Massachusetts Cannabis Control Commission

Marijuana Product Manufacturer

General Information:

License Number: MP281436

Original Issued Date: 02/10/2020

Issued Date: 01/14/2021

Expiration Date: 02/10/2022

ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: LDE Holdings, LLC.

Phone Number: 508-317-6082 **Email Address:** Jesse@traderoots.buzz

Business Address 1: 74 Snows Pond Rd **Business Address 2:**

Business City: Rochester **Business State:** MA **Business Zip Code:** 02770

Mailing Address 1: 74 Snows Pond Rd **Mailing Address 2:**

Mailing City: Rochester **Mailing State:** MA **Mailing Zip Code:** 02770

CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

PRIORITY APPLICANT

Priority Applicant: no

Priority Applicant Type: Not a Priority Applicant

Economic Empowerment Applicant Certification Number:

RMD Priority Certification Number:

RMD INFORMATION

Name of RMD:

Department of Public Health RMD Registration Number:

Operational and Registration Status:

To your knowledge, is the existing RMD certificate of registration in good standing?:

If no, describe the circumstances below:

PERSONS WITH DIRECT OR INDIRECT AUTHORITY

Person with Direct or Indirect Authority 1

Percentage Of Ownership: 32.7 **Percentage Of Control:** 32.7

Role: Owner / Partner **Other Role:** Chief Executive Officer

First Name: Jesse **Last Name:** Pitts **Suffix:**

Gender: Male **User Defined Gender:**

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

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 2

Percentage Of Ownership: 25.67 **Percentage Of Control:** 25.67

Role: Owner / Partner **Other Role:** President

First Name: Carl **Last Name:** Giannone **Suffix:**

Gender: Male **User Defined Gender:**

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

Specify Race or Ethnicity:

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

No records found

CLOSE ASSOCIATES AND MEMBERS

No records found

CAPITAL RESOURCES - INDIVIDUALS

No records found

CAPITAL RESOURCES - ENTITIES

Entity Contributing Capital 1

Entity Legal Name: Toria Group LLC **Entity DBA:**

Email: vickfeng@hotmail.com **Phone:** 929-360-3094

Address 1: 222 Broadway **Address 2:** Unit 2406

City: New York **State:** NY **Zip Code:** 10038

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 ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 6 Thather Ln

Establishment Address 2:

Establishment City: Wareham **Establishment Zip Code:** 02571

Approximate square footage of the Establishment: 16600 **How many abutters does this property have?:** 11

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

HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan to Remain Compliant with Local	Compliance Plan.pdf	pdf	5b4f476d5af6a93eb9cd89be	07/18/2018

Zoning				
Community Outreach Meeting Documentation	Community Outreach Attestation Form.pdf	pdf	5b96c00a8d67cc394b81cf2b	09/10/2018
Certification of Host Community Agreement	HCA Certification Form (Wareham).pdf	pdf	5b96c198d389b22d7bd652cc	09/10/2018
Community Outreach Meeting Documentation	Legal Ad (acutal ad).pdf	pdf	5b96e9de5e9b3d2d528a8eb5	09/10/2018
Community Outreach Meeting Documentation	Legal Ad Letters to Town .pdf	pdf	5b96ea23185bb22d710674e3	09/10/2018

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.: $-1

PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	Positive Impact Plan TR (re RFI4).pdf	pdf	5d38dcb9d0f20f3403713045	07/24/2019

ADDITIONAL INFORMATION NOTIFICATION

Notification: I Understand

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: **Other Role:**

First Name: Jesse **Last Name:** Pitts **Suffix:**

RMD Association: Not associated with an RMD

Background Question: yes

Individual Background Information 2

Role: **Other Role:**

First Name: Carl **Last Name:** Giannone **Suffix:**

RMD Association: Not associated with an RMD

Background Question: no

ENTITY BACKGROUND CHECK INFORMATION

No records found

MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Department of Revenue - Certificate of Good standing	Certificate of Good Standings.pdf	pdf	5b4911cda18777320b0d7fd1	07/13/2018
Secretary of Commonwealth - Certificate of Good Standing	Certificate of Good Standings Sec State.pdf	pdf	5b4911eba074053215ddb081	07/13/2018
Articles of Organization	Articles of Organization (1).pdf	pdf	5b4912015c57ce321fac563d	07/13/2018

Bylaws	Operating Agreement LDE.pdf	pdf	5b491246dbc95d3229ac475d	07/13/2018

Certificates of Good Standing:

Document Category	Document Name	Type	ID	Upload Date
Department of Revenue - Certificate of Good standing	Certificate of good standing dor 2020.pdf	pdf	5fb2d20a5b823307b79b8220	11/16/2020
Department of Unemployment Assistance - Certificate of Good standing	Cert good standing unemployment.pdf	pdf	5fb2d2184a2789086108e8ff	11/16/2020
Secretary of Commonwealth - Certificate of Good Standing	Scanned Documents.pdf	pdf	5fd12c1b5ea0dd074817b9ae	12/09/2020

Massachusetts Business Identification Number: 001312718

Doing-Business-As Name: Trade Roots

DBA Registration City: Rochester

BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for Liability Insurance	Compliance CMR935 (10) Insurance ltr (1).pdf	pdf	5b4913bcc7cb5d31f7ff8ac5	07/13/2018
Business Plan	Trade Roots Business Plan v11.14 (post NDA, for distribution).pdf	pdf	5bf81c7ce18f9d0d73850d9f	11/23/2018
Proposed Timeline	Trade Roots updated Timeline.pdf	pdf	5fb2d249dfcf9f07cd9463b6	11/16/2020

OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Transportation of marijuana	Transportation of Marijauna.pdf	pdf	5b4f523785e0cc3ea5b9070d	07/18/2018
Dispensing procedures	Dispensing Procedures.pdf	pdf	5b4f52b2ce21983ed7e4022e	07/18/2018
Restricting Access to age 21 and older	Restricting Access to 21 (2).pdf	pdf	5b4f5403b0153b3eaf4b3f9b	07/18/2018
Maintaining of financial records	Maintenance of Financial Records (1).pdf	pdf	5b4f5536dbc95d3229ac49d6	07/18/2018
Method used to produce products	Methods of Extraction.pdf	pdf	5b7af6635e9b3d2d528a76c3	08/20/2018
Sample of unique identifying marks used for branding	Trade Roots Logo.pdf	pdf	5b7af77ad389b22d7bd63b37	08/20/2018
Qualifications and training	Trade Roots Qualifications and Training.pdf	pdf	5b96f0cada72283955c620c7	09/10/2018
Record Keeping procedures	Record Keeping P and P.pdf	pdf	5b96f12faa953e3937b5b57d	09/10/2018
Personnel policies including background checks	Trade Roots Personnel Policies and Procedures.pdf	pdf	5b96f1568d67cc394b81cf45	09/10/2018
Security plan	Trade Roots Security Plan .pdf	pdf	5b96f1b83f9f81395f1370f1	09/10/2018
Quality control and testing	Quality Control and Testing P and P.pdf	pdf	5b96f1f85a6f093923e5140b	09/10/2018

Storage of marijuana	Storage of Marijuana P and P.pdf	pdf	5b96f2963774233941395615	09/10/2018
Inventory procedures	Trade Roots Inventory Policies and Procedures .pdf	pdf	5b96f301da72283955c620cd	09/10/2018
Types of products Manufactured.	TR Products.pdf	pdf	5bf834622d1cf504966f3933	11/23/2018
Diversity plan	FHBOSTON-#5031733-ver1-FH 10.31.2020 Trade Roots Diversity Plan .pdf	pdf	5fb2d32a0daeb60847fad6b5	11/16/2020
Energy Compliance Plan	Energy Compliance Plan-2.pdf	pdf	5fd12dff418c5607a11da6d9	12/09/2020

ATTESTATIONS

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

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

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

Notification: I Understand

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

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

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

ADDITIONAL INFORMATION NOTIFICATION

Notification: I Understand

COMPLIANCE WITH POSITIVE IMPACT PLAN
Progress or Success Goal 1

Description of Progress or Success: LDE Holdings, LLC. has not commenced operations and has not started the hiring process, therefore has not initiated the positive impact plan.

COMPLIANCE WITH DIVERSITY PLAN
Diversity Progress or Success 1

Description of Progress or Success: LDE Holdings LLC. has not commenced operations or hiring therefore has not initiated its Diversity Plan.

PRODUCT MANUFACTURER SPECIFIC REQUIREMENTS
Item 1
Label Picture:

Document Category	Document Name	Type	ID	Upload Date
	Trade Roots updated Timeline.pdf	pdf	5fb2d45add2d7407beded4ea	11/16/2020

Name of Item: Not operational **Item Type:** Concentrate

Item Description: Trade Roots is not operational yet.

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:** 10:00 PM
Saturday From: 8:00 AM	**Saturday To:** 9:00 PM
Sunday From: 8:00 AM	**Sunday To:** 9:00 PM

Compliance Plan

LDE Holdings, LLC is currently interviewing lawyers for the role of "compliance officer." S/he will work in parallel with upper management and act as an internal regulator working hand in hand with state and local regulators and municipalities.

LDE has been working closely with Warehams' Town Planner, Town Administrator, the Select Board, and the Zoning Board of Appeals to draft reasonable zoning regulations and local bylaws. Wareham voted in favor of the proposed zoning regulations and bylaws at a Special Town Meeting on March 12th.

LDE has a purchase and sale agreement (contingent on prelicensure) on a building within the proper zone and have executed a Host Community Agreement (1 of 3 available) with the Town of Wareham.

LDE is working with The Town of Wareham to obtain a Special Permit to operate at 6 Thatcher Ln. in the Wareham Industrial Park (All adult use cannabis zones in Wareham require a special permit). A hearing for the special permit will be held on August 8th. A site plan is currently being developed by local Engineering firm GAF Engineering Inc.

LDE will ensure cultivation and cultivation rooms will be in compliance with 105 CMR 725. l l 0 and cultivation will be consistent with U.S. Dept. of Agriculture requirements at 7 CFR Part 205 and in compliance with applicable provisions of 105 CMR 725.105.

LDE will periodically review all procedures with outside legal counsel (Foley and Hoag LLP) and/or the corporation's certified public accountant (Jim Marty at BridgeWest CPAs) to ensure that they are in compliance with new or revised regulations

LDE will continue to work with local officials to maintain compliance and public safety.

Cannabis Control Commission
COMMONWEALTH OF MASSACHUSETTS

Community Outreach Meeting Attestation Form

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

I, Jesse Pitts, (*insert name*) attest as an authorized representative of LDE Holdings, LLC. (*insert name of applicant*) that the applicant has complied with the requirements of 935 CMR 500 and the guidance for licensed applicants on community outreach, as detailed below.

1. The Community Outreach Meeting was held on 4/26/2018 (*insert date*).

2. A copy of a notice of the time, place, and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was published in a newspaper of general circulation in the city or town on 4/19/2018 (*insert date*), which was at least seven calendar days prior to the meeting. A copy of the newspaper notice is attached as Attachment A (*please clearly label the newspaper notice in the upper right hand corner as Attachment A and upload it as part of this document).*

3. A copy of the meeting notice was also filed on 4/13/2018 (*insert date*) with the city or town clerk, the planning board, the contracting authority for the municipality, and local licensing authority for the adult use of marijuana, if applicable. A copy of the municipal notice is attached as Attachment B (*please clearly label the municipal notice in the upper right-hand corner as Attachment B and upload it as part of this document*).

4. Notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed on 4/13/2018 (*insert date*), which was at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town. A copy of one of the notices sent to abutters and parties of interest as described in this section is attached as Attachment C (*please clearly label the municipal notice in the upper right hand corner as Attachment C and upload it as part of this document; please only include a copy of one notice and please black out the name and the address of the addressee*).

Cannabis Control Commission
COMMONWEALTH OF MASSACHUSETTS

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

6. Community members were permitted to ask questions and receive answers from representatives of the Marijuana Establishment.

Cannabis Control Commission
COMMONWEALTH OF MASSACHUSETTS

Host Community Agreement Certification Form

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

Applicant

I, Jesse Pitts, (*insert name*) certify as an authorized representative of LDE Holdings, LLC (*insert name of applicant*) that the applicant has executed a host community agreement with the Town of Wareham (*insert name of host community*) pursuant to G.L.c. 94G § 3(d) on June 21, 2018 (*insert date*).

Signature of Authorized Representative of Applicant

Host Community

I, Derek Sullivan, (*insert name*) certify that I am the contracting authority or have been duly authorized by the contracting authority for the Town of Wareham (*insert name of host community*) to certify that the applicant and the Town of Wareham (*insert name of host community*) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on June 21, 2018 (*insert date*).

Signature of Contracting Authority or
Authorized Representative of Host Community

(Assessors Map 46A1, Lot 120) in the R-30 zoning district

Nazih Elkallassi, Chairman
First Notice: April 12, 2018
Second Notice: April 19, 2018

LEGAL NOTICE OF COMMUNITY OUTREACH MEETING REGARDING AN ADULT-USE MARIJUANA ESTABLISHMENT

LDE HOLDINGS LLC
74 Snows Pond Rd
Rochester MA 02770

Notice is hereby given that the LDE Holdings LLC (DBA: Trade Roots) of 74 Snows Pond Road, Rochester, MA 02770 will conduct a Community Outreach Meeting on the following matter on April 26, 2018 at the Wareham Multi-Service Center, 48 Marion Road, Selectmen Meeting Room #320, Wareham, MA 02571, at 6:00 P.M.

LDE Holdings LLC intends to apply for one or more of the following Adult-use Marijuana Establishment licenses: Marijuana Cultivator, Marijuana Product Manufacturer, Marijuana Retailer or Marijuana Transporter, to be located at 0 Thatcher Lane, Wareham Massachusetts, pursuant to M.G.L. Ch. 94G, and Chapter 55 of the Acts of 2017, and any other applicable laws and regulations promulgated thereunder, including those promulgated thereunder by the Massachusetts Cannabis Control Commission.

Information presented at the community outreach hearing shall include, but not be limited to:

1. The type(s) of Marijuana Establishment to be located at the proposed address;

2. Information adequate to demonstrate that the proposed Marijuana Establishment location will be maintained securely;

3. Steps to be taken by the Marijuana Establishment to prevent diversion to minors;

4. A plan by the Marijuana Establishment to positively impact the community; and

5. Information adequate to demonstrate that the location will not constitute a nuisance as defined by law.

Community members will be permitted, and are encouraged, to ask questions and receive answers from representatives of LDE Holdings LLC.

A copy of this notice is on file with the Town Clerk, the Board of Selectmen's office, and the Planning Department, all located at the Wareham Town Hall, 54 Marion Rd. Wareham MA 02571 and a copy of this Notice was mailed at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, owners of land directly opposite on any public or private street or way, and abutters to the abutters within three hundred (300) feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town.

ENGINEERING, INC.
ENGINEERS
SURVEYORS

266 MAIN ST.
WAREHAM, MA
02571
TEL 508.295.6600
FAX 508.295.6634

gaf@gaf-eng.com

COPY

April 13, 2017

VIA HAND DELIVERY
Wareham Selectmen
Town of Wareham
Community and Economic Development Authority
54 Marion Road
Wareham, MA 02571

Re: Legal Notice
LDE Holdings, LLC d/b/a Trade Roots
6 Thatcher Lane
Wareham, MA
G.A.F. Job No. 18-9100

Dear Sir/Madam:

Enclosed please find a copy of the Notice of Community Outreach Meeting regarding adult use marijuana proposed at 6 Thatcher Lane, Wareham.

Very truly yours,

William F. Madden, P.E.

WFM/ifm

Enclosures

Cc: Wareham Planning Board
Town Clerk
Trade Roots

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ENGINEERS
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266 MAIN ST.
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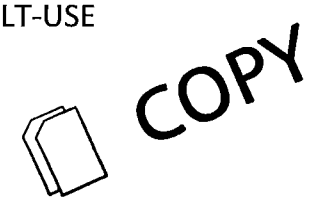
Trade Roots

LEGAL NOTICE OF COMMUNITY OUTREACH MEETING REGARDING AN ADULT-USE MARIJUANA ESTABLISHMENT



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Town of Wareham
Planning and Community Development

54 Marion Road
Wareham, MA 02571-1428

Phone: (508) 291-3100 x6501
Fax: (508) 291-3116
Email: kbuckland@wareham.ma.us

Kenneth Buckland, Director
Sonia Raposo, Dept. Assistant

November 16, 2020

Jesse Pitts
Trade Roots
Wareham MA

RE: Request for Records of Costs Related to Trade Roots, Wareham

Dear Mr. Pitts:

Regarding records of town costs related to your Wareham operation, I have the following statement:

Your establishment is not yet licensed to open, so the town costs to date have been in administrative functions. Since the operation has no income and no certain schedule for start-up, I believe it is premature to catalog and report costs associated with a non-operational local establishment.

If you have any questions please call.

Sincerely,

Kenneth Buckland
Director of Planning and Community Development

LDE Holdings, LLC (dba Trade Roots) Plan for Positive Impact

Goals:

- Implement a Hiring Plan with a focus on "Areas Disproportionately Affected," as defined by the Commission.
- Expand Pathways for Access and Success.
- Create a positive work environment by empowering employees.

Programs and Strategies:

Hiring Plan

1. Target, and hire "Affected Individuals," who are:
    a) Individuals that either reside, or have resided for 5 of the last 10 years, in an "Area Disproportionately Affected" as defined by the Commission;
    b) Individuals that reside in our Host Community of Wareham, which has been deemed by the Commission to be an "Area Disproportionately Affected" by the war on drugs;
    c) Massachusetts residents who have prior drug convictions and are not otherwise disqualified from employment at a Marijuana Establishment;
    d) Massachusetts residents with parents or spouses that have prior drug convictions; and/or
    e) Individuals that have been previously trained by the state Social Equity Program.
2. Hold bi-annual career fairs in Wareham and New Bedford.
3. Post open positions on the Employ DIVERSITY[1] (or similar) job board, and work with THC Staffing (contact: D. Schumacher) to source a robust group of qualified Affected Individuals to fill open positions within the company.

Expand Pathways for Access and Success

- Utilize best practices in mentoring and career support to help employees advance within the company.
- Incorporate equity and inclusion into hiring, review, and advancement procedures as per Compliance Training Group's module (completion of the module is a requirement for all managers) in consultation with our

[1] Although the name of this hiring resource suggests that it is a tool to support diversity hiring initiatives, the Employ DIVERSITY job board also includes broader functionality that will enable Trade Roots to identify and engage with Affected Individuals.

employment attorneys (at Eckert Seamans) who helped draft our employee handbook.

- Train all managers (retail, cultivation and manufacturing) at Tru-Cannabis (1630 N. Federal Blvd., Denver, CO) for 40+ hours (1 week), prior to assuming their roles. Train all hourly employees (retail, manufacturing, cultivation) for 40 hours (1 week), prior to assuming their roles (6 Thatcher Lane, Wareham MA). Hold daily meetings to continually train employees to perform their jobs better and learn to take on new responsibilities.
- Reinforce, through corporate culture, that "there are no 'dead end' jobs at Trade Roots."

Career Seminars

Trade Roots will hold bi-annual career seminars in Wareham and New Bedford. These will take place prior to our career fairs, and will consist of industry members explaining their roles and answering questions from the audience. The goal is to teach the community about the different opportunities in our industry and inspire community members to apply during the career fair.

Local Charitable Contributions:

Giving back to our Host Community and the surrounding areas is extremely important to Trade Roots. To that end, we are committed to making contributions to local charities. Understanding the legacy stigma of the cannabis industry, we have reached out to the following charities and have received their appreciation in advance:

1. The Boys and Girls Club of Greater New Bedford, Wareham Unit (contact: K. Fontes).
2. Wareham Cub Scouts (contact: K. Buckingham).
3. Wareham Junior Basketball Association (contact: T. Rose).
4. Wareham Alumni for the Continuation of Hockey (contact: S. Amaral).
5. Wareham Little League (contact: Q. Docanto).
6. The Kennedy-Donovan Center (contact: J. Tripp).

Measurement:

Modeled after the Commission's Citizen Review Committee, we are assembling a committee ("Advisory Committee") comprised of workers, management, hiring managers, owners and members of the local community of Wareham to oversee our initiatives and assess our progress towards our above-mentioned goals. Isidro

Thomas, a member of the (Assonet Band) Wampanoag Tribe and New Bedford resident, is the Advisory Committee Chair. Hiring managers will be required to maintain and provide hiring, retention and promotion metrics to the Advisory Committee for bi-annual review, and will be held accountable to make adjustments to meet our stated goals. Chair Thomas and the Advisory Committee will review this data and compare our results against the latest demographic data from our host community and the immediately surrounding areas and report to the Trade Roots Board of Directors. If we are able to exceed these statistics, we'd consider ourselves successful - with the mindset that we can always "do better." In addition, the Advisory Committee will confirm that Trade Roots has met or exceeded the first year performance metrics described below. If there are areas where we fall short, the Advisory Committee, working with Trade Roots management and the Board of Directors, will devise a plan to remedy the shortfall, and corrective action will be evaluated at the next scheduled bi-annual Advisory Committee meeting. Data to be evaluated includes:

- Number of employees and percentage that reside in MA;
- Number of employees and percentage that reside, or have resided 5 of the last 10 years, in areas disproportionately affected as defined by the Commission;
- Number of management positions held by employees that reside, or have resided 5 of the last 10 years, in areas disproportionately affected as defined by the Commission;
- Number of employees and percentage that have prior drug convictions;
- Number of management positions held by employees that have prior drug offenses;
- Number of employees and percentage that have been previously trained by the state Social Equity Program.

<u>First Year Performance Metrics:</u>

By the end of Trade Roots' first year of operations in Wareham, the company will:

1. Employ a workforce that is at least 25% composed of Affected Individuals;
2. Host two career seminars (one each in Wareham and New Bedford);
3. Host two career fairs (one each in Wareham and New Bedford); and
4. Contribute $500 to each of the above-listed local charities.

<u>Further Acknowledgements</u>: We will adhere to the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment; and we

understand that any actions taken, or programs instituted, by Trade Roots may not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

Restatement of our Mission Statement: "By passionately valuing integrity and hard work, Trade Roots will set the industry standard for the Commonwealth by producing premium craft cannabis products in a positive, empowering work environment, sold to customers with 'Old World' service, while being a net benefit to every community where we leave our footprint."

Addendum

Letters From:

Wareham Cub Scouts
Wareham Junior Basketball Association
Wareham Alumni for the Continuation of Hockey
Wareham Little League
The Kennedy-Donovan Center
Gateway Babe Ruth

P.O. Box 336, Wareham, MA 02576 * www.gatewaybaberuth.com

CONTACT Mike Messina 508-498-8093 or Rachel Hesse 508-858-6163

GATEWAY BABE RUTH

To whom it may concern.
Trade Roots has been in contact with us about possible donations to our baseball organization.
Thank you

Questions about Gateway Babe Ruth? Contact bamikef150@aol.com

TAX ID 04-3275510

Wareham Junior Basketball Association
P.O. Box 1488
Onset, Ma. 02558
Att: Kenny Fontes
Tax ID #04-1310661

Dear Sponsor:

On behalf of the Wareham JBA Executive Board of Directors, coaches, parents and players. We want to thank you for your interest in supporting our program. Your support would benefit families that can't afford the fees and also to purchase new equipment for the league.

Funds are used to pay for uniforms, game officials, and equipment and hardship cases. Without your support, we would be unable to provide such a great league for the children.

The Wareham Junior Basketball Association is open to receive funds from your organization. We are aware of Trade Roots and are happy to know that funds from Trade Roots can be dispersed to our league to help with the new equipment and hardships we incur each year.

Sincerely

Kenny Fontes

Kenny Fontes
CEO

Gary Tavares
President

Board Members
Racquel Cardoza
Joe Hathaway
Mack Sprawling
Jamie Andrews

April 18,2019

TRADE ROOTS

WAREHAM, MA

Mr. Pitts,

I'm writing this letter to you on behalf of Wareham Little League. We will gladly accept any donations, monetary or otherwise from your company.

We are a non-profit organization and we appreciate any support from any local businesses.

If you ever need to contact me directly, please feel free to do so, anytime.

SINCERELY,

WAREHAM LITTLE LEAGUE PRESIDENT
QUIRINO "Q" DOCANTO
PO BOX 614
WAREHAM, MA 02571
774-263-0272

Kelly Buckingham

11 West St.
West Wareham, Ma 02576
Kbuckingham82@verizon.net

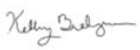
April 17, 2019

To Whom It May Concern,

On behalf of the Wareham Cub Scouts, Pack 39. We will gratefully accept LDE holdings (Trade Roots) charitable donations. As per our discussion with Jesse Pitts on February 7, 2019.

The mission of our organization is to prepare young people to make moral and Ethical decisions throughout their life by instilling in the them the values of our Scout Oath and Scout Law. We do this by bringing valuable programs and experiences to our scouts through committed volunteer work, fundraising, and acceptance of charitable donations. Thank you for reaching out to us.

Yours in Scouting,



Kelly Buckingham
Cubmaster Pack 39
Wareham, Ma

Kennedy-Donovan-Center
KDC

April 24, 2019

Mr. Pitts
Trade Roots
Wareham, MA 02571

Dear Mr. Pitts,

We were delighted to hear from Jill Tripp that the Kennedy-Donovan Center was selected as one of the non-profits to receive philanthropic support from Trade Roots.

Kennedy-Donovan Center is a non-profit that supports people with developmental delays, disabilities or family challenges to pursue their personal potential and success in the community. We provide a wide range of effective supports to individuals and families through prevention, advocacy and intervention services that are person-centered, innovative, and compassionate.

Our Plymouth Early Intervention (EI) Program serves families living in the towns of Carver, Duxbury, Halifax, Hanover, Hanson, Kingston, Marshfield, Pembroke, Plymouth and Plympton. Certified by the Department of Public Health, Early Intervention (EI) is a specialized program, certified by the Department of Public Health that provides services to young children, 0-3 years old, who have or are at risk for developmental delays.

Sincerely,

Simon Welsby
Chief Development Officer

Administrative Office: One Commercial Street | Foxboro, MA 02035 | *t* 508.772.1200 | *f* 508.543.9488
www.kdc.org

Dear Commission Members,

This letter is to acknowledge that Trade Roots has contacted our organization in an effort to support our cause of fundraising for area youth hockey organizations. We have agreed to accept such donations from them and are thankful for their support. Please contact us at warehamhockeyalumni@gmail.com with any questions.

Thank you for your time,

Scott P Amaral

President

Wareham Alumni for the Continuation of Hockey, Inc 501(c)3

9 Bethel Way - West Wareham, MA 02576

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

mass.gov/dor

Letter ID: L2093617280
Notice Date: April 18, 2018
Case ID: 0-000-506-199

CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE

JESSE PITTS
LDE HOLDINGS, LLC.
74 SNOWS POND RD
ROCHESTER MA 02770-1406

Why did I receive this notice?

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

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

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

What if I have questions?

If you have questions, call us at (617) 887-6367 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 8:30 a.m. to 4:30 p.m..

Visit us online!

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

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

Edward W. Coyle, Jr., Chief
Collections Bureau

The Commonwealth of Massachusetts

Secretary of the Commonwealth

State House, Boston, Massachusetts 02133

William Francis Galvin
Secretary of the
Commonwealth

June 21, 2018

TO WHOM IT MAY CONCERN:

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

LDE HOLDINGS, LLC.

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **February 13, 2018.**

I further certify that said Limited Liability Company has filed all annual reports due and paid all fees with respect to such reports; that said Limited Liability Company has not filed a certificate of cancellation or withdrawal; and that said Limited Liability Company is in good standing with this office.

I also certify that the names of all managers listed in the most recent filing are: **CARL GIANNONE, JESSE PITTS**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **CARL GIANNONE, JESSE PITTS**

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **CARL GIANNONE, JESSE PITTS**

In testimony of which,
I have hereunto affixed the
Great Seal of the Commonwealth
on the date first above written.

William Francis Galvin

Secretary of the Commonwealth

Processed By:BOD

William Francis Galvin
Secretary of the Commonwealth of Massachusetts

Corporations Division

Business Entity Summary

ID Number: 001312718

Request certificate | New search

Summary for: LDE HOLDINGS, LLC.

The exact name of the Domestic Limited Liability Company (LLC): LDE HOLDINGS, LLC.
Entity type: Domestic Limited Liability Company (LLC)
Identification Number: 001312718
Date of Organization in Massachusetts: 02-13-2018
Last date certain:
The location or address where the records are maintained (A PO box is not a valid location or address): Address: 74 SNOWS POND ROAD City or town, State, Zip code, Country: ROCHESTER, MA 02770 USA
The name and address of the Resident Agent: Name: JESSE PITTS Address: 74 SNOWS POND RD City or town, State, Zip code, Country: ROCHESTER, MA 02770 USA

The name and business address of each Manager:

Title	Individual name	Address
MANAGER	JESSE PITTS	74 SNOWS POND ROAD ROCHESTER, MA 02770 USA
MANAGER	CARL GIANNONE	74 SNOWS POND RD ROCHESTER, MA 02770 USA

In addition to the manager(s), the name and business address of the person(s) authorized to execute documents to be filed with the Corporations Division:

Title	Individual name	Address
SOC SIGNATORY	JESSE PITTS	74 SNOWS POND ROAD ROCHESTER, MA 02770 USA
SOC SIGNATORY	CARL GIANNONE	74 SNOWS POND RD ROCHESTER, MA 02770

		USA

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	Address
REAL PROPERTY	JESSE PITTS	74 SNOWS POND ROAD ROCHESTER, MA 02770 USA
REAL PROPERTY	CARL GIANNONE	74 SNOWS POND RD ROCHESTER, MA 02770 USA

☐ **Consent** ☐ **Confidential Data** ☐ **Merger Allowed** ☐ **Manufacturing**

View filings for this business entity:

ALL FILINGS
Annual Report
Annual Report - Professional
Articles of Entity Conversion
Certificate of Amendment

View filings

Comments or notes associated with this business entity:

New search

LDE HOLDINGS, LLC

SUBSCRIPTION AGREEMENT

June 12, 2018

LDE Holdings, LLC
74 Snows Pond Road
Rochester, Massachusetts, 02770

Ladies and Gentlemen:

Subject to the terms and conditions of the Limited Liability Company Agreement of LDE Holdings, LLC, a Massachusetts limited liability company (the "***Company***"), dated June 12, 2018 (the "***Operating Agreement***"), and the terms and conditions set forth below, the undersigned hereby agrees to purchase from the Company 20,000 Series Seed Investor Units of the Company (the "***Units***") for the price and pursuant to the terms and conditions set forth herein. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Operating Agreement.

In connection with the execution of the Operating Agreement and this Subscription Agreement (this "***Agreement***") and to induce the Company to issue the Units to the undersigned, the undersigned hereby represents, warrants and agrees as follows:

1. Terms of Subscription. The undersigned hereby irrevocably subscribes for and agrees to purchase the Units for a purchase price of $5.00 per Unit by (i) certified or bank check payable to the Company or (ii) wire transfer of immediately available funds to a bank account designated by the Company. The undersigned encloses herewith a signed counterpart signature page to the Operating Agreement, pursuant to which it shall agree to become a Member (as defined in the Operating Agreement).

2. Experience and Suitability. The undersigned is qualified by his, her or its knowledge and experience in financial and business matters, investments, securities and private placements to evaluate the merits and risks of an investment in the Units and to make an informed decision relating thereto. The undersigned has the financial capability for making the investment and protecting the undersigned's interests, and the undersigned can afford a complete loss of the investment. The investment in the Units is a suitable one for the undersigned.

3. No Need for Liquidity. The undersigned is aware that the undersigned will be unable to liquidate his, her or its investment readily in case of an emergency and that the Units may have to be held for an indefinite period of time. The undersigned's overall commitment to investments which are not readily marketable is not excessive in view of the undersigned's net worth and financial circumstances and the acquisition of the Units will not cause such commitment to become excessive. In view of such facts, the undersigned acknowledges that the undersigned has adequate means of providing for the undersigned's current needs, anticipated future needs and possible contingencies and emergencies and has no need for liquidity in the investment in the Units. The undersigned is able to bear the economic risk of the investment in the Units.

4. Familiarity with Business; Independent Evaluation. The undersigned is familiar with the Company's business affairs and financial condition, and has acquired sufficient information about the Company to evaluate the risks of acquiring the Units. The undersigned has independently reached an informed and knowledgeable decision to acquire the Units after receiving and reviewing information with respect to all matters which the undersigned considers material to his, her or its investment decision with respect to the Units.

5. No Public Market; Limited Transferability of Units. The undersigned is aware that no public market exists for the Units and that the Units may not be sold without compliance with applicable federal and state securities laws. The undersigned understands that the Company has made no assurance that a public market will ever exist for the Units, and that, even if a public market exists in the future, the undersigned may not readily be able to sell the Units. The undersigned is aware that the transferability of the Units will be limited and will be subject to the terms and conditions of the Operating Agreement, which the undersigned agrees to enter into in connection with, and as a condition of, the Company's issuance to the undersigned of the Units.

6. Investment Purpose. The undersigned is acquiring the Units for his, her or its own account for the purpose of investment and not with a view to, or for resale in connection with, the distribution thereof, nor with any present intention of distributing or selling the Units. The undersigned understands that the Units have not been registered under the Securities Act of 1933, as amended (the "***Securities Act***"), or the securities laws of any state, and the undersigned hereby agrees not to make any sale, transfer or other disposition of the Units unless either (i) the Units first shall have been registered under the Securities Act and all applicable state securities laws, or (ii) an exemption from such registration is available, and the Company has received such documents and agreements from the undersigned and the transferee as the Company requests at such time.

7. Offering Documents and Other Information. The undersigned has received and reviewed carefully the Operating Agreement and this Agreement (the "***Offering Documents***"), and the undersigned has relied on nothing other than the Offering Documents in deciding whether to make an investment in the Company. In addition, the undersigned acknowledges that the undersigned has been given the opportunity to (i) ask questions and receive satisfactory answers concerning the terms and conditions of the offering of the Units, (ii) perform its own independent investigations and (iii) obtain additional information in order to evaluate the merits and risks of an investment in the Company and to verify the accuracy of the information contained in the Offering Documents. No statement, printed material or other information that is contrary to the information contained in the Offering Documents has been given or made by or on behalf of the Company to the undersigned.

8. Investment Risks. The undersigned acknowledges and understands that (i) an investment in the Units is speculative and involves a substantial degree of risk, (ii) the Company does not have a significant financial or operating history, (iii) some of the business activities of the Company, while believed to be compliant with applicable state law, are illegal under federal law, which prohibits the possession, use, cultivation and transfer of cannabis, (iv) no representations have been made to the undersigned that any United States federal income tax benefits will be available as a result of the undersigned's acquisition, ownership or disposition of the Units, and (v) any United States federal income tax benefit that may be available to the

undersigned may be lost through adoption of new laws or regulations, amendments to existing laws or regulations or changes in the interpretations of existing laws and regulations.

9. Status of Investor. The undersigned is representing and warranting that the udersigned is (i) an "Accredited Investor", as the term is defined in Rule 501(a) of the Securities Act and has completed the Accredited and Sophisticated Investor Questionnaire attached hereto as Exhibit A, or (ii) a sophisticated non-accredited investor, and has completed the Accredited and Sophisticated Investor Questionnaire attached hereto as Exhibit A hereto.

10. "Bad Actor" Disqualification. Neither the undersigned nor any of its affiliates is a "bad actor" as defined in Rule 506(d) of the Securities Act.

11. Legends. The undersigned understands that until the Units have been registered under the Securities Act and applicable state securities laws each certificate, if any, representing such securities shall bear a legend substantially similar to the following, in addition to any legends that may be required by the Operating Agreement or other agreements:

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR ANY OTHER SECURITIES LAWS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE. SUCH SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, DELIVERED AFTER SALE, TRANSFERRED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT COVERING SUCH SECURITIES UNDER THE SECURITIES ACT OF 1933 AND ANY OTHER APPLICABLE SECURITIES LAWS, UNLESS THE HOLDER SHALL HAVE OBTAINED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE CORPORATION THAT SUCH REGISTRATION IS NOT REQUIRED.

12. No Regulatory Approval of Merits. The undersigned understands that neither the Securities and Exchange Commission nor the commissioner or department of securities or attorney general of any state has passed upon the merits or qualifications of, nor recommended nor approved, the Units. Any representation to the contrary is a criminal offense.

13. Independent Advice. The undersigned understands that the undersigned is urged to seek independent advice from the undersigned's professional advisors relating to the suitability for the undersigned of an investment in the Company in view of the undersigned's overall financial needs and with respect to the legal and tax implications of such an investment. The undersigned has consulted to the extent deemed appropriate by the undersigned with the undersigned's own advisers as to the financial, tax, legal, accounting, regulatory and related matters concerning an investment in the Units and, on that basis, understands the financial, tax, legal, accounting, regulatory and related consequences of an investment in the Units, and believes that an investment in the Units is suitable and appropriate for the undersigned.

14. Company Counsel. The undersigned understands that Foley Hoag LLP ("***Foley***") acts as counsel to the Company and the Managers, and not to the undersigned or any Member by virtue of its investment in the Company. The undersigned also understands that, in connection with the offering of the Units, and any subsequent advice given to the Company and the Managers, Foley will not be representing Members, including the undersigned, and no independent counsel has been retained to represent Members. The undersigned acknowledges that Foley has not independently verified any factual assertions made by the Company and is not responsible for the Company's compliance with applicable law. The undersigned represents that it has not relied upon Foley's participation in the preparation of the Offering Documents or its representation of the Company and the Managers in connection with the undersigned's investment in the Company.

15. Authority and Non-contravention. The execution and performance hereof does not violate any order, judgment, injunction, agreement or controlling document to which the undersigned is a party or by which the undersigned is bound.

16. Miscellaneous.

(a) Notices. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by facsimile transmission, (iii) sent by overnight courier, or (iv) sent by registered mail, return receipt requested, postage prepaid.

If to the undersigned:

To the address set forth below.

If to the Company:

To the address set forth above.

All notices, requests, consents and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if made by facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

(b) Entire Agreement. This Agreement, together with the Operating Agreement, embody the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and thereof and supersede all prior oral or written agreements and understandings relating to such subject matter. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement. The Company is not making any representations or warranties whatsoever, express or implied, and all other representations or warranties are expressly disclaimed.

(c) Modifications and Amendments. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by the parties hereto.

(d) Waivers and Consents. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

(e) Assignment. This Agreement may not be transferred or assigned by the undersigned without the prior written consent of the Company and any such transfer or assignment shall be made only in accordance with applicable laws and any such consent.

(f) Benefit. All statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the parties hereto and shall inure to the benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third party beneficiary of this Agreement.

(g) Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the law of The Commonwealth of Massachusetts, without giving effect to the conflict of law principles thereof.

(h) Jurisdiction and Service of Process. Any legal action or proceeding with respect to this Agreement shall be brought in the state or federal courts located in The Commonwealth of Massachusetts. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. Each of the parties hereto irrevocably consents to the service of process of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by certified mail, postage prepaid, to the party at its address set forth below.

(i) Severability. In the event that any court of competent jurisdiction shall determine that any provision, or any portion thereof, contained in this Agreement shall be unenforceable in any respect, then such provision shall be deemed limited to the extent that such court deems it enforceable, and as so limited shall remain in full force and effect. In the event that such court shall deem any such provision, or portion thereof, wholly unenforceable, the remaining provisions of this Agreement shall nevertheless remain in full force and effect.

(j) Interpretation. The parties hereto acknowledge and agree that: (i) each party has reviewed the terms and provisions of this Agreement and had the opportunity to review this Agreement with his, her or its counsel; (ii) the rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement; and (iii) the terms and provisions of this Agreement shall be construed fairly as to the parties hereto and not in favor of or against any party, regardless of which party was generally responsible for the preparation of this Agreement. Whenever used herein, the singular number

shall include the plural, the plural shall include the singular, the use of any gender shall include all persons.

(k) Headings and Captions. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect the meaning or construction of any of the terms or provisions hereof.

(l) Enforcement. Each of the parties hereto acknowledges and agrees that the rights acquired by each party hereunder are unique and that irreparable damage would occur in the event that any of the provisions of this Agreement to be performed by the other party were not performed in accordance with their specific terms or were otherwise breached. Accordingly, in addition to any other remedy to which the parties hereto are entitled at law or in equity, each party hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by the other party and to enforce specifically the terms and provisions hereof in any federal or state court to which the parties have agreed hereunder to submit to jurisdiction.

(m) No Waiver of Rights, Powers and Remedies. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

(n) Expenses. Except as expressly set forth in the Operating Agreement, each of the parties hereto shall pay its own fees and expenses (including the fees of any attorneys, accountants, appraisers or others engaged by such party) in connection with this Agreement and the transactions contemplated hereby whether or not the transactions contemplated hereby are consummated.

(o) Counterparts. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

Name: _____

Telephone: _____

Home Address: _____

_____

City: _____ State: _____

Zip: _____

Business: Toria Group LLC

Address: 222 Broadway, Unit 2406

Attn. Lei Feng

City: New York State: NY

Zip: 10038

Business Telephone: (929)360-3094

Communications should be sent to: X business or

_____ home address

Federal Income Tax I.D. No. (Social Security Number for Individual Investors)

_____

IN MAKING AN INVESTMENT DECISION THE UNDERSIGNED MUST RELY ON HIS, HER OR ITS OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE UNITS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE UNITS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE UNDERSIGNED SHOULD BE AWARE THAT HE, SHE OR IT WILL BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date set forth below.

Print Name: Toria Group, LLC

Signature

If an entity:

Name of Signatory: Lei Feng

Title: Chairman and CEO

Date: June 12, 2018

The foregoing subscription for 20,000 Series Seed Investor Units of LDE Holdings, LLC is hereby accepted.

LDE HOLDINGS, LLC

By: Jesse Pitts
Name: Jesse Pitts
Title: Manager

Date: June 12, 2018

By:
Name: Carl Giannone
Title: Manager

Date: June 12, 2018

EXHIBIT A

ACCREDITED AND SOPHISTICATED INVESTOR QUESTIONNAIRE

Instructions for Completing the Questionnaire.

In the Questionnaire, you (or the entity on whose behalf you are completing the Questionnaire) will be referred to as the "**Investor**." Which parts of this Questionnaire you must complete depends on whether the Investor is a natural person or an entity:

1. If the Investor is a Natural Person (including Joint Owners): Complete Part I and the signature page.

2. If the Investor is an Entity: Complete Part II and the signature page.

Part I. Questions Relating to Natural Persons.

TO BE COMPLETED ONLY IF THE INVESTOR IS A NATURAL PERSON

1. General.

(a) The citizenship of the Investor is: _____

(b) Date of Birth:_____

(c) Spouse's Name (if applicable):_____

(d) Home Physical Address:_____

_____

_____

(e) Home Telephone Number or Cell Number:_____

(f) Does the Investor have any debts or other obligations, or are there any other reasonably foreseeable circumstances, that are likely in the future to require the Investor to dispose of any Units acquired by the Investor?

Yes _____ No _____

If yes, please describe briefly.

_____

_____

_____

(g) The current value of the Investor's liquid assets (cash, freely marketable securities, cash surrender value of life insurance and other items easily convertible into cash) is sufficient to provide for the Investor's current needs and possible personal contingencies.

Yes _____ No _____

2. *Accredited Investor Status*.

(a) Place an "X" by each category that accurately describes the Investor and qualifies it as an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act:

_____ The Investor is a natural person whose current individual net worth or joint net worth with the Investor's spouse, excluding the value of the Investor's primary residence, exceeds $1,000,000.[1]

_____ The Investor is a natural person who had an individual income in excess of $200,000 in each of the two most recent years, or joint income with the Investor's spouse in each of those years in excess of $300,000, who reasonably expects to achieve the same income levels in the current year.

_____ The Investor is a director or executive officer of the Company.

3. *Sophisticated Investor Status*.

(a) Please place an "X" by each category that applies:

_____ I have such knowledge and experience in financial, investment and business matters that I am capable of evaluating the merits and risks of any investments.

_____ I am using a financial advisor, planner, or consultant, or some other advisor who has such knowledge and experience in financial and business matters that he/she/it is capable of evaluating the merits and risks of any investments. (If this is checked, please complete the following:) The name and contact information for this advisor is as follows:

[1] For purposes of this net worth calculation: (i) a natural person's primary residence shall not be included as an asset, (ii) indebtedness that is secured by the natural person's primary residence, up to the estimated fair market value of the primary residence at the time of the acquisition of Units, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of such acquisition exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the natural person's primary residence in excess of the estimated fair market value of the primary residence at the time of the acquisition of Units shall be included as a liability.

Name: _____
Address: _____
Phone: _____
Telephone number: _____
Email address: _____

Skip Part II and continue to the signature page

Part II. Questions Relating to Entities.

TO BE COMPLETED ONLY IF THE INVESTOR IS AN ENTITY

1. *General*.

(a) The Investor's form of organization is (please place an "X" by the applicable alternative below and explain where required):

_____ a corporation;

_____ a general partnership;

_____ a limited partnership;

x
_____ a limited liability company;

_____ a trust of the following type:_____

(b) The Investor's jurisdiction of organization is:_____

(c) The Investor is domiciled in:_____

2. *Accredited Investor Status*.

(a) Place an "X" by each category that accurately describes the Investor and qualifies it as an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act:

_____ The Investor is a corporation, a limited liability company, a partnership, an organization described in Section 50l(c)(3) of the Internal Revenue Code, or a Massachusetts or similar business trust, in each case, with total assets in excess of $5,000,000.

_____ The Investor is a trust (not formed for the specific purpose of acquiring the Units) with total assets in excess of $5,000,000 whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment in the Company.

_____ The Investor is an entity in which all of the equity owners are "accredited investors" within the meaning of Regulation D promulgated under the Securities Act.

3. *Sophisticated Investor Status*.

(a) Please place an "X" by each category that applies: _____

X I have such knowledge and experience in financial, investment and business matters that I am capable of evaluating the merits and risks of any investments.

_____ I am using a financial advisor, planner, or consultant, or some other advisor who has such knowledge and experience in financial and business matters that he/she/it is capable of evaluating the merits and risks of any investments. (If this is checked, please complete the following:) The name and contact information for this advisor is as follows:

Name: N/A
Address: N/A
Phone: _____
Telephone number: N/A
Email address: N/A

Continue to the signature page

THE INVESTOR UNDERSTANDS THAT THE SECURITIES PROPOSED TO BE SOLD (THE "**SECURITIES**") HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT AND ARE BEING SOLD IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT, AND THAT SUCH RELIANCE IS BASED IN PART ON THE INFORMATION HEREIN SUPPLIED. THE INVESTOR HEREBY REPRESENTS AND WARRANTS THAT ALL OF THE ANSWERS, STATEMENTS AND INFORMATION SET FORTH IN THIS QUESTIONNAIRE ARE TRUE AND CORRECT ON THE DATE HEREOF AND WILL BE TRUE AND CORRECT AS OF ANY DATE ON WHICH THE INVESTOR PURCHASES ANY SECURITIES. THE INVESTOR HEREBY AGREES TO PROVIDE TO THE COMPANY SUCH ADDITIONAL INFORMATION AS IS REQUESTED BY THE COMPANY AND TO NOTIFY THE COMPANY PROMPTLY OF ANY CHANGE THAT MAY CAUSE ANY ANSWER, STATEMENT OR INFORMATION SET FORTH IN THIS QUESTIONNAIRE TO BECOME UNTRUE IN ANY MATERIAL RESPECT.

Name of Investor: TORIA GROUP, LLC

Signature

Signature (if joint signatures are required)

Lei Feng

Name of Signee (if Investor is an entity)

Chairman and CEO

Title of Signee (if Investor is an entity)

Executed at (complete address): 222 Broadway, Unit 2406, New York, NY 10038

as of this 12th day of June, 2018.

Execution Version

LIMITED LIABILITY COMPANY AGREEMENT

OF

LDE HOLDINGS, LLC

A Massachusetts Limited Liability Company

Dated as of June 12, 2018

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Execution Version

LIMITED LIABILITY COMPANY AGREEMENT OF LDE HOLDINGS, LLC

This Limited Liability Company Agreement of LDE Holdings, LLC (the "Company") is entered into as of June 12, 2018 (the "Effective Date"), by and among the persons identified from time to time as "Members" on Schedule A attached hereto.

WHEREAS, the Company was formed on February 13, 2018, with such formation being made pursuant to the Massachusetts Limited Liability Company Act, M.G.L. Chapter 156C, as amended from time to time (the "Massachusetts Act"), by filing a Certificate of Organization of the Company with the office of the Secretary of the Commonwealth of The Commonwealth of Massachusetts (as it may be amended at any time and from time to time, the "Certificate of Organization");

WHEREAS, the Members made party hereto wish to set forth the respective rights and obligations of the Members and to provide for the governance and management of the Company and its affairs and for the conduct of the business of the Company; and

NOW, THEREFORE, in consideration of the premises, representations and warranties and the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members, each intending to be legally bound, hereby agree as follows:

ARTICLE 1.
DEFINED TERMS

Section 1.1 Definitions. In addition to the capitalized terms defined above and elsewhere in this Agreement, certain capitalized terms used herein shall have the meanings set forth in Schedule C hereto.

ARTICLE 2.
GENERAL PROVISIONS

Section 2.1 Organization; Continuation of the Company.

The Company has been formed by the filing of its Certificate of Organization with the Massachusetts Secretary of the Commonwealth pursuant to the Massachusetts Act. The Certificate of Organization may be amended or restated with respect to the address of the registered office of the Company in Massachusetts, the name and address of its registered agent in Massachusetts or to make corrections as may be required by the Massachusetts Act as provided in the Massachusetts Act. The Members hereby agree to continue the Company as a limited liability company under and pursuant to the provisions of the Massachusetts Act and agree that the rights, duties and liabilities of the Members shall be as provided in the Massachusetts Act, except as otherwise provided herein.

Section 2.2 Company Name.

(a) The name of the Company is "LDE Holdings, LLC." All business of the Company shall be conducted under the Company name. The Managers shall promptly execute, file and record such certificates as are required by any applicable limited liability company act, fictitious name act or similar statute.

(b) The Company shall at all times have all rights in and to the Company name. The Company may use the Company name or any portion thereof in connection with any other partnership, limited liability company or business activity entered into by the Company. Upon the dissolution of the Company pursuant to the provisions of Article 12 or otherwise, except as otherwise provided herein or by applicable law, or by Manager Approval, no further business shall be done in the Company name except for the completion of any transactions in process and the taking of such action as shall be necessary for the performance and discharge of the obligations of the Company, the winding up and liquidation of its affairs and the distribution of its assets.

Section 2.3 Principal Place of Business; Agent for Service of Process.

(a) The principal office and place of business of the Company shall initially be 74 Snows Pond Road, Rochester, Massachusetts, 02770, or such other address as may be determined from time to time by Manager Approval.

(b) The registered office of the Company in The Commonwealth of Massachusetts shall be 74 Snows Pond Road, Rochester, Massachusetts, 02770 and the registered agent for service of process on the Company pursuant to the Massachusetts Act shall initially be Jesse Pitts or, in either case, as may be designated by Manager Approval.

Section 2.4 Qualification in Other Jurisdictions.

The Managers shall cause the Company to be qualified or registered under applicable laws of any jurisdiction in which the Company owns property or engages in activities and shall be authorized to execute, deliver and file any certificates and documents necessary to effect such qualification or registration, including, without limitation, the appointment of agents for service of process in such jurisdictions, if such qualification or registration is necessary or desirable to permit the Company to own property and engage in the Company's business in such jurisdictions.

Section 2.5 Purposes and Powers of the Company.

The purposes of the Company are to engage in any lawful business, purpose or activity for which limited liability companies may be organized under the Massachusetts Act.

Section 2.6 Fiscal Year.

The fiscal year of the Company shall be the calendar year, or such other fiscal year as may be designated by Manager Approval and permitted by the Code.

ARTICLE 3.
TERMS AND CONDITIONS APPLICABLE TO MEMBERS

Section 3.1 Members.

The Members of the Company shall be the Persons identified on Schedule A hereto, as may be amended from time to time, each of whom shall be a "Member" within the meaning of the Massachusetts Act. The name, mailing address, and email address of each Member shall be as listed in Schedule A. Each Member shall promptly notify the Company of any change in the information required to be set forth for such Member on Schedule A. Any Manager may update Schedule A from time to time as necessary to accurately reflect the information therein. Any such revision to Schedule A shall not be deemed an amendment to this Agreement. Any reference in this Agreement to Schedule A shall be deemed a reference to Schedule A as in effect from time to time. The Members shall have only such rights with respect to the Company as specifically provided in this Agreement and as required by the Massachusetts Act (other than waivable provisions of the Massachusetts Act that conflict with the rights expressly granted to such Members under this Agreement). No Person shall be admitted as a new Member of the Company unless and until the Board of Managers has approved the admission of such Person as a new Member and such Person has executed this Agreement or a counterpart hereto and such other documents or agreements as the Board of Managers may request reasonably in connection with such admission.

Section 3.2 Limited Liability Company Interests Generally.

Except as otherwise specifically provided herein, no Member shall (i) be entitled to receive any interest or other return on such Member's Capital Contributions, (ii) be entitled to withdraw all or any portion of any Capital Contribution or to receive any distribution from the Company, (iii) have the status of a creditor with respect to distributions from the Company, (iv) have the right to demand or receive property other than cash in return for its Capital Contributions, or (v) have any priority over any other Member with respect to the return of Capital Contributions, allocations of profits and losses or distributions. No property of the Company shall be deemed to be owned by any Member individually, but shall be owned by and title thereto shall be vested solely in the Company. The Units shall constitute personal property. The rights and interest of each Member in and to the future profits and income of the Company are limited to those set forth in this Agreement.

Section 3.3 Voting and Management Rights.

(a) No Member, in his, her, or its capacity as such, shall have (i) the right to vote or to participate in the management, operation or control of the business affairs of the Company or to vote to have the Company dissolved and its affairs wound up, except as expressly provided for herein, or (ii) any right, power or authority to transact any business in the name of the Company, to act for or on behalf of the Company or in its name, or to bind the Company.

(b) Except as otherwise expressly provided herein, no action of the Company or the Managers shall require approval by the Members. To the fullest extent permitted by the Massachusetts Act, to the extent that the Massachusetts Act would require a consent or approval

by the Members, the consent or approval of the Managers pursuant to the terms of this Agreement shall be sufficient and no consent or approval by the Members shall be required.

(c) Whenever action is required or permitted by this Agreement to be taken by the Members, including any consent or approval thereof, unless otherwise specified herein, such action shall be deemed valid if and only if taken by Member Approval.

(d) Managers shall be elected pursuant to Member Approval, subject to the terms and conditions of Section 5.1(c).

Section 3.4 Liability of Members.

(a) A Member who receives a distribution made in violation of the Massachusetts Act shall be liable to the Company for the amount of such distribution to the extent, and only to the extent, provided by the Massachusetts Act.

(b) Except as provided under the Massachusetts Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member. Without limiting the foregoing, (i) no Member in its capacity as such shall have any liability to restore any negative balance in such Member's Capital Account and (ii) the failure of the Company to observe any formalities or requirements relating to exercise of the Company's powers or management of its business or affairs under this Agreement or the Massachusetts Act shall not be grounds for imposing personal liability on any Member for liabilities of the Company.

Section 3.5 Powers of Members.

Except as otherwise expressly provided herein, no Member shall in his or her capacity as a Member take part in the day-to-day management, operation or control of the business and affairs of the Company or have any right, power or authority to transact any business in the name of the Company or to act for, or on behalf of, or to bind the Company.

Section 3.6 No Right to Division of Assets.

Each Member waives all rights, at law, in equity or otherwise, to require a partition or division into individually owned interests of all or any portion of the assets of the Company.

Section 3.7 Member's Investment.

Each Member hereby represents and warrants to the Company and acknowledges that (a) it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in the Company and making an informed investment decision with respect thereto, (b) it is able to bear the economic and financial risk of an investment in the Company for an indefinite period of time and understands that, except in connection with a Permitted Transfer in accordance with the applicable terms of this Agreement, it has no right to withdraw and/or have its Units repurchased by the Company, (c) it has acquired or is acquiring Units in the Company for investment only and not with a view to, or for resale in

connection with, any distribution to the public or public offering thereof, (d) unless it holds only Incentive Units, it is either an "accredited investor" as defined in Rule 501 under the Securities Act a sophisticated non-accredited investor, (e) it understands that the Units in the Company have not been registered under the securities laws of any jurisdiction and cannot be disposed of unless they are subsequently registered and/or qualified under applicable securities laws, or in accordance with an applicable exemption therefrom, and the provisions of this Agreement have been complied with, and (f) the execution, delivery and performance of this Agreement does not require it to obtain any consent or approval that has not been obtained and do not contravene or result in a default under any provision of any existing law or regulation applicable to it, any provision of its charter, by-laws or other governing documents (if applicable) or any agreement or instrument to which it is a party or by which it is bound.

Section 3.8 Rights to Information.

(a) The Board of Managers shall deliver or cause the appropriate officer(s) of the Company to deliver to each Major Investor the following information (which shall be deemed, for the avoidance of doubt, to be Confidential Information subject to the terms and conditions of Section 3.9):

(i) as soon as reasonably practicable, but in no event more than one hundred twenty (120) days after the end of each fiscal year of the Company, a report of the activities of the Company (consolidated with any Company subsidiary) for the preceding fiscal year, including a comparison to the amounts budgeted for such fiscal year and a statement of all fees paid and distributions made to the Members during such fiscal year, and unaudited financial statements for such fiscal year of the Company consisting of a balance sheet, a statement of income and a statement of cash flows, which financial statements shall be prepared in accordance with the books and records of the Company and shall fairly present, in all material respects, the Company's financial position and performance in relation to such fiscal year;

(ii) as soon as reasonably practicable, but in any event within thirty (30) days after the end of each of the first three (3) quarters of each fiscal year of the Company, unaudited statements of income and of cash flows for such fiscal quarter, and an unaudited balance sheet as of the end of such fiscal quarter (consolidated with any Company subsidiaries);

(iii) as soon as reasonably practicable following approval thereof by the Board of Managers, but in no event later than 30 days prior to the commencement of each fiscal year of the Company, the proposed capital and operating budget of the Company and any Company subsidiary for such fiscal year for such fiscal year; and

(iv) promptly following the occurrence thereof, reasonably detailed information concerning any action or occurrence which could reasonably be expected to have a material adverse effect on the business or operation of the Company, and, from time to time, such other information relating to the financial condition, business, prospects, or company affairs of the Company as any Major Investor may reasonably request; provided, however, that the Company shall not be obligated under this Section 3.8(a)(iv) to provide

information (A) that the Company reasonably determines in good faith to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in a form acceptable to the Company); or (B) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

(b) Each Major Investor shall have the right to visit and inspect any of the properties of the Company or any Company subsidiary, and to discuss the affairs, finances and accounts of the Company or any such subsidiary with the Company's officers, and to review such information, in each case as is reasonably requested pursuant to written notice provided not less than one week in advance, during the Company's normal business hours from time to time as may be reasonably requested not more than once during any six-month period; provided, however, that the Company shall not be obligated under this Section 3.8(b) with respect to (i) any person or entity the Board of Managers reasonably determines is a competitor of the Company; (ii) information which the Board of Managers determines, in consultation with the Company's legal counsel, is attorney-client privileged and should not, therefore, be disclosed or (iii) information that could result in disclosure of a trade secret (unless covered by an enforceable confidentiality agreement, in a form acceptable to the Company) or violation of applicable law, in each case as reasonably determined by the Board of Managers.

(c) Notwithstanding anything to the contrary herein, a Member that holds no Units other than Incentive Units shall not be entitled to be provided any information from or about the Company, other than the information required to be reported on such Member's federal Form K-1 and any equivalent state income tax information forms. Each Member that holds no Units other than Incentive Units acknowledges and agrees that the contents of Schedules A and B are confidential and that the Board of Managers shall be entitled, in its sole discretion, to restrict any such Member's access to some or all of such Schedules. The Members hereby acknowledge that, pursuant to Section 10 of the Massachusetts Act, the rights of a Member holding only Incentive Units to obtain information from the Company shall be limited to only those rights provided for in this Section 3.8(c) and that any other rights provided under Section 10 of the Massachusetts Act shall not be available to the Members holding only Incentive Units or applicable to the Company with respect to such Members.

(d) Any information disclosed to any Member pursuant this Section 3.8 shall be subject to the terms and conditions of Section 3.9. The rights of Members under this Section 3.8 shall terminate and be of no further force or effect upon a Sale of the Company.

Section 3.9 Confidential Information.

(a) The Company and each Member shall not use or disclose to third parties any Confidential Information received from the Company or from any other Member (including, without limitation, the status of such other Member as a Member of the Company) for any purpose other than (i) for the benefit of the Company, as determined in good faith by the Board of Managers, (ii) the use of Confidential Information by a Member in connection with such Member's monitoring or exercising its rights with respect to its investment in the Company, (iii) as required by law, legal process, order of court, government authority or arbitrator or in connection with any legal proceedings to which a Member (or any assignee) and the Company are parties, (iv) to legal counsel and accountants for Members or any assignee, and (v) in connection with the enforcement

of this Agreement or rights under this Agreement. Notwithstanding the foregoing, a Member that is an entity holding Series Seed Investor Units may in addition disclose Confidential Information to (I) any former partners, members or others who retain an economic interest in the Member, (II) any current or prospective partners, members or other equity owners or managers, officers or employees of, or lenders to, the Member or any subsequent partnership, fund or other entity under common investment management with such Member, (III) any management company of the Member or any director, officer, manager or employee thereof, and (IV) any employee, officer or representative of the Member or any of the Persons identified in the foregoing clauses (I) through (III) with a bona fide need to know such information in connection with any purpose permitted in the foregoing clauses (i) through (viii) (each of the Persons identified in the foregoing clauses (I) through (IV), a "Permitted Disclosee"); provided that any Permitted Disclosee to whom confidential information is disclosed shall be subject to confidentiality restrictions substantially similar to the restrictions applicable to the Member hereunder.

(b) The restrictions imposed by this Section 3.9 shall continue to apply to a former Member following the date of becoming a former Member, notwithstanding such Member's withdrawal from the Company or transfer of its Units.

(c) Notwithstanding the foregoing:

(i) the restrictions on disclosure set forth in this Section 3.9 shall not apply to any Confidential Information to the extent that such information can be shown to have been: (A) generally available to the public other than as a result of a breach of the provisions of this Agreement; (B) already in the possession of the receiving Person, without any restriction on disclosure, prior to any disclosure of such information to the receiving Person by or on behalf of the Company or any Member pursuant to the terms of this Agreement or otherwise, as evidenced by written records; (C) lawfully disclosed, without any restriction on additional disclosure, to the receiving Person by a third party who is not known by the receiving party to be subject to confidentiality restrictions; (D) independently developed by the receiving Person without use of any Confidential Information, as evidenced by written records; or (E) required by law or government regulation to be disclosed, provided that, the Member shall notify the Company of any such disclosure requirement as soon as practicable and reasonably cooperate with the Company (at the Company's cost) if the Company seeks a protective order or other remedy in respect of any such disclosure; and furnish only that portion of the Confidential Information which the Member is legally required to disclose; and

(ii) nothing in this Agreement prohibits, or is intended in any manner to prohibit, a report of a possible violation of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under whistleblower provisions of federal law or regulation. No Person subject to the restrictions set forth in this Section 3.9 shall require the prior authorization of anyone at the Company or the Company's legal counsel to make any such reports or disclosures, and no such Person is required to notify the Company that it has made such reports or disclosures. Additionally, nothing in this Agreement is intended to interfere with or restrain the immunity provided under 18 U.S.C. section 1833(b) for confidential disclosures of trade secrets

to government officials, or lawyers, solely for the purpose of reporting or investigating a suspected violation of law; or in a sealed filing in court or other proceeding.

ARTICLE 4.
CAPITAL STRUCTURE

Section 4.1 Units.

The Members' share of the profits and losses of the Company and their right to receive distributions of the Company's assets, as well as certain other rights of the Members in the Company (which rights, collectively shall be the equivalent of each such Member's "limited liability company interest" in respect of the Company under the Massachusetts Act), shall be represented by "Units" (each, a "Unit" and, collectively, the "Units"). The Units shall be divided into two categories of Units, designated "Common Units" and "Series Seed Investor Units," which categories of Units each shall have the respective powers, privileges, preferences and rights, and the qualifications, limitations or restrictions thereon, as set forth in this Agreement. Each of the Common Units and the Series Seed Investor Units shall be referred to herein as a "class" of Units.

Section 4.2 Authorized Capital.

The total number of Units that the Company shall have the authority to issue is 1,270,000, of which:

(a) 1,250,000 Units are hereby designated as Common Units; and

(b) 20,000 Units are hereby designated as Series Seed Investor Units, all of which Series Seed Investor Units may be issued on or after the Effective Date to the Members in amounts specified on Schedule A, in consideration of the Capital Contributions set forth on Schedule A and pursuant to and in accordance with the terms and conditions of one or more Investor Unit Subscription Agreements, dated on or after the Effective Date, by and among the Company and the Members party thereto (each, an "Series Seed Investor Unit Subscription Agreement"), *provided that*, the Company shall not issue or sell any Series Seed Investor Units after December 31, 2018.

(c) Subject to the terms and conditions of this Agreement, the Board of Managers may authorize the Company to create and, for such consideration as the Board of Managers may deem appropriate, issue such Units or additional classes or series of Units, having such designations, preferences and relative, participating or other special rights, powers and duties, as the Board of Managers shall determine, including, without limitation: (i) the right of any such class or series of Units to share in distributions from the Company; (ii) the allocation to any such class or series of Units of items of Company income, gains, losses and deductions; (iii) the rights of any such class or series of Units upon dissolution or liquidation of the Company; and (iv) the right of any such class or series of Units to vote on matters relating to the Company and this Agreement. The Members understand and agree that rights afforded to any additional classes or series of Units (including, without limitation, rights to distributions from the Company) may result in a reduction and/or dilution in the rights of then outstanding Units. The Board of Managers may, subject to Article 8 and Section 15.3 of this Agreement, amend any provision of this Agreement, and authorize any Person to execute, swear to, acknowledge, deliver, file and record, if required,

such documents, to the extent necessary or desirable to reflect the admission of any additional Member to the Company or the authorization and issuance of such class or series of Units, and the related rights and preferences thereof.

Section 4.3 Incentive Units.

(a) If the Board of Managers intends that the grant of Common Units to a Person providing services to the Company qualify as a "profits interest" for tax purposes (each such Common Unit, an "Incentive Unit"), the Company and each Member agree to treat such Incentive Units as a separate "profits interest" within the meaning of Rev. Proc. 93-27, 1993-2 C.B. 343 or any future Internal Revenue Service guidance or other authority that supplements or supersedes the foregoing Revenue Procedure, and it is the intention of the Members that distributions to each Incentive Unit under this Agreement, including pursuant to Article 7 and Article 12, shall be limited to the extent necessary so that the Incentive Units of such Member qualify as a "profits interest" under Rev. Proc. 93-27, and this Agreement shall be interpreted accordingly.

(b) Upon the grant of Incentive Units to a Member in connection with the performance of services by such Member, the Gross Asset Value of all Company assets shall be adjusted to equal their respective gross Fair Market Values, as provided in the definition of Gross Asset Value, and the Company's Profit and Company's Loss arising from such adjustment shall be allocated to the existing Members in accordance with the Allocation Exhibit. The foregoing is intended to reflect the intent of the parties hereto that such grant (aside from the portion of the new interest acquired in exchange for any Capital Contribution made by such Member) shall be treated as the issuance of a profits interest for United States federal income tax purposes.

(c) In connection with the issuance of any Incentive Unit, the Board of Managers shall set a threshold dollar amount with respect to such Incentive Unit (each, "Threshold Amount"). The Threshold Amount with respect to each Incentive Unit will be determined by the Board of Managers and will be an amount equal to the value of each Common Unit that is not an Incentive Unit as of the grant of such Incentive Unit, determined based upon the amount of distributions that the holders of such a Common Unit would be entitled to receive in a hypothetical liquidation of the Company on the date of issuance of such Incentive Unit in which the Company sold its assets for their Fair Market Value, satisfied its liabilities (excluding any nonrecourse liabilities to the extent the balance of such liabilities exceeds the Fair Market Value of the assets that secure them) and distributed the net proceeds to the holders of Units in liquidation of the Company. The determination of the Board of Managers of the Threshold Amount shall be final, conclusive and binding on all Members.

(d) In accordance with Rev. Proc. 2001-43, 2001-2 CB 191, the Company shall treat a Member holding Incentive Units as the owner of such Incentive Units from the date they are granted, and shall file its Internal Revenue Service Form 1065, and issue appropriate Schedule K-1s to such Member, allocating to such Member his or her distributive share of all items of income, gain, loss, deduction and credit associated with such Incentive Units as if they were fully vested. Each Member agrees to take into account such distributive share in computing his or her United States federal income tax liability for the entire period during which he or she holds any Incentive Units. The Company and each Member agree not to claim a deduction (as wages, compensation or otherwise) for the fair market value of such Incentive Units issued to a Member,

either at the time of grant of the Incentive Units or at the time the Incentive Units become substantially vested. The undertakings contained in this paragraph shall be construed in accordance with Section 4 of Rev. Proc. 2001-43.

(e) The Board of Managers shall have the right to amend this Agreement without the approval of any Member upon publication of final regulations in the Federal Register (or other official pronouncement) to (i) direct and authorize the election of a "safe harbor" under Proposed Treasury Regulation Section 1.83-3(l) (or any similar provision) under which the fair market value of a membership interest that is transferred in connection with the performance of services is treated as being equal to the liquidation value of that interest, (ii) to provide for an agreement by the Company and all of its Members to comply with all the requirements set forth in such regulations and Notice 2005-43 (and any other guidance provided by the Internal Revenue Service with respect to such election) with respect to all interests transferred in connection with the performance of services while the election remains effective, and (iii) to provide for any other related amendments; provided, in any case that (x) such amendment shall not change the relative economic interest of the Members, reduce any Member's share of distributions, or increase any Member's liability hereunder and (y) the Company shall provide a copy of such amendment to the Members at least ten (10) days prior to the effective date of any such amendment.

(f) Without limitation of any other provision herein, no transfer of any Incentive Units in the Company by a Member, to the extent permitted by this Agreement, shall be effective unless prior to such transfer, the transferee, assignee or intended recipient of such Incentive Units shall have agreed in writing to be bound by the provisions of this Agreement relating to Incentive Units, in form satisfactory to the Board of Managers.

(g) The foregoing provisions relating to the grant of Incentive Units, together with any grant document pursuant to which Incentive Units are issued to a Member in such Person's capacity as an employee or service provider of the Company, are intended to qualify as a compensatory benefit plan within the meaning of Rule 701 of the Securities Act and the issuance of Incentive Units pursuant hereto is intended to qualify for the exemption from registration under the Securities Act provided by Rule 701; provided that the foregoing shall not restrict or limit the Company's ability to issue any Incentive Units pursuant to any other exemption from registration under the Securities Act available to the Company and to designate any such issuance as not being subject to Rule 701.

(h) Incentive Units may be issued subject to vesting, forfeiture and repurchase pursuant to separate agreements, the provisions of which may be determined, altered or waived (unless otherwise specified in such agreements) in the sole discretion of the Board of Managers. Any Person holding a Unit subject to a vesting arrangement, including, without limitation, any Incentive Unit, shall make a timely Code Section 83(b) election in accordance with Treasury Regulation 1.83-2 with respect to each such Unit (to the extent applicable).

(i) Distributions pursuant to Article 7 shall be made with respect to all Incentive Units, whether vested or unvested. Any distributions pursuant to Section 7.3 (excluding, for the avoidance of doubt, Tax Distributions that are treated as advances on distributions pursuant to Section 7.3) with respect to unvested Incentive Units shall be held by the Company until such Incentive Units vest, at which time any such retained distributions shall be released to the holder

of such then vested Incentive Units. Any retained distributions pursuant to the foregoing sentence that are forfeited as a result of the forfeiture without vesting of the applicable Incentive Units shall thereafter be distributed under Section 7.3.

ARTICLE 5.
MANAGEMENT OF THE COMPANY

Section 5.1 Managers.

(a) The business of the Company shall be managed by a Board of Managers (the "Board of Managers") who may exercise all the powers of the Company, except as otherwise provided by law or by this Agreement, and by any committees that the Board of Managers may from time to time establish. Each member of the Board of Managers shall be a "Manager" for all purposes under the Massachusetts Act. Subject to the terms and conditions of this Agreement, at least a majority of the Board of Managers then in office must vote or consent in favor of an action in order to bind the Company with respect to such action. Subject to Section 5.2(b), each individual Manager shall have any right, power or authority to bind the Company, including to the extent such Manager has been designated as an officer of the Company, such Manager acting in his or her capacity as an officer shall have the authority to bind the Company for limited liability company actions under such officer's control. A Manager shall be held to the same standards of fiduciary duty with respect to the Company to which a director of a corporation organized under the laws of The Commonwealth of Massachusetts is held with respect to such corporation. Any determination of whether a Manager has breached his or her fiduciary duty to the Company shall be made by reference to whether, under Massachusetts law as it then exists, a director of a Massachusetts corporation would be held to have breached his or her fiduciary duty to such corporation under similar facts. Notwithstanding the foregoing, or any other provision of this Agreement to the contrary (but subject to any particular written agreement between the Company and any Manager), it is expressly understood and agreed that a Manager shall not be required to devote his entire time or attention to the business of the Company.

(b) The Board of Managers shall consist of one or more Managers. As of the Effective Date, the authorized number of Managers shall be three. In the event of a vacancy in the Board of Managers, the remaining Managers, except as otherwise provided by law, may exercise the powers of the full Board of Managers until the vacancy is filled, provided that in the event of a vacancy in one of the seats appointed pursuant to Section 5.1(c)(i), Section 5.1(c)(ii) or Section 5.1(c)(iii), such seat may only be filled by a Manager designated by the parties entitled pursuant to such Section to designate a Manager to fill such seat.

(c) From and after the date of this Agreement, each Member shall vote, or cause to be voted, all Units and all other voting securities of the Company presently owned or hereafter acquired by such Member, or over which such Member has voting control, at any meeting of the Members called for the purpose of filling positions on the Board of Managers, or to execute a written consent in lieu of a meeting of the Members, for purpose of filling positions on the Board of Managers and to elect and continue in office as Managers the following:

(i) for so long as Jesse Pitts holds any Units of the Company, one individual designated by Jesse Pitts, who shall be Jesse Pitts unless otherwise agreed in writing by Jesse Pitts and Carl Giannone;

(ii) for so long as Carl Giannone holds any Units of the Company, one individual designated by Carl Giannone, who shall be Carl Giannone unless otherwise agreed in writing by Jesse Pitts and Carl Giannone; and

(iii) one individual appointed by holders of a majority of then-outstanding Units and mutually agreeable to Jesse Pitts and Carl Giannone.

(d) In the event that the Member or Members that has or have the right to designate a Manager pursuant to clause Section 5.1(c) requests that the Manager so designated by such Member or Members be removed (with or without cause), by written notice to the other holders of Units, then in such case, such Manager shall be removed and each Member hereby agrees to vote all Units, and all other voting securities of the Company over which such Member has voting control, to effect such removal upon such request. Any Manager may be removed by the affirmative vote or written consent of holders of a majority of the Units then outstanding, provided that no Manager specified in either Section 5.1(c)(i) or Section 5.1(c)(ii) may be removed without the consent of the Members who have the right pursuant to such Section to designate such Manager, so long as such Members hold such right. Each Member agrees not to vote any Units, or any voting securities over which such Member has voting control, to remove any Manager other than in accordance with this Section 5.1(d).

(e) Except as otherwise provided by law or by this Agreement, Managers shall hold office until their successors are elected and duly qualified or until their earlier death, disability, resignation or removal. Any Manager may resign by delivering his written resignation to the Company. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

Section 5.2 Powers and Duties of the Managers.

(a) Subject to the provisions of Section 5.2(b), the Board of Managers shall have and may exercise on behalf of the Company all of its rights, powers, duties and responsibilities under Section 5.1 or as otherwise provided by law or this Agreement:

(i) to manage the business and affairs of the Company and for this purpose to employ, retain or appoint any officers, employees, consultants, agents, brokers, professionals or other Persons in any capacity with the Company for such compensation and on such terms as the Board of Managers deems necessary or desirable and to delegate to such Persons such of its duties and responsibilities as the Board of Managers shall determine, and to remove such Persons or revoke their delegated authority on such terms or under such conditions as the Board of Managers shall determine;

(ii) to merge or consolidate the Company or any Subsidiary with or into any other entity or otherwise effect the sale of the Company and its business;

(iii) to acquire or invest in other entities or businesses;

(iv) to enter into, execute, deliver, acknowledge, make, modify, supplement or amend any documents or instruments in the name of the Company;

(v) to borrow money or otherwise obtain credit and other financial accommodations on behalf of the Company on a secured or unsecured basis and to perform or cause to be performed all of the Company's obligations in respect of its indebtedness or guarantees and any mortgage, lien or security interest securing such indebtedness; and

(vi) to issue additional Units or other rights or other interests in the Company and to designate additional classes of interest in the Company as provided herein.

(b) Notwithstanding the foregoing, the Company shall not take the following actions without having first obtained the consent of the Board of Managers, which consent must include the consent of the Managers elected pursuant to Sections 5.1(c)(i) and (ii):

(i) pledge or grant a security interest in any assets of the Company or any Subsidiary, except in the ordinary course of business when all such pledges or grants in the ordinary course of business (excluding pledges or grants provided for in the Operating Plan) do not secure indebtedness of more than $50,000 in the aggregate;

(ii) issue any Units;

(iii) enter into any agreements, including but not limited to leases, that obligate the Company or any Subsidiary to make aggregate annual payments in excess of $50,000, unless provided for in the Board-approved operating plan of the Company;

(iv) establish or amend any employee incentive plan or similar equity compensation plan (except as set forth in this Agreement) or grant any equity compensation;

(v) acquire any asset or assets with a value in excess of $50,000 in a single transaction or a series of related transactions, unless provided for in the Board-approved operating plan of the Company;

(vi) make any loan or advance to any person, including, any employee or manager, except advances and similar expenditures in the ordinary course of business or under the terms of an employee equity compensation plan approved by the Board of Managers;

(vii) incur any aggregate indebtedness in excess of $50,000 that is not already included in the operating plan of the Company approved by the Board of Managers, other than trade credit incurred in the ordinary course of business; or

(viii) enter into any corporate strategic relationship involving the payment, contribution or assignment by the Company or to the Company of assets greater than $50,000.

Section 5.3 Certain Actions Requiring Manager Approval and Member Approval. Notwithstanding the provisions of Sections 5.1 and 5.2, the following actions shall require Manager Approval and Member Approval:

(a) any decision to require the Members to contribute additional capital;

(b) any change to the principal business of the Company, or entry into new lines of business, or exit of the current line of business.

Section 5.4 Reliance by Third Parties.

Any Person dealing with the Company, the Managers or any Member may rely upon a certificate signed by all of the Managers as to: (i) the identity of any Managers or Members; (ii) any factual matters relevant to the affairs of the Company; (iii) the Persons who are authorized to execute and deliver any document on behalf of the Company; or (iv) any action taken or omitted by the Company, the Managers or any Member.

Section 5.5 Board Voting Rights; Meetings; Quorum.

(a) Each Manager shall be entitled to one (1) vote with respect to any matter before the Board of Managers or committee thereof. At any meeting of the Board of Managers, the presence of a majority of the total number of Managers then in office shall constitute a quorum.

(b) Regularly scheduled meetings of the Board of Managers may be held at such time, date and place as a majority of the Managers may from time to time determine. Special meetings of the Board of Managers may be called, orally, in writing or by means of electronic communication, by any Manager, designating the time, date and place thereof.

(c) Notice of the time, date and place of all meetings of the Board of Managers shall be given to each Manager by the appropriate officer of the Company or one of the Managers calling the meeting. Notice shall be given to each Manager in person or by telephone, facsimile or electronic mail sent to his business or home address or email address, as applicable, at least twenty-four (24) hours in advance of the meeting, or by written notice mailed to his business or home address at least seventy-two (72) hours in advance of the meeting. The attendance of a Manager at a meeting shall constitute a waiver of notice of such meeting by such Manager, except where a Manager attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because such meeting is not lawfully called or convened. A notice or waiver of notice of a meeting of the Board of Managers need not specify the purposes of the meeting.

Section 5.6 Actions of the Board of Managers.

(a) Except as provided in this Agreement, or required by law, any vote or approval of a majority of the Managers present at any meeting of the Board of Managers at which a quorum is present shall be the act of the Board of Managers.

(b) Any action required or permitted to be taken at any meeting of the Board of Managers may be taken without a meeting if a written consent thereto is signed (including by

means of an authorized electronic, stamped or other facsimile signature or email message) by all of the Managers then in office and filed with the records of the meetings of the Board of Managers. Such consent shall be treated as a vote of the Board of Managers for all purposes.

Section 5.7 Reimbursement of Managers.

The Company shall promptly reimburse in full each Manager who is not an employee of the Company or any Subsidiary for all such Manager's reasonable out-of-pocket expenses incurred in connection with attending any meeting of the Board of Managers or a committee thereof or any Board of Managers or committee thereof of any Subsidiary.

Section 5.8 Transactions with Interested Persons.

Unless entered into in bad faith, no contract or transaction between the Company or any Subsidiary and one of its or their Managers, officers or Members or Affiliates of the foregoing, or between the Company or any Subsidiary and any other Person or Affiliates of such Person in which one or more of its or any Subsidiary's Managers, officers or Members have a financial interest or are directors, managers, partners, members, stockholders, officers or employees, shall be voidable solely for this reason or solely because said Member, Manager or officer was present or participated in the authorization of such contract or transaction if (i) the material facts as to the relationship or interest of said Person and as to the contract or transaction were disclosed or known to the Board of Managers and the contract or transaction was authorized by a majority of the votes held by disinterested members of the Board of Managers (if any) or (ii) the contract or transaction was entered into on terms and conditions that were fair and reasonable to the Company as of the time it was authorized, approved or ratified. Subject to compliance with the provisions of this Section 5.8, no Member, Manager or officer interested in such contract or transaction, because of such interest, shall be considered to be in breach of this Agreement or liable to the Company, any other Member, Manager or other Person for any loss or expense incurred by reason of such contract or transaction or shall be accountable for any gain or profit realized from such contract or transaction.

Section 5.9 Limitation of Liability of Managers.

No Manager shall be obligated personally for any debt, obligation or liability of the Company or of any Member, whether arising in contract, tort or otherwise, by reason of being or acting as Manager of the Company. A Manager shall be fully protected in relying in good faith upon the Company's records and upon such information, opinions, reports or statements by any of the Company's Members, Managers, employees, consultants, advisors or agents, or by any other Person as to matters such Manager reasonably believes are within such other Person's professional or expert competence and who has been selected in good faith and with reasonable care by such Manager, including, without limitation, information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits or losses of the Company. No Manager shall be personally liable to the Company or its Members for any action undertaken or omitted in good faith reliance upon the provisions of this Agreement unless the acts or omissions of the Manager were not in good faith or involved gross negligence or intentional misconduct. Any Person alleging any act or omission as not taken or omitted in good faith shall have the burden of proving by a preponderance of the evidence the absence of good faith.

Section 5.10 Other Agents.

From time to time, the Board of Managers acting by Manager Approval may appoint agents of the Company (who may be designated as officers of the Company), with such powers and duties as shall be specified by such Manager Approval. Such agents (including those designated as officers) may be removed by Manager Approval.

ARTICLE 6.
CAPITAL CONTRIBUTIONS

Section 6.1 Amount and Payment.

(a) As of the Effective Date, the Members holding Common Units have made Capital Contributions as set forth on Schedule A attached hereto in exchange for such Common Units; and the Members holding Series Seed Investor Units have made Capital Contributions in the aggregate amount of $100,000.00, as set forth on Schedule A attached hereto.

(b) With Manager Approval, and pursuant to the terms and subject to the conditions of this Agreement, the Company may accept additional Capital Contributions in connection with the issuance of additional Units, including Series Seed Investor Units, at a price per Unit to be determined pursuant to Manager Approval at the time of the sale and issuance of Units, up to the total number of authorized Units, to existing Members and in connection with the admission of other Persons as additional Members, in each case pursuant to Article 8.

(c) Any Capital Contributions that the Members have made in exchange for their Units and the number of Units held by each Member shall be set forth on Schedule A, which Schedule shall be updated by the Board of Managers from time to time to reflect changes in the information set forth therein made in accordance with the terms of this Agreement and such Series Seed Investor Unit Subscription Agreement(s) as may be agreed by the Board of Managers pursuant to Manager Approval from time to time. Schedule A shall be held confidentially by the Board of Managers, and may not be disclosed to any Member other than a holder of Series Seed Investor Units or a Major Member and, in each case, its Affiliates, without the prior consent of the Board of Managers.

Section 6.2 Interest.

The Members shall not be entitled to receive any interest on any Capital Contribution to the Company.

Section 6.3 Withdrawal.

Except as otherwise specifically provided herein, a Member shall not be entitled to withdraw any Capital Contribution or portion thereof or to receive any Guaranteed Payment or distribution from the Company.

ARTICLE 7.
CAPITAL ACCOUNTS; ALLOCATIONS; DISTRIBUTIONS

Section 7.1 Capital Accounts.

For each Member, the Company shall establish and maintain a separate Capital Account as more fully described in Schedule B.

Section 7.2 Allocations.

Allocations of Profit and Loss, and allocations for tax purposes of items of income, gain, loss, deduction and expense and tax credits, shall be made to and among the Members in accordance with Schedule B attached hereto (the "Allocation Exhibit"). Certain other tax matters, including provisions concerning limited liability company interests that change throughout the Fiscal Year and the allocation of tax items, are also governed by the Allocation Exhibit.

Section 7.3 Distributions.

(a) To the extent allowed by applicable law, the Company shall make distributions of Distributable Cash (if any) to the Members pursuant to the terms and subject to the conditions of this Agreement within 45 days of the last day of each fiscal quarter of the Company, in such amounts as may be determined by Manager Approval and subject to any limitations applicable to Profits Interests, including applicable Threshold Amounts.

(b) Any distributions made pursuant to Section 7.3(a) shall be made pursuant to the terms and subject to the conditions thereof on a pro rata basis in proportion to the number of Units held by each Member, *provided that*, the proceeds of any voluntary or involuntary liquidation, dissolution and winding up of the affairs of the Company or Deemed Liquidation Event shall first be distributed to the Members holding outstanding Series Seed Investor Units, if any, to the extent of and in proportion to, such Members' Unreturned Capital Amount determined with respect to the outstanding Series Seed Investor Units then held by each such Member.

(c) Notwithstanding the foregoing, the Company shall make, with respect to each Fiscal Year of the Company, distributions of Distributable Cash, if any, to the Members in an amount equal to the respective Projected Tax Liability of each Member for such tax year, to enable the Members to pay income taxes on Profit allocated to them with respect to such tax year (any such distribution, a "Tax Distribution"). The amount of the Tax Distributions to which a Member otherwise would be entitled with respect to a Fiscal Year shall be reduced dollar-for-dollar by the amount of any other cash distributions received by such Member (or such Member's predecessor in interest) for such Fiscal Year (other than any distributions received that are Tax Distributions with respect to a prior Fiscal Year). All Tax Distributions made to a Member shall be treated as advances of distributions to be made to that Member (or that Member's successor in interest) pursuant to Section 7.3 (including pursuant to Section 12.2) of this Agreement, as applicable, and shall reduce such future distributions dollar for dollar. The aggregate amount of Tax Distributions with respect to any Fiscal Year may be reduced, on a pro rata basis, or not made, if and to the extent the Board of Managers determines that the Company has insufficient Distributable Cash to make such Tax Distributions in full.

Section 7.4 Guaranteed Payments

Payments may be paid to Members for services performed for the benefit of the Company by such Members at the time of any regular payment of wages to employees of the Company, in accordance with the Company's payroll methodology, or at such other times as may be determined by Manager Approval in the sole discretion of the Managers, it being understood that the payments made pursuant to this Section 7.4 shall be treated as "guaranteed payments" within the meaning of Section 707(c) of the Code (the "Guaranteed Payments").

Section 7.5 Withholding; Tax Documentation.

Notwithstanding anything to the contrary in this Agreement, the Company may withhold from any allocation, distribution or other payment made to any Member any amount required to be withheld under the Code or any other applicable federal, state, local or foreign law. All amounts so withheld with regard to any distribution or payment shall be treated as amounts distributed or paid to such Member. If no distribution or payment is being made to a Member in an amount sufficient to pay the Company's withholding obligation with respect to such Member, any amount that the Company is obligated to pay shall be deemed an interest-free advance from the Company to such Member, payable by such Member by withholding by the Company from any subsequent distributions or payments to such Member or within ten days after receiving written request for payment from the Company. Each Member agrees to timely complete and deliver to the Managers any form, document or provide such other information reasonably requested by the Company for tax purposes.

ARTICLE 8.
ISSUANCE OF ADDITIONAL UNITS; ADMISSION OF ADDITIONAL MEMBERS

Section 8.1 Additional Issuances; Additional Members.

(a) A Member may purchase or be granted additional Units in the Company or a Person who is not already a Member of the Company may be admitted as a Member of the Company by Manager Approval.

(b) The Capital Contribution (if any) and other terms with respect to such additional Units or such additional Member shall be determined by Manager Approval.

ARTICLE 9.
WITHDRAWAL AND RESIGNATION OF MEMBERS; PURCHASE RIGHTS AMONG MAJOR MEMBERS

Section 9.1 Withdrawal and Resignation.

No Member may withdraw or resign from the Company except (i) pursuant to a purchase of its and all of its Affiliates' Units in accordance with the terms of this Article 9 or (ii) with the written consent of the Major Members. Any Member who attempts to resign or withdraw from the Company in violation of the foregoing provision shall cease to be a Member of the Company and shall forfeit any right to distributions or payments from the Company, including, without limitation, any right to any payment pursuant to Section 32 of the Massachusetts Act.

Section 9.2 Definition of Trigger Event.

A Major Member shall have caused a "Trigger Event" for purposes of this Agreement in the event that such Major Member is in material breach of this Agreement if any such breach continues for more than fifteen days following receipt by the breaching Major Member from the other Major Member of notice of breach and demand for cure; provided, however, that if the cure is commenced in good faith within the fifteen-day period but cannot reasonably be completed within that period, an extension thereof of reasonable duration, not to exceed thirty days, shall be provided to permit cure.

Section 9.3 Purchase Right in the Event of a Trigger Event.

If a Major Member (the "Non-Breaching Major Member") believes that the other Major Member (the "Breaching Major Member") has caused a Trigger Event, the Non-Breaching Major Member may provide a notice to the Breaching Major Member with respect to such Trigger Event (the "Trigger Notice"). The Trigger Notice shall specify the claimed nature of the Trigger Event and shall state whether the Non-Breaching Major Member will elect to purchase all of the Units of the Breaching Major Member in accordance with the buy-out procedure set forth in Section 9.5 below. If the Trigger Notice does not contain an election to purchase all of the Units of the Breaching Major Member, the Breaching Major Member shall have thirty days after the date of its receipt of the Trigger Notice to send a written response to the Non-Breaching Major Member electing to purchase all of the Units of the Non-Breaching Major Member in accordance with the buy-out procedure set forth in Section 9.5 below. If neither Major Member makes an election to purchase all of the Units of the other Major Member pursuant to this Section 9.3, the Company shall dissolve in accordance with the terms of this Agreement.

Section 9.4 Purchase Right in the Event of a Material Disagreement.

In the event there is a material disagreement between the Managers appointed by the Major Members relating to any matter requiring consent of both such Managers, and such material disagreement is not resolved by the dispute resolution process set forth in Section 9.6, each Major Member shall have the right to elect to purchase all of the Units of the other Major Member in accordance with the buy-out procedure set forth in Section 9.5 below. If each of the Major Members elects to purchase all of the Units of the other Major Member, the Major Members shall agree on random, unbiased means (which may include a coin toss) of determining who shall be the Electing Member for purposes of Section 9.5.

Section 9.5 Purchase Price and Process.

(a) The purchase price for Units of a Major Member purchased pursuant to Section 9.3 or Section 9.4 (the "Buyout Purchase Price") shall be equal to the amount that would be distributed to the selling Major Member if the assets and business of the Company were sold at fair market value and the Company were dissolved immediately prior to sale. Fair market value of the Company's assets and business shall be determined by mutual agreement of the Members (including pursuant to the engagement of such independent third-party valuation firm as the Major Members may mutually agree upon), with such agreement to take place within thirty days after the date (the "Election Date") on which a Major Member (the "Non-Electing Major Member") has

received an election to acquire all of its Units from the other Major Member (the "Electing Major Member") under Section 9.3 or Section 9.4. If the Major Members are able to agree with respect to fair market value within thirty days after the Election Date, the purchase and sale of the applicable Units shall take place on the date that is sixty days after the Election Date, or the next Business Day if such date is not a Business Day.

(b) In the event that the Major Members cannot agree on the fair market value of the Company's assets and business within thirty days after the Election Date, the Electing Major Member shall have the right to serve notice to the Non-Electing Major Member (the "Value Notice") setting forth the Electing Major Member's determination as to the fair market value of the Company's assets and business and each Major Member's respective share thereof, providing a Buyout Purchase Price for each Major Member's Units. If the Non-Electing Major Member does not receive the Value Notice within thirty days after the Election Date, the Company shall dissolve in accordance with the terms of this Agreement.

(c) If the Non-Electing Major Member receives the Value Notice within thirty days after the Election Date, the Non-Electing Major Member shall have the right either (i) to sell all of its Units at the Buyout Purchase Price for such Units contained in the Value Notice or (ii) to purchase all of the Electing Major Member's Units for the applicable Buyout Purchase Price for such Units contained in the Value Notice. To exercise this purchase right, the Non-Electing Major Member must send a written notice to the Electing Major Member within fifteen days after the Non-Electing Major Member's receipt of the Value Notice. If the Non-Electing Major Member exercises its purchase right within the required time period, the purchase and sale of the applicable Units shall take place on the date that is forty-five days after the Non-Electing Major Member's receipt of the Value Notice, or the next Business Day if such date is not a Business Day. If the Non-Electing Major Member does not exercise its purchase right within the required time period, the Electing Major Member shall purchase all of the Units of the Non-Electing Major Member on the date that is thirty days after the Non-Electing Major Member's receipt of the Value Notice, or the next Business Day if such date is not a Business Day.

(d) Any purchase of Units pursuant to this Article 9 shall be evidenced by such assignments, instruments of conveyance, bills of sale or other transfer documents as either of the Major Members may reasonably request. The aggregate Buyout Purchase Price shall be paid on the date specified for such purchase in this Article 9 by delivery of a promissory note in the amount of such aggregate Buyout Purchase Price. The promissory note shall be secured by a security interest in all Units held by the purchasing Major Member, with such security interest to be granted pursuant to documents reasonably satisfactory to the selling Major Member. The principal amount of such promissory note shall bear interest, payable annually, at the lowest rate per annum then required by the Code in order to avoid the imputation of interest, and shall be payable in not more than three equal annual installments. Each note shall provide as follows: that the maker shall have the right to prepay the principal or any portion thereof at any time or times without premium or penalty; that upon default for thirty days in any payment of principal or interest, or in the event of bankruptcy or insolvency of the maker, or if the maker shall make any assignment for the benefit of creditors, the entire balance of principal and interest then remaining unpaid on the note shall become due and payable forthwith at the option of the holder of the note; and that presentment, protest and notice of protest shall be waived.

(e) Notwithstanding any other provision of this Article 9, any purchaser of Units under this Article 9 shall, as a condition to such purchase, (i) assume all of the liabilities, obligations and/or guarantees of the selling Major Member which relate to the business of the Company, (ii) indemnify the selling Major Member for the liabilities, obligations and guarantees so assumed and (iii) obtain the release of all guarantees, letters of credit and documents granting security interests in the Units which the selling Major Member shall have provided in connection with the Company or its business. Such assumption, indemnification and release shall be evidenced by instruments and other documents reasonably satisfactory, in form and substance, to the selling Major Member.

(f) Upon the effectiveness of a purchase pursuant to this Article 9, (i) the selling Major Member shall be deemed to have withdrawn and resigned from the Company and shall cease to be a Member of the Company, (ii) the selling Major Member's Capital Account shall be re-allocated to the purchasing Major Member, (iii) any Managers appointed solely by the selling Major Member shall be deemed to have resigned as Managers as of such date and (iv) the purchasing Major Member shall be deemed substituted for the selling Major Member for the purposes of the appointment of Managers pursuant to Section 5.1(c)(i) or Section 5.1(c)(ii), as applicable.

(g) If the purchase of Units under this Article 9 is not completed by reason of the failure of either Major Member to comply with the terms of this Article 9, then (i) the complying Major Member shall be entitled to specific performance of the purchase and (ii) if the selling Major Member is the non-complying Major Member, upon compliance by the purchasing Major Member with the terms of this Article 9, including the payment of the aggregate Buyout Purchase Price in accordance with Section 9.5, the purchasing Major Member shall be entitled to treat itself for all purposes as, and thereafter shall be, the owner of the Units which were to be purchased under this Article 9.

Section 9.6 Dispute Resolution between Major Members.

The Major Members will attempt in good faith to resolve any controversy or claim between them and arising out of or relating to this Agreement promptly by negotiations between such Major Members. Should the dispute not be resolved through the aforementioned process, the Major Members agree first to try in good faith to settle the dispute (other than disputes with respect to the fair market value of the Company's assets and business under Article 9) by non-binding mediation administered by the American Arbitration Association under its Commercial Mediation Rules. If the matter has not been resolved within thirty days of submission to non-binding mediation, either Major Member may initiate buy/sell procedures to the extent permitted by Section 9.4 above.

ARTICLE 10.
DURATION OF THE COMPANY

Section 10.1 Duration.

The Company shall continue until it is dissolved and its affairs wound up, which shall occur on the earlier of the happening of any of the following events:

(a) Written Manager Approval and written approval of Members holding a majority of then-outstanding Units with respect to such dissolution and winding up.

(b) The death, incapacitation, retirement, resignation, expulsion, or bankruptcy of all of the Members or the occurrence of any event which terminates the continued membership of all of the Members in the Company.

(c) The entry of a decree of judicial dissolution under Section 44 of the Massachusetts Act.

ARTICLE 11.
RESTRICTIONS ON TRANSFER; RIGHT OF FIRST REFUSAL; RIGHT OF CO-SALE; DRAG-ALONG RIGHTS; AND PRE-EMPTIVE RIGHTS

Section 11.1 Prohibited Transfers.

(a) Except as otherwise specifically provided herein, no Member shall, directly or indirectly, sell, exchange, transfer (by gift or otherwise), assign, distribute, pledge, create a security interest, lien or trust with respect to, or otherwise dispose of or encumber any Units owned by such Member or any interest in or option on or based on the value of the Units (any of the foregoing being referred to as a "Transfer") without first complying with the terms of this ARTICLE XI. Any purported Transfer of Units in violation of the provisions of this ARTICLE XI shall be void and of no force and effect whatsoever, and the Company shall not record any such event on its books or treat any such transferee as the owner of such Units for any purpose. Any Transfer permitted by this Agreement shall be termed a "Permitted Transfer" and the transferee of any Permitted Transfer shall be termed a "Permitted Transferee."

(b) Notwithstanding anything herein to the contrary, the following Transfers shall be limited only by (and shall be subject to the terms and conditions of) Section 11.2: (i) a Transfer by any Member to the spouse, children or siblings (and siblings' children) of such Member (or to the beneficial owners of such Member, if such Member is not a natural person) or to a trust, family limited partnership, family limited liability company or similar family entity for the benefit of any of them; (ii) a Transfer upon the death of any Member, to such Member's heirs, executors or administrators or to a trust under such Member's will, or between such Member and such Member's guardian or conservator; (iii) with respect to any Member that is not a natural person, a Transfer to another Person that is a general or limited partner, retired partner, member, retired member, stockholder or Affiliate of such Member; (iv) a Transfer by Toria Group, LLC to a third party, *provided* that the terms and conditions of Section 11.3, Section 11.5(a) and Section 11.5(b) (but not, for the avoidance of doubt, Section 11.4 or Section 11.5(c)) shall apply to any such proposed Transfer by Toria Group, LLC; or (v) a Transfer by a Member pursuant to the terms and conditions of Section 9.3, Section 9.4 or Section 11.4.

Section 11.2 Effective Date and Requirements of Transfer.

(a) Any valid Transfer of a Member's Units, or part thereof, pursuant to the provisions of this Agreement, shall be effective as of the close of business on the day in which such Transfer occurs (including fulfillment of all conditions and requirements with respect thereto). The Company shall, from the effective date of such Transfer, thereafter make all further

distributions, on account of the Units (or part thereof) so assigned to the Permitted Transferee of such interest, or part thereof.

(b) Every Transfer permitted hereunder shall be subject to the following requirements (in addition to any other requirements contained in this Agreement):

(i) If not already a Member, the transferee shall execute a counterpart to this Agreement thereby agreeing to be bound by all the terms and conditions of this Agreement;

(ii) The transferee shall establish that the proposed Transfer will not cause or result in any violation of law, including without limitation, federal or state securities laws, and that the proposed Transfer would not cause or require (A) the Company to be an investment company as defined in the Investment Company Act of 1940, as amended or (B) the registration of the Company's securities under federal securities laws;

(iii) The transferee shall establish to the satisfaction of the Board of Managers that the proposed Transfer would not adversely affect the classification of the Company as a partnership for U.S. federal or any applicable state or local income tax purposes or cause the Company to be treated as a publicly traded partnership under the Code, unless agreed to in writing by Manager Approval;

(iv) The transferee shall not be any entity which, in the determination of the Board of Managers, is a competitor of the Company; and

(v) The transferee shall not be any customer, distributor or supplier of the Company, if the Board of Managers should reasonably determine that such Transfer would result in such customer, distributor or supplier receiving information that would place the Company at a competitive disadvantage with respect to such customer, distributor or supplier.

(c) Any Transfer that the Board of Managers reasonably determines may have a consequence described in Section 11.2(b) shall not be permitted.

(d) Provided that the Board of Managers has reasonably determined that the proposed Transfer will not have a consequence described in Section 11.2(b), any Permitted Transferee who is not admitted as a Member shall be treated as an Assignee hereunder. Permitted Transferees of Units who are not admitted as Members ("Assignees") shall be entitled to distributions and allocations made with respect to the Units Transferred, and an appropriate portion of the Capital Account of the transferor, but shall have no other rights under this Agreement except as specifically set forth herein.

Section 11.3 Right of First Refusal.

(a) If a Member (a "Transferring Member") proposes to Transfer any Units of the Company other than pursuant to a Transfer permitted under Section 11.1(b), the Transferring Member shall promptly give written notice (the "Transfer Notice") of such proposed Transfer to the Company and to the Major Investors and Major Members other than such Transferring Member (such Major Investors and Major Members, the "Designated Members"). The Transfer Notice shall describe in reasonable detail the proposed Transfer, including, without limitation, the number

and class of Units to be Transferred (the "Transfer Units"), the nature of such Transfer, the cash consideration to be paid per Transfer Unit (which shall be the sole form of consideration) (the "Transfer Purchase Price Per Unit"), the name and address of each prospective purchaser or transferee (each, a "Proposed Transferee"), and the number of Transfer Units to be Transferred to each Proposed Transferee. The Transferring Member shall enclose with the Transfer Notice a copy of a written offer, letter of intent or other written document signed by the Proposed Transferee(s) setting forth the proposed terms and conditions of the Transfer.

(b) For a period of fifteen (15) days following the date (the "Transfer Notice Date") on which the Transfer Notice is given by the Transferring Member to the Company and each Designated Member (the "Company Acceptance Period"), the Company shall have the right to purchase all or any portion of the Transfer Units on the same terms and conditions as set forth in the Transfer Notice. If the Company desires to exercise its right to purchase all or any portion of the Transfer Units, it shall give written notice (the "Company Purchase Notice") to the Transferring Member, no later than the expiration of the Company Acceptance Period.

(c) If the Company does not intend to exercise its right to purchase all of the Transfer Units that are offered by a Transferring Member, the Company must deliver a notice (the "Company Notice") to the Transferring Member and to each Designated Member, informing them of its decision not to purchase all of the Transfer Units that are offered by such Transferring Member, no later than the expiration of the Company Acceptance Period. For a period of fifteen (15) days following the date (the "Company Notice Date") on which the Company Notice is given by the Company to each Designated Member (the "Member Acceptance Period"), each Designated Member shall have the right to purchase its pro rata share of the Transfer Units not purchased by the Company (the "Remaining Transfer Units") on the same terms and conditions as set forth in the Transfer Notice. If a Designated Member desires to exercise its right to purchase all or any portion of its pro rata share of the Remaining Transfer Units, it shall give written notice (the "Member Purchase Notice") to the Transferring Member, with a copy to the Company, no later than the expiration of the Member Acceptance Period. Each Designated Member's pro rata share of the Remaining Transfer Units shall be equal to a fraction, the *numerator* of which is the number of Units owned by such Designated Member on the Transfer Notice Date and the *denominator* of which is the total number of outstanding Units owned by all of the Designated Members on the Transfer Notice Date.

(d) Each Designated Member may, in such Designated Member's Purchase Notice, offer to purchase more than such Designated Member's pro rata share of the Remaining Transfer Units (any such Designated Member, an "Oversubscribing Member") at the Transfer Purchase Price Per Unit. If less than all of the Designated Members elect to purchase their pro rata share of the Remaining Transfer Units (the "Unsubscribed Units"), the right to purchase the Unsubscribed Units shall be allocated pro rata among the Oversubscribing Members (based on the number of outstanding Units owned by each Oversubscribing Member) up to the number of Remaining Transfer Units specified in such Oversubscribing Member's Purchase Notice or on such other basis as such Oversubscribing Members may agree.

(e) If the Company and the Designated Members elect to purchase all or any portion of the Transfer Units, the Transferring Member shall, promptly following the expiration of the Member Acceptance Period, give written notice (the "Closing Notice") to the Company and

each Designated Member that has elected to purchase Transfer Units (such Designated Members, the "ROFR Purchasers"). The Closing Notice shall set forth (i) a date of closing, which date shall not be earlier than five (5) days and not later than fifteen (15) days following the date on which the Closing Notice is given, (ii) the number of Transfer Units to be purchased by the Company and each ROFR Purchaser, and (iii) the total purchase price payable by the Company and each ROFR Purchaser (which, with respect to a Person, shall be equal to product of the number of Transfer Units that such Person has elected to purchase (including any Unsubscribed Units) and the Transfer Purchase Price Per Unit). At the closing, the Company and each ROFR Purchaser shall purchase the Transfer Units (including any Unsubscribed Units) that the Company or such ROFR Purchaser has elected to purchase by wire transfer of immediately available funds to an account designated by the Transferring Member against delivery of satisfactory evidence from the Company and the Transferring Member of the Transfer of the Transfer Units to the Company or such ROFR Purchaser in accordance with the provisions of this Agreement; provided, however, neither the Company nor any ROFR Purchaser shall have any liability to purchase or pay for more than the number of Transfer Units it has elected to purchase pursuant to these provisions. The Company and the ROFR Purchasers may request waivers of any liens on, and evidence of good title to, the Transfer Units.

(f) The rights of first refusal of any Member under this Section 11.3 may be assigned by a Member to an assignee that (i) is a subsidiary, parent, general partner, limited partner, retired partner, member or retired member of a Member that is a corporation, partnership or limited liability company, (ii) is a Member's family member or trust for the benefit of an individual Member, or (iii) is an Affiliate of such Member.

Section 11.4 Right of Co-Sale.

(a) If the Company and the Designated Members do not purchase all of the Transfer Units pursuant to Section 11.3, the Transferring Member, within five (5) days after the expiration of the Member Acceptance Period, shall deliver to each Designated Member, with a copy to the Company, a written notice (the "Co-Sale Notice") that each such Designated Member shall have the right (the "Co-Sale Right"), in accordance with the terms and conditions set forth in this Agreement, to participate with the Transferring Member in the Transfer of the Transfer Units not purchased by the Company and the Designated Members pursuant to the provisions of Section 11.3 hereof (the "Available Units") for an amount of consideration in respect of each such Designated Member's Units equal to the Transfer Purchase Price Per Unit (the "Co-Sale Purchase Price") on the terms and conditions set forth in the Transfer Notice described above and in accordance with this Section 11.4. The Co-Sale Notice shall set forth the date of closing of the proposed sale of the Available Units by the Transferring Member to the Proposed Transferee, which date shall not be earlier than ten (10) days and not later than fifteen (15) days following the date on which the Co-Sale Notice is given. To the extent one or more of the Designated Members exercise their Co-Sale Right, the number of Available Units that the Transferring Member may sell to the Proposed Transferee shall be correspondingly reduced.

(b) If a Designated Member desires to exercise its Co-Sale Right, such Designated Member shall give written notice (the "Inclusion Notice") to the Transferring Member, with a copy to the Company, within five (5) days after the Co-Sale Notice is given (the "Co-Sale Election Period"). The Inclusion Notice shall indicate the number of Units such Designated

Member wishes to sell under its Co-Sale Right up to the number of Available Units. The maximum number of Units that each Designated Member may sell under its Co-Sale Right shall be equal to the product obtained by multiplying (i) the aggregate number of Available Units covered by the Co-Sale Notice by (ii) a fraction, the numerator of which is the number of outstanding Units owned by such Designated Member on the Transfer Notice Date and the denominator of which is the total number of outstanding Units owned by the Transferring Member and all Designated Members on the Transfer Notice Date (such Units with respect to each Designated Member, the "Co-Sale Right Units"). Any Designated Member that is covered by an Inclusion Notice delivered by a Designated Member to the Transferring Member, with a copy to the Company, within the Co-Sale Election Period is referred to hereinafter as a "Co-Sale Participant."

(c) At the closing of the sale of Available Units by the Transferring Member to the Proposed Transferee, each Co-Sale Participant shall deliver to the Proposed Transferee satisfactory evidence from the Company and such Co-Sale Participant in accordance with the provisions of this Agreement of the number of Co-Sale Right Units which such Co-Sale Participant has elected to sell. Upon receipt of such evidence, and concurrently with the purchase of Available Units from the Transferring Member, the Proposed Transferee shall remit to each Co-Sale Participant, by wire transfer of immediately available funds (or other means acceptable to such Co-Sale Participant), the Co-Sale Purchase Price with respect to the Co-Sale Right Units. Each Member shall be entitled to the same form of consideration, payment terms and security in connection with any transaction effected in accordance with this Section 11.4. To the extent that any Proposed Transferee refuses to purchase Co-Sale Right Units from a Co-Sale Participant, the Transferring Member shall not sell to such Proposed Transferee any Available Units unless and until, simultaneously with such sale, such Transferring Member purchases the Co-Sale Right Units from the Co-Sale Participant in accordance with this Section 11.4.

(d) In the event that no Designated Member exercises its Co-Sale Right, then the Transferring Member may Transfer all of the Available Units to the Proposed Transferee on the terms and conditions set forth in the Transfer Notice. Any proposed Transfer that is not completed within forty-five (45) days of the expiration of the Member Acceptance Period or that would be on terms and conditions more favorable to the Proposed Transferee than those described in the Transfer Notice shall again be subject to the rights of first refusal and co-sale described herein and shall again require compliance by a Transferring Member with the procedures described herein in connection therewith.

(e) Neither the Transfer of Available Units by the Transferring Member nor the Transfer of Co-Sale Right Units by a Designated Member shall be effective unless, contemporaneously with such Transfer, the Proposed Transferee executes a counterpart to this Agreement, thereby agreeing to be bound all the terms and conditions of this Agreement.

(f) The covenants set forth in Section 11.3 and this Section 11.4 shall terminate and be of no further force or effect upon a Sale of the Company.

Section 11.5 Effect of Failure to Comply.

(a) Transfer Void; Equitable Relief. Any Transfer not made in compliance with the requirements of this Agreement shall be null and void ab initio, shall not be recorded on the

books of the Company or its transfer agent and shall not be recognized by the Company. Each party hereto acknowledges and agrees that any breach of this Agreement would result in substantial harm to the other parties hereto for which monetary damages alone could not adequately compensate. Therefore, the parties hereto unconditionally and irrevocably agree that any non-breaching party hereto shall be entitled to seek protective orders, injunctive relief and other remedies available at law or in equity (including, without limitation, seeking specific performance or the rescission of purchases, sales and other transfers of Transfer Units not made in strict compliance with this Agreement).

(b) Violation of First Refusal Right. If any Transferring Member becomes obligated to sell any Transfer Units to the Company or any Designated Member under this Agreement and fails to deliver such Transfer Units in accordance with the terms of this Agreement, the Company and/or such Designated Member may, at its option, in addition to all other remedies it may have, send to such Transferring Member the purchase price for such Transfer Units as is herein specified and transfer to the name of the Company or such Designated Member (or request that the Company effect such transfer in the name of the Designated Member) on the Company's books the Transfer Units to be sold.

(c) Violation of Co-Sale Right. If any Transferring Member purports to sell any Transfer Units in contravention of the Co-Sale Right (a "Prohibited Transfer"), each Designated Member who desires to exercise its Co-Sale Right under Section 11.4 may, in addition to such remedies as may be available by law, in equity or hereunder, require such Transferring Member to purchase from such Designated Member the type and number of Units that such Designated Member would have been entitled to sell to the Proposed Transferee under Section 11.4 had the Prohibited Transfer been effected pursuant to and in compliance with the terms of Section 11.4. The sale will be made on the same terms and subject to the same conditions as would have applied had the Transferring Member not made the Prohibited Transfer, except that the sale (including, without limitation, the delivery of the purchase price) must be made within ninety (90) days after the Designated Member learns of the Prohibited Transfer, as opposed to the timeframe proscribed in Section 11.4. Such Transferring Member shall also reimburse each Designated 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 Designated Member's rights under Section 11.4.

Section 11.6 Drag-Along Right.

(a) Drag-Along Right.

(i) Definitions. A "Sale of the Company" shall mean either: (a) a transaction or series of related transactions in which a Person, or a group of related Persons, acquires from the Members Units representing more than fifty percent (50%) of the total outstanding voting power of all outstanding Units of the Company (a "Unit Sale" and the Members proposing any Unit Sale, collectively, the "Selling Members"); or (b) a transaction that qualifies as a Deemed Liquidation Event.

(ii) Actions to be Taken. In the event that (A) the Major Members and (B) the Board of Managers each approve a Sale of the Company in writing (provided that the Toria

Group has been provided with not less than ten (10) business days' advance written notice of such Sale of the Company (if and to the extent permitted by applicable law) and an opportunity to discuss same with the Board of Managers, specifying that this Section 11.6(a) shall apply to such transaction (such Sale of the Company, an "Approved Sale"), then each Member hereby agrees:

(A) if such Approved Sale and/or any related transaction requires Member approval, with respect to all Units that such Member owns or over which such Member otherwise exercises voting power, to vote (in person, by proxy or by action by written consent, as applicable) all such Units in favor of the approval of, and adopt, such Approved Sale and such related transaction(s) (together with any related amendment to this Agreement required in order to implement such Sale of the Company) and to vote in opposition to any and all other proposals that could reasonably be expected to delay or impair the ability of the Company to consummate such Sale of the Company;

(B) if such Approved Sale is a Unit Sale, to sell the same proportion of Units beneficially held by such Member as is being sold by the Selling Members to the Person to whom the Selling Members propose to sell their Units in such Approved Sale, and, except as permitted in clause (vi) below, on the same terms and conditions as the Selling Members;

(C) to execute and deliver all related documentation and take such other action in support of such Approved Sale as shall reasonably be requested by the Company or the Selling Members in order to carry out the terms and provision of this Section 11.6(a), including without limitation executing and delivering instruments of conveyance and transfer, and any purchase agreement, merger agreement, indemnity agreement, escrow agreement, consent, waiver, governmental filing, and any similar or related documents (other than any non-competition agreement or covenant that would bind the Member or its Affiliates after consummation of the Approved Sale);

(D) not to deposit, and to cause their Affiliates not to deposit, except as provided in this Agreement, any Units owned by such party or Affiliate in a voting trust or subject any Units to any arrangement or agreement with respect to the voting of such Units, unless specifically requested to do so by the acquirer in connection with such Approved Sale;

(E) to refrain from exercising any dissenters' rights or rights of appraisal under applicable law at any time with respect to such Approved Sale; and

(F) if the consideration to be paid in exchange for the Units pursuant to such Approved Sale under this Section 11.6(a) includes any securities and due receipt thereof by any Member would require under applicable law (x) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities or (y) the provision to any Member of any information other than such information as a prudent issuer would generally furnish in an offering made to "accredited investors" as defined in Regulation D promulgated under the Securities Act or sophisticated non-accredited investors pursuant to and validly exempted by Regulation 506(b), the Company may cause to be paid to any such Member in lieu thereof, against surrender of the Units which would have otherwise been sold by such Member, an amount in cash equal to the fair value (as determined in good faith by the Company)

of the securities which such Member would otherwise receive as of the date of the issuance of such securities in exchange for the Units.

(iii) In the event of an Approved Sale, the Company shall give written notice to each Member (the "Approved Sale Notice"). The Approved Sale Notice shall set forth (A) the name and address of the proposed acquirer in the Approved Sale (the "Proposed Acquirer"), (B) the terms and conditions of the Approved Sale, including the price and consideration to be paid by the Proposed Acquirer and the terms and conditions of payment, (C) any other material facts relating to the Approved Sale, and (D) the anticipated date and location of the closing of the Approved Sale. Unless prohibited by contract, the Company shall enclose with the Approved Sale Notice a copy of any term sheet, letter of intent, agreement or other written document with respect to the terms and conditions of the Approved Sale. Subject to the conditions and limitations set forth in this Agreement, each Member will take all actions deemed necessary or appropriate by the Board of Managers and the Selling Members in connection with the Approved Sale.

(iv) Exceptions. Notwithstanding the foregoing, a Member will not be required to comply with Section 11.6(a)(ii) above in connection with any Approved Sale unless:

(A) any representations, warranties, covenants, indemnities and agreements made by such Member shall be made by such Member severally, and not jointly, and such representations and warranties shall be limited to those related to authority, ownership and the ability to convey title to each such Member's Units, including but not limited to representations and warranties that (A) such Member holds all right, title and interest in and to the Units such Member purports to hold, free and clear of all liens and encumbrances, (B) the obligations of such Member in connection with the Approved Sale have been duly authorized, if applicable, (C) the documents to be entered into by such Member have been duly executed by such Member and delivered to the Proposed Acquirer and are enforceable against such Member in accordance with their respective terms and (D) neither the execution and delivery of documents to be entered into by such Member in connection with the Approved Sale, nor the performance of such Member's obligations thereunder, will cause a breach or violation by such Member of the terms of any agreement, law or judgment, order or decree of any court or governmental agency;

(B) such Member shall not be liable for the inaccuracy of any representation or warranty made by any other Person in connection with the Approved Sale, other than for the inaccuracy of any representation or warranty made by the Company in connection with the Approved Sale (and except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any Member of any of identical representations, warranties and covenants provided by all Members);

(C) the liability for indemnification, if any, of such Member in the Approved Sale and for the inaccuracy of any representations and warranties made by the Company in connection with such Approved Sale, is several and not joint with any other Person (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any Member of any of identical representations, warranties and covenants provided by all Members), and is pro

rata in proportion to the amount of consideration paid to such Member in connection with such Approved Sale;

(D) liability shall be limited to such Member's pro rata share (determined based on the respective proceeds payable to each Member in connection with such Approved Sale in accordance with the provisions of this Agreement) of a negotiated aggregate indemnification amount that applies equally to all Members but that in no event exceeds the amount of consideration actually paid and/or payable to such Member in connection with such Approved Sale, except with respect to claims related to fraud by such Member, the liability for which need not be limited as to such Member;

(E) upon the consummation of the Approved Sale: (A) except as provided in Section 11.6(a)(ii)(F), each holder of each class or series of Units will receive the same form of consideration for their Units of such class or series as is received by other holders in respect of their Units of such same class or series of Units;

(F) except as provided in Section 11.6(a)(ii)(F), the aggregate consideration receivable by all holders of the Series A Preferred Units, Series Seed Preferred Units, Common Units and Incentive Units shall be allocated among such holders of each respective series of Units in accordance with Section 7.3(a) above; and

(G) as part of the Approved Sale, there is no requirement to enter into a non-competition agreement or covenant binding any Investor or its Affiliates following the consummation of the Approved Sale.

(v) Irrevocable Proxy and Power of Attorney. As security for the performance of the obligations of each Member under this Section 11.6 in connection with an Approved Sale, after the requisite approval of such Approved Sale has been obtained pursuant to Section 11.6 above, each Member hereby grants to the Company, with full power of substitution and resubstitution, an irrevocable proxy to vote all Units then held by such Member at all meetings of the Members held or taken after the date of this Agreement with respect to an Approved Sale or to execute any written consent in lieu thereof, and hereby irrevocably appoints the Company, with full power of substitution and resubstitution, as such Member's attorney-in-fact with authority to sign any documents with respect to any such vote or any actions by written consent of the Members taken after the date of this Agreement with respect to such Approved Sale consistent with the provisions of this Section 11.6. This proxy shall be deemed to be coupled with an interest and shall be irrevocable. This proxy shall terminate upon the consummation of, or termination of, negotiations with respect to, the applicable Approve Sale.

Section 11.7 Preemptive Rights.

(a) Subject to the terms and conditions of this Section 11.7, the Company hereby grants to each Major Investor who is then either an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act or a sophisticated non-accredited investor (any such Member, a "Qualified Member") a right to purchase for cash a portion of the New Securities that the Company may, from time to time, propose to sell and issue after the date hereof. If the Company proposes to issue any New Securities, it shall first have received a bona

fide, arms' length written offer to purchase such New Securities from one or more Persons (each, a "Prospective Purchaser"). The Company shall offer to sell to each Qualified Member its pro rata share of the New Securities in accordance with the procedure set forth below.

(b) The Company shall give each Qualified Member a written notice (the "Offer Notice"), which shall describe (i) the number of New Securities for which the Company has received a bona fide, arms' length written offer and the name(s) of the Prospective Purchaser(s) and (ii) the price and a summary of the terms and conditions upon which the Prospective Purchaser(s) have offered to purchase such New Securities. The Offer Notice shall be accompanied by a copy of the written offer, letter of intent or other written document signed by the Prospective Purchaser(s) setting forth the proposed terms and conditions of the sale. The date on which the Company gives the Offer Notice is hereinafter referred to as the "Notice Date."

(c) For a period of twenty (20) days following the Notice Date (the "Offer Acceptance Period"), each Qualified Member shall have the right to purchase (the "Purchase Right"), at the price and on the terms and conditions stated in the Offer Notice, up to such Qualified Member's pro rata share of the New Securities. Any Qualified Member that desires to exercise its Purchase Right shall give written notice (the "Offer Acceptance Notice") to the Company within the Offer Acceptance Period. The Offer Acceptance Notice shall state that such Qualified Member desires to exercise its Purchase Right and the number of New Securities that such Qualified Member elects to purchase upon exercise of such Purchase Right up to such Qualified Member's full pro rata share. Failure by a Qualified Member to give the Offer Acceptance Notice within the Offer Acceptance Period shall be deemed, without any further action by the Company or the Qualified Member, the irrevocable waiver of such Qualified Member's Purchase Right with respect to the New Securities set forth in the Offer Notice and any other securities issuable, directly or indirectly, upon conversion, exercise or exchange of such New Securities. For purposes of this Section 11.7, a Qualified Member's pro rata share of the New Securities shall equal to the number of New Securities multiplied by the quotient of (x) the number of outstanding Units then held by such Qualified Member plus divided by (y) the total number of Units then outstanding.

(d) Each Qualified Member may, in such Qualified Member's Offer Acceptance Notice, offer to purchase more than its pro rata share of the New Securities. If less than all of the Qualified Members elect to purchase their pro rata share of the New Securities (the "Unsubscribed New Securities"), the Unsubscribed New Securities shall be allocated pro rata (based on the number of outstanding Units owned by each Qualified Member that offers to oversubscribe) among the Qualified Members that offer to oversubscribe up to the number of New Securities specified in such Qualified Member's Acceptance Notice or on such other basis as such Qualified Members may agree.

(e) Following the expiration of the Offer Acceptance Period, the Company shall be entitled, during the period of sixty (60) days following the expiration of the Offer Acceptance Period (the "Unrestricted Period"), to sell to the Prospective Purchaser(s) up to the full amount of the New Securities set forth in the Offer Notice on the terms set forth in the Offer Notice, less the number of New Securities, if any, which the Qualified Members have elected to purchase upon exercise of their Purchase Rights in accordance with this Section 11.7 (the "Remainder Securities"). The Company shall give five (5) days' prior written notice to each Qualified Member that has elected to purchase New Securities of any such sale to a Prospective

Purchaser, which sale shall be at the price and upon terms and conditions no more favorable to the Prospective Purchaser(s) than those described in the Offer Notice. At and upon the closing of the sale of such Remainder Securities to such Prospective Purchaser(s), which shall include full payment to the Company, the Qualified Members shall purchase from the Company, and the Company shall sell to the Qualified Members, the New Securities elected to be purchased pursuant to this Section 11.7 on the terms specified in the Offer Notice.

(f) If the Company does not complete the sale of the Remainder Securities to the Prospective Purchaser(s) within the Unrestricted Period, the Purchase Right provided hereunder shall be deemed to be revived and such Remainder Securities shall not be sold unless the Company shall comply with this Section 11.7 as if the Prospective Purchaser(s) had made a new offer to purchase such New Securities. In the event that the closing of the sale of all of the Remainder Securities to the Prospective Purchaser(s) does not occur during the Restricted Period, each Qualified Member shall have the right, but not the obligation, to purchase the New Securities, if any, such Qualified Member elected to purchase pursuant to this Section 11.7.

(g) The rights of the Qualified Members to purchase New Securities under this Section 11.7 may be modified or waived by the Board of Managers with the consent of the Investor Majority.

(h) The covenants set forth in this Section 11.7 shall terminate and be of no further force or effect upon a Sale of the Company.

Section 11.8 Substitution of Members. A transferee of a Unit shall have the right to become a substitute Member only with the consent of the Board of Managers; except that, notwithstanding the foregoing, a Permitted Transferee to whom Units are Transferred by a Member shall, upon the effectiveness of such Transfer in accordance with the terms of this Agreement, be automatically admitted as a substitute Member with respect to the Units so Transferred. The admission of a substitute Member shall not result in the release of the Member who assigned the Unit from any liability that such Member may have to the Company.

ARTICLE 12.
LIQUIDATION OF THE COMPANY

Section 12.1 General.

(a) Upon the dissolution of the Company, the Company shall be liquidated in an orderly manner in accordance with this Article and the Massachusetts Act. The liquidation shall be conducted and supervised by the Managers or, if none, by the Members, or, if none, by the personal representative (or its nominee or designee) of the last remaining Member (the Managers, Members or such other Person, as applicable, being referred to in this Article as the "Liquidating Agent"). The Liquidating Agent shall have all of the rights, powers, and authority with respect to the assets and liabilities of the Company in connection with the liquidation of the Company that the Members have with respect to the assets and liabilities of the Company during the term of the Company, and the Liquidating Agent is hereby expressly authorized and empowered to execute any and all documents necessary or desirable to effectuate the liquidation of the Company and the transfer of any assets of the Company. The Liquidating Agent shall have the right from time to

time, by revocable powers of attorney, to delegate to one or more Persons any or all of such rights and powers and such authority and power to execute documents and, in connection therewith, to fix the reasonable compensation of each such Person, which compensation shall be charged as an expense of liquidation. The Liquidating Agent is also expressly authorized to distribute Company property to the Members subject to liens.

(b) The Liquidating Agent shall liquidate the Company as promptly as shall be practicable after dissolution. Without limitation of the rights, powers, and authority of the Liquidating Agent as provided in this Article, the Liquidating Agent may, in its discretion, either distribute in kind or sell securities and other non-cash assets. Any securities or other non-cash assets which the Liquidating Agent may sell shall be sold at such prices and on such terms as the Liquidating Agent may, in its good faith judgment, deem appropriate.

Section 12.2 Final Allocations and Distributions.

In settling accounts upon dissolution, winding up and liquidation of the Company, the assets of the Company shall be applied and distributed as expeditiously as possible in the following order:

(a) To pay (or make reasonable provision for the payment of) all creditors of the Company, including, to the extent permitted by law, Members or other Affiliates that are creditors, in satisfaction of liabilities of the Company in the order of priority provided by law, including expenses relating to the dissolution and winding up of the Company, discharging liabilities of the Company, distributing the assets of the Company and terminating the Company as a limited liability company in accordance with this Agreement and the Act; and

(b) To the Members in accordance with Section 7.3(b) (taking into account, for the avoidance of doubt, any distributions previously made under Section 7.3(c) that were treated as advances on distributions under Section 7.3(b)).

ARTICLE 13.
POWER OF ATTORNEY

Section 13.1 General.

(a) Each Member irrevocably constitutes and appoints each Manager and the Liquidating Agent the true and lawful attorney-in-fact of such Member to execute, acknowledge, swear to and file any of the following: (i) the Certificate of Organization and all other certificates and other instruments deemed advisable by Manager Approval to carry out the provisions of this Agreement and applicable law or to permit the Company to become or to continue as a limited liability company; (ii) this Agreement and all instruments that the Managers acting by Manager Approval deem appropriate to reflect a change or amendment to or modification of this Agreement made in accordance with this Agreement; (iii) all conveyances and other instruments or papers deemed advisable by Manager Approval or the Liquidating Agent to effect the dissolution and termination of the Company; (iv) all fictitious or assumed name certificates required or permitted to be filed on behalf of the Company; (v) all other certificates, instruments or papers that may be required or permitted by law to be filed on behalf of the Company and any amendment or modification of any certificate or other instrument referred to in this Section 13.1(a); and (vi) any

agreement, document, certificate or other instrument that any Member is required to execute and deliver hereunder or pursuant to applicable law that such Member has failed to execute and deliver within ten days after written request from the Managers pursuant to Manager Approval.

(b) The foregoing power of attorney is (i) coupled with an interest, (ii) irrevocable and durable, (iii) shall not be terminated or otherwise affected by any act or deed of any Member (or by any other Person) or by operation of law, whether by the legal incapacity of a Member or by the occurrence of any other event or events, and (iv) shall survive the transfer by a Member of the whole or any part of such Member's Units, except that, where the transferee of the whole of such Member's Units is to be admitted as a Member, the power of attorney of the transferor shall survive such transfer for the sole purpose of enabling the applicable attorney-in-fact to execute, swear to, acknowledge and file any instrument necessary or appropriate to effect such admission.

(c) Each Member agrees to execute, upon five days' prior written notice from the Managers acting by Manager Approval or any Liquidating Agent, as applicable, a confirmatory or special power of attorney containing the substantive provisions of this Article 13, which shall be in form satisfactory to the Persons or Person providing such notice.

ARTICLE 14.
DUTIES, EXCULPATION AND INDEMNIFICATION

Section 14.1 Duties of Manager, Tax Matters Person and Liquidating Agent.

Each Manager, Tax Matters Person and Liquidating Agent shall exercise in good faith such Person's judgment in carrying out such Person's functions and, otherwise, shall owe no duties (including fiduciary duties) to the Company or any Member in such capacity. The Members hereby agree that this Section 14.1 and the other provisions of this Agreement, to the extent that they restrict or eliminate duties of any Manager, Tax Matters Person or Liquidating Agent otherwise existing at law or in equity, modify such duties to such extent, as permitted by applicable law.

Section 14.2 Exculpation; Liability of Covered Persons.

(a) To the fullest extent permitted by applicable law, none of the Managers, Tax Matters Person, Liquidating Agents, or any other Persons who were, at the time of the act or omission in question, a Manager, Tax Matters Person or Liquidating Agent (each, a "Covered Person") shall have any liability to the Company or to any Member for any loss suffered by the Company that arises out of any action or inaction of such Covered Person if such Covered Person, in good faith, determined that such course of conduct was in, or not opposed to, the best interests of the Company and such course of conduct did not constitute gross negligence, fraud or willful misconduct of such Covered Person.

(b) No Covered Person shall have any personal liability for the repayment of the positive balance in the Capital Account of a Member. To the greatest extent permitted by applicable law, no Covered Person shall be liable to any Member by reason of any federal or other income tax laws or the interpretations thereof as they apply to the Company and such Member, or any changes thereto.

(c) The Members hereby agree that this Section 14.2 and the other provisions of this Agreement, to the extent that they restrict or eliminate liabilities of the Covered Persons otherwise existing at law or in equity, modify such liabilities to such extent.

Section 14.3 Indemnification of Covered Persons.

(a) To the maximum extent permitted by applicable law and subject to the other provisions of this Section 14.3, the Company shall indemnify and hold harmless Covered Persons, from and against any claim, loss, expense, liability, action or damage (including, without limitation, any action by a Member or assignee thereof against a Covered Person) due to, arising from or incurred by reason of any action, inaction or decision performed, taken, not taken or made by Covered Persons or any of them in connection with the activities and operations of the Company, or any subsidiary of the Company, as the case may be, provided (i) such action, inaction or decision is within the scope of the authority of such Covered Persons as provided herein, (ii) such Covered Person acted in good faith and in a manner such Covered Person reasonably believed to be in, or not opposed to, the best interests of the Company or any subsidiary of the Company, as the case may be, and (iii) with respect to any criminal proceeding, such Covered Person had no reasonable cause to believe the conduct of such Covered Person was unlawful. The termination of a proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not, by itself, create a presumption that the Covered Person did not act in good faith and in a manner which the Covered Person reasonably believed to be in, or not opposed to, the best interest of the Company or any subsidiary of the Company, as the case may be, or that the Covered Person had reasonable cause to believe that such Covered Person's conduct was unlawful (unless there shall have been a final adjudication in the proceeding that the Covered Person did not act in good faith and in a manner which such Covered Person reasonably believed to be in, or not opposed to, the best interests of the Company or any subsidiary of the Company, as the case may be, or that the Covered Person did have reasonable cause to believe that such Covered Person's conduct was unlawful). Any Covered Person may consult with independent counsel selected by the Covered Person (which may be counsel for the Company or any Affiliate) and any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by such Covered Person hereunder in good faith and in accordance with the opinion of such counsel. Any indemnification under this Section 14.3 shall include reasonable attorneys' fees incurred by Covered Persons in connection with the defense of any such action including, to the extent permitted by applicable law, all such liabilities under United States federal and state securities acts. The reasonable expenses incurred by Covered Persons in connection with the defense of any such action shall be paid or reimbursed as incurred, upon receipt by the Company of an undertaking by such Covered Person to repay such expenses if it shall ultimately be determined that such Covered Person is not entitled to be indemnified hereunder, which undertaking may be accepted without reference to the financial ability of such Covered Person to make repayment. Such indemnification shall only be made to the extent that such Persons are not otherwise reimbursed from insurance or other means. Such indemnification shall only be paid from the assets of the Company, and no Member shall have any personal liability on account thereof.

(b) Notwithstanding the provisions of Section 14.3(a), a Covered Person shall not be entitled to be indemnified or held harmless from and against any claim, loss, expense, liability,

action or damage due to or arising from the Covered Person's gross negligence, fraud or willful misconduct.

(c) The provisions of this Section 14.3 shall be in addition to and not in limitation of any other rights of indemnification and reimbursement or limitations of liability to which a Covered Person may be entitled under the charter documents of any subsidiary of the Company or otherwise. The provisions of this Section 14.3 shall apply whether or not at the time of reimbursement the Covered Person entitled to reimbursement is then a Covered Person. Notwithstanding any repeal of this Section 14.3 or other amendment hereof, its provisions shall be binding upon the Company (subject only to the exceptions above set forth) as to any claim, loss, expense, liability, action or damage due to or arising out of matters which occur during or are referable to the period prior to any such repeal or amendment of this Section 14.3.

ARTICLE 15.
MISCELLANEOUS PROVISIONS

Section 15.1 Books and Accounts.

(a) Complete and accurate books and accounts shall be kept and maintained for the Company in accordance with generally accepted accounting principles, using such method of accounting as shall be determined by Manager Approval, and shall include separate accounts for each Member. Each Member, at such Member's own expense, shall at reasonable times and upon reasonable prior written notice to the Company have access to such copy of the Agreement and of the Certificate of Organization and such books of account, but only to the extent such books of account reasonably relate to such Member's Units and not the Units of any other Member. The Members hereby acknowledge that the rights of a Member to obtain information from the Company shall be limited to only those rights provided for in this Section 15.1(a), except as otherwise specifically required by the Massachusetts Act.

(b) Within a period of time after the end of each Fiscal Year of the Company as determined by Manager Approval, the Company shall provide to each Member a Form K-1 for such Member with respect to such Fiscal Year.

(c) All funds received by the Company shall be deposited in the name of the Company in such account or accounts, all securities owned by the Company may be deposited with such custodians, and withdrawals therefrom shall be made upon such signature or signatures on behalf of the Company, as may be determined from time to time by Manager Approval.

(d) Each Member agrees to maintain the confidentiality of the Company's records and affairs, including the terms of this Agreement, pursuant to the terms and subject to the conditions of Section 3.9.

Section 15.2 Notices.

All notices, demands, solicitations of consent or approval, and other communications hereunder shall be in writing and shall be sufficiently given if personally delivered or sent by postage prepaid, registered or certified mail, return receipt requested, or by overnight courier, addressed as follows: if intended for the Company or the Managers in their capacity as such, to

the Company's principal place of business determined pursuant to Section 2.3, and if intended for any Member to the address of such Member set forth on Schedule A or at such other address as any Member may designate by written notice. Notices shall be deemed to have been given (i) when personally delivered, (ii) if mailed, on the earlier of (A) three days after the date on which deposited in the mails, and (B) the date on which received, or (iii) if sent by overnight courier, on the date on which received; provided, that notices of a change of address shall not be deemed given until the actual receipt thereof. The provisions of this Section 15.2 shall not prohibit the giving of written notice in any other manner, including facsimile transmission and email; any written notice given in any other manner shall be deemed given only when actually received.

Section 15.3 Waivers; Amendments.

The operation or effect of any provision of this Agreement may only be waived, and this Agreement may only be amended, in accordance with this Section 15.3. The operation or effect of any provision of this Agreement may be waived, and this Agreement may be amended, pursuant to receipt by the Company of each of (i) approval of each Major Member; and (ii) Manager Approval, *provided that* (A) this Agreement may be amended by Manager Approval, to the extent required to conform to actions properly taken by the Company, the Managers, or any of the Members in accordance with this Agreement, including, without limitation, amendments to Schedule A to reflect changes made pursuant to the terms of this Agreement, (B) for so long as Jesse Pitts holds any Units, any amendment to Section 5.1(c)(i) shall require the approval of Jesse Pitts, (C) for so long as Carl Giannone holds any Units, any amendment to Section 5.1(c)(ii) shall require the approval of Carl Giannone, and (D) until such time as the Unreturned Capital Amount in respect of all outstanding Series Seed Investor Units is $0.00, any amendment or waiver of Section 7.3 shall require the approval of a majority of any then-outstanding Series Seed Investor Units, and (E) except as otherwise set forth herein, no waiver or amendment pursuant to this Section 15.3 shall, without a Member's consent, create personal liability for such Member or require additional capital from such Member.

Section 15.4 Applicable Law; Jurisdiction.

(a) This Agreement is governed by and shall be construed in accordance with the law of The Commonwealth of Massachusetts, exclusive of its conflict-of-laws principles. In the event of a conflict between the provisions of this Agreement and any provision of the Certificate or the Massachusetts Act, the applicable provision of this Agreement shall control, to the extent permitted by law.

(b) The parties to this Agreement hereby consent to the jurisdiction of the courts of The Commonwealth of Massachusetts and agree to litigate any and all claims exclusively in the courts of The Commonwealth of Massachusetts in connection with any matter or dispute arising under this Agreement or between or among them regarding the affairs of the Company.

Section 15.5 Binding Effect.

This Agreement shall be binding upon and shall inure to the benefit of the respective heirs, executors, administrators, successors, and assigns of the parties hereto; provided, that this

provision shall not be construed to permit any assignment or transfer which is otherwise prohibited hereby.

Section 15.6 Severability.

If any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and all other applications thereof shall not in any way be affected or impaired thereby.

Section 15.7 Entire Agreement.

This Agreement sets forth the entire understanding among the parties relating to the subject matter hereof and supersedes any and all prior contracts or agreements with respect to such subject matter, whether oral or written. No promises, covenants or representations of any character or nature other than those expressly stated herein have been made to induce any party to enter into this Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Limited Liability Company Agreement as of the date first written above.

THE COMPANY:

LDE HOLDINGS, LLC

By: Jesse Pitts _____
Name: Jesse Pitts
Its: Manager

And

By: _____
Name: Carl Giannone
Its: Manager

MEMBERS HOLDING COMMON UNITS:

Jesse Pitts
_____
Jesse Pitts

_____
Carl Giannone

BVG
_____
Billie Valentine Giannone

MEMBERS HOLDING SERIES SEED INVESTOR UNITS:

TORIA GROUP, LLC

By: _____
Name: Lei Feng
Its: Chairman and CEO

Schedule A to Limited Liability Company Agreement of LDE Holdings, LLC

Members

Name and Address	Common Units Held	Capital Contribution Made in Respect of Common Units	Threshold Amount In Relation to Any Common Unit that is an Incentive Unit	Series Seed Investor Units Held	Capital Contribution Made in Respect of Series Seed Investor Units
Jesse Pitts Address:	539,000	$539.00	N/A	0	N/A
Carl Giannone Address:	421,000	$421.00	N/A	0	N/A
Billie Valentine Giannone Address:	20,000	$20.00	N/A	0	N/A
Toria Group, LLC Address:	0	N/A	N/A	20,000	$100,000
Totals:	980,000	$980.00		20,000	$100,000.00

Date of last revision of this Schedule A: June 12, 2018

Schedule B to Limited Liability Company Agreement of LDE Holdings, LLC

Allocation Exhibit

1. Definitions. Each capitalized term used but not otherwise defined in this Allocation Exhibit shall have the meaning set forth in this Section 1 or, if not so defined, in the Agreement.

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

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

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

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

"Adjusted Taxable Profit" and "Adjusted Taxable Loss" mean, as to any transaction or fiscal period, the taxable income or loss of the Company for United States federal income tax purposes, and each item of income, gain, loss or deduction entering into the computation thereof, with the following adjustments:

(a) Any tax-exempt income or gain of the Company that is not otherwise taken into account in computing Adjusted Taxable Profit or Adjusted Taxable Loss shall be deemed to increase the amount of such taxable income or decrease the amount of such loss;

(b) Any expenditures of the Company described in Section 705(a)(2)(B) of the Internal Revenue Code (or treated as such) and not otherwise taken into account in computing Adjusted Taxable Profit or Adjusted Taxable Loss shall decrease the amount of such taxable income or increase the amount of such loss; and

(c) In the event the Gross Asset Value of any Company asset is adjusted, (i) the amount of such adjustment (including an adjustment resulting from a distribution of such asset but excluding an adjustment resulting from a contribution of such asset) shall be taken into account in the same manner as gain or loss from the disposition of such asset for purposes of computing Adjusted Taxable Profit or Adjusted Taxable Loss, (ii) gain or loss resulting from any disposition of such asset with respect to which gain or loss is recognized for United States federal income tax purposes shall be computed by reference to the Gross Asset Value of such asset, and (iii) in lieu

of the cost recovery or similar deductions taken into account with respect to any asset with a Gross Asset Value which differs from its adjusted basis under the Internal Revenue Code, such deductions shall be an amount equal to the Depreciation with respect to such asset.

"Company Minimum Gain" has the meaning set forth for "partnership minimum gain" in Treasury Regulation Section 1.704-2(d) and (g).

"Depreciation" means, for each fiscal year of the Company or other period, an amount equal to the depreciation, depletion, amortization or other cost recovery deduction allowable under the Internal Revenue Code with respect to an asset for such fiscal year or other period; provided, however, that if the Gross Asset Value of an asset differs from its adjusted basis for United States federal income tax purposes at the beginning of such fiscal year or other period, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the United States federal income tax depreciation, amortization or other cost recovery deduction with respect to such asset for such fiscal year or other period bears to such beginning adjusted tax basis; and provided further that if the United States federal income tax depreciation, amortization or other cost recovery deduction for such fiscal year or other period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by Manager Approval.

"Gross Asset Value" means, with respect to any asset, such asset's adjusted basis for United States federal income tax purposes, except as follows:

(a) the Gross Asset Value of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by Manager Approval, as of the following times: (i) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (ii) the distribution by the Company to a Member of more than a de minimis amount of Company assets as consideration for a membership interest in the Company, including, without limitation, in connection with the withdrawal of a Member; (iii) the grant of a membership interest in the Company (other than a de minimis interest) as consideration for the provision of services to or for the benefit of the Company by a new or existing Member acting in a Member capacity or in anticipation of becoming a Member; (iv) in connection with the issuance by the Company of a noncompensatory option (other than an option for a de minimis interest); and (v) the liquidation of the Company within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (i) through (iv) of this sentence shall not be made if the Managers, acting by Manager Approval, determine that such adjustments are not necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(b) the Gross Asset Value of any Company asset (other than cash) distributed in kind to any Member shall be adjusted to equal the gross fair market value of such asset on the date of distribution, as determined by Manager Approval;

(c) the initial Gross Asset Value of any asset contributed to the Company shall be adjusted to equal its gross fair market value at the time of its contribution, as determined by Manager Approval; and

(d) the Gross Asset Value of Company assets shall otherwise be determined or adjusted, in the discretion of the Managers, acting by Manager Approval, as required or permitted for purposes of maintaining Capital Accounts under relevant Treasury Regulations.

If the Gross Asset Value of an asset has been determined or adjusted pursuant to paragraph (a), (c) or (d) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Adjusted Taxable Profit or Adjusted Taxable Loss and as otherwise required by Treasury Regulation Section 1.704-1(b)(2)(iv)(g).

"Member Nonrecourse Debt" has the same meaning as the term "partner nonrecourse debt" set forth in Treasury Regulation Section 1.704-2(b)(4).

"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 Regulation Section 1.704-2(i).

"Nonrecourse Deductions" shall have the meaning set forth in Treasury Regulation Sections 1.704-2(b)(1) and 1.704-2(c).

"Nonrecourse Liability" shall have the meaning set forth in Treasury Regulation Section 1.704-2(b)(3).

"Treasury Regulations" means the United States income tax regulations, including temporary regulations, promulgated under the Internal Revenue Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

2. Capital Accounts. A capital account shall be maintained for each Member (a "Capital Account") that shall be:

(a) increased by (i) any Capital Contributions made to the Company by such Member pursuant to this Agreement and (ii) any amounts in the nature of income or gain allocated to the Capital Account of such Member pursuant to this *Schedule B* based on such Member's ownership of membership interests;

(b) decreased by (i) the cash and fair market value of other property distributed to the Member and (ii) any amounts in the nature of loss or expense allocated to the Capital Account of such Member pursuant to this *Schedule B* based on such Member's ownership of membership interests; and

(c) otherwise adjusted in accordance with this Agreement and for such other matters as the Managers, acting by Manager Approval, may reasonably determine appropriate, in all events in accordance with applicable provisions of the Internal Revenue Code and Treasury Regulations, including without limitation Treasury Regulation Section 1.704-1(b)(2)(iv).

3. General Allocations.

(a) General Application. The rules set forth below in this Section 3 of this *Schedule B* shall apply for the purposes of determining each Member's allocable share of the items of income, gain, loss or expense of the Company comprising Adjusted Taxable Profit or Adjusted Taxable Loss for each fiscal year or other period, determining special allocations of other items of income, gain, loss and expense, and adjusting the balance of each Member's Capital Account to reflect these general and special allocations. For each fiscal year or other period, any required special allocations in Section 4 of this Schedule B shall be made immediately prior to the general allocations of Section 3(b) of this Schedule B.

(b) General Allocations. The items of income, expense, gain and loss comprising Adjusted Taxable Profit or Adjusted Taxable Loss for a fiscal year or other period, shall be allocated among the Members during such fiscal year or other period in a manner that will, as nearly as possible, cause the Capital Account balance of each Member at the end of such fiscal year or other period to equal:

(i) the amount of the hypothetical distribution (if any) that such Member would receive if, on the last day of the fiscal year or other period, (A) all Company assets, including cash, were sold for cash equal to their Gross Asset Values, as determined by Manager Approval, taking into account any adjustments thereto for such fiscal year or other period, (B) all Company liabilities were satisfied in cash according to their terms (limited, with respect to each Nonrecourse Liability), to the Gross Asset Value, as determined by Manager Approval, of the assets securing such liability), and (C) the net proceeds thereof (after satisfaction of such liabilities) were distributed in full in accordance with Section 12.2, minus

(ii) the sum of (A) the amount, if any, which such Member is obligated (or deemed obligated) to restore to such Member's Capital Account, (B) such Member's share of the Company Minimum Gain determined pursuant to Treasury Regulations Section 1.704-2(g), and (C) such Member's share of Member Nonrecourse Debt Minimum Gain determined pursuant to Treasury Regulations Section 1.704-2(i)(5), all computed immediately prior to the hypothetical sale described in Section 3(b)(i) of this Schedule B.

(c) The Managers, acting by Manager Approval, may modify the allocations otherwise provided for in this Section 3 of this Schedule B or offset prior allocations provided for in Section 4 of this Schedule B, including by specially allocating items of gross income, gain, deduction, loss or expense among the Members, so that such modifications or offsets will cause the Capital Accounts of the Members to reflect more closely the Members' relative economic interests in the Company.

4. Special Allocations. The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. In the event that there is a net decrease during a fiscal year or other period in either Company Minimum Gain or Member Nonrecourse Debt Minimum Gain, then notwithstanding any other provision of this Schedule B, each Member shall

receive such special allocations of items of Company income and gain as are required in order to conform to Treasury Regulation Section 1.704-2.

(b) Qualified Income Offset. Subject to Section 4(a) of this Schedule B, but notwithstanding any provision of this *Schedule B* to the contrary, items of income and gain shall be specially allocated to the Members in a manner that complies with the "qualified income offset" requirement of Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(3).

(c) Deductions Attributable to Member Nonrecourse Debt. Any item of Company loss or expense that is attributable to Member Nonrecourse Debt shall be specially allocated to the Members in the manner in which they share the economic risk of loss (as defined in Treasury Regulation Section 1.752-2) for such Member Nonrecourse Debt.

(d) Allocation of Nonrecourse Deductions. Each Nonrecourse Deduction of the Company shall be allocated among the Members in accordance with the partners' interests in the partnership within the meaning of Treasury Regulations Sections 1.704-2(b)(1) and 1.704-1(b)(3).

(e) Loss Limitation. Adjusted Taxable Losses allocated to a Member pursuant to this Schedule B shall not exceed the maximum amount of Adjusted Taxable Losses that can be allocated to such Member without causing such Member to have a negative Adjusted Capital Account Balance at the end of any fiscal year or other allocation period in which any other Member does not have a negative Adjusted Capital Account Balance.

(f) The allocations set forth in Section 4(a) through Section 4(e) of this Schedule B (the "Regulatory Allocations") are intended to comply with Treasury Regulation Sections 1.704-1(b) and 1.704-2 and shall be interpreted consistently with this intention. Any terms used in such provisions that are not specifically defined in this Agreement shall have the meaning, if any, given such terms in such Treasury Regulations.

(g) If during any taxable year of the Company there is a change in any Member's membership interest in the Company, allocations of income or loss for such taxable year shall take into account the varying interests of the Members in the Company in a manner consistent with the requirements of Section 706 of the Internal Revenue Code. Any Member that is transferred a membership interest from another Member but not the corresponding portion of such other Member's Capital Account shall not be entitled to any allocation or distribution arising from Company operations prior to the date of such transfer, unless otherwise determined by Manager Approval or required by the Internal Revenue Code.

5. **Tax Allocations.**

(a) Section 704(b) Allocations. Subject to Section 5(b) and Section 5(c) of this Schedule B, each item of income, gain, loss, or deduction for United States federal income tax purposes that corresponds to an item of income, gain, loss or expense that is either taken into account in computing Adjusted Taxable Profit or Adjusted Taxable Loss or is specially allocated pursuant to Section 4 of this Schedule B (a "Book Item") shall be allocated among the Members in the same proportion as the corresponding Book Item is allocated among them pursuant to Section 3 or Section 4 of this Schedule B.

(b) Section 704(c) Allocations. In the event any property of the Company is credited to the Capital Account of a Member at a value other than its tax basis, then allocations of taxable income, gain, loss and deductions with respect to such property shall be made in a manner which will comply with Sections 704(b) and 704(c) of the Internal Revenue Code. Such allocations also shall be made by the Company to any former Member to the extent applicable, as determined by Manager Approval. The allocation to a Member of items of taxable income, gain, loss, and deduction of the Company also shall be adjusted to reflect any election under Section 754 of the Internal Revenue Code.

(c) Capital Accounts. The tax allocations made pursuant to this Section 5 of this Schedule B shall be solely for tax purposes and shall not affect any Member's Capital Account or share of non-tax allocations or distributions under this Agreement.

6. Tax Matters Partner; Partnership Representative.

(a) For tax years prior to January 1, 2018, the "tax matters partner" (within the meaning of Section 6231(a)(7) of the Internal Revenue Code, as in effect prior to the effective dated provided in Section 1101(g)(1) of the Bipartisan Budget Act of 2015 (P.L. 114-74)) of the Company (the "Tax Matters Person") shall be designated by the Managers.

(b) For tax years beginning on or after January 1, 2018, the Tax Matters Person shall be designated the "partnership representative" with the sole authority to act on behalf of the Company with respect to tax matters, with all of the rights, duties and powers provided for the Tax Matters Person by the Internal Revenue Code, including subchapter C of chapter 63 of the Internal Revenue Code, but subject to the restrictions and limitations contained in this Agreement. Each Member hereby consents to such designation and agrees that, upon the request of the Managers, such Member shall execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such consent. In the event that the Company is responsible for the payment of any "imputed underpayment" in respect of an administrative adjustment pursuant to Section 6225(a) of the Internal Revenue Code, or any similar provision of any state or local tax laws, the Managers shall determine by Manager Approval, in their discretion, the treatment, including the relative obligations of the Members and former Members with respect to any amounts paid by the Company to any taxing authority with respect to such "imputed underpayment" such that the amount of such "imputed underpayment" is borne by the Members and former Members who would have borne the tax liability in the "reviewed year", as defined in Section 6225(d)(1) of the Internal Revenue Code. Each Member and former Member hereby agrees to satisfy in full such obligations as so determined by the Managers.

(c) The Tax Matters Person shall have the sole discretion to determine all matters, and shall be authorized to take any actions necessary, with respect to preparing and filing any tax return of the Company and any audit, examination or investigation (including any judicial or administrative proceeding) of the Company by any taxing authority, whether to elect into the provisions of the Bipartisan Budget Act of 2015 prior to their effective date and whether to make an election under Section 6226 of the Internal Revenue Code or any similar provision of any state or local tax laws with respect to any audit or other examination of the Company.

(d) Each Member and former Member shall promptly upon request furnish to the Tax Matters Person any information that the Tax Matters Person may reasonably request in connection with (i) preparing or filing any tax returns of the Company, (ii) any tax election of the Company (and the Company's and Member's or former Member's compliance with any such election) or (iii) any audit, examination or investigation (including any judicial or administrative proceeding) of the Company by any taxing authority. No Member shall, without the consent of the Tax Matters Person, (A) file a request for administrative adjustment of Company items, (B) file a petition with respect to any Company item or other tax matters involving the Company, or (C) enter into a settlement agreement with any taxing authority with respect to any Company items.

(e) Without limiting the foregoing, the Tax Matters Person shall represent the Company (at the expense of the Company) in connection with all examinations of the affairs of the Company by any U.S. federal, state, local or foreign tax authorities, including any resulting administrative and judicial proceedings relating to the determination of items of income, deduction, allocation and credit of the Company and the Members, and to expend funds of the Company for professional services and costs associated therewith.

(f) For tax years prior to January 1, 2018, the Tax Matters Person shall be a Member who is permitted to act as a "tax matters partner" pursuant to the Internal Revenue Code. For tax years beginning on or after January 1, 2018, the Tax Matters Person shall be a Person who is permitted to act as a "partnership representative" pursuant to the Internal Revenue Code. The Tax Matters Person may resign at any time by giving written notice to the Company and the Members and complying with any applicable provisions of the Internal Revenue Code and Treasury Regulations relating to such resignation. The Tax Matters Person may be removed at any time by Manager Approval if such complies with any applicable provisions of the Internal Revenue Code and Treasury Regulations relating to such removal. Upon the resignation or removal of the Tax Matters Person, a new Tax Matters Person shall be selected by the Managers. The initial Tax Matters Person shall be Jesse Pitts.

7. Tax Elections and Other Tax Decisions. Subject to the provisions of this Schedule B, the Managers, acting by Manager Approval, shall have the authority to make any tax elections and other tax decisions with respect to the Company, to approve any returns regarding any foreign, federal, state or local tax obligations of the Company, and to make all determinations regarding the allocations contemplated by Schedule B.

8. Tax Consequences**.** The Members are aware of the income tax consequences of the allocations made by this Schedule B and hereby agree to be bound by the provisions of this Schedule B and this Agreement in reporting their shares of the Company's income and loss for income tax purposes.

*****

Schedule C to Limited Liability Company Agreement of LDE Holdings, LLC
Defined Terms

Affiliate: means, with respect to any Person, any Person that controls, is controlled by or is under common control with such Person.

Agreement: means this Limited Liability Company Agreement, as amended, modified, supplemented or restated from time to time.

Allocation Exhibit: the meaning set forth in Section 7.2.

Approved Sale: the meaning set forth in Section 11.6(a).

Approved Sale Notice: the meaning set forth in Section 11.6(a).

Assignee: the meaning set forth in Section 11.2(d).

Available Units: the meaning set forth in Section 11.4(a).

Board of Managers or Board: means the Board of Managers described in Section 5.1(a) of this Agreement.

Breaching Major Member: the meaning set forth in Section 10.3.

Buyout Purchase Price: the meaning set forth in Section 9.5(a).

Capital Account: the meaning set forth in Section 2 of the Allocation Exhibit.

Capital Contributions: means, with respect to any Member, the aggregate amount of cash or other property contributed to the capital of the Company by such Member.

Certificate of Organization: the meaning set forth in the recitals of this Agreement.

Closing Notice: the meaning set forth in Section 11.3(e).

Code: means the Internal Revenue Code of 1986, as amended from time to time, and any applicable regulations promulgated thereunder by the United States Treasury Department.

Common Units: the meaning set forth in Section 4.1.

Company: the meaning set forth in the first paragraph of this Agreement.

Company Acceptance Period: the meaning set forth in Section 11.3(b).

Company Notice: the meaning set forth in Section 11.3(c).

Company Notice Date: the meaning set forth in Section 11.3(c).

Company Purchase Notice: the meaning set forth in Section 11.3(b).

Confidential Information: means all documents and information, whether written or oral (including, without limitation, confidential and proprietary information with respect to customers, sales, marketing, production, costs, business operations and assets), of the Company.

Covered Person: the meaning set forth in Section 14.2(a).

Co-Sale Election Period: the meaning set forth in Section 11.4(b).

Co-Sale Notice: the meaning set forth in Section 11.4(a).

Co-Sale Participant: the meaning set forth in Section 11.4(b).

Co-Sale Purchase Price: the meaning set forth in Section 11.4(a).

Co-Sale Right: the meaning set forth in Section 11.4(a).

Co-Sale Right Units: the meaning set forth in Section 11.4(b).

Massachusetts Act: the meaning set forth in the recitals of this Agreement.

Deemed Liquidation Event: shall refer to any of the following events:

(i) a merger or consolidation in which

(A) the Company is a constituent party or

(B) a subsidiary of the Company is a constituent party and the Company issues Units pursuant to such merger or consolidation,

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

(ii) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Company or any subsidiary of the Company of all or substantially all the assets of the Company and its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Company if substantially all of the assets 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.

Depreciation: the meaning set forth in Section 1 of the Allocation Exhibit.

Designated Members: the meaning set forth in Section 11.3(a).

Distributable Cash: means the excess of all cash on hand at the beginning of such period plus all cash receipts of the Company in such period from any source whatsoever, including normal operations, sales of assets, proceeds of borrowings, Capital Contributions of the Members, proceeds from any capital transaction, and all other sources minus the sum of the following amounts for the relevant period:

(a) Ongoing Expenses;

(b) payments of interest, principal and premium and points and other costs of borrowing under any indebtedness of the Company; and

(c) amounts set aside as reserves for working capital, budgeted capital expenditures, investments in geographic expansion contemplated or approved by the Board of Managers, other capital or operating investments contemplated or approved by the Board of Managers, contingent liabilities, replacements or any other expenditures deemed by the Board of Managers to be necessary or appropriate in relation to the current and anticipated future needs of the Company.

Effective Date: the meaning set forth in the first paragraph of this Agreement.

Electing Major Member: the meaning set forth in Section 9.5(a).

Election Date: the meaning set forth in Section 9.5(a).

Exempted Securities: means (i) up to 20,000 Series Seed Investor Units; (ii) up to 250,000 Incentive Units, or such greater number of Incentive Units as may be approved for issuance pursuant to any amendment to this Agreement made in accordance with the terms and conditions hereof; (iii) any equity securities of a Company subsidiary issued to the Company; (iv) Units issued by reason of a Unit subdivision or combination, or a distribution of Units made ratably to Members pursuant to Manager Approval; (v) Common Units actually issued upon the exercise of options or warrants to acquire Common Units or Common Units actually issued upon the conversion or exchange of securities convertible into Common Units, in each case provided such issuance is pursuant to the terms of such option, warrant or convertible security.

Gross Asset Value: the meaning set forth in Section 1 of the Allocation Exhibit.

Guaranteed Payments: the meaning set forth in Section 7.4.

Incentive Unit: the meaning set forth in Section 4.3(a).

Inclusion Notice: the meaning set forth in Section 11.4(b).

Initial Managers: means Jesse Pitts and Carl Giannone.

Investor Majority: means Members holding a majority of the Series Seed Investor Units then outstanding.

Liquidating Agent: the meaning set forth in Section 12.1(a).

Loss: the meaning set forth in Section 1 of Schedule B.

Major Investor: means any Member holding Series Seed Investor Units that has, together with its Affiliates, made Capital Contributions in respect of such Units of at least $50,000.

Major Member: means each of (i) Jesse Pitts or (ii) Carl Giannone, in each case for so long as such Member holds any Units of the Company.

Manager: means the Initial Managers and each other Person who may be designated or elected from time to time by the Members in accordance with Section 5.1 to serve as a Manager hereunder, in each case, as long as such person shall serve, and in such person's capacity, as a Manager hereunder.

Manager Approval: means approval by a majority of the Managers then in office.

Massachusetts Act: the meaning set forth in the recitals of this Agreement.

Member: means any Person named as a member of the Company on Schedule A hereto and any Person admitted as an additional Member or as a substitute Member pursuant to the terms and subject to the conditions of this Agreement, in such Person's capacity as a member of the Company. For all purposes other than as expressly set forth herein, the Members shall be treated as a single class.

Member Acceptance Period: the meaning set forth in Section 11.3(c).

Member Approval: Means the vote or affirmative written consent of the Members holding a majority of the Units then-outstanding, voting together as a single class.

Member Purchase Notice: the meaning set forth in Section 11.3(c).

New Securities means any equity securities (or securities exercisable for or convertible into equity securities) of any kind or class issued by the Company after the date hereof, other than any Exempted Securities issued after the Effective Date.

Non-Breaching Major Member: the meaning set forth in Section 10.3

Non-Electing Major Member: the meaning set forth in Section 9.5(a).

Notice Date: the meaning set forth in Section 11.7(b).

Offer Acceptance Notice: the meaning set forth in Section 11.7(c).

Offer Acceptance Period: the meaning set forth in Section 11.7(c).

Offer Notice: the meaning set forth in Section 11.7(b).

Ongoing Expenses: means all direct expenses incurred by or on behalf of the Company in connection with administering the Company and carrying on its business, including all legal and accounting fees.

Oversubscribing Member: the meaning set forth in Section 11.3(d).

Permitted Transfer: the meaning set forth in Section 11.1(a).

Permitted Transferee: the meaning set forth in Section 11.1(a).

Person: shall include any corporation, association, joint venture, partnership, limited partnership, limited liability company, business trust, institution, foundation, pool, plan, government or political subdivision thereof, government agency, trust or other entity or organization or a natural person.

Profit: the meaning set forth in Section 1 of Schedule B.

Prohibited Transfer: the meaning set forth in Section 11.5(c).

Projected Tax Liability: means, with respect to any Member and any tax year of the Company, the amount of taxable income and gain allocated to such Member for federal income tax purposes in the Company's tax return filed or to be filed with respect to such tax year, multiplied by the highest combined marginal rate applicable to income of an individual for federal and Massachusetts income tax purposes, taking into account (i) any nondeductibility for state tax purposes of any item that is deductible for federal tax purposes, and (ii) any deductibility for federal tax purposes of state income taxes.

Proposed Acquirer: the meaning set forth in Section 11.6(a)(iii).

Proposed Transferee: the meaning set forth in **Error! Reference source not found.**.

Prospective Purchaser: the meaning set forth in Section 11.7(a).

Purchase Right: the meaning set forth in Section 11.7(c).

Qualified Member: the meaning set forth in Section 11.7(a).

Regulatory Allocations: the meaning set forth in Section 4(f) of the Allocation Exhibit.

Remainder Securities: the meaning set forth in Section 11.7(e).

Remaining Transfer Units: the meaning set forth in Section 11.3(c).

ROFR Purchasers: the meaning set forth in Section 11.3(e).

Sale of the Company: the meaning set forth in Section 11.6(a).

Securities Act: means the United States Securities Act of 1933, as amended.

Selling Members: the meaning set forth in Section 11.6(a).

Series Seed Investor Units: the meaning set forth in Section 4.1.

Series Seed Investor Unit Subscription Agreement: the meaning set forth in Section 4.2(b).

Tax Distribution: the meaning set forth in Section 7.3(a).

Tax Matters Person: the meaning set forth in Section 6 of the Allocation Exhibit.

Threshold Amount: the meaning set forth in Section 4.3(c).

Transfer: the meaning set forth in Section 11.1(a).

Transfer Notice: the meaning set forth in Section 11.3(a).

Transfer Notice Date: the meaning set forth in Section 11.3(b).

Transfer Purchase Price Per Unit: the meaning set forth in Section 11.3(a).

Transfer Units: the meaning set forth in Section 11.3(a).

Transferring Member: the meaning set forth in Section 11.3(a).

Treasury Regulations: means the Treasury regulations, including temporary regulations, promulgated under the Code, as such regulations may be amended from time to time (including the corresponding provisions of any future regulations).

Trigger Event: the meaning set forth in Section 10.2.

Trigger Notice: the meaning set forth in Section 10.3.

Unit: the meaning set forth in Section 4.1.

Unit Sale: the meaning set forth in Section 11.6(a).

Unrestricted Period: the meaning set forth in Section 11.7(e).

Unreturned Capital Amount: means, with respect to any Member holding Series Seed Investor Units at any time, the excess of (x) such Member's Capital Contributions in respect of such Series Seed Investor Units over (y) the aggregate amount of distributions previously made to such Member in respect of such Series Seed Investor Units.

Unsubscribed New Securities: the meaning set forth in Section 11.7(d)

Unsubscribed Units: the meaning set forth in Section 11.3(d).

Value Notice: the meaning set forth in Section 9.5(b).

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GORDON ATLANTIC INSURANCE

MAKING INSURANCE MAKE SENSE

June 28, 2018

Cannabis Control Commission
101 Federal Street
13th Floor
Boston, MA 02110

Re: LDE Holdings LLC
Carl Giannone, Manager

Dear Board of Commissioners:

Be it known that we represent the captioned LDE Holdings, LLC. dba Trade Roots and are processing applications for coverage for General Liability to be in compliance with or exceed 935 CMR (10) Liability Coverage required to Marijuana Establishments. The location of operations will be at 6 Thatcher Lane, Wareham, MA 02571.

935 CMR (10). Liability Coverage required for Marijuana Establishments
(10) Liability Insurance Coverage or Maintenance of Escrow.

(a) A Marijuana Establishment shall obtain and maintain general liability insurance coverage for no less than $1,000,000 per occurrence and $2,000,000 in aggregate, annually, and product liability insurance coverage for no less than $1,000,000 per occurrence and $2,000,000 in aggregate, annually, except as provided in 935 CMR 500.105(10)(b) or otherwise approved by the Commission. The deductible for each policy shall be no higher than $5,000 per occurrence.

Please feel free to contact us with any questions.

Sincerely,

Jeff Helm

W. Jeffrey Helm, LIA

Business Plan v11.14 (November 2018)[1]

Jesse Pitts
Founder/CEO
Jesse@TradeRoots.buzz

Carl Giannone
Founder/President
Carl@TradeRoots.buzz

[1] This business plan is a living/evolving document

Table of Contents

This is a living document. Please be cognizant of your version number, and excuse the errant typo.

I: Executive Summary

What and Why

An opportunity exists to capture "first-mover advantage" and build a locally supported, vertically integrated Adult Use cannabis company in The Gateway to Cape Cod, Wareham MA. Founded by a master grower,extractor and former Registered Caregiver in the Commonwealth, Trade Roots will produce over 2000 pounds of premium craft cannabis, cannabis extracts and derivatives per year--branded to speak to the Cape's affluent, yet currently un-targeted demographic.

New Frontier Data anticipates MA transacting 8% of all cannabis sales in the US--an industry which is growing at 35% annually. We believe this doesn't even adequately account for canna-tourism, as The Commonwealth will likely be one of the first places in North America to allow for broad social consumption (including theaters, restaurants and bars) beginning in Spring 2019.[2] With the highest concentration of adult-aged university students anywhere in the world, we're confident that areas of Massachusetts will become canna-tourist havens.

[2] http://www.thepuffpuffpost.com/will-massachusetts-first-state-allow-social-marijuana-use/

Government officials are expecting a multi-year shortage due to strong anticipated retail demand, and the virtually non-existent wholesale infrastructure in the medical market. Having spent years honing and articulating his processes, Jesse has developed replicable and scalable systems for growing and extracting world class craft cannabis--enabling Trade Roots to help meet early statewide supply shortages while our competitors work through their learning curves.

This initial supply/demand disequilibrium, while it won't last, will provide a lucrative tailwind as we build our preppy, nautical lifestyle brand at our co-located retail store. While enjoying the protection of a regulated local oligopoly, we will provide a warm, welcoming shopping experience just a stone's throw from The Bourne Bridge, with signage that's visible from the highway.

We anticipate our net income for the first five years at:

FY1	FY2	FY3	FY4	FY5
$803,341	$2,197,934	$3,328,933	$ 3,711,644	$4,226,667

On projected gross revenue of:

$5,285,601	$ 10,947,302	$16,164,001	$17,399,769	$19,128,155

And with gross margins at:

49.4%	51.1%	52.6%	53.3%	53.8%

Although shortly after the 2016 election President Trump's DOJ reintroduced some risk back into the industry by repealing Cole and Ogden, the blowback (including the introduction of The STATES Act) should prove to be positive in the long-term, edging us closer to federal normalization and commerce. With Canadian and US conglomerates already making major investments in US "leaf touching" companies, we believe the time is right to build a strong regional craft brand (that can command pricing power in the face of commoditization).

Who We Are

Jesse Pitts- CEO

Jesse Pitts is an experienced construction foreman and small business owner who has extensive knowledge of the building codes and amendments here in Massachusetts. A native to our host town, Jesse has deep roots within the community. With an enduring interest and passion for cannabis, Jesse has been a licensed medical cannabis patient and caregiver in Massachusetts since the inception of the program. He has vast experience in plant cultivation and has recently received a certification in advanced extraction technologies at Havelick & Associates LLC in Golden Colorado. Jesse co-founded The Center For Alternative Life Medicine (C.A.L.M.) out of New Bedford Ma. C.A.L.M. is a not-for-profit entity that was prepared to apply for a medical cannabis license in Ma. C.A.L.M. was acquired and merged with New England Treatment Access (N.E.T.A.) Jesse was a paid consultant and helped co-author N.E.T.A's application. This lead to the company being awarded 2 licenses.

Carl Giannone- President

After graduating Lafayette College with degrees in Economics & Business, Carl began his career as an equities trader at Heartland Securities/Trillium Trading in 1999. After being promoted to trading desk manager and Registered Principal, Carl left to trade his own account with Schonfeld Securities before building his own desk, first under Assent LLC/Sungard (2006) and then T3 Capital Management/T3 Trading Group (2010). By 2014, his desk employed over 100 traders in two offices deploying myriad strategies across a range of asset classes. After 18 years of performing roles ranging from trader to risk manager to recruiter to brand manager, Carl left his trading desk (and Manhattan) to work as an independent outside recruiter for a large multinational proprietary trading firm while taking care of an ill parent. As a result of seeing the benefits of medical cannabis first hand (in moderating cancer symptoms), Carl shifted his focus from investments to agriculture. He has been quoted in Bloomberg and on CNBC as well as niche industry publications. He previously held his Series 7, 24, 55, 56, 62 and 63 licenses.

What we Need:

We are seeking member/investors to join the LLC at three different stages of our growth.

Seed Investment (completed at a $5MM pre-money valuation)

We are seeking a $100,000 seed investment in exchange for 2% equity. (This discount reflects the inherent risks of the pre-licensure.)

This initial investment will be used to cover licensing and application fees and to retain Kevin Conroy (http://www.foleyhoag.com), Jim Marty,CPA (http://bridgewestcpas.com), and grow and licensing consultants Michael Conroy and David Benlolo (TRU Cannabis Consulting). If the host town agreement or state license is not secured, all remaining capital contributions will be returned to contributing members.

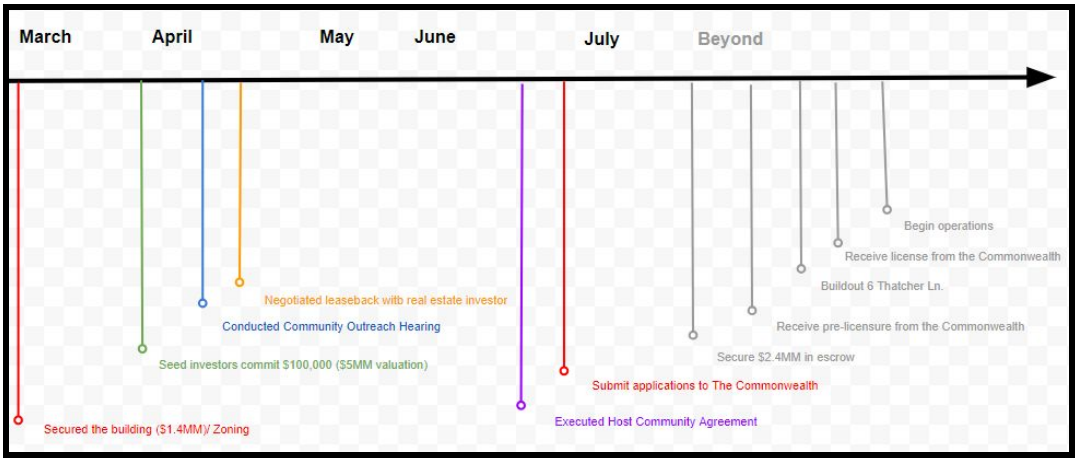
Building Purchase (we have a signed P&S, and are currently finalizing a leaseback agreement)

“The Navionics Building” is located at 6 Thatcher Lane in Wareham, MA.

$3.0MM Investment (contingent upon preliminary licensure) (verbally “oversubscribed,” negotiating term sheets)

This will be used for capex spending, launching the business, as well as to give The Company adequate runway in case of any unforeseen sales chanel disruptions (see detailed budget).

Timeline/Milestones



Mission Statement

"By passionately valuing integrity and hard work, Trade Roots will set the industry standard for The Commonwealth by producing premium craft cannabis products in a positive, empowering

work environment, sold to customers with ‘Old World’ service, while being a net benefit to every community where we leave our footprint."

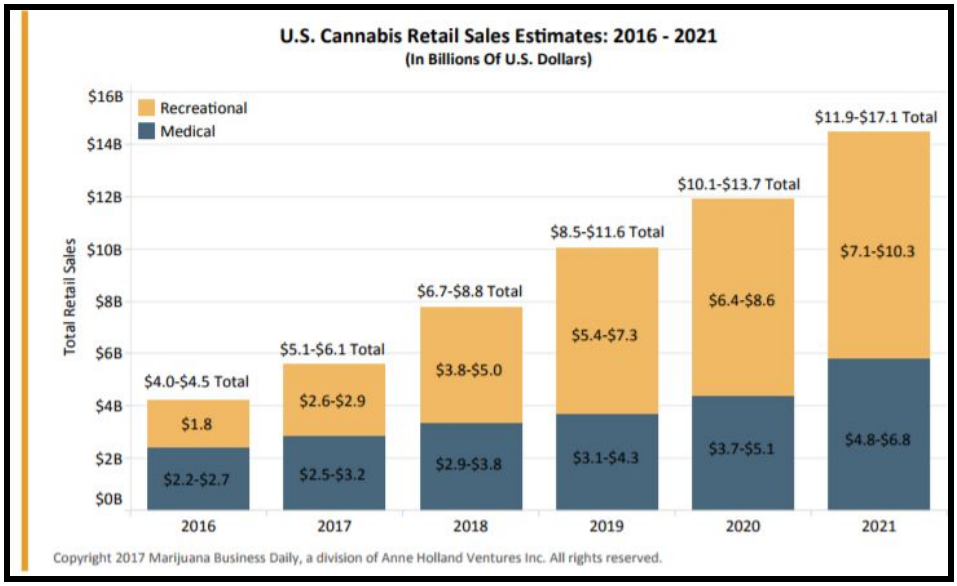
I: Business/Industry Overview

The Cannabis Industry in America

According to recent Gallup surveys, 66% of respondents support the legalization of cannabis in America--an astounding 52% increase from 1969 (and up 2% since we wrote v1.0 of this business plan back in February).[3] Although this shift in sentiment has yet to be fully reflected on the Federal level, 29 states (plus DC) currently have adopted some form of normalization, with 8 more poised to join before 2019.

While experts may argue about the potential size of the industry over the next decade, even the most fervent hawk’s estimates are bound to be pretty staggering.

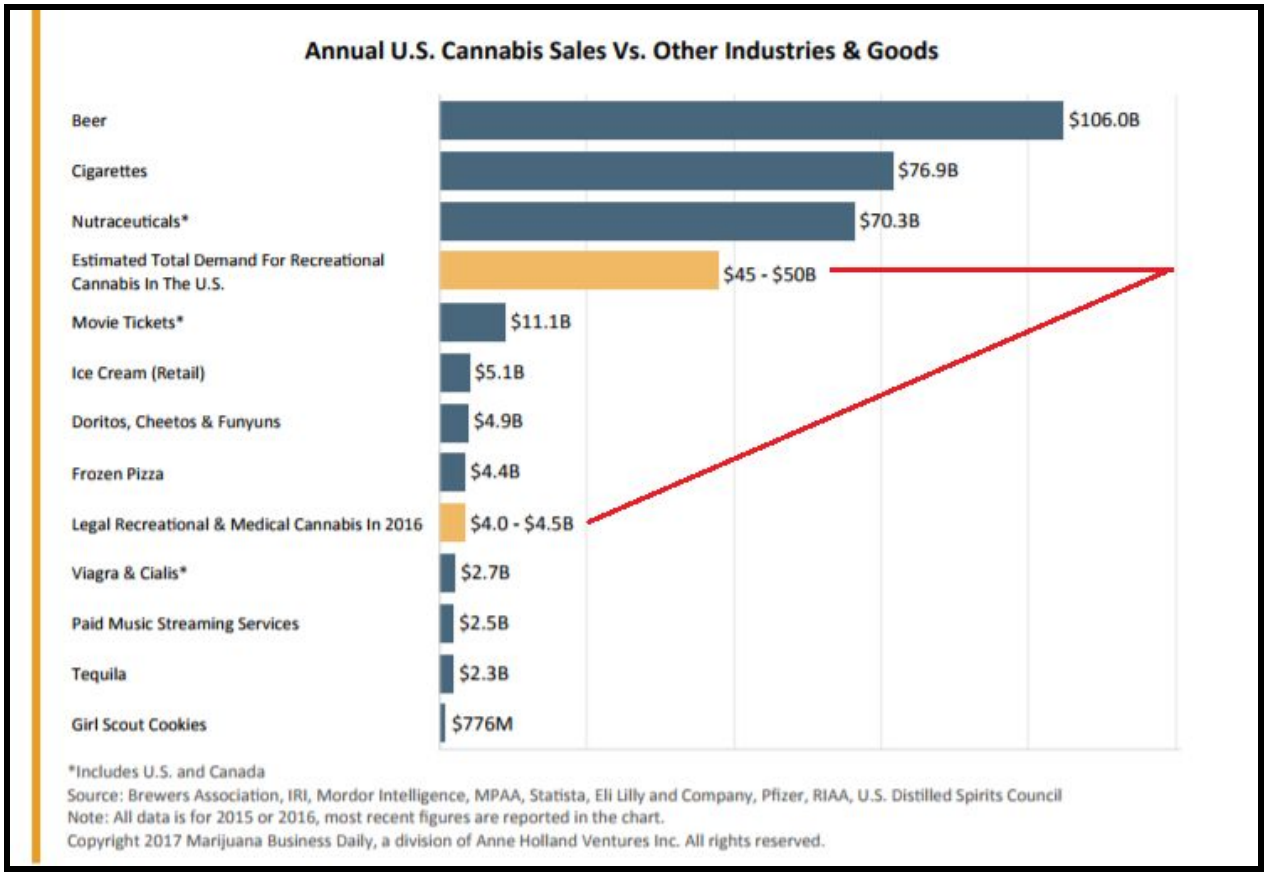
[3] https://www.forbes.com/sites/tomangell/2018/10/22/marijuana-support-grows-two-out-of-three-americans-back-legalization-gallup-says/#7b6ec5b4238b



According to Gateway Incubator (the Y Combinator for the “non-leaf touching” cannabis space), legal cannabis sales are expecting to see 35% growth in 2018--a highly unusual occurrence for industries larger than $5bn. To illustrate it’s magnitude by comparison, cable television grew at 19%/yr in the early 90’s, and e-commerce 1.0 grew at 26%/yr in the early aughts.[4] Although a portion of this growth can be attributed to the pro-cannabis sentiment that has permeated cultural zeitgeist, this isn’t the industry’s biggest tailwind.

As the following chart shows, there’s currently an estimated $45-50bn in pent-up illicit market demand in the US:

[4] https://gtwy.podbean.com/e/gateway-office-hours-episode-69-abundance-mindset/



These “non-compliant consumers” will continue to switch to regulated markets as more states normalize, and as the quality, safety and variety of legal and lawful cannabis products improve.

The Cannabis Industry in Massachusetts

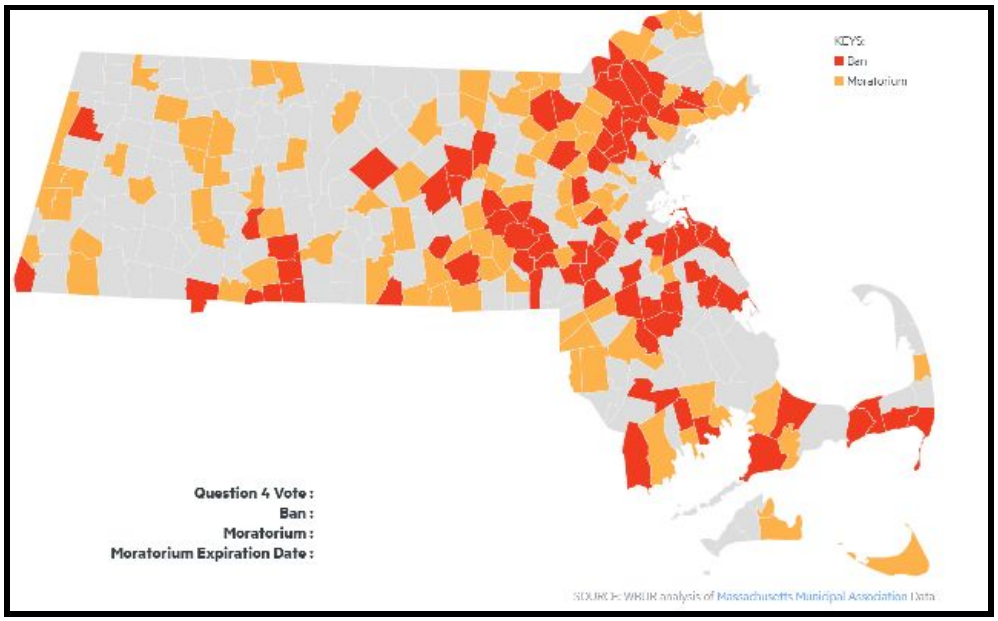

Massachusetts pot business a 'gold mine'

Jordan Graham Friday, October 06, 2017

Massachusetts has been progressive (for an east coast state) in its path towards normalization. After decriminalizing “simple possession” in 2008, the voters approved a medical cannabis ballot initiative in 2012, and voted for creating a well regulated Adult Use market in 2016. Sadly however, only 19 of the 75 non-profit medical Registered Marijuana Dispensaries (RMDs) which received licenses actually had opened their doors to patients by summer 2018.[5] Apparently many licensees delayed their plans, wagering that their medical status would give them priority review for the new Adult Use permits. However due to the labyrinthine complexity

[5] https://www.mass.gov/service-details/massachusetts-medical-use-of-marijuana-program-snapshot

of the application process, the rollout has been extremely slow--with no legal Adult Use cannabis sales transacted to date. In addition many towns have ignored the promising data from CO, OR and WA and citing “not in my backyard” concerns, have issued moratoriums restricting or banning retail stores, (which will further constrict supply).[6] [7]



This doesn’t bode well for consumers initially, as producers are anticipated to enjoy strong pricing power.

"The fundamental problem is we're coming into the recreational market with not as developed or as mature a medical program as we had seen in other states," notes Adam Fine, an attorney with Vicente Sederberg. "We don't have currently cultivation capabilities to keep even close to the anticipated high demand once the first recreational marijuana retailers open up." [8]

"The first places to open up will sell out in less than a week," predicted Peter Bernard, president of the Massachusetts Grower Advocacy Council.[9]

New Frontier Data, a cannabis industry analytics firm based in Washington, D.C. projects Massachusetts to transact $450 million of cannabis sales in 2018, accelerating to $1.17 billion

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6 https://www.washingtonpost.com/news/wonk/wp/2016/10/13/heres-how-legal-pot-changed-colorado-and-washington/

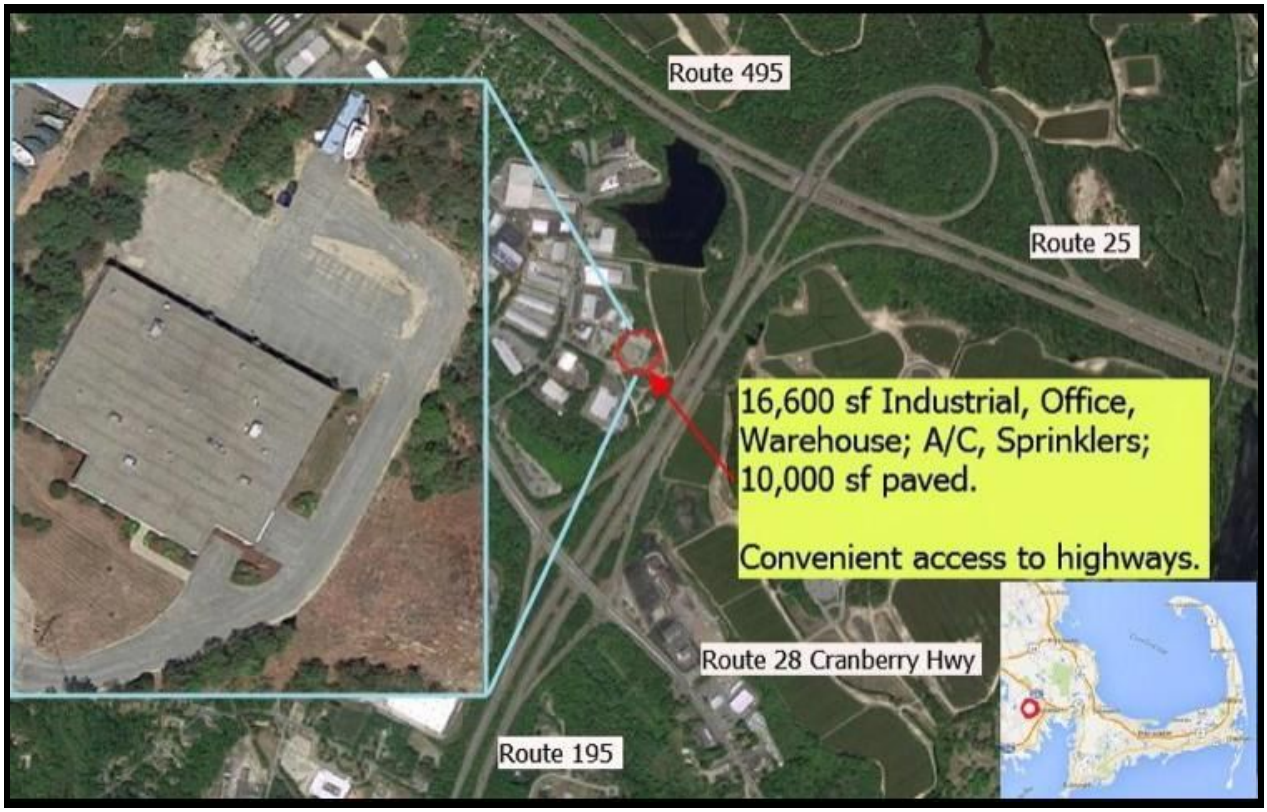
7 http://www.wcvb.com/article/marijuana-map-cities-towns-developing-rules-for-recreational-pot/9957607

8 http://www.masslive.com/marijuana/index.ssf/2017/09/legal_recreational_marijuana_w.html

9 http://www.masslive.com/marijuana/index.ssf/2017/09/legal_recreational_marijuana_w.html

by year 2020, and $1.70bn by 2021. By 2025, The Commonwealth is expected to transact 8% of total cannabis sales nationwide (currently 290,000-453,000lb/yr based on our analysis, excluding canna-tourism)--creating over 17,000 new jobs in both primary and secondary (non leaf-touching) sectors. [10] [11]

Our Position in the Industry-- The Gateway to The Cape



For Phase 1, The Company has a P&S agreement to buy (contingent upon licensure) a 16,600 sf, 2.75 acre property, located a short distance from Bourne Bridge in Wareham, MA, which will enable us to house our fully vertically integrated seed-to-sale operation on one property. With an estimated 2019 production of 2,096 lbs of premium craft cannabis, we aim to capitalize on the aforementioned supply shortages by satiating the demand of our on-site retail store (with branded products), as well as other retailers across The Commonwealth (with wholesale branded and white label products). Providing easy access to Route 28, ample parking for retail customers, and room for a planned expansion, we've located a nearly ideal property.

For Phase 2, The Company intends on capitalizing on growing local brand awareness, by adding a delivery option for retail customers (as permitted by The Commission)-- subsequently shifting a portion of sales from wholesale to higher margin retail pricing.

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[10] http://www.wickedlocal.com/news/20170929/analysts-project-lucrative-pot-market-in-massachusetts
[11] https://newfrontierdata.com/wp-content/uploads/2015/11/Massachusetts-Press-Release.pdf

For Phase 3, market demand permitting, The Company intends on purchasing the property (as per the pre-negotiated price schedule in our lease) and expanding the cultivation facility to increase our production by up to 100% as well as opening up a second retail location.

The Competition (overview)

Unlike many states out west, Massachusetts has predictably adopted a more regulatorily cumbersome approach towards licensure. While proving (more than) slightly onerous in these early stages, the regulations do however provide operators a great deal of protection once the proper licenses and permits are secured.

The town of Wareham has capped the number of retail Adult Use Marijuana Establishments at a mere three.[12] A RMD recently purchased by Med Men (formerly owned by Veralife/ Pharmacannis) is located on 112 Main Street which Management expects to be open for Adult Use sales within the near future.

In addition, in July the Wareham Selectmen approved awarding the third HCA to Xiphias Wellness, Inc. a RMD with four other locations around the Commonwealth. They intend to open a retail store in Wareham, but have yet to find a suitable property.

Currently, there are no RMDs open within 10 minutes of The Company's building. In addition, the town adopted a bylaw that prohibits retail marijuana stores from opening within 1500 feet of each other- preventing any future competitors from moving locations into the industrial park.[13]

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[12] https://wareham-ma.villagesoup.com/p/wareham-selectmen-mull-special-town-meeting-ahead-of-marijuana-deadline/1719804

[13] https://weedmaps.com/dispensaries/in/united-states/massachusetts

For B2B sales, the picture is a bit more opaque given that there is currently no functioning wholesale market in Massachusetts-- all the existing RMDs are vertically integrated. However to quote a local news article:

> "After Nevada legalized recreational marijuana, it had a shortage so severe that state officials issued a "statement of emergency," allowing them to get around normal rulemaking procedures to expand the network of marijuana distributors. In Massachusetts, the situation is slightly different because the problem likely will be cultivation, not distribution." [14]

Management anticipates strong demand and short supply for both "white label" and wholesale branded premium cannabis products for the forcastable future.

Why Trade Roots? (at a glance)

As a Registered Caregiver, Jesse produced some of the highest testing cannabis and cannabis extracts in the world. Combining his years of experience growing craft cannabis, with Michael and David's (TRU Cannabis Consultants) vast experience growing on a commercial level, we have developed systems which will allow us to scale production while retaining "craft" quality. The Company intends to employ these systems to allow us to produce premium products from the very first harvest while retaining quality and pricing control from seed to sale.

To "speak" to the Cape's affluent demographic, The Company, in consultation with partners Happy Head Marketing and fine artist Rip Kastaris, intends to use high-end cosmetics grade packaging materials while incorporating nautical, "preppy" motifs.

We plan for our retail experience to echo these themes and be more reminiscent of a high end Cape Cod boutique, and less like a pharmacy or traditional RMD (like our two local competitors). Management believes that providing a welcoming and engaging customer experience is a key pillar in building the brand, and we will not just "rest on our laurels" as part of a local oligopoly.

III: Market Analysis and Competition

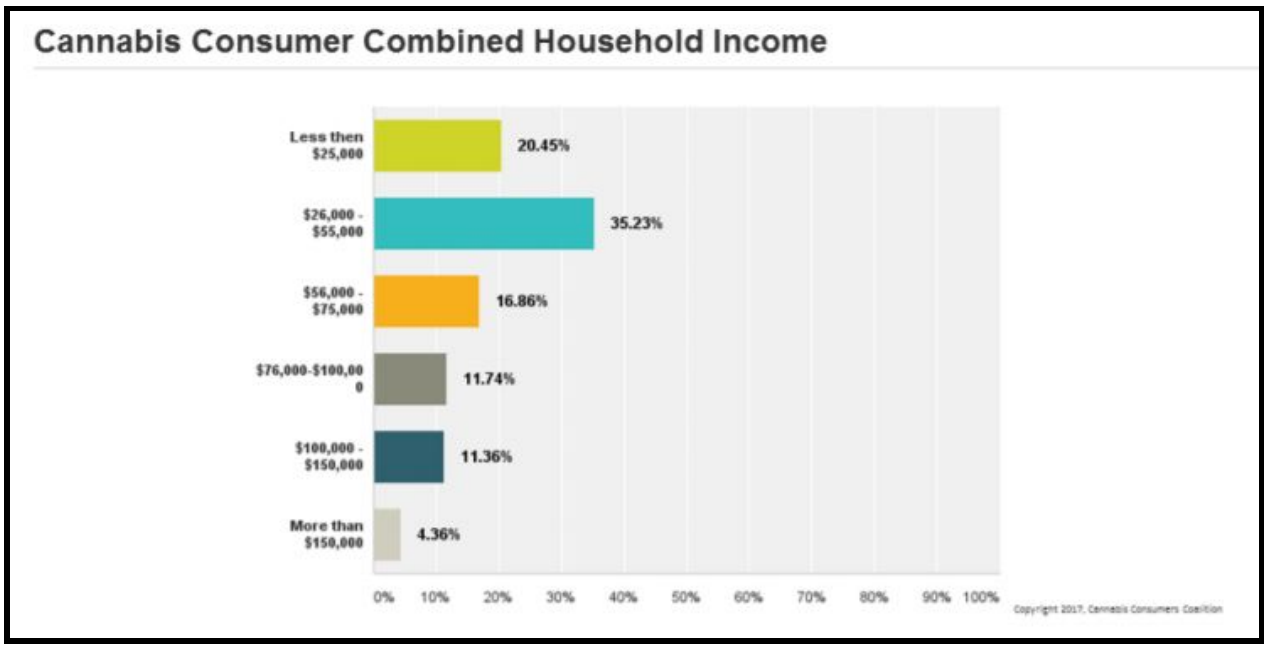
Customer Demographics

Unfortunately, until full Federal normalization, we're limited to data gleaned from POS transactions (with no demographic overlay), or that from self-reporting consumers incentivized by rewards programs.

Surprisingly given the ubiquitous "stoner" stereotype, statistically our "average" consumer is slightly more likely to be female than male, be 21-35 years old, work as a "professional", and is

[14] http://www.masslive.com/marijuana/index.ssf/2017/09/legal_recreational_marijuana_w.html

very likely to spend at least $200 a month on cannabis, [14] with the following income distribution statistics:[15]



Based on anecdotal experience we question this data, but regardless of gender, to paint a more detailed picture we have to breakdown our customers into three groups: local retail, branded wholesale, and “white label” wholesale.

Our local retail customers, whom we forecast to purchase 1114 lbs in FY19, will get to come on our journey in building the wholesale Trade Roots brand line. Common industry lore posits that 20% of cannabis consumers generate 80% of a stores’ revenue. These “heavy users” are in search of a “fire” product. “Fire,” being a modern cannabis industry colloquialism for “premium quality, taste and effect,” is precisely what Jesse produced as a registered caregiver. Our offerings will delight these discriminating customers, for whom “the product is the pitch,” enabling us to concentrate more resources on new customer acquisition.

Given the retail store’s proposed location at The Gateway to Cape Cod, we intend to be more welcoming to the broader local population (as well as the 57,000/d seasonal vacationers) by creating an environment less like a place where one would buy a tie dye shirt, or undergo a medical procedure, and more similar to a Vineyard Vines or a J Press store. Packaging and advertising ideas will be “small batch” A|B tested on the local market before being launched as a branded wholesale product.

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15 http://www.cannabisconsumer.org/uploads/9/7/9/6/97962014/cannabis_consumer_demographics_and_behavior.pdf

Wholesale

Our branded wholesale and white label products will be distributed to non-vertically integrated retail stores throughout The Commonwealth. While bulk packaged non-branded products are expected to comprise a large portion of sales initially, Management has plans to expand both The Company's local reach (with a delivery service and opening of a second retail store) as well our statewide brand recognition--with the intention of providing some insulation from future commoditization as well as shifting consumer purchases to higher margin items. With shortages expecting to last two years,[16] we feel we have ample time to execute these initiatives while enjoying a strong white label wholesale tailwind.

Without a meaningful existing wholesale market for cannabis, nor any existing cultivators with the capacity to adequately supply that maket, Management has few data points by which to analyze the competition (although anecdotally we've heard mid-quality flower is being sold for $2900/lb wholesale).

However one such data point, the Massachusetts Medical Cannabis Center, is a WeWork like service for cannabis cultivation startups being built by AmmeriCan (ACAN) in Freetown.[17] According to their website, they will provide high technology greenhouse, cultivation, processing and testing facilities for their customers. While boasting a massive 130,000 square feet of cultivation space,[18] this isn't being setup to grow craft cannabis. Although light deprivation greenhouses can produce a high quality product at a low cost, even in the hands of a master cultivator they can't compete with modern indoor grow setups. (Based on both online research and personally sourced anecdotal accounts, craft cannabis retains superior pricing power even in highly saturated markets (like Oregon)).

Currently, ACANs project has one slated tennant: BASK, the RMD in Fairhaven. Management assumes they will add Adult Use tenants in the future as well as the Center was named before Question 4 was passed by voters.

Retail

It's said that in an expanding market, one's competition can serve as advertising. If this is true, we should anticipate waves of new customers because legal cannabis has been hailed "the fastest growing industry in modern times."[19] And while we do expect exponential organic demand growth statewide, The Company clearly intends to fully enjoy it's oligopolistic position at home.

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[16] https://www.leafbuyer.com/blog/the-shortage-of-marijuana-in-massachusetts-explained/
[17] http://americann.co/projects/mass-medical-cannabis-center/
[18] http://www.masslive.com/business-news/index.ssf/2017/01/million-square-foot_marijuana_growing_massachusetts.html
[19] https://cannabis.net/blog/news/its-official-cannabis-is-the-fastest-growing-industry-in-modern-times

For our model we assume that Med Men (a non-collocated but vertically integrated RMD) will capture 33% of estimated local demand, while Xiphias Wellness (another non-collocated but vertically integrated RMD) will take another 33%. [20] This assumption may prove conservative however, as our retail location is vastly superior to Med Men and Xiphias doesn't even have a building secured to date. .

While outside of our local market, BASK is our nearest potential competitor (2 Pequod Rd, Fairhaven MA.).[21] Owned by the CEO of ACAN, it is the only other RMD currently open within a reasonable drive from Wareham. While we assume they will convert to an Adult Use establishment, it is uncertain as to when. They recently changed their name from Coastal Compassion to BASK Premium Cannabis (and as per CCC regulations, no Adult Use license holder may use "cannabis" in the business' name).

Regardless, none of these RMDs have our location. Less than 2 minutes from the highway (less than a mile) and right by the Bourne Bridge, we're positioned to serve the millions of potential customers who will drive by our store every year[22] -- Trade Roots is optimally located to capture the tourist market as local laws on the Cape prohibit cannabis sales.

As per town regulations, only three retail Marijuana Establishments, will be permitted.

Current average prices at RMDs in The Commonwealth (BASKs prices are slightly higher): [23]

Flower
- 1 gram: $15 - $20
- 1/8th oz: $45 - $50
- 1/4 oz: $90 - $100
- 1/2 oz: $180 - $200
- 1 oz: $350 - $380

Concentrates
- 1 gram wax/shatter: $50 - $80
- 500mg cartridge: $50 - $60

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20 https://wareham-ma.villagesoup.com/p/wareham-medical-marijuana-dispensary-closer-to-reality/1575837

21 https://www.cometobask.com/

22 http://www.capecodcommission.org/resources/transportation/counts/pdf_count/Cape_Cod_2016_Traffic_Counting_Report.pdf

23 https://www.leafbuyer.com/massachusetts

IV: SWOT Analysis & Corporate Milestones/Timelines

Strengths

- Jesse is a master cultivator and extract technician who has produced world class craft products.
- A tested, replicable, scalable cultivating system.
- A Founder with decades of experience as a contractor, ensuring timely and cost efficient construction buildout.
- Both founding partners with decades of entrepreneurial experience--one accustomed to working in highly regulated environments.
- Seed to Sale, full vertical integration.
- A protected local oligopoly.
- Prime retail location.
- Strong local political ties.
- Local municipal and community support.
- Industry leading strategic partners
- A plan to grow and position the company as cannabis transitions to becoming a more commoditized good.

Weaknesses

- Although the Founders have set up their grow system repeatedly, they have never grown on an industrial scale.

Opportunities

- To capitalize on early supply shortages (and subsequently high prices by serving the Commonwealth with wholesale cannabis and cannabis products).
- To build a brand which will serve as an aspirational mirror to large, affluent yet underserved consumer groups.
- To build a company with a diverse, empowered workforce.
- To build a vertically integrated company to maximize tax advantages.
- To position The Company as a powerful regional brand, suitable for acquisition.

Threats

- An antagonistic Department of Justice repealed the Cole and Ogden memoranda, putting the “hands off” approach of the previous administration in question.
- The DOJ’s actions may create further banking challenges.
- Severely depressed prices resulting from federal legalization as competition enters from lower costs states, or countries.
- Regulatory creep.

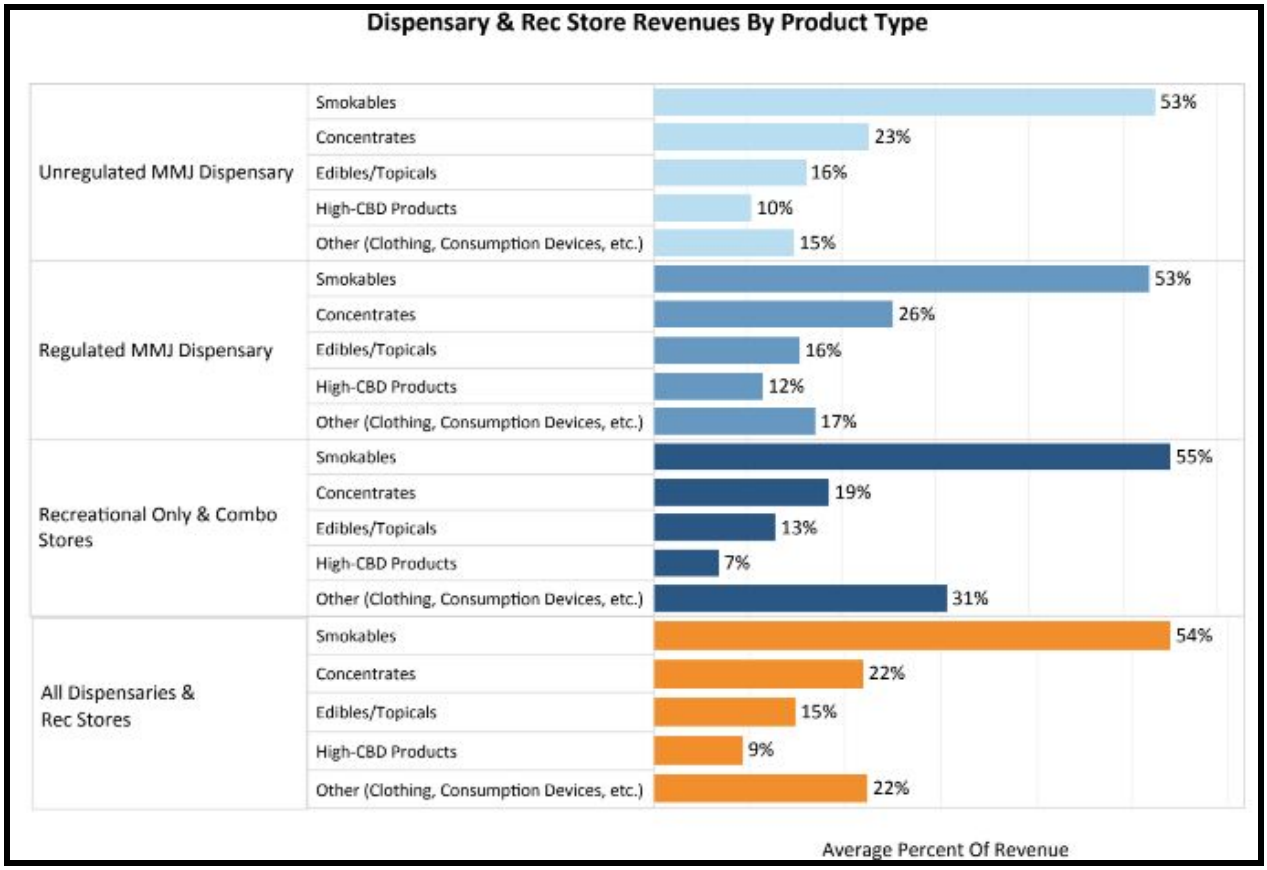
V: Products and Marketing Plan

Products

Trade Roots will produce ultra premium “Craft” cannabis and cannabis products including: flower, concentrates, vapor cartridges and edibles (orally ingested).

While flower is still king, concentrates (including vapor cartridges) and edibles continue to capture larger market share in legal Adult Use states as more consumers opt for hydrocarbon free consumption methods. In Q1 2016, Colorado saw concentrate sales rise by 125% and edibles by 53% year over year, compared to flower growth of 11%. While flower sales still make up the bulk total revenue (around 50-55%) of retail stores nationally, that’s significantly down (from 70-80%) in just a few short years.[24]

The current product mix, nationally, as per the Marijuana Business Factbook 2017:



[24] https://mjbizdaily.com/bizbooks/download/4068766/Factbook2017.pdf

Flower

Although called “weed” in common parlance, growing high quality cannabis is a science. Jesse and his team of cultivators have spent years developing a cultivation system which enables them to create custom environments conducive to maximizing an individual strain’s cannabinoid and terpene yields. By utilizing a series of microclimates (pods), Trade Roots can offer customers a wide range of sought after varieties, while ensuring that each is an ideal expression of the plant.

Although we will always be hunting for new phenotypes (we have access to world class strains through TRU Cannabis) for our genetics program, as a Registered Caregiver Jesse optimized and stabilized the following strains:

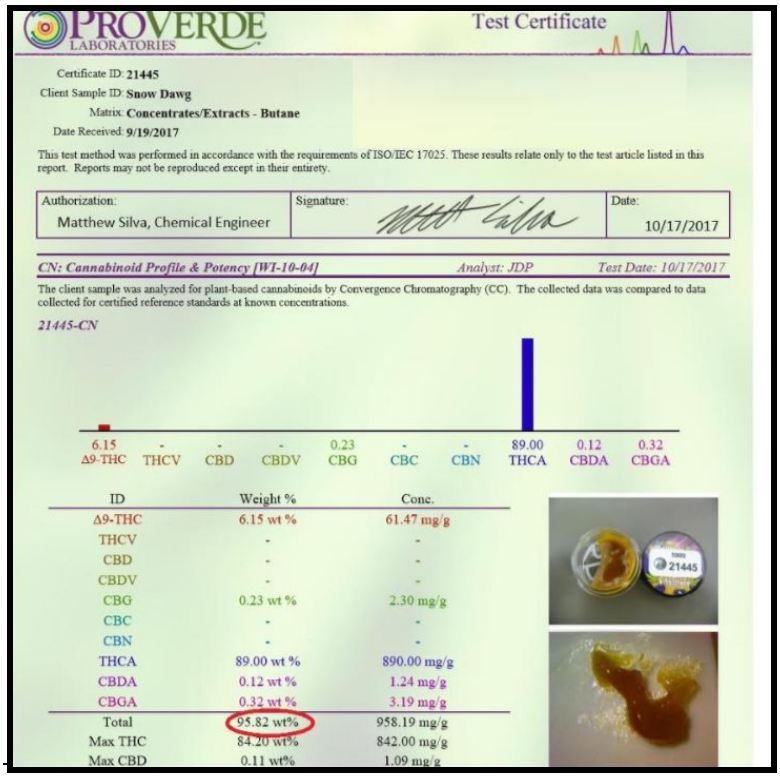
- Mickey Kush
- East Coast Sour Diesel
- Western Massachusetts Super Skunk
- Tahoe OG
- Snow Land
- Snow Dawg
- Critical Jack
- Grape God
- Do-si-do

Management feels that this gives us a big competitive advantage over many other cultivators who “plan on hiring a master grower” upon licensure, but don’t have an existing team with “dialed in” genetics.

Concentrates

Simply put, concentrates are cannabis-derived extracts that contain concentrated amounts of the psychoactive compound tetrahydrocannabinol (THC) and a multiplicity of other cannabinoids and terpenes.[25] The "original" concentrate, hashish, has been produced for millennia and is still popular in North Africa, the Middle East and Europe. A result of physical agitation of the flower, hash typically contains around 50% THC, with the rest being made up of inactive plant material. To borrow E. I. du Pont de Nemours and Company 1930s slogan, modern cannabis users enjoy "Better Living Through Chemistry." The last decade has seen tremendous advances in cannabis extraction technology. No longer limited to physical extraction methods, solvent based extraction produces a vastly superior product. As per a DEA website:

> (Modern) marijuana concentrates contain extraordinarily high THC levels ranging from 40 to 80 percent THC amounts. This form of marijuana can be up to four times stronger in THC content than high grade or top shelf marijuana, which normally measures around 20 percent THC levels.[26]



PROVERDE LABORATORIES — Test Certificate

Certificate ID: 21445
Client Sample ID: Snow Dawg
Matrix: Concentrates/Extracts - Butane
Date Received: 9/19/2017

This test method was performed in accordance with the requirements of ISO/IEC 17025. These results relate only to the test article listed in this report. Reports may not be reproduced except in their entirety.

Authorization:	Signature:	Date:
Matthew Silva, Chemical Engineer		10/17/2017

CN: Cannabinoid Profile & Potency [WI-10-04] — *Analyst: JDP* — *Test Date: 10/17/2017*

The client sample was analyzed for plant-based cannabinoids by Convergence Chromatography (CC). The collected data was compared to data collected for certified reference standards at known concentrations.

21445-CN

Δ9-THC	THCV	CBD	CBDV	CBG	CBC	CBN	THCA	CBDA	CBGA
6.15	-	-	-	0.23	-	-	89.00	0.12	0.32

ID	Weight %	Conc.
Δ9-THC	6.15 wt %	61.47 mg/g
THCV	-	-
CBD	-	-
CBDV	-	-
CBG	0.23 wt %	2.30 mg/g
CBC	-	-
CBN	-	-
THCA	89.00 wt %	890.00 mg/g
CBDA	0.12 wt %	1.24 mg/g
CBGA	0.32 wt %	3.19 mg/g
Total	95.82 wt%	958.19 mg/g
Max THC	84.20 wt%	842.00 mg/g
Max CBD	0.11 wt%	1.09 mg/g

Once Trade Root's is permitted to sell on the Adult Use market, we'd welcome the Agency to purchase some of our concentrates and then update their website, as many of the founder's extractions test above 80% THC (with total active cannabinoids > 90%).

[25] https://potguide.com/guides/cannabis-concentrate-guide/
[26] https://www.justthinktwice.gov/facts-about-marijuana-concentrates

After taking advanced classes in hydrocarbon, cold ethanol and solventless extraction methods from Havelick & Associates, our master technician will produce a line of the market's most sought after concentrates. Predominantly extracted from the plant's biomass (which is extremely rich in terpenes and cannabinoids), the varieties include:

- Wax
- Sugar Wax
- Shatter
- Rosin
- Live Resin
- Dead Resin
- Sauce or HTFSE (High Terpene Full Spectrum Extract)
- HTE (High Terpene Extract)
- Isolates (THCA, CBD, CBN, ect.)

Vapor Cartridges

To quote *Leafly*:

> When it comes to ease of use, portability, and functionality, one cannabis product stands tall above the rest. You may know them as preloaded cannabis oil vape cartridges, hash oil vape pens, or even disposable wax pens. These relatively new and exciting devices

> have permeated the cannabis concentrate market over the last several years, quickly becoming the go-to concentrate-based product for both the novice and accustomed cannabis fans.[27]

These novel little devices attach to a battery which powers a small heating element, that in turn, vaporizes the oil. Offering convenience, portability and subtlety in use, vapor cartridges provide a win/win for both the consumer and the producer. The oil used in vapor cartridges is typically extracted from the "waste" biomass from flower cultivation known as "trim"-- and in spite of being amongst the highest margin cannabis products, it's also extremely economical for the consumer. A 500mg cartridge will provide an average of 200 "hits," without the waste and smell of hydrocarbon combustion.

While many producers will adjust the viscosity of their pens using vegetable glycerine or propylene glycol, at Trade Roots we will only use natural cannabis derived terpenes, thereby improving both flavor and effect. In addition, unlike many competitors who use distillates, Jesse has mastered the science of making Full Spectrum oil.

Once again, per *Leafly*:

> Pre-filled full-spectrum cartridges are hard to come by and are only offered in certain markets; their price tends to reflect their rarity as well. If you're fortunate enough to live in a market where these products are available, it's highly recommended to fork up the extra cash to give one a shot. In terms of strain comparability, the flavor on a full-spectrum cart is incredibly similar to what you would experience in a strain.[29]

Edibles

Orally ingested forms of cannabis are also seeing a steady rise in demand. While we do see a market segment worth serving here, we are cautiously… cautious about its future. While we would like to meet demand for edible products early on, this is not a product category that we intend to develop for the long term and thus will most likely outsource the manufacturing (baking) to a strategic partner. Management feels that due to the 4X psychedelic effects that are produced when the liver converts orally consumed THC to 11-hydroxy metabolite, that this

[27] https://www.leafly.com/news/strains-products/what-are-pre-filled-cannabis-oil-vape-cartridges

form of cannabis products will be the first to fall victim to regulatory creep, and thus may only be a short term (albeit highly profitable), product line for The Company.

Craft-- The Common Thread

Regardless of the intended method of consumption, the common denominator is actually what's uncommon. While many producers cut corners to increase yields, it comes at a steep price. Improper curing, auto-trimming, and rushed harvests create a lesser quality product. As technology in the "leaf touching" space improves, we anticipate being able to automate some of our processes, however nothing currently available replaces time and attention with the plants. A skilled cultivator can identify problems before any deleterious effects are suffered by the flower.

Similar to the old computer geek axiom, GIGO (Garbage in, Garbage Out), the world of cannabis has "Fire in Fire Out"--all of Trade Roots products start with meticulously cultivated cannabis.

Trade Root's corporate culture, which fosters a strong work ethic in an empowering environment, develops employees who take pride in their work, self-monitor for quality control, and self-report if they believe a process can be improved. "Garbage in" doesn't just mean the genetics of the plant-- every part of the process contributes to the final craft product.

Pricing Strategy

Our Model Assumes:

sales price - wholesale/lb	$ 2,000.00	per lb
sales price - Retail flower/lb	$ 4,000.00	per lb
sales price - Retail High end oil/lb	$ 22,400.00	per lb
sales price - Retail others/lb	$ 17,920.00	per lb

All cultivators must be aware that although cannabis is enjoying its time with relative price inelasticity in new markets, in the end, it's a commodity-- not dissimilar to hops, a plant with a with a long history of legal sales. If you take a look at the price distribution, you'll notice a wide price variance ($10.62-$25.00+).[28] The lower end in quality suffers greater pricing pressure as competition increases. Due to the consistent quality of Trade Root's products, we anticipate we will always be able to command prices on the top end of the curve in our market, even as a commoditized good.

[28] http://indiehops.com/supply_printable.asp

Wholesale Pricing

Massachusetts currently has no functioning wholesale market; all operating RMDs are required to be vertically integrated. Based on Management's attendance at CCC meetings, we know this is not going to be the case in the Adult Use regulatory regime. Being the cheapest to open, many entrants to the market are attracted to opening retail stores. We intend to sate this immediate demand while we build our higher margin retail sales channels. For our model, we've priced in $2000/lb. We feel that this is an exceptionally conservative price given the expected shortages and that RMDs in the Commonwealth are currently selling cannabis (in 3.5g retail packages) for $7040/lb.

In reality, wholesale prices are negotiated face-to-face between buyer and seller. Management will be pulling together a sales team from Jesse's network of Registered Caregivers and Carl's former colleagues from Wall Street as workload dictates. Salespeople will be financially incentivized to preserve the "price integrity" of our craft brand, while serving as brand ambassadors to retail cannabis stores throughout the state.

Management also expects that as time passes, electronic trading platforms, like the now-defunct Tradeiv,[29] will make B2B sales more efficient and convenient.

Retail Pricing

Management feels that we have developed a pricing strategy which enables us target the three categories of customers: the Daily Consumer, the Weekly Consumer, and the New/Novel Consumer.

The Daily Consumer is our "bread & butter" and will be the backbone of our business. Anecdotally (and from self reported data)

this 20% of our customer base will drive 80% of our revenue. It is the Founder's experience that while they almost exclusively gravitate towards the highest grade products, they are also more price sensitive than less frequent users. We intend to reward their loyalty in two ways: a membership rewards program and volume discounts.

Volume discounts will be reflected on purchases larger than 14g of the same flower, and multiple branded/pre-packaged product purchases will be incentivized with a "Buy X, Get One Free" reward. This kind of program requires that each customer have a unique identifier by which The Company can track their purchases. This opens many avenues for us to collect additional proprietary sales and demographic data by incentivizing consumers to share more information by giving further rewards.

[29] https://www.greenmarketreport.com/online-e-commerce-cannabis-platform-tradiv-closes-shop/

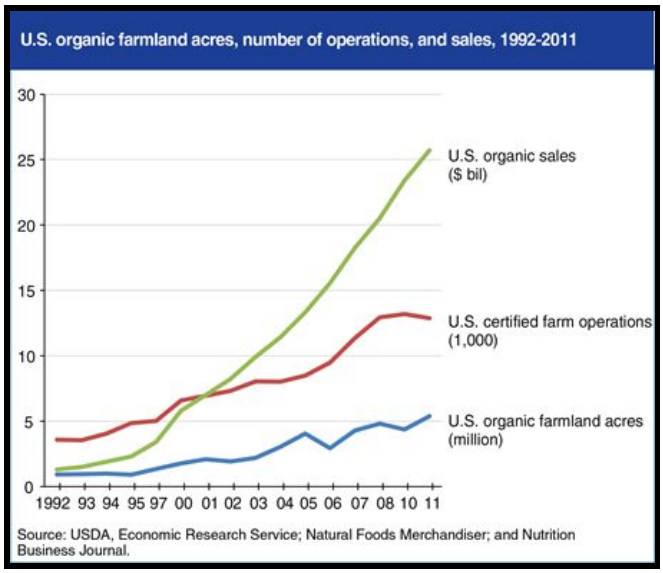
The Weekly Consumers are the weekend warriors, soccer moms, professionals and 21+ students. While not prototypical “stoners,” they will be the bulk of our retail foot traffic. Given the affluent demographic of the area, these customers have an above average amount of disposable income, and while perhaps reticent to share personal information for a rewards membership, nor interested in volume discounts, they are the key customer segment for the “in-store/manager's special” upsell. These customers expect to pay full retail price and are often seeking the guidance of a knowledgeable salesperson.

The New/Novel Consumers are the customer segment that buys bundles: starter packages, samplers, and weekend beach packages--and are the least price sensitive. While these customers expect to pay full price, it behooves The Company to view all of these sales as opportunities to acquire future Daily and Weekly customers.

Branding

The legal markets out west have taught us that if you can’t compete on price, you better build a brand if you want to survive post-commoditization. While many industry players are still living in tie-dye world, we are taking a more traditional “Madison Avenue” approach. Based on our research we see the cannabis industry in the US as being similar to the health food industry in the early 2000s.

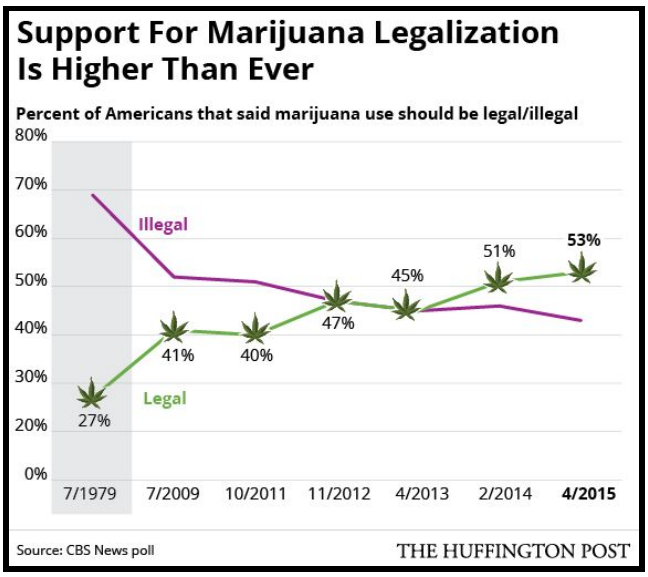
Back in the 1990s, one could tell a whole lot about a person who shopped at a “health food store”-- an awful dingy affair, eerily lit with flickering fluorescent lighting, permeated with a slight funk of rotten produce, and tucked away in the corner of a strip mall. They were educated, listened to NPR, voted Democrat (or Green Party), and were into renewable energy way before it became cool.



A confluence of cultural changes, advances in medical research, and a brilliant acquisition and expansion plan by Whole Foods resulted in “health food” being thrust into the spotlight of mainstream acceptance. Once this happened, the traditional “hippie” type marketing and influencers became relegated to a few iconic brands (Ben & Jerry’s, Dr. Bronners, etc), as mainstream marketing and ad agencies took over. The middle american consumer had no reverence for the “health food movement.” They just wanted to live better, look better, and live longer.

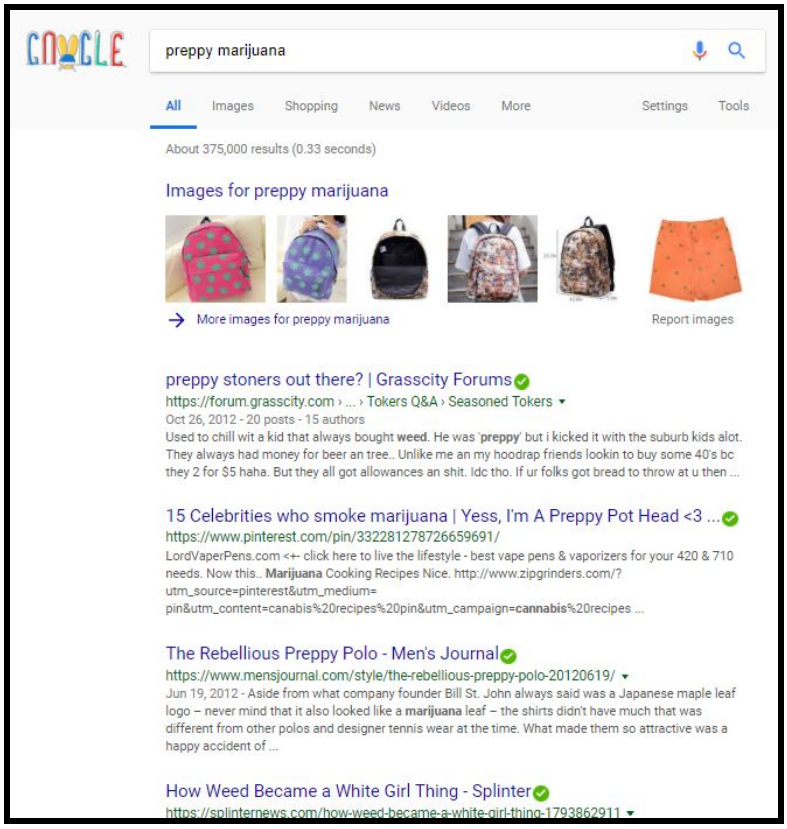
Management feels that this is the next logical progression in the cannabis industry. As more states normalize and more people try

different non-combustion based consumption methods, the more generally accepted using cannabis will become-- and we've come a long way:



Our marketing plan seeks to capitalize on this shift in the cultural zeitgeist by branding our cannabis products like a luxury good, not like a drug. Given our proximity to Cape Cod, we intend to build a brand that invokes the lifestyle of the Cape. Using nautical themes, creams and blues, and packaging made of natural materials, we will create products designed to serve as aspirational mirrors for our customers--many of whom have a style identifiable as "preppy." Marketing to the preppy demographic has long been profitable. Due to the style's relative androgyny, imperviousness to fashion trends, and generational fluidity, it's a marketer's dream across product lines. And while Management can confidently say (albeit based on personal experience and anecdotal accounts) that "preppies" consume cannabis at a rate at least equal to that of the general population, we can't find a single brand that targets this market.

A quick google search yields…..



...nothing.

Management found this surprising considering we've been to a few Dave Matthews Band concerts and can confidently say that preppies do in fact consume cannabis. A lot. Following in the footsteps of iconic retail brands like Ralph Lauren and J. Press, and newer brands like Vineyard Vines and Chubbies, by using the classic colors that populate the New England Prep School color palate, Trade Roots products will appeal to both men and women alike. The Cannabis Consumer Coalition confirms Management's hypothesis that The Industry isn't effectively welcoming a key demo that makes 85% of all consumer purchases.[30] [31]

Retail Store Experience

The retail store will be located on 6 Thatcher Lane in Wareham, MA:

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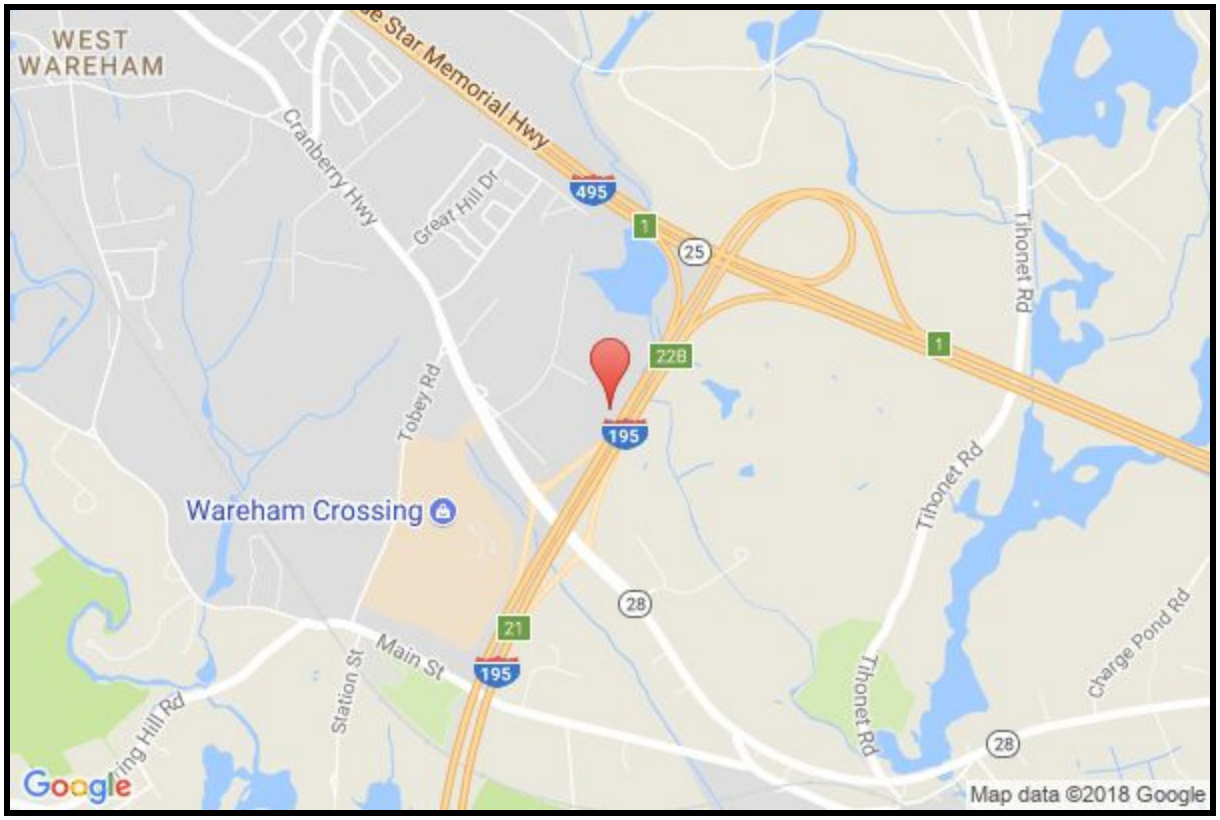
30 http://www.cannabisconsumer.org/uploads/9/7/9/6/97962014/cannabis_consumer_demographics_and_behavior.pdf

31 https://www.fona.com/purchasing-power-women/



This prime location allows us to house all operations under one roof for enhanced efficiency and security, while being both discrete and convenient for our customers.

We intend to refinish the front 1600 sf of the building to look like a beach town boutique. Bright, airy and welcoming, we will be a retail oasis for some of the 44-57,000 customers that will pass by our store (and signage!) from the highway everyday.

We intend for the retail experience to be an extension of the wholesale brand, and the brand an extension of the retail experience. The store is located at the Gateway to Cape Cod, and will be the “last stop” for many vacationers going both upcape on vacation, or down cape back to their homes.

One of the things the Founders agreed upon early in our discussions was the importance of proper customer service in retail. While few stores, like AAPL, regularly receive high marks for customer service, the state of most customer/salesperson interaction in 2018 leaves room for improvement. Trade Root’s management believes that we don’t have to reinvent the wheel- we remember the personal interaction that customers received when we were young, before the McDonaldization of American culture. As part of our corporate culture, we are going to emphasize the “Old World” values of integrity, craftsmanship, and proper manners and composure. Since our retail sales people will act as brand ambassadors, their training is paramount--we will create a comprehensive training programs in safety and compliance, customer service and sales, and cannabis botany and psychopharmacology. Salespeople will be incentivized (through bonuses and promotions) to embrace the Trade Roots culture.

VI: Management Plan and Corporate Structure

Ownership Structure

Trade Roots (LDE Holdings, LLC) is a manager managed LLC.

Roles and Responsibilities of Supervisors

All Supervisors

- Act on behalf of the corporation and its best interest with the appropriate duty of care at all times
- Act with loyalty to the corporation and the shareholders
- Participate in regular meetings
- Report to the Board of Directors (Members)
- Overall planning and strategy of the direction of the company
- Security and Safety of customers
- Management of resale abatement policies
- Monitoring of Inventory and Loss Prevention
- Quality Control Policies
- Secure and safeguard the ongoing financial integrity and viability of company
- Oversee all Facility Planning
- Oversee all training
- Develop and Implement Standard Operating Procedures
- Oversee Community Benefit Programs
- Interact with managerial staff and be accountable to other Supervisors
- Ensure uninterrupted supply of craft cannabis
- Create and Implement Customer Care Plan

Compliance Supervisor

- Chief of Compliance
- Representative of company, handles the responsibilities of management as liaison with governments
- Testing Compliance Policies
- Packaging/ Labeling Compliance Policies
- Diversion Plan and operation procedures
- Developing and Implementing Standard Operating Procedures for compliances
- Interact with managerial staff and be accountable to other Supervisors in matters of compliance

Cultivation Supervisor

- Oversee all Facility Planning for cultivation
- Monitoring of Inventory and Loss Prevention in cultivation centers.
- Developing and Implementing Standard Operating Procedures for cultivation
- Quality Control Policies for cultivation
- Interact with managerial staff and be accountable to other Supervisors when pertaining to cultivation
- Oversee all training for cultivation
- Oversee day to day operations of cultivation

Manufacturing /Wholesale Sales Supervisor

- Oversee all Facility Planning for processing and manufacturing
- Monitoring of Inventory and Loss Prevention in processing and manufacturing centers
- Develop and Implement Standard Operating Procedures for processing and manufacturing
- Quality Control Policies for processing and manufacturing
- Interact with management and be accountable to Supervisors when pertaining to processing and manufacturing
- Oversee all training for processing and manufacturing
- Oversee day to day operations of processing and manufacturing
- Responsible for all wholesale sales

Retail & Branding Supervisor

- Oversee all Facility Planning for retail center
- Monitoring of Inventory and Loss Prevention in retail center
- Develop and Implement Standard Operating Procedures for retail
- Quality Control Policies for retail
- Interact with managerial staff and be accountable to other Supervisors when pertaining to retail
- Oversee all training for retail and sales
- Oversee day to day operations of retail
- Develop a branding and marketing plan
- Act as CMO until such time that we can bring in outside talent

Finance Supervisor

- Treasurer/ Controller
- Responsible for managing the financial actions of the company
- Track cash flow
- Financial Planning
- Analyze company's financial strengths and weakness and propose corrective actions

- Manage finance and accounting divisions
- Ensure company's financial reports are accurate and complete in a timely manner
- Interact with management and be accountable to Supervisors when pertaining to finance and accounting

Security Supervisor

- Protect property from theft, embezzlement, sabotage, trespassing, fire and accidents
- Observe and report any unlawful activity
- Protect individuals, property, and proprietary information from harm or misappropriation
- Control access to premises
- Investigate and take the appropriate lawful actions on accidents, incidents, trespassing, suspicious activity, safety, and fire
- Neutralize situations in a professional manner
- Watch for safety and fire hazards and other related situations
- Enforce policies and procedures of the company
- Train new security hires, and inform other staff of security procedures and policies

External Resources, Services and Strategic Partners

Kevin Conroy, Foley Hoag LLP (http://foleyhoag.com/people/conroy-kevin)

Kevin Conroy is a partner in Foley Hoag's Administrative Law Department, with a primary focus on government investigations and regulatory matters. He co-chairs the firm's Energy and Cleantech, State Attorney General and Marijuana groups. Kevin has considerable experience developing proactive strategies to guide clients through every aspect of the regulatory process, including consumer protection investigations, hospital closures, rate proceedings, and marijuana and gaming licensing. He has advised many large companies in matters before the Massachusetts Attorney General's Office, the Department of Public Utilities, the Department of Public Health and the Department of Telecommunications and Cable.

Jim Marty CPA, Bridge West CPAs (http://bridgewestcpas.com/jim-marty)

Jim Marty is the Chief Executive Officer of Bridge West LLC. Jim is a pioneer and a leader in the cannabis industry and is a nationally recognized and renowned expert on marijuana tax, accounting, and banking issues. Jim has been featured on Fox Business News, CNBC, and numerous other nation-wide media outlets. In 2012, Jim founded Bridge West LLC, the first accounting firm in the world to focus solely on the cannabis industry. Since 2009, Jim's practice has grown to more than 200 cannabis clients, and he has consulted in more than a dozen of medical marijuana IRS audits. He continues to be a spokesman and endorser of the cannabis industry through his highly attended marijuana education business presentations.

Professional affiliations:

- American Institute of Certified Public Accountants (AICPA)
- Colorado Society of Certified Public Accountants
- Founding Member of the AICPA Business Valuation Networking Group
- Founding Member of the Bridge West Network – An association of CPAs and Attorneys serving the Marijuana Industry
- National Cannabis Industry Association
- Lobbyist to Congress April 2013 and April 2015

Michael Conroy & David Benlolo, TRU Cannabis/High Times

Michael Conroy is a real estate and PE investor who capitalized on the legalization of marijuana and set up shop in Denver, Colorado. He currently has 6 Recreational Dispensaries and 4 cultivation facilities totaling over 100,000 square feet of cultivation space in Colorado and Oregon.

Scott Durst, Durst Security Group (https://www.durstsecuritygroup.com/)

Scott founded Durst Security Group in 2014 after returning from overseas details and began his focus on the lack of security and safety in the cannabis industry. Initiating and implementing a law enforcement liaison program, Scott is bridging the gap between local police departments and the dispensaries' staff resulting in a good working relationship between the two entities. Scott and his staff provide regular incident based training for dispensary employees as well as other retail operations. He has testified several times before the States Cannabis Regulatory and Implementation Board sharing his expertise as the state grapples with legal recreational use.

Scott is a veteran of 32 years in law enforcement. Graduating from the Ohio State Police Academy in 1979, Scott spent 3 years as a state trooper before moving to Maine in 1982 when he joined the Portland Police Department. Scott spent a year working undercover as a cab driver targeting drug dealers in the greater Portland area. He co-founded the department's tactical team and served on it for the next 7 years. Scott joined the state's drug task force in 1990 and spent the next 21 years as an agent with Maine Drug Enforcement Agency. Scott specialized in undercover operations and developed a working relationship with DEA, FBI and ATF targeting drug organizations throughout New England.

Steve Baugh, QSPDesign, LLC

Steve has over 5 years experience in the extraction of hemp and cannabis. Steve manufactured one of the first butane extractors in the cannabis industry, securing approvals in Colorado, Washington and Oregon. He has consulted on the design of extraction facilities and

analytical laboratories, installation of equipment and training of personnel for extraction and post-processing operations in all legal states and several countries.

Wurk (https://www.enjoywurk.com/about-wurk)

Würk exists to help underserved businesses fortify, comply, and thrive in the face of uncertain regulatory environments. Designed specifically for emerging and highly regulated industries, our platform allows employers to protect and streamline their operations, while providing an environment where employees are a priority every step of the way. Our intuitive, all-in-one solution automates the most complicated and risk-prone processes associated with recruiting, scheduling, and paying employees. We help cannabis businesses do everything from background checks of potential new hires, to managing employees' schedules, benefits and training, as well as making sure they get paid on time.

Complete Controller (https://www.completecontroller.com)

Business Accounting, Bookkeeping, Budget & Forecasting, Vendor Management & Bill Payment, Payroll Set-up & Management, Document Management & Record Keeping, On-demand Access with Tiered Permissions, and Cash Flow & Debt Reduction Strategies.

Euripides Kastaris, Rip Kastaris Traditional and Digital Media

Rip is a highly skilled designer, educator and artist with a 30 year track record of award winning strategies for clients world wide. He's a strategic planner with extensive experience authoring, producing and implementing programs from concept and branding to final packaging and distribution for a wide array of audiences, and a four-time-consecutive Olympic Artist for the US and, or Greek Olympic Committees.

Staff

Cultivation

1 Master grower ($120k/year)
3 Cultivators ($52k/year)
3 Cultivator Assistants ($37k/year)

Extraction

1 Head Extractor ($120k/year)
1 Extraction Tech $(78k/year)
1 Extraction Assistant ($46k/yr)

Processing

14 Trimmers (1200 man hours per week at $12-$15/hour, mix of part-time and full-time) or ($31k/year)
1 Packaging/Labeling ($15/hour) or ($31k/year)

Retail

1 Retail Store Manager ($65k/year)
4 Full-time Bud Tenders ($15/hour) or ($37k/year)
2 Part-time Bud Tenders ($15/hour, 20 hrs wk each) or ($31k/year)

Office

1 Bookkeeper/Office Manager ($52k/year)
1 Receptionist ($15/hour) or ($31k/year)
1 Office assistant/Backup Budtender ($15/hour) or ($31k/year)
Transportation
1 Delivery Driver ($25/hour) or ($52k/year)

VII: Operating Plan

Facility Description

Trade Roots is securing a purchase agreement for 6 Thatcher Lane in Wareham MA. The site sits in the Wareham Industrial Park, on 2.75 acres with direct access to I-195, 495, and Routes 28 (Cranberry Highway), and 25. It's located on an expansion hub at Wareham Crossings and Rosebrook Medical Center Development. On the property, there's an existing 16,600 sf building currently divided into office, production, display and warehouse space. Trade Roots intends to refurbish this building to act as the retail, processing, and cultivation facilities--putting the entire vertically integrated operation under one roof. We plan to construct an additional 8,400 sf warehouse (doubling the cultivation area to 16,800sq ft) while subdividing the existing building into a 1600 sf retail center, a 1,000 sf processing center, a 1500 sf extraction lab and 3700 square feet dedicated to hallways, offices, bathrooms, and common areas for employees.

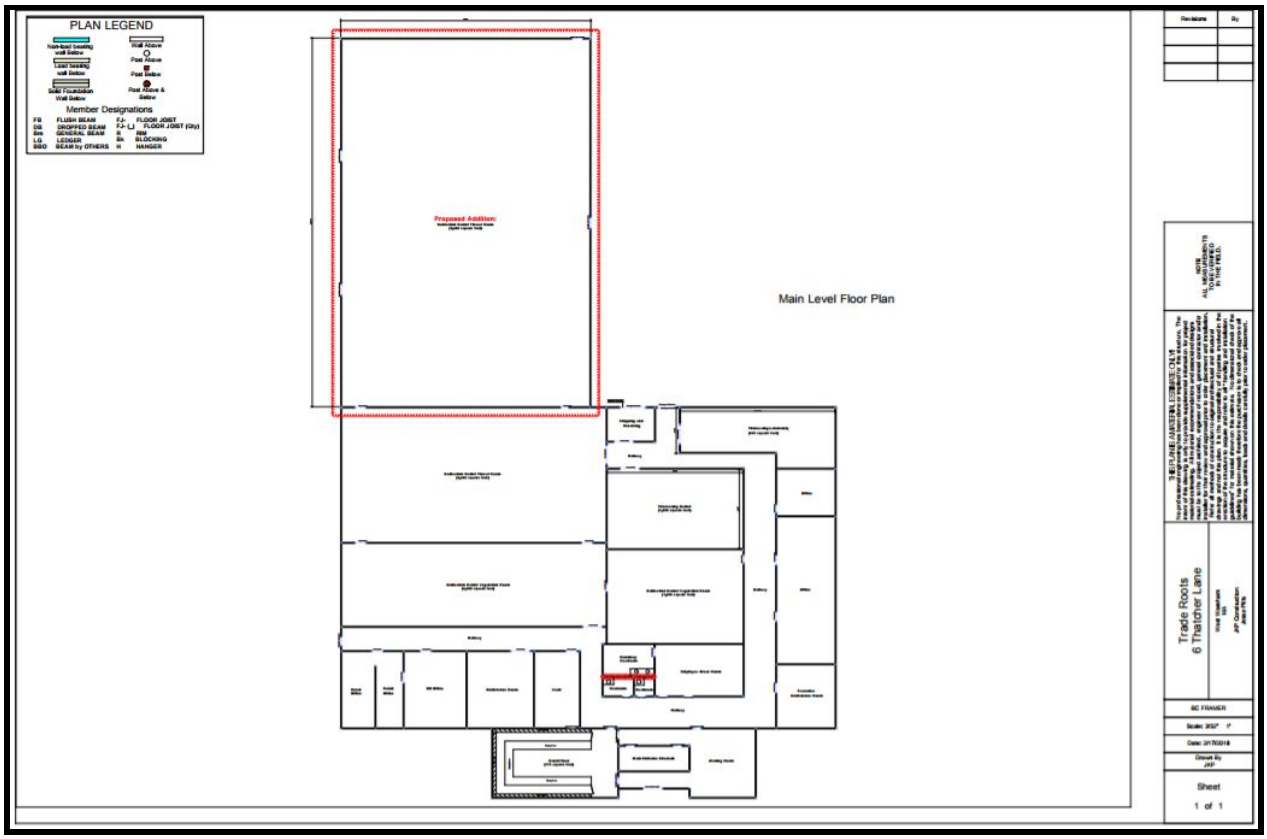
Strict security measures will be taken to ensure the safety and protection of the customers, employees, and business operations in compliance with 935 CMR 500.110. Conveniently

located less than a mile from the Wareham Police Station, response time from a distress signal would be minimal.

Segregated parking areas will be provided for customers and employees. While there are currently 43 parking spaces, we intend to add seven more (upon approval by the local building department).

The Facility will be divided into four separate centers-- the Administration Center, Cultivation Center, Processing Center and Retail Center.

Proposed Floor Plan:

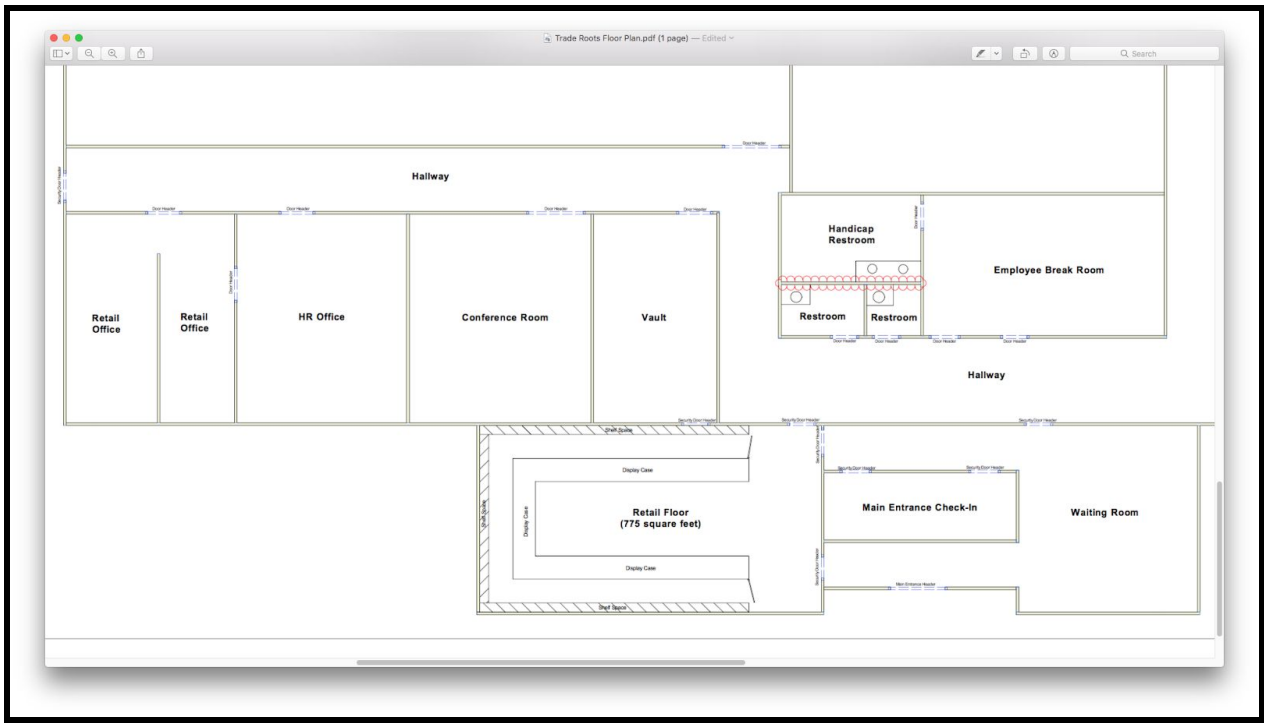


Retail Center

The construction of the retail store will makes use of high end finishes in order to maintain the image and feel of our craft product.

Upon entering the building the customer will be met by a Security Greeter who will verify that they are of age. The receptionist will then direct the customer into the waiting lounge. When

ready, they will be ushered to the 775 sq ft retail floor where glass display cabinets surround the perimeter where the “bud tenders” are stationed. A security door located behind the counter will access the retail side of the Vault.



Cultivation Center

The cultivation center is where all phases of growing cannabis will take place: including cloning, vegetation, flowering, harvesting, drying, trimming, curing and packaging.

The cultivation center will have designated areas for specific tasks in order to maintain a sterile work environment.

The cultivation area will have a minimum of two segregated vegetation rooms (as a hedge against event catastrophic loss due to disease or pests). The vegetation rooms are where the clones and immature plants grow. This process typically takes 2 to 6 weeks (depending the desired size of the plant). Once the plants are mature they are moved into the Flower Room, or “pod.” Each Flowering pod is a separate, sterile environment designed to prevent contamination or blight due to unforeseen acts of nature.

When construction is complete there will be a total of 9 Pods that will be on different grow cycles. This minimizes the workload during harvest and allows a steady flow of fresh product.

Each individual pod will be assigned to a cultivator. Although Trade Roots cultivators will work together, they will be responsible and held accountable for the pod(s) to which they are assigned. This enables accountability while creating incentives for growers to produce the best possible product they can. By comparing each pod's production, we create healthy competition between cultivators. Bonuses will be based upon results, and additional pods will be assigned to the top cultivators.

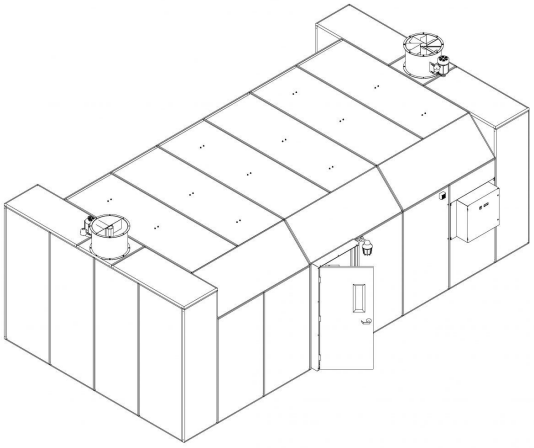
Processing Center

The Processing Center will include dedicated areas for drying, trimming, curing, packaging, and labeling.

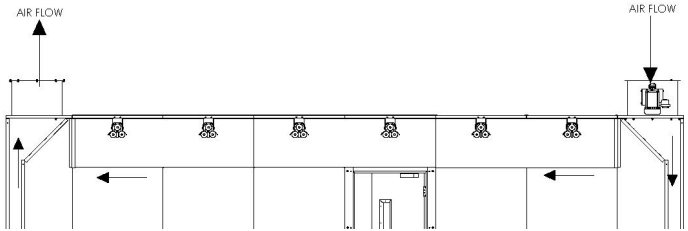
Processing Laboratory

The Processing Laboratory is where all cannabis extraction processes will occur. Extraction Processes consists of extraction, distillation, winterization, and all other oil refining. Due to potentially hazardous conditions, The Processing Laboratory will have strict processes & procedures and lab will contain a HAL Extraction Booth (explained below).

HAL Extraction Booth
LPG Extraction Room , Gas Detection, Exhaust & Electrical Systems



Trade Roots will perform all compressed hydrocarbon extractions using a closed-loop system inside an HAL Extraction Booth. The HAL Booth was designed and engineered to meet code and regulatory requirements for the essential oil extraction industry. The booth was designed to



create a safe working environment for people extracting plant oils using flammable or hazardous gases and functions as a fully integrated safety system.

HAL Extraction Booth System Specifications Model 345 M[32]

KEY BOOTH FEATURES

- Dimensions: 14’3”W x 27’2”L x 9’1.5”H
- 345 Interior Square Feet
- 6 – Explosion Proof, C1 D1 Rated, 2 Tube LED Light Fixtures
- Make-up air exhaust system
- Cross capture ventilation
- Spark-proof exhaust and supply fans
- Fire-rated booth walls, door, exit hardware
- 36” wide personnel door sealed by rubber compression gasket.
- Fire Rated panic bar for emergency exiting
- Warning light and horn set to go off at 10% and 25% of LEL
- Extra-long life, flammable gas infrared sensor
- Standalone Fire suppression systems available
- Professional Engineer Peer Review
- Fully compliant with OSHA, NFPA, NEC regulations

The Booth Contains:

- adequate ventilation to reduce flammable solvent concentrations
- sensors to warn of hazardous conditions and to control ventilation
- electrical components rated as explosion-proof or intrinsically safe
- emergency exiting for personnel
- explosion pressure relief systems to prevent dangerous over-pressures
- explosion-proof fans and motors
- explosion-proof lighting
- ignition source control
- placement of non-rated utilities outside of explosion-proof areas

Trade Roots will adhere to all building and fire codes that specify the design and installation of flammable liquids and gas facilities such as plant oil extraction booths, room, and facilities. These requirements include, but are not limited to:

- ALL OF THE BULLET POINTS ABOVE, and

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32 https://dta0yqvfnusiq.cloudfront.net/extractionbooth/2017/11/HAL-Extraction-Booth-System-Spec-Sheet-345M-Rev-1-1-5a073c35880b6.pdf

- Minimum outside air flow
- Exhaust to outside of buildings
- No recirculation of exhaust to building interior
- Fire-rated walls and equipment
- Maximum allowable quantities of flammable materials
- Exhaust stack construction
- Work area standards for explosion-proof ratings
- Exhaust duct positioning
- •Distance from interior walls and structures

OSHA regulations apply to the operation of these plant oil extraction booths, room, and facilities. While they duplicate many of the code requirements, there are differences where OSHA is less lenient than code, and where OHSA is stricter.[33]

Extraction Techniques and Equipment

Trade Roots will use several methods of extraction technology including cold ethanol, and pressurized hydrocarbon. Below is a list of companies, extraction equipment, and their respective links, which Trade Roots will utilize within the extraction lab. The desired end product will determine which technique the technicians will use. See Extraction Procedures.

All extraction equipment, including equipment used for winterizing and other oil refining processes that use hazardous materials (i.e. flammable or combustible liquids, Carbon Dioxide, liquefied petroleum gases (i.e. butane, isobutane, propane) are required to be approved per Massachusetts Fire Code, and have a Professional Engineer/ Industrial Hygienist Review Certification.

Liquefied Petroleum Gas (LPG) Extraction Equipment

Trade Roots will use a closed-loop hydrocarbon (i.e. n butane, iso butane, and propane) extractor that has been designed to applicable sections of NFPA 58. Because there is no listing (such as UL, ETL, etc) available for compressed-gas extraction systems using hazardous materials, extraction equipment approval is required from the approval of an engineering report (signed and sealed by licensed engineer or industrial hygienist). The report must be submitted to the Wareham Fire Department. It is the responsibility of the engineer or industrial hygienist to justify how the system meets the Massachusetts Fire Codes as well as any other national standards as a basis of design, including and analysis description of every component.

In addition to the engineering report approval, if the extraction equipment uses electrical components, a Nationally Recognized Testing Laboratory (NRTL) listing is also required in

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33 https://dta0yqvfnusiq.cloudfront.net/extractionbooth/2017/08/HAL-Extraction-Booth-Safety-and-Use-Manual-1-1-59831b2ddd51f.pdf

addition to a report certifying that the electrical components are compliant with appropriate electrical standards.

An owners operation manual will always be available on site and one will be submitted to the Wareham fire department with specific instructions regarding proper use and any safety provisions and protocols identified with the equipment. Trade Roots will adhere to any local regulations, by laws, and permitting for all extraction activities.

Flammable liquid distillation or evaporation processing equipment

All electrified equipment used in the process of flammable liquid distillation or evaporation are required to be listed by a NRTL for their intended use and are intended to be operated within the manufacturers guidelines. When using distillation stills or a heated evaporation process is performed, the heating source shall be listed as explosion-proof (i.e. rated for the electrically classified location). Approval of the proposed process equipment must be submitted to proper authority or regulatory body.

Vacuum Ovens

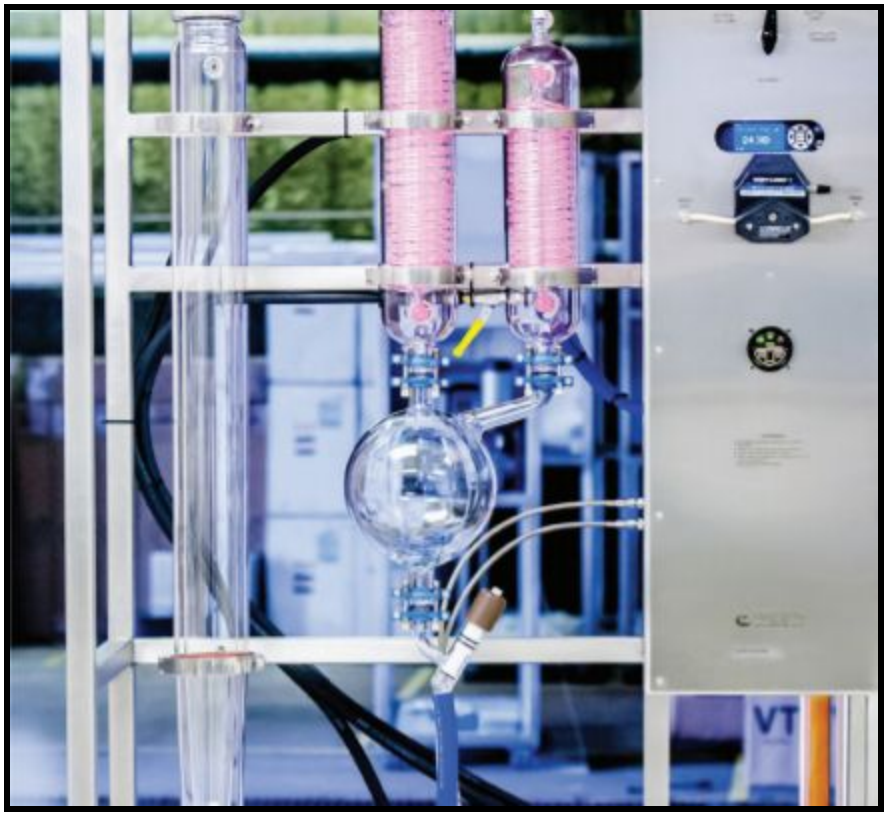
Vacuum ovens shall not be used to process volatile gases (i.e. alcohol/oil mixtures, oil containing off-gassing LPG, other flammable liquids, etc) unless the vacuum oven is rated to process these vapors (typically an explosion-proof classification). It is the responsibility of the extraction process operator to ensure the material being introduced to the oven does not contain volatiles. All vacuum ovens shall be listed by the NRTL.

Refrigerators and Freezers

Refrigerated storage or processing of flammable liquids including oil-laden with flammable liquids must only use refrigerators or freezers rated to store flammable liquids. All refrigerators and freezers must at a minimum be “Lab-Safe” or “Flammable Safe” rated. Residential refrigerators and freezers are prohibited for these processes. Trade Roots will adhere to all regulations regarding flammable liquid storage found in NFPA 45.

Extraction Equipment Procurement

Chilled Ethanol Extraction

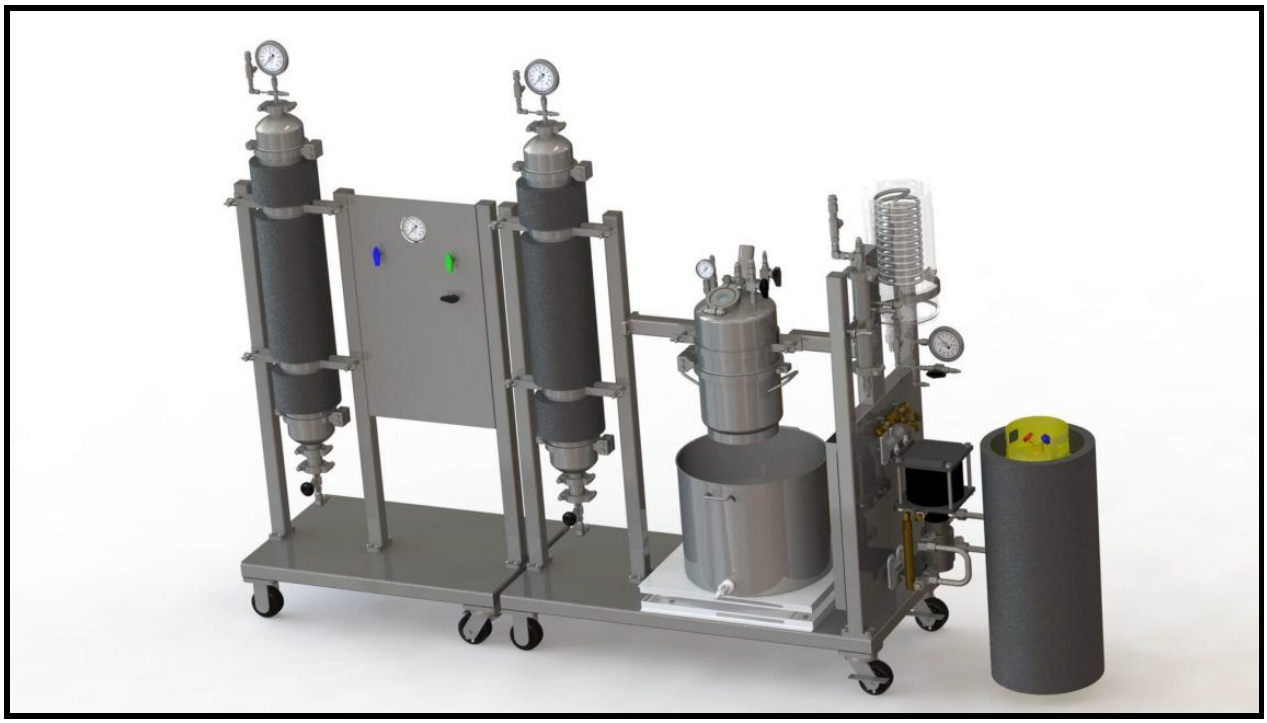


Colorado Extraction Systems:

Spray Vap
Triple Extract
Short Path

https://www.coloradoextraction.com

Closed Loop Hydrocarbon Extraction



Summit Extraction Systems:

T-1 OAS Extraction System

https://www.summitextraction.com/extraction-systems/

Isolation

Biotage:

Isolera Spektra

http://www.biotage.com/product-page/isolera-spektra-systems-with-aci-and-assist

VIII: Financials (model vetted by BridgeWest CPAs)

Month-by-month, 5 year financials are available upon request

(Forward looking) Income Statement:

Income Statement	FY1		FY2		FY3		FY4		FY5		First full year
Revenue	**5,285,601**	**100.0%**	**10,947,302**	**100.0%**	**16,164,001**	**100.0%**	**17,399,769**	**100.0%**	**19,128,155**	**100.0%**	8,174,073
Wholesale	1,546,229	29.3%	2,693,682	24.6%	2,597,167	16.1%	2,926,553	16.8%	3,297,714	17.2%	2,391,211
Retail Flower	2,195,264	41.5%	4,845,432	44.3%	7,964,647	49.3%	8,476,166	48.7%	9,410,697	49.2%	3,394,930
Retail High end oil	1,187,776	22.5%	2,621,683	23.9%	4,309,374	26.7%	4,613,115	26.5%	4,938,265	25.8%	1,836,870
Retail Other	356,333	6.7%	786,505	7.2%	1,292,812	8.0%	1,383,935	8.0%	1,481,479	7.7%	551,061
Total Production Costs	**2,431,376**	**46.0%**	**3,740,014**	**34.2%**	**5,065,520**	**31.3%**	**5,364,011**	**30.8%**	**5,815,424**	**30.4%**	2,929,692
Cultivation	807,278	15.3%	1,357,984	12.4%	1,833,415	11.3%	1,973,583	11.3%	2,169,626	11.3%	981,550
Direct Materials	136,533	2.6%	240,841	2.2%	355,608	2.2%	382,795	2.2%	420,819	2.2%	179,830
Direct Utilities	257,292	4.9%	562,250	5.1%	721,500	4.5%	776,660	4.5%	853,809	4.5%	325,000
Labor-Grow	351,053	6.6%	440,493	4.0%	582,107	3.6%	626,610	3.6%	688,853	3.6%	388,320
Labor-Trimmers	62,400	1.2%	114,400	1.0%	174,200	1.1%	187,518	1.1%	206,145	1.1%	88,400
Processing	441,657	8.4%	704,694	6.4%	1,074,686	6.6%	1,136,205	6.5%	1,249,069	6.5%	540,617
Labor-Processing	26,000	0.5%	41,600	0.4%	80,600	0.5%	66,120	0.4%	72,687	0.4%	31,200
Labor-Extraction	203,133	3.8%	307,307	2.8%	468,756	2.9%	504,593	2.9%	554,717	2.9%	243,760
Materials	226,782	4.3%	355,787	3.3%	525,330	3.3%	565,492	3.3%	621,665	3.3%	265,657
3rd Party Testing (~3%)	196,175	3.7%	328,419	3.0%	484,920	3.0%	521,993	3.0%	573,845	3.0%	245,222
Rent (inventoriable)	143,066	2.7%	143,066	1.3%	143,066	0.9%	147,358	0.8%	152,158	0.8%	143,066
Repairs and Maintenance	52,856	1.0%	109,473	1.0%	161,640	1.0%	173,998	1.0%	191,282	1.0%	81,741
Security Services	150,000	2.8%	212,966	1.9%	242,460	1.5%	260,997	1.5%	286,922	1.5%	200,000
Security - Labor	126,667	2.4%	190,000	1.7%	190,000	1.2%	190,000	1.1%	190,000	1.0%	190,000
Depreciation (80% Inventoriable)	205,707	3.9%	272,507	2.5%	344,907	2.1%	344,907	2.0%	344,907	1.8%	205,707
Benefits (31%)	262,971	5.0%	364,655	3.3%	511,677	3.2%	536,222	3.1%	578,866	3.0%	296,790
Insurance (50%)	45,000	0.9%	56,250	0.5%	78,750	0.5%	78,750	0.5%	78,750	0.4%	45,000
Inventory Adjustment	-		-		-		-		-		-
State Excise Tax (Recreational Sales)	401,982	7.6%	887,264	8.1%	1,458,435	9.0%	1,555,871	8.9%	1,701,772	8.9%	621,658
Local Option (3%)	158,568	3.0%	328,419	3.0%	484,920	3.0%	521,993	3.0%	573,845	3.0%	245,222
Costs of purchased inventory	178,166	3.4%	393,252	3.6%	646,406	4.0%	691,967	4.0%	740,740	3.9%	275,531
Cost of Goods Sold	**2,674,097**	**50.6%**	**5,348,949**	**48.9%**	**7,655,280**	**47.4%**	**8,133,842**	**46.7%**	**8,831,781**	**46.2%**	4,072,102
Gross Profit	**2,611,504**	**49.4%**	**5,598,353**	**51.1%**	**8,508,721**	**52.6%**	**9,265,927**	**53.3%**	**10,296,374**	**53.8%**	4,101,970
Gross Margin	**49.4%**		**51.1%**		**52.6%**		**53.3%**		**53.8%**		1

Rent (dispensary/SGA)	66,934	1.3%	66,934	0.6%	66,934	0.4%	68,942	0.4%	71,188	0.4%	30,000
Rent (dispensary - 2nd Location)	-	0.0%	40,000	0.4%	120,000	0.7%	120,000	0.7%	120,000	0.6%	30,000
Non Direct Labor Costs	559,670	10.6%	990,052	9.0%	1,535,580	9.5%	1,652,978	9.5%	1,817,175	9.5%	749,107
Benefits (31%)	173,498	3.3%	306,916	2.8%	476,030	2.9%	512,423	2.9%	563,324	2.9%	232,223
Marketing Advertising & Public Relations	36,000	0.7%	48,000	0.4%	72,000	0.4%	72,000	0.4%	72,000	0.4%	36,000
Non Direct Utilities	24,000	0.5%	40,000	0.4%	60,000	0.4%	60,000	0.3%	60,000	0.3%	30,000
Janitorial Service	32,000	0.6%	64,000	0.6%	96,000	0.6%	96,000	0.6%	96,000	0.5%	48,000
Payroll, Pmt Processing	8,000	0.2%	14,000	0.1%	18,000	0.1%	18,000	0.1%	18,000	0.1%	12,000
Insurance (50% SGA/Disp.)	45,000	0.9%	56,250	0.5%	78,750	0.5%	78,750	0.5%	78,750	0.4%	45,000
Banking / Cash Control Costs	40,000	0.8%	70,000	0.6%	90,000	0.6%	90,000	0.5%	90,000	0.5%	60,000
Other Operaing Exponeses	60,000	1.1%	110,588	1.0%	161,640	1.0%	173,998	1.0%	191,282	1.0%	90,000
Depreciation (20% disp. & SGA)	51,427	1.0%	68,127	0.6%	86,227	0.5%	86,227	0.5%	86,227	0.5%	51,427
Total Operating Expenses	**1,096,529**	**20.7%**	**1,874,868**	**17.1%**	**2,861,161**	**17.7%**	**3,029,318**	**17.4%**	**3,263,945**	**17.1%**	1,420,691
Operating income	**1,514,975**	**28.7%**	**3,723,485**	**34.0%**	**5,647,560**	**34.9%**	**6,236,609**	**35.8%**	**7,032,429**	**36.8%**	2,681,280
Income Taxes (21% Fed, 6.25% State)	711,635	13.5%	1,525,551	13.9%	2,318,626	14.3%	2,524,965	14.5%	2,805,762	14.7%	1,117,787
Net Income	**803,341**	**15.2%**	**2,197,934**	**20.1%**	**3,328,933**	**20.6%**	**3,711,644**	**21.3%**	**4,226,667**	**22.1%**	1,563,493
Profit Margin	**15.20%**		**20.08%**		**20.59%**		**21.33%**		**22.10%**		19.13%

Cash Flow Projections:

Monthly Cash Flow Projections	FY1	FY2	FY3	FY4	FY5
Cash Flow from Operating Activities					
Net Income	803,341	2,197,934	3,328,933	3,711,644	4,226,667
Depreciation	257,133	340,633	431,133	431,133	431,133
Cash Generated from Operations	**1,060,474**	**2,538,567**	**3,760,067**	**4,142,777**	**4,657,800**
Change in Inventory	(1,221,536)	(1,349,383)	(116,970)	(158,124)	(246,890)
Change in Accounts Payable	127,558	136,262	1,426	18,777	23,870
Change in Other Liabilities	120,728	130,240	8,502	16,023	26,090
Net Cash Flow from Operating Activities	**87,224**	**1,455,686**	**3,653,024**	**4,019,453**	**4,460,870**
Additional Cash Received	-	-	-	-	-
New Investment Received	3,000,000	-	-	-	-
New Current Borrowing	-	-	-	-	-
Sale of other Current Assets	-	-	-	-	-
Sale of Long Term Assets	-	-	-	-	-
Total Additional Cash Received	**3,000,000**	-	-	-	-
Additional Cash Spent					
Current Borrowing Repay	-	-	-	-	-
L-T Liabilities Principal Repay	-	-	-	-	-
Payment for Equipment & Fixtures	(1,060,000)	(870,000)	-	-	-
Payment for Leashold Improvements	(997,800)	(550,000)	-	-	-
Dividends	-	-	-	-	-
Total Additional Cash Spent	(2,057,800)	(1,420,000)	-	-	-
Net Cash Flow	**1,029,424**	**35,686**	**3,653,024**	**4,019,453**	**4,460,870**
Cash Balance	**1,029,424**	**1,065,110**	**4,718,134**	**8,737,587**	**13,198,457**

Balance Sheet (Est)

Est. Balance Sheet	FY1	FY2	FY3	FY4	FY5	First full year
Assets						
Current Assets						
Cash	1,029,424	1,065,110	4,718,134	8,737,587	13,198,457	1,533,079
Inventory	1,221,536	2,570,919	2,687,889	2,846,013	3,092,903	1,413,191
Total Current Assets	**2,250,959**	**3,636,029**	**7,406,023**	**11,583,600**	**16,291,360**	2,946,270
Fixed Assets						
Equipment and Fixtures	1,060,000	1,930,000	1,930,000	1,930,000	1,930,000	1,060,000
Leasehold Improvements	997,800	1,547,800	1,547,800	1,547,800	1,547,800	997,800
Accumulated Depreciation	(257,133)	(597,767)	(1,028,900)	(1,460,033)	(1,891,167)	(342,844)
Fixed Assets - Net	**1,800,667**	**2,880,033**	**2,448,900**	**2,017,767**	**1,586,633**	1,714,956
TOTAL ASSETS	**4,051,626**	**6,516,062**	**9,854,923**	**13,601,366**	**17,877,993**	4,661,226
Liabilities and Owner's Equity						
Current Liabilities						
Accounts Payable	127,558	263,820	265,246	284,023	307,893	132,558
Short-Term Loans	-	-	-	-	-	-
Income Tax Payable	-	-	-	-	-	-
Other Current Liabilities	120,728	250,968	259,470	275,492	301,582	125,255
Total Current Liabilities	**248,286**	**514,788**	**524,715**	**559,515**	**609,475**	257,813
Long Term Liabilities						
Long-Term Debt	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Long-Term Liabilities	-	-	-	-	-	-
Owner's Equity						
Owner's Investment	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Retained Earnings	803,341	3,001,274	6,330,208	10,041,851	14,268,518	1,403,413
Other	-	-	-	-	-	-
Total Owner's Equity	**3,803,341**	**6,001,274**	**9,330,208**	**13,041,851**	**17,268,518**	4,403,413
TOT EQUITY & LIAB.	**4,051,626**	**6,516,062**	**9,854,923**	**13,601,366**	**17,877,993**	4,661,226

Capitalized Investment

Equipment	
Environmental Equipment	200,000
Extraction Equipment	200,000
Cultivation Equipment	100,000
Lighting	110,000
Retail Equipment	50,000
Security Equipment	100,000
Reverse Osmosis System	50,000
Packaging/labeling material	50,000
Delivery Truck	50,000
Furniture	25,000
Computer Systems	50,000
Comp Software & Website	75,000
Total Equipment Costs	**1,060,000**

Startup Expenses	
Construction	897,800
Startup Expenses	
Cash on Hand	942,200
Total Startup Expenses	**1,940,000**

Total Requirements	
Total Startup Assets	1,060,000
Total Startup Expenses	1,940,000
Total Requirements	**3,000,000**

Building Expansion for Cultivation(12,000 sqft)

Startup Assets	
Environmental Equipmen	250,000
Cultivation Equipment	125,000
Lighting	125,000
Security Equipment	100,000
Total Startup Assets	**600,000**

Startup Expenses	
Construction	300,000
Total Startup Expenses	**300,000**

Total Requirements	
Total Startup Assets	600,000
Total Startup Expenses	300,000
Total Requirements	**900,000**

Startup Liabilities	
Liabilities and Capital	-
Current Borrowing	-
Long-Term Liabilities	-
Accounts Payable	-
Other Current Liabilities	-
Total Liabilities	-

Startup Investments	
Planned Investment	
Owners	
Investor	3,000,000
Total Planned Investment	**3,000,000**

Startup Funding	
Total Liabilities	-
Total Planned Investment	3,000,000
Total Funding	**3,000,000**

Second Retail Store(2500 sq ft)

Startup Assets	
Retail Equipment	55,000
Security Equipment	100,000
Packaging/labeling	55,000
Furniture	15,000
Computer Systems	20,000
Comp Software	25,000
Total Startup Assets	**270,000**

Startup Expenses	
Construction	250,000
Total Startup Expenses	**250,000**

Total Requirements	
Total Startup Assets	270,000
Total Startup Expenses	250,000
Total Requirements	**520,000**

Delivery Van

Startup Assets	
Van	50,000
Total Requirements	**50,000**

IX: Risk Disclosures

1. Cannabis an Illegal Substance Under Federal Law: The Federal Controlled Substances Act classifies cannabis as a Schedule I drug. As such, cannabis-related practices, including the manufacture, importation, possession, use or distribution of cannabis, are illegal under federal law. Therefore, the company's Supervisors , directors and shareholders may be subject to criminal and civil penalties.
2. Limited Access to Bank Accounts: Federal prohibitions result in cannabis businesses being restricted from accessing the U.S. federal banking system, and such businesses likely cannot deposit funds in federally insured and licensed banking institutions. This leads to further related issues, such as the potential that a bank will freeze the company's accounts and risks associated with uninsured deposit accounts.
3. Section 280E: Under Section 280E of the Internal Revenue Code, normal business expenses incurred in the trafficking of cannabis and its derivatives are not deductible in calculating income tax liability. Therefore, a cannabis company will be precluded from claiming certain deductions otherwise available to non-cannabis businesses.
4. No Federal Trademark or Trade Secret Protection: The United States Patent and Trademark Office will not permit the registration of any trademark or patent that identifies cannabis products or processes.
5. Civil Forfeiture: Federal and state agencies may bring civil forfeiture proceedings in addition to, or in lieu of, bringing criminal prosecutions, which can result in property associated with a crime being confiscated or otherwise divested from the owner and forfeited to the government. This civil penalty could potentially reach all property associated with the cannabis company.
6. Potential for Unenforceable Contracts: A cannabis company may enter into contracts with persons in other states, and such contracts may be governed by non-Massachusetts law. Because cannabis is illegal under federal law and certain state laws, some state or federal courts may take the position that such contracts involving cannabis companies are unenforceable because they concern an illegal product or activity.
7. No Federal Bankruptcy Protection: Federal bankruptcy courts have declined to entertain cases involving cannabis companies.

Restricting Access to Ages 21 and older

* All Trade Roots employees, contractors, vendors, and visitors will be of the age 21 or older.

- **Facility Access:**
  - Access doors - All doors will be at least 18-gauge hollow metal with commercial-grade I, non-residential locks. Additionally, exterior locks and limited access area entries will be equipped with electric strike and biometric access hardware and be automatically locking.
  - Warehouse dock doors - All warehouse dock doors will remain locked at all times. The loading dock area is a drive-in area, allowing for all incoming and outgoing deliveries to be made within the enclosed, locked facility. The roll-up door will be comprised of opaque steel with no windows or other openings.
  - Only primary entrances may be used for access. Auxiliary doors may be used only in an emergency. Storage rooms will be secured with a lock that can be opened from the inside.
  - Reception area - The first room upon entering the dispensary will be a waiting room that limits access to the rest of the space. The wall separating this room and the reception area will be lined with a Kevlar panel. The receptionist window within this wall will be comprised of a bullet-resistant material.

- **“Limited-Access” Areas:**
  - “Limited-access” areas limit employee access in areas where cannabis is cultivated, processed or stored. Each employee will be provided with a unique access code or access card that must be utilized to gain access to these spaces, which will be tied into the security system to log points of access and egress.

- Any dispensary agent losing an access control card must report the loss to his or her supervisor immediately, who will then report the loss to the Security Supervisor or CEO. The Security Supervisor or CEO will make a determination as to whether the system has been compromised and re-coding is required.
- Only approved dispensary agents, officials in the course of their duties, approved and badged outside vendors, contractors, and visitors, are allowed access to the "limited-access" areas. Approved visitors and contractors/vendors will be logged into the security system, badged and escorted by approved Trade Roots staff. Badges must be visibly displayed at all times while the visitor/contractor/vendor is in any "limited-access" area. All identification badges will be returned to Trade Roots upon exit.
- "Limited-access" areas will be accessible only to a specified number of authorized staff at one time.
- Non-employee guests will be confined to a reception area until they have been processed.
- Any unauthorized person will be denied access to the Trade Roots facility. We will contact law enforcement as necessary to remove individuals from the premises.
- It is our policy to prohibit any unannounced visitors; with the exception of CCC representatives and other designated officials who may conduct both announced and unannounced visits to the facility in accordance with regulations.
- "Limited-access" areas will be secured with electronic access control systems and identified with 12"x12" signage.
- All doors will have biometric or electronic access control systems which will be re-coded annually and following any separation with an individual having access.
- Employees may not allow any other person on site. Any person refusing to leave the premises should be considered an Incident and handled in accordance with Trade Roots' Incident Response Plan.

Dispensing Procedures:

- Any and all Trade Roots employees dispensing cannabis products will have been trained in accordance with the Trade Roots Training Plan and have passed the Trade Roots employee training test.
    - Trade Roots will dispense cannabis in compliance with the Cannabis Control Commission (CCC) regulations.
    - Clients must enter through the primary entrance and provide an allowable, valid ID per CCC guidelines. Clients will wait in a reception area while IDs are validated and recorded. Clients must be of 21 years or older.
    - If Client does not possess a validated form of identification and age, the client will respectfully be asked to leave the facility.

Maintenance of Financial Records:

- Trade Roots will have redundant financial records that will be server based, backed up on physical devices, and cloud based to ensure accurate reporting and eliminate the chances of losing information.

- The systems will include Quickbooks online, METRC, BioTrackTHC, tax returns, monthly financial statements that will be kept using GAAP accounting principles by Trade Roots bookkeepers and CPA each having 10+ years experience in the regulated cannabis industry.

- The financial records will be reviewed and accessible by the CEO, Finance Supervisor, CPA and bookkeeper and will be made available for necessary regulatory authorities upon request.

- An existing relationship with a bank will allow Trade Roots to access the banking system to ensure simplified and transparent records of all transactions.

Qualifications and Training

Marijuana Establishment Agent Training

- All Trade Roots employees must receive adequate security training in accordance with the Training Plan.
- All marijuana establishment agents must complete training prior to performing job functions. Training shall be tailored to the roles and responsibilities of the job function of each marijuana establishment agent, and at a minimum must include a Responsible Vendor Program under 935 CMR 500.105(2)(b). At a minimum, staff shall receive eight hours of on-going training annually.

Responsible Vendor Training

1. On or after July 1, 2019, all current owners, managers and employees of a Marijuana Establishment that are involved in the handling and sale of marijuana for adult use at the time of licensure or renewal of licensure, as applicable, shall have attended and successfully completed a responsible vendor program to be designated a "responsible vendor."

2. Once Trade Roots is designated a"responsible vendor,"all new employees involved in the handling and sale of marijuana for adult use shall successfully complete a responsible vendor program within 90 days of hire.

3. After initial successful completion of a responsible vendor program, each owner, manager, and employee involved in the handling and sale of marijuana for adult use shall successfully complete the program once every year thereafter to maintain designation as a "responsible vendor."

4. Administrative employees who do not handle or sell marijuana may take the "responsible vendor" program on a voluntary basis.

5. Trade Roots must maintain records of responsible vendor training program compliance for four years and make them available to inspection by the Commission and any other applicable licensing authority upon request during normal business hours.The Compliance Supervisor is responsible for the ongoing security policies and procedures in daily operations. The cannabis industry offers a unique environment that demands every precaution be taken in the hiring process.

Compliance

- No owner or employee of Trade Roots shall have an interest in a responsible vendor program.

- Trade Roots will use a responsible vendor program whose Certification Program will meet the standards set forth in 935 CMR 500.105 (6) and (7)
- Trade Roots Personnel Policy will dictate strict protocols and require participation of every staff member in vigorous trainings related to security, diversion prevention, and laws and regulations. Training will be conducted at least annually, and the CEO and Compliance Supervisor will be responsible for reviewing and updating training procedures at least annually. Employees will be required to sign a contract confirming their understanding of policies and procedures, and consequences. Staff will also be required to sign a document stating that Trade Roots reserves the right to conduct searches to monitor compliance.

Marijuana Establishment Agent Orientation

- Trade Roots is committed to implementing and enforcing an Employee Training Plan in compliance with CCC requirements. Employees will receive a New Employee Orientation Training which includes (but is not limited to):

1. An overview of tasks tailored to the roles and responsibilities of the job function,
2. A review of the Employee Handbook,
3. A primer on laws and regulations,
4. Safety training
5. Emergency and Disaster policies
6. OSHA training for workplace safety
7. A tour of dispensary facilities
8. All other trainings specified by CCC.

- All participants must pass a Trade Roots employee training test - including demonstrable and quantitative skills; and a test that indicates thorough understanding of security, diversion prevention, and laws and regulations.
- Marijuana Establishment Agents working in the growing facility and dispensary will be trained by a licensed and regulated school that meets the standards of the CCC.

- All growers will complete Clover Leaf's on-line "Cannabis Cultivation Certificate Program" and must pass "Expert Strain Breeding and Genetics."
- All retail dispensary personnel will complete "Cannabis Bud Tender Certification 101" and "Dispensary Management Procedures."
- All Marijuana Establishment Agents must pass "Understanding The Laws," "Cannabis Business 102," and all Trade Roots management staff and high-level employees are required to undergo extensive training in existing marijuana cultivation facilities.

Record-keeping procedures:

- Trade Roots will maintain true, complete and current records in accordance with the Cannabis Control Commission (CCC) requirements.
- Inventory records will be recorded and maintained using BioTrackTHC's and METRC real-time inventory system. BioTrackTHC ensures accuracy and confidentiality and assists in eliminating data entry and human error with an integrated hardware system. Electronic files will be backed-up on a secure serve at a remote location.
- Our Record-keeping Plan details procedures for ensuring the maintenance of records that will be available for inspection by the CCC or other authorities upon request.
- The CEO, with support from the Compliance Supervisor, is responsible for all record keeping requirements and the proper integration of those requirements into policies and procedures.
- Measures are established for the maintenance of records relevant to operating procedures, inventory records including seed-to-sale tracking, personnel records, staffing plans, personnel policies and procedures, waste disposal records, product testing and recall records, security records, designated business records, and additional required CCC reporting.
- Provisions are established to ensure confidentiality and prevent disclosure of information about clients and dispensary agents.
- Measures for addressing and reporting any loss or unauthorized alteration of records related to marijuana are detailed in the full Record keeping plan and include using multiple record keeping sources backed up in various ways to eliminate the potential of lost information.
- Only essential employees whose job description notates access to client information shall have access to client information. No employee is allowed to disclose client information to any person other than another employee for operational purposes only.
- Any loss or unauthorized alteration of records related to cannabis or dispensary agents must be reported immediately to the CEO, who will report any incidents to the CCC and law enforcement.
- The CEO is responsible for securing any confidential information in a file that is only available upon legal mandate or rightful party.
- The CEO is responsible for the accuracy and timely submission of all required reporting. A third-party compliance officer will perform audits of all records to

ensure their accuracy and to review the performance of the point of sale and inventory management systems.

- A culture of responsibility and detail orientation will be consistently encouraged with employees. The importance of record keeping and reporting as a part of a highly regulated environment will be stressed in day to day supervision and Trade Roots employee training. Accuracy and detail by employees will be strongly encouraged and highly rewarded.
- Each time a cannabis product is transported from our facility, a shipping manifest must be completed. This log includes: date of transport; purpose of transport; attached signed manifest (verify accuracy of contents, quantities, and routes delivered before attaching); list of all employees and identification numbers present in the vehicle; list of vehicle license plate number; place of departure; time of departure; odometer reading; delivery location; time of arrival; time of departure; odometer reading; return location; time of arrival; odometer reading; and any unusual/criminal activity reporting.

Personnel Policies:

Trade Roots General Policies

- The cannabis industry offers a unique environment that demands every precaution be taken in the hiring process. The hiring process will include, at minimum, in-person interviews and background checks (including Criminal Offender reports, or CORIs). The Compliance Supervisor is registered with the Department of Criminal Justice Information Services to conduct CORIs on behalf of Trade Roots.
- Trade Roots Personnel Policy will dictate strict protocols and require participation of every staff member in vigorous trainings related to security, diversion prevention, and laws and regulations. Training will be conducted at least annually, and the CEO and Compliance Supervisor will be responsible for reviewing and updating training procedures at least annually. Employees will be required to sign a contract confirming their understanding of policies and procedures, and consequences. Staff will also be required to sign a document stating that Trade Roots reserves the right to conduct searches to monitor compliance.
- Trade Roots is committed to implementing and enforcing an Employee Training Plan in compliance with Cannabis Control Commission (CCC) requirements set forth in 935 CMR 500.105(2). Every Marijuana Establishment Agent must complete a Responsible Vendor Program under 935 CMR 500.105(2)(b). See Trade Roots Training and Qualifications Plan.
- Every agent will receive a New Employee Orientation Training which includes (but is not limited to): an overview of tasks tailored to the roles and responsibilities of the job function, a review of the Employee Handbook, a primer on laws and regulations, safety training, medical emergency instruction, OSHA training for workplace safety, a tour of dispensary facilities as well as any other trainings specified by the CCC.
- Employees will be given an array of training in security measures, crime preventing techniques, emergency plans, disaster plans, and power outage plan.
- Specific training will be given to employees in the case of a robbery. Mock drills will be practiced regularly. Trade Roots intends to work with local law enforcement agencies in performing these drills.
- All participants must pass a Trade Roots employee training test - including demonstrable and quantitative skills; and a test that indicates thorough understanding of security, diversion prevention, and laws and regulations.

- In addition to the Commissions requirements set forth in 935 CMR 500.102(2),Employees working in the growing facility and dispensary will be trained by a licensed and regulated school. All growers will complete Clover Leaf's on-line "Cannabis Cultivation Certificate Program" and must pass "Expert Strain Breeding and Genetics."
- In addition to the Commissions requirements set forth in 935 CMR 500.102(2), All retail dispensary personnel will complete "Cannabis Bud Tender Certification 101" and "Dispensary Management Procedures."
- All staff members must pass "Understanding The Laws," "Cannabis Business 102," and all Trade Roots management staff and high-level employees are required to undergo extensive training in existing marijuana cultivation facilities.
- Trade Roots is dedicated to creating a business that will benefit employees and the community. Trade Roots will create thirty-nine jobs. Salaries and wages will be at market rate and commensurate with responsibility. Employees will be offered paid time off that will accrue based on status and tenure. Employees will be encouraged to participate in community service. Trade Roots will provide five paid days to volunteer per year. All full-time employees will be qualified to take part in benefit programs that include health insurance, life insurance and 403B/401K programs. Continuing education will be offered to meet minimum training requirements and encourage professional development.

Personnel Records Policy

- A centralized personnel file shall be kept for each employee in the Personnel Department. Such files shall include applications, evaluations, reports and records pertinent to an employee's employment.
- To ensure the uniformity and confidentiality of employee personnel files, content of and access to files is limited and shall be controlled in accordance with this policy.
- It is the policy of the Trade Roots that all employees shall comply with the laws governing public records and confidential information. No employee shall knowingly or willingly release confidential personnel information, nor shall employees refuse to provide public information. Town employees have a diminished expectation of privacy as public employees. Employment provisions required by law will be offered including, but not limited to, equal opportunity and nondiscrimination; workplace free from harassment; paid overtime for non-exempt employees; maternity leave; and military leave.

Procedures Governing Content of Personnel Files and Confidential Records

- Pre-employment documents such as applications, resumes, required licenses, offer of employment letters, copies of transcripts or diplomas, pre-employment physical reports, military discharge documentation, Civil Service certifications, and other similar materials shall be included in the personnel file.
- Post-employment documents such as performance appraisals, disciplinary action notices, physician's statements, commendations, Civil Service promotional certifications, copies of information sent to the employee, or to third parties about the employee, etc. shall be included in the personnel file.
- All medical-related information will be kept segregated.
- When post-employment information is inserted into an employee's personnel file (excluding routine paperwork), he/she shall be given a copy of such material by the appointing authority/designee or the Personnel Director.
- The appointing authority/designee at his/her discretion shall determine whether a report or record will be placed in the employee's personnel file, except for information submitted by the employee him/herself in rebuttal. Any material submitted by a person other than the appointing authority or the employee (excluding routine paperwork) shall be forwarded to the appointing authority for his/her approval prior to insertion into the file.
- Once inserted into an employee's personnel file, documents may only be removed if there is a clear and compelling reason to do so. Such requests must be made by the employee or his/her appointing authority.
- The employee should forward a request to his/her appointing authority. The appointing authority shall forward the request, and a letter of support or denial to the Town Administrator.
- The Compliance Officer will make a determination as to whether or not the material in question should be removed from the employee's personnel file. If the appointing authority is not satisfied as to the decision of the Compliance Officer, he or she may file an appeal with the Personnel Board.
- **Location/Security -** Employee personnel files will be maintained in the Personnel Department at the main office under the supervision of the Personnel Director who will be responsible for their safety and security.
- **Remote Locations** - It is the responsibility of the appointing authority/department manager to forward all relevant documents to the Personnel Department for inclu-

sion in the official file. Department managers may keep duplicate copies of personnel records. However, these personnel records maintained in remote locations are considered to be part of the employee's personnel record, and must be shown to the employee upon request.

Procedures Governing Access

- An employee, upon written or verbal request and in the presence of the Personnel Director or designee, may review, add a rebuttal to a particular document, or be provided with a copy of all or part of his/her personnel file. An employee now or formerly in the employee of the Trade Roots may see and or receive a copy of his or her own personnel records by asking in person or in writing.
- Other individuals authorized access to employee personnel files include: Executive managers; the Personnel Director and/or designee; attorneys or union representatives of the employee who have written authorization from the employee; the department manager and appointing authority who supervise the employee; attorneys or their agents representing the Trade Roots; and third parties in response to a court order.
- **Compliance with Subpoena or Court Order** - A subpoena or court order requires the appearance of the named individual, such as the keeper of records, and may also require those individuals to bring to a court appearance certain employee records which they have in their possession. Any employee who receives a subpoena or court requiring personnel or payroll information should contact the Personnel Department immediately. Trade Roots will only release confidential personnel information in response to a court order.
- **Notice of Release of Information -**
- The employee will be notified by the Personnel Department in the event that confidential employee data is release in response to a court order.
- **Release of Public Information**
- Verification of Employment Authorized employees may respond to requests for verification of employment from banks, mortgage companies, credit card agents, etc. by providing basic public information such as length of service and salary rate.
- Requests for Personnel Information Employees who receive requests for personnel information other than employment verification, even that which is public record, should refer such requests to the Personnel Director or his/her designee.

Trade Roots Discipline Policy

General

- Trade Roots disciplinary policy is one of progressive discipline. Employees must know what is expected of them, and what the consequences are for failing to meet these expectations. In general, the disciplinary process is set up as follows:
- 1. **Oral Reprimand** – May be initiated by the employee's immediate supervisor, department or division head. In all cases, the department head or his/her designee should be informed of the reprimand.
- **2. Written Reprimand** – May be initiated by the employee's immediate supervisor, department or division head. In all cases, the department head must review and approve of the written reprimand.
- **3. Suspension and Discharge** - May be initiated by the appointing authority or his/her designee. Discharge and suspension issues must be discussed with the Personnel Director prior to action.

Progressive Discipline - The authority to discipline employees in the power to speak definitively for the Town on standards of performance and behavior, and to enforce such standards by the application of appropriate sanctions.

- In most cases, any disciplinary action initiated for an employee's first violation of a standard will be mild, such as informal or oral reprimands. Should such action be insufficient to cause the employee to comply with the standard, subsequent disciplinary action becomes progressively more severe until the employee has either corrected the deficiency or ceases to be an employee. In general, most of the procedures below should be followed for probationary employees. Even though probationary employees may be terminated without cause, they should be afforded an opportunity to improve their performance prior to being let go.
- At each step the standard should be reiterated, and the employee offered any appropriate and reasonable assistance. The primary goal of each step in the disciplinary process is the correction of the problem. The goal is not to establish a basis for more severe disciplinary action.

- In some areas Trade Roots' expectations are obvious. Employees are expected to know that they may not steal, assault members of the public or other employees, or abuse their authority for private gain. Other than such obvious examples, it is generally not sufficient for supervisors or department heads to assume that the employee is aware of the Trade Roots' expectations; nor is it generally sufficient to assume that an employee knows that his/her performance is deficient or that his/her employment may be in jeopardy. All supervisors are obliged to communicate openly and honestly with their employees, and to ensure that all employees have read and understand the Personnel Policies, by-laws, civil service laws, and all other rules and regulations governing their employment.

Discipline Procedures

- **General Procedures -** Many authorities may be involved in the final resolution of discipline issues: the Personnel Director, the Executive Management Team, the Compliance Officer, the Advisory Board, the Personnel Board, and independent arbitrators. However, the standards for consideration are essentially the same:
- 1. There must exist sufficient cause to discipline the employee.
- 2. The harshness of the penalty must fit the seriousness of the action. The employee must receive clear and unequivocal warning stating the precise areas in which his/her performance or behavior is unacceptable, and the probable consequences of the continuation of such behavior.
- 3. The employee must be given full opportunity to explain his/her actions and to reform or rehabilitate himself/herself.
- 4. The situation must be fully documented (unless it is a severe infraction which may be cause for immediate dismissal).

Specific Procedures

- **Oral Reprimand** - The oral reprimand (or warning) is the least severe form of disciplinary action. In most cases it is the first form of disciplinary action taken against an employee. After meeting with the employee to communicate the warning, the department head/designee should prepare a written summary which is presented to the employee, and may be placed in the employee's official personnel file. Both the oral reprimand and the written summary should contain as many elements listed below as are appropriate to the type of disciplinary problem involved:

- 1. Rule Regulation or Policy Involved – The written summary should generally commence with a specific reference to the standard of performance or behavior involved. In the case of departmental standards, the supervisor must be able to begin this sentence with "As you know" such as, "As you know, the Library Trustees require that staff report to work at 8:30 a.m."
- 2. Facts Showing Deviation from Standard – The department head/designee should outline in detail the manner in which the employee failed to meet the standard. For example, "On December 6, 1990, you arrived at work at 9:07 a.m."
- 3. Consequence to the Trade Roots – In this sentence the department head/designee outlines the practical significance of the employee's failure to comply with the standard, for example, "As a result of your failure to arrive at work in a timely manner, citizens were forced to wait outside in the snow."
- 4. Expected Performance or Behavior – In this sentence the supervisor should communicate to the employee the expectations of the Department: "You are expected to arrive at work when assigned."
- 5. Plan for Improvement – The supervisor devises a specific plan for assisting the employee in improving his/her performance, and may schedule more frequent supervisory meetings to provide additional training.
- 6. Follow-up – This sentence sets the time frame within which the employee is expected to demonstrate improvement. The period must be long enough to provide a fair opportunity for the employee to improve, and short enough so that the Department does not have to tolerate unsatisfactory performance for an unreasonable length of time. The review period may be established by scheduling a review meeting, such as: "I will meet with you on January 22, at 8:30 a.m. to review your performance."
- 7. Warning – The final element of the reprimand is the warning. The department head/designee outlines to the employee the next step in the disciplinary process which will be initiated if the employee fails to improve sufficiently during the review period, for example, "If within the next month you do not comply with the standards outlined above, I will have no alternative but to recommend further disciplinary action such as a written reprimand or a disciplinary suspension."
- **Written Reprimand** - The written reprimand shall always be placed in the employee's official personnel file. In contains all of the elements of the oral reprimand listed above. In most cases, this formal warning will be initiated only after an informal or oral warning has failed to bring about sufficient improvement. In some

cases, in which the employee commits a fairly serious offense (e.g. insubordination) the written reprimand may be the first disciplinary action taken. As with the oral reprimand, the written reprimand should be issued following a meeting with the employee.

- **Suspension** - Suspension is the temporary and involuntary separation of an employee from his/her employment. The purpose of a suspension is to serve as a final warning to an employee that continued misbehavior or poor performance may result in discharge. Suspension is generally imposed only when prior warnings or reprimands have not caused the employee to bring his/her performance or behavior up to the expected standard. In some cases involving serious misconduct, suspension may be the first disciplinary action taken.
- Except in cases of serious misconduct, one or more suspensions should precede the discharge of any tenured employee. A probationary employee need not be suspended prior to discharge (although a pre-termination hearing is mandatory). Appointing authorities should contact the Personnel Director prior to implementing a suspension.
- In cases where the Department Head and Personnel Director determine that the unsatisfactory employee should be suspended for a period of more than five (5) days, the employee shall be granted a hearing before the department head and the Personnel Director prior to the imposition of the suspension.
- All suspensions shall be reduced to writing including all of the reprimand elements listed above, and shall be forwarded to the Personnel Director for inclusion in the employee's official personnel file.
- **Discharge** - Discharge is the permanent and involuntary separation of a person from his/her employment with the Town. Because of its severity, action to discharge an employee is generally initiated only after the oral and written reprimand processes and one or 5 more suspensions have failed to bring about the employee's conformance with the requisite standards of performance or behavior.
- Action to discharge a probationary employee will generally not be initiated until the employee has been clearly warned that his/her continued poor performance or inappropriate behavior could lead to his/her discharge and until the employee has been given a fair opportunity to improve following the warning.
- In cases involving serious misconduct (e.g. theft, diversion, assault, or any criminal activity deemed disqualifying by the state) discharge may be initiated without any prior warnings or suspensions. In all cases in which the department head and Per-

sonnel Director determine that discharge may be warranted, the employee shall be given a hearing by the department head and the Personnel Director prior to the imposition of such discharge. If discharged, the employee will be given a written notice stating the reason(s) for the discharge and the effective date of termination of employment with the Town. Such notice shall be included in the employee's official personnel file.

Alternatives to Suspension or Discharge

- Prior to the initiation of action to suspend or discharge an employee, consideration should be given to other alternatives such as demotion or reassignment to other duties. These alternatives will be appropriate only in a small percentage of cases. Their use as disciplinary measures will be strictly scrutinized. Demotion or reassignment should be considered only when the employee has previously demonstrated an ability to perform the duties of the position to which demotion or reassignment is contemplated.

The Disciplinary Interview

- Whenever possible, a meeting between the employee and department head/designee should precede the initiation of any disciplinary action against the employee.

<u>The primary goals of the meeting are</u>:

1. to determine whether the employee has in fact failed to comply with a required standard;

2. if so, to identify why the employee failed to meet the standard;

3. To inform the employee exactly what will be expected of him/her in order to avoid further disciplinary action and to offer any appropriate assistance;

4. to warn the employee of the consequences of his/her continued failure to comply with established standards.

- If the Disciplinary Action under consideration is demotion, reassignment or discharge, the Department Head/designee should also attempt to ascertain:

1. whether any preceding disciplinary action was properly implemented, including proper follow-up on improvement plans; and

2. to determine whether the employee has a documented history of satisfactory performance in another position. If so, demotion or reassignment might be considered an appropriate alternative to discharge.

Sexual Harassment Policy

Trade Roots will not tolerate sexual harassment in the workplace. The duty to prevent such harassment arises from M.G.L. Chapter 151(B), and from Title VII of the U.S. Civil Rights Act of 1964 which includes sexual harassment as a form of unlawful discrimination. Retaliation against an employee who files a sexual harassment complaint, or who cooperates in an investigation of a sexual harassment complaint, is against the law and will not be tolerated by Trade Roots.

Sexual Harassment Procedures

Supervisor Responsibilities

Department managers and appointing authorities are responsible for the following:

1. Disseminating this policy to employees under their supervision;

2. Informing employees that sexual harassment is prohibited conduct which will not be tolerated or condoned, and that disciplinary action will be taken against any person who engages in sexual harassment;

3. Advising employees of their right to complain to the Town's Affirmative Action Officer/Designee, the Massachusetts Commission Against Discrimination (MCAD), and/or the U.S. Equal Employment Opportunity Commission (EEOC);

4. Informing employees that it is advisable to report conduct which the employee believes to be sexual harassment in a timely manner; and

5. Assisting the employee in the complaint resolution process.

Employee Responsibilities

• Each employee is personally responsible for:

1. ensuring that his/her conduct does not sexually harass any other employee, applicant for employment, or other individual in the workplace;

2. cooperating in any investigation of a report or complaint of alleged sexual harassment; and

3. cooperating with the Town's efforts to maintain a working environment free from such unlawful discrimination.

Sanctions

- Any employee found to have engaged in sexual harassment in violation of this policy will be subject to disciplinary action up to and including termination from Town service.

Complaint Resolution Process

- Any employee who believes that he/she has been discriminated against in violation of this policy should file a complaint to the Affirmative Action Officer/Designee.
- All such complaints shall be kept confidential. Documents pertaining to such complaint will not be included in the personnel file of the employee filing the complaint.
- If the Affirmative Action Officer/Designee is unable to resolve the situation to the employee's satisfaction, he/she will direct the employee to the MCAD or EEOC.
- An employee who is unwilling to make a complaint to the Town's Affirmative Action Officer/Designee may file a complaint directly with the MCAD or EEOC. These agencies may investigate the situation and may or may not issue a complaint.
- **Considerations** - Sexual harassment is not, by definition, limited to prohibited conduct by a male employee toward a female employee, or by a supervisory employee to a subordinate employee. The Town's view of sexual harassment includes, but is not limited to, the following considerations:
- A man as well as a woman may be the victim of sexual harassment, and a woman may be the harasser.
- The harasser does not have to be the victim's supervisor. (S)he may be a supervisory employee who does not supervise the victim, a co-worker, or even a non-employee, such as a board member, member of the public, or a vendor to the Town.
- The victim does not have to be of the opposite sex from the harasser.
- The victim does not have to be the person at whom the unwelcome sexual conduct is directed. (S)he may also be someone who is affected by such conduct when it is directed toward another person. The sexual harassment of one employee may create an intimidating, hostile, or offensive working environment for another employee, or may unreasonably interfere with the co-worker's performance.

- Sexual harassment does not depend on the victim's having suffered a concrete economic injury as a result of the harasser's conduct. Improper sexual advances which do not result in the loss of a promotion by the victim, or the discharge of the victim, nonetheless constitute sexual harassment by unreasonably interfering with the victim's work or by creating a hostile or offensive work environment.

Drug Free Work Place Policies

- All of Trade Roots' facilities are to be alcohol, smoke, and drug free work areas.
- No smoking will be allowed on premises
- Vaporizers can be used in dedicated areas
- No cannabis is to be consumed on the premise unless authorized by the Commission.
- Random drug testing will be mandatory for all Trade Roots employees.
- Trade Roots has a zero tolerance stance for illegal drugs.
- If an employee is thought to be under the influence Trade Roots will have standard on site testing to ensure a safe and productive work environment.
- If an agent tests positive for an illegal drug, the agent will be put on immediate leave and disciplinary actions will be taken
- Employees who are convicted of controlled substance-related violations in the workplace under state or federal law, or who plead guilty or nolo contendere to such charges, must inform their department head or appointing authority within 5 days of such conviction or plea. Department heads or appointing authorities shall notify the Personnel Director immediately.
- Employees who are convicted, or who plead guilty or nolo contendere to such drug-related violations may be required to successfully complete a drug abuse or similar program as a condition of continued employment or reemployment.
- All employees must sign a statement (Attachment A) indicating that they have been informed of the rules and requirements of the Drug Free Workplace Act.

Board Members, Members, and Executive Managers

Jesse Pitts: Chief Executive Officer/ Founder

Carl Giannone: President/ Founder

Toria Group LLC: Investor/Member

Support

Affirmative Action Officer Designee

TBA

Massachusetts Commission Against Discrimination (MCAD)

One Ashburton Place Boston, MA 02108

617-727-3900

United States Equal Employment Opportunity Commission (EEOC)

Boston Office One Congress Street 10th Floor Boston, MA 02114

617-565-3200

TRADE ROOTS STAFFING PLAN

Position Title	Staff Name	Wareham Local	General Responsibilities	Per Hour Wage**	Empowerment Candidate	Number of Positions Available
CEO	Jesse Pitts	Yes	Chief Executive Officer	$60.10	Yes	1
President	Carl Giannone	No (moving Oct)	President	$60.10	No	1
CFO/COO	Anthony Lampros *	No (moving Oct)	CFO/COO	$40.00	No	1
Director of Security	Robert Sylvester*	Yes	Head of On-Site Security/ Security Staffing	TBD	?	1
Master Grower			In charge of cultivation	$60.00		1
Cultivator			In charge of a "pod" (Grow room)	$26.00		3

*PENDING BACKGROUND CHECKS/ FINAL HIRING DUE DILIGENCE **budgeted in an additional 31% of labor cost for benefits

Asst. Cultivator			Entry level (no-experience necessary) cultivator role.	$18.50		3
Security Guards			Work for Director of Security. Provide on site security.	TBD		2
Trimmers			Trim plants	$15.00		14 pt/ ft
Packager			Packages/ Labels finished product	$15.00		1
Office Manager			Light HR/Ordering/ Bookkeeping	$26.00		1

Receptionist			Receptionist (front of house)	$15.50		1

Office Assistant			EA/backup “budtender”	$15.50		1
Master Extractor			Runs manufacturing operations	$60.00		1
Extraction Tech			Runs the extractions machines	$39.00		1
Extraction Asst.			Assists the Extraction Tech	$23.00		1
Retail Manager			Manages the Retail Store	$32.50		1
FT “Budtender”			Assists retail customers	$18.50 + tips		4

PT Budtender			Assists retail customers	$15.00+ tips		2
Wholesale/B2B Trader			Negotiates wholesale contracts with other Registered Marijuana Establishments	TBD		1

Trade Roots Emergency/Disaster Plan

Emergency Phases

Trade Roots will have 3 emergency phases

"Phase A" Advisory

- A “"Phase A"” Advisory is the initial response of Trade Roots to the report of a potential emergency situation or an actual event when the impact on Trade Roots is uncertain. For example, a "Phase A" Advisory might involve a large fire, an approaching blizzard or hurricane, or building system failures that may extend for more than a few hours or involve multiple buildings. A "Phase A" Advisory allows Trade Roots to notify and, if appropriate, assemble the Emergency Response Team at the Command Center or another location.
- The Facility Manager is to take the roll of Incident Commander in the case of an emergency
- The CEO, upon receiving a reliable report of an actual or impending emergency situation or on direction from the Facility Manager, will declare a "Phase A" Advisory and make appropriate notifications. Departments identified in this plan are responsible for contacting those employees within their department who have specific duties to perform during an emergency incident.
- The Incident Commander may decide to activate the Command Center or may manage the incident from the location where it occurs, depending on the situation.
- The Incident Commander may terminate a "Phase A" Advisory if the situation is under control and the response can be handled by routine operations. The Incident Commander determines the need to advance to "Phase B".

"Phase B" Emergency Situation

- A "Phase B" Emergency requires Trade Roots response to an actual incident in which the impact to Trade Roots may exceed the capability of on-site personnel and may require the reassignment and/or recall of personnel and/or contractors. For example, a "Phase B" Emergency might involve a blizzard or hurricane, a fire in multiple buildings, extended or widespread power failures, or a significant chemical, biological, or radiation release on the property. The purpose of "Phase B" response is to quickly mobilize personnel and resources necessary to deal effectively with the incident at hand.

- The decision to declare a "Phase B" Emergency will be made by the Incident Commander. Other key department personnel will report immediately to their assigned areas or to their supervisor for instruction.

"Phase C" Emergency

- A "Phase C" Emergency constitutes Trade Roots response to a large-scale event in which on-site personnel require additional resources to respond to the incident (s). The primary distinction between "Phase B" and "Phase C" is that limited personnel handle "Phase B", while "Phase C" requires the reassignment of staff and/or recall of off-duty personnel or contractors. At this level, all Incident Command Response Team members will report to the Command Center and key personnel will immediately report to their assigned areas. Outside agencies such as the Wareham Police or Fire Departments may be heavily involved in a "Phase C" Emergency. A "Phase C" Emergency dictates the transfer of overall company response coordination to the Command Center.
- Declaration of a "Phase C" Emergency requires specific administrative concurrence. The Incident Commander will make the declaration only after consultation with the CEO,President, or Vice President. If none of the above persons can be contacted in a reasonable period of time, and the delay involved in obtaining joint concurrence jeopardizes operations, a mobilization may be authorized by the two most senior managers involved in the "Phase B" response.
- Upon notification of a "Phase C" Emergency, all personnel will report immediately to their assigned areas or to their supervisor.
- "Phase C" may be terminated or downgraded by the Incident Commander when it becomes apparent that the levels of resources being utilized are no longer required.

Procedures

The Emergency Response Procedures for Trade Roots are as follows:

Notification of an Emergency Situation and Declaration of Emergency Phases

- Large incidents usually start small and Trade Roots utilizes the *The Trade Roots Incident Notification System* to alert key personnel of a situation that may warrant their attention. The CEO and The Incident Commander are responsible for sending out the initial notifications and updates.

- Upon receipt of reliable information about a large-scale emergency or potential emergency, the recipient will immediately contact the CEO for determination of the proper notifications and emergency phase-level for the Incident Command Response Team. The notification will include a short description of the situation, the level of emergency (or anticipated level), and the reporting location, e.g. Incident Command Post or Command Center.
- If the situation warrants immediate action, Public Safety will initiate the appropriate steps to protect the lives Trade Roots employees, customers,, visitors, contractors, emergency response personnel, and the community. These actions may include the declaration of an emergency phase-level, the response to meet that level of emergency, and utilization of the Trade Roots Emergency Alert Service. The CEO will convey those actions at the earliest time to the Incident Commander.

Command Center

- When Incident Command Response Team members are instructed to report to the Command Center, they should report as soon as possible or send their alternate. Incident Command Response Team members should bring a copy of the Emergency Response Plan and contact information for their staff.
- The Command Center Set-Up Team will establish the Command Center as soon as possible. This will require the installation of telephones, radio consoles, scanners, and other communications equipment and the activation of the Command Center telephone. The CEO will secure the Command Center. Procedures for establishing the Command Center includes:
    - Activation of phones
    - Updates to emergency lines and sites
    - Coordination of staffing
    - Command Center Access Management
    - Security
- The Command Center Set-Up Team is composed of available EHS and IST staff. They will set-up the Command Center in accordance with procedures for establishing a Command Center. Phones will be made operational by IST / Telecom.
- Locations for the Command Center will be established before operations
- If necessary, other locations may be designated

Command Center Operations

- The Command Center will be managed by the Incident Commander, or the next senior member of the Command Center.
- The Incident Commander will temporarily assign a member of the Command Center to answer and manage the telephones until permanent support can be summoned. The Incident Commander will create a schedule for managing the telephones with the available support staff. Every effort will be made to acquire telephone support, so Incident Command Response Team members are not answering telephones.
- Information will be reviewed quickly so it may be disseminated, as deemed appropriate, to those calling the Command Center. This information will be updated as new information is received, with a minimum time-frame of 30-minutes.
- Security for the Trade Roots Command Center will be provided and maintained by the CEO. All members of the Trade Roots Command Center will prominently display their Trade Roots issued Identification Cards while in the Command Center. Additionally, they will be issued a daily Trade Roots Command Center ID card to verify they have been cleared for the day. Upon entering the Trade Roots Command Center, all personnel and visitors will sign-in and will sign-out and return their daily Trade Roots Command Center ID upon exiting the Command Center.

Communication During An Emergency

- Communications during an emergency are managed by Public Safety, the CEO, or the management personnel until the Command Center is established. As soon as the Command Center is established, notice will be made to Public Safety Dispatch and the Control Center/Desk. If appropriate, the Command Center phone number will be provided to outside agencies such as the Wareham Fire Department or Wareham Police Department.
- Communications between the Command Center and staff in the field will be accomplished via radio, and cellular telephone systems. As necessary, the Command Center will utilize e-mail communications.
- Informational updates will be periodically posting on the Trade Roots homepage (TBA). Pre-scripted emergency announcements include:
    - Initial Emergency Notification
    - "Phase A", B, and C Emergencies
    - Building Closings
    - Company Closings
    - Building Evacuation
    - Emergency Assembly
    - Active Shooter on Property

- All Clear

Evacuation

- In certain emergencies buildings may have to be evacuated.
- Every employee must be familiar with the evacuation routes and fire protection equipment of the building(s) in which they work. Evacuation maps are posted in every building showing the exit routes and location of emergency equipment. Handicapped personnel should be assisted to a stairwell away from the scene and the location of that individual should be reported to Public Safety for a Wareham Fire Department assisted evacuation. All stairwells serve as an “area of refuge” and are protected by two-hour fire rated walls and fire rated doors, providing doors are kept closed.

Energy Efficiency Plan

Trade Roots will work diligently adhere to all CCC energy consumption regulations as well as the Cannabis Energy Overview Recommendations given by The Executive Office of Energy and Environmental Affairs and the Massachusetts Department of Energy Resources

Building Efficiency - Trade Roots building envelope will meet insulation (ASHRAE 90.1 2013, Table 5.5-5), air tightness, and air barrier thresholds per building code.

Equipment Standards

- The Lighting Power Densities (LPD) for cultivation space must not exceed a maximum wattage of 36 watts per square foot of canopy or 50 watts per square foot canopy while tier two cultivation as determined in guidelines issued by the Commission.
- Heating Ventilation and Air Conditioning (HVAC) and dehumidification systems must be in compliance with Massachusetts Building Code requirements.
- Safety protocols must be established and documented to protect workers and consumers (e.g., eye protection near operating grow light).
- Requirements (b) and (c) shall not be required if an indoor marijuana cultivator is generating 100% or more of the onsite load from a renewable resource.
- The Commission may determine through guidelines, in consultation with the working group established under section 78(b) of chapter 55 of the acts of 2017, reasonable exemptions or modifications of these standards, including but not limited to provisions for greenhouses and agricultural buildings.

Plan to Obtain Renewable Energy Resources

- Trade Roots plans to obtain 100% or more of the onsite load
- Trade Roots will install solar panels on site and on buildings where permitted
- Trade Roots will contract with local micro grids in order to generate 100% or more of the energy consumed from renewable energy sources.
- Trade Roots will continue to develop energy saving policies and intends on competing as an energy conservation leader in the industry.

General Policies

- The majority of the hallways and common areas of the facility will use motion sensors for the lighting.There is a lights off policy if no one is occupying a room or space for areas that are not lit with motion sensors.
- **Task Lighting -** Some employees use individual floor lamps or desk lamps as task lighting. In these cases, Trade Roots will ensure all of these lights use Compact Fluorescent Light (CFL) bulbs rather than incandescent bulbs. CFLs are available in the DOE supply stores.
- **Computers, Monitors, and other Desktop Electronics -** Even when turned-off or switched to "sleep mode", some equipment can still draw minimum amounts of power when plugged in. To reduce energy consumption from desktop equipment, the CIO recommends that personnel plug all monitors, personal printers, scanners, speakers, and AC adaptors (e.g. for laptop power and cell phones), etc. into a power strip and turn the power strip off when leaving for the day. This will make it easy to turn-off all of these devices at once and will ensure they do not continue to draw power during nights and weekends. The one exception to this arrangement is to keep desktop computers plugged into a dedicated outlet so the CIO can use the automatic wake-up feature to install software updates during the night (computers plugged into a power strip that is turned-off can not be remotely woken). However, it is important to also shut-down such desktop computers each night. To minimize desktop equipment power consumption, each Trade Roots employee must:

1. Plug all desktop electronics into a power strip (except desk-top computers),
2. Turn off the power strip when leaving every night, and
3. Shut-down all desktop computers when leaving for the night.

Refrigerators -Trade Roots will limit the amount of refrigerators in the break area and offices.

Last Out Check List - To ensure al lights and shared equipment are turned off every night, each separate office suite will institute a Last-Out Check-List. Each office will post a copy of this check list at a main exit to the suite and have the last employee leaving each evening fill-out the check list. A template for the check list is attached.

Energy Hawk

Trade Roots will appoint an agent as the Energy Hawk. This agent will have a genuine care for the conservation of energy and the planet. It will be the duty to brief other members of the office on the elements of this conservation plan.

Procedures for Quality Control and Testing for Potential Contaminants

- Trade Roots has established quality assurance protocols, outlined in a Quality Control Plan and Recall Plan, requiring testing of all products for quality, contaminants and compliance to ensure all cannabis and MIPs will be produced in a safe and sanitary manner.
- No marijuana product shall be sold or otherwise marketed for adult use that has not first been tested by an Independent Testing Laboratory and deemed to comply with the standards required under 935 CMR 500.160.
- The Quality Control Plan and Recall Plan will detail procedures for ensuring the production and processing of marijuana is in full compliance with CCC regulations and testing.
- Trade Roots will contract with a registered Independent Testing Lab that is accredited to test all cannabis for contaminants, pesticides, thc %, cannabinoid profile, and other items as required by CCC in compliance with all regulations in 935 CMR 500.160. We will maintain the results of all testing for two years in accordance with our Record keeping Plan.
- To ensure quality, only leaves and flowers of female plants will be processed. Cannabis will be prepared / handled on food-grade stainless steel tables and packaged in a secured area.
- To ensure a contamination-free environment, cannabis and MIPs will be prepared, handled and stored in accordance with sanitation requirements. Air and water filters will be tested monthly. Soil tests will be conducted weekly to ensure proper nutrient levels/plant quality.
- Representation samples will be taken by the Cultivation Supervisor or third- party laboratory employee in accordance with guidance to be provided by the
- CCC. Samples will be recorded in the inventory management system and held in a secured storage area. Sample records will accurately reflect the origination of the sample to allow for tracing. It is Trade Roots policy to comply with all CCC testing requirements.
- Any product indicating contamination will be immediately quarantined, destroyed, documented in BioTrackTHC and tracked to an original source. Testing results will be maintained for two years.

- Trade Roots will notify the CCC within 72 hrs of a contaminated test result if the contamination cannot be remediated. The notification will describe the proposed plan for the destruction of the contaminated product and a plan to
- No part of our team will be permitted to have any financial or other interest in the laboratory providing testing services. No employee of the laboratory providing us testing services will receive direct financial compensation from Trade Roots or its agents.
- Quality checks on water and air in the facility will be performed quarterly and after any unusual natural event. Water testing will identify contaminants and results will be maintained. Precautions will be taken during cultivation and processing to asses mitigate the source of the contamination.
- All manufacturing employees will be required to be trained in quality control by the Manufacturing/Wholesale Supervisor or a third-party (i.e. Servsafe by the National Restaurant Association)
- All marijuana transported to a laboratory for testing purposes will be done in accordance with the procedures in our Transportation Plan and those set forth in 935 CMR 500.105(13). Transportation of all of our products to and from the laboratory will comply with regulations.
- Any excess product the laboratory possesses will be returned and disposed of in accordance with our Waste Disposal Policy.
- No product will be sold without being tested and an adverse incident report may warrant a withdrawal or recall of our products. Where a recall or withdrawal is warranted, contaminated product will be destroyed in accordance with our Waste Disposal Policy.
- In the event of a recall, we will issue a press release, and notify the CCC immediately. In the event of a withdrawal, we will begin execution immediately upon any request or mandate from any regulatory body with authority to do so or upon direction from the CEO. The CEO will determine the need to execute a withdrawal or recall in order to protect customer health from products that present a risk of injury or gross deception, or are defective.
- A qualified recall team is to receive appropriate training through mock withdrawal and recall procedures semi-annually to identify capability, potential problems, and allow personnel to become familiar with recall procedures.
- All clones are subject to the same testing provisions, but are exempt from testing for metals

- Seeds are not subject to these testing provisions

LDE Holdings, LLC (dba Trade Roots) Diversity Plan:

Introduction:

The Massachusetts Office of Diversity and Equal Opportunity defines diversity as "valuing the differences among the Commonwealth's employees and all those with whom we do business. These differences include but are not limited to race, gender, gender identity or expression, color, national origin and ancestry, religion, age, mental/physical disability, sex, sexual orientation, veteran's status, organizational level, economic status, geographical origin, marital status, communication and learning styles, and other characteristics and traits; and developing an inclusive environment that capitalizes on each individual's talents, skills and perspectives in order to increase organizational productivity and effectiveness."[1]

Since its inception, Trade Roots has embodied this definition. Notably, our original seed investors' LLC is a female/minority owned business. So, one could say that we have been rooted in diversity since our inception. We will be grounded by those roots as we grow. Just as monoculture does not produce the healthiest, most sustainable plants, we recognize that homogeneity does not produce the healthiest, most sustainable businesses. Research shows that as a workforce becomes more diverse and the work environment more open to new ideas and ways of thinking, employees and teams become more effective at processing information, solving problems, and contributing to the organization's mission. At Trade Roots, we strive to create an inclusive corporate culture operating in an environment that reflects the diverse make-up of the area in which we operate. We believe this diverse and inclusive environment will empower all of our employees to reach their full potential in achieving the goals set forth in our Mission Statement. We expect an environment where diversity is commonplace and enhances the execution of our business objectives. By creating a workplace where differences in heritage, background, style, tradition and views are valued and respected, we anticipate that Trade Roots will become a Commonwealth leader in diversity and inclusion and a company for which Diverse Individuals desire to work.

Goals:

- Recruit minorities, women, veterans, people with disabilities and LGBTQIA+ individuals (collectively, "Diverse Individuals").
- Build a talented, dedicated, diverse workforce that is representative of the diverse communities of Wareham and New Bedford.
- Identify Diverse Individual employees as candidates for leadership and executive development programs, creating a pipeline of Diverse Individuals who are equipped with the skills and experience necessary to successfully fill senior positions within the company.
- Educate our entire workforce regarding diversity principles and encourage respect and appreciation of individual differences.
- Motivate employees of all backgrounds to reach their highest potential and provide pathways for advancement (at Trade Roots there are no "dead end" jobs).
- Encourage employees to offer their views and suggestions for improving diversity and inclusion within the workplace.
- Create and maintain an inclusive approach to all systems, policies, and practices as recommended in *Compliance Training Group's* ("CTG") "Diversity & Sensitivity in the Workplace for Supervisors" training (see further discussion below).
- Utilize best practices in mentoring and career support to promote Diverse Individuals within the company.

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[1] https://www.mass.gov/service-details/learn-about-diversity-and-inclusion.

Programs and Strategies:

Trade Roots will implement a Diversity Program that broadens the paths to employment and promotion for Diverse Individuals by breaking down traditional barriers and implementing principled diversity hiring practices. Trade Roots' diversity program will include the following elements:

- Holding bi-annual career fairs in New Bedford and Wareham, which will allow Trade Roots to better identify Diverse Individuals to fill open positions within the company..
- Requiring all managers to complete CTG's "Diversity & Sensitivity in the Workplace for Supervisors" module, and regularly reinforce learned principles to our employees as part of our ongoing diversity and inclusion training. All managers will be required to complete this module annually.
- Conducting regular staff surveys to allow employees to offer views and suggestions for increasing diversity and inclusion in the hiring practices and/or day-to-day work environment of the company. These staff surveys will be performed at least annually, and can be anonymous at the election of employees.
- Posting open positions on Employ DIVERSITY (or similar) job board,[2] and work with our local hiring and staffing agency as well as our human resources consultant and General Counsel to source a robust group of qualified Diverse Individuals to fill open positions within the company. Trade Roots will advertise ALL open positions on the Employ DIVERSITY job board to ensure that the diverse communities living in New Bedford, Wareham and the surrounding areas are fully aware of employment opportunities within the company. Moreover, these advertisements will expressly state that the company is seeking minorities, women, persons with disabilities, and LGBTQIA+ to fill the open position(s).
- Pairing Diverse Individual employees with executive management mentors within the company. These mentors will meet informally with their respective mentees at least quarterly to ensure that all Diverse Individuals: 1) are gaining the skills necessary to advance within the company; 2) are aware of any promotion opportunities which are available or may be forthcoming; and 3) feel that they are included in the institutional successes of Trade Roots. Mentors may also work with their mentees and Trade Roots executive management to identify any third-party industry or executive management trainings that may accelerate the mentee's development. Such third-party trainings will not be required and will be offered to employees on a case-by-case basis, but Trade Roots will happily support Diverse Individual employees who show great promise and demonstrate an interest in participating in additional trainings to build industry knowledge or management credentials.

Measurement:

Trade Roots will continuously monitor its progress toward achieving its diversity goals and the overall success of its Diversity Program. Modeled after the Commission's Citizen Review Committee, we are assembling a committee ("Advisory Committee") composed of workers, management, hiring managers, owners and members of the local community of Wareham to oversee our initiatives and assess our progress towards our above-mentioned diversity goals.[3]

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[2] Employ DIVERSITY has been a hiring resource for companies committed to diversity and inclusion since 2003.

[3] The Advisory Committee is also charged with overseeing Trade Roots' progress toward achieving the goals set forth in its Positive Impact Plan. Please see Trade Roots' Positive Impact Plan for greater detail.

Jesse Pitts, SEP Participant and Wareham native, is the Advisory Committee Chair. Hiring managers will be required to maintain and provide hiring, retention and promotion metrics to the Advisory Committee for bi-annual review, and will be held accountable to make adjustments to meet our stated diversity goals. Chair Pitts and the Advisory Committee will review this data and compare our results against the latest demographic data from our host community and the immediately surrounding areas and report to the Trade Roots Board of Directors. If we are able to exceed these statistics, we'd consider ourselves successful - with the mindset that we can always "do better." In addition, the Advisory Committee will confirm that Trade Roots has met or exceeded the first year performance metrics described below. If there are areas where we fall short, the Advisory Committee, working with Trade Roots management and the Board of Directors, will devise a plan to remedy the shortfall, and corrective action will be evaluated at the next scheduled bi-annual Advisory Committee meeting. Data to be evaluated includes:

- Number of Diverse Individuals who have expressed interest in employment opportunities at the company during career fairs.
- Number of Diverse Individuals who have applied for employment at the company.
- Number of Diverse Individuals who have been interviewed by the company.
- Number and percentage of hourly positions held by Diverse Individuals.
- Number and percentage of management positions held by Diverse Individuals.

First Year Performance Metrics:

By the end of Trade Roots' first year of operations in Wareham, the company will:

1. Employ a workforce that is at least 40% composed of Diverse Individuals (across our three licenses);
2. Host two career fairs (one each in Wareham and New Bedford);
3. Perform at least one staff survey to solicit feedback from employees for increasing diversity and inclusion within the company; and
4. Confirm that all managers have completed CTG's "Diversity & Sensitivity in the Workplace for Supervisors" module.

Further Acknowledgements: We will adhere to the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment; and we understand that any actions taken, or programs instituted, by Trade Roots may not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

Restatement of our Mission Statement: "By passionately valuing integrity and hard work, Trade Roots will set the industry standard for the Commonwealth by producing premium craft cannabis products in a positive, empowering work environment, sold to customers with 'Old World' service, while being a net benefit to every community where we leave our footprint."

Energy Efficiency Policies

General Overview

LDE Holdings, LLC ("LDE") is committed to continued improvements in energy efficiencies and has implemented designs, protocols and equipment meant to conserve energy where available, as well as minimize excessive energy usage in its cultivation and manufacturing activities, as well as in its office settings. Supporting energy-saving processes and environmentally friendly equipment is of utmost priority to LDE and, as such, our goal is to implement compliance protocols that exceed the guidelines and regulations set forth by the Cannabis Control Commission (the "CCC") and serve to set the standard for energy efficiency in the Massachusetts cannabis industry.

As further set forth below, the main areas in which we aim to maximize our energy efficiency policies are through our lighting, water recycling and ventilation measures, along with the utilization of the Eversource Energy review program and its accompanying energy-efficiency rebates.

Pursuant to 935 CMR 500.105(15), a marijuana establishment must demonstrate consideration of certain enumerated factors as part of its operation plan. In accordance with the CCC's guidance, at the Architectural Review stage, information demonstrating actual consideration of renewable energy opportunities and energy reduction must be demonstrated.

Accordingly, the CCC requires operators to engage in (1) identification of potential energy-use reduction opportunities (such as natural lighting and energy efficient measures), and a plan for implementation of such opportunities; (2) consideration of opportunities for renewable energy generation, including where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable; (3) Strategies to reduce electric demand (such as lighting schedules, active load management, and energy storage); and (4) Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25 § 21, or through municipal lighting plants.

Acknowledging that indoor cannabis cultivation contributes to high energy usage within the industry, LDE Holdings' proactive efforts to mitigate the impact of its cannabis production are focused in the equipment LDE uses, the proactive re-evaluation of the equipment and its impact on energy usage, and the partnerships/vendor relationships previously entered into and to be entered into by the Company.

Lighting

Our lighting equipment and processes aim primarily to maximize light and heat efficiency, minimize air leaks and reduce energy use. We conserve energy in our flower and vegetation

lighting through our use of the Revolution Micro Electronics – Avici 1150 Programmable Spectrum. Revolution Micro Electronics has designed an extremely efficient high powered LED cultivation light that has both dimmable power (10% increments) and programable spectrum. The lights we use are CSA certified, designed for a balance of maximum production and efficiency. For our clone lighting, we utilize Hydrofarm's newest Agrobite T5 system of lighting, which combines premium grade specular aluminum with energy efficient/high-output T5 tubes.

Our entire facility is outfitted with LED lights resulting in substantial and quantifiable energy savings. The use of the Avici 1150 LED results in 12% more efficiency than a double ended high pressure sodium bulb (DEHPS). Our LED lighting also acts as a form of insulation, using less energy to maintain proper temperature within the grow rooms.

Our office lights are programmed for automatic responses that minimize energy use when spaces are not in use. Office lights are motion sensored and turn on only if someone is in the room. Lights shut off promptly following the exit of the last moving body in the room. Moreover, the lights' advanced motion sensor technology results in lights dimming when natural lighting is present in a room. These combined factors result in utmost energy efficiency with our office-wide LED lighting.

Light Wattage Restrictions. Through the use of the equipment discussed above, we are able to maintain output below the light wattage limit of 50 watts per sq. foot required for Tier II cultivators pursuant to 935 CMR 500.120(11)(b) as promulgated by the CCC.

We will continue to monitor outputs of energy usage that stem from the use of the aforementioned lighting equipment and will consistently work to ensure that we are in strict compliance with the Light Wattage Restrictions and other applicable CCC regulations. We will consider alternatives to product lighting, including any applicable and corresponding changes to our lighting schedule and bench layout, to the extent such measures are required to continue to lead the way in LDE's indoor energy efficiency goals.

Water Recycling

LDE has implemented strategies to conserve and recycle water. Water efficiencies in growing cannabis vary based on factors such as plant size, location, humidity, air circulation and water temperature. Growing cannabis in a controlled environment allows LDE to reduce water waste by eliminating overwatering and dehumidifying the growing area, which effectively allows the capture of condensation for reuse. Reclaiming water enables LDE to minimize water waste and is also cost-effective. LDE recycles condensate runoff and we expect 80% of our irrigation use to be recycled water. Our grow operation also utilizes a filtration system to remove contaminants from the condensate.

Ventilation

Another method of achieving energy reduction and reducing electric demand is through an energy efficient means of insular ventilation and odor mitigation equipment. Our use of the Aerostar Series 750 Plus carbon pleated air filters is designed to provide higher levels of both particulate and gas phase air filtration compared to standard carbon pleated filters. Its synthetic pre-filtration layer achieves a MERV 11 particulate efficiency and combines such MERV 11 particulate filtration and mid-level chemical filtration in a single filter frame. The end goal of its use is the additional benefit of containing 50% more carbon for higher removal efficiency and longer filter life (the latter also reducing additional electric demand).

Cooling/Dehumidification

For cooling and dehumidification, LDE conserves energy by using energy efficient grow fans. Maintaining air quality and regulating the proper humidity is a key tenet of energy conservation. LDE's energy efficient cooling system cools the air by utilizing fans to push and pull fresh air through the wall. This has the added benefit of scrubbing the air.

Energy Efficiency Programs

Eversource Energy ("Eversource") provides on-site energy to LDE and commercial/residential enterprises throughout the Northeast. LDE utilizes the Eversource review program to maximize energy efficiency resources by hiring energy professionals to conduct an on-site energy review. As described in further detail below, Eversource makes recommendations for energy efficiency measures, including the recommendation of energy-efficient equipment. Following such review, Eversource provides rebates for the use of energy efficient equipment.

Eversource has conducted a Technical Assistance Study via their Energy Efficiency Services department. Under the review, Eversource's Program Administrator provides and/or approves certain energy efficiency measures (EEMs) onsite. Following completion of its initial review and installation, Eversource and its Program Administrator continue to perform monitoring and inspection of the EEMs for a three-year period in order to determine the actual demand reduction and energy savings.

Eversource's process for the review program entails its Program Administrator approving a customer's application and providing an approval letter stating the Program Administrator's approval of the customer's application, required date of EEM completion, and any other Eversource suggested requirements. Following this, the Program Administrator completes pre-installation and post-installation verifications and the customer purchases and installs the EEMs in accordance with the approval letter. The Program Administrator will then make payments to the customer in the form of rebates for operations in accordance with the approval letter instructions. LDE prioritizes adherence to such guidelines and steadfastly selects and purchases EEMs, ensures EEMs are installed property and meet industry standards and all applicable laws, regulations and codes.

The energy efficiency benefits of the Eversource review program are numerous and include, without limitation, (i) energy cost savings, (ii) energy or ancillary service market revenue achieved through market sensitive dispatch, (iii) alternative energy credits, and (iv) renewable energy credits. The Program Administrator may apply for any credits or payments resulting from the EEMs. Such credits and payments include, without limitation, (a) ISO-NE capacity, (b) forward capacity credits, (c) other electric or natural gas capacity and avoided cost payments or credits, and (d) demand response program payments.
LDE will continue to follow the instruction and recommendations of Eversource for equipment installation, energy usage, and all energy-saving measures recommended.