



## Massachusetts Cannabis Control Commission

### Marijuana Cultivator

#### General Information:

License Number: MC282873  
Original Issued Date: 09/29/2021  
Issued Date: 10/12/2023  
Expiration Date: 10/16/2024

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Elevated Cultivation Co. LLC

Phone Number: 617-279-9513  
Email Address: khan@rawshongroup.com

Business Address 1: 44 William C. Gould Jr. Way  
Business City: Kingston  
Business State: MA  
Business Zip Code: 02364  
Business Address 2: Unit C  
Mailing Address 1: 44 William C. Gould Jr. Way  
Mailing City: Kingston  
Mailing State: MA  
Mailing Zip Code: 02364  
Mailing Address 2: Unit C

### 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: 35  
Role: Owner / Partner  
First Name: Robert  
Percentage Of Control: 35  
Other Role:  
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:	

Person with Direct or Indirect Authority 2

Percentage Of Ownership: 25	Percentage Of Control: 25	
Role: Owner / Partner	Other Role:	
First Name: Vivekanand	Last Name: Patel	Suffix:
Gender: Male	User Defined Gender:	
What is this person's race or ethnicity?: Some Other Race or Ethnicity		
Specify Race or Ethnicity: Indian		

Person with Direct or Indirect Authority 3

Percentage Of Ownership: 40	Percentage Of Control: 40	
Role: Owner / Partner	Other Role:	
First Name: Barznab	Last Name: Khan	Suffix:
Gender: Male	User Defined Gender:	
What is this person's race or ethnicity?: Some Other Race or Ethnicity		
Specify Race or Ethnicity: Bangladesh		

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

Entity with Direct or Indirect Authority 1

Percentage of Control: 35	Percentage of Ownership: 35		
Entity Legal Name: BAMA Holdings LLC	Entity DBA:	DBA City:	
Entity Description: To directly or indirectly investment in legal cannabis establishments, and any other business in which a Massachusetts LLC company is authorized to engage			
Foreign Subsidiary Narrative:			
Entity Phone:	Entity Email:	Entity Website:	
Entity Address 1:	Entity Address 2:		
Entity City:	Entity State:	Entity Zip Code:	
Entity Mailing Address 1:	Entity Mailing Address 2:		
Entity Mailing City:	Entity Mailing State:	Entity Mailing Zip Code:	
Relationship Description: BAMA Holdings LLC owns 35% of Elevated Cultivation Co. LLC.			

Entity with Direct or Indirect Authority 2

Percentage of Control: 25	Percentage of Ownership: 25		
Entity Legal Name: VSBP LLC	Entity DBA:	DBA City:	
Entity Description: VSBP is a holding company for interests owned by Mr. Patel. Subject to CCC approval, VSBP will own 25% of the equity of the Licensee and will have 25% control over the Licensee.			
Foreign Subsidiary Narrative:			
Entity Phone:	Entity Email:	Entity Website:	
Entity Address 1:	Entity Address 2:		
Entity City:	Entity State:	Entity Zip Code:	
Entity Mailing Address 1:	Entity Mailing Address 2:		

Entity Mailing City:	Entity Mailing State:	Entity Mailing Zip Code:
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Relationship Description: VSBP LLC owns 25% of Elevated Cultivation Co. LLC.

Entity with Direct or Indirect Authority 3

Percentage of Control: 40	Percentage of Ownership: 40
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Entity Legal Name: BK Holdings Company LLC	Entity DBA:	DBA City:
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Entity Description: Holding Company BKH is a holding company for interests owned by B. Kahn. Subject to CCC approval, BKH will own 40% of the equity of the Licensee and will have 40% control over the Licensee.

Foreign Subsidiary Narrative:

Entity Phone:	Entity Email:	Entity Website:
Entity Address 1:	Entity Address 2:	
Entity City:	Entity State:	Entity Zip Code:
Entity Mailing Address 1:	Entity Mailing Address 2:	
Entity Mailing City:	Entity Mailing State:	Entity Mailing Zip Code:

Relationship Description: BK Holdings Company owns 40% of Elevated Cultivation Co. 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: \$50000	Percentage of Initial Capital: 25
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Capital Attestation: Yes

##### Individual Contributing Capital 2

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: \$80000	Percentage of Initial Capital: 40
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Capital Attestation: Yes

##### Individual Contributing Capital 3

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: \$70000	Percentage of Initial Capital: 35
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Capital Attestation: Yes

#### CAPITAL RESOURCES - ENTITIES

No records found

#### BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

#### DISCLOSURE OF INDIVIDUAL INTERESTS

##### Individual 1

First Name: Vivekanand	Last Name: Patel	Suffix:
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Marijuana Establishment Name: Elevated Roots LLC	Business Type: Marijuana Retailer
Marijuana Establishment City: Kingston	Marijuana Establishment State: MA

##### Individual 2

<b>First Name:</b> Robert	<b>Last Name:</b> Palma	<b>Suffix:</b> Jr.
<b>Marijuana Establishment Name:</b> Elevated Roots LLC	<b>Business Type:</b> Marijuana Retailer	
<b>Marijuana Establishment City:</b> Kingston	<b>Marijuana Establishment State:</b> MA	

#### Individual 3

<b>First Name:</b> Barznab	<b>Last Name:</b> Khan	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Elevated Roots LLC	<b>Business Type:</b> Marijuana Retailer	
<b>Marijuana Establishment City:</b> Kingston	<b>Marijuana Establishment State:</b> MA	

#### Individual 4

<b>First Name:</b> Vivikanand	<b>Last Name:</b> Patel	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Elevated Cultivation Co. LLC	<b>Business Type:</b> Marijuana Product Manufacture	
<b>Marijuana Establishment City:</b> Kingston	<b>Marijuana Establishment State:</b> MA	

#### Individual 5

<b>First Name:</b> Robert	<b>Last Name:</b> Palma	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Elevated Cultivation Co. LLC	<b>Business Type:</b> Marijuana Product Manufacture	
<b>Marijuana Establishment City:</b> Kingston	<b>Marijuana Establishment State:</b> MA	

#### Individual 6

<b>First Name:</b> Barznab	<b>Last Name:</b> Khan	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Elevated Cultivation Co. LLC	<b>Business Type:</b> Marijuana Product Manufacture	
<b>Marijuana Establishment City:</b> Kingston	<b>Marijuana Establishment State:</b> MA	

#### Individual 7

<b>First Name:</b> Barznab	<b>Last Name:</b> Khan	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Elevated Roots II LLC	<b>Business Type:</b> Marijuana Retailer	
<b>Marijuana Establishment City:</b> Halifax	<b>Marijuana Establishment State:</b> MA	

#### Individual 8

<b>First Name:</b> Robert	<b>Last Name:</b> Palmer	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Elevated Roots II LLC	<b>Business Type:</b> Marijuana Retailer	
<b>Marijuana Establishment City:</b> Halifax	<b>Marijuana Establishment State:</b> MA	

#### Individual 9

<b>First Name:</b> Barznab	<b>Last Name:</b> Khan	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Elevated Roots III LLC	<b>Business Type:</b> Marijuana Retailer	
<b>Marijuana Establishment City:</b> Abington	<b>Marijuana Establishment State:</b> MA	

#### Individual 10

<b>First Name:</b> Robert	<b>Last Name:</b> Palma	<b>Suffix:</b>
<b>Marijuana Establishment Name:</b> Elevated Roots III LLC	<b>Business Type:</b> Marijuana Retailer	
<b>Marijuana Establishment City:</b> Abington	<b>Marijuana Establishment State:</b> MA	

#### MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 44 William C. Gould Jr. way	
Establishment Address 2: Unit C	
Establishment City: Kingston	Establishment Zip Code: 02364



Approximate square footage of the Establishment: 20000	How many abutters does this property have?: 8
Have all property abutters have been notified of the intent to open a Marijuana Establishment at this address?: Yes	
Cultivation Tier:	Cultivation Environment:

### FEE QUESTIONS

Cultivation Tier: Tier 03: 10,001 to 20,000 sq. ft    Cultivation Environment: Indoor

### HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Certification of Host Community Agreement	HCA Certification Form - Elevated Cultivation.pdf	pdf	5ef251145a7aee7aa4897e3b	06/23/2020
Plan to Remain Compliant with Local Zoning	ElevatedCultivationPlanRemainZoningCompliant 6-23-20.pdf	pdf	5ef271a38a595d6c102575c3	06/23/2020
Community Outreach Meeting Documentation	ElevatedCultivation CoomunityMeetingAttestationForm 7-7-20.pdf	pdf	5f0631d1b0062b7ac1b0e55c	07/08/2020

Total amount of financial benefits accruing to the municipality as a result of the host community agreement. If the total amount is zero, please enter zero and provide documentation explaining this number.: \$

### PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Other	Elevated Cultivation and CCF Agreement 6.15.20.pdf	pdf	5ef27362df8b336bef409bf0	06/23/2020
Other	Elevated Cultivation CCF Letter 6.15.20.pdf	pdf	5ef2736a1807fa7aabfdb916	06/23/2020
Plan for Positive Impact	ElevatedCultivation PlanForPositiveImpact 7-23-20.pdf	pdf	5f80901a564e5f07d034d455	10/09/2020

### ADDITIONAL INFORMATION NOTIFICATION

Notification:

### INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

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

Individual Background Information 2

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

Individual Background Information 3

Role:	Other Role:
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: Owner
Entity Legal Name: BAMA Holdings LLC	Entity DBA:
Entity Description: To directly or indirectly investing in legal cannabis entities, and any other business in which a Massachusetts limited liability company is authorized to engage.	
Phone: 617-688-4225	Email: bobbypalma7@me.com
Primary Business Address 1: 37 Industrial Park Road	Primary Business Address 2:
Primary Business City: Plymouth	Primary Business State: MA
	Principal Business Zip Code: 02360
Additional Information: BAMA Holdings LLC is a 35% owner of Elevated Cultivation Co. LLC.	

##### Entity Background Check Information 2

Role: Other (specify)	Other Role: Owner
Entity Legal Name: BK Holding Company LLC	Entity DBA:
Entity Description: To directly or indirectly investing in legal cannabis entities, and any other business in which a Massachusetts limited liability company is authorized to engage.	
Phone: 617-849-5869	Email: khan@rawshongroup.com
Primary Business Address 1: 25 Braintree Hill Park	Primary Business Address 2:
	Suite 311
Primary Business City: Braintree	Primary Business State: MA
	Principal Business Zip Code: 02151
Additional Information: BK Holdings Company LLC owns 40% of the Applicant	

##### Entity Background Check Information 3

Role: Other (specify)	Other Role: Owner
Entity Legal Name: VSBP LLC	Entity DBA:
Entity Description: To directly or indirectly investing in legal cannabis entities, and any other business in which a Massachusetts limited liability company is authorized to engage.	
Phone: 978-609-7658	Email: vivek1119@yhoo.com
Primary Business Address 1: 66 Main Street	Primary Business Address 2:
Primary Business City: Kingston	Primary Business State: MA
	Principal Business Zip Code: 02326
Additional Information: VSBP LLC owns 25% of the Applicant.	

#### MASSACHUSETTS BUSINESS REGISTRATION

##### Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Secretary of Commonwealth - Certificate of Good Standing	Elevated Cultivation Co. LLC - Certificate of Good Standing - 2020-05-05.PDF	pdf	5ef4b388df8b336bef40a041	06/25/2020
Articles of Organization	Elevated Cultivation Co LLC -	pdf	5ef4b973b9c15e6c26b8e630	06/25/2020

	ArticlesOfOrganization.pdf			
Bylaws	Elevated Cultivation Co LLC - Operating Agreement FE.pdf	pdf	5ef4b9d76dc9337ae20f3eab	06/25/2020
Department of Revenue - Certificate of Good standing	Elevated Cultivation Co LLC MA DOR Cert of Good Standing.pdf	pdf	5efb81d27babe37ab6e4874f	06/30/2020
Department of Revenue - Certificate of Good standing	Elevated Cultivation LLC Cert no-employees 6-25-20.pdf	pdf	5f063d61df8b336bef40c31f	07/08/2020

Certificates of Good Standing:

Document Category	Document Name	Type	ID	Upload Date
Department of Unemployment Assistance - Certificate of Good standing	DUA Elevated Cultivation Co. LLC Certificate of Compliance - 8.4.2023.pdf	pdf	64dcfa2813789e000804572c	08/16/2023
Secretary of Commonwealth - Certificate of Good Standing	SOS Cert of Good Standing Elevated Cultivation Co LLC.PDF	pdf	64dcfa3613789e0008045746	08/16/2023
Department of Revenue - Certificate of Good standing	Elevated Cultivation Co. LLC COGS - 8.4.2023.pdf	pdf	64f74421832c6e00083b9938	09/05/2023

Massachusetts Business Identification Number: 001423557

Doing-Business-As Name:

DBA Registration City:

#### BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for Liability Insurance	ElevatedCultivationPlanObtainingInsurance 6-24-20.pdf	pdf	5ef4c79ad1a4246bfac271b5	06/25/2020
Business Plan	ElevatedCultivationCoLLC BusinessPlan 7-6-20.pdf	pdf	5f063d807375807accfc76dc	07/08/2020
Proposed Timeline	ElevatedCultivation -Updated Timeline 8-16-23.pdf	pdf	64dd0344abe4c00008047b55	08/16/2023

#### OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Policies and Procedures for cultivating.	ElevatedCultivation CultivationPoliciesProcedures.pdf	pdf	5ef4f33bdf8b336bef40a184	06/25/2020
Separating recreational from medical operations, if applicable	ElevatedCultivation Seperating REc from Med Ops.pdf	pdf	5ef4f39b72a76f6c05997c07	06/25/2020
Restricting Access to age 21 and older	ElevatedCultivation RestrictingAccessTo21andOlder.pdf	pdf	5ef4f3d257a0a16c3195e118	06/25/2020
Security plan	ElevatedCultivation SecurityPlan.pdf	pdf	5ef4f42372a76f6c05997c0b	06/25/2020
Prevention of diversion	ElevatedCultivation PreventionDiversion.pdf	pdf	5ef4f54bb0062b7ac1b0c41e	06/25/2020

Storage of marijuana	ElevatedCultivation Storage.pdf	pdf	5ef4f672b9c15e6c26b8e774	06/25/2020
Transportation of marijuana	ElevatedCultivation Transportation.pdf	pdf	5ef4f678d1a4246bfac272cb	06/25/2020
Inventory procedures	ElevatedCultivation InventoryPolicy.pdf	pdf	5ef4f6828a595d6c10257b84	06/25/2020
Quality control and testing	ElevatedCultivation QualityCotrolTesting.pdf	pdf	5ef4f8a1d1a4246bfac272da	06/25/2020
Dispensing procedures	ElevatedCultivation RetailDispensingProcedures.pdf	pdf	5ef4f94f11b1427aed0991a9	06/25/2020
Personnel policies including background checks	ElevatedCultivation PerosnalBackgroundChecks.pdf	pdf	5ef4fa4bbda1197ad793bf66	06/25/2020
Record Keeping procedures	ElevatedCultivation RecordKeeping.pdf	pdf	5ef4fa5157a0a16c3195e162	06/25/2020
Maintaining of financial records	ElevatedCultivation FinancialRecords.pdf	pdf	5ef4fa5dd1a4246bfac27308	06/25/2020
Qualifications and training	ElevatedCultivation EmployeeQualificationTraining.pdf	pdf	5ef4fe0bdf8b336bef40a209	06/25/2020
Diversity plan	ElevatedCultivation DiversityPlan 7-23-20.pdf	pdf	5f8091c2ac4d5e07c7f9f52d	10/09/2020
Diversity plan	ElevatedRootsCultivationCoLLC DIVERSITY PLAN Updated 7-18-22.pdf	pdf	62d592119ff1170008389a68	07/18/2022

#### ATTESTATIONS

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

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

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

#### Notification:

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

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 Agree

I certify that all information contained within this renewal application is complete and true.: I Agree

#### ADDITIONAL INFORMATION NOTIFICATION

#### Notification:

#### COMPLIANCE WITH POSITIVE IMPACT PLAN

##### Progress or Success Goal 1

**Description of Progress or Success:** Please note that the Applicant's establishment is not yet operational and has not started the hiring process and therefore has not begun posting notices at the municipal offices of the Target Areas (referenced in the Plan), and in newspapers of general circulation in the Target Areas.

Also, because the Applicant is not yet operational, it has not begun to reach its target goals of 20 hours of volunteer work and contributing \$5000 per year to organizations serving of the Target Areas. The Applicant has not yet picked an organization to donate to, but will after it is

operational.

Finally, once operational and prior to any educational program proposed to be hosted by the Applicant, it will post notices at least two (2) months prior to hosting said educational programs or informational sessions in newspapers of general circulation in the Target Areas.

Attached is an attestation stating the Applicants intentions to act on its Positive Impact Plan, as updated in 2023 (also attached).

#### COMPLIANCE WITH DIVERSITY PLAN

##### Diversity Progress or Success 1

**Description of Progress or Success:** The Applicant's establishment is not yet operational, and the Applicant has not yet began the hiring process. However, once the applicant begins its hiring process, it will:

1. Post hiring notices in the local news papers, and in the local municipal offices, and
2. provide job opportunities to People of color (Black, African American, Hispanic, Latinx and Indigenous people), Women, Veterans, Persons with disabilities, and L.G.B.T.Q.+ individuals, and
3. begin offering advancement opportunities internally, once those opportunities arise, and it will
4. hold its educational events shortly after the establishment is operational.

Attached is an attestation stating the Applicants intentions to act on its Diversity Plan, as updated in 2023 (also attached).

#### HOURS OF OPERATION

<b>Monday From:</b> Open 24 Hours	<b>Monday To:</b> Open 24 Hours
<b>Tuesday From:</b> Open 24 Hours	<b>Tuesday To:</b> Open 24 Hours
<b>Wednesday From:</b> Open 24 Hours	<b>Wednesday To:</b> Open 24 Hours
<b>Thursday From:</b> Open 24 Hours	<b>Thursday To:</b> Open 24 Hours
<b>Friday From:</b> Open 24 Hours	<b>Friday To:</b> Open 24 Hours
<b>Saturday From:</b> Open 24 Hours	<b>Saturday To:</b> Open 24 Hours
<b>Sunday From:</b> Open 24 Hours	<b>Sunday To:</b> Open 24 Hours

## 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).

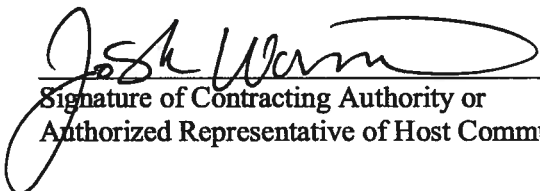
### Applicant

I, Robert Palma, (*insert name*) certify as an authorized representative of Elevated Cultivation Co., LLC (*insert name of applicant*) that the applicant has executed a host community agreement with Kingston, MA (*insert name of host community*) pursuant to G.L.c. 94G § 3(d) on February 28th, 2020 (*insert date*).

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

### Host Community

I, JOSHUA WARREN, (*insert name*) certify that I am the contracting authority or have been duly authorized by the contracting authority for Kingston, MA (*insert name of host community*) to certify that the applicant and Kingston, MA (*insert name of host community*) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on 2/18/2020 (*insert date*).

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

## *Elevated Cultivation Co. 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 for the cultivation, production and dispensing of marijuana for adult-use in the Commercial zoning district.

Elevated Cultivation Co. LLC (the “**Company**”), is proposing to develop and operate a Marijuana Establishment at 44 William C Gould Jr Way, Suite C, Kingston, MA 02364. This site is located in the Commercial zoning district, which permits the operation of a marijuana establishment, specifically a marijuana retail, cultivation and product manufacturing facility, pursuant to Section 4.21.4(o) 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 cultivation, product manufacturing and 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 “**Commission**”).

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

- July 2020: file for the Special Permit, provided the Company is in receipt of the Provisional License.
- February 2021: receipt of Provisional License from the Commission and the a Special Permit from the Town
- March 2021: 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 Company will be responsible for ongoing compliance with local and state rules and regulations.

# Community Outreach Meeting Attestation Form

## Instructions

Community Outreach Meeting(s) are a requirement of the application to become a Marijuana Establishment (ME) and Medical Marijuana Treatment Center (MTC). 935 CMR 500.101(1), 500.101(2), 501.101(1), and 501.101(2). The applicant must complete each section of this form and attach all required documents as a single PDF document before uploading it into the application. If your application is for a license that will be located at more than one (1) location, and in different municipalities, applicants must complete two (2) attestation forms – one for each municipality. Failure to complete a section will result in the application not being deemed complete. Please note that submission of information that is “misleading, incorrect, false, or fraudulent” is grounds for denial of an application for a license pursuant to 935 CMR 500.400(2) and 501.400(2).

## Attestation

I, the below indicated authorized representative of that the applicant, attest that the applicant has complied with the Community Outreach Meeting requirements of 935 CMR 500.101 and/or 935 CMR 501.101 as outlined below:

1. The Community Outreach Meeting was held on the following date(s): July 2, 2020
2. At least one (1) meeting was held within the municipality where the ME is proposed to be located.
3. At least one (1) meeting was held after normal business hours (this requirement can be satisfied along with requirement #2 if the meeting was held within the municipality and after normal business hours).





4. A copy of the community outreach notice containing the time, place, and subject matter of the meeting, including the proposed address of the ME or MTC was published in a newspaper of general circulation in the municipality at least 14 calendar days prior to the meeting. A copy of this publication notice is labeled and attached as “Attachment A.”

a. Date of publication: June 19, 2020

b. Name of publication: Kingston Reporter

5. A copy of the community outreach notice containing the time, place, and subject matter of the meeting, including the proposed address of the ME or MTC was filed with clerk of the municipality. A copy of this filed notice is labeled and attached as “Attachment B.”

a. Date notice filed: June 12, 2020

6. A copy of the community outreach notice containing the time, place, and subject matter of the meeting, including the proposed address of the ME or MTC was mailed at least seven (7) calendar days prior to the community outreach meeting to abutters of the proposed address, and residents within 300 feet of the property line of the applicant’s proposed location as they appear on the most recent applicable tax list, notwithstanding that the land of the abutter or resident is located in another municipality. A copy of this mailed notice is labeled and attached as “Attachment C.” Please redact the name of any abutter or resident in this notice.

a. Date notice(s) mailed: June 18, 2020

7. The applicant presented information at the Community Outreach Meeting, which at a minimum included the following:
- a. The type(s) of ME or MTC 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 ME or MTC to prevent diversion to minors;
  - d. A plan by the ME or MTC to positively impact the community; and
  - e. Information adequate to demonstrate that the location will not constitute a nuisance as defined by law.
8. Community members were permitted to ask questions and receive answers from representatives of the ME or MTC.



Name of applicant:

Elevated Cultivaiton CO. LLC

Name of applicant's authorized representative:

Barznab Khan

Signature of applicant's authorized representative:



## OBITUARIES

Obituaries appearing in this section are paid for and written by families often through the services of a funeral director.

## Richard Gauley

KINGSTON — Richard Gauley, of Freedom, N.H., passed away on Monday, June 8, 2020, at the age of 83.

After a year of declining health, Dick died peacefully at his home with his wife, Hazel, and oldest son, David, by his side.

Dick was born in South Weymouth, Mass. on Sept. 30, 1936 to Robert Gauley and Hazel Gauley (Wilson). He was the youngest of three children and was preceded in death by his parents and his sisters, Rose Ella Britton and Virginia Wynn. Dick attended Weymouth High School and graduated in 1954. He was offered a scholarship to Williams College but, instead, set off with the Army National Guard before choosing to return to the family business, South Shore Fence Company of South Weymouth, Massachusetts, which was started by his father in 1957.

Dick married his wife, Hazel, in 1960 and they purchased 10 acres of land and built their family home in Plympton, Massachusetts where they lived until 2014. June 18th would have marked their 60th wedding anniversary. Soon after their marriage, Dick and Hazel led a youth group for 12 years as part of their involvement with The First Congregational Church of Plympton. Later, Dick served on various church committees and as Moderator of the First Congregational Church. Music brought joy to his life including 54 years singing in the church choir in both Plympton and Freedom. Dick served as a member of the Planning Board and Board of Selectmen in Plympton for over 30 years. He was the driving force behind the connection of the "new" Route 11 divided highway from Middleboro to Plympton and behind the current location of the Sysco Boston LLC food distribution center off Spring Street in Plympton. He also spent many years coaching youth sports, including baseball and basketball, for all three of his sons.

Later, Richard coached the First Congregational Church women's softball team and he enjoyed playing golf during the last 30 years of his life. Dick and Hazel also donated part of their land for the purpose of housing animals as part of the Heller International's Northeast holding center. Dick became President of South Shore Fence Company when



Richard Gauley

his father passed away in 1979 and continued working as that role until the family business was sold in 1987. Dick was

played an instrumental role in the creation of spaces and pens for the 200 goats at the Heifer Project farm and as part of many Halloween mazes in his home garage and at the First Congregational Church. After 1987, Dick continued work as a sales and became an estate agent for Bartlett Realty in the Town of Plympton. After working at Bartlett Realty, he decided to branch out on his own and started his own business, Pope's Farm Realty, until his retirement in 2011.

Family was everything to Dick Gauley. He enjoyed watching his children and grandchildren navigate their way through life, and thoroughly enjoyed and valued each one and their own unique personalities.

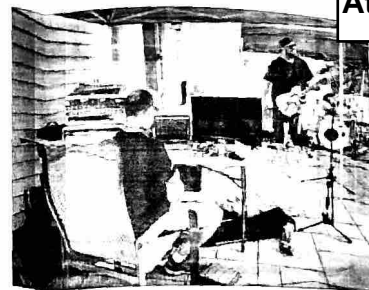
You could always find him in the stands or on the sidelines (when he wasn't coaching) watching his sons and grandchildren's activities. His positive nature was contagious and ever-present. He will be most remembered for his many funny quips about life and unwavering support for his family including all of his children and grandchildren.

Dick is survived by his wife, Hazel Virginia Gauley (Robinson) of Freedom, New Hampshire and his three sons, David Ehot Gauley of Old Saybrook, Connecticut, James Edward Gauley of Zillah, Washington, and Keith Emerson Gauley of Dennis, Massachusetts. Dick was the very proud grandfather of his six grandchildren, Sasha and Matthew (David and Marcy), Benjamin and Ryan (Keith and Debra), and Alexander and Erin (James and Teresa). Dick is also survived by many nieces and nephews.

The family will hold a private graveside service in July with a Celebration of Life service at a later date.

People wishing to honor Dick's lifelong commitment to family and community can make donations to the First Congregational Church of Plympton, P.O. Box 117, Plympton, MA 02667.

## Attachment A



Late Night Dial, formerly The Instigators, enlisted Grammy Award winning producer Ted Paduck to record and produce their new album. (WICKED LOCAL PHOTO: KATHRYN GALLERANI)



Late Night Dial, formerly the Instigators, entertains the neighborhood while recording two songs on a recent Saturday in a Kingston backyard. (WICKED LOCAL PHOTO: KATHRYN GALLERANI)

## STUDIO

From Page A1

Weymouth, before the coronavirus hit.

Grammy Award-winning producer and engineer Ted Paduck, an assistant professor in the music production and engineering department at Berklee College of Music, agreed to work with them.

Paduck has worked with artists including Aerosmith, Duran Duran, Nine Inch Nails, Run-DMC, and Norah Jones among many others, and they were excited when he agreed to the collaboration.

"We're just itching to make some music, and the easiest way to do this is to be outside, and everybody's pretty much six feet apart," Paduck said.

The Instigators also have a new name. Get ready to tune in to Late Night Dial as the reggae band releases two new singles on Spotify and other music streaming services as they work on an EP of about five songs.

Singer-songwriter and guitar player William Modestino, singer and guitar

play Adam Carl, Chris Bertone on saxophone and backup vocals, Josh Kehoe on bass and drummer Place are Late Night Dial.

While playing out isn't an option, playing outside the Kingston home Place shares with fiancée Kathy Rose has been one. They've provided some entertainment for their neighbors.

Paduck won a Grammy in 2008 and in 2015 was nominated for Producer of the Year by the New England Music Awards. Band members met him while they were playing ska music in the 1990s.

They wanted someone creative and open to helping them make music anywhere to record and produce their album and to benefit from his skill. After a day of recording outdoors, Paduck would return to the studio to mix the vocals.

They anticipate releasing the new singles soon. Check out the band on Facebook as The Instigators and online at www.instigatorsmusic.com.

Follow Kathryn Gallerani on Twitter @wkallreporter.

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## Legal Notices

OUTREACH MEETING  
LEGAL NOTICE  
NOTICE OF VIRTUAL  
COMMUNITY  
OUTREACH MEETING

Please join Elevated Cultivation Co. LLC for a Virtual Community Outreach Meeting as we share our plans for a proposed Establishment. The proposed Marijuana Cultivator and Marijuana Product Manufacturer is anticipated to be located at 14 William C Gould Jr. Way.

In this meeting, we will discuss security, diversion prevention, community involvement and planning and general operating information for the proposed facility. There will be an opportunity for the public to ask questions.

WHO: ELEVATED CULTIVATION CO. LLC

WHAT: VIRTUAL COMMUNITY OUTREACH MEETING TO DISCUSS A PROPOSED MARIJUANA CULTIVATOR AND MARIJUANA PRODUCT MANUFACTURER FACILITY IN KINGSTON.

WHEN: THURSDAY, JULY 2, 2020 at 6pm

## ZOOM:

Join Zoom Meeting  
https://zoom.us/j/92710987006

Meeting ID: 927 1098 7006

Dial by your location  
+1 646 876 9923 US (New York)

+1 301 715 8592 US (Germantown)

+1 312 626 6799 US (Chicago)

+1 408 638 0968 US (San Jose)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 316 248 7799 US (Houston)

Meeting ID: 927 1098 7006

Find your local number:  
https://zoom.us/j/92710987006

TI

Please feel free to submit questions in advance of this meeting to elevated-rootsma@gmail.com.

All meeting materials will be posted at least 24 hours in advance of the meeting at https://www.kingston-mass.org/ the home page for the Town of Kingston.

AD#: 13896257

Kingston Reporter 6/19/20

KEHOE ESTATE  
LEGAL NOTICE  
Commonwealth of Massachusetts

The Trial Court

Plymouth Probate and Family Court

52 Obery Street

Suite 1130

Plymouth, MA 02360

(508) 747-6204

Docket No. PL20P0856EA

## INFORMAL PROBATE PUBLICATION NOTICE

Estate of: Brian S. Kehoe

Date of Death: April 1, 2020

To all persons interested in the above-captioned estate, by petition of Petitioner Scott A. Kehoe of Duxbury MA a Will has been admitted to informal probate.

The estate is being administered under informal procedure by the Personal Representative under the Massachusetts Uniform Probate Code without supervision by the Court. Inventory and accounts are not required to be filed with the Court, but interested parties are entitled to notice regarding the administration from the Personal Representative and can petition the Court in any matter relating to the estate, including distribution of assets and expenses of administration. Interested parties are entitled to petition the Court to institute formal proceedings and to obtain orders terminating or restricting the powers of Personal Representative appointed under informal procedure. A copy of the Petition and Will, if any, can be obtained from the Petitioner.

AD#: 13896489

Kingston Reporter 6/19/2020

Looking to Get Fit This Year?



Find a personal trainer.

Check out the Service Directory in Community Classifieds today. From therapists and trainers to landscapers and painters, the service directory is the best service to find local professionals.

communityclassifieds  
To place an ad call 1-800-624-SELL



Don't Trade In Your Chance to Give.

Donate your unwanted vehicle to Special Olympics Massachusetts.

1-800-590-1600  
www.RecycleGold.org

Special Olympics Massachusetts  
Restrictions may apply.

## How to Submit an Obituary to the Weekly Newspapers

To contact our obituary department, please e-mail

obits@wickedlocal.com

or

call 781-433-6905

or

Fax 781-433-6965

Obituaries for the weekly newspapers are taken at the Randolph office Monday through Friday.

Please Call for Deadline Details

## Professional DIRECTORY

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Thursday, July 2, 2020 at 3:07:19 PM Eastern Daylight Time

**Subject:** RE: Elevated Cultivation Co - Notice of Virtual Community Outreach Meeting  
**Date:** Wednesday, June 24, 2020 at 1:26:09 PM Eastern Daylight Time  
**From:** Janna Morrissey  
**To:** Victoria Ireton, Paul Gallagher  
**CC:** Peter D'Agostino  
**Attachments:** image001.png, image002.jpg, image003.png, image004.png, image015.png, Elevated Roots Mtg 07-02-20.pdf

This was received and date stamped 6/12/20. See attached.

Janna M. Morrissey  
Administrative Assistant

Town Clerk's Office  
26 Evergreen Street  
  
www.kingstonmass.org  
Phone: 781-585-0502  
Fax: 781-831-6728

**From:** Victoria Ireton <victoria@tenaxstrategies.com>  
**Sent:** Friday, June 12, 2020 10:15 AM  
**To:** Paul Gallagher <Pgallagher@kingstonmass.org>; Janna Morrissey <jmorrissey@kingstonmass.org>  
**Cc:** Peter D'Agostino <peter@tenaxstrategies.com>  
**Subject:** Elevated Cultivation Co - Notice of Virtual Community Outreach Meeting

Mr. Gallagher,

Hope this message finds you well!



Attached is the formal notice for the virtual community outreach meeting for Elevated Cultivation Co.,LLC . The proposed Marijuana Cultivator and Marijuana Product Manufacturer is anticipated to be located at 44 William C Gould Jr. Way. Normally, I would bring this notice to the Town Hall to be stamped as received and posted on a board for the residents. Due to the current restrictions, please accept this electronic version and post it as you see fit. If you could please stamp the document and send a copy of that version back, then that would be greatly appreciated. Please let me know if you have any questions or concerns.

Thank you in advance for your time and assistance with this request.

Thank you,  
Victoria

PLEASE UPDATE YOUR RECORDS TO REFLECT MY NEW EMAIL ADDRESS.

**Victoria Ireton**  
Account Executive

 [617-943-8130](tel:617-943-8130)  
 [www.tenaxstrategies.com](http://www.tenaxstrategies.com)



This email and any files transmitted with it may contain legally privileged and confidential information. If you are not the intended recipient or the intended recipient's authorized agent or if you have received this email in error, you are hereby notified that this email may not be further disseminated, reviewed, copied, or distributed. Please immediately notify the sender if you have received this email by mistake and delete this email from your system. If you are not the intended recipient, you are hereby notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited. Thank you!

This email and any files transmitted with it may contain legally privileged and confidential information. If you are not the intended recipient or the intended recipient's authorized agent or if you have received this email in error, you are hereby notified that this email may not be further disseminated, reviewed, copied, or distributed. Please immediately notify the sender if you have received this email by mistake and delete this email from your system. If you are not the intended recipient, you are hereby notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited. Thank you!



## NOTICE OF VIRTUAL COMMUNITY MEETING

Please join Elevated Cultivation Co., LLC for a Virtual Community Outreach Meeting as we share our plans for a proposed Marijuana Establishment. The proposed Marijuana Cultivator and Marijuana Product Manufacturer is anticipated to be located at 44 William C Gould Jr. Way.

In this meeting, we will discuss security, diversion prevention, community involvement and planning, and general operating information for the proposed facility. There will be an opportunity for the public to ask questions.

**WHO:** ELEVATED CULTIVATION CO., LLC

**WHAT:** COMMUNITY OUTREACH MEETING TO DISCUSS A PROPOSED MARIJUANA CULTIVATOR AND MARIJUANA PRODUCT MANUFACTURER FACILITY IN KINGSTON.

**WHEN:** THURSDAY, JULY 2, 2020 at 6pm

**ZOOM:**

Join Zoom Meeting  
<https://zoom.us/j/92710987006>

Meeting ID: 927 1098 7006

Dial by your location

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- +1 312 626 6799 US (Chicago)
- +1 408 638 0968 US (San Jose)
- +1 669 900 6833 US (San Jose)
- +1 253 215 8782 US (Tacoma)
- +1 346 248 7799 US (Houston)

Meeting ID: 927 1098 7006

Find your local number: <https://zoom.us/j/92710987006>

Please feel free to submit questions in advance of this meeting to [elevatedrootsma@gmail.com](mailto:elevatedrootsma@gmail.com).

All meeting materials will be posted at least 24 hours in advance of the meeting at <https://www.kingstonmass.org/>; the home page for the Town of Kingston.

## Adam Braillard

---

**From:** Barznab Khan <khan@rawshongroup.com>  
**Sent:** Friday, August 4, 2023 10:50 AM  
**To:** Keith Hickey; Carol A. McCoy (Accountant@kingstonma.gov)  
**Cc:** Bobby Palma; Vivek Patel; josh barnhart; Lacey Karsten; Adam Braillard  
**Subject:** Request for Records of Any Cost

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Dear Ms. McCoy and Mr. Hickey;

Thank you again for your continued support as we continue our cannabis operations located at 44 William C. Gould Jr. Way.

As a component of Elevated Cultivation yearly licensure renewal requirement with the Cannabis Control Commission (the CCC), we are required to obtain from the Town of Kingston the records of any cost to the Town that is “reasonably related to the operation of the establishment, including the Town's anticipated and actual expenses resulting from the operation of the establishment...”

As referred to in the CCC's regulations and in accordance with M.G.L. c. 94G, § 3(d), any cost to the Town of Kingston imposed by the operation of Elevated Roots shall be documented and considered a public record as defined by M.G.L. c. 4, § 7, cl. 26.

If you could please provide this information to me as soon as practicable, that would be greatly appreciated.

Best,

--

Khan, Barznab | LLC Manager  
ELEVATED CULTIVATION CO. LLC  
25 Braintree Hill Park | Suite 311  
Braintree, MA 02184  
C [617 279-9513](tel:6172799513) | F [617 849-5869](tel:6178495869)  
[khan@rawshongroup.com](mailto:khan@rawshongroup.com)

**Certification of Documents Request from Kingston MA**

**For Cultivation and Product Manufacturing Renewal Licenses**

In accordance with 935 CMR 500.103(4) of the Massachusetts Code of Regulations, and in support of the Marijuana Cultivation and Product Manufacturing establishment license renewal application of Elevated Cultivation Co. LLC (the “**Applicant**”) the undersigned Barznab Khan, hereby confirms and certifies to the Cannabis Control Commission (the “**CCC**”) that:

1. As of the date of this attestation form, the Applicant has not started operations of its retail establishment.
2. Although the Applicant has not yet started operations, the Applicant submitted an email to the Town of Kinston (the “**Town**”) on August 4<sup>th</sup>, 2023, requesting documentation of any costs or anticipated costs to the Town as a result of the operations of the Applicant’s establishment.
3. Please note that as of the date of this attestation form, we have not received any documentation of these costs from the Town.

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

Dated as of August 16, 2023

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

Name: Barznab Khan



## *Elevated Cultivation Co. LLC*

### **Plan for Positive Impact**

Elevated Cultivation Co. 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**”).

During its first year of operations, 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 **Twenty-Five Thousand and 00/100 Dollars (\$25,000.00)** 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 from the Target Areas and/or Massachusetts Residents who have, or have parents or spouses who have, past drug convictions that are interested in the cannabis industry, with specific focuses on marijuana cultivators, product manufactures or retailers and entrepreneurship, at least twice a year. Such educational events will specifically include, but not be limited to, information on **licensing workshops (i.e. guidance on filing applications with the Commission), preparation of standard operating policies and procedures, Massachusetts cannabis market overview, and METRC best practices.**

#### **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 during the hiring process at the **municipal offices of the Target Areas** and in newspapers of general circulation in the Target Areas, including but not limited to, the **Abington Mariner,**

## *Elevated Cultivation Co. LLC*

**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. 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. Moreover, to confirm compliance with the goal of hiring at least 25% of its employees from Target Areas, and/or Massachusetts residents who have, or have parents or spouses who have past drug convictions, or who are participants in the Commission's SEP Program, the Company will count the number of individuals hired to verify it is complying with this goal.

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 the attached letter from the C&CF confirming its willingness to accept these contributions from the Company, as well as an agreement between the Company and C&CF memorializing the same.
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 (2) weeks** 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**, 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. Moreover, these educational events will specifically include, but not be limited to, information on licensing workshops (i.e. guidance on filing applications with the Commission), preparation of standard operating policies and procedures, Massachusetts cannabis market overview, and METRC best practices. Finally, it's the Company's intent that the educational programs will be held in locations that could hold at least 10 or more individuals.

The Company respectfully submits that it will comply with the advertising, branding, marketing and sponsorship practices as outlined in 935 CMR 500.105(4). 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;

## *Elevated Cultivation Co. LLC*

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 will accept donations from the Company; (2) 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; (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 its provisional license.



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

William Francis Galvin  
Secretary of the  
Commonwealth

May 5, 2020

TO WHOM IT MAY CONCERN:

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

**ELEVATED CULTIVATION CO. LLC**

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **February 3, 2020.**

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., 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., 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., 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



**The Commonwealth of Massachusetts**  
**William Francis Galvin**

Minimum Fee: \$500.00

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

**Certificate of Organization**

(General Laws, Chapter )

Identification Number: 001423557

1. The exact name of the limited liability company is: ELEVATED CULTIVATION CO. LLC

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

No. and Street: 44 WILLIAM C. GOULD JR. WAY  
 City or Town: KINGSTON State: MA Zip: 02364 Country: USA

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

No. and Street: 44 WILLIAM C. GOULD JR. WAY  
 City or Town: KINGSTON State: MA Zip: 02364 Country: USA

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

THE GENERAL CHARACTER OF THE BUSINESS OF THE LLC SHALL BE THE INITIAL PURPOSE OF APPLYING FOR LICENSE WITH THE CANNABIS CONTROL COMMISSION, AND ANY OTHER BUSINESS IN WHICH A MASSACHUSETTS LIMITED LIABILITY COMPANY IS AUTHORIZED TO ENGAGE.

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

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

Name: JOHN F. BRADLEY, ESQ.  
 No. and Street: PRINCE LOBEL TYE LLP  
ONE INTERNATIONAL PLACE, SUITE 3700  
 City or Town: BOSTON State: MA Zip: 02110 Country: USA

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

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
MANAGER	ROBERT THOMAS PALMA JR.	61 LONGWOOD CIRCLE KINGSTON, MA 02364 USA
MANAGER	VIVEKANAND PATEL	66 MAIN STREET KINGSTON, MA 02364 USA
MANAGER	BARZNAB KHAN	25 BRAINTREE HILL PARK, SUITE 311 BRAINTREE, MA 02184 USA

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

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

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

<b>Title</b>	<b>Individual Name</b> First, Middle, Last, Suffix	<b>Address</b> (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	BARZNAB KHAN	25 BRAINTREE HILL PARK, SUITE 311 BRAINTREE, MA 02184 USA
REAL PROPERTY	ROBERT THOMAS PALMA JR.	61 LONGWOOD CIRCLE KINGSTON, MA 02364 USA
REAL PROPERTY	VIVEKANAND PATEL	66 MAIN STREET KINGSTON, MA 02364 USA

**9. Additional matters:**

**SIGNED UNDER THE PENALTIES OF PERJURY, this 3 Day of February, 2020,**  
**BARZNAB KHAN**

*(The certificate must be signed by the person forming the LLC.)*

THE COMMONWEALTH OF MASSACHUSETTS

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

February 03, 2020 03:44 PM

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

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*

**OPERATING AGREEMENT**  
**OF**  
**Elevated Cultivation Co. LLC**

Dated as of February 3, 2020



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## OPERATING AGREEMENT

OF

### ELEVATED CULTIVATION CO. LLC

THIS OPERATING AGREEMENT (this "Agreement") of Elevated Cultivation Co. LLC, a Massachusetts limited liability company (the "Company"), is made as of the 3rd day of February, 2020 (the "Effective Date") 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 February 3, 2020 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 for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, 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.

"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.

"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, M.G.L. c. 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).

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, the holders of a majority of the Units.

"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 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.

"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 has been formed as a limited liability company pursuant to the provisions of the Act by the filing of the Certificate with the Office of the Secretary of State of the Commonwealth of Massachusetts as of the date set forth in the Recitals.

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, Esq. of Prince Lobel Tye LLP, One International Place, Suite 3700, Boston, MA 02110.

2.4 Principal Place of Business. The principal place of business of the Company shall be at 44 William C. Gould Jr. Way, 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 the licensed cultivation of cannabis, to the extent permitted by, and in accordance with, applicable Massachusetts law, and to engage 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**

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 twenty-five percent (25%) 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 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 Majority of 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;

(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 three (3) 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, Robert Thomas Palma, Jr., and Barznab Khan. A quorum shall consist of all Managers then on the Board. The Board shall act by the affirmative vote of a majority of Managers. 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 all Managers then in office. Any Manager may call a meeting of the Board upon not less than six (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 by the Managers for that purpose 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 vote of the Majority of 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 Majority of 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 ten thousand (10,000) Units. With the consent of the Members holding sixty percent (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. Notwithstanding anything to the contrary herein contained, the dilutive effect of any Units issued to third parties after the date hereof shall be subject to the following: the aggregate interests of the initial Managers (and their affiliates) in the Company, plus the indirect interests of each through Elevated Roots, LLC, shall at all times as to each other remain in the percentages in effect on the Effective Date of this Agreement, i.e., Barznab Khan – 40%, Vivek Patel – 25%, and Robert Palma 35%, respectively (except to the extent, and unless ownership in Elevated Roots LLC is voluntarily altered). Each of the Company, and each Manager and Member of the Company (including Elevated Roots LLC) individually agrees to and shall execute such documents and agreement as may reasonably be required to give full effect to the requirements of this provision, including those relating to the ownership of Units of the Company by Elevated Roots LLC.

(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.

(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 such Member's 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 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") 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.

(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 any other provision of this 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 "Tag-Along Transferors") to any one or more Persons in an arm's length single transaction or series of related transactions, then the Tag-Along Transferors shall provide all other Members (the "Tag-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 Tag-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 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 twenty percent (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's 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 (1) 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. mail 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 for that quarter. 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) The Board, in accordance with the Code and any similar provisions of state and local law, shall designate a Person to 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 a Majority of Members 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.

(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 Cancellation. 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 Cancellation in accordance with Section 14 of the Act.

## **ARTICLE IX EXCULPATION AND INDEMNIFICATION**

9.1 Exculpation. Notwithstanding any other provisions of this Agreement to the contrary, 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. For purposes of clarity, any conduct, act, or omission of an Indemnified Person related to or arising from any activity or involvement with cannabis or the cannabis industry or otherwise resulting therefrom that may be a violation of federal law, shall not constitute fraud, willful misconduct, bad faith, or gross negligence hereunder solely by reason of being a violation of federal law, so long as such conduct, act, or omission could be reasonably believed to be in compliance with applicable state laws.

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. For purposes of clarity, any conduct, act, or omission of an Indemnified Person related to or arising from any activity or involvement with cannabis or the cannabis industry or otherwise resulting therefrom that may be a violation of federal law, shall not constitute fraud, willful misconduct, bad faith, or gross negligence hereunder solely by reason of being a violation of federal law, so long as such conduct, act, or omission could be reasonably believed to be in compliance with applicable state laws. The Company shall advance to any Indemnified Person reasonable attorneys' fees and other costs and expenses reasonably incurred in connection with the defense of any such Claim if the Indemnified Person agrees in writing before any such advancement that he, she, or it will reimburse the Company for such fees, costs, and expenses to the extent that it is determined that he, she, or it 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 reasonably 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 sixty (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 twenty (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 sixty (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, condition, 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 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 Certificate 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 Certificate of Organization, (c) an amended Certificate of Organization reflecting the terms of this Agreement, (d) all certificates and other instruments deemed necessary, convenient, or advisable by the Managers 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 rights to consent or approve any action of the Company, or 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 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 hereto 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.

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 the address or facsimile number set forth on Exhibit A 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, seventy-two (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.

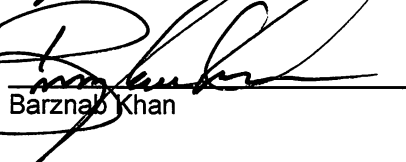
**[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK; SIGNATURE PAGE FOLLOWS]**

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

**MANAGERS:**

  
\_\_\_\_\_  
Vivekanand Patel


  
\_\_\_\_\_  
Robert Thomas Palma, Jr.

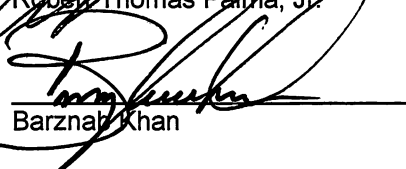
  
\_\_\_\_\_  
Barznab Khan

**MEMBERS:**

**Elevated Roots LLC**

By:   
\_\_\_\_\_  
Vivekanand Patel, a Manager

  
\_\_\_\_\_  
Robert Thomas Palma, Jr.

  
\_\_\_\_\_  
Barznab Khan

**Elevated Cultivation Co. LLC**

**EXHIBIT A**

\_\_\_\_\_, 2020

**Members and Units**

Member's Name	Units	Percentage Interest
Elevated Roots LLC 25 Braintree Hill Park Suite 311 Braintree, MA 02184	5,374	83.344%
Robert Thomas Palma, Jr. 61 Longwood Circle Kingston, MA 02364	107	1.659%
Barznab Khan 25 Braintree Hill Park Suite 311 Braintree, MA 02184	967	14.997%
<b>TOTAL</b>	<b>6,448</b>	<b>100%</b>

H

RZ

BK



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

mass.gov/dor

Letter ID: L2011247168  
Notice Date: May 12, 2020  
Case ID: 0-000-770-258



## CERTIFICATE OF GOOD STANDING/TAX COMPLIANCE REQUEST STATUS



BARZNAB KHAN  
ELEVATED CULTIVATION CO LLC  
44 WILLIAM C GOULD JR WAY UNIT C  
KINGSTON MA 02364-3003

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

We received your request for a Certificate of Good Standing and/or Tax Compliance for ELEVATED CULTIVATION CO LLC. As of the date of this notice, the Commissioner of Revenue is unable to certify whether you are in compliance with your tax obligations under Chapter 62C of the Massachusetts General Laws.

According to our records, you're not registered with the Department of Revenue. As a result, we don't know if you have any outstanding liabilities. We're also unable to determine if you're legally required to file and pay taxes in Massachusetts.

### *What if I have questions?*

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

### *Visit us online!*

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

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

Use the confirmation code below to print another copy of this letter or to review your submission.  
Confirmation Code: m4tshs

Edward W. Coyle, Jr., Chief  
Collections Bureau

### **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 Cultivation Co. LLC (the “**Applicant**”), the undersigned, Barznab Khan, 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 Cultivation and Product Manufacturing 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 June 25, 2020

A handwritten signature in black ink, appearing to read 'Barznab Khan', is written over a horizontal line.

Name: Barznab Khan

## *Elevated Cultivation Co. LLC*

### **Plan for Obtaining Liability Insurance**

Elevated Cultivation Co. 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: *Adult Use of Marijuana*.

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

# Elevated Cultivation Co., LLC

## ***BUSINESS PLAN***

**Contact:** Barznab Khan

**Phone:** 617 279-9513

**Email:** Khan@RawshonGroup.com



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## **EXECUTIVE SUMMARY**

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The cannabis industry is continuing its takeover of the United States, as now only 12 states in the country still consider cannabis illegal. The retail marijuana market is expected to reach up to \$30.8 billion by 2023 in the United States. Massachusetts legalized medical cannabis use in 2012, then joined the adult-use movement in 2016. The state sold over \$140 million in cannabis products in its first six months of adult-use sales in 2019, and was on track to reach nearly \$400 million in sales from 36 retailers in its first year—more than both Colorado and Nevada sold in their first years from a similar market. Unfortunately, the Massachusetts market's growth has been inhibited by existing medical cultivators struggling to meet the demand of a much larger adult-use market. Elevated Cultivation Co., LLC (d.b.a. Elevated Cultivation, also referred to as "the Company") plans to alleviate this shortage by developing a fast-growing, state-of-the-art cultivation facility to supply superior quality products to its own dispensary and dispensaries throughout the state. Aiming to be completely vertically integrated, the Company will place its cultivation operations in the same facility as its dispensary storefront and an extraction lab. Grown from seed, Elevated Cultivation will source cultivars with various health benefits for its downstream customers to enjoy.

From its headquarters in Kingston, Massachusetts, Elevated Cultivation's cultivation and extraction operations will first supply its own in-house dispensary to build up demand for the Company's products. Meanwhile, the Company will develop partnerships with other dispensaries and distributors throughout the state, aiming to produce enough product to impact the shortage of adult-use cannabis products. Operating within the \$8.1 billion *Medical & Recreational Marijuana Growing* industry, Elevated Cultivation will take advantage of the significant growth and acceptance of the industry to bolster its operations, partnerships, and operational knowledge. As Massachusetts' cannabis market continues to grow, the Company will face competition from both existing and coming-soon businesses with approved licenses. Elevated Cultivation will set itself apart from all current and future competitors through its dedication to quality at every step of its operation, from seed selection to the development of its hydroponic cultivation system.

As it develops its operations, Elevated Cultivation will initiate a direct marketing campaign that primarily focuses on building relationships with other cannabis industry businesses through attendance at industry events, direct sales efforts, and email marketing. The Company will also target downstream customers through a presence on

social media, grass roots marketing in its community, and high-quality marketing pieces placed in partnering dispensaries to build up demand for the Company's products.

The Ownership of the Company have a number of years of experience in the cannabis and retail industries. Mr. Robert Palma serves as a dentist in Kingston and Plymouth and understands the management requirements of a successful company. 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.

### **Company Ownership**

Elevated Cultivation Co. is a Limited Liability Company registered in the state of Massachusetts.

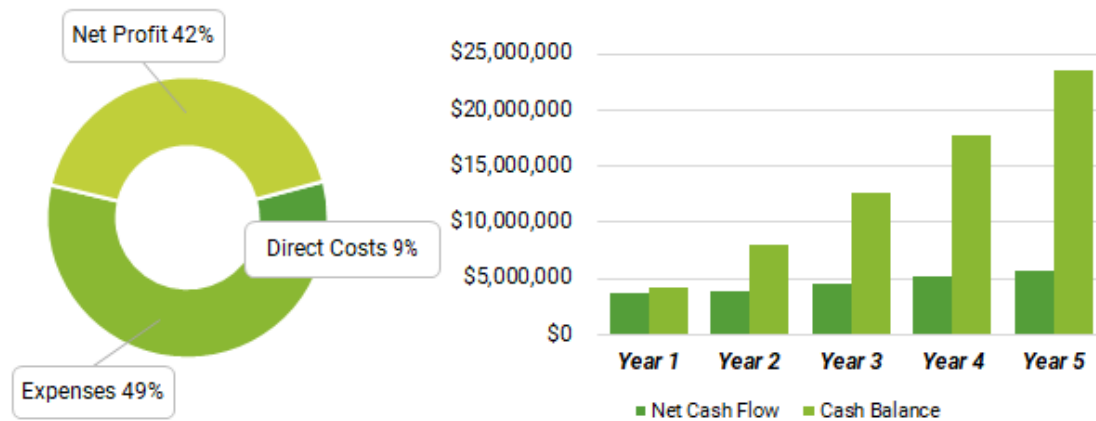
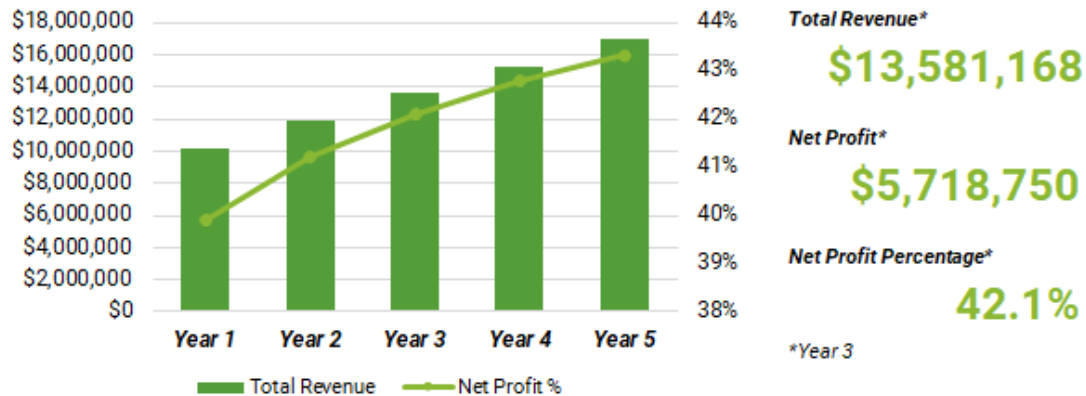
The Company is owned by Elevated Roots, LLC (83.344%), Robert Thomas Palma, Jr. (1.659%), and Barznab Khan (14.997%).

### **Company Location**

The Company is located at the following address:

44 William C Gould Jr. Way  
Kingston, Massachusetts 02364

## COMPANY HIGHLIGHTS



Year 3

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Total Revenue</b>	<b>\$10,185,876</b>	<b>\$11,883,522</b>	<b>\$13,581,168</b>	<b>\$15,278,814</b>	<b>\$16,976,460</b>
Gross Margin	\$9,256,875	\$10,813,688	\$12,358,500	\$13,903,313	\$15,448,125
Operating Expenses	\$1,954,270	\$2,133,032	\$2,314,275	\$2,498,194	\$2,684,923
EBITDA*	\$7,471,119	\$8,849,168	\$10,212,738	\$11,573,632	\$12,931,716
Net Profit	\$4,062,699	\$4,895,864	\$5,718,750	\$6,538,959	\$7,356,358
<b>Net Profit %</b>	<b>39.9%</b>	<b>41.2%</b>	<b>42.1%</b>	<b>42.8%</b>	<b>43.3%</b>

\*Earnings Before Interest, Taxes, Depreciation, & Amortization

### Use of Funds

The table below outlines the sources and uses of funding:

## SOURCES & USES

<b>SOURCES OF FUNDS</b>	
Investment	\$3,000,000
<b>TOTAL SOURCES</b>	<b>\$3,000,000</b>
<b>USES OF FUNDS</b>	
<b>START-UP ASSETS</b>	
Working Capital	\$472,300
Grow System	\$300,000
Lighting	\$250,000
HVAC	\$600,000
Plumbing	\$180,000
Electrical	\$500,000
Clean Room	\$50,000
Shelving	\$10,000
Walk-in	\$20,000
Water Chillers	\$120,000
Waste Water Tanks	\$29,000
Reclamation System	\$40,000
Filtration System	\$40,000
Extraction Buildout	\$150,000
Rosin Press	\$10,000
Hash Washing System	\$12,500
Washing Bags & Supplies	\$1,200
Apeks Extraction System	\$150,000
Other Extraction Equipment	\$40,000
Security	\$25,000
<b>Total Start-up Assets</b>	<b>\$3,000,000</b>
<b>TOTAL USES</b>	<b>\$3,000,000</b>

## ***ELEVATED CULTIVATION: AN OVERVIEW***

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Built upon decades of industry experience and deeply invested in the health and happiness of its community, Elevated Cultivation plans to develop a state-of-the-art cultivation and manufacturing facility to accompany its dispensary operation to best supply adult-use cannabis customers with the highest quality products available. With over 19,000 square feet of cultivation space, the Company hopes to alleviate some of the shortage problems experienced by state's adult-use market and supply dispensaries throughout the state.

Based in Kingston with its all-in-one facility, the Company will establish a recirculating hydroponic deep-water cultivation culture that will not only reduce the potential for soil-born impurities, but will also allow the Company's plants to develop faster and produce more flower for higher harvest yields. Double-ended LED lighting will also assist in the fast maturation and flowering of the Company's plants, as will a powerful HVAC system for air circulation, humidity control, and odor solutions. Elevated Cultivation expects to produce approximately 200 pounds of harvested flower from each of its four bloom rooms—the Company's grow system will be staggered to allow for harvests every two weeks, resulting in a constant supply of both dried flower and manufactured products to bolster Massachusetts' product supply.

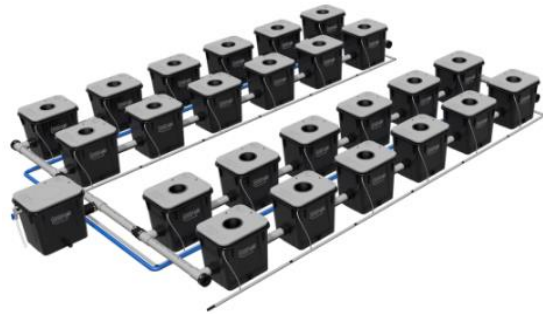
Meanwhile, Elevated Cultivation's manufacturing side will source equipment that limits the use of solvents and chemicals in the production of high-quality products. Working with the modular expertise of PodTronix, the Company will build out its extraction lab to exceed all state safety and operational requirements. The Company will also source state-of-the-art equipment from Pure Pressure and Apeks Supercritical, including closed loop extraction systems, hash washing system, and a solvent-less rosin press. Each harvest, approximately 20 pounds of budlets will be allocated for extraction, which will yield about four pounds of rosin.

The Company's location consolidates all three business verticals into one convenient facility. This also provides built-in demand for cultivation and extraction systems' products. Elevated Cultivation will package all products in its production facility, then prepare its products for distribution to its own dispensary, as well as to other partnering dispensaries. By placing its products in its own dispensary first, the Company will build up demand for its brand and its products before expanding to other areas and dispensaries.

## Equipment

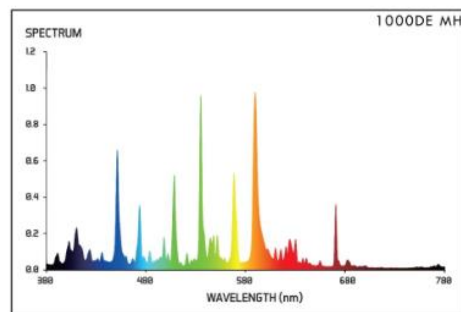
Though not a complete list of equipment, the following list provides more details on the Company's primary pieces of equipment:

- Under Current® modular recirculating deep-water culture (RDWC) system that features the patented Sub-Current Culture® circulation method. This high-performance water culture system is unmatched in efficiency, layout versatility, and ease of use. The Under Current® utilizes negative water pressure to recirculate oxygenated nutrient solution through the plant's root zone ensuring pH and EC levels are uniform throughout the entire system.<sup>1</sup>



- The Luxx Lighting DE 1000W MH Bulb boasts the strength and ability to function as primary flowering lamp and the capability of vegging in a high intensity environment.

- Delivers an optimized spectrum and high level of photosynthetic active radiation to promote healthy plant growth
- Specifically designed for high-frequency electronic ballast
- The absence of frame wire eliminates any shadows in beam<sup>2</sup>



- Elevated Cultivation's wastewater system will include multiple parts:
  - 12,000-gallon tank from ZCL's Xerxes water and wastewater solutions line<sup>3</sup>
  - Reclamation systems from HyperLogic:

<sup>1</sup> Source: <https://cch2o.com/under-current-hydroponic-system-info/>

<sup>2</sup> Source: <https://luxlighting.com/1000w-de-metal-halide-bulb/>

<sup>3</sup> Source: <https://www.zcl.com/en/storage-solutions/water-wastewater/>



- A Nutrient Runoff Water Reclaim Skid that reduces 50-80% of hydroponic cannabis irrigation wastewater and reduces water usage<sup>4</sup>
  - Automated Reclaimed Condensate System (ARCS) for HVAC Runoff Recovery<sup>5</sup>
  - Industrial Reverse Osmosis filtration system from HyperLogic that includes completely programmable operations, including membrane cleaning<sup>6</sup>
- Longs Peak Rosin Press from Pure Pressure that offers twice the processing output and 60% more force for incredibly consistent results at high volume without the use of solvents.<sup>7</sup>
- Bruteless™ Commercial Hash Washing System from Pure Pressure that combines a 65-gallon main wash vessel with two 44-gallon drain vessels for over 30% increased wash cycle efficiency.<sup>8</sup>
- Apeks Supercritical Closed Loop Extractor that works with both subcritical and supercritical CO<sub>2</sub> extractions. Equipped with Apeks Diaphragm Compressor Technology, the extractor allows for cold separation to preserve volatile oils ensuring high-quality extractions. The energy-efficient, low maintenance Diaphragm Compressor gas pump increases processing efficiency—20-to-50% faster extractions—while consuming just half the power.<sup>9</sup>



Elevated Cultivation will also work with PodTronix for a modular buildout of its extraction lab. Each PodTronix unit has a fully finished interior and is painted with an industrial-

<sup>4</sup> Source: <https://hyper-logic.com/nutrient-runoff-water-reclaim-skid/>

<sup>5</sup> Source: <https://hyper-logic.com/automated-reclaimed-condensate-system-arcs/>

<sup>6</sup> Source: <https://hyper-logic.com/industrial-reverse-osmosis/>

<sup>7</sup> Source: <https://gopurepressure.com/products/longs-peak-rosin-press>

<sup>8</sup> Source: <https://gopurepressure.com/collections/bruteless-hash-washers-accessories/products/bruteless-commercial-hash-washing-system>

<sup>9</sup> Source: <https://www.apekssupercritical.com/extraction-systems/mid-range-the-transformer/>

grade, high-gloss, bright-white anti-microbial coating. Built with a 'Safety First' code compliant approach, each Extraction Lab pod comes pre-wired with full electrical runs. All lighting fixtures, electrical outlets, and components are also code compliant. PodTronix's 'Built-Out' turnkey lab solutions make extraction equipment integration easy.

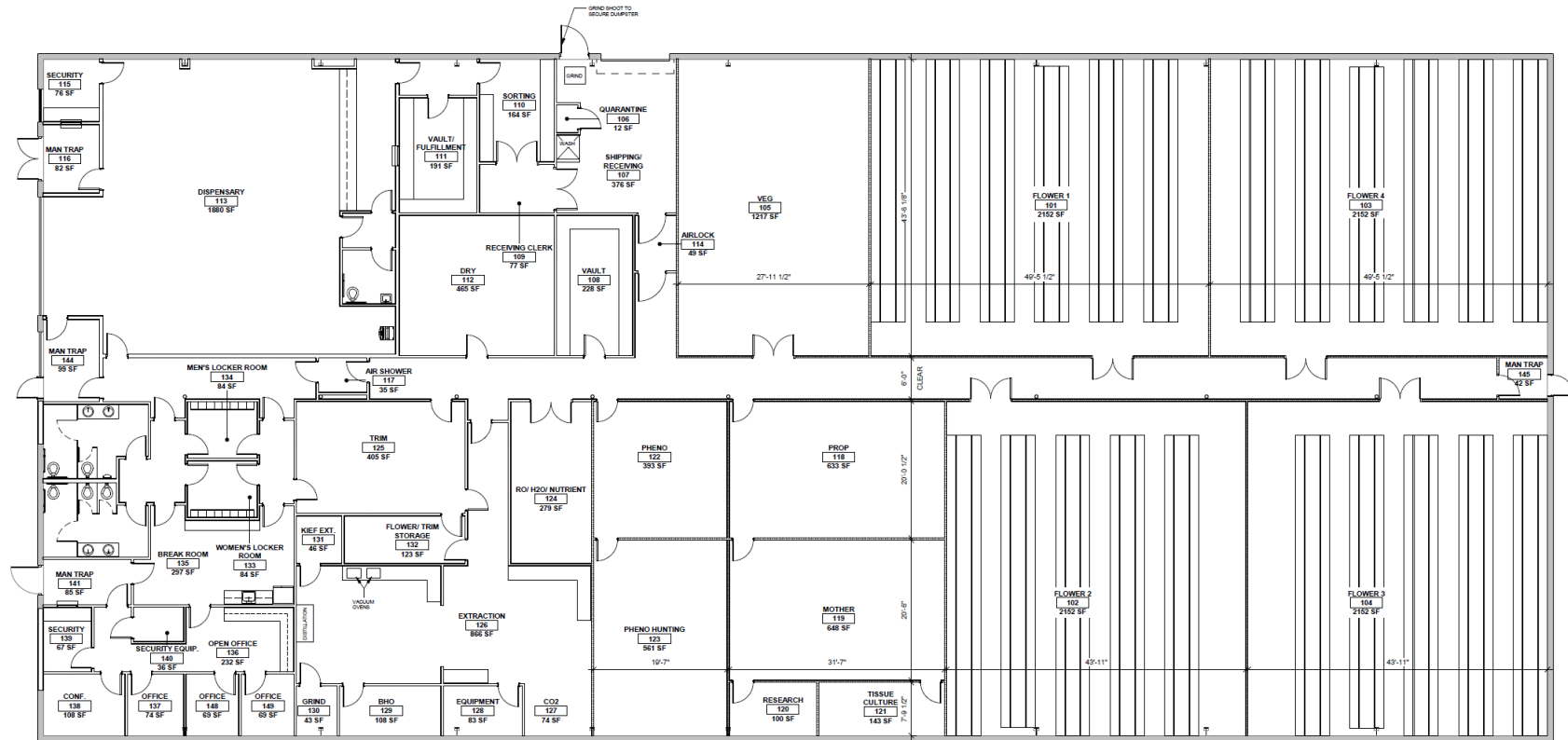
### **Location**

Located at 44 William C. Gould Jr. Way, Elevated Cultivation 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.





## Layout



## Exterior Renderings



1 EXTERIOR RENDERING  
A4.0 SCALE



2 EXTERIOR RENDERING  
A4.0 SCALE

## **OPERATIONS PLAN**

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### **Facility Overview**

Elevated Cultivation's proposed facility will be located at 44 William C. Gould Jr. Way. The facility is a single-tenant occupancy with no other commercial tenants aside from the Company. The Company will use the facility to cultivate recreational cannabis, manufacture extracted products, and serve as a distribution hub. Also, Elevated Roots, LLC, a Massachusetts limited liability company, which has obtained its recreational retail provisional license from the Commission, will be operating an adult-use dispensary the Company's facility. Any doors connecting the cultivation and extraction areas will be kept locked. The proposed cultivation building will include 19,000 square feet of hydroponic greenhouse space.

For its cultivation arm, the Company intends to source its Undercurrent grow systems from the manufacturer, Current Culture H<sub>2</sub>O, which features a recirculating deep water culture (RDWC) system for accelerated growth rates, heavy yields, and reliable system operations.<sup>10</sup> This will be coupled with 1000-watt double-ended LED lighting to encourage growth and flowering. Each of Elevated Cultivation's four flowering rooms will include 80,000-watts of lighting, while the veg room will include fluence LED lighting. The Company will also install powerful HVAC systems to effectively circulate air and mitigate odors, as well as wastewater reclamation and filtration systems to limit water and nutrient waste.

In its extraction and manufacturing side, Elevated Cultivation will use the solvent-less Longs Peak Rosin Press<sup>11</sup> and the Bruteless™ Commercial Hash Washing System<sup>12</sup> from Pure Pressure, as well as a closed loop extraction system from Apeks Supercritical.<sup>13</sup> These systems create superior manufactured products with as little left-over solvents as possible.

### **Inventory Control**

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

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<sup>10</sup> Source: <https://cch2o.com/under-current-hydroponic-system-info/>

<sup>11</sup> Source: <https://gopurepressure.com/products/longs-peak-rosin-press>

<sup>12</sup> Source: <https://gopurepressure.com/collections/bruteless-hash-washers-accessories/products/bruteless-commercial-hash-washing-system>

<sup>13</sup> Source: <https://www.apekssupercritical.com/extraction-systems/>



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

Per CMR 500.105(13)(b), Elevated Cultivation will document and report any unusual discrepancy in inventory to the Commission and law enforcement authorities not more than 24 hours after discovery. In addition to the written operating policies required under 935 CMR 500.105(1), a Marijuana Cultivator and Marijuana Product Manufacturer shall maintain written policies and procedures for the cultivation, production, or distribution of marijuana, as applicable, which will include methods for identifying, recording, and reporting diversion, theft, or loss, and for correcting all errors and inaccuracies in inventories. The policies and procedures, at a minimum, must be in compliance with 935 CMR 500.105(8).

### **Security Plan**

The Company will be proactive in their security procedures to prevent, deter and discourage possible security breaches and commercial cannabis diversion to the public. Staff must plan for, implement, and actively train in an established emergency response procedures in the event that such a breach occurs. The Company has created the following countermeasures to potential security risks. Full details are included in the Company's Security Plan document.

**Professional Security Personnel:** The Company will hire professional security personnel to routinely monitor the property. Security guards are best physical deterrent during operational hours to maintain order and protect both customers and employees. 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.

**Employee Background Checks and Screening:** 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. T

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. An accurate and up-to-date employee list will be maintained on the premises and will be made available to the local sheriff and law enforcement upon request.

The Company will maintain comprehensive standard protocols to deal with emergencies, adverse events, and staff training and on-boarding.

**High Definition Cameras:** All security camera monitoring and recording shall be on a 24/7 basis. Recordings shall be secured and retained on the premises for a minimum of ninety (90) calendar days. The Commission and law enforcement shall have unrestricted access to those recordings, and may make copies thereof, during normal business hours without the requirement of a search warrant. The Company will notify the Commission and law enforcement immediately upon becoming aware that the security camera monitoring system is not fully operational.

Cameras will be installed in all sensitive areas, including greenhouses, dry rooms, mothering room, vegetation room, curing room, packaging and storage, vault, trim room, extraction room, and all others. Both overhead and angle cameras may be employed to provide multiple vantage points. Camera monitoring will be in place at all facility entrance points, all spaces accessible by the public, all secured areas of the facility with restricted access, all interior spaces and rooms where products are handled and processed, shipping and receiving areas, cash storage areas, and other areas necessary to protect the safety of the employees and public. Cameras will help to ensure that products are received, handled, stored, packaged, shipped, and distributed in compliance with applicable state laws and regulations.

In compliance with the state of Massachusetts, the video surveillance system will include the following:

- At a minimum, a licensed premises shall have a digital video surveillance system with sufficient camera resolution to identify individuals.
- The surveillance-system storage device or the cameras shall be transmission control protocol (TCP) capable of being accessed through the internet.



- The video surveillance system shall at all times be able to effectively and clearly record images of the area under surveillance.
- Each camera shall be permanently mounted and in a fixed location. Each camera shall be placed in a location that allows the camera to clearly record activity occurring within 20-feet of all points of entry and exit on the licensed premises, and allows for the clear and certain identification of any person and activities in the following areas:
  - Areas where cannabis goods are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the premises
  - Limited-access areas, such as vault rooms and other secure areas
  - Areas storing a surveillance-system storage device with at least one camera recording the access points to the secured surveillance recording area
  - Entrances and exits to the premises, which shall be recorded from both indoor and outdoor vantage points.
- All cameras will record continuously 24 hours per day and at a minimum of 15 frames per second (FPS).
- The physical media or storage device on which surveillance recordings are stored shall be secured in a manner to protect the recording from tampering or theft.
- Surveillance recordings shall be kept for a minimum of 90 days.
- Surveillance recordings are subject to inspection by the Commission, and shall be kept in a manner that allows the Bureau to view and obtain copies of the recordings at the licensed premises immediately upon request. The licensee shall also send or otherwise provide copies of the recordings to the Bureau upon request within the time specified by the Bureau.
- Recorded images shall clearly and accurately display the time and date. Time is to be measured in accordance with the United States National Institute Standards and Technology standards.
- The video surveillance system shall be equipped with a failure notification system that provides notification to the licensee of any interruption or failure of the video surveillance system or video surveillance-system storage device.
- In the event of a power outage, the video surveillance system will retain enough power to remain operational for four (4) hours and, if it appears likely that the outage will last longer than four hours, the Company will take sufficient steps to ensure security on the premises

**Security of Entrances and Exterior:** The facility will have exterior cameras monitoring entrances, loading and unloading areas, the building's perimeter, all spaces accessible by the public, and the parking lot in addition to internal cameras. Video recordings will be maintained for a minimum of 45 days. Motion detectors, wall vibration sensors, and sensors detecting entry through ceilings and floor may be installed in each room with a solid exterior wall.

The Company will use electronic employee ID badges and visitor badges to retain a log of who enters and exits the building. Visitors must sign in upon entrance to the premises, and after concluding their visit, sign out.

- **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.

**Alarm System:** The facility will be outfitted with a state-of-the-art alarm system to notify authorities of a security breach. The alarm system will include motion detection lights, panic button, as well as window and door sensors. Sensors to trigger the alarm, as well as cameras, will be connected directly to local law enforcement for expedient response times.

**Back-up Power:** All exterior and interior security doors will remain secure and operational during a power outage. The Company will have a diesel generator to provide emergency backup power in the event of power loss. All emergency exits, interior doors, and front lobby doors will be equipped with manual key locks to pen and secure doors in the event of total and extended power loss.

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 Cultivation 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 CO<sub>2</sub> gas or the use of open flame burners to produce a CO<sub>2</sub>-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 Cultivation 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 customers to bring in their glass and other recyclable packaging.

Elevated Cultivation's 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.

### *Electricity Reduction*

Pursuant to CMR 500.120(11), Elevated Cultivation will design its facility to satisfy the minimum energy efficiency and equipment standards established by the Commission and meet all applicable environmental laws, regulations, permits and other applicable approvals, including those related to water quality and solid and hazardous waste management, prior to obtaining a final license under 935 CMR 500.103(2). A Marijuana Cultivator shall adopt and use additional best management practices as determined by the Commission, in consultation with the working group established under St. 2017, c. 55, § 78(b), to reduce energy and water usage, engage in energy conservation, and mitigate other environmental impacts, and shall provide energy and water usage reporting to the Commission in a form determined by the Commission. Marijuana Product Manufacturers must satisfy similar requirements under CMR 500.130(3).

Elevated Cultivation's 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: (1) a substantial recurring cost savings in the operations which will be passed along to customers; (2) between 25% - 80% reduction in the Company's operational carbon footprint, and (3) light bulbs lasting three- to 25-times longer.<sup>14</sup>

### ***Water Conservation***

Elevated Cultivation's dedication to water conservation and reclamation systems 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. Meanwhile, the water systems in the Company's cultivation rooms will be recirculated to reduce water and nutrient waste. 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 Cultivation 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***

Elevated Cultivation's multiuse 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 regulations (pursuant to 310 CMR 7.00) and the ordinances of the Town of Kingston.

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<sup>14</sup> Energy.gov. "How Energy-Efficient Light Bulbs Compare..." Source: <https://tinyurl.com/y2449sld>

## **Maintenance**

Regular inspection, maintenance, servicing, and replacement of systems and appliances can make an impact on energy efficiency. Elevated Cultivation 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 Cultivation 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 Cultivation 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 Town 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 the Company's operations. 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 Cultivation's 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 Cultivation 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 Cultivation 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, people with disabilities, 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. In order to reduce the Company's effect on the surrounding environment, Elevated Cultivation 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. When 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 Cultivation expects to hire between 5-10 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 between 15-20 residents on a full-time basis, with contracted security personnel.

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

### *Staffing Details*

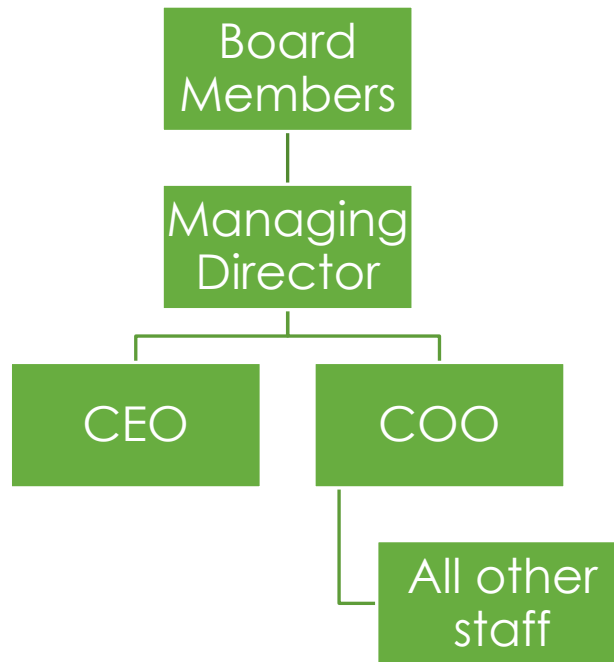
Within two years, the Elevated Cultivation' facility will be equipped with the following staff:

**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 Cultivation plans to contract with a local security firm to source expert security personnel.

With all of the positions at hand, the Company will continually 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 demand continues to increase, Elevated Cultivation will seek to expand its product offerings, as well as increase its canopy space and product yields.



### *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 in each branch of its operations before opening 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), Elevated Cultivation 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.

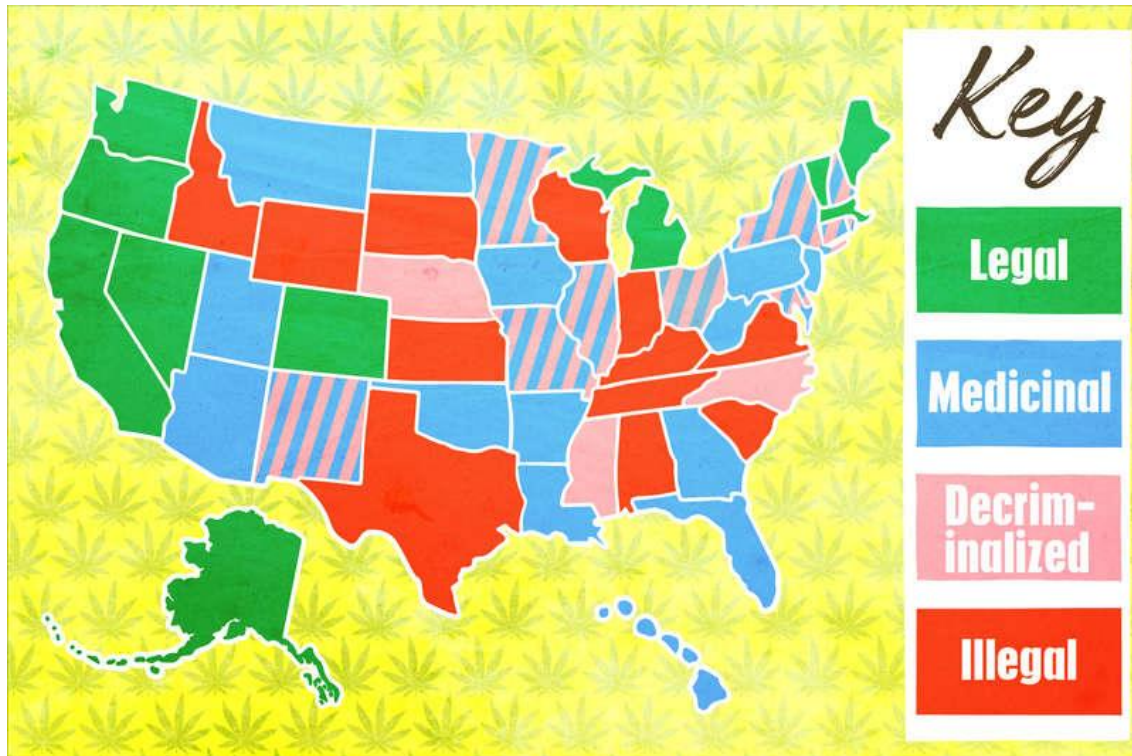
### **Testing Procedures**

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 customers. 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

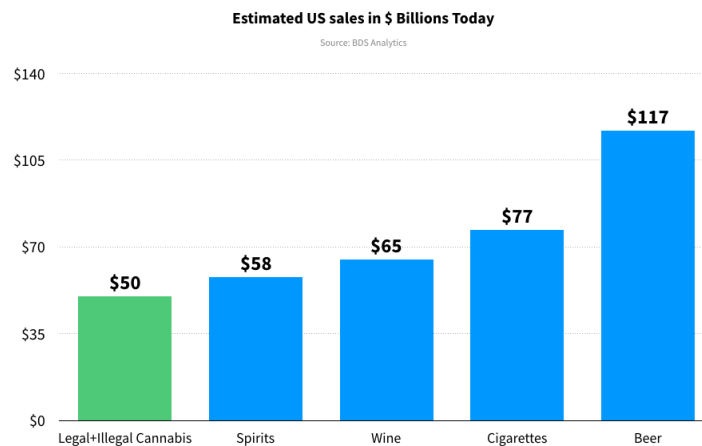
### Overall Cannabis Market

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).<sup>15</sup>



<sup>15</sup> Medrano, Kastalia. "Puff, Puff, Passed: The Progress Toward Legal Weed in All 50 States." *Thrillist*. April 22, 2019. Available through: [www.thrillist.com](http://www.thrillist.com)

In 2018, retail sales of legal cannabis in the United States totaled more than \$10 billion.<sup>16</sup> 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.<sup>17</sup>



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.<sup>18</sup> 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.<sup>19</sup>

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. By the end of 2019, overall marijuana sales in the United States retail segment was on track to eclipse \$12 billion, buoyed by the increasing numbers of

<sup>16</sup> 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>.

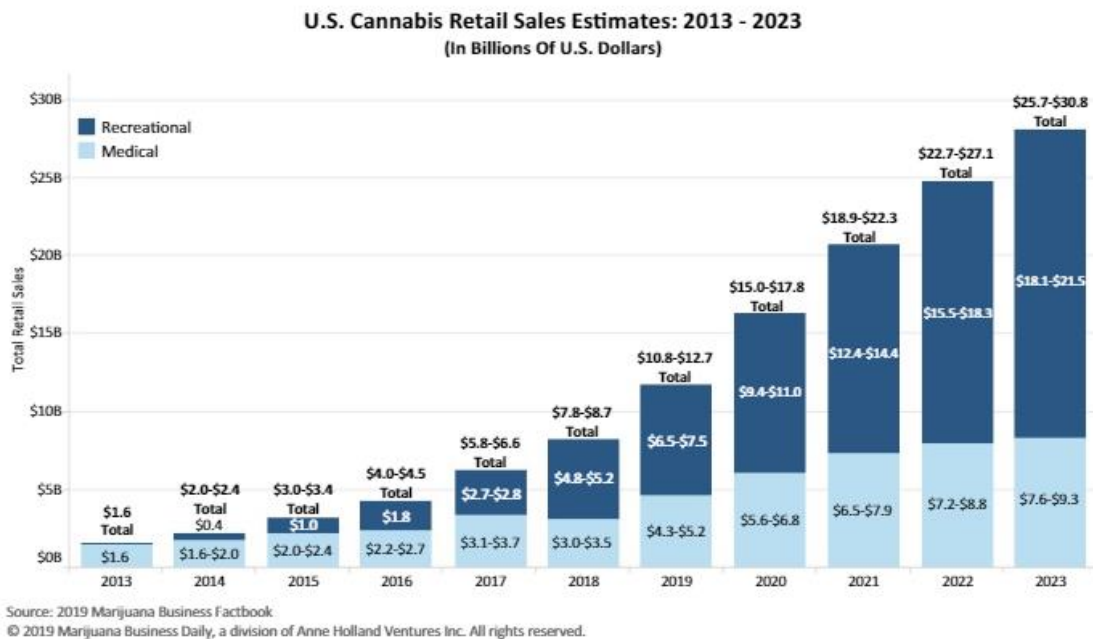
<sup>17</sup> Bernberg, Mark. "Just how big could the US marijuana market be?" The Green Fund (company blog). August 30, 2018 (Updated November 18, 2018). Source: <https://thegreenfund.com/just-how-big-could-the-us-marijuana-market-be>.

<sup>18</sup> 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>

<sup>19</sup> 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](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)

recreational marijuana sales. The following chart from the 2019 Marijuana Business Daily Factbook provides an overview of current and future cannabis sales.<sup>20</sup>



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.”<sup>21</sup> The Brightfield Group issued a projection reporting that internationally, the cannabis industry would be worth \$31.4 billion in 2021.<sup>22</sup>

### 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.”<sup>23</sup> Following this, authorized medical professionals could prescribe medical cannabis to qualifying patients with specific conditions—such as ALS, cancer, HIV or AIDS, multiple sclerosis,

<sup>20</sup> Marijuana Business Daily. “2019 Marijuana Business Daily Factbook.” Updated February 2020.

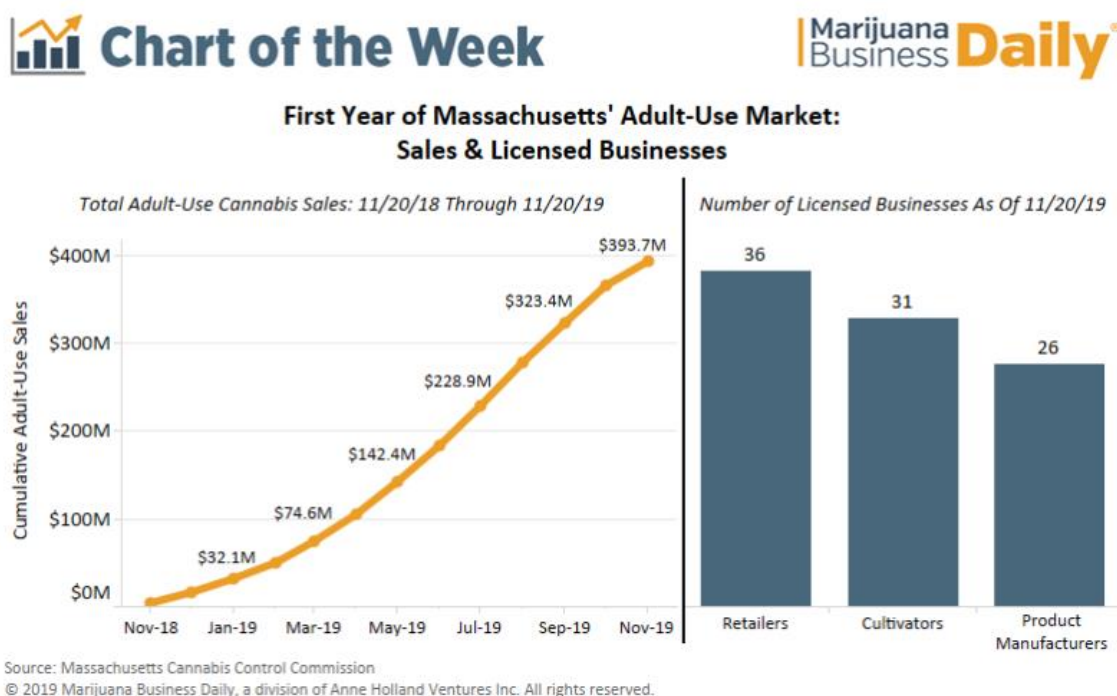
<sup>21</sup> “Incentivizing Economic Surplus Growth in the Cannabis Industry.” Düber. September 29, 2017. Source: <https://tinyurl.com/y84e8cbu>.

<sup>22</sup> 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/>.

<sup>23</sup> Mass.gov. Medical Use of Marijuana Program. Source: <https://www.mass.gov/medical-use-of-marijuana-program>

Crohn's disease, etc.<sup>24</sup>—but the purchase of recreational cannabis remained illegal until the Massachusetts Marijuana Legalization Initiative, or Question 4, was passed on November 8, 2016.<sup>25</sup>

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<sup>26</sup> and annual sales for the industry's first year reached nearly \$400 million. By 2021, adult-use sales in Massachusetts could eclipse \$1 billion. Currently, only 42 recreational retailers are open in the state<sup>27</sup>, the largest city in Massachusetts—making the \$400 million sales figure even more impressive when compared to other adult-use markets in the United States. The following chart provides details on the state's adult-use market as of November 2019.<sup>28</sup>



<sup>24</sup> Norml. Massachusetts Medical Marijuana Law. Source: <http://norml.org/legal/item/massachusetts-medical-marijuana>

<sup>25</sup> 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))

<sup>26</sup> 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/>

<sup>27</sup> DeCosta-Klipa, Nik. "A Running List of Recreational Marijuana..." *Boston*. Updated March 2020. Source: <https://www.boston.com/news/local-news/2018/12/19/marijuana-dispensaries-in-massachusetts>

<sup>28</sup> McVey, Eli. "Chart: First Year of Adult-Use Cannabis Sales..." *MJBiz Daily*. December 2019. Source: <https://mjbizdaily.com/chart-first-year-adult-use-cannabis-sales-massachusetts/>

In just over one year, legal cannabis sales in Massachusetts—a state with the population of 6.9 million—reached more than half of legal sales for the entire country of Canada, according to a U.S. national cannabis law firm.<sup>29</sup> In 2020, the state's second year of operation, Massachusetts could expect tax revenue between \$93 million and \$172 million on sales ranging between \$707 million and \$1.3 billion. As of March 2020, the total retail sales have reached almost \$620 million.<sup>30</sup>

This massive growth hasn't come without its problems, however. Current dispensaries are required by law to purchase products only from licensed cultivators, but—with only 28 licensed cultivators,<sup>31</sup> most of which are used to supply the much smaller demand from the medical cannabis community—very few cultivators have excess product to sell. The supply difficulties are coupled with steady customer demand. "We've seen continued growth month after month," Theory Wellness CEO Brandon Pollock said. "Every day we have, say, 50% returning customers and 50% new customers."<sup>32</sup>

According to official data from the state of Massachusetts, 404 pending business applications have been submitted as of March 2020. This includes 168 retailer, 118 cultivator, 90 manufacturer, seven microbusiness, 10 transporter, five testing licenses, four research facilities, and two craft marijuana cooperative licenses. In the same period, 227 licenses have been awarded, including 137 retailer, 108 cultivator, 82 manufacturer, eight microbusiness, three transporter, and three testing licenses.<sup>33</sup>

### Location Analysis

Headquartered in the same building as its dispensary in Kingston, Massachusetts (Plymouth County), Elevated Cultivation's cultivation and extraction facility will seek partnerships with dispensaries throughout the state, as well as supplying the built-in demand from its own dispensary. The following map illustrates the location of current

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<sup>29</sup> Marijuana News. "Massachusetts' Cannabis Sales Worth Over..." *420Intel*. February 2020. Source: <https://tinyurl.com/yav24kfe>

<sup>30</sup> Cannabis Business Plan. "Recreational Cannabis Market in Massachusetts..." Source: <https://cannabusinessplans.com/massachusetts-cannabis-market/>

<sup>31</sup> Cannabis Control Commission. "Licensing." Source: <https://mass-cannabis-control.com/licensing/>

<sup>32</sup> Cohen, Nancy Eve. "After 1 Year, Mass. Weed Stores Undersupplied..." *WBUR*. November 2019. Source: <https://tinyurl.com/uju24j6>

<sup>33</sup> Cannabis Business Plan. "Recreational Cannabis Market in Massachusetts..." Source: <https://cannabusinessplans.com/massachusetts-cannabis-market/>



dispensaries (labeled with green) and licensed dispensaries coming soon (labeled with purple), relative to the Company's location (labeled as a yellow star):<sup>34</sup>



With the shortage of cannabis products affecting dispensaries state-wide, Elevated Cultivation's plan to produce and harvest a variety of cannabis products will alleviate the strain placed on the state's dispensaries and customers.

### Industry Analysis

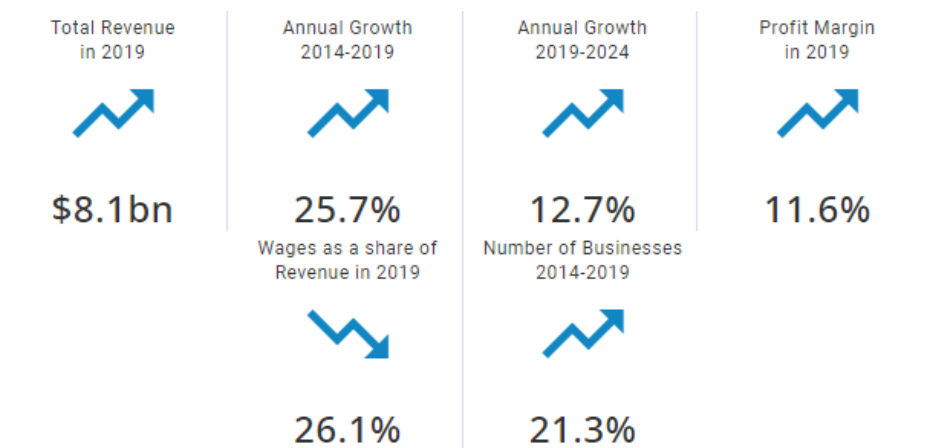
Elevated Cultivation will operate in the thriving *Medical & Recreational Marijuana Growing* industry, which has experienced meteoric growth in the last five years as more states choose to legalize aspects of the cannabis market. To feed the growing demand for industry products, new operators have flooded the industry in recently legalized markets. Consumer attitudes are also accelerating legalization efforts at the state level. Gallup reports that an estimated 80.0% of U.S. citizens approve of legal access to medical marijuana, while 60.0% approve of full adult use legalization. The growing acceptance of medical marijuana is providing growers and investors with unprecedented opportunities.

<sup>34</sup> DeCosta-Klipa, Nik. "A Running List of Recreational Marijuana..." *Boston*. Updated February 2020. Source: <https://www.boston.com/news/local-news/2018/12/19/marijuana-dispensaries-in-massachusetts>

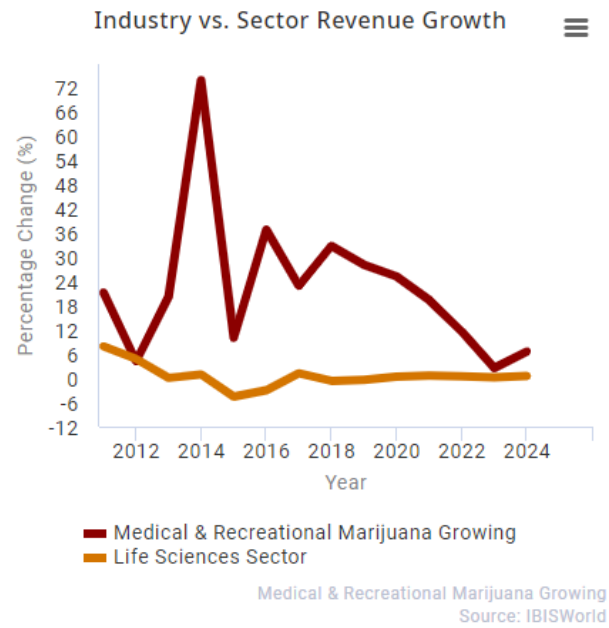


As a result, industry revenue is forecast to grow an annualized 25.7% to \$8.1 billion over the five years to 2019. In 2019, revenue is expected to grow 28.0% due to new legalization initiatives this same year.

In the next five years to 2024, industry growth is expected to continue despite the uncertain future of the industry—particularly in the eyes of the federal government. Until then, a growing number of medical marijuana patients, as well as the recreational cannabis legalization movement, will generate an expanding consumer base for growers. Moreover, as surrounding nations, including Canada and Mexico, legalize the drug, the U.S. government will likely be pressured to follow suit.<sup>35</sup>

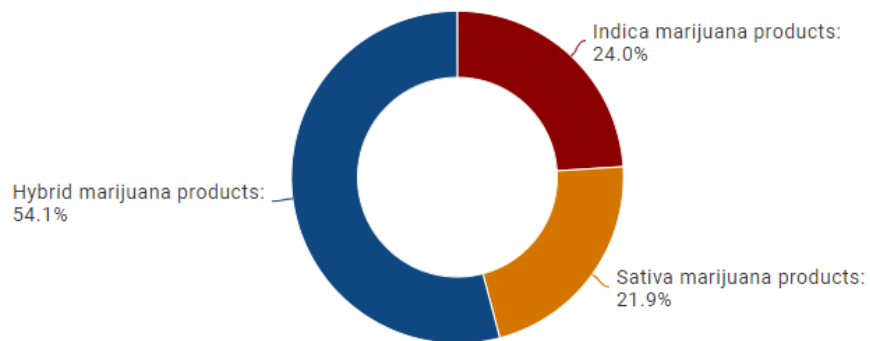


<sup>35</sup> Fernandez, Cecilia. "Medical & Recreational Marijuana Growing in the U.S." *IBISWorld*. November 2019. Source: <http://ibisworld.com>



## Products & Services Segmentation

### Industry Products & Services Segmentation



### Competitors

Marijuana Business Daily reported that 31 cultivators and 26 manufacturers were licensed and operational as of November 2019. Many companies hold multiple licenses for different business verticals. Elevated Cultivation will join this number and compete against the

established cultivators and manufacturers. The following list details the Company's primary competition throughout the state.<sup>36</sup>

- **253 Organic, LLC:** 253 Miller falls Road, Montague, MA 01376
  - Retailer
  - Product manufacturer
  - Tier 4 indoor cultivation
- **Alternative Therapies Group:** 10 Industrial Way, Amesbury, MA 01913
  - Product manufacturer
  - Tier 5 indoor cultivation
  - Retailer (3)
- **Berkshire Roots** 501 Dalton Avenue, Pittsfield, MA 01201
  - Product manufacturer
  - Tier 2 indoor cultivation
  - Retailer (1)
  - Marijuana transporter
- **Commcan, Inc.** 2 Marc Road, Medway, MA 02053
  - Product manufacturer
  - Tier 5 indoor cultivation
  - Retailer (1)
- **Cultivate Holdings** 1764 Main Street, Leicester, MA 01524
  - Product manufacturer
  - Tier 2 indoor cultivation
  - Retailer (1)
- **Curaleaf Massachusetts, Inc.** 30 Worcester Road, Unit B, Webster, MA 01570
  - Product manufacturer
  - Tier 11 indoor cultivation
  - Retailer (2)
- **Garden Remedies** 307 Airport Road, Fitchburg, MA 01420
  - Product manufacturer
  - Tier 3 indoor cultivation
  - Retailer (2)
- **Good Chemistry** 20 Williams Way, Bellingham, MA 02019
  - Product manufacturer

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<sup>36</sup> Cannabis Control Commission. "Marijuana Establishments Authorized..." CCC. Source: <https://mass-cannabis-control.com/licensing/>

- Tier 4 indoor cultivation
  - Retailer (1)
- **Hope Heal Health** 1 West Street, Fall River, MA 02720
  - Product manufacturer
  - Tier 4 indoor cultivation
  - Retailer (1)
- **In Good Health:** 1200 West Chestnut Street, Brockton, MA 02301
  - Product manufacturer
  - Tier 4 indoor cultivation
  - Retailer (1)
- **I.N.S.A.:** 122 Pleasant Street, Easthampton, MA 01027
  - Product manufacturer
  - Tier 7 indoor cultivation
  - Retailer (2)
- **M3 Ventures, Inc.:** 9 Collins Avenue, Plymouth, MA 02360
  - Product manufacturer
  - Tier 2 indoor cultivation
  - Retailer (1)
- **Mass Alternative Care, Inc.:** 1247 E. Main St., Chicopee, MA 01020
  - Product manufacturer
  - Tier 3 indoor cultivation
  - Retailer (1)
- **Mayflower Medicinals, Inc.:** 89 October Hill Road, Holliston, MA 01746
  - Product manufacturer
  - Tier 2 indoor cultivation
- **Nature's Remedy of Massachusetts, Inc.:** 310 Kenneth Welch Drive, Lakeville, MA 02347
  - Product manufacturer
  - Tier 4 indoor cultivation
  - Retailer (1)
- **New England Treatment Access (NETA):** 5 Forge Parkway, Franklin, MA 02038
  - Product manufacturer
  - Tier 6 indoor cultivation
  - Retailer (2)
- **Northeast Alternatives, Inc.:** 999 William Canning Boulevard, Fall River, MA 02721
  - Product manufacturer

- Tier 1 indoor cultivation
  - Retailer (1)
- **Nova Farms, LLC (formerly known as BCWC, LLC):** 136 Kellogg Road, Sheffield, MA 01257
  - Tier 9 outdoor cultivation
- **Patriot Care:** 170 Lincoln Street, Lowell, MA 01852
  - Product manufacturer
  - Tier 6 indoor cultivation
  - Retailer (2)
- **Revolutionary Clinics:** 1 Oak Hill Road, Unit B, Fitchburg, MA 01420
  - Product manufacturer
  - Tier 8 indoor cultivation
- **RISE Holdings, Inc.:** 28 Appleton Street, Holyoke, MA 01040
  - Product manufacturer
  - Tier 11 indoor cultivation
  - Retailer (1)
- **Sanctuary Medicinals:** 234 Taylor Street, Littleton, MA 01460
  - Product manufacturer
  - Tier 5 indoor cultivation
  - Retailer (1)
- **SIRA Naturals, Inc.:** 13 Commercial Way, Milford, MA 01757
  - Product manufacturer
  - Tier 3 indoor cultivation (2)
  - Marijuana transporter
- **Temescal Wellness:** 141 SW Cutoff, Worcester, MA 01604
  - Product manufacturer
  - Tier 2 indoor cultivation
  - Retailer (2)
- **The Caregiver-Patient Connection:** 295 Vernon Ave., Barre, MA 01005
  - Tier 2 outdoor cultivation
- **The Green Lady Dispensary:** 11 Amelia Dr., Nantucket, MA 02554
  - Product manufacturer
  - Tier 1 indoor cultivation
  - Retailer (1)
- **Theory Wellness:** 1050 Elm Street, Bridgewater, MA 02324
  - Product manufacturer

- Tier 1 indoor cultivation
- Tier 6 outdoor cultivation
- Retailer (2)

## **STRATEGY & IMPLEMENTATION SUMMARY**

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### **Competitive Edge**

To set itself apart from its current and upcoming competition, Elevated Cultivation has developed a state-of-the-art hydroponic cultivation system to grow an exceptional collection of cannabis products. The Company will carefully choose cultivars with a variety of natural health benefits and establish its plants from seed to carefully monitor and control the quality of its plants and end products. Moreover, the Company has chosen cultivation and extraction systems that eliminate potential contaminants of the final product, leaving only the plant's natural compounds.

Through the built-in demand from its dispensary in the same facility, the Company will establish a following for its brand while also forging partnerships with other dispensaries throughout Massachusetts. Built upon decades of industry knowledge, Elevated Cultivation takes its processes and products as seriously as it takes the satisfaction of its customers and clients.

### **Marketing Strategy**

Elevated Cultivation will leverage a sales and marketing funnel based on a direct marketing approach leveraging attendance at industry events to forge strategic partnerships within the industry, direct sales efforts, and a well-made website. This strategy is specifically designed to reach potential clients seeking expertly grown and extracted cannabis products.

A cohesive brand identity, including a memorable logo and all necessary marketing collateral—compliant with 935 CMR 500.105(4)(a) and (4)(b)—will transmit a clear message of these values to the Company's clients and guide the development of marketing campaigns. Prohibited practices are detailed below:

1. Advertising, marketing, and branding in such a manner that is deemed to be is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly or by omission or ambiguity;
2. Advertising, marketing and branding by means of television, radio, internet, mobile applications, social media, or other electronic communication, billboard or other outdoor advertising, or print publication, unless at least 85% of the audience is

- reasonably expected to be 21 years of age or older as determined by reliable and current audience composition data;
3. Advertising, marketing, and branding that utilizes statements, designs, representations, pictures or illustrations that portray anyone younger than 21 years old;
  4. Advertising, marketing, and branding including, but not limited to, mascots, cartoons, brand sponsorships and celebrity endorsements, that is deemed to appeal to a person younger than 21 years old;
  5. Advertising, marketing, and branding, including statements by a Licensee, that makes any false or statements concerning other Licensees and the conduct and products of such other Licensees that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly or by omission or ambiguity;
  6. Advertising, marketing, and branding through certain identified promotional items as determined by the Commission including, but not limited to, gifts, giveaways, discounts, points-based reward systems, customer loyalty programs, coupons, or "free" or "donated" Marijuana;
  7. Advertising, marketing, and branding by a Licensee that asserts that its products are safe, or represent that its products have curative or therapeutic effects, other than labeling required pursuant to M.G.L. c. 94G, § 4(a½)(xxvi), unless supported by substantial evidence or substantial clinical data with reasonable scientific rigor as determined by the Commission;
  8. Advertising on any billboards, or any other public signage, which fails to comply with all state and local ordinances and requirements;
  9. Installation of any illuminated, neon, or external signage beyond the period of 30 minutes before sundown until closing, provided however, that the Commission may further specify minimum signage requirements;
  10. The use of vehicles equipped with radio or loudspeakers for the advertising of Marijuana;
  11. The use of radio or loudspeaker equipment in any Marijuana Establishment for the purpose of attracting attention to the sale of Marijuana;
  12. Advertising, marketing, and branding at, or in connection with, a charitable, sporting or similar event, unless at least 85% of the audience is reasonably expected to be 21 years of age or older, as determined by reliable, current audience composition data;



13. Operation of any website of a Marijuana Establishment that fails to verify that the entrant is 21 years of age or older;
14. Use of unsolicited pop-up advertisements on the internet or text message;
15. Any advertising of an improper or objectionable nature including, but not limited to, the use of recipe books or pamphlets for Marijuana Products which contain obscene or suggestive statements;
16. Advertising, marketing or branding of Marijuana Products, on clothing, cups, drink holders, apparel accessories, electronic equipment or accessories, sporting equipment, novelty items and similar portable promotional items;
17. Advertising, marketing or branding, on or in public or private vehicles and at bus stops, taxi stands, transportation waiting areas, train stations, airports, or other similar transportation venues including, but not limited to, vinyl-wrapped vehicles or signs or logos on transportation vehicles or company cars;
18. Advertising, marketing, branding, signs or other printed matter advertising any brand or kind of Marijuana Products that are displayed on the exterior or interior of any licensed Premises where Marijuana Products are not regularly and usually kept for sale;
19. Advertising or marketing of the price of Marijuana Products, except as permitted above pursuant to 935 CMR 500.105(4)(a); and
20. Display of Marijuana Products so as to be clearly visible to a person from the exterior of a Marijuana Establishment.

### **Objectives**

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

#### **Short-term**

- Establish itself as a trusted cultivator and extractor of superior-quality cannabis products
- Build a base of partners, clients, and downstream consumers 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

### **Brand Awareness Channels**

Elevated Cultivation will use a direct sales approach and a variety of advertising channels to increase its exposure among prospective clients and downstream customers. Specific channels will include:

<b>Strategic partnerships</b>	<b>Website</b>
<b>B2B word of mouth</b>	<b>Social media</b>
<b>Direct sales</b>	<b>Email marketing</b>

**Website:** The Company will create a website (elevatedcultivation.com) to generate interest in its products and extraction services. This website will be search engine optimized, mobile compatible, and will include information on the Company's cultivation and extraction methods, links to the Elevated Cultivation dispensary, photo gallery, company profile, location, and contact information.

**Social media:** The Company will develop a distinctive and authentic, but regulated presence on social networking sites including Facebook, Instagram, and Twitter. Customers can "like" the Company on Facebook or "follow" the Company's Twitter 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.<sup>37</sup> 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.<sup>38</sup> Elevated Cultivation 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.

**Email marketing:** Current and prospective clients and partners will benefit from receiving strategic email updates and newsletters on a regular basis. This will provide the

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<sup>37</sup> Pew Research Center. "Social Media Update 2016" November 11, 2016. Source: <http://www.pewinternet.org/2016/11/11/social-media-update-2016/>

<sup>38</sup> 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>

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, as nearly half of all emails are opened on mobile devices. Email marketing delivers the highest ROI of any digital marketing tactic: an average of \$42 per dollar spent. Over 80% of SMBs still rely on email as their primary customer acquisition *and* retention channel.<sup>39</sup> Similarly, 59% of business-to-business marketers say email is their most effective channel in terms of revenue generation, while email is the third-most influential source of information for business-to-business audiences, behind only colleague recommendations and industry-specific thought leaders.<sup>40</sup>

**Direct mail:** Elevated Cultivation will send mailers and postcards directly to local cannabis businesses. Mailers will provide the Company's contact information, a description of services and products, and any current promotions.

**Direct sales:** In the business-to-business world, direct advertising has always been the most effective means of reaching new customers. Nearly 70% of all B2B purchases are the result of real human interaction via the telephone or in person.<sup>41</sup> For this reason, Elevated Cultivation will use direct sales calls, presentations, and appointments with dispensaries, distribution companies, and other cannabis businesses throughout Massachusetts. The benefits of a direct sales approach include lower upfront marketing costs, enhanced lead generation, and immediate results.

**Networking:** As with any relationship-based business, the Company will benefit from participating in a number of networking opportunities that have the potential to yield new business contacts as well as nourish existing ones. Elevated Cultivation will attend a variety of events that draw substantial numbers of prospective clients, including seminars, networking events, and conferences which provide opportunities to speak to and associate with larger audiences.

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<sup>39</sup> Mohsin, Maryam. "10 Email Marketing Stats You Need..." *Oberlo*. November 2019. Source: <https://www.oberlo.com/blog/email-marketing-statistics>

<sup>40</sup> 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>

<sup>41</sup> SCi Sales Group. "10 must-know facts for better B2B telemarketing" Source: <http://www.slideshare.net/SCiSalesGroup/10-key-facts-to-improve-your-b2b-telemarketing>

**In-store advertising:** To better build up consumer demand for its products, it is essential for Elevated Cultivation to create business-to-consumer marketing pieces to be utilized and displayed within the dispensary retail environment. This may include high-quality glossy posters on walls and windows, point of sale materials, handouts or brochures, and other eye-catching marketing pieces that articulate the quality and identity of the brand.

**Established relationships:** The Company has already established a number of business relationships through its dispensary that it will use to market its products, generate referrals, and build its client base.

**Business-to-business word of mouth:** Elevated Cultivation's commitment to offering superior products will generate a solid and positive reputation within the industry. The Company's clients will recommend the Company's services to their friends and families. 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.<sup>42</sup> Through this simple marketing tactic, Elevated Cultivation will become recognized as an industry leader in hydroponic cannabis cultivation.

**Grass roots marketing:** The Company recognizes that building strong, lasting relationships with the surrounding community is vital to its success. Elevated Cultivation will engage in direct outreach with this community through special events, sponsorships, donations, and other initiatives that strengthen the community as well as Elevated Cultivation's reputation within it.

**Strategic partnerships:** Elevated Cultivation will benefit from strategic partnerships with other cannabis businesses and organizations, such as dispensaries, distribution companies, other cultivators seeking extraction services, and more. These partnerships will be mutually beneficial and will help increase brand awareness in the target market for both the Company and its partners.

**Industry events:** The Company will attend cannabis-related conferences, summits, and trade shows throughout Massachusetts to increase brand awareness and establish

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<sup>42</sup> Ambassador. "How Are Consumers Influenced by Referral Marketing" March 9, 2016. Source: <https://www.getambassador.com/blog/how-are-consumers-influenced-by-referral-marketing>

valuable business partnerships. Some of these will include: the New England Cannabis Convention in Boston, the Springfield Cannabis Convention, and more.

# MANAGEMENT SUMMARY

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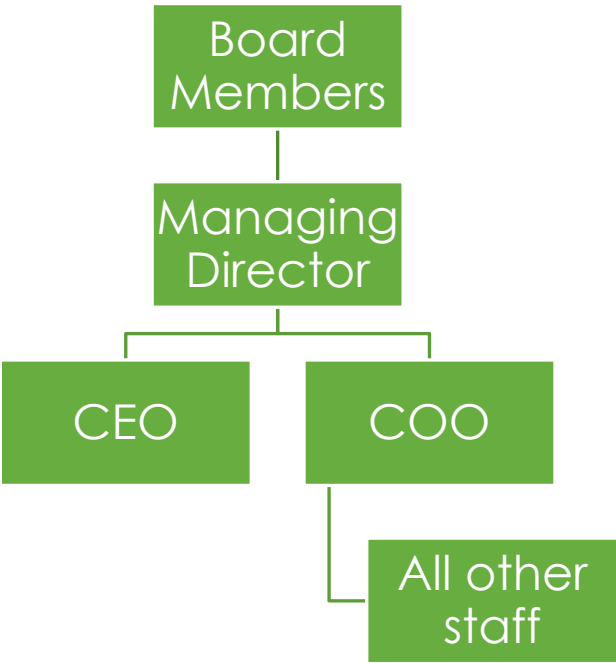
**Robert Palma, Board Member**

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.

**Barznab Khan, Board Member**

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.

*Organizational Chart*



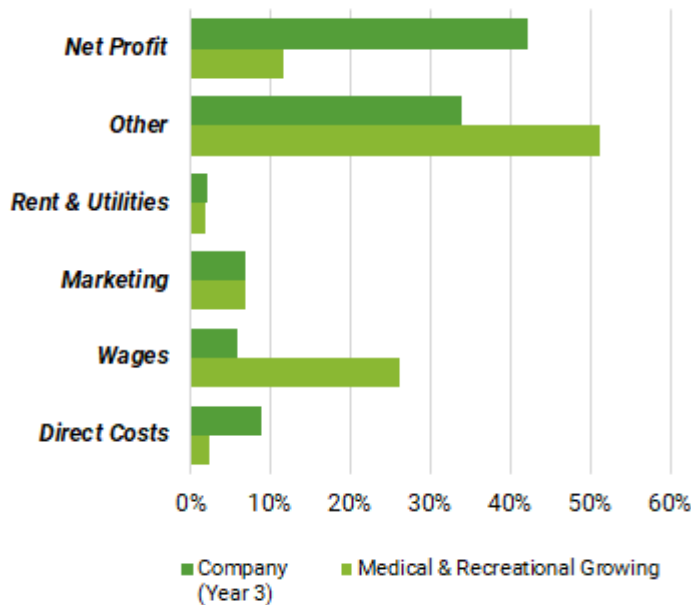
## FINANCIAL PROJECTIONS

### Financial Assumptions

Financial projections were developed with consideration of the market research included in this business plan and comparable industry analysis.

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 Growing* industry.



	Company (Year 3)	Medical & Recreational Growing
Direct Costs	9.0%	2.5%
Wages	6.0%	26.1%
Marketing	7.0%	6.8%
Rent & Utilities	2.1%	1.9%
Other	33.8%	51.1%
Net Profit	42.1%	11.6%

Key financial metrics are shown below.

## FINANCIAL METRICS

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>PROFITABILITY</b>					
Gross Margin/Revenue	90.9%	91.0%	91.0%	91.0%	91.0%
EBITDA/Revenue	73.3%	74.5%	75.2%	75.7%	76.2%
NET PROFIT %	39.9%	41.2%	42.1%	42.8%	43.3%
<b>DEBT RATIOS</b>					
Debt/Assets	0.1	0.1	0.0	0.0	0.0
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
<b>DAYS ON HAND</b>					
Receivables	0	0	0	0	0
Inventory	0	0	0	0	0
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

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>REVENUE</b>					
Rosin (g)	\$521,856	\$608,832	\$695,808	\$782,784	\$869,760
Concentrate (g)	\$1,060,020	\$1,236,690	\$1,413,360	\$1,590,030	\$1,766,700
Wholesale Flower (lb)	\$8,604,000	\$10,038,000	\$11,472,000	\$12,906,000	\$14,340,000
<b>Total Revenue</b>	<b>\$10,185,876</b>	<b>\$11,883,522</b>	<b>\$13,581,168</b>	<b>\$15,278,814</b>	<b>\$16,976,460</b>
<b>DIRECT COST OF REVENUE</b>					
Cultivation	\$876,000	\$1,008,000	\$1,152,000	\$1,296,000	\$1,440,000
Extraction	\$53,001	\$61,835	\$70,668	\$79,502	\$88,335
Subtotal Cost of Revenue	\$929,001	\$1,069,835	\$1,222,668	\$1,375,502	\$1,528,335
Other Direct Cost	\$0	\$0	\$0	\$0	\$0
<b>Total Direct Costs</b>	<b>\$929,001</b>	<b>\$1,069,835</b>	<b>\$1,222,668</b>	<b>\$1,375,502</b>	<b>\$1,528,335</b>
<b>GROSS MARGIN</b>	<b>\$9,256,875</b>	<b>\$10,813,688</b>	<b>\$12,358,500</b>	<b>\$13,903,313</b>	<b>\$15,448,125</b>
<b>GROSS MARGIN/REVENUE</b>	<b>90.9%</b>	<b>91.0%</b>	<b>91.0%</b>	<b>91.0%</b>	<b>91.0%</b>



The table below shows the units and pricing assumptions underlying the revenue forecast:

## UNIT ASSUMPTIONS

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>UNITS</b>					
Rosin (g)	6,523	7,610	8,698	9,785	10,872
Concentrate (g)	70,668	82,446	94,224	106,002	117,780
Wholesale Flower (lb)	2,868	3,346	3,824	4,302	4,780
<b>UNIT PRICE</b>					
Rosin (g)	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00
Concentrate (g)	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Wholesale Flower (lb)	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00

Additional assumptions follow.

## CULTIVATION & PRODUCTION ASSUMPTIONS

	Year 1	Year 2	Year 3	Year 4	Year 5
Cultivation Sq. Ft.	19,000	19,000	19,000	19,000	19,000
Flower Rooms	4	4	4	4	4
Pounds Per Flower Room/Harvest	120	140	160	180	200
Harvests/Year/Room	6	6	6	6	6
Flower Pounds Per Year	2,880	3,360	3,840	4,320	4,800
Biomass to Flower	0.5	0.5	0.5	0.5	0.5
Biomass in Pounds	1,440	1,680	1,920	2,160	2,400
Cultivation Cost/Pound	\$300	\$300	\$300	\$300	\$300
Cultivation Cost	\$864,000	\$1,008,000	\$1,152,000	\$1,296,000	\$1,440,000
Wholesale Flower Sold	2,868	3,346	3,824	4,302	4,780
<b>Rosin Press Production</b>					
Pounds of Flower Pressed/Harvest	12	14	16	18	20
Total Pounds Pressed	72	84	96	108	120
Rosin Yield In Grams	6,523	7,610	8,698	9,785	10,872
<b>BHO Extraction</b>					
Max Pounds Biomass Extracted Per Day	10	10	10	10	10
Days/Year	260	260	260	260	260
Max Pounds Extracted	2,600	2,600	2,600	2,600	2,600
% of Capacity	60%	70%	80%	90%	100%
Pounds Extracted	1,560	1,820	2,080	2,340	2,600
Grams Extracted	706,680	824,460	942,240	1,060,020	1,177,800
Yield %	10%	10%	10%	10%	10%
Concentrate Grams	70,668	82,446	94,224	106,002	117,780
BHO Extraction Direct Cost %	5%	5%	5%	5%	5%



The Company's personnel forecast is outlined below.

## PERSONNEL FORECAST

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>STAFF COUNT PER POSITION</b>					
CEO	1	1	1	1	1
COO	1	1	1	1	1
Cultivation Staff	5	5	5	5	5
Extraction Staff	3	3	3	3	3
Sales	1	1	1	1	1
Admin/Other	1	1	1	1	1
<b>Total Staff Count</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
<b>SALARY PER POSITION</b>					
CEO	\$100,000	\$105,000	\$110,250	\$115,763	\$121,551
COO	\$85,000	\$89,250	\$93,713	\$98,398	\$103,318
Cultivation Staff	\$41,600	\$43,680	\$45,864	\$48,157	\$50,565
Extraction Staff	\$37,440	\$39,312	\$41,278	\$43,341	\$45,509
Sales	\$40,000	\$42,000	\$44,100	\$46,305	\$48,620
Admin/Other	\$40,000	\$42,000	\$44,100	\$46,305	\$48,620
<b>TOTAL PAYROLL BY POSITION</b>					
CEO	\$100,000	\$105,000	\$110,250	\$115,763	\$121,551
COO	\$85,000	\$89,250	\$93,713	\$98,398	\$103,318
Cultivation Staff	\$208,000	\$218,400	\$229,320	\$240,786	\$252,825
Extraction Staff	\$112,320	\$117,936	\$123,833	\$130,024	\$136,526
Sales	\$40,000	\$42,000	\$44,100	\$46,305	\$48,620
Admin/Other	\$40,000	\$42,000	\$44,100	\$46,305	\$48,620
Commissions	\$46,284	\$54,068	\$61,793	\$69,517	\$77,241
<b>Total Payroll</b>	<b>\$631,604</b>	<b>\$668,654</b>	<b>\$707,108</b>	<b>\$747,098</b>	<b>\$788,701</b>
<b>Payroll/Revenue</b>	<b>6.2%</b>	<b>5.6%</b>	<b>5.2%</b>	<b>4.9%</b>	<b>4.6%</b>

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

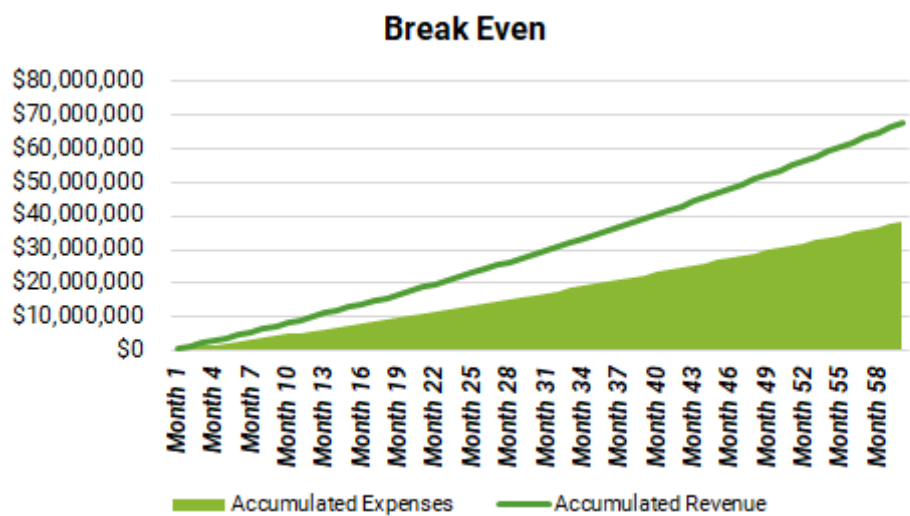
	Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenue	\$10,185,876	\$11,883,522	\$13,581,168	\$15,278,814	\$16,976,460
Total Direct Cost of Revenue	\$929,001	\$1,069,835	\$1,222,668	\$1,375,502	\$1,528,335
<b>Gross Margin</b>	<b>\$9,256,875</b>	<b>\$10,813,688</b>	<b>\$12,358,500</b>	<b>\$13,903,313</b>	<b>\$15,448,125</b>
Gross Margin/Revenue	90.9%	91.0%	91.0%	91.0%	91.0%
<b>EXPENSES</b>					
Marketing	\$713,011	\$831,847	\$950,682	\$1,069,517	\$1,188,352
Rent	\$220,000	\$231,000	\$242,550	\$254,678	\$267,411
Utilities	\$36,000	\$37,800	\$39,690	\$41,675	\$43,758
Cleaning Supplies	\$2,400	\$2,520	\$2,646	\$2,778	\$2,917
Insurance	\$5,000	\$5,250	\$5,513	\$5,788	\$6,078
Phone & Internet	\$3,000	\$3,150	\$3,308	\$3,473	\$3,647
Fees, Dues, & Subscriptions	\$6,000	\$6,300	\$6,615	\$6,946	\$7,293
Professional Fees	\$24,000	\$25,200	\$26,460	\$27,783	\$29,172
Repairs & Maintenance	\$38,000	\$39,900	\$41,895	\$43,990	\$46,189
Other/Misc	\$12,000	\$12,600	\$13,230	\$13,892	\$14,586
Depreciation	\$168,513	\$168,513	\$168,513	\$168,513	\$168,513
Payroll Taxes & Benefits	\$94,741	\$100,298	\$106,066	\$112,065	\$118,305
Total Payroll	\$631,604	\$668,654	\$707,108	\$747,098	\$788,701
<b>Total Op. Expenses</b>	<b>\$1,954,270</b>	<b>\$2,133,032</b>	<b>\$2,314,275</b>	<b>\$2,498,194</b>	<b>\$2,684,923</b>
Profit Before Int. & Tax	\$7,302,605	\$8,680,655	\$10,044,225	\$11,405,119	\$12,763,202
EBITDA*	\$7,471,119	\$8,849,168	\$10,212,738	\$11,573,632	\$12,931,716
Interest Expense	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	\$3,239,906	\$3,784,791	\$4,325,475	\$4,866,159	\$5,406,844
<b>NET PROFIT</b>	<b>\$4,062,699</b>	<b>\$4,895,864</b>	<b>\$5,718,750</b>	<b>\$6,538,959</b>	<b>\$7,356,358</b>
<b>NET PROFIT %</b>	<b>39.9%</b>	<b>41.2%</b>	<b>42.1%</b>	<b>42.8%</b>	<b>43.3%</b>

\*Earnings Before Interest, Taxes, Depreciation, & Amortization

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 1 will be the point at which break-even will occur.

## BREAK-EVEN ANALYSIS

Break-Even Month	1
Accumulated Gross Revenue	\$717,718



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

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>OPERATING</b>					
Net Profit	\$4,062,699	\$4,895,864	\$5,718,750	\$6,538,959	\$7,356,358
Adjustments to Net Profit					
Depreciation & Amortization	\$168,513	\$168,513	\$168,513	\$168,513	\$168,513
(Increases)/Decreases in Accounts Receivable	\$0	\$0	\$0	\$0	\$0
(Additions)/Depletions of Inventory	\$0	\$0	\$0	\$0	\$0
Increases/(Decreases) in Accounts Payable	\$497,187	\$46,597	\$48,046	\$71,625	\$71,703
Net Cash From Operating Activities	\$4,728,400	\$5,110,975	\$5,935,309	\$6,779,097	\$7,596,575
<b>INVESTING</b>					
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
<b>FINANCING</b>					
Investment	\$0	\$0	\$0	\$0	\$0
Dividends	(\$1,015,675)	(\$1,223,966)	(\$1,429,687)	(\$1,634,740)	(\$1,839,090)
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	(\$1,015,675)	(\$1,223,966)	(\$1,429,687)	(\$1,634,740)	(\$1,839,090)
<b>Net Cash Flow</b>	<b>\$3,712,725</b>	<b>\$3,887,008</b>	<b>\$4,505,622</b>	<b>\$5,144,357</b>	<b>\$5,757,485</b>
<b>Beginning Cash</b>	<b>\$472,300</b>	<b>\$4,185,025</b>	<b>\$8,072,033</b>	<b>\$12,577,655</b>	<b>\$17,722,012</b>
<b>ENDING CASH</b>	<b>\$4,185,025</b>	<b>\$8,072,033</b>	<b>\$12,577,655</b>	<b>\$17,722,012</b>	<b>\$23,479,498</b>

The balance sheet below highlights the Company's projected assets, liabilities, and capital:

## BALANCE SHEET

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>ASSETS</b>					
Current Assets					
Cash	\$4,185,025	\$8,072,033	\$12,577,655	\$17,722,012	\$23,479,498
Accounts Receivable	\$0	\$0	\$0	\$0	\$0
Inventory	\$0	\$0	\$0	\$0	\$0
Other Current Assets	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$4,185,025	\$8,072,033	\$12,577,655	\$17,722,012	\$23,479,498
Fixed Assets					
Long-Term Assets	\$2,527,700	\$2,527,700	\$2,527,700	\$2,527,700	\$2,527,700
Accum. Depreciation	\$168,513	\$337,027	\$505,540	\$674,053	\$842,567
Land	\$0	\$0	\$0	\$0	\$0
Total Fixed Assets	\$2,359,187	\$2,190,673	\$2,022,160	\$1,853,647	\$1,685,133
<b>Total Assets</b>	<b>\$6,544,211</b>	<b>\$10,262,707</b>	<b>\$14,599,815</b>	<b>\$19,575,659</b>	<b>\$25,164,631</b>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts Payable	\$497,187	\$543,784	\$591,830	\$663,455	\$735,158
Current Borrowing	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$497,187	\$543,784	\$591,830	\$663,455	\$735,158
Long-Term Liabilities	\$0	\$0	\$0	\$0	\$0
<b>Total Liabilities</b>	<b>\$497,187</b>	<b>\$543,784</b>	<b>\$591,830</b>	<b>\$663,455</b>	<b>\$735,158</b>
<b>CAPITAL</b>					
Paid-in Capital	\$1,984,325	\$760,359	(\$669,328)	(\$2,304,068)	(\$4,143,158)
Retained Earnings	\$0	\$4,062,699	\$8,958,563	\$14,677,313	\$21,216,273
Earnings	\$4,062,699	\$4,895,864	\$5,718,750	\$6,538,959	\$7,356,358
<b>Total Capital</b>	<b>\$6,047,024</b>	<b>\$9,718,923</b>	<b>\$14,007,985</b>	<b>\$18,912,204</b>	<b>\$24,429,473</b>
<b>TOTAL CAPITAL + LIABILITIES</b>	<b>\$6,544,211</b>	<b>\$10,262,707</b>	<b>\$14,599,815</b>	<b>\$19,575,659</b>	<b>\$25,164,631</b>

The sensitivity analysis below assumes that revenues are 15% higher or lower than figures projected earlier in this business plan:

## BEST CASE SCENARIO

<b>REVENUE IS 15% GREATER THAN PROJECTED</b>					
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Revenue	\$11,713,757	\$13,666,050	\$15,618,343	\$17,570,636	\$19,522,929
Cost of Goods	\$1,068,351	\$1,230,310	\$1,406,068	\$1,581,827	\$1,757,585
Gross Margin	\$10,645,406	\$12,435,741	\$14,212,275	\$15,988,809	\$17,765,344
Gross Margin/Revenue	91%	91%	91%	91%	91%
Operating Expenses	\$1,954,270	\$2,133,032	\$2,314,275	\$2,498,194	\$2,684,923
Net Profit	\$8,691,137	\$10,302,708	\$11,898,000	\$13,490,615	\$15,080,421
Net Profit/Revenue	74%	75%	76%	77%	77%
Cash Flow	\$8,341,162	\$4,470,060	\$5,181,465	\$5,916,011	\$6,621,108
Cash Balance	\$8,813,462	\$13,283,522	\$18,464,987	\$24,380,998	\$31,002,106

## WORST CASE SCENARIO

<b>REVENUE IS 15% LESS THAN PROJECTED</b>					
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Revenue	\$8,657,995	\$10,100,994	\$11,543,993	\$12,986,992	\$14,429,991
Cost of Goods	\$789,651	\$909,359	\$1,039,268	\$1,169,176	\$1,299,085
Gross Margin	\$7,868,344	\$9,191,634	\$10,504,725	\$11,817,816	\$13,130,906
Gross Margin/Revenue	91%	91%	91%	91%	91%
Operating Expenses	\$1,954,270	\$2,133,032	\$2,314,275	\$2,498,194	\$2,684,923
Net Profit	\$5,914,074	\$7,058,602	\$8,190,450	\$9,319,622	\$10,445,983
Net Profit/Revenue	68%	70%	71%	72%	72%
Cash Flow	\$5,564,100	\$6,049,746	\$6,977,322	\$7,925,020	\$8,847,110
Cash Balance	\$6,036,400	\$12,086,146	\$19,063,468	\$26,988,487	\$35,835,598



## APPENDIX: FIRST YEAR FINANCIALS

### REVENUE 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
<b>REVENUE</b>												
Rosin (g)	\$36,771	\$37,874	\$39,010	\$40,181	\$41,386	\$42,628	\$43,907	\$45,224	\$46,580	\$47,978	\$49,417	\$50,900
Concentrate (g)	\$74,691	\$76,932	\$79,240	\$81,617	\$84,066	\$86,588	\$89,185	\$91,861	\$94,617	\$97,455	\$100,379	\$103,390
Wholesale Flower (lb)	\$606,256	\$624,443	\$643,177	\$662,472	\$682,346	\$702,817	\$723,901	\$745,618	\$767,987	\$791,026	\$814,757	\$839,200
<b>Total Revenue</b>	<b>\$717,718</b>	<b>\$739,250</b>	<b>\$761,427</b>	<b>\$784,270</b>	<b>\$807,798</b>	<b>\$832,032</b>	<b>\$856,993</b>	<b>\$882,703</b>	<b>\$909,184</b>	<b>\$936,459</b>	<b>\$964,553</b>	<b>\$993,490</b>
<b>DIRECT COST OF REVENUE</b>												
Cultivation	\$72,000	\$72,000	\$72,000	\$72,000	\$72,000	\$72,000	\$72,000	\$72,000	\$72,000	\$72,000	\$72,000	\$84,000
Extraction	\$3,735	\$3,847	\$3,962	\$4,081	\$4,203	\$4,329	\$4,459	\$4,593	\$4,731	\$4,873	\$5,019	\$5,170
Subtotal Cost of Revenue	\$75,735	\$75,847	\$75,962	\$76,081	\$76,203	\$76,329	\$76,459	\$76,593	\$76,731	\$76,873	\$77,019	\$89,170
Other Direct Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Direct Costs</b>	<b>\$75,735</b>	<b>\$75,847</b>	<b>\$75,962</b>	<b>\$76,081</b>	<b>\$76,203</b>	<b>\$76,329</b>	<b>\$76,459</b>	<b>\$76,593</b>	<b>\$76,731</b>	<b>\$76,873</b>	<b>\$77,019</b>	<b>\$89,170</b>
<b>GROSS MARGIN</b>	<b>\$641,984</b>	<b>\$663,403</b>	<b>\$685,465</b>	<b>\$708,189</b>	<b>\$731,595</b>	<b>\$755,703</b>	<b>\$780,534</b>	<b>\$806,110</b>	<b>\$832,453</b>	<b>\$859,587</b>	<b>\$887,534</b>	<b>\$904,320</b>
<b>GROSS MARGIN/REVENUE</b>	<b>89%</b>	<b>90%</b>	<b>90%</b>	<b>90%</b>	<b>91%</b>	<b>91%</b>	<b>91%</b>	<b>91%</b>	<b>92%</b>	<b>92%</b>	<b>92%</b>	<b>91%</b>

## 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
<b>UNITS</b>												
Rosin (g)	460	473	488	502	517	533	549	565	582	600	618	636
Concentrate (g)	4,979	5,129	5,283	5,441	5,604	5,773	5,946	6,124	6,308	6,497	6,692	6,893
Wholesale Flower (lb)	202	208	214	221	227	234	241	249	256	264	272	280
<b>UNIT PRICE</b>												
Rosin (g)	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00
Concentrate (g)	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Wholesale Flower (lb)	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00

## 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
<b>STAFF COUNT PER POSITION</b>												
CEO	1	1	1	1	1	1	1	1	1	1	1	1
COO	1	1	1	1	1	1	1	1	1	1	1	1
Cultivation Staff	5	5	5	5	5	5	5	5	5	5	5	5
Extraction Staff	3	3	3	3	3	3	3	3	3	3	3	3
Sales	1	1	1	1	1	1	1	1	1	1	1	1
Admin/Other	1	1	1	1	1	1	1	1	1	1	1	1
<b>Total Staff Count</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
<b>SALARY PER POSITION</b>												
CEO	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333
COO	\$7,083	\$7,083	\$7,083	\$7,083	\$7,083	\$7,083	\$7,083	\$7,083	\$7,083	\$7,083	\$7,083	\$7,083
Cultivation Staff	\$3,467	\$3,467	\$3,467	\$3,467	\$3,467	\$3,467	\$3,467	\$3,467	\$3,467	\$3,467	\$3,467	\$3,467
Extraction Staff	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120
Sales	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333
Admin/Other	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333
<b>TOTAL PAYROLL BY POSITION</b>												
CEO	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333
COO	\$7,083	\$7,083	\$7,083	\$7,083	\$7,083	\$7,083	\$7,083	\$7,083	\$7,083	\$7,083	\$7,083	\$7,083
Cultivation Staff	\$17,333	\$17,333	\$17,333	\$17,333	\$17,333	\$17,333	\$17,333	\$17,333	\$17,333	\$17,333	\$17,333	\$17,333
Extraction Staff	\$9,360	\$9,360	\$9,360	\$9,360	\$9,360	\$9,360	\$9,360	\$9,360	\$9,360	\$9,360	\$9,360	\$9,360
Sales	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333
Admin/Other	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333
Commissions	\$3,210	\$3,317	\$3,427	\$3,541	\$3,658	\$3,779	\$3,903	\$4,031	\$4,162	\$4,298	\$4,438	\$4,522
<b>Total Payroll</b>	<b>\$51,987</b>	<b>\$52,094</b>	<b>\$52,204</b>	<b>\$52,318</b>	<b>\$52,435</b>	<b>\$52,555</b>	<b>\$52,679</b>	<b>\$52,807</b>	<b>\$52,939</b>	<b>\$53,075</b>	<b>\$53,214</b>	<b>\$53,298</b>
<b>Payroll/Revenue</b>	<b>7.2%</b>	<b>7.0%</b>	<b>6.9%</b>	<b>6.7%</b>	<b>6.5%</b>	<b>6.3%</b>	<b>6.1%</b>	<b>6.0%</b>	<b>5.8%</b>	<b>5.7%</b>	<b>5.5%</b>	<b>5.4%</b>

## 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	\$717,718	\$739,250	\$761,427	\$784,270	\$807,798	\$832,032	\$856,993	\$882,703	\$909,184	\$936,459	\$964,553	\$993,490
Total Direct Cost of Revenue	\$75,735	\$75,847	\$75,962	\$76,081	\$76,203	\$76,329	\$76,459	\$76,593	\$76,731	\$76,873	\$77,019	\$89,170
<b>Gross Margin</b>	<b>\$641,984</b>	<b>\$663,403</b>	<b>\$685,465</b>	<b>\$708,189</b>	<b>\$731,595</b>	<b>\$755,703</b>	<b>\$780,534</b>	<b>\$806,110</b>	<b>\$832,453</b>	<b>\$859,587</b>	<b>\$887,534</b>	<b>\$904,320</b>
Gross Margin/Revenue	89.4%	89.7%	90.0%	90.3%	90.6%	90.8%	91.1%	91.3%	91.6%	91.8%	92.0%	91.0%
<b>EXPENSES</b>												
Marketing	\$50,240	\$51,747	\$53,300	\$54,899	\$56,546	\$58,242	\$59,990	\$61,789	\$63,643	\$65,552	\$67,519	\$69,544
Rent	\$18,333	\$18,333	\$18,333	\$18,333	\$18,333	\$18,333	\$18,333	\$18,333	\$18,333	\$18,333	\$18,333	\$18,333
Utilities	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Cleaning Supplies	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
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
Fees, Dues, & Subscriptions	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Professional Fees	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Repairs & Maintenance	\$3,167	\$3,167	\$3,167	\$3,167	\$3,167	\$3,167	\$3,167	\$3,167	\$3,167	\$3,167	\$3,167	\$3,167
Other/Misc	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Depreciation	\$14,043	\$14,043	\$14,043	\$14,043	\$14,043	\$14,043	\$14,043	\$14,043	\$14,043	\$14,043	\$14,043	\$14,043
Payroll Taxes & Benefits	\$7,798	\$7,814	\$7,831	\$7,848	\$7,865	\$7,883	\$7,902	\$7,921	\$7,941	\$7,961	\$7,982	\$7,995
Total Payroll	\$51,987	\$52,094	\$52,204	\$52,318	\$52,435	\$52,555	\$52,679	\$52,807	\$52,939	\$53,075	\$53,214	\$53,298
<b>Total Op. Expenses</b>	<b>\$152,934</b>	<b>\$154,565</b>	<b>\$156,244</b>	<b>\$157,974</b>	<b>\$159,755</b>	<b>\$161,590</b>	<b>\$163,480</b>	<b>\$165,427</b>	<b>\$167,432</b>	<b>\$169,497</b>	<b>\$171,625</b>	<b>\$173,747</b>
Profit Before Int. & Tax	\$489,049	\$508,838	\$529,221	\$550,215	\$571,840	\$594,112	\$617,053	\$640,683	\$665,021	\$690,089	\$715,909	\$730,573
EBITDA*	\$503,092	\$522,881	\$543,264	\$564,258	\$585,882	\$608,155	\$631,096	\$654,726	\$679,064	\$704,132	\$729,952	\$744,616
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	\$224,694	\$232,191	\$239,913	\$247,866	\$256,058	\$264,496	\$273,187	\$282,138	\$291,359	\$300,855	\$310,637	\$316,512
<b>NET PROFIT</b>	<b>\$264,355</b>	<b>\$276,647</b>	<b>\$289,308</b>	<b>\$302,349</b>	<b>\$315,781</b>	<b>\$329,617</b>	<b>\$343,867</b>	<b>\$358,544</b>	<b>\$373,662</b>	<b>\$389,234</b>	<b>\$405,273</b>	<b>\$414,061</b>
<b>NET PROFIT %</b>	<b>36.8%</b>	<b>37.4%</b>	<b>38.0%</b>	<b>38.6%</b>	<b>39.1%</b>	<b>39.6%</b>	<b>40.1%</b>	<b>40.6%</b>	<b>41.1%</b>	<b>41.6%</b>	<b>42.0%</b>	<b>41.7%</b>

## 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
<b>OPERATING</b>												
Net Profit	\$264,355	\$276,647	\$289,308	\$302,349	\$315,781	\$329,617	\$343,867	\$358,544	\$373,662	\$389,234	\$405,273	\$414,061
Adjustments to Net Profit												
Depreciation & Amortization	\$14,043	\$14,043	\$14,043	\$14,043	\$14,043	\$14,043	\$14,043	\$14,043	\$14,043	\$14,043	\$14,043	\$14,043
(Increases)/Decreases in AR	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Additions)/Depletions of Inventory	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increases/(Decreases) in AP	\$374,337	\$8,991	\$9,261	\$9,539	\$9,825	\$10,120	\$10,423	\$10,736	\$11,058	\$11,390	\$11,731	\$19,777
Net Cash From Operating Activities	\$652,734	\$299,681	\$312,612	\$325,931	\$339,649	\$353,779	\$368,333	\$383,323	\$398,763	\$414,666	\$431,047	\$447,881
<b>INVESTING</b>												
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
<b>FINANCING</b>												
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	(\$1,015,675)
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	(\$1,015,675)
<b>Net Cash Flow</b>	<b>\$652,734</b>	<b>\$299,681</b>	<b>\$312,612</b>	<b>\$325,931</b>	<b>\$339,649</b>	<b>\$353,779</b>	<b>\$368,333</b>	<b>\$383,323</b>	<b>\$398,763</b>	<b>\$414,666</b>	<b>\$431,047</b>	<b>(\$567,794)</b>
<b>Beginning Cash</b>	<b>\$472,300</b>	<b>\$1,125,034</b>	<b>\$1,424,716</b>	<b>\$1,737,328</b>	<b>\$2,063,259</b>	<b>\$2,402,908</b>	<b>\$2,756,687</b>	<b>\$3,125,019</b>	<b>\$3,508,342</b>	<b>\$3,907,106</b>	<b>\$4,321,772</b>	<b>\$4,752,819</b>
<b>ENDING CASH</b>	<b>\$1,125,034</b>	<b>\$1,424,716</b>	<b>\$1,737,328</b>	<b>\$2,063,259</b>	<b>\$2,402,908</b>	<b>\$2,756,687</b>	<b>\$3,125,019</b>	<b>\$3,508,342</b>	<b>\$3,907,106</b>	<b>\$4,321,772</b>	<b>\$4,752,819</b>	<b>\$4,185,025</b>

## 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
<b>ASSETS</b>												
Current Assets												
Cash	\$1,125,034	\$1,424,716	\$1,737,328	\$2,063,259	\$2,402,908	\$2,756,687	\$3,125,019	\$3,508,342	\$3,907,106	\$4,321,772	\$4,752,819	\$4,185,025
Accounts Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Inventory	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Assets	\$1,125,034	\$1,424,716	\$1,737,328	\$2,063,259	\$2,402,908	\$2,756,687	\$3,125,019	\$3,508,342	\$3,907,106	\$4,321,772	\$4,752,819	\$4,185,025
Fixed Assets												
Long-Term Assets	\$2,527,700	\$2,527,700	\$2,527,700	\$2,527,700	\$2,527,700	\$2,527,700	\$2,527,700	\$2,527,700	\$2,527,700	\$2,527,700	\$2,527,700	\$2,527,700
Accum. Depreciation	\$14,043	\$28,086	\$42,128	\$56,171	\$70,214	\$84,257	\$98,299	\$112,342	\$126,385	\$140,428	\$154,471	\$168,513
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Fixed Assets	\$2,513,657	\$2,499,614	\$2,485,572	\$2,471,529	\$2,457,486	\$2,443,443	\$2,429,401	\$2,415,358	\$2,401,315	\$2,387,272	\$2,373,229	\$2,359,187
<b>TOTAL ASSETS</b>	<b>\$3,638,692</b>	<b>\$3,924,330</b>	<b>\$4,222,899</b>	<b>\$4,534,787</b>	<b>\$4,860,394</b>	<b>\$5,200,130</b>	<b>\$5,554,420</b>	<b>\$5,923,700</b>	<b>\$6,308,421</b>	<b>\$6,709,044</b>	<b>\$7,126,048</b>	<b>\$6,544,211</b>
<b>LIABILITIES</b>												
Current Liabilities												
Accounts Payable	\$374,337	\$383,328	\$392,589	\$402,127	\$411,952	\$422,072	\$432,495	\$443,231	\$454,289	\$465,679	\$477,411	\$497,187
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	\$374,337	\$383,328	\$392,589	\$402,127	\$411,952	\$422,072	\$432,495	\$443,231	\$454,289	\$465,679	\$477,411	\$497,187
Long-Term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Liabilities</b>	<b>\$374,337</b>	<b>\$383,328</b>	<b>\$392,589</b>	<b>\$402,127</b>	<b>\$411,952</b>	<b>\$422,072</b>	<b>\$432,495</b>	<b>\$443,231</b>	<b>\$454,289</b>	<b>\$465,679</b>	<b>\$477,411</b>	<b>\$497,187</b>
<b>CAPITAL</b>												
Paid-in Capital	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$1,984,325
Retained Earnings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Earnings	\$264,355	\$541,002	\$830,311	\$1,132,660	\$1,448,441	\$1,778,058	\$2,121,925	\$2,480,469	\$2,854,131	\$3,243,365	\$3,648,638	\$4,062,699
<b>Total Capital</b>	<b>\$3,264,355</b>	<b>\$3,541,002</b>	<b>\$3,830,311</b>	<b>\$4,132,660</b>	<b>\$4,448,441</b>	<b>\$4,778,058</b>	<b>\$5,121,925</b>	<b>\$5,480,469</b>	<b>\$5,854,131</b>	<b>\$6,243,365</b>	<b>\$6,648,638</b>	<b>\$6,047,024</b>
<b>TOTAL CAPITAL + LIABILITIES</b>	<b>\$3,638,692</b>	<b>\$3,924,330</b>	<b>\$4,222,899</b>	<b>\$4,534,787</b>	<b>\$4,860,394</b>	<b>\$5,200,130</b>	<b>\$5,554,420</b>	<b>\$5,923,700</b>	<b>\$6,308,421</b>	<b>\$6,709,044</b>	<b>\$7,126,048</b>	<b>\$6,544,211</b>

## *Elevated Cultivation Co. LLC*

### **Separating Recreational from Medical Operations**

Currently, Elevated Cultivation Co. LLC (the “**Company**”) is only applying for a Marijuana Retailer, Marijuana Cultivator and Marijuana Product Manufacturer licenses at this location. Accordingly, this policy is not applicable.

This policy may also be referred to by the Company as the “**Policy for Separating Recreational from Medical Operations**”.

## *Elevated Cultivation Co. LLC*

### **Restricting Access to Age 21 and Older**

Elevated Cultivation Co. 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. The Company shall also inspect an individual’s proof of identification at the point of sale and determine that the individual is 21 years of age or older.

The identification shall contain a name, photograph, and date of birth, and shall be limited to one of the following:

1. A driver’s license;
2. A government issued identification card;
3. A military identification card; or
4. A passport.

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



## *Elevated Cultivation Co. LLC*

### **Quality Control and Testing for Contaminants**

#### Testing of Marijuana

Elevated Cultivation Co. LLC (the “**Company**”) shall not sell or otherwise market for adult use any marijuana product, including marijuana, that has not first been tested by an Independent Testing Laboratory, except as allowed under 935 CMR 500.000: *Adult Use of Marijuana*.

In accordance with 935 CMR 500.130(4) and 935 CMR 500.120(6) the Company shall provide documentation of compliance or lack thereof, as the case may be, with the testing requirements of 935 CMR 500.160, and standards established by the Commission for the conditions, including time and temperature controls, necessary to protect marijuana products against physical, chemical, and microbial contamination as well as against deterioration of finished products during storage and transportation (as applicable) for all marijuana and marijuana products sold, or otherwise transferred, to other Marijuana Establishments.

The Company shall engage an Independent Testing Laboratory to test its marijuana products in compliance with the protocol(s) established in accordance with M.G.L. 94G § 15 and in a form and manner determined by the Commission including, but not limited to, *Protocol for Sampling and Analysis of Finished Medical Marijuana Products and Marijuana-infused Products*. Testing of the Company’s environmental media (e.g., soils, solid growing media, and water) shall be performed in compliance with the *Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana Dispensaries* published by the Commission.

The Company shall test for the cannabinoid profile and 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 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 production batch within seventy-two (72) hours, and the assessment of the source of contamination and shall contain any information regarding contamination as specified by the Commission, or immediately upon request by the Commission. 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 for no less than one year. Any marijuana or marijuana products with testing dates in excess of one year shall be deemed expired and may not be dispensed, sold, transferred or otherwise conveyed until retested.

## *Elevated Cultivation Co. LLC*

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 *Waste 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.

The seeds are not subject to these testing requirements. Clones are subject to these testing requirements, but are exempt from testing for metals.

Single-servings of Marijuana Products tested for potency in accordance with 935 CMR 500.150(4)(a) shall be subject to a potency variance of no greater than plus/minus ten percent (+/- 10%).

Marijuana and Marijuana Products submitted for retesting prior to remediation must be submitted to an Independent Testing Laboratory other than the laboratory which provided the initial failed result. Marijuana submitted for retesting after documented remediation may be submitted to the same Independent Testing Laboratory that produced the initial failed testing result prior to remediation

### 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:

- (a) The Company shall process the leaves and flowers of the female marijuana plant only, which shall be:
  1. Well cured and generally free of seeds and stems;
  2. Free of dirt, sand, debris, and other foreign matter;
  3. Free of contamination by mold, rot, other fungus, pests and bacterial diseases and satisfying the sanitation requirements in 105 CMR 500.000: *Good Manufacturing Practices for Food*, and if applicable, 105 CMR 590.000: *State Sanitary Code Chapter X: Minimum Sanitation Standards for Food Establishments*;
  4. Prepared and handled on food-grade stainless steel tables with no contact with the Company's marijuana establishment agents' bare hands; and
  5. Packaged in a secure area.
- (b) The Company shall comply with the following sanitary requirements:
  1. Any marijuana establishment agent whose job includes contact with marijuana or non-edible 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*;

## *Elevated Cultivation Co. LLC*

2. Any marijuana establishment agent working in direct contact with preparation of marijuana or non-edible marijuana products shall conform to sanitary practices while on duty, including:
  - i. Maintaining adequate personal cleanliness; and
  - ii. Washing hands thoroughly in an adequate hand-washing area before starting work, and at any other time when hands may have become soiled or contaminated.
3. The Company shall supply adequate and convenient hand-washing facilities furnished with running water at a suitable temperature. Hand-washing facilities shall be located in the Marijuana Establishment in production areas and where good sanitary practices require employees to wash and sanitize their hands, and shall provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices;
4. The Company shall supply sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations;
5. Litter and waste shall be properly removed, disposed of so as to minimize the development of odor and minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal shall be maintained in an adequate manner pursuant to 935 CMR 500.105(12);
6. Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately kept clean and in good repair;
7. The Company shall ensure that there will be adequate safety lighting in all processing and storage areas, as well as areas where equipment or utensils are cleaned;
8. Buildings, fixtures, and other physical facilities shall be maintained in a sanitary condition;
9. All contact surfaces, including utensils and equipment, shall be maintained in a clean and sanitary condition. Such surfaces shall be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the US Environmental Protection Agency (EPA), in accordance with labeled instructions. Equipment and utensils shall be so designed and of such material and workmanship as to be adequately cleanable;
10. All toxic items shall be identified, held, and stored in a manner that protects against contamination of marijuana products. Toxic items shall not be stored in an area containing products used in the cultivation of marijuana. The Commission may require a Marijuana Establishment to demonstrate the intended and actual use of any toxic items found on the premises;

## *Elevated Cultivation Co. LLC*

11. The Company's water supply shall be sufficient for necessary operations. Any private water source shall be capable of providing a safe, potable, and adequate supply of water to meet the Marijuana Establishment's needs;
  12. Plumbing shall be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the Marijuana Establishment. Plumbing shall properly convey sewage and liquid disposable waste from the Marijuana Establishment. There shall be no cross-connections between the potable and waste water lines;
  13. The Company shall provide its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair;
  14. Products that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms; and
  15. Storage and transportation of finished products shall be under conditions that will protect them against physical, chemical, and microbial contamination as well as against deterioration of finished products or their containers.
  16. All vehicles and transportation equipment used in the transportation of marijuana products or edibles requiring temperature control for safety must be designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the marijuana products or edibles from becoming unsafe during transportation, consistent with applicable requirements pursuant to 21 CFR 1.908(c).
- (c) The Company shall comply with sanitary requirements. All edible products shall be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 590.000: *State Sanitary Code Chapter X: Minimum Sanitation Standards for Food Establishments*.

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

## *Elevated Cultivation Co. LLC*

### **Personnel Policies Including Background Checks**

Elevated Cultivation Co. LLC (the “**Company**”) shall implement the following Personnel Policies and Background Check policies:

- (1) 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;
- (2) The Company shall develop a staffing plan and staffing records in compliance with 935 CMR 500.105(9)(d);
- (3) The Company shall develop emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;
- (4) It shall be a policy of the Company that the workplace shall be alcohol, smoke and drug-free;
- (5) The Company shall require that all personnel strictly adhere to, and comply with, all aspects of the *Record Retention* and *Financial Record Maintenance and Retention* policies, which policies shall be incorporated herein by reference, specifically regarding the maintenance of confidential information and other records required to be maintained confidentially;
- (6) The Company shall immediately dismiss any Marijuana Establishment agent who has:
  - a. Diverted marijuana, which shall be reported to law enforcement authorities 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 Other Jurisdictions (as that term is defined in 935 CMR 500.002).
- (7) The Company shall make a list of all board members and Executives (as that term is defined in 935 CMR 500.002) of the Marijuana Establishment, and members of the licensee (if any), available upon request by any individual. The Company may make this list available on its website.

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- (8) 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), as set forth in its *Security Policy*.
- (9) The Company shall apply for registration for all of its board members, directors, employees, Executives (as that term is defined in 935 CMR 500.002), 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 Other Jurisdictions (as that term is defined in 935 CMR 500.002); and
  - c. be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 935 CMR 500.801 or 935 CMR 500.802.
- (10) 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 Other Jurisdiction (as that term is defined in 935 CMR 500.002), 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, or Other Jurisdiction (as that term is defined

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in 935 CMR 500.002) 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 Other Jurisdiction (as that term is defined in 935 CMR 500.002) with regard to any professional license or registration held by the applicant;

(b) a nonrefundable application fee paid by the Marijuana Establishment with which the marijuana establishment agent will be associated; and

(c) any other information required by the Commission.

- (11) An Executives (as that term is defined in 935 CMR 500.002) of the Company registered with the Department of Criminal Justice Information Systems (“DCJIS”) 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 Company seeks a marijuana establishment agent registration, obtained within 30 calendar days prior to submission.
  - a. The CORI report obtained by the Company shall provide information authorized under Required Access Level 2 pursuant to 803 CMR 2.05(3)(a)2.
  - b. The Company’s collection, storage, dissemination and usage of any CORI report or background check information obtained for marijuana establishment agent registrations shall comply with 803 CMR 2.00: Criminal Offender Record Information (CORI).
- (12) 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.
- (13) 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.
- (14) 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

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information that the establishment was previously required to submit to the Commission or after discovery that a registration card has been lost or stolen.

- (15) 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.
- (16) 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.
- (17) 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. Each Employee shall be required to review the handbook and attest to their understanding and receipt of the same. The Company will review its employee handbook periodically and communicate any changes to its employees.

### **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;



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- 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.
- 3. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions (as applicable);
  - 4. Personnel policies and procedures; and
  - 5. All background check reports obtained in accordance with M.G.L. c. 6 § 172, 935 CMR 500.029, 935 CMR 500.030, and 803 CMR 2.00: *Criminal Offender Record Information (CORI)*.

The Company's aforementioned Personnel Records shall be available for inspection by the Commission, on 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 (2) years at the Company's expense, in a form and location acceptable to the Commission.

### **Staffing Plan:**

#### Executive Level:

- CEO;
- CFO; and
- COO.

#### Management Level:

- Sales Manager;
- Cultivation Manager;
- Production Manager; and
- Security Manager.

#### Staff Level

- Up to fifteen (15) Staff Level Sales Representatives;
- Up to ten (10) Staff Level Cultivation and Production Associates

#### Consultant Level

- Attorney / Compliance Officer;
- Human Resources Provider; and
- Up to five (5) Security Officers.

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

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### **Record Keeping Procedures**

Elevated Cultivation Co. 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: *Adult Use of Marijuana*, 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*, which policy shall be incorporated herein by reference, and as follows:
  - a. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
  - b. 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:
    - i. All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
    - ii. Documentation of verification of references;
    - iii. The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision
    - iv. 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;
    - v. Documentation of periodic performance evaluations;
    - vi. A record of any disciplinary action taken; and
    - vii. Notice of completed responsible vendor and eight (8) hour related duty training.

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- c. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions (as applicable);
  - d. Personnel policies and procedures; and
  - e. All background check reports obtained in accordance with M.G.L. c. 6 § 172, 935 CMR 500.029, 935 CMR 500.030, and 803 CMR 2.00: *Criminal Offender Record Information (CORI)*;
- (e) Business records as described in the Company's *Financial Record Maintenance and Retention Policy*, which shall include manual or computerized records of the following: (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, or stipend, executive compensation, bonus, benefit, or item of value paid to any persons having direct or indirect control over the marijuana establishment, 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.

All Confidential Information (as that term is defined in 935 CMR 500.002) shall be maintained confidentially including secured or protected storage (whether electronically or in hard copy), and accessible only to the minimum number of specifically authorized employees essential for efficient operation and retention of such records. In any event, the Company shall be authorized to disclose such confidential information as may be required by law.

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 Cultivation Co. 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: *Adult Use of Marijuana*, 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, or stipend, executive compensation, bonus, benefit, or item of value paid to any persons having direct or indirect control over the marijuana establishment, 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

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- iii. take such other action directed by the Commission to comply with 935 CMR 500.105.
- (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: *Adult Use of Marijuana*;

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**”.

## *Elevated Cultivation Co. LLC*

### **Employee Qualifications and Training**

Elevated Cultivation Co. 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 three (3) hour Responsible Vendor Program under 935 CMR 500.105(2)(b). Agents responsible for tracking and entering product into the Seed-to-sale SOR must receive training in a form and manner determined by the Commission. 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 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 training 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 training program within ninety (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 training 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 on 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. Scientifically based evidence on the physical and mental health effects based on the type of marijuana product;
  - b. The amount of time to feel impairment;
  - c. Visible signs of impairment; and
  - d. Recognizing the signs of impairment.

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- (b) Diversion prevention and prevention of sales to minors, including best practices;
- (c) Compliance with all tracking requirements; and
- (d) Acceptable forms of identification. Training shall include:
  - a. How to check identification;
  - b. Spotting false identification;
  - c. Patient registration cards formerly and validly issued by the DPH or currently and validly issued by the Commission;
  - 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;
  - 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



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- n. Prohibited purchases and practices.
- (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 (as that term is defined in 935 CMR 500.002), 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**”.

## *Elevated Cultivation Co. LLC*

### **Diversity Plan**

Elevated Cultivation Co. 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%<sup>1</sup>.** Moreover, the Company aims to have 50% of its employees be minorities, women, veterans, people with disabilities, and L.G.B.T.Q. + individuals.
- 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.
- It shall be a goal of the Company to ensure that 100% of its employees receive **training on diversity and sensitivity.**

#### **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** during the hiring process in newspapers of general circulation such as **the Abington Mariner, Brockton Enterprise, and Taunton Daily Gazette**, and post a notice at the municipal offices in Abington, Wareham and Brockton for at least three (3) months during the hiring

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<sup>1</sup> <https://www.mass.gov/files/2017-08/census-2010-workforce-availability.pdf>

## *Elevated Cultivation Co. LLC*

- process. 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. Furthermore, the Company intends to review the number of employs that fall within the targeted diverse staff, to ensure that it is on track of its aim of having 50% of its employees be minorities, women, veterans, people with disabilities, and L.G.B.T.Q. + individuals.
- In an effort to ensure the Company meets its goal of offering advancement to management and executive positions internally, the Company shall offer 100% of the Company's opportunities for advancement internally, as follows:
    - By providing opportunities to its diverse workforce, to the extent its workforce has been filled by diverse individuals including minorities, women, veterans, people with disabilities, and L.G.B.T.Q. +, for advancement;
    - The Company targets hiring and advancing individuals consistent with the Total Civilian Labor Force for Massachusetts are as follows: Women 48.8%, Minorities 20.7%, Persons with Disabilities 12%, and Veterans 7%.
    - Similar to the above, during the time of the Company's need for management and executive positions, the Company will first communicate this internally, and then will post notices during the hiring process in newspapers of general circulation such as the Abington Mariner, Brockton Enterprise, and Taunton Daily Gazette.
  - As described above, it is a goal of the Company to seek parity in its workforce. Accordingly, the Company shall form a diversity and equity committee to monitor the Company's progress towards meeting those goals. This committee will meet quarterly to review and assess the Company's hires and hiring practices. Meeting Minutes will be provided to the Commission on request and for the Company's annual license renewal application.
  - The Company shall require that 100% of its employees receive education on diversity, implicit biases and sensitivity within the first ninety (90) days of employment and once annually thereafter.

### **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

## *Elevated Cultivation Co. LLC*

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 job postings in publications with supporting documentation; and
- e. Number and subject matter of internal trainings held on diversity, implicit biases 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; (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 the progress or success of this plan, in its entirety, annually, upon renewal of its provisional license.

This policy may also be referred to by the Company as the “**Diversity Plan**”.

## *Elevated Cultivation Co. LLC*

### **Diversity Plan**

Elevated Cultivation Co. 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 People of color (Black, African American, Hispanic, Latinx and Indigenous people), Women, Veterans, Persons 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 these individuals.

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:**

1. The Company endeavors to provide job opportunities to people of color (Black, African American, Hispanic, Latinx and Indigenous people), Women, Veterans, Persons 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<sup>1</sup>:
  - a. 48.8% Women.
  - b. 20.7% People of color (Black, African American, Hispanic, Latinx, and Indigenous people).
  - c. 20% L.G.B.T.Q.+ individuals.
  - d. 12% Individuals with disabilities.
  - e. 7% Veterans.
2. It shall be a goal of the Company to offer 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 people of color (Black, African American, Hispanic, Latinx and Indigenous people), Women, Veterans, Persons with disabilities, and L.G.B.T.Q.+.

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<sup>1</sup> <https://www.mass.gov/files/2017-08/census-2010-workforce-availability.pdf>

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### **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 during the hiring process of 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 municipal offices in Wareham and Brockton for at least three (3) months during the hiring process. The aforementioned notices will state that the Company is specifically looking for women, minorities, or persons with disabilities to work for the Company.
- 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;

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- 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;
- 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 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 (2) 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**”.