



Massachusetts Cannabis Control Commission

Marijuana Retailer

General Information:

License Number: MR282634
Original Issued Date: 09/26/2021
Issued Date: 08/11/2022
Expiration Date: 09/26/2023

ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Misty Mountain Shop, LLC

Phone Number: 978-621-6900 Email Address: erik@mistymtnshop.com

Business Address 1: 161 Boston Road

Business Address 2:

Business City: Chelmsford

Business State: MA

Business Zip Code: 01824

Mailing Address 1: 161 Boston Rd

Mailing Address 2:

Mailing City: Chelmsford

Mailing State: MA

Mailing Zip Code: 01824

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: Obtained Final Certificate of Registration, but is not open for business in Massachusetts

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: 90

Percentage Of Control:

90

Role: Owner / Partner

Other Role:

First Name: Erik

Last Name: Gath

Suffix:

Gender: Male User Defined Gender:

What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French), Native Hawaiian or Other Pacific Islander (Native Hawaiian, Samoan, Chamorro, Tongan, Fijian, Marshallese)

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 2

Percentage Of Ownership: 10 Percentage Of Control: 10

Role: Owner / Partner Other Role:

First Name: Abbigail Last Name: Gunther Suffix:

Gender: Female User Defined Gender:

What is this person's race or ethnicity?: Hispanic, Latino, or Spanish (Mexican or Mexican American, Puerto Rican, Cuban, Salvadoran, Dominican, Colombian)

Specify Race or Ethnicity: Hispanic/Puerto Rican

Person with Direct or Indirect Authority 3

Percentage Of Ownership: Percentage Of Control:

Role: Employee Other Role:

First Name: Tim Last Name: Gunther 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 4

Percentage Of Ownership: Percentage Of Control:

Role: Other (specify) Other Role: Investor

First Name: Ryan Last Name: Gath 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 5

Percentage Of Ownership: Percentage Of Control:

Role: Other (specify) Other Role:

First Name: Shannon Last Name: McInnis Suffix:

Gender: Female User Defined Gender:

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

Specify Race or Ethnicity:

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

Entity with Direct or Indirect Authority 1

Percentage of Control: Percentage of Ownership:

Entity Legal Name: TGunther Group, LLC Entity DBA: ILoveCompliance.biz DBA City:

Entity Description: Compliance consulting organization that is focused on cannabis compliance in all disciplines of the cannabis industry.

Foreign Subsidiary Narrative:

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

Relationship Description: TGunther Group, LLC will serve as compliance officers for Misty Mountain Shop and build compliance framework for the facility.

They will implement PowerDMS Compliance Software and train employees on the framework that has been established.

Please refer to the operations section of the business plan for more information.

Entity with Direct or Indirect Authority 2

| | | | |
|-------------------------------|--------------------------|---------------------------|-----------|
| Percentage of Control: | Percentage of Ownership: | | |
| Entity Legal Name: Ivy Mae | | Entity DBA: | DBA City: |
| Entity Description: Investor | | | |
| Foreign Subsidiary Narrative: | | | |
| Entity Phone: | Entity Email: | Entity Website: | |
| Entity Address 1: | | Entity Address 2: | |
| Entity City: | Entity State: | Entity Zip Code: | |
| Entity Mailing Address 1: | | Entity Mailing Address 2: | |
| Entity Mailing City: | Entity Mailing State: | Entity Mailing Zip Code: | |

Relationship Description: Ivy Mae is investing \$500,000 into Misty Mountain Shop in exchange for 5% equity and a priority return of their investment.

CLOSE ASSOCIATES AND MEMBERS

No records found

CAPITAL RESOURCES - INDIVIDUALS

Individual Contributing Capital 1

| | | | |
|-----------------------------------|------------------------|---|-----------------------------------|
| First Name: Shannon | Last Name: McInnis | Suffix: | |
| Types of Capital: Monetary/Equity | Other Type of Capital: | Total Value of the Capital Provided: \$250000 | Percentage of Initial Capital: 25 |
| Capital Attestation: Yes | | | |

Individual Contributing Capital 2

| | | | |
|-----------------------------------|------------------------|---|-----------------------------------|
| First Name: Ryan | Last Name: Gath | Suffix: | |
| Types of Capital: Monetary/Equity | Other Type of Capital: | Total Value of the Capital Provided: \$250000 | Percentage of Initial Capital: 25 |
| Capital Attestation: Yes | | | |

CAPITAL RESOURCES - ENTITIES

Entity Contributing Capital 1

| | |
|-----------------------------------|--|
| Entity Legal Name: Ivy Mae LLC | Entity DBA: |
| Email: esilva@vb-inc.com | Phone: 617-828-2039 |
| Address 1: 204 2nd Avenue | Address 2: |
| City: Waltham | State: MA Zip Code: 02451 |
| Types of Capital: Monetary/Equity | Other Type of Capital: Total Value of Capital Provided: \$500000 Percentage of Initial Capital: 45.5 |
| 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: 323 Commercial Street

Establishment Address 2:

Establishment City: Malden

Establishment Zip Code: 02148

Approximate square footage of the establishment: 7000

How many abutters does this property have?: 2

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

HOST COMMUNITY INFORMATION

Host Community Documentation:

| Document Category | Document Name | Type | ID | Upload Date |
|--|---|------|--------------------------|-------------|
| Certification of Host Community Agreement | HCA Certification Form.pdf | pdf | 605921c31c41b407a7673862 | 03/22/2021 |
| Community Outreach Meeting Documentation | Form_COM_Attestation_Misty.pdf | pdf | 60592b0d021c1507b3981c0d | 03/22/2021 |
| Plan to Remain Compliant with Local Zoning | Plan to Remain Compliant with Local Zoning.pdf | pdf | 6059340489d65207913aa25b | 03/22/2021 |
| Community Outreach Meeting Documentation | Malden Mayor Permission to hold meeting virtually.pdf | pdf | 606d916e4989114597235ff6 | 04/07/2021 |
| Community Outreach Meeting Documentation | Abutters notice proof of delivery.pdf | pdf | 606d957e4989114597235ffc | 04/07/2021 |

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

PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

| Document Category | Document Name | Type | ID | Upload Date |
|--------------------------|--|------|--------------------------|-------------|
| Plan for Positive Impact | REVISED Positive Impact Plan in response to RFI2.pdf | pdf | 609c5e3409011007a03d29e3 | 05/12/2021 |

ADDITIONAL INFORMATION NOTIFICATION

Notification: I understand

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

| | |
|---|----------------------------|
| Role: | Other Role: |
| First Name: Erik | Last Name: Gath Suffix: |
| RMD Association: Not associated with an RMD | |
| Background Question: no | |

Individual Background Information 2

Role: Other Role:
First Name: Abbigail Last Name: Gunther Suffix:
RMD Association: Not associated with an RMD
Background Question: yes

Individual Background Information 3

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

Individual Background Information 4

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

Individual Background Information 5

Role: Other Role:
First Name: Ryan Last Name: Gath Suffix:
RMD Association: Not associated with an RMD
Background Question: yes

ENTITY BACKGROUND CHECK INFORMATION

Entity Background Check Information 1

Role: Investor/Contributor Other Role:
Entity Legal Name: Ivy Mae LLC Entity DBA:
Entity Description: Investment Company
Phone: 617-828-2039 Email: esilva@vb-inc.com
Primary Business Address 1: 204 Second Ave Primary Business Address 2:
Primary Business City: Waltham Primary Business State: MA Principal Business Zip Code: 02451
Additional Information:

Entity Background Check Information 2

Role: Other (specify) Other Role: Compliance Services
Entity Legal Name: TGunther Group Entity DBA: I Love Compliance
Entity Description: Compliance Services
Phone: 321-246-5085 Email: abbigail@ilovecompliance.biz
Primary Business Address 1: 203 N. 2nd Street Primary Business Address 2:
Primary Business City: Fort Pierce Primary Business State: FL Principal Business Zip Code: 34950
Additional Information:

MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

| Document Category | Document Name | Type | ID | Upload Date |
|-------------------|---------------|------|----|-------------|
|-------------------|---------------|------|----|-------------|

| | | | | |
|--|--|-----|--------------------------|------------|
| Department of Revenue - Certificate of Good standing | Mass Tax Certificate of Good Standing DOR.pdf | pdf | 605d3902d90419077cc33fce | 03/25/2021 |
| Secretary of Commonwealth - Certificate of Good Standing | Certificate of Good Standing Secretary COM.PDF | pdf | 605d39893e0ae507c9311c9b | 03/25/2021 |
| Articles of Organization | Articles of Organization.pdf | pdf | 6071a86d3a37ef458c0859c4 | 04/10/2021 |
| Bylaws | Misty Mountain Shop LLC (2018-2020) Signed EMG-AGG.pdf | pdf | 6071a887518b4d4499416330 | 04/10/2021 |
| Department of Revenue - Certificate of Good standing | Certificate Unemployment.PDF | pdf | 60844728d91389075ed36bcf | 04/24/2021 |

Certificates of Good Standing:

| Document Category | Document Name | Type | ID | Upload Date |
|--|---------------------------------------|------|--------------------------|-------------|
| Secretary of Commonwealth - Certificate of Good Standing | Sec of State Good Standing.pdf | pdf | 62dc12d0c4bff6000929928c | 07/23/2022 |
| Department of Revenue - Certificate of Good standing | DOR Cert. Good Standing 7.12.2022.pdf | pdf | 62dc12d8c4bff600092992a0 | 07/23/2022 |
| Department of Unemployment Assistance - Certificate of Good standing | Employee attestation.pdf | pdf | 62dc12fafad1390008645b75 | 07/23/2022 |

Massachusetts Business Identification Number: 001339784

Doing-Business-As Name:

DBA Registration City:

BUSINESS PLAN

Business Plan Documentation:

| Document Category | Document Name | Type | ID | Upload Date |
|------------------------------|---|------|--------------------------|-------------|
| Proposed Timeline | Proposed Timeline.pdf | pdf | 605d4415e5be0207aec73f06 | 03/25/2021 |
| Plan for Liability Insurance | Plan to Obtain Liability Insurance.pdf | pdf | 60844a543bbe600765b4a849 | 04/24/2021 |
| Business Plan | MistyMountainShop Business Plan CCC.pdf | pdf | 6088c69909011007a03cefe4 | 04/27/2021 |
| Proposed Timeline | Proposed Timeline Updated 7.23.22.pdf | pdf | 62dc1631c4bff60009299426 | 07/23/2022 |

OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

| Document Category | Document Name | Type | ID | Upload Date |
|----------------------------------|---|------|--------------------------|-------------|
| Prevention of diversion | SOP Prevention and Detection of Diversion.pdf | pdf | 60709ccf4989114597236a97 | 04/09/2021 |
| Inventory procedures | SOP Inventory Audits.pdf | pdf | 60709f594989114597236aa9 | 04/09/2021 |
| Dispensing procedures | SOP Dispensing Procedures.pdf | pdf | 6070a24abd015444c5503484 | 04/09/2021 |
| Storage of marijuana | SOP Storage of Marijuana and Marijuana Products.pdf | pdf | 6070a2cf518b4d4499416193 | 04/09/2021 |
| Maintaining of financial records | SOP Financial Recordkeeping.pdf | pdf | 6070b7c9cefab844e67139c7 | 04/09/2021 |
| Qualifications and training | SOP Marijuana Establishment Agent Training | pdf | 6070b82a86f403457678c3d2 | 04/09/2021 |

| | | | | |
|--|--|-----|--------------------------|------------|
| | and RVT.pdf | | | |
| Energy Compliance Plan | Energy Compliance.pdf | pdf | 6070b8318d8557457dbb7dd5 | 04/09/2021 |
| Transportation of marijuana | SOP Transportation Between Marijuana Establishments.pdf | pdf | 6071c1d27eb80444db467033 | 04/10/2021 |
| Plan for obtaining marijuana or marijuana products | SOP Receiving Marijuana and Marijuana Products.pdf | pdf | 6071c762a6d53445a21e3afe | 04/10/2021 |
| Security plan | RFI1 MRN282634 Security Plan.pdf | pdf | 608dcb332e7a1d0770d07c53 | 05/01/2021 |
| Restricting Access to age 21 and older | RFI1 MRN282634 Restricting Access to Individuals 21 or Older.pdf | pdf | 608dcbded91389075ed384c4 | 05/01/2021 |
| Personnel policies including background checks | RFI1 MRN282634 Personnel Policies.pdf | pdf | 608dce208ecb05074fe690e6 | 05/01/2021 |
| Diversity plan | REVISED Misty Mountain Shop Diversity Plan in response to RFI2.pdf | pdf | 609c5e7509011007a03d29e7 | 05/12/2021 |
| Quality control and testing | REVISED Misty Mountain Shop SOP Quality Control and Testing Procedures in response to RFI2.pdf | pdf | 609c5e8d3fd8b2075df9f07d | 05/12/2021 |
| Record Keeping procedures | REVISED Misty Mountain Shop SOP Recordkeeping Procedures in response to RFI2.pdf | pdf | 609c5eb18ecb05074fe6bcff | 05/12/2021 |

MARIJUANA RETAILER SPECIFIC REQUIREMENTS

No documents uploaded

No documents uploaded

ATTESTATIONS

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

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

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

Notification: I Understand

I certify that any changes in ownership or control, location, or name will be made pursuant to a separate process, as required under 935 CMR 500.104(1), and none of those changes have occurred in this application.: I 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: We plan to implement our plan when our website is completed and we commence operations.

COMPLIANCE WITH DIVERSITY PLAN
Diversity Progress or Success 1

Description of Progress or Success: We plan to implement our diversity plan during the hiring process. We have just begun this process.

HOURS OF OPERATION

| | |
|--------------------------|------------------------|
| Monday From: 10:00 AM | Monday To: 10:00 PM |
| Tuesday From: 10:00 AM | Tuesday To: 10:00 PM |
| Wednesday From: 10:00 AM | Wednesday To: 10:00 PM |
| Thursday From: 10:00 AM | Thursday To: 10:00 PM |
| Friday From: 10:00 AM | Friday To: 10:00 PM |
| Saturday From: 10:00 AM | Saturday To: 10:00 PM |
| Sunday From: 10:00 AM | Sunday To: 10:00 PM |

EXHIBIT A



Host Community Agreement Certification Form

Instructions

Certification of a host community agreement is a requirement of the application to become a Marijuana Establishment (ME) and Medical Marijuana Treatment Center (MTC). Applicants must complete items 1-3. The contracting authority for the municipality must complete items 4-8. Failure to complete a section will result in the application not being deemed complete. This form should be completed and uploaded into your application. Please note that submission of information that is "misleading, incorrect, false, or fraudulent" is grounds for denial of an application for a license pursuant to 935 CMR 500.400(2) and 501.400(2).

Certification

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

1. Name of applicant:

MISTY MOUNTAIN SHOP, LLC

2. Name of applicant's authorized representative:

ERIK M. GATH

3. Signature of applicant's authorized representative:

Erik M. Gath

4. Name of municipality:

CITY OF MALDEN

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

MAYOR GARY CHRISTENSEN

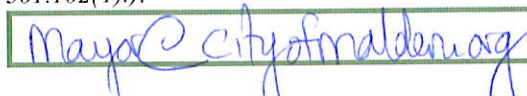


HCA: City of Malden, Massachusetts/ Misty Mountain Shop LLC

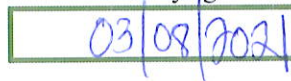
6. Signature of municipality's contracting authority or authorized representative:



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



8. Host community agreement execution date:





Community Outreach Meeting Attestation Form

Instructions

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

Attestation

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

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



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

a. Date of publication:

b. Name of publication:

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

a. Date notice filed:

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

a. Date notice(s) mailed:

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



Name of applicant:

Name of applicant's authorized representative:

Signature of applicant's authorized representative:



BILL FROM PAGE 5

Senate President Karen Spilka. "I am thrilled to see this legislation codifies our shared goal of reducing harmful carbon emissions to zero by 2050, and creates new energy initiatives and standards to help us reach that target. I want to thank Senator Barrett, Representative Golden and their fellow conferees for their advocacy and hard work, as well as Speaker Mariano and former Speaker DeLeo for their partnership in seeing this bill through to fruition. I'd also like to note how much the Senate has been inspired to action by

the energy and determination demonstrated by the young people of this Commonwealth. Your commitment to protecting our planet is inspiring and I welcome your continued collaboration as we move forward together in addressing our climate crisis."

"This bill steps up the pace of our collective drive to contain climate change," said State Senator Michael Barrett, who is Senate chair of the Legislature's Joint Committee on Telecommunications, Utilities and Energy. "It's the strongest effort of its kind in the country. With the tools the Legislature assembles

here, we're constructing the response we need and providing a blueprint to other states."

"It has been a pleasure to work with my House and Senate colleagues on the conference committee on this historic climate bill," said Representative Thomas Golden, Jr., who is House chair of the Legislature's Joint Committee on Telecommunications, Utilities and Energy. "I owe a special debt of gratitude to Speaker Mariano for his invaluable mentorship over my six years as House energy chair. It is his long-standing recognition of Massachusetts' opportunity to play a leadership

role in offshore wind and his fearless commitment to push forward when others hang back that have led us to advance legislation as ambitious as the Next Generation Roadmap bill."

"This bill continues our commitment to reducing harmful carbon emissions, and enacting policies of environmental equity. We have made sure to include enforceability and compliance rules, so we reach our net-zero goals," said Senate Majority Leader Cindy Creem. "I am so pleased that we also require public hearings on whether classifying biomass as renewable can actually be scientifically justified. And I am proud we will now regulate natural gas as the damaging fossil fuel that it is and strengthen policies to prevent gas leaks and encourage renewable geothermal alternatives."

"As the birthplace of the offshore wind industry in the United States, Massachusetts sets an example to the nation for its leadership on climate policy and today's action by the legislature further cements that legacy," said State Representative Patricia Haddad. "The House, along with our colleagues in the Senate, took steps today to increase the use of renewable energy, cut greenhouse gases and create clean energy jobs in Massachusetts. I thank Speaker Mariano, former Speaker DeLeo and Chair Golden for their leadership and work on these important issues."

"This is an historic day for Massachusetts. We have long been one of the clean energy leaders in our country, but today, we've strengthened the foundation that we have built upon and chart a course that

has been long discussed but never codified or fully implemented," said State Senator Patrick O'Connor. "Climate policy can't wait—that's why this bipartisan legislation sets aggressive and practical goals in the areas of emissions reduction, green energy, environmental justice, and grid modernization. I am proud to have served on this conference committee and thank my colleagues for their hard work and collaborative spirit in crafting this legislation."

"The climate change bill takes a comprehensive approach to reducing greenhouse gas emissions, including recognizing how forests and other natural and working lands can be used to promote carbon sequestration and help Massachusetts reach its goal of net-zero emissions by 2050," said House Minority Leader Bradley Jones, Jr. "It also incorporates municipal lighting plans as partners in these efforts by setting greenhouse gas emissions standards and establishing an equal playing field for these facilities. I'm proud to have served on the conference committee that produced this historic bill which reaffirms Massachusetts' role as a national leader on clean energy issues."

The legislation includes, among other items, the following provisions:

- Sets a statewide net-zero limit on greenhouse gas emissions by 2050 and mandates emissions limits every five years, as well as limits for specific sectors of the economy, including transportation and buildings
- Codifies EJ provisions into Massachusetts law, defining EJ

BILL | SEE PAGE 18

~ LEGAL NOTICE ~
COMMONWEALTH OF MASSACHUSETTS
THE TRIAL COURT
PROBATE AND FAMILY COURT
Middlesex Division
Docket No. 19D-3372

SUMMONS BY PUBLICATION

Adir Goncalves Do Carmo, Plaintiff
vs.
Flavia Regina Langille, Defendant

To the above-named Defendant:
A Complaint has been presented to this Court by the Plaintiff, seeking a Modification.
You are required to serve upon **Jamie H. Gorton, Esq.**, - attorney for plaintiff - whose address is **44 Eastern Ave., P.O. Box 469, Malden, MA, 02148** your answer. If you fail to do so, the court will proceed to the hearing and adjudication of this action. You are also required to file a copy of your answer in the office of the Register of this Court at Cambridge.

WITNESS, Hon. Maureen H. Monks, Esquire, First Justice of said Court at Cambridge, this 1st day of December 2020.

TARA E. DeCRISTOFARO
REGISTER OF PROBATE
January 8, 2021

OBITUARIES

Philip A. Gianatasio

Of Malden, December 25. Beloved husband of Rosanne (Fulginiti) Gianatasio. Father of State Curran. Grandfather of Shane, Lauren and Kolby. Son of the late Carmen and Lena Gianatasio.

Brother of Carmen Gianatasio and Fred and his wife Evelyn Gianatasio. Also survived by his nieces and nephews.

C. Vincent "Vinny" Cila

A lifelong resident of Malden, passed away peacefully at home, surrounded by his loving family on December 18, 2020. He was 89 years old.

Vinny cherished his family and was a wonderful support in their endeavors. For over 50 years Vinny owned and operated Broadway Motor Mart in Malden, a very successful repair business with his brother-in-law Frank Russo. People always felt safe having Vinny work on their cars because they knew he took such pride in his craft. He was kind and fun loving and those who were fortunate enough to have been in his presence, shared much laughter and joy. Vinny also was quite a prankster. His smile has faded and the world shines less brightly without him.

Vinny was the devoted husband of Annette (DiMeco) Cila. He was the beloved father of Lori Cila of Malden, Marisa Roberts and her husband Thomas of Malden, and the late Vincent P. Cila. Vinny was the brother of the late Lee Russo and her husband Frank and the late Lucy Papa and her surviving husband Anthony. He was the grandfather of Marina Roberts.

Private services were held for the immediate family.
Contributions in Vinny's memory may be made to Alzheimer's Association, 309 Waverly Oaks Rd., Waltham, MA 02452 or alz.org.

Annette (DiMeco) Cila

A lifelong resident of Malden, passed away peacefully at home, surrounded by her loving family on December 20, 2020. She was 91 years old.

Family was first and foremost with Annette and her loving ways embraced all. She was also known to be mischievous at times and quite the merry maker. While active at St. Joseph's Parish in Malden, she was one to organize a monthly dance for the Women's club. She loved good times spent with friends and enjoyed multiple trips with the Cantera Group traveling in the United States and abroad. Many may remember Annette from her work at Temple Ezra's Israel in Malden in the 70s. A void will be left in the hearts of those who knew her.

Annette was the devoted wife of C. Vincent "Vinny" Cila. She was the beloved mother of Lori Cila of Malden, Marisa Roberts and her husband Thomas of Malden, and the late Vincent P. Cila. Annette was the sister of Sally Fama and her husband Dr. Eugene Fama and the late Joseph DiMeco Jr. and his surviving wife Kay. She was the grandmother of Marina Roberts.

Private services were held for the immediate family.
Contributions in Annette's memory may be made to Alzheimer's Association, 309 Waverly Oaks Rd., Waltham, MA 02452 or alz.org.

Catherine F. (Conway) Travers

Died peacefully in her sleep on Wednesday, December 30, 2020 at the Thomas Upham House in Medfield. She was 83. Born in Malden, in 1937, she was the daughter of Michael Conway and Bridget (Kelly) Conway. She was a 1958 graduate of Salem State College and spent over 30 years teaching kindergarten in the Mills school system. She was a resident for over 60 years. Catherine, also known as Kate, Cathy, Mrs. Travers, Mom, Ma, Nana and best known as Mrs. T., had many roles in her life, but is best remembered for her love and devotion to children. As a mother of 7, grandmother of 10 and teacher of 100s, she treated every child that came into her life as her own. She was a world traveler, very proud of her Irish heritage and loved to bake. Catherine leaves behind her beloved husband of 61 years, Joseph L. Travers, Jr. of Millis. She was the loving mother of Judy Travers and her partner, Robert McPherson of Revere, Joseph Travers and his wife Terry of Jacksonville, FL, Joanne Travers Stetson and her husband Brian of Norfolk, Patrick Travers and his partner Thao Sands of Boca Raton, FL, Joanne Travers O'Connell of Millis, the late John Travers of Water-town, and the late Michael Travers of North Carolina. She was also the sister of Thomas Conway of NH and the late Teresa (Conway) Mackay of Malden. She is survived by 10 grandchildren: Raleigh and Travis Stetson, Colin and Austin Travers, Caroline and Joseph Travers, Gavin, Adeline, Avery and Reese O'Connell as well as

OBITUARIES | SEE PAGE 18

ADVOCATE Trivia Challenge

1. On Jan. 8, 1852, what Bay Stater and inventor of the cotton gin died?
2. What N.E. state's tallest building (124 feet) is the shortest building of the U.S. states' tallest buildings?
3. In "Chicken Soup with Rice: A Book of Months," who praised enjoying that soup in January?
4. What is skijoring?
5. On Jan. 9, 1324, what Italian explorer – and namesake of a game – died?
6. How are No Toes, New South Wales; The Wedge, California; and Waimea Bay, Hawaii, similar?
7. How are Graves, Great Misery and Plum similar?
8. January 10 is annual Houseplant Appreciation Day; what chemical element do houseplants give off that is beneficial?
9. What town in northern France became known for a type of lace?
10. On Jan. 11, 1895, Laurens Hammond was born, who invented what electronic keyboard instrument?
11. How are Mahabharata, Odyssey and Beowulf similar?
12. What toy does an arctophile collect?
13. In 1897 what newspaper began using the slogan All the News That's Fit to Print?
14. January 12 is annual National Hot Tea Day; what flower is also the name of the tea plant family?
15. The world's longest freshwater beach, Ontario's Wasaga Beach, is on what lake?
16. On Jan. 13, 1968, who performed at Folsom State Prison?
17. How are Abel, Cain and Seth similar?
18. What N.E. native minister and abolitionist said, "Every man should be born again on the first of January. Start with a fresh page?"
19. What candy was originally called "Papa Sucker"?
20. January 14 is annual National Dress Up Your Pet Day; what fashion company with NYC flagship stores has "The Pup Shop" for dog wear?

ANSWERS

1. Eli Whitney
2. Vermont (in Burlington)
3. Maurice Sendak
4. When a skier is drawn over ice or snow by a vehicle or horse
5. Marco Polo
6. They are popular big wave surfing spots.
7. They are islands in Massachusetts.
8. Oxygen
9. Chantilly
10. The Hammond organ
11. They are epic poems – in Sanskrit, Greek and Old English, respectively
12. Teddy bears
13. The New York Times
14. Camellia
15. Lake Huron
16. Johnny Cash
17. They are children of Adam and Eve mentioned in the Book of Genesis.
18. Henry Ward Beecher
19. Sugar Daddy
20. Ralph Lauren

~ LEGAL NOTICE ~

NOTICE OF COMMUNITY OUTREACH MEETING
MISTY MOUNTAIN SHOP

Notice is hereby given that Misty Mountain Shop will hold a Virtual Community Outreach Meeting on **January 27, 2021** at 5:30 pm. The proposed marijuana retail establishment is anticipated to be located at 323 Commercial Street, Malden, MA 02148. Due to Covid-19 restrictions the meeting will be held virtually via Zoom. Join at <https://zoom.us/j/97066880742> or by dialing (929) 205-6099 and entering Meeting ID 970 6688 0742. Interested members of the public will have an opportunity to comment and/or ask questions.

Interested members of the community will have the opportunity to ask questions and receive answers from company representatives about the proposed facility and operations. Questions can be submitted in advance or asked during the meeting after the presentation. Presentation materials will be made available 24 hours prior to the meeting at www.mistymtnshop.com. If you have a question you would like to submit in advance, please email erik@mistymtnshop.com no later than 5:00pm on Tuesday, January 26, 2021.

A copy of this notice is on file with the City Clerk at Malden City Hall, 215 Pleasant Street, Malden, MA, 02148 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 and residents within three hundred feet of the property line of the Marijuana Establishment 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.

January 8, 2021

~ LEGAL NOTICE ~

MALDEN BOARD OF APPEAL
Virtual - PUBLIC HEARING

The Malden Board of Appeal will hold a public hearing on Wednesday, January 20, 2021 6:30 pm Eastern Time (US and Canada), via remote hearing, on Petition 21-003 by Patrick MacDonald, Esq. on behalf of Maplewood Place Associates, LP o/h/o Wyner Company, LLC for a variance of MCC 12.20.010 Chapter 12 of the revised Ordinances of 2020 as amended of the City of Malden – Specifically off street parking requirements for convalescent rest and nursing homes as per Plans RES-035687-2020 at the property known as and numbered 295 Broadway, Malden, MA and also known by City Assessor's Parcel ID #153-503-301

The hearing will be hosted by the City of Malden on Zoom and will be accessible to members of the public who are invited to attend and provide comments via remote participation by accessing the following link and/or telephone:

Please click the link below to join the webinar:
<https://cityofmalden.zoom.us/j/93948326129?pwd=Nk9nc1wR2s4K0RMmMxcTBla3JDZz09>

Or iPhone one-tap : US : +19294362866, 93948326129#,,,,,0#,,448080# or +16465189805 ,93948326129#,,,,,0#,,448080# Or Telephone: Dial (for higher quality, dial a number based on your current location): US : +1 929 436 2866 or +1 646 518 9805

Webinar ID: 939 4832 6129

Passcode: 448080

International numbers available: <https://cityofmalden.zoom.us/j/93948326129>
Additional information, Petition & plans available for public review in the Office of Inspectional Services, 215 Pleasant St., 3rd floor, Malden MA or online at www.cityofmalden.org or https://permits.cityofmalden.org/EnerGov_Prod/SelfService

Nathaniel Cramer, Chair

December 31, 2020 & January 8, 2021

Space for Lease

3 Large Rooms, each with Large Walk-in Storage Area. Ideal for Law Office or Aerobics Studio.

Located at Route 1 South at Walnut Street.

Rollerworld Plaza, Route 1 South, 425 Broadway, Saugus.

Call Michelle at: 781-233-9507



January 14, 2021

To whom it may concern:

Misty Mountain Shop will hold a Virtual Community Outreach Meeting on **January 27, 2021** at 5:30 pm. The proposed adult-use marijuana retail establishment is anticipated to be located at 323 Commercial Street, Malden, MA 02148.

Due to Covid-19 restrictions the meeting will be held virtually via Zoom. Meeting information is as follows:

Join at <https://zoom.us/j/97066880742>

Meeting ID: 970 6688 0742

Dial in: (929) 205-6099 and enter Meeting ID

Interested members of the community will have the opportunity to ask questions and receive answers from company representatives about the proposed facility and operations. Questions can be submitted in advance or asked during the meeting after the presentation. Presentation materials will be made available 24 hours prior to the meeting at www.mistymtnshop.com. If you have a question you would like to submit in advance, please email erik@mistymtnshop.com no later than 5:00pm on Tuesday, January 26, 2021.

Sincerely, on behalf of Misty Mountain Shop

Blake M. Mensing
Founder & Chief Counsel
The Mensing Group LLC
100 State Street, 9th Floor
Boston, MA 02109
Direct: (617) 333-8725
Email: Blake@MensingGroup.com



January 14, 2021

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Sincerely, on behalf of Misty Mountain Shop

Blake M. Mensing
Founder & Chief Counsel
The Mensing Group LLC
100 State Street, 9th Floor
Boston, MA 02109
Direct: (617) 333-8725
Email: Blake@MensingGroup.com

Plan to Remain Compliant with Local Zoning

Malden, MA requires Marijuana Retailer to be located in I1, I2, or BH districts by way of special permit. The property at 323 Commercial Street is located in Industrial 1 zone in Malden, MA and complies with local zoning requirements and has received a special permit.

The Malden Application Process Consists of the following steps.

1. Application is submitted to the CLEC
2. The CLEC reviews the application and votes to allow applicant to proceed.
3. The applicant organizes a host community meeting.
4. Special Permit is applied for
5. Special Permit Granted
6. Negotiate Host Community Agreement

Misty Mountain Shop has successfully completed the above 6 steps and intends to remain compliant with the local zoning, special permit, and HCA conditions including the following.

- Renew license annually
- 323 Commercial Street is located in Industrial I Zone.
- Proposal complies with all local buffer zones as confirmed by the building commissioner including
 - 75 feet of a substance abuse treatment center
 - 500 feet of k-12 school
 - 75 feet of any residential use
 - 250 feet of any park playground
 - 75 feet of any religious facility
 - 75 feet of any daycare

Prior to doing any construction to the building or property, Misty Mountain Shop intends to obtain all proper permits, and paying all fees related.

In the event that we plan to make any alterations to the building the same process would apply.

Misty Mountain Shop intends to comply with all conditions of the special permit and Host Community agreement. Attached is the special permit for reference.



CITY of MALDEN CITY COUNCIL
NOTICE of DECISION

CASE NUMBER 332-20

LOCATION of SUBJECT PROPERTY 323 Commercial Street and 323B Commercial Street, Malden, MA

NAME of PETITIONER Misty Mountain Shop, LLC

NAME of OWNER 323 Commercial Street LLC

DATE of PUBLIC HEARING October 13, 2020

DATE of DECISION October 13, 2020

DATE of FILING DECISION with CITY CLERK October 27, 2020

DATE of NOTIFICATION to BUILDING INSPECTOR October 27, 2020

FINAL DATE for FILING APPEAL of DECISION with SUPERIOR COURT November 16, 2020

[Any appeal must be made pursuant to M.G.L. c. 40A, §17 and filed within 20 days after date this Notice is filed with City Clerk.]

PROCEDURAL HISTORY (Case# 332-20):

1. The subject property is collectively comprised of two parcels, held in common ownership and known as and numbered 323 Commercial Street and 323B Commercial Street and by City Assessor's Parcel numbers 059 246 603A and 059 246 603B.
2. The owner is 323 Commercial Street, LLC, 323 Commercial Street, Malden, MA 02148.
3. The petitioner is Misty Mountain Shop, LLC, 161 Boston Road, Chelmsford, MA 01824.
4. At the public hearing, petitioner was represented by its attorney, Patrick MacDonald, 479 Eastern Avenue, Malden, Massachusetts 02148 and Erik Gath, 161 Boston Road, Chelmsford, MA 01824.
5. The petition filed in Permit Application # CMID- 032303-2020 seeks a special permit under §12.12.190, Chapter 12, Revised Ordinances of 2020 (the Ordinance) (formerly §300.20, Chapter 12, Revised Ordinances of 1991), to allow a Marijuana Establishment in the Industrial 1 zoning district, specifically, a Marijuana Retailer.
6. The following plans and information were submitted in support of the petition:
 - A) Set of plans, "Permit Site Plan for 323 COMMERCIAL STREET (MAP 59, BLOCK 246, LOT 603A & 603B) MISTY MOUNTAIN SHOP," dated December 18, 2019, revised December 20, 2019, prepared by Anthony Donato, Reg. P.E., Hancock Associates, Boston, MA, that contain a site plan that depicts parking layout and circulation; Layout & Materials plan; Grading, Drainage & Utilities plan; Details sheet; "Existing Conditions Plan of Land in Malden, MA," dated December 10, 2019, prepared by Jason A. Ellis, P.L.S., Mass.; and "Misty Mountain Shop Lighting Calculation Medford, MA," dated December 19, 2019, prepared by Reflex Lighting, Wethersfield, CT.
 - B) "Proposed Floor Plans," (Drawing # A100), dated December 20, 2019, prepared by Jill Peebles, Reg. Architect, Mass., BKA Architects, Brockton, MA.
 - C) "Proposed Exterior Elevations," (Drawing # A300), undated, prepared by Jill Peebles, Reg. Architect, Mass., BKA Architects, Brockton, MA.
 - D) Renderings, "Proposed Exterior Misty Mountain Shop 323 Commercial Street, Malden, MA," (Sheets E-1, E-2, E-3) dated May 17, 2019, prepared by BKA Architects, Brockton, MA.
 - E) Floor plan breakdown (in color), "Site Plan/Report," that depicts public and employee areas, undated and unsigned.
 - F) "Traffic Impact Assessment," dated December 18, 2019, and revised February 7, 2020, prepared by The Engineering Corp (TEC) and follow-up response memorandum dated March 6, 2020.
7. The petitioner has been approved by the City of Malden Cannabis Licensing and Enforcement Commission to move forward to file a petition seeking a special permit.
8. The Malden Planning Board provided the City Council with an advisory report and recommendations, dated August 26, 2020, pursuant to §12.32.030.B.2 of the Ordinance.
9. The City's peer review report of petitioner's traffic impact and access study is contained in correspondence dated February 20, 2020 and March 16, 2020 from Kenneth Petraglia, P.T.O.E., Malden, MA.
10. In accordance with Governor Baker's March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, Massachusetts General Laws, Chapter 30A, §18, and Governor Baker's March 23, 2020 Revised Guidance on Order by the Governor Prohibiting Assemblage of More than Ten People, and due to the COVID-19 pandemic, the public hearing was held virtually and members of the public attended and participated remotely via technological means.

11. The public hearing complied with the notice requirements of §12.32.020(K) of the Ordinance and Massachusetts General Laws, Chapter 40A, §11.

FINDINGS of FACT (Case #332-20):

The Malden City Council finds the following facts:

1. The subject property is the site of an existing one-story building with 16,300 square feet on the first floor and 1,536 square feet on the mezzanine.
2. Petitioner is the proposed tenant, doing business as Misty Mountain Shop.
3. Petitioner has a long-term lease and is financially stable.
4. The proposal is to occupy the property for marijuana establishment use as a marijuana retailer.
5. Petitioner's use and occupancy of the building areas will be as depicted on the floor plans.
6. Petitioner will renovate the building and demolish a portion of the building to allow one-way traffic circulation around the building.
7. The property is located in the Industrial 1 zoning district.
8. The proposed marijuana establishment use is allowed by special permit in this district.
9. The proposed marijuana establishment will be the principal use of the property and there are no other uses of the property.
10. The proposed marijuana establishment is not located inside a building containing residential units.
11. The direct abutter to the north of the subject property is a manufacturing business, Hopwood Globe Metal Finishing; to the south, a retail sales business, New Wei Feng Market; to the west, the active MBTA and Commuter Rail railroad right-of-way; and to the east, on the other side of Commercial, a proposed wholesale & distribution roofing business.
12. Surrounding land uses include ABCD Headstart Program, Mystic Valley Elder Services offices, Comcast Service Center, the City DPW Yard, the Malden River, and the South Cove Community Health Center; and residential uses, to the west, on the other side of the railroad right-of-way, on Pearl Street and Medford Street, and to the south, at River's Edge Drive Medford.
13. The proposal complies with all required buffer zones, as determined by Nelson Miller, Building Commissioner.
14. The proposed use is not in conflict with surrounding land uses.
15. The proposal eliminates the existing side yard setback violation and building coverage violation; and the proposal maintains the front yard setback violation and creates no new violations or nonconformities.
16. The proposed marijuana establishment will be located in a permanent building.
17. The proposal requires 31 parking spaces and one loading bay/space offstreet and on-site.
18. As depicted on the site plan, there will be a total of 43 parking spaces and one loading space/bay onsite, namely, 28 spaces outside, around the building and 15 spaces inside the garage area of the building.
19. The two existing driveways will provide access or egress via two existing curb-cuts on Commercial Street.
20. Striping and pavement markings on Commercial Street in the area are faded and barely visible.
21. The City's peer review recommends the following traffic and safety mitigation: Install STOP traffic signs and STOP lines at each egress; add or update all pavement markings within the study area, including crosswalks and roadway edge lines, with updating limited to striping with white 12- inch striping on edge lines and crosswalks on both sides of Commercial Street to mimic prior treatment, and the improved area be extended from the approach to Medford Street, west to the western point of the median existing island that runs westerly past the ABCD Head Start Program at 359 Commercial Street; and assist the City in providing improvements related to signal timings at the Commercial Street intersection with Medford Street, specifically to optimize signal timings to meet current MassDOT standards.
22. There are outstanding concerns with traffic entering and exiting the site that must be addressed.
23. As modified by the proposed conditions of the special permit, the traffic and traffic patterns generated by the proposal will not adversely impact any of the surrounding streets or create a traffic or safety hazard.
24. The required on-site bicycle parking is not proposed.
25. Petitioner stated that for at least the first 60 days, sales would be by appointment only.
26. Petitioner agreed for the first 60 days, at a minimum, there would be a paid Police detail from Monday through Friday between the hours of 3:00P.M.-7:00 P.M.
27. Petitioner's business will provided thirty local jobs, with a minimum of 50% set aside for Malden residents, and with an emphasis on minority applicants.
28. The proposed business will generate revenues for the city with 3% of the sales going to the city as tax revenue and 3% of sales going for a community impact fee.

29. As modified by the proposed conditions of the special permit, the proposal will not generate any noise, odor, fumes, vibration, heat or other conditions that may be noxious or cause a nuisance to the community, a danger to public health, or impair public comfort and convenience.
30. Petitioner will also install carbon monoxide filters at the site.
31. Petitioner agrees to comply with all conditions recommended by the Planning Board.
32. The petitioner will negotiate to enter into a host community agreement with the City of Malden.
33. One resident of Malden spoke in support the proposal and there was no other public support.
34. Two residents of Malden spoke in opposition to the proposal and there was no other public opposition.
35. As modified by the proposed conditions of the special permit, the proposal is in the interest of the common good.
36. As modified by the proposed conditions of the special permit, the proposal is not detrimental to the public good.
37. As modified by the proposed conditions of the special permit, the proposal is not detrimental to the health, safety or welfare of the neighborhood or the city.

DECISION (Case#332-20)

On October 13, 2020, the City Council granted a special permit subject to the following 18 conditions:

1. All development shall be as per plans, which are incorporated herein by reference and except where modified by these conditions.
2. The retail sales area open to the public shall be limited to the location, area and size shown on the plans; any change shall require an amendment of this special permit.
3. Re: the portion of the building to be demolished, file Notice of Intent to Demolish/Application for Review by Historical Commission and obtain a Determination of Significance.
4. Install, repair or replace sidewalks, driveways and perform necessary incidental work adjacent to the property to the reasonable satisfaction of the DPW Director.
5. Merge parcels 323 Commercial Street (City Parcel ID 059 246 603A) and 323B Commercial Street (City Parcel ID 059 246 603B) via Approval Not Required subdivision control process.
6. Implement traffic and safety mitigation recommended by City Peer Reviewer in reports dated February 20, 2020 and March 16, 2020 regarding signage at site egresses; pavement markings in the area; and traffic signal timings at the intersection of Commercial and Medford Streets.
7. The special permit is non-transferable and non-assignable.
8. Design and implement a Security Plan approved by the Malden Police Chief, which shall include, without limitation: all security measures for the site and the transportation of Marijuana and Marijuana Products to and from off-site premises to ensure the safety of employees and the public and to protect the premises property from theft or other criminal activity; a detailed explanation of payment method, if applicable, acceptable at such establishment and the protection and security of such payments and, if applicable, cash on site; and the presence of a security guard on site at all hours of operation.
9. Consumption of Marijuana and/or Marijuana Products is prohibited at or within 500 feet.
10. Smoking or burning of Marijuana and/or Marijuana Products is prohibited on the premises.
11. Marijuana in any form, including plants, and Marijuana Products shall not be visible from outside of the building.
12. Any outside storage of any kind is prohibited.
13. Any outside display of any kind is prohibited.
14. Incorporate odor control technology and provisions, and ensure that emissions do not violate M.G.L. c.111 § 31C, including but not limited to those specified for odors.
15. Prior to issuance of any building permit or occupancy permit, submit copies of the following licenses and approvals: a) A valid license issued by the Massachusetts Cannabis Control Commission, as defined herein this Ordinance; b) A fully executed Community Host Agreement with the City of Malden, as defined herein this Ordinance; c). Any required license and/or approvals issued by the Malden License Board; and d) Any required license and/or approvals issued by the Malden Board of Health.
16. Petitioner shall work with the City peer reviewer and City officials to design a plan to regulate access/egress, that would include signage and pavement markings.
17. Install bicycle parking racks on-site.
18. The Special Permit shall be run concurrently with the Host Community Agreement.

RECORD of VOTES:

By a vote of 4-7, a motion to table the decision to grant a special permit until all traffic issues are resolved failed. A roll call vote was taken: Anderson (y), Camell (n), Condon (y), Crowe (n), DeMaria (n), Linehan (n), Murphy (y), O'Malley (y), Spadafora (n), Winslow (n), Sica (n).

By a vote of 11-0, the City Council added the condition that the petitioner work with the city peer reviewer and City officials to design a plan to regulate access/egress, that would include signage and pavement markings. A roll call vote was taken: Anderson (y), Camell (y), Condon (y), Crowe (y), DeMaria (y), Linehan (y), Murphy (y), O'Malley (y), Spadafora (y), Winslow (y), Sica (y).

By a vote of 11-0, the City Council added the condition that the site have bicycle racks. A roll call vote was taken: Anderson (y), Camell (y), Condon (y), Crowe (y), DeMaria (y), Linehan (y), Murphy (y), O'Malley (y), Spadafora (y), Winslow (y), Sica (y).

By a vote of 9-2, the City Council added the condition that requires the special permit to run concurrently with the Host Community Agreement. A roll call vote was taken; Anderson (y), Camell (y), Condon (y), Crowe (y), DeMaria (y), Linehan (y), Murphy (y), O'Malley (y), Spadafora (y), Winslow (y), Sica (y).

By a vote of 8-3, the City Council voted to grant the Special Permit with 18 conditions, motion by Crowe, seconded by DeMaria. The following roll call vote was taken:

Anderson (y), Camell (y), Condon (n), Crowe (y), DeMaria (y), Linehan (y), Murphy (n), O'Malley (n), Spadafora (y), Winslow (y), Sica (y).

I, Gregory Lucey, City Clerk of the City of Malden, hereby certify that the above is a true copy of the decision of the Malden City Council.

A handwritten signature in black ink, appearing to read "Gregory Lucey", with a large, stylized loop at the end.

By: _____
Gregory Lucey, City Clerk



Kristina Beacom <kristina@mensinggroup.com>

Permission to hold meeting virtually

2 messages

Kristina Beacom <kristina@mensinggroup.com>

Mon, Jan 4, 2021 at 12:25 PM

To: kmanninghall@cityofmaiden.org

Cc: Erik Gath <erik.m.gath@gmail.com>, Blake Mensing <blake@mensinggroup.com>

Hello,

I am coordinating a community outreach meeting regarding a retail marijuana establishment for Erik Gath of Misty Mountains. The first step is to get approval from the Mayor's office to hold it online instead of in person due to the current public health conditions. An affirmative reply to this email will be sufficient if you would be so kind as to submit the request on our behalf.

Thank you,

Kristina Beacom
Practice Manager
The Mensing Group LLC
Direct: (413) 330-9334
www.MensingGroup.com

Legal Disclaimer: Kristina Beacom is not a licensed attorney.

Kathleen Manning Hall <kmanninghall@cityofmaiden.org>

Mon, Jan 4, 2021 at 2:47 PM

To: Kristina Beacom <kristina@mensinggroup.com>

Cc: Erik Gath <erik.m.gath@gmail.com>, Blake Mensing <blake@mensinggroup.com>

Kristina, Yes Misty Mountain has the Mayor's Office approval to hold its community outreach meeting virtually.

Thank you,

Kathleen

Kathleen Manning Hall

Administrative Officer

Office of Mayor Gary Christenson

[215 Pleasant Street, Malden, MA 02148](https://www.cityofmaiden.org/215-Pleasant-Street)kmanninghall@cityofmaiden.org

781-397-7000 Ext. 2004

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See More 

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 **Delivered**

January 19, 2021 at 10:29 am

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MALDEN, MA 02148

Get Updates 

See More 

Feedback

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 **Delivered**

January 19, 2021 at 12:54 pm

Delivered
BOSTON, MA 02116

Get Updates 

See More 

Tracking Number: 70191640000156220235

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Your item was returned to the sender at 9:13 am on January 20, 2021 in WAKEFIELD, MA 01880 because the forwarding order for this address is no longer valid.

Alert

January 20, 2021 at 9:13 am
Forward Expired
WAKEFIELD, MA 01880

Get Updates 

See More 

Tracking Number: 70191640000156220228

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Your item was delivered to an individual at the address at 11:35 am on January 16, 2021 in MALDEN, MA 02148.

 Delivered

January 16, 2021 at 11:35 am
Delivered, Left with Individual
MALDEN, MA 02148

Get Updates 

See More 

Feedback

Tracking Number: 70191640000156220259

Remove 

Your item was delivered to an individual at the address at 2:21 pm on January 19, 2021 in PUNTA GORDA, FL 33950.

 Delivered

January 19, 2021 at 2:21 pm
Delivered, Left with Individual
PUNTA GORDA, FL 33950

Get Updates 

See More 

Tracking Number: 70191640000156220266

Remove X

Your item was delivered to an individual at the address at 12:36 pm on January 19, 2021 in MALDEN, MA 02148.

 **Delivered**

January 19, 2021 at 12:36 pm
Delivered, Left with Individual
MALDEN, MA 02148

Get Updates ✓

See More ✓

Tracking Number: 70191640000156220280

Remove X

Your item was delivered to an individual at the address at 12:36 pm on January 19, 2021 in MALDEN, MA 02148.

 **Delivered**

January 19, 2021 at 12:36 pm
Delivered, Left with Individual
MALDEN, MA 02148

Get Updates ✓

See More ✓

Feedback

Tracking Number: 70191640000156220297

Remove X

Your item was delivered to an individual at the address at 2:00 pm on January 16, 2021 in BROOKLINE, MA 02445.

 **Delivered**

January 16, 2021 at 2:00 pm
Delivered, Left with Individual
BROOKLINE, MA 02445

Get Updates ✓

See More ✓

Tracking Number: 70191640000156220303

Remove X

Your item was delivered to an individual at the address at 12:54 pm on January 19, 2021 in MALDEN, MA 02148.

 **Delivered**

January 19, 2021 at 12:54 pm
Delivered, Left with Individual
MALDEN, MA 02148

Get Updates ✓

See More ✓

Tracking Number: 70191640000156220310

Remove X

Your item was delivered to an individual at the address at 10:30 am on January 19, 2021 in CHESTNUT HILL, MA 02467.

 **Delivered**

January 19, 2021 at 10:30 am
Delivered, Left with Individual
CHESTNUT HILL, MA 02467

Get Updates ✓

See More ✓

Feedback

Tracking Number: 70191640000156220334

Remove X

Your item was delivered to an individual at the address at 9:34 am on January 20, 2021 in BOSTON, MA 02111.

 **Delivered**

January 20, 2021 at 9:34 am
Delivered, Left with Individual
BOSTON, MA 02111

Get Updates ✓

See More ✓

Tracking Number: 70191640000156220341

Remove X

Your item was delivered to an individual at the address at 2:07 pm on January 19, 2021 in MALDEN, MA 02148.

 **Delivered**

January 19, 2021 at 2:07 pm
Delivered, Left with Individual
MALDEN, MA 02148

Get Updates ✓

See More ✓

Tracking Number: 70191640000156220358

Remove X

Your item was delivered to an individual at the address at 2:07 pm on January 19, 2021 in MALDEN, MA 02148.

 **Delivered**

January 19, 2021 at 2:07 pm
Delivered, Left with Individual
MALDEN, MA 02148

Get Updates ✓

See More ✓

Feedback

Tracking Number: 70191640000156220372

Remove X

Your item was delivered to an individual at the address at 3:06 pm on January 20, 2021 in BURLINGTON, MA 01803.

 **Delivered**

January 20, 2021 at 3:06 pm
Delivered, Left with Individual
BURLINGTON, MA 01803

Get Updates ✓

See More ✓

Tracking Number: 70191640000156220389

Remove X

Your item was delivered to an individual at the address at 3:50 pm on January 19, 2021 in BOSTON, MA 02210.

 **Delivered**

January 19, 2021 at 3:50 pm
Delivered, Left with Individual
BOSTON, MA 02210

Get Updates ✓

See More ✓

Tracking Number: 70191640000156220396

Remove X

Your item was delivered to an individual at the address at 2:07 pm on January 19, 2021 in MALDEN, MA 02148.

 **Delivered**

January 19, 2021 at 2:07 pm
Delivered, Left with Individual
MALDEN, MA 02148

Get Updates ✓

See More ✓

Tracking Number: 70191640000156220457

Remove X

Your item was delivered to an individual at the address at 2:00 pm on January 19, 2021 in MALDEN, MA 02148.

 **Delivered**

January 19, 2021 at 2:00 pm
Delivered, Left with Individual
MALDEN, MA 02148

Get Updates ✓

See More ✓

Feedback

Tracking Number: 701916400001562204026

Remove X

Status Not Available

The tracking number may be incorrect or the status update is not yet available. Please verify your tracking number and try again later.

Tracking Number: 70191640000156220419

Remove X

Your item was delivered to an individual at the address at 10:45 am on January 16, 2021 in MALDEN, MA 02148.

Delivered

January 16, 2021 at 10:45 am
Delivered, Left with Individual
MALDEN, MA 02148

Get Updates ✓

See More ✓

Feedback

Tracking Number: 70191640000156220426

Remove X

Your item was delivered to an individual at the address at 10:39 am on January 16, 2021 in MALDEN, MA 02148.

Delivered

January 16, 2021 at 10:39 am
Delivered, Left with Individual
MALDEN, MA 02148

Get Updates ✓

See More ✓

Tracking Number: 70191640000156220433

Remove X

Your item was delivered to an individual at the address at 10:29 am on January 16, 2021 in MALDEN, MA 02148.

 **Delivered**

January 16, 2021 at 10:29 am
Delivered, Left with Individual
MALDEN, MA 02148

Get Updates 

See More 

Tracking Number: 70191640000156220464

Remove 

Your item was delivered to an individual at the address at 10:22 am on January 16, 2021 in MALDEN, MA 02148.

 **Delivered**

January 16, 2021 at 10:22 am
Delivered, Left with Individual
MALDEN, MA 02148

Get Updates 

See More 

Feedback

Tracking Number: 70191640000156220471

Remove 

Your item was delivered to an individual at the address at 10:22 am on January 16, 2021 in MALDEN, MA 02148.

 **Delivered**

January 16, 2021 at 10:22 am
Delivered, Left with Individual
MALDEN, MA 02148

Get Updates 

See More 

Remove 

Tracking Number: 70191640000156220488

Your item was delivered to an individual at the address at 10:13 am on January 16, 2021 in MALDEN, MA 02148.

Delivered

January 16, 2021 at 10:13 am
Delivered, Left with Individual
MALDEN, MA 02148

Get Updates 

See More 

Can't find what you're looking for?

Go to our FAQs section to find answers to your tracking questions.

FAQs

Feedback

July 23, 2022

Cannabis Control Commission
Union Station
2 Washington Square
Worcester, MA 01604

RE: **Misty Mountain Shop License Renewal MRN 282634**

Dear CCC Licensing,

Misty Mountain Shop (MMS) is pleased to provide the commission with our correspondence regarding Community impact.

1. Municipal Correspondence – MMS reached out to Kathleen Manning Hall on 6/30/22 to request information. Ms. Manning Hall is the clerk of the City of Malden's Cannabis Licensing Enforcement Commission (CLEC). We did not received a response. Attached is the correspondence.

If you have any questions or need anything please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to be 'Erik Gath', with a stylized, cursive script.

Erik Gath
Misty Mountain Shop, LLC

From: Erik Gath
Sent: Thursday, June 30, 2022 2:22 PM
To: Kathleen Manning Hall
Subject: CCC License Renewal

Kathleen,

I am reaching out because Misty Mountain Shop's license with the CCC is due for renewal. I must submit the renewal prior to 7/26. As part of the renewal I am required to request the following.

1. Municipal Correspondence: All licensees are required to contact their Host Community requesting the records of any costs imposed on the city or town that are reasonably related to the operation of the Marijuana Establishment or Medical Marijuana Treatment Center. The request should state that, "in accordance with M.G.L. c. 94G, § 3(d), any cost to a city or town imposed by the operation of a Marijuana Establishment or MTC shall be documented and considered a public record as defined by M.G.L. c. 4, § 7, cl. 26."
You are required to submit a copy of the request as well as the Host Community's response. If a response was not received at the time the renewal application is due, the licensee should provide an attestation to that effect as part of the renewal application. The licensee should make a good faith effort to send the notice and allow for a reasonable response time from the municipality.

Would you be able to provide this information in the next few weeks?

Thank you,
Erik Gath
978.621.6900

Positive Impact Plan

Governed by M.G.L. c. 94G, §4 and 935 CMR 500.101(1)(a)(11)

Misty Mountain Shop (“Misty Mountain”) is dedicated to serving and supporting those individuals disproportionately harmed by cannabis prohibition. Misty Mountain’s Positive Impact Plan is an effort to respond to evidence which demonstrates that certain populations have been disproportionately impacted by high rates of arrest and incarceration for marijuana and other drug crimes as a result of state and federal drug policy.

To support such populations, Misty Mountain will focus on the following groups:

1. Past or present residents of the areas of disproportionate impact (“ADI’s”) as defined by the Cannabis Control Commission (“CCC”).
2. Certified Economic Empowerment recipients.
3. Social Equity Program participants
4. Massachusetts residents who have past drug convictions.
5. Massachusetts residents who have parents or spouses who have past drug convictions.

Goal #1 – To help individuals located in Lynn, an area of disproportionate impact as defined by the Commission, succeed in starting a cannabis business.

1. Our plan to achieve this goal is to focus on individuals residing in Lynn, MA by:
 - a. Providing engineering consulting services at a discounted rate, with a delayed payment schedule, or other financing options. Engineering services would include the design of HVAC and/or plumbing systems for cultivation facilities.
 - b. Providing energy compliance consulting services at a discounted rate, with a delayed payment schedule, or other financing options. Energy compliance consulting services would include assistance with remaining compliant with the CCC energy compliance regulations.
 - c. Assist individuals with finding affordable contractors, consultants, and other professionals. Budget is a limiting factor for many aspiring cultivators. Assisting these individuals in finding cost-effective solutions will help them succeed in this industry.
2. Integration of this plan is simple:
 - a. Misty Mountain is owned by a licensed mechanical engineer who has extensive experience designing HVAC and plumbing systems for marijuana cultivation facilities. Misty Mountain would advertise on our website that these options are

available. We would prioritize working with these types of individuals at a discounted rate, with a delayed payment schedule, or other financing options

- b. Misty Mountain will create relationships with these individuals on a personal and professional level.
 - c. When they get their place up and running we will continue to work with them to ensure they continue to remain compliant with the CCC energy regulations.
 - d. If the company obtains a marijuana cultivation license Misty Mountain would buy wholesale and showcase their products.
3. Measurement and accountability:
- a. Misty Mountain will set a goal of 2 contracts with individuals from Lynn each year.
 - b. Misty Mountain will post the goal on our website with a tracker showing where we are in relation to our goals.
 - c. Misty Mountain will use qualitative and quantitative measurement metrics in measuring the results of its program and upon renewal will demonstrate that the CEP led to measurable success of our goal. The metric to be used in determining whether the goals were met will be to produce the total number of individuals Misty Mountain has assisted with providing consultation services for engineering, compliance and referral and indicate the specific ADI where that individual resides or has resided.

Goal #2 – To help Social Equity applicants succeed in starting up a Cannabis business.

1. Our plan to achieve this goal is to focus on individuals residing in Lynn, MA by:
 - a. Providing engineering consulting services at a discounted rate, with a delayed payment schedule, or other financing options. Engineering services would include the design of HVAC and/or plumbing systems for cultivation facilities.
 - b. Providing energy compliance consulting services at a discounted rate, with a delayed payment schedule, or other financing options. Energy compliance consulting services would include assistance with remaining compliant with the CCC energy compliance regulations.
 - c. Assist individuals with finding affordable contractors, consultants, and other professionals. Budget is a limiting factor for many aspiring cultivators. Assisting these individuals in finding cost-effective solutions will help them succeed in this industry.
2. Integration of this plan is simple:
 - a. Misty Mountain is owned by a licensed mechanical engineer who has extensive experience designing HVAC and plumbing systems for marijuana cultivation

facilities. Misty Mountain would advertise on our website that these options are available. We would prioritize working with these types of individuals at a discounted rate, with a delayed payment schedule, or other financing options

- b. Misty Mountain will create relationships with these individuals on a personal and professional level.
 - c. When they get their place up and running we will continue to work with them to ensure they continue to remain compliant with the CCC energy regulations.
 - d. If the company obtains a marijuana cultivation license Misty Mountain would buy wholesale and showcase their products.
3. Measurement and accountability:
- a. Misty Mountain will set a goal of 2 contracts with social equity applicants each year.
 - b. Misty Mountain will post the goal on our website with a tracker showing where we are in relation to our goals.
 - c. Misty Mountain will use qualitative and quantitative measurement metrics in measuring the results of its program and upon renewal will demonstrate that the CEP led to measurable success of our goal. The metric to be used in determining whether the goals were met will be to produce the total number of individuals Misty Mountain has assisted with providing consultation services for engineering, compliance and referral and indicate the specific ADI where that individual resides or has resided.

Misty Mountain acknowledges and is aware, and will adhere to, the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment.

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

Misty Mountain expressly understands that the progress or success of this plan will be required to be demonstrated upon each annual license renewal period in conformity with 935 CMR 500.101(1) and (2).



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

mass.gov/dor

Letter ID: L0775586624
Notice Date: March 19, 2021
Case ID: 0-001-122-026



CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



MISTY MOUNTAIN SHOP
161 BOSTON RD
CHELMSFORD MA 01824-3978

Why did I receive this notice?

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

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

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

What if I have questions?

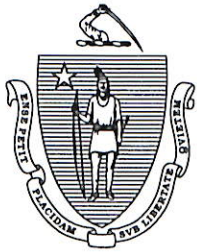
If you have questions, call us at (617) 887-6400 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 9:00 a.m. to 4:00 p.m..

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

March 19, 2021

TO WHOM IT MAY CONCERN:

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

MISTY MOUNTAIN SHOP LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **August 3, 2018.**

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

I also certify that the names of all managers listed in the most recent filing are: **ERIK GATH**

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

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **NONE**



In testimony of which,

I have hereunto affixed the

Great Seal of the Commonwealth

on the date first above written.

A handwritten signature in black ink, reading 'William Francis Galvin'.

Secretary of the Commonwealth

COMMONWEALTH *of* MASSACHUSETTS

**STATEMENT OF ORGANIZER
of
SERENITY DISPENSARIES, LLC**

THE UNDERSIGNED, being the organizer of SERENITY DISPENSARIES, LLC, (the "Company"), a Massachusetts limited liability company, does hereby adopt the following resolutions and take the following actions by written consent in lieu of organizational meeting:

RESOLVED, that a copy of the Certificate of Organization of the Company, as filed with the Secretary of the Commonwealth of Massachusetts on August 03, 2018, be, and the same hereby is, ordered filed in the minute book of the Company;

RESOLVED, that the number of initial members forming this Company shall be one (1);

RESOLVED, that from this day hence, the undersigned has fulfilled the duties of Organizer and relinquishes all further duties to the Members of the Company; and

RESOLVED, that the following named person(s) shall constitute the initial members(s) of the Company:

Erik Gath

Signed and executed by the Organizer on August 03, 2018.



Erik Gath
Organizer



The Commonwealth of Massachusetts
William Francis Galvin

Minimum Fee: \$500.00

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

Special Filing Instructions
 9786216900

Certificate of Organization

(General Laws, Chapter)

Identification Number: 001339784

1. The exact name of the limited liability company is: SERENITY DISPENSARIES, LLC

2a. Location of its principal office:

No. and Street: 161 BOSTON ROAD
 City or Town: CHELMSFORD State: MA Zip: 01824 Country: USA

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

No. and Street: 161 BOSTON ROAD
 City or Town: CHELMSFORD State: MA Zip: 01824 Country: USA

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

I AM FORMING AN LLC FOR THE PURPOSE OF APPLYING FOR A MARIJUANA LICENSE. I WILL NOT BE DEALING WITH OR DOING ANY BUSINESS WITH MARIJUANA.

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:

Name: ERIK GATH
 No. and Street: 161 BOSTON ROAD
 City or Town: CHELMSFORD State: MA Zip: 01824 Country: USA

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

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

| Title | Individual Name First, Middle, Last, Suffix | Address (no PO Box) Address, City or Town, State, Zip Code |
|---------|--|---|
| MANAGER | ERIK GATH | 161 BOSTON ROAD CHELMSFORD, MA 01824 USA |

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

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

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

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

9. Additional matters:

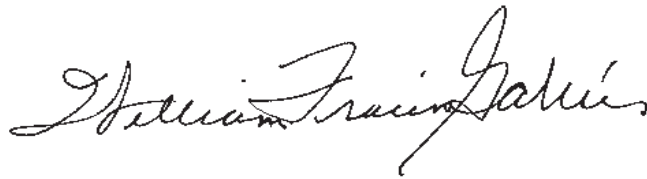
SIGNED UNDER THE PENALTIES OF PERJURY, this 3 Day of August, 2018,
ERIK GATH
(The certificate must be signed by the person forming the LLC.)

THE COMMONWEALTH OF MASSACHUSETTS

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

deemed to have been filed with me on:

August 03, 2018 12:41 PM

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

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth

**ACTION BY UNANIMOUS CONSENT OF THE MANAGERS
IN LIEU OF ANNUAL MEETING
of
SERENITY DISPENSARIES, LLC**

The undersigned, constituting all the Managers of SERENITY DISPENSARIES, LLC, a limited liability company organized and existing under the laws of the Commonwealth of Massachusetts (the "Company"), by unanimous consent in writing pursuant to the authority contained in Chapter 156C of the Massachusetts General Laws, without the formality of convening a meeting, do hereby consent to the following action of the Company, and direct that this consent be filed with the minutes of the Managers of the Company.

RESOLVED: The name of the Company is hereby changed to **MISTY MOUNTAIN SHOP LLC**.

RESOLVED: That the following persons are elected as Manager of the Company, to serve in accordance with the company Operating Agreement:

ERIK GATH

RESOLVED: To ratify and adopt as contracts of the Company all agreements made prior to the organization of the Company for the purchase or lease of equipment, supplies, services, material, or space and otherwise for the establishment and continuation of the business to be conducted by the Company.

RESOLVED: That the Managers of the Company be, and they hereby are, acting jointly or singly, authorized and directed to take such actions and to make, execute, deliver and file on behalf of this Company such corporate papers, certificates, instruments and other documents as may be necessary or desirable to carry out the intent and purposes of the foregoing resolutions.

Adopted this 26th day of April 2019.



Erik Gath
Sole Member/Sole Manager



The Commonwealth of Massachusetts

William Francis Galvin

Minimum Fee: \$100.00

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

Restated Certificate of Organization

(General Laws, Chapter)

Identification Number: 001339784

The date of filing of the original certificate of organization: 08/03/2018

1. The exact name of the limited liability company is: Misty Mountain Shop, LLC
and if changed, the name under which it was originally organized: Serenity Dispensaries, LLC

2a. Location of its principal office:

No. and Street: 161 BOSTON ROAD
City or Town: CHELMSFORD State: MA Zip: 01824 Country: USA

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

No. and Street: 161 BOSTON ROAD
City or Town: CHELMSFORD State: MA Zip: 01824 Country: USA

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

I AM FORMING AN LLC FOR THE PURPOSE OF APPLYING FOR A MARIJUANA LICENSE.
I WILL NOT BE DEALING WITH OR DOING ANY BUSINESS WITH MARIJUANA.

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:

Name: ERIK GATH
No. and Street: 161 BOSTON ROAD
City or Town: CHELMSFORD State: MA Zip: 01824 Country: USA

I, Erik M Gath resident agent of the above limited liability company, consent to my appointment as the resident agent of the above limited liability company pursuant to G. L. Chapter 156C Section 12.

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

| Name | Address (no PO Box) Address, City or Town, State, Zip Code |
|-----------|---|
| ERIK GATH | 161 BOSTON ROAD CHELMSFORD, MA 01824 USA |

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

| Name | Address (no PO Box) Address, City or Town, State, Zip Code |
|------|---|
| | |

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

| Name | Address (no PO Box) Address, City or Town, State, Zip Code |
|------|---|
| | |

9. Additional matters:**10. Describe any amendments to be effected by the restated certificate, and if none, include a statement to that affect:**

The name of the LLC has changed

11. The restated certificate shall be effective when filed unless a later effective date is specified:**Filer's Contact Information**

(Enter a contact name, mailing address, and email and/or phone number.)

Contact Name: Erik M Gath

Business Name: Misty Mountain Shop

No. and Street: 161 Boston Rd

City or Town: Chelmsford

State: MA

Zip: 01824

Country: usa

Contact Phone: 9786216900 ext:

Contact Email: Erik.m.gath@gmail.com

Please provide an email address to receive an expedited response from the Corporations Division.

If the filing is rejected for any reason, you will be contacted. If no email address is provided, correspondence from the Division will be sent by mail.

SIGNED UNDER THE PENALTIES OF PERJURY, this 25 Day of April, 2019,

Erik M Gath , Signature of Applicant.

Make Corrections

Accept

COMMONWEALTH *of* MASSACHUSETTS

**STATEMENT OF ORGANIZER
of
SERENITY DISPENSARIES, LLC**

THE UNDERSIGNED, being the organizer of SERENITY DISPENSARIES, LLC, (the "Company"), a Massachusetts limited liability company, does hereby adopt the following resolutions and take the following actions by written consent in lieu of organizational meeting:

RESOLVED, that a copy of the Certificate of Organization of the Company, as filed with the Secretary of the Commonwealth of Massachusetts on August 03, 2018, be, and the same hereby is, ordered filed in the minute book of the Company;

RESOLVED, that the number of initial members forming this Company shall be one (1);

RESOLVED, that from this day hence, the undersigned has fulfilled the duties of Organizer and relinquishes all further duties to the Members of the Company; and

RESOLVED, that the following named person(s) shall constitute the initial members(s) of the Company:

Erik Gath

Signed and executed by the Organizer on August 03, 2018.



Erik Gath
Organizer



The Commonwealth of Massachusetts
William Francis Galvin

Minimum Fee: \$500.00

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

Special Filing Instructions
 9786216900

Certificate of Organization

(General Laws, Chapter)

Identification Number: 001339784

1. The exact name of the limited liability company is: SERENITY DISPENSARIES, LLC

2a. Location of its principal office:

No. and Street: 161 BOSTON ROAD
 City or Town: CHELMSFORD State: MA Zip: 01824 Country: USA

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

No. and Street: 161 BOSTON ROAD
 City or Town: CHELMSFORD State: MA Zip: 01824 Country: USA

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

I AM FORMING AN LLC FOR THE PURPOSE OF APPLYING FOR A MARIJUANA LICENSE. I WILL NOT BE DEALING WITH OR DOING ANY BUSINESS WITH MARIJUANA.

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:

Name: ERIK GATH
 No. and Street: 161 BOSTON ROAD
 City or Town: CHELMSFORD State: MA Zip: 01824 Country: USA

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

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

| Title | Individual Name First, Middle, Last, Suffix | Address (no PO Box) Address, City or Town, State, Zip Code |
|---------|--|---|
| MANAGER | ERIK GATH | 161 BOSTON ROAD CHELMSFORD, MA 01824 USA |

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

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

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

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

9. Additional matters:

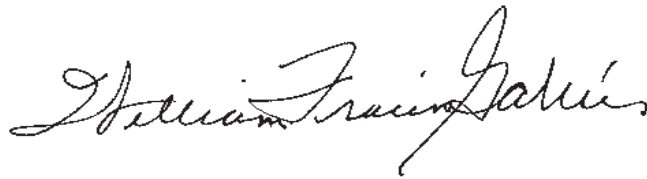
SIGNED UNDER THE PENALTIES OF PERJURY, this 3 Day of August, 2018,
ERIK GATH
(The certificate must be signed by the person forming the LLC.)

THE COMMONWEALTH OF MASSACHUSETTS

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

deemed to have been filed with me on:

August 03, 2018 12:41 PM

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

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth

**ACTION BY UNANIMOUS CONSENT OF THE MANAGERS
IN LIEU OF ORGANIZATIONAL MEETING**

of
SERENITY DISPENSARIES, LLC

The undersigned, constituting all the Managers of SERENITY DISPENSARIES, LLC, a limited liability company organized and existing under the laws of the Commonwealth of Massachusetts (the "Company"), by unanimous consent in writing pursuant to the authority contained in Chapter 156C of the Massachusetts General Laws, without the formality of convening a meeting, do hereby consent to the following action of the Company, and direct that this consent be filed with the minutes of the Managers of the Company.

RESOLVED: That the Operating Agreement of the Company signed and approved by all Members of the company dated April 3, 2018 and attached hereto under Exhibit A attached hereto, is hereby approved and adopted as the Operating Agreement of the Company.

RESOLVED: To ratify and adopt as contracts of the Company all agreements made prior to the organization of the Company for the purchase or lease of equipment, supplies, services, material, or space and otherwise for the establishment and continuation of the business to be conducted by the Company.

RESOLVED: That the Managers of the Company be, and they hereby are, acting jointly or singly, authorized and directed to take such actions and to make, execute, deliver and file on behalf of this Company such corporate papers, certificates, instruments and other documents as may be necessary or desirable to carry out the intent and purposes of the foregoing resolutions.

Adopted this 3rd day of April 2018.



Erik Gath
Sole Member/Sole Manager

OPERATING AGREEMENT
OF
SERENITY DISPENSARIES, LLC
A MANAGER-MANAGED SINGLE-MEMBER MASSACHUSETTS LIMITED LIABILITY
COMPANY TAXABLE AS A DISREGARDED ENTITY

Dated as of August 3, 2018

**OPERATING AGREEMENT
OF
SERENITY DISPENSARIES, LLC**

DATE OF AGREEMENT; PARTIES

This limited liability company operating agreement (the “Agreement”), dated as of August 3, 2018, is among the following parties (the “parties”):

1. **ERIK GATH** (the “Member”), an individual, a resident of the Commonwealth of Massachusetts, residing at 161 Boston Road, Chelmsford, MA USA; and
2. **SERENITY DISPENSARIES, LLC** (the “LLC”), a limited liability company formed and existing under the laws of the Commonwealth of Massachusetts, with its principal place of business at 161 Boston Road, Chelmsford, MA USA.

BACKGROUND

1. On August 3, 2018 (the “Filing Date”), the member caused the LLC’s certificate of organization (the “Certificate”) to be filed with the Secretary of the Commonwealth of Massachusetts (the “Secretary of the Commonwealth”), and on that date the LLC was formed as a limited liability company under the Massachusetts Limited Liability Company Act (the “LLC Act”), Massachusetts General Laws (“M.G.L.”) Chapter 156C. A copy of the Certificate is attached as Exhibit A.
2. The principal purpose of the LLC is to own and operate a retail business and to engage in any and all activities related or incidental to the foregoing and to do all things necessary or convenient for the accomplishment thereof, in accordance with the M.G.L. and any acts in amendment thereof. The LLC may also carry on any other lawful business, purpose or activity.
3. This Agreement sets forth the agreement of the parties about their respective rights and duties as parties to the Agreement and about the business, internal affairs and taxation of the LLC.

TERMS AND CONDITIONS

Intending to be legally bound, the parties agree as follows:

Article I. PRELIMINARY PROVISIONS

1.01 EFFECTIVE DATE OF AGREEMENT.

The effective date of this Agreement (the “Effective Date”) shall be the Filing Date.

1.02 LLC’S NAME, ETC.

The LLC’s name, registered agent, registered office, and form of management shall be as set forth in the Certificate.

1.03 ENTITY STATUS OF LLC; OWNERSHIP OF LLC ASSETS

The LLC is a legal entity separate and distinct from its member. The LLC owns all of its assets in its own name and the member has no direct interest in those assets.

1.04 LLC’S PRINCIPAL PURPOSE

The principal purpose of the LLC shall be as set forth above.

1.05 LLC’S POWERS

In pursuing its lawful purposes, the LLC shall have the power to do all things that LLCs are permitted to do under the LLC Act.

1.06 LLC’S DURATION

The duration of the LLC shall be indefinite and shall terminate only as set forth in Section 8 of this Agreement.

1.07 LLC’S PRINCIPAL PLACE OF BUSINESS

The LLC’s principal place of business shall be as set forth above. The member may change the LLC’s principal place of business from time to time in the member’s discretion.

1.08 MANAGEMENT OF LLC BY THE MEMBER; APPOINTMENT OF MANAGER; DELEGATION, ETC.

- (a) Management Structure. The LLC shall be managed by a manager (the “manager”). The manager(s), if more than one, will be referred to collectively in this Agreement as the “manager.”
- (b) Appointment of Manager. Under the terms and conditions of this Agreement:
 - (1) The LLC hereby appoints the member as its initial manager (the “manager”); and
 - (2) The member hereby accepts this appointment.
- (c) Delegations. To the extent permitted by the LLC Act, the manager may delegate the manager’s management rights, power and authority from time to time to one or more officers or agents and may amend or terminate any such delegation. The manager shall use the manager’s best efforts to confirm the fact and terms of each such delegation of each such amendment and termination in writing signed by the manager and filed in the LLC’s records; but no failure to do so shall invalidate the delegation.

1.09 LIMITED LIABILITY OF MEMBER AND MANAGERS

Neither the member nor the managers shall have any personal liability to any third party for any debt, obligation or liability of the LLC solely by reason of being the LLC’s member or manager.

1.10 REQUIREMENT TO AMEND AGREEMENT IF LLC HAS MULTIPLE MEMBERS

- (a) Amendments of LLC Agreement if LLC Becomes a Multi-member LLC. If, at any time, the LLC has two or more members, the members shall, with reasonable promptness, consult with the LLC’s lawyer and make all amendments to this Agreement that are necessary to reflect the members’ agreement as members of a multi-member LLC.
- (b) Types of Required Amendments. The amendments referred to in Section 1.10(a) shall include amendments concerning the allocation of the LLC’s profits and losses, the distribution of profits and other LLC assets, the allocation of LLC voting rights and other management rights, fiduciary rights and liabilities, and other appropriate matters.
- (c) LLC Act Default Rules. In the absence of these amendments, the LLC, upon becoming a multi-member LLC, shall be governed by the default provisions of the LLC Act applicable to multi-member LLCs.

1.11 FEDERAL AND STATE TAXATION OF THE LLC AND THE MEMBER

- (a) Federal Income Taxation. For federal tax purposes, the LLC shall be a disregarded entity within the meaning of U.S. Treasury Regulation § 301.7701-2(c)(ii), and its income, losses and other tax items (collectively, “tax items”) shall be deemed for federal tax purposes to be those of the member as a sole proprietor.
- (b) Social Security Taxation. The member shall be subject to Social Security Tax on the LLC’s income as provided under Internal Revenue Code §§ 1401 and 1402.
- (c) State Taxation. The LLC and the member shall be taxable under the laws of the Commonwealth of Massachusetts as provided by those laws and by the regulations thereunder.

1.12 LLC’S ANNUAL ACCOUNTING PERIOD

The LLC’s annual accounting period for financial and tax purposes shall be the calendar year.

1.13 LLC’S ACCOUNTING METHOD

- (a) Use of Federal Income Tax Definitions, Etc. In computing its income, deductions and other tax and financial items, the LLC shall use federal income tax definitions and rules to the extent that these definitions and rules are available under applicable federal tax authorities.
- (b) Cash Basis for Recognizing Income, Etc. In determining when to recognize income, expenses and other tax items the LLC shall use the cash basis.

1.14 EFFECT OF LLC ACT

Except as otherwise provided in this Agreement or by law, the business and internal affairs of the LLC shall be governed by the LLC Act as in effect from time to time.

1.15 RELATION OF AGREEMENT TO CERTIFICATE

If there is any conflict between this Agreement and the Certificate, the Certificate shall prevail.

1.16 MEMBER’S RIGHT TO REIMBURSEMENT OF EXPENSES

If the member reasonably incurs an expense on behalf of the LLC in connection with the LLC’s formation or otherwise and reasonably documents this expense to the LLC, the LLC shall reimburse the member for this expense as promptly as reasonably possible after receiving this documentation.

1.17 THE LLC'S PRINCIPAL ACCOUNTANT, TAX ADVISOR AND LAWYER

- (a) The LLC's accounting firm shall be as decided by the Manger.
- (b) The LLC's principal tax adviser shall be as decided by the Manager.
- (c) The LLC's Principal lawyer shall be STEFANO G. CAPRARA, ESQ. of Caprara Law.

Article II. MEMBER'S CONTRIBUTION TO THE LLC

2.01 CONTRIBUTION – DEFINITION

For purposes of this Agreement, a contribution shall mean any cash or property, or services rendered, or a promissory note or other obligation to contribute cash or property or to perform services that a person transfers or provides or promises to transfer or to provide to the LLC in exchange for the person's LLC interest (as defined in Section 2.02(a)) and the person's other membership rights (as defined in Section 2.02(b)).

2.02 LLC INTEREST AND MEMBERSHIP RIGHTS – DEFINITIONS

For purposes of this Agreement:

- (a) LLC Interest. The term "LLC interest" shall mean the right of the member to receive allocations of LLC tax items (as defined in Section 1.11(a)) and to receive distributions of LLC profits and other LLC assets.
- (b) Membership Rights. The term "membership rights" shall mean the totality of the member's rights as a member. These rights shall include the member's (a) economic rights, including the member's LLC interest; and (b) the member's management rights, including voting rights and agency rights.

2.03 THE MEMBER'S CONTRIBUTION IN EXCHANGE FOR MEMBERSHIP RIGHTS

- (a) The Member's Contribution. The member's contribution to the LLC in exchange for the member's membership rights shall be as set forth in the attached Exhibit B.
- (b) Record of Contribution. Promptly after making the above contribution, the member shall file in the LLC's records one or more documents, such as photocopies of cancelled checks, documentary evidence of bank transfers, or photocopies of executed bills of assignment, showing that the member has made the contribution.

2.04 NO DUTY TO MAKE ADDITIONAL CONTRIBUTIONS, ETC.

The member shall have no duty to make any contribution to the LLC except as provided in Section 2.03 of this Agreement, and no cash or property of any person shall be deemed to be a contribution to the LLC unless specifically recorded as such in the LLC's records.

Article III. ALLOCATIONS AND DISTRIBUTIONS

3.01 DEFINITIONS

As used in this agreement:

- (a) Allocation. An allocation to the member means an accrual of a tax item of the LLC (as defined in Section 1.11(a)) to the member on the books of the LLC.
- (b) Distribution. A distribution means a transfer of the LLC's cash or other assets from the LLC to the member by check, bill of assignment or otherwise that is not (i) compensation to the member by the LLC for services rendered by the member to or for the LLC; or (ii) a reimbursement by the LLC to the member for expenses incurred by the member for the LLC.

3.02 RIGHT TO ALLOCATIONS AND DISTRIBUTIONS

Only the member shall be entitled to receive allocation and distributions.

3.03 DISTRIBUTIONS BY THE LLC

Subject to Sections 3.04 and 3.05, the LLC shall make distributions to the member at such times and in such amounts as the member may determine from time to time in the member's discretion.

3.04 TAX DISTRIBUTIONS

Subject to Section 3.05, the LLC shall make distributions ("tax distributions") to the member at such times and in such amounts as to enable the member to pay the member's taxes on the LLC's taxable income on time and in full.

3.05 WRONGFUL DISTRIBUTIONS

The LLC shall make no distribution to the member to the extent that, at the time the distribution was made, the distribution would be a wrongful or unlawful distribution under the LLC Act.

Article IV. LLC MANAGEMENT

4.01 DECISION-MAKING

Except to the extent of any delegation of the manager's management authority under Section 1.08, the manager, in the manager's discretion, shall have the exclusive right, power and authority to make decisions relating to the management of the LLC and otherwise to conduct its business and internal affairs.

4.02 SIGNING OF CONTRACTS, ETC.

Except to the extent of any delegation of the manager's management authority under Section 1.08 and as otherwise provided in Section 4.03, the manager, in the manager's discretion, shall have the exclusive right, power and authority to sign contracts on behalf of the LLC and otherwise to bind the LLC with third parties.

4.03 [RESERVED]

4.04 NO DUTY TO RECORD DECISIONS, ETC.

The member shall have no duty to record in writing or otherwise any decision in the member's capacity as a member or manager of the LLC, and any failure by the member to make any such record shall not impair the validity of any such decision.

4.05 METHOD OF APPOINTING AND REMOVING MANAGERS AFTER INITIAL MANAGER

The member or the member's successor (or, in the event of the member's death or continuing disability, the member's personal representative) in the member's discretion may, without liability, appoint or remove any manager at any time with or without cause.

4.06 TERM OF SERVICE OF MEMBER AS MANAGER

The term of service of the member as manager shall begin on the Effective Date and shall terminate on the earlier of:

- (a) The date on which the member resigns as manager; or
- (b) The date on which the member ceases to be a member.

4.07 MANAGER RESIGNATIONS

- (a) The manager may resign as a manager at any time without notice.
- (b) [Reserved]

4.08 [RESERVED]

4.09 MANAGER'S RESPONSIBILITY TO OBTAIN TAX IDENTIFICATION NUMBERS, ETC.

Promptly after the LLC is formed, the manager shall do the following:

- (a) Tax Identification Numbers. The manager shall obtain for the LLC a federal tax identification number and any necessary state tax identification numbers.
- (b) Bank Accounts. The manager shall open any necessary bank accounts for the LLC.
- (c) Insurance. The manager shall obtain on commercially reasonable terms insurance policies covering all reasonably foreseeable LLC insurable risks.
- (d) Miscellaneous. The manager shall do all other things necessary or useful in connection with the commencement of the LLC's business.

4.10 MANAGER'S COMPENSATION AND FRINGE BENEFITS

The LLC shall provide compensation and fringe benefits to the manager for his services to and for the LLC as determined by the member from time to time in the member's discretion.

4.11 MANAGER'S FIDUCIARY DUTIES AND LIABILITIES

- (a) The manager shall have no fiduciary duties under this Agreement.
- (b) [Reserved]

4.12 [RESERVED]

Article V. TRANSFERS AND PLEDGES OF MEMBERSHIP RIGHTS

5.01 TRANSFERS OF MEMBERSHIP RIGHTS

- (a) Transfers – In General. The member, in the member's discretion, may transfer (whether by sale, gift, bequest or otherwise) all or any part of the member's membership rights, including economic and non-economic rights, to any person at any time. The member may make any such transfer under any terms and conditions that the member deems appropriate.
- (b) Transfer upon the Member's Death. However, upon the death of the member, the member's membership rights shall immediately and automatically pass in accordance with the member's will or other testamentary instruments, or, in the absence of any such instruments, under applicable laws of descent and distribution.

5.02 ADMISSION OF ADDITIONAL MEMBERS

Whether additional persons shall be admitted as members of the LLC shall be determined by the member in the member's discretion.

5.03 PLEDGES

The member shall have discretion to pledge all or any part of the member's membership rights to any person at any time as collateral for any debt of the member. The member may make any such pledge under any terms and conditions that the member deems appropriate.

Article VI. DISSOCIATION OF THE MEMBER

6.01 DISSOCIATION – DEFINITION

The dissociation of a member shall mean the termination of all of the member's membership rights in the LLC.

6.02 EVENTS OF DISSOCIATION OF THE MEMBER

The member shall cease to be a member of the LLC only upon the member's death, the transfer of all of the member's membership rights or the cessation of the LLC's existence. The member shall not cease to be a member for any other reason, including:

- (a) A judicial declaration that the member is incompetent;

- (b) The member's bankruptcy; or
- (c) The member's assigning the member's entire LLC interest to another person.

6.03 THE MEMBER'S DEATH

Upon the member's death, the member's membership rights shall pass in accordance with Section 5.01(b).

Article VII. LLC RECORDS AND INFORMATION

7.01 RECORDS AND INFORMATION REQUIRED BY LLC ACT.

The LLC shall compile and shall maintain at its principal place of business all records and information that the LLC Act requires the LLC to compile and maintain.

7.02 OTHER RECORDS.

The LLC shall maintain records and books of account concerning its business in accordance with financial standards normally applicable to business organizations generally similar to the LLC in size and activities.

Article VIII. DISSOLUTION OF THE LLC, ETC.

8.01 LLC'S DISSOLUTION, WINDING-UP AND LIQUIDATION – DEFINITIONS

For purposes of this Agreement:

- (a) Dissolution. The dissolution of the LLC shall mean the cessation of its normal business activities and the beginning of the process of its winding-up and liquidation.
- (b) Winding Up. The winding-up of the LLC shall mean the process of concluding its existing business activities and internal affairs and preparing for its liquidation.
- (c) Liquidation. The liquidation of the LLC shall mean the sale or other disposition of its assets and the distribution of its assets (or of the proceeds of the sale or other disposition of its assets) to its creditors and to the member.

8.02 DISSOLUTION, ETC., OF LLC

- (a) Right of Member to Dissolve LLC, Etc. Subject to any applicable provisions of the LLC Act, the member may dissolve, wind-up and liquidate the LLC and terminate its legal existence at any time and upon any terms that the member may determine.
- (b) Termination of Legal Existence of LLC. The legal existence of the LLC shall terminate on the effective date of the certificate of cancellation of the LLC's Certificate as filed with the Secretary of the Commonwealth.
- (c) Deemed Liquidating Dissolution. Immediately upon the cessation of the legal existence of the LLC, the property of the LLC shall be deemed to be distributed to the member and to become the property of the member as an individual, subject to the rights of any existing creditors of the LLC.

Article IX. TERM AND TERMINATION OF THIS AGREEMENT

The term of this Agreement shall begin on the Effective Date (as defined in Section 1.1) and shall end upon the earlier of:

- (a) The date on which the LLC ceases to exist as a legal person under the LLC Act; and
- (b) The date which the member determines to be the date of termination of the Agreement.

Article X. MISCELLANEOUS PROVISIONS

10.01 ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties concerning its subject matter, and it replaces all prior agreements between them concerning its subject matter.

10.02 AMENDMENTS

No amendment of this Agreement or of the Articles shall be valid unless it is set forth in a writing signed by the parties.

10.03 NOTICES

All notices under this Agreement shall be in writing. The shall be sent by electronic mail, fax or registered U.S. mail, return receipt requested, to the parties at their respective addresses as stated on the first page of this Agreement. Either party may change the party's address for purposes of this Section 10.03 at any time upon reasonable notice to the other party. Notices shall be deemed to have been received when actually received.

10.04 GOVERNING LAW

This Agreement shall be governed exclusively by the laws of the Commonwealth of Massachusetts exclusive of its laws relating to conflicts of law.

10.05 CAPTIONS

Captions in this Agreement are for convenience only and shall be deemed irrelevant in construing its provisions.

10.06 INCORPORATION OF CERTIFICATE AND EXHIBITS

The Certificate and all exhibits referred to in this Agreement are hereby incorporated into the Agreement and made integral parts of it.

10.07 “DISCRETION,” “INCLUDING,” AND “PERSON” – DEFINITIONS

As used in this Agreement:

- (a) Discretion. “Discretion” shall mean absolute discretion.
- (b) Including. “Including” and similar terms shall denote a partial definition.
- (c) Person. “Person” shall mean a natural person and any kind of entity.

[This Page Ends Here, Signature Page Follows]

SIGNATURES TO SERENITY DISPENSARIES, LLC
OPERATING AGREEMENT

IN WITNESS of their acceptance of the terms and conditions of this LLC operating agreement, the parties, by themselves or by their duly authorized representatives, have signed and dated this Agreement as follows:

ERIK GATH



SERENITY DISPENSARIES, LLC



By: _____
Erik Gath, Manager/Member

EXHIBIT A

CERTIFICATE OF ORGANIZATION

(See Attached)

EXHIBIT B

MEMBERS CONTRIBUTION TO THE LLC

In exchange for the member's rights as a member of the LLC, the member shall promptly make or have made the following contribution to the LLC in accordance with the terms and conditions set forth in this exhibit:

| Member | Initial Contribution | Membership Interest |
|-----------|---------------------------|---------------------|
| Erik Gath | Founding Member \$4500 | 100% |

**ACTION BY UNANIMOUS CONSENT OF THE MANAGERS
IN LIEU OF ANNUAL MEETING
of
SERENITY DISPENSARIES, LLC**

The undersigned, constituting all the Managers of SERENITY DISPENSARIES, LLC, a limited liability company organized and existing under the laws of the Commonwealth of Massachusetts (the "Company"), by unanimous consent in writing pursuant to the authority contained in Chapter 156C of the Massachusetts General Laws, without the formality of convening a meeting, do hereby consent to the following action of the Company, and direct that this consent be filed with the minutes of the Managers of the Company.

RESOLVED: The name of the Company is hereby changed to **MISTY MOUNTAIN SHOP LLC**.

RESOLVED: That the following persons are elected as Manager of the Company, to serve in accordance with the company Operating Agreement:

ERIK GATH

RESOLVED: To ratify and adopt as contracts of the Company all agreements made prior to the organization of the Company for the purchase or lease of equipment, supplies, services, material, or space and otherwise for the establishment and continuation of the business to be conducted by the Company.

RESOLVED: That the Managers of the Company be, and they hereby are, acting jointly or singly, authorized and directed to take such actions and to make, execute, deliver and file on behalf of this Company such corporate papers, certificates, instruments and other documents as may be necessary or desirable to carry out the intent and purposes of the foregoing resolutions.

Adopted this 26th day of April 2019.



Erik Gath
Sole Member/Sole Manager

**ACTION BY UNANIMOUS CONSENT OF THE MANAGERS
IN LIEU OF ANNUAL MEETING
of
MISTY MOUNTAIN SHOP LLC**

The undersigned, constituting all the Managers of MISTY MOUNTAIN SHOP LLC, a limited liability company organized and existing under the laws of the Commonwealth of Massachusetts (the “Company”), by unanimous consent in writing pursuant to the authority contained in Chapter 156C of the Massachusetts General Laws, without the formality of convening a meeting, do hereby consent to the following action of the Company, and direct that this consent be filed with the minutes of the Managers of the Company.

RESOLVED: To approve the Company issue of membership interest, representing 10.00% of the current Company issued and outstanding membership interest, to ABBIGAIL GUNTHER pursuant to the terms and conditions of the Membership Grant Agreement attached hereto under Schedule A.

RESOLVED: To ratify and adopt as contracts of the Company all agreements made prior to the organization of the Company for the purchase or lease of equipment, supplies, services, material, or space and otherwise for the establishment and continuation of the business to be conducted by the Company.

RESOLVED: That the Managers of the Company be, and they hereby are, acting jointly or singly, authorized and directed to take such actions and to make, execute, deliver and file on behalf of this Company such corporate papers, certificates, instruments and other documents as may be necessary or desirable to carry out the intent and purposes of the foregoing resolutions.

Adopted this 1st day of January 2020.



Erik Gath
Sole Member/Sole Manager

Schedule A

MEMBERSHIP INTEREST GRANT AGREEMENT

THIS MEMBERSHIP INTEREST GRANT AGREEMENT (the “Agreement”) is effective as of January 1, 2020 (the “Issue Date”) by and between MISTY MOUNTAIN SHOP LLC, a Massachusetts limited liability company (the “Company”), and ABBIGAIL GUNTHER, an individual (the “Grantee”).

WHEREAS, the Company desires to grant to the Grantee, and the Grantee desires to receive from the Company, 10.00% membership interest share of the current Company issued and outstanding membership interests from treasury resulting in the Grantee being 10.00% owner of all issued and outstanding membership interest of the Company as of the Issue Date.

NOW, THEREFORE, in consideration of the promises and mutual covenants herein set forth, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto hereby mutually covenant and agree as follows:

1. **Grant of Stock.** For good and valuable consideration, as further specified in the Amended and Restated Operating agreement of the Company attached hereto under Schedule A.1 (“Operating Agreement”), on the Issue Date, the Company grants and issues to the Grantee, Ten Percent (10.00%) for the current interest in the Company (the “Interest”), upon the terms and conditions set forth in this Agreement.
2. **Operating Agreement.** Contemporaneously with the execution of this Agreement, the Grantee shall execute the Operating Agreement this Agreement shall be conditional and subject to the Grantee execution of such Operating Agreement.
3. **Amendment and Replacement all Prior Grants.** Grantee hereby acknowledges and agrees that this Agreement and the grant of membership interest contemplated herein, shall amend and replace all prior grants by the Company to the Grantee prior to the Issue Date and all such grants, if any, is hereby terminated and cancelled and be null and void. Company and Grantee agree that such cancellation of prior grants is part of the good and valuable consideration provided hereunder.
4. **Investment and Taxation Representations.** In connection with the grant of the Interest, Grantee represents, warrants and covenants to the Company the following:
 - a. Grantee is aware of the Company’s business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Interest. Grantee is acquiring the Interest for Grantee’s own account only and not with a view to, or for resale in connection with, any “distribution” thereof within the meaning of the Securities Act or under any applicable provision of state law. Grantee does not have any present intention to transfer the Interest to any other person

or entity.

- b. Grantee understands that the Interest have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Grantee's investment intent as expressed herein.
 - c. The Grantee is receiving the Interest for his own account for investment only, and not with view to, or for sale in connection with, any distribution of the Interest in violation of the Securities Act of 1933, as amended (the "Securities Act"), or any rule regulation under the Securities Act.
 - d. The Grantee has sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the receipt of the Interest and to make an informed decision with respect to such receipt.
 - e. The Grantee can afford a complete loss of the value of the Interest and is able to bear the economic risk of holding such Interest for an indefinite period.
 - f. Grantee understands that the Interest are "restricted securities" under applicable U.S. federal and state securities laws and that, pursuant to these laws, Grantee must hold the Interest indefinitely unless they are registered with the Securities and Exchange Commission and qualified by state authorities, or an exemption from such registration and qualification requirements is available. Grantee acknowledges that the Company has no obligation to register or qualify the Interest for resale. Grantee further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the Interest, and requirements relating to the Company which are outside of the Grantee's control, and which the Company is under no obligation and may not be able to satisfy.
 - g. Grantee understands that Grantee may suffer adverse tax consequences as a result of Grantee's acquiring or disposition of the Interest. Grantee represents that Grantee has consulted any tax consultants Grantee deems advisable in connection with the acquiring or disposition of the Interest and that Grantee is not relying on the Company for any tax advice.
5. **Withholding Taxes.** The Grantee acknowledges and agrees that the Company has the right to deduct from payments of any kind otherwise due to the Grantee any federal, state or local taxes of any kind required by law to be withheld with respect to the issuance of the Interest to the Shareholder, if any.
6. **Restrictive Legends and Stop-Transfer Orders.**

- a. **Legends.** The certificate or certificates representing the Interest shall bear the following legends (as well as any legends required by applicable state and federal corporate and securities laws):
 - i. “THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.”
- b. **Stop-Transfer Notices.** Grantee agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate “stop transfer” instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.
- c. **Refusal to Transfer.** The Company shall not be required (i) to transfer on its books any Interest that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Interest or to accord the right to vote or pay dividends to any Grantee or other transferee to whom such Interest shall have been so transferred.

7. **Miscellaneous.**

- a. **Governing Law.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the Commonwealth of Massachusetts, without giving effect to principles of conflicts of law.
- b. **Entire Agreement; Enforcement of Rights.** This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions between them. No modification or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.
- c. **Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such

provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

- d. **Construction.** This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.
- e. **Notices.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon delivery, when delivered personally or by overnight courier or sent by email or fax (upon customary confirmation of receipt), or forty-eight (48) hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address or fax number as set forth on the signature page or as subsequently modified by written notice.
- f. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.
- g. **Successors and Assigns.** The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by the Company's successors and assigns. The rights and obligations of Grantee under this Agreement may only be assigned with the prior written consent of the Company.

IN WITNESS WHEREOF, the parties have executed this effective as of the Issue Date.

MISTY MOUNTAIN SHOP LLC

By: _____

Erik Gath, Manager

ABBIGAIL GUNTHER

Schedule A.1

Amended and Restated Operating Agreement

(see attached)

AMENDED AND RESTATED OPERATING AGREEMENT

of

MISTY MOUNTAIN SHOP LLC

A MANAGER-MANAGED MULTI-MEMBER

MASSACHUSETTS LIMITED LIABILITY COMPANY TAXABLE AS A PARTNERSHIP

Effective as of January 1, 2020

AMENDED AND RESTATED OPERATING AGREEMENT
of
MISTY MOUNTAIN SHOP LLC

A MANAGER-MANAGED MULTI-MEMBER
MASSACHUSETTS LIMITED LIABILITY COMPANY TAXABLE AS A PARTNERSHIP

DATE OF AGREEMENT; PARTIES

This limited liability company operating Agreement (the “Agreement”), dated as of January 1, 2020 is among the following parties (the “Parties”):

1. **MISTY MOUNTAIN SHOP LLC** a Massachusetts Limited Liability Company located at 161 Boston Road, Chelmsford, MA USA (the “LLC” and “Company”);
2. **ERIK M GATH**, an individual with mailing address of 161 Boston Road, Chelmsford, MA 01824, USA; and
3. **ABBIGAIL GUNTHER**, an individual with mailing address of 162 U Vista Ct, Fort Pierce, FL 34947.

(Erik M Gath, and Abbigail Gunther are referred to herein individually as a “member” or collectively as the “members”.)

STATEMENT OF BACKGROUND

1. On August 3, 2018 (the “Filing Date”), the LLC filed a certificate of organization (the “Certificate”) with the Secretary of the Commonwealth of Massachusetts (the “Secretary of the Commonwealth”), and on that date the LLC was formed as a limited liability company under the Massachusetts Limited Liability Company Act (the “LLC Act”), Massachusetts General Laws (“M.G.L.”) Chapter 156C. A copy of the Certificate is attached as Exhibit A (the “Articles”).
2. The principal purpose of the LLC is to operate a retail business and to engage in any and all activities related or incidental to the foregoing and to do all things necessary or convenient for the accomplishment thereof, in accordance with the Massachusetts general laws and any acts in amendment thereof. The LLC may also carry on any other lawful business, purpose or activity.
3. This Agreement sets forth the agreement among the parties about their respective rights and duties as parties to the Agreement and about the business, internal affairs and taxation of the LLC and hereby amends and restates all prior operating agreement of the LLC.

TERMS AND CONDITIONS

The parties, intending to be legally bound, agree as follows:

1. INTRODUCTORY PROVISIONS CONCERNING THE LLC

1.1. LLC'S NAME

The name of the LLC shall be **MISTY MOUNTAIN SHOP LLC**.

1.2. IDENTIFICATION OF INITIAL MEMBERS; ADMISSION OF ADDITIONAL MEMBERS

The initial members shall be the only members of the LLC. Additional members shall be added to the LLC only in accordance with Sections 10 and 11 (concerning, respectively, grants and transfers of membership rights).

1.3. ENTITY STATUS OF LLC; OWNERSHIP OF LLC ASSETS

The LLC shall be a legal entity separate and distinct from its members. The LLC shall own all of its assets in its own name and no member shall have any direct interest in those assets.

1.4. LLC'S PRINCIPAL PURPOSE

The LLC's principal purpose shall be as set forth above. The LLC may also pursue any other purpose permitted by law and approved by the majority vote of the members.

1.5. LLC'S POWERS

In pursuing its lawful purposes, the LLC shall have the power to do all things that LLCs are permitted to do under the LLC Act.

1.6. LLC'S DURATION

The duration of the LLC shall be indefinite and shall terminate only as set forth in Section 24 (concerning the LLC's dissolution, winding-up and liquidation).

1.7. LLC'S PRINCIPAL PLACE OF BUSINESS

The address of the LLC's principal place of business shall be 161 Boston Road, Chelmsford, MA 01824. The members may change the LLC's principal place of business from time to time by the majority vote of the members.

1.8. LLC'S REGISTERED AGENT AND REGISTERED OFFICE

The LLC's registered agent and registered office shall be as set forth in the Articles. The LLC may change its registered agent and office from time to time by the majority vote of the members. The manager shall amend the Articles to reflect the change.

1.9. MANAGEMENT OF LLC BY A MEMBER-MANAGER; APPOINTMENT OF MANAGER

- (a) Management Structure. The LLC shall be managed by one or more member-managers (the

“manager” or “managers”) in accordance with the terms of this Agreement.

- (b) Appointment of Manager. Under the terms and conditions of this Agreement the LLC hereby appoints **ERIK M GATH**, as its initial manager and said manager hereby accept their appointments.

1.10. LIMITED LIABILITY OF MEMBERS AND THE MANAGER

Neither the members as members nor the managers shall be personally obligated to any third party for any debt, obligation or liability of the LLC solely because of being a member or manager.

1.11. FEDERAL AND STATE TAXATION OF LLC AND MEMBERS

(a) Federal Income Taxation

(1) For all federal income tax purposes, the LLC shall be subject to federal income tax treatment as a partnership under Internal Revenue Code (“IRC”) Subchapter K (“Subchapter K”).

(2) The members, on their respective shares of LLC income, losses, deductions, credits and other tax items (collectively, the LLC’s “tax items”), the members shall be subject to federal income tax treatment as partners under Subchapter K.

- (b) Construction of Agreement. This Agreement shall be construed and applied so as to ensure full compliance with the provisions of (i) Subchapter K; (ii) IRC §§ 1401 and 1402; and (iii) federal tax authorities thereunder as in effect from time to time.

- (c) State Taxation. The LLC and the members shall be taxable under the laws of Massachusetts as provided by those laws and by the regulations thereunder.

1.12. LLC’S ANNUAL ACCOUNTING PERIOD

The LLC’s annual accounting period for financial and tax purposes shall be the calendar year.

1.13. LLC’S ACCOUNTING METHOD

- (a) Use of Federal Income Tax Definitions, Etc. In computing its income, deductions and other tax and financial items, the LLC shall use federal income tax definitions and rules to the extent available under applicable federal tax authorities.
- (b) Cash Basis for Recognizing Income, Etc. In determining when to recognize income, expenses and other tax items, the LLC shall use the cash basis.

2. INTRODUCTORY PROVISIONS CONCERNING THIS AGREEMENT AND THE ARTICLES

2.1. BINDING EFFECT OF AGREEMENT; EFFECTIVE DATE

This Agreement shall bind the members and the LLC when each of them has signed it. The effective date of the Agreement (the “Effective Date”) shall be the date on which the last of the members to sign and date it shall have done so.

2.2. MEMBERS' ACCEPTANCE OF ARTICLES

Each member has reviewed and hereby approves and accepts the Articles.

3. MEMBERS' CONTRIBUTIONS TO THE LLC

3.1. CONTRIBUTION—DEFINITION

For purposes of this Agreement, a contribution shall mean any cash, property, or services rendered, or a promissory note or other obligation to contribute cash or property or to perform services that a person contributes to the LLC in exchange for the person's membership rights (as defined in Section 3.2).

3.2. MEMBERSHIP RIGHTS—DEFINITION

For purposes of this Agreement, the membership rights of a member shall mean the totality of the member's rights as a member under the Agreement and the LLC Act, including both:

- (a) Economic rights, which shall include, but shall not necessarily be limited to, the member's LLC interest (as defined in Section 3.3); and
- (b) Non-economic rights (such as voting rights, rights to receive notice of, to attend and to participate in meetings, rights with respect to LLC information, fiduciary rights and dispute resolution rights).

3.3. LLC INTEREST—DEFINITION

A member's LLC interest shall mean the member's right under this Agreement and under the LLC Act to receive:

- (a) Allocations of the LLC's income and losses; and
- (b) Distributions of the LLC's cash and other assets.

3.4. MEMBERS' CONTRIBUTIONS TO THE LLC IN EXCHANGE FOR THEIR MEMBERSHIP RIGHTS

- (a) Initial Contributions. The members shall, in exchange for their membership rights, make, or have made, contributions to the LLC of the cash, property, services and promises of cash, property and services identified in the attached Exhibit B and in accordance with all other terms set forth in that exhibit.
- (b) Documentation of Contribution. Promptly after any member makes a contribution to the LLC, the LLC shall file in its records one or more documents, such as photocopies of cancelled checks, documentary evidence of bank transfers, or photocopies of executed bills of assignment, showing that the member has made the contribution.
- (c) No Capital Calls. No member shall be obligated to make a contribution to the LLC except as provided in Exhibit B and written amendments thereto.
- (d) Subsequent Member Contributions. Members admitted to the LLC after its formation shall make contributions in exchange for their membership rights as set forth in amendments to Exhibit B.

3.5. NO INTEREST ON CONTRIBUTIONS OR ON ACCRUED ALLOCATIONS

The members shall earn no interest on their contributions under this Section 3 or on amounts allocated to them under Section 4.

3.6. VALUATION OF NON-CASH CONTRIBUTIONS

Before any member makes a contribution to the LLC in a form other than cash, the members shall agree by majority vote as to the value of that contribution.

3.7. REQUIREMENT OF SIGNED WRITING AS CONDITION FOR ENFORCEABILITY OF PROMISES TO MAKE CONTRIBUTIONS

No promise by a member to make a contribution to the LLC shall be enforceable unless it is set forth in this Agreement or in another writing signed by the member.

3.8. REQUIREMENT OF UNANIMOUS VOTE OF OTHER MEMBERS IN ORDER TO AMEND PROMISE TO MAKE CONTRIBUTION

No term of any promise by a member in this Agreement to make a contribution to the LLC shall be amended except with the unanimous vote of the other members.

3.9. MEMBERS' DUTY TO MAKE PROMISED CONTRIBUTIONS EVEN IF THEY ARE DISABLED, ETC.

Each member and the member's representative or successor shall be obligated to perform any promise by the member to make a contribution to the LLC even if the member is prevented from doing so because of disability, death, or otherwise.

3.10. CERTAIN DUTIES OF MEMBERS CONTRIBUTING PROPERTY TO THE LLC

(a) No Conflict as to Contribution. A member obligated to contribute property other than cash to the LLC under this Agreement shall, before making any such contribution, ensure:

- (1) That there is no conflict between this obligation and any obligation of the member to any other person, including an obligation under any other agreement or under any testamentary instrument of the member; and
- (2) That the contribution is consistent with any applicable laws concerning fraudulent transfers.

(b) Warrant of No Conflict, Etc. By signing this Agreement, the member shall warrant the absence of any conflict or inconsistency referred to in Section 3.10(a).

3.11. PENALTIES FOR FAILURE TO MAKE PROMISED CONTRIBUTIONS

(a) Penalties. If a member (the "defaulting member") fails to make a contribution in accordance with Exhibit B, the non-defaulting members may impose upon the defaulting member any penalty that the non-defaulting members believe to be reasonable in the circumstances. Penalties may include:

- (1) Reduction or elimination of the defaulting member's membership rights;
 - (2) Forfeiture of all or a portion of the defaulting member's membership rights; or
 - (3) Sale of all or a portion of the defaulting member's membership rights.
- (b) Consultation with Principal Tax Adviser and Principal Lawyer. In determining a penalty to apply under this Section 3.11, the non-defaulting members shall use reasonable efforts to consult in advance with the LLC's principal tax adviser and principal lawyer.

3.12. CONTRIBUTIONS INCLUDE ONLY CONTRIBUTIONS ACTUALLY MADE, ETC.

For purposes of this Agreement, the contributions of a member shall include only contributions that the LLC has actually received from the member and has not returned to the member.

4. LLC'S ALLOCATIONS TO THE MEMBERS

4.1. ALLOCATIONS—IN GENERAL

- (a) Allocation—Definition. For purposes of this Agreement, an allocation by the LLC to a member of the LLC's tax items shall mean an apportionment of these items to the member's capital account (as defined in Section 6).
- (b) Items Allocable to the Members. The dollar items of the LLC that the LLC shall allocate to the members under this Agreement shall be the LLC's tax items (as defined in Section 1.11(a)(2)).

4.2. FORMULA FOR LLC ALLOCATIONS

The LLC shall allocate its tax items among the members in proportion to their respective membership interest in the LLC. However:

- (a) Allocations Disproportionate to Capital Contributions. If the LLC allocates any of its tax items to a member in a manner that is disproportionate to the member's share of LLC contributions, the LLC shall make this allocation in compliance with the requirements of IRC § 704(b) and the U.S. Treasury Regulations (the "Regulations") thereunder (governing allocations disproportionate to capital contributions).
- (b) Allocations in Respect of Contributed Property. If a member makes a contribution of property other than cash to the LLC, the LLC shall allocate its tax items among the contributing member and the non-contributing members in respect of this contribution in compliance with IRC § 704(c)(1)(A) and the Regulations thereunder (governing allocations relating to contributed property that has appreciated or depreciated in the hands of its contributor before its contribution).

5. LLC DISTRIBUTIONS TO THE MEMBERS

5.1. DISTRIBUTION, ETC. —DEFINITIONS

For purposes of this Agreement:

- (a) Distribution—Definition. A distribution by the LLC to a member shall mean any transfer of its cash or other assets to the member except:
 - (1) Payments to a member relating to transactions covered by IRC § 707(a) (concerning transactions of the LLC with members acting in capacities other than as members);
 - (2) Payments to a member relating to transactions covered by IRC § 707(b) (concerning transactions of the LLC with members);
 - (3) Payments to a member under IRC § 707(c) (concerning guaranteed payments to a member for services to or for the LLC or for the LLC’s use of the member’s capital); and
 - (4) Reimbursements of expenses to a member under Section 5.12.
- (b) Interim Distribution—Definition. An interim distribution to a member shall mean any distribution except a liquidating distribution (as defined in Sections 5.1(c)(1) and (2)).
- (c) Liquidating Distribution—Definition. A liquidating distribution shall mean a distribution in connection with: (1) The LLC’s partial or complete redemption of a member’s membership rights; or (2) The LLC’s dissolution and liquidation.

5.2. FORMULA FOR LLC ALLOCATIONS OF INTERIM DISTRIBUTIONS AMONG THE MEMBERS

The LLC shall allocate interim distributions among the members in compliance with the formula on the basis of which it allocates its tax items among them under Section 4.2.

5.3. INTERIM DISTRIBUTIONS—IN GENERAL

Except as otherwise provided in Section 5.4, the following matters shall be determined by the majority vote of the members:

- (a) Whether the LLC shall make an interim distribution to the members;
- (b) The amount of any such distribution; and
- (c) The timing of the distribution.

5.4. TAX DISTRIBUTIONS

- (a) Distributions for Members’ Tax Obligations. To the extent that the LLC’s financial condition and other relevant factors permit, the LLC shall make interim distributions (“tax distributions”) to the members at such times and in such amounts as to enable them to pay federal, state and other taxes on their shares of LLC income on time and in full.
- (b) Same Basis as Income Allocations. The LLC shall allocate tax distributions among the members on the basis on which the LLC allocates its income among them.
- (c) Highest Tax Rate on Member Assumed. In computing the amount of each such distribution to each member, the LLC shall assume that the member is obligated to pay the highest combined federal and state marginal rate of tax on the member’s share of LLC income.

5.5. LIQUIDATING DISTRIBUTIONS—GENERAL RULES

- (a) Redemption. The LLC shall make liquidating distributions to members in connection with its redemption of their membership rights in compliance with Section 9 (concerning redemptions and cross-purchases of membership rights).
- (b) Liquidating Distributions after LLC's Dissolution. The LLC shall make liquidating distributions to the members in connection with the liquidation of the LLC in compliance with Section 5.6.

5.6. PAYMENTS AND DISTRIBUTIONS OF LLC ASSETS TO BE MADE BY LLC IN CONNECTION WITH ITS LIQUIDATION

- (a) Order of Payments and Distributions. Upon completion of the LLC's winding-up (as defined in Section 24.1(b)), the LLC shall pay out its cash and other assets in connection with its liquidation to the following persons in the following order:
 - (1) Payment of Creditors. The LLC shall pay (or shall make adequate provision to pay) its creditors, including members who are creditors.
 - (2) Distributions to the Members. The LLC shall distribute any remaining LLC assets to the members in such a manner that after these distributions, each member shall have a capital account of zero.
- (b) Timing of Payments; Compliance with IRC § 704(b), Etc. To the extent reasonably practicable, the LLC shall make the above payments on or before the date of termination of the LLC's legal existence. It shall make all such payments in compliance with (i) all applicable provisions of IRC § 704(b) and the Regulations; and (ii) other applicable federal and state law.

5.7. STATUS OF MEMBERS AS UNSECURED CREDITORS OF LLC WITH RESPECT TO DISTRIBUTIONS

Each member shall have the status of an unsecured creditor with respect to distributions to which the member is entitled under the Agreement.

5.8. RESTRICTIONS ON DISTRIBUTIONS IN KIND

If this Agreement or applicable law requires the LLC to make a distribution to any member, then:

- (a) The member may not compel the LLC to make the distribution except in the form of cash; and
- (b) The LLC may not compel a member to accept the distribution except in the form of cash.

5.9. QUALIFIED INCOME OFFSETS WHEN MEMBERS HAVE DEFICIT CAPITAL ACCOUNTS

(a) Qualified Income Offset

- (1) Special Allocation to Eliminate Deficit Capital Account. If any member unexpectedly receives an adjustment, allocation, or distribution described in Regulations §§ 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d) (5) or 1.704-1(b)(2)(ii)(d)(6) that results in the member's having a deficit capital account, the LLC shall specially allocate items of LLC income and gain to the member

in an amount and manner sufficient to eliminate, to the extent required by applicable Regulations, the deficit capital account of the member as quickly as possible.

- (2) **Restriction on Allocations to Cure Deficit Capital Accounts.** However, an allocation under Section 5.9(a)(1) of this Agreement shall be made only if and to the extent that the member would have a deficit capital account after all other allocations provided for in this Section and elsewhere in this Agreement and its exhibits have been tentatively made as if Section 5.9(a)(1) were not in this Agreement.
- (b) **Offsetting Allocations to the Other Members.** If the LLC makes an allocation to a member under Section 5.9(a)(1) for any relevant taxable year of the LLC, it shall, to the extent permitted by the Regulations, make offsetting allocations to the other members as soon as reasonably possible thereafter.

5.10. PROHIBITION AGAINST UNLAWFUL DISTRIBUTIONS

- (a) **No Unlawful Distributions.** The LLC shall make no unlawful distribution of its assets (as defined in Sections 5.10(b)(1) and (2)) to any member.
- (b) **Unlawful Distribution – Definition.** A distribution shall be an unlawful distribution within the meaning of Section 5.10(a) in either of the following circumstances:
 - (1) **Net Worth Test.** A distribution shall be an unlawful distribution if, immediately after the distribution, the sum of the LLC’s liabilities would exceed the aggregate fair market value of its assets.
 - (2) **Solvency Test.** A distribution shall be an unlawful distribution if, as a result of the distribution, the LLC would be unable to pay its reasonably foreseeable obligations as they become due.

5.11. LIABILITY OF MANAGER AND MEMBERS FOR AUTHORIZING OR RECEIVING UNLAWFUL DISTRIBUTIONS

A manager who votes to authorize an unlawful distribution and members who receive such a distribution shall be liable for legal sanctions as provided in the LLC Act.

5.12. MEMBERS’ RIGHT TO REIMBURSEMENT OF EXPENSES

If any member reasonably incurs an expense on behalf of the LLC and reasonably documents this expense to the LLC, the LLC shall reimburse the member for this expense as promptly as reasonably possible after receiving this documentation.

6. MEMBERS’ CAPITAL ACCOUNTS

6.1. CAPITAL ACCOUNT— DEFINITION

A member’s capital account shall mean the dollar amount of the member’s respective portion of the equity of the LLC as determined in accordance with U.S. Treasury Regulation Section 1.704- 1(b)(iv) and other applicable Regulations as in effect from time to time.

6.2. LLC’S DUTY TO COMPUTE MEMBERS’ CAPITAL ACCOUNTS, ETC.

The LLC shall compute the capital account of each member:

- (a) At its own expense, whenever required to do so by federal and state tax law; and
- (b) At any other time upon reasonable request by a member, but the requesting member shall pay the LLC in advance the reasonable costs of complying with the request.

6.3. METHOD OF COMPUTING MEMBERS' CAPITAL ACCOUNTS

Except as otherwise required by applicable Regulations, the LLC shall compute the capital account of each member as follows:

- (a) Addition of Amount of Contributed Cash. The LLC shall add to the member's capital account the amount of any cash that the member contributes to the LLC.
- (b) Addition of Fair Market Value of Contributed Property. The LLC shall add to the member's capital account the fair market value of any property that the member contributes to the LLC (net of liabilities secured by this property that the LLC assumes or takes subject to within the meaning of IRC § 752).
- (c) Addition of Allocations. The LLC shall add to the member's capital account any LLC income that it allocates to the member under Section 4.
- (d) Subtraction of Losses. The LLC shall subtract from the member's capital account any LLC loss that it allocates to the member under Section 4.
- (e) Subtraction of Distributed Cash. The LLC shall subtract from the member's capital account the amount of any cash that it distributes to the member.
- (f) Subtraction of Fair Market Value of Distributed Property. The LLC shall subtract from the member's capital account the fair market value of any property that it distributes to the member (net of liabilities secured by that property).

6.4. REVALUATIONS OF LLC ASSETS AND OF MEMBERS' CAPITAL ACCOUNTS

The LLC shall revalue the LLC's assets and shall correspondingly revalue the members' capital accounts whenever a revaluation of the LLC's assets:

- (a) Is required under applicable Regulations; or
- (b) Is permitted under these Regulations and is approved by the majority vote of the members.

7. MEMBER DISSOCIATIONS AND SUSPENSIONS

7.1. DISSOCIATION— DEFINITION

Except as provided in Section 7.7 (concerning assignments of entire LLC interests), the dissociation of a member shall mean the termination of all of the member's membership rights except:

- (a) The member's LLC interest (as defined in Section 3.3);

(b) The rights identified in Section 7.2(a); and

(c) Any rights the member may have under Section 9 (“Redemptions and Cross- purchases of Membership Rights”).

7.2. CERTAIN EFFECTS OF DISSOCIATION UPON THE RIGHTS OF DISSOCIATED MEMBERS

(a) Certain Continuing Rights. If, after dissociation, a former member retains all or any part of the former member’s LLC interest, the former member shall be, subject to any contrary order by an arbitrator under Section 28, entitled to the following rights:

(1) Information Rights. Subject to reasonable restrictions as determined from time to time by the manager, the former member shall be entitled to inspect and copy at the former member’s own expense all information reasonably relevant to allocations and distributions to the former member in respect of this LLC interest.

(2) Dispute Resolution Rights. The former member shall be entitled to invoke the dispute resolution provisions of Sections 27 and 28 with respect to the former member’s LLC interest.

(b) Termination of Duties. Subject to any contrary provision in Section 18 (relating to the duty of loyalty) and Section 19 (relating to the duty of confidentiality), a person who has been dissociated from the LLC shall have no fiduciary or other duties to the LLC.

(c) Liabilities. A person who has been dissociated from the LLC shall have no liabilities to the LLC except liabilities that accrued to the member before the member’s dissociation.

7.3. EVENTS OF DISSOCIATION—IN GENERAL

A member shall be subject to dissociation from the LLC only upon the occurrence of an event identified in Sections 7.4 through 7.10. The effective date of each such dissociation shall be as set forth in this Section 7.

7.4. DISSOCIATION UPON RESIGNATION

(a) Resignation—Definition. For purposes of this Section 7, the resignation of a member shall mean the member’s voluntary renunciation of all of the member’s membership rights except the rights identified in Section 7.1.

(b) Resignation—in General; Effective Date. A member shall be dissociated upon resigning from the LLC in compliance with Section 7.4(c). The effective date of the dissociation shall be the effective date of the resignation.

(c) Notice; Effective Date. A member may resign as a member of the LLC by giving written notice of resignation to the other members. The resignation shall be effective thirty (30) days after the other members have received the notice. The member shall incur no liability to the other members or the LLC merely by reason of the resignation.

7.5. DISSOCIATION UPON DEATH

A member shall be dissociated upon the member’s death. The effective date of the dissociation shall be the date of

the member's death.

7.6. OPTIONAL DISSOCIATION OF ENTITY MEMBER UPON DISSOLUTION

Upon (i) the dissolution of a member that is an entity or (ii) the occurrence of any condition or event terminating that member's legal existence, the other members shall have the option to dissociate that member if they reasonably determine that the dissociation is in the LLC's best interest.

7.7. OPTIONAL DISSOCIATION UPON ASSIGNMENT OF ENTIRE LLC INTEREST

If a member assigns the member's entire LLC interest to a third party, the other members shall have the option to dissociate the assigning member. Notwithstanding Section 7.1, the dissociated member shall no longer have any rights or liabilities as a member except for any rights or liabilities which accrued to the member prior to the dissociation. The dissociation shall be effective on or after the effective date of the assignment as determined by the other members.

7.8. OPTIONAL DISSOCIATION UPON MEMBER DISABILITY

- (a) Disability—Definition. For purposes of this Section 7.8, a disability means any physical or mental impairment incurred by a member that substantially prevents the member from performing the member's responsibilities to the LLC for a period of 180 consecutive days.
- (b) Option to Dissociate. If a member incurs a disability (as defined in Section 7.8(a)), the other members shall have the option to dissociate that member if they reasonably determine that the dissociation is in the LLC's best interest.
- (c) Right of Members to Appoint Proxy. If, because of a disability or otherwise, a member is unable to exercise the member's rights as a member under this Agreement, the member or the member's legal representative may appoint a proxy to exercise these rights if the other members approve this appointment by majority vote.

7.9. OPTIONAL DISSOCIATION UPON MEMBER BANKRUPTCY

The other members shall have the option to dissociate a member if:

- (a) The member files for bankruptcy or any similar relief; or
- (b) One or more creditors of a member file a petition to have the member declared bankrupt or any similar petition and this petition is not dismissed within 60 days after being filed; and
- (c) The non-bankrupt members reasonably determine that the dissociation is in the LLC's best interest.

7.10. DISSOCIATION UPON EXPULSION

- (a) Expulsions—in General; Effective Date. A member shall be dissociated upon being expelled from membership in the LLC in compliance with Sections 7.10(b) and (c). The effective date of the expulsion shall be determined by the other members.
- (b) Expulsions—Substantive Grounds. Subject to the provisions of Section 7.10(c), the other members shall have an option to expel a member from the LLC on any of the following grounds:

- (1) Breach of Agreement. The other members shall have the option to expel a member if they reasonably determine that:
 - A. The member (“the breaching member”) has materially breached a duty of the member under this Agreement (including any duty to provide personal services to or for the LLC);
 - B. The non-breaching members have given the breaching member written notice of this breach; and
 - C. The breaching member has failed to cure the breach, if curable, within a reasonable period after receiving this notice.
 - (2) Breach of Trust. A breach of the Agreement by a member that has a material adverse effect on the other members’ trust of the breaching member shall be deemed to be a noncurable breach.
 - (3) Misconduct Affecting the LLC’s Reputation. The other members shall have the option to expel a member if they reasonably determine that the member has engaged in misconduct that has caused or is likely to cause a material adverse impact on the reputation of the LLC or on its business or internal affairs.
 - (4) Serious Illegal or Immoral Conduct. The other members shall have the option to expel a member if they reasonably determine that the member has engaged in serious illegal or immoral conduct.
- (c) Expulsions—Procedural Requirements. Before expelling a member, the other members shall accord the member reasonable notice and a reasonable opportunity to be heard.

7.11. MEMBERS’ DUTY TO ACT ON OPTIONS WITH REASONABLE PROMPTNESS; DEADLINE FOR AGREEMENT ON TERMS OF REDEMPTION, ETC.

- (a) General Rule. The remaining members shall exercise all options available to the member under Sections 7.6 through 7.10 and shall take all other actions under this Section or relating to a dissociated member with reasonable promptness.
- (b) Determination of Buy-out Price; Closing of Buy-out. Within thirty (30) days after the effective date of a member’s dissociation under this Section 7, the remaining members and the dissociated member (or that member’s heir or legal representative, as the case may be) shall do the following:
 - (1) They shall determine the price and non-price terms of any redemption or cross-purchase permitted or required under Section 9, Exhibit C; and
 - (2) They shall close any such redemption or cross-purchase.

7.12. MEMBER SUSPENSIONS—GROUNDS

- (a) Requirement of Reasonable Grounds for Suspension. At the request of a member, an arbitrator may suspend another member under this Section 7.12 if the arbitrator determines that there is a substantial possibility that the other member can be validly expelled under Section 7.10.

- (b) Terms of Suspension. No suspension under this Section 7.12 shall be valid unless its duration and its other terms are determined to be reasonable in mediation under Section 27 or arbitration under Section 28. The terms of a member's suspension may include, if reasonable, a complete or partial suspension of allocations, distributions and compensation to the suspended member.

7.13. REQUIREMENT TO AMEND AGREEMENT UPON CHANGE IN NUMBER OF MEMBERS

If, for any reason, the number of members changes after the Effective Date, the member or members (as the case may be) shall, with reasonable promptness, consult with the LLC's principal lawyer and, if necessary, cause this Agreement to be amended so as to be suitable for the resulting number of members.

7.14. EFFECT OF DISSOCIATIONS RESULTING IN THE LLC'S HAVING NO MEMBERS

If, for any reason, all of the members are dissociated from the LLC at the same or approximately the same time, their successors as members or their legal representatives (as the case may be) shall be deemed to have succeeded to all of their respective membership rights for all purposes of this Agreement and the legal existence of the LLC shall continue.

7.15. REQUIREMENT OF MAJORITY VOTE

All actions by the other members relating to the dissociation or suspension of a member shall be taken by majority vote of the other members.

8. TRANSFERS, REDEMPTIONS AND GRANTS OF MEMBERSHIP RIGHTS: DEFINITIONS AND GENERAL RULES

8.1. TRANSFER— DEFINITION

- (a) Transfer—Definition. For purposes of this Agreement, a transfer of membership rights by a member shall mean any voluntary or involuntary transfer or other disposition of all or any part of those rights to another person, with or without consideration, including:

- (1) Transfer by sale;
- (2) Transfer by exchange;
- (3) Transfer by gift;
- (4) Transfer by assignment;
- (5) Transfer (whether by will, trust or otherwise) taking effect on the death of the member; and
- (6) Transfer by operation of law, by execution of legal process, or pursuant to a divorce or bankruptcy decree (including a transfer in connection with a merger of a member that is an entity into another entity).

- (b) Exclusion of Redemptions and Pledges. Transfers shall not include redemptions and pledges of membership rights.

8.2. REDEMPTION— DEFINITION

For purposes of this Agreement, a redemption of a member's membership rights shall mean the extinguishment of those rights in exchange for cash or other consideration from the LLC to the member.

8.3. CROSS-PURCHASE— DEFINITION

As used in this Agreement, the cross-purchase of all or any of a member's membership rights shall mean the purchase of these rights by one or more other members.

8.4. GRANT— DEFINITION

For purposes of this Agreement, the grant of membership rights means their issuance by the LLC to a member or other person.

8.5. OBTAINING OF ADVICE FROM THE LLC'S TAX ADVISER BEFORE ANY TRANSFER, REDEMPTION OR GRANT

Before any transfer, redemption or grant of membership rights under this Agreement, the LLC shall use reasonable efforts to obtain the advice of its principal tax adviser about the federal and state tax effects of the transfer, redemption or grant and to communicate this advice to the members. However, the LLC's failure to obtain this advice or to communicate it to any member shall not invalidate the transfer, redemption or grant.

8.6. OBTAINING OF ADVICE FROM THE LLC'S PRINCIPAL LAWYER BEFORE TRANSFER, REDEMPTION OR GRANT

- (a) Reasonable Efforts, Etc. Before any transfer, redemption or grant under this Agreement, the LLC shall use reasonable efforts to obtain the advice of its principal lawyer about the legal effects of the transfer, redemption or grant and to communicate this advice to the members. However, the LLC's failure to obtain this advice or to communicate it to any member shall not invalidate any such transfer, redemption or grant.
- (b) Loan Agreements, Etc. In providing this advice, the LLC's principal lawyer shall take into account the terms of this Agreement, all relevant loan agreements and other agreements to which the LLC is a party, and all other relevant legal instruments and considerations.

8.7. SIGNED WRITING REQUIRED FOR TRANSFERS, CROSS-PURCHASES, REDEMPTIONS AND GRANTS

No transfer, cross-purchase, redemption or grant of membership rights in the LLC (a "transaction") shall be valid unless made pursuant to a writing that sets forth all material terms of the transaction and that is signed by all parties to the transaction.

8.8. REQUIREMENT THAT TRANSFEREES AND GRANTEEES SIGN THIS AGREEMENT

No transfer or grant of membership rights under this Agreement shall be valid unless the transferee or grantee (as the case may be) signs this Agreement (as appropriately amended to take account of the terms of the transfer or grant in question).

8.9. SECURITIES LAW COMPLIANCE

No transfer, redemption or grant of membership rights in the LLC (a "transaction") shall be valid until:

- (a) The LLC has consulted with its principal lawyer about the compliance of the transaction with applicable securities laws; and
- (b) All the members are reasonably satisfied that the transaction complies with these laws.

9. REDEMPTIONS AND CROSS-PURCHASES OF MEMBERSHIP RIGHTS

9.1. NO PUTS AND CALLS OF MEMBERSHIP RIGHTS EXCEPT AS PROVIDED IN THIS SECTION

Except as expressly provided in this Section 9:

- (a) No Puts. A dissociated member shall have no right to require the LLC to redeem or the other members to cross-purchase all or any part of the dissociated member's membership rights.
- (b) No Calls. The LLC shall have no right to redeem and the non-dissociated members shall have no right to cross-purchase all or any part of the membership rights of a dissociated member.

9.2. OPTION OF LLC TO REDEEM AND OTHER MEMBERS TO CROSS-PURCHASE THE MEMBERSHIP RIGHTS OF DISSOCIATED MEMBER

Upon a member's dissociation from the LLC for any reason, the LLC shall have an option to redeem and the other members shall have an option to cross-purchase all (but not less than all) of the dissociated member's membership rights for the price and upon the other terms set forth in the attached Exhibit C.

9.3. OPTION OF DISABLED OR DECEASED MEMBER TO REQUIRE REDEMPTION OR CROSS- PURCHASE OF THE MEMBER'S MEMBERSHIP RIGHTS

If a member is dissociated from the LLC by reason of death or disability, the dissociated member or the dissociated member's heir or other legal representative may require the LLC to redeem or the other members to cross-purchase all (but not less than all) of the dissociated member's membership rights in accordance with Exhibit C.

9.4. DEADLINE FOR DETERMINATION TO REDEEM OR CROSS-PURCHASE, ETC.

The members and their representatives shall agree on whether to exercise the rights and options provided under this Section 9 and they shall complete all other actions necessary to implement the requirements of the section within the deadline imposed under Section 7.11(b).

9.5. CHOICE BETWEEN REDEMPTION AND CROSS-PURCHASE

Wherever this Agreement permits a choice between the redemption of the membership rights of a dissociated member by the LLC or the cross-purchase of these rights by the other members, the other members shall by majority vote determine whether the transaction in question shall be a redemption, a cross-purchase or a combination of a redemption and a cross-purchase.

9.6. BUY-SELL RIGHTS

- (a) A member (the "Offeror") may at any time make a buy-sell offer (the "Offer") to the remaining member(s) (the "Offeree") by notifying the Offeree in writing the exercise of this right and stating in such notice price and other terms at which the Offeror is willing either to buy all the membership rights owned by the Offeree, or to sell to the Offeree all of the membership rights owned by the Offeror, with price and the other terms being the same for both the purchase and the sale. Unless otherwise provided in this Agreement, the Offer shall not be revocable once the aforesaid notice has

been delivered to the Offeree.

- (b) Within thirty (30) days after receipt by the Offeree of the Offeror's written notice of the Offer, the Offeree shall send to the Offeror a written notice stating whether the Offeree elects (1) to purchase from the Offeror all the membership rights owned by the Offeror at the price and terms stated in the Offer, or (2) to sell to the Offeror all the membership rights owned by the Offeree at the price per share and other terms stated in the Offer. If the Offeree shall fail to notify the Offeror whether he elects to buy or to sell within the time period specified above, such failure shall be deemed to be an election to sell all his membership rights to the Offeror at the price and other terms specified in the Offer. The Offeror shall be entitled to withdraw the buy-sell offer by giving the Offeree written notice of the withdrawal prior to the earlier of the (1) the date of the Offeree gives the Offeror written notice of his election to purchase or to sell pursuant to this provision, or (2) the date on which the Offeree shall be conclusively deemed to have elected to sell his membership rights to the Offeror.

9.7. TAG-ALONG RIGHTS

In the event that one or more members ("Offering Members") representing equal to or greater than fifty-one percent (51%) of the issued and outstanding membership units of the Company receive an offer from one or more proposed purchasers ("Proposed Buyers") to buy all (but not less than all) of such Offering Members' membership units ("Proposed Transfer"), upon the remaining members' and the Company's receipt of written notice setting forth the number of membership units, the price and terms of sale of the membership units to be sold, and all other material terms applicable to the Proposed Transfer ("Proposed Transfer Notice"), and so long as the respective remaining members respond to such notice within thirty (30) days of receipt of such notice, the remaining members and the Company shall collectively have the following options:

- a) Elect to purchase all (but not less than all) of the Offering Members membership units upon the exact terms and conditions of the Proposed Transfer as set forth in the Proposed Transfer Notice. If the any of the remaining members exercise such right, the sale and delivery of such membership units shall proceed as specified in the Proposed Transfer Notice; OR

- b) Demand that the Offering Members require, as a condition to the sale of such membership units, the Proposed Buyers to purchase all such remaining member's membership units upon the exact same terms and conditions as set forth in the notice. If any remaining member elects to exercise such right, the sale and delivery of such membership units shall proceed upon the same terms and conditions as specified in the Proposed Transfer Notice.

9.8. DRAG-ALONG RIGHTS

In the event that one or more members ("Selling Members") representing equal to or greater than fifty-one percent (51%) of the issued and outstanding membership units of the Company propose to sell to one or more purchasers ("Proposed Purchaser") all (but not less than all) of such members' membership units ("Proposed Sale"), upon the remaining members' and the Company's receipt of written notice setting forth the number of membership units, the price and terms of sale of the membership units to be sold, and all other material terms applicable to the Proposed Sale ("Proposed Sale Notice"), and so long as the respective remaining members respond to such notice within thirty (30) days of receipt of such notice, the remaining members and the Company shall collectively have the following options:

- c) Elect to purchase all (but not less than all) of the membership units represented by the Proposed Sale Notice upon the exact terms and conditions set forth in Proposed Sale. If any of remaining members exercise such right, the sale and delivery of such membership units shall proceed upon the same terms and conditions as specified in the Proposed Sale Notice; OR

d) If none of the remaining members and/or Company exercise their option to purchase all (but not less than all) of the membership units identified in the Proposed Sale Notice, the Selling Members may require the remaining Members to sell their Shares to the Proposed Purchaser upon the terms and conditions set forth in the Proposed Sale Notice. If the Selling Members exercise such right, the remaining members shall make best efforts to cooperate and take affirmative steps required to complete the transaction and satisfy the terms and conditions as specified in the Proposed Sale Notice.

10. LLC GRANTS OF MEMBERSHIP RIGHTS AFTER THE LLC'S FORMATION

10.1. LLC GRANTS OF MEMBERSHIP RIGHTS TO THIRD PARTIES

After the formation of the LLC, whether the LLC shall grant membership rights to third parties and the terms of any such grant shall be decided by the majority vote of the members.

10.2. LLC GRANTS OF ADDITIONAL MEMBERSHIP RIGHTS TO MEMBERS

After the formation of the LLC, whether the LLC shall grant additional membership rights to a member and the terms of any such grant shall be decided by the majority vote of the members.

11. MEMBERS' SALES AND OTHER TRANSFERS OF THEIR MEMBERSHIP RIGHTS TO THIRD PARTIES; PLEDGES

11.1. REQUIREMENT OF MAJORITY VOTE OF OTHER MEMBERS FOR TRANSFERS OF MEMBERSHIP RIGHTS TO THIRD PARTIES

No member shall transfer all or any part of the member's membership rights to any third party except with the majority vote of the other members.

11.2. REQUIREMENT OF MAJORITY VOTE OF OTHER MEMBERS FOR PLEDGES OF MEMBERSHIP RIGHTS

- (a) Pledge—Definition. For purposes of this Agreement, pledges shall include mortgages and all other arrangements under which a member provides another person with an interest in all or any portion of the member's membership rights in order to secure an obligation of the member.
- (b) Requirement of Majority Vote of Other Members. No member shall pledge all or any part of the member's membership rights to any person except with the majority vote of the other members.

12. MEMBER MEETINGS

12.1. REQUIREMENT OF ANNUAL MEETINGS AMONG THE MEMBERS

- (a) Annual Meetings of the Members. The members shall meet among themselves each calendar year on the date and at the time and place as decided by majority vote of the members from time to time.

(b) Quorum. No action taken at any member meeting under this Section 12 shall be valid unless members holding a majority of member votes attend the meeting in person or by teleconference.

(c) Purpose of Annual Meetings. At these meetings, the members shall:

- (1) Discuss the condition of the LLC's business and internal affairs among themselves;
- (2) Vote on all pertinent member matters (as defined in Section 13.2); and
- (3) Conduct any other business that they determine to be appropriate.

Each member shall make every reasonable effort to participate in any meeting properly called under this Section 12 in person.

12.2. WHO MAY CALL SPECIAL MEETINGS OF THE MEMBERS; NOTICES OF MEETINGS

Upon reasonable notice to the members, any member may call a special meeting of the members at any reasonable time for any purpose reasonably related to the LLC's business and internal affairs. The notice shall state the date, time, place and purpose of the meeting. The other members shall use their reasonable efforts to meet in accordance with the notice or, if that is not possible, to negotiate alternate arrangements reasonably convenient to a quorum of the members.

12.3. MEETING PROCEDURES; MEMBERS' RIGHT TO BE HEARD AT MEETINGS AND OTHERWISE

At the beginning of each meeting under this Section 12, the members shall appoint by majority vote a chairperson, who shall be responsible for the fair and orderly conduct of the meeting. At each such meeting, each member shall have a reasonable opportunity to be heard on each relevant member matter and on other matters pertinent to the LLC's business and internal affairs.

12.4. APPOINTMENT OF LLC SECRETARY; RECORDS OF MEETINGS AND DECISIONS

Promptly after the LLC's formation, the members shall appoint by majority vote a secretary of the LLC. The secretary shall have responsibility for preparing and promptly circulating among the members for their approval written records of:

- (a) All votes by the members; and
- (b) All other significant business occurring at member meetings.

However, no delay or failure of the secretary to perform these functions shall affect the validity of any decision by the members.

12.5. PARTICIPATION IN MEETINGS VIA TELECONFERENCE

A member who is unable to participate in person in any meeting properly called under this Section 12 shall make every reasonable effort to participate via teleconference.

13. MEMBER VOTING

13.1. VOTE, MAJORITY VOTE, ETC. — DEFINITIONS

- (a) Vote. For purposes of this Agreement, the term "vote" shall mean any expression of consent or dissent,

whether by voice, by show of hand, or in writing by a member on a member matter (as defined in Section 13.2).

- (b) Majority Vote of the Members. A majority vote of the members means an affirmative vote by members holding a majority of member votes. The number of member votes held by each member shall be determined under Section 13.3.
- (c) Majority Vote of the Other Members. A majority vote of the other members means an affirmative vote of members holding a majority of member votes exclusive of those held by a specified member.
- (d) Disinterested Member. With respect to any LLC matter, a disinterested member means a member with no material financial or other interest in the matter except in the member's capacity as a member.
- (e) Unanimous Vote of the Members. A unanimous vote of the members means an affirmative vote by all of the members holding member votes. The number of member votes held by each member shall be determined under Section 13.3.

13.2. RESERVATION OF CERTAIN MATTERS TO THE MANAGER; MATTERS ON WHICH THE MEMBERS MAY VOTE

The decision of all matters concerning the day-to-day business of the LLC shall be reserved to the manager. The decision of all other matters relating to the LLC's business and internal affairs ("member matters") shall be reserved to the members.

13.3. NUMBER OF VOTES THAT EACH MEMBER MAY CAST

Each member may cast one vote on each member matter for each LLC membership interest unit held by the member. The current issued and outstanding LLC membership units are listed in Exhibit B and shall be amended and kept current under the LLC membership interest transfer ledger.

13.4. NUMBER OF VOTES NECESSARY TO DECIDE MEMBER MATTERS

Except as otherwise provided in this Agreement, each member matter shall be decided by the majority vote of the members. Whenever any matter is required or allowed to be approved by a majority vote of the members under the LLC Act or this Agreement, such matter shall be considered approved or consented to upon the receipt of the vote of approval or consent of members having membership interests in excess of one-half (1/2) of the total membership interest of all the members entitled to vote on a particular matter.

13.5. VALIDITY OF LLC ACTIONS AND OF MEMBER VOTES

- (a) Requirement of Vote; Call for Vote. No LLC action requiring a member vote shall be valid as between the members until that vote has been taken. Any member may call for a vote by the members on any member matter.
- (b) Meeting Not Required for Validity. Member votes otherwise in compliance with the provisions of this Section 13 shall be valid whether or not cast at a meeting.

13.6. MEMBERS' RIGHTS TO CERTAIN LLC INFORMATION IN CONNECTION WITH MEMBER VOTES

Without limiting the rights of the members under Section 14 and subject to the manager's right to treat certain

LLC records and information as confidential under Section 14.2(c), the manager shall make every reasonable effort to provide the other members on a timely basis with all information reasonably needed by the other members to cast votes on an informed basis and to monitor effectively the manager's plans, decisions and actions.

13.7. DEADLOCK RESOLUTION

If any matter requiring the vote or approval of a majority of the members should receive the approval of members holding exactly one-half (1/2) of all membership interests entitled to vote thereon, any member shall have the right to submit such matter for resolution in mediation under Section 27 or, if necessary, in arbitration under Section 28 of the Agreement.

14. MEMBERS' RIGHTS TO LLC RECORDS AND INFORMATION

14.1. ACCESS TO LLC RECORDS, ETC.

For any purpose reasonably related to a member's interest (but only for such a purpose), each member shall (subject to the restrictions set forth in Section 14.2) have the following rights with respect to books and records in the possession or control of the LLC ("LLC records") and with respect to information relating to or in the possession or control of the LLC ("LLC information"):

- (a) Access to LLC Records. At any reasonable time during normal LLC business hours, upon a written request reasonably identifying specific LLC records and stating the purpose for which each such record is sought, each member shall be entitled to inspect and review each such record that is reasonably related to that purpose.
- (b) Obtaining of LLC Information. At any reasonable time during normal LLC business hours, upon a written request reasonably identifying specific LLC information and stating the purpose for which this information is sought, each member shall be entitled to obtain this information from the manager to the extent that the information is reasonably related to that purpose.
- (c) Copying of LLC Records, Etc. At any reasonable time during normal LLC business hours, each member shall be entitled to copy at the member's expense any LLC record that the LLC is required to disclose to the member under this Section 14.1.
- (d) Use of LLC Records and LLC Information. Each member may use LLC records and LLC information disclosed to the member under this Section 14 only for the purpose stated to the LLC as required under the above Sections 14.1(a) and (b).

14.2. RESTRICTIONS

The rights of the members to access, obtain, copy and use LLC records and information under Section 14.1 shall be subject:

- (a) To the duty of confidentiality imposed by Section 19 of this Agreement;
- (b) To any applicable federal or state laws and regulations, including laws and regulations concerning the privacy of employee medical information; and
- (c) To restrictions reasonably imposed by the manager.

15. MANAGER'S QUALIFICATIONS AND SUBSEQUENT APPOINTMENTS, ETC.

15.1. MANAGER'S QUALIFICATIONS

Any manager shall be a natural person and shall be a member of the LLC. The members may change these qualifications from time to time by the majority vote of the members.

15.2. DURATION OF MANAGER'S TERM OF OFFICE

The term of office of the manager shall be indefinite, but shall terminate upon the earliest of the date of the manager's (a) death; (b) resignation as a manager; (c) disability (as determined by the other members or in arbitration); or (d) removal as a manager.

15.3. METHOD OF APPOINTING MANAGER AFTER APPOINTMENT OF INITIAL MANAGER

After the formation of the LLC, each new manager shall be appointed by the majority vote of the members.

15.4. MANAGER'S RIGHT TO RESIGN UPON NOTICE

A manager may resign as a manager upon giving 30 days' written notice of resignation to the other members. A manager shall have no personal liability to the LLC or to the other members because of the manager's resignation. However, the resignation shall not absolve the manager from any liabilities to the LLC or to the other members arising on or before the effective date of the resignation.

15.5. MEMBERS' RIGHT TO REMOVE MANAGER

The members may, without liability, remove a manager as a manager at any time with or without cause by majority vote of the other members.

16. MANAGERS' TITLES, AUTHORITY, FUNCTIONAL RESPONSIBILITIES AND COMPENSATION, ETC.

16.1. MANAGERS' TITLES

In performing management functions for the LLC, the manager may use the title "manager" or any other title (including the title "president" or "chief executive officer") that the manager may determine from time to time.

16.2. AGENCY AUTHORITY OF MANAGER; RESTRICTION ON EXERCISE OF AGENCY AUTHORITY

- (a) Manager's Exclusive Right to Sign Contracts. Subject to Section 16.2(b) and except to the extent of any delegation of the manager's management authority under Section 16.5, the manager shall have the exclusive right, power and authority to sign contracts on behalf of the LLC and otherwise to bind the LLC with third parties.
- (b) Requirement of Majority Vote of Other Members to Sign Certain Contracts. Except with the majority vote of the other members, the manager shall not bind the LLC in any matter outside the ordinary course of the LLC's business.

16.3. MANAGER'S RIGHTS WITH RESPECT TO LLC RECORDS AND INFORMATION

- (a) Access to LLC Records, Etc. For any purpose reasonably related to the manager's interests as a manager

(but only for such a purpose), the manager shall, to the extent necessary or appropriate for the performance of the manager's duties and responsibilities under this Agreement and subject to the restrictions set forth in Section 16.3(b), have the following rights with respect to books and records in the possession or control of the LLC ("LLC records") and to information relating to or in the possession or control of the LLC ("LLC information"): (1) The manager shall have access to all LLC records and all LLC information; and (2) The manager may copy and use any LLC record or LLC information.

- (b) Restrictions. The right of the manager to access, obtain, copy and use LLC records and information under Section 16.3(a) shall be subject (i) to the duty of confidentiality imposed by Section 19 of this Agreement; and (ii) to any applicable federal or state laws and regulations, including laws and regulations concerning the privacy of employee medical information.
- (c) Disclosure. Under appropriate terms of confidentiality, the manager may disclose these records and this information to the other members and to third parties.

16.4. MANAGER'S GENERAL RESPONSIBILITY FOR MANAGING THE LLC

The manager shall have general responsibility for managing the business and internal affairs of the LLC.

16.5. DELEGATIONS OF MANAGEMENT AUTHORITY

- (a) Requirement of Majority Vote of Other Members. With the majority vote of the other members, the manager may, to the extent permitted by the LLC Act, delegate the manager's management rights, power and authority from time to time to one or more officers or agents and may amend or terminate any such delegation.
- (b) No Duty to Record Delegations in Writing. The manager shall use commercially reasonable efforts to confirm the fact and terms of each such delegation and of each such amendment and termination in a writing signed by the manager and filed in the LLC's records; but no failure to do so shall invalidate the delegation.

16.6. MANAGER'S RESPONSIBILITY TO OBTAIN TAX IDENTIFICATION NUMBERS, ETC.

Before or promptly after the LLC begins its business activities, the manager shall do the following:

- (a) Tax Identification Numbers. The manager shall obtain for the LLC a federal tax identification number and any necessary state tax identification numbers.
- (b) Bank Accounts. The manager shall open any necessary bank accounts for the LLC.
- (c) Insurance. The manager shall obtain on commercially reasonable terms insurance policies covering all reasonably foreseeable LLC insurable risks.
- (d) Miscellaneous. The manager shall do all other things necessary or appropriate in connection with the commencement of the LLC's business.

16.7. MANAGER'S DUTY TO ENSURE LLC'S COMPLIANCE WITH LAWS, ETC.

Before the LLC conducts business in any relevant state and at all times while it is conducting this business, the

manager, in cooperation with the LLC's principal tax adviser and principal lawyer, shall ensure that the LLC is in compliance with all applicable federal, state and local laws, regulations and ordinances, including:

- (a) Federal and state tax and securities laws;
- (b) Laws governing the registration and taxation of foreign LLCs; and
- (c) Regulations governing specific professions, trades and businesses.

16.8. MANAGER'S COMMITMENT OF TIME TO LLC

- (a) Devotion of Time to LLC. The manager shall devote sufficient time to the performance of the manager's duties to the LLC to ensure that the manager performs these duties competently.
- (b) Devotion of Time to Other Activities. The manager may devote significant time to professional and business activities other than LLC activities and to charitable activities only with the majority vote of the other members.

16.9. SPECIFIC FUNCTIONAL RESPONSIBILITIES OF THE MANAGER

The specific functional responsibilities of the manager to the LLC, if any, shall be as determined by majority vote of the members.

16.10. MANAGER'S COMPENSATION AND FRINGE BENEFITS

Manager may earn compensation and fringe benefits as determined by the majority vote of the members in order to take account of the manager's performance and other relevant factors.

17. MANAGER'S FIDUCIARY DUTY OF CARE

17.1. MANAGER'S FIDUCIARY DUTY OF CARE; STANDARD OF CARE

The manager shall owe a duty of care to the LLC and to the other members. The standard of care shall be competence (as defined in Section 17.2).

17.2. COMPETENCE— DEFINITION

The manager shall be deemed to perform the manager's duties under this Agreement competently if the manager performs them with the knowledge, judgment, skill, diligence, initiative and timeliness that an ordinarily competent person in a like position would use under similar circumstances.

18. MANAGER'S FIDUCIARY DUTY OF LOYALTY

18.1. MANAGER'S FIDUCIARY DUTY OF LOYALTY—GENERAL RULE

- (a) Fiduciary Duty of Loyalty. In all matters arising under or relating to this Agreement or relating to the business and internal affairs of the LLC, the manager shall, except as expressly provided in this Section

18, owe a fiduciary duty of loyalty to the LLC and to the other members.

- (b) Fiduciary Duty of Loyalty—Definition. For purposes of this Agreement, the manager's fiduciary duty of loyalty means the manager's fiduciary duty to act in a manner that the manager reasonably believes to be in or not opposed to the best interest of the LLC and of the other members.

18.2. MANAGER'S DUTY NOT TO COMPETE AGAINST THE LLC, ETC.

- (a) Non-competition. In any geographical area where the LLC is engaged in business or has definite plans (as evidenced by LLC records) to engage in business, a manager during the period of the manager's tenure as a manager and until the second anniversary of the date on which the manager ceases to be a manager shall not directly or indirectly (whether in person, through an entity that the manager partially or wholly owns or otherwise) do the following:
 - (1) Compete against the LLC;
 - (2) Induce or seek to induce any other member or any employee of the LLC to work for any other business; or
 - (3) Otherwise interfere or seek to interfere with the LLC's business relations, including its relations with any person identified in the above Section 18.2(a)(2).

The manager acknowledges that the purpose, duration, geographical scope and other terms of the restrictions imposed on the manager under this Section 18.2(a) are reasonable.

- (b) Competition, Etc., Permitted Upon Majority Vote of Disinterested Members. However, a manager may take an action inconsistent with Sections 18.2(a)(1), (2) or (3) if (i) the manager discloses in advance to the other members all material facts concerning the action; and (ii) the other members approve the action in advance by majority vote of the disinterested members.

18.3. MANAGER'S FIDUCIARY DUTY WITH RESPECT TO LLC BUSINESS OPPORTUNITIES

If, in performing management responsibilities for the LLC, a manager learns of a business opportunity that may be of material value to the LLC (whether or not the opportunity may involve competition with the LLC), the manager shall promptly disclose the opportunity to the other members and shall not exploit it for the manager's personal benefit except in the following circumstances:

- (a) Within 14 business days after receiving notice of it from the manager, the other members decide by majority vote of the disinterested members that the manager may exploit the opportunity; or
- (b) After the disinterested members decide that the LLC should exploit it: (1) The LLC fails to begin material implementation of this decision within 30 days after it is made; or (2) The LLC begins this implementation but fails to make meaningful efforts to continue it.

18.4. MANAGER'S FIDUCIARY DUTY IN DOING BUSINESS WITH THE LLC

- (a) Duty of Disclosure. The manager shall not engage directly or indirectly in any business transaction with the LLC on the manager's own behalf or on behalf of any disclosed or undisclosed third party unless: (1) The manager makes full advance disclosure to the other members about the transaction; and (2) The other members approve the transaction by majority vote of the disinterested members.
- (b) Arm's-length Terms. The terms of any business transaction permitted under this Section 18.4 shall be arm's-length terms.

18.5. MANAGER'S FIDUCIARY DUTY TO AVOID IMPROPER PERSONAL BENEFITS

- (a) Duty to Disclose Personal Benefits, Etc. If a manager receives an improper personal benefit (as defined in Section 18.5(b)), the manager shall promptly disclose this benefit to the other members and, except as provided in Section 18.5(c), shall promptly transfer it to the LLC.
- (b) Improper Personal Benefit – Definition. For purposes of this Agreement, an improper personal benefit shall mean a material amount of cash or anything else of material value: (1) That a manager receives from any third party (i) in connection with the manager's performance of the manager's responsibilities under this Agreement; or (ii) by reason of the manager's status as a manager; and (2) That, at the time of its receipt, is not approved as a benefit to the manager under this Agreement.
- (c) Conditions for Retention of Personal Benefits. A manager may retain an otherwise improper personal benefit, and the benefit shall not be deemed to be improper, if the manager is authorized to retain it by this Agreement or by majority vote of the disinterested members.

18.6. MANAGER'S FIDUCIARY DUTY IN USING LLC PROPERTY, ETC.

The manager shall make no use of LLC property, cash or services (including LLC records, information or intellectual property) or of the manager's position as a manager for any purpose except to benefit the LLC unless:

- (a) The manager first advises the other members of the manager's intent to do so; and
- (b) The other members approve the use by majority vote of the disinterested members.

18.7. MANAGER'S FIDUCIARY DUTY OF GOOD FAITH

In all matters relating to the business and internal affairs of the LLC, the manager shall act in good faith.

19. MANAGER'S FIDUCIARY DUTY OF CONFIDENTIALITY

19.1. MANAGER'S FIDUCIARY DUTY OF CONFIDENTIALITY

In the absence of a final order to the contrary by a court or other governmental authority of competent jurisdiction, the manager shall maintain in confidence all information relating to the LLC and all information in the possession or control of the LLC that is reasonably identified as confidential in the LLC's records or that the manager knows or reasonably should know requires confidentiality in the LLC's best interest.

19.2. BINDING EFFECT OF THIS SECTION; TERMINATION OF BINDING EFFECT

This Section 19 shall bind the manager while the manager is a manager and permanently thereafter except with respect to confidential information that becomes publicly known through no fault of the manager.

20. MANAGER'S FIDUCIARY DUTY OF DISCLOSURE

20.1. MANAGER'S FIDUCIARY DUTY OF DISCLOSURE IN CONNECTION WITH THE LLC'S FORMATION

In connection with the LLC's formation, the manager shall affirmatively disclose to the other members any information known to the manager that is objectively material to the other members in deciding whether to become a member.

20.2. MANAGER'S FIDUCIARY DUTY OF DISCLOSURE IN CONNECTION WITH THE LLC'S OPERATION AND DISSOLUTION, ETC.

In connection with the LLC's operation, dissolution and winding-up, the manager shall, promptly after becoming aware of any information that is objectively material to the business or internal affairs of the LLC, affirmatively disclose this information to the other members.

20.3. DISCLOSURES CONCERNING MANAGER RELATIONSHIPS AND INTERESTS

The disclosures required by this Section 20 shall include:

- (a) The disclosure of any relationship that the manager may have or may come to have with any person that is likely to have a material adverse effect on the LLC's business or internal affairs; and
- (b) The disclosure of any direct or indirect interest that the manager may have or may come to have that is likely to have a material adverse effect on the LLC's business or internal affairs.

For purposes of this Section 20.3, relationships shall include family, social, business and professional relationships, and interests shall include economic interests.

20.4. NONDISCLOSURE AGREEMENTS

A manager may condition any disclosure made by the manager under this Section 20 upon the other members' signing a reasonable nondisclosure agreement.

20.5. NO REQUIREMENT TO BREACH PRIVACY

The manager shall not be required to disclose any information under this Section 20 that is confidential under any federal or state law concerning individual privacy.

20.6. MANAGER'S DUTY TO UPDATE DISCLOSURES AFTER SIGNING THIS AGREEMENT

If, after the manager signs this Agreement, the manager discovers (a) that any disclosure under this Section 20 was incomplete or erroneous when made or has become materially incomplete or erroneous or (b) that the manager has failed to make any required disclosure under this Section 20, the manager shall promptly so advise the other members, shall correct the error or incompleteness and shall make the disclosure or representation in question.

21. MANAGER'S DUTY OF GOOD FAITH

21.1. Good Faith. The manager shall comply with the implied contractual covenant of good faith and fair dealing in accordance with the contract law of the Commonwealth of Massachusetts.

21.2. Breach of Good Faith. The manager shall be deemed to have breached the implied contractual

covenant of good faith and fair dealing if, without reasonable justification, the manager engages in conduct that defeats the reasonable expectations of the members under this Agreement with respect to issues not expressly addressed in the Agreement.

22. MEMBERS' REPRESENTATIONS

22.1. MEMBERS' REPRESENTATIONS

Each member represents as follows:

- (a) Good Faith. In negotiating and entering into this Agreement, the member has acted in good faith.
- (b) Freedom to Enter into Agreement, Etc.
 - (1) The member is legally free to enter into this Agreement and to perform the member's obligations under it in accordance with its terms; and
 - (2) The member is not prevented from doing so by order of any court or other governmental authority of competent jurisdiction, by agreement with any person (including an employment agreement, noncompetition agreement or nondisclosure agreement) or by any other cause.
- (c) Access to Legal Advice, Etc. Before accepting the terms of this Agreement, the member has had every reasonable opportunity to consider these terms and to review them with the member's personal attorney.
- (d) Free Acceptance of Terms, Etc. The member has accepted the terms of this Agreement knowingly and freely.

22.2. REPRESENTATIONS BY ENTITY MEMBER

In addition to its representations under Section 22.1, MISTY MOUNTAIN SHOP LLC represents as follows:

- (a) Valid Formation, Etc. It is a Limited Liability Company validly formed, duly organized and existing under the laws of the Commonwealth of Massachusetts.
- (b) Power and Authority. It has full legal power and authority to enter into this Agreement and to perform its responsibilities and duties under the Agreement in compliance with its terms.

23. LLC RECORD KEEPING

23.1. LLC'S DUTY TO COMPILE AND MAINTAIN RECORDS AND INFORMATION IN COMPLIANCE WITH THE LLC ACT

The LLC shall compile and maintain at its principal place of business all records and information that the LLC Act requires it to compile and maintain.

23.2. LLC'S DUTY TO COMPILE AND MAINTAIN BOOKS OF ACCOUNT AND OTHER RECORDS REQUIRED FOR THE SOUND MANAGEMENT OF THE LLC

The LLC shall compile and maintain all books of account and other records that are necessary or appropriate for

the sound management of the LLC's business and internal affairs.

23.3. LLC'S DUTY TO COMPILE AND MAINTAIN CERTAIN RECORDS CONCERNING CONTRIBUTIONS

The LLC shall compile and maintain records evidencing:

- (a) That its members have made to the LLC the contributions required of them under Section 3; and
- (b) The value of these contributions.

These records may take the form of cancelled checks, bills of assignment or any other appropriate form.

24. LLC'S DISSOLUTION, WINDING-UP AND LIQUIDATION

24.1. LLC'S DISSOLUTION, WINDING-UP AND LIQUIDATION— DEFINITIONS

For purposes of this Agreement, the following terms shall have the following meanings:

- (a) Dissolution. The dissolution of the LLC shall mean the cessation of its normal business activities and the beginning of the process of its winding-up and liquidation.
- (b) Winding-up. The winding-up of the LLC shall mean the process of concluding its existing business activities and preparing for its liquidation.
- (c) Liquidation. The liquidation of the LLC shall mean the sale or other disposition of its assets and the distribution of its assets (or of the proceeds of the sale or other disposition of its assets) to its creditors and to the members.

24.2. EVENTS CAUSING DISSOLUTION

The LLC shall be dissolved on the earliest to occur of the following events:

- (a) Vote of the Members. The LLC shall be dissolved on the date of a majority vote of the members to dissolve it.
- (b) Government Order. The LLC shall be dissolved by order of dissolution by a court of competent jurisdiction or by the Secretary of the Commonwealth.
- (c) Arbitrator's Order. An arbitrator under Section 28 may issue an order dissolving the LLC if the arbitrator determines that there is a compelling need for the dissolution.

24.3. EFFECTIVE DATE OF LLC'S DISSOLUTION

The dissolution of the LLC by vote of the members shall be effective on the date specified in that vote or, if the vote does not specify a date, then on the date of completion of the vote. The dissolution of the LLC by order of a court or other governmental authority of competent jurisdiction or an arbitrator shall be effective on the date specified by the authority in question.

24.4. DETERMINATION OF DATE FOR DELIVERY OF CERTIFICATE OF CANCELLATION AND FOR EFFECTIVE DATE OF CERTIFICATE

The date on which the LLC shall deliver a certificate of cancellation of the LLC's Articles to the Secretary of the Commonwealth for filing and the effective date of this certificate shall be determined by the majority vote of the members upon the completion of the winding-up and liquidation of the LLC. Promptly after the members so vote, the manager shall cause the filing of the certificate of cancellation with the Secretary of the Commonwealth.

24.5. CESSATION OF LLC'S LEGAL EXISTENCE

Unless a court of competent jurisdiction or other governmental authority finally determines otherwise, the LLC shall cease to exist as a legal entity on the effective date of the certificate of cancellation.

24.6. EXCLUSION OF A MEMBER FROM PARTICIPATION IN WINDING-UP PROCESS, ETC.

An arbitrator under Section 28 may exclude a member from participating in the winding-up and liquidation of the LLC on the ground that, because of past wrongful conduct by the member, the member's participation would be likely to affect that process adversely.

24.7. LLC'S WINDING-UP

- (a) Manager Responsibility. Unless the members decide otherwise by majority vote of the members at the time of the winding-up, the manager shall be responsible for winding up the LLC.
- (b) Winding-up and Liquidation. After the LLC is dissolved, the person or persons responsible for winding it up shall as expeditiously as reasonably possible and on terms as favorable as reasonably possible to the LLC:
 - (1) Wind up its business and internal affairs; and
 - (2) Cause its liquidation.

During the wind-up period, the LLC shall accept no new business.

24.8. LLC'S COMPLIANCE WITH STATE REQUIREMENTS CONCERNING LIQUIDATING DISTRIBUTIONS

The LLC shall make no distribution to members or others in connection with its liquidation until it has complied with all applicable laws and regulations of all relevant jurisdictions (including tax laws and regulations) relating to its dissolution and liquidation.

24.9. MANAGER'S DUTY TO DISPOSE OF AND TO BAR KNOWN AND UNKNOWN CLAIMS AGAINST LLC

In connection with the LLC's liquidation, the manager shall take all reasonable measures under the laws of each relevant state to dispose of and to bar known and unknown claims against the LLC.

24.10. MANAGER'S DUTY TO CONSULT WITH THE LLC'S PRINCIPAL TAX ADVISER AND PRINCIPAL LAWYER IN CONNECTION WITH THE LLC'S DISSOLUTION, ETC.

Before the LLC's winding-up and liquidation, the manager and other persons responsible for these procedures

shall use their reasonable best efforts to consult with the LLC's principal tax adviser and principal lawyer and shall structure and implement the liquidation in a manner that is as fair as reasonably possible to each member from a legal and tax viewpoint.

25. TERM AND TERMINATION OF THIS AGREEMENT

25.1. TERM AND TERMINATION OF AGREEMENT

Subject to Sections 25.2 and 25.3, the term of this Agreement shall begin on the Effective Date (as defined in Section 2.1) and shall terminate as follows:

- (a) Termination by Member Vote—in General. The Agreement shall terminate if all of the members vote to terminate it. Unless the members vote otherwise, the date of any termination under this Section 25.1(b) shall be the date of the above vote.
- (b) Termination by Member Vote in Connection with Dissolution. The Agreement shall terminate if the members vote to dissolve the LLC. Unless the parties agree otherwise at the time of dissolution, the effective of termination of the Agreement under this Section 25.1(b) shall be the date of termination of the legal existence of the LLC.
- (c) Termination by Judicial Authority, Etc. The Agreement shall terminate if the LLC is dissolved by decree of a duly authorized court or other governmental authority or by an arbitrator. The date of a termination of the Agreement under this Section 25.1(c) shall be as determined by the authority in question.

25.2. SURVIVAL OF ACCRUED RIGHTS, ETC.

Any rights, responsibilities, duties and liabilities accrued by the parties under this Agreement before its termination shall continue in effect after its termination as reason and fairness may require.

25.3. PARTIES' RIGHT AFTER TERMINATION OF AGREEMENT TO DISPUTE RESOLUTION IN CERTAIN MATTERS RELATING TO LLC'S WINDING-UP, ETC.

Notwithstanding the termination of this Agreement, any party may, after that termination, invoke the dispute resolution provisions of Sections 27 and 28 to determine and enforce rights, responsibilities and duties of the party relating to:

- (a) LLC matters, if any, arising before and during the LLC's winding-up but not resolved by the members before termination;
- (b) The LLC's liquidation; and
- (c) LLC matters arising after the termination of the LLC's legal existence.

26. CLAIMS BY THE MEMBERS, ETC.

26.1. WHO MAY MAKE A CLAIM; WAIVERS

- (a) Claims by Members. By giving the other members a written notice of mediation under Section 27 or of arbitration under Section 28 and by otherwise complying with the dispute resolution provisions of this Agreement, a member (a “claimant”) may make a claim as a direct claim in the claimant’s own right against one or more other members or against the LLC with respect to any matter arising under or relating to this Agreement or relating to the business or internal affairs of the LLC.
- (b) Waiver. If, within thirty (30) days after the date on which a claimant makes a claim under Section 26.1(a), any other member fails to give notice to the claimant and to the other members that the other member is joining the claim or is making a similar or another claim, then, unless an arbitrator decides otherwise, the other member shall thereby waive: (1) The right to participate in any negotiation, mediation or arbitration of the claimant’s claim and to share in any relief resulting from that claim; and (2) To bring a claim independently on the basis of the same or similar facts as those upon which the claimant’s claim is based.
- (c) Derivative Actions. Unless an arbitrator decides otherwise, no claimant making a claim under this Agreement shall be required to comply with any rule specifically governing derivative actions.

26.2. LIMITATION OF FIDUCIARY AND OTHER DUTIES

Each member and the manager shall owe fiduciary and other duties only as provided in this Agreement and shall be subject to personal liability only for breaches of the duties to which the member or manager is subject in the Agreement.

26.3. NO BREACH OF FIDUCIARY DUTY OF CARE OR LOYALTY IF THE MANAGER RELIES ON LLC RECORDS, ETC.

The manager shall not be deemed to have breached the manager’s fiduciary duty of care or loyalty under this Agreement if, with respect to the matter in question, the manager has acted in reasonable reliance on:

- (a) LLC records;
- (b) Information, opinions, reports or statements presented to the manager or to the LLC by another member or by any other person as to matters that, when presented, the manager reasonably believed to be within the other person’s professional or expert competence; or
- (c) Any provision of this Agreement.

26.4. PRESUMPTION OF COMPLIANCE OF MANAGER ACTIONS WITH THE MANAGER’S DUTY OF CARE

- (a) Presumption of Compliance. If a claimant makes a claim that any conduct by a manager has breached the manager’s fiduciary duty of care, the manager shall be deemed to have complied with this duty with respect to this conduct unless the claimant shows on the basis of a preponderance of the evidence:
 - (1) That before engaging in the conduct, the manager failed to obtain reasonably adequate information or to adequately consider that information; or
 - (2) That in engaging in the conduct, the manager acted in bad faith; or
 - (3) That with respect to the conduct, the manager had a conflict of interest.
- (b) Approval by Disinterested Members. For purposes of this Section 26.4, a manager shall be deemed not to have had a conflict of interest if the conduct in question was approved in advance by majority vote of the disinterested members.

26.5. EXCULPATION OF MANAGER AND OTHERS

- (a) Exculpation. The LLC shall not limit or eliminate the liability of the manager or other person for money damages or for other damages or penalties for any breach of the person's duties under this Agreement (including fiduciary duties) unless: (1) The person requests the LLC to do so in writing in each case; and (2) In each case, the LLC is authorized to do so by majority vote of the disinterested members.
- (b) Manager Removals, Etc. Nothing in this Section 26.5 shall be construed to bar the other members from removing a manager under Section 15.5 of this Agreement or from seeking injunctive relief against a manager or other person.
- (c) Breaches of the Implied Contractual Covenant of Good Faith and Fair Dealing. Nothing in this Section 26.5 shall be construed to permit the LLC to limit or eliminate the liability of the manager or other person for violating the implied contractual covenant of good faith and fair dealing.

26.6. FIDUCIARY DUTIES AND LIABILITIES, ETC., OF THE NON-MANAGER MEMBERS

To the extent that a member who is not a manager has access to LLC records or information or participates in the management of the LLC, including participation in the decision of LLC management matters:

- (a) That member shall be subject to the fiduciary duties and liabilities imposed on the manager by this Agreement and shall be entitled to the defenses made available to the manager by the Agreement.
- (b) Any claim that the member has breached any such duty shall be subject to the requirements and restrictions imposed by this Section 26.
- (c) The member shall have all of the benefits accorded to the manager under this Section 26, including indemnifications and advancements of expenses.

26.7. INDEMNIFICATION OF MEMBERS, THE MANAGER AND OTHERS

- (a) Indemnification. If a member, manager or other person incurs a liability in respect of a claim relating to the business or internal affairs of the LLC, then, if (i) the person requests indemnification of the liability in writing in each case; and (ii) the disinterested members approve it by majority vote, the LLC may indemnify the person for the liability to the extent permitted by the LLC Act and approved by the disinterested members.
- (b) Liability—Definition. For purposes of Section 26.7(a), a liability means an obligation to pay a judgment, settlement, penalty, fine or reasonable expense (including reasonable attorneys' fees) in respect of a claim described in Section 26.1(a).

26.8. ADVANCEMENT OF MEDIATION, ARBITRATION AND LITIGATION EXPENSES TO MEMBERS OR THE MANAGER

If (i) any person makes a claim against a current or former member or manager in the member's or manager's capacity as a member or manager and (ii) the claim relates to actions or omissions by the member or manager while he or she was a member or manager, the LLC shall advance reasonable mediation, arbitration and litigation expenses, including reasonable attorneys' fees, to the member or manager for the defense of the claim if:

- (a) The member or manager requests the advancement in writing in each case;
- (b) The member or manager promises in writing to reimburse the LLC for the advancement to the

- extent that the member or manager does not prevail in the claim;
- (c) This writing specifies all material terms of the reimbursement; and
- (d) The members approve the advancement and the promise of reimbursement by majority vote of the disinterested members.

26.9. LLC'S DUTY TO PROVIDE LIABILITY INSURANCE FOR MEMBERS AND MANAGERS IN CERTAIN CIRCUMSTANCES

Whether the LLC shall maintain an insurance policy to cover liabilities incurred by members as a result of claims against them in their capacity as members or managers shall be decided by the majority vote of the members.

26.10. BURDEN OF PROOF; STANDARD OF PROOF

Subject to Section 26.11, in any claim under or relating to this Agreement or relating to the LLC:

- (a) The claimant shall bear the burden of proving the claim.
- (b) The claim shall be deemed to have been proven if supported by a preponderance of the evidence.

26.11. SHIFTING OF BURDEN OF PROOF IN CERTAIN CASES INVOLVING CLAIMS OF BREACH OF FIDUCIARY DUTIES

- (a) Claims of Breach of the Duty of Care. If, in connection with a claim that the manager has breached the manager's fiduciary duty of care, a claimant adequately pleads that the manager has engaged in any conduct described in Sections 26.4(a)(1) through (3), the burden of proof shall shift from the claimant to the manager and the manager shall bear the burden of proving that the manager complied with the manager's duty of care in the matter in question.
- (b) Claims of Breach of Duty of Loyalty. If a claimant adequately pleads that the manager has breached any fiduciary duty of loyalty imposed on the manager under Sections 18 through 20, the manager shall have the burden of proving that the manager did not commit this breach. However, if the manager adequately pleads that, by majority vote of the disinterested members, the manager's conduct was approved in advance or ratified, the burden of proof shall shift to the claimant to prove the breach.
- (c) Adequate Pleading—Definition. A pleading shall be deemed adequate for purposes of this Section 26.11 if the allegations that it contains are non-conclusory and credible.

27. DISPUTE RESOLUTION—MANDATORY MEDIATION

27.1. MANDATORY MEDIATION

If any dispute arises among the members under or relating to this Agreement or relating to the LLC's business or internal affairs that the members cannot resolve voluntarily among themselves, they shall seek to resolve the dispute by mediation.

27.2. PROCEDURAL RULES

Except as otherwise provided in this Section 27 or as decided otherwise by majority vote of the members at the time, any mediation under this Section 27 shall be governed by the mediation procedures of JAMS as in effect on the date of commencement of the mediation.

27.3. NOTICE OF MEDIATION; SELECTION OF MEDIATOR, ETC.

- (a) Notice of Mediation. Any member may initiate a mediation under this Agreement by giving the other members a written notice of mediation. This notice shall bear a current date and shall briefly state the matter or matters to be mediated.
- (b) Voluntary Selection of Mediator, Etc.; Commencement of Mediation. Unless the parties to a mediation under this Section 27 unanimously agree otherwise at the time, then, within 10 business days after all members have received a notice under Section 27.3(a), the members shall agree by majority vote upon the identity of the mediator, the site of the mediation and the method of administering the mediation. They shall commence mediation as promptly as reasonably possible after reaching agreement on these matters.
- (c) Referral of Mediation to JAMS. If, within the above 10 business days, the members cannot agree on any of the matters identified in Section 27.3(b), the LLC shall promptly give a written notice of the mediation to JAMS and JAMS shall administer the mediation.

27.4. MEDIATION EXPENSES

Each member in any mediation under this Section 27 shall bear the member's mediation expenses, except that each member shall be liable for fees charged by the mediator to the LLC and any applicable JAMS fees in proportion to the member's respective percentage interest in the income of the LLC.

27.5. CONFIDENTIALITY

- (a) Members' Duty of Confidentiality. The members shall maintain in confidence all information disclosed by each to the others and to the mediator in any mediation under this Section 27, and reasonably identified by the disclosing party as confidential.
- (b) Settlements, Etc. No settlement offer by any member during any mediation under this Section 27 shall be discoverable or binding in any other proceeding.
- (c) Mediator's Duty of Confidentiality. Before the commencement of any mediation under this Section 27, the members may require the mediator to sign an appropriate non-disclosure agreement.

27.6. MEMBERS' DUTY TO PERFORM THEIR OBLIGATIONS DURING MEDIATION

Unless the members decide otherwise by unanimous vote at the time, each member shall perform the member's obligations under the Agreement during any mediation under this section.

27.7. ARBITRATION

Unless the members decide otherwise by unanimous vote at the time, any member shall have the right to require the arbitration under Section 28 of any issue not resolved in mediation under this Section 27.

28. DISPUTE RESOLUTION—MANDATORY ARBITRATION

28.1. MANDATORY ARBITRATION

If any dispute arises among the members under or relating to this Agreement or relating to the LLC's business or internal affairs that the members cannot resolve voluntarily among themselves or by mediation under Section 27, then, unless the members decide otherwise by unanimous vote at the time, they shall resolve the dispute by

arbitration under this Section 28.

28.2. NOTICE OF ARBITRATION; ARBITRATION RULES; COMMENCEMENT OF ARBITRATION

- (a) Notice of Arbitration. Any member may initiate an arbitration under this Section 28 by giving a written notice of arbitration to the other members. The notice shall bear a current date and shall briefly state the matter or matters to be arbitrated.
- (b) Arbitration Rules. Except to the extent that the members decide otherwise by unanimous vote at the time of the arbitration, the rules governing any arbitration under this Section 28 shall be the JAMS's Expedited Arbitration Rules. The identity of the arbitrator, the site of the arbitration, and the arbitration administrator shall be as agreed by the members.
- (c) Commencement of Arbitration. The members shall commence any arbitration under this Section 28 as promptly as reasonably possible after the other members receive a notice of arbitration under Section 28.2(a).

28.3. REFERRAL OF ARBITRATION TO JAMS

If, within 15 business days after any member has given a written notice of arbitration to the other members under Section 28.2(a), the members have not agreed by majority vote upon an arbitrator, an arbitration site or an arbitration administrator, then, unless the members decide otherwise by unanimous vote at the time:

- (a) Referral to JAMS. A member shall refer the matter or matters listed in the notice required under Section 28.2(a) for administration by the office of JAMS located in the city of Boston, MA; and
- (b) Selection of Arbitrator, Etc. JAMS shall select one (1) arbitrator and the site of the arbitration in accordance with the Expedited Arbitration Rules and shall administer the arbitration.

28.4. ARBITRABLE MATTER— DEFINITION

For purposes of this Section 28, arbitrable matters shall comprise the following types of matters:

- (a) Scope, Construction and Enforcement of This Section, Etc. Arbitrable matters shall include matters concerning the scope, construction and enforcement of this Section.
- (b) Matters Involving Material Interests of the LLC or the Members. Arbitrable matters shall include material matters that arise under or relate to this Agreement or to the internal affairs of the LLC.

28.5. MATTERS THAT THE MEMBERS MAY LITIGATE

Notwithstanding any other provision of this Agreement, any member may bring suit in a court of competent jurisdiction:

- (a) To petition a court for injunctive relief with respect to a matter arising under or relating to the Agreement or relating to the LLC;
- (b) To obtain judicial enforcement of an order granted by an arbitrator under this Section 28; or
- (c) As otherwise permitted under the Federal Arbitration Act, 9 U.S.C. §§ 1-16 (the "Federal

Arbitration Act”).

28.6. ARBITRATOR’S RIGHT TO SUPPLEMENT AGREEMENT

In connection with the resolution of an arbitration under this Agreement, an arbitrator shall not amend or delete any provision of this Agreement but may add new provisions to it to the extent necessary to address matters not addressed in the Agreement.

28.7. ARBITRATOR’S DUTY TO SET FORTH AWARD IN WRITING, ETC.

The arbitrator shall set forth in writing his or her award in any arbitration under this Section 28, but shall have no duty to explain in writing the facts underlying the award or the reasoning upon which the award is based.

28.8. CONFIDENTIALITY

Except as the members decide otherwise by unanimous vote at the time, the members shall maintain in confidence:

- (a) The fact that they are engaging or have engaged in arbitration under this Section 28;
- (b) All confidential information disclosed by each member to the others and to the arbitrator during the arbitration; and
- (c) Any arbitration award resulting from the arbitration.

28.9. RULES GOVERNING ALLOCATION OF ARBITRATION EXPENSES AMONG THE MEMBERS

- (a) General Rule. Except as provided in Sections 28.9(b) and (c), each member shall bear the member’s expenses, including attorneys’ fees, in any arbitration under this Section 28, except that each member shall be liable for any fees charged by the arbitrator or JAMS in proportion to the member’s respective percentage interest in the income of the LLC.
- (b) Unreasonable Claims and Arguments. If an arbitrator determines that a member has initiated an arbitration under this Section 28 without a reasonable basis for doing so or that any claim, argument or other action of a member in the arbitration is unreasonable, the arbitrator shall to that extent assess against that member the expenses incurred by the other members in connection with the arbitration, including reasonable attorneys’ fees and fees payable to the arbitrator.
- (c) Loser Pays. To the extent that an arbitrator determines that a member has failed to prevail in an arbitration under this Section 28, the arbitrator shall to that extent allocate to that member the costs of the arbitration, including reasonable attorneys’ fees and fees payable to the arbitrator.

28.10. GOVERNING LAW

- (a) General Rule. In deciding any arbitration under this Section 28, the arbitrator shall apply the substantive law of the Commonwealth of Massachusetts, exclusive of its laws governing conflicts of law.
- (b) Federal Arbitration Act. However, matters relating to the enforceability of this Section 28 and to any award granted under this Section shall be governed by the Federal Arbitration Act.

28.11. MEMBERS’ DUTY TO PERFORM THEIR OBLIGATIONS DURING ARBITRATION

Except as ordered by an arbitrator under this Section 28 or as otherwise provided in this Agreement or as decided by unanimous vote of the members at the time, each member shall perform the member's obligations under the Agreement during any arbitration under this section.

28.12. INCLUSION OF CERTAIN FORMER PARTIES, ETC., AS PARTIES TO DISPUTE RESOLUTION

An arbitrator under this Section 28 may permit or require former parties to this Agreement and current assignees of the LLC interests of the LLC to be parties to any arbitration under this Section 28 to the extent of their willingness to be parties to the arbitration.

28.13. PERMISSIBLE DEFENSES AND REMEDIES

In any arbitration under this Section 28, the arbitrator shall have discretion to determine:

- (a) The extent to which a party may rely upon any specific common law legal or equitable defense; and
- (b) Whether to award any specific common law legal or equitable remedy.

28.14. PROHIBITION OF APPEAL; ENTRY OF AWARDS

- (a) Except as permitted by the Federal Arbitration Act, no member shall appeal to any court any award by an arbitrator under this Section 28.
- (b) Any member may obtain an order from a federal district court under § 9 of the Federal Arbitration Act, 9 U.S.C. § 9, and other applicable law, or, to the extent permitted by law, from a court of first instance of the Commonwealth of Massachusetts.

29. GENERAL PROVISIONS

29.1. ENTIRE AGREEMENT

This Agreement contains the entire agreement among the parties concerning its subject matter, and it replaces all prior agreements among them, whether written or oral, concerning this subject matter.

29.2. AMENDMENT OF AGREEMENT AND ARTICLES

- (a) Amendments of Agreement. Except as provided in Section 28.6 (relating to supplementation of the Agreement by an arbitrator), no amendment of this Agreement shall be valid unless it is approved by the unanimous vote of the members, is in writing, and is signed by all of the parties.
- (b) Amendments of Articles. Except as otherwise provided in the LLC Act, no amendment of the Articles shall be valid unless it is approved by the unanimous vote of the members and is filed in compliance with the LLC Act.

29.3. INCORPORATION OF EXHIBITS

All exhibits identified in this Agreement as exhibits to the Agreement are hereby incorporated into the Agreement and made integral parts of it.

29.4. RESOLUTION OF CONFLICTS BETWEEN AGREEMENT AND ARTICLES

If there is any conflict between this Agreement and the Articles, then, in any dispute among the members, this Agreement shall prevail.

29.5. EFFECT OF LLC ACT

Except as otherwise provided in this Agreement, the business and internal affairs of the LLC shall be governed by the LLC Act as in effect on the Effective Date (as defined in Section 2.1) and as amended thereafter from time to time.

29.6. GOVERNING LAW

Subject to Section 28.10(b) (relating to the Federal Arbitration Act), this Agreement shall be governed by and construed in compliance with the domestic laws of the Commonwealth of Massachusetts, without giving effect to any choice-of-law or conflict-of-law provision or rule (whether of the Commonwealth of Massachusetts or of any other jurisdiction) that would cause the application of the laws of any jurisdiction except the Commonwealth of Massachusetts.

29.7. EFFECT OF CHANGES OF LAW

If, during the term of this Agreement, the rules of the LLC Act or other applicable law change in a manner that provides a material advantage or disadvantage to any member not contemplated by the parties when entering the Agreement, the members shall equitably amend the Agreement to minimize or eliminate any such advantage or disadvantage.

29.8. FORUM FOR LITIGATION; ACCEPTANCE OF PERSONAL JURISDICTION; AWARDING OF LITIGATION EXPENSES

- (a) Jurisdiction Where Suit Must Be Filed. If any party to this Agreement sues another party to this Agreement in a suit permitted by this Agreement or by applicable law, the party bringing the suit shall do so in courts of competent jurisdiction only in the Commonwealth of Massachusetts. The parties hereby irrevocably submit to the personal jurisdiction of those courts in any such suit.
- (b) Litigation vs. Alternative Dispute Resolution. This Section 29.8 shall not be construed to impair any restriction on litigation set forth in Sections 27 and 28 of this Agreement (relating to dispute resolution).
- (c) Allocation of Litigation Expenses. The rules governing the allocation of costs, litigation expenses and attorneys' fees among the parties in any litigation shall reflect as closely as possible the rules set forth in Section 28.9 (governing allocations of arbitration expenses).
- (d) Suit—Definition. For purposes of this Agreement, the term suit shall include an action at law or in equity.

29.9. NOTICES

- (a) Requirement of Writing; Address. All notices required by this Agreement shall be in writing and shall be delivered to a party at the party's address as stated on the first page of this Agreement. A party may change this address upon reasonable notice to the other parties.

- (b) Method of Delivery. Notices shall be (i) delivered by hand; or (ii) sent by reputable overnight courier service; or (iii) sent by electronic facsimile transmission or e-mail (with a copy sent by first class mail, postage prepaid); or (iv) mailed by first class certified or registered mail, return receipt requested, postage prepaid.
- (c) Proof of Delivery. Notices provided in accordance with this Section 29.9 shall be deemed to have been delivered:
 - (1) If delivered by hand, upon delivery;
 - (2) If sent by electronic facsimile transmission or e-mail, upon the mailing of a copy of the notice by first-class mail;
 - (3) If sent by overnight courier service, 24 hours after deposit with that service; or
 - (4) If sent by certified or registered mail, return receipt requested, 48 hours after deposit in the mail.

29.10. EFFECT OF CAPTIONS

All captions in this Agreement are for convenience only and shall be deemed irrelevant in construing any provision of the Agreement.

29.11. DEFINITION OF “DAY,” “INCLUDE,” ETC.

As used in this Agreement:

- (a) Day. “Day” shall mean a calendar day.
- (b) Include. “Include” and similar terms shall denote partial definitions.
- (c) Person. “Person” shall mean a natural person or an entity as the context shall require.
- (d) State. Where the context permits or requires, “state” shall include the District of Columbia.

29.12. MEANING AND CONSTRUCTION OF NUMBER AND GENDER

As the context shall require:

- (a) Singular and Plural. The use of the singular in this Agreement shall denote the plural and vice versa.
- (b) Gender. The use of any gender shall denote another gender.

29.13. DELAYS AND OMISSIONS IN EXERCISING RIGHTS, ETC; WAIVERS OF RIGHTS, ETC.

- (a) Delays and Omissions. No delay or omission by a party in the exercise of any right, power or remedy accruing to the party as a result of any breach or default by another party under this Agreement: (1) Shall impair any such right, power or remedy; or (2) Shall be construed as a waiver of or acquiescence by the party in (i) any such breach or default or (ii) any similar breach or default occurring later.
- (b) Waivers. No waiver by a party of any single breach or default under this Agreement shall be construed as a waiver by the party of any other breach or default occurring before or after that waiver.

29.14. SEVERABILITY OF PROVISIONS

Each provision of this Agreement (a “Provision”) shall be deemed severable. If (i) any Provision or (ii) the application of any Provision to any person or circumstance shall be held invalid or unenforceable by a court of any jurisdiction:

- (a) Affected Jurisdiction. The Provision shall be ineffective only in that jurisdiction.
- (b) Scope of Ineffectiveness. The Provision shall be ineffective only to the extent that it has been expressly held to be invalid or unenforceable in that jurisdiction.
- (c) Effect on Other Provisions and on Applicability of Provision Itself. The ineffectiveness of the Provision shall not invalidate any other provision of the Agreement or the application of the Provision itself to persons or circumstances other than those with respect to which it was held invalid or unenforceable in the jurisdiction in question.

29.15. PERMISSIBILITY AND VALIDITY OF COUNTERPARTS

This Agreement may be executed in any number of counterparts and by different parties to this Agreement in separate counterparts. Each of these counterparts when so executed shall be deemed to be an original of the Agreement and all such counterparts taken together shall constitute one and the same Agreement.

29.16. REQUIREMENT OF CERTAIN FURTHER ACTIONS BY THE PARTIES

Each party, upon reasonable request by another party, shall do the following for the purpose of carrying out the intent of this Agreement:

- (a) The party shall furnish to the other party any information reasonably requested by the other party.
- (b) The party shall sign any documents and do any other things that the other party reasonably requests.

29.17. PARTIES’ ACKNOWLEDGEMENT OF ADEQUACY OF CONSIDERATION

Each party acknowledges and agrees that upon the effectiveness of this Agreement, the party will be in receipt of valid and adequate consideration for its undertakings under this Agreement.

29.18. VALIDITY OF FACSIMILE SIGNATURES

Facsimile copies of parties’ signatures shall be held valid for all purposes under this Agreement.

29.19. NO THIRD PARTY BENEFICIARIES

The parties intend this Agreement to benefit only themselves and any persons that become their successors and assignees in accordance with the Agreement. The Agreement is expressly not intended for the benefit of any creditor of the LLC or of any creditor of a member or for the benefit of any other person who is not a party to the Agreement.

29.20. JOINT REPRESENTATION BY ATTORNEY

The parties acknowledge that their interests under this Agreement are substantially aligned and that, accordingly,

they have knowingly and freely permitted attorney Stefano G. Caprara, Esq. to represent all of them jointly in the negotiation and drafting of the Agreement.

[THIS PAGE ENDS HERE. THE PARTIES' SIGNATURES ARE ON THE NEXT PAGE.]

SIGNATURES AND DATES

IN WITNESS of their acceptance of the terms and conditions of this LLC operating agreement, the parties, by themselves or by their duly authorized representatives, have duly signed and dated this Agreement as follows:



ERIK M GATH

Member/Manager



ABBIGAIL GUNTHER

Member

MISTY MOUNTAIN SHOP LLC



By: _____

Name: Erik M Gath

Title: Manager

EXHIBIT A

ARTICLES OF ORGANIZATION

(See Attached)

EXHIBIT B

MEMBER CONTRIBUTIONS

IN EXCHANGE for their respective membership rights in the LLC, each member shall make, or has made, the following contributions of cash, property and services to the LLC in accordance with the following terms and conditions:

| <u>Member</u> | <u>Contributions</u> | <u>Membership Interest</u> |
|------------------|---------------------------|----------------------------|
| ERIK M GATH | Founding Member \$4500 | 900,000 Units (90.00%) |
| ABBIGAIL GUNTHER | Services | 100,000 Units (10.00%) |
| <hr/> TOTAL | | 1,000,000 Units (100%) |

EXHIBIT C

DETERMINATION OF PURCHASE PRICE AND NON-PRICE TERMS OF REDEMPTIONS AND CROSS-PURCHASES UNDER SECTION 9 BY AGREEMENT OF THE PARTIES UPON OCCURRENCE OF EVENT OF DISSOCIATION

Section 1 **DETERMINATION OF PRICE TERM**

The price of any transaction (a “buy-out transaction”) constituting a redemption or cross-purchase of a dissociated member’s membership rights under Section 9 of the Agreement shall be the fair market value of those rights as agreed upon by the parties to the transaction in accordance with the valuation principles set forth in Rev. Rul. 59-60, 1959-1 C.B. 237 on or reasonably promptly after the effective date of the event of dissociation triggering the transaction.

Section 2 **DETERMINATION OF NON-PRICE TERMS**

The parties to any buy-out transaction under Section 1 of this exhibit shall agree on the non-price terms of the transaction (including installment terms, interest terms, security terms and closing terms) on or reasonably promptly after the effective date of the event of dissociation triggering the transaction. These terms shall not unduly burden the LLC or the cross-purchasing member (as the case may be).

Section 3 **MINORITY DISCOUNTS, ETC.**

The price in any redemption or cross-purchase under Section 1 of this exhibit shall reflect minority discounts, marketability discounts or other similar discounts.

Section 4 **REDUCTION OF BUY-OUT PRICE BY REASON OF MEMBER’S DISSOCIATION**

- (a) Reduction of buy-out price by reason of a member’s dissociation—in general. The price of any buy-out under Section 9 of the Agreement shall reflect any reduction in the value of the LLC resulting from the fact that the dissociated member is no longer a member.
- (b) Expulsion. In the case of a buy-out under Section 9 of the Agreement occurring after a member’s expulsion under Section 7 of the Agreement, the buy-out price shall be reduced not only under Section 4(a) but also to reflect any decrease in the LLC’s value caused by the actions or omissions of the expelled member that resulted in the expulsion.

Section 5 **FAILURE TO AGREE**

To the extent that the parties do not reach agreement on a price term or any non-price term under Section 1 or 2 of this exhibit, each such term shall be determined in mediation under Section 27 or, if necessary, in arbitration under Section 28 of the Agreement.

**Certificate of Good Standing or Compliance from the Massachusetts
Department of Unemployment Assistance Attestation Form**

Signed under the pains and penalties of perjury, I, ERIK GATH, an

authorized representative of MISTY MOUNTAIN SHOP, LLC certify that

MISTY MOUNTAIN SHOP, LLC does not currently have employees and is therefore unable
to register with the Massachusetts Department of Unemployment Assistance to obtain a Certificate
of Good Standing or Compliance.



Signature of Agent

Date 4-24-2021

Name: ERIK M. GATH

Title: OWNER

Entity: MISTY MOUNTAIN SHOP, LLC



Plan to Obtain Liability Insurance

Misty Mountain Shop plans to obtain general liability and product liability insurance coverage of no less than \$1 million per occurrence and \$2 million in aggregate annually. The deductible for each policy shall be no higher than \$5,000 per occurrence. *935 CMR 500.101(1); 935 CMR 500.105(10)*

Attached is a letter from the insurance broker.

May 7, 2019

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

Re: Insurance Coverage for Misty Mountain Shop, LLC | 935 CMR 500.105

To Whom It May Concern:

I serve as the insurance broker for Misty Mountain Shop, LLC.

In accordance with 935 CMR 500.105, this letter is to confirm that Misty Mountain Shop, LLC will procure commercial general and product liability to meet or exceed the requirements listed in 935 CMR 500.00. They will also procure Worker's Compensation and other coverages as required for their 323 Commercial Street location. The insurance applications are being prepared and will be finalized upon the award of the license.

Feel free to contact me at 443 722 7467 if I can be of any further assistance.

Thank You,

Steven B Sherman

Steven B. Sherman, JD



Mission Statement:

To create positive and exciting experiences for the Malden Community inside and outside of our Marijuana Establishment.

Vision:

A brand that is well-known by the community as friends and family who operate a retail store that acts as a showcase for the most talented cultivators in Massachusetts.

Misty Mountain Shop

BUSINESS PLAN

Category: Marijuana Retail Establishment

Malden Submission Deadline:

05/20/2019

Executive Summary

Company Summary

Misty Mountain Shop is not just a Marijuana Retail Establishment, it is a company that will give back to the community. Not only will we create a safe, friendly environment for the Malden Community to obtain and get educated about Marijuana products, we will create positive experiences outside of the store through local community engagements.

Misty Mountain Shop consists of a team of carefully chosen professionals each with his or her own unique set of skills. During the selection process careful consideration was taken to ensure that the team has a strong foundation in specific areas of expertise. These areas include:

- Cannabis Cultivation – 17+ years of design, compliance, and security in cultivation centers.
- Cannabis Retail – 17+ years of design, compliance, and security for clients across the US.
- Business management – 30+ years of experience owning and operating businesses
- Construction – 15+ years of building design, engineering, and construction.
- Permitting - 15+ years of experience working with building departments and inspectors
- Sales and Marketing – 40+ years of marketing experience in the healthcare and software industries
- Law Enforcement - 25+ years of International, national, and municipal law enforcement
- Military – 20+ years of service
- Healthcare – 50+ years of experience in the healthcare industry
- Social work – 25+ years of
- Public relations
- Regulatory Compliance

The Misty Mountain team has accumulated over 15 years of knowledge in the cannabis industry. We have built, and continue to build, strong relationships with master growers and owners of marijuana establishments. Our relationships allow us access to premium quality products from the most brilliant cultivators in Massachusetts. We have every intention on showcasing their talents in our retail establishment.

With the vast knowledge of the team, Misty Mountain Shop is poised to design, build, and operate the unique, tasteful, and sophisticated Retail Dispensary that the City of Malden deserves.

Property Overview

Our retail store will be located at 323 Commercial Street in Malden, Massachusetts. The facility complies with the zoning ordinances outlined by the Malden Cannabis Licensing and Enforcement Commission (CLEC). The property is well positioned in an industrial area and very accessible. The property is 1 mile to the Everett line and 2.4 miles to the Encore Casino.

In order to create positive experience for visitors we will make the following improvements to the property

- Create a new parking lot onsite providing space for up to 37 vehicles.
- Give the building a facelift including a new storefront and siding.
- Create secure access throughout the facility to ensure the safety of our visitors
- Design a welcoming, spacious retail area that will never feel crowded.
- Install attractive fixtures, millwork and finishes to create a high-class experience.



The building interior and exterior design paired with the ideal location will make Misty Mountain Shop one of the top locations in Massachusetts for cultivators to showcase their products and for customers to safely obtain top quality products. We intend to create an amazing experience for visitors.

Products & Services

Misty Mountain Shop works with other marijuana establishment owners and growers on a daily basis. We already have access to a variety of products from multiple cultivators and manufacturers. We continue to build relationships in the industry, which means our product offerings will only increase in variety.

Misty Mountain will ensure that all of our employees will be properly trained in all aspects of the operations and have knowledge of every product in the store. Our knowledgeable budtenders will be able to navigate and guide our customers through our vast product variety featuring a locally sourced product line of the highest quality cannabis. Our core Marijuana product offerings will be dried flower and concentrates. However, we will sell a wide range of additional cannabis infused products such as edibles, topicals, and beverages. Misty Mountain Shop will also sell apparel, pipes, lighters, and other accessories.

We have honest intentions to educate the community on all aspects of marijuana products, how each product was grown, the effects on the human body, and the industry as a whole. Our healthcare backgrounds provide us the ability to work with customers to help determine which products will most fulfill their expectations and needs. Our cultivation experience provides us the ability to educate consumers on where the product came from. We strive to ensure that all of our customers, new or frequent, are given first class treatment and feel comfortable whenever they visit our store.

Community Impact

This industry is already bringing a lot of opportunity to Massachusetts citizens and we want to continue this trend in the Malden Community. We will create numerous, well-paying, job opportunities for Malden residents. We will also work with local vendors in an effort to strengthen the “community first” approach.

Outside of the store Misty Mountain Shop wants to be involved in the local community. We want to bring new and exciting ideas to the City of Malden. We will frequently organize charity events, workshops, and fundraisers. We will also work with and make significant donations to ABCD, scholarship funds, Malden Overcoming Addiction, YMCA, YWCA, Lions Club, and other organizations.

Executive Summary

Mission Statement:

To create positive and exciting experiences for the Malden Community inside and outside of our Marijuana Establishment.

Vision:

A brand that is well-known by the community as friends and family who operate a retail store that acts as a showcase for the most talented cultivators in Massachusetts.

Values:

Education: We are committed to educating our community, customers, and each other in the pursuit of our Mission.

Innovation: We create and adopt advancements that show promise of improving safety, compliance, education, product, and the overall experience of the clients and the community.

Community: We support our communities by creating opportunities for local employment and giving back to the community through community service, fundraising events, and charitable donations.

Integrity: We hold ourselves to a high standard of moral principles. We strive to create a successful small business by developing lasting relationships in the industry and in the community.



Market Overview

- Spending on legal cannabis worldwide is expected to hit \$57 billion by 2027.
- Analysts predict the overall cannabis market for legal adult-use and medical sales in North America to reach \$24.5 billion by 2021.
- Over 60% of the U.S. population now lives in states that have legalized some form of cannabis use and sales, illustrating the rising acceptance of cannabis nationwide and highlighting the industry's immense potential for future growth.
- In November 2016, Massachusetts voters approved Question 4, the initiative to legalize the recreational use of cannabis and first retail cannabis business was opened in Massachusetts in November 2018.
- Cannabis stores sold about \$9.3 million worth of cannabis products during the first month and in February 2019 total legal cannabis sales exceeded \$40 million, according to figures released by the Cannabis Control Commission.
- **8.7%** of Americans have used Marijuana in the last 30 days. **20%** have used in the past year.
- Massachusetts is projected to become a \$1 billion industry by 2020.
- **21%** of Massachusetts adults have used recreational marijuana in the last 30 days.
- It is estimated that over 20,000 monthly marijuana users live in the City of Malden and the City of Everett combined.
- Easy Access from the Encore Casino will allow Misty Mountain Shop to exceed expectations.
- Proximity to the Casino will also allow Misty Mountain Shop to educate visitors from all over the world

Executive Summary

Start-up Summary

The business has been fully funded with \$1 million. This will include total capital costs of \$397,000. Leaving \$603,000 as working capital.

Misty Mountain Shop will fund its startup costs through personal savings and private investments. An investment account has been set up and funds have been deposited.

Table 1. Start-up expenses, \$

| CAPEX | | | | |
|---|---|---------|--|----------------|
| Site Improvements Including parking lot | 1 | 25,000 | | 25,000 |
| 3000 sf Retail finishes including wall finishing, painting, flooring | 1 | 172,800 | | 172,800 |
| Security system including multiple camera feeds | 1 | 55,000 | | 55,000 |
| Furniture, Display Counters, Refrigerators, Freezers, Multiple POS/ Cash Regi | 1 | 55,000 | | 55,000 |
| Cost for Computer Software (Accounting Software, Payroll Software, CRM Soft | 1 | 0 | | - |
| HVAC x 10 tons | 1 | 18,500 | | 18,500 |
| Electrical including lighting for retail only | 1 | 27,500 | | 27,500 |
| Plumbing | 1 | 0 | | - |
| Exterior wall panels x 1500 sf | 1 | 15,000 | | 15,000 |
| Storefront and vestibule | 1 | 9,500 | | 9,500 |
| Insurance & Permitting | | 9,000 | | 9,000 |
| 3% Markup | | 11,619 | | 11,619 |
| TOTAL | | | | 398,919 |

Financial Summary

From a total investment of \$1 million, Misty Mountain Shop is expected to generate over \$13.4 million in gross revenues with an operating income of over 4 million in 2021, its first full year of operations.

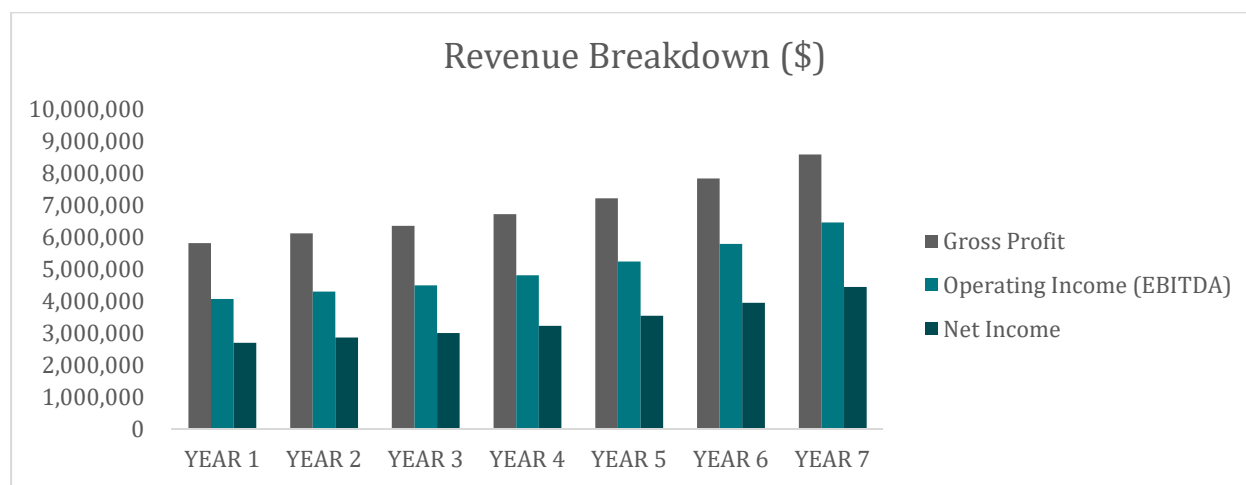


Figure 1. Yearly Revenues



Business Plan
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The Company



Misty Mountain Shop consists of a team of carefully chosen professionals each with his or her own unique set of skills. During the selection process careful consideration was taken to ensure that the team has a strong foundation in specific areas of expertise. These areas include business management, building design, permitting, marketing, marijuana cultivation, law enforcement, security, healthcare, social work, public relations, and compliance. Together Misty Mountain has accumulated over 30 years of knowledge in the cannabis industry. With the vast knowledge of the team, Misty Mountain Shop is poised to design, build, and operate the unique, tasteful, and sophisticated Retail Dispensary that the City of Malden will be proud of.

Erik M. Gath, PE, CBCP - Founder/CEO

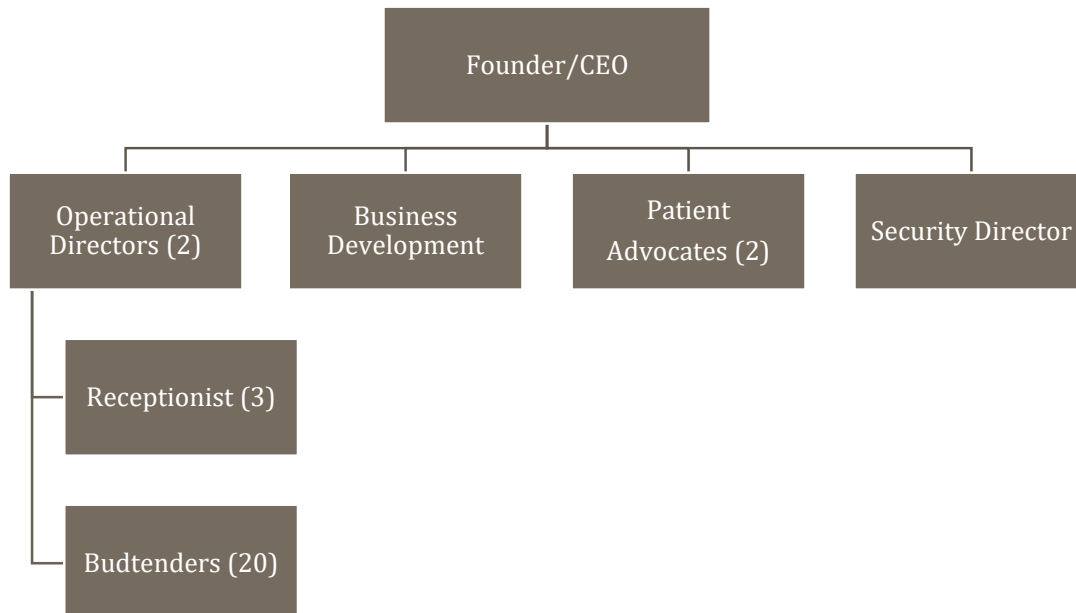
Abbigail Gunther – Compliance and Operational Director

Tim Gunther – Compliance and Operational Director

Danielle Lopilato - Healthcare Advocate

Karen Hawkes “TK”, Director of Safety and Training

Figure 2. Organizational structure



The Company

Erik M. Gath, PE, CBCP - Founder/CEO

Erik Gath is a Massachusetts native. Born and raised in Tewksbury, MA by a self-employed mechanic and a tax collector for the Town of Tewksbury. He attended Tewksbury public schools and graduated from Tewksbury High School. He Currently Lives in Chelmsford, MA.

After earning a BS in Mechanical Engineering and Minor in Nuclear Engineering from UMass Lowell, Erik accepted a Mechanical Engineering position at BLW Engineers in Littleton, MA. Over the last 15 years, Erik has helped build the company from 6 to over 40 engineers. His work ethic, leadership, and positive attitude was a valuable asset when growing from \$1.5 to a \$10 million company.

Erik is a licensed Professional Engineer and Certified Building Commissioning Professional.

Erik brings Misty Mountain Shop over 5 years of experience in the Cannabis industry. Serving as a consultant he works on a daily basis with owners and growers to design cultivation facilities and dispensaries. Erik has engineered over 20 state of the art, energy efficient, cultivation facilities and Marijuana retail stores. Erik's teams cover several areas of the cultivations design process

- Design Development
- Work with facility manager, growers, and staff to satisfy strict environmental requirements in different types of process rooms and grow rooms
- Dehumidification and humidification
- CO2 control
- Integration of proper filtration and odor control
- Ventilation of extraction rooms
- Natural gas distribution to all gas utilization equipment
- Connection to irrigation, reverse osmosis, and/or fertigation system and distribution to grow rooms
- Domestic cold water system; domestic hot water system; plumbing fixtures and equipment
- Electrical Service, panel, switchgear, and generators
- Coordination with Electrical utilities
- Coordination with Co-gen and/or Solar company
- Generator Design
- Lighting
- Utility Incentives
- Budgeting
- Construction Administration

Through the design of these facilities, Erik has developed strong relationships with growers, owners, architect, and contractors. These relationships are valuable to Misty Mountain Shop because it gives them access to a wide variety of wholesale providers and products. He also knows how every product is cultivated and/or manufactured. Please refer to TAB 11 for wholesale letters.

Experience in the marijuana industry has also given Erik the knowledge of the Cannabis Control Commission's Regulations. Compliance with these codes and regulations is critical to building and operating a successful licensed marijuana establishment.



Operational Directors – Abbigail Gunther and Tim Gunther

TGunther Group LLC (dba ILoveCompliance.biz) is a minority, woman, veteran-owned business that was started in 2016 by its two founders, Abbigail and Tim Gunther. Abbigail and Tim saw a gap in the cannabis and hemp industry; lack of compliance focused operations. The founders having both served in the military understood how a structured framework could be the baseline to a successful organization to meet an ever-changing environment.

Abbigail brings over twenty-five years of law enforcement, business, and investigative experience. She leads the Standard Operations Procedures (SOPs) & Policy Development Group, regulatory affairs, and investigative teams within the organization. Tim has sales and operational experience in information technology, healthcare, aviation, oil and gas, law enforcement, business development, compliance, and regulatory affairs. Tim oversees the Managed Compliance Services within the organization.

TGunther Group supports cannabis and hemp operations in cultivation, processing, manufacturing, dispensary and laboratory services in eighteen states and Canada. TGunther Group supports these clients through Managed Compliance Services (MCS) and works closely with regulators at the state and local level in support of these operations. Instead of an organization hiring a compliance person, they hire a compliance team when they work with TGunther Group.

TGunther Group has developed state-specific SOP(s), Policies, Forms, and Training programs that are mapped directly against the cannabis and/or hemp regulations within a state. This approach allows customers to ensure their operations are following protocols and practices in line with the intent of the regulations. TGunther Group has successfully assisted over fifteen licensed locations achieve operational status by setting up the compliance framework and participating in the inspection process. In the past twenty four months, TGunther Group has partnered with clients going through various inspections and certifications which helped them achieve their final certificate to operate, to include: ISO 17025, Massachusetts Cannabis Control Commission, Maryland Medical Cannabis Commission Inspections, California Bureau of Cannabis Control Inspections, Michigan Medical Marijuana Inspections, Pennsylvania Medical Marijuana Inspections, Illinois Medical Marijuana Inspections, Florida Medical Marijuana Inspections, bank audits, and FDA Good Manufacturing Audits.

TGunther Group has a partnership with PowerDMS, document management and compliance platform that was started in 2000. TGunther Group is the exclusive partner of PowerDMS for the cannabis and hemp industry. Tim was an executive at PowerDMS and lead their sales, marketing, and business development operations in regulatory and compliance affairs. During his tenure at PowerDMS, he worked with regulators and state agencies to bring their regulatory frameworks into PowerDMS. This included State/City/County Law Enforcement Agencies, Oil and Gas, Healthcare, Aviation, Financial Services, Manufacturing, Retail Operations, Fire Services, and Corrections.

In the state of Massachusetts, PowerDMS has a footprint of over 50 current customers, many of whom are law enforcement agencies that use the platform to manage their compliance operations for their officers and other staff members. The PowerDMS platform and the Managed Compliance Services will be the corner stone of the Misty Mountain Shop compliance framework.

The Company

Misty Mountain Shop has partnered with TGunther Group to implement PowerDMS and build out their compliance framework upon licensing. All the operational content submitted with the application will be implemented within the PowerDMS platform. TGunther Group will also map all the operational content to the Massachusetts Cannabis Regulations. TGunther Group will train Misty Mountain leadership and operations teams on the compliance framework requirements.

The PowerDMS platform will be used to ensure all employees have been trained, including sign off, on all Standard Operating Procedures, Policies, Training Content, and other compliance-related information. The PowerDMS platform will also be used to assist Misty Mountain in tracking compliance programs related to:

- Retail Best Practices
- Cash and Product Diversion Controls
- Air Handling and Filter Management
- Waste Management Procedures
- Vendor Contract Management
- Safety Data Sheet Management
- Preventative Maintenance Program
- Security Plan
- Equipment Maintenance and Quality Management
- Employee Training Records
- Security and Safety Checks
- Good Manufacturing Practices

After the initial implementation of the compliance framework for the Misty Mountain Retail Operations, TGunther Group will be retained by Misty Mountain to continue compliance management operations for the organization.



Danielle Lopilato – Healthcare Advocate

Danielle is a Massachusetts Native. Born, raised, and living in Tewksbury, MA.

Danielle brings over 20 years of experience in social services and elder care to Misty Mountain Shop. She is a Licensed Social Worker who has worked in a variety of settings including private homes and medical facilities. Her primary role has been providing supportive care and advocacy to patients with serious, medically complex illnesses.

Danielle has a strong background and a passion in palliative care. She prides herself in promoting dignity, freedom to choose, and patient centered care. Her palliative care background has been extremely beneficial in her family life when caring for her mother throughout the late stages of fatal lung cancer.

Danielle has seen how the body can negatively react to traditional forms of treatment. She has also witnessed how difficult it is for patients to access to medical marijuana. Danielle's personal experiences have given her the motivation to advocate for alternative forms of pain relief and palliative care.

To recognize her achievements, Danielle was presented with the Excel Award for Advocacy from the Commonwealth of Massachusetts.

Danielle's compassionate, calming nature brings intangible value to the team.

Karen Hawkes “TK”, Director of Safety and Training

Karen Hawkes grew up in Billerica Massachusetts. She attended Billerica public schools and graduated from Billerica Memorial High School. She currently lives in Rowley, MA.

Karen has a BSBA in Finance, graduating cum laude from Northeastern University. She also holds a master’s degree in criminal justice administration. Karen graduated from the Massachusetts State Police Academy in 1993 and served the Commonwealth of Massachusetts for 13 years as a state trooper. A stroke ended her career in 2006. In 2010, after taking some time to recover, Karen became an advocate for the passage of the Humanitarian Use of Medical Marijuana law in Massachusetts.

Once the bill was passed, Karen was not interested in becoming involved with the implementation of the law, however, through advocacy, she met a doctor who wanted to open a dispensary and wanted Karen as her head of security. Karen decided that her experience and skills as a state trooper would serve the industry well. She wanted the industry, that she helped legalize to be professional and successful and she wanted to do her part to end the stigma surrounding Cannabis and its users. In January 2014, she joined with Garden Remedies as a member of the Board of Directors and later as the Chief Security Officer. During that time the company opened a cultivation site and 3 retail stores. The company grew from 4 to about 120 employees.

Karen’s experience includes all things security-related in starting and running a Cannabis business. She attended construction meetings to ensure security was part of the initial design, she collaborated with alarm companies in the design of the security systems, oversaw the installation of equipment and developed training security manuals for security personnel.

Karen developed training courses and trained staff on personal safety and crime prevention techniques, security protocol and security related state regulations, safe deliveries. She also wrote the security related standard operating procedures. Her trainings included power point presentations, scenarios, audience participation and hands on. She also performed risk assessments on each process from seed to sale and mitigated any vulnerabilities with policy changes and training. Karen was also responsible for investigations and threat assessments. She was the liaison for local police departments and communicated with police departments in scheduling details, informing on changes in operating hours and collaborating to address any concerns.

Being the mother of two teenagers, a former Girl Scout Leader and Sunday School teacher, she is especially mindful to anti-diversion methods in keeping Cannabis out of the hands of minors. Karen has long understood that a controlled and regulated market is a more pragmatic approach to public safety than allowing an illegal market to run the market. Illegal markets don’t ask for ID, sell to minors and have more harmful drugs that they push on customers. The security of the premises and the safety of staff, customers and the public are a paramount concern to Karen as is compliance with state, federal and local regulations.





The Property



Property Location and Building Information

Property Overview

Our retail store will be located at 323 Commercial Street in Malden, Massachusetts. The facility is in compliance with the zoning ordinances outlined by the Malden Cannabis Licensing and Enforcement Commission (CLEC).

Our main goal for the property is to help make visiting our shop a relaxing, enjoyable experience that is welcoming, and never crowded. The first step in achieving that goal is easy access. The property is well positioned in an industrial area close to local businesses and the River's Edge Development. The property is 1 mile to the Everett line and 2.4 miles to the Encore Casino. Commercial Street is divided by a median strip to the south of 323 Commercial Street, but the entrance and exit to our driveway is accessible from both sides of Commercial Street.

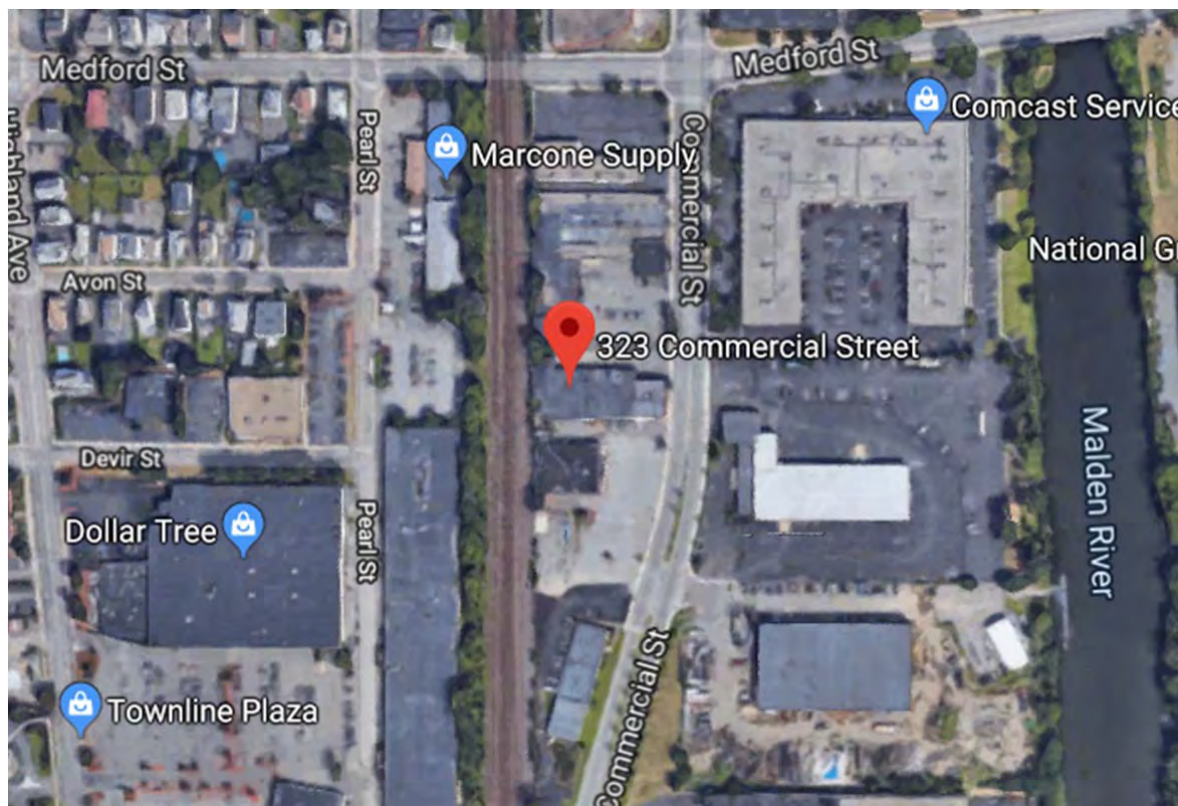


Figure 2. Property Location 323 Commercial Street

The second step is parking. Other facilities have had major issues with parking with many of them needing shuttle from satellite overflow lots. We have been able to develop a plan that creates 37 full size parking spaces around the building. The parking space are for exclusive use by Misty Mountain Shop customers. A "ONE WAY" drive path will be created. Vehicles will enter the parking lot at the "ENTRANCE" on the south side of the building. Vehicle will follow the driveway until they find an open parking space. Parking spaces will be painted at a 45° angle to allow easy entry into and exit from the

The Property

space. When exiting the parking lot customers will proceed to follow the “ONE WAY” arrows and signs around the building to the north side “EXIT”

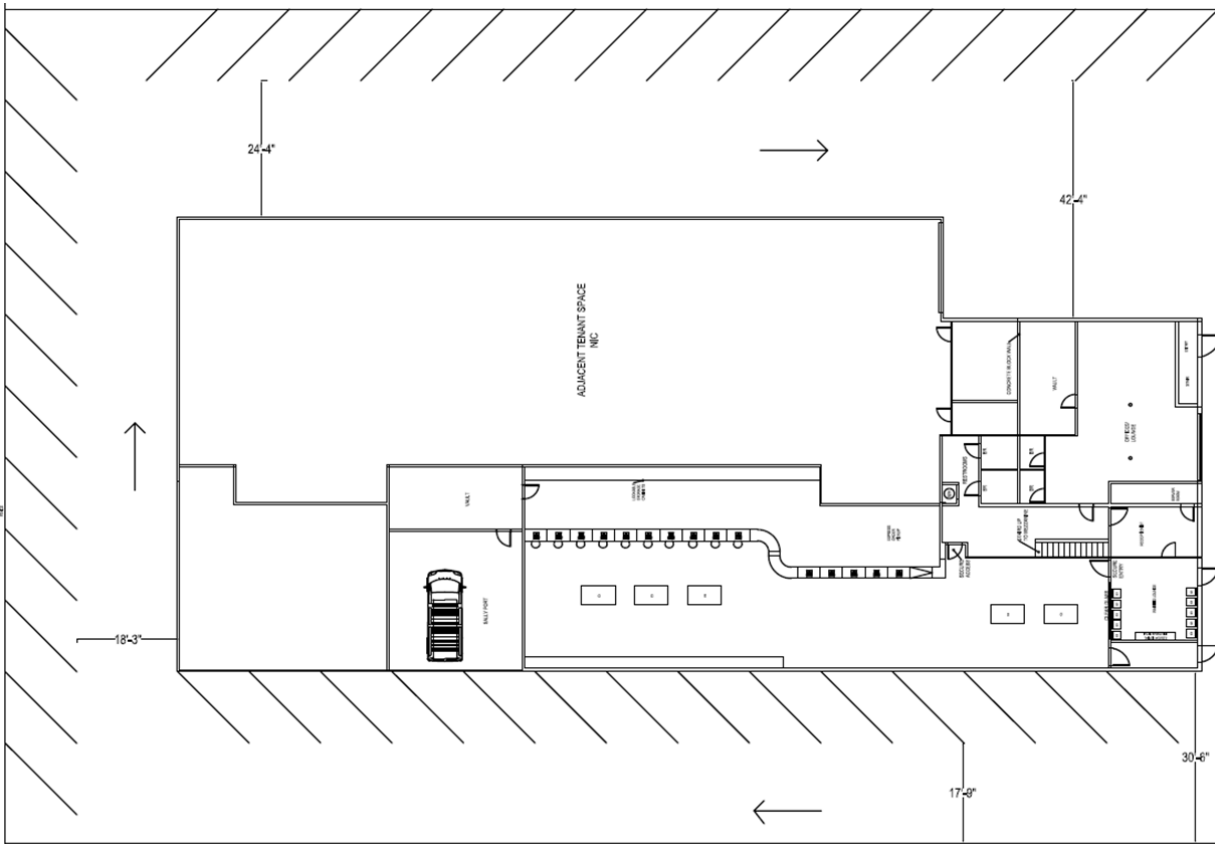


Figure 3. Proposed Parking Plan

The 323 Commercial landlord has an existing agreement with the neighbor abutting the north side of the property allowing use of 20 parking spaces for building staff. This ensures that the Parking Lot at 323 Commercial is used exclusively by Misty Mountain Shop. Please refer to TAB 5 for a full size parking plan.

The final step is inside the space. Misty Mountain Shop has secured a lease on 6000 square feet of space. Please refer to TAB 29 for a copy of the lease. The large area of the space will allow employees to interact and move around the retail floor without feeling congested. It will also allow create a nice flow, so it will never feel overcrowded.

Misty Mountain Shop has attained the services of BKA Architects out of Brockton, MA as our architect of record and interior designer. BKA Architects has extensive experience in the Cannabis industry and in the design of dispensaries. We have tasked them with giving the building interior and exterior an urban industrial look. The following renderings were produced by BKA.

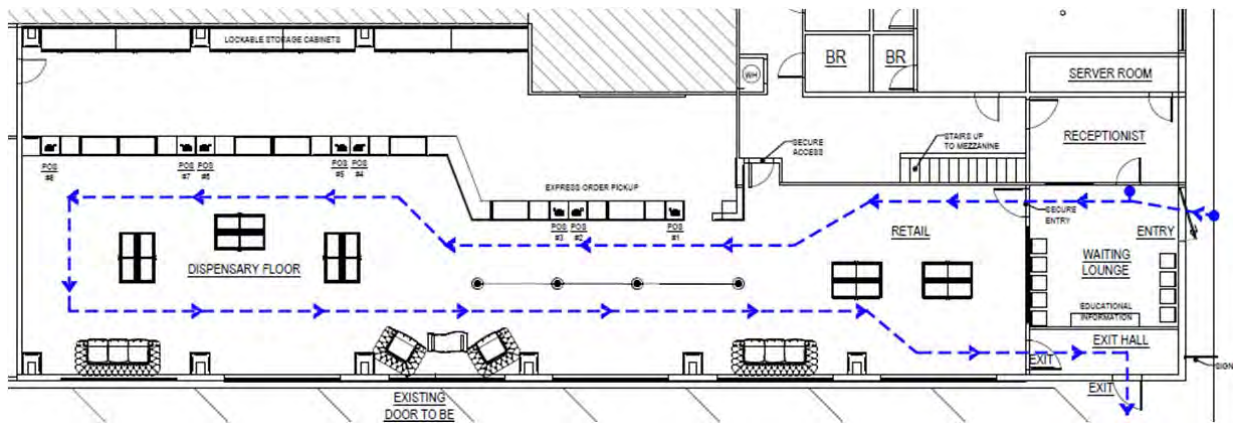


Figure 4. Interior Flow



Figure 5. Interior Rendering of Misty Mountain Shop

The Property



Figure 6. Exterior Rendering of Misty Mountain Shop

Please refer to TAB 5 for full size plans and renderings.

The building interior and exterior design paired with the ideal location will make Misty Mountain Shop one of the top locations in Massachusetts for cultivators to showcase their products and for customers to safely obtain top quality products. We intend to create an amazing experience for visitors.



Building Data and Improvements at a Glance:

- Physical data
 - The existing structure is a 19' tall brick building.
 - The total area of the building is just over 14,000 square feet.
- Plans for Site Improvement and parking
 - The existing parking lot will be re-paved. 37 new parking spaces will be painted around the building.
 - The building façade will be completely replaced to improve the overall look of the building and property.
 - Curbing and or bollards will be installed to prevent damage to the building by any vehicles.
- Interior Plans
 - The retail sales floor will be 3000 square feet. Large open space.
 - There will be a sally port for product deliveries with direct access to the vault.
 - The remaining 2500 square feet will be back of house space.
 - The back of house will create a comfortable space for employees including offices, server room, conference room, break room, and bathrooms.



Marketing Strategy & Implementation



Products

Aside from the dispensing of cannabis products, Misty Mountain Shop's relationships with manufacturers allow us access to an extensive line of cannabis infused products.

- Gummies
- Lozenges
- Iced Teas
- Cold Brew Coffee
- Chocolates
- Cookies
- Brownies

We will also engage in the sale of brand accessories such as

- Hoodies
- T-Shirts
- Polos
- Pipes
- Lighters
- Hats

Marketing Strategy

Marketing Plan

Misty Mountain Shop recognizes that marijuana is still federally illegal, however we want to ensure we are educating and protecting our customers from mis-information. Our goal is to educate and not make any misleading or false statements about marijuana. Because cannabis is illegal under federal law, state governments and online advertising platforms are placing strict rules on how companies can market their products.

Google, Facebook and Twitter all have advertising policies that restrict the promotion of the sale of cannabis. Google's policy prohibits ads that promote "substances that alter mental state for the purpose of recreation." Facebook restricts any "illegal, prescription, or recreational drugs." And Twitter bans "illegal drugs" as well as substances that cause "legal highs." Instagram and Facebook have decided to go a step further by removing pages of cannabis related businesses. Misty Mountain will use the social platforms to provide educational material based on scientific research being done in other countries

The most effective strategies for legal marijuana companies are direct marketing at industry conferences and other events, building communities around marijuana -related concerns such as health and wellness. The marketing and sales strategy of Misty Mountain Shop is based on maintaining our long-term personalized relationships with growers, manufacturers, and the community.

Brand Identity

"Your brand is what people say about you when you're not in the room" – Jeff Bezos

Most marijuana retail stores are going to have no issues selling products over the next few years. Any business looking for long term success and growth must create a brand. What will separate Misty Mountain Shop from other retail shops is our brand identity. Our brand identity stems from our mission statement, vision, and values.

Mission Statement: To create positive and exciting experiences for the Malden Community inside and outside of our Marijuana Establishment.

Vision: A brand that is well-known by the community as friends and family who operate a retail store that acts as a showcase for the most talented cultivators in Massachusetts.

Values:

Education: We are committed to educating our community, customers, and each other in the pursuit of our Mission.

Innovation: We create and adopt advancements that show promise of improving safety, compliance, education, product, and the overall experience of the clients and the community.

Community: We support our communities by creating opportunities for local employment and giving back to the community through community service, fundraising events, and charitable donations.

Integrity: We hold ourselves to a high standard of moral principles. We strive to create a successful small business by developing lasting relationships in the industry and in the community.



Creating our brand identity it starts from the top with internal marketing. Executives must be involved in the day to day management of the company. We know how we want to make our customers feel when they enter our store and interact with our employees, so we need to interact with management and employees to make them feel the same way. As if they are internal customers. Here are some examples of how we will achieve our plan for internal marketing.

- Educating employees on the company goals and values through daily interaction and paid training sessions.
- Providing adequate salaries and benefits, plus a fun work environment.
- Encouraging communication and interaction among employees in our employee lounge.
- Ensuring employees know that their contributions matter and are essential to the success of the company.
- Encouraging employees to be involved in our special events.

Community Education

Misty Mountain Shop intends to become an integral contributor to of The City of Malden. It is very important to us that we make a positive impact on the community. We want to be viewed as friends and family, not just operators of a store.

Fundraiser Events

We will work with other organizations to put on fun and exciting events.

- Concerts
- Comedy shows
- Celebrity sporting events
- Walk-a-thons
- Book drives
- Golf tournaments

Educational Workshops

Educational Marijuana workshops with expert speakers from various areas of the industry. Different topics would include:

- Adverse and Therapeutic Effects of Cannabis
- The Pharmacology of Cannabis
- Cannabis 101
- The History of Cannabis
- Cannabis Cultivation
- Strains
- Effects on the Body and Mind
- Methods of administration
- Terpenes
- Edibles
- Home Growing.

Marketing Strategy

Stopping the Stigma

Medical Marijuana was legalized in Massachusetts in 2012. Recreational Marijuana was legalized in 2016, but there is still a stigma surrounding the use of marijuana. Misty Mountain Shop envisions the stigma associated with marijuana diminishing. We know we need to play a role in changing the existing public stigmas with respect to the cannabis community and cannabis use. By engaging the community and educating the public, we can achieve that goal. Public engagement and education not only creates lasting relationships in the community and repeat customers, but also promotes brand awareness.

Grower and Manufacturer Relationships

- Working with growers and manufacturers
 - Misty Mountain Shop' Management team include experts in engineering, construction, and compliance. We work with growers and manufacturers on a daily basis. Our expertise in the industry will compliment our marketing abilities.
- Business events and conferences
 - We regularly attend conferences such as
 - MJBizCon
 - NECann
 - Cannabis World Conference and Exhibition Expo (CWCBE)
 - CannaCon
 - Seed to Sale Show
- Business and industry associations
 - National Cannabis Industry Association
 - Cannabis Business Times
 - American Cannabis Nurses Association
 - Massachusetts Cannabis Business Association

Standard Marketing Methods

- Brochures
- E-mail Marketing
- Advertising and articles in the thematic Magazines, including:
 - Cannabis Now
 - 420 Magazine
 - Marijuana Venture
 - MG Magazine
- Website development with search engine optimization
 - Keywords
 - Fresh content
- Cannabis Directories



Table 2. Cannabis business directories

| | | |
|---|---|---|
| WEEDMAP https://weedmaps.com/ | Cannabis finder on the planet. With over 7,750 listings throughout the U.S., Canada, and Europe. | WeedMaps has 7.96 million total visits each month. |
| LEAFLY https://www.leafly.com/ | Leafly is a cannabis information resource for finding the right strains and products. Services include: cannabis finder, online store, branding, doctors' portal. | Leafly has 226.27 thousand total visits each month. |
| https://www.cannasaver.com/ | Canna-Saver is website for cannabis and related coupons, devoted to cannabis deals and savings. Offers a constant flow of deals and savings from the top cannabis and cannabis retailers. | Cannasaver has 310.04 thousand total visits each month. |
| http://cannabiscouponcodes.com/ | Website with cannabis coupon codes. | Cannabiscouponcodes has 81.49 thousand total visits each month. |



Operating Procedures

Operating Procedures

Misty Mountain Shop has embodied a high compliance framework when it comes to the operations of the organization. In Addendum A you will see the vast standard operating procedures that have been developed specifically for marijuana establishment operations to meet both the state Cannabis Control Commission (CCC) regulations along with other guidelines set by local and other regulatory areas.

Employee Policies and Standard Operating Procedures (SOP)

EMPLOYEE HYGIENE

The dispensing of products in accordance with food safety, health Good Manufacturing Practices (GMP), and Good Retail Practices (GRP) GMP requires that employees engaged in the receiving, processing, stocking and dispensing of cannabis products wear clean clothing appropriate for the duties they perform. Protective apparel, such as head, face, hand and arm coverings, will be provided to employees and worn as necessary to protect products from contamination during the intake of inventory from other licensed entities in the state. Employees will be trained and required to practice good sanitation and health habits.

Any employee that demonstrates apparent illness or open lesions that may adversely affect the safety or quality of a product will be excluded from direct contact with components, product containers, closures, in-process materials and finished products. All personnel will be instructed to inform their supervisor of any health conditions that may have an adverse effect on a product. The company's management will be trained in identifying illnesses.

SAFETY

The company values employee and customer security and safety above all other operating principles. As a marijuana established in the dispensing of cannabis products, the company is responsible for distributing uncontaminated, effective, consistent, and safe cannabis products to qualified customers.

The leadership and compliance teams are responsible for the development and implementation of policies and procedures that adopt the safety of all the company's stakeholders as the foremost concern.

Each Director will identify and mitigate unit-specific safety considerations. Retail facilities have a high risk for health concerns, electrical hazards, gas leaks, and other risk events. The Directors, in coordination with the leadership team, will schedule regular infrastructure and equipment maintenance in order to reduce fire risk and other potential hazards. All employees will receive function specific safety training and comply with all documented safety policies and procedures as a condition of employment.

EMERGENCY PREPARATION

The leadership team will post and maintain an emergency contact list in several areas of the facility. All employees will be properly trained in incident response. Safety Data Sheets (SDS) for all chemicals and or cleaning agents used in the facility will be organized, accessible to all employees, and placed available for review by any employee or visitor.

FIRE SAFETY

Flammable materials will be stored in a fire locker and properly labeled for first responder identification. All areas of egress will be properly signed in accordance with NFPA 704 standards. The



facility will comply with all local fire codes. Fire extinguishers will be maintained annually. All employees will be properly trained in fire prevention and mitigation measures.

PERSONAL PROTECTIVE EQUIPMENT (PPE)

Leadership will implement and maintain the PPE program. Although in a traditional retail environment PPE may not be required, Misty Mountain Shop will still provide access to PPE if and when necessary in the course of day to day operations. The program will be compliant with

OHSA and EPA standards and address:

- Hazards present;
- Selection, maintenance, and use of PPE;
- Training, and
- Monitoring

WORKPLACE SAFETY

Managers will include workplace safety training for new employees with annual updates, all of this will be delivered in person and or in the PowerDMS compliance platform. This general safety training will include a review of:

- Personnel accident reporting and investigation policies
- Fire prevention and response plans
- Materials handling and hazard communications policies, including maintenance of safety data sheets (MSDS)
- Personal protective equipment policies.
- Emergency contacts.

Misty Mountain will have on premise a first aid kit, eye wash station, and a chemical spill clean up kit.

EMPLOYEE TRAINING REQUIREMENTS

The employee acquisition process is detailed along with procedures for skill-set assessments, terminations, and transitions. The company's policies dictate that no employee or consultant may work on-site prior to receiving a Level 2 background check and orientation training, or when any required critical training is eight weeks or more past due after employment.

All employees will receive employee manuals prior to employment along with access to all SOP's Policies, Forms, and Training in the PowerDMS compliance platform. The employee manual and other compliance information provides in-depth training for policies and procedures. Leadership is responsible for ensuring that each employee has received, read, and acknowledged their understanding of the material covered in the employee manual and all related compliance material. All employees will be trained by leadership and will be required to continually demonstrate a working knowledge of training materials as a condition of employment. All employees are required to have a working knowledge of retail operations, the basics of cannabis, and GMP practices.

Any changes to the processing SOPs will be communicated to all processing facility employees and an

Operating Procedures

acknowledgement of understanding will be documented for each employee through the PowerDMS compliance platform. The company is dedicated to training all employees to excel in their position. It is policy to ensure that all employees receive professional and appropriate training on compliance with state law, safety, security, incident management, and diversion and theft prevention. No employee may work on-site prior to receiving orientation training or when any required critical training is past due. All employees will receive training on the methods and products employed by the company. Leadership will ensure that prior to beginning work in the operation, employees receive full training on:

- All Standard Operating Procedures
- Describes the quality control duties of each employee and highlights the importance of quality assurance procedures and the consequences of failing to follow established processes.
- Provides detailed information regarding the types of testing performed on all products.
- Trains employees to read and interpret test results.
- Trains employees on how to communicate results to a customer.
- Explains the applicable use of test results in their job activities.
- Employees must be trained before beginning work. Training must be tailored to the roles and responsibilities of the job function of each employee, and at a minimum must include training on confidentiality, and other topics as appropriate for the position. At a minimum, employees must receive eight hours of on-going training annually. Training must cover at a minimum:
 - Local, state, and federal cannabis laws;
 - Cannabis product efficacy and recent research;
 - Customer confidentiality, education, and care;
 - Personnel, product, and premise security; and
 - Record keeping and regulatory responsibilities.



Security

Hours of Operation:

This Facility will be open for business in accordance with a Host Community Agreement or as determined by the City of Malden.

THREE SECURITY LEVELS OF ACCESS DELINEATION FOR THE FACILITY

Level#1:

The facility is opened to the general public for the recreational sale of product. The general public, employees, visitors, and vendors will be required to enter the facility through one entrance which is monitored by CCTV cameras as outlined in the security drawings. Lobby/ vestibule area will welcome all perspective clients who will “check in” with valid photo identification for presentation to the Dispensary receptionist. The receptionist will process the identification through an electronic ID verification system for the purpose of validation. A panic alarm is also located at the receptionist counter.

- Customer must present a valid form of identification containing a photograph and date of birth. Acceptable forms of ID include a driver's license, government-issued ID card, military identification card, or a passport. In the event dispensary agents observe suspicious behavior by a customer while at the dispensary, the Dispensary Manager and/or the Director of Security will be notified and NO sale will be issued. Immediate notification to the Malden Police Department shall be made if agents observe behavior indicating suspected diversion. Examples of such behavior include:
 - Customer appears to be under the influence of drugs or alcohol.
 - Customer makes threats.
 - Customer is suspected of attempting to purchase product for anyone that appears to be under the age of 21.
- Dispensary agents will refuse to dispense to a customer if there is concern the customer or public would be placed at risk.

All employees will have company issued photo ID Badges, with specific levels of access based on their job description and responsibilities. Employees are subjected to a vetting process before employment. They will have access to the “card reader” which separates level#1 from Level #2 in order to expedite their entry process.

All outside vendors, contractors, and customers shall be escorted at all times by a dispensary agent authorized to enter the limited access Level#2 areas to view the product on display. They will be greeted at the door of the lobby, once their valid photo identification has been approved by the receptionist. All contractors and Vendors will be required to sign in and out, wear a visitor/vendor ID Badge, and escorted by their designated dispensary agent at all times.

No cell phones, cameras or other recording devices are allowed to be used within the facility to take video or photographs. Cell phones will only be allowed for communications purposes. Misty Mountain Shop staff will notify any customer who appears to be taking photographs or video to cease for security reasons. This is a “No Smoking” facility, to include any/all type of electronic inhaling devices. Signage will be posted in the vestibule indicating these restrictions.



Level#2:

To enter this designated security level, everyone is required to enter through a card access controlled door. This level requires ALL EMPLOYEES to be displaying a company PHOTO ID Badge and all Vendors/ Contractors to be displaying an ID Badge. All Vendors/Contractors are required to be escorted by a dispensary agent.

This area is open to the general public, but limits the access and free movement to other sections of the facility. Members of the general public (clients) will be escorted by a Dispensary Agent in order to maintain a controlled environment. This entire area is monitored by CCTV cameras, and motion detectors as outlined in the security drawings. . Should note at the "Point of Sale" area (POS) there are Panic Alarms for immediate Emergency Notification to the Malden Police Department. Wireless panic buttons will also be carried by the on-duty manager and on site security officers.

Level#3:

To enter this designated level of access, all person(s) are required to present a Level#3 company issued photo ID access badge which is pre-programmed for Level#3 access.

SHOULD NOTE THE LEVEL#3 AREA IS EQUIPPED WITH DUAL AUTHENTICATION CARD READERS.

This is the highest level of security within the facility and limited to those who need to be in the area based on their job description and responsibilities. By equipping the area with Biometrics/keypad reader, this eliminates the possibility of using another person's ID badge to gain access to this area.

The area is monitored by CCTV cameras. Entrance/egress from this area is continuously monitored by the CCTV cameras as well as perimeter alarm contact points on the entrance/egress door if it were opened or breached. The alarm points report direct to the Access Control System as well as to a Central Monitoring Station for emergency notification. There are Motion Detectors covering this area as well as one Panic Alarms as outlined in the security drawings.

INTERIOR/EXTERIOR CCTV COVERAGE/ALARMS

The interior of the facility has CCTV coverage with the installation of IP video cameras placed in strategic locations as indicated on the Security Plan Drawings. The cameras will have horizontal angle of view with a minimum of 82 degrees, subject facial recognition for 50 feet, and situation awareness for an extended distance within the designated space. A combination of dome, bullet and fisheye cameras will be used throughout the interior of the facility as outlined on the security drawings.

The exterior of the facility will be monitored by IP Video cameras. The cameras will cover the entire perimeter and have a varifocal lens, motion detection and tampering alarm. They are environmental for weather conditions, vandal resistant, with Integral IR illumination.

The strategic locations indicated on the Security Plan, cover all entrances and egress to/from the facility as well as the parking area. Should note that all the entrance and egress doorways also have contact monitoring points reporting back to the Access Control System. Notification is also forwarded to a Central Monitoring Center. All windows are monitored by Glass Break Monitoring Points” and complimented by Motion Detectors as noted on the Security Plan drawings, with video monitoring inclusive to identify unauthorized entry and/or person(s).

There are four (4) doors at the facility which can be used as entrance/egress points along with a sallyport door for secure interior deliveries of product. Each door has a “Contact Monitoring Point” which is connected to the Access Control System, with each door having a “fixed CCTV” monitoring all entry and exit from the facility.

SECURITY ACCESS CONTROLLED SYSTEM LOCATION

The Security Access Controlled System and the Video Management System will be located in the office area noted as “Server Room. This room is protected by authorized “Card Access” and CCTV camera with limited access and level of security as determined by the Chief of Security.

The system operates on the proprietary internet and has cellular back-up in case of emergency. In the event of a power failure the system has a UPS backup sufficient to keep the equipment in this room operational.

The system has the ability to record all authorized entries as well as denied entries and intrusion alarms. An audit trail of the system identifies the date, time, door, and person who is granted or denied access. The failure identification system shall notify a Central Monitoring Station, of all panic alarms, perimeter alarms and motion detector alarms, who shall notify a designated Misty Mountain Shop employee within five minutes after a failure either by telephone, e-mail or text message. The Access Control System is password protected and has internal event archiving which is saved indefinitely.

The Video Management System will store video for a minimum of 90 days. All photos are date and time stamped, can be printed, or exported still images via .jpg.bmp, and .gif. Cameras have been placed in all areas that contain marijuana, at all entry/exit points and the parking areas. The cameras will be directed to monitor all safes, vaults, and areas where marijuana is processed, prepared, stored, handled, dispensed or transported. The cameras will capture a clear and certain identification of any person(s) entering or exiting the Dispensary. The failure identification system shall notify a Central Monitoring Station of any failure in the video surveillance system.

LIGHTING

The outside perimeter of the facility along with any parking areas will be sufficiently lit to facilitate video surveillance and safety for staff and visitors.

SECURITY SYSTEM MONITORING BY THE POLICE DEPARTMENT

The Malden Police Department will have the ability to access the Video Management System from their Police Station to monitor any activities inside or outside of the facility in real time.



TRANSPORTATION/DELIVERY PROCEDURES

Our transportation/delivery procedures will meet or exceed all CCC regulatory requirements. Agents transporting marijuana or marijuana products to Misty Mountain Shop will:

- Weigh, inventory, and account for on video all marijuana to be transported prior to its leaving the origination location;
- Re-weigh, re-inventory, and account for on video all marijuana transported, within eight hours after arrival at the Malden Dispensary.
- Document and report any unusual discrepancy in weight or inventory to the CCC and Malden Police Department within twenty-four (24) hours;
- Complete a shipping manifest in a form and manner determined by the CCC, for retention by the origination location, and carry a copy of said manifest with the products being transported; and
- Securely transmit a copy of the manifest to the Malden Dispensary prior to transport.

During the delivery, at least one (1) Courier will remain with the vehicle at all times when the vehicle contains marijuana.

Deliveries shall be made in unmarked delivery vehicles into the sallyport entrance door of the Malden Dispensary using the designated access route during daylight hours. Onsite security will open the sallyport door to allow the transport vehicle to drive inside the sallyport for deliveries. The sallyport door will then be secured once the transport vehicle has entered prior to any unloading of product.

Delivery Times

- Routes are randomized.
- Times for delivery are not set up on a weekly timed schedule, and for security reasons, the days of the week and times are randomized to thwart any possibility of robbery.
- Prior to arrival of the delivery vehicle to the Dispensary, it is the responsibility of the on-site Security Officer to conduct a visual sweep of the exterior of the building to ensure there are no suspicious individuals/vehicles loitering in that area. Immediate notification to the Malden Police Department shall be made if any suspicious person or vehicle is observed. A courtesy call to the Malden Police Department shall also be made notifying them a delivery is enroute.

ONSITE SECURITY PERSONNEL

The facility will be staffed with a minimum of (1) onsite uniformed Security Officer during all hours of operation. Additional security to include a Malden Police officer detail shall be used as necessary at the direction of the Malden Police Chief. This staffing plan shall be reviewed with the Police Chief on a monthly basis to determine if adjustments to staff levels are necessary.

Consumption of marijuana products inside and outside of the facility is strictly prohibited by Misty Mountain Shop policy and State law. Appropriate signage shall be placed inside of the Dispensary lobby and exit areas notifying patrons of this. Onsite Security personnel shall patrol the facility exterior and parking lot, to include the exterior parking area, during all hours of operation to ensure compliance. Any patron observed violating this policy shall be requested to cease and leave the property. The

Malden Police Department shall be immediately notified whenever any unlawful consumption or suspected diversion is occurring on or around the property. Identified violators shall be added to a "Banned Customer List" through our electronic ID verification system.

CROWD/TRAFFIC CONTROL MEASURES

Misty Mountain Shop shall work closely with the Malden Police Department to develop a plan for crowd/traffic management upon opening and for as long as necessary thereafter. A Malden Police detail will be hired as necessary to assist with monitoring any potential "queuing" or loitering outside of the facility along with assisting with parking/traffic control. It is important to note that the dispensary vestibule has been expanded to accommodate more customers inside and minimize any line queuing outside the dispensary. Misty Mountain Shop will also implement an appointment only system upon opening along with offering a pre-order/pickup system to assist with reducing wait times and expediting customer sales.

PREVENTION OF DIVERSION

Misty Mountain Shop staff members shall be trained to prevent loitering and ensure that only individuals engaging in activity expressly permitted by regulations are allowed to remain on the premises. Staff members shall contact the police if they observe suspicious individuals in person or on camera loitering outside the premises. Examples would include; someone who appears to be under the influence of alcohol or drugs; a group of younger people approaching the area of the premises, but only one person enters to purchase marijuana. Such observations could indicate the potential diversion of marijuana to persons less than 21 years of age. If such observations are made, staff members shall notify the dispensary manager, police officer on detail or call the business line of the police department to investigate.

No marijuana or marijuana products will be visible from outside of the facility.



Market Overview

Market Opportunities

According to the report by Arcview Market Research and BDS Analytics: “The Road Map to a \$57 Billion Worldwide Market”¹, spending on legal cannabis worldwide is expected to hit \$57 billion by 2027. The recreational cannabis market will cover about 67% of the spending while medical cannabis will take up the remaining 33%.

The North America legal cannabis market amounted to \$12 billion in 2018, growing by 30 percent on the year. The largest market was the United States, which totaled \$10.4 billion. It was followed by Canada with \$1.6 billion. Analysts predict the overall cannabis market for legal adult-use and medical sales in North America to reach \$24.5 billion by 2021 with the compound annual growth rate (CAGR) to almost 28%.

Over 60% of the U.S. population now lives in states that have legalized some form of cannabis use and sales, illustrating the rising acceptance of cannabis nationwide and highlighting the industry’s immense potential for future growth.

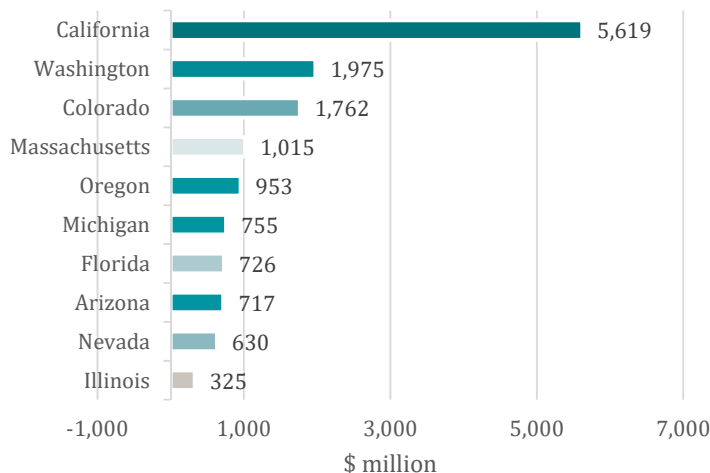


Figure 7. Medical and recreational cannabis sales in top states, 2020

United States Market

¹ <https://arcviewgroup.com/research/reports/>

In 2018, 62% of Americans report supporting cannabis legalization. That is double what it was in 2000 (31%)². Although the use of cannabis is illegal under the federal law and the federal government classifies cannabis as a schedule 1 drug, more than 60% of the U.S. states have legalized it in some form. Most states legalized it only for medical purposes, but ten states – Alaska, California, Colorado, Maine, Michigan (2018), Nevada, Massachusetts, Oregon, Vermont and Washington – have gone further, legalizing recreational use.

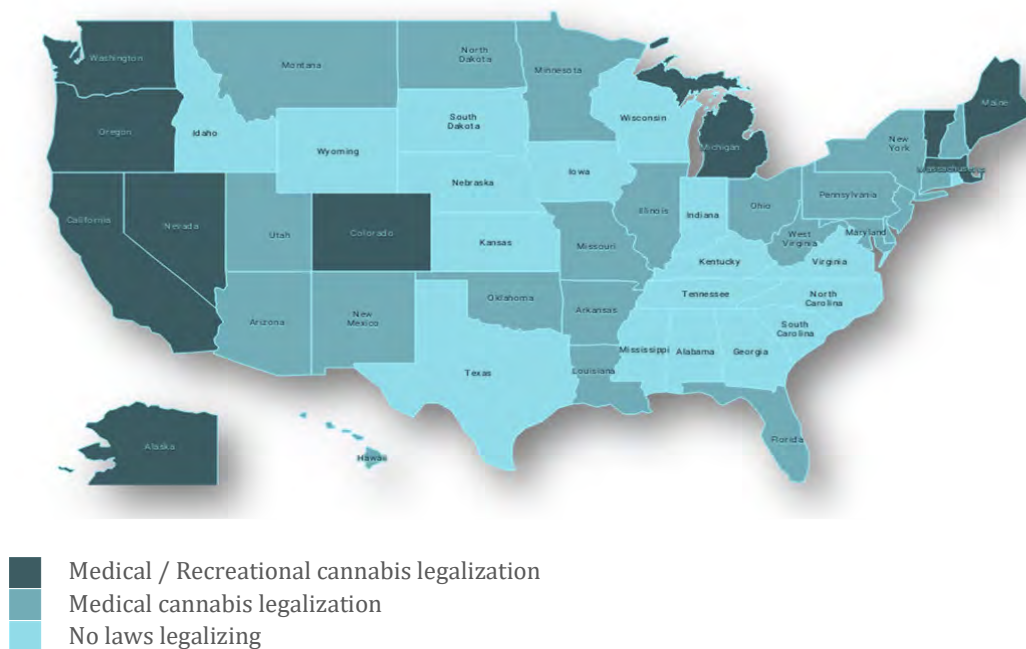


Figure 8. U.S. legalization map

In a nationally representative survey of 16,280 U.S. adults the following was found:

² Pew Research Survey, <http://www.pewresearch.org/fact-tank/2018/10/08/americans-support-marijuana-legalization/>

Market Overview

- The survey finds that 1 out of 7 adults had used marijuana in 2017, with smoking being the most common manner of consumption, according to a report published in the Annals of Internal Medicine.
- Overall, 14.6% said they had used cannabis in the past year, while **8.7%** said they had used the drug in the past 30 days.
- A greater proportion of people, **20%**, reported using marijuana in the past year if they lived in a state where recreational use was legal, as compared to just 12 percent in states where it was completely illegal. In states where medical marijuana was legal, 14 percent of those surveyed said they had used in the past year.
- While 12.9 percent reported smoking marijuana, 6 percent said they had consumed edibles, 4.7 percent reported vaping, 1.9 percent said they had used concentrates and 0.8 percent reported using topical versions of cannabis.
- Smoking was the most common form of cannabis use, at 55 percent.
- Baked goods or pastries and candy were the most common forms of edibles consumed by U.S. adults.



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Figure 9. Cannabis Retail Sales in US

<https://www.reuters.com/article/us-health-marijuana-us-adults/one-in-seven-us-adults-used-marijuana-in-2017-idUSKCN1LC2B7>



Cannabis Market in Massachusetts

- In 2008 Massachusetts voters decriminalized the possession of small amounts of cannabis and in 2012 Massachusetts became the 18th state to legalize medical cannabis through a ballot.
- In November 2016, Massachusetts voters approved Question 4, the initiative to legalize the recreational use of cannabis and first retail cannabis business was opened in Massachusetts in November 2018.
- Cannabis stores sold about \$9.3 million worth of cannabis products during the first month and in February 2019 total legal cannabis sales exceeded \$40 million, according to figures released by the Cannabis Control Commission.

Aggregate Gross Sales Total Through 03/03/19



Figure 10. Massachusetts Gross Sales

Through 20 weeks the total sales have exceeded \$76 million. Week 20 totaled almost \$5.5 million. With 17 stores currently open this is 323,500 per week per store. Resulting in approximately 1.4

million per month.

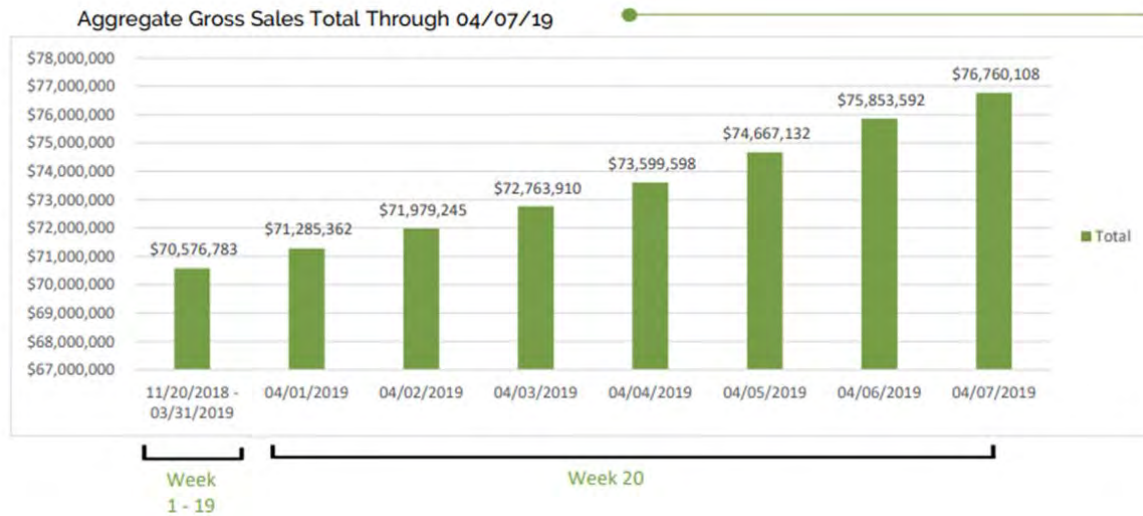


Figure 11. Massachusetts Gross Sales

It is expected that over 700,000 customers potentially interested in using recreational cannabis and the adult-use cannabis market in Massachusetts is projected to become a \$1 billion industry by 2020. Research from multiple cannabis data and investment firms predict Massachusetts to become a travel destination for cannabis consumers.

1 In 5 Mass. Adults Have Recently Used Marijuana Recreationally, Study Finds³

Twenty-one percent of adults in Massachusetts have used recreational marijuana in the last 30 days, says a new study from the state on recreational pot use.

That's among the highest, if not the highest, rate in the nation. Vermont had close to 18 percent in the latest federal analysis, from 2016.

The Massachusetts report was requested by state legislators in advance of legal cannabis sales. It looked at overall use, how adults consume marijuana, how often they drive while under the influence, hospitalizations and the economic impact

More than half of 3,022 recreational marijuana users surveyed said they see few if any risks to using marijuana for recreational purposes. Most smoke their cannabis, but 40 percent used it in other ways. There are differences by race, gender and geography:

- 26 percent of residents who used marijuana in the last 30 days are men; 17 percent are women
- Overall use is highest in western Massachusetts: 30 percent
- 71 percent of adult users are white; 12 percent are Hispanic; 7 percent are blacks; and 3 percent are Asian

³ (<https://www.wbur.org/commonhealth/2018/06/29/lawmakers-wanted-a-study-on-recreational-marijuana-before-it-became-legal-here-are-the-results>)



State legislators who asked for this report also requested information about how much money the state can expect to raise from recreational sales. The answer: \$215.8 million during the first two years. Local tax revenue will range from \$233,498 to \$2.8 million and assumes that 65 percent of marijuana users will switch from illegal to legal purchases

Cannabis Market in the City of Malden

Misty Mountain Shop will be located at 323 Commercial Street, Malden, MA.

- The City of Malden has a population of over 61,000 people.
- Wellington Commuter rail station is approximately ½ mile away.
- A recent traffic study recorded over 15,200 cars/day on Commercial Street
- Everett has population of over 46,000 people. Everett voted “No” on the legalization of Marijuana in the 2016 Question 4 vote. Therefore, no marijuana retail stores will be located in Everett unless the town votes otherwise.
- Malden plans to have 5 retail licenses. We can expect to obtain at least 20% of the Malden business. This equates to 12,200 Malden residents
- Misty Mountain shop is within 1 mile of the Everett line. We expect to see at least 30% of Everett for our target population resulting in 13,800 Everett residents.
- The Encore Casino is slated to open June of 2019. The Casino has forecasted that over 8 million visitors per year from all over the world are expected to visit the Casino. That is over 600,000 people per month. Misty Mountain Shop is just over 2 miles from the casino. We can assume that the target population would be over 100,000 people per month. To be conservative we will estimate that 1% of casino visitors will visit our store.

Based on the facts given on the last page of this plan, 20% of adults in Massachusetts have used marijuana in the last 30 days. Therefore, we will use 20% of the target population as regular use customers. This equates to

- 2,440 Regular Malden customers
- 2,760 Regular Everett customers
- 6,000 visitors from Encore Casino per month

Table 3. Misty Mountain Shop Projections

| | |
|-------------------------------------|--------------|
| Based on 20% regular use customers | |
| Adult Use Customers per month (20%) | 5200 |
| Visitors from Casino | 6000 |
| Average Spent per Customer | 100 |
| Monthly Revenue | 1,120,000 |
| Yearly Revenue | \$13,440,000 |



Strengths, Weaknesses, Opportunities, Threats in the Cannabis Industry

S

- Building of dependable relationships with cultivators, concentrates, and edibles manufactures across Massachusetts
- Diversified, Strategic Partnerships
- Extensive industry knowledge

W

- Enhanced risk of banking / financial / IRS scrutiny
- Lack in professional workforce for a cannabis industry
- High starting capital

O

- High growth industry
- Growing interest and demand for natural, alternative medicine
- Trend toward greater cannabis legalization
- Allowing cannabis as opioid alternative
- Global Market

T

- Enforcement of federal law
- Possible cannabis law changing
- Indicators of a slowed global economy
- Large companies entering the market



Financial Plan

Funding analysis

The business will be fully funded with \$1 million. Misty Mountain Shop will fund its startup costs through personal savings and private investments. An investment account has been set up and funds have been deposited. Please refer to TAB 27 for proof of funds and contribution contracts.

Total capital costs for the build out of approximately \$400,000. Please refer to TAB 6 for a detailed cost estimate of the fit-out from Vantage Builders.

Table 4: Capital Costs for Fit-Out

| | | | |
|---|---|---------|----------------|
| CAPEX | | | |
| Site Improvements including parking lot | 1 | 25,000 | 25,000 |
| 3000 sf Retail finishes including wall finishing, painting, flooring | 1 | 172,800 | 172,800 |
| Security system including multiple camera feeds | 1 | 55,000 | 55,000 |
| Furniture, Display Counters, Refrigerators, Freezers, Multiple POS/ Cash Regi | 1 | 55,000 | 55,000 |
| Cost for Computer Software (Accounting Software, Payroll Software, CRM Soft | 1 | 0 | - |
| HVAC x 10 tons | 1 | 18,500 | 18,500 |
| Electrical including lighting for retail only | 1 | 27,500 | 27,500 |
| Plumbing | 1 | 0 | - |
| Exterior wall panels x 1500 sf | 1 | 15,000 | 15,000 |
| Storefront and vestibule | 1 | 9,500 | 9,500 |
| Insurance & Permitting | | 9,000 | 9,000 |
| 3% Markup | | 11,619 | 11,619 |
| TOTAL | | | 398,919 |

This leaves \$600,000 for initial inventory, wages, and salaries. We plan to purchase 2 weeks of inventory up front. Based on our projections, we will need approximately \$200,000 worth of product.

Table 5: Cost of Inventory

| | | | | |
|---------------------------|------------------------|-----|---------|-------|
| Delivery Costs | | | | |
| % of sales for delivering | | 10% | | |
| Average delivery | | 150 | | |
| Delivery costs | per hour | 15 | 3,733 | 3,733 |
| Fuel | per month | 150 | 150 | 150 |
| Other delivery costs | per month | 0 | - | - |
| Other Direct Costs | | | | |
| Other direct costs | % of sales | 0% | - | - |
| Initial inventory | % of three month sales | 17% | 199,920 | - |
| Other direct costs | per month | 0 | - | - |
| Other direct costs | per month | 0 | - | - |

After these up-front costs we have 400,000 liquid assets. Many other stores tend to gross more than projected in their first few weeks of opening. These numbers will be re-evaluated at the time of opening, but having this capital will allow us some flexibility to adjust our inventory as required to prepare for that type of situation.



Let's re-visit our projections from our target market based on 20% of the population and considering nearby stores.

- 2,440 Regular Malden customers
- 2,760 Regular Everett customers
- 6,000 visitors from Encore Casino per month

Table 6: Misty Mountain Shop Projections

| Based on 20% regular use customers | |
|-------------------------------------|---------------------|
| Adult Use Customers per month (20%) | 5200 |
| Visitors from Casino | 6000 |
| Average Spent per Customer | 100 |
| Monthly Revenue | 1,120,000 |
| Yearly Revenue | \$13,440,000 |

Through April of 2019 Marijuana retail stores throughout Massachusetts averaged 1.4 million per month of sales.⁴ Given this data from the Cannabis Control Commission we feel the projection is conservative, but accurate.

Direct and Operating Expense Breakdown

Direct Costs

Table 3. Direct costs, \$

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|------------------|------------------|------------------|------------------|------------------|
| Products Purchase | | | | | |
| Flowers | 2,352,000 | 2,399,040 | 2,493,120 | 2,634,240 | 2,822,400 |
| Concentrates | 1,858,080 | 1,895,242 | 1,969,565 | 2,081,050 | 2,229,696 |
| Beverages & Edibles | 366,912 | 374,250 | 388,927 | 410,941 | 440,294 |
| Topicals | 28,224 | 28,788 | 29,917 | 31,611 | 33,869 |
| Other | 98,784 | 100,760 | 104,711 | 110,638 | 118,541 |
| Delivery Costs | | | | | |
| Delivery costs | 44,800 | 45,696 | 47,488 | 50,176 | 53,760 |
| Fuel | 1,800 | 1,836 | 1,908 | 2,016 | 2,160 |
| Other delivery costs | 0 | 0 | 0 | 0 | 0 |
| Other Direct Costs | | | | | |
| Other direct costs | 0 | 0 | 0 | 0 | 0 |
| Initial inventory | 199,920 | 0 | 0 | 0 | 0 |
| Other direct costs | 0 | 0 | 0 | 0 | 0 |
| Other direct costs | 0 | 0 | 0 | 0 | 0 |
| Taxes | | | | | |
| State Excise and Sales Tax (% of gross re | 2,284,800 | 2,330,496 | 2,421,888 | 2,558,976 | 2,741,760 |
| Total | 7,235,320 | 7,176,108 | 7,457,524 | 7,879,648 | 8,442,480 |

⁴ <https://opendata.mass-cannabis-control.com/stories/s/Sales-and-Product-Distribution/xwwk-y3zr>

Financial Plan

Operating Expenses

Table 5. Operating Expenses

| | \$ Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--|------------------|------------------|------------------|------------------|------------------|
| G&A Expenses - Initial & General Costs | | | | | |
| Licensing Fees | 5,300 | 0 | 0 | 0 | 0 |
| Other Initial costs | 0 | 0 | 0 | 0 | 0 |
| Other Initial costs | 0 | 0 | 0 | 0 | 0 |
| Licensing renewal and other legal fees | 0 | 0 | 0 | 0 | 0 |
| Professional Services, Commercial Insurance | 243,000 | 243,000 | 243,000 | 243,000 | 243,000 |
| G&A Expenses - Retail | | | | | |
| Other G&A Expenses | 0 | 0 | 0 | 0 | 0 |
| Building Renting | 66,000 | 72,000 | 72,000 | 72,000 | 72,000 |
| Building Maintenance, including | 19,250 | 21,000 | 21,000 | 21,000 | 21,000 |
| Equipment Maintenance | 2,750 | 3,000 | 3,000 | 3,000 | 3,000 |
| Administrative expenses, including phone and internet | 5,500 | 6,000 | 6,000 | 6,000 | 6,000 |
| Inventory Control Systems, Security & Other Software Services | 41,250 | 45,000 | 45,000 | 45,000 | 45,000 |
| Other G&A Expenses | 0 | 0 | 0 | 0 | 0 |
| Other G&A Expenses | 0 | 0 | 0 | 0 | 0 |
| Property Taxes | 0 | 0 | 0 | 0 | 0 |
| Community Service (% of gross | 369,600 | 411,264 | 427,392 | 451,584 | 483,840 |
| SG&A Expenses - Marketing & Sales Expenses | | | | | |
| Marketing Expenses, including PR, Branding, Online and Offline | 18,700 | 15,300 | 10,200 | 6,800 | 5,100 |
| Other Marketing & Sales Expenses | 0 | 0 | 0 | 0 | 0 |
| Other Expenses | 0 | 0 | 0 | 0 | 0 |
| SG&A Expenses - Misc. | 0 | 0 | 0 | 0 | 0 |
| Salaries & Benefits | 1,364,335 | 1,414,208 | 1,464,081 | 1,513,953 | 1,563,826 |
| Total | 2,135,685 | 2,230,772 | 2,291,673 | 2,362,337 | 2,442,766 |



Profit & Loss Forecast

The yearly projections are in the table below.

Table 6. Income Statement, \$

| | \$ | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|--|----|------------|------------|------------|------------|------------|
| Revenue | | 13,440,000 | 13,708,800 | 14,246,400 | 15,052,800 | 16,128,000 |
| Capital Costs, COGS, Sales&Excise Tax | | 7,625,130 | 7,585,409 | 7,886,315 | 8,327,930 | 8,910,252 |
| Gross Profit | | 5,814,870 | 6,123,392 | 6,360,085 | 6,724,871 | 7,217,748 |
| % of revenue | | 43% | 45% | 45% | 45% | 45% |
| SG&A Expenses | | | | | | |
| G&A Expenses - Initial & General Costs | | 248,300 | 243,000 | 243,000 | 243,000 | 243,000 |
| G&A Expenses - Retail | | 504,350 | 558,264 | 574,392 | 598,584 | 630,840 |
| SG&A Expenses - Marketing & Sales Expense | | 351,185 | 364,409 | 375,934 | 389,158 | 404,082 |
| Senior Management Salaries & Benefits | | 366,880 | 366,880 | 366,880 | 366,880 | 366,880 |
| IT Salaries & Benefits | | 68,790 | 72,230 | 75,669 | 79,109 | 82,548 |
| Other Salaries & Benefits | | 206,370 | 216,689 | 227,007 | 237,326 | 247,644 |
| SG&A Expenses - Misc. | | 0 | 0 | 0 | 0 | 0 |
| Total SG&A Expenses | | 1,745,875 | 1,821,471 | 1,862,882 | 1,914,056 | 1,974,994 |
| Operating Income (EBITDA) | | 4,068,995 | 4,301,920 | 4,497,204 | 4,810,815 | 5,242,754 |
| % of revenue | | 30% | 31% | 32% | 32% | 33% |
| Depreciation and Amortization | | 22,481 | 22,481 | 22,481 | 22,481 | 22,481 |
| Earnings Before Interest & Taxes (EBIT) | | 4,046,514 | 4,279,439 | 4,474,723 | 4,788,334 | 5,220,273 |
| Interest Expense | | 0 | 0 | 0 | 0 | 0 |
| Earnings Before Taxes (EBT) | | 4,046,514 | 4,279,439 | 4,474,723 | 4,788,334 | 5,220,273 |
| % of revenue | | 30% | 31% | 31% | 32% | 32% |
| Income Tax | | 1,343,432 | 1,414,336 | 1,469,828 | 1,555,774 | 1,672,169 |
| Net Income | | 2,703,083 | 2,865,104 | 3,004,894 | 3,232,560 | 3,548,104 |
| % of revenue | | 20% | 21% | 21% | 21% | 22% |

Cash Flow Statement

The cash flow projections show that business will have sufficient cash to support the activity. The following table presents a view of projected cash flow of the business.

Table 7. Cash Flow Statement, \$

| | \$ | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|--|----|-----------|-----------|-----------|-----------|------------|
| Net Income | | 2,703,083 | 2,865,104 | 3,004,894 | 3,232,560 | 3,548,104 |
| Cash Flow from Operations | | | | | | |
| Depreciation | | 22,481 | 22,481 | 22,481 | 22,481 | 22,481 |
| Change in Receivables | | 0 | 0 | 0 | 0 | 0 |
| Change in Inventory | | (161,181) | (3,224) | (6,447) | (9,671) | (12,894) |
| Change in Accounts Payable | | 499,784 | 10,483 | 20,154 | 29,825 | 39,495 |
| Total Cash Flow from Operations | | 3,064,167 | 2,894,844 | 3,041,082 | 3,275,194 | 3,597,186 |
| Cash Flow from Investing | | | | | | |
| Capital Expenditures (CAPX) | | (398,919) | 0 | 0 | 0 | 0 |
| Other | | 0 | 0 | 0 | 0 | 0 |
| Total Cash Flow from Investing | | (398,919) | 0 | 0 | 0 | 0 |
| Cash Flow from Financing | | | | | | |
| Revolver Issuance / (Repayment) | | 0 | 0 | 0 | 0 | 0 |
| Long-Term Debt Issuance / (Repayment) | | 0 | 0 | 0 | 0 | 0 |
| Paid in Capital | | 0 | 0 | 0 | 0 | 0 |
| Drawings (profit share) | | (731,513) | (773,664) | (808,513) | (863,729) | (939,312) |
| Total Cash Flow from Financing | | (731,513) | (773,664) | (808,513) | (863,729) | (939,312) |
| Total Change in Cash | | 1,933,735 | 2,121,180 | 2,232,568 | 2,411,465 | 2,657,873 |
| Beginning Period Cash | | 0 | 1,933,735 | 4,054,915 | 6,287,483 | 8,698,948 |
| Ending Period Cash | | 1,933,735 | 4,054,915 | 6,287,483 | 8,698,948 | 11,356,821 |




Balance Sheet

The balance sheet shows healthy growth of net worth and strong financial position.

Table 8. Balance Sheet, \$

| \$ | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|---|------------------|------------------|------------------|------------------|-------------------|
| Assets | | | | | |
| Current Assets | | | | | |
| Cash | 1,933,735 | 4,054,915 | 6,287,483 | 8,698,948 | 11,356,821 |
| Receivables | 0 | 0 | 0 | 0 | 0 |
| Inventory | 161,181 | 164,404 | 170,851 | 180,522 | 193,417 |
| Total Current Assets | 2,094,915 | 4,219,319 | 6,458,334 | 8,879,470 | 11,550,238 |
| Long Term Assets | | | | | |
| Property Plant & Equipment (PPE), gross | 398,919 | 398,919 | 398,919 | 398,919 | 398,919 |
| Accumulated Depreciation of PPE | (22,481) | (44,962) | (67,442) | (89,923) | (112,404) |
| PP&E, net | 376,438 | 353,957 | 331,477 | 308,996 | 286,515 |
| Total Assets | 2,471,354 | 4,573,276 | 6,789,811 | 9,188,466 | 11,836,753 |
| Liabilities | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | 499,784 | 510,267 | 530,420 | 560,245 | 599,741 |
| Total Current Liabilities | 499,784 | 510,267 | 530,420 | 560,245 | 599,741 |
| Long Term Liabilities | 0 | 0 | 0 | 0 | 0 |
| Total Liabilities | 499,784 | 510,267 | 530,420 | 560,245 | 599,741 |
| Equity | | | | | |
| Paid-in Capital/Drawings | (731,513) | (1,505,177) | (2,313,690) | (3,177,419) | (4,116,732) |
| Retained Earnings | 2,703,083 | 5,568,186 | 8,573,081 | 11,805,640 | 15,353,744 |
| Current Period Retained Earnings | 1,971,570 | 4,063,010 | 6,259,391 | 8,628,221 | 11,237,013 |
| Total Equity | 1,971,570 | 4,063,010 | 6,259,391 | 8,628,221 | 11,237,013 |
| Total Liabilities and Equity | 2,471,354 | 4,573,276 | 6,789,811 | 9,188,466 | 11,836,753 |

| | | | | |
|---|-------------|-------------------------------------|----------------------|--------------|
|  | Date | Standard Operating Procedure | | |
| | 04/08/2021 | Financial Recordkeeping | | |
| Section | | Revision Number | Revision Date | Pages |
| Administration | | 1.0 | | 1 of 4 |

1. Purpose

MMS is responsible for the integrity and maintenance of all financial accounts, transactions, recordkeeping, and business activities documentation. All financial records will be maintained and available upon request by the Commission, Commission Delegee, and/or authorized authorities that need to know per their official duties.

2. Definitions

Commission: The Massachusetts Cannabis Control Commission (CCC).

Department of Revenue (DOR): The Massachusetts Department of Revenue, unless otherwise specified.

3. Responsibilities


This procedure applies to all agents or individuals affiliated with MMS, whether paid or unpaid. MMS management will update procedures as needed per regulation or other mandates. This procedure will be reviewed at a minimum annually.

4. Procedures

4.1. Liability Insurance Coverage or Maintenance of Escrow.

1. MMS shall obtain and maintain general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, and product liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually or otherwise approved by the Commission.
2. The deductible for each policy shall be no higher than \$5,000 per occurrence.
3. If MMS documents an inability to obtain minimum liability insurance coverage as required, MMS may place in escrow a sum of no less than \$250,000 or such other amount approved by the Commission, to be expended for coverage of liabilities.
4. The escrow account required must be replenished within ten business days of any expenditure.
5. Reports documenting compliance shall be made in a manner and form determined by the Commission.

| | | | |
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4.2. Bond.

1. Before commencing operations, MMS shall provide proof of having obtained a surety bond in an amount equal to its licensure fee payable to the Marijuana Regulation Fund to ensure payment of the cost incurred for:
 - a. The destruction of cannabis goods necessitated by a violation of M.G.L. c. 94G or 935 CMR 500.000;
 - b. The costs and compensation of a court appointee;
 - c. The cessation of operation of MMS; or
 - d. Such other uses that the Commission may authorize to ensure public health, safety, and welfare.
2. All bonds required by the Commission shall be issued by a corporate surety licensed to transact surety business in the Commonwealth.
3. If MMS is unable to secure a surety bond, it may place in escrow a sum of no less than \$5,000 or such other amount approved by the Commission, to be expended for coverage of liabilities.
4. The escrow account required shall be replenished within ten business days of any expenditure unless MMS has ceased operations. Documentation of the replenishment shall be promptly sent to the Commission.


4.3. Monthly Analysis.

1. MMS shall conduct monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate or alter sales data.
2. MMS shall maintain records that it has performed the monthly analysis and produce upon request to the Commission.

4.4. Business Records.


1. Assets and liabilities.
2. Monetary Transactions.
3. Books of accounts, including journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers.
4. Sales records, including the quantity, form, and cost of marijuana and marijuana products.

| | | | |
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5. Salary and wages paid to each employee, or stipend, executive compensation, bonus, benefit, or item of value paid to any persons having direct or indirect control over the MMS.
6. Records on purchases of marijuana vaporizer devices, see SOP Marijuana Vaporizer Device.
- 4.5. Financial Records of MMS shall be maintained following generally accepted accounting principles.
 1. General Ledger.
 2. Accounts Payable/Receivable.
 3. Consolidated Financial Statements.
 4. Balance Sheet.
 5. Income Statement.
 6. Cash Flow Statement.
 7. Bank Account Statements.
 8. Independent Audits.
 9. Financial Projections.
 10. Expense Reports.
 11. Internal Controls.
- 4.6. Retention of Records (Sales Transactions).
 1. MMS will comply with 830 CMR 62C.25.1: Record Retention and Massachusetts DOR Directive 16-1 Recordkeeping Requirements.
 2. MMS will maintain a journal or equivalent, which records daily all non-cash transactions affecting accounts payable.
 3. A cash journal or equivalent records daily all cash receipts and cash disbursements, including any check transactions.
 4. Sales slip, invoice, cash register tape, or other document evidencing the original transaction substantiates each entry in the journal or cash journal.
 5. Separate accounting practices at the point of sale for marijuana and marijuana product sales and non-marijuana sales shall be adopted.
 6. Memorandum accounts, records, or lists concerning inventories, fixed assets, or prepaid items, except in cases where the accounting system clearly records such information.

| | | | |
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7. A ledger to which totals from the journal, cash journal, and other records have been periodically posted. The ledger must clearly classify the individual accounts receivable and payable and the capital account.
8. The Commission and the DOR may audit and examine the point-of-sale system used by MMS to ensure compliance with Massachusetts tax laws.
9. In the event of MMS closure, all records must be kept for at least two (2) years, at the expense of MMS, and in a form and location acceptable to the Department or Commission.

5. Related Documents

SOP Recordkeeping Procedures


Reference Guide

6. References

935 CMR 500.105(9)(10)(16); 500.140(5)

[830 CMR 62C.25.1: Record Retention and Massachusetts DOR Directive 16-1](#)

| | | | |
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|---|-------------|--|----------------------|--------------|
|  | Date | Standard Operating Procedure | | |
| | 04/08/2021 | Marijuana Establishment Agent Training | | |
| Section | | Revision Number | Revision Date | Pages |
| Retail Operations | | | | 1 of 2 |

1. Purpose

Misty Mountain Shop (MMS) is committed to establishing policies and procedures to ensure agents are trained according to the Massachusetts Cannabis Control Commission's requirements. MMS is dedicated to developing a clearly defined and effective employee training program vital to our long-term success.

2. Definitions

PowerDMS Platform: This is a document control software that works to create a compliant solution by ensuring employees are up to date on current SOPs, training, and various other best practice documents related to state compliance.

Responsible Vendor Training (RVT) Program: A mandatory program that provides training courses taught by a responsible vendor trainer for marijuana establishment agents to satisfy the minimum training hours required under 935 CMR 500.105(2).

3. Responsibilities


This procedure applies to all agents or individuals affiliated with MMS, whether paid or unpaid. MMS management will update procedures as needed per regulation change or other mandates. This procedure will be reviewed at a minimum annually.

4. Procedures

4.1. MMS Training Requirements.

1. All new employees will be trained on the PowerDMS platform and access all policies, procedures, training, and forms.
2. MMS shall ensure that all agents complete minimum training requirements before performing job functions.
3. At a minimum, MMS agents shall receive eight hours of training annually.
4. The eight-hour training requirement shall be tailored to each agent's job function's roles and responsibilities.
5. A minimum of (4) hours of training shall be from a Responsible Vendor Training (RVT) Program Course.
6. Any additional RVT hours over the four-hour RVT requirement may count toward the eight-hour total training requirement.
7. Non-RVT training may be conducted in-house by MMS or by a third-party vendor engaged by MMS.
8. Basic on-the-job training MMS provides in the ordinary course of business may be counted toward the eight-hour total training requirement.

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9. MMS agents responsible for tracking and entering the product into Metrc shall receive training in a form and manner determined by the Commission.
10. MMS shall maintain records of compliance with all training requirements noted above.
11. Such records shall be maintained for (4) years, and MMS shall make such records available for inspection on request.

4.2. Training Certificates and Other Compliance Content.

1. Will reside in the MMS PowerDMS platform.
2. All agents have access to the compliance material and their training records.
3. Training material, certificates, and applicable documentation will remain on file for a minimum of four (4) years. See SOP Recordkeeping Procedures.
4. These training materials and applicable documentation shall be made available for review and inspection by the Commission and/or other appropriate authorities at any time.
5. Following the closure of MMS, all records shall be kept for at least two years at the Company's expense MMS and in a form and location acceptable to the Commission.

4.3. Training Records.

1. Documentation of all required training, including training regarding privacy and confidentiality requirements, and the individual's signed statement indicating the date, time, and place they received said training and the topics discussed, including the name and title of presenters.
2. MMS keeps training records following the Recordkeeping SOP. All personnel training records will be held for at least (1) year after termination.

5. Related Documents

SOP Recordkeeping Procedures


Supplemental Document (SD) Responsible Vendor Training (RVT) Curriculum

Reference Guide

6. References

935 CMR 500.105(1)(2)(9)

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1. Purpose

Misty Mountain Shop (MMS) is committed to establishing policies and procedures to ensure the compliance of the Massachusetts Cannabis Control Commission (CCC). MMS is dedicated to developing a clearly defined and effective employee training program vital to our long-term success.

2. Definitions

Advanced Core Curriculum: The advanced training curriculum taught by a responsible vendor trainer that marijuana establishment agents may take after completing the basic core curriculum under 935 CMR 500.105(2)(b).

Basic Core Curriculum: The foundational training curriculum required of all marijuana establishment agents taught by a responsible vendor trainer under 935 CMR 500.105(2)(b).

Responsible Vendor: A marijuana establishment that the Commission has determined to have completed the initial training requirements and has maintained its training requirement under 935 CMR 500.105(2).

Responsible Vendor Trainer (RVT): An independent business entity certified by the Commission to provide responsible vendor training program courses. No owner, manager, or employee of a responsible vendor trainer may be a person or entity having direct or indirect control of a marijuana establishment.

Responsible Vendor Training (RVT) Program: A mandatory program that provides training courses taught by a responsible vendor trainer for marijuana establishment agents to satisfy the minimum training hours required under 935 CMR 500.105(2).

3. Responsibilities


This procedure applies to all agents or individuals affiliated with MMS, whether paid or unpaid. MMS management will update procedures as needed per regulation change or other mandates. This procedure will be reviewed at a minimum annually.

4. Procedures

4.1. Responsible Vendor Training (RVT).

1. All current agents of MMS involved in the handling or sale of marijuana for adult-use at the time of licensure or renewal of licensure, as applicable, shall have attended and completed a Responsible Vendor Training Program to be designated a "Responsible Vendor."
2. MMS agents who serve as administrative employees and do not handle or sell marijuana are exempt from the four-hour RVT requirement but may take a responsible vendor training program course voluntarily as part of fulfilling the eight-hour total training requirement.

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3. Once MMS is a designated Responsible Vendor, all MMS agents involved in the handling or sale of marijuana shall complete the Basic Core Curriculum within (90) days of hire.
4. After completing the Basic Core Curriculum, each Company agent involved in handling or selling marijuana shall fulfill the four-hour RVT requirement every year for the MMS to maintain designation as a Responsible Vendor.
5. Failure to maintain Responsible Vendor status is grounds for action by the Commission.

4.2. Basic Core Curriculum Training.

1. Agents shall train on the effects of marijuana on the human body, scientifically based evidence on the physical and mental health effects based on the type of marijuana products.
2. Agents will know the amount of time an individual should feel impairment, visible signs of impairment, and recognizing the signs of impairment.
3. Agents shall train on diversion prevention and prevention of sales to minors, including best practices.
4. The agents will train on the facilities tracking requirements and understand the compliance requirements.
5. Agents will know the acceptable forms of identification and what to check.
 - a. Spotting and confiscating fraudulent identification.
 - b. The Commission currently and validly issues patient registration cards.
 - c. Common mistakes made in identification verification.
 - d. Prohibited purchases and practices, including purchases by persons under the age of twenty-one, violate M.G.L. c. 94G, § 13.
6. Agents will also train on other key state laws and rules that affect them, such as agents' conduct.
 - a. Permitting inspections by state and local licensing and enforcement authorities;
 - b. Local and state licensing and enforcement, including registration and license sanctions;
 - c. Incident and notification requirements;
 - d. Administrative, civil, and criminal liability;
 - e. Health and safety standards, including waste disposal;
 - f. Patrons prohibited from bringing marijuana and marijuana products onto licensed premises;
 - g. Permitted hours of sale;

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h. Licensee responsibilities for activities occurring within the licensed premises; and

i. Maintenance of records, including confidentiality and privacy.

7. Other training areas determined by the Commission to be included in a Responsible Vendor Training Program.

4.3. Advanced Core Curriculum.

1. The Commission shall approve each Advanced Core Curriculum.

2. The curriculum shall build on the knowledge, skills, and practices covered in the Basic Core Curriculum.

3. An Advanced Core Curriculum class shall include standard and best practices in one or more of the following areas:

a. Cultivation;

b. Product Manufacturing;

c. Retail;

d. Transportation;

e. Social Consumption;

f. Laboratory Science;

g. Energy and Environmental Best Practices;

h. Social Justice and Economically Reparative Practices;

i. Implicit Bias and Diversity Training;

j. Worker Safety;

k. Food Safety and Sanitation;

l. Confidentiality and Privacy;

m. In-depth coverage of any topic(s) taught in the Basic Core Curriculum; or

n. Such other topic as the Commission may approve in its sole discretion.


5. Related Documents

SOP Marijuana Establishment Agent Training

6. References

935 CMR 500.105(1)(2)(9)

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Misty Mountain Shop (MMS) will be located in an existing building. The retail floor will be provided with HVAC systems and lighting that will exceed the 2015 International Energy Conservation Code's minimum requirements. A mechanical and electrical COMcheck will be provided to the Commission to demonstrate compliance during the architectural review.

MMS shall work with a design team that includes energy professionals to demonstrate consideration of the following factors for their energy efficiency and conservation efforts, per 500.105(15) by:

1. Identification of potential energy-use reduction opportunities (such as natural lighting and energy efficiency measures) and a plan for implementation of such options include:
 - a. MMS is reviewing available processes that monitor energy consumption;
 - b. Research available opportunities for incorporating natural light and using energy-efficient equipment such as motion lighting for upgrades, renovations, and expansion; and
 - c. Replace non-energy efficient equipment when replacements are needed.
2. Consideration of renewable energy generation opportunities, 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. These opportunities include:
 - a. Evaluate energy usage and research replacement options;
 - b. Collaborate with energy professionals to help identify alternative energy opportunities when upgrades, renovations, or expansions are being considered; and
 - c. Evaluate existing equipment and replace it with more energy-efficient equipment to help with an emissions reduction, as needed.
3. Strategies to reduce electric demand (such as lighting schedules, active load management, and energy storage). Considerations include:
 - a. Monitor and document energy demands on existing equipment and incorporate strategies to reduce electric demand and makes adjustments as needed; and
 - b. Participate in energy storage and active demand management programs.
4. Engagement with energy efficiency programs offered according to M.G.L. c. 25, § 21, or through municipal lighting plants.
 - a. Participate in Mass Save Programs to ensure MMS is aware of new opportunities and incentives available.

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References

[Energy and Environment Complied Guidance](#)

[M.G.L. c. 25, § 21](#)

[St. 2017, c. 55, § 78\(b\)](#)

935 CMR 500.105: (15)

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RFI1-Misty Mountain Shop MRN282634 Restricting Access to Individuals 21 or Older

Standard Operating Procedure Sale of Marijuana and Marijuana Products Date 04/08/2021
Section Retail Operations Revision Number 1.0 Revision Date Pages 1 of 6

1. Purpose Misty Mountain Shop (MMS) shall implement security measures to deter theft of marijuana and marijuana products, prevent unauthorized entrance into areas containing marijuana and marijuana products and ensure the safety of MMS agents, consumers, and the general public. MMS will ensure that all personnel is trained on proper check-in procedures to avoid unauthorized entry and the sale of marijuana and marijuana products. MMS will source all of its marijuana and marijuana products from licensed and properly registered marijuana establishments in the Commonwealth of Massachusetts. Before taking possession of any marijuana or marijuana products to be sold, MMS will verify documentation of compliance with the testing requirements.

2. Definitions Commission: Massachusetts Cannabis Control Commission (CCC). Consumer: A person who is (21) years of age or older. Edibles: A marijuana product that is to be consumed by humans by eating or drinking. These products, when created or sold by a marijuana establishment or an MTC, shall not be considered a food or a drug as defined in M.G.L. c. 94, § 1. Government-Issued Identification (ID): A motor vehicle license (issued according to M.G.L. c. 90 §8. b). A liquor purchase identification card issued according to (M.G.L. c. 138 §34B.) A valid United States issued military identification card. An identification card issued under (M.G.L. c. 90 §8E). A valid passport issued by the United States government or a foreign country that the United States government recognizes. Marijuana (or Cannabis): All parts of any plant of the genus cannabis, not excepted in 935 CMR 500.002: Cannabis or Marijuana (a) through (c) and whether growing or not; the seeds thereof; and resin extracted from any part of the plant; clones of the plant; and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin including tetrahydrocannabinol as defined in M.G.L. c. 94G, § 1; provided that cannabis shall not include: (a) the mature stalks of the plant, fiber produced from the stalks, oil, or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks, fiber, oil, or cake made from the seeds of the plant or the sterilized seed of the plant that is incapable of germination; (b) Hemp; or (c) the weight of any other ingredient combined with cannabis or marijuana to prepare topical or oral administrations, food, drink or other products. Marijuana Accessories (or Cannabis Accessories): Equipment, products, devices or materials of any kind that are intended or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, ingesting, inhaling or otherwise introducing cannabis or marijuana into the human body. Marijuana-infused Product (MIP): A marijuana product infused with marijuana intended for use or consumption, including, but not limited to, edibles, ointments, aerosols, oils, and tinctures. A Marijuana-infused Product (MIP), when created or sold by a marijuana establishment or an MTC, shall not be considered a food or a drug as defined in M.G.L. c. 94, § 1. MIPs are a type of marijuana product. Marijuana Products (or Cannabis Products): Marijuana products include products that have been manufactured and contain cannabis, marijuana, or an extract from cannabis or marijuana, including concentrated forms of marijuana and products composed of marijuana and other ingredients that are intended for use or consumption, including edibles, beverages, topical products, ointments, oils, and tinctures. Marijuana products include Marijuana-infused Products (MIPs) as defined in 935 CMR 500.002. Marijuana Vaporizer Device: A product containing concentrated marijuana oil that is converted into inhalable marijuana aerosolized vapors Metrc: Marijuana Enforcement Tracking Reporting Compliance. Tincture: A



cannabis-infused alcohol or oils concentrate administered orally in small amounts using a dropper or measuring spoon. Tinctures are not considered edibles under 500.000 Adult-use and are not subject to the dosing limitations applicable to Edibles.

3. Responsibilities This procedure applies to all individuals who are Agents or affiliated with MMS. MMS management will update procedures as needed per regulation or other mandates. This procedure will be reviewed at a minimum annually.

4. Procedures 4.1. Customer Entry Process.

RFI1-Misty Mountain Shop MRN282634

MMS Agents will be issued an agent registration card by the Commission determined to be suitable for registration. All such individuals shall:

- a. **Be 21 years of age or older;**
 - b. **Have not been convicted of an offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of Other Jurisdictions; and**
 - c. **Be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 935 CMR 500.801 or 935 CMR 500.802. 935 CMR 500.029 or 500.030.**
1. **MMS shall provide accessibility to consumers 21 years of age or older when requesting entrance. The consumer** will enter the reception area where they will present ID at the check-in desk to confirm they are over (21) years old before gaining access to the sales floor. *935 CMR 500.050(5)*
 2. MMS will utilize an ID Scanner to verify it is a government-issued identification. a. The ID Scanner will notify the employee scanning if a person has visited MMS that day and provide internal tags such as if a customer was banned from MMS or an emergency alert. b. The ID Scanner will not store customer data; the system is cleared every night but tagged data remains. c. If a customer returns, they will be informed of the Single Visit Policy Statement. 3. If the individual's identification is valid, they would be permitted into the sales floor, where the Company sales agent will greet them. 4.2. Display of marijuana, marijuana products, and prices. 1. MMS may display, in secure, locked cases, small amounts of each product offered for sale. 2. In the display case, products will receive a new Metrc tag and are adjusted in Metrc to reflect being display products. 3. These display cases may be transparent. 4. An authorized MMS agent may remove a sample of marijuana from the case and provide it to the consumer for inspection, but the customer may not try the sample product. 5. MMS posts prices in the store and may respond to questions about pricing. 6. MMS utilizes a combination of in-store digital and paper menus to provide customers a list of prices and strains of marijuana and marijuana products available for purchase. The menu will also be available online. 7. A description of the various strains of marijuana to be sold and the form(s) in which marijuana will be sold shall be available on the menus. 4.3. MMS Products. 1. Flower 2. Pre-Rolls 3. Marijuana Vaporizer Devices (Agents must ensure warnings and physical inserts are included with the sale) 4. Concentrates 5. Edibles 6. Tinctures 7. Topicals 8. Other Accessories 4.4. Pre-Order Sales. 1. When pre-order is received, the fulfillment team will pick the correct products, bag them, and place the bag on the shelf awaiting the customer to pick them up. a. Pre-orders that are not purchased by closing will be canceled in the POS. b. Marijuana and marijuana products will be removed from bags and disseminated back into inventory. 4.5. Sale of Marijuana and Marijuana Products. 1. Upon purchasing, each agent will request identification and enter the transaction in their assigned register for all purchases. 2. MMS agent shall inspect the individual's proof of identification to determine the individual is over 21 years old. a. MMS may not acquire or record consumer personal information



other than information typically required in a retail transaction, including information to determine the consumer's age. 3. The MMS employee will then confirm if they have a pre-order or are placing an in-store order. 4. If the customer is placing an order, the agent will process the customer's products in the POS and send them to the fulfillment room. a. The sales agent will take payment from the customer. b. The order will be filled by an inventory agent in the fulfillment room and handed through the window to the sales agent. c. The sales agent will verify the correct products have been retrieved by inventory. d. The sales agent will place the items in a bag with the receipt, verifying the order is correct, and hand the order to the customer to complete the transaction. 4.6. Limitation of Sales. 1. MMS may not knowingly sell more than one ounce of marijuana or its combined dry weight equivalent in marijuana concentrate or edibles to a retail customer per day. 2. One (1) ounce of marijuana flower shall be equivalent to five (5) grams of active tetrahydrocannabinol (THC) in marijuana concentrate, including, but not limited to, Tinctures. 3. One (1) ounce of marijuana flower shall be equivalent to five (5) hundred milligrams of active tetrahydrocannabinol (THC) in edibles. 4. Topicals and ointments may not be subject to a limitation on daily sales. 5. MMS shall not sell marijuana or marijuana products over the potency levels established by the Commission. 6. MMS utilizes POS, which does not allow for a transaction over the limit established above. 7.7. Unauthorized Sales and Right to Refuse Sales. 1. MMS shall refuse to sell marijuana to any consumer who is unable to produce government-issued identification. 2. MMS shall refuse to sell marijuana products to a consumer if, in the opinion of the MMS agent, based on the information available to the agent at that time, the consumer or the public would be placed at risk. 3. This includes, but is not limited to, the consumer engaging in daily transactions that exceed the legal possession limits or create a risk of diversion. 4. MMS is prohibited from selling marijuana products containing nicotine. 5. MMS is prohibited from selling marijuana products containing alcohol if sales of such alcohol require licensure, according to M.G.L. c. 138. 4.8. Recording Sales. 1. All sales will be recorded in POS approved by the Commission in consultation with the DOR. 2. MMS may utilize a sales recording module approved by the DOR. 3. MMS will not utilize software or other methods to manipulate or alter sales data. 4. MMS shall conduct monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to control or change sales data. 5. MMS shall maintain records that it has performed the monthly analysis and produce it on request to the Commission. 6. If it is determined that software has been installed for manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data: a. MMS shall immediately disclose the information to the Commission; b. Cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and c. Take such other action directed by the Commission. d. Management will conduct an investigation. 7. MMS shall comply with recordkeeping requirements through the Commission and State requirements. 8. MMS shall adopt separate accounting practices when selling marijuana, marijuana product, and non-marijuana products. 9. The Commission and the DOR may audit and examine POS to ensure compliance with Massachusetts tax and applicable regulations.

5. Related Documents SOP Cash Control and Till Handling SOP Marijuana Vaporizer Device Single Visit Policy Reference Guide

6. References 935 CMR 500.105 (4)(a) (5) (6) (9); 500.110 (1)(a); 500.140 (2) (3) (4) (5); 500.150 (4); 500.160 Revised by: ILC Compliance Team Authorized by: Manager NOT A CONTROLLED COPY Confidential and Proprietary — These materials may not be disclosed or reproduced without MMS prior written expressed consent.





RFI1-Misty Mountain Shop MRN282634 Personnel Policies

Standard Operating Procedure Marijuana Establishment Agent Date 04/08/2021 Section Administration Revision 1.0 Revision Date Pages 1 of 4

1. Purpose Misty Mountain Shop (MMS) is committed to establishing policies and procedures to ensure the compliance of the Massachusetts Cannabis Control Commission (CCC) in regard to the issuance of Agent Registration Cards. MMS shall apply for registration for all its employees, owners, executives, and volunteers associated with MMS.

2. Definitions Agent Registration Card: An identification card currently and validly issued by the Commission to a marijuana establishment, MTC, or laboratory agent. The agent registration card allows access into Commission-supported databases. The card facilitates verification of an individual Registrant's status including, but not limited to, identification by the Commission and Law Enforcement Authorities of those individuals exempt from Massachusetts criminal and civil penalties under M.G.L. c. 94G and 94I, and 935 CMR 500.000. Marijuana Establishment: A marijuana cultivator (indoor or outdoor), craft marijuana cooperative, marijuana product manufacturer, marijuana microbusiness, independent testing laboratory, marijuana retailer, marijuana transporter, delivery licensee, marijuana research facility licensee (as defined in 935 CMR 500.002: marijuana research facility licensee), social consumption establishment (as defined in 935 CMR 500.002: social consumption establishment) or any other type of licensed marijuana-related business, except a medical marijuana treatment center (MTC). Marijuana Establishment Agent: Any owner, employee, executive, or volunteer of a marijuana establishment, who shall be 21 years of age or older. Employee includes a consultant or contractor who provides on-site services to a marijuana establishment related to the cultivation, harvesting, preparation, packaging, storage, testing, or dispensing of marijuana.

3. Responsibilities This procedure applies to all individuals who are MMS agents or affiliated with MMS. A MMS agent shall be registered with the Commission before the Agent may volunteer or work for MMS.

4. Commission Registration Requirements. 1. 21 years of age or older. 2. No conviction of an offense in the Commonwealth involving the distribution of controlled substances to minors or a like violation of other jurisdictions' laws. 3. Be determined suitable for registration in compliance with the Commission. 4.2. Requirements for an Agent Registration Card. 1. Application requirements. a. The full name, date of birth, and address of the individual; b. All aliases used previously or currently in use by the individual, including maiden name, if any; c. A copy of the applicant's driver's license, government-issued identification card, liquor purchase card issued pursuant to M.G.L. c. 138, §34B, or other verifiable identity documents acceptable to the Commission; d. An attestation that the individual will not engage in the diversion of marijuana or marijuana products; e. Written acknowledgment by the applicant of any limitations on his or her authorization to cultivate, harvest, prepare, package, possess, transport, and dispense marijuana in the Commonwealth; 2. Background information including, as applicable, a description and relevant dates of: a. Any criminal action under the laws of the Commonwealth, or other Jurisdiction, whether for a felony or misdemeanor and which resulted in a conviction, or guilty plea, or plea of nolo contendere, or admission of sufficient facts; b. Any civil or administrative action under the laws of the Commonwealth, or other Jurisdiction, relating to any professional or occupational or fraudulent practices; c. Any past or pending denial, suspension, or revocation of a license or registration, or the denial of a renewal of a license or registration, for any type of business or profession, by any federal, state, or local government, or any foreign jurisdiction; and d. Any past discipline by, or pending disciplinary action or unresolved complaint by, the Commonwealth, or other Jurisdiction, regarding any professional license or registration held by the applicant. 3. A non-refundable application fee paid by MMS with which the Agent will be associated and any other information required by the Commission. 4.3. Criminal Offender Record Information (CORI). 1. MMS executive registered with the Department of Criminal Justice Information Systems pursuant to 803 CMR 2.04: iCORI Registration shall submit to the Commission a CORI report and any other background check information required by the Commission for each agent registration, obtained within 30 calendar days before submission. 2. The CORI report obtained by MMS shall provide information authorized under Required Access Level 2 under 803 CMR 2.05(3)(a)2.



3. MMS collection, storage, dissemination, and usage of any CORI report or background check information obtained for Agent registrations shall comply with 803 CMR 2.00: Criminal Offender Record Information (CORI) and all other applicable state and local laws and regulations. 4.4. Proper use of MMS Agent Registration Card. 1. MMS Agent will be issued an Agent Registration Card from the Commission and valid for (1) year from date of issue and may be renewed after that on a tri-annual basis on the Commission's determination an applicant for renewal continues to be suitable for registration. 2. The Agent shall always visibly wear the Agent Registration Card while on the premises or properties of MMS. 3. If required to transport off the premise while in possession of marijuana products for MMS, the Agent must have their Registration Card on their person. 4. An agent shall always carry their Agent Registration Card associated with MMS while in possession of marijuana products. 5. If the Agent is affiliated with multiple Marijuana Establishments, an Agent Registration Card is required for each Marijuana Establishment the Agent is affiliated with approved by the Commission. 4.5. Approved Badge Storage. 1. MMS agents must retrieve their badges from the security office before starting work and return the badge to the security office at the end of each shift. 2. Only MMS management are permitted to take their agent badge's home after their shift has ended. 4.6. Resignation or Termination of an Agent. 1. On the last day of employment at MMS, management will collect the agent's badge, any MMS property, and any keys that may have been provided during employment. 2. Within twenty four (24) hours of the last day of employment, management will submit the surrender application in MassCIP to deactivate the agent. 3. MMS management will remove the agent's access to POS, surveillance cameras, email, PowerDMS, and any other systems the agent used during employment. 4. MMS will maintain employee files for at least twelve (12) months after termination. 5. MMS will provide former agent with any necessary termination or resignation documentation.

RFI1-Misty Mountain Shop MRN282634

4.7. **Immediate Dismissal** and Actions reported to or taken by the Commission.

1. The Commission and Law Enforcement Authorities (if applicable) will be notified upon immediate dismissal of MMS agent when the Agent is involved in:
 - a. Submission of information in the application or renewal application that is deceptive, misleading, false or fraudulent, or that tends to deceive or create a misleading impression, whether directly, or by omission or ambiguity, including lack of disclosure or insufficient disclosure;
 - b. Violation of any of the requirements of the state marijuana laws, including 935 CMR 500.000: Adult Use of Marijuana;
 - c. Fraudulent use of an Agent Registration Card including, but not limited to, tampering, falsifying, altering, modifying, duplicating, or allowing another person to use, tamper, falsify, change, modify, or copy an Agent Registration Card;
 - d. Selling, transferring, distributing, or giving marijuana to any unauthorized person;
 - e. Failure to notify the Commission within five business days after becoming aware that the Agent Registration Card has been lost, stolen, or destroyed;
 - f. Diversion of marijuana, **agent immediate dismissal**; 935 CMR 500.105(1)
 - g. Engaged in unsafe practices concerning the operation of MMS, **immediate dismissal**; or 935 CMR 500.105(1)
 - h. **Immediate dismissal** of a conviction or entered a guilty plea of *nole contendere*, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or like violation of the laws of other jurisdictions. 935 CMR 500.105(1)
2. The Commission will be notified no more than (1) business day when a MMS agent is no longer affiliated with the MMS. The registration shall be immediately void when the Agent is no longer associated with MMS. MMS Incident Report will be completed and submitted to the Commission along with the Agent Registration Card. 3. The Commission will be notified as soon as possible or within (5) business days if an Agent's Registration Card is lost or stolen. MMS Incident Report will be completed and submitted to the Commission. 4. The Commission will be notified as soon as



possible or within (5) business days of any changes to the information provided on the initial application for MMS Agent

Registration Card. MMS Incident Report will be completed and submitted to the Commission detailing what information has changed from the initial application for the Registration Card. 5. The Marijuana Establishment Agent Registration Card remains the property of the Commission and can be denied, revoked, or voided if determined by the Commission a violation of 500.031 Denial of a Marijuana Establishment Registration Card; 500.032 Revocation of a Marijuana Establishment Agent Registration, or 500.033 Void Registration Card. 6. The Commission may order the return or seizure of an Agent Registration Card if the registration is revoked or expires. 7. An Agent Registration Card must be surrendered on the issuance of a new card.

5. Related Documents SOP Incident Report Process SOP Recordkeeping Procedures Confidentiality Policy Agent Registration Attestation & Acknowledgment Form Criminal Offender Record Information (CORI) Acknowledgment Form Reference Guide

6. References 803 CMR 2.04: iCORI Registration. 935 CMR 500.030; 500.031; 500.032; 500.033. Revised by: ILC Compliance Team Authorized by: Manager Not Controlled Copy Confidential and Proprietary These materials may not be disclosed or reproduced without MMS prior written consent

RFI1-Misty Mountain Shop MRN282634

Misty Mountain Shop (MMS) Staffing Plan

MMS will always be a General Manager on duty during the hours of operation at Company. MMS will operate business between 8 a.m. and 10 p.m. local time as permitted by the CCC. MMS employees are organized as either receptionist, cashiers, inventory agents, security agents, and there shall be other positions within the dispensary that will be filled and titled as deemed necessary. The number of agents on duty for any shift vary according to operational needs. MMS will maintain an after-hours contact information which shall be provided to the Commission, made available to Law Enforcement Authorities on request. A list of contacts will remain on file for emergency notifications at MMS. 935 CMR 500.105(1) and 500.105(9)

RFI1-Misty Mountain Shop MRN282634

Misty Mountain Shop (MMS) Alcohol, Smoke, and Drug-free Workplace Policy

Misty Mountain Shop commits to an Alcohol, Smoke, and Drug-Free Workplace. Alcohol and drug abuse pose a threat to the health and safety of Misty Mountain Shop employees and the security of the company's equipment and facilities. Misty Mountain Shop is committed to the elimination of drug and alcohol use and abuse in the workplace. Misty Mountain Shop is also committed to advising its employees of the Massachusetts Bureau of Substance Addiction Services (BSAS) to seek guidance for the prevention, intervention, treatment, and recovery support for substance addiction. This policy does not prohibit employees from the lawful use and possession of prescribed medications including medical marijuana given the employee has a current, valid prescription, from a state with an operational medical marijuana program.

935 CMR 500.105(1)

RFI1-Misty Mountain Shop MRN282634

Misty Mountain Shop (MMS) Confidentiality Policy

MMS business information is confidential and shall not be disclosed without the written consent of the individual to whom the information applies, or as required under law or pursuant to an order from a court of competent jurisdiction. The Cannabis Control Commission may request this information to carry out official duties. Misty Mountain Shop will not retain information from an adult use customer without the customer's voluntary written permission. Employees will not, without prior written consent, use or disclose any confidential or proprietary information for any reason other than performing their employment duties. All printed confidential records of any type shall be properly marked as



CONFIDENTIAL, either by watermark, running footer or header, or some other means that clearly labels the records as confidential. *935 CMR 500.105(1)*



Misty Mountain Shop Diversity Plan

Date 04/08/2021 Section Administration Revision 1.0 Revision Date Pages 1 of 3

1. Purpose Misty Mountain Shop (MMS) diversity plan is intended to promote equity among people of color, particularly black, African American, Hispanic, Latinx, and indigenous people, women, veterans, persons with disabilities, and LGBTQ+ people, in the operation of MMS.
2. Goals MMS will establish specific goals, to promote equity for the above-listed groups in the operations of the marijuana establishment to attract, contract, hire, promote, and retain board members, contractors, executives, employees, managers, and service providers.
 - 2.1. Increasing the number of individuals falling into the above-listed demographics working in MMS and providing tools to ensure their success, our goal is 50% women; • 40% minorities; • 30% veterans; • 10% persons with disabilities; and • 15% LGBTQ+ Program.
 - a. MMS will continue to promote diversity by leveraging the current environment of 43% women employees and 29% Veterans, encouraging a collective hiring process. MMS continues to evaluate additional applicants that are qualifying minorities particularly Black, African American, Hispanic, Latinx, and Indigenous people, women, Veterans, persons with disabilities, and LGBTQ, that will be tracked on the employee master file and evaluated annually to ensure the diversity plan is met.
 2. Increasing the number of individuals falling into the above-listed demographics in management and executive positions in MMS and providing tools to ensure their success.
 3. Providing access for and assisting individuals falling into the above-listed demographics to achieve their goal of entering the adult-use marijuana industry.
 4. Increasing the number of businesses owned by individuals falling into the above-listed demographics that can contract or otherwise do business with marijuana establishments.
3. Programs
 - 3.1. MMS will tailor its programs to promoting equity for the identified groups and include them in the operations of MMS. Strategic planning for diversity is an organization specific process. MMS plans to meet the goals of this diversity plan through the following:
 1. Advertising employment opportunities in diverse publications or other mediums semiannually. MMS plans to make itself available at different hiring events through Malden that meet regulatory criteria to help ensure that everyone will be considered and have a revolving application process as well as utilizing the local newspaper the Malden Advocate and social media.
 2. Advertising employment opportunities tailored to individuals falling into the above-listed demographics with career centers twice a year.
 3. Distributing a quarterly internal workplace newsletters that encourage current employees to recommend individuals falling into the above-listed demographics for employment.
 4. By adhering to our diversity plan and hiring the above-stated minorities it will create organic opportunities for internal promotion based on our workforce population.
 5. To further solidify internal promotion, MMS will provide trainings or mentorship programs for individuals falling into the above-listed demographics to promote their advancement in the marijuana industry. During the interview process, each new hire will be offered the opportunity to be placed in the mentorship program with a focus on the department they are



assigned. The trainings topics that may be covered are Diversity Training in the workplace, History of Marijuana, Sexual Harassment training, Bullying.

6. Providing recruitment meetings or participating in job fairs with a focus on attracting individuals falling into the above-listed demographics. If permitted MMS would create a semiannual job fair in person event educating individuals 21 years of age or older on the current marijuana market and potential opportunity in the industry. MMS will also accept applications for potential hiring at the event.
7. Establishing relationships with specific organizations that are diversity-focused for the purposes of:
 - a. Networking with their constituencies for employment purposes.
 - b. Providing information on employment opportunities.
 - c. Providing trainings or informational sessions for individuals falling into the above-listed demographics on the marijuana industry.
8. MMS will work alongside Malden Community Organizing for Racial Equity to promote new ideas within the organization. At this time, MMS does not have a specific entity that we plan on donating to, but we will as engagements come up plan to work through the correct avenues to ensure compliance.

4. Measurements

4.1. This section of the plan includes both qualitative and quantitative measures that demonstrate the progress or success of the plan. Metrics will have an identified data source and method for tracking that data. The following will be used to measure the diversity plan's success:

1. Number of individuals from the above-referenced demographic groups who were hired and retained after the issuance of a license.
2. Number of promotions for people falling into the above-listed demographics since initial licensure.
3. Number of positions created since initial licensure.
4. Number of and type of information sessions held or participated in with supporting documentation.
5. Number of postings in diverse publications or general publications with supporting documentation.
6. Number and subject matter of trainings held and the number of individuals falling into the above listed demographics in attendance.
7. Additional Requirements

7.1. The diversity plan has unique requirements and standards that have been discussed above. In addition to those requirements, the plan requires MMS to affirmatively state the following:

1. MMS acknowledges and is aware, and will adhere to, the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising and brand name sponsorship practices of every marijuana establishment.
2. Any actions taken, or programs instituted, will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.



3. Annually, Misty Mountain will submit in the renewal packet a synopsis of the criteria in the diversity plan to show the efforts in complying about the criteria set forth.

References 935 CMR 500.101(c)(k). [Guidance on Required Diversity Plans](#) Revised by: ILC Compliance Team Authorized by: Manager NOT A CONTROLLED COPY Confidential and Proprietary — These materials may not be disclosed or reproduced without MMS prior written expressed consent.



Misty Mountain Shop SOP Quality Control and Testing Procedures

Date 04/08/2021 Section Retail Operations Revision 1.0 Revision Date Pages 1 of 7

1. Purpose Misty Mountain Shop MMS is committed to continuous improvement with processes and controls to ensure accountability, quality, and ownership. MMS agents receiving shipments shall ensure the integrity of the shipment, integrity of the electronic manifest, inventory control system, shipment quality.

MMS will source all of its marijuana and marijuana products from licensed and properly registered marijuana establishments in the Commonwealth of Massachusetts. Before taking possession of any marijuana or marijuana products to be sold, MMS will verify documentation of compliance with the testing requirements. Misty Mountain Shop (MMS) is responsible for the proper storage of all marijuana and marijuana products.

MMS storage processes must comply with all legal security requirements. MMS recognizes that marijuana must be stored under appropriate temperatures with conditions to preserve its identity, strength, quality, and purity. The storage of marijuana must be protected against physical, chemical, and microbial contamination.

2. Definitions Commission: Massachusetts Cannabis Control Commission (CCC). Limited Access Area: An indoor or outdoor area on the premises of a marijuana establishment where marijuana or marijuana products or their byproducts are cultivated, stored, weighed, packaged, processed, or disposed of, under the control of a marijuana establishment, with access limited to only those marijuana establishment of laboratory agents designated by the establishment after receipt of a final license.

Marijuana Establishment: A marijuana cultivator (indoor or outdoor), craft marijuana cooperative, marijuana product manufacturer, marijuana microbusiness, independent testing laboratory, marijuana retailer, marijuana transporter, delivery licensee, marijuana research facility licensee (as defined in 935 CMR 500.002: Marijuana Research Facility Licensee), social consumption establishment (as defined in 935 CMR 500.002: Social Consumption Establishment) or any other type of licensed marijuana-related business, except a Medical Marijuana Treatment Center (MTC).

Marijuana Establishment Agent: Any owner, employee, executive, or volunteer of a marijuana establishment, who shall be 21 years of age or older. Employee includes a consultant or contractor who provides on-site services to a marijuana establishment related to the cultivation, harvesting, preparation, packaging, storage, testing, or dispensing of marijuana.

Marijuana Transporter: An entity, not otherwise licensed by the Commission, licensed to possess marijuana products solely to transport, temporary storage, sale, and distribution to marijuana establishments or MTCs, but not to consumers. Marijuana transporters may be existing licensee transporter or third-party transporter.

Metrc: Marijuana Enforcement Tracking Reporting Compliance. Vault: A secured, limited access storage room within a Marijuana Establishment that is outfitted with adequate security features to store marijuana or marijuana products or cash. A vault must be adequately sized to hold inventory that is not being actively handled for purposes of dispensing, packaging, processing, or transportation.

3. Responsibilities This procedure applies to all agents or individuals affiliated with MMS, whether paid or unpaid. MMS management will update this procedure as needed per regulation change or other mandates. This procedure will be reviewed at a minimum annually.



4. Procedures

4.1. Before Receiving Marijuana.

1. MMS shall not acquire marijuana or marijuana products from a non-state approved licensee individual or entity.
2. MMS shall not acquire marijuana outside the state of Massachusetts without prior approval from the Commission.
3. Upon buyer's notification of a product to be sold, an appointment for the delivery will be scheduled.
4. Before transport, the manifest shall be securely transmitted to MMS facsimile or email.
 - a. Notifying MMS of a scheduled delivery time, date, the grower/processor, and the product's description, along with the agent name and ID.
 - b. The Inventory Manager is to review all documentation to ensure it is correct.
5. On the day of delivery, the transportation agents will be instructed to go to the sally port at MMS, where two MMS agents will greet them.

4.2. Transportation Agent arrival at MMS.

1. The MMS agent shall verify the transportation agent by asking for name, agent registration card, and company affiliation.
2. If the credentials are verified, the MMS agent will instruct the assigned Transportation Agent to the receiving door to deliver.
3. The Transportation Agent will sign in on the Visitor Log kept on the desk in the sally port area.
4. If the credentials CANNOT BE VERIFIED – DO NOT AUTHORIZE entry into the establishment.
 - a. Notify management immediately.
 - b. Instruct the transportation agent that we are unable to take delivery.
 - c. The agent will notify the delivery licensee that the Transportation Agent's credentials could not be confirmed with the information they provided.

4.3. Manifest Description.

1. Compare the Transportation Agent's manifest to the original provided beforehand.
2. The manifest must, at a minimum, include the originating marijuana establishment name, address, and registration number.
 - a. The names and registration numbers of the agents who transported the marijuana products.
 - b. The name and registration number of the marijuana establishment agent who prepared the manifest.
 - c. MMS name, address, and registration number
 - d. A description of the marijuana products being transported, including the weight and form or type of product.
 - e. The mileage of the transporting vehicle at departure from originating marijuana establishment and mileage on arrival at MMS



- f. The date and time of departure from originating marijuana establishment and arrival at MMS for each transportation.
 - g. A signature line for MMS agent who receives the marijuana and marijuana products.
 - h. The weight and inventory before departure and on the receipt.
 - i. The date and time that the transported products were reweighed and re-inventoried.
 - j. The name of the MMS agent who reweighed and re-inventoried products and the vehicle make, model, and license plate number.
3. MMS shall retain all transportation manifests for no less than one year and make them available to the Commission on request.

4.4. Receiving Marijuana and Marijuana Products.

1. Escort the Transportation Agent until all marijuana is in the fulfillment area to ensure the chain of custody at all times of the shipment.
2. MMS quality checks will be under video surveillance to ensure shipment is secure, undamaged, and properly labeled with all appropriate required information.
 - a. Ensure shelf life and the expiration date matches buyer requirements.
 - b. If the MMS agents recognize a quality issue during the inspection process, they notify the manager immediately.
 - c. If there is a quality issue with one or more of the products, those items will be rejected on the manifest, and a new manifest will be issued to account for the changes.
 - d. File all appropriate receipt paperwork.
 - e. The Transportation Agent will sign out of the log upon leaving MMS. If the Transportation Agent forgets to sign out, the receiving agent will note and record what time the transportation agent left.
3. If the shipment cannot be quality checked at the point of receipt, MMS has up eight hours after arrival to reweigh, re-inventory, and account for, on video, all marijuana products transported.
4. MMS shall not store products that have failed the quality control inspection with products that have passed and are ready for sale.
5. Management will notify the licensee of the failed products, and they are ready for pick up.

4.5. Requirements for MMS Agents handling of Marijuana.

Agents shall handle marijuana in a safe and sanitary manner and shall comply with the following sanitary requirements:

1. Any Agent whose job includes contact with marijuana or nonedible marijuana products, is subject to the requirements for food handlers specified in 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements and shall comply with the following sanitary requirements: *105 CMR 300.000*
2. Any Agent working in direct contact with preparation of marijuana or nonedible marijuana products shall conform to sanitary practices while on duty, including:
 - a. Maintaining adequate personal cleanliness; and



- b. Washing hands thoroughly in an adequate hand-washing area before starting work, and at any other time when hands may have become soiled or contaminated. 935 CMR 500.105(3)
3. Hand-washing facilities shall be adequate and convenient and shall be furnished with running water at a suitable temperature.
4. Hand-washing facilities shall be located in areas where good sanitary practices require employees to wash and sanitize their hands, and shall provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices. 935 CMR 500.105(3)
5. There shall be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations. 935 CMR 500.105(3)
6. Litter and waste shall be properly removed, disposed of so as to minimize the development of odor and minimize the potential for the waste attracting and harboring pests. 935 CMR 500.105(3)
7. The operating systems for waste disposal shall be maintained in an adequate manner pursuant to 935 CMR 500.105(12);
8. Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately kept clean and in good repair. 935 CMR 500.105(3)
9. Buildings, fixtures, and other physical facilities shall be maintained in a sanitary condition;
10. All contact surfaces shall be maintained in a clean and sanitary condition. Such surfaces shall be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the U.S. Environmental Protection Agency (EPA), in accordance with labeled instructions. 935 CMR 500.105(3)
11. All toxic items shall be identified, held, and stored in a manner that protects against contamination of marijuana products. 935 CMR 500.105(3)
12. MMS's water supply shall be sufficient for necessary operations. Any private water source shall be capable of providing a safe, potable, and adequate supply of water to meet the MMS's needs; 935 CMR 500.105(3)
13. Plumbing shall be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout MMS. 935 CMR 500.105(3)
14. Plumbing shall properly convey sewage and liquid disposable waste from MMS. There shall be no cross-connections between the potable and wastewater lines.
15. MMS shall provide its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair. 935 CMR 500.105(3)
16. Storage and transportation of finished products shall be under conditions that will protect them against physical, chemical, and microbial contamination as well as against deterioration of finished products or their containers. 935 CMR 500.105(3)
17. All vehicles and transportation equipment used in the transportation of marijuana products or edibles requiring temperature control for safety shall be designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the marijuana products or edibles from becoming unsafe during transportation, consistent with applicable requirements pursuant to 21 CFR 1.908(c).



18. All Marijuana Establishments, including those that develop or process edibles, shall comply with sanitary requirements. All edibles shall be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 590.000: State Sanitary Code Chapter X: Minimum Sanitation Standards for Food Establishments.

4.6. MMS Storage Requirements.

1. Marijuana and marijuana products are stored in the vault.
2. Access to the MMS vault is restricted only to individuals with approved access.
3. Marijuana and marijuana products for sale shall always be stored in the MMS vault, except during business hours when the product may be moved to the fulfillment room.
4. The marijuana that is out in the fulfillment room must be returned to the vault after business hours.
5. MMS shall have separate areas for storage of marijuana that is outdated, damaged, deteriorated, mislabeled, or contaminated, or whose containers or packaging have been opened or breached until such products are destroyed.
6. MMS shall provide adequate lighting, ventilation, temperature, humidity, space, and equipment.
7. MMS storage areas shall be maintained in a clean and orderly condition.
8. MMS storage areas shall be free from infestation by insects, rodents, birds, and pests of any kind.

4.7. Testing Requirements.

1. No marijuana product, including marijuana, may be sold or otherwise marketed for adult use that has not first been tested by Independent Testing Laboratories. *935 CMR 500.140(9)*
2. Marijuana shall be tested for the Cannabinoid Profile and for contaminants as specified by the Commission including, but not limited to, mold, mildew, heavy metals, plant growth regulators, and the presence of Pesticides. In addition to these contaminant tests, final ready-to-sell Marijuana Vaporizer Products shall be screened for heavy metals and Vitamin E Acetate (VEA) in accordance with the relevant provisions of the Protocol for Sampling and Analysis of Finished Marijuana and Marijuana Products for Marijuana Establishments.
3. The Commission may, at its discretion, require additional testing where necessitated to safeguard the public health or public safety and so identified by the Commission.
4. A Marijuana Establishment shall have a written policy for responding to laboratory results that indicate contaminant levels are above acceptable limits established in the protocols identified in 935 CMR 500.160(1). Any such policy shall include:
 - a. Notifying the Commission within 72 hours of any laboratory testing results indicating that the contamination cannot be remediated and disposing of the production batch. *935 CMR 500.160(2)*
 - b. Notifying the Commission of any information regarding contamination as specified by the Commission or immediately upon request by the Commission.
 - c. The notification shall be from both the Marijuana Establishment and the Independent Testing Laboratory, separately and directly.



- d. The notification from the Marijuana Establishment shall describe a proposed plan of action for both the destruction of the contaminated product and the assessment of the source of contamination.
5. A Marijuana Establishment shall maintain the results of all testing for no less than one year. Testing results shall be valid for a period of one year. Marijuana or Marijuana Products with testing dates in excess of one year shall be deemed expired and may not be dispensed, sold, Transferred or otherwise conveyed until retested.
6. All transportation of Marijuana to and from Independent Testing Laboratories providing Marijuana testing services shall comply with 935 CMR 500.105(13).
7. All storage of Marijuana at a laboratory providing Marijuana testing services shall comply with 935 CMR 500.105(11).
8. All excess Marijuana shall be disposed of in compliance with 935 CMR 500.105(12), either by the Independent Testing Laboratory returning excess Marijuana to the source Marijuana Establishment for disposal or by the Independent Testing Laboratory disposing of it directly.
9. 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.

4.8. MMS Security Requirements.

1. After receiving a final license, limited access areas shall be accessible only to specifically authorized personnel limited to include only the minimum number of employees essential for efficient operation.
2. Storing all finished marijuana products in a secure, locked safe or vault in such a manner as to prevent diversion, theft, and loss.
3. Keeping all safes, vaults, and any other equipment or areas used for storage, including before disposal, of marijuana or marijuana products securely locked and protected from entry, except for the actual time required to remove or replace marijuana.
4. All storage areas within MMS shall be kept securely locked and maintained in a clean, orderly condition.
5. MMS ensures that all marijuana products are kept out of plain sight and are not visible from a public place, outside of MMS, without the use of binoculars, optical aids, or aircraft.

4.9. MMS Vault.

1. The area is equipped with adequate lighting, ventilation, and space.
2. Climate-controlled and monitored twenty-four (24) hours a day for both security and changes in the environment (temperature and humidity).
3. Shall be kept securely locked and maintained in a clean, orderly condition, kept free from infestation by insects, rodents, birds, and pests of any kind.
4. A separate area has been designated for marijuana and marijuana product waste.
5. A separate area has also been designated for storage of returned and quarantined products.



4.10. Fulfillment Room.

1. The fulfillment room is in a limited access area connected to the vault.
 2. Only the minimum number of MMS agents and management essential for efficient operation will access the fulfillment room.
 3. All orders will be filled through the fulfillment room by an inventory specialist.
 4. The majority of the product is stored in the vault; after the marijuana and marijuana products are accepted into Metrc, a percentage of the items will be put on rolling carts. 5
 5. Rolling Carts with the product will be brought into to fulfillment room in the morning before opening. All marijuana shall be returned to this secure location at the end of each business day.
 6. All marijuana shall be tracked according to MMS's standard operating procedures, which shall remain in compliance with the relevant regulations.
 7. All agents involved with storage-related tasks will be trained.
5. Related Documents SOP Incident Report Process SOP Inventory Audits SOP Marijuana and Marijuana Products Waste Disposal SOP Marijuana Vaporizer Device SOP Packaging and Labeling of Marijuana and Marijuana Products SOP Security and Alarm Systems SOP Video Surveillance SOP Visitor Management Reference Guide 6. References 935 CMR 500.105 (8)(b)(f)(g)(h)(13)(a)(8)(9)(b)(f); 500.110(9)(b); 500.160 935 CMR 500.105(1)(d)(11); 500.110(1)(f)(g) (h)(l)(4)(c) Revised by: ILC Compliance Team Authorized by: Manager NOT A CONTROLLED COPY Confidential and Proprietary — These materials may not be disclosed or reproduced without MMS prior written expressed consent.



Misty Mountain Shop SOP Recordkeeping Procedures

Date 04/08/2021 Section Administration Revision 1.0 Revision Date Pages 1 of 3

1. Purpose Misty Mountain Shop (MMS) shall maintain standard document creation and retention procedures in compliance with all federal, state, and local requirements. These procedures pertain to all business records to include consumer, inventory, financial, and all other records applicable. All records will be made available for inspection upon request by the Commission.

2. Definitions Marijuana Establishment: A marijuana cultivator (indoor or outdoor), craft marijuana cooperative, marijuana product manufacturer, marijuana microbusiness, independent testing laboratory, marijuana retailer, marijuana transporter, delivery licensee, marijuana research facility licensee (as defined in 935 CMR 500.002: marijuana research facility licensee), social consumption establishment (as defined in 935 CMR 500.002: social consumption establishment) or any other type of licensed marijuana-related business, except a medical marijuana treatment center (MTC).

Marijuana Establishment Agent: Any owner, employee, executive, or volunteer of a marijuana establishment, who shall be 21 years of age or older. Employee includes a consultant or contractor who provides on-site services to a marijuana establishment related to the cultivation, harvesting, preparation, packaging, storage, testing, or dispensing of marijuana.

3. Responsibilities This procedure applies to all individuals who are agents or affiliated with MMS. MMS management will update procedures as needed per regulation or other mandates. This procedure will be reviewed at a minimum annually. In the event of MMS closure, all records shall be kept for at least two years at the expense of the Marijuana Establishment and in a form and location acceptable to the Commission. *935 CMR 500.105(9)*

4. Procedures

4.1. MMS will keep and make available for inspection, upon request, the following business records. This documentation shall include paper or digital records.

1. Written operating procedures and policies.
2. Inventory records required by the Commission are maintained in POS Systems, Metrc, or other designated systems.
3. Seed-to-sale SOR Electronic tracking system records maintained in Metrc for all marijuana products.
4. Staffing plan that will demonstrate accessible business hours. *935 CMR 500.105(9)*
5. Names and contact information of individuals designated as emergency contacts for MMS.
6. Marijuana Waste Disposal Records, MMS shall keep these waste disposal records for at least three years. *935 CMR 500.105(12)*
7. Code of Ethics.
8. Whistle-Blower Policy.
9. Disability Rights Policy.
10. Records of Security Audits.
11. Records of Transportation Manifests and Logs.



12. In the event of MMS closure, all records shall be kept for at least two years, at the expense of MMS, and in a form and location acceptable to the Department or Commission.

13. MMS Agents Personnel Records.

- a. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
- b. A personnel record for each marijuana establishment agent. Such records shall be maintained for at least 12 months after termination of the individual's affiliation with the marijuana establishment and shall include, at a minimum, the following:
 - All materials submitted to the commission.
 - Documentation of verification of references.
 - The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision.
 - Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters.
 - Documentation of periodic performance evaluations.
 - A record of any disciplinary action taken; and
 - Notice of completed Responsible Vendor Training Program and in-house training for MMS Agents.
- c. All background check reports. *935 CMR 500.105(9)*

4.2. MMS shall keep corporate Business, manual or computerized records, at minimum, annual reviews, updates, and renewals of the following:

1. Business Records.

- a. Assets and liabilities;
- b. Monetary transactions;
- c. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
- d. Sales records, including the quantity, form, and cost of marijuana products; and
- e. Salary and wages paid to each employee, or stipend, executive compensation, bonus, benefit, or item of value paid to any persons having direct or indirect control over the marijuana establishment. *935 CMR 500.105(9)*

2. Insurance Coverage:

- a. Directors & Officers Policy.
- b. Product Liability Policy.
- c. General Liability Policy.
- d. Umbrella Policy.



- e. Workers Compensation Policy.
- f. Employer Professional Liability Policy.
- 3. Third-Party Contracts.
- 4. Commission Requirements:
 - a. Annual Agent Registration.
 - b. Annual Marijuana Establishment Registration.
 - c. Consumer Education Materials.
 - d. Diversity Plan.
 - e. Plan to Impact Areas of Disproportionate Impact.
 - f. MMS Holding Structure Chart.
 - g. List of wholesale vendors.
 - h. Employee termination list with dates.
 - i. Employee job performance evaluations.
 - j. Incident Reports.
- 5. Local Compliance:
 - a. Certificate of Occupancy.
 - b. Special Permits.
 - c. Building Permits.
 - d. Site Plan Approvals.
 - e. As-Built Drawings.
 - f. Floor Plans.
 - g. Certificate of Good Standing.
- 6. Corporate Governance:
 - a. Annual Report.
 - b. Secretary of State Filings.
- 5. Related Documents SOP Financial Recordkeeping Procedures SOP Marijuana and Marijuana Products Waste Disposal SOP Marijuana Establishment Agent SOP Staffing Plan Code of Ethics Confidentiality Policy Disability Rights Policy Whistle-Blower Policy Reference Guide 6. References 935 CMR 500.105(9)(13); 500.110(10); 500.140(13) Revised by: ILC Compliance Team Authorized by: Manager NOT A CONTROLLED COPY Confidential and Proprietary — These materials may not be disclosed or reproduced without MMS prior written expressed consent.