



# Massachusetts Cannabis Control Commission

## Marijuana Courier

### General Information:

**License Number:** DO100108  
**Original Issued Date:** 03/15/2021  
**Issued Date:** 03/15/2021  
**Expiration Date:** 03/15/2022

## MARIJUANA COURIER PRE-CERTIFICATION NUMBER

**Marijuana Courier Pre-Certification Number:**

## ABOUT THE MARIJUANA COURIER LICENSEE

**Business Legal Name:** Faded LLC

**Phone Number:** 401-261-2950  
**Email Address:** info@yourgreenpackage.com

**Business Address 1:** 30 Hemlock Street  
**Business City:** Brockton  
**Business State:** MA  
**Business Zip Code:** 02302

**Business Address 2:**  
**Mailing Address 1:** 30 Hemlock Street  
**Mailing City:** Brockton  
**Mailing State:** MA  
**Mailing Zip Code:** 02302

## CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

**Certified Disadvantaged Business Enterprises (DBEs):** Minority-Owned Business, Woman-Owned Business

## PERSONS HAVING DIRECT OR INDIRECT CONTROL

### Person with Direct or Indirect Authority 1

**Percentage Of Ownership:** 51  
**Percentage Of Control:** 51

**Role:** Manager  
**Other Role:** Manager and Majority Owner

**First Name:** Lourdharry  
**Last Name:** Pauyo  
**Suffix:**

**Gender:** Female  
**User Defined Gender:**

**What is this person's race or ethnicity?:** Black or African American (of African Descent, African American, Nigerian, Jamaican, Ethiopian, Haitian, Somali)

**Specify Race or Ethnicity:** Haitian

### Person with Direct or Indirect Authority 2

**Percentage Of Ownership:** 45.7  
**Percentage Of Control:** 45.7

**Role:** Manager  
**Other Role:** Manager and 45.7 percent owner

**First Name:** Christopher  
**Last Name:** Fevry  
**Suffix:**

Gender: Male

User Defined Gender:

What is this person's race or ethnicity?: Black or African American (of African Descent, African American, Nigerian, Jamaican, Ethiopian, Haitian, Somali), Decline to Answer

Specify Race or Ethnicity: Haitian

Person with Direct or Indirect Authority 3

Percentage Of Ownership:

Percentage Of Control: 3.3

Role: Manager

Other Role: Manager

First Name: John

Last Name: Muise

Suffix:

Gender: Male

User Defined Gender:

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

Specify Race or Ethnicity:

ENTITIES HAVING DIRECT OR INDIRECT CONTROL

No records found

CAPITAL RESOURCES - INDIVIDUALS

No records found

CAPITAL RESOURCES - ENTITIES

Entity Contributing Capital 1

Entity Legal Name: Grow Global Investments Inc.

Entity DBA:

Email: johnamuise@gmail.com

Phone: 781-913-2721

Address 1: 241 Wilbraham Street

Address 2:

City: Palmer

State: MA

Zip Code: 01069

Types of Capital: Monetary/Equity

Other Type of Capital:

Total Value of Capital Provided: \$100000

Percentage of Initial Capital: 100

Capital Attestation: Yes

BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

DISCLOSURE OF INDIVIDUAL INTERESTS

No records found

MARIJUANA COURIER LICENSEE PROPERTY DETAILS

Establishment Address 1: 190 Farm Street

Establishment Address 2: Suite B

Establishment City: Bellingham

Establishment Zip Code: 02019

Approximate square footage of the establishment: 180

How many abutters does this property have?: 8

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

HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Certification of Host Community Agreement	YGP - HCA Certification.pdf	pdf	5feb8ef489d382080d8ecce8	12/29/2020
Plan to Remain Compliant with Local Zoning	YGP - Plan to Remain Compliant with Local Zoning.pdf	pdf	5feb909179776c07d15e69f0	12/29/2020

Community Outreach Meeting Documentation	Faded LLC - Community Outreach Meeting.pdf	pdf	5feb978979776c07d15e6a11	12/29/2020
Community Outreach Meeting Documentation	Faded - Video.pdf	pdf	5ff8dc95982b2307e1994cc3	01/08/2021

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
Donation Acceptance Letter	MCAD Letter of Support for Your Green Package.pdf	pdf	5feb922389d382080d8eccf2	12/29/2020
Plan for Positive Impact	Faded - PIP - RFI 2.9.21.pdf	pdf	6023429efade7a35e9f2ed66	02/09/2021

### INDIVIDUAL BACKGROUND INFORMATION

#### Individual Background Information 1

Role: Manager Other Role: Manager and Owner

First Name: Christopher Last Name: Fevry Suffix:

RMD Association: Not associated with an RMD

Background Question: no

#### Individual Background Information 2

Role: Manager Other Role: Manager and Majority Owner

First Name: Lourdharry Last Name: Pauyo Suffix:

RMD Association: Not associated with an RMD

Background Question: no

#### Individual Background Information 3

Role: Manager Other Role: Manager and Owner

First Name: John Last Name: Muise 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: 3.3% Owner

Entity Legal Name: Grow Global Investments Inc. Entity DBA:

Entity Description: Massachusetts Domestic Corporation

Phone: 781-913-2721 Email: johnamuise@gmail.com

Primary Business Address 1: 241 Wilbraham Street Primary Business Address 2:

Primary Business City: Palmer Primary Business State: MA Principal Business Zip Code: 01069

Additional Information:

### MASSACHUSETTS BUSINESS REGISTRATION

Certificates of Good Standing:

Document Category	Document Name	Type	ID	Upload Date
Department of Unemployment Assistance - Certificate of Good standing	Faded - DUA.pdf	pdf	5f0f446044827474644e8adc	07/15/2020
Department of Revenue - Certificate of Good standing	FadedLLC Certificate of Good Standing[2].pdf	pdf	5feb92a3b11eae07c3c576b7	12/29/2020
Secretary of Commonwealth - Certificate of Good Standing	IMG_5850.jpeg	jpeg	60084417e826e207c07de525	01/20/2021

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	Faded LLC - Articles of Organization.pdf	pdf	5f0b1d7362a1117473fb5a18	07/12/2020
Articles of Organization	Faded 20200701 Operating Agreement.pdf	pdf	5feb937136d86207eb96840e	12/29/2020

Massachusetts Business Identification Number: 001443721

Doing-Business-As Name: Your Green Package

DBA Registration City: Bellingham

**BUSINESS PLAN**

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for Liability Insurance	Faded - Liability Insurance.pdf	pdf	5ee8d9c7a7d30c17f541741e	06/16/2020
Business Plan	Faded - Business Plan.pdf	pdf	5ee8da512d9da4181de9f454	06/16/2020
Proposed Timeline	YGP - Timeline.pdf	pdf	5feb9413982b2307e19930f5	12/29/2020

**OPERATING POLICIES AND PROCEDURES**

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Prevention of diversion	Faded - Diversion.pdf	pdf	5ee8dcc62d9da4181de9f467	06/16/2020
Maintenance of financial records	Faded - Financial Records.pdf	pdf	5ee8dcd29a439417df7e6f5e	06/16/2020
Inventory procedures	Faded - Inventory.pdf	pdf	5ee8dcd7ea7a9324e6466303	06/16/2020
Personnel policies	Faded - Personnel.pdf	pdf	5ee8dce6e4107825079d2154	06/16/2020
Qualifications and training	Faded - Qualifications and Training.pdf	pdf	5ee8dcef2989d72512a769f0	06/16/2020
Security plan	Faded - Security Plan.pdf	pdf	5ee8dd421c2dbc24d01a2238	06/16/2020
Storage of marijuana	Faded - Storage.pdf	pdf	5ee8dd4720b47424dbd8865f	06/16/2020
Transportation of marijuana	Faded - Transportation Plan.pdf	pdf	5ee8dd4b311430180025358c	06/16/2020
Dispensing procedures	Faded - Dispensing.pdf	pdf	5ee8dee61c2dbc24d01a2248	06/16/2020
Record-keeping procedures	Faded - Recordkeeping - 6.30.20 RFI.pdf	pdf	5efb7d18d1a4246bfac27f98	06/30/2020
Quality control and testing procedures	Faded - Quality Control and Testing - RFI 6.30.20.pdf	pdf	5efb841511b1427aed099dd0	06/30/2020
Energy compliance plan; and	Faded - Energy Compliance.pdf	pdf	5f0b1f501c4abd74527f2249	07/12/2020

Delivery procedures	Faded_Delivery Plan.pdf	pdf	5feb9ef7982b2307e1993133	12/29/2020
Diversity plan	Faded_Diversity Plan.pdf	pdf	6008e5c289d382080d8f0bab	01/20/2021

#### COMPLIANCE WITH POSITIVE IMPACT PLAN

No records found

#### COMPLIANCE WITH DIVERSITY PLAN

No records found

#### HOURS OF OPERATION

Monday From: 8:00 AM	Monday To: 9:00 PM
Tuesday From: 8:00 AM	Tuesday To: 9:00 PM
Wednesday From: 8:00 AM	Wednesday To: 9:00 PM
Thursday From: 8:00 AM	Thursday To: 9:00 PM
Friday From: 8:00 AM	Friday To: 9:00 PM
Saturday From: 8:00 AM	Saturday To: 9:00 PM
Sunday From: 8:00 AM	Sunday To: 9:00 PM

#### 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 certify that to the best knowledge of any of the individuals listed within this application, there are no background events that have arisen since the issuance of the establishment's final license that would raise suitability issues in accordance with 935 CMR 500.801.:

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

#### AGREEMENTS WITH MARIJUANA RETAILERS

No records found

#### MARIJUANA RETAILER AGREEMENT DOCUMENTATION

No documents uploaded

#### AGREEMENTS WITH THIRD-PARTY TECHNOLOGY PLATFORM PROVIDER

No records found

#### THIRD-PARTY TECHNOLOGY PLATFORM PROVIDER DOCUMENTATION

No documents uploaded



# Host Community Agreement Certification Form

## Instructions

Certification of a host community agreement is a requirement of the application to become a Marijuana Establishment (ME) and Medical Marijuana Treatment Center (MTC). Applicants must complete items 1-3. The contracting authority for the municipality must complete items 4-8. Failure to complete a section will result in the application not being deemed complete. This form should be completed and uploaded into your application. 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).

## Certification

The parties listed below do certify that the applicant and municipality have executed a host community agreement on the specified date below pursuant to G.L. c. 94G § 3(d):

1. Name of applicant:

Faded LLC

2. Name of applicant's authorized representative:

Christopher Fevry

3. Signature of applicant's authorized representative:

4. Name of municipality:

Bellingham

5. Name of municipality's contracting authority or authorized representative:

Denis Fraine



6. Signature of municipality's contracting authority or authorized representative:



7. Email address of contracting authority or authorized representative of the municipality (*this email address may be used to send municipal notices pursuant to 935 CMR 500.102(1) and 501.102(1).*):

DFraire@bellinghamma.org

8. Host community agreement execution date:

12/22/2020



## **PLAN TO REMAIN COMPLIANT WITH LOCAL ZONING**

Faded, LLC (“Your Green Package”) will remain compliant at all times with the local zoning requirements set forth in the Town of Bellingham’s Zoning By-Law. In accordance with the Use Regulations Schedule outlined in § 240-31, Your Green Package’s proposed marijuana establishment is located in the Industrial Zoning District designated for some marijuana uses. As required by the Town of Bellingham, Your Green Package will apply for a Special Permit from the Bellingham Planning Board. In accordance with § 240-27, the Special Permit shall lapse within 12 months if construction has not begun by such date except for good cause.

In compliance with 935 CMR 500.110(3), the property is not located within 500 feet of a pre-existing public or private school providing education in kindergarten or any of grades 1 through 12.

Your Green Package will apply for any other local permits required to operate at the proposed location. Your Green Package will comply with all conditions and standards set forth in any local permit required to operate at Your Green Package’s proposed location.

Your Green Package has already attended several meetings with various municipal officials and boards to discuss Your Green Package’s plans and has executed a Host Community Agreement with the Town of Bellingham. Your Green Package will continue to work cooperatively with various municipal departments, boards, and officials to ensure that Your Green Package’s facility remains compliant with all local laws, regulations, rules, and codes with respect to design, construction, operation, and security.



# 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):
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:

b. Name of publication:

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:

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:

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:

Name of applicant's authorized representative:

Signature of applicant's authorized representative:

*[Handwritten signature]*



**Legal Notices**

MARIJUANA  
LEGAL NOTICE  
NOTICE OF COMMUNITY  
OUTREACH MEETING  
FADED LLC

Notice is hereby given that Faded LLC ("Your Green Package") will hold a Virtual Community Outreach Meeting on **December 30, 2020 at 5:00 PM** to discuss the proposed siting of an Adult Use Marijuana Delivery Courier Establishment at 190 Farm Street in Bellingham, MA 02019.

This Virtual Community Outreach Meeting will be held in accordance with the Massachusetts Cannabis Control Commission's Administrative Order Allowing Virtual Web-Based Community Outreach Meetings and the applicable requirements set forth in M.G.L. ch. 94G and 935 CMR 500.000 et seq.

The Virtual Community Outreach Meeting via Zoom is available using the following link:  
<https://us02web.zoom.us/j/86376969503> or via telephone at 312-626-6799 using Webinar ID: 86376969503# A copy of the meeting presentation will be made available at least 24 hours prior to the meeting at [yourgreenpackage.squarespace.com](http://yourgreenpackage.squarespace.com).

Interested members of the community will have the opportunity to ask questions and receive answers from company representatives about the proposed facility and operations. Questions can be submitted in advance by emailing [rebecca@vicentesederberg.com](mailto:rebecca@vicentesederberg.com) or asked during the meeting after the presentation.

AD#13931247  
MDN 12/16/20  
UPTON/CC/103 CROCKETT RD.

**LEGAL NOTICE**

Notice is hereby given in accordance with the Wetlands Protection Act (MGL c131 §40) and the Town of Upton Wetland Protection Bylaw that the Upton Conservation Commission will hold the following public hearing on Wed., December 23, 2020\*: 7:10 pm - Request for Determination filed by Kaari Hayward 103 Crockett Rd for addition to the existing house on this property.

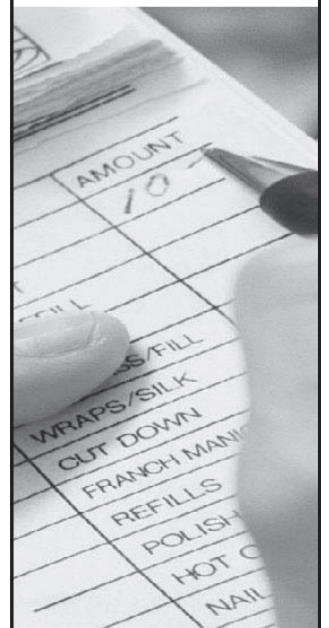
All interested parties are invited to participate. A complete copy of the application is available on the Commission's website: [www.uptonma.gov/conservation-commission](http://www.uptonma.gov/conservation-commission)

**Christine Scott**  
Chair, Conservation Commission

\*Note: This meeting will be held remotely due to the COVID-19 emergency. The information for remote participation will be available on the Upton website: [www.upton-ma.gov](http://www.upton-ma.gov)

AD#13931144  
MDN 12/16/20

Whether you're looking for the right job or looking to fill a job  
**Wicked Local Jobs**  
will get the job done.



**Jobs**  
[wickedlocaljobs.com](http://wickedlocaljobs.com)

# Electoral College makes it official: Biden won presidency

By Mark Sherman  
The Associated Press

WASHINGTON — The Electoral College decisively confirmed Joe Biden as the nation's next president, ratifying his November victory in an authoritative state-by-state repudiation of President Donald Trump's refusal to concede he had lost.

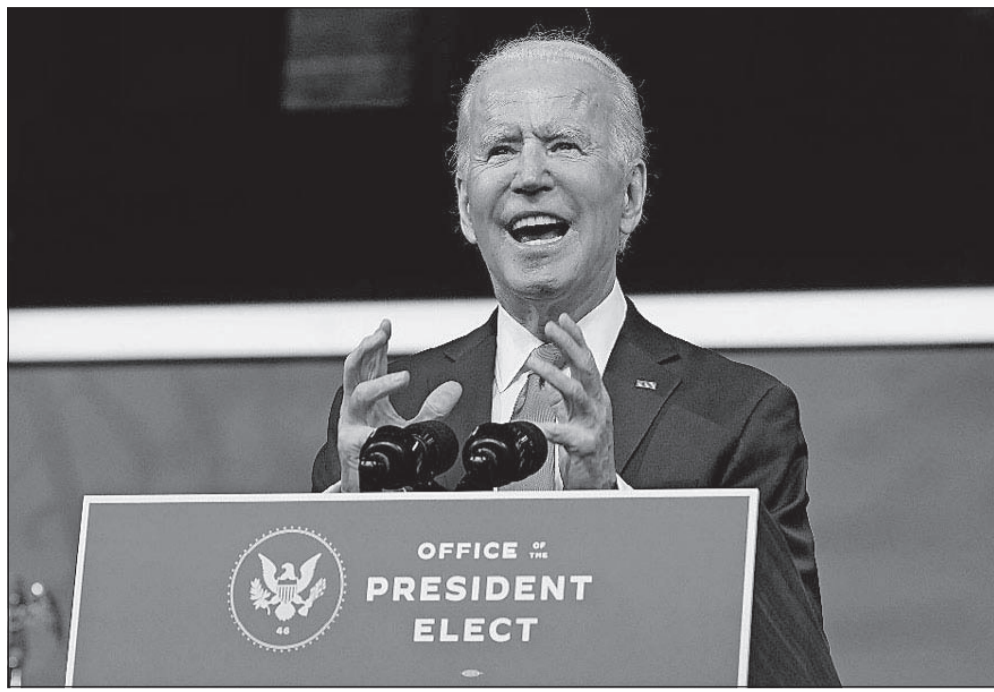
The presidential electors on Monday gave Biden a solid majority of 306 electoral votes to Trump's 232, the same margin that Trump bragged was a landslide when he won the White House four years ago.

Heightened security was in place in some states as electors met to cast paper ballots, with masks, social distancing and other pandemic precautions the order of the day. The results will be sent to Washington and tallied in a Jan. 6 joint session of Congress over which Vice President Mike Pence will preside.

For all Trump's unsupported claims of fraud, there was little suspense and no change as every one of the electoral votes allocated to Biden and the president in last month's popular vote went officially to each man. On Election Day, the Democrat topped the incumbent Republican by more than 7 million in the popular vote nationwide. California's 55 electoral votes put Biden over the top. Vermont, with 3 votes, was the first state to report. Hawaii, with 4 votes, was the last.

"Once again in America, the rule of law, our Constitution, and the will of the people have prevailed. Our democracy — pushed, tested, threatened — proved to be resilient, true, and strong," Biden said in an evening speech in which he stressed the size of his win and the record 81 million people who voted for him.

He renewed his campaign promise to be a president for all Americans, whether they voted for him or not, and said the country has hard work ahead on the virus and



President-elect Joe Biden speaks Monday after the Electoral College formally elected him as president, at The Queen theater in Wilmington, Del. [PATRICK SEMANSKY/THE ASSOCIATED PRESS]

economy.

But there was no concession from the White House, where Trump has continued to make unsupported allegations of fraud.

Trump remained in the Oval Office long after the sun set in Washington, calling allies and fellow Republicans while keeping track of the running Electoral College tally, according to White House and campaign aides. The president frequently ducked into the private dining room off the Oval Office to watch on TV, complaining that the cable networks were treating it like a mini-Election Night while not giving his challenges any airtime.

The president had grown increasingly disappointed with the size of "Stop the Steal" rallies across the nation as well as efforts for the GOP to field its own slates of electors in states. A presidential wish for a fierce administration defense led to TV appearances early Monday by Stephen Miller, one of his most ferocious advocates, to try to downplay the importance of the Electoral College vote and suggest that Trump's legal challenges would continue all

the way to Inauguration Day on Jan. 20.

Late in the day, he took to Twitter to announce that Attorney General William Barr was leaving the administration before Christmas. Barr's departure comes amid lingering tension over Trump's unsupported fraud claims, especially after Barr's statement this month to The Associated Press that the election results were unaffected by any fraud.

In a Fox News Channel interview taped over the weekend, Trump said that "I worry about the country having an illegitimate president, that's what I worry about. A president that lost and lost badly."

On Monday in Arizona, Georgia, Michigan, Nevada, Pennsylvania and Wisconsin — the six battleground states that Biden won and Trump contested — electors gave Biden and Vice President-elect Kamala Harris their votes in low-key proceedings. Nevada's electors met via Zoom because of the coronavirus pandemic.

Trump's efforts to undermine the election results also led to concerns about safety

for the electors, virtually unheard of in previous years. In Michigan, lawmakers from both parties reported receiving threats, and legislative offices were closed over threats of violence. Biden won the state by 154,000 votes, or 2.8 percentage points, over Trump.

Georgia state police were out in force at the state Capitol in Atlanta before Democratic electors pledged to Biden met. There were no protesters seen.

Even with the Electoral College's confirmation of Biden's victory, some Republicans continued to refuse to acknowledge that reality. Yet their opposition to Biden had no practical effect on the electoral process, with the Democrat to be sworn in next month.

Republicans who would have been Trump electors met anyway in a handful of states Biden won. Pennsylvania Republicans said they cast a "procedural vote" for Trump and Pence in case courts that have repeatedly rejected challenges to Biden's victory were to somehow still determine that Trump had won.

In North Carolina, Utah and other states across the country where Trump won, his

electors turned out to duly cast their ballots for him. Electors in North Carolina had their temperatures checked before being allowed to enter the Capitol to vote. Utah Attorney General Sean Reyes withdrew as a Trump elector and was in quarantine because he was exposed to someone with COVID-19.

Former President Bill Clinton and former Secretary of State Hillary Clinton, whom Trump defeated four years ago, were among New York's 29 electors for Biden and Harris.

In New Hampshire, before the state's four electors voted for Biden at the State House in Concord, 13-year-old Brayden Harrington led the group in the Pledge of Allegiance. He had delivered a moving speech at the Democratic National Convention in August about the struggle with stuttering he shares with Biden.

Following weeks of Republican legal challenges that were easily dismissed by judges, Trump and Republican allies tried to persuade the Supreme Court last week to set aside 62 electoral votes for Biden in four states, which might have thrown the outcome into doubt.

The justices rejected the effort on Friday.

The Electoral College was the product of compromise during the drafting of the Constitution between those who favored electing the president by popular vote and those who opposed giving the people the power to directly choose their leader.

Each state gets a number of electors equal to its total number of seats in Congress: two senators plus however many members the state has in the House of Representatives. Washington, D.C., has three votes, under a constitutional amendment that was ratified in 1961. With the exception of Maine and Nebraska, states award all their Electoral College votes to the winner of the popular vote in their state.

## Talks escalate on new COVID-19 relief, top lawmakers to meet

By Andrew Taylor  
The Associated Press

WASHINGTON — Talks on a long-delayed COVID-19 aid package intensified Tuesday as House Speaker Nancy Pelosi summoned other top congressional leaders for a potentially critical meeting.

Pelosi, D-Calif., spoke with Treasury Secretary Steven Mnuchin for more than an hour, her office tweeted, and Mnuchin will join the make-or-break meeting of Capitol Hill's "big four" leaders by phone.

The uptick in activity could be a sign that an agreement is near, though COVID-19 relief talks have been notoriously difficult.

Pelosi hasn't met with Senate Republican Leader Mitch McConnell in months. The Kentucky Republican is playing a strong hand in the lame-duck session and is pressuring Democrats

to drop a much-sought \$160 billion aid package for states and local governments struggling to balance their budgets because of the pandemic.

Rank-and-file Democrats appear increasingly resigned to having to drop, for now, the party's demand for fiscal relief for states and local governments whose budgets have been thrown out of balance by the pandemic.

Pelosi, D-Calif., pressed in talks with Mnuchin on Monday for help for struggling states and localities. But top Democratic allies of President-elect Joe Biden came out in support of a \$748 billion plan offered by a bipartisan group of lawmakers and hinted they won't insist on a pitched battle for state and local aid now.

"We cannot afford to wait any longer to act. This should not be Congress' last COVID relief bill, but it is a strong compromise that deserves support from both Republicans and Democrats in the Senate," said Sen. Chris Coons, D-Del. "We cannot leave for the holidays without getting relief to those Americans who need it."

The message from Coons, a confidant of Biden, and a similar message from Senate Majority Whip Dick Durbin, D-Ill., came as a bipartisan group of lawmakers unveiled a detailed COVID-19 aid proposal in hopes it would serve as a model for their battling leaders to follow as they try to negotiate a final agreement.

But the group was unable to forge a compromise on GOP-sought provisions shielding businesses from COVID-19-related lawsuits, a key priority of



House Speaker Nancy Pelosi of Calif., speaks Thursday during a news conference at the Capitol in Washington. [MANUEL BALCE CENETA/THE ASSOCIATED PRESS]

Senate Majority Leader Mitch McConnell. The Kentucky Republican is pressing a lowest-common-denominator approach that would drop the lawsuit shield idea for now if Democrats agree to drop a \$160 billion state and local aid package.

Pelosi has insisted for months that state and local aid would be in any final bill, but as time is running out, Democrats appear unwilling to hold the rest of the package hostage over the demand. Several Democrats appeared at a bipartisan news conference on Monday to endorse the \$748 billion package.

"We're not going home until this is done," said Sen. Joe Manchin, D-W.Va., on CNN Tuesday morning. "We've got to get people a lifeline. It will pass — the \$748 (billion)."

The \$748 billion aid package contains money for struggling businesses, the unemployed, schools and vaccine distribution. There is also \$45 billion for transportation and transit assistance, funding for rural internet service and help for the Postal Service, among

other provisions. The other bill proposes a \$160 billion aid package for state and local governments and a modified liability shield that is backed by Republicans and Democratic moderate Manchin, but it is probably too politically freighted to advance.

Outstanding issues in the leadership talks include a potential second round of direct payments to individuals, a plan for \$300-per-week bonus unemployment benefits, state and local aid, and the GOP-sought liability shield against COVID-19-related lawsuits.

Lawmakers also worked to finalize a yearend catch-all funding package that will be the basis for the last significant legislation of the Trump presidency.

There's a hoped-for deadline of midnight Friday to deliver the completed package to President Donald Trump, which is when a partial government shutdown would arrive with the expiration of last week's temporary funding bill. But there's no guarantee that the massive yearend measure

will be completed in time. If the talks drag, further temporary bills could be needed.

Negotiations on the \$1.4 trillion catchall spending bill are "essentially finished," said a congressional aide participating in the talks. While details are closely held, "the status quo is prevailing." That means Trump would get another \$1.4 billion or so for a final installment to continue construction of his long-sought U.S.-Mexico border wall.

Republicans have succeeded in killing a \$12 billion plan to break last year's budget mini-agreement by using accounting maneuvers to pad veterans health care funding to accommodate big cost increases from expanding access to health care services from private providers. Instead, a different set of moves is being employed to provide for equivalent spending increases for other domestic programs.

The post-election lame-duck session is the last chance to wrap up the unfinished work this year, a goal of all involved, though they have been slow until now to forge the often-tricky compromises required to pull the measure together.

Pelosi has not thrown in the towel on her drive to obtain state and local aid, which was part of the almost \$2 trillion CARES Act that passed the Senate unanimously in March. The \$150 billion aid package to states and large cities evoked little controversy then, but many Republicans are adamantly against the idea now, though any additional aid would also go to smaller municipalities left out of the prior round.

**Subject:** Public Meeting Notice  
**Date:** Friday, December 11, 2020 at 3:23:35 PM Eastern Standard Time  
**From:** Rebecca Rutenberg  
**To:** townclerk@bellinghamma.org  
**Attachments:** Faded - Outreach Meeting.docx

Hello,

Please find the attached public meeting notice on behalf of Faded, LLC (DBA Your Green Package).

If I can provide additional information, please do not hesitate to ask.

Becca

--

**Rebecca Rutenberg**  
*Director of Strategic Affairs*

**Vicente Sederberg LLP**  
2 Seaport Ln., 11th Floor  
Boston, MA 02210  
Cell: 610-675-5958  
[Rebecca@VicenteSederberg.com](mailto:Rebecca@VicenteSederberg.com)  
[VicenteSederberg.com](http://VicenteSederberg.com)

[Confidentiality Notice](#)

**NOTICE OF COMMUNITY OUTREACH MEETING  
FADED LLC**

Notice is hereby given that Faded LLC (“Your Green Package”) will hold a Virtual Community Outreach Meeting on **December 30, 2020** at 5:00 PM to discuss the proposed siting of an Adult Use Marijuana Delivery Courier Establishment at 190 Farm Street in Bellingham, MA 02019.

This Virtual Community Outreach Meeting will be held in accordance with the Massachusetts Cannabis Control Commission’s Administrative Order Allowing Virtual Web-Based Community Outreach Meetings and the applicable requirements set forth in M.G.L. ch. 94G and 935 CMR 500.000 *et seq.*

The Virtual Community Outreach Meeting via Zoom is available using the following link: <https://us02web.zoom.us/j/86376969503> or via telephone at 312-626-6799 using Webinar ID: 86376969503# A copy of the meeting presentation will be made available at least 24 hours prior to the meeting at [yourgreenpackage.squarespace.com](http://yourgreenpackage.squarespace.com).

Interested members of the community will have the opportunity to ask questions and receive answers from company representatives about the proposed facility and operations. Questions can be submitted in advance by emailing [rebecca@vicentesederberg.com](mailto:rebecca@vicentesederberg.com) or asked during the meeting after the presentation.

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Interested members of the community will have the opportunity to ask questions and receive answers from company representatives about the proposed facility and operations. Questions can be submitted in advance by emailing [rebecca@vicentesederberg.com](mailto:rebecca@vicentesederberg.com) or asked during the meeting after the presentation.

**Subject:** Cloud Recording - Faded LLC - Community Outreach Meeting is now available

**Date:** Wednesday, December 30, 2020 at 5:17:45 PM Eastern Standard Time

**From:** Zoom

**To:** Rebecca Rutenberg

Hi Becca Rutenberg,

Your cloud recording is now available.

Topic: Faded LLC - Community Outreach Meeting

Date: Dec 30, 2020 04:46 PM Eastern Time (US and Canada)

For host only, click here to view your recording (Viewers cannot access this page):

[https://us02web.zoom.us/recording/detail?meeting\\_id=9HB04rFSS2ei9HIRjsgT%2Bg%3D%3D](https://us02web.zoom.us/recording/detail?meeting_id=9HB04rFSS2ei9HIRjsgT%2Bg%3D%3D)

Share recording with viewers:

[https://us02web.zoom.us/rec/share/d1tFDN2Nzf6PTctM5I\\_PH-](https://us02web.zoom.us/rec/share/d1tFDN2Nzf6PTctM5I_PH-7Wd5fFegoF1Y40UyE9iVJ9NMV94maG2HJm5RRW_bNP.MHYmApCvPD9j-ssN)

[7Wd5fFegoF1Y40UyE9iVJ9NMV94maG2HJm5RRW\\_bNP.MHYmApCvPD9j-ssN](https://us02web.zoom.us/rec/share/d1tFDN2Nzf6PTctM5I_PH-7Wd5fFegoF1Y40UyE9iVJ9NMV94maG2HJm5RRW_bNP.MHYmApCvPD9j-ssN) Passcode: Q5\*e&3M7

Thank you for choosing Zoom.

-The Zoom Team

**CAUTION:** This email is from an EXTERNAL contact. Please do not open attachments, or click on links from unknown or suspicious senders.





December 13, 2020

Dear Cannabis Control Commission,

The Massachusetts Cannabis Association for Delivery supports Faded, LLC's (DBA Your Green Package) Positive Impact Plan and intends to accept any donations contributed as part as such plan.

Sincerely,

Christopher Fevry  
President of the Massachusetts Cannabis Association for Delivery  
Info@masscad.org



# YOUR GREEN PACKAGE

## Your Green Package Positive Impact Plan:

**Goal #1:** Increase financial literacy levels among young adults (21+) in Commission-designated disproportionately impacted such as the City of Brockton by hosting a financial literacy course. The goal of the course will be to see a 30% increase in comfortability and knowledge of financial topics among participants.

**Programs:** Once a year Your Green Package will host an online / in person financial literacy course targeted towards college students aged 21 or older in disproportionately impacted communities, with a particular emphasis on the nearby community of Brockton. We will publicize the course through our social media pages and share it with our customer mailing list. The financial literacy course will focus on subjects including:

- Taxes
- Creating your own LLC
- Starting a business
- How to save
- The importance of investing and how to start early.

## Measurement and Accountability:

- **Number of courses held:** Must exceed 1
- **Number of participants:** Must exceed 20
- **Proficiency level:** At the start of the course we will take a survey on student's proficiency in subject areas. Then at the end of the course we will take another survey to measure the student's improvement. We'd like to see a 30% + increase in comfortability and knowledge of the subjects taught in the course.

**Goal #2:** Increase the resources available to social equity applicants and economic empowerment applicants entering delivery and social consumption.

**Programs:** Your Green Package will pay for a monthly corporate sponsorship (\$799) from the Massachusetts Cannabis Association for Delivery & Social Consumption (MCAD) once operating profit has been reached. The reason why we believe this money will achieve the goal



# YOUR GREEN PACKAGE

is because MCAD specifically works with Economic Empowerment and Social Equity Applicants.

**Measurement & Accountability:** Every year obtain a report from the Massachusetts Cannabis Association for Delivery & Social Consumption with details on the participation from delivery & social consumption companies, events held, attendance, and lobbying efforts.

**Goal #3:** Hire 30% of the workforce from areas that were disproportionately impacted. Specifically, targeting Brockton MA.

**Programs:** Your Green Package will post job listings targeting those areas on an as needed basis, including the Brockton Enterprise; partner with job recruitment to reach diverse people, such as Blackjobs.com, United Latino Job Bank, LatPro.com, Black Career Network, HBCU Connect, Asian Hires, NAAAP Career Center, iHispano, Diversity Inc., and Diversity Job Board; and reach out to the Cannabis Control Commission social equity program to share job listings.

**Measurement & Accountability:**

By the end of the first year of operating we will assess how many of our hires came from disproportionately impacted areas utilizing information gleaned from optional surveys upon hire. We will also measure which was the most effective method for hiring from these areas and make adjustments accordingly.

Disclaimers:

- As identified above, Your Green Package intends to donate to the Massachusetts Cannabis Association for Delivery & Social Consumption and acknowledges that the company has been contacted and will receive the donations described herein.
- Your Green Package 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.
- Any actions taken, or programs instituted, by Your Green Package will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.



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

Minimum Fee: \$500.00

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

**Certificate of Organization**

(General Laws, Chapter )

**Identification Number:** 001443721

**1. The exact name of the limited liability company is:** FADED, LLC

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

No. and Street: 30 HEMLOCK STREET  
 City or Town: BROCKTON State: MA Zip: 02302 Country: USA

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

No. and Street: 30 HEMLOCK STREET  
 City or Town: BROCKTON State: MA Zip: 02302 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:**

APPLYING FOR LICENSES FROM THE CANNABIS CONTROL COMMISSION

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

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

Name: REGISTERED AGENTS INC.  
 No. and Street: 82 WENDELL AVE  
STE 100  
 City or Town: PITTSFIELD State: MA Zip: 01201 Country: USA

I, REGISTERED AGENTS INC. 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	LOURDHARRY PAUYO	30 HEMLOCK STREET BROCKTON, MA 02302 USA
MANAGER	CHRISTOPHER FEVRY	170 CANTON STREET PROVIDENCE, RI 02908 USA

Title	Individual Name First, Middle, Last, Suffix	Address (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:**

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	LOURDHARRY PAUYO	30 HEMLOCK STREET BROCKTON, MA 02302 USA
REAL PROPERTY	CHRISTOPHER FEVRY	170 CANTON STREET PROVIDENCE, RI 02908 USA

**9. Additional matters:**

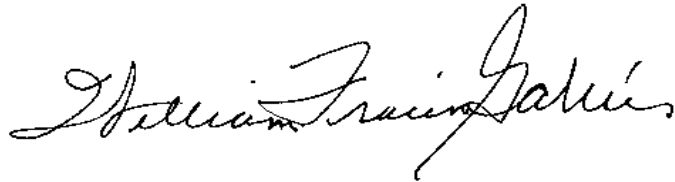
**SIGNED UNDER THE PENALTIES OF PERJURY, this 22 Day of June, 2020,**  
ALEX LAMPHIER, ESQ., ATTORNEY FOR FADED, LLC  
*(The certificate must be signed by the person forming the LLC.)*

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:

June 22, 2020 01:07 PM

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

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*

**OPERATING AGREEMENT**

**of**

**FADED, LLC**

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## OPERATING AGREEMENT

THIS OPERATING AGREEMENT (this “Agreement”) of Faded, LLC, a Massachusetts limited liability company (the “Company”), effective as of [\_\_\_\_\_, 2020], 2020 is entered into by and among the Company, those persons or entities who are from time to time listed as members on Schedule A attached hereto in accordance with the terms of this Agreement (individually, “Member” and collectively, the “Members”), pursuant to the terms of this Agreement. Capitalized terms used herein without definition have the meaning set forth on Annex A attached hereto.

### RECITALS

WHEREAS, the Company was formed as a Massachusetts limited liability company on June 22, 2020, under the laws of The Commonwealth of Massachusetts by the filing of the Certificate of Organization in the office of the Secretary of State of the Commonwealth of Massachusetts under Massachusetts General Laws, Chapter 156C; and

WHEREAS, the Members and the Company agree that the membership in and management of the Company shall be governed by the terms set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### ARTICLE I ORGANIZATION

#### **Section 1.01 Formation.**

(a) The Company was formed on March 30, 2020 upon the filing of the Certificate of Organization with the Secretary of State of the Commonwealth of Massachusetts.

(b) This Agreement shall constitute the “operating agreement” of the Company. The rights, powers, duties, obligations and liabilities of the Members shall be determined pursuant to this Agreement.

**Section 1.02 Name.** The name of the Company is “Faded, LLC” or such other name or names as the Board may from time to time designate; *provided*, that the name shall always contain the words “Limited Liability Company” or the abbreviation “L.L.C.” or the designation “LLC”. The Board shall give prompt notice to each of the Members of any change to the name of the Company.

**Section 1.03 Principal Office.** The principal office of the Company shall be the office as designated on the Certificate of Organization, or such other place as may from time to time be determined by the Board. The Board shall give prompt notice of any such change to each of the Members.

#### **Section 1.04 Registered Office; Registered Agent.**

(a) The registered office of the Company shall be the office of the initial registered agent named in the Certificate of Organization or such other office (which need not be a place of business of the Company) as the Board may designate from time to time in the manner provided by Applicable Law.

(b) The registered agent for service of process on the Company in the Commonwealth of Massachusetts shall be the initial registered agent named in the Certificate of Organization or such other Person or Persons as the Board may designate from time to time in the manner provided by Applicable Law.

**Section 1.05 Purpose; Powers.**

(a) The purpose of the Company shall be as provided in the Company's Certificate of Organization, as amended from time to time.

(b) The Company shall have all the powers necessary or convenient to carry out the purposes for which it is formed.

**Section 1.06 Term.** The term of the Company commenced on the date the Certificate of Organization was filed with the Secretary of State of the Commonwealth of Massachusetts and shall continue in existence perpetually until the Company is dissolved in accordance with the provisions of this Agreement.

**Section 1.07 No State-Law Partnership.** The Members intend that the Company shall be treated as a partnership for federal and, if applicable, state and local income tax purposes, and, to the extent permissible, the Company shall elect to be treated as a partnership for such purposes. The Company and each Member shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment and no Member shall take any action inconsistent with such treatment. The Members intend that the Company shall not be a state law partnership (including, without limitation, a limited partnership) or joint venture, and that no Member, Manager or Officer of the Company shall be a partner or joint venture of any other Member, Manager, or Officer of the Company, for any purposes other than as set forth in the first sentence of this Section 1.07.

**Section 1.08 Marijuana Establishment Licenses.** The Members intend that the Company shall apply for Marijuana Establishment licenses pursuant to the Regulatory Laws. In connection with the foregoing, the Company and each Member shall take all actions reasonably necessary in connection with the application for Marijuana Establishment licenses, and shall not otherwise take any action that would reasonably be expected to jeopardize such applications. For the avoidance of doubt, such actions may include modifications to this Agreement; *provided, however,* that any such modification pursuant to this Section 1.08 shall be made so as to maintain the original intent of the parties hereto to the greatest extent possible.

**Section 1.09 Cannabis-related Risks.** ACQUISITION OF THE UNITS INVOLVES DIRECT AND/OR INDIRECT FINANCIAL INTERESTS IN CANNABIS OR CANNABIS PRODUCTS, TRANSACTIONS AND ACTIVITIES. THE POSSESSION, CULTIVATION, MANUFACTURE, PRODUCTION, STORAGE, TESTING, DISTRIBUTION AND/OR SALE OF CANNABIS IS ILLEGAL UNDER U.S. FEDERAL LAW. NO PARTY, NOR ANY

ATTORNEYS FOR ANY PARTY, HAVE MADE ANY REPRESENTATION TO THE CONTRARY. EACH MEMBER ASSUMES ALL RISKS ASSOCIATED WITH ACQUISITION OF THE UNITS, INCLUDING THE RISK OF CRIMINAL PROSECUTION, AND HEREBY REPRESENTS AND WARRANTS THAT IT UNDERSTANDS SUCH RISKS AND THAT ITS ACQUISITION OF THE UNITS DOES NOT VIOLATE THE LAWS OF THE JURISDICTIONS UNDER WHICH IT RESIDES OR IS DOMICILED AND, AS APPLICABLE, IS FORMED OR ORGANIZED (OTHER THAN U.S. FEDERAL CANNABIS LAWS). THE MEMBERS AGREE TO REFORM THIS AGREEMENT IF REQUIRED BY THE REGULATORY LAWS OR ANY REGULATORY AUTHORITIES.

## ARTICLE II UNITS

**Section 2.01 Units Generally.** The Membership Interests of the Members shall be represented by issued and outstanding Units, which may be divided into one or more types, classes or series. Each type, class or series of Units shall have the privileges, preference, distribution priorities, duties, liabilities, obligations and rights, including voting rights, if any, set forth in this Agreement with respect to such type, class or series. The Board shall maintain a schedule of all Members, their respective mailing addresses and the amount and series of Units held by them (the “Members Schedule”), and shall update the Members Schedule upon the issuance or Transfer of any Units to any new or existing Member. A copy of the Members Schedule as of the execution of this Agreement is attached hereto as Schedule A.

**Section 2.02 Authorization and Issuance of Class A Units.**<sup>1</sup> Subject to compliance with the terms of this Agreement, the Company is hereby authorized to issue a class of Units designated as “Class A Units”. Notwithstanding the foregoing or anything to the contrary herein, Class A Units may only be issued to, Transferred to, or otherwise held by (a) Economic Empowerment Priority Applicants (as defined in the Regulatory Laws), (b) individuals that would qualify to receive Economic Empowerment Priority Applicant status, or (c) entities for which all of its owners and interest holders are individuals that would qualify to receive Economic Empowerment Priority Applicant status, each as may be determined from time to time by the Regulatory Authorities. As of the date hereof the number of Class A Units issued and outstanding to the Members are set forth opposite each Member’s name on the Members Schedule.

**Section 2.03 Authorization and Issuance of Class B Units.** Subject to compliance with the terms of this Agreement, the Company is hereby authorized to issue a class of Units designated as “Class B Units”. As of the date hereof, the number of Class B Units issued and outstanding to the Members are set forth opposite each Member’s name on the Members Schedule.

**Section 2.04 Other Issuances.** In addition to the Class A Units and Class B Units, the Company is hereby authorized, subject to compliance with Section 7.05 and all other terms of this Agreement, to authorize and issue or sell to any Person any new type, class or series of Units not otherwise described in this Agreement, which Units may be designated as classes or series of the Class A Units or Class B Units but having different rights (“New Interests”). The Board is hereby authorized, subject to Section 13.11, to amend this Agreement to reflect such issuance and to fix

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<sup>1</sup> NTD: To confirm that (b) and (c) would still allow the company to qualify as a certified EE applicant entity.

the relative privileges, preference, duties, liabilities, obligations and rights of any such New Interests, including the number of such New Interests to be issued, the preference (with respect to Distributions, in liquidation or otherwise) over any other Units and any contributions required in connection therewith.

**Section 2.05 Limitations on Issuances of Units.** Notwithstanding the foregoing, the Company shall not, and each Member and Manager shall not cause the Company to, issue Units if such issuance would reasonably be expected to jeopardize the Company's status as an Economic Empowerment Priority Applicant or otherwise jeopardize the Regulatory Licenses of the Company. Any purported issuance of Units in violation of this Section 2.05 shall be null and void, except as provided in Section 8.03.

**Section 2.06 Certification of Units.**

(a) The Board in its sole discretion may, but shall not be required to, issue certificates to the Members representing the Units held by such Member.

(b) In the event that the Board shall issue certificates representing Units in accordance with Section 2.06(a), then in addition to any other legend required by Applicable Law, all certificates representing issued and outstanding Units shall bear a legend substantially in the following form:

THE UNITS REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LIMITED LIABILITY COMPANY AGREEMENT AMONG THE COMPANY AND ITS MEMBERS AND MANAGERS, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL EXECUTIVE OFFICE OF THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE UNITS REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH LIMITED LIABILITY COMPANY AGREEMENT.

THE UNITS REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED EXCEPT (A) PURSUANT TO A REGISTRATION STATEMENT EFFECTIVE UNDER SUCH ACT AND LAWS, OR (B) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND LAWS.

**ARTICLE III  
MEMBERS**

**Section 3.01 Admission of New Members.**

(a) Subject compliance with the terms of this Agreement, including, but not limited to, Section 2.02, new Members may be admitted from time to time in connection with an issuance of Units by the Company and in connection with a Transfer of Units.

(b) In order for any Person not already a Member of the Company to be admitted as a Member, whether pursuant to an issuance or Transfer of Units, such Person shall have executed and delivered to the Company a written undertaking substantially in the form of the Joinder Agreement. Upon the amendment of the Members Schedule by the Board and the satisfaction of any other applicable conditions, including, if a condition, the receipt by the Company of payment for the issuance of the applicable Units, such Person shall be admitted as a Member and deemed listed as such on the books and records of the Company and thereupon shall be issued his, her or its Units. The Board shall also adjust the Capital Accounts of the Members as necessary in accordance with Section 4.03.

(c) Notwithstanding anything else contained herein, a Person not already a Member of the Company may only be admitted as a Member, and the Members and Managers may only cause a Person not already a Member of the Company to be admitted as a Member, if such Person is qualified under the Regulatory Laws to have an ownership or economic interest in the Company and the addition of such Person as a Member would not jeopardize or be reasonably expected to jeopardize the Company's status as an Economic Empowerment Priority or otherwise jeopardize or be reasonably expected to jeopardize the business licenses or permits of the Company. Without limiting any other obligations contained herein, any Person to be admitted as a Member shall provide any and all information required by the Regulatory Laws or reasonably required by the Company in connection with such admission as a Member, and submit to any applicable background checks or fingerprinting required by the Regulatory Laws or otherwise by any Regulatory Authorities. Any purported admission of a Person as a Member in violation of this Section 3.01(c) shall be null and void.

**Section 3.02 Representations and Warranties of Members.** By execution and delivery of this Agreement or a Joinder Agreement, as applicable, each of the Members as of the date hereof and each of the Members admitted pursuant to Section 3.01, represents and warrants to the Company and acknowledges that:

(a) The Units have not been registered under the Securities Act or the securities laws of any other jurisdiction, are issued in reliance upon federal and state exemptions for transactions not involving a public offering and cannot be disposed of unless (i) they are subsequently registered or exempted from registration under the Securities Act and (ii) the provisions of this Agreement have been complied with;

(b) Such Member's Units are being acquired for its own account solely for investment and not with a view to resale or distribution thereof;

(c) Such Member has conducted its own independent review and analysis of the business, operations, assets, liabilities, results of operations, financial condition and prospects of the Company and the Company Subsidiaries and such Member acknowledges that it has been provided adequate access to the personnel, properties, premises and records of the Company and the Company Subsidiaries for such purpose;

(d) The determination of such Member to acquire Units has been made by such Member independent of any other Member and independent of any statements or opinions as to the advisability of such purchase or as to the business, operations, assets, liabilities, results of

operations, financial condition and prospects of the Company and the Company Subsidiaries that may have been made or given by any other Member or by any agent or employee of any other Member;

(e) Such Member has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in the Company and making an informed decision with respect thereto;

(f) Such Member is able to bear the economic and financial risk of an investment in the Company for an indefinite period of time;

(g) The execution, delivery and performance of this Agreement have been duly authorized by such Member and do not require such Member to obtain any consent or approval that has not been obtained and do not contravene or result in a default in any material respect under any provision of any law or regulation applicable to such Member or other governing documents or any agreement or instrument to which such Member is a party or by which such Member is bound;

(h) This Agreement is valid, binding and enforceable against such Member in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws of general applicability relating to or affecting creditors' rights or general equity principles (regardless of whether considered at law or in equity);

(i) Neither the issuance of any Units to any Member nor any provision contained herein will entitle the Member to remain in the employment of the Company or any Company Subsidiary or affect the right of the Company or any Company Subsidiary to terminate the Member's employment at any time for any reason, other than as otherwise provided in such Member's employment agreement or other similar agreement with the Company or Company Subsidiary, if applicable;

(j) Such Member is, or, if such Member is an entity, the owners of such Member are, permitted by this Agreement to hold an interest in the Company pursuant to Section 3.01(c) and are eligible to hold an interest in the Company pursuant to the Regulatory Laws;

(k) With respect to Members holding Class A Units,

(i) each such Member is (1) an Economic Empowerment Priority Applicant, (2) qualified to receive Economic Empowerment Priority Applicant status, or (3) an entity for which all of its owners and interest holders are individuals that would qualify to receive Economic Empowerment Priority Applicant status; and

(ii) each such Member that is an entity has included appropriate provisions within its organizational documents to ensure that the representation and warranty included in this Section 3.02(k) remains true during such time that such entity is a Member; and

(l) With respect to Members admitted pursuant to Section 3.01, Such Member is an "accredited investor" within the meaning of Rule 501 promulgated under the Securities Act,



as amended by Section 413(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and agrees that it will not take any action that could have an adverse effect on the availability of the exemption from registration provided by Rule 501 promulgated under the Securities Act with respect to the offer and sale of the Units.

(m) Such Member acknowledges that commercial cannabis activities, such as the business of the Company, are prohibited by federal law.

(n) None of the foregoing shall replace, diminish, or otherwise adversely affect any Member's representations and warranties made by it in any subscription agreement.

**Section 3.03 No Personal Liability.** By Applicable Law or expressly in this Agreement, no Member will be obligated personally for any debt, obligation or liability of the Company or of any Company Subsidiaries or other Members, whether arising in contract, tort or otherwise, solely by reason of being a Member.

**Section 3.04 No Withdrawal.** A Member shall not cease to be a Member as a result of the Bankruptcy of such Member. So long as a Member continues to hold any Units, such Member shall not have the ability to withdraw or resign as a Member prior to the dissolution and winding up of the Company and any such withdrawal or resignation or attempted withdrawal or resignation by a Member prior to the dissolution or winding up of the Company shall be null and void. As soon as any Person who is a Member ceases to hold any Units, such Person shall no longer be a Member.

**Section 3.05 Death.** With respect to any Member that is a natural Person, the death of any Member shall not cause the dissolution of the Company. In such event the Company and its business shall be continued by the remaining Member or Members and the Units owned by the deceased Member shall automatically be Transferred to such Member's heirs; *provided*, that within a reasonable time after such Transfer, the applicable heirs shall be admitted as a Member in accordance with the terms hereof, including but not limited to, (a) the execution and delivery of a written undertaking substantially in the form of the Joinder Agreement, (b) such heirs comply with and provide such information as required by Section 3.01(c), and (c) provided that such Transfer does not jeopardize and would not reasonably be expected to jeopardize the Company's status as an Economic Empowerment Priority Applicant or otherwise jeopardize or be reasonably expected to jeopardize the business licenses or permits of the Company. In the event that such heirs are not eligible to be Members of the Company pursuant to Section 3.01(c), such Units shall not Transfer to such heirs, and the Company shall negotiate in good faith with the estate of the decedent Member to execute agreements and documentation necessary to effect a Transfer or other disposition of such Units in a manner to maintain the Company's status as an Economic Empowerment Priority Applicant or otherwise not jeopardize the business licenses or permits of the Company.

**Section 3.06 Voting.** Except as otherwise provided by this Agreement (including Section 3.07 and Section 13.11) or as otherwise required by Applicable Law, each Member shall be entitled to one vote per Unit on all matters upon which the Members have the right to vote under this Agreement.

**Section 3.07 Meetings.** For any matter for which the Members are specifically authorized or required to act or consent pursuant to this Agreement or applicable law, either as a whole or on a class by class basis, the Members may take such action by a vote of the Members holding a majority of the Units entitled to vote on such matter at a meeting, provided, however, that any meeting of the Members may only be called unanimously by the Members entitled to vote at such meeting.

**Section 3.08 Action Without Meeting.** Notwithstanding the provisions of Section 3.07, any matter that is to be voted on, consented to or approved by Members may be taken without a meeting, without prior notice and without a vote if consented to, in writing or by Electronic Transmission, by Members holding enough Units necessary to take such action at a meeting. A record shall be maintained by the Board of each such action taken by written consent of the Members.

**Section 3.09 Power of Members.** The Members shall only have the power to exercise any and all rights or powers granted to Members pursuant to the express terms of this Agreement. Except as otherwise specifically provided by this Agreement, no Member, in its capacity as a Member, shall have the power to act for or on behalf of, or to bind, the Company or to manage or operate the affairs of the Company.

**Section 3.10 No Interest in Company Property.** No real or personal property of the Company shall be deemed to be owned by any Member individually, but shall be owned by, and title shall be vested solely in, the Company. Without limiting the foregoing, each Member hereby irrevocably waives during the term of the Company any right that such Member may have to maintain any action for partition with respect to the property of the Company.

**Section 3.11 Class A Member Restrictions.** Each Member that holds Class A Units and is an entity shall not permit its ownership structure or make-up to exist in such a manner, or otherwise take any action, that would disqualify the Company from maintaining its status as an Economic Empowerment Priority Applicant as determined by the Disinterested Board. In the event that a holder of Class A Units violates this Section 3.11, then, at the election of Members holding a majority of the Class B Units, such Member shall be an Affected Person pursuant to Section 8.06.

**Section 3.12 Other Business Activities.** The Members and the Company expressly acknowledge and agree that, subject to the Regulatory Laws: (i) the Members, and the owners and interest holders of such Members, are permitted to have, and may presently or in the future have, investments or other business or strategic relationships, ventures, agreements or other arrangements with entities other than the Company that are engaged in the same or similar business as the Company, or that are or may be competitive with the Company (any such other investment or relationship, an “Other Business”); (ii) none of the Members will be prohibited by virtue of their investment in the Company from pursuing and engaging in any Other Business; (iii) none of the Members will be obligated to inform the Company or any other Member of any opportunity, relationship or investment in any Other Business (a “Company Opportunity”) or to present any Company Opportunity to the Company, and the Company hereby renounces any interest in any Company Opportunity and any expectancy that a Company Opportunity will be offered to it; (iv) nothing contained herein shall limit, prohibit or restrict any Member from serving on the board of

directors or other governing body or committee of any Other Business; and (v) no other Member will acquire, be provided with an option or opportunity to acquire, or be entitled to any interest or participation in any Other Business as a result of the participation therein of any other Member. The Members and the Company expressly authorize and consent to the involvement of any Member in any Other Business; *provided*, that any transactions between the Company and any Other Business will be on terms no less favorable to the Company than would be obtainable in a comparable arm's-length transaction. The Members and the Company each expressly waive, to the fullest extent permitted by applicable law, any rights to assert any claim that such involvement breaches any fiduciary or other duty or obligation owed to the Company or any Member or to assert that such involvement constitutes a conflict of interest by the Member participating in the Other Business with respect to the Company or any other Member, and the Members agree to approve, ratify, and take all other action reasonably necessary to authorize and effect such transactions. Notwithstanding the foregoing, each Member having an interest in an Other Business shall provide the Company and any Regulatory Authorities information and documentation disclosing such interest to the extent necessary to comply with the Regulatory Laws, and no Member shall have any interest in an Other Business if holding such interest in addition to the interest such Member holds in the Company would cause or reasonably be expected to cause a violation of the Regulatory Laws.

#### **ARTICLE IV CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS**

**Section 4.01 Initial Capital Contributions.** Each Member owning Units has made Capital Contributions and is deemed to own the number, type, series and class of Units, in each case, in the amounts set forth opposite such Member's name on the Members Schedule as in effect on the date hereof.

#### **Section 4.02 Additional Capital Contributions.**

(a) No Member shall be required to make any additional Capital Contributions to the Company. Except for contributions of Additional Capital as described in Section 4.02(c), any future Capital Contributions made by any Member shall only be made with the consent of the Board and in connection with an issuance of Units made in compliance with Article VIII.

(b) No Member shall be required to lend any funds to the Company and no Member shall have any personal liability for the payment or repayment of any Capital Contribution by or to any other Member. If one or more Members lend funds to the Company in order to fund operating expenses or working capital needs of the Company, the interest rate on such borrowing shall not exceed an amount equal to the Company Interest Rate, and such loan shall be on such other terms as determined by the Board and the lending Member.

(c) In the event that the Company, in the Board's sole discretion, does not have sufficient cash flow to pay its operating expenses or capital expenses or otherwise requires additional capital for working capital needs, the Board shall provide notice to all Members of such capital needs and permit any Member to lend to the Company at the Company Interest Rate or to make additional Capital Contributions to the Company (the "Additional Capital") for such capital needs, in such Member's sole discretion. Upon the contribution of any such Additional Capital,

the following shall apply: (i) the Company shall pay a Preferred Return on such Additional Capital in accordance with Section 6.02 and other provisions of this Agreement, and (ii) the Member contributing any such Additional Capital shall receive a priority return on Distributions with respect to its Unrecovered Additional Capital in accordance with Section 6.02 and other provisions of this Agreement.

**Section 4.03 Maintenance of Capital Accounts.** The Company shall establish and maintain for each Member a separate capital account (a “Capital Account”) on its books and records in accordance with this Section 4.03 and other provisions of this Article IV. Each Capital Account shall be established and maintained in accordance with the following provisions:

(a) Each Member’s Capital Account shall be increased by the amount of:

(i) such Member’s Capital Contributions, including such Member’s initial Capital Contribution and contributions of Additional Capital;

(ii) any Net Income or other item of income or gain allocated to such Member pursuant to Article V; and

(iii) any liabilities of the Company that are assumed by such Member or secured by any property Distributed to such Member.

(b) Each Member’s Capital Account shall be decreased by:

(i) the cash amount or Book Value of any property Distributed to such Member pursuant to Article VI and Section 11.03(c);

(ii) the amount of any Net Loss or other item of loss or deduction allocated to such Member pursuant to Article V and

(iii) the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company.

(c) The rules of Treasury Regulations § 1.704-1(b)(2)(iv)(d) (with respect to the maintenance of capital accounts in connection with the exercise of a noncompensatory option) shall be incorporated by reference and shall be given effect in the maintenance of the Capital Accounts.

**Section 4.04 Succession Upon Transfer.** In the event that any Units are Transferred in accordance with and only as permissible under the terms of this Agreement, the Transferee shall succeed to the Capital Account of the Transferor to the extent it relates to the Transferred Units and, subject to Section 5.04, shall receive allocations and Distributions pursuant to Article V, Article VI and Article VII in respect of such Units.

**Section 4.05 Negative Capital Accounts.** In the event that any Member shall have a deficit balance in his, her or its Capital Account, such Member shall have no obligation, during the term of the Company or upon dissolution or liquidation thereof, to restore such negative

balance or make any Capital Contributions to the Company by reason thereof, except as may be required by Applicable Law or in respect of any negative balance resulting from a withdrawal of capital or dissolution in contravention of this Agreement.

**Section 4.06 No Withdrawal.** No Member shall be entitled to withdraw any part of his, her or its Capital Account or to receive any Distribution from the Company, except as provided in this Agreement. No Member shall receive any interest, salary or drawing with respect to its Capital Contributions or its Capital Account, except as otherwise provided in this Agreement. The Capital Accounts are maintained for the sole purpose of allocating items of income, gain, loss and deduction among the Members and shall have no effect on the amount of any Distributions to any Members, in liquidation or otherwise.

**Section 4.07 Treatment of Loans from Members.** Loans by any Member to the Company shall not be considered Capital Contributions and shall not affect the maintenance of such Member's Capital Account, other than to the extent provided in Section 4.03(a)(iii), if applicable.

**Section 4.08 Intent and Modifications.** The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations § 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Treasury Regulations. If the Board determines that it is prudent to modify the manner in which the Capital Accounts, or any increases or decreases to the Capital Accounts, are computed in order to comply with such Treasury Regulations, the Board may authorize such modifications.

## **ARTICLE V ALLOCATIONS**

**Section 5.01 Allocation of Net Income and Net Loss.** For each Fiscal Year (or portion thereof), except as otherwise provided in this Agreement, Net Income and Net Loss (and, to the extent necessary, individual and/or gross items of income, gain, loss or deduction) of the Company shall be allocated among the Members in a manner such that, after adjusting each Member's Capital Account for all Capital Contributions and Distributions made during such Fiscal Year (or portion thereof) and after giving effect to the special allocations set forth in Section 5.02, the Capital Account balance of each Member (which may be either a positive or negative balance), immediately after making such adjustments and allocations, is, as nearly as possible, equal to (a) the Distributions that would be made to such Member pursuant to Section 11.03(c)(iii) if the Company were dissolved, its affairs wound up and its assets sold for cash equal to their Book Value, all Company liabilities were satisfied (limited with respect to each Nonrecourse Liability to the Book Value of the assets securing such liability), and the net assets of the Company were Distributed, in accordance with Section 11.03(c)(iii), to the Members immediately after making such allocations, minus (b) such Member's share of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain, computed immediately prior to the hypothetical sale of assets.

**Section 5.02 Regulatory and Special Allocations.** Notwithstanding the provisions of Section 5.01:

(a) If there is a net decrease in Company Minimum Gain (determined according to Treasury Regulations § 1.704-2(d)(1)) during any Fiscal Year, each Member shall be specially allocated Net Income for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations § 1.704-2(g). The items to be so allocated shall be determined in accordance with Treasury Regulations §§ 1.704-2(f)(6) and 1.704-2(j)(2). This Section 5.02(a) is intended to comply with the "minimum gain chargeback" requirement in Treasury Regulations § 1.704-2(f) and shall be interpreted consistently therewith.

(b) Member Nonrecourse Deductions shall be allocated in the manner required by Treasury Regulations § 1.704-2(i). Except as otherwise provided in Treasury Regulations § 1.704-2(i)(4), if there is a net decrease in Member Nonrecourse Debt Minimum Gain during any Fiscal Year, each Member that has a share of such Member Minimum Gain shall be specially allocated Net Income for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to that Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain. Items to be allocated pursuant to this paragraph shall be determined in accordance with Treasury Regulations §§ 1.704-2(i)(4) and 1.704-2(j)(2). This Section 5.02(b) is intended to comply with the "minimum gain chargeback" requirements in Treasury Regulations § 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) In the event any Member unexpectedly receives any adjustments, allocations or Distributions described in Treasury Regulations § 1.704-1(b)(2)(ii)(d)(4), (5) or (6), Net Income shall be specially allocated to such Member in an amount and manner sufficient to eliminate the Adjusted Capital Account Deficit created by such adjustments, allocations or Distributions as quickly as possible. This Section 5.02(c) is intended to comply with the qualified income offset requirement in Treasury Regulations § 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(d) The allocations set forth in paragraphs (a) (b) and (c) above (the "Regulatory Allocations") are intended to comply with certain requirements of the Treasury Regulations under Code § 704. Notwithstanding any other provisions of this Article V (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account in allocating Net Income and Net Losses among Members so that, to the extent possible, the net amount of such allocations of Net Income and Net Losses and other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to such Member if the Regulatory Allocations had not occurred.

(e) The Company and the Members acknowledge that allocations like those described in Proposed Treasury Regulations § 1.704-1(b)(4)(xii)(c) ("Forfeiture Allocations") result from the allocations of Net Income and Net Loss provided for in this Agreement. For the avoidance of doubt, the Company is entitled to make Forfeiture Allocations and, once required by applicable final or temporary guidance, allocations of Net Income and Net Loss will be made in accordance with Proposed Treasury Regulations § 1.704-1(b)(4)(xii)(c) or any successor provision or guidance.

### **Section 5.03 Tax Allocations.**

(a) Subject to Section 5.03(b) through Section 5.03(e), all income, gains, losses and deductions of the Company shall be allocated, for federal, state and local income tax purposes, among the Members in accordance with the allocation of such income, gains, losses and deductions among the Members for computing their Capital Accounts, except that if any such allocation for tax purposes is not permitted by the Code or other Applicable Law, the Company's subsequent income, gains, losses and deductions shall be allocated among the Members for tax purposes, to the extent permitted by the Code and other Applicable Law, so as to reflect as nearly as possible the allocation set forth herein in computing their Capital Accounts.

(b) Items of Company taxable income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall be allocated among the Members in accordance with Code § 704(c) and such permissible method(s) under Treasury Regulations § 1.704-3 as determined by the Tax Representative so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its Book Value.

(c) If the Book Value of any Company asset is adjusted pursuant to Treasury Regulations § 1.704-1(b)(2)(iv)(f) as provided in clause (c) of the definition of Book Value, subsequent allocations of items of taxable income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Book Value in the same manner as under Code § 704(c).

(d) Allocations of tax credit, tax credit recapture and any items related thereto shall be allocated to the Members according to their interests in such items as determined by the Tax Representative taking into account the principles of Treasury Regulations § 1.704-1(b)(4)(ii).

(e) The Company shall make allocations pursuant to this Section 5.03 in accordance with such permissible methods as set forth and in accordance with Treasury Regulations § 1.704-3 and this Agreement.

(f) Allocations pursuant to this Section 5.03 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Net Income, Net Losses, Distributions or other items pursuant to any provisions of this Agreement.

**Section 5.04 Allocations in Respect of Transferred Units.** In the event of a Transfer of Units during any Fiscal Year made in compliance with the provisions of Article VIII Net Income, Net Losses and other items of income, gain, loss and deduction of the Company attributable to such Units for such Fiscal Year shall be determined using the interim closing of the books method; *provided, however*, that the Board may, in its sole discretion, elect to make such allocations on a pro rata basis.

**Section 5.05 Curative Allocations.** In the event that the Tax Representative determines, after consultation with counsel experienced in income tax matters, that the allocation of any item of Company income, gain, loss or deduction is not specified in this Article V (an "Unallocated Item"), or that the allocation of any item of Company income, gain, loss or deduction hereunder is clearly inconsistent with the Members' economic interests in the Company (determined by

reference to the general principles of Treasury Regulations § 1.704-1(b) and the factors set forth in Treasury Regulations § 1.704-1(b)(3)(ii) (a “Misallocated Item”), then the Board may allocate such Unallocated Items, or reallocate such Misallocated Items, to reflect such economic interests; provided, that no such allocation will be made without the prior consent of each Member that would be adversely and disproportionately affected thereby; and provided, further, that no such allocation shall have any material effect on the amounts distributable to any Member, including the amounts to be distributed upon the complete liquidation of the Company.

## **ARTICLE VI DISTRIBUTIONS**

### **Section 6.01 General.**

(a) Subject to Section 6.01(b), Section 6.02, Section 6.03, and **Error! Reference source not found.**, the Board, by majority vote of the Managers, shall have sole discretion regarding the amounts and timing of Distributions to Members, including to decide to forego payment of Distributions in order to provide for the retention and establishment of reserves of, or payment to third parties of, such funds as it deems necessary with respect to the reasonable business needs of the Company (which needs may include the payment or the making of provision for the payment when due of the Company’s obligations, including, but not limited to, present and anticipated debts and obligations to third parties and Members (as applicable), capital needs and expenses, the payment of any management or administrative fees and expenses, and reasonable reserves for contingencies).

(b) Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make any Distribution to Members if such Distribution would violate Applicable Law.

### **Section 6.02 Priority of Distributions.**

(a) Distributions from Operations. After making all Distributions required for a given Fiscal Year under Section 6.03, and except as otherwise provided in Section 6.02(b) or Section 11.03(c), all Distributions determined to be made by the Board pursuant to Section 6.01 shall be made to the Members in the following order and priority:

(i) First, to the Members who have contributed Additional Capital, if any, pro rata in proportion to their Unpaid Preferred Return, until each such Member has received aggregate Distributions under this section sufficient to cause each such Member's Unpaid Preferred Return to equal zero; and

(ii) Then, to the Members who have contributed Additional Capital, if any, pro rata in proportion to their Unreturned Additional Capital, until each such Member has received aggregate Distributions under this section sufficient to cause each such Member's Unreturned Additional Capital to equal zero; and

(iii) Thereafter, pro rata in proportion to each Member’s aggregate holdings of Units.



(b) Distributions from Deemed Liquidation Events. Except as otherwise provided in Section 6.06, upon the occurrence of a Deemed Liquidation Event, the Deemed Liquidation Event Proceeds therefrom shall be Distributed to the Members, as soon as reasonably practical following receipt by the Company of such Deemed Liquidation Event Proceeds, in the following order and priority:

(i) First, to the Members who have contributed Additional Capital, if any, pro rata in proportion to their Unpaid Preferred Return, until each such Member has received aggregate Distributions under this section sufficient to cause each such Member's Unpaid Preferred Return to equal zero; and

(ii) Then, to the Members who have contributed Additional Capital, if any, pro rata in proportion to their Unreturned Additional Capital, until each such Member has received aggregate Distributions under this section sufficient to cause each such Member's Unreturned Additional Capital to equal zero; and

(iii) Then, to the Members, pro rata in proportion to their Unreturned Capital, until the Members have received aggregate Distributions under this section sufficient to cause each such Member's Unreturned Capital to equal zero; and

(iv) Thereafter, pro rata in proportion to each Member's aggregate holdings of Units.

### **Section 6.03 Tax Distributions.**

(a) Subject to any restrictions in any of the Company's and/or any Company Subsidiary's then applicable debt-financing arrangements, and subject to the Board's sole discretion to retain any other amounts necessary to satisfy the Company's and/or the Company Subsidiaries' obligations, at least seven (7) days before each date prescribed by the Code for a calendar-year corporation to pay annual installments of estimated tax, the Company shall Distribute cash to each Member in proportion to and to the extent of such Member's Estimated Tax Amount (each such Distribution, a "Tax Advance").

(b) If, at any time after the final Estimated Tax Amount has been Distributed pursuant to Section 6.03(a) with respect to any Fiscal Year, the aggregate Tax Advances to any Member with respect to such Fiscal Year are less than such Member's Tax Amount for such Fiscal Year (a "Shortfall Amount"), the Company shall Distribute cash in proportion to and to the extent of each Member's Shortfall Amount. The Company shall use commercially reasonable efforts to Distribute Shortfall Amounts with respect to a Fiscal Year before the 60th day of the next succeeding Fiscal Year; provided, that if the Company has made Distributions other than pursuant to this Section 6.03, the Board may apply such Distributions to reduce any Shortfall Amount.

(c) If the aggregate Tax Advances made to any Member pursuant to this Section 6.03 for any Fiscal Year exceed such Member's Tax Amount (an "Excess Amount"), such Excess Amount shall reduce subsequent Tax Advances that would be made to such Member pursuant to this Section 6.03, except to the extent taken into account as an advance pursuant to Section 6.03(d).

(d) For avoidance of doubt, any Distributions made pursuant to this Section 6.03 shall be treated as advances on Distributions payable to the applicable Member pursuant to Section 6.02 and shall reduce the amount otherwise Distributable to such Member pursuant to Section 6.02 or Section 11.03(c). Further, the amount to be Distributed as a tax Distribution in respect of any Fiscal Year pursuant to this Section 6.03 shall be computed as if any Distributions made pursuant to Section 6.02 during such Fiscal Year were a tax Distribution in respect of such Fiscal Year, with the understanding that the Company shall not make a tax Distribution in respect of any Fiscal Year to the extent any Distributions made pursuant to Section 6.02 during such Fiscal Year exceeds the Tax Amount of the Member in respect of such Fiscal Year.

(e) Any good faith determination of the amount of a Tax Advance made by the Board pursuant to this Section 6.03 shall be conclusive and binding on all Members absent manifest error.

#### **Section 6.04 Tax Withholding; Withholding Advances.**

(a) Tax Withholding. If requested by the Board, each Member shall, if able to do so, deliver to the Board:

(i) any applicable IRS forms or an affidavit in form satisfactory to the Board that the applicable Member (or its members, as the case may be) is not subject to withholding under the provisions of any federal, state, local, foreign or other Applicable Law;

(ii) any certificate that the Board may reasonably request with respect to any such laws; and/or

(iii) any other form or instrument reasonably requested by the Board relating to any Member's status under such law.

(iv) If a Member fails or is unable to deliver to the Board the IRS form or affidavit described in Section 6.04(a)(i), the Board may withhold amounts from such Member in accordance with Section 6.04(b).

(b) Withholding Advances. The Company is hereby authorized at all times to make payments (“Withholding Advances”) with respect to each Member in amounts required to discharge any obligation of the Company (as determined by the Tax Representative based on the advice of legal or tax counsel to the Company) to withhold or make payments to any federal, state, local or foreign taxing authority (a “Taxing Authority”) with respect to any Distribution or allocation by the Company of income or gain to such Member and to withhold the same from Distributions to such Member. Any funds withheld from a Distribution by reason of this Section 6.04(b) shall nonetheless be deemed Distributed to the Member in question for all purposes under this Agreement and, at the option of the Board, shall be charged against the Member's Capital Account in accordance with this Agreement.

(c) Repayment of Withholding Advances. Any Withholding Advance made by the Company to a Taxing Authority on behalf of a Member and not simultaneously withheld from

a Distribution to that Member shall, with interest thereon accruing from the date of payment at a rate equal to the prime rate published in the Wall Street Journal on the date of payment:

(i) be promptly repaid to the Company by the Member on whose behalf the Withholding Advance was made (which repayment by the Member shall not constitute a Capital Contribution, but shall credit the Member's Capital Account if the Board shall have initially charged the amount of the Withholding Advance to the Capital Account); or

(ii) with the consent of the Board, be repaid by reducing the amount of the next succeeding Distribution or Distributions to be made to such Member (which reduction amount shall be deemed to have been Distributed to the Member, but which shall not further reduce the Member's Capital Account if the Board shall have initially charged the amount of the Withholding Advance to the Capital Account).

Interest shall cease to accrue from the time the Member on whose behalf the Withholding Advance was made repays such Withholding Advance (and all accrued interest) by either method of repayment described above.

(d) Indemnification. Each Member hereby agrees to indemnify and hold harmless the Company and the other Members from and against any liability with respect to taxes, interest or penalties which may be asserted by reason of the Company's failure to deduct and withhold tax on amounts Distributable or allocable to such Member. The provisions of this Section 6.04(d) and the obligations of a Member pursuant to Section 6.04(c) shall survive the termination, dissolution, liquidation and winding up of the Company and the withdrawal of such Member from the Company or Transfer of its Units. The Company may pursue and enforce all rights and remedies it may have against each Member under this Section 6.04, including bringing a lawsuit to collect repayment with interest of any Withholding Advances.

(e) Overwithholding. Neither the Company nor the Board shall be liable for any excess taxes withheld in respect of any Distribution or allocation of income or gain to a Member. In the event of an overwithholding, a Member's sole recourse shall be to apply for a refund from the appropriate Taxing Authority.

#### **Section 6.05 Distributions in Kind.**

(a) The Board is hereby authorized, in its sole discretion, to make Distributions to the Members in the form of securities or other property held by the Company; provided, that Tax Advances shall only be made in cash. In any non-cash Distribution, the securities or property so Distributed will be Distributed among the Members in the same proportion and priority as cash equal to the Fair Market Value of such securities or property would be Distributed among the Members pursuant to Section 6.02.

(b) Any Distribution of securities shall be subject to such conditions and restrictions as the Board determines are required or advisable to ensure compliance with Applicable Law. In furtherance of the foregoing, the Board may require that the Members execute and deliver such documents as the Board may deem necessary or appropriate to ensure compliance with all federal and state securities laws that apply to such Distribution and any further Transfer

of the Distributed securities, and may appropriately legend the certificates that represent such securities to reflect any restriction on Transfer with respect to such laws.

(c) Upon any such Distribution, such Fair Market Value of the non-cash assets Distributed will be debited against the each applicable Member's respective Capital Account at such Fair Market Value, and any such Distributions shall be deemed for purposes of determining Net Profits or Net Losses (if any) to have been sold by the Company for an amount equal to such Fair Market Value and any such deemed Net Profits or Net Losses shall be allocated to the Members' respective Capital Accounts in accordance with this Agreement.

**Section 6.06 Distributions Upon Deemed Liquidation Event Resulting in Dissolution.** In the event of a Deemed Liquidation Event that results in a dissolution of the Company, the Board shall distribute the proceeds of such Deemed Liquidation Event in the manner provided in Section 11.03(c).

## ARTICLE VII MANAGEMENT

**Section 7.01 Establishment of the Board.** A board of managers of the Company (the "Board") is hereby established and shall be comprised of natural Persons (each such Person, a "Manager") who shall be appointed in accordance with the provisions of Section 7.02. The business and affairs of the Company shall be managed, operated and controlled by or under the direction of the Board, and the Board shall have, and is hereby granted, the full and complete power, authority and discretion for, on behalf of and in the name of the Company, to take such actions as it may in its sole discretion deem necessary or advisable to carry out any and all of the objectives and purposes of the Company, subject only to the terms of this Agreement.

**Section 7.02 Board Composition; Vacancies.** The Company and the Members shall take such actions as may be required to ensure that the number of managers constituting the Board is at all times two (2), comprised as follows, unless otherwise modified by a majority vote of the Board:

(a) The Members holding Class A Units shall be entitled to appoint one (1) Managers (the "Class A Manager"). The initial Class A Manager shall be Lourdharry Pauyo. The Class A Manager shall hold office until his or her resignation, removal from office as hereinafter provided, or death or incapacity. The Class A Manager may be removed, with or without cause, by the affirmative vote of Members holding more than fifty percent (50%) of the total outstanding Class A Units. The Class A Manager may resign at any time by written notice thereof to the Members and the other Manager(s). Any vacancy occurring in the Class A Manager position shall be filled by the affirmative vote of Members holding more than fifty percent (50%) of the outstanding Class A Units.

(b) The Members holding Class B Units shall be entitled to appoint one (1) Manager (the "Class B Manager"). The initial Class B Manager shall be Christopher Fevry. The Class B Manager shall hold office until his or her resignation, removal from office as hereinafter provided, or death or incapacity. The Class B Manager may be removed, with or without cause, by the affirmative vote of Members holding more than fifty percent (50%) of the total outstanding

Class B Units. The Class B Manager may resign at any time by written notice thereof to the Members and the other Manager(s). Any vacancy occurring in the Class B Manager position shall be filled by the affirmative vote of Members holding more than fifty percent (50%) of the outstanding Class B Units.

(c) In the event that the Members shall fail to designate in writing an individual to fill a vacant Manager position on the Board, and such failure shall continue for more than thirty (30) days after notice from the Company with respect to such failure, then the vacant position shall be filled by an individual designated by the other Manager(s) then in office that were appointed by the same class of Members entitled to fill such vacancy; *provided*, that such individual shall be removed from such position if and when the Members entitled to fill such vacancy, by majority vote, so direct and simultaneously designate a new Manager.

(d) Notwithstanding anything to the contrary herein, any newly elected or appointed Manager of the Company shall not be deemed duly elected or appointed and shall not exercise any powers of the position to which such individual has been elected or appointed until (i) such individual has been found suitable to hold such position by the applicable Regulatory Authorities or Bodies pursuant to the Regulatory Laws and (ii) such election or appointment does not jeopardize the Company's eligibility to hold any state or local Regulatory Licenses.

(e) Each newly elected or appointed Manager, by virtue of such election or appointment of such individual, consents to (i) the performance of any personal background investigation that may be required by any Regulatory Authorities or Regulatory Laws and (ii) the disclosure by the Company of any information regarding such officer required by Regulatory Authorities or Regulatory Laws without the need to obtain approval from such officer.

(f) Each Manager, by virtue of holding such position, agrees to the following:

(i) Such Manager shall comply with all Regulatory Laws including (i) filing required applications for Regulatory Licenses, if any, (ii) providing all information regarding such Manager as may be requested or required by Regulatory Authorities (including in connection with any application for a Regulatory License), and (iii) responding to written or oral questions or inquiries from any Regulatory Authorities.

(ii) In the event that such Manager (i) has experienced an event or circumstance, or otherwise reasonably believes, that such Manager may meet any condition to be deemed an Affected Person or (ii) has knowledge that any Member or any other individual elected or appointed as a director or Manager of the Company or any other current Officer or Manager of the Company has experienced an event or circumstance, or otherwise may meet any condition to be deemed an Affected Person, then, in all cases, such Manager shall promptly notify the Company of the relevant details.

(iii) Upon receipt of a notice that a Manager may meet any condition to be deemed an Affected Person, the Disinterested Board may, but are not obligated to, permit the applicable individual a specified period of time (as determined by the Disinterested Board to the extent permitted by any Regulatory Laws (including by the

applicable Regulatory Authority)) to take all actions, at such individual's costs, to cure such condition.

(iv) Upon the expiration of such period of time (if any) or otherwise, the Disinterested Board shall promptly make a determination regarding such Manager as an Affected Person. If the Disinterested Board determines that such Manager is an Affected Person, the Company shall, and the Members shall the cause the Company to, remove such Manager as promptly as possible or as otherwise directed by the applicable Regulatory Authority and shall be replaced by the Members entitled to elect such Manager. If the Disinterested Board determines that such Manager is a not Affected Person, such Manager shall continue to hold office until such Manager's successor is designated by the Members entitled to designate such Manager or until such Manager's earlier death, resignation or removal.

### **Section 7.03 Removal; Resignation.**

(a) Except as provided in Section 7.02(f)(iv), a Manager may be removed or replaced at any time from the Board, with or without cause, upon, and only upon, the written request of Members holding more than fifty percent (50%) of the class of Units entitled to appoint such Manager.

(b) A Manager may resign at any time from the Board by delivering his written resignation to the Board. Any such resignation shall be effective upon receipt thereof unless it is specified to be effective at some other time or upon the occurrence of some other event. The Board's acceptance of a resignation shall not be necessary to make it effective.

### **Section 7.04 Meetings.**

(a) Generally. The Board shall meet at such time and at such place as the Board may designate. Meetings of the Board may be held either in person or by means of telephone or video conference or other communications device that permits all Managers participating in the meeting to hear each other, at the offices of the Company or such other place (either within or outside the Commonwealth of Massachusetts) as may be determined from time to time by the Board. Written notice of each meeting of the Board shall be given to each Manager at least twenty-four (24) hours prior to each such meeting.

(b) Special Meetings. Special meetings of the Board shall be held on the call of any Manager upon at least five days' written notice (if the meeting is to be held in person) or one day's written notice (if the meeting is to be held by telephone communications or video conference) to the Managers, or upon such shorter notice as may be approved by all the Managers. Any Manager may waive such notice as to himself.

(c) Attendance and Waiver of Notice. Attendance of a Manager at any meeting shall constitute a waiver of notice of such meeting, except where a Manager attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

### **Section 7.05 Quorum; Manner of Acting.**

(a) Quorum. A majority of the Managers serving on the Board shall constitute a quorum for the transaction of business of the Board. At all times when the Board is conducting business at a meeting of the Board, a quorum of the Board must be present at such meeting. If a quorum shall not be present at any meeting of the Board, then the Managers present at the meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(b) Participation. Any Manager may participate in a meeting of the Board by means of telephone or video conference or other communications device that permits all Managers participating in the meeting to hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting. A Manager may vote or be present at a meeting either in person or by proxy, and such proxy may be granted in writing, by means of Electronic Transmission or as otherwise permitted by Applicable Law.

(c) Binding Act. Each Manager shall have one vote on all matters submitted to the Board or any committee thereof. Except as provided in **Error! Reference source not found.** and Section 7.08, with respect to any matter before the Board, the act of a majority of the Managers constituting a quorum shall be the act of the Board.

**Section 7.06 Action by Written Consent.** Notwithstanding anything herein to the contrary, any action of the Board (or any committee of the Board) may be taken without a meeting if either (a) a written consent of the number of Managers required to take such action at a meeting shall approve such action (*provided*, that prior written notice of such action is provided to all Managers at least one day before such action is taken) or (b) a written consent constituting all of the Managers on the Board shall approve such action. Any written consent pursuant to this Section 7.06 shall have the same force and effect as a vote at a meeting where a quorum was present and may be stated as such in any document or instrument filed with the Secretary of the Commonwealth of Massachusetts.

### **Section 7.07 Compensation; No Employment.**

(a) Each Manager shall be reimbursed for his reasonable out-of-pocket expenses incurred in the performance of his duties as a Manager, pursuant to such policies as from time to time established by the Board, including, to the extent deemed advisable by the Board, the establishment of maximum reimbursement amounts and pre-approval requirements for such expenses. Nothing contained in this Section 7.07 shall be construed to preclude any Manager from serving the Company in any other capacity and receiving reasonable compensation for such services.

(b) This Agreement does not, and is not intended to, confer upon any Manager any rights with respect to continued employment by the Company, and nothing herein should be construed to have created any employment agreement with any Manager.

### **Section 7.08 Officers.**

(a) Election. The Board may appoint individuals as officers of the Company (the “Officers”) as it deems necessary or desirable to carry on the business of the Company and the Board may delegate to such Officers such power and authority as it so deems advisable. No Officer need be a Member or Manager. Any individual may hold two or more offices of the Company. Notwithstanding anything to the contrary herein, any newly elected or appointed Officer of the Company shall not be deemed duly elected or appointed and shall not exercise any powers of the position to which such individual has been elected or appointed until, to the extent necessary, such individual has been found suitable to hold such position by the applicable Regulatory Authorities pursuant to the Regulatory Laws.

(b) Tenure; Vacancy. Each Officer shall hold office until his successor is designated by the Board or until his earlier death, resignation or removal. Any Officer may resign at any time upon written notice to the Board. Any Officer may be removed by the Board with or without cause at any time. A vacancy in any office occurring because of death, resignation, removal or otherwise, may, but need not, be filled by the Board. Officers shall only have those powers specifically delegated and authorized by the Board. If for any reason the Board fails to fill a vacancy in an Officer position, and such failure shall continue for at least thirty (30) days, then the Members holding a majority of the Units may fill such vacancy.

(c) Chief Executive Officer and Vice President. The Members and the Managers hereby delegate to the office of the Chief Executive Officer of the Company the authority and duties of the general charge and supervision of the business of the Company. Any Vice Presidents will have duties as will be designated from time to time by the Chief Executive Officer.

(d) Treasurer and Assistant Treasurers. The Members and the Managers hereby delegate to the office of the Treasurer the authority and duties of the chief financial officer of the Company and will be in charge of its funds and valuable papers, and will have such other duties and powers as may be designated from time to time by the Chief Executive Officer. If no Controller is elected, the Treasurer (or if no Treasurer is elected, the Chief Executive Officer) will also have the duties and powers of the Controller. Any Assistant Treasurers will have such duties and powers as will be designated from time to time by the Chief Executive Officer or the Treasurer.

(e) Controller and Assistant Controllers. The Members and the Managers hereby delegate to the office of the Controller the authority and duties of the chief accounting officer of the Company, who shall be in charge of its books of account and accounting records, and of its accounting procedures. The Controller will have such other duties and powers as may be designated from time to time by the Chief Executive Officer or the Treasurer. Any Assistant Controller will have such duties and powers as will be designated from time to time by the Chief Executive Officer, the Treasurer or the Controller.

(f) Secretary and Assistant Secretaries. The Members and the Managers hereby delegate to the office of the Secretary the authority and duties typically attributable to the secretary, including keeping records all proceedings of the Managers, Officers, and Members in a book or series of books to be kept therefor and will file therein all actions by written consent of such individuals. In the absence of the Secretary from any meeting, an Assistant Secretary, or if no Assistant Secretary is present, a temporary secretary chosen at the meeting, will record the



proceedings thereof. The Secretary will keep or cause to be kept records, which will contain the names and record addresses of all Members, Managers, and Officers. The Secretary will have such other duties and powers as may from time to time be designated by the Chief Executive Officer. Any Assistant Secretaries will have such duties and powers as will be designated from time to time by the Chief Executive Officer or the Secretary.

**Section 7.09 No Personal Liability.** Except as required by Applicable Law or expressly in this Agreement, no Manager will be obligated personally for any debt, obligation or liability of the Company or of any Company Subsidiaries, whether arising in contract, tort or otherwise, solely by reason of being a Manager.

## **ARTICLE VIII TRANSFER**

**Section 8.01 General Restrictions on Transfer.** The Members may not transfer their Units without consent of the Board by majority vote or as permitted by Section 8.02, and no Transfer may occur unless in compliance with Section 3.01(c). Notwithstanding any other provision of this Agreement to the contrary, each Member agrees that it will not, directly or indirectly, Transfer any of its Units or Unit Equivalents:

(a) except as permitted under the Securities Act and other applicable federal or state securities or blue-sky laws, and then, with respect to a Transfer of Units or Unit Equivalents, if requested by the Company, only upon delivery to the Company of a written opinion of counsel in form and substance satisfactory to the Company to the effect that such Transfer may be effected without registration under the Securities Act;

(b) to a Person not already a Member of the Company until the prospective Transferee is admitted as a Member of the Company;

(c) if such Transfer would cause the Company to be considered a “publicly traded partnership” under § 7704(b) of the Code within the meaning of Treasury Regulations § 1.7704-1(h)(1)(ii), including the look-through rule in Treasury Regulations § 1.7704-1(h)(3);

(d) if such Transfer would affect the Company’s existence or qualification as a limited liability company under Massachusetts law;

(e) if such Transfer would cause the Company to lose its status as a partnership for federal income tax purposes;

(f) if such Transfer would violate the Applicable Laws;

(g) if the prospective transferee would be an Affected Person upon such Transfer;

(h) if such Transfer would reasonably likely to preclude or materially delay, jeopardize, impede or impair, or impose materially burdensome terms and conditions on, the ability of the Company or any of its subsidiaries to conduct any Regulated Activities or to obtain, retain, renew or reinstate any Regulatory License;

(i) if such Transfer would cause the Company to be required to register as an investment company under the Investment Company Act of 1940, as amended; or

(j) if such Transfer or issuance would cause the assets of the Company to be deemed “plan assets” as defined under the Employee Retirement Income Security Act of 1974 or its accompanying regulations or result in any “prohibited transaction” thereunder involving the Company.

**Section 8.02 Exceptions.** The provisions of Section 8.03, Section 8.04, and Section 8.05 shall not apply to any of the following Transfers by any Member of any of its Units:

(a) to a Permitted Transferee; or

(b) pursuant to a merger, consolidation, or other business combination of the Company with a Third Party Purchaser that has been approved in compliance with this Agreement and Applicable Law.

**Section 8.03 Right of First Refusal.**

(a) Participation. If at any time a Member (such Member, an “Offering Member”) receives a bona fide offer from any Third Party Purchaser to purchase all or any portion of the Units owned by the Offering Member (the “Offered Units”) and the Offering Member desires to Transfer the Offered Units (other than Transfers that are permitted by Section 8.02), then the Offering Member must first make an offering of the Offered Units to each other Member in accordance with the provisions of this Section 8.03.

(b) Offer Notice. The Offering Member shall, within ten (10) Business Days of the receipt of the offer from such Third Party Purchaser, give written notice (the “Offering Member Notice”) to the Company and the other Members state that it has received a bona fide offer from a Third Party Purchaser and specifying:

(i) the identity of the prospective transferee(s);

(ii) the number and class or series of Units to be Transferred by the Offering Member, the proposed amount of consideration for the Transfer, and the other material terms and conditions of the Transfer, including a description of any non-cash consideration in sufficient detail to permit the valuation thereof and including, if available, the purchase price per Unit of each applicable class or series;

(iii) the proposed date, time, and location of the closing of the Transfer, which shall not be less than twenty (20) Business Days from the date of the Tag-along Notice; and

(iv) a copy of any form of agreement proposed to be executed in connection therewith.

The Offering Member Notice shall constitute the Offering Member's offer to Transfer the Offered Units to the other Members, which offer shall be irrevocable until the end of the ROFR Notice Period.

(c) Conditions of Sale. By delivering the Offering Member Notice, the Offering Member represents and warrants to the Company and to each other Member that:

(i) the Offering Member has full right, title, and interest in and to the Offered Units;

(ii) the Offering Member has all the necessary power and authority and has taken all necessary action to Transfer such Offered Units as contemplated by this Section 8.03; and

(iii) the Offered Units are free and clear of any and all Liens other than those arising as a result of or under the terms of this Agreement.

(d) ROFR Election. Upon receipt of the Offering Member Notice, each Member shall have ten (10) Business Days (the "ROFR Notice Period") to elect to purchase a portion of the Offered Units by delivering a written notice (a "ROFR Notice") to the Offering Member and the Company stating that it offers to purchase such portion of the Offered Units on the terms specified in the Offering Member Notice. Any ROFR Notice shall be binding upon delivery and irrevocable by the applicable Member. If more than one Member delivers a ROFR Notice and the aggregate amount of the Offered Units elected for purchase exceeds the total number of Offered Units, each such Member electing to purchase (the "Purchasing Member") shall be allocated its pro-rata portion of the Offered Units, which shall be based on the proportion of the number of Units such Purchasing Member owns relative to the total number of Units all of the Purchasing Members own.

(e) Waiver of ROFR Rights. Each Member that does not deliver a ROFR Notice during the ROFR Notice Period shall be deemed to have waived all of such Member's rights to purchase the Offered Units under this Section 8.03, and the Offering Member shall thereafter, subject to the rights of any Purchasing Member, be free to sell the Offered Units to the Third Party Purchaser in the Offering Member Notice without any further obligation to such Member pursuant to this Section 8.03.

(f) Sale Closing. If no Member delivers a ROFR Notice in accordance with Section 8.03(d), the Offering Member may, during the sixty (60) day period immediately following the expiration of the ROFR Notice Period, which period may be extended for a reasonable time following the expiration of the ROFR Notice Period, to the extent reasonably necessary to obtain any required Government Approvals and to comply with Regulatory Laws (the "Waived ROFR Transfer Period"), and subject to the requirements of Section 8.01, Transfer the applicable amount of the Offered Units to the Third Party Purchaser on terms and conditions no more favorable to the Third Party Purchaser than those set forth in the Offering Member Notice. If the Offering Member does not Transfer the Offered Units within such period or, if applicable, within the Waived ROFR Transfer Period, the rights provided hereunder shall be deemed to be revived and the Offered Units shall not be Transferred to the Third Party Purchaser unless the Offering Member

sends a new Offering Member Notice in accordance with, and otherwise complies with, this Section 8.03.

(g) Cooperation. Each Member shall take all actions as may be reasonably necessary to consummate the Transfer contemplated by this Section 8.03, including entering into agreements, delivering certificates, instruments and consents, and providing information to Regulatory Authorities as may be deemed necessary or appropriate.

(h) Consummation of Sale. At the closing of any Transfer pursuant to this Section 8.03, the Offering Member shall deliver to the Purchasing Members or the Third Party Purchaser, as applicable, a certificate or certificates representing the Offered Units to be sold (if any), accompanied by all necessary transfer taxes paid and stamps affixed, if necessary, against receipt of the purchase price therefor from such Purchasing Members or the Third Party Purchaser, as applicable, by certified or official bank check or by wire transfer of immediately available funds.

#### **Section 8.04 Drag-along Rights.**

(a) Participation. If the Members holding a majority of the outstanding Units (such Member or Members, the “Dragging Member”), propose to consummate, in one transaction or a series of related transactions, a Transfer of more than fifty percent (50%) of the outstanding Units (a “Drag-along Sale”), the Dragging Member shall have the right, after delivering the Drag-along Notice in accordance with Section 8.04(c) and subject to compliance with Section 8.04(d), to require that each other Member (each, a “Drag-along Member”) participate in such sale (including, if necessary, by converting their Unit Equivalents into the Units to be sold in the Drag-along Sale) in the manner set forth in Section 8.04(b).

(b) Sale of Units. Subject to compliance with Section 8.04(d):

(i) If the Drag-along Sale is structured as a sale resulting in a majority of the Units of the Company being held by a Third Party Purchaser, then each Drag-along Member shall sell, with respect to each class or series of Units proposed by the Dragging Member to be included in the Drag-along Sale, the number of Units and/or Unit Equivalents of such class or series equal to the product obtained by multiplying (a) the number of applicable Units held by such Drag-along Member by (b) a fraction (x) the numerator of which is equal to the number of applicable Units that the Dragging Member proposes to sell in the Drag-along Sale and (y) the denominator of which is equal to the number of applicable Units on a Fully Diluted Basis held by the Dragging Member at such time; and

(ii) If the Drag-along Sale is structured as a sale of all or substantially all of the consolidated assets of the Company and the Company Subsidiaries or as a merger, consolidation, recapitalization, or reorganization of the Company or other transaction requiring the consent or approval of the Members, then notwithstanding anything to the contrary in this Agreement (including Section 3.06), each Drag-along Member shall vote in favor of the transaction and otherwise consent to and raise no objection to such transaction, and shall take all actions to waive any dissenters’, appraisal or other similar rights that it may have in connection with such transaction. The Distribution of the

aggregate consideration of such transaction shall be made in accordance with Section 11.03(c).

(c) Sale Notice. The Dragging Member shall exercise its rights pursuant to this Section 8.04 by delivering a written notice (the “Drag-along Notice”) to the Company and each Drag-along Member no more than ten (10) Business Days after the execution and delivery by all of the parties thereto of the definitive agreement entered into with respect to the Drag-along Sale and, in any event, no later than twenty (20) Business Days prior to the closing date of such Drag-along Sale. The Drag-along Notice shall make reference to the Dragging Members’ rights and obligations hereunder and shall describe in reasonable detail:

(i) the identity of the prospective transferee(s);

(ii) The proposed date, time and location of the closing of the sale;

(iii) The number of each class or series of Units to be sold by the Dragging Member, the proposed amount of consideration for the Drag-along Sale and the other material terms and conditions of the Drag-along Sale, including a description of any non-cash consideration in sufficient detail to permit the valuation thereof and including, if available, the purchase price per Unit of each applicable class or series (which may take into account the Profits Interest Hurdle of any Incentive Units to be sold); and

(iv) A copy of any form of agreement proposed to be executed in connection therewith.

(d) Conditions of Sale. The obligations of the Drag-along Members in respect of a Drag-along Sale under this Section 8.04 are subject to the satisfaction of the following conditions:

(i) The consideration to be received by each Drag-along Member shall be the same form and amount of consideration to be received by the Dragging Member per Unit of each applicable class or series (the Distribution of which shall be made in accordance with Section 8.04(b)) and the terms and conditions of such sale shall, except as otherwise provided in Section 8.04(d)(iii), be the same as those upon which the Dragging Member sells its Units;

(ii) If the Dragging Member or any Drag-along Member is given an option as to the form and amount of consideration to be received, the same option shall be given to all Drag-along Members; and

(iii) Each Drag-along Member shall execute the applicable purchase agreement, if applicable, and make or provide the same representations, warranties, covenants, indemnities and agreements as the Dragging Member makes or provides in connection with the Drag-along Sale; *provided*, that each Drag-along Member shall only be obligated to make individual representations and warranties with respect to its title to and ownership of the applicable Units, authorization, execution and delivery of relevant documents, enforceability of such documents against the Drag-along Member, and other matters relating to such Drag-along Member, but not with respect to any of the foregoing

with respect to any other Members or their Units; *and provided, further*, that all representations, warranties, covenants and indemnities shall be made by the Dragging Member and each Drag-along Member severally and not jointly and any indemnification obligation shall be pro rata based on the consideration received by the Dragging Member and each Drag-along Member, in each case in an amount not to exceed the aggregate proceeds received by the Dragging Member and each such Drag-along Member in connection with the Drag-along Sale.

(e) Cooperation. Each Drag-along Member shall take all actions as may be reasonably necessary to consummate the Drag-along Sale, including, without limitation, entering into agreements and delivering certificates and instruments, in each case, consistent with the agreements being entered into and the certificates being delivered by the Dragging Member, but subject to Section 8.04(d)(iii).

(f) Expenses. The fees and expenses of the Dragging Member incurred in connection with a Drag-along Sale and for the benefit of all Drag-along Members (it being understood that costs incurred by or on behalf of a Dragging Member for its sole benefit will not be considered to be for the benefit of all Drag-along Members), to the extent not paid or reimbursed by the Company or the Third Party Purchaser, shall be shared by the Dragging Member and all the Drag-along Members on a pro rata basis, based on the consideration received by each such Member; provided, that no Drag-along Member shall be obligated to make any out-of-pocket expenditure prior to the consummation of the Drag-along Sale.

(g) Consummation of Sale. The Dragging Member shall have ninety (90) days following the date of the Drag-along Notice in which to consummate the Drag-along Sale, on the terms set forth in the Drag-along Notice (which ninety 90-day period may be extended for a reasonable time to the extent reasonably necessary to obtain required approvals or consents from any Governmental Authority). If at the end of such period the Dragging Member has not completed the Drag-along Sale, the Dragging Member may not then exercise its rights under this Section 8.04 without again fully complying with the provisions of this Section 8.04.

### **Section 8.05 Tag-along Rights.**

(a) Participation on Sale of Units. If the Members holding more than fifty percent (50%) of the Units (such Member or Members, for the purposes of this Section 8.05, the “Selling Member”) propose to consummate, in one transaction or a series of related transactions, a Transfer of more than fifty percent (50%) of the outstanding Units (for the purposes of this Section 8.05, the “Tag-along Units”) to a Third Party Purchaser, then to the extent that the Selling Member has not elected to exercise its drag-along rights under Section 8.04, each other Member (each, a “Tag-along Member”) shall be permitted to participate in such sale (a “Tag-along Sale”) on the terms and conditions set forth in this Section 8.05.

(b) Tag-along Sale Exceptions. Notwithstanding anything herein to the contrary, the provisions of this Section 8.05 shall not apply to any Transfer of Tag-along Units that is:

(i) permitted by and made in accordance with Section 8.02;

(ii) made to any applicable Member pursuant to the exercise of the rights set forth in Section 8.03; or

(iii) proposed to be made by a Dragging Member in connection with a Drag-along Sale or required to be made by a Drag-along Member pursuant to Section 8.04.

(c) Tag-along Notice. The Selling Member shall deliver to the Company and each other Tag-along Member a written notice (a "Tag-along Notice") of the proposed Tag-along Sale no more than ten (10) Business Days after the execution and delivery by all of the parties thereto of the definitive agreement entered into with respect to the Tag-along Sale and, in any event, no later than twenty (20) Business Days prior to the closing date of such Tag-along Sale. The Tag-along Notice shall make reference to the Tag-along Members' rights hereunder and shall describe in reasonable detail:

(i) the identity of the prospective transferee(s);

(ii) the number and class or series of Units to be Transferred by the Selling Member, the proposed amount of consideration for the Tag-along Sale, and the other material terms and conditions of the Tag-along Sale, including a description of any non-cash consideration in sufficient detail to permit the valuation thereof and including, if available, the purchase price per Unit of each applicable class or series;

(iii) the proposed date, time, and location of the closing of the Transfer, which shall not be less than twenty (20) Business Days from the date of the Tag-along Notice; and

(iv) a copy of any form of agreement proposed to be executed in connection therewith.

(d) Exercise of Tag-along Rights.

(i) Each Tag-along Member may exercise its right to participate in the Tag-along Sale on the terms described in the Tag-along Notice by delivering to the Selling Member a written notice (a "Tag-along Exercise Notice") stating its election to do so for each class or series of Tag-along Units included in the Tag-along Notice no later than ten (10) Business Days after receipt of the Tag-along Notice (the "Tag-along Exercise Period"). The election of each Tag-along Member set forth in a Tag-along Exercise Notice shall be irrevocable, and, to the extent the offer in the Tag-along Notice is accepted, such Tag-along Member shall be bound and obligated to consummate the Transfer on the terms and conditions set forth in this Section 8.05. If one or more Tag-along Members elects pursuant to a Tag-along Exercise Notice and this Section 8.05(d)(i) to participate in the Tag-along Sale, the number of each applicable class or series of Tag-along Unit that the Selling Member may sell in the Tag-along Sale shall be correspondingly reduced in accordance with Section 8.05(d)(ii).

(ii) The Selling Member and each Tag-along Member timely electing to participate in the Tag-along Sale pursuant to Section 8.05(d)(i) shall have the right to Transfer in the Tag-along Sale the number of Units of each class or series of Tag-along

Units set out in the applicable Tag-along Notice, treated as separate classes for purposes of this calculation, equal to the product of: (1) the aggregate number of Units of the particular class or series of Tag-along Units, as the case may be, set out in the applicable Tag-along Notice, and (2) such Member's Tag-along Pro Rata Portion for the applicable class or series of Tag-along Units. Any Tag-along Member may elect to sell in the Tag-along Sale less than the number of Units calculated pursuant to this Section 8.05(d)(ii) for any particular class or series of Tag-along Stock, in which case the Selling Member shall have the right to sell the applicable Tag-along Units not elected to be sold by a Tag-along Member.

(e) Waiver. Each Tag-along Member who does not deliver a Tag-along Exercise Notice in compliance with Section 8.05(d)(i) shall be deemed to have waived all of such Tag-along Member's rights to participate in the Tag-along Sale with respect to the Units owned by such Tag-along Member, and the Selling Member shall (subject to the rights of any other participating Tag-along Member) thereafter be free to sell to the prospective transferee the Tag-along Units identified in the Tag-along Notice at a per Unit price for each class or series of such Tag-along Units that is no greater than the applicable per Unit price set forth in the Tag-along Notice and on other terms and conditions which are not materially more favorable to the Selling Member than those set forth in the Tag-along Notice, without any further obligation to the non-accepting Tag-along Members.

(f) Conditions of Sale.

(i) Each Member participating in the Tag-along Sale shall receive the same consideration per class or series of Tag-along Units, after deduction of such Member's proportionate share of the related expenses in accordance with Section 8.05(h) below. In addition, no Transfer of any Tag-along Units by the Selling Member in the Tag-along Sale shall occur unless the prospective transferee simultaneously purchases the Units elected to be sold by the Tag-along Members pursuant to Section 8.05(d)(i) and if any such Transfer is in violation of this Section 8.05, it shall be null and void.

(ii) Each Tag-along Member shall execute the applicable purchase agreement, if any, and shall make or provide the same representations, warranties, covenants, and indemnities as the Selling Member makes or provides in connection with the Tag-along Sale; *provided, however*, that each Tag-along Member shall only be obligated to make representations and warranties that relate specifically to a Member (as opposed to the Company and its Business) with respect to the Tag-along Member's title to and ownership of the applicable Units, authorization, execution, and delivery of relevant documents, enforceability of such documents against the Tag-along Member, and other similar representations and warranties made by the Selling Member, and shall not be obligated to make any of the foregoing representations and warranties with respect to any other Member or their Units; *and provided, further*, that all indemnities and other obligations shall be made by the Selling Member and each Tag-along Member severally and not jointly, (1) with respect to breaches of representations, warranties, and covenants made by the Selling Member and the Tag-along Members relating to the Company and its Business, if any, pro rata based on the aggregate consideration received by the Selling Member and each Tag-along Member in the Tag-along Sale, and (2) in an amount not to exceed for the Selling Member or any Tag-along Member, the net proceeds received by the



Selling Member and each such Tag-along Member in connection with the Tag-along Sale, as applicable, plus the amount of any consideration forfeited by the Selling Member or such Tag-along Member, as applicable, to which it is entitled but has not yet received (including, without limitation, as a result of an escrow agreement, earn-out, or similar arrangement).

(g) Cooperation. Subject to Section 8.05(f)(ii), each Tag-along Member shall take all actions as may be reasonably necessary to consummate the Tag-along Sale, including, without limitation, entering into agreements and delivering certificates, instruments and consents (including stock certificates evidencing the applicable Units, duly endorsed in blank or accompanied by stock powers or other instruments of transfer duly executed in blank), and providing information to Regulatory Authorities as may be deemed necessary or appropriate, in each case, consistent with the agreements being entered into and the certificates and instruments being delivered by the Selling Member.

(h) Expenses. The fees and expenses of the Selling Member incurred in connection with a Tag-along Sale and for the benefit of all Tag-along Members (it being understood that costs incurred by or on behalf of a Selling Member for its sole benefit will not be considered to be for the benefit of all Tag-along Members), to the extent not paid or reimbursed by the Company or the prospective transferee, shall be shared by the Selling Member and all the participating Tag-along Members on a pro rata basis, based on the aggregate consideration received by each such Member; provided, that no Tag-along Member shall be obligated to make any out-of-pocket expenditure prior to the consummation of the Tag-along Sale.

(i) Consummation of Sale. Subject to the requirements and conditions of this Section 8.05 and the other applicable provisions of this Agreement, including Section 8.01 hereof, the Selling Member shall have sixty (60) days following the expiration of the Tag-along Exercise Period in which to consummate the Tag-along Sale, on terms not more favorable to the Selling Member than those set forth in the Tag-along Exercise Notice, which period may be extended for a reasonable time, to the extent reasonably necessary to obtain any required Government Approvals and to comply with Regulatory Laws. If at the end of such period the Selling Member has not completed the Tag-along Sale, the Selling Member may not then effect a Transfer that is subject to this Section 8.05 without again fully complying with the provisions of this Section 8.05. At the closing of the Tag-along Sale, each of the Tag-along Members timely electing to participate in the Tag-along Sale pursuant to Section 8.05(d)(i) shall enter into the agreements and deliver the certificates and instruments, in each case, required by Section 8.05(f) and Section 8.05(g) against payment therefor directly to the Tag-along Member of the portion of the aggregate consideration to which each such Tag-along Member is entitled in the Tag-along Sale in accordance with the provisions of this Section 8.05.

(j) Transfers in Violation of the Tag-along Right. If the Selling Member sells or otherwise Transfers to the prospective transferee any of its Units in breach of this Section 8.05, then each Tag-along Member shall have the right to sell to the Selling Member, and the Selling Member undertakes to purchase from each Tag-along Member, the number of Units of each applicable class or series that such Tag-along Member would have had the right to sell to the prospective transferee pursuant to this Section 8.05, for a per Unit amount and form of consideration and upon the terms and conditions on which the prospective transferee bought such

Units from the Selling Member, but without indemnity being granted by any Tag-along Member to the Selling Member; *provided*, that nothing contained in this Section 8.05(j) shall preclude any Member from seeking alternative remedies against such Selling Member as a result of its breach of this Section 8.05. The Selling Member shall also reimburse each Tag-along Member for any and all reasonable and documented out-of-pocket fees and expenses, including reasonable legal fees and expenses, incurred pursuant to the exercise or the attempted exercise of the Tag-along Member's rights under this Section 8.05(j).

### **Section 8.06 Regulatory Redemption.**

(a) The provisions of Section 8.01, Section 8.03, and Section 8.04 shall not apply to any Transfer or redemption of any Unit or Unit Equivalents pursuant to this Section 8.06. Upon receipt of a notice that a Member may meet any condition to be deemed an Affected Person, such Member shall have thirty (30) days from the receipt thereof (to the extent permitted by any Regulatory Laws, including by the applicable Regulatory Authority), at such Member's sole election, to take all actions, at such Member's costs, to cure such condition. Upon the expiration of such period of time, if such Member has not cured such condition, the Disinterested Board shall promptly make a determination regarding such Member as an Affected Person.

(b) Upon any determination that a Member is an Affected Person, the Disinterested Board may determine that the Affected Person is permitted to Transfer its Units and Unit Equivalents to an individual or entity approved by the Disinterested Board (*provided, however*, that such Transfer is permitted by any Regulatory Laws, including by the applicable Regulatory Authority) and such Transfer otherwise complies with the provisions of this Agreement. If the Disinterested Board determines that such Affected Person shall not be permitted to Transfer its Units and Unit Equivalents, such applicable Units and Unit Equivalents shall be subject to redemption in accordance with Section 8.06(c) through Section 8.06(h).

(c) The Units and Unit Equivalents owned or controlled by an Affected Person shall be redeemable by the Company, subject to applicable law, as directed by a Regulatory Authority and, if not so directed, as and to the extent deemed necessary or advisable by the Disinterested Board, in which event the Company shall deliver a Regulatory Redemption Notice to the Affected Person and shall redeem the Units and Unit Equivalents on the Regulatory Redemption Date and for the Regulatory Redemption Price set forth in the Regulatory Redemption Notice. To the extent that the redemption of less than all of the Units and Unit Equivalents held by an Affected Person would address the deficiency, the Board may determine, in their discretion, to redeem only such Units and Unit Equivalents to address the deficiency and such Units and Unit Equivalents shall be selected in such manner as shall be determined by the Disinterested Board. In accordance with the requirements of the Regulatory Redemption Notice, such Affected Person shall surrender the certificate(s), if any, representing the Units and Unit Equivalents to be so redeemed.

(d) From and after the Regulatory Redemption Date, the Units and Unit Equivalents owned or controlled by the Affected Person that will be redeemed shall no longer be deemed to be outstanding, all rights of such Affected Person in such Units and Unit Equivalents, other than the right to receive the Regulatory Redemption Price, shall cease and, if such Units and Unit Equivalents represent all of the Units and Unit Equivalents owned or controlled by the

Affected Person, such Affected Person shall cease to be a member, partner or owner, as applicable, of the Company with respect to such Units and Unit Equivalents.

(e) The Company may pay the Regulatory Redemption Price in any combination of cash, property or rights, as required by the applicable Regulatory Authority and, if not so required, as determined by the Disinterested Board; *provided, however*, that in the event the Company elects to pay all or any portion of the Regulatory Redemption Price with a promissory note, such promissory note shall be unsecured notes of the Company, shall be subordinated to all existing and future indebtedness of the Company, and shall contain such other terms and conditions as the Disinterested Board determine, in their discretion, to be necessary or advisable, and the terms of such promissory note shall include equal regular payments, not less than annually, and shall be reasonable and customary for a transaction of this type; *and provided, further*, that the Company may require a deferral period on commencement of payments under such promissory note, not to exceed one (1) year.

(f) Upon the redemption of the applicable Units and Unit Equivalents, the Company may, subject to compliance with the provisions of this Agreement, reissue, cancel, or hold such Units and Unit Equivalents.

(g) Except as required by a Regulatory Authority, nothing in this Section 8.06 shall be deemed or construed to require the Company to redeem or repurchase any Units and Unit Equivalents owned or controlled by an Affected Person.

(h) The Disinterested Board shall have the exclusive right to interpret all issues arising under this Section 8.06, and any determination of the Disinterested Board under this Section 8.06 or by a Regulatory Authority (whether or not such determination is final, binding, or non-appealable) shall be final, binding and conclusive determination for all purposes of this Section 8.06. The Disinterested Board may also impose additional terms and conditions in connection with any redemption under this Section 8.06 and, from time to time, may adopt such other provisions and procedures in furtherance of this Section 8.06. In the event there is no Disinterested Board, the Company and the Affected Person jointly shall appoint an independent individual within forty-five (45) days.

## ARTICLE IX COVENANTS

### Section 9.01 Confidentiality.

(a) In pursuit of the Company's business (the "Authorized Use"), certain trade secrets and business information proprietary to each Member and which each Member considers to be Confidential Information (as hereinafter defined) may be provided to one Member or the Company, and its affiliates ("Receiving Party") by another Member, and its affiliates ("Disclosing Party"). This Section 9.01 is intended to allow the parties to have open discussions regarding the Confidential Information, while still affording complete protection of the Disclosing Party's Confidential Information against disclosure or unauthorized use.

(b) "Confidential Information" means any Disclosing Party confidential or proprietary information, whether marked as confidential or not, in the form of notes, documents,

materials, correspondence, or any other form, and anything derived from the foregoing, relating to: (i) the Disclosing Party's proprietary technology and products, including without limitation, technical data, trade secrets, know-how, research, product plans, ideas or concepts, products services, software, inventions, patent applications, techniques, processes, developments, algorithms, formulas, technology, designs, schematics, drawings, engineering, and hardware configuration information, (ii) proprietary information relating to the Disclosing Party's operations and business or financial plans or strategies, including but not limited to customers, customer lists, markets, financial statements and projections, standard operating procedures (SOP's) product pricing and marketing, financial or other strategic business plans or information, disclosed to Receiving Party by the Disclosing Party, either directly or indirectly, in writing, orally or by drawings or inspection of samples, equipment or facilities, (iii) information received by the Disclosing Party from third parties under confidential conditions which information is identified by the Disclosing Party as being subject to such conditions; and (iv) the Disclosing Party's "Trade Secrets" which means information which derives economic value, actual or potential, from not being generally known to, or readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and which is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. "Confidential Information" shall *not* include any information that: (i) is or subsequently becomes publicly available without the Receiving Party's breach of any obligation owed the Disclosing Party; (ii) became known to the Receiving Party prior to the Disclosing Party's disclosure of such information to the Receiving Party; (iii) became known to the Receiving Party from a source other than the Disclosing Party or its affiliates or advisors other than by the breach of an obligation of confidentiality owed to the Disclosing Party; or (iv) is independently developed by the Receiving Party without violating any of its obligations under this Agreement.

(c) Non-Disclosure of Confidential Information. Other than with respect to disclosures by the Company to a Regulatory Authorities in connection with the pursuit of the Company's business, the Receiving Party will keep all Confidential Information of the Disclosing Party confidential and will not, directly or indirectly, commercially exploit the Confidential Information of the Disclosing Party or use same for any other purpose, except for the Authorized Purpose. The Receiving Party shall take all reasonable action and shall take at least the same commercially reasonable precautions as it takes to prevent the disclosure of its own Confidential Information, to prevent the disclosure to third parties of the Confidential Information of the Disclosing Party. The Receiving Party shall only have the right to disclose the Confidential Information to its employees, agents, consultants and professional advisers on a "need to know" basis for the Authorized Purpose. The Receiving Party shall, prior to disclosing any Confidential Information to any such person, issue appropriate instructions to them and obtain all necessary undertakings to ensure that such persons comply with the confidentiality and use obligations and restrictions contained in this Agreement with respect to the Confidential Information of the Disclosing Party. Each Party shall specifically inform each of its representatives, employees and agents who receive any Confidential Information of the other Party hereunder of the obligations created by this Agreement and obtain the written acknowledgment from each such person or entity, who shall be bound to accept the non-disclosure obligations of the Receiving Party. Each Party and its officers (personally, under joint and several liability) shall be liable for any breach hereof by any of its employees, agents or representatives.

(d) Ownership of Confidential Information. Notwithstanding anything else contained herein, unless otherwise provide in a separate agreement all Confidential Information shall remain the property of the Disclosing Party and shall be held in trust by the Receiving Party for the Disclosing Party unless otherwise provided in a separate agreement. Nothing in this Agreement shall be construed as granting any rights to Receiving Party under any patent or copyright, nor shall this Agreement be construed to grant the Receiving Party any rights in or to the Disclosing Party's Confidential Information, except the limited right to review such Confidential Information solely for the Authorized Purpose.

(e) Required Disclosure. Other than with respect to disclosures to a Regulatory Authorities in connection with the pursuit of the Company's business, if the Receiving Party becomes legally required to disclose any Confidential Information, the Receiving Party will, to the extent permitted by Applicable Law, give the Disclosing Party prompt notice of such fact so that the Disclosing Party may obtain a protective order or other appropriate remedy concerning any such disclosure and/or waive compliance with the non-disclosure provisions of this Agreement. The Receiving Party will fully cooperate with the Disclosing Party in connection with the Disclosing Party's efforts to obtain any such order or other remedy. If any such order or other remedy does not fully preclude disclosure or the Disclosing Party waives such compliance, the Receiving Party will make such disclosure only to the extent that such disclosure is legally required and will use its best efforts to have confidential treatment accorded to the disclosed Confidential Information.

(f) Return of Confidential Information. The Receiving Party shall, immediately upon the earlier of (i) the Disclosing Party or Receiving Party no longer being a Member of the Company and (ii) the dissolution of the Company, discontinue use of the Confidential Information of the Disclosing Party and return within 10 days of receipt of notice from the Disclosing Party requesting the return of the Disclosing Party's Confidential Information all tangible forms of such Confidential Information, and all copies thereof, which may be or have been in the Receiving Party's possession. Except as otherwise required by law, the Receiving Party shall promptly redeliver or destroy all material containing or reflecting any information contained in the Confidential Information and will not retain any copies, extracts, or other reproductions of such written material. Subject to the foregoing exceptions, all documents, memoranda, notes, or other writings whatsoever, prepared and based on the information contained in the Confidential Information shall be returned or destroyed. If Confidential Information is destroyed, the Receiving Party will provide written certification signed by one of its senior officers that such Confidential Information has been destroyed.

(g) Term. The restrictions on use and disclosure of Confidential Information shall continue indefinitely and shall survive the termination of this Agreement.

(h) Injunctive Relief. The Receiving Party acknowledges and agrees that the breach by it of any of the Receiving Party's confidentiality obligations hereunder may cause serious and irreparable harm to the Disclosing Party which could not adequately be compensated for in damages. Each of the Parties therefore consents to an order specifically enforcing the provisions of this Agreement, or an order of injunction being issued against it restraining it from any further breach of such provisions and agrees that such injunction may be issued against it without the necessity of an undertaking as to damages by the other Party. The provisions of this

section shall not derogate from any other remedy which a Party may have in the event of such a breach.

(i) **Indemnification.** The Receiving Party shall indemnify the Disclosing Party the officers, members, employees, agents, successors and assigns of the Disclosing Party for any and all damages incurred as a result of any breach hereof by the receiving party and/or any employee or agent of the Receiving Party.

**Section 9.02 Regulatory Covenants of the Members.** Each of the Company's Members covenants that:

(a) all Units and Unit Equivalents held by such Member shall be held subject to the restrictions and requirements of all Regulatory Laws;

(b) such Member shall comply with all Regulatory Laws including (i) filing required applications for Regulatory Licenses, as applicable, (ii) providing all information regarding such Member as may be requested or required by Regulatory Authorities (including in connection with any application for a Regulatory License), and (iii) responding to written or oral questions or inquiries from any Regulatory Authorities;

(c) such Member consents to (i) the performance of any personal background investigation that may be required by any Regulatory Authorities or Regulatory Laws and (ii) the disclosure by the Company of any information regarding such Member required by Regulatory Authorities or Regulatory Laws without the need to obtain approval from such Member;

(d) any Transfer of Units or Units Equivalents held by such Member shall be subject to the requirements of all Regulatory Laws, including that such Transfer may be subject to the prior approval of the Regulatory Authorities, and any purported Transfer thereof in violation of such requirements shall be void and of no effect; and

(e) in the event that such Member (i) has experienced an event or circumstance, or otherwise reasonably believes, that such Member may meet any condition to be deemed an Affected Person or (ii) has knowledge that any other Member or any other individual elected or appointed as a director or officer of the Company or any current director or officer of the Company has experienced an event or circumstance, or otherwise may meet any condition to be deemed an Affected Person, then, in all cases, such Member shall promptly notify the Company of the relevant details.

## **ARTICLE X ACCOUNTING; TAX MATTERS**

### **Section 10.01 Income Tax Audits.**

(a) For each year in which the Company is subject to the Partnership Tax Audit Rules, the Company shall designate Brandon Johnson to serve as the "partnership representative" of the Company within the meaning of Code § 6223, as amended by the Partnership Tax Audit Rules (the "Tax Representative"). The Tax Representative shall have sole authority to act on behalf of the Company for purposes of the Code and the Partnership Tax Audit Rules and any comparable

provisions of state or local income tax laws with respect to the taxable year(s) such Person was designated to serve in such capacity, until such Person resigns or is replaced by the Board in accordance with the provisions of Section 10.01(b). If the Tax Representative is an entity rather than an individual, the Tax Representative shall appoint an individual who meets the requirements of the Partnership Tax Audit Rules to serve as the “designated individual” (the “Designated Individual”) to act on behalf of the Tax Representative for the Company, which appointment shall be deemed to be the appointment of the Company. For purposes of this Section 10.01, unless otherwise specified, all references to provisions of chapter 63 of the Code shall be to such provisions as enacted by the Partnership Tax Audit Rules.

(b) The Person serving as the Tax Representative (or Designated Individual, as applicable) shall be automatically removed as Tax Representative upon the death, dissolution and/or winding up, legal incompetency or Bankruptcy of such Person, and the Person serving as the Tax Representative may be removed at any time by the Board. Upon such removal of the Tax Representative (or Designated Individual, as applicable) a successor to serve in such position shall be designated by the Board, and the removed Tax Representative (or Designated Individual, as applicable) shall not take any action for or on behalf of the Company without the prior written consent of the Board.

(c) The Company shall indemnify and hold harmless the Tax Representative (and Designated Individual, as applicable) in accordance with Article XII as a result of any act or decision concerning Company tax matters and within the scope of such Person’s responsibility as Tax Representative. All amounts indemnified may be advanced as incurred in accordance with Article XII. The Tax Representative (and Designated Individual, as applicable) shall be entitled to rely on the advice of outside legal counsel and accountants as to the nature and scope of such Person’s responsibilities and authority, and any act or omission of the Tax Representative pursuant to such advice in no event shall subject the Tax Representative to liability to the Company or any Member.

(d) If the Company qualifies to elect pursuant to Code § 6221(b) (or successor provision) to have federal income tax audits and other proceedings undertaken by each Member rather than by the Company, the Company shall make such election.

(e) Notwithstanding other provisions of this Agreement to the contrary, but subject to Section 10.01(f), if any “partnership adjustment” (as defined in Code § 6241(2)) is determined with respect to the Company, the Tax Representative, upon the determination of the Board in its sole discretion, will cause the Company to elect pursuant to Code § 6226 (the “push-out” election) to have any such adjustment passed through to the Members and former Members for the year to which the adjustment relates (i.e., the “reviewed year” within the meaning of Code § 6225(d)(1)). In the event that the Tax Representative has not caused the Company to so elect pursuant to Code § 6226, then any “imputed underpayment” (as determined in accordance with Code § 6225) or “partnership adjustment” that does not give rise to an “imputed underpayment” shall be apportioned among the Members and former Members of the Company in such manner as may be necessary (as determined by the Board in good faith) so that, to the maximum extent possible, the tax and economic consequences of the partnership adjustment and any associated interest and penalties are borne by the Members and former Members based upon their interests in the Company for the reviewed year.

(f) Each Member and former Member agrees that, upon request of the Tax Representative, such Member shall: (i) provide any information and take such action as may be reasonably required by the Tax Representative in order to determine whether any "imputed underpayment" within the meaning of Code § 6225 may be modified pursuant to Code § 6225(c); (ii) file amended tax returns or effectuate the alternative "pull-in" procedure as provided in Code § 6225(c)(2) with respect to any "reviewed year" (within the meaning of Code § 6225(d)(1)) to reduce the amount of any "partnership adjustment" otherwise required to be taken into account by the Company; or (iii) in the event the Members do not fully or timely comply (in the Tax Representatives sole discretion) with the procedures of such Code § 6225(c)(2), take such actions as may be necessary or desirable (if any) to allow the Company to comply with the provisions of Code § 6226 (concerning the "push-out" election) so that any "partnership adjustments" are taken into account by the Members rather than the Company.

(g) If the Company is obligated to pay any amount of tax, penalty, interest, or other charges determined under the Code (a "Company Level Tax"), each Member or former Member to which the assessment or payment relates (an "Indemnifying Member") shall indemnify the Company for, and pay to the Company, the Indemnifying Member's allocable share of the Company Level Tax. Each Indemnifying Member's allocable share of the Company Level Tax shall be determined in good faith by the Board. Promptly upon notification by the Board of the Indemnifying Member's obligation to indemnify the Company, an Indemnifying Member shall make a payment to the Company of immediately available funds, at the time and in the amount and manner directed by the Board. Amounts paid to the Company under this Section 10.01(g) by an Indemnifying Member who is not a Member of the Company at the time such payment is made shall not be treated as a Capital Contribution.

(h) Each Member and former Member agrees that such Member shall not treat any Company item inconsistently on such Member's federal, state, foreign, or other income tax return with the treatment of the item on the Company's return. Any deficiency for taxes imposed on any Member or former Member (including penalties, additions to tax or interest imposed with respect to such taxes, and any taxes imposed pursuant to Code § 6226, as amended) shall be paid by such Member, and if paid by the Company will be recoverable from such Member.

(i) The obligations of each Member or former Member under this Section 10.01 shall survive any actual or attempted Transfer, withdrawal or abandonment by such Member of its Transferable Interest and the termination of this Agreement or the dissolution of the Company.

#### **Section 10.02 Tax Returns; Tax Elections.**

(a) At the expense of the Company, the Board (or any Officer that it may designate pursuant to Section 7.08) shall endeavor to cause the preparation and timely filing (including extensions) of all tax returns required to be filed by the Company pursuant to the Code as well as all other required tax returns in each jurisdiction in which the Company and the Company Subsidiaries own property or do business. As soon as reasonably possible after the end of each Fiscal Year, the Board or designated Officer will cause to be delivered to each Person who was a Member at any time during such Fiscal Year, IRS Schedule K-1 to Form 1065 and such



other information with respect to the Company as may be necessary for the preparation of such Person's federal, state and local income tax returns for such Fiscal Year.

(b) The Tax Representative, with the consent of the Board, shall make any and all elections for federal, state, local, or foreign tax purposes including without limitation any election, if permitted by applicable law: (i) to adjust the basis of property pursuant to Code §§ 734(b), 743(b) and 754, or comparable provisions of state, local or foreign law, in connection with Transfers of Units and Company distributions; (ii) to extend the statute of limitations for assessment of tax deficiencies against the Members with respect to adjustments to the Company's federal, state, local or foreign tax returns; and (iii) to make all decisions on behalf of the Company and the Members and to direct the activities of the Tax Representative before Taxing Authorities or courts of competent jurisdiction in tax matters affecting the Company or the Members in their capacities as Members, and to direct the filing of any tax returns and to cause the execution of any agreements or other documents relating to or affecting such tax matters, including agreements or other documents that bind the Members with respect to such tax matters or otherwise affect the rights of the Company and the Members.

**Section 10.03 Company Funds.** All funds of the Company shall be deposited in its name, or in such name as may be designated by the Board, in such checking, savings or other accounts, or held in its name in the form of such other investments as shall be designated by the Board. The funds of the Company shall not be commingled with the funds of any other Person. All withdrawals of such deposits or liquidations of such investments by the Company shall be made exclusively upon the signature or signatures of such Officer or Officers as the Board may designate.

## ARTICLE XI DISSOLUTION AND LIQUIDATION

**Section 11.01 Events of Dissolution.** The Company shall be dissolved and its affairs wound up only upon the occurrence of any of the following events:

(a) The determination of the Board to dissolve the Company pursuant to **Error! Reference source not found.**;

(b) The sale, exchange, involuntary conversion, or other disposition or Transfer of all or substantially all the assets of the Company subject to consent of the Board pursuant to **Error! Reference source not found.** or otherwise the occurrence of a Deemed Liquidation Event with the Board's determination to thereafter dissolve pursuant to **Error! Reference source not found.**; or

(c) The entry of a decree of judicial dissolution.

**Section 11.02 Effectiveness of Dissolution.** Dissolution of the Company shall be effective on the day on which the event described in Section 11.01 occurs, but the Company shall not terminate until the winding up of the Company has been completed, the assets of the Company have been distributed as provided in Section 11.03 and the Certificate of Organization shall have been cancelled as provided in Section 11.04.

**Section 11.03 Liquidation.** If the Company is dissolved pursuant to Section 11.01, the Company shall be liquidated and its business and affairs wound up in accordance with the following provisions:

(a) Liquidator. The Board, or, if the Board is unable to do so, a Person selected by the holders of a majority of the outstanding Units, shall act as liquidator to wind up the Company (the “Liquidator”). The Liquidator shall have full power and authority to sell, assign, and encumber any or all of the Company’s assets and to wind up and liquidate the affairs of the Company in an orderly and business-like manner.

(b) Accounting. As promptly as possible after dissolution and again after final liquidation, the Liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company’s assets, liabilities and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable.

(c) Distribution of Proceeds. The Liquidator shall liquidate the assets of the Company and Distribute the proceeds of such liquidation in the following order of priority, unless otherwise required by mandatory provisions of Applicable Law:

(i) First, to the payment of all of the Company’s debts and liabilities to its creditors (including Members, if applicable) and the expenses of liquidation (including sales commissions incident to any sales of assets of the Company);

(ii) Second, to the establishment of and additions to reserves that are determined by the Board in its sole discretion to be reasonably necessary for any contingent unforeseen liabilities or obligations of the Company;

(iii) Third, to the Members in the same manner as Distributions are made under Section 6.02(b), subject to Section 6.03.

(d) Discretion of Liquidator. Notwithstanding the provisions of Section 11.03(c) that require the liquidation of the assets of the Company, but subject to the order of priorities set forth in Section 11.03(c), if upon dissolution of the Company the Liquidator determines that an immediate sale of part or all of the Company’s assets would be impractical or could cause undue loss to the Members, the Liquidator may defer the liquidation of any assets except those necessary to satisfy Company liabilities and reserves, and may, in its absolute discretion, Distribute to the Members, in lieu of cash, as tenants in common and in accordance with the provisions of Section 11.03(c), undivided interests in such Company assets as the Liquidator deems not suitable for liquidation. Any such Distribution in kind will be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operating of such properties at such time. For purposes of any such Distribution, the following rules shall be applied consistent with Treasury Regulations § 1.704-1(b)(2)(iv)(e): (i) any property to be Distributed will be valued at its Fair Market Value; (ii) the difference between the Fair Market Value of any asset to be Distributed in kind and its carrying value on the books of the Company shall be deemed to be gain or loss and any such deemed gain or loss shall be allocated in accordance with Article VI; and (iii)

all such allocations of gain or loss shall be credited or charged to the Members' Capital Accounts prior to making such Distributions.

**Section 11.04 Cancellation of Certificate.** Upon completion of the Distribution of the assets of the Company as provided in Section 11.03(c) hereof, the Company shall be terminated and the Liquidator shall cause the cancellation of the Certificate of Organization in the Commonwealth of Massachusetts and of all qualifications and registrations of the Company as a foreign limited liability company in jurisdictions other than the Commonwealth of Massachusetts and shall take such other actions as may be necessary to terminate the Company.

**Section 11.05 Survival of Rights, Duties and Obligations.** Dissolution, liquidation, winding up or termination of the Company for any reason shall not release any party from any Loss which at the time of such dissolution, liquidation, winding up or termination already had accrued to any other party or which thereafter may accrue in respect of any act or omission prior to such dissolution, liquidation, winding up or termination. For the avoidance of doubt, none of the foregoing shall replace, diminish or otherwise adversely affect any Member's right to indemnification pursuant to Section 12.03.

**Section 11.06 Resource for Claims.** Each Member shall look solely to the assets of the Company for all Distributions with respect to the Company, such Member's Capital Account, and such Member's share of Net Income, Net Loss and other items of income, gain, loss and deduction, and shall have no recourse therefor (upon dissolution or otherwise) against the Board, the Liquidator or any other Member.

## ARTICLE XII EXCULPATION AND INDEMNIFICATION

### Section 12.01 Exculpation of Covered Persons.

(a) Covered Persons. As used herein, the term "Covered Person" shall mean (i) each Member, (ii) each officer, director, shareholder, partner, member, controlling Affiliate, employee, agent or representative of each Member, and each of their controlling Affiliates, and (iii) each Manager, Officer, employee, agent or representative of the Company.

(b) Standard of Care. No Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any action taken or omitted to be taken by such Covered Person in good-faith reliance on the provisions of this Agreement, so long as such action or omission does not constitute fraud or willful misconduct by such Covered Person.

(c) Good Faith Reliance. A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, Net Income or Net Losses of the Company or any facts pertinent to the existence and amount of assets from which Distributions might properly be paid) of the following Persons or groups: (i) another Manager; (ii) one or more Officers or employees of the Company; (iii) any attorney, independent accountant, appraiser or other expert or professional employed or engaged by or on behalf of the Company; or (iv) any other Person

selected in good faith by or on behalf of the Company, in each case as to matters that such relying Person reasonably believes to be within such other Person's professional or expert competence.

### **Section 12.02 Liabilities and Duties of Covered Persons.**

(a) Limitation of Liability. This Agreement is not intended to, and does not, create or impose any fiduciary duty on any Covered Person. Furthermore, each of the Members and the Company hereby waives any and all fiduciary duties that, absent such waiver, may be implied by Applicable Law, and in doing so, acknowledges and agrees that the duties and obligation of each Covered Person to each other and to the Company are only as expressly set forth in this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Members to replace such other duties and liabilities of such Covered Person.

(b) Duties. Whenever in this Agreement a Covered Person is permitted or required to make a decision (including a decision that is in such Covered Person's "discretion" or under a grant of similar authority or latitude), the Covered Person shall be entitled to consider only such interests and factors as such Covered Person desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Company or any other Person. Whenever in this Agreement a Covered Person is permitted or required to make a decision in such Covered Person's "good faith," the Covered Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Agreement or any other Applicable Law.

### **Section 12.03 Indemnification.**

(a) Indemnification. As the same now exists or may hereafter be amended, substituted or replaced the Company shall indemnify, hold harmless, defend, pay and reimburse any Covered Person against any and all losses, claims, damages, judgments, fines or liabilities, including reasonable legal fees or other expenses incurred in investigating or defending against such losses, claims, damages, judgments, fines or liabilities, and any amounts expended in settlement of any claims (collectively, "Losses") to which such Covered Person may become subject by reason of:

(i) Any act or omission or alleged act or omission performed or omitted to be performed on behalf of the Company, any Member or any direct or indirect Subsidiary of the foregoing in connection with the business of the Company; or

(ii) The fact that such Covered Person is or was acting in connection with the business of the Company as a partner, member, stockholder, controlling Affiliate, manager, director, officer, employee or agent of the Company, any Member, or any of their respective controlling Affiliates, or that such Covered Person is or was serving at the request of the Company as a partner, member, manager, director, officer, employee or agent of any Person including the Company or any Company Subsidiary;

*provided*, that (x) such Covered Person acted in good faith and in a manner believed by such Covered Person to be in, or not opposed to, the best interests of the Company and, with respect to any criminal proceeding, had no reasonable cause to believe his conduct was unlawful, and (y)

such Covered Person's conduct did not constitute fraud or willful misconduct, in either case as determined by a final, nonappealable order of a court of competent jurisdiction. In connection with the foregoing, the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Covered Person did not act in good faith or, with respect to any criminal proceeding, had reasonable cause to believe that such Covered Person's conduct was unlawful, or that the Covered Person's conduct constituted fraud or willful misconduct.

(b) Reimbursement. The Company shall promptly reimburse (and/or advance to the extent reasonably required) each Covered Person for reasonable legal or other expenses (as incurred) of such Covered Person in connection with investigating, preparing to defend or defending any claim, lawsuit or other proceeding relating to any Losses for which such Covered Person may be indemnified pursuant to this Section 12.03; provided, that if it is finally judicially determined that such Covered Person is not entitled to the indemnification provided by this Section 12.03, then such Covered Person shall promptly reimburse the Company for any reimbursed or advanced expenses.

(c) Entitlement to Indemnity. The indemnification provided by this Section 12.03 shall not be deemed exclusive of any other rights to indemnification to which those seeking indemnification may be entitled under any agreement or otherwise. The provisions of this Section 12.03 shall continue to afford protection to each Covered Person regardless of whether such Covered Person remains in the position or capacity pursuant to which such Covered Person became entitled to indemnification under this Section 12.03 and shall inure to the benefit of the executors, administrators, legatees and distributees of such Covered Person.

(d) Insurance. To the extent available on commercially reasonable terms, the Company may purchase, at its expense, insurance to cover Losses covered by the foregoing indemnification provisions and to otherwise cover Losses for any breach or alleged breach by any Covered Person of such Covered Person's duties in such amount and with such deductibles as the Board may determine; provided, that the failure to obtain such insurance shall not affect the right to indemnification of any Covered Person under the indemnification provisions contained herein, including the right to be reimbursed or advanced expenses or otherwise indemnified for Losses hereunder. If any Covered Person recovers any amounts in respect of any Losses from any insurance coverage, then such Covered Person shall, to the extent that such recovery is duplicative, reimburse the Company for any amounts previously paid to such Covered Person by the Company in respect of such Losses.

(e) Funding of Indemnification Obligation. Notwithstanding anything contained herein to the contrary, any indemnity by the Company relating to the matters covered in this Section 12.03 shall be provided out of and to the extent of Company assets only, and no Member (unless such Member otherwise agrees in writing) shall have personal liability on account thereof or shall be required to make additional Capital Contributions to help satisfy such indemnity by the Company.

(f) Savings Clause. If this Section 12.03 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Covered Person pursuant to this Section 12.03 to

the fullest extent permitted by any applicable portion of this Section 12.03 that shall not have been invalidated and to the fullest extent permitted by Applicable Law.

(g) Amendment. The provisions of this Section 12.03 shall be a contract between the Company, on the one hand, and each Covered Person who served in such capacity at any time while this Section 12.03 is in effect, on the other hand, pursuant to which the Company and each such Covered Person intend to be legally bound. No amendment, modification or repeal of this Section 12.03 that adversely affects the rights of a Covered Person to indemnification for Losses incurred or relating to a state of facts existing prior to such amendment, modification or repeal shall apply in such a way as to eliminate or reduce such Covered Person's entitlement to indemnification for such Losses without the Covered Person's prior written consent.

(h) Survival. The provisions of this Article XII shall survive the dissolution, liquidation, winding up and termination of the Company.

### **ARTICLE XIII MISCELLANEOUS**

**Section 13.01 Expenses.** Except as otherwise expressly provided herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with the preparation and execution of this Agreement, or any amendment or waiver hereof, and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

**Section 13.02 Further Assurances.** In connection with this Agreement and the transactions contemplated hereby, the Company and each Member hereby agrees, at the request of the Company or any other Member, to execute and deliver such additional documents, instruments, conveyances and assurances and to take such further actions as may be required to carry out the provisions hereof and give effect to the transactions contemplated hereby.

**Section 13.03 Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 13.03):

If to the Company: Faded, LLC  
30 Hemlock Street  
Brockton, MA 02302  
Attention: Lourdharry Pauyo; Christopher Fevry  
E-mail: dharry@yourgreenpackage.com;  
chris@yourgreenpackage.com

with a copy to: Vicente Sederberg LLP  
2 Seaport Lane, 11<sup>th</sup> Floor  
Boston, MA 02210  
E-mail: alex@vicentesederberg.com  
Attention: Alex Lamphier, Esq.

If to a Member, to such Member's respective mailing address as set forth on the Members Schedule.

**Section 13.04 Headings.** The headings in this Agreement are inserted for convenience or reference only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provision of this Agreement.

**Section 13.05 Interpretation.** For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. The definitions given for any defined terms in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Unless the context otherwise requires, references herein: (i) to Articles, Sections, and Exhibits mean the Articles and Sections of, and Exhibits attached to, this Agreement; (ii) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (iii) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

**Section 13.06 Severability.** If any term or provision of this Agreement is held to be invalid, illegal or unenforceable under Applicable Law in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement in a mutually acceptable manner to remedy such deficiency, provided, however, that any such modification shall be made so as to maintain the original intent of the parties to the greatest extent possible..

**Section 13.07 Regulatory Review.** The Members, the Managers and the Company acknowledge and agree that this Agreement (a) must comply with the Regulatory Laws (b) may be subject to regulatory review from a Regulatory Authorities and (c) is intended to ensure that the Company is qualified as an Economic Empowerment Priority Applicant. In the event that a Regulatory Authorities determines, or the Members otherwise reasonably determine, that this Agreement violates the Regulatory Laws or otherwise would jeopardize the Company's status as an Economic Empowerment Priority Applicant or the business licenses or permits of the Company, the parties hereto shall negotiate in good faith to modify this Agreement in a mutually acceptable

manner to remedy such deficiency, provided, however, that any such modification shall be made so as to maintain the original intent of the parties to the greatest extent possible.

**Section 13.08 Entire Agreement.** This Agreement, together with the Certificate of Organization, any agreement to acquire Units, and all related Exhibits and Schedules, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

**Section 13.09 Successors and Assigns.** Subject to the restrictions on Transfers set forth herein, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**Section 13.10 No Third-party Beneficiaries.** Except as provided in Article XII which shall be for the benefit of and enforceable by Covered Persons as described therein, this Agreement is for the sole benefit of the parties hereto (and their respective heirs, executors, administrators, successors and assigns) and nothing herein, express or implied, is intended to or shall confer upon any other Person, including any creditor of the Company, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

**Section 13.11 Amendment.** No provision of this Agreement may be amended or modified except by an instrument in writing approved by a majority of the Board, provided, however, that an amendment or modification modifying the rights or obligations of any Member in a manner that is disproportionately adverse to (a) such Member relative to the rights of other Members in respect of Units of the same class or series or (b) a class or series of Units relative to the rights of another class or series of Units, shall in each case be effective only with that Member's consent or the consent of the Members holding a majority of the Units in that class or series, as applicable. Any such written amendment or modification will be binding upon the Company and each Member, and each Member hereby irrevocably appoints the Company as its attorney-in-fact to execute any amendments hereto or an amended and restated version of this Agreement that is approved in accordance with this Section.

**Section 13.12 Waiver.** No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. For the avoidance of doubt, nothing contained in this Section 13.12 shall diminish any of the explicit and implicit waivers described in this Agreement, including in Section 7.04(c) and Section 13.16 hereof.

**Section 13.13 Governing Law.** All issues and questions concerning the application, construction, validity, interpretation and enforcement of this Agreement shall be governed by and



construed in accordance with the internal laws of the Commonwealth of Massachusetts, without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Massachusetts or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the Commonwealth of Massachusetts.

**Section 13.14 Dispute Resolution.** In the event of any dispute, claim or controversy arising out of or relating to this Agreement, the parties shall first attempt in good faith to resolve their dispute through in-person negotiation between authorized representatives of each of the parties with authority to settle the relevant dispute. Either party may commence this negotiation by delivering written notice to the other party pursuant to the terms outlined in this Agreement. The parties may agree to engage the services of a jointly agreed-upon mediator to facilitate this in-person meeting, in which case they agree to share equally in the costs of the mediation. If the dispute cannot be settled amicably within fourteen (14) days of delivery of written notice or the in-person meeting of authorized representatives, whichever comes later, then the dispute shall be resolved by binding arbitration as provided in Section 13.15.

**Section 13.15 Binding Arbitration.** Any dispute, controversy, or claim arising out of or relating to this Agreement, including any determination of the scope or applicability of this Section, shall be finally settled by arbitration administered by the American Arbitration Association (“AAA”) in accordance with its Commercial Arbitration Rules then in effect, and judgment on the award rendered by the arbitral tribunal may be entered in any court having jurisdiction thereof. The Parties shall share the costs of the arbitration equally; however, each Party shall be responsible for its own attorneys’ fees and other costs and expenses. The arbitration will be conducted in the English language, in the city of Boston, Massachusetts by a single arbitrator jointly selected by the parties in accordance with the AAA Rules. The arbitrator shall have the power to grant legal and equitable remedies, including awarding the prevailing party its attorneys’ fees and other costs of the arbitration, but they shall not grant punitive damages. To the extent federal and state law conflict as regards this contract, state law shall apply. Except as may be required by law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties. The award shall be final and binding upon all parties as from the date rendered and shall be the sole and exclusive remedy between the parties regarding any claims, counterclaims, issues, or accounting presented to the arbitral tribunal. The Parties acknowledge that they are irrevocably waiving the right to a trial in court, including a trial by jury and that all rights and remedies will be determined by an arbitrator and not by a judge or jury.

**Section 13.16 Equitable Remedies.** Each party hereto acknowledges that a breach or threatened breach by such party of any of its obligations under this Agreement would give rise to irreparable harm to the other parties, for which monetary damages would not be an adequate remedy, and hereby agrees that in the event of a breach or a threatened breach by such party of any such obligations, each of the other parties hereto shall, in addition to any and all other rights and remedies that may be available to them in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

**Section 13.17 Attorneys' Fees.** In the event that any party hereto institutes any legal suit, action or proceeding, including arbitration, against another party in respect of a matter arising out of or relating to this Agreement, the prevailing party in the suit, action or proceeding shall be entitled to receive, in addition to all other damages to which it may be entitled, the costs incurred by such party in conducting the suit, action or proceeding, including reasonable attorneys' fees and expenses and court costs.

**Section 13.18 Remedies Cumulative.** The rights and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise, except to the extent expressly provided in Section 12.02 to the contrary.

**Section 13.19 Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of Electronic Transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

*[Signature page follows]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

The Members:

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Lourdharry Pauyo

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Christopher Fevry

The Company:

FADED, LLC

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By: Lourdharry Pauyo  
Its: Manager

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By: Christopher Fevry  
Its: Manager

## Annex A

### DEFINED TERMS

Capitalized terms used in the Agreement and not otherwise defined shall have the meanings set forth below:

“Additional Capital” has the meaning set forth in Section 4.02(c).

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

(a) crediting to such Capital Account any amount which such Member is obligated to restore or is deemed to be obligated to restore pursuant to Treasury Regulations §§ 1.704-1(b)(2)(ii)(c), 1.704-2(g)(1) and 1.704-2(i); and

(b) debiting to such Capital Account the items described in Treasury Regulations §§ 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

“Affected Person” means any Member, or any elected or appointed or current Manager or officer of the Company, who either (i) in the good faith determination of the Disinterested Board, or (ii) by a determination (whether or not such determination is final, binding or non-appealable) by any Regulatory Authority:

(a) has breached any Regulatory Laws, the condition of any Regulatory Authority, or the conditions of any Regulatory Licenses;

(b) is not suitable, eligible or otherwise qualified with respect to (1) any Regulated Activities, (2) any Regulatory Licenses or (3) owning or controlling any Units or its position as a manager or officer of the Company, as applicable;

(c) fails to be found suitable, eligible or otherwise qualified with respect to (1) any Regulated Activities, (2) any Regulatory Licenses or (3) owning or controlling any Units or its position as a manager or officer of the Company, as applicable pursuant to any Regulatory Laws (including by the applicable Regulatory Authority); *provided, however*, such failure, in the good faith determination of the Disinterested Board, precludes or materially delays, jeopardizes, impedes or impairs, or imposes materially burdensome terms and condition on, the ability of the Company or any of its subsidiaries to conduct any Regulated Activities or to obtain, retain, renew or reinstate any Regulatory License;

(d) causes, or would reasonably likely to cause, any Regulatory License to be lost, rejected, rescinded, suspended, revoked, not renewed or not reinstated by any Regulatory Authority; or

(e) is otherwise reasonably likely to preclude or materially delay, jeopardize, impede or impair, or impose materially burdensome terms and conditions on, the ability of the

Company or any of its subsidiaries to conduct any Regulated Activities or to obtain, retain, renew or reinstate any Regulatory License.

“Affiliate” means, with respect to any Person, any other Person who, directly or indirectly (including through one or more intermediaries), controls, is controlled by, or is under common control with, such Person. For purposes of this definition, “control,” when used with respect to any specified Person, shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise; and the terms “controlling” and “controlled” shall have correlative meanings.

“Agreement” has the meaning set forth in the preamble hereof.

“Applicable Law” means all Regulatory Laws and applicable provisions of: (a) constitutions, treaties, statutes, laws (including the common law), rules, regulations, decrees, ordinances, codes, proclamations, declarations or orders of any Governmental Authority; (b) any consents or approvals of any Governmental Authority; and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any Governmental Authority; *provided, however*, that Applicable Law shall exclude U.S. Federal Cannabis Laws to the extent that they prohibit or otherwise penalize conduct permitted under Regulatory Laws.

“Authorized Use” has the meaning set forth in Section 9.01(a).

“Bankruptcy” means, with respect to a Member, the occurrence of any of the following: (a) the filing of an application by such Member for, or a consent to, the appointment of a trustee of such Member’s assets; (b) the filing by such Member of a voluntary petition in bankruptcy or the filing of a pleading in any court of record admitting in writing such Member’s inability to pay its debts as they come due; (c) the making by such Member of a general assignment for the benefit of such Member’s creditors; (d) the filing by such Member of an answer admitting the material allegations of, or such Member’s consenting to, or defaulting in answering a bankruptcy petition filed against such Member in any bankruptcy proceeding; or (e) the expiration of sixty (60) days following the entry of an order, judgment or decree by any court of competent jurisdiction adjudicating such Member a bankrupt or appointing a trustee of such Member’s assets.

“Board” has the meaning set forth in Section 7.01.

“Book Depreciation” means, with respect to any Company asset for each Fiscal Year, the Company’s depreciation, amortization, or other cost recovery deductions determined for federal income tax purposes, except that if the Book Value of an asset differs from its adjusted tax basis at the beginning of such Fiscal Year, Book Depreciation shall be an amount which bears the same ratio to such beginning Book Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; provided, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero and the Book Value of the asset is positive, Book Depreciation shall be determined with reference to such beginning Book Value using any permitted method selected by the Board in accordance with Treasury Regulations § 1.704-1(b)(2)(iv)(g)(3).

“Book Value” means, with respect to any Company asset, the adjusted basis of such asset for federal income tax purposes, except as follows:

(a) The initial Book Value of any Company asset contributed by a Member to the Company shall be the gross Fair Market Value of each such Company asset as of the date of such contribution.

(b) Immediately prior to the Distribution by the Company of any Company asset to a Member, the Book Value of such asset shall be adjusted to its gross Fair Market Value as of the date of such Distribution.

(c) The Book Value of all Company assets shall be adjusted to equal their respective gross Fair Market Values, as determined by the Board, as of the following times:

(i) the acquisition of an additional Membership Interest in the Company by a new or existing Member in consideration of a Capital Contribution of more than a de minimis amount;

(ii) the acquisition of an additional Membership Interest in the Company by a new or existing Member in consideration of a Capital Contribution of more than a de minimis amount;

(iii) the Distribution by the Company to a Member of more than a de minimis amount of property (other than cash) as consideration for all or a part of such Member’s Membership Interest in the Company;

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

*provided*, that adjustments pursuant to clauses (i), (ii) and (iii) above need not be made if the Board reasonably determines that such adjustment is not necessary or appropriate to reflect the relative economic interests of the Members and that the absence of such adjustment does not adversely and disproportionately affect any Member. Furthermore, the Book Values of the Company's assets shall be adjusted to equal their respective gross Fair Market Values, as determined by the Board, as of the following times: (x) in connection with the issuance by the Company of a "noncompensatory option" within the meaning of Regulations Sections 1.721-2(f) and 1.761-3(a) other than for a de minimis Membership Interest, and (y) immediately after the exercise of any noncompensatory option in accordance with Regulations Section 1.704-1(b)(2)(iv)(s); provided that the adjustment resulting from the event described in clause (x) above shall be made only if the Board reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company. If any noncompensatory options are outstanding upon an adjustment to the capital accounts pursuant to this paragraph, the Company shall adjust the Book Values of the Company's assets as determined for purposes of maintaining the Capital Accounts in accordance with Regulations Sections 1.704-1(b)(2)(iv)(f)(1) and 1.704-1(b)(2)(iv)(h)(2).

(d) the Book Value of each Company asset shall be increased or decreased, as the case may be, to reflect any adjustments to the adjusted tax basis of such Company asset

pursuant to Code § 734(b) or Code § 743(b), but only to the extent that such adjustments are taken into account in determining Capital Account balances pursuant to Treasury Regulations § 1.704-1(b)(2)(iv)(m); *provided*, that Book Values shall not be adjusted pursuant to this paragraph to the extent that an adjustment pursuant to paragraph (c) above is made in conjunction with a transaction that would otherwise result in an adjustment pursuant to this paragraph.

(e) If the Book Value of a Company asset has been determined pursuant to paragraph (a) or adjusted pursuant to paragraphs (c) or (d) above, such Book Value shall thereafter be adjusted to reflect the Book Depreciation taken into account with respect to such Company asset for purposes of computing Net Income and Net Losses.

“Business” means the marketing, commercialization, distribution, transfer, sale, and/or possession of cannabis or related substances, or products, activities, or services containing or relating to cannabis.

“Business Day” means a day other than a Saturday, Sunday, or other day on which commercial banks in the City of Boston are authorized or required to close.

“Capital Account” has the meaning set forth in Section 4.03.

“Capital Contribution” means, for any Member, the total amount of cash and cash equivalents and the initial Book Value of any property (net of liabilities assumed by the Company resulting from such contribution and liabilities to which the property is subject) contributed to the capital of the Company by such Member (excluding any advances or loans of Members), each as determined and updated from time to time by the Board.

“Certificate of Organization” means the Company’s Certificate of Organization as filed with the Secretary of the Commonwealth of Massachusetts, as may be amended, modified, and replaced from time to time.

“Change of Control” means: (a) the sale of all or substantially all of the consolidated assets of the Company and the Company Subsidiaries to a Third Party Purchaser; (b) a sale resulting in no less than a majority of the Units on a Fully Diluted Basis being held by a Third Party Purchaser; or (c) a merger, consolidation, recapitalization, or reorganization of the Company with or into a Third Party Purchaser that results in the inability of the Members to designate or elect a majority of the Managers (or the board of directors (or its equivalent) of the resulting entity or its parent company).

“Class A Manager” has the meaning set forth in Section 7.02(a).

“Class A Units” means the Units authorized by Section 2.02 having the rights and privileges as provided for in this Agreement.

“Class B Manager” has the meaning set forth in Section 7.02(b).

“Class B Units” means the Units authorized by Section 2.03 having the rights and privileges as provided for in this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended.

“Company” has the meaning set forth in the preamble hereof.

“Company Interest Rate” means a rate equal to fifteen percent (15%).

“Company Level Tax” has the meaning set forth in Section 10.01(g).

“Company Minimum Gain” means “partnership minimum gain” as defined in Treasury Regulations § 1.704-2(b)(2), substituting the term “Company” for the term “partnership” as the context requires.

“Company Opportunity” has the meaning provided in Section 3.12.

“Company Subsidiary” means a Subsidiary of the Company.

“Confidential Information” has the meaning set forth in Section 9.01(b).

“Covered Person” has the meaning set forth in Section 12.01(a).

“Deemed Liquidation Event” means each of the following events:

- (a) a merger or consolidation in which:
  - (i) the Company is a constituent party; or
  - (ii) a Material Subsidiary is a constituent party and the Company issues Units pursuant to such merger or consolidation;

except any such merger or consolidation involving the Company or a Material Subsidiary in which the Units of the Company outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for Units or other securities that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the equity of (1) the surviving or resulting entity; or (2) if the surviving or resulting entity is a wholly owned subsidiary of another entity immediately following such merger or consolidation, the parent entity of such surviving or resulting entity;

(b) (1) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Company or any Company Subsidiary of all or substantially all the assets of the Company and its Subsidiaries taken as a whole (including, without limitation, the cannabis business licenses of the Company and its Subsidiaries), or (2) the sale or disposition (whether by merger, consolidation or otherwise, and whether in a single transaction or a series of related transactions) of one or more Subsidiaries of the Company if substantially all of the assets or business of the Company and its subsidiaries taken as a whole are held by such Subsidiary or Subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned Subsidiary of the Company; or



(c) A transaction or series of transactions that otherwise results in a Change of Control.

“Deemed Liquidation Event Proceeds” means the proceeds of the Company from a Deemed Liquidation Event, reduced by: (a) all expenses associated with such transaction (including investment banking fees, attorneys fees and other professional advisor fees); (b) all payments of principal, interest and other charges in respect of any indebtedness refinanced and any other indebtedness discharged with such proceeds (including with respect to any Members loans); and (c) all reasonable reserves required by the Company as reasonably determined by the Board with respect to such Deemed Liquidation Event or to wind-up the Company.

“Designated Individual” has the meaning set forth in Section 10.01(a).

“Disclosing Party” has the meaning set forth in Section 9.01(a).

“Disinterested Board” means, in relation to any Affected Person, those Managers of the Company that have no material direct or indirect financial interest in or with respect to such Affected Person. For the avoidance of doubt, any Manager of the Company that is designated to such position by such Affected Person, or is an officer, director, employee or is otherwise engaged by such Affected Person, shall not be deemed a member of the Disinterested Board with respect to such Affected Person.

“Distribution” means a distribution made by the Company to a Member, whether in cash, property or securities of the Company and whether by liquidating distribution or otherwise; *provided*, that none of the following shall be a Distribution: (a) any redemption or repurchase by the Company or any Member of any Units or Unit Equivalents; (b) any recapitalization or exchange of securities of the Company; (c) any subdivision (by a split of Units or otherwise) or any combination (by a reverse split of Units or otherwise) of any outstanding Units; or (d) any fees or remuneration paid to any Member in such Member’s capacity as a Service Provider for the Company or a Company Subsidiary. “Distribute” when used as a verb shall have a correlative meaning.

“Drag-along Member” has the meaning set forth in Section 8.04(a).

“Drag-along Notice” has the meaning set forth in Section 8.04(c).

“Drag-along Sale” has the meaning set forth in Section 8.04(a).

“Dragging Member” has the meaning set forth in Section 8.04(a).

“Economic Empowerment Priority Applicant” has the meaning provided in the Regulatory Laws.

“Electronic Transmission” means any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process.

“Estimated Tax Amount” of a Member for a Fiscal Year means the Member’s Tax Amount for such Fiscal Year as estimated in good faith from time to time by the Board. In making such estimate, the Board shall take into account amounts shown on Internal Revenue Service Form 1065 filed by the Company and similar state or local forms filed by the Company for the preceding taxable year and such other adjustments as in the reasonable business judgment of the Board are necessary or appropriate to reflect the estimated operations of the Company for the Fiscal Year.

“Excess Amount” has the meaning set forth in Section 6.03(c).

“Fair Market Value” of any asset as of any date means the purchase price that a willing buyer having all relevant knowledge would pay a willing seller for such asset in an arm’s length transaction, as determined in good faith by the Board based on such factors as the Board, in the exercise of its reasonable business judgment, considers relevant.

“Family Member” means, with respect to any Member that is a natural person, such Member’s spouse, parent, sibling, descendant (including adoptive relationships and stepchildren), and the spouses of each such natural persons.

“Fiscal Year” means the calendar year, unless the Company is required to have a taxable year other than the calendar year, in which case Fiscal Year shall be the period that conforms to its taxable year.

“Forfeiture Allocations” has the meaning set forth in Section 5.02(e).

“Fully Diluted Basis” means, as of any date of determination, (a) with respect to all the Units, all issued and outstanding Units of the Company and all Units issuable upon the exercise of any outstanding Unit Equivalents as of such date, whether or not such Unit Equivalent is at the time exercisable, or (b) with respect to any specified type, class or series of Units, all issued and outstanding Units designated as such type, class or series and all such designated Units issuable upon the exercise of any outstanding Unit Equivalents as of such date, whether or not such Unit Equivalent is at the time exercisable.

“Government Approval” means any authorization, consent, approval, waiver, exception, variance, order, exemption, publication, filing, declaration, concession, grant, franchise, agreement, permission, permit, or license of, from, or with any Governmental Authority, the giving of notice to, or registration with, any Governmental Authority, or any other action in respect of any Governmental Authority.

“Governmental Authority” means any federal, state, local, or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations, or orders of such organization or authority have the force of law), or any arbitrator, court, or tribunal of competent jurisdiction.

“Indemnifying Member” has the meaning set forth in Section 10.01(g).

“Joinder Agreement” means the joinder agreement in form attached hereto as Exhibit A.

“Liquidator” has the meaning set forth in Section 11.03(a).

“Losses” has the meaning set forth in Section 12.03(a).

“Manager” has the meaning set forth in Section 7.01.

“Marijuana Establishment” has the meaning provided in the Regulatory Laws.

“Material Subsidiary” means any subsidiary or combination of subsidiaries making up materially all of the business of the Company.

“Member” and “Members” have the respective meanings set forth in the preamble hereof.

“Member Nonrecourse Debt” means “partner nonrecourse debt” as defined in Treasury Regulations § 1.704-2(b)(4), substituting the term “Company” for the term “partnership” and the term “Member” for the term “partner” as the context requires.

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

“Member Nonrecourse Deduction” means “partner nonrecourse deduction” as defined in Treasury Regulations § 1.704-2(i), substituting the term “Member” for the term “partner” as the context requires.

“Members Schedule” has the meaning set forth in Section 2.01.

“Membership Interest” means an interest in the Company owned by a Member, including such Member’s right (based on the type and class of Unit or Units held by such Member), as applicable, (a) to a distributive share of Net Income, Net Losses and other items of income, gain, loss and deduction of the Company in accordance with this Agreement; (b) to a Distribution in accordance with this Agreement; (c) to vote on, consent to or otherwise participate in any decision of the Members as provided in this Agreement; and (d) to any and all other benefits to which such Member may be entitled as provided in this Agreement.

“Misallocated Item” has the meaning set forth in Section 5.05.

“Net Income” and “Net Loss” mean, for each Fiscal Year or other period specified in this Agreement, an amount equal to the Company’s taxable income or taxable loss, or particular items thereof, determined in accordance with Code § 703(a) (where, for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code § 703(a)(1) shall be included in taxable income or taxable loss), but with the following adjustments:

(a) any income realized by the Company that is exempt from federal income taxation, as described in Code § 705(a)(1)(B), shall be added to such taxable income or taxable loss, notwithstanding that such income is not includable in gross income;

(b) any expenditures of the Company described in Code § 705(a)(2)(B), including any items treated under Treasury Regulations § 1.704-1(b)(2)(iv)(i) as items described in Code § 705(a)(2)(B), shall be subtracted from such taxable income or taxable loss, notwithstanding that such expenditures are not deductible for federal income tax purposes;

(c) any 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 Book Value of the property so disposed, notwithstanding that the adjusted tax basis of such property differs from its Book Value;

(d) any items of depreciation, amortization and other cost recovery deductions with respect to Company property having a Book Value that differs from its adjusted tax basis shall be computed by reference to the property's Book Value (as adjusted for Book Depreciation) in accordance with Treasury Regulations § 1.704-1(b)(2)(iv)(g);

(e) if the Book Value of any Company property is adjusted as provided in the definition of Book Value, then the amount of such adjustment shall be treated as an item of gain or loss and included in the computation of such taxable income or taxable loss; and

(f) to the extent an adjustment to the adjusted tax basis of any Company property pursuant to Code §§ 732(d), 734(b) or 743(b) is required, pursuant to Treasury Regulations § 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis).

“Nonrecourse Liability” has the meaning set forth in Treasury Regulations § 1.704-2(b)(3).

“Offered Units” has the meaning set forth in Section 8.03(a).

“Offering Member” has the meaning set forth in Section 8.03(a).

“Offering Member Notice” has the meaning set forth in Section 8.03(b).

“Officers” has the meaning set forth in Section 7.08(a).

“Other Business” has the meaning provided in Section 3.12.

“Partnership Tax Audit Rules” means Code §§6221 through 6241, as amended by the Bipartisan Budget Act of 2015, together with any guidance issued thereunder (including Treasury Regulations promulgated thereunder) or successor provisions and any similar provision of state or local tax laws.

“Permitted Transferee” means: (a) with respect to any Member that is an entity, any Affiliate of such Member; and (b) with respect to any Member who is an individual: (i) such Member's Family Members, (ii) a trust under which the distribution of Units may be made only to such Member and/or any Family Member of such Member, (iii) a charitable remainder trust, the income from which will be paid to such Member during his or her life, (iv) a corporation, partnership or limited liability company, the shareholders, partners or members of which are only

such Member and/or its Family Members, or (v) such Member's executors, administrators, testamentary trustees, legatees, distributees or beneficiaries by will or by the laws of intestate succession.

“Person” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

“Preferred Return” shall mean the amount of Distributions necessary to provide a return of fifteen percent (15%) per annum on the Unreturned Additional Capital of a Member. The Preferred Return shall be a cumulative, non-compounding, annually-calculated return.

“Purchasing Member” has the meaning set forth in Section 8.03(d).

“Receiving Party” has the meaning set forth in Section 9.01(a).

“Regulated Activities” means any activities or intended activities of the Company and its subsidiaries' businesses that pursuant to applicable state and local laws requires a license or franchise (including, without limitation, permit, approval, order, authorization, registration, finding of suitability, exemption, certification, clearance, waiver and similar qualification) from a state or local governmental agency to conduct such activities, including without limitation the cultivation, harvesting, manufacturing, production, marketing, commercialization, distribution, transfer, sale and/or possession of cannabis or related substances, or products, activities or services containing or relating to the same.

“Regulatory Allocations” has the meaning set forth in Section 5.02(d).

“Regulatory Authorities” means any state or local regulatory or licensing bodies, instrumentalities, departments, commissions, authorities, boards, officials, tribunals and agencies with authority over or responsibility for the regulation or licensing of Regulated Activities within any applicable state, local or tribal jurisdiction for Regulated Activities, including without limitation the Massachusetts Cannabis Control Commission.

“Regulatory Laws” means any applicable state and local laws, statutes and ordinances requiring a license or franchise (including, without limitation, permit, approval, order, authorization, registration, finding of suitability, exemption, certification, clearance, waiver and similar qualifications) for Regulated Activities and all orders, decrees, rules and regulations promulgated thereunder, and all policies and interpretations of the applicable Regulatory Authorities of such laws, statutes, ordinances, orders, decrees, rules, and regulations.

“Regulatory License” any licenses or franchises (including, without limitation, permits, approvals, orders, authorizations, registrations, findings of suitability, exemptions, certifications, clearances, waivers and similar qualifications) from Regulatory Authorities or pursuant to Regulatory Laws.

“Regulatory Redemption Date” means the date directed by a Regulatory Authority and, if not so directed, fixed by the Disinterested Board for the redemption of Units and Unit Equivalents pursuant to Section 8.06.

“Regulatory Redemption Notice” means that notice of redemption delivered by the Company pursuant to Section 8.06 to an Affected Person if the applicable Regulatory Authority so requires the Company, or if the Disinterested Board deems it necessary or advisable, to redeem such Affected Person’s Units and Unit Equivalents. Each Regulatory Redemption Notice shall set forth (a) the Regulatory Redemption Date, (b) the number and type of Units to be redeemed, (c) the Regulatory Redemption Price and the manner of payment therefor, (d) if applicable, the manner and place where any certificates for such Units (if any) shall be surrendered for payment, and (e) any other terms and conditions imposed by the applicable Regulatory Authority or the Disinterested Board.

“Regulatory Redemption Price” shall mean the per Unit or Unit Equivalent price for the redemption of any Units and Unit Equivalents to be redeemed pursuant to Section 8.06, which shall be (a) the price (if any) required to be paid by the applicable Regulatory Authority, or (b) if no such price is required, the amount arrived at pursuant to the Company and the Affected Person determining the Fair Market Value of the Affected Person’s Units by a mutually-agreed upon third party appraisal (*provided, however*, that if the Affected Person and the Company cannot agree on a third party appraiser, they shall both individually choose and pay for their own appraisals, and if each such appraisal is within ten percent (10%) of the other, then the value of the Affected Person’s Units shall be the average of such two (2) appraisals, however in the event that such two (2) appraisals diverge by greater than ten percent (10%), then the two (2) appraisers respectively chosen by the Affected Person and the Company shall identify a third appraiser to perform an appraisal of the Affected Person’s Units, and the value of the Affected Person’s Units shall be the average of the closest two (2) of the three (3) appraisals).

“ROFR Notice” has the meaning set forth in Section 8.03(d).

“ROFR Period” has the meaning set forth in Section 8.03(d).

“Securities Act” means the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations thereunder, which shall be in effect at the time.

“Selling Member” has the meaning set forth in Section 8.05(a).

“Shortfall Amount” has the meaning set forth in Section 6.03(b).

“Subsidiary” means, with respect to any Person, any other Person of which a majority of the outstanding shares or other equity interests having the power to vote for directors or comparable managers are owned, directly or indirectly, by the first Person.

“Tag-along Exercise Notice” has the meaning set forth in Section 8.05(d).

“Tag-along Exercise Period” has the meaning set forth in Section 8.05(d).

“Tag-along Member” has the meaning set forth in Section 8.05(a).

“Tag-along Notice” has the meaning set forth in Section 8.05(c).

“Tag-along Sale” has the meaning set forth in Section 8.05(a).

“Tag-along Units” has the meaning set forth in Section 8.05(a).

“Tax Advance” has the meaning set forth in Section 6.03(a).

“Tax Amount” means, with respect to a Unit for a Fiscal Year, the federal and state income and Medicare tax liability with respect to the taxable income related to Profit allocated with respect to such Unit for such Fiscal Year as reported to each Member on Schedule K-1. The calculation of such federal and state income and Medicare tax liability shall (i) assume that the holder of such Unit is taxable as an individual for federal and state income and Medicare tax purposes, (ii) assume that the holder of such Unit is in the highest marginal federal and state income tax bracket applicable to individuals resident in the state of such Member’s residence (including the effect of any surtax) and (iii) take into account the deductibility of state and local income taxes for federal income tax purposes as well as differences in tax rates applicable to capital gains and qualified dividends. In determining the amount of federal and state income and Medicare tax liability for any Fiscal Year, if a Person is allocated a taxable loss for any Fiscal Year, the amount of such loss shall be carried forward and applied to offset any taxable income allocated to such Person for each succeeding Fiscal Year or years in which such Person is allocated taxable income until such loss is fully absorbed by taxable income allocated to such Person consistent with applicable rules relating to loss carryforwards under the Code.

“Tax Representative” has the meaning set forth in Section 10.01(a).

“Taxing Authority” has the meaning set forth in Section 6.04(b).

“Third Party Purchaser” means any Person who, immediately prior to the contemplated transaction, does not directly or indirectly own or have the right to acquire any outstanding Units.

“Transfer” means to, directly or indirectly, sell, transfer, assign, pledge, encumber, hypothecate or similarly dispose of, either voluntarily or involuntarily, by operation of law or otherwise, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance, hypothecation or similar disposition of, any Units owned by a Person or any interest (including a beneficial interest) in any Units or Unit Equivalents owned by a Person. “Transfer” when used as a noun shall have a correlative meaning. “Transferor” and “Transferee” mean a Person who makes or receives a Transfer, respectively.

“Treasury Regulations” means the final or temporary regulations issued by the United States Department of Treasury pursuant to its authority under the Code, and any successor regulations.

“Unallocated Item” has the meaning set forth in Section 5.05.

“Unit” means a unit representing a fractional part of the Membership Interests of the Members and shall include all types and classes of Units, including the Class A Units and Class B Units; provided, that any type or class of Unit shall have the privileges, preference, duties, liabilities, obligations and rights set forth in this Agreement and the Membership Interests represented by such type or class or series of Unit shall be determined in accordance with such privileges, preference, duties, liabilities, obligations and rights.

“Unit Equivalents” means any security or obligation that is by its terms, directly or indirectly, convertible into, exchangeable or exercisable for Units, and any option, warrant or other right to subscribe for, purchase or acquire Units.

“Unpaid Preferred Return” means, with respect to any Member, on any date, an amount equal to the excess, if any, of (a) the Preferred Return allocated to a Member with respect to its Additional Capital pursuant to this Agreement, minus (b) the aggregate amount of all Distributions made (or deemed made) to such Member in payment of such Preferred Return pursuant to this Agreement, regardless of the source, kind or character.

“Unreturned Additional Capital” means, with respect to any Member, on any date, an amount equal to the excess, if any, of: (a) the aggregate Additional Capital contributed by a Member to the Company, minus (b) the aggregate amount of all Distributions made (or deemed made) to such Member in return of such Additional Capital pursuant to this Agreement, regardless of the source, kind or character.

“Unreturned Capital” means, with respect to any Member, on any date, an amount equal to the excess, if any, of: (a) the aggregate initial and, except as set forth in Section 4.02(c) with respect to Additional Capital, any other additional Capital Contributions made by such Member to the Company, over (b) the aggregate amount of all Distributions made (or deemed made) to such Member in return of such Capital Contributions pursuant to this Agreement, regardless of the source, kind or character.

“U.S. Federal Cannabis Laws” means any U.S. federal laws, civil, criminal or otherwise, as such relate, either directly or indirectly, to the cultivation, harvesting, manufacturing, production, marketing, commercialization, distribution, transfer sale and/or possession of cannabis or related substances, or products, activities or services containing or relating to the same, including, without limitation, the prohibition on drug trafficking under 21 U.S.C. Ch. 13, et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another’s felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960, and any other U.S. federal law the violation of which is predicated on the violation of any of the foregoing as it applies to Regulated Activities and all orders, decrees, rules and regulations promulgated under any of the foregoing.

“Waived ROFR Transfer Period” has the meaning set forth in Section 8.03(f).

“Withholding Advances” has the meaning set forth in Section 6.04(b).



**Exhibit A**

**FORM OF JOINDER AGREEMENT**

The undersigned is executing and delivering this Joinder Agreement pursuant to the Operating Agreement dated as of [DATE], (as amended, modified, restated or supplemented from time to time, the “Operating Agreement”), among Faded, LLC, a Massachusetts limited liability company (the “Company”), and its Members party thereto.

By executing and delivering this Joinder Agreement to the Company, the undersigned hereby agrees to become a party to, to be bound by, and to comply with the provisions of the Operating Agreement in the same manner as if the undersigned were an original signatory to such agreement.

The undersigned agrees that the undersigned shall be a Member, as such term is defined in the Operating Agreement.

Accordingly, the undersigned has executed and delivered this Joinder Agreement as of \_\_\_\_\_, 20\_\_\_\_.

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

Name: \_\_\_\_\_

**Schedule A**

**MEMBERS SCHEDULE**

<u>Name</u>	<u>Initial Capital Contribution and Capital Accounts</u>	<u>Class A Units</u>	<u>Class B Units</u>
Lourdarry Pauyo 30 Hemlock Street Brockton, MA 02302		51,000	0
Christopher Fevry 170 Canton Street Providence, RI 02908		0	49,000

## PLAN FOR OBTAINING LIABILITY INSURANCE

Faded LLC (“Your Green Package”) will contract with an insurance provider to maintain general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate annually and product liability coverage for no less than \$1,000,000 per occurrence & \$2,000,000 in aggregate annually. The policy deductible will be no higher than \$5,000 per occurrence. Your Green Package will consider additional coverage based on availability and cost-benefit analysis.

Vehicles used for delivery by Your Green Package will carry liability insurance in an amount not less than \$1,000,000 combined single limit.

If adequate coverage is unavailable at a reasonable rate, Your Green Package will place in escrow at least \$250,000 to be expended for liabilities coverage (or such other amount approved by the Commission). Any withdrawal from such escrow will be replenished within 10 business days of any expenditure. Your Green Package will keep reports documenting compliance with 935 CMR 500.105(10) in a manner and form determined by the Commission pursuant to 935 CMR 500.000.



# FADED LLC

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## EXECUTIVE SUMMARY

### MISSION STATEMENT AND MESSAGE FROM THE CEO

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Faded LLC (“Your Green Package”) is an applicant for a Massachusetts Marijuana Establishment Delivery-Only License that is committed to serving residents in the Commonwealth through an efficient, compliant delivery system that interfaces with licensed retailers to ensure the accuracy and safety of our operations.

### WHAT DRIVES US

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Your Green Package’s goals include:

1. Safely providing consumers 21 years of age or older, registered, qualifying patients, and caregivers (“Customers”) with a wide variety of high quality, consistent, laboratory-tested marijuana and marijuana products;
2. Having a diverse and socially representative pool of employees; and
3. Running an efficient, compliance-oriented delivery business that places an emphasis on technology-driven logistics to better serve our customers: both consumers and retailers.

## TEAM

Your Green Package’s founders are committed to the cannabis industry and to creating a company that values safe consumption and access to cannabis in a way that is socially responsible. Our executive team members have extensive experience in sales, marketing, and technology

### CHRISTOPHER FEVRY CO-FOUNDER

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- 5+ years of sales experience
- Experience growing companies from zero dollars in revenue to 2M
- 2+ years of selling to Tech Products to Fortune 500 companies + dealing with complex sales cycles

### LOURDHARRY PAUYO CO-FOUNDER

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- 3+ years of Real Estate Experience
- Deep Roots in the Brockton Community

## COMPANY DESCRIPTION

### STRUCTURE

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Your Green Package is a Massachusetts domestic for-profit corporation that is applying for a license from the Commission to operate a Delivery-Only company in the Commonwealth. Your Green Package will ensure that no person or entity other than those disclosed in Your Green Package’s application will be a Person or Entity Having Direct or Indirect Control in Your Green Package’s Delivery-Only License.

Your Green Package will file, in a form and manner specified by the Commission, an application for pre-certification, which will include information about the business and the individuals having direct or indirect control over the business; background check disclosures; and summaries of operating policies and procedures.

Once invited, Your Green Package will subsequently file a provisional license application to operate a Delivery-Only License, which will include property interest documentation; capital resources documentation; any agreements with third-party technology platform providers and retailers (if known and executed at the time); Community Outreach Meeting documentation; Host Community Agreement certification; background check authorization forms; certificates of good standing from the Department of Revenue, Secretary of the Commonwealth, and Department of Unemployment Assistance; and additional narratives, including a Positive Impact Plan and a Diversity Plan.

## OPERATIONS

### ORDERS

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All orders for delivery by Your Green Package will comply with the following requirements:

1. All marijuana and marijuana products (“Products”) delivered by Your Green Package will be obtained from a licensed marijuana retailer with which Your Green Package has a delivery agreement.
2. Orders for home delivery will be received by a marijuana retailer and transmitted to Your Green Package for delivery to a residence.
3. Only Products that are shelf-stable may be delivered. Products that are perishable or time and temperature controlled to prevent deterioration will not be allowed to be delivered by Your Green Package.
4. Your Green Package will deliver Products only to the residence address provided. Your Green Package will be prohibited from delivering to college or university dormitories; and federal public housing identified at <https://resources.hud.gov/>.
5. Your Green Package will only deliver Products for which a specific order has been received by a licensed marijuana retailer with which Your Green Package has a delivery agreement. Your Green Package is prohibited from delivering Products without a specific order destined for an identified residence. An order may be generated directly through a marijuana retailer or through a third-party technology platform identified to the Commission under 935 CMR 500.145(1)(e).
6. Your Green Package will not deliver more Products to an individual Customer than the individual possession amounts authorized by law. An individual order will not exceed one ounce of marijuana or its dry-weight equivalent. The individual order will only be delivered to the individual Customer identified on the order after verification of the individual's identity consistent with the requirements of 935 CMR 500.140(2)(d) and 935 CMR 500.145(3). Your Green Package will only deliver one individual order, per Customer, during each delivery.

7. Your Green Package will not deliver to the same Customer at the same residence more than once each calendar day and will only perform such deliveries during authorized delivery hours.
8. For home delivery, each order must be packaged and labeled in accordance with 935 CMR 500.105(5) and (6) prior to transportation by Your Green Package to the Customer.
9. Any Product that is undeliverable or is refused by the Customer will be transported back to the originating marijuana establishment that provided the product once all other deliveries included on a delivery manifest have been made. Your Green Package is prohibited from maintaining custody of Products intended for delivery overnight. Your Green Package will ensure that any undelivered product is returned to the appropriate marijuana establishment and not retained by Your Green Package.

No Products will be sold or otherwise marketed that have not first been tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000.

#### CUSTOMER VERIFICATION OF AGE

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Your Green Package will require any Customer making a purchase for delivery by Your Green Package to have the government-issued photo identification a Customer intends to use to verify her or his age at the time of delivery examined and authenticated by the marijuana retailer prior to the first individual order. Pre-verification on the Customer's identification will be performed in-person at the marijuana retailer's physical location or through a Commission approved electronic means and will include examination of the Customer's valid, unexpired government issued photo identification that lists a date of birth.

Your Green Package will not perform a delivery to any Customer who has not established an account for delivery through pre-verification of the Customer's identification by the marijuana retailer. Your Green Package agents will not deliver Products to any individual other than the Customer who ordered the Products. A Your Green Package agent, at the time of delivery of the Products to the consumer, will verify that the Customer is 21 years of age or older and/or a registered qualifying patient.

Prior to relinquishing custody of the Products to the Customer, a Your Green Package agent conducting the delivery will verify that the identification of the Customer receiving the Products matches the pre-verified identification of the Customer who placed the order for delivery.

Your Green Package will collect and maintain relevant information about an individual Customer for the purpose of transacting a delivery and ensuring that the recipient of a delivery is legally allowed to receive the Products. All information collected will be solely for the purpose of transacting a delivery and will be maintained confidentially.

#### SECURITY

Your Green Package will implement adequate security measures to ensure that each vehicle used for transportation of Products is not readily accessible to unauthorized individuals and to prevent



and detect diversion, theft, or loss of Products. At a minimum, security measures for each operational delivery vehicle will include:

1. A vehicle security system that includes an exterior alarm;
2. For the purpose of transporting Products, a secure, locked storage compartment that is not easily removable;
3. For the purpose of transporting and securing cash used as payment for deliveries of Products, a secure, locked storage compartment that is not easily removable;
4. A secure means of communication between each vehicle and Your Green Package's dispatching location. The secure means of communication will be capable of being monitored at all times that a vehicle is performing a delivery route. Means of communication will include:
  - a. two-way digital or analog radio (UHF or VHF);
  - b. cellular phone; or
  - c. satellite phone.
5. A global positioning system (GPS) monitoring device that is:
  - a. Not a mobile device; and
  - b. Attached to the vehicle at all times that the vehicle contains Products; and
  - c. Monitored by Your Green Package at a fixed location during the transportation of Products for the purpose of home delivery with location checks occurring at least every 30 minutes. Your Green Package may delegate monitoring of the GPS to a Third-party Technology Platform Provider with whom Your Green Package has a contract, provided that Your Green Package will be responsible for ensuring that monitoring occurs as required under 935 CMR 500.000
6. A video system that includes one or more video cameras in the storage area of the vehicle and one or more video cameras in the driver area of the vehicle. The video system will remain operational at all times during the entire transportation process and will have:
  - a. the ability to produce a clear color still photo whether live or recorded; and
  - b. A date and time stamp embedded in all recordings that will be synchronized and set correctly at all times and will not significantly obscure the picture.
7. All security equipment in each vehicle will be in good working order and will be inspected and tested at regular intervals, not to exceed 30 calendar days from the previous inspection and test.

Your Green Package agents engaged in the delivery of Products to a Customer will have on their person an operational body camera during all times that the Your Green Package agent is outside of the delivery vehicle for the purpose of transacting a delivery in accordance with Commission regulations and requirements.

Your Green Package agents transporting Products for home delivery will ensure that all vehicles used for deliveries are staffed with a minimum of two Your Green Package agents. At least one Your Green Package agent will remain with the vehicle at all times that the vehicle contains Products.

All Your Green Package agents acting as delivery employees of Your Green Package will have attended and successfully completed Responsible Vendor Training in accordance with 935 CMR

500.105(2)(b) prior to making a delivery, which will include, but may not be limited to, training on:

1. Safely conducting deliveries;
2. Safe cash handling practices;
3. Strategies for de-escalating potentially dangerous situations;
4. Collecting and communicating information to assist in investigations;
5. Procedures for checking identification;
6. Indications of impairment;
7. Notification to Customers of use of mandatory recording devices; and
8. Such other areas of training determined by the Commission to be included in a Responsible Vendor Training Program.

A Your Green Package agent will document and report any unusual discrepancy in inventory to the Commission and the local Law Enforcement Authorities in which Your Green Package is licensed within 24 hours of the discovery of such a discrepancy. Your Green Package will report to the Commission and local law enforcement any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport immediately and, under no circumstances, more than 24 hours of becoming aware of any accidents, diversions, losses, or other reportable incidents.

The following individuals will have access to Your Green Package operations and vehicles, including video recordings:

1. Representatives of the Commission in the course of responsibilities authorized by M.G.L. c. 94G or 935 CMR 500.000;
2. Representatives of other state agencies acting within their jurisdiction; and
3. Law enforcement, police and fire departments, and emergency medical services in the course of responding to an emergency.

935 CMR 500.000 will not be construed to prohibit access to authorized state or local Law Enforcement Authorities or public health, inspectional services, or other permit-granting agents acting within their lawful jurisdiction. All vehicles Your Green Package uses for home delivery are subject to inspection and approval by the Commission prior being put into use. Your Green Package understands it is responsible for making the Commission aware of its intent to introduce a new vehicle into operation and ensure an inspection of the vehicle prior to commencing operation.

Firearms are strictly prohibited from Your Green Package vehicles and from marijuana establishment agents performing home deliveries.

### **BENEFITS TO THE HOST COMMUNITY**

Your Green Package looks forward to working cooperatively with its host community to ensure that Your Green Package operates as a responsible, contributing member of that community. Your Green Package will establish a mutually beneficial relationship with its host community in exchange for permitting Your Green Package to site and operate.

Your Green Package's host community stands to benefit in various ways, including but not limited to the following:

1. Jobs: Your Green Package will create new, full-time jobs, in addition to hiring qualified, local contractors and vendors.
2. Monetary Benefits: A Host Community Agreement with community impact fee payments will provide the host community with additional financial benefits beyond local property taxes.
3. Access to Quality Product: Your Green Package will allow Customers in the Commonwealth to have access to high quality Products that are tested for cannabinoid content and contaminants. Access will be such that it mitigates in-person transactions as much as possible, while reducing the congregation of individuals at retail establishments.
4. Control: In addition to the Commission, the Police Department and other municipal departments will have oversight over Your Green Package's security systems and processes.
5. Responsibility: Your Green Package is comprised of experienced professionals who will be thoroughly background checked and scrutinized by the Commission.
6. Economic Development: Your Green Package's operations will help to contribute to the overall economic development of the local community.

## MARKET RESEARCH

### CUSTOMERS

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Your Green Package will only deliver marijuana and marijuana products to customers ages 21 years and older that provide valid identification, as well as registered patients that possess an active medical registration card issued by the Commission.

### COMPETITORS

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Your Green Package's competitors include other licensed Delivery-Only operators in the Commonwealth. Being a certified Social Equity applicant puts Your Green Package in a unique position in the Massachusetts cannabis industry, as it allows Your Green Package to be one of a select few entities that can hold a Delivery-Only license for a period of at least 24 months from the date the first Delivery-Only licensee receives a notice to commence operations. That lead time puts Your Green Package at a huge advantage over general applicants, allowing Your Green Package to carve out a niche in the industry, making its services essential for marijuana retailers.

### COMPETITIVE ADVANTAGE

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Apart from having a significant head start over general applicants who wish to apply for and receive a Delivery-Only license, Your Green Package possesses several strengths that separate Your Green Package from the competition.

## STATE AND LOCAL COMPLIANCE

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Your Green Package is a Massachusetts domestic for-profit LLC. Your Green Package will maintain the company in good standing with the Massachusetts Secretary of the Commonwealth, the Department of Revenue, and the Department of Unemployment Assistance. Your Green Package will apply for all state and local permits and approvals required to operate its Delivery-Only License.

Your Green Package will also work cooperatively with various municipal departments to ensure that its proposed operations comply with all state and local codes, rules and regulations.

Your Green Package will remain current on the municipalities that it can deliver to, which will include the following locations:

- The municipality that Your Green Package is located in;
- Any municipality that allows for retail operations, whether or not a Marijuana Retailer is operational; and
- Any municipality that has notified the Commission that delivery may operate within its borders.

In determining what municipalities Your Green Package can deliver to, Your Green Package will rely in part on the Commission's Municipal Zoning Tracker:

<https://mass-cannabis-control.com/municipaltracker/>. Additionally, Your Green Package will conduct its own research and will communicate directly with municipalities to further confirm the ability to make deliveries in such municipalities.

Your Green Package will maintain records, which will be available for inspection by the Commission upon request. The records will be maintained in accordance with generally accepted accounting principles and maintained for at least 12 months or as specified and required by 935 CMR 500.000.

Your Green Package will 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, except as provided in 935 CMR 500.105(10)(b) or otherwise approved by the Commission. The deductible for each policy will be no higher than \$5,000 per occurrence. If adequate coverage is unavailable at a reasonable rate, Your Green Package will place in escrow at least \$250,000 to be expended for liabilities coverage (or such other amount approved by the Commission). Any withdrawal from such escrow will be replenished within 10 business days of any expenditure. Your Green Package will keep reports documenting compliance with 935 CMR 500.105(10) in a manner and form determined by the Commission pursuant to 935 CMR 500.000.

Prior to commencing operations, Your Green Package will provide proof of having obtained a surety bond in an amount equal to its licensure fee payable to the Marijuana Regulation Fund. The bond will ensure payment of the cost incurred for winding down business operations. If Your Green Package is unable to secure a surety bond, it will place in escrow a sum of no less

than \$5,000 or such other amount approved by the Commission, to be expended for coverage of liabilities. The escrow account will be replenished within ten business days of any expenditure required under 935 CMR 500.105: *General Operational Requirements for Marijuana Establishments* unless Your Green Package has ceased operations. Documentation of the replenishment will be promptly sent to the Commission.

#### PRICING STRUCTURE

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Your Green Package's pricing structure will vary based on market conditions and negotiations with retailers. Your Green Package plans to provide exceptional, efficient delivery services with a user-friendly interface and will price its services accordingly. Your Green Package and the retailers it contracts with will determine when and how the end Customer pays. Through the experience of its executive management team, Your Green Package is cognizant of competitive pricing structures and offering the most value it can to Customers and retailers.

#### MARKETING & SALES

##### GROWTH STRATEGY

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Your Green Package's plan to grow the company includes:

1. Strong and consistent branding;
2. Intelligent, targeted, and compliant marketing programs;
3. An exemplary customer experience for consumers, patients, and retailers; and
4. A caring and thoughtful staff made of consummate professionals.

As Your Green Package grows, Your Green Package plans to expand both the municipalities in which we offer delivery services and the number of delivery vehicles and agents we employ, thereby expanding our footprint in Massachusetts. Your Green Package will develop sales and financial benchmarks to determine whether and when we will expand our delivery services.

#### COMMUNICATION

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Your Green Package will engage in reasonable marketing, advertising, and branding practices that do not jeopardize the public health, welfare, or safety of the general public, or promote the diversion of marijuana or marijuana use in individuals younger than 21 years old. Any such marketing, advertising, and branding created for viewing by the public will include the statement: "Please Consume Responsibly," in a conspicuous manner on the face of the advertisement and will include a minimum of two of the warnings, located at 935 CMR 500.105(4)(a), in their entirety in a conspicuous manner on the face of the advertisement.

All marketing, advertising, and branding produced by or on behalf of Your Green Package will include the following warning, including capitalization, in accordance with M.G.L. c. 94G, § 4(a½)(xxvi): "This product has not been analyzed or approved by the Food and Drug Administration (FDA). There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN. There may be health risks associated with consumption of this product. Marijuana can impair concentration, coordination, and judgment. The impairment effects of edible marijuana may be delayed by two

hours or more. In case of accidental ingestion, contact poison control hotline 1-800-222-1222 or 9-1-1. This product may be illegal outside of MA.”

Your Green Package will seek events where 85% or more of the audience is reasonably expected to be 21 years of age or older, as determined by reliable, current audience composition data. At these events, Your Green Package will market its products and services to reach a wide range of qualified consumers.

Your Green Package will communicate with customers through:

1. A company run website;
2. A company blog;
3. Popular cannabis discovery networks such as WeedMaps and Leafly;
4. Popular social media platforms such as Instagram, Facebook, Twitter, and SnapChat; and
5. Opt-in direct communications.

## SALES

Your Green Package will sell its services by engaging Customers with a robust social media marketing campaign, while engaging Retailers with our top-of-the-line delivery services that can drastically increase their Customer base.

Your Green Package will work with Retailers to ensure that all Products that are delivered to Customers are sold in tamper or child-resistant packaging. Packaging for Products sold to Customers, including any label or imprint affixed to any packaging containing Products or any exit packages, will not be attractive to minors.

Packaging for Products sold to Customers in multiple servings will allow a Customer to easily perform the division into single servings and include the following statement on the exterior of the package in a printed font that is no smaller than ten-point Times New Roman, Helvetica, or Arial, including capitalization: “INCLUDES MULTIPLE SERVINGS.” Your Green Package will not sell multiple serving beverages and each single serving of an edible marijuana product contained in a multiple-serving package will be marked, stamped, or otherwise imprinted with the symbol issued by the Commission under 935 CMR 500.105(5) that indicates that the single serving is a marijuana product. In no instance will an individual serving size of any Product contain more than five (5) milligrams of delta-nine tetrahydrocannabinol.

While engaging retailers, Your Green Package will ensure that packaging and labeling standards are met prior to agreeing to deliver Products for any retailer.

## LOGO

Your Green Package will develop a logo to be used for its marketing and branding on its website, delivery platform, and social media accounts. The logo will be discreet, unassuming, and will not use marijuana symbols, images of marijuana, related paraphernalia, or colloquial references to cannabis or marijuana. The logo will not be used for Your Green Package’s vehicles, as those will have no external markings, words, or symbols that indicate the vehicle is being used for home delivery.



## FINANCIAL PROJECTIONS

- Break Even by Q1 2021
- Expected Revenue 100k+ dependent on regulatory environment

## CLOSING REMARKS

Your Green Package has the experience and know-how to safely and efficiently deliver marijuana and marijuana products to consumers and registered, qualifying patients throughout the Commonwealth. Your Green Package hopes to bring its high-quality standards to adult-use consumers and registered, qualifying patients to provide them with convenient, expanded access to the products that they need without the continuous need to step outside of their homes. Your Green Package's security systems and technology-driven logistics will also help ensure safe and secure deliveries that will help deter and prevent diversion.

Your Green Package is well positioned in the cannabis delivery market to contribute to the continued growth of the Massachusetts cannabis industry. Your Green Package is comprised of a highly experienced team of successful operators and industry influencers working under an established framework of high quality standard operating procedures and growth strategies. We look forward to working cooperatively with municipalities, retailers, and consumers to increase access, spread financial benefits, and further reduce any stigmas associated with cannabis.

## MAINTAINING OF FINANCIAL RECORDS

Faded LLC (“Your Green Package”) operating policies and procedures ensure financial records are accurate and maintained in compliance with the Commission’s Adult Use of Marijuana regulations (935 CMR 500). Your Green Package will deliver marijuana and marijuana products directly to consumers from a Marijuana retailer or MTC with whom Your Green Package has a Delivery Agreement. All agreements between Your Green Package and a marijuana retailer will be disclosed under the requirements of licensure in 935 CMR 500.101 and subject to limitations on control over Licenses under 935 CMR 500.050(1)(a). Your Green Package will notify the Commission of any substantial modifications to the delivery agreement. Financial records maintenance measures include policies and procedures requiring that:

- Confidential information will be maintained in a secure location, kept separate from all other records, and will not be disclosed without the written consent of the individual to whom the information applies, or as required under law or pursuant to an order from a court of competent jurisdiction; provided however, the Commission may access this information to carry out its official duties.
- All recordkeeping requirements under 935 CMR 500.105(9) are followed, including:
  - Keeping written business records, available for inspection, and in accordance with generally accepted accounting principles, which will include manual or computerized records of:
    - Assets and liabilities;
    - Monetary transactions;
    - Books of accounts, which will include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
    - 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 nature.
- All applicable sales recording requirements under 935 CMR 500.140(5) are followed, including:
  - Utilizing a sales recording module approved by DOR;
  - Prohibiting the use of software or other methods to manipulate or alter sales data;
  - Conducting a monthly analysis of its equipment and sales data, and maintaining records, available to the Commission upon request, that the monthly analysis has been performed;
    - If Your Green Package 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: 1. it shall immediately disclose the information to the Commission; 2. it shall cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and 3. take such other action directed by the Commission to comply with 935 CMR 500.105.
  - Complying with 830 CMR 62C.25.1: *Record Retention* and DOR Directive 16-1 regarding recordkeeping requirements;
  - Maintaining such records that would allow for the Commission and the DOR to audit and examine the financial recording system used in order to ensure compliance with Massachusetts tax laws and 935 CMR 500; and



- Additional written business records will be kept, including, but not limited to, records of:
  - Compliance with liability insurance coverage or maintenance of escrow requirements under 935 CMR 500.105(10) and all bond or escrow requirements under 935 CMR 500.105(16);
  - Fees paid under 935 CMR 500.005 or any other section of the Commission's regulations; and
  - Fines or penalties, if any, paid under 935 CMR 500.360 or any other section of the Commission's regulations.
- License Renewal Records
  - Your Green Package will keep and submit as a component of the renewal application documentation that the establishment requested from its Host Community the records of any cost to a city or town reasonably related to the operation of the establishment, which would include the city's or town's anticipated and actual expenses resulting from the operation of the establishment in its community. The applicant will provide a copy of the electronic or written request, which should include the date of the request, and either the substantive response(s) received or an attestation that no response was received from the city or town. The request should state that, in accordance with M.G.L. c. 94G, § 3(d), any cost to a city or town imposed by the operation of a Marijuana Establishment or MTC will be documented and considered a public record as defined by M.G.L. c. 4, § 7, cl.

## PERSONNEL POLICIES INCLUDING BACKGROUND CHECKS

Faded LLC (“Your Green Package”) will securely maintain personnel records, including registration status and background check records. Your Green Package will keep, at a minimum, the following personnel records:

- Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
- A personnel record for each marijuana establishment agent;
- A staffing plan that will demonstrate business hours and safe work conditions;
- Personnel policies and procedures; and
- All background check reports obtained in accordance with 935 CMR 500.030.

### AGENT PERSONNEL RECORDS

In compliance with 935 CMR 500.105(9), personnel records for each agent will be maintained for at least twelve (12) months after termination of the agent’s affiliation with Your Green Package and will include, at a minimum, the following:

- All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
- Documentation of verification of references;
- The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;
- 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;
- Documentation of periodic performance evaluations;
- A record of any disciplinary action taken;
- Notice of completed responsible vendor and eight-hour related duty training; and
- Results of initial background investigation, including CORI reports.

Personnel records will be kept in a secure location to maintain confidentiality and be only accessible to the agent’s manager or members of the executive management team.

### AGENT BACKGROUND CHECKS

- In addition to completing the Commission’s agent registration process, all agents hired to work for Your Green Package will undergo a detailed background investigation prior to being granted access to a Your Green Package facility or vehicle or beginning work duties.
- Background checks will be conducted on all agents in their capacity as employees or volunteers for Your Green Package pursuant to 935 CMR 500.030 and will be used by the Chief Executive Officer, who will be registered with the Department of Criminal Justice Information Systems pursuant to 803 CMR 2.04: iCORI Registration and the

Commission for purposes of determining the suitability of individuals for registration as a marijuana establishment agent with Your Green Package.

- For purposes of determining suitability based on background checks performed in accordance with 935 CMR 500.030, Your Green Package will consider:
  - a. All conditions, offenses, and violations are construed to include Massachusetts law or like or similar law(s) of another state, the United States or foreign jurisdiction, a military, territorial or Native American tribal authority, or any other jurisdiction.
  - b. All criminal disqualifying conditions, offenses, and violations include the crimes of attempt, accessory, conspiracy, and solicitation. Juvenile dispositions will not be considered as a factor for determining suitability.
  - c. Where applicable, all look-back periods for criminal conditions, offenses, and violations included in 935 CMR 500.802 commence upon the date of disposition; provided, however, that if disposition results in incarceration in any institution, the look-back period will commence upon release from incarceration.
- Suitability determinations will be made in accordance with the procedures set forth in 935 CMR 500.800. In addition to the requirements established in 935 CMR 500.800, Your Green Package will:
  - a. Comply with all guidance provided by the Commission and 935 CMR 500.802: Table B to determine if the results of the background are grounds for Mandatory Disqualification or Presumptive Negative Suitability Determination.
  - b. Consider whether offense(s) or information that would result in a Presumptive Negative Suitability Determination under 935 CMR 500.802. In the event a Presumptive Negative Suitability Determination is made, Your Green Package will consider the following factors:
    - i. Time since the offense or incident;
    - ii. Age of the subject at the time of the offense or incident;
    - iii. Nature and specific circumstances of the offense or incident;
    - iv. Sentence imposed and length, if any, of incarceration, if criminal;
    - v. Penalty or discipline imposed, including damages awarded, if civil or administrative;
    - vi. Relationship of offense or incident to nature of work to be performed;
    - vii. Number of offenses or incidents;
    - viii. Whether offenses or incidents were committed in association with dependence on drugs or alcohol from which the subject has since recovered;
    - ix. If criminal, any relevant evidence of rehabilitation or lack thereof, such as information about compliance with conditions of parole or probation, including orders of no contact with victims and witnesses, and the subject's conduct and experience since the time of the offense including, but not limited to, professional or educational certifications obtained; and
    - x. Any other relevant information, including information submitted by the subject.

- c. Consider appeals of determinations of unsuitability based on claims of erroneous information received as part of the background check during the application process in accordance with 803 CMR 2.17: Requirement to Maintain a Secondary Dissemination Log and 2.18: Adverse Employment Decision Based on CORI or Other Types of Criminal History Information Received from a Source Other than the DCJIS.
  - All suitability determinations will be documented in compliance with all requirements set forth in 935 CMR 500 et seq. and guidance provided by the Commission.
  - Background screening will be conducted by an investigative firm holding the National Association of Professional Background Screeners (NAPBS®) Background Screening Credentialing Council (BSCC) accreditation and capable of performing the searches required by the regulations and guidance provided by the Commission.
  - References provided by the agent will be verified at the time of hire.
  - As a condition of their continued employment, agents, volunteers, contractors, and subcontractors are required to renew their Program ID cards annually and submit to other background screening as may be required by Your Green Package or the Commission.

## PERSONNEL POLICIES AND TRAINING

As outlined in Your Green Package's Record Keeping Procedures, a staffing plan and staffing records will be maintained in compliance with 935 CMR 500.105(9) and will be made available to the Commission, upon request. All Your Green Package agents are required to complete training as detailed in Your Green Package's Qualifications and Training plan which includes but is not limited to Your Green Package's strict alcohol, smoke and drug-free workplace policy, job specific training, Responsible Vendor Training Program, confidentiality training including how confidential information is maintained by Your Green Package and a comprehensive discussion regarding Your Green Package's policy for immediate dismissal. All training will be documented in accordance with 935 CMR 105(9)(d)(2)(d).

Your Green Package will have a policy for the immediate dismissal of any dispensary agent who has:

- Diverted marijuana, which will be reported the Police Department and to the Commission;
- Engaged in unsafe practices with regard to Your Green Package's operations, which will be reported to the Commission; or
- Been convicted or entered a guilty plea, plea of *nolo contendere*, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority.

Firearms are strictly prohibited from Your Green Package vehicles and from Your Green Package agents performing home deliveries.

All individuals delivering Marijuana and Marijuana Products for Your Green Package directly to Consumers will be employees of Your Green Package and will hold a valid Your Green Package agent registration.



## RECORDKEEPING

Faded LLC (“Your Green Package”) has established policies regarding recordkeeping and record-retention in order to ensure the maintenance, safe keeping, and accessibility of critical documents. Electronic and wet signatures are accepted forms of execution of Your Green Package documents. Records will be stored at Your Green Package in a locked room designated for record retention. Records will be maintained in accordance with generally accepted accounting principles per 935 CMR 500.105(9).

To ensure that Your Green Package is keeping and retaining all records as noted in this policy, reviewing Corporate Records, Business Records, and Personnel Records to ensure completeness, accuracy, and timeliness of such documents will occur as part of Your Green Package’s quarter-end closing procedures. In addition, Your Green Package’s operating procedures will be updated on an ongoing basis as needed and undergo a review by the executive management team on an annual basis.

- Corporate Records

Corporate Records are defined as those records that require, at a minimum, annual reviews, updates, and renewals, including:

- Insurance Coverage:
  - Directors & Officers Policy
  - Product Liability Policy
  - General Liability Policy
  - Umbrella Policy
  - Workers Compensation Policy
  - Employer Professional Liability Policy
- Third-Party Contracts
- Delivery Agreements
- Commission Requirements:
  - Annual Agent Registration
  - Annual Marijuana Establishment Registration
- Local Compliance:
  - Certificate of Occupancy
  - Special Permits
  - Variances
  - Site Plan Approvals
  - As-Built Drawings
- Corporate Governance:
  - Annual Report
  - Secretary of Commonwealth Filings

- Business Records

Business Records require ongoing maintenance and updates. These records can be electronic or hard copy (preferably electronic) and at minimum include:

- Assets and liabilities;
- Monetary transactions;
- Books of accounts, which will include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
- Sales records including the quantity, form, and cost of marijuana products;

- 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 Your Green Package.
- Personnel Records
  - At a minimum, Personnel Records will include:
    - Job descriptions for each agent and volunteer position, as well as organizational charts consistent with the job descriptions;
    - A personnel record for each marijuana establishment agent. Such records will be maintained for at least twelve (12) months after termination of the agent's affiliation with Your Green Package and will include, at a minimum, the following:
      - All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
      - Documentation of verification of references;
      - The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;
      - 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;
      - Documentation of periodic performance evaluations; and
      - A record of any disciplinary action taken.
      - Notice of completed responsible vendor and eight-hour related duty training.
    - A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;
    - Personnel policies and procedures; and
    - All background check reports obtained in accordance with 935 CMR 500.030: Registration of Marijuana Establishment Agents 803 CMR 2.00: Criminal Offender Record Information (CORI).
- Handling and Testing of Marijuana Records
  - Your Green Package will maintain the results of all testing for a minimum of one (1) year.
- **Inventory Records as required by 935 CMR 500.105(8) and 935 CMR 500.105(9)**
  - The record of each inventory will include, at a minimum, the date of the inventory, a summary of the inventory findings, and the names, signatures, and titles of the agents who conducted the inventory.
- Waste records will be held for three years per 935 CMR 500.105(12)
- Seed-to-Sale Tracking Records
  - Your Green Package will use Metrc as the seed-to-sale tracking software to maintain real-time inventory.
- Incident Reporting Records
  - Within ten (10) calendar days, Your Green Package will provide notice to the Commission of any incident described in 935 CMR 500.110(9)(a), by submitting an incident report in the form and manner determined by the Commission which details the circumstances of the event, any corrective action taken, and

confirmation that the appropriate law enforcement authorities were notified within twenty-four (24) hours of discovering the breach or incident .

- All documentation related to an incident that is reportable pursuant to 935 CMR 500.110(9)(a) will be maintained by Your Green Package for no less than one year or the duration of an open investigation, whichever is longer, and made available to the Commission and law enforcement authorities within Your Green Package's jurisdiction on request.
- Visitor Records
  - A visitor sign-in and sign-out log will be maintained at the security office. The log will include the visitor's name, address, organization or firm, date, time in and out, and the name of the authorized agent who will be escorting the visitor.
- Security Records
  - A current list of authorized agents and service personnel that have access to the surveillance room will be available to the Commission upon request.
  - Recordings from all video cameras which shall be enabled to record twenty-four (24) hours each day shall be available for immediate viewing by the Commission on request for at least the preceding ninety (90) calendar days or the duration of a request to preserve the recordings for a specified period of time made by the Commission, whichever is longer.
  - Recordings shall not be destroyed or altered and shall be retained as long as necessary if Your Green Package is aware of pending criminal, civil or administrative investigation or legal proceeding for which the recording may contain relevant information.
- Transportation Records
  - Your Green Package will retain all transportation manifests for a minimum of one (1) year and make them available to the Commission upon request.
- Vehicle Records
  - Records that any and all of Your Green Package's vehicles are properly registered, inspected, and insured in the Commonwealth and shall be made available to the Commission on request.
- Agent Training Records
  - Documentation of all required training, including training regarding privacy and confidentiality requirements, and a signed statement of the individual indicating the date, time, and place he or she received the training, the topics discussed and the name and title of the presenter(s).
- Responsible Vendor Training
  - Your Green Package 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.
- Closure
  - In the event Your Green Package closes, all records will be kept for at least two (2) years at Your Green Package's expense in a form (electronic, hard copies, etc.) and location acceptable to the Commission. In addition, Your Green Package will communicate with the Commission during the closure process and



accommodate any additional requests the Commission or other agencies may have.

- **Written Operating Policies and Procedures as required by 935 CMR 500.105(1)**  
**Policies and Procedures related to Your Green Package's operations will be updated on an ongoing basis as needed and undergo a review by the executive management team on an annual basis.**
- License Renewal Records
  - Your Green Package shall keep and submit as a component of the renewal application documentation that the establishment requested from its Host Community the records of any cost to a city or town reasonably related to the operation of the establishment, which would include the city's or town's anticipated and actual expenses resulting from the operation of the establishment in its community. The applicant shall provide a copy of the electronic or written request, which should include the date of the request, and either the substantive response(s) received or an attestation that no response was received from the city or town. The request should state that, in accordance with M.G.L. c. 94G, § 3(d), any cost to a city or town imposed by the operation of a Marijuana Establishment or MTC shall be documented and considered a public record as defined by M.G.L. c. 4, § 7, cl. 26.

## MANIFESTS

Every home delivery will have a manifest produced by the originating marijuana establishment. A manifest will be completed in duplicate, with the original manifest remaining with the originating marijuana retailer, and a copy to be kept with Your Green Package. The manifest will be signed by the consumer receiving the Products and the marijuana establishment agent acting on behalf of Your Green Package. A signed manifest will serve as the written record of the completion of the delivery.

The manifest must, at a minimum, include:

1. The originating marijuana retailer name, address, and License number;
2. The name and License number of Your Green Package;
3. The names and marijuana establishment agent numbers of the marijuana establishment agents performing the delivery;
4. The consumer's name and address;
5. A description of the Products being transported, including the weight and form or type of product;
6. Signature lines for the agents who transported the Products;
7. A signature line for consumer who receives the Products; and
8. The Your Green Package vehicle make, model, and license plate number.

The manifest will be maintained within the vehicle during the entire transportation process, until all deliveries are completed. All manifests will be retained for no less than one year and made available to the Commission upon request.

A separate log will be maintained for each delivery. For each delivery, Your Green Package agents will record:

1. The location of the originating marijuana establishment and date and time the vehicle leaves the location;
2. The mileage of the transporting vehicle at departure from the marijuana establishment, the mileage on arrival at each Consumer destination, and mileage on return to the marijuana establishment;
3. The date and time of departure from the marijuana establishment and arrival at each consumer destination for each delivery; and
4. An entry indicating the date and time of the last delivery in an order.

Your Green Package will ensure that all orders for delivery will comply with the regulations pursuant to 935 CMR 500.145(2).

### **THIRD-PARTY PLATFORMS**

Your Green Package may use a third-party technology platform to facilitate the ordering of marijuana and marijuana products. This provider will comply with all privacy and consumer protection standards. Any agreement between Your Green Package and third-party technology platform provider will be available for inspection pursuant to 935 CMR 500.101 and control limitations pursuant to CMR 500.050(1)(a). Your Green Package will notify the Commission within five (5) days of any modification to an agreement with third-party technology platform provider and any new, additional, or assigned agreements with the provider.

### **DELIVERY AGREEMENTS**

Your Green Package may deliver Marijuana or Marijuana Products directly to Consumers from a Marijuana Retailer or MTC with which the Delivery-only Licensee has a Delivery Agreement. A Marijuana Retailer that has entered into Delivery Agreements with Your Green Package for the purpose of transacting home deliveries to Consumers shall establish a Pre-verification process for Consumers who intend to place orders for delivery with the Marijuana Establishment. Your Green Package will only obtain Marijuana or Marijuana Products for delivery from a licensed Marijuana Retailer with which Your Green Package has a Delivery Agreement. All agreements between Your Green Package will be disclosed under the requirements of licensure in 935 CMR 500.101 and subject to limitations on control over Licenses under 935 CMR 500.050(1)(a). The Commission will be notified in writing of any substantial modification to a Delivery Agreement.

### **RECORD-RETENTION**

Your Green Package will meet Commission recordkeeping requirements and retain a copy of all records for two (2) years, unless otherwise specified in the regulations.



# YOUR GREEN PACKAGE

## **Your Green Package Positive Diversity Plan:**

**Goal #1:** 80% of Your Green Package's Executive Leadership and Board will be made up of either (40%) Minorities or (40%) Women.

**Programs:** Your Green Package's existing leadership team will attend diverse networking events to meet the talent that may fit these roles. Networking opportunities include virtual mixers and industry conferences that attract diverse talent. Your Green Package intends on attending events held by organizations such as MJBizCon, the Massachusetts Cannabis Association for Delivery, and Elevate no less than four times annually at the locations where they are advertised, which may be in person or virtual.

### **Measurement & Accountability:**

Upon Provisional License renewal, we will assess what percentage of our leadership team and board came from these groups based on voluntary surveys. At least 40 percent of our Executive Leadership and Board must identify as minorities and at least 40 percent of our Executive Leadership and Board must identify as women.

We will also measure which was the most effective method for hiring from these areas and make adjustments accordingly.

**Goal #2:** Your Green Package's employees will identify as:

- Minorities (50%)
- Women (25%)
- LGBTQ+ (10%)
- People with Disabilities (10%)
- Veterans (15%)

**Programs:** Your Green Package's existing leadership team will attend diverse networking events to meet the talent that may fit these roles. Networking opportunities include virtual mixers and industry conferences that attract diverse talent. Also, we will post to job boards that target minorities such as Blackjobs.com, United Latino Job Bank, LatPro.com, Black Career Network, HBCU Connect, Asian Hires, NAAAP Career Center, iHispano, Diversity Inc., and Diversity Job Board.

### **Measurement & Accountability:**



# YOUR GREEN PACKAGE

Upon hire, employees will be asked to fill out a voluntary survey relative to diversity. Upon Provisional License renewal, we will assess what percentage of Your Green Package's employees identify as each of the following by reviewing the survey responses and reporting the number of employees that identify as :

- Minorities (50%)
- Women (25%)
- LGBTQ+ (10%)
- People with Disabilities (10%)
- Veterans (15%)

Faded will adhere to the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of Marijuana Establishments.

Any actions taken, or programs instituted, by Faded will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.