Losses" shall increase such taxable income or decrease such loss;

(iii) In the event that the Gross Asset Value of any Company asset is adjusted pursuant to subparagraphs (ii) or (iii) of the definition of "Gross Asset Value," the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits and Losses;

(iv) Gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(v) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or other period, computed in accordance with the definition of "Depreciation"; and

(vi) 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 a result of a distribution other than in liquidation of a Member's interest in the Company, the amount of such adjustment shall be treated as an item of gain (if such item increases the basis of such asset) or loss (if the adjustment decreases the basis of such asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses.

"Property" shall have the meaning set forth in Section 4.8(b).

"Proposed Sale" shall have the meaning set forth in Section 6.8(a).

"Purchaser Notice" shall have the meaning set forth in Section 6.3(c).

"Purchase Option" shall have the meaning set forth in Section 6.3(b).

"Purchase Price" shall have the meaning set forth in Section 6.8(a).

"Purchasers" shall have the meaning set forth in Section 6.3(c).

"Regulations" shall mean the rules and regulations promulgated by the Internal Revenue Service pursuant to the Code.

"Representatives" shall have the meaning set forth in Section 6.4(a).

"Selling Party" shall have the meaning set forth in Section 6.3(a).

"Substitute Member" shall mean a Transferee of all or any portion of the Units of Membership Interest of a Member, which Transferee is admitted as a Member of the Company pursuant to Article VI.

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"Tag-Along Exercise Period" shall have the meaning set forth in Section 6.8(b).

"Tag-Along Right" shall have the meaning set forth in Section 6.8(b).

"Tax-Along Members" shall have the meaning set forth in Section 6.8(a).

"Tax-Along Transferors" shall have the meaning set forth in Section 6.8(a).

"Taxing Jurisdiction" shall have the meaning set forth in Section 5.4.

"Transfer" shall mean any offer, sale, conveyance, assignment, hypothecation, pledge, encumbrance, grant of a security interest in, transfer, or other disposition (including any gift, bequeath or otherwise transfer for no consideration (whether or not by operation of law, except in the case of bankruptcy)) of any Unit or any rights therein.

"Transfer Notice" shall have the meaning set forth in Section 6.8(a).

"Transfer Terms" shall have the meaning set forth in Section 6.8(a).

"Transferee" shall mean and include any recipient of a Transfer pursuant to Article VI.

"Transferor" shall mean and include any Person who Transfers any Units pursuant to Article VI.

"Units" and "Units of Membership Interests" shall represent the Members' interests in the Company's Profits and Losses, distributions of the Company's assets pursuant to this Operating Agreement and the Act, holder's Capital Contribution and Percentage Interest and all rights granted to Members to participate in the management or affairs of the Company, including the right to vote on, consent to or otherwise participate in any decision of the Members or the Board. Units shall include all types and classes of Units, including any class of Units established after the effective date of this Agreement.

"Withdrawal Notice" shall have the meaning set forth in Section 6.4(a).

"Withdrawing Member" shall have the meaning set forth in Section 6.4(a).

ARTICLE II THE LIMITED LIABILITY COMPANY

2.1 Formation. The Company was formed as a limited liability company pursuant to the provisions of the Act, the Certificate was filed in the Office of the Secretary of State of the Commonwealth of Massachusetts as of the date set forth in the Recitals in conformity with the Act.

2.2 Name. The business of the Company shall be carried on in the name of the Company with such variations and changes as the Board shall determine or deem necessary to comply with the requirements of the jurisdictions in which the Company's operations are conducted.

2.3 Registered Office; Registered Agent. The name and address of the Company's registered agent in the Commonwealth of Massachusetts is John F. Bradley of Prince Lobel Tye LLP, One International Place, Boston, MA 02110.

2.4 Principal Place of Business. The principal place of business of the Company shall be at 110 Main Street, Kingston, MA 02364 or such other location as the Board may select from time to time.

2.5 Business Purpose of the Company. The general character of the business of the Company shall be to engage in a retail adult use dispensary of cannabis, to the extent permitted and in accordance with applicable

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Massachusetts law, and engaging in all other lawful business that a limited liability company may conduct in accordance with the Act.

2.6 Powers. The Company shall have all the powers necessary or convenient to carry out its purposes including, without limitation, all powers granted by the Act. In furtherance, and not in limitation, of the foregoing, the Company shall have the power to engage in the following activities:

(a) to enter into and perform its obligations under any ground lease, residential or commercial lease, loan, mortgage, and/or security, other agreements contemplated by any of the foregoing and contracts, instruments and agreements incidental to the operation of the Property;

(b) to enter into and perform its obligations under such contracts, agreements, instruments, guarantees of wholly-owned subsidiaries and other arrangements as the Board may deem necessary or appropriate in connection with the management and operation of the Company including, without limitation, contracts, agreements and arrangements with vendors, consultants, advisers, accountants, attorneys and other service providers;

(c) to enter into any contract, agreement or arrangement with any Member, any Manager, principal or guarantor of the obligations of the Company, or any Affiliate of any of the foregoing, provided, that the terms and conditions of any such contract, agreement, and/or arrangement shall be commercially reasonable, shall reflect competitive market rate pricing, and shall otherwise be substantially similar to those that would be available on an arm's length basis with an unaffiliated third party;

(d) subject to Section 5.1(a), to admit new Members to the Company and to accept capital contributions from time to time from the Members;

(e) to distribute to the Members all available cash to the extent that such distributions of available cash are not prohibited by applicable law and are otherwise in accordance with the terms and provisions of this Agreement;

(f) to pay (or to reimburse one or more Affiliates for) (i) the organizational, start-up and routine transactional and maintenance expenses of the Company, including the creation, assumption or incurrence of obligations to pay service providers to the Company and other ordinary course expenses of maintaining its existence and carrying out its various purposes under this Agreement and (ii) the fees, costs and expenses incurred in connection with the issuance and sale of Units to new Members; and

(g) to engage in any other lawful activities which are necessary to accomplish the foregoing or are incidental thereto or necessary in connection therewith.

2.7 LLC Formalities; Financial Statements. The Company shall abide by all limited liability company formalities, including the maintenance of current minute books, and the Company shall cause its financial statements to be prepared in a manner that indicates the separate existence of the Company and its assets and liabilities and not permit its assets to be listed on the financial statements of any other entity, except that the assets and liabilities of the Company may be consolidated with one or more Affiliates in accordance with generally accepted accounting principles. The Company shall not assume the liabilities of any Member or any Affiliate of any Member, and shall not guarantee the liabilities of any Member or any Affiliate of any Member thereof (unless such Affiliate is also an Affiliate of the Company).

2.8 Continuation. Subject to the provisions of Article VIII, the Company shall have perpetual existence.

2.9 Fiscal Year. The fiscal year (the "Fiscal Year") of the Company for financial statement and accounting purposes shall end on the 31st day of December in each year.

ARTICLE III MEMBERS

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3.1 Members. No Person may become a Member unless he, she or it is admitted in accordance with this Agreement, and also qualifies as a Person allowed to hold an interest in all licenses and registrations held by the Company, including to the extent applicable: (a) a Registered Marijuana Dispensary Certificate of Registration issued pursuant to the Humanitarian Medical Use of Marijuana Act, Ch. 369 of the Acts of 2012, or Mass. General Laws Ch. 94I and their implementing regulations 105 CMR 725.000, et seq. as applicable; and (b) any Final License(s) for a Marijuana Establishment pursuant to Ch. 55 of the Acts of 2017, Mass. General Laws Ch. 94G and its implementing regulations 935 CMR 500.000, et seq., each as applicable to the Company's business.

3.2 Roster. The Company shall maintain a roster of the Members and the number of Units, Classes of Units (if any), and amounts of cash or the Fair Market Value (as determined under this Agreement) of other property contributed to the initial capital of the Company as of the date hereof (each contribution, a "Capital Contribution"), as well as all additional Capital Contributions, of each Member.

3.3 Authority of Members. Except as otherwise provided herein, no Member shall, or shall have any right to, participate in the management of the Company merely by virtue of such Member's status as a Member. Except as otherwise expressly provided herein, all authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters, and to perform any and all other acts or activities customary or incident to the management of the Company's business is, and shall be vested in the Board.

3.4 Meetings of Members. At any time and from time to time, the Board may, but shall not have any obligation to, call meetings of the Members, and Members holding not less than []% of the Units may call a meeting. Written notice of any such meeting shall be given to all Members not less than five (5) days and not more than sixty (60) days prior to the date of such meeting. A Majority of the Members shall constitute quorum for all purposes at any such meeting. Each meeting shall be conducted by the Board or a designee of the Board. Each Member may authorize any other Person (regardless of whether such Person is a Member) to act on its behalf with respect to all matters on which such Member is entitled to consent or otherwise participate. Any proxy must be signed by the Member giving such proxy or by such Member's attorney-in-fact. A Member may attend a meeting by telephonic or other electronic method of participation.

3.5 Written Consent in Lieu of Meeting. Any action of the Members which may be undertaken pursuant to Section 3.3 or 3.4 may also be taken by a written consent executed by such Members as would be required to approve such action at a duly convened meeting at which all Members were present.

3.6 Liability of the Members.

(a) No Liability for Company Obligations. All debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member shall have any obligation with respect to for any such debt, obligation or liability of the Company solely by reason of being the Member.

(b) Limitation on Liability. Except as otherwise expressly required by law, no Member shall have any liability in excess of: (i) the amount of its aggregate Capital Contributions to the Company, (ii) its share of any assets and undistributed profits of the Company, and (iii) the amount of any distributions wrongfully distributed to it.

3.7 Compliance with Securities Laws and Other Laws and Obligations. Each Member hereby represents and warrants to the Company and to each other Member and acknowledges that (a) it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in the Company and making an informed investment decision with respect thereto, (b) it is able to bear the economic and financial risk of an investment in the Company for an indefinite period of time and understands that it has no right to withdraw and have its Units of Membership Interest repurchased by the Company, (c) it is acquiring its Units of Membership Interest in the Company for investment only and not with a view to, or for resale in connection with, any distribution to the public or public offering thereof, and (d) it understands that the Units of Membership Interests have not been registered under the securities laws of any

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jurisdiction and cannot be disposed of unless they are subsequently registered and/or qualified under applicable securities laws and the provisions of this Agreement have been complied with.

3.8 Power to Bind the Company. No Member, in its capacity as a Member, shall take part in the management or control of the business of the Company, transact any business in the name of the Company, have the power or authority to bind the Company or to sign any agreement or document in the name of the Company, or have any power or authority with respect to the Company except (i) as expressly provided in this Agreement, (ii) as directed by the Board or (iii) as provided in the Certificate of Organization, as the same may be amended from time to time.

3.9 Admission of Members. New Members shall be admitted to the Company only with the prior written consent of the Board, subject to Section 5.1(a) and the provisions of Article VI, and the prior consent of a Majority of Members of each Class of Units.

3.10 Member Resignation. Except in the case of a Transfer of its Units to a new Member in accordance herewith, a Member may not resign from the Company or otherwise disassociate itself from the Company without the consent of the Board.

ARTICLE IV MANAGEMENT OF THE COMPANY

4.1 Management by the Board. The management of the Company is fully vested in the Board. All management and other responsibilities not specifically reserved to the Members in this Agreement shall be vested solely in the Board, and the powers of the Company shall be exercised by or under, the sole authority of the Board; and the daily business and affairs of the Company shall be managed under the direction of, the Board. All services to be furnished by the Board may be delegated to and furnished by an officer or employee of the Company or any other Person or agent designated or retained by the Board. Decisions or actions taken by the Board in accordance with this Agreement shall constitute decisions or actions by the Company and shall be binding on the Company. In connection with the management of the business and affairs of the Company, without limiting the foregoing, the Board for and in the name of, and on behalf of Company, and unless otherwise provided without any approval by or Consent of the Members, are hereby authorized:

(a) to execute any and all agreements, contracts, documents, certifications and instruments necessary or convenient in connection with the development, financing, management, maintenance, operation and disposition of any Company asset;

(b) to borrow money from the Members or third parties, to issue evidences of such indebtedness as is necessary, convenient or incidental to the accomplishment of the purposes of Company, and to secure the same by mortgage, pledge or other Lien on any Company asset;

(c) to borrow money from and for, and to guarantee the indebtedness of, wholly owned Affiliates, and to issue evidences of such indebtedness as is necessary, convenient or incidental to the accomplishment of the purposes of Company, and to secure the same by mortgage, pledge or other Lien on any Company asset;

(d) to prepay in whole or in part, renew, refinance, recast, consolidate, increase, modify or extend any debt of Company, and in connection therewith to execute and record any documents relating thereto;

(e) to enter into agreements to employ agents, attorneys, accountants, engineers, appraisers, or other consultants or contractors who may be Affiliates of, or otherwise affiliated with, any one or more of the Manager or Members, and to enter into agreements to employ any Member, Manager or other Person to provide management or other goods and/or services to Company; provided, that any employment of such Member, Manager or Person is on terms not less favorable to Company than those offered by Persons who are not Affiliates of a Manager or Member for comparable good or services;

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(f) to pay out of Company funds any and all fees and make any and all expenditures which the Board, in its sole discretion, deems necessary or appropriate in connection with the organization of Company, the management of the affairs of Company, and the carrying out of the Board's obligations and responsibilities under this Agreement and the Act;

(g) except as otherwise directed by the Partnership Representative, as herein defined, with respect to those matters within the powers of the Partnership Representative, to make and revoke any election permitted to Company by any taxing authority in such manner as the Board may decide, and to cause to be paid any and all taxes, charges and assessments that may be levied, assessed or imposed upon any of the assets of Company, unless the same are contested by the Partnership Representative, which the Partnership Representative is hereby expressly authorized to do; and

(h) except as otherwise provided herein, to engage in any kind of activity and perform and carry out contracts of any kind necessary to, in connection with, or incidental to the accomplishment of the purposes of Company as may be lawfully carried on or performed by a limited liability company under the laws of the Commonwealth of Massachusetts (including, without limitation, the Act) and in each jurisdiction where Company has qualified or is doing business (including, without limitation, their respective limited liability company acts or analogs thereof).

4.2 The Board and Voting. The Company may have four persons serving as Managers from time to time, and all of those collectively shall constitute the Board of Managers. Initially, the Managers shall be all of Vivekanand Patel ("Patel"), Joshua E. Koenig, Robert Thomas Palma, Jr. and Barznab Khan ("Khan"). A quorum shall consist of all Managers if there be 2 or less Managers in office, and otherwise a quorum shall be all of the Managers then on the Board. The Board shall act by the affirmative vote of both Khan and Patel. However, if Khan and Patel do not vote in unison, the affirmative vote of a majority of Managers shall be required for any action to be approved. However, if Khan and Patel do not vote in unison, and the vote of the entire Board is deadlocked, Rahul Patel an officer of the Company shall cast the deciding vote as long as he remains an officer. Meetings of the Board shall be held at such places and times and with such frequency as is determined by the Board, and may be conducted through in-person meetings, telephonically, or through other electronic communication permitting all Managers to communicate simultaneously. Actions of the Board may also be taken by written consent of Khan and Patel. Any Manager may call a meeting of the Board upon not less than 6 hours advance notice, which notice may be given by electronic communication. Accurate minutes of any meeting of the Board shall be maintained by the Manager selected at that Board meeting.

4.3 Appointment, Removal or Replacement of a Manager. Each Manager shall serve until such Manager (i) dies, (ii) resigns upon giving sixty (60) days written notice to the Members, or (iii) is removed by the affirmative majority vote of the Members, and until such Manager's successor shall have been appointed and qualified. Any replacement(s) to fill the vacancy of any such Manager(s) shall be appointed by the Members.

4.4 Manager Has No Exclusive Duty to Company. Each Manager shall devote to the Company such time as he/she may deem necessary to manage the affairs of the Company. Each Manager may engage in or have an interest in other business ventures which are similar to or competitive with the business of the Company, including but not limited to, the ownership, financing, leasing, operation, management, syndication, brokerage or development of ventures competitive with ventures owned by the Company and the pursuit of such ventures shall not be deemed wrongful or improper or give the Company or the Members any rights with respect thereto. Neither the Board nor any Member shall be obligated to present an investment opportunity to the Company even if such investment opportunity is similar to or consistent with the business of the Company, and any such Person shall have a right to take for its own account or recommend to others any such investment opportunity.

4.5 Bank Accounts; Company Books. The Board may from time to time open bank accounts in the name of the Company. In accordance with Section 2.6, the Board shall maintain and preserve, during the term of the Company, and for six (6) years thereafter, all accounts, books, and other relevant Company documents. Upon reasonable request, each Member shall have the right, during ordinary business hours, to inspect and copy such Company documents at the requesting Member's expense.

4.6 Officers. The Board may appoint individuals as officers of the Company with such titles as the Board may select, including the titles of CEO, CFO and COO, to act on behalf of the Company, with such power and

authority as the Board may delegate to any such individual.

4.7 Elimination of Fiduciary Duties. The fiduciary duties of the Members to the Company and of each Manager and each Officer to the Company and the Members are hereby eliminated except to the limited extent expressly provided in this Agreement or as required by law.

ARTICLE V
ADDITIONAL CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNT;
ALLOCATIONS OF PROFITS AND LOSSES; DISTRIBUTIONS

5.1 Additional Capital Contributions; Capital Accounts.

(a) Issuance of Units; Additional Capital Contributions. Initially, the Board is authorized to issue [] Units. With the consent of the Members holding 60% of the Units, the Board may, from time to time, cause the Company to raise additional capital. In connection with any such capital raising, the Company may issue and sell additional Units, and additional classes of Units in the Company which may be *pari passu* with, or senior in right to, any class of Units, provided however, that the Company shall first comply with the provisions of Section 7.3 with respect to any newly issued, re-issued, or additional Units as though it were the Selling Party as defined in said Section.

(b) Capital Accounts. A Capital Account shall be maintained on the books and records of the Company for each Member (each, a "Capital Account") in accordance with the provisions of Section 5.3(a) and accordingly:

(i) To each Member's Capital Account there generally shall be credited such Member's Capital Contributions, such Member's distributive share of Profits and the amount of any Company liabilities assumed by such Member or that are secured by any Company property distributed to such Member.

(ii) To each Member's Capital Account there generally shall be debited the amount of cash and the Gross Asset Value of any Company property distributed to such Member pursuant to any provision of this Agreement, such Member's distributive share of Losses, and the amount of any liabilities of the Company assumed by such Member or that are secured by any property contributed by such Member to the Company.

(iii) In the event that all or a portion of any interest in the Company is Transferred in accordance with this Agreement, the Transferee shall succeed to the Capital Account of the Transferor to the extent it relates to the Transferred interest.

(iv) If during any Fiscal Year of the Company there is a change in any Member's Units of Membership Interest, allocations of Profits or Losses (or items thereof) for such Fiscal Year shall take into account the varying interests of the Members in the Company in a manner consistent with the requirements of Code Section 706.

The foregoing provisions, and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 1.704-1(b) of the Regulations and shall be interpreted and applied in a manner consistent with such Regulations. In the event that the Board shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities that are secured by contributed or distributed property or that are assumed by the Company or the Members) are computed in order to comply with such Regulations, the Board may make such modification, provided that it is not likely to have a material effect on the amounts otherwise distributable to any Member pursuant to this Agreement.

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(c) Loans. No Member shall have any obligation to loan funds to the Company; provided, however, that subject to the provisions of Section 4.1(c), the Company may borrow funds or enter into other similar financial accommodations with any Member or any Affiliate of any Member. Loans to the Company by any Member shall not be considered Capital Contributions.

5.2 Calculation of Profits and Losses. For financial accounting purposes, the Profits and Losses of the Company shall be determined on an annual basis in accordance with this Agreement.

5.3 Allocation of Profits, Losses, Credits and Other Items.

(a) Profits and Losses. Profits and Losses (and each item thereof) shall be allocated among the Members in such manner and amount as shall accurately reflect (a) such Member's obligation, if any, to make future contributions to the Company, (b) such Member's right to receive distributions from the Company, and (c) such Member's economic risk of loss with respect to any liability of the Company. It is the intention of the Members that the allocations pursuant to this Section 5.3(a) be made in such manner as will have substantial economic effect or otherwise be in accordance with the Members' interest in the Company in accordance with Treasury Regulations Section 1.704-1(b) and 1.704-2. Without limiting the foregoing, it is anticipated that all allocations of Profits and Losses (and items thereof) among the Members will be allocated to the Members, in accordance with the provisions of such Regulations regarding "partner nonrecourse deductions," "nonrecourse deductions," limitations imposed on the deficit balance in a Member's capital account and "qualified income offset," "partnership minimum gain," and "partner nonrecourse debt minimum gain," as such terms are defined in Regulations Sections 1.704-2(i)(1), 1.704-2(b)(1), 1.704-1(b)(2)(ii)(d), 1.704-2(b)(2) and 1.704-2(i)(2), respectively, are incorporated herein by reference, and shall apply to the Members (and any Transferees) in such Member's capacity as a member of the Company for federal income purposes. Losses allocated to a Member pursuant to this Section 5.3(a) shall not exceed the maximum amount of Losses that can be allocated to such Member without causing such Member to have a negative Adjusted Capital Account Balance at the end of any Fiscal Year or other allocation period in which any other Member does not have a negative Adjusted Capital Account Balance.

(b) Tax Allocations.

(i) Subject to Section 5.3(b)(ii) and 5.3(b)(iii), each item of income, gain, loss, or deduction for federal income tax purposes that corresponds to an item of income, gain, loss or expense that is either taken into account in computing Profits or Losses or is specially allocated pursuant to Section 5.3(a) shall be allocated among the Members in the same proportion as the corresponding item is allocated among them pursuant to Section 5.3(a).

(ii) In the event any property of the Company is credited to the Capital Account of a Member at a value other than its tax basis, then allocations of taxable income, gain, loss and deductions with respect to such property shall be made in a manner which will comply with Code Section 704(c). In connection with the admission of a subsequent Member as of the date hereof, the Capital Accounts of the Members shall be adjusted to reflect the current Gross Asset Values of the Company's assets, as described in subsection (ii)(A) of the definition of Gross Asset Value.

(iii) The tax allocations made pursuant to this Section 5.3(b) shall be solely for tax purposes and shall not affect any Member's Capital Account or share of non-tax allocations or distributions under this Agreement.

(c) Former Members. Any allocations described above in this Section 5.3 also shall be made by the Company to any former Member to the extent applicable, as reasonably determined by the Board.

(d) Code Section 754 Election. The allocation to a Member of items of taxable income, gain, loss, and deduction of the Company also shall be adjusted to reflect any election under Code Section 754.

5.4 Non-Federal Taxes. As determined by the Board, to the extent that the laws of any state, or other local jurisdiction having jurisdiction over the Company ("Taxing Jurisdiction") require, each Member requested

to do so will submit to the Taxing Jurisdiction an agreement indicating that the Member will timely file all returns and make all income tax payments to the Taxing Jurisdiction or that the Member accepts personal jurisdiction of the Taxing Jurisdiction with regard to the collection of income taxes attributable to the Member's income, and interest and penalties assessed on such income or such other agreement as the Taxing Jurisdiction provides. If the Member fails to provide such agreement, to file such returns, or to make such tax payments, the Company may, and if required by the Taxing Jurisdiction shall, withhold and pay over to such Taxing Jurisdiction the amount of tax, penalty and interest determined as due under the laws of the Taxing Jurisdiction. Any such payments with respect to a Member shall be treated as an advance of a distribution to such Member, provided that if the Member was not entitled to such a distribution, upon written notice or demand by the Company to the Member evidencing such payments by the Company, such Member shall pay to the Company the amount the Company paid to the Taxing Jurisdiction. The Company may, where permitted by the rules of any Taxing Jurisdiction, file a composite, combined or aggregate tax return reflecting the income of the Company and pay the tax, interest and penalties of some or all of the Members on such income to the Taxing Jurisdiction, in which case the Company shall inform the Members of the amount of such tax, interest and penalties so paid and such amounts shall be also treated as such an advance distribution and, if the Member is not entitled to a distribution, be subject to repayment as provided above in this paragraph.

5.5 Distributions.

(a) Generally. Distributions by the Company to its Members, in their capacity as such, shall be made to all the Members in accordance with Section 5.5(b) at such time and in such amounts as may be determined by the Board. The Board shall have sole discretion to determine the amounts and time for any such distributions. In this regard, the Board may take into account such matters as the repayment of obligations to creditors and the setting aside of amounts to be retained by the Company for any purpose, including the conduct of the Company's business affairs. Distributions may be made in cash or in other property, as reasonably determined by the Board. Distributions other than in cash shall be valued as reasonably determined by the Board.

(b) Priorities. All distributions hereunder shall be made simultaneously to all the Members in proportion to their respective Percentage Interests at such time.

(c) Tax Distributions to Members. Notwithstanding the other provisions of this Agreement, to the extent funds are available, the Board shall make minimum distributions to each Member from time to time with respect to any Fiscal Year or other tax period in an amount sufficient to pay when due any federal, state and local income taxes imposed on such Member, calculated using the Assumed Tax Rate, that is attributable to the cumulative taxable income allocated to such Member under this Agreement with respect to the applicable Fiscal Year or other tax period. Tax distributions pursuant to this Section 5.5(c) shall not be made with respect to the year in which the Company liquidates. Tax distributions made hereunder shall be treated as an advance on other distributions to which a Member otherwise would be entitled in respect of such Member's Units, and shall therefore reduce the amount of such other distributions payable to that Member under this Agreement in respect thereof. The amount of tax distributions made to any Member with respect to a Fiscal Year or other tax period shall be reduced by the amount of the distributions made to such Member with respect to such Fiscal Year or other period pursuant to Section 5.5(b), as determined by the Board.

(d) Prohibited Distributions. Notwithstanding anything to the contrary contained herein, the Company shall not make any distribution to the Member if such distribution would violate the Act or other applicable law.

5.6 Withholding Taxes. The Company is authorized to withhold from distributions to the Members, and to pay over to a federal, state or local government, any amounts required to be withheld pursuant to the Internal Revenue Code of 1986, as amended, or any other provisions of any other federal, state, local or foreign law. Any amounts so withheld shall be treated as having been distributed to the Members pursuant to Section 5.5(b) for all purposes of this Agreement.

5.7 Condition to Distributions. At any time or from time to time, and prior to making any distributions, the Board may request from any Member or other Person receiving a distribution an affidavit or other evidence that such Person is not a "foreign person" within the meaning of Code Section 1445 or Code Section 1446. If

such Person does not provide such affidavit or other evidence in form and content reasonably satisfactory to the Members within 30 days after such request, the Board may withhold and pay over to the IRS such portion of such Person's distribution as may be necessary to comply with Code Section 1445 or Code Section 1446, and any amount so withheld and paid over shall be treated as a distribution to such Person at the time it is paid over to the IRS.

5.8 Creditor Status. No Member shall have the status of, or be entitled to any remedies available to, a creditor of the Company with respect to any distribution to which such Member may become entitled.

ARTICLE VI TRANSFERABILITY

6.1 Transfers Generally.

(a) Generally. No Member shall have the right to Transfer all or any of its Units except in accordance with this Article VI.

(b) Requirements. In the event that Sections 6.2 - 6.6, below are satisfied with regard to any Transfer of any Units, as a condition to recognizing the effectiveness and binding nature of such Transfer as against the Company or otherwise, and the substitution of a new Member, the Board may require the Transferring Member and the proposed Transferee to execute, acknowledge and deliver to the Board such instruments of Transfer, assignment and assumption and such other certificates, representations and documents, and to perform all such other acts which the Board may deem necessary or desirable to:

(i) constitute such Transferee as a Member;

(ii) assure that the Transferee qualifies as a Member under Section 3.1;

(iii) confirm that the Transferee has accepted, assumed and agreed to be subject and bound by all of the terms, obligations and conditions of this Agreement, as the same may have been further amended (whether such Person is to be admitted as a new Member);

(iv) preserve the Company after the completion of such Transfer or substitution under the laws of each jurisdiction in which the Company is qualified, organized or does business;

(v) maintain the status of the Company as a partnership for federal tax purposes; and

(vi) assure compliance with any applicable state and federal laws including securities laws and regulations.

(c) Effective Date of Transfer. Any Transfer of a Unit or admission of a Member in compliance with this Article VI shall be deemed effective as of the last day of the calendar month in which the Board's written consent thereto was given, unless the Board agrees in writing to a different date.

(d) Indemnification. The Transferring Member hereby indemnifies the Company, each Member of the Board and the remaining Members against any and all loss, damage, or expense (including, without limitation, tax liabilities or loss of tax benefits and reasonable accounting and legal expense) arising directly or indirectly as a result of any Transfer.

6.2 Failure of Board to Approve. Notwithstanding anything contained herein to the contrary, if the Board does/do not approve the proposed Transfer of any Unit to a Transferee which is not a Member immediately prior to such Transfer, then the proposed Transferee shall have no right to become an owner of Units or a Member or otherwise to participate in the management of the business and affairs of the Company. No Transfer of a Member's Interest in the Company (including any Transfer which has not been approved by the Board shall be effective unless and until written notice (including the name and address of the proposed

Transferee and the date of such transfer) has been provided to the Company and the non-transferring Members.

6.3 Right of First Refusal Upon Sale of Units

(a) In the event that any Member or Members holding less than a majority of Units (each, a "Selling Party") shall at any time desire to sell some or all of his/their Units to any Person then, in addition to other requirements and limitations set forth in this Agreement, such Selling Party shall first receive a bona fide written offer (the "Offer") from an offeror (the "Offeror") to purchase such Units. The Selling Party shall then give written notice (the "Offer Notice") to the other Members of his intention to so sell. The Offer Notice shall:

- (i) include a copy of the Offer;
- (ii) state the intention to Transfer the Units and the amount to be transferred (the "Offered Units");
- (iii) state the name, business, and address of the Offeror; and
- (iv) state the amount of the consideration and the other terms of the Offer.

(b) The non-Selling Members shall have an option to Purchase ("Purchase Option") Offered Units all, or any portion, of the Offered Units on the same terms and conditions as set forth in the Offer Notice.

(c) The Purchase Option granted in this Section must be exercised by non-Selling Members wishing to do so (the "Purchasers"), by notice given by each during the period ending fifteen (15) Business Days after the receipt by all the Members of the Offer Notice, stating the number of Units the Purchaser wishes to purchase (the "Purchase Notice"). The Closing Date for all such Purchases shall be ninety (90) days after the date of the Offer Notice. If a Purchase Notice is not timely given, or if timely given, the Purchaser does not timely close the Purchase, it shall be deemed that the Purchase Option was rejected.

(d) If and to the extent that the non-Selling Members do not exercise their right to purchase all of the Offered Units in their entirety, then the Selling Party shall then have the right to transfer that portion of the Offered Units which the non-Selling Members have not elected to purchase in accordance with the Offer Notice within a period no sooner than thirty (30) days but no later than sixty (60) days next following the expiration of the Purchase Option. In the event the Selling Party has not transferred the Offered Units during such period in accordance with the Offer Notice or the Board does not approve the transferee then any transfer shall be null and void, and the Offered Units will continue to be subject to this Agreement.

6.4 Right of First Refusal Upon Involuntary Withdrawal

(a) Notice of Withdrawal. In the event that any Member (a "Withdrawing Member") shall suffer an Event of Withdrawal, then in addition to the other requirements and limitations set forth in this Agreement, the legal representatives of the Withdrawing Member ("Representatives") shall give written notice within ninety (90) days of the occurrence of such event (the "Withdrawal Notice") to the other Members of the withdrawal of the Withdrawing Member.

(b) Option to Purchase. For a period of ninety (90) days after the receipt by the Members of the Withdrawal Notice, the non-withdrawing Members shall have an option to purchase ("Option") all, but not less than all, of the Withdrawing Member's Units in the Company ("Abandoned Interest"), on the terms and conditions set forth below in subparagraphs (c) and (d).

(c) Exercise of Option. The Option granted in this Section to the Members must be exercised by notice within said ninety (90) day period and the purchase shall occur no later than sixty (60) days thereafter. If and to the extent that the Members do not exercise their right to purchase the Abandoned Interest in its entirety, the Units represented by the Abandoned Interest and right to request admission as a Substitute Member shall pass to the authorized legal representative(s) of the Withdrawing Member by operation of law, but subject, nevertheless, to the provisions of Section 6.1.

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(d) Purchase Price. If the non-withdrawing Members elect to exercise the Option, the purchase price for the Abandoned Interest ("Abandoned Interest Purchase Price") shall be the Fair Market Value of the Abandoned Interest as determined by an appraiser selected by the Board. The value of the Abandoned Interest shall be determined as of the date of the Event of Withdrawal, unless otherwise mutually agreed by the Company and the legal representatives of the Withdrawing Member. The cost of the appraisal shall be paid by the Company. The Abandoned Interest Purchase Price shall be paid in cash by the non-withdrawing Members by wire transfer of immediately available funds or by certified or bank treasurer's check upon the Transfer of the Abandoned Interest.

6.5 Permitted Transfers.

(a) Generally. Notwithstanding anything in the Agreement to the contrary, but subject to the requirements of Section 3.1 and 6.1(b), all Transfers of Units to a current Member, an Affiliate or to a Family Member may be undertaken without restriction ("Permitted Transfers"). Notwithstanding anything in this Section 6.5 to the contrary, the Transferring Member shall maintain all voting rights attached to his Units during his lifetime in regard to any Transfer to an Affiliate or Family Member.

6.6 Tax Limitation. Notwithstanding anything to the contrary contained herein, no Transfer of, or Lien on, any interest in the Company shall be permitted if such Transfer or Lien would cause the Company to be treated as an association taxable as a corporation for federal income tax purposes, including pursuant to Code Section 7704.

6.7 Holder of Record. The Company shall be entitled to treat the record owner of Units as the absolute owner thereof in all respects, and shall incur no liability for distributions of cash or other property made in good faith to such owner until such time as (i) a written assignment of such Units has been received and accepted by the Company in accordance with the terms and conditions set forth in this Agreement and (ii) the Transferee has been admitted as a Member of the Company and has fulfilled the terms and conditions of Section 6.1(b). In the absence of the substitution (as provided herein) of a Member for any Transferring Member, any payment to a Member, or any trustee in bankruptcy in accordance with the terms of this Agreement, shall acquit the Company and all other Members of all liability to any other Persons who may be interested in such payment by reason of any purported Transfer by such Member. In addition to and not in limitation of any other legal or equitable remedies which it may have, the Company and any of its Members may enforce its rights hereunder by actions for specific performance.

6.8 Tag Along Rights.

(a) Delivery of Tag-Along Notice. Subject to the provisions of this Article VI, in the event that the holders of a majority of Units desire to Transfer all of their Units (the "Tax-Along Transferors") to any one or more Persons in an arm's length single transaction or series of related transactions, then the Tax-Along Transferors shall provide all other Members (the "Tax-Along Members") with written notice ("Transfer Notice") of their intention to Transfer the Units, specifying in such Transfer Notice the identity of the proposed Transferee, the number of Units to be transferred, the purchase price therefor (the "Purchase Price"), and the terms (the "Transfer Terms") of the proposed sale (the "Proposed Sale").

(b) Tag-Along Right. Upon receipt of Transfer Notice, each Member that is not a Tag-Along Transferor, shall have a period of twenty (20) days ("Tag-Along Exercise Period") to exercise the right and option ("Tag-Along Right") to sell to the proposed Transferee in the Proposed Sale at a price and on terms equivalent to the per Unit Purchase Price and the Transfer Terms, up to that number of Units owned by such Tax-Along Member as shall equal the product of (i) a fraction, the numerator of which is the number of Tag-Along Units and the denominator of which is the aggregate number of Units owned of record as of the date of the Tag-Along Notice by the Tag-Along Transferors, multiplied by (ii) the number of Units owned or record by such Tag-Along Member as of the date of the Tag-Along Notice. Such written notice shall state the aggregate number of Units that such Tag-Along Member proposes to include in such Transfer.

(c) Exercise. If any Tag-Along Member exercises its rights pursuant to this Section 6.8, then Tag-Along Transferors will attempt to obtain from the proposed Transferee a commitment, for the benefit of each such Tag-Along Member, to purchase the number of Units that such Tag-Along Member proposes to include in such Transfer pursuant to this Section 6.8. To the extent Tag-Along Transferors cannot obtain such a

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commitment from such proposed Transferee for each of the Tag-Along Members, the Tag-Along Transferors and Tag-Along Members shall reduce the number of Units being sold by the Tag-Along Transferors and Tag-Along Members such that each Tag-Along Transferor and each Tag-Along Member sells a number of Units as is determined by multiplying (i) a fraction, the numerator of which is equal to the number of Units that such Tag-Along Transferor or such Tag-Along Member, as the case may be, would have sold if Tag-Along Transferors had obtained such commitments from such proposed Transferee, and the denominator of which is equal to the total number of Units that would have been sold by all of such Tag-Along Transferors and all of such Tag-Along Members if Tag-Along Transferors had obtained such commitments from such proposed Transferee, multiplied by (ii) the total number of Units that such proposed Transferee is in fact acquiring from all Tag-Along Transferors and all Tag-Along Members. Anything in this Section to the contrary notwithstanding, each reduction shall be determined based on the amount to be distributed to each of the Tag-Along Transferors and each of the Tag-Along Members as if the proceeds were to be distributed pursuant to Section 5.5 at the time of such Transfer.

(d) Closing. The closing of the Transfer of the Units with respect to which rights have been exercised by a Tag-Along Member pursuant to this Section 6.8 is subject to, and will take place concurrently with, the closing of the Transfer of the Units by Tag-Along Transferors to the proposed Transferee. At such closing, each Tag-Along Member electing to Transfer Units shall deliver to the proposed Transferee, free and clear of all liens, the Units to be sold and shall receive in exchange therefor, the consideration to be paid by the proposed Transferee (but giving effect to the distribution priorities set forth in Section 5.5) in respect of such Units as described in the Tag-Along Notice.

(e) Subsequent Transfer. If any Tag-Along Transfer is not closed within six (6) months from the date of the Transfer Notice, with the same proposed transferee and at the same or better Purchase Price and Transfer Terms than those set forth in the transfer Notice, then prior to concluding any other proposed transfer of a majority of Units to any one or more Persons in a single transaction or series of related transactions, the Tag-Along Transferors shall be required to give all Members a new notice of their desire to transfer in accordance with the foregoing requirements and the foregoing procedures shall again be followed.

6.9 Drag Along Rights.

(a) Following the expiration of the Tag-Along Exercise Period, the Tag-Along Transferors shall have a period of fifteen (15) days to elect by written notice to require all Members that did not exercise their Tag Along Right to participate in the proposed transaction (the "Drag-Along Right") at a price and on terms equivalent to the per Unit Purchase Price and the Transfer Terms, provided that the liability of any Member for any breach of representations or covenants shall be joint but not several for any Member holding less than 20% of all Units outstanding.

(b) No Member participating in a Proposed Sale ("Drag-Along Seller") pursuant to the exercise of Drag Along Rights of the Tag-Along Transferors shall be required to make any representations and warranties other than those related to authority, ownership and the ability to convey title to such Units, including, but not limited to, representations and warranties that (i) the Drag-Along Seller holds all right, title and interest in and to the Units such Drag-Along Seller purports to hold, free and clear of all liens and encumbrances, (ii) the obligations of the Drag-Along Seller in connection with the transaction have been duly authorized, if applicable, (iii) the documents to be entered into by the Drag-Along Seller have been duly executed by the Drag-Along Seller and delivered to the acquirer and are enforceable (subject to customary limitations) against the Drag-Along Seller in accordance with their respective terms; and (iv) neither the execution and delivery of documents to be entered into by the Drag-Along Seller in connection with the transaction, nor the performance of the Drag-Along Seller's obligations thereunder, will cause a breach or violation of the terms of any agreement to which the Drag-Along Seller is a party, or any law or judgment, order or decree of any court or governmental agency that applies to the Drag-Along Seller.

(c) A Drag-Along Seller is not required to agree (unless such Drag-Along Seller is a Corporation officer or employee) to any restrictive covenant in connection with the Proposed Sale (including without limitation any covenant not to compete or covenant not to solicit customers, employees or suppliers of any party to the Proposed Sale).

(d) A Drag-Along Seller is not liable for the breach of any representation, warranty or covenant

made by any other Person in connection with the Proposed Sale), other than the Corporation (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Corporation as well as breach by any member of any of identical representations, warranties and covenants provided by all Members).

(e) A Drag-Along Seller's liability shall be limited to such Drag-Along Seller applicable share (determined based on the respective proceeds payable to each Drag-Along Seller in connection with such Proposed Sale but that in no event exceeds the amount of consideration otherwise payable to such Drag-Along Seller in connection with the Proposed Sale, except with respect to claims related to fraud by such Drag-Along Seller, the liability for which need not be limited as to such Drag-Along Seller.

(f) Upon the consummation of the Proposed Sale (i) each holder of the Units must receive the same form of consideration for their Units as is received by other holders in respect of their Units, and (ii) unless waived pursuant to the terms of this Agreement and as may be required by law, the aggregate consideration receivable by all holders of the Units shall be allocated among the holders of Units giving effect to the distribution priorities set forth in Section 5.5.

(g) If any Proposed Sale is not closed within six (6) months from the date of the Transfer Notice, with the same proposed transferee and at the same or better Purchase Price and Transfer Terms than those set forth in the Transfer Notice, then prior to concluding any other proposed transfer of a majority of Units to any one or more Persons in a single transaction or series of related transactions, the Tag-Along Transferors shall be required to give all Members a new notice of their desire to transfer in accordance with the foregoing requirements and the foregoing procedures shall again be followed.

6.10 Securities Issues. If the consideration to be paid in exchange for the Units pursuant to this Section 6 includes any securities and due receipt thereof by any Member would require under applicable law (x) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities; or (y) the provision to any Member of any information other than such information as a prudent issuer would generally furnish in an offering made solely to "accredited investors" as defined in Regulation D promulgated under the Securities Act of 1933, as amended, the Company may cause to be paid to any such Member in lieu thereof, against surrender of the Units which would have otherwise been sold by such Member, an amount in cash equal to the fair value (as determined in good faith by the Board) of the securities which such Member would otherwise receive as of the date of the issuance of such securities in exchange for the Units; provided that if there is insufficient cash available for such Members, the Company shall make such other arrangements as are reasonably necessary to make such payments within one year of the Closing.

ARTICLE VII BOOKS, ACCOUNTING AND TAX TREATMENT

7.1 Books and Records; Accounting. The Board shall keep or cause to be kept at the principal place of business of the Company (or at such other place as the Board shall determine in its discretion) true and complete books and records regarding the status of the business and financial condition of the Company. At a minimum, the Company shall keep (and, at the request of a Member, shall deliver to such Member by U.S. or electronic mail, as requested by the Member) the following records:

(a) A copy of the Certificate of Organization of the Company and all amendments thereto, together with executed copies;

(b) Copies of the Company's federal, state, and local income tax returns and financial statements for the six (6) most recent years, or, if such returns or statements were not prepared for any reason, copies of the information and statements provided to, or which should have been provided to, the Members to enable them to prepare their federal, state and local tax returns for such period. Tax returns and financial statements shall be prepared by an accountant selected by the Board;

(c) Copies of the Company's current effective written Agreement and all amendments thereto and copies of any written operating agreements no longer in effect;

(d) A writing setting forth the amount of cash, if any, and a statement of the agreed value of other property or services contributed by each Member and the times at which or the events upon the happening of which any additional contributions are to be made by each Member;

(e) A writing stating events, if any, upon the happening of which the Company is to be dissolved and its affairs wound up;

(f) Other writings, if any, prepared pursuant to a requirement in this Agreement or prepared according to requirements of the Act.

7.2 Financial Statements. The Company will send to all Members not more than ninety (90) days after the end of each Fiscal Year a financial report including a balance sheet and statements of income, changes in Member's equity and changes in cash flows, prepared in accordance with accounting principles used to prepare the Company's federal income tax return and a statement for each Member of its Capital Account. In addition, within sixty (60) days after the end of each calendar quarter the Company will provide its members with unaudited financial statements. Notwithstanding the foregoing, the Board may, in its discretion, also provide an audited financial report and any other information.

7.3 Accounting Period. The Company's accounting period shall be the calendar year.

7.4 Tax Treatment. The Members intend for the Company to be considered a partnership for federal income tax purposes and agree that the Company will be governed by the provisions of Subchapter K of the Code and the applicable Regulations promulgated thereunder. The Members are aware of the income tax consequences of the allocations made by Article V and hereby agree to be bound by the provisions of Article V in reporting their shares of Profits and Losses (and items thereof) for income tax purposes. The Board will undertake any and all actions necessary under the Code and the Regulations to ensure that the Company will be classified as a partnership for federal income tax purposes and will file or cause to be filed any elections that may be required (but only if required) under the Code and the Regulations in order to ensure that the Company will be classified as a partnership for federal income tax purposes.

7.5 Tax Returns; Partnership Representative.

(a) Preparation and Filing. The Board shall cause the preparation and timely filing of all returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to each Member as soon as practical after the end of the Company's fiscal year but in any event not more than ninety (90) days after the end of each Fiscal Year. The tax information provided to each Member shall include, without limitation, such Member's federal tax Schedule K-1.

(b) Partnership Representative.

(i) Khan or such other Person designated by the Board in accordance with the Code and any similar provisions of state and local law, shall be the "partnership representative" of the Company within the meaning of Code Section 6223 or any successor provision or similar provision of state or local tax law (the "Partnership Representative"). Each Member hereby consents to such designation and agrees that, upon the request of the Partnership Representative, such Member shall execute, certify, acknowledge, deliver, swear to, file and record such documents as may be necessary or appropriate to evidence such consent.

(ii) The Partnership Representative shall have the right to take all actions authorized, permitted or required by the Code (or any similar provision of state or local tax law) for such a "partnership representative," but subject to the restrictions and limitations set forth in this Agreement and subject to Board approval. Without limiting the generality of the foregoing, the Partnership Representative shall have the discretion to determine all matters, and shall be authorized to take any actions necessary, with respect to any audit, examination or investigation (including any judicial or

administrative proceedings) of the Company by any taxing authority and whether to make any available election under Code Sections 6221 through 6241 (or any successor provision or similar provision of state or local tax law) with respect to any audit or other examination of the Company relating to taxes; provided, however, that the Partnership Representative shall make any tax election requested by the remaining Members holding a Majority Interest if such election does not materially increase the tax obligations of any other Member. If there is a deadlock between the Managers regarding any tax election or other material duty to be performed by the Partnership Representative, the Partnership Representative shall present the issue to the Company's accountants and follow the recommendation of such accountants. In making any recommendation hereunder, the Company's accountants shall consider the interests of the Company and all of the Members.

(iii) Each Member shall promptly, upon request, furnish to the Partnership Representative any information that the Partnership Representative may reasonably request in connection with (A) any tax election of the Company (and the Company's and such Member's compliance with any such election) or (B) any audit, examination or investigation (including any judicial or administrative proceeding) of the Company by any taxing authority. Without limiting the foregoing, at the request of the Partnership Representative in connection with an adjustment of any item of income, gain, loss, deduction or credit of the Company or any partnership in which the Company invests, directly or indirectly, each Member shall promptly file one or more amended returns in the manner contemplated by Code Section 6225(c) (or any successor provision or similar provision of state or local tax law) and pay any tax due with respect to such returns. If the Partnership Representative makes an election pursuant to Code Section 6226 (or any successor provision or similar provision of state or local tax law) with respect to an "imputed underpayment," each Member shall comply with the applicable requirements under the Code and applicable Regulations.

(iv) At the request of the Partnership Representative, each Member shall provide the Partnership Representative and the Company with any information available to such Member and with such representations, certificates or forms relating to such Member (or its direct or indirect owners or account holders) and any other documentation, in each case, that the Partnership Representative determines are necessary to make an election under Code Section 6221(b)(1) (or any successor provision or similar provision of state or local tax law), to modify an "imputed underpayment" under Code Section 6225(c) (or any successor provision or similar provision of state or local tax law), or to take any other actions or make any elections allowed to be taken or made under Code Sections 6221 through 6241 (or any successor provision or similar provision of state or local tax law). Notwithstanding anything to the contrary in this Agreement, any information, representations, certificates, forms or documentation so provided may be disclosed to any applicable taxing authority.

(v) In the event that the Company is responsible for the payment of any "imputed underpayment" in respect of an administrative adjustment pursuant to Code Section 6225(a) (or any successor provision or similar provision of state or local tax law), the Partnership Representative shall determine the treatment of, including the relative obligations of the Members with respect to any amounts paid by the Company to any taxing authority with respect to, such "imputed underpayment," and each Member hereby agrees to satisfy in full such obligations as so determined. Notwithstanding anything to the contrary in this Agreement, the Partnership Representative may cause each Member (including any former Member) to return amounts distributed to such Member pursuant to this Agreement in order to satisfy in full any such obligation of such Member. Any distributions returned pursuant to this provision shall not be treated as Capital Contributions, but shall be treated as returns of distributions for all purposes of this Agreement.

(vi) The Partnership Representative shall have the right to retain professional assistance in respect of any audit of the Company, and all reasonable out-of-pocket expenses and fees incurred by the Partnership Representative on behalf of the Company shall be reimbursed by the Company.

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(vii) The provisions of this Section 7.5(b) shall apply to all actions taken by the Partnership Representative in its capacity as such. The provisions of, and each Member's obligations to comply with, the requirements of this Section 7.5(b) shall survive the Member's ceasing to be a Member of the Company and/or the termination, dissolution and winding up of the Company.

ARTICLE VIII DISSOLUTION

8.1 Duration and Dissolution. The Company shall be dissolved and its affairs shall be wound up upon the first to occur of the following:

- (a) the determination by the Board to dissolve the Company; and
- (b) the entry of a decree of judicial dissolution under Section 44 of the Act.

The Company shall not be dissolved or otherwise terminated by reason of any Member Bankruptcy, and the Company shall continue its existence as a limited liability company upon, during and following any Member Bankruptcy.

8.2 Winding Up. Subject to the provisions of the Act and, unless otherwise required by law, the Board shall have the right to wind up the Company's affairs in accordance with Section 45 of the Act (and shall promptly do so upon dissolution of the Company in accordance with Section 43 or 44 of the Act) and shall also have the right to act as or appoint a liquidating trustee in connection therewith.

8.3 Distribution of Assets. Upon the winding up of the Company, once the Company has made payment of, or adequate provisions for, the debts, expenses and obligations of the Company, the remaining assets of the Company shall be distributed to the Members in proportion to their relative Percentage Interests.

8.4 Certificate of Termination. Upon the completion of the winding up of the Company and the distribution of the Company's assets, the Company shall be terminated and the Board shall cause the Company to execute and file a Certificate of Termination in accordance with Section 14 of the Act.

ARTICLE IX EXCULPATION AND INDEMNIFICATION

9.1 Exculpation. Notwithstanding any other provisions of this Agreement, whether express or implied, or obligation or duty at law or in equity, none of (i) the members of the Board, (ii) the Members or (iii) any of their respective officers, directors, stockholders, partners, members, employees, representatives or agents, or (iii) any director, officer, employee, or representative, or any agent of the Company or any of its affiliates (each individually, an "Indemnified Person" and collectively, the "Indemnified Persons") shall be liable to the Company or any other Person for any act or omission (in relation to the Company, this Agreement, any related document or any transaction or investment contemplated hereby or thereby) taken or omitted in good faith by an Indemnified Person and in the reasonable belief that such act or omission is in or is not contrary to the best interests of the Company and is within the scope of authority granted to such Indemnified Person by this Agreement, provided that such act or omission does not constitute fraud, willful misconduct, bad faith or gross negligence.

9.2 Indemnification. To the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless each of the Indemnified Persons from and against any and all losses, claims, demands, liabilities, expenses, judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Indemnified Person may be involved, or threatened to be involved, as a party or otherwise, by reason of its management of the affairs of the Company or which relates to or arises out of the Company or its property, business or affairs (a "Claim"). An Indemnified Person shall not be entitled to indemnification under this Section 9.2 with respect to any claim, issue or matter in which it has engaged in fraud, willful misconduct, bad faith or gross negligence. The Company shall advance to any Indemnified Person reasonable attorneys' fees and other costs

and expenses incurred in connection with the defense of any such Claim if the Indemnified Person agrees in writing before any such advancement that he will reimburse the Company for such fees, costs and expenses to the extent that it is determined that he was not entitled to indemnification under this Section 9.2.

9.3 Exclusions. The Company will not be liable to pay any Covered Loss or Covered Expense (an "Excluded Claim"):

(a) For which payment is actually made to or on behalf of the Indemnified Person under such Members' and Manager's liability insurance policy as may be maintained by the Company (except for any deductible under, or excess beyond the amount covered by, such insurance);

(b) For which the Indemnified Person is otherwise indemnified or reimbursed;

(c) With respect to a Proceeding in which a final judgment or other final adjudication determines that the Indemnified Person is liable to the Company for breach of fiduciary duty by such person; or

(d) If a final judgment or other final adjudication determines that such payment is unlawful.

9.4 Notice to Company; Insurance. Promptly after receipt by the Indemnified Person of notice of the commencement of or the threat of commencement of any Proceeding, the Indemnified Person will, if indemnification with respect thereto may be sought from the Company under this Article IX, notify the Company of the commencement thereof. If, at the time of the receipt of such notice, the Company has any Members' and Manager's liability insurance in effect, the Company will give prompt notice of the commencement of such Proceeding to the insurer in accordance with the procedures set forth in the policy or policies in favor of the Indemnified Person. The Company will thereafter take all necessary or desirable action to cause such insurer to pay, on behalf of the Indemnified Person, any and all Covered Loss and Covered Expense payable as a result of such Proceeding in accordance with the terms of such policies.

9.5 Indemnification Procedures.

(a) Payments on account of the Company's indemnity against Covered Loss will be subject to the Company's first determining that the Covered Loss results from a claim which is not an Excluded Claim. Such a determination will be made by a determination of the Managers not at the time parties to the Proceeding. The determination required by this Section 9.5(a) will be made within 60 days of the Indemnified Person's written request for payment of a Loss, and if it is determined that the Covered Loss is not an Excluded Claim payment will be made forthwith thereafter.

(b) Payment of an Indemnified Person's Covered Expenses in advance of the final disposition of any Proceeding will be made within 20 days of the Indemnified Person's written request therefor. From time to time prior to the payment of Covered Expenses the Company may, but is not required to, determine (in accordance with Section 9.5(a) whether the Covered Expenses claimed may reasonably be expected, upon final disposition of the Proceeding, to constitute an Excluded Claim. If such a determination is pending, payment of the Indemnified Person's Covered Expenses may be delayed up to 60 days after the Indemnified Person's written request therefor, and if it is determined that the Covered Expenses are not an Excluded Claim, payment will be made forthwith thereafter.

9.7 Settlement. The Company will have no obligation to indemnify the Indemnified Person under this Article IX for any amounts paid in settlement of any Proceeding effected without the Company's prior written consent. The Company will not unreasonably withhold or delay its consent to any proposed settlement. The Company may consent to a settlement subject to the requirement that a determination thereafter will be made as to whether the Proceeding involved an Excluded Claim or not.

9.8 Rights Not Exclusive. The rights provided hereunder will not be deemed exclusive of any other rights to which the Indemnified Person may be entitled under the Act, any agreement, vote of Members or of the disinterested Manager(s) or otherwise, both as to action in the Indemnified Person's official capacity and as to action in any other capacity while holding such position or office, and shall continue after the Indemnified Person ceases to serve the Company in an official capacity.

9.9 Enforcement.

(a) The Indemnified Person's right to indemnification hereunder will be enforceable by the Indemnified Person in any court of competent jurisdiction and will be enforceable notwithstanding that an adverse determination has been made as provided in Section 9.5.

(b) In the event that any action is instituted by the Indemnified Person under this Article IX to enforce or interpret any of the terms of this Article IX, the Indemnified Person will be entitled to be paid all court costs and expenses, including reasonable attorneys' fees, incurred by the Indemnified Person with respect to such action, unless the court determines that each of the material assertions made by the Indemnified Person as a basis for such action was not made in good faith or was frivolous.

9.10 Successors and Assigns. This Article IX will be (a) binding upon all successors and assigns of the Company (including any transferee of all or substantially all of its assets) and (b) binding on and inure to the benefit of the heirs, executors, administrators, and other personal representatives of the Indemnified Person. If the Company sells or otherwise transfers all or substantially all of its assets to a third party, the Company will, as a condition of such sale or other transfer, require such third party to assume and perform the obligations of the Company under this Article IX.

9.11 Amendment. No amendment of this Article IX will be effective as to an Indemnified Person without such Indemnified Person's written consent.

9.12 Acceptance by Indemnified Person. This Article IX will apply, and the benefits hereof will be available, to each Member and Manager(s), of the Company who by accepting a respective position and serving on behalf of the Company will be deemed to have accepted the provisions of this Article IX and to have agreed to abide by the terms contained herein.

ARTICLE X
MISCELLANEOUS

10.1 Power of Attorney. Each Member does hereby irrevocably constitute and appoint each of the Managers and any Person which becomes an additional or substituted Manager, and any of the foregoing acting alone, in each case with full power of substitution, his, her or its true and lawful agent and attorney-in-fact, with full power and authority in his, her or its name, place, and stead, to make, execute, acknowledge, swear to, attest, seal, deliver, file, register, and record such documents and instruments as may be necessary, convenient, or advisable, in the sole discretion of any such attorney-in-fact, to carry out the provisions of this Agreement, including (a) such amendments to this Agreement and the Articles of Organization as are necessary, convenient, or advisable as are described below or to admit to the Company any additional or Substitute Member or an additional or substituted Manager in accordance with the terms and provisions of this Agreement, (b) such documents and instruments as are necessary to cancel the Articles of Organization, (c) an amended Articles of Organization reflecting the terms of this Agreement, (d) all certificates and other instruments deemed necessary, convenient, or advisable by the Manager to permit the Company to become or to continue as a limited liability company wherein the Members have limited liability in the jurisdictions where the Company may be doing business, (e) all fictitious or assumed name certificates required or permitted to be filed on behalf of the Company, and (f) all other instruments which may be required or permitted by law to be filed on behalf of the Company. The foregoing power of attorney is coupled with an interest and shall be irrevocable and survive the death, dissolution, bankruptcy, or incapacity of any Member.

10.2 Title to Company Property. All Company Property shall be deemed to be owned by the Company as an entity, and no Member, individually, shall have any ownership of such property. The Company may hold any of its assets in its own name or in the name of its nominee, which nominee may be one or more trusts, corporations, individuals or other entities. Any property held by a nominee trust for the benefit of the Company shall, for purposes of this Agreement, be treated as if such property were directly owned by the Company.

10.3 Amendments to the Agreement. Amendments to this Agreement may be made from time to time upon the approval of the Board and a Majority of Members, except that no amendment may amend Section 5.5, eliminate any Member's or Class of Members rights to consent or approve any action of the Company; or

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reduce any Units' share of the Company's Profits, Losses or distributions without the consent of the adversely affected Members. However, the Board may amend this Agreement without the approval of the Members to (i) reflect changes validly made in the ownership of Units and the Capital Contributions of the Member, (ii) reflect a change in the name of the Company, (iii) make any change that is necessary to cure any ambiguity, to correct or supplement any provision of this Agreement that would be inconsistent with any other provision contained herein, in each case so long as such change does not adversely affect any Members in any material respect, and (iv) make a change that is necessary or desirable to satisfy any requirements, conditions, or guidelines in any opinion, directive, order, statute, ruling or regulation of any federal, state or local governmental entity so long as such change is made in a manner which minimizes any adverse effect on the Members.

10.4 Successors, Counterparts. This Agreement (i) shall be a legal, valid and binding agreement of the Company and the Members enforceable against the Company and each Member in accordance with its terms and (ii) may be executed in several counterparts with the same effect as if the parties executing the several counterparts had all executed one counterpart.

10.5 Waiver of Action for Partition. Each Member irrevocably waives during the term of the Company any right that such Member has or may have to maintain any action for partition with respect to the property of the Company.

10.6 Governing Law; Consent to Jurisdiction; Waiver of Jury Trial. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without giving effect to the principles of conflict of laws thereof. In particular, this Agreement shall be construed to the maximum extent possible to comply with all the terms and conditions of the Act. Each Member hereby irrevocably consents to the exclusive jurisdiction of the state and federal courts sitting in Boston, Massachusetts in connection with any matter or dispute relating to or arising under this Agreement or relating to the affairs of the Company. Further, each of the parties to this Agreement hereby waives any and all rights such party may have to a trial by jury in connection with any such matter or dispute.

10.7 Severability. If it shall be determined by a court of competent jurisdiction that any provisions or wording of this Agreement shall be invalid or unenforceable under the Act or other applicable law, such invalidity or unenforceability shall not invalidate the entire Agreement. In that case, this Agreement shall be construed so as to limit any term or provision so as to make it enforceable or valid within the requirements of any applicable law, and, in the event such term or provisions cannot be so limited, this Agreement shall be construed to omit such invalid or unenforceable terms or provisions. If it shall be determined by a court of competent jurisdiction that any provision relating to the distributions and allocations of the Company or to any expenses payable by the Company is invalid or unenforceable, this Agreement shall be construed or interpreted so as (i) to make it enforceable or valid and (ii) to make the distributions and allocations as closely equivalent to those set forth in this Agreement as is permissible under applicable law.

10.8 Integration. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and supersedes all prior agreements and understanding pertaining thereto. No covenant shall affect or be deemed to interpret, change or restrict the express provisions hereof.

10.9 Filings. Following the execution and delivery of this Agreement, the Board shall promptly prepare or cause to be prepared any documents required to be filed and recorded under the Act and shall promptly cause each such document to be filed and recorded in accordance with the Act and, to the extent required by applicable law, to be filed and recorded or notice thereof to be published in the appropriate place in each jurisdiction in which the Company may hereafter establish a place of business. The Board shall also promptly cause to be filed, recorded and published such statements of fictitious business name and any other notices, certificates, statements or other instruments required by any provision of any applicable law of the United States or any state or other jurisdiction which governs the conduct of its business from time to time.

10.10 Headings. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope or intent of this Agreement or any provision hereof.

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10.11 Additional Documents. The Members agree to perform all further acts and execute, acknowledge and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

10.12 Notices. All notices, requests and other communications shall be in writing (including facsimile or similar writing) and shall be given to the Members (and any other Person designated by any Member) at its address or facsimile number set forth in his, her or its Subscription for the Units or such other address or facsimile number as such Member may hereafter specify for the purpose by notice. Each such notice, request or other communication shall be effective (a) if given by facsimile, when transmitted to the number specified pursuant to this Section 10.12 and the appropriate confirmation is received, (b) if given by mail, 72 hours after such communication is deposited in the mails with first-class postage prepaid, addressed as aforesaid, or (c) if given by any other means, when delivered at the address specified pursuant to this Section 10.12.

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

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

10.15 Separate Counsel. Each Member has been represented by legal counsel chosen by such Member in connection with the negotiation, documentation, execution and delivery of this Agreement.

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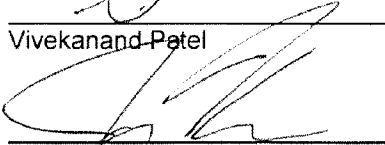
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IN WITNESS WHEREOF, the undersigned have duly executed this Operating Agreement of Elevated Roots, LLC as of the date first above written.

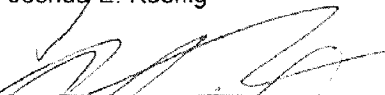
MANAGERS:




Vivekanand Patel



Joshua E. Koenig




Robert Thomas Palma, Jr.



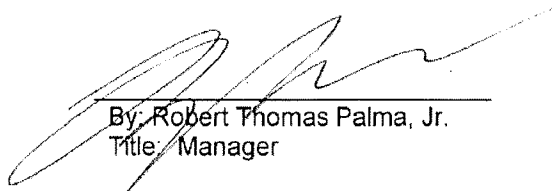
Barznab Khan

MEMBERS:



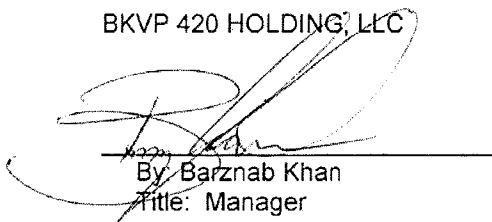
Joshua Koenig

BAMA HOLDINGS, LLC



By: Robert Thomas Palma, Jr.
Title: Manager

BKVP 420 HOLDING, LLC



By: Barznab Khan
Title: Manager

Elevated Roots, LLC

EXHIBIT A

January 11, 2019

Members and Units

Member's Name	Units	Percentage Interest
Joshua Koenig	2,000	20.00%
BAMA HOLDINGS, LLC	2,000	20.00%
BKVP 420 HOLDING, LLC	6,000	60.00%
TOTAL	10,000	100%

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Elevated Roots, LLC

EXHIBIT A

December 18, 2019

Members and Units

Member's Name	Units	Percentage Interest
BAMA HOLDINGS, LLC	4,000	40.00%
BKVP420 HOLDINGS, LLC	6,000	60.00%
TOTAL	10,000	100%

ELEVATED ROOTS LLC

ASSIGNMENT AND ASSUMPTION OF MEMBERSHIP INTERESTS

This Assignment and Assumption Agreement, made as of the 18 st day of December 2019 (the "**Agreement**"), is made by and between Josh Koenig ("**Assignor**"), and BAMA HOLDINGS, LLC, a Massachusetts Limited Liability Company ("**Assignee**").

Preliminary Statement

WHEREAS, Assignor and Assignee are both Members of Elevated Roots LLC, a Massachusetts Limited Liability Company (the "**Company**");

WHEREAS, Assignor wishes to sell, assign, transfer, and convey to the Assignee all of its Membership Interests in and to the Company, which are [#] 2,000 Units and represent 20% of the total Membership Interests of the Company (the "**Transferred Interests**");

WHEREAS, Assignee wishes to accept the assignment of the Transferred Interests, subject to the terms of this Agreement;

WHEREAS, the consent of the Managers of the Company for the Transfer is not required by the Company's Operating Agreement (the "**Operating Agreement**") as both Assignee and Assignor are currently Members of the Company;

WHEREAS, all capitalized terms used in this Agreement but not defined herein shall have the meanings assigned to them in the Operating Agreement.

NOW THEREFORE, the parties hereto do hereby agree, swear and certify as follows:

Agreement

1. Assignment. For and in consideration of \$ 40,000.00, in hand paid, Assignor does hereby sell, convey, transfer, and assign to the Assignee all right, title and interest in and to the Transferred Interests, free and clear of all liens, charges, claims, debts, security interests, restrictions, mortgages, licenses, encumbrances or rights of any other party of any kind and nature, and does hereby irrevocably direct the Manager of the Company to transfer the Transferred Interests to the Assignee on the books of the Company.

2. Acceptance by Assignee. Assignee hereby (a) accepts such assignment of the Transferred Interests, (b) agrees to become a party to and be bound by all of the terms, covenants and conditions of the Operating Agreement, and (c) assumes the obligations and liabilities of the Assignor under the Operating Agreement from and after the date hereof with respect to the Transferred Interests.

3. Acknowledgements. Each of Assignor and Assignee has received, carefully read, and understands the Operating Agreement, and has had an opportunity to (i) ask questions of and receive answers from the Manager concerning the terms and conditions of the Operating Agreement and the business of the Company, and (ii) obtain any additional information concerning the Company, and any related material to the extent the Company or the Manager possesses such information or can acquire it without unreasonable effort or expense.

Handwritten initials/signature

4. Joinder. Assignee hereby agrees, effective as of this date to become a party to and be bound by the terms of the Operating Agreement as a Member" (as defined in the Operating Agreement); for all purposes of the Operating Agreement.

5. Authority. Each party to this Agreement represents and warrants to the other party that such party has full power and authority to enter into this Agreement and to complete its undertakings herein, and that such party's execution of this Agreement will not contravene or cause a breach of any covenant or obligation or agreement of, or affecting, such party or the Transferred Interests.

6. Release. Assignor hereby covenants not to sue and fully releases and discharges Company, its affiliates, members, Managers successors and assigns (the "Releasees") from any and all claims, demands, causes of action, actions, rights, liabilities, payment and other contract obligations, damages, attorneys' fees, accountings, reckonings, bills, covenants, controversies, agreements, promises, trespasses, and executions whatsoever, at law or in equity or otherwise, whether direct or indirect, known or unknown, suspected or unsuspected, and whether or not concealed or hidden, which he now owns or holds, or have at any time heretofore owned or held, or may in the future own or hold, against the Releasees which are or may be based upon any facts, acts, omissions, conduct, payments upon termination, representations, contracts, agreements, claims, events, causes or matters of any kind occurring or existing at any time on or before the date of this Assignment.

7. Resignation. Effective upon the transfer of the Transferred Units, Assignor hereby resigns as all of his positions as a Manager, agent and/or officer of the Company.

8. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the successors, assigns, distributees, heirs, legal representatives, executors and administrators of each of the parties.

9. Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, and the application of such provision to persons or circumstances other than those to which it is held invalid and unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

10. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the internal laws (both substantive and procedural), and not the conflict of laws principles of the Commonwealth of Massachusetts.

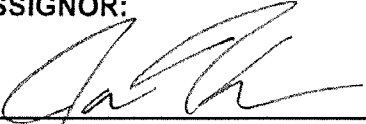
11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and when each party shall have executed one counterpart and delivered it to the other parties, all the counterparts together shall constitute one and the same instrument, binding on, and enforceable against, each party. Photocopies, facsimile transmissions, scanned copies in "pdf or other format, and other productions of this Agreement (with reproduced signatures) shall be deemed to be original counterparts.

Handwritten initials/signature

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, this Agreement has been duly executed under seal by the parties hereto, as of the date first written above.

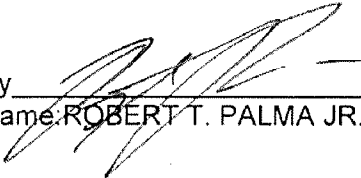
ASSIGNOR:



Joshua E. Koenig

ASSIGNEE:

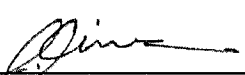
BAMA HOLDINGS, LLC

By 

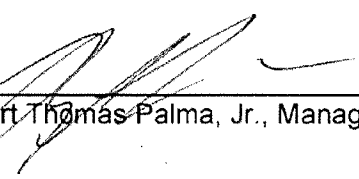
Name: ROBERT T. PALMA JR., its Manager

Acceptance by Elevated Roots LLC: The undersigned, being a majority of the Managers of Elevated Roots LLC, hereby accept the transfer of the Transferred Interests described above:

Elevated Roots LLC

By: 

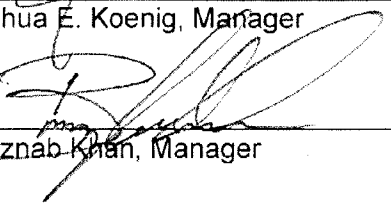
Vivekanand Patel, Manager

By: 

Robert Thomas Palma, Jr., Manager

By: 

Joshua E. Koenig, Manager

By: 

Barznab Khan, Manager


ACKNOWLEDGMENT

State of MA
County of Plymouth ss.

On this 18 day of December 2019, before me, the undersigned, appeared Josh Keoing who proved to me through satisfactory evidence of identification (his/her MADL) to be the same person who signed the foregoing Agreement and acknowledged that he executed the foregoing instrument for the purposes therein contained, by signing his name thereto as his free act and deed of such Subscriber.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.





Notary Public/Commissioner of Oaths
My Commission Expires 10/9/20

**SIGNATURE PAGE TO ASSIGNMENT AND ASSUMPTION OF MEMBERSHIP INTERESTS
IN ELEVATED ROOTS LLC**

Certification of No Employees

In accordance with Section 935 CMR 500.101(1)(c)(4) of the Massachusetts Code of Regulations, and in support of the application of Elevated Roots LLC (the "**Applicant**"), the undersigned, Robert Palma, hereby confirms and certifies to the Cannabis Control Commission (the "**CCC**") that:

1. At the present time, the Applicant has no employees in connection with its proposed Marijuana Retail Establishment (the "**Marijuana Establishment**");

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge believe it is true, correct and complete, and I further declare that I have authority to sign this document.

Dated as of March 12, 2020



Name: Robert Palma

Elevated Roots LLC

Plan for Obtaining Liability Insurance

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

Pursuant to 935 CMR 500.105(10) the Company shall obtain and maintain general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, and product liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, or such amount as otherwise approved by the Commission. The deductible for each policy shall be no higher than \$5,000 per occurrence.

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

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

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



ELEVATED ROOTS, LLC

B u s i n e s s P l a n

Contact: Robert Palma
Phone: 617-688-4225
Email: bobbypalma7@me.com

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EXECUTIVE SUMMARY

The American cannabis industry is expanding and changing at a blistering pace. In 2018, the sale of legal cannabis in America generated more than \$10 billion. In 2019, the economic impact of the industry is expected to top \$40 billion. And this is only the beginning. With so many states joining the cannabis market, the cannabis industry is clearly here to stay. A majority of American citizens in both parties support legalization, and discussions are already underway in Washington as to what federal legalization might look like. As a result of these and many other factors, analysts predict spending on legal cannabis will quickly exceed \$50 billion a year, making the industry about as large as the domestic wine and spirits industries.

In Massachusetts, the rollout of recreational cannabis took some time, but recreational sales have been in full swing since January 2019. After six full months of operations, Massachusetts adult-use marijuana sales were approaching \$140 million, sales were growing steadily with each passing month, and total sales for 2019 are expected to reach \$400-\$450 million. Analysts with *Crain's New York* estimate that up to 50% of adult-use sales in Massachusetts may be coming from New Yorkers. As the Massachusetts cannabis market solidifies and continues to stabilize, the time is ripe for new operators.

Elevated Roots, LLC (also referred to as “the Company”) is a new cannabis venture intending to launch an adult-use dispensary in Kingston, Massachusetts. Committed to providing the best quality cannabis products to support its community’s health, wellness, and continued education in the uses and benefits of cannabis. Elevated Roots intends to source most—if not all—of its marijuana and non-marijuana products and non-sale items from local businesses within the state to support local vendors and economies. Moreover, the Company intends to partner closely with the Town of Kingston, local law enforcement, and area businesses to foster mutually beneficial, healthy, and safe partnerships for future growth.

Already approved by the Town of Kingston, pursuant to a Host Community Agreement, Elevated Roots will be applying for approval with the state and the Town Planning Board in the near future. This fast pace will potentially allow the Company to position itself as the only dispensary in the surrounding area, as few of the 24 approved cannabis licenses in Plymouth County are operational or in the Company’s vicinity. Elevated Roots will provide its high-quality cannabis products to its community, specifically those already purchasing items for personal care or nonprescription solutions to conditions or concerns. Tellingly, adults within 15 miles of the Company’s location are 32% more likely to purchase items in each of these categories than the national average. Elevated Roots will operate as a recreational Marijuana Establishment within the multi-billion *Recreational Marijuana Stores* industry, which has seen explosive growth as marijuana approval and legislation has spread across the country. Though still illegal at the federal

level, rising demand and acceptance of marijuana will continue to drive industry growth. As mentioned previously, few other licensed dispensaries are currently operating in the Company's vicinity, though Elevated Roots will compete against all future dispensaries in the area by solidifying its position as first-to-market. The Company will also leverage its dedication to quality, as well as local product sourcing and a mutually beneficial relationship with the local community.

As it establishes itself, Elevated Roots will initiate a dynamic marketing campaign designed to reach nearby customers and partners seeking the highest quality and most compliant marijuana products in the area. To this end, the Company will develop an educational and easy-to-use website, an engaging presence on a variety of social media sites, tasteful and compliant outdoor signage, and special event sponsorship to solidify its position in the community. These strategies are specifically designed to drive sales and encourage potential customers to visit the dispensary.

Elevated Roots is owned by Mr. Joshua Koenig, BAMA Holdings, and BKVP 420 Holdings, and operated by a diverse team of Kingston residents and professionals. Mr. Koenig currently oversees the chiropractic needs of the community from his clinic in Plymouth and brings an in-depth understanding of the health and wellness benefits of cannabis use to the Company. He will be joined by Mr. Vivekanand Patel, who operates Whit's Market in Kingston and has spent over 20 years of experience within the pharmaceutical industry handling controlled substances. Mr. Robert Palma serves as a dentist in Kingston and Plymouth, and understands the management requirements of a successful company. Lastly, Mr. Barznab Khan has served in managerial and executive positions in the retail, real estate, and pharmaceutical industries, and has led beneficial community efforts through his positions in the past. Together, this team brings many years of experience with business startup and management, as well as expertise in other key areas necessary for the Company's success.

To achieve the Company's objective, Elevated Roots is seeking \$350,000 in investor funding, as well as an additional \$159,000 from other investors. These funds will be used for inventory purchases, build out, public relations, legal expenses, and other startup expenses and asset purchases. The 40% owner of the Company is investing up to \$106,000, and the 60% owner of the Company is investing up to \$159,000, to fund the launch of Elevated Roots.

Company Ownership

Elevated Roots is a Limited Liability Company registered in the Commonwealth of Massachusetts.

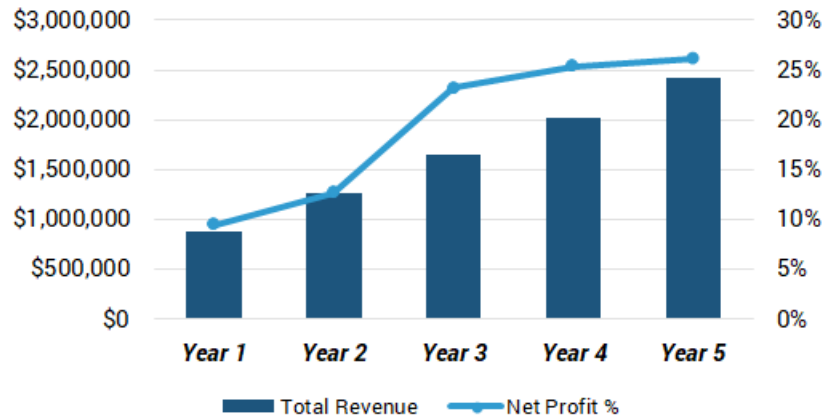
The Company is owned by BAMA Holdings, LLC (40%), and BKVP 420 Holdings, LLC (60%).

Company Location

The Company is located at the following address:

44 William C. Gould Jr. Way
Kingston, Massachusetts 02364

COMPANY HIGHLIGHTS



Total Revenue*

\$1,649,377

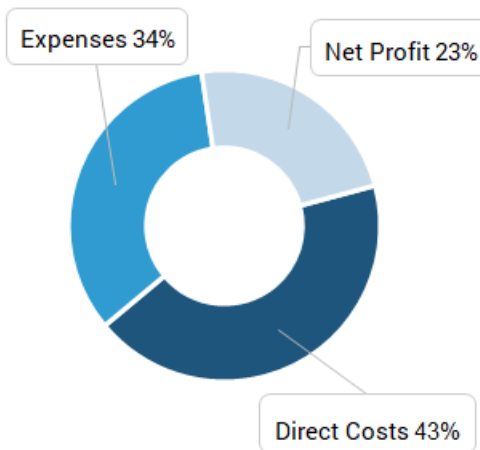
Net Profit*

\$382,186

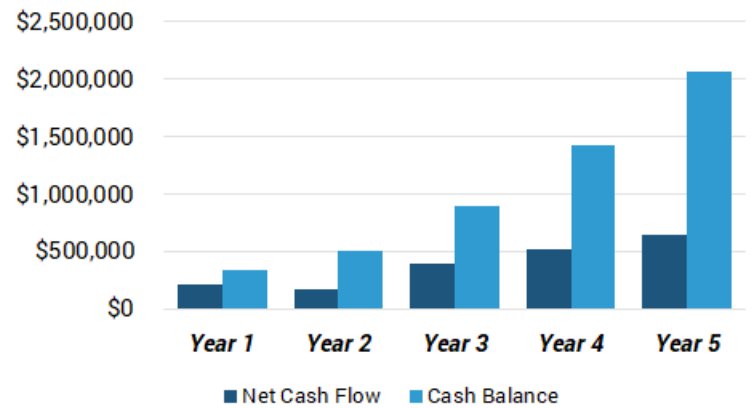
Net Profit Percentage*

23.2%

*Year 3



Year 3



	Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenue	\$875,000	\$1,267,652	\$1,649,377	\$2,023,995	\$2,419,925
Gross Margin	\$497,875	\$721,294	\$938,496	\$1,151,653	\$1,376,937
Operating Expenses	\$414,850	\$561,022	\$556,310	\$637,898	\$743,373
EBITDA*	\$90,025	\$167,272	\$389,186	\$520,756	\$640,565
Net Profit	\$83,025	\$160,272	\$382,186	\$513,756	\$633,565
Net Profit %	9.5%	12.6%	23.2%	25.4%	26.2%

*Earnings Before Taxes, Interest & Depreciation

Use of Funds

The table below outlines the sources and uses of funding:

SOURCES & USES

<i>SOURCES OF FUNDS</i>	
Owner Investment	\$53,000
Investor	\$350,000
Other Investors	\$159,000
TOTAL SOURCES	\$562,000
<i>USES OF FUNDS</i>	
START-UP EXPENSES	
Legal	\$75,146
Menus & Printed Materials	\$5,000
Website Development	\$2,500
Consultants	\$15,000
Utility & Insurance Deposits	\$60,000
Research & Development	\$1,000
Marketing	\$2,500
Branding/Logo Development	\$1,000
State License	\$5,000
Public Relations	\$62,504
Total Start-up Expenses	\$229,649
START-UP ASSETS	
Working Capital	\$127,351
Inventory	\$100,000
Build Out	\$40,000
Furniture	\$25,000
Fixtures	\$10,000
Equipment	\$15,000
Software	\$15,000
Total Start-up Assets	\$332,351
TOTAL USES	\$562,000

Investor Proposition

The following investor proposition uses a number of variables to determine a hypothetical share of the Company in exchange for investment. The following scenario is up for negotiation and is dependent on operating and valuation assumptions. The company valuation is based on a multiple of 8 times year 5 EBITDA. It should be noted that the target rate of return is dependent on subjective measurements of risk and reward, and valuations are subject to market conditions.

PROJECTED INVESTOR IRR

	<i>Start-up</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
INVESTMENT	\$350,000					
Investor Share	25%					
EBITDA		\$90,025	\$167,272	\$389,186	\$520,756	\$640,565
Year 5 Valuation Multiple						8
Company Valuation						\$5,124,516
Investor Share of Profits		\$22,506	\$41,818	\$97,296	\$130,189	\$160,141
Investor Share of Valuation						\$1,281,129
Investor Cash Flow	(\$350,000)	\$22,506	\$41,818	\$97,296	\$130,189	\$1,441,270
Investor IRR	42%					

ELEVATED ROOTS: AN OVERVIEW

Dedicated to assisting its community live better, healthier lives, Elevated Roots intends to develop a professional, medically informed, and welcoming approach to Massachusetts' budding adult-use marijuana market. Located in the heart of Kingston, the Company will offer a large selection of highly vetted and curated products from cultivators and vendors throughout the state. While sourcing its products, the Company will specifically source products from strains known to impact or benefit specific symptoms, conditions, or other concerns customers may have. Also, Elevated Roots will endeavor to only source organically grown products and manufactured products with rigorous test results, aiming to ensure the continued health and wellbeing of its patients.

For all non-cannabis products—such as branded apparel, air-tight containers, lighters, torches, glass pipes, and more—the Company will source as much as possible directly from other local businesses in Kingston and the surrounding towns. At the very least, Elevated Roots will ensure all products in its dispensary are Massachusetts-made, in an effort to support local economies and communities. This Massachusetts-business-first attitude will also extend to all non-sale items, such as furniture, signage, printed products, and safes, as well as all business needs like secure cash transportation, waste removal, and all contract positions. This dedication not only reflects positively on Elevated Roots as a business, but it also promotes local vendors and provides them an outlet of advertisement that will increase their personal sales as well.

Elevated Roots intends to make sure its dispensary appeals to all potential patients, regardless of race, ethnicity, gender, sexual orientation, ability, and income level. Low income patients tend to medicate more frequently than higher income medicinal patients, while nearly half of all low-income patients are medicated daily versus less than 30% of high-income patients medicate daily. To better meet the needs of the lower income community, the Company plans to offer discounts to the following groups with proper ID or documentation:

- Senior citizens
- Veterans
- Social security recipients

Dispensary

Based in Kingston, Massachusetts, Elevated Roots intends to develop an adult-use boutique-style dispensary with this facility's square footage (approximately 5,200 square feet). The Company has been approved by the city of Kingston to operate a dispensary and will be applying for State certification and the Special Permit Process through Kingston's Town Planning Board. Elevated Roots' property meets all current zoning requirements with the Town of Kingston including, but not limited to, buffer zone

requirements established under local zoning bylaws and has received a Host Community Agreement with the Board of Selectmen.

This will not be a typical dispensary, due to the intelligent layout of the facility. Customer and employee comfort will come second only to their safety and security, as the Company aims to develop an atmosphere where customers can feel welcome and not overwhelmed with making a decision on what products to get. Comfortable seating will be available for those waiting, as will a self-serve water station with compostable cups. Security will be implemented at the front and the back of the business to ensure safety. As the customer enters the front of the facility, security will greet them to make sure the client has proper identification(s) to ensure all who enter are over the age of 21.

In addition, all patient-facing employees be trained on the specifics of the Company's marijuana products, as well as the benefits and effects of different strains in addition to their operational duties to provide customers with additional resources for information. Budtenders will also be kept up to date with trainings focused on new research and technology that is introduced into the cannabis field. Elevated Roots plans to also have a database that includes each strain offered and its intended uses, so Budtenders can search the database when a patient asks for a recommendation and is able to offer a selection of products based on the customer's requests or areas of concern.

Products

In the dispensary, Elevated Roots will stock a carefully curated selection of premium and ultra-premium cannabis flower, as well as cannabis-infused products and accessories. As regulations allow, the Company will stock a varied but not overwhelming mix of the following types of cannabis products:

Cannabis Flower

- Indica
- Sativa
- Hybrid
- CBD
- High-end, premium, and ultra-premium strains
- Sold by weight and as pre-rolled cigarettes

Edibles

- Cookies
- Candies
- Drinks
- Chocolates
- Coffee
- Mints
- Gummies

Extracts and Concentrates

- Oil (Cartridges for Vaporization)
- Shatter
- Wax
- Budder
- Resin
- Tinctures (Drops/Spray)

Accessories

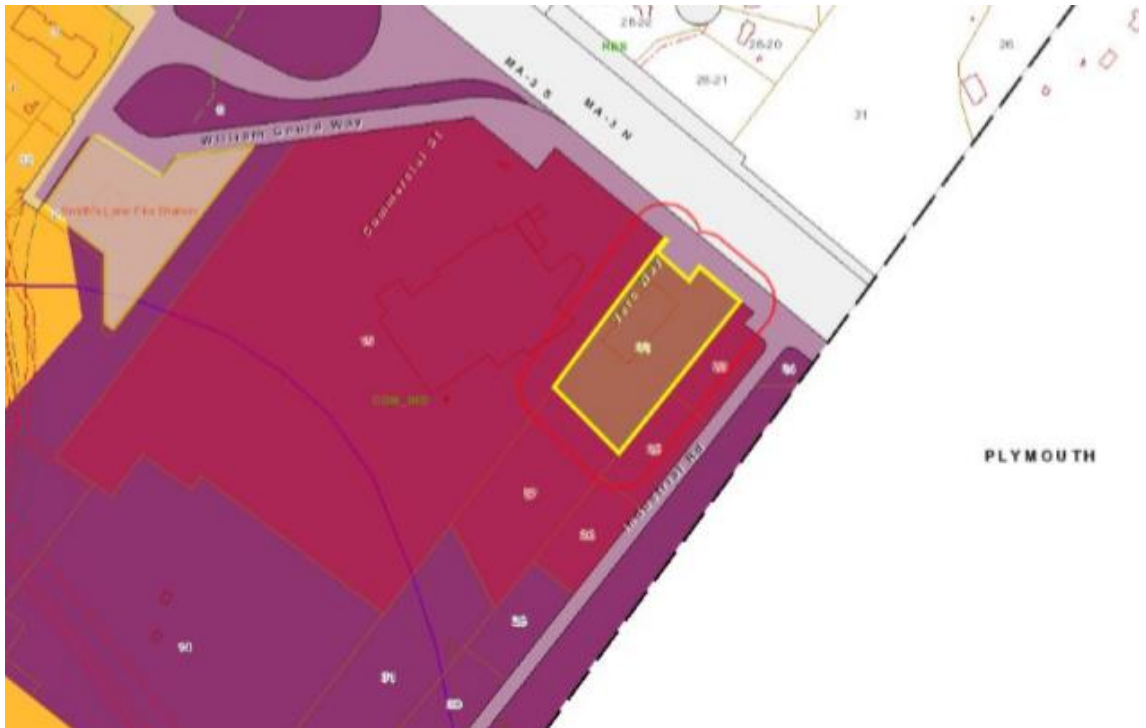
- Glass pipes designed by local artists
- Vaporizers
- Flower grinders
- Rolling papers

- Topicals
- Salves

Location

Located at 44 William C. Gould Jr. Way, Elevated Roots will make use of a sizable stand-alone building with ample parking, formerly Sullivan Brothers Collision and S&S Transport, right next to a Lowes Home Improvement location. The following images depict the exterior of the location, as well as its position on Google Maps and in City zoning.





OPERATIONS PLAN

Elevated Roots will comply with Massachusetts and the Cannabis Control Commission's rules and regulations. The Company will seek to obtain and maintain a dispensary license from the CCC and a business permit. Elevated Roots plans to run a safe and secure facility for both the community and the Company's workers that mitigates all external risks and prevents theft or misuse of cannabis products.

The Company has chosen a facility that will allow enough space for it to check IDs and complete paperwork separate from the retail counter. The environment will be clean, professional, and welcoming with uniformed security guards that are present at all times. A manager will serve as the onsite designated representative and will be present during all business hours. Management will ensure that the Company avoids becoming a nuisance or having a negative impact on its neighbors and the community. The Company will operate from 8am to 8pm Monday through Sunday

Inventory Control

In order to prevent diversion of cannabis, the Company will implement an inventory control procedure, which will include:

- Chain of custody reporting
- Weigh-in/weigh-out reporting
- Seed-to-sale product tracking

Per CMR 500.105(13)(b), Elevated Roots will document and report any unusual discrepancy in inventory to the Commission and law enforcement authorities not more than 24 hours after discovery.

Security Plan

Elevated Roots will adhere to a comprehensive security plan, which will include meeting the minimum security and alarm system requirements for dispensary facilities set forth in state regulations. The Company's security plan will be consistent with the requirements set forth in state regulations.

There will be at least one manager to supervise employees at all times during business hours. The Company will check IDs to ensure that everyone who enters the dispensary is 21 years of age or older. Per CMR 500.110(1)(f), all finished cannabis and cannabis products (except for limited amounts of cannabis used for display purposes or immediate sale) will be secured and locked in a room with a safe or vault in a manner as to prevent diversion, theft, or loss. No outdoor storage of cannabis or cannabis products will be permitted at any time.

In addition to these precautions, the Company's security system will include the following:

- **CCTV/Video Surveillance Cameras**

The Company will monitor movements indoors and outdoors with high-definition closed circuit television ("CCTV"). This deters internal theft, damage, or destruction of property, and discourages vandalism. Video cameras will be in all areas that may contain marijuana and at all points of entry and exit. Signage stating that the area is under surveillance will be placed at strategic areas inside and outside the premises to deter crime.

CCTV video monitoring will meet the following criteria:

- Six (6) outdoor 130-foot night vision cameras with 4K 8 megapixel high-definition video.
 - Eight (8) indoor Super HD 4 megapixel high-definition video.
 - Continuous monitoring of simultaneous split-screen video feeds by the armed security guard or monitoring company at all times during business hours.
 - Continuous 24-hour operation and recording with minimum archival period of six months of cloud-based storage for motion-activated recording.
 - Sufficient cameras, angles of observation and lighting to allow facial feature identification of persons in interior and exterior areas where cannabis or cannabis products may be present at any time.
 - Sufficient cameras, angles of observation and lighting to allow facial feature identification of persons in the immediate exterior areas of doors, windows, or other avenues of potential access 20 feet on either side and out from every door.
 - All CCTV recordings will be accessible to law or code enforcement officers at all times during operating hours and otherwise upon reasonable request.
 - All CCTV recording systems will have the capability of producing tapes, DVDs or other removable media of recordings made by the CCTV system, including still photograph images.
 - To prevent tampering, the recorder will be kept in a secure, locked location and all recordings will be date and time stamped.
- **Onsite Security Personnel**

Security guards are best physical deterrent during operational hours to maintain order and protect both patients and employees, as well as prevent loitering. According to regulations established by Massachusetts and the CCC, Elevated Roots is required to have security personnel on site 24/7. Security will be sourced from companies with reputations for highly professional, well-trained personnel,

preferably with police or military backgrounds. All guards will be equipped with batons and pepper spray, as well as licensed to carry firearms. All security guards will be courteous and respectful to customers, unless confronted with threat to the store or well-being.

Security and customer service staff are equipped with headset walkie talkies, which will allow them to communicate with store staff or security guards.

- **Alarms**

The Company will include a perimeter alarm on all building entry and exit points and perimeter windows, if applicable. This alarm, which will be armed during non-operation hours, as well as during staff closing duties.

- In addition to the requirements listed in CMR 500.110(5)(a) and (b), the Company shall have a back-up alarm system, with all the capabilities of the primary system, provided by a company supplying commercial grade equipment, which shall not be the same company supplying the primary security system, or shall demonstrate to the Commission's satisfaction alternate safeguards to ensure continuous operation of a security system.

- **Panic Buttons**

Duress alarm, or a silent security alarm system signal generated by the entry of a designated code into an arming station to signal that the alarm user is being forced to turn off the signal. A hold up alarm can be triggered by manual activation to signal a robbery in progress.

- **Failure Notification System**

In the event of a surveillance or alarm system failure, the failure notification system will provide an audible, text, or visual notification. The failure notification system shall provide an alert to designated management employees of the Company within five minutes after the failure, either by telephone, email, or text message.

- **Identification and Access Badges**

Managers and employees will wear identification badges with photo IDs, as well as a first name. Badges will be used to access areas of the store not designed for public access. The badge access system will be linked to the Company's point of sales and timekeeping system. Electronic logs of those who enter and exit the store's restricted areas will be kept for at least 90 days.

- **Windows**

Windows and glass panes will have vandal-resistant glazing, shatter-resistant film, glass block, or bars installed equipped with latches that may be released quickly from the inside to allow exit in the event of emergency. Windows

vulnerable to intrusion by a vehicle will be protected by bollards or landscaping grade separation reasonably sufficient to prevent such intrusion.

- **Doors**
All locks will be controlled by buzz and entry systems. These systems will utilize fail secure locks, nonresidential, and electromagnetic locks that will not release, even during power failure.
- **Secure Customer Records Storage**
Storage, safes, and vaults will be kept in secure rooms that will be reinforced to ensure inventory and safe keeping of funds.
- **Emergency Operating Procedures and Staff Trainings**
The Company will maintain comprehensive standard protocols to deal with emergencies, adverse events, and staff training and on-boarding.
- **Visibility**
The Company will ensure that the exterior of the building is well illuminated. The exterior will be free of locations where an individual could conceal themselves.

This list is not inclusive of all security measures to be taken by the Company, and these systems may be changed and improved upon if gaps in security are identified, as new technologies become available, or if regulations change. The Company's security plan shall be reviewed, at minimum, on an annual basis or as required.

Sustainability Plan

The Company will develop a written environmental Sustainability Plan that details energy efficiency, water reduction, land reclamation, enhancement of biological communities, and reuse of resources that demonstrates progress toward sustainable operations. The plan will include documentation of a completed environmental impact assessment that identifies positive and negative environmental impacts and possible remediation actions, as well as a biodiversity plan to support and protect all rare and endangered species or habitats. The Company will also integrate energy audits and energy reduction plans, review water use plans, integrate water reduction and reuse plans, and integrate carbon footprint reduction plans.

Elevated Roots will implement efficient lighting and HVAC systems and processes, including maximizing the use of natural light, using timing controllers and motion detectors in offices and non-production workspaces, as well as energy-efficient HVAC systems

The Company will also use efficient equipment procedures including efficient processing equipment, maintain equipment on schedule, conduct prompt repairs; and train workers on efficiency methods and behaviors such as shutting down idle equipment to avoid standby energy loads, among other things. Furthermore, to the extent possible the

Company is actively exploring the use of renewable power such as solar solutions, geothermal, biomass, and hydropower to support the utility infrastructure.

The Company will not use diesel or gasoline generators for crop production and will eliminate or limit any open release of CO₂ gas or the use of open flame burners to produce a CO₂-enriched environment.

Reduce & Recycle

The Company believes that all parts of society should play a role in sustainable development. A large part of sustainable development involves reducing waste (solid or liquid) and minimizing its carbon footprint. Elevated Roots will implement green technologies and protocols whenever possible. From energy efficient LED retail lighting to paper reduction through computer- and email-based files, receipts, and coupons, the Company will find ways to reduce the ecological footprint of its operation. The Company will utilize recycled and recyclable materials whenever possible, along with reusable, resealable child-resistant packaging for all multiple-use products sold. The Company will employ a discount program that will incentive the reuse of these child-resistant packaging. In addition, the Company will offer discounts for patients and clients to bring in their glass and other recyclable packaging.

Elevated Roots' storage bins and containers will be reusable in order to minimize waste, while the Company intends to provide its employees a reusable water bottle upon employment. This will lead to a drastic reduction in paper and plastic waste and consumption in the Company's operations from bottled water and single-use cups. All Company vehicles will be fuel efficient and will also offer preferred high occupancy vehicle (HOV) parking, employee subsidies for public transit, and bicycle parking for staff and patients alike.

66% Electricity Reduction

Elevated Roots' sustainability plan focuses on the reduction of power consumption and consumable waste. The Company will be using the newest in LED lighting, the most efficient form of light technology currently available. LED's will be used throughout the facility, including but not limited to general work areas, storage areas, perimeter lighting, and display lighting.

Solar panels will be installed upon city approval to provide both heating and electricity for the facility. Solar will provide many advantages over traditional sources of energy: not only it is completely renewable but is also protects the environment. This energy will reduce the Company's dependence on other countries for consistent supply of coal to produce electricity, as well as reducing its use of the city's utility grid.

However, with the Company's significant additional financial investment in LED lighting and solar, the Company will be using less than 66% of the power and cooling required for conventional fluorescence lighting and energy sources. With the Company using

highly efficient LEDs, this translates into both: (1) a substantial recurring cost savings in the operations which will be passed along to patients; (2) and an almost 66% reduction in the Company's operational carbon footprint.

Water Conservation

Elevated Roots' dedication to water conservation will also reduce its carbon footprint and waste produced. As such, the Company's restrooms and shower facilities will feature water-saving technologies such as timed faucets, waterless urinals, recycled paper, and biodegradable soap. Indoor and outdoor plumbing will be maintained and inspected in order to prevent leaks, and any leaks will be repaired promptly. Additionally, the Company's cultivation and extraction areas will be designed around reducing waste and consumption of water and other materials, while all landscape plants will be drought tolerant.

Waste Disposal Plan

In accordance with Kingston's ordinances, the Company's waste disposal plan includes procedures for disposing of chemical waste, plant waste, and water disposal from each section of the Company. Elevated Roots will test all materials resulting from its extraction processes to ensure no harmful chemicals or waste remain before properly disposing of all waste products. This plan will be subject to review and approval by appropriate regulatory bodies.

This plan shall protect against any portion of plant material being possessed or ingested by any person or animal. This is a plan for the disposal of any marijuana in any form that is not sold including, but not limited to, marijuana infused products.

Odor Control and Ventilation

The Company's proposed site is located in an area designated for retail use. The proposed retail cannabis facility will take every measure to mitigate and eliminate cannabis-related odors, as well as all other intruding odors, by storing all products and waste in sealed containers and utilizing a high-quality air filtration and circulation system, in accordance with the ordinances of the state and Kingston.

Maintenance

Regular inspection, maintenance, servicing, and replacement of systems and appliances can make an impact on energy efficiency. Elevated Roots will have a well-maintained property in order to ensure that appliances and systems necessary for the business are in good working condition and operating efficiently. The following are examples of systems that will be maintained for maximum efficiency:

- HVAC system and filters
- Water heater
- Lighting
- Irrigation

- Indoor and outdoor plumbing

Community Relations

Elevated Roots is committed to maintaining good relations with the city and neighborhoods of which it will be a part. Company management will ensure the Company avoids becoming a nuisance or has any negative impact on its neighbors and the community by regularly removing and storing all trash each day and properly disposing of it, so as to ensure that it is not ingested by any person or animal. Waste will not be disposed of in a sewer or by burning. Elevated Roots will also remove graffiti within 48 hours and keep all driveways and sidewalks clear and clean. The Company will take care to avoid causing any adverse impacts within at least 300 feet of the business.

To help facilitate relations, the Company will appoint a community relations contact to whom notice of problems associated with the business can be provided. To ensure prompt communication, the Company will provide the name, telephone number, and email address of this community relations contact to the applicable City and State enforcement divisions, as well as all businesses located within 100 hundred feet of the dispensary and to all residences located within 300 hundred feet of the dispensary.

In addition to making a representative available to handle problems and complaints from the community, the Company's owner, manager, and community relations contact will, during the business's first year of operations, attend regular meetings with the Community Board, local elected officials, and any other interested parties deemed appropriate to discuss the costs, benefits, and other community issues that may arise as a result of operating a cannabis dispensary. After its first year of operations, the Company will ensure the owner, manager, and community relations contact are available to meet with any interested parties upon reasonable request.

Social Impact

Social impact and good corporate citizenship are core values of Elevated Roots' brand. Connecting with and giving back to the community will be an important aspect of the Company's long-term development plan. Under the guidance of a Social Impact advisor, Elevated Roots will identify causes and initiatives that serve the public good, with a focus on disadvantaged and minority communities that have been disproportionately affected by marijuana prohibition and the war on drugs. These programs may include community beautification programs, job training programs, and youth services and education programs. Elevated Roots will take an active role in supporting these initiatives, encouraging staff participation and involvement, and committing a portion of revenue to nonprofit organizations aligned with the brand's values.

The Company believes that diversity and inclusion will be instrumental to its success and will commit to ensuring at least 40% of its staff is comprised of women, people of color, and veterans.

Traffic, Parking, Emissions, and Carbon Footprint

The proposed facility will not generate a significant amount of traffic or other sources of air emissions; development of the site will include parking spaces required for the proposed use, along with bicycle parking. Additionally, the Company hopes to position itself within easy walking distance from public transportation stops for convenient access to customers utilizing the Cities' public transit program. In order to reduce the Company's effect on the surrounding environment, Elevated Roots will endeavor to use low-VOC emissions paints and materials in the development of both facilities. In addition, construction waste will be recycled as possible. Deliveries will be scheduled weekly to reduce traffic impacts.

Although the proposed operation will not generate a significant amount of traffic or other sources of emission, the Company will seek to do its part to reduce the carbon footprint during the development and use of the facility.

Job Creation, Timeline, and Staffing Plan

The Company intends to benefit its community in many ways, one of which is the creation of multiple jobs for Kingston residents. The Company hopes to primarily hire staff from the surrounding communities and will supply a living wage to all employees, annual bonuses and raises for outstanding employees, and clear advancement paths for those interested.

Specifically, Elevated Roots expects to hire four (4) residents on a full-time basis in its first six months of operation, which will sustain the Company through its first year. By Year 5, the Company intends to grow its staff to nine (9) residents on a full-time basis, with contracted security personnel.

- Full-time Managers
- Full-time Budtenders
- Full-time Security personnel (contracted)

Staffing Details

Within two years, the Elevated Roots' facility will be equipped with the following staff:

- Dispensary Manager
- Budtenders
- Security

Dispensary Manager: This individual will organize and coordinate office administration and procedures, in order to ensure organizational effectiveness, efficiency, and safety. The Manager is responsible for developing intra-office communication protocols, streamlining administrative procedures, inventory control, office staff supervision, and task delegation. This position will be best suited for an individual who is able to multitask and perform multiple duties. They must be well organized, flexible, and able to handle

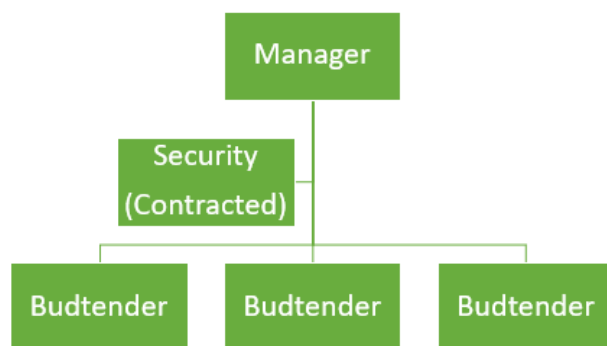
the challenges of supporting an office of diverse people. The Manager will work with recruiting, performance management, and workplace scheduling, and will be knowledgeable about the different products that will be sold so they can be supportive to the Budtenders and patients. The Manager will be responsible for restocking marijuana products, including ordering, receiving, price changes, handling damaged products, and returns, and will be in communication with the Budtenders with any changes.

Budtenders: These individuals will be responsible for educating consumers about the effects, benefits, and overall experience of the Company's cannabis products and merchandise. They will be the face of the business, as they will be dealing one-on-one with the patients being served. Budtenders serve as important guides to navigating cannabis products, and tailoring their patient assistance to suit all levels of experience.

Security: These individuals will assist the Company by making sure the facility is safe and secure. Security personnel will hold the following responsibilities: being present when the Manager is opening the facility; walking the perimeter of the business; positioning themselves in the front of the facility to check identification upon entry; and being present as the facility closes and ensuring all other staff members have left and locked up before leaving themselves. In the event of a theft or attempted theft. Security personnel will be responsible for ensuring such reports are completed and filed within the time frame. Elevated Roots plans to contract with a local security firm to source expert security personnel.

With all of the positions at hand, the Company will continually to strive to succeed and grow year-over-year. The key is to make sure that the employees continue to follow through on the rules and guidelines governing the marijuana procedure and protocols of Massachusetts' Cannabis Control Commission. Within two years, if the numbers of patients continue to increase, Elevated Roots will seek to expand its product offerings, as well as explore a second facility that could be established to ensure the Company continues to provide a five-star experience equally to all patients.

Organizational Chart



Employee Training

As a condition of employment, every potential employee will be required to pass a criminal background check prior to beginning work at the Company. Employees shall be required to self-report any event that would disqualify them from employment within 24 hours of occurrence, and the Company will also conduct ongoing background checks for all employees on an annual basis to ensure ongoing compliance.

The Company will routinely test for illegal drug use and not hire employees who test positive for illegal drugs under any circumstances at any time. Random drug-testing will be ongoing in nature. The Company will dismiss anyone who tests positives for illegal drugs.

All employees will receive an employee handbook and participate in a new employee orientation program. The Company will provide onsite, hands-on training for management and employees before it opens its doors. Training content will be reinforced with written materials, a manual of standard operating procedures, instruction from managers, and performance evaluations. Employees will be trained in all safety and security measures, as well as possess a full understanding of how to report hazards and safety concerns. The Company will comply with all applicable state and federal OSHA workplace safety and health requirements and maintain occupational safety and health standards that equal or exceed the current best practices in the industry.

In addition, per CMR 500.105(2)(b)(7)(b), Elevated Roots will require employees to complete annual trainings on all aspects of their jobs including diversion prevention, prevention of sales to minors, and best practices to detect and respond to incidents of possible diversion.

Customer Recordkeeping Plan

The Company will create a comprehensive recordkeeping plan, which will track the quantities sold to individuals, as well as itemize products between adult- use products. The recordkeeping plan will additionally track and monitor inventory on hand.

Consumer Education

Elevated Roots will create and make available a variety of educational materials about marijuana products. According to CMR 500.140(8), A retailer must have an adequate supply of current educational material available for distribution. Educational materials must be available in commonly spoken languages designated by the Commission, which will include, but not be limited to appropriate materials for the visually- and hearing-impaired. Such materials shall be made available for inspection by the Commission upon request. The Commission will establish fines or other civil penalties for a Marijuana Establishment's failure to provide these materials. The educational material must include at least the following:

1. A warning that marijuana has not been analyzed or approved by the FDA, that there is limited information on side effects, that there may be health risks associated with using marijuana, and that it should be kept away from children;
2. A warning that when under the influence of marijuana, driving is prohibited by M.G.L. c. 90, § 24, and machinery should not be operated;
3. Information to assist in the selection of marijuana, describing the potential differing effects of various strains of marijuana, as well as various forms and routes of administration;
4. Materials offered to consumers to enable them to track the strains used and their associated effects;
5. Information describing proper dosage and titration for different routes of administration. Emphasis shall be on using the smallest amount possible to achieve the desired effect. The impact of potency must also be explained;
6. A discussion of tolerance, dependence, and withdrawal;
7. Facts regarding substance abuse signs and symptoms, as well as referral information for substance abuse treatment programs;
8. A statement that consumers may not sell marijuana to any other individual;
9. Information regarding penalties for possession or distribution of marijuana in violation of Massachusetts law; and
10. Any other information required by the Commission.

In addition to creating printed educational materials, Elevated Roots will also include educational material and additional links on its website.

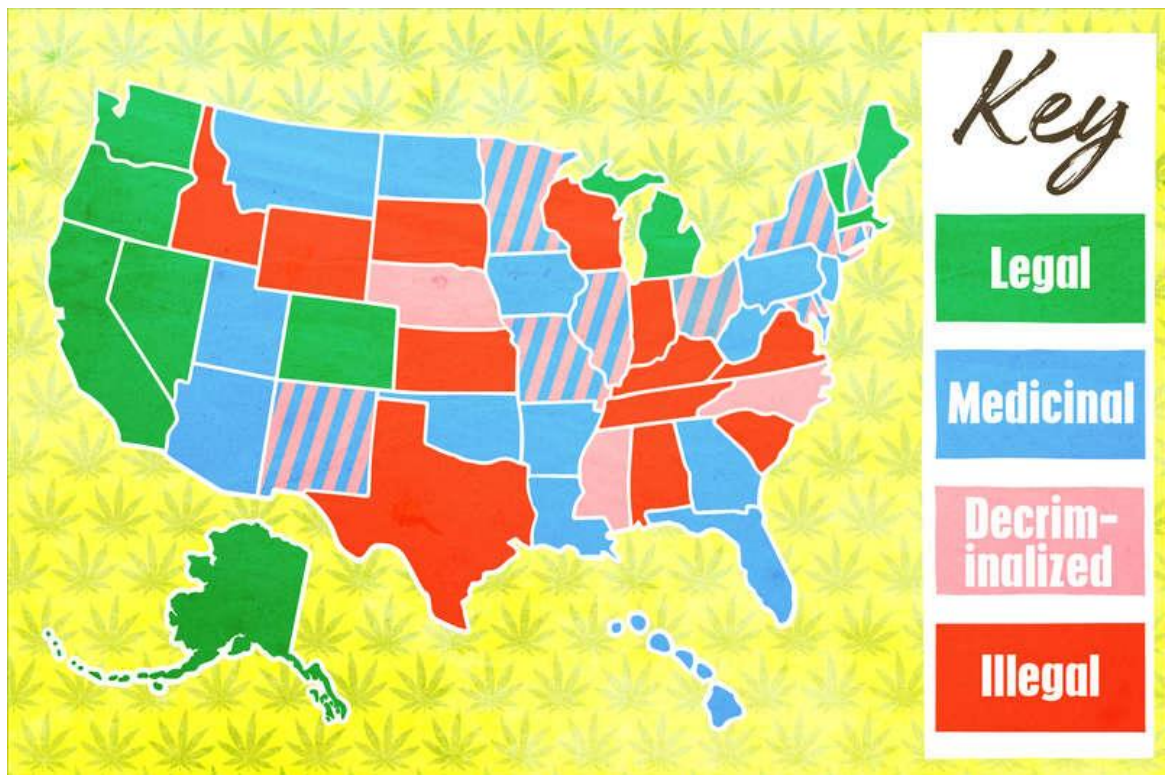
Testing Procedures

Cannabis products will be tested for THC content, as well as undergo photo gas chromatographic testing and mass spectrographic testing. Photo gas chromatographic testing determines the exact strength of the product, as well as the mixture of active ingredients present. Mass spectrographic testing is used on the finished product to test for potentially harmful contaminants such as insecticides, molds, or mildew. The information gathered from these rigorous testing procedures will be used to ensure accurate labeling and information concerning the product to all patients and purchasing cardholders. Furthermore, this testing will be used to make educated and informed purchasing and distribution decisions, as well as determine the safety and potency of each product.

MARKET ANALYSIS SUMMARY

Overall Cannabis Market

As of July 2019, 11 U.S. states had fully legalized cannabis for adult use (along with the District of Columbia), so that more than 25% of all Americans now live in a state where cannabis is legal. Given that another 27 states have passed laws broadly legalizing marijuana for medical use and/or decriminalizing the possession of marijuana, there are now only 12 states in the entire country where cannabis use is fully illegal, as shown on the map below (note that this map was drawn prior to the passage of adult legalization in Illinois).¹

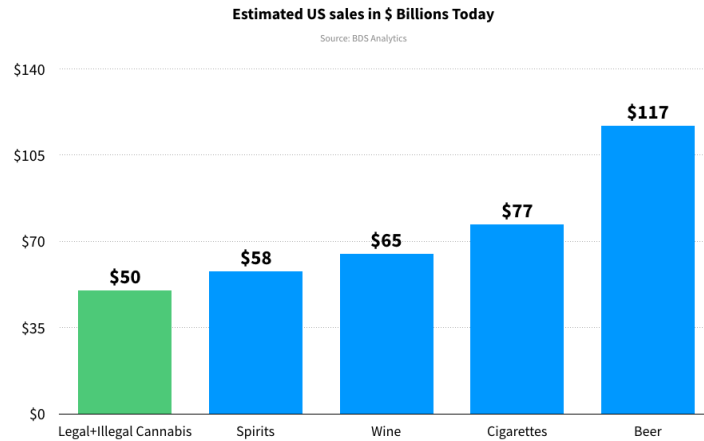


In 2018, retail sales of legal cannabis in the United States totaled more than \$10 billion.² Overall, the legal and illegal sale of cannabis in the United States is estimated to generate around \$50 billion a year, placing it on par with the spirits and wine industries.³

¹ Medrano, Kastalia. "Puff, Puff, Passed: The Progress Toward Legal Weed in All 50 States." *Thrillist*. April 22, 2019. Available through: www.thrillist.com

² IBISWorld. Industry Report OD4141: Medical & Recreational Marijuana Growing in the US. December 2018. Source: <http://clients1.ibisworld.com/reports/us/industry/default.aspx?entid=4142>.

³ Bernberg, Mark. "Just how big could the US marijuana market be?" *The Green Fund* (company blog). August 30, 2018 (Updated November 18, 2018). Source: <https://thegreenfund.com/just-how-big-could-the-us-marijuana-market-be>.



Perhaps driving the acceptance is the understanding of the size of the cannabis economy. In 2017, Colorado received \$210.4 million in tax revenues from marijuana, but only \$45.7 million from alcohol.⁴ If marijuana was fully legal in all 50 states, analysis by New Frontier Data indicates that it would generate \$131 billion in federal tax revenue between 2017 and 2025, based on an estimated 15% retail sales tax, payroll tax deductions, and business tax revenue. Federally legalizing cannabis would also create an additional 782,000 jobs, which would increase to 1.1 million jobs by 2025.⁵

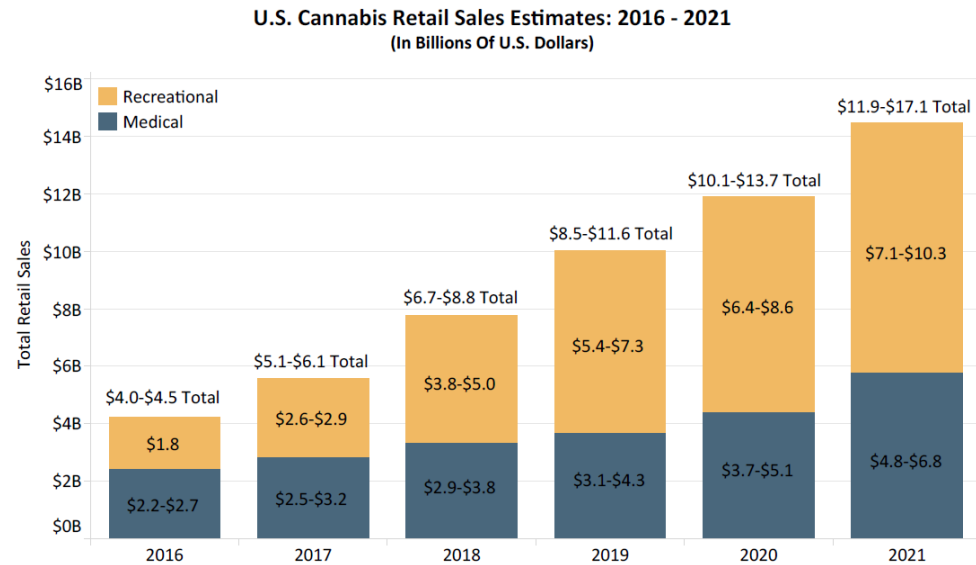
Sales of cannabis, if made fully legal, could generate \$75 billion by 2030. This places cannabis at roughly the same industry-wide revenue as wine, which generates about \$60 billion in sales annually. In 2017, overall marijuana sales in the United States retail segment generated \$5.1 billion, buoyed by the increasing numbers of recreational marijuana sales. The following chart from the 2017 Marijuana Business Daily Factbook provides an overview of current and future cannabis sales.⁶

⁴ Barry, Erin. "Legalized Marijuana Movement Grows" CNBC. April 15, 2018. Source:

<https://www.cnbc.com/2018/04/15/legalized-pot-movement-grows-but-federal-resistance-holds-it-back.html>

⁵ Zezima, Katie. "Study: Legal Marijuana Could Generate More than \$132 billion in federal tax revenue and 1 million jobs" The Washington Post. January 10, 2018. Source: https://www.washingtonpost.com/national/2018/01/10/study-legal-marijuana-could-generate-more-than-132-billion-in-federal-tax-revenue-and-1-million-jobs/?utm_term=.60a5472c228e

⁶ 2017 Marijuana Business Daily Factbook.



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According to marijuana-industry platform düber, “the legal cannabis market is one of the world’s biggest growth opportunities. In North America alone, the industry is forecasted to top \$20 billion by 2021, from US\$6.7 billion in 2016.”⁷ The Brightfield Group issued a projection reporting that internationally, the cannabis industry would be worth \$31.4 billion in 2021.⁸

Massachusetts’ Cannabis Market

In 2012, voters in Massachusetts legalized medical cannabis as established by Chapter 369 of the Acts of 2012, “An Act for the Humanitarian Medical Use of Marijuana.”⁹ Following this, authorized medical professionals could prescribe medical cannabis to qualifying patients with specific conditions—such as ALS, cancer, HIV or AIDS, multiple sclerosis, Crohn’s disease, etc.¹⁰—but the purchase of recreational cannabis remained illegal until the Massachusetts Marijuana Legalization Initiative, or Question 4, was passed on November 8, 2016.¹¹

In Massachusetts, where the first dispensaries licensed to sell recreational cannabis opened in January of 2019, over \$140 million worth of cannabis was sold in the first six months of 2019 and annual sales for the industry’s first year are expected to total \$400-\$450 million. As of May 31, 2019, the state of Massachusetts had issued final licenses to

⁷ “Incentivizing Economic Surplus Growth in the Cannabis Industry.” Düber. September 29, 2017. Source: <https://tinyurl.com/y84e8cbu>.

⁸ Sandler, Craig. “Pot Primer: The past and future of marijuana in Massachusetts.” 22News WWLP. November 9, 2017. Source: <http://wwlp.com/2017/11/09/pot-primer-the-past-and-future-of-marijuana-in-massachusetts/>.

⁹ Mass.gov. Medical Use of Marijuana Program. Source: <https://www.mass.gov/medical-use-of-marijuana-program>

¹⁰ Norml. Massachusetts Medical Marijuana Law. Source: <http://norml.org/legal/item/massachusetts-medical-marijuana>

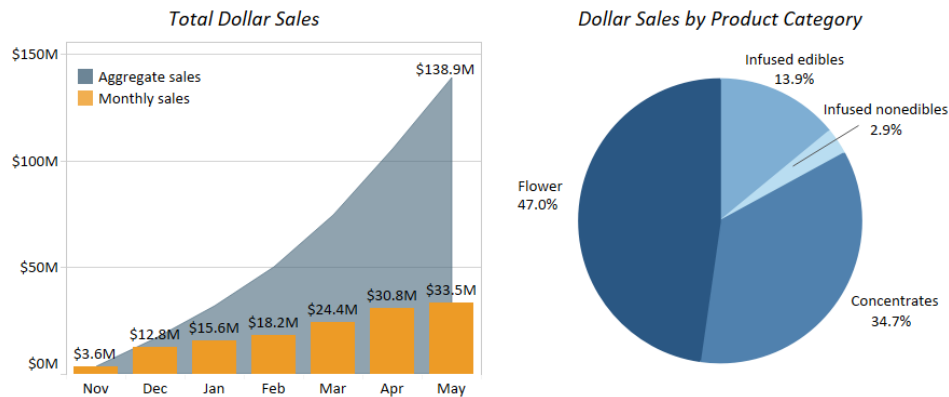
¹¹ Ballotpedia. Massachusetts Marijuana Legalization, Question 4. Source: [https://ballotpedia.org/Massachusetts_Marijuana_Legalization,_Question_4_\(2016\)](https://ballotpedia.org/Massachusetts_Marijuana_Legalization,_Question_4_(2016))

58 retailers and the average number units sold per dispensary during this period was 29,140.¹²

Chart of the Week

Marijuana Business Daily®

Massachusetts Recreational Marijuana: Six Full Months of Sales



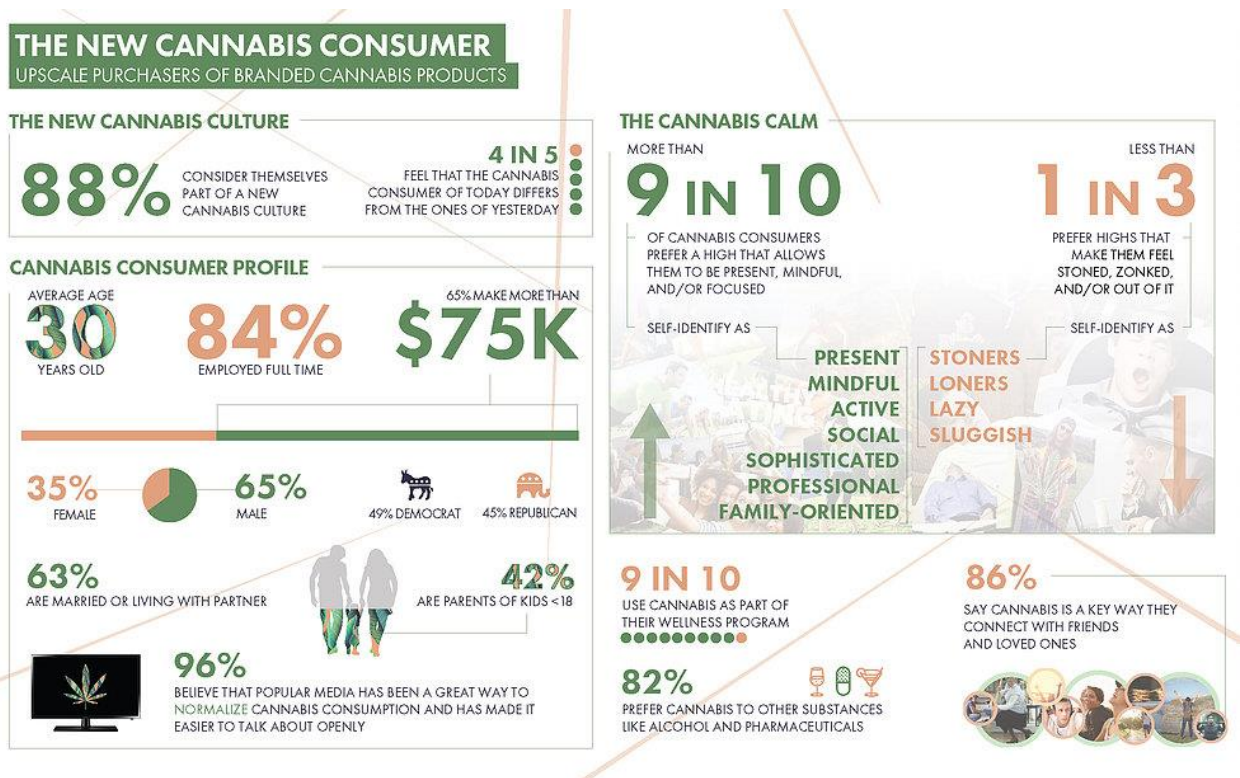
Source: Massachusetts Cannabis Control Commission
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Market Segmentation

As the cannabis industry matures, it is also growing much more diverse, both in terms of customer demographics and products. According to a survey of American cannabis consumers performed by Miner and Company and summarized in *Forbes*, the average cannabis consumer is slightly older, has a higher income, and has a better employment history than the average American. More than 84% of cannabis consumers are employed full-time, 77% earn more than \$75,000 per year, and more than 90% self-describe as professional, active, and open-minded.¹³

¹² Cowee, Maggie "Chart: Massachusetts recreational marijuana sales approach \$140 million." *Marijuana Business Daily*. June 11, 2019. Source: <https://mjbizdaily.com/massachusetts-recreational-marijuana-sales-approach-140-million/>

¹³ Adams, Mike. "Cannabis Consumers Want Hollywood To Abandon Marijuana Stereotypes." *Forbes*. May 23, 2018. Source: <https://www.forbes.com/>



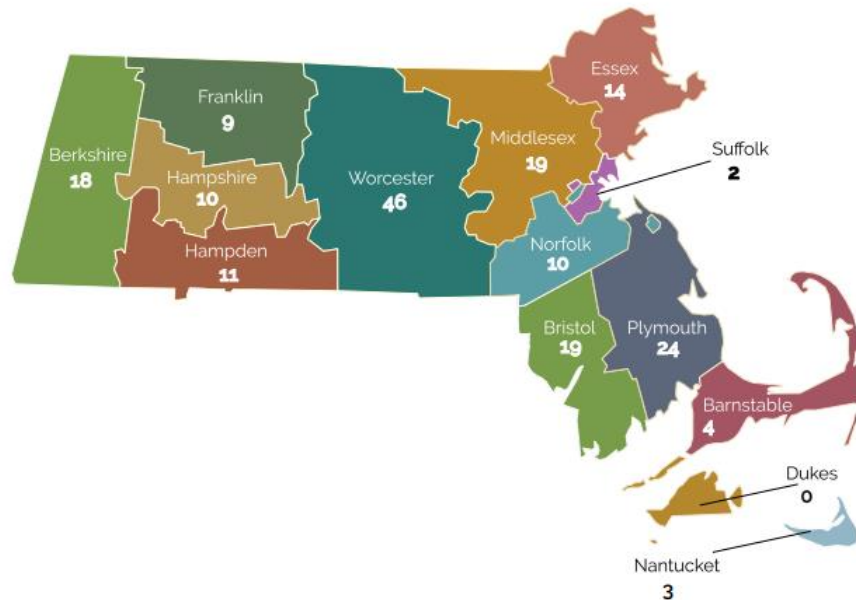
Elevated Roots' location in Kingston, Massachusetts (Plymouth County) will position the Company south of Boston with access to the city's residents and visitors. As one of the few licensed cannabis dispensaries in the area, the Company's chosen location will maximize its ability to tap into a steady stream of local consumer traffic. The following table provides the most current U.S. Census data with regard to the population growth of Plymouth County.¹⁴

Plymouth County, Massachusetts – Population & Growth	
Population estimates, July 1, 2018	518,132
Population, percent change, April 1, 2010 to July 1, 2018	+4.7%
Population, 2010	494,919

As of September 2019, Massachusetts has approved nearly 190 licenses throughout the state for its various cannabis-related businesses, including dispensaries, cultivators, extractors, and other auxiliary businesses such as distributors, transporters, and more. The following map illustrates the number of licenses approved by county:¹⁵

¹⁴ U.S. Census Bureau. Source: <http://www.census.gov/>

¹⁵ Cannabis Control Commission. License Approvals. September 2019. Source: <http://tinyurl.com/y526wsws>



The following table provides pertinent figures for the population included within the Company's targeted area. This data is provided by ESRI, a market research firm.¹⁶

Market Profile - Radial Analysis 44 William C Gould Jr Way, Kingston, Massachusetts, 02364			
	5 miles	10 miles	15 miles
2019 Total Population	54,503	143,321	309,218
2024 Total Population	56,381	148,536	320,222
2019-2024 Annual Rate	0.68%	0.72%	0.70%
2019 Total Daytime Population	58,207	122,985	255,391
Workers	33,133	57,873	116,886
Residents	25,074	65,112	138,505
2019 Households	20,449	53,305	111,117
2019 Families	13,702	37,856	80,095
2019 Average Family Size	3.14	3.14	3.19
<i>2019 Population by Age</i>			
Total	54,503	143,319	309,220
0 - 4	4.8%	4.7%	4.9%
5 - 9	5.6%	5.7%	5.7%
10 - 14	6.4%	6.6%	6.6%
15 - 24	11.3%	11.2%	12.2%
25 - 34	10.6%	10.6%	11.1%
35 - 44	11.7%	11.7%	11.7%
45 - 54	14.2%	14.5%	14.5%
55 - 64	14.8%	15.3%	14.9%
65 - 74	11.6%	11.8%	11.0%
75 - 84	5.7%	5.6%	5.3%
85 +	3.3%	2.4%	2.1%
18 +	79.2%	79.0%	78.8%

¹⁶ Business Analyst Online. Source: <http://bao.arcgis.com/en/log-in/>

21+	76.0%	75.7%	74.9%
<i>Median Age</i>			
2010	42.3	42.3	41.3
2019	44.6	44.6	43.2
2024	44.9	44.8	43.5
<i>2019 Population by Sex</i>			
Males	26,556	70,073	151,728
Females	27,947	73,247	157,490
<i>Per Capita Income</i>			
2019	\$45,740	\$45,922	\$44,267
2024	\$51,768	\$52,207	\$50,409
<i>Median Household Income</i>			
2019	\$91,729	\$98,319	\$98,251
2024	\$103,857	\$108,381	\$108,519
<i>2019 Households by Income</i>			
Household Income Base	20,449	53,305	111,111
<\$15,000	6.4%	5.5%	5.2%
\$15,000 - \$24,999	6.3%	5.1%	4.8%
\$25,000 - \$34,999	6.9%	5.8%	5.7%
\$35,000 - \$49,999	9.8%	9.1%	5.7%
\$50,000 - \$74,999	12.1%	12.3%	12.7%
\$75,000 - \$99,999	11.6%	12.9%	13.3%
\$100,000 - \$149,999	20.8%	22.2%	22.4%
\$150,000 - \$199,999	12.1%	12.7%	12.9%
\$200,000+	14.0%	14.4%	14.0%
Average Household Income	\$121,015	\$123,692	\$122,804

Furthermore, the following table provides additional detail to the spending habits of the adults within the Company's targeted area. The included categories can be extrapolated to indicate the potential demand for Elevated Roots' products.¹⁷

Retail Goods Expenditures 44 William C Gould Jr Way, Kingston, Massachusetts, 02364			
	SPI*	Average Amount Spent	Total \$
5 miles			
Nonprescription Drugs	131	\$187.67	\$3,837,563
Personal Care Products	130	\$652.46	\$13,342,149
Smoking Products	116	\$469.73	\$9,605,457
10 miles			
Nonprescription Drugs	134	\$191.70	\$10,218,333
Personal Care Products	132	\$662.72	\$35,326,058
Smoking Products	117	\$474.03	\$25,268,256
15 miles			
Nonprescription Drugs	132	\$189.45	\$21,050,928
Personal Care Products	132	\$660.46	\$73,388,068
Smoking Products	117	\$473.16	\$52,575,934

*The Spending Potential Index (SPI) is household-based and represents the amount spent for a product or service relative to a national average of 100. As the table indicates,

¹⁷ Business Analyst Online. Source: <http://bao.esri.com>

adults within each radius of the Company's targeted area are more likely to spend on items in each category. Adults within 15 miles from Elevated Roots' location are 32% more likely to spend on both personal care items and nonprescription drugs, and spent upwards of \$73 million on these items.

Industry Analysis

As it begins operations, Elevated Roots will operate within the *Recreational Marijuana Stores* industry, which generated multi- billions of dollars in 2018. The industry has exploded in the last five years and is still growing. The 2016 election cycle, in particular, provided landslide victories for recreational cannabis retailers. Consequently, the legalization of marijuana for recreational purposes and the growing acceptance of marijuana provided operators and investors with unprecedented opportunities. There has been no shortage of demand in recent years, and the cannabis industry has become one of the fastest growing in the United States.

More recently, the legalization of recreational marijuana sales in several states fueled revenue growth. The licensing of commercial recreational marijuana retailers contributed to industry revenue growth of 23.7% in 2016, as new entrants flooded the recently legalized market. Marijuana dispensaries continue to benefit from the steadily aging population and growing acceptance of the medical applications of marijuana. Chronic illnesses have become more prevalent as the U.S. population continues to age, driving demand for medical marijuana products. Additionally, the development of edible cannabis products helped attract consumers that were unfamiliar with marijuana products or averse to smoking. Edible products and vaporizer pens are projected to be a growth segment for the industry in the coming years, as they are convenient alternatives to traditional cannabis consumption.

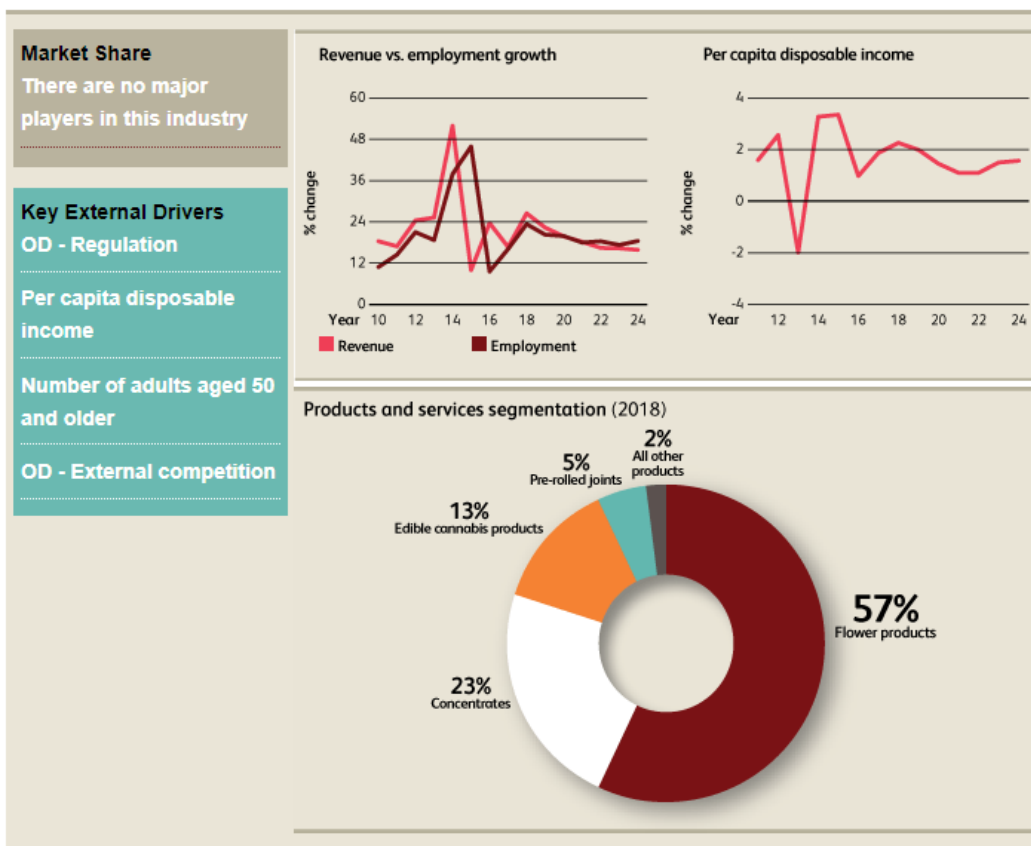
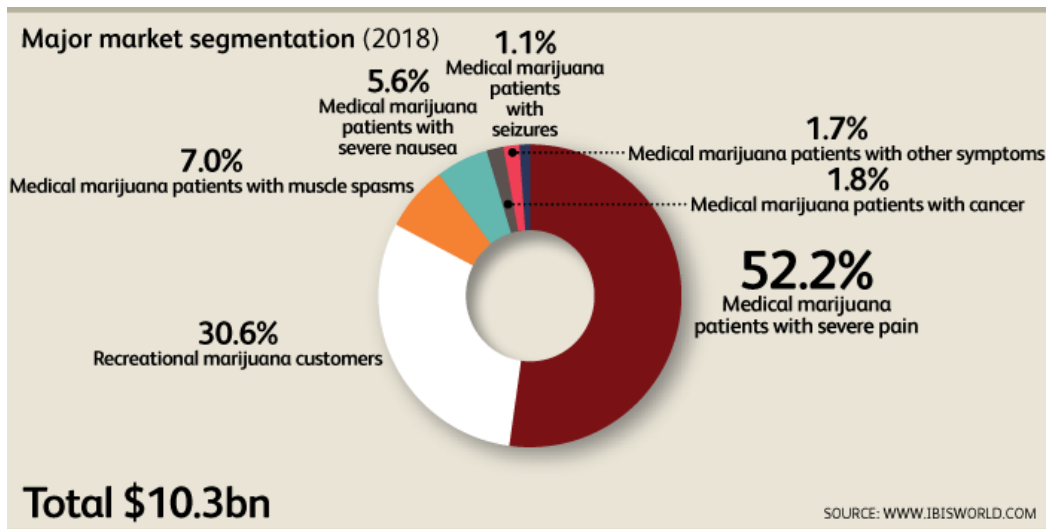
Over the next five years, IBISWorld expects to continue growing despite remaining at risk until the federal government definitively changes its position on the legality of marijuana. Until then, an uptick in the number of medical marijuana patients and a growing recreational cannabis legalization movement will likely reap long-term benefits for the industry. Rising demand is also forecast to widen profit margins, as is the success of for-profit recreational marijuana businesses in states with large consumer markets such as California, Colorado, and Washington.

The following graphics illustrate the projected growth of the industry through 2023:¹⁸

Key Statistics Snapshot



¹⁸ Oliver, Kelsey. Medical & Recreational Marijuana Stores in the U.S. *IBISWorld*. December 2018. Source: <http://ibisworld.com>



Competitive Edge

Elevated Roots intends to provide premium quality cannabis products, instruction, and expertise to recreational customers in Kingston while emphasizing the natural health benefits of marijuana through the education of customers. The Company will provide a

vast selection of locally sourced high-quality products and all staff will be knowledgeable enough to help customers choose the right product or strain for their needs.

STRATEGY & IMPLEMENTATION SUMMARY

Objectives

The Company has identified the following objectives and benchmarks as it begins operations:

Short-term

- Establish itself as a trusted provider of high-quality adult use marijuana
- Curate a selection of superior local products for customers
- Build a base of customers and suppliers large enough to sustain business

Long-term

- Enhance its client base to sustain the business and support its growth objectives
- Generate enough revenue to expand operations

Marketing Strategy

The Company will leverage a sales and marketing funnel based on a direct and localized marketing approach that leverages a variety of online and offline efforts, including an informative website, an engaging presence across multiple social medias, and special community events and sponsorships. This strategy is specifically designed to reach potential customers in the Kingston area.

A cohesive brand identity, including a memorable logo and all necessary marketing collateral, will transmit a clear message of these values to the Company's customers and guide the development of marketing campaigns.

Brand Awareness Channels

The Company will use a direct sales approach and a variety of advertising channels to increase its exposure among prospective customers. Specific channels will include:

Outdoor signage	Website
Word of mouth	Social media
Promotions	Special events

First and foremost, Elevated Roots will create a website to generate interest in its products and services. This website will be search engine optimized, mobile compatible, and will include an online ordering platform for fast pickup, product information, links to the Company's pages on Leafly and Weedmaps, regularly updated educational blog on the benefits, concerns, and current standing of marijuana, community outreach information, event photo gallery, company profile, location, and contact information.

The Company will develop a distinctive and authentic, but regulated presence on social networking sites including Facebook, Instagram, Twitter, Snapchat, and Tik Tok. Customers can “like” the Company on Facebook or “follow” the Company’s Twitter, Snapchat, or Instagram feed in order to gain access to special discounts or promotions. The Company will regularly monitor and interact with patients through social networking sites, and facilitate organic engagement through catchy, indexable hashtags, and distribute harvest dates, new product introductions, and upcoming promotions to its following. About 68% of all internet users in the U.S. are active on social networks, while 79% of adults use Facebook.¹⁹ Meanwhile, 89% of all Millennial consumers are active social network users, and 63% of Millennials report using social media to stay updated on the activity of their favorite brands.²⁰ However, because marijuana is still a Schedule 1 drug in the eyes of the federal government, all popular social medias have established advertising policies that limit the effectiveness of marketing for marijuana businesses:²¹

- Facebook’s advertising policies differentiate between restricted content and prohibited content. Unfortunately for cannabis companies, promoting drugs and drug-related products, including prescription and recreational drugs, is strictly prohibited. This includes both the text and images included in ads. Due to federal restrictions, cannabis companies are prohibited from running ads even in states where cannabis is legal. Failing to comply with Facebook’s advertising guidelines could, at best, get the ads shut down or, at the worst, your account deleted.
- Instagram was acquired by Facebook in 2012 and has the same advertising policies.
- Twitter similarly prohibits ads for illegal goods in its ads policies. Specifically, the Drugs and Drug Paraphernalia section lists “illegal drugs, recreational and herbal drugs, accessories associated with drug use, drug dispensaries, and depictions of hard drug use” as examples of prohibited ad content.

Elevated Roots will work to comply with the policies in place on its chosen social media sites and must therefore reach and engage with its audiences without advertising. Through a smart social media strategy and dynamic, engaging organic content, the Company will maximize its organic reach.

Given the demand from marijuana businesses hindered by these advertising rules, it’s no wonder marketing companies have developed workarounds that help spread brand awareness organically. These strategies are discussed further below.

The Company will research and identify major influencers and micro-influencers in the local marijuana community who are active on social media sites such as Instagram, Pinterest, and YouTube, or who run their own blogs. These influencers have large

¹⁹ Pew Research Center. “Social Media Update 2016” November 11, 2016. Source: <http://www.pewinternet.org/2016/11/11/social-media-update-2016/>

²⁰ Pick, Tom. “104 fascinating social media and marketing statistics for 2014 (and 2015).” B2C. 2014. Source: <http://www.business2community.com/social-media/104-fascinating-social-media-marketing-statistics-2014-2015-01084935>

²¹ Pickel, Jasmine. You Can Promote a Cannabis Brand... *Green Entrepreneur*. September 2018. Source: <https://www.greenentrepreneur.com/article/320031>

followings and they are normally willing to accept payment or free services in exchange for product reviews and blog posts that link directly to the Company's site. Influencer marketing has been shown to be highly effective in delivering a strong return on investment for advertisers, up to 11-times the ROI of traditional advertising.²² Recent research into influencers is pointing to the effectiveness of using influencers with between 1,000 and 50,000 followers, or microinfluencers. According to polling conducted by One Productions, "only 3% of people say they would consider buying a product if it were endorsed by a celebrity, but 30% of people say they are more likely to purchase a product based on a recommendation from a non-celebrity blogger."²³ Influencer marketing is a viable strategy for marijuana businesses like Elevated Roots to thrive on social media despite strict advertising guidelines, expanding the brand's reach organically without the use of advertising.²⁴

Most social media algorithms grant further reach to content that yields higher engagement rates. Therefore, to increase the organic reach of the content posted to social media, brands should aim to post the most engaging forms of content. Video content is among the most engaging type of content brands can post to social media.²⁵ Therefore, Elevated Roots will create videos for its YouTube channel that can easily cross over to social media, including images and stories of its Company journey, refinement processes, and behind-the-scenes exclusives. These videos will include subtitles, to facilitate the many people consume video content with the sound off.

The advent of social media means that word travels faster than ever before between family members, peers, and colleagues who are pleased with their experiences with a particular business. The Company will actively cultivate this effective and inexpensive resource to generate interest in its high-quality adult use marijuana products, educational efforts, and community outreach. According to research conducted by Nielsen's Harris Poll Online, word of mouth remains among the most trusted forms of advertising: 82% of consumers around the world say they trust earned advertising, such as word of mouth or recommendations from friends and family, above all other forms of advertising.²⁶

Elevated Roots will also seek to employ strategic digital marketing strategies such as Search Engine Optimization (SEO) to organically improve the quality and volume of traffic to its website. SEO is particularly valuable because, according to research by Moz, the top 5 search results on Google get 70% of the clicks.²⁷ And according to BrightWeb,

²² Foster, Jeff. "Why Influencer Marketing is Creating Huge Returns for Businesses." Convince & Convert. Source: <https://tinyurl.com/yd2nxd5>.

²³ Forer, Laura. "The Influencer Marketing Revolution: Macro Versus Micro Influencers [Infographic]." MarketingProfs. January 8, 2018. Source: <https://tinyurl.com/yapfv3xf>.

²⁴ Pickel, Jasmine. You Can Promote a Cannabis Brand... *Green Entrepreneur*. September 2018. Source: <https://www.greenentrepreneur.com/article/320031>

²⁵ Williamson, Debra Aho. "Video Ads in Social Media 2018." eMarketer. August 8, 2018. Source: www.emarketer.com.

²⁶ Ambassador. "How Are Consumers Influenced by Referral Marketing" March 9, 2016. Source: <https://www.getambassador.com/blog/how-are-consumers-influenced-by-referral-marketing>

²⁷ Petrescu, Phillip. "Google Organic Click-Through Rates in 2014." Moz (company blog). October 1, 2014. Source: <https://moz.com/blog/google-organic-click-through-rates-in-2014>

50.1% of traffic on websites comes from organic search.²⁸ Currently, Google does not allow cannabis-related paid search advertising on Google Ads or Google retargeting. If/when cannabis becomes legal at the federal level and/or Google changes its policy regarding cannabis-related advertising, the Company will invest in search advertising on Google, which has been shown to produce an average of \$2 in income for every \$1 spent.²⁹ Research by the software company Unbounce has also shown that pay-per-click website visitors are 50% more likely to purchase something than organic visitors.³⁰

Current and prospective customers and product partners will benefit from receiving strategic email updates and newsletters on a regular basis. This will provide the Company's database of clients and opt-in members with information regarding promotional specials, new products and services, upcoming events, and relevant business news. All emails will be optimized for desktop and mobile viewing. The number of email users in the U.S. is projected to grow to 254.7 million by 2020, while 73% of Millennials identify email as their preferred means of business communication.³¹ Email marketing delivers the highest ROI of any digital marketing tactic: an average of \$44 per dollar spent.³²

Offline, Elevated Roots will create large, tasteful, eye-catching signs that are prominently placed for maximum visibility to both foot and vehicular traffic to notify potential customers of the Company's products and services. These signs will help the Company advertise its grand opening event, which will be designed to generate initial buzz for the Company and signal its formal launch. This event will feature live entertainment, complimentary refreshments, and special discounts.

The Company will enhance its exposure among members of the public and incentivize customers by providing a range of promotional opportunities. This may include periodic, limited-time specials to drive consumer traffic during slow periods, weekly specials, and a loyalty program to encourage repeat patronage.

Lastly, Elevated Roots will sponsor local events and organizations aligned with its mission in an effort to give back to surrounding neighborhoods and the overall community. This will simultaneously build awareness of the Company's products and community services while fostering loyalty from current customers who see the Company participating in local events, functions, and community-building activities.

²⁸ BrightEdge. "Organic Search Is Still the Largest Channel." Updated 2018. Source: <https://www.brightedge.com/resources/research-reports/organic-search-still-largest-channel-2017>

²⁹ Google. *Economic Impact: United States 2016*. March 11, 2017. Page 9. Downloadable: https://economicimpact.google.com/about/#/?sections_activeEl=introduction

³⁰ Gardner, Oli. "SEO vs PPC – Time for a Fight!." Unbounce.com. June 20, 2012. Source: <https://unbounce.com/ppc/seo-vs-ppc-infographic/>

³¹ Finn, Allen. 35 Face-Melting Email Marketing Stats... Last updated July 2018. Source: <https://www.wordstream.com/blog/ws/2017/06/29/email-marketing-statistics>

³² Pick, Tom. "104 fascinating social media and marketing statistics for 2014 (and 2015)." B2C. 2014. Source: <http://www.business2community.com/social-media/104-fascinating-social-media-marketing-statistics-2014-2015-01084935>

MANAGEMENT SUMMARY

Robert Palma, *President / Owner*

Mr. Palma continues to pursue his lifelong passion in dentistry as a Kingston resident, Silver Lake High School graduate, and as the owner and president of PDL Palma Dental Laboratory in Plymouth. As a dedicated dental lab owner, Mr. Palma treats his patients with care, and as a business owner he knows how to manage a successful company.

Vivekanand Patel, *Manager / Owner*

A longtime Kingston resident, Mr. Patel prides himself on his reputation within the community as a hardworking business owner. His store, Whit's Market, has a proven track record in Kingston. He is a proud American citizen with two decades of experience in the pharmaceutical industry in India and the United States, where he professionally handled controlled substances.

Barznab Khan, *Manager / Owner*

With experience as a managing director and CEO in retail, a background as a principal in real estate, and experience as a managing partner in the pharmaceutical industry, Mr. Khan has a diverse area of expertise. He is the owner, founder, and director of the Rawshon Group, which operates Richdale Food Shops. Under his leadership, Richdale Foods has partnered with the May Institute to provide job training for autistic students.

Joshua Koenig, *Manager / Owner*

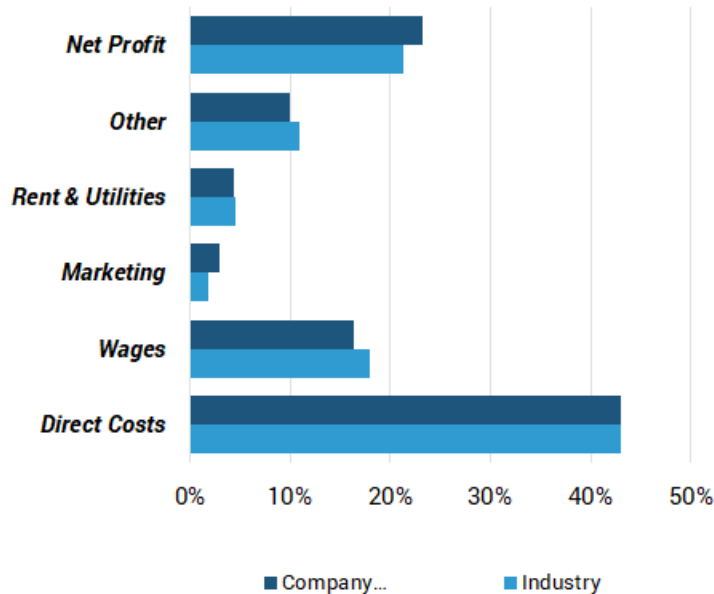
As the owner of Koenig Family Chiropractic, in Plymouth, Mr. Koenig understands the health and wellness benefits of cannabis for the relief of pain and anxiety. He is a Doctor of Chiropractic from Palmer College of Chiropractic, and he has also served as a board member for both the Boys & Girls Club of Plymouth and the Plymouth branch of the YMCA.

FINANCIAL PROJECTIONS

Financial Assumptions

Financial projections were developed with consideration of the market research included in this business plan and comparable industry analysis.

The table below shows the Company's projected cost and profits in Year 3 compared to IBISWorld's Medical & Recreational Marijuana Stores industry.



	<i>Company (Year 3)</i>	<i>Industry</i>
Direct Costs	43.1%	43.1%
Wages	16.3%	18.0%
Marketing	3.0%	1.9%
Rent & Utilities	4.4%	4.6%
Other	10.0%	11.0%
Net Profit	23.2%	21.4%

Key financial metrics are shown below.

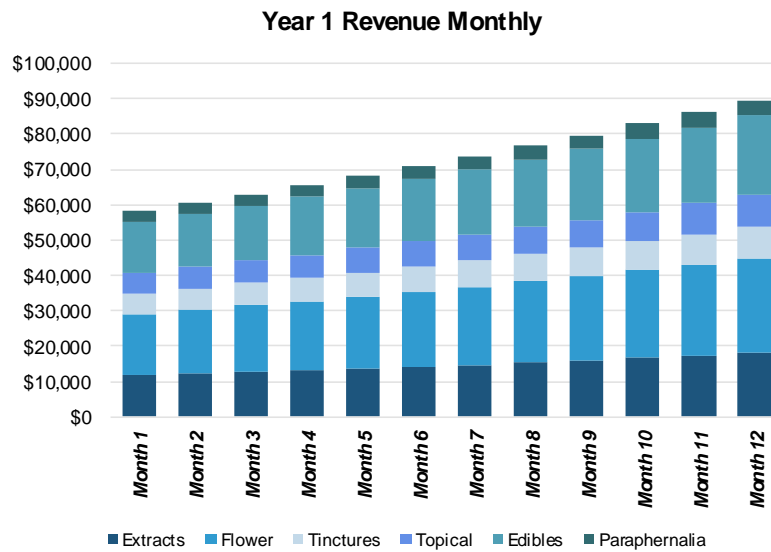
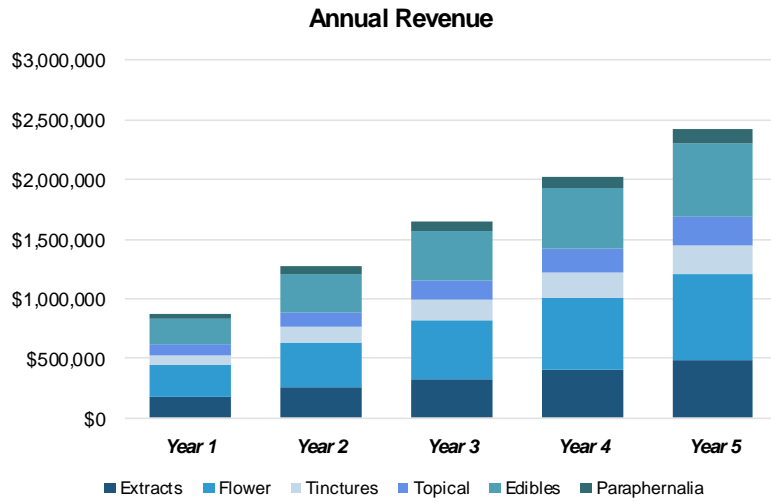
FINANCIAL METRICS

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
PROFITABILITY					
Gross Margin/Revenue	56.9%	56.9%	56.9%	56.9%	56.9%
EBITDA/Revenue	10.3%	13.2%	23.6%	25.7%	26.5%
NET PROFIT %	9.5%	12.6%	23.2%	25.4%	26.2%
DEBT RATIOS					
Debt/Assets	0.1	0.1	0.1	0.1	0.1
Interest Coverage Ratio	N/A	N/A	N/A	N/A	N/A
Debt Service Coverage Ratio	N/A	N/A	N/A	N/A	N/A
DAYS ON HAND					
Receivables	0	0	0	0	0
Inventory	37	30	30	30	30
Payables	30	30	30	30	30

The following is a five-year revenue forecast. Direct costs include all costs which can be directly tied to revenue and include “cost of goods.”

REVENUE FORECAST

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
REVENUE					
Extracts	\$175,000	\$253,530	\$329,875	\$404,799	\$483,985
Flower	\$262,500	\$380,296	\$494,813	\$607,199	\$725,978
Tinctures	\$87,500	\$126,765	\$164,938	\$202,400	\$241,993
Topical	\$87,500	\$126,765	\$164,938	\$202,400	\$241,993
Edibles	\$218,750	\$316,913	\$412,344	\$505,999	\$604,981
Paraphernalia	\$43,750	\$63,383	\$82,469	\$101,200	\$120,996
Total Revenue	\$875,000	\$1,267,652	\$1,649,377	\$2,023,995	\$2,419,925
DIRECT COST OF REVENUE					
Extracts	\$75,425	\$109,272	\$142,176	\$174,468	\$208,598
Flower	\$113,138	\$163,907	\$213,264	\$261,703	\$312,896
Tinctures	\$37,713	\$54,636	\$71,088	\$87,234	\$104,299
Topical	\$37,713	\$54,636	\$71,088	\$87,234	\$104,299
Edibles	\$94,281	\$136,589	\$177,720	\$218,085	\$260,747
Paraphernalia	\$18,856	\$27,318	\$35,544	\$43,617	\$52,149
Subtotal Cost of Revenue	\$377,125	\$546,358	\$710,882	\$872,342	\$1,042,988
Other Direct Cost	\$0	\$0	\$0	\$0	\$0
Total Direct Costs	\$377,125	\$546,358	\$710,882	\$872,342	\$1,042,988
GROSS MARGIN	\$497,875	\$721,294	\$938,496	\$1,151,653	\$1,376,937
GROSS MARGIN/REVENUE	56.9%	56.9%	56.9%	56.9%	56.9%



The table below shows the units and pricing assumptions underlying the revenue forecast:

UNIT ASSUMPTIONS

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
<i>Average Weekly Sales</i>					
Extracts	67	98	127	156	186
Flower	421	609	793	973	1,163
Tinctures	112	163	211	259	310
Topical	67	98	127	156	186
Edibles	280	406	529	649	776
Paraphernalia	17	24	32	39	47
<i>UNITS</i>					
Extracts	3,500	5,071	6,598	8,096	9,680
Flower	21,875	31,691	41,234	50,600	60,498
Tinctures	5,833	8,451	10,996	13,493	16,133
Topical	3,500	5,071	6,598	8,096	9,680
Edibles	14,583	21,128	27,490	33,733	40,332
Paraphernalia	875	1,268	1,649	2,024	2,420
Total Units	50,167	72,679	94,564	116,042	138,742
<i>UNIT PRICE</i>					
Extracts	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
Flower	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Tinctures	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Topical	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Edibles	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Paraphernalia	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
<i>DIRECT UNIT COST</i>					
Extracts	\$21.55	\$21.55	\$21.55	\$21.55	\$21.55
Flower	\$5.17	\$5.17	\$5.17	\$5.17	\$5.17
Tinctures	\$6.47	\$6.47	\$6.47	\$6.47	\$6.47
Topical	\$10.78	\$10.78	\$10.78	\$10.78	\$10.78
Edibles	\$6.47	\$6.47	\$6.47	\$6.47	\$6.47
Paraphernalia	\$21.55	\$21.55	\$21.55	\$21.55	\$21.55

The Company's personnel forecast is outlined below.

PERSONNEL FORECAST

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
STAFF COUNT PER POSITION					
Manager	1	1	1	1	1
Budtender	3	5	6	7	8
Total Staff Count	4	6	7	8	9
SALARY PER POSITION					
Manager	\$65,000	\$80,000	\$8,852	\$9,295	\$9,760
Budtender	\$31,200	\$32,760	\$34,398	\$36,118	\$37,924
TOTAL PAYROLL BY POSITION					
Manager	\$65,000	\$80,000	\$8,852	\$9,295	\$9,760
Budtender	\$93,600	\$163,800	\$206,388	\$252,825	\$303,390
Total Payroll	\$158,600	\$243,800	\$215,240	\$262,120	\$313,150
Payroll/Revenue	18.1%	19.2%	13.0%	13.0%	12.9%

The Company intends to deploy its funding to maximize growth and profitability. In the Profit and Loss table below, gross margin equals revenue minus direct costs. The “bottom line” or profit (as measured before and after interest, taxes, depreciation, and amortization) equals gross margin minus operating expenses.

PRO FORMA PROFIT & LOSS

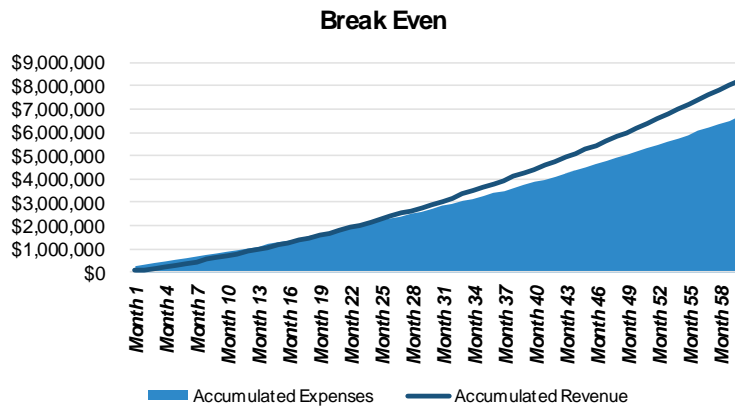
	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Total Revenue	\$875,000	\$1,267,652	\$1,649,377	\$2,023,995	\$2,419,925
Total Direct Cost of Revenue	\$377,125	\$546,358	\$710,882	\$872,342	\$1,042,988
Gross Margin	\$497,875	\$721,294	\$938,496	\$1,151,653	\$1,376,937
Gross Margin/Revenue	56.9%	56.9%	56.9%	56.9%	56.9%
EXPENSES					
Marketing	\$43,750	\$50,706	\$49,481	\$40,480	\$48,399
Rent	\$62,400	\$65,520	\$68,796	\$72,236	\$75,848
Utilities	\$3,600	\$3,780	\$3,969	\$4,167	\$4,376
Insurance	\$5,000	\$5,250	\$5,513	\$5,788	\$6,078
Phone & Internet	\$3,000	\$3,150	\$3,308	\$3,473	\$3,647
Supplies	\$1,800	\$1,890	\$1,985	\$2,084	\$2,188
Taxes & Non-Profit	\$52,500	\$76,059	\$98,963	\$121,440	\$145,196
Fees, Dues & Subscriptions	\$4,800	\$5,040	\$5,292	\$5,557	\$5,834
Contractors	\$24,000	\$25,200	\$26,460	\$27,783	\$29,172
Other/Misc	\$8,750	\$12,677	\$16,494	\$20,240	\$24,199
Depreciation	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
Payroll Taxes & Benefits	\$39,650	\$60,950	\$53,810	\$65,530	\$78,288
Total Payroll	\$158,600	\$243,800	\$215,240	\$262,120	\$313,150
Total Op. Expenses	\$414,850	\$561,022	\$556,310	\$637,898	\$743,373
Profit Before Int. & Tax	\$83,025	\$160,272	\$382,186	\$513,756	\$633,565
EBITDA*	\$90,025	\$167,272	\$389,186	\$520,756	\$640,565
Interest Expense	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	\$0	\$0	\$0	\$0	\$0
NET PROFIT	\$83,025	\$160,272	\$382,186	\$513,756	\$633,565
NET PROFIT %	9.5%	12.6%	23.2%	25.4%	26.2%

*Earnings Before Taxes, Interest & Depreciation

The table and chart below demonstrate when the Company is expected to become profitable. Break-even occurs when accumulated revenue equals accumulated expenses. According to the forecasted financials, month 23 will be the point at which break-even will occur.

BREAK-EVEN ANALYSIS

Break-Even Month	23
Accumulated Gross Revenue	\$2,022,086



The following depiction of the Company's projected cash flow shows that the Company expects to maintain sufficient cash balances over the five years of this plan. The "pro forma cash flow" table differs from the "pro forma profit and loss" (P&L) table. Pro forma cash flow is intended to represent the actual flow of cash in and out of the Company. In comparison, the revenue and expense projections on the P&L table include "non-cash" items and exclude funding and investment illustrations.

CASH FLOW

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
OPERATING					
Net Profit	\$83,025	\$160,272	\$382,186	\$513,756	\$633,565
Adjustments to Net Profit					
Depreciation & Amortization	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
(Increases)/Decreases in Accounts Receivable	\$0	\$0	\$0	\$0	\$0
(Additions)/Depletions of Inventory	\$61,891	(\$13,143)	(\$13,748)	(\$12,715)	(\$15,202)
Increases/(Decreases) in Accounts Payable	\$57,316	\$16,043	\$16,200	\$14,336	\$18,875
Net Cash From Operating Activities	\$209,233	\$170,172	\$391,638	\$522,377	\$644,237
INVESTING					
Purchase of Other Current Assets	\$0	\$0	\$0	\$0	\$0
Sale of Other Current Assets	\$0	\$0	\$0	\$0	\$0
Purchase of Land	\$0	\$0	\$0	\$0	\$0
Sale of Land	\$0	\$0	\$0	\$0	\$0
Purchase Long-Term Assets	\$0	\$0	\$0	\$0	\$0
Sale of Long-Term Assets	\$0	\$0	\$0	\$0	\$0
Net Cash From Investing Activities	\$0	\$0	\$0	\$0	\$0
FINANCING					
Investment	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0	\$0	\$0
Current Borrowing Repay.	\$0	\$0	\$0	\$0	\$0
New Long-Term Liabilities	\$0	\$0	\$0	\$0	\$0
Long-Term Liability Repay	\$0	\$0	\$0	\$0	\$0
Net Cash From Financing Activities	\$0	\$0	\$0	\$0	\$0
Net Cash Flow	\$209,233	\$170,172	\$391,638	\$522,377	\$644,237
Beginning Cash	\$127,351	\$336,583	\$506,756	\$898,394	\$1,420,770
ENDING CASH	\$336,583	\$506,756	\$898,394	\$1,420,770	\$2,065,007

The balance sheet below highlights the Company's projected assets, liabilities, and capital:

BALANCE SHEET

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
ASSETS					
Current Assets					
Cash	\$336,583	\$506,756	\$898,394	\$1,420,770	\$2,065,007
Accounts Receivable	\$0	\$0	\$0	\$0	\$0
Inventory	\$38,109	\$51,252	\$65,000	\$77,715	\$92,917
Other Current Assets	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$374,692	\$558,008	\$963,393	\$1,498,485	\$2,157,924
Fixed Assets					
Long-Term Assets	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000
Accum. Depreciation	\$7,000	\$14,000	\$21,000	\$28,000	\$35,000
Land	\$0	\$0	\$0	\$0	\$0
Total Fixed Assets	\$98,000	\$91,000	\$84,000	\$77,000	\$70,000
Total Assets	\$472,692	\$649,008	\$1,047,393	\$1,575,485	\$2,227,924
LIABILITIES					
Current Liabilities					
Accounts Payable	\$57,316	\$73,360	\$89,560	\$103,896	\$122,770
Current Borrowing	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$57,316	\$73,360	\$89,560	\$103,896	\$122,770
Long-Term Liabilities	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$57,316	\$73,360	\$89,560	\$103,896	\$122,770
CAPITAL					
Paid-in Capital	\$562,000	\$562,000	\$562,000	\$562,000	\$562,000
Retained Earnings	(\$229,649)	(\$146,624)	\$13,648	\$395,834	\$909,589
Earnings	\$83,025	\$160,272	\$382,186	\$513,756	\$633,565
Total Capital	\$415,376	\$575,648	\$957,834	\$1,471,589	\$2,105,154
TOTAL CAPITAL + LIABILITIES	\$472,692	\$649,008	\$1,047,393	\$1,575,485	\$2,227,924

The sensitivity analysis below assumes that revenues are 15% higher or lower than figures projected earlier in this business plan:

BEST CASE SCENARIO

<i>REVENUE IS 15% GREATER THAN PROJECTED</i>					
	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Revenue	\$1,006,250	\$1,457,800	\$1,896,784	\$2,327,594	\$2,782,914
Cost of Goods	\$433,694	\$628,312	\$817,514	\$1,003,193	\$1,199,436
Gross Margin	\$572,556	\$829,488	\$1,079,270	\$1,324,401	\$1,583,478
Gross Margin/Revenue	57%	57%	57%	57%	57%
Operating Expenses	\$414,850	\$561,022	\$556,310	\$637,898	\$743,373
Net Profit	\$157,706	\$268,466	\$522,960	\$686,504	\$840,105
Net Profit/Revenue	16%	18%	28%	29%	30%
Cash Flow	\$283,914	\$195,698	\$450,384	\$600,733	\$740,872
Cash Balance	\$411,265	\$606,963	\$1,057,346	\$1,658,079	\$2,398,951

WORST CASE SCENARIO

<i>REVENUE IS 15% LESS THAN PROJECTED</i>					
	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Revenue	\$743,750	\$1,077,504	\$1,401,971	\$1,720,396	\$2,056,936
Cost of Goods	\$320,556	\$464,404	\$604,249	\$741,491	\$886,540
Gross Margin	\$423,194	\$613,100	\$797,721	\$978,905	\$1,170,397
Gross Margin/Revenue	57%	57%	57%	57%	57%
Operating Expenses	\$414,850	\$561,022	\$556,310	\$637,898	\$743,373
Net Profit	\$8,344	\$52,078	\$241,412	\$341,008	\$427,024
Net Profit/Revenue	1%	5%	17%	20%	21%
Cash Flow	\$134,551	\$61,978	\$250,864	\$349,629	\$437,696
Cash Balance	\$261,902	\$323,880	\$574,744	\$924,372	\$1,362,068

APPENDIX: YEAR 1 FINANCIALS BY MONTH

REVENUE FORECAST

	<i>Month 1</i>	<i>Month 2</i>	<i>Month 3</i>	<i>Month 4</i>	<i>Month 5</i>	<i>Month 6</i>	<i>Month 7</i>	<i>Month 8</i>	<i>Month 9</i>	<i>Month 10</i>	<i>Month 11</i>	<i>Month 12</i>
REVENUE												
Extracts	\$11,647	\$12,112	\$12,597	\$13,101	\$13,625	\$14,170	\$14,737	\$15,326	\$15,939	\$16,577	\$17,240	\$17,929
Flower	\$17,470	\$18,169	\$18,895	\$19,651	\$20,437	\$21,255	\$22,105	\$22,989	\$23,909	\$24,865	\$25,860	\$26,894
Tinctures	\$5,823	\$6,056	\$6,298	\$6,550	\$6,812	\$7,085	\$7,368	\$7,663	\$7,970	\$8,288	\$8,620	\$8,965
Topical	\$5,823	\$6,056	\$6,298	\$6,550	\$6,812	\$7,085	\$7,368	\$7,663	\$7,970	\$8,288	\$8,620	\$8,965
Edibles	\$14,558	\$15,141	\$15,746	\$16,376	\$17,031	\$17,712	\$18,421	\$19,158	\$19,924	\$20,721	\$21,550	\$22,412
Paraphernalia	\$2,912	\$3,028	\$3,149	\$3,275	\$3,406	\$3,542	\$3,684	\$3,832	\$3,985	\$4,144	\$4,310	\$4,482
Total Revenue	\$58,233	\$60,562	\$62,985	\$65,504	\$68,125	\$70,850	\$73,684	\$76,631	\$79,696	\$82,884	\$86,199	\$89,647
DIRECT COST OF REVENUE												
Extracts	\$5,020	\$5,220	\$5,429	\$5,646	\$5,872	\$6,107	\$6,352	\$6,606	\$6,870	\$7,145	\$7,430	\$7,728
Flower	\$7,530	\$7,831	\$8,144	\$8,470	\$8,809	\$9,161	\$9,527	\$9,908	\$10,305	\$10,717	\$11,146	\$11,591
Tinctures	\$2,510	\$2,610	\$2,715	\$2,823	\$2,936	\$3,054	\$3,176	\$3,303	\$3,435	\$3,572	\$3,715	\$3,864
Topical	\$2,510	\$2,610	\$2,715	\$2,823	\$2,936	\$3,054	\$3,176	\$3,303	\$3,435	\$3,572	\$3,715	\$3,864
Edibles	\$6,275	\$6,526	\$6,787	\$7,058	\$7,340	\$7,634	\$7,939	\$8,257	\$8,587	\$8,931	\$9,288	\$9,659
Paraphernalia	\$1,255	\$1,305	\$1,357	\$1,412	\$1,468	\$1,527	\$1,588	\$1,651	\$1,717	\$1,786	\$1,858	\$1,932
Subtotal Cost of Revenue	\$25,098	\$26,102	\$27,147	\$28,232	\$29,362	\$30,536	\$31,758	\$33,028	\$34,349	\$35,723	\$37,152	\$38,638
Other Direct Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Direct Costs	\$25,098	\$26,102	\$27,147	\$28,232	\$29,362	\$30,536	\$31,758	\$33,028	\$34,349	\$35,723	\$37,152	\$38,638
GROSS MARGIN	\$33,135	\$34,460	\$35,838	\$37,272	\$38,763	\$40,313	\$41,926	\$43,603	\$45,347	\$47,161	\$49,047	\$51,009
GROSS MARGIN/REVENUE	57%	57%	57%	57%	57%	57%	57%	57%	57%	57%	57%	57%

UNIT ASSUMPTIONS

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Average Weekly Sales												
Extracts	54	56	58	60	63	65	68	71	74	77	80	83
Flower	336	349	363	378	393	409	425	442	460	478	497	517
Tinctures	90	93	97	101	105	109	113	118	123	128	133	138
Topical	54	56	58	60	63	65	68	71	74	77	80	83
Edibles	224	233	242	252	262	272	283	295	307	319	332	345
Paraphernalia	13	14	15	15	16	16	17	18	18	19	20	21
UNITS												
Extracts	233	242	252	262	272	283	295	307	319	332	345	359
Flower	1,456	1,514	1,575	1,638	1,703	1,771	1,842	1,916	1,992	2,072	2,155	2,241
Tinctures	388	404	420	437	454	472	491	511	531	553	575	598
Topical	233	242	252	262	272	283	295	307	319	332	345	359
Edibles	971	1,009	1,050	1,092	1,135	1,181	1,228	1,277	1,328	1,381	1,437	1,494
Paraphernalia	58	61	63	66	68	71	74	77	80	83	86	90
Total Units	3,339	3,472	3,611	3,756	3,906	4,062	4,225	4,394	4,569	4,752	4,942	5,140
UNIT PRICE												
Extracts	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
Flower	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Tinctures	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Topical	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Edibles	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Paraphernalia	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
DIRECT UNIT COST												
Extracts	\$21.55	\$21.55	\$21.55	\$21.55	\$21.55	\$21.55	\$21.55	\$21.55	\$21.55	\$21.55	\$21.55	\$21.55
Flower	\$5.17	\$5.17	\$5.17	\$5.17	\$5.17	\$5.17	\$5.17	\$5.17	\$5.17	\$5.17	\$5.17	\$5.17
Tinctures	\$6.47	\$6.47	\$6.47	\$6.47	\$6.47	\$6.47	\$6.47	\$6.47	\$6.47	\$6.47	\$6.47	\$6.47
Topical	\$10.78	\$10.78	\$10.78	\$10.78	\$10.78	\$10.78	\$10.78	\$10.78	\$10.78	\$10.78	\$10.78	\$10.78
Edibles	\$6.47	\$6.47	\$6.47	\$6.47	\$6.47	\$6.47	\$6.47	\$6.47	\$6.47	\$6.47	\$6.47	\$6.47
Paraphernalia	\$21.55	\$21.55	\$21.55	\$21.55	\$21.55	\$21.55	\$21.55	\$21.55	\$21.55	\$21.55	\$21.55	\$21.55

PERSONNEL FORECAST

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
STAFF COUNT PER POSITION												
Manager	1	1	1	1	1	1	1	1	1	1	1	1
Budtender	3	3	3	3	3	3	3	3	3	3	3	3
Total Staff Count	4	4	4	4	4	4	4	4	4	4	4	4
SALARY PER POSITION												
Manager	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417
Budtender	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600
TOTAL PAYROLL BY POSITION												
Manager	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417	\$5,417
Budtender	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800
Total Payroll	\$13,217	\$13,217	\$13,217	\$13,217	\$13,217	\$13,217	\$13,217	\$13,217	\$13,217	\$13,217	\$13,217	\$13,217
Payroll/Revenue	22.7%	21.8%	21.0%	20.2%	19.4%	18.7%	17.9%	17.2%	16.6%	15.9%	15.3%	14.7%

PRO FORMA PROFIT & LOSS

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Total Revenue	\$58,233	\$60,562	\$62,985	\$65,504	\$68,125	\$70,850	\$73,684	\$76,631	\$79,696	\$82,884	\$86,199	\$89,647
Total Direct Cost of Revenue	\$25,098	\$26,102	\$27,147	\$28,232	\$29,362	\$30,536	\$31,758	\$33,028	\$34,349	\$35,723	\$37,152	\$38,638
Gross Margin	\$33,135	\$34,460	\$35,838	\$37,272	\$38,763	\$40,313	\$41,926	\$43,603	\$45,347	\$47,161	\$49,047	\$51,009
Gross Margin/Revenue	56.9%	56.9%	56.9%	56.9%	56.9%	56.9%	56.9%	56.9%	56.9%	56.9%	56.9%	56.9%
EXPENSES												
Marketing	\$2,912	\$3,028	\$3,149	\$3,275	\$3,406	\$3,542	\$3,684	\$3,832	\$3,985	\$4,144	\$4,310	\$4,482
Rent	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200
Utilities	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Insurance	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417	\$417
Phone & Internet	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Supplies	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Taxes & Non-Profit	\$3,494	\$3,634	\$3,779	\$3,930	\$4,087	\$4,251	\$4,421	\$4,598	\$4,782	\$4,973	\$5,172	\$5,379
Fees, Dues & Subscriptions	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400
Contractors	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Other/Misc	\$582	\$606	\$630	\$655	\$681	\$708	\$737	\$766	\$797	\$829	\$862	\$896
Depreciation	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583
Payroll Taxes & Benefits	\$3,304	\$3,304	\$3,304	\$3,304	\$3,304	\$3,304	\$3,304	\$3,304	\$3,304	\$3,304	\$3,304	\$3,304
Total Payroll	\$13,217	\$13,217	\$13,217	\$13,217	\$13,217	\$13,217	\$13,217	\$13,217	\$13,217	\$13,217	\$13,217	\$13,217
Total Op. Expenses	\$32,809	\$33,088	\$33,379	\$33,681	\$33,996	\$34,323	\$34,663	\$35,017	\$35,384	\$35,767	\$36,165	\$36,579
Profit Before Int. & Tax	\$326	\$1,372	\$2,459	\$3,591	\$4,767	\$5,991	\$7,263	\$8,586	\$9,963	\$11,394	\$12,883	\$14,431
EBITDA*	\$909	\$1,955	\$3,043	\$4,174	\$5,350	\$6,574	\$7,846	\$9,170	\$10,546	\$11,977	\$13,466	\$15,014
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET PROFIT	\$326	\$1,372	\$2,459	\$3,591	\$4,767	\$5,991	\$7,263	\$8,586	\$9,963	\$11,394	\$12,883	\$14,431
NET PROFIT %	0.6%	2.3%	3.9%	5.5%	7.0%	8.5%	9.9%	11.2%	12.5%	13.7%	14.9%	16.1%

*Earnings Before Taxes, Interest & Depreciation

CASH FLOW

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
OPERATING												
Net Profit	\$326	\$1,372	\$2,459	\$3,591	\$4,767	\$5,991	\$7,263	\$8,586	\$9,963	\$11,394	\$12,883	\$14,431
Adjustments to Net Profit												
Depreciation & Amortization	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583
(Increases)/Decreases in AR	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Additions)/Depletions of Inventory	\$25,098	\$26,102	\$22,024	(\$1,071)	(\$1,114)	(\$1,158)	(\$1,205)	(\$1,253)	(\$1,303)	(\$1,355)	(\$1,409)	(\$1,466)
Increases/(Decreases) in AP	\$40,244	\$1,266	\$1,317	\$1,369	\$1,424	\$1,481	\$1,540	\$1,602	\$1,666	\$1,732	\$1,802	\$1,874
Net Cash From Operating Activities	\$66,252	\$29,323	\$26,384	\$4,472	\$5,661	\$6,896	\$8,182	\$9,519	\$10,909	\$12,355	\$13,858	\$15,422
INVESTING												
Purchase of Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale of Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase of Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale of Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-Term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale of Long-Term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash From Investing Activities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FINANCING												
Investment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Current Borrowing Repay.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-Term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-Term Liability Repay	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash From Financing Activities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flow	\$66,252	\$29,323	\$26,384	\$4,472	\$5,661	\$6,896	\$8,182	\$9,519	\$10,909	\$12,355	\$13,858	\$15,422
Beginning Cash	\$127,351	\$193,603	\$222,926	\$249,310	\$253,782	\$259,442	\$266,339	\$274,521	\$284,039	\$294,948	\$307,303	\$321,161
ENDING CASH	\$193,603	\$222,926	\$249,310	\$253,782	\$259,442	\$266,339	\$274,521	\$284,039	\$294,948	\$307,303	\$321,161	\$336,583

BALANCE SHEET

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
ASSETS												
Current Assets												
Cash	\$193,603	\$222,926	\$249,310	\$253,782	\$259,442	\$266,339	\$274,521	\$284,039	\$294,948	\$307,303	\$321,161	\$336,583
Accounts Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Inventory	\$74,902	\$48,799	\$26,775	\$27,846	\$28,959	\$30,118	\$31,323	\$32,575	\$33,878	\$35,234	\$36,643	\$38,109
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$268,504	\$271,725	\$276,084	\$281,627	\$288,402	\$296,457	\$305,843	\$316,615	\$328,827	\$342,536	\$357,804	\$374,692
Fixed Assets												
Long-Term Assets	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000
Accum. Depreciation	\$583	\$1,167	\$1,750	\$2,333	\$2,917	\$3,500	\$4,083	\$4,667	\$5,250	\$5,833	\$6,417	\$7,000
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Fixed Assets	\$104,417	\$103,833	\$103,250	\$102,667	\$102,083	\$101,500	\$100,917	\$100,333	\$99,750	\$99,167	\$98,583	\$98,000
TOTAL ASSETS	\$372,921	\$375,558	\$379,334	\$384,294	\$390,485	\$397,957	\$406,760	\$416,948	\$428,577	\$441,703	\$456,387	\$472,692
LIABILITIES												
Current Liabilities												
Accounts Payable	\$40,244	\$41,510	\$42,827	\$44,196	\$45,620	\$47,101	\$48,641	\$50,242	\$51,908	\$53,641	\$55,442	\$57,316
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$40,244	\$41,510	\$42,827	\$44,196	\$45,620	\$47,101	\$48,641	\$50,242	\$51,908	\$53,641	\$55,442	\$57,316
Long-Term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$40,244	\$41,510	\$42,827	\$44,196	\$45,620	\$47,101	\$48,641	\$50,242	\$51,908	\$53,641	\$55,442	\$57,316
CAPITAL												
Paid-in Capital	\$562,000	\$562,000	\$562,000	\$562,000	\$562,000	\$562,000	\$562,000	\$562,000	\$562,000	\$562,000	\$562,000	\$562,000
Retained Earnings	(\$229,649)	(\$229,649)	(\$229,649)	(\$229,649)	(\$229,649)	(\$229,649)	(\$229,649)	(\$229,649)	(\$229,649)	(\$229,649)	(\$229,649)	(\$229,649)
Earnings	\$326	\$1,698	\$4,157	\$7,748	\$12,515	\$18,505	\$25,768	\$34,355	\$44,318	\$55,712	\$68,594	\$83,025
Total Capital	\$332,677	\$334,048	\$336,508	\$340,098	\$344,865	\$350,856	\$358,119	\$366,706	\$376,668	\$388,062	\$400,945	\$415,376
TOTAL CAPITAL + LIABILITIES	\$372,921	\$375,558	\$379,334	\$384,294	\$390,485	\$397,957	\$406,760	\$416,948	\$428,577	\$441,703	\$456,387	\$472,692

Elevated Roots LLC

Separating Recreational from Medical Operations

Currently, Elevated Roots LLC (the “**Company**”) is only applying for a Marijuana Retailer license at this location.

This policy may also be referred to by the Company as the “**Policy for Separating Recreational from Medical Operations**”.

Elevated Roots LLC

Restricting Access to Age 21 and Older

Elevated Roots LLC (the “**Company**”) shall require that all Marijuana Establishment Agents, Visitors and Consumers of marijuana for adult use (each as defined in 935 CMR 500.002) are 21 years of age or older. The Company will positively identify individuals seeking access to the premises of the Marijuana Establishment, or to whom marijuana or marijuana products are being transported pursuant to 935 CMR 500.105(14) (if applicable) to limit access solely to individuals 21 years of age or older.

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

Currently, the Company is only applying for a Marijuana Retailer license at this location. Should the Company ultimately apply for, and be licensed as, a Registered Marijuana Dispensary thus permitting the sale of Medical Marijuana, then it shall be a policy of the Company that: (1) if an individual is younger than 21 years old, but 18 years of age or older, he or she shall not be admitted unless they produce an active medical registration card issued by the Commission and (2) if the individual is younger than 18 years old, he or she shall not be admitted unless they produce an active medical registration card and they are accompanied by a Personal Caregiver (as defined in 935 CMR 501.002) with an active medical registration card. In addition to the medical registration card, registered qualifying patients 18 years of age and older and Personal Caregivers must also produce proof of identification.

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

Elevated Roots LLC

Quality Control and Testing for Contaminants

Testing of Marijuana

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

The Company is not proposing to cultivate or produce its own products at this time. The Company intends to obtain all of its products from other duly licensed Marijuana Establishments.

The Company shall ensure that all marijuana products sold at its Marijuana Establishment have been tested by an Independent Testing Laboratory that tests the marijuana products in compliance with the *Protocol for Sampling and Analysis of Finished Medical Marijuana Products and Marijuana-infused Products*, as amended in November, 2016, published by the Massachusetts Department of Public Health (the “**DPH**”) and to test its environmental media (e.g., soils, solid growing media, and water) in compliance with the *Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana Dispensaries* published by the DPH.

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

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

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

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

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

Elevated Roots LLC

Handling of Marijuana

The Company shall handle and process marijuana and marijuana products in a safe and sanitary manner. The Company shall implement the following policies (as applicable to its Marijuana Retail License):

(a) To the extent applicable the Company shall process the leaves and flowers of the female marijuana plant only, which shall be:

1. Well cured and generally free of seeds and stems;
2. Free of dirt, sand, debris, and other foreign matter;
3. Free of contamination by mold, rot, other fungus, and bacterial diseases;
4. Prepared and handled on food-grade stainless steel tables; and
5. Packaged in a secure area.

1. The Company shall comply with the following sanitary requirements:

- a. Any marijuana establishment agent whose job includes contact with marijuana or nonedible marijuana products, including cultivation, production, or packaging shall comply with the requirements for food handlers specified in 105 CMR 300.000: *Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements*;
- b. Any marijuana establishment agent working in direct contact with preparation of marijuana or nonedible marijuana products shall conform to sanitary practices while on duty, including:
 - i. Maintaining adequate personal cleanliness; and
 - ii. Washing hands thoroughly in an adequate hand-washing area before starting work, and at any other time when hands may have become soiled or contaminated.
- c. The Company shall supply adequate and convenient hand-washing facilities furnished with running water at a suitable temperature. Hand-washing facilities shall be located in the Marijuana Establishment in production areas and where good sanitary practices require employees to wash and sanitize their hands, and shall provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices;
- d. The Company shall supply sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations;
- e. Litter and waste shall be properly removed, disposed of so as to minimize the development of odor and minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal shall be maintained in an adequate manner pursuant to 935 CMR 500.105(12);

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- f. Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately kept clean and in good repair;
 - g. The Company shall ensure that there will be adequate safety lighting in all processing and storage areas, as well as areas where equipment or utensils are cleaned;
 - h. Buildings, fixtures, and other physical facilities shall be maintained in a sanitary condition;
6. All contact surfaces, including utensils and equipment, shall be maintained in a clean and sanitary condition. Such surfaces shall be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the US Environmental Protection Agency (EPA), in accordance with labeled instructions. Equipment and utensils shall be so designed and of such material and workmanship as to be adequately cleanable;
- i. All toxic items shall be identified, held, and stored in a manner that protects against contamination of marijuana products;
 - j. The Company's water supply shall be sufficient for necessary operations. Any private water source shall be capable of providing a safe, potable, and adequate supply of water to meet the Marijuana Establishment's needs;
 - k. Plumbing shall be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the Marijuana Establishment. Plumbing shall properly convey sewage and liquid disposable waste from the Marijuana Establishment. There shall be no cross-connections between the potable and waste water lines;
 - l. The Company shall provide its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair;
 - m. Products that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms;
 - n. 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; and
 - o. 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).

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2. The Company shall comply with sanitary requirements. All edible products shall be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 590.000: *Minimum Sanitation Standards for Food Establishments*.

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

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Record Keeping Procedures

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

- (a) Written operating procedures as required by 935 CMR 500.105(1);
- (b) Inventory records as required by 935 CMR 500.105(8);
- (c) Seed-to-sale tracking records for all marijuana products as required by 935 CMR 500.105(8)(e);
- (d) Personnel records as described in the Company’s *Personnel and Background Check Policy*;
- (e) Business records as described in the Company’s *Financial Record Maintenance and Retention Policy*, which shall include manual or computerized records of assets and liabilities; and monetary transactions; books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers; sales records including the quantity, form, and cost of marijuana products; and salary and wages paid to each employee, stipend paid to each board member, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with a Marijuana Establishment, including members of the nonprofit corporation, if any; and
- (f) Waste disposal records as required under 935 CMR 500.105(12), including but not limited to, a written or electronic record of the date, the type and quantity of marijuana, marijuana products or waste disposed or handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two (2) Marijuana Establishment Agents present during the disposal or other handling, with their signatures. The Company shall keep these records for at least three (3) years. This period shall automatically be extended for the duration of any enforcement action and may be extended by an order of the Commission.

Following closure of a Marijuana Establishment, the Company shall keep all records for at least two (2) years at the Company’s expense and in a form and location acceptable to the Commission.

It shall be a Policy of the company that any and all records subject to any enforcement action shall be retained for the duration of such action, or as otherwise extended by order of the Commission.

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

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Maintaining of Financial Records

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

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

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

- (a) The Company shall utilize a point-of-sale (“**POS**”) system approved by the Commission, in consultation with the Massachusetts Department of Revenue (“**DOR**”).
- (b) The Company may also utilize a sales recording module approved by the DOR.
- (c) The Company shall not utilize any software or other methods to manipulate or alter sales data at any time or under any circumstances.
- (d) The Company shall conduct a monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate or alter sales data. The Company shall maintain records that it has performed the monthly analysis and produce it upon request to the Commission. If the Company determines that software has been installed for the purpose of manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data:
 - i. it shall immediately disclose the information to the Commission;
 - ii. it shall cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
 - iii. take such other action directed by the Commission to comply with 935 CMR 500.105.

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- (e) The Company shall comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements.
- (f) The Company shall adopt separate accounting practices at the POS for marijuana and marijuana product sales, and non-marijuana sales.
- (g) The Company shall allow the Commission and the DOR audit and examine the POS system used by a retailer in order to ensure compliance with Massachusetts tax laws and 935 CMR 500.000;

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

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

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Employee Qualifications and Training

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

Company Training Policies shall be as follows:

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

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

- (a) Discussion concerning marijuana’s effect on the human body. Training shall include:
 - a. Marijuana’s physical effects based on type of marijuana product;
 - b. The amount of time to feel impairment;
 - c. Visible signs of impairment; and
 - d. Recognizing the signs of impairment.
- (b) Diversion prevention and prevention of sales to minors, including best practices;

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- (c) Compliance with all tracking requirements; and
- (d) Acceptable forms of identification. Training shall include:
 - a. How to check identification;
 - b. Spotting false identification;
 - c. Medical registration cards issued by the DPH;
 - d. Provisions for confiscating fraudulent identifications; and
 - e. Common mistakes made in verification.
- (e) Other key state laws and rules affecting owners, managers, and employees, which shall include:
 - a. Local and state licensing and enforcement;
 - b. Incident and notification requirements;
 - c. Administrative and criminal liability;
 - d. License sanctions and court sanctions;
 - e. Waste disposal;
 - f. Health and safety standards;
 - g. Patrons prohibited from bringing marijuana onto licensed premises;
 - h. Permitted hours of sale;
 - i. Conduct of the Marijuana Establishment;
 - j. Permitting inspections by state and local licensing and enforcement authorities;
 - k. Licensee responsibilities for activities occurring within licensed premises;
 - l. Maintenance of records;
 - m. Privacy issues; and
 - n. Prohibited purchases and practices.

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- (f) Any other areas of training determined by the Commission to be included in a responsible vendor training program.

The Company shall also ensure that all of its board members, directors, employees, executives, managers, and volunteers shall:

- (a) be 21 years of age or older;
- (b) not have been convicted of an offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority; and
- (c) be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802.

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

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Personnel Policies Including Background Checks

Elevated Roots LLC (the “**Company**”) shall implement the following Personnel Policies and Background Check policies:

- (1) It shall be a policy of the Company that the workplace shall be alcohol, smoke and drug-free;
- (2) The Company shall require that all personnel strictly adhere to, and comply with, all aspects of the Security Policy, which policy shall be incorporated herein by reference, specifically employee security policies, including personal safety and crime prevention techniques;
- (3) The Company shall develop a staffing plan and staffing records in compliance with 935 CMR 500.105(9);
- (4) The Company shall develop emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;
- (5) The Company shall immediately dismiss any Marijuana Establishment agent who has:
 - a. Diverted marijuana, which shall be reported to law enforcement officials and to the Commission;
 - b. Engaged in unsafe practices with regard to operation of the Marijuana Establishment, which shall be reported to the Commission; or
 - c. Been convicted or entered a guilty plea, plea of nolo contendere, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority.
- (6) The Company shall make a list of all board members and executives of the Marijuana Establishment, and members of the licensee (if any), available upon request by any individual. The Company shall also make this list available on its website.
- (7) The Company shall develop policies and procedures for the handling of cash on Marijuana Establishment premises including but not limited to storage, collection frequency, and transport to financial institution(s).
- (8) The Company shall apply for registration for all of its board members, directors, employees, executives, managers, and volunteers. All such individuals shall:
 - (a) be 21 years of age or older;
 - (b) not have been convicted of an offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of

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another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority; and

- (c) be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802.

(9) An application for registration of a marijuana establishment agent shall include:

- (a) the full name, date of birth, and address of the individual;
- (b) all aliases used previously or currently in use by the individual, including maiden name, if any;
- (c) a copy of the applicant's driver's license, government-issued identification card, liquor purchase identification card issued pursuant to M.G.L. c. 138, § 34B, or other verifiable identity document acceptable to the Commission;
- (d) an attestation that the individual will not engage in the diversion of marijuana products;
- (e) written acknowledgment by the applicant of any limitations on his or her authorization to cultivate, harvest, prepare, package, possess, transport, and dispense marijuana in the Commonwealth;
- (f) background information, including, as applicable:
 - 1. a description and the relevant dates of any criminal action under the laws of the Commonwealth, or another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority, whether for a felony or misdemeanor and which resulted in conviction, or guilty plea, or plea of nolo contendere, or admission of sufficient facts;
 - 2. a description and the relevant dates of any civil or administrative action under the laws of the Commonwealth, another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority relating to any professional or occupational or fraudulent practices;
 - 3. a description and relevant dates of any past or pending denial, suspension, or revocation of a license or registration, or the denial of a renewal of a license or registration, for any type of business or profession, by any federal, state, or local government, or any foreign jurisdiction;
 - 4. a description and relevant dates of any past discipline by, or a pending disciplinary action or unresolved complaint by, the Commonwealth, or a like action or complaint by another state, the United States or foreign jurisdiction,

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or a military, territorial, or Native American tribal authority with regard to any professional license or registration held by the applicant;

- (g) a nonrefundable application fee paid by the Marijuana Establishment with which the marijuana establishment agent will be associated; and
 - (h) any other information required by the Commission.
- (10) An executive of the Company registered with the Department of Criminal Justice Information Systems pursuant to 803 CMR 2.04: iCORI Registration, shall submit to the Commission a Criminal Offender Record Information (CORI) report and any other background check information required by the Commission for each individual for whom the Marijuana Establishment seeks a marijuana establishment agent registration, obtained within 30 days prior to submission.
 - (11) The Company shall notify the Commission no more than one (1) business day after a marijuana establishment agent ceases to be associated with the Company. The subject agent's registration shall be immediately void when the agent is no longer associated with the Company.
 - (12) The Company shall require that all agents renew their registration cards annually from the date of issue, subject to a determination by the Commission that the agent continues to be suitable for registration.
 - (13) After obtaining a registration card for a marijuana establishment agent, the Company shall notifying the Commission, in a form and manner determined by the Commission, as soon as possible, but in any event, within five (5) business days of any changes to the information that the Marijuana Establishment was previously required to submit to the Commission or after discovery that a registration card has been lost or stolen.
 - (14) The Company's agents shall carry their registration card at all times while in possession of marijuana products, including at all times while at the Marijuana Establishment or while transporting marijuana products.
 - (15) Should any of the Company's agents be affiliated with multiple Marijuana Establishments the Company shall ensure that such agents are registered as a marijuana establishment agent by each Marijuana Establishment and shall be issued a registration card for each establishment.
 - (16) The Company shall maintain, and keep up to date, an employee handbook that employees will be given copies of at the start of their employment and will be required to attest that they have read and received the same, covering a wide range of topics, including but not limited to: (1) Employee benefits; (2) Vacation and sick time; (3) Work schedules; (4) Confidentiality standards; (5) Criminal background check standards (6) Security and limited access areas; (7) Employee identification and facility access; (8) Personal safety and crime prevention techniques; (9) Alcohol, drug, and smoke-free workplace; and (10) Grounds for discipline and termination;

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Personnel Record Keeping

The Company shall maintain the following Personnel Records:

1. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
2. A personnel record for each marijuana establishment agent. Such records shall be maintained for at least 12 months after termination of the individual's affiliation with the Marijuana Establishment and shall include, at a minimum, the following:
 - a. all materials submitted to the Commission pursuant to 935 CMR 500.030(2);
 - b. documentation of verification of references;
 - c. the job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision
 - d. documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;
 - e. documentation of periodic performance evaluations;
 - f. a record of any disciplinary action taken; and
 - g. notice of completed responsible vendor and eight (8) hour related duty training.
4. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions (as applicable);
5. Personnel policies and procedures; and
6. All background check reports obtained in accordance with 935 CMR 500.030.

The Company's aforementioned Personnel Records shall be available for inspection by the Commission, upon request. All records shall be maintained in accordance with generally accepted accounting principles.

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

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

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Diversity Plan

Elevated Roots LLC (the “**Company**”) understands and appreciates the importance of diversity and as such is committed to actively working to ensure a diverse work place is created in the Company.

It is a policy of the Company to promote equity among minorities, women, veterans, people with disabilities, and L.G.B.T.Q.+ in the operation of the Marijuana Establishment. To the extent permissible by law, the Company will make jobs available to minorities, women, veterans, people with disabilities, and L.G.B.T.Q.+, but this does not prevent the Company from hiring the most qualified candidates and complying with all employment laws and other legal requirements. To this end, the Company will deploy a plan for enhancing diversity and equity within the organization through a number of various outreach efforts.

Specifically, as it relates to its own internal practices, the Company will implement the following policies in connection with its diversity plan:

Goals:

- The Company endeavors to provide job opportunities to minorities, women, veterans, people with disabilities, and L.G.B.T.Q.+. The Company shall seek parity in its work force based on the American Community Survey (ACS) 2010 U.S. Census. Workforce availability statistics for the Total Civilian Labor Force for Massachusetts are as follows: Women 48.8%, Minorities 20.7%, Persons with Disabilities 12%, and Veterans 7%¹.
- It shall be a goal of the Company to offer 100% of the Company’s opportunities for advancement to management and executive positions internally, thereby providing opportunities to its diverse workforce, to the extent its workforce has been filled by diverse individuals, for advancement.
-

The Company shall endeavor to continue to engage with other businesses in its community and elsewhere that are owned and/or operated by minorities, women, veterans, people with disabilities and L.G.B.T.Q.+.

Programs:

To the extent reasonably practicable, the Company shall implement the following programs:

- In an effort to ensure it has the opportunity to interview, and hire a diverse staff, the Company will post monthly notices for three (3) months prior to opening any of its Marijuana Establishments in newspapers of general circulation such as the Abington Mariner, Brockton Enterprise, and Taunton Daily Gazette, and post a notice at the

¹ <https://www.mass.gov/files/2017-08/census-2010-workforce-availability.pdf>

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municipal offices in Abington, Wareham and Brockton at least three (3) months prior to opening. The aforementioned notices will state that the Company is specifically looking for women, minorities, or persons with disabilities to work for the Company.

- The Company also intends to advertise its job openings through MassHire;
- Form a diversity and equality committee to accomplish the goal of being diverse and to promote equitable hiring practices;
- Provide monetary incentives for current employees to refer and recruit peers and individuals from diverse backgrounds;
- Require employee education on diversity and implicit biases;
- To ensure our operations are easily usable by people with disabilities, all of our physical infrastructure will be ADA compliant; and
- Non-business-related activities will acknowledge and celebrate all different sources of our workforce and our community's valuable diversity.

Measurements:

To the extent reasonably practicable and as allowed by law, the Company shall implement the following measurements:

Pursuant to 935 CMR 500.103(4)(a) the Company's diversity and equality committee shall prepare an annual report identifying the Company's efforts to encourage diversity in the work place, in compliance with 935 CMR 500.101(1)(c)(8)(k) and this Diversity Policy. Specifically, said report shall identify the demographics of its employee population including but not limited to identifying the gender, race, sexual orientation and disabled status of its employees without identifying the employee specifically and to the extent each employee is willing to share such information.

Additionally, this report will include the following metrics:

- a. Number of individuals from the target demographic groups who were hired and retained after the issuance of a license, and this number will be assessed from the total number of individuals hired to ensure that 50% of all individuals hired fall within the target demographic groups;
- b. Number of promotions for people falling into the target demographics since initial licensure and number of promotions offered;
- c. Number of jobs created since initial licensure;
- d. Number of and type of information sessions held or participated in with supporting documentation;

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- e. Number of postings in diverse publications or general publications with supporting documentation; and
- f. Number and subject matter of internal trainings held on diversity and equality and the number of employees in attendance.

The Company affirmatively states that: (1) it has reached out to MassHire to confirm that it can post job offers through that organization; (2) it acknowledges and is aware, and will adhere to, the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment; and (3) any actions taken, or programs instituted, will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

This policy may also be referred to by the Company as the “**Diversity Plan**”.