Massachusetts Cannabis Control Commission

Marijuana Cultivator

General Information:

License Number: MC282530

Original Issued Date: 07/14/2020

Issued Date: 08/12/2021

Expiration Date: 08/12/2022

ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Salisbury Cultivation and Production Manufacturing, LLC

Phone Number: 603-785-8768 **Email Address:** George.Haseltine@gmail.com

Business Address 1: 187 Lafayette Road **Business Address 2:**

Business City: Salisbury **Business State:** MA **Business Zip Code:** 01952

Mailing Address 1: 187 Lafayette Road **Mailing Address 2:**

Mailing City: Salisbury **Mailing State:** MA **Mailing Zip Code:** 01952

CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

PRIORITY APPLICANT

Priority Applicant: no

Priority Applicant Type: Not a Priority Applicant

Economic Empowerment Applicant Certification Number:

RMD Priority Certification Number:

RMD INFORMATION

Name of RMD:

Department of Public Health RMD Registration Number:

Operational and Registration Status:

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

If no, describe the circumstances below:

PERSONS WITH DIRECT OR INDIRECT AUTHORITY

Person with Direct or Indirect Authority 1

Percentage Of Ownership: 50 **Percentage Of Control:** 50

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

First Name: George **Last Name:** Haseltine **Suffix:**

Gender: Male **User Defined Gender:**

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

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 2

Percentage Of Ownership: 50 **Percentage Of Control:** 50

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

First Name: Bradley **Last Name:** Kutcher **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 3

Percentage Of Ownership: 0.2 **Percentage Of Control:** 25

Role: Executive / Officer **Other Role:**

First Name: Thomas **Last Name:** Regan **Suffix:**

Gender: **User Defined Gender:**

What is this person's race or ethnicity?:

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 4

Percentage Of Ownership: 2.6 **Percentage Of Control:** 25

Role: Executive / Officer **Other Role:**

First Name: Wayne **Last Name:** Capolupo **Suffix:**

Gender: **User Defined Gender:**

What is this person's race or ethnicity?:

Specify Race or Ethnicity:

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

Entity with Direct or Indirect Authority 1

Percentage of Control: 100 **Percentage of Ownership:** 100

Entity Legal Name: GBH, Inc. **Entity DBA:** **DBA City:**

Entity Description: Parent/Holding Company

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: GBH is a Parent/Holding Company that owns and controls 100% of Salisbury Cultivation and Product Manufacturing d/b/a Root & Bloom. The owners of GBH, Inc. are the same two owners of Salisbury Cultivation and Product Manufacturing d/b/a Root & Bloom.

Entity with Direct or Indirect Authority 2

Percentage of Control: **Percentage of Ownership:**

Entity Legal Name: The Haseltine Family Revocable Trust | **Entity DBA:** | **DBA City:**

Entity Description: Capital Contributor

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: The Haseltine Family Revocable Trust is a Capital Contributor to Salisbury Cultivation and Product Manufacturing d/b/a Root & Bloom. Although The Haseltine Family Revocable Trust does not fall under an "Entity with Direct or Indirect Authority" we have included this information in an effort to be fully transparent.

CLOSE ASSOCIATES AND MEMBERS

No records found

CAPITAL RESOURCES - INDIVIDUALS

No records found

CAPITAL RESOURCES - ENTITIES

Entity Contributing Capital 1

Entity Legal Name: The Haseltine Family Revocable Trust | **Entity DBA:**

Email: George.haseltine@gmail.com | **Phone:** 603-785-8768

Address 1: PO Box 1479 | **Address 2:**

City: Newburyport | **State:** MA | **Zip Code:** 01950

Types of Capital: Monetary/Equity | **Other Type of Capital:** | **Total Value of Capital Provided:** $200000 | **Percentage of Initial Capital:** 100

Capital Attestation: Yes

BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

DISCLOSURE OF INDIVIDUAL INTERESTS

Individual 1

First Name: George | **Last Name:** Haseltine | **Suffix:**

Marijuana Establishment Name: Salisbury Cultivation and Product Manufacturing, LLC | **Business Type:** Marijuana Product Manufacture

Marijuana Establishment City: Salisbury | **Marijuana Establishment State:** MA

Individual 2

First Name: Bradley | **Last Name:** Kutcher | **Suffix:**

Marijuana Establishment Name: Salisbury Cultivation and Product Manufacturing, LLC | **Business Type:** Marijuana Product Manufacture

Marijuana Establishment City: Salisbury | **Marijuana Establishment State:** MA

MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 187 Lafayette Road

Establishment Address 2:

Establishment City: Salisbury **Establishment Zip Code:** 01952

Approximate square footage of the Establishment: 40000 **How many abutters does this property have?:** 29

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

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

FEE QUESTIONS

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

HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Certification of Host Community Agreement	HCA attestation_Root and Bloom (1).pdf	pdf	5dead05926aa77532085edf3	12/06/2019
Plan to Remain Compliant with Local Zoning	R&B Plan to Remain Compliant with Local Zoning.pdf	pdf	5df97ecaf76dd253236e11b9	12/17/2019
Community Outreach Meeting Documentation	Community Outreach Documentation.pdf	pdf	5dfa6c6a00f72d57285ed7a3	12/18/2019

Total amount of financial benefits accruing to the municipality as a result of the host community agreement. If the total amount is zero, please enter zero and provide documentation explaining this number.: $150000

PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Other	Fidelity House CRC Letter for LocalBloom Sep 2019 Signed (1).pdf	pdf	5df97fd0fe65bd5750700c2f	12/17/2019
Plan for Positive Impact	RB Positive Impact (1).pdf	pdf	5dfebe9a0557385733b41568	12/21/2019

ADDITIONAL INFORMATION NOTIFICATION

Notification: I Understand

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: **Other Role:**

First Name: George **Last Name:** Haseltine **Suffix:**

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 2

Role: **Other Role:**

First Name: Bradley **Last Name:** Kutcher **Suffix:**

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 3

Role: **Other Role:**

First Name: Thomas **Last Name:** Regan **Suffix:**

RMD Association:

Background Question:

Individual Background Information 4

Role: **Other Role:**

First Name: Wayne **Last Name:** Capolupo **Suffix:**

RMD Association:

Background Question:

ENTITY BACKGROUND CHECK INFORMATION

Entity Background Check Information 1

Role: Parent Company **Other Role:**

Entity Legal Name: GBH, Inc. **Entity DBA:**

Entity Description: Parent/Holding Company

Phone: 603-785-8768 **Email:** george.haseltine@gmail.com

Primary Business Address 1: 187 Lafayette Road **Primary Business Address 2:**

Primary Business City: Salisbury **Primary Business State:** MA **Principal Business Zip Code:** 01952

Additional Information:

Entity Background Check Information 2

Role: Investor/Contributor **Other Role:**

Entity Legal Name: The Haseltine Family Revocable Trust **Entity DBA:**

Entity Description: Capital Contributor

Phone: 603-785-8768 **Email:** George.Haseltine@gmail.com

Primary Business Address 1: 1 Shandel Drive **Primary Business Address 2:**

Primary Business City: Newburyport **Primary Business State:** MA **Principal Business Zip Code:** 01950

Additional Information: Please be advised that The Haseltine Family Revocable Trust does not have a Federal Tax Identification Number EIN/TIN. Under federal and Massachusetts law, a revocable living trust does need a EIN/TIN. We entered a generic EIN (12-3456789) for the purposes of submitting the application as this is a required field. The beneficiary of the Trust is George Hazeltine who is an owner of Salisbury Cultivation and Product Manufacturing, LLC. and has provided background check information as an Individual.

MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Department of Revenue - Certificate of Good standing	Salisbury Cultivation and Product Man DBA ROOT and BLOOM LLC Cert of GS_DoR_12.12.19.pdf	pdf	5df98542bb37d053183ddadf	12/17/2019
Articles of Organization	Certificate of Organization Documents.pdf	pdf	5dfec1ad38f8ab571d6e20b7	12/21/2019

Bylaws	RB Operating Agreement Part 1 of 2.pdf	pdf	5dfec1c7cb8cc6573ebd0eef	12/21/2019
Bylaws	RB Operating Agreement Part 2 of 2.pdf	pdf	5dfec1d500f72d57285ee06a	12/21/2019
Secretary of Commonwealth - Certificate of Good Standing	Cert. of good stand_sec of state.pdf	pdf	5dfee1c22f1a06531139666f	12/21/2019
Department of Revenue - Certificate of Good standing	Salisbury Cultivation Unemployment Certificate.pdf	pdf	5e83b05f482e703583b7aa64	03/31/2020

Certificates of Good Standing:

Document Category	Document Name	Type	ID	Upload Date
Department of Unemployment Assistance - Certificate of Good standing	Dept Unemployment_letter of attestation_7.2.21.pdf	pdf	60df65268d6c3f02b7d19f5e	07/02/2021
Department of Revenue - Certificate of Good standing	Salisbury Cultivation and Product Manufacturing, LLC Mass DoR Cert of Good Standing.pdf	pdf	60df6536fb983a0274aab92f	07/02/2021
Secretary of Commonwealth - Certificate of Good Standing	Salisbury Cultivation and Product Manufacturing, LLC MA Certificate of Good Standing 4815-3778-3789 v.1_6.4.21.pdf	pdf	60df65413678b8028bd426a8	07/02/2021

Massachusetts Business Identification Number: 001397535

Doing-Business-As Name: Root and Bloom

DBA Registration City: Salisbury

BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for Liability Insurance	R&B Liability Insurance Plan.pdf	pdf	5dfec5bfb7ff09534ba0080c	12/21/2019
Business Plan	Business Plan_V2.0.pdf	pdf	5e8111fa554b033566ccf538	03/29/2020
Proposed Timeline	R&B Cultivation Timeline_George edit_6.19.21.pdf	pdf	60df65a1aa87100331f62ab6	07/02/2021

OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Policies and Procedures for cultivating.	R&B Cultivation SOP.pdf	pdf	5dfecbb638f8ab571d6e20be	12/21/2019
Separating recreational from medical operations, if applicable	R&B Policy for Separating Recreational from Medical Operations.pdf	pdf	5dfecbd3f76dd253236e1c21	12/21/2019
Restricting Access to age 21 and older	R&B Cultivation_Policy for Limiting Access to Age 21 and Older.pdf	pdf	5dfecc02b7ff09534ba00812	12/21/2019
Prevention of diversion	R&B Prevention of Diversion.pdf	pdf	5dfed1c1f76dd253236e1c2d	12/21/2019
Inventory procedures	R&B Inventory of Marijuana.pdf	pdf	5dfed249b7ff09534ba0081c	12/21/2019
Quality control and testing	R&B Quality Control and Product Testing.pdf	pdf	5dfed28dfe65bd575070174f	12/21/2019

Dispensing procedures	R&B Policy for Dispensing.pdf	pdf	5dfed2a22f1a06531139665d	12/21/2019
Personnel policies including background checks	R&B Personnel Policies.pdf	pdf	5dfed33bcb8cc6573ebd0ef9	12/21/2019
Record Keeping procedures	R&B Record Keeping Procedure.pdf	pdf	5dfed34fd74bf6532ea00056	12/21/2019
Maintaining of financial records	R&B Maintenance of Financial Records Policy and Procedure.pdf	pdf	5dfed35cb7ff09534ba00820	12/21/2019
Qualifications and training	R&B Qualifications and Training Policy and Procedure.pdf	pdf	5dfed3ab2f1a065311396661	12/21/2019
Transportation of marijuana	R&B Transportation of Marijuana.pdf	pdf	5dfee6e80557385733b41596	12/21/2019
Storage of marijuana	R&B Storage SOP.pdf	pdf	5dfee709fe65bd575070176b	12/21/2019
Diversity plan	RB Diversity Plan_V2.0.pdf	pdf	5e811682554b033566ccf542	03/29/2020
Security plan	R&B Security Plan_V2.0.pdf	pdf	5e83b2c42b97cf38fa3750e7	03/31/2020
Energy Compliance Plan	Energy and Efficiency Plan.pdf	pdf	60e45e42fb983a0274aabdcf	07/06/2021

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

Notifcation: I Understand

COMPLIANCE WITH POSITIVE IMPACT PLAN

Progress or Success Goal 1

Description of Progress or Success: Salisbury Cultivation and Product Manufacturing, LLC. is not yet operation and thus has not made any progress towards our Positive Impact Goals. We hope to become operational in early 2022. Once operational we will be able to make progress to all of our Goals.

COMPLIANCE WITH DIVERSITY PLAN

Diversity Progress or Success 1

Description of Progress or Success: Salisbury Cultivation and Product Manufacturing, is not yet operational and thus has not made any progress towards our Diversity Plan Goals. We hope to become operational in early 2022. Once operational we will be able to make progress to all of our Goals.

HOURS OF OPERATION

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

Cannabis Control Commission
COMMONWEALTH OF MASSACHUSETTS

Host Community Agreement Certification Form

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

Applicant

I, BRADLEY KUTCHER, (*insert name*) certify as an authorized representative of ROOT & BLOOM LLC (*insert name of applicant*) that the applicant has executed a host community agreement with TOWN OF SALISBURY (*insert name of host community*) pursuant to G.L.c. 94G § 3(d) on JULY 15, 2019 (*insert date*).

Signature of Authorized Representative of Applicant

Host Community

I, Neil J. Harrington, (*insert name*) certify that I am the contracting authority or have been duly authorized by the contracting authority for Town of Salisbury (*insert name of host community*) to certify that the applicant and Town of Salisbury (*insert name of host community*) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on July 15, 2019 (*insert date*).

Signature of Contracting Authority or
Authorized Representative of Host Community

Plan to Remain Compliant with Local Zoning

Purpose

The purpose of this plan is to outline how Root & Bloom, LLC. is and will remain compliant with local codes, ordinances and bylaws for our Adult-Use Marijuana Cultivation and Product Manufacturing Establishment at 187 Lafayette Road, Salisbury, MA, including the identification of any local licensing requirements for the adult use of marijuana.

Background

The town of Salisbury enacted a Zoning Bylaw that established zoning restrictions for Marijuana Establishments. Recreational Marijuana establishments are permitted in the Retail Marijuana Overlay District ("RMOD") pursuant to Special Permit and Site Plan approval. Our location 187 Lafayette Road, Salisbury, MA per the zoning bylaw is within eligible zones for Marijuana Establishments and is located in the RMOD. Our location of 187 Lafayette Road, Salisbury, MA is compliant with all required setbacks and Root and Bloom has an executed Host Community Agreement with the Town of Salisbury.

Plan

Root & Bloom, LLC. has conferred with the Town of Salisbury and it has been determined that our location is fully compliant with the requirements outlined in the Bylaw.

It is the intention of Root & Bloom to remain compliant with all relevant local codes, and ordinances applicable to a Marijuana Retail Establishment. In addition to Root & Bloom remaining compliant with the existing Salisbury Zoning Bylaw, our executive management team and General Counsel will continuously engage with the Town of Salisbury to remain up to date with local codes zoning ordinances and by-laws, to remain fully compliant.

Cannabis Control Commission
COMMONWEALTH OF MASSACHUSETTS

Community Outreach Meeting Attestation Form

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

I, George Haseltine, attest as an authorized representative of _Root & Bloom, LLC that the applicant has complied with the requirements of 935 CMR 500 and the guidance for licensed applicants on community outreach, as detailed below.

1. The Community Outreach Meeting was held on August 22, 2019.

2. A copy of a notice of the time, place, and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was published in a newspaper of general circulation in the city or town on August 9, 2019, which was at least seven calendar days prior to the meeting. A copy of the newspaper notice is attached as Attachment A (*please clearly label the newspaper notice in the upper right hand corner as Attachment A and upload it as part of this document).*

3. A copy of the meeting notice was also filed on August 11, 2019 with the city or town clerk, the planning board, the contracting authority for the municipality, and local licensing authority for the adult use of marijuana, if applicable. A copy of the municipal notice is attached as Attachment B (*please clearly label the municipal notice in the upper right-hand corner as Attachment B and upload it as part of this document*).

4. Notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed on August 11, 2019, which was at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town. A copy of one of the notices sent to abutters and parties of interest as described in this section is attached as Attachment C (*please clearly label the municipal notice in the upper right hand corner as Attachment C and upload it as part of this document; please only include a copy of one notice and please black out the name and the address of the addressee*).

Initials of Attester: GH

Cannabis Control Commission
COMMONWEALTH OF MASSACHUSETTS

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

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

Initials of Attester: GH

Attachment A

From: 1260 North of Boston Media Group Adv
To: Rebecca Adams
Subject: 1260 North of Boston Media Group Adv Transaction Receipt - Reference Number 278300247
Date: Monday, August 12, 2019 3:09:11 PM

1260 North of Boston Media Group Adv

100 Turnpike Street
N Andover, MA 01845
http://www.eagletribune.com
nroy@eagletribune.com

Your transaction was approved! Please retain this message as a receipt.

Order ID: 11095891-20190812150812
Transaction ID: 278300247
Date/Time: 8/12/2019 3:08:28 PM

Payment Details:

Total: $159.00
Card Brand: Visa
Card Number: xxxxxxxxxxxx2600

Billing Address:

COBBLESTONE INTEGRATED SOLUTIONS, LLC
64 CONGRESS ST.
BRAINTREE
MA
02184
US

radams@cobblestoneintegrated.com

Additional Details:

Attachment A

HONDA ACCORD LX 2005

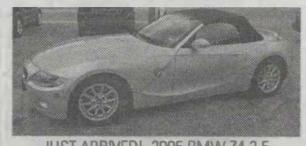
103,300 miles. Automatic. Black with tan interior. Very good condition in and out. New paint job. Well maintained. $4000 or best offer. Call (978) 697-8131

LOW MILES

HONDA CIVIC EX-L CVT2018

4 door. Fully loaded. Only 336 miles. $20,000. Call 978-475-0466 after 3 pm

INFINITI Q45 2005 - Top of the line. AAA Excellent Condition. Fully loaded. Very well maintained. Gold, tan leather interior. Low Low miles. 8 cyl. Power moonroof. Upgraded stereo CD sound system. Aluminum Alloy wheels. REDUCED TO $4500. Call 603-400-4638



JUST ARRIVED! 2005 BMW Z4 2.5 ROADSTER CONVERTIBLE. LIKE NEW CONDITION 71K ORIGINAL MILES. ALL SERVICED AT BMW. BLACK OVER SILVER, LEATHER AUTO, POWER. WON'T LAST $12900. CALL 978-462-3088 OR TEXT AT 978-992-2313

PUBLIC NOTICES

PUBLIC NOTICES

REQUEST FOR DETERMINATION OF APPLICABILITY

In accordance with the provisions of the MA Wetlands Protection Act, Chapter 131, s. 40 MGL as amended, the Salisbury Conservation Commission will hold a Public Hearing on August 21, 2019 at 7:10 p.m. at Salisbury Town Hall, 5 Beach Road, Salisbury, MA with regards to a Request for Determination of Applicability filed by Jeff Knowles for construction of a single family home and associated improvements located at 7 True Rd, Salisbury, MA.

Assessor's Map 17 Parcel 221 in an area subject to the protection of the Act.

All interested parties are invited to attend and submit information with respect to the proposed project.

PUBLIC NOTICES

NOTICE OF INTENT

In accordance with the provisions of the MA Wetlands Protection Act, Chapter 131, s. 40 MGL as amended, the Salisbury Conservation Commission will hold a Public Hearing on August 21, 2019 at 7:10 p.m. at Salisbury Town Hall, 5 Beach Road, Salisbury, MA with regards to a Notice of Intent filed by McSmiley, LLC for site improvements at 86-88 Elm Street, Salisbury, MA.

Assessor's Map 17, Parcels 82 and 101 in an area subject to the protection of the Act.

All interested parties are invited to attend and submit information with respect to the proposed project.

Sheila Albertelli
Chairman

NT – 8/14/19

COMMONWEALTH OF MASSACHUSETTS
THE TRIAL COURT
PROBATE AND FAMILY COURT

Essex Probate and Family Court
36 Federal Street
Salem, MA 01970
(978) 744-1020
Docket No. ES19C0273CA

In the matter of:
Austin Keith Weir

CITATION ON PETITION TO CHANGE NAME

A **Petition to Change Name of Adult** has been filed by **Austin Keith Weir** of **Amesbury, MA,** requesting that the court enter a Decree changing their name to **Austin Keith Fuller.**

IMPORTANT NOTICE

Any person may appear for purposes of objecting to the petition by filing an appearance at **Essex Probate and Family Court** before **10:00 a.m. on the return day of 08/26/2019.** This is NOT a hearing date, but a deadline by which you must file a written appearance if you object to this proceeding.

WITNESS, Jennifer M.R. Ulwick, First Justice of this Court.

Date: July 23, 2019

Pamela Casey O'Brien
Register of Probate

NT – 8/14/19

TOWN OF SALISBURY
Request for Proposals

The Town of Salisbury, pursuant to MA General Laws, Chapter 30B, Sec. 16, is issuing this Request for Proposals (RFP) for the disposition of one (1) parcel of Town- owned land located at 92 Main Street. The Town is now looking for qualified buyers to purchase said property.

The Request for Proposals is available from the Salisbury Department of Planning and Development, 5 Beach Road, Salisbury, MA. Business hours: Monday 8:30 a.m. to 6:00 p.m., Tuesday through Thursday 8:30 to 4:00 p.m. and Friday 8:30 a.m. to 1:00 p.m. Questions concerning the RFP should be directed to Lisa Pearson, Director of

PUBLIC NOTICES

NEWBURY ZONING BOARD OF APPEALS

Notice is hereby given that the Newbury Zoning Board of Appeals will hold a public hearing on Thursday, August 22, 2019 at 7:30 pm in the Newbury Municipal Offices Hearing Room, 12 Kent Way, Byfield, MA 01922 on the application of William Difrancesco of 11 Fatherland Drive, Byfield, MA 01922.

The applicant is requesting a **VARIANCE** for relief from Section 97-8 of the Newbury Zoning Bylaw, as the proposed sign exceeds the dimensions the bylaw allows on the lot/property Newbury Self Storage located at 131 Newburyport Turnpike, Newbury, MA 01951 (Assessors Map R36-0-23).

NEWBURY ZONING BOARD OF APPEALS

NT - 8/7, 8/14/19

ROOT AND BLOOM COMMUNITY OUTREACH PUBLIC NOTICE

August 9, 2019

Notice is hereby given that a Community Outreach Meeting for Root and Bloom, a proposed Marijuana Establishment, is scheduled for Thursday, August 22, 2019 at 6:00 PM at the Salisbury Town Library, 17 Elm Street, Salisbury, MA 01952. Root and Bloom are proposing to locate a Marijuana Cultivation and Marijuana Product Manufacturing facility at its anticipated location at 187 Lafayette Road, Salisbury, MA 01952. Root and Bloom are not proposing a retail facility. For more information regarding Marijuana License types go to: http://mass-cannabis-control.com/wp-content/uploads/2018/04/Guidance-License-Types.pdf

There will be an opportunity for the public to ask questions.

Thank You, Root and Bloom

NT –8/14/19

COMMONWEALTH OF MASSACHUSETTS
THE TRIAL COURT
PROBATE AND FAMILY COURT

Essex Division
36 Federal Street
Salem, MA 01970
(978) 744-1020
Docket No. ES19P2265EA

Estate of:
James Critchlow

Date of Death:
July 7, 2019

INFORMAL PROBATE PUBLICATION NOTICE

To all persons interested in the above captioned estate, by Petition of

Petitioner **Patricia Patch Critchlow of Newburyport, MA**

a Will has been admitted to informal probate.

Patricia Patch Critchlow of

Attachment B

ROOT & BLOOM

Community Outreach Meeting

Public Notice

RECEIVED
AUG 14 2019
TOWN CLERK
TOWN OF SALISBURY

August 11, 2019

Salisbury City Clerk

Town Hall

5 Beach Road

Salisbury, MA 01913

Notice is hereby given that a Community Outreach Meeting for Root and Bloom, a proposed Marijuana Establishment, is scheduled for Thursday, August 22, 2019 at 6:00 PM at the Salisbury Town Library, 17 Elm Street, Salisbury, MA 01952. Root and Bloom are proposing to locate a Marijuana Cultivation and Marijuana Product Manufacturing facility at its anticipated location at 187 Lafayette Road, Salisbury, MA 01952. Root and Bloom are **not** proposing a retail facility. For more information regarding Marijuana License types go to: http://mass-cannabis-control.com/wp-content/uploads/2018/04/Guidance-License-Types.pdf

There will be an opportunity for the public to ask questions.

Thank You,

Root and Bloom

Attachment C

ROOT & BLOOM

Community Outreach Meeting

Public Notice

August 9, 2019

Dear Abutter,

Notice is hereby given that a Community Outreach Meeting for Root and Bloom, a proposed Marijuana Establishment, is scheduled for Thursday, August 22, 2019 at 6:00 PM at the Salisbury Town Library, 17 Elm Street, Salisbury, MA 01952. Root and Bloom are proposing to locate a Marijuana Cultivation and Marijuana Product Manufacturing facility at its anticipated location at 187 Lafayette Road, Salisbury, MA 01952. Root and Bloom are **not** proposing a retail facility. For more information regarding Marijuana License types go to: http://mass-cannabis-control.com/wp-content/uploads/2018/04/Guidance-License-Types.pdf

There will be an opportunity for the public to ask questions.

Thank You,

Root and Bloom

Gmail

George Haseltine <george.haseltine@gmail.com>

Salisbury Cultivation and Product Manufacturing, LLC - license renewal RFI

3 messages

George Haseltine <george.haseltine@gmail.com> Fri, Jul 2, 2021 at 11:09 AM
To: Neil Harrington <NHarrington@salisburyma.gov>
Cc: Brad Kutcher <brad@rootandbloominc.com>, George Haseltine <george@rootandbloominc.com>

Good morning Neil,

I hope all is well with you. We are in the process of renewing our annual license with the Cannabis Control Commission. As part of the renewal checklist we need to send you this correspondence with regards to the cost of the Town in relation to our operation. Considering we aren't even in operation yet I would assume this to be $0 but nonetheless it is required I formally request your response to the following:

As a requirement for our annual renewal of our licenses the Cannabis Control Commission requires us to request records from the Town of any cost to the town reasonably related to the operation of the establishment. These costs can include actual and anticipated costs associated with the operation of the establishment.

Can you respond to this email when you have a moment?

If we don't get a chance to connect I wish you a Happy 4th of July.

Best,

George & Brad

--
George Haseltine
George.Haseltine@gmail.com
603.785.8768 cell

Neil Harrington <nharrington@salisburyma.gov> Fri, Jul 2, 2021 at 1:01 PM
To: George Haseltine <george.haseltine@gmail.com>
Cc: Brad Kutcher <brad@rootandbloominc.com>, George Haseltine <george@rootandbloominc.com>

Hi George,

You can feel free to inform the CCC that the Town has no records responsive to their request.

Neil H.

[Quoted text hidden]

George Haseltine <george.haseltine@gmail.com> Fri, Jul 2, 2021 at 1:04 PM
To: American Cannabis <americancannabiscc@gmail.com>

See below from Neil.

George
[Quoted text hidden]

Plan For Positive Impact

I. Intent

Root & Bloom, LLC (hereinafter referred to as Root & Bloom) is committed to positively impacting residents of disproportionate impact areas through our cannabis cultivation and manufacturing operation. The city of Haverhill is the closest of the 29 communities designated as "areas of disproportionate impact" to our Salisbury location.

II. Purpose

Through regulations, the Commonwealth of Massachusetts and the Cannabis Control Commission requires the promotion and encouragement of full participation in the marijuana industry by people from communities that have been disproportionately harmed by marijuana prohibition and enforcement and to positively impact those communities. To this end, Root & Bloom is committed to employing, working with, and providing programs that will help reverse the negative impacts that marijuana prohibition has had on populations of disproportionate impact.

In the geographic area of the Root & Bloom's cannabis cultivation and manufacturing establishment, there are several communities that have been determined to be "Areas of Disproportionate Impact" by the Commission. Root & Bloom has identified Haverhill as the community that we will primarily engage with to fulfill our positive impact plan.

Root & Bloom will comply with the requirements of 935 CMR 500.105(4), which outlines both the permitted and the prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment.

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

Plan Populations:

The programs in this plan will be aimed to positively impact the following populations:

1. Past or present residents of "areas of disproportionate impact," which have been defined by the Commission, specifically within the community of Haverhill.
2. Commission-designated Economic Empowerment Priority applicants;
3. Commission-designated Social Equity Program participants;
4. Massachusetts residents who have past drug convictions; and
5. Massachusetts residents with parents or spouses who have drug convictions.

III. Goals

1. Form a nonprofit that provides monetary donations to social service programs for residents of areas of disproportionate impact, specifically Haverhill and other populations from Planned Populations.
2. Donate time and money to help nonprofits and social service programs in areas of disproportionate impact further their goals. Specifically, our goal is to donate at least $1,000 and 100 hours. We will also give a $1,000 scholarship.
3. Create jobs and training for people from areas of disproportionate impact with a progressive compensation structure, employee benefits, and growth opportunities that provide a living wage and encourage consumer spending. Specifically, our goal is to have 15% of our workforce to fall into one or more of the five populations identified in Section II - Plan Populations.

IV. Programs

Charitable Foundation

Root & Bloom will create a charitable, 501(c)(3) nonprofit organization (to be named LocalBloom), which will be fully funded through Root & Bloom. LocalBloom will be established and incorporated within 90 days of Root & Bloom's receipt of a Provisional License from the Commission.

Through LocalBloom, Root & Bloom will fund our donation program and commitments to areas of disproportionate impact, specifically Haverhill.

Donation Program

Root & Bloom will provide time and finances to programs with goals of improving the quality of life for residents in disproportionately impacted areas, specifically Haverhill. Root & Bloom, through LocalBloom charitable foundation, will fund our commitment to areas of disproportionate impact, specifically Haverhill.

Root & Bloom, through the LocalBloom charitable foundation, will donate money and time to programs whose goals are to improve disproportionately impacted areas, including:

1. $1,000 annually to Career Resources Corporation, located in and serving residents of Haverhill, MA, an area of disproportionate impact.
    a. Career Resources Corporation is a 501(c)(3) nonprofit organization supporting people with disabilities and those with significant challenges living in and around Haverhill. They offer vocational services, family support programs, and Latino Medical and Family Support Services, among other programs.
    b. The $1,000 donation will be made within 180 days of receipt of our Provisional License from the Commission.
2. One hundred hours/yearly of committed community service by Root & Bloom employees within an area of disproportionate impact, specifically Haverhill.
    a. These community service hours will begin within 180 days of receipt of our Provisional License from the Commission.
3. $1,000 scholarship for health and wellness to a Haverhill resident who is a survivor of domestic violence.
    a. Local Bloom will advertise this scholarship with the Jeanne Geiger Crisis Center which is a 501(c)(3) nonprofit organization empowering individuals and engaging communities to end domestic violence. They serve women and families who are residents of Haverhill.

Recruitment and Hiring Program

Expanding opportunities for gainful employment is a key driver in helping populations disproportionately affected by marijuana prohibition.

Root & Bloom will implement our recruitment and hiring program, as follows:

1. Promote our Positive Impact Plan on recruitment websites, our social media presence and traditional hiring platforms. We will target our job postings to the community of Haverhill, which is an area of disproportionate impact.
    a. We will give hiring priority to individuals who meet the Plan Populations and post all employment opportunities with MassHire - North Shore Career Center, and Career Resources Corporation. This organization is a One Stop Career Center that serves Haverhill. In addition to posting employment opportunities with this organization, we will also promote our job fairs through this organization.
        i. We plan to implement this program within 180 days of receipt of our Provisional License from the Commission by holding our job fair, job postings and the industry groups outlined in this program.
        ii. Our first job fair will be held within 180 days of receipt of our Provisional License from the Commission.
        iii. Second and subsequent job fairs will be held as needed – with a minimum of one job fair held every year
        iv. We will participate in additional job fairs and events sponsored by organizations promoting access to the industry by individuals who meet the plan populations including

the Mass CBA, Massachusetts Recreational Consumer Council and Elevate New England.

1. Job postings and our hiring preferences will be submitted to these organizations.

v. All job postings will clearly promote the hiring priorities of this plan and encourage individuals who fall into the Plan Populations to apply.

2. Train residents in areas of disproportionate impact, specifically in Haverhill, and other populations from Plan Populations to participate in the Marijuana Industry.
   a. Trainings will be held yearly
3. Hiring preference will be given to individuals who meet the criteria of the Plan Populations that are outlined in Section II.

IV. Plan Measurement

Root & Bloom values measurement and evaluation. We will perform an ongoing and comprehensive evaluation of this plan to ensure that it accomplishes our three goals (section III).

We will analyze the progress towards our positive impact goals quarterly and will produce a full report annually which outlines this policy, data collected, whether the goals have been met, and if any changes are necessary.

This report, at a minimum, will include:

1. The demographics of all employees and applicants;
2. Attempts to hire, actual hires, from where they came, their training, pay, benefits, and advancement;
3. Documentation of the formation of LocalBloom;
4. Documentation of all job postings;
5. Documentation and reports of all time and money donations made to Career Resources Corporation through LocalBloom;
6. Documentation of the $1,000 scholarship disbursement; and
7. Conclusions and recommendations

Root & Bloom managers and appropriate community stakeholders will meet to discuss the report and make any necessary adjustments.

60 days prior to License renewal, and annually thereafter, Root & Bloom will produce a comprehensive report on our Goals and Programs which will outline the metrics for each program and whether we have met our goals. This report will be made available to the Commission.

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

mass.gov/dor

Letter ID: L1619570752
Notice Date: December 12, 2019
Case ID: 0-000-836-127

CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE

GEORGE HASELTINE
SALISBURY CULTIVATION AND PRODUCT
61 PLEASANT ST UNIT 1479
NEWBURYPORT MA 01950-1063

Why did I receive this notice?

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

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

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

What if I have questions?

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

Visit us online!

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

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

Edward W. Coyle, Jr., Chief
Collections Bureau

The Commonwealth of Massachusetts
William Francis Galvin

Minimum Fee: $500.00

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

Certificate of Organization
(General Laws, Chapter)

Identification Number: 001397535

1. The exact name of the limited liability company is: ROOT AND BLOOM LLC

2a. Location of its principal office:
No. and Street: 61 PLEASANT STREET, #1479
City or Town: NEWBURYPORT State: MA Zip: 01950 Country: USA

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

No. and Street: 61 PLEASANT STREET, #1479
City or Town: NEWBURYPORT State: MA Zip: 01950 Country: USA

3. The general character of business, and if the limited liability company is organized to render professional service, the service to be rendered:
THE LLC IS ORGANIZING IN ORDER TO APPLY FOR A LICENSE WITH THE CCC.

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:
Name: GEORGE HASELTINE
No. and Street: 61 PLEASANT STREET, #1479
City or Town: NEWBURYPORT State: MA Zip: 01950 Country: USA

I, GEORGE HASELTINE 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	BRAD KUTCHER	61 PLEASANT STREET, #1479 NEWBURYPORT, MA 01950 USA
MANAGER	GEORGE HASELTINE	61 PLEASANT STREET, #1479 NEWBURYPORT, MA 01950 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

SOC SIGNATORY	GEORGE HASELTINE	61 PLEASANT STREET, #1479 NEWBURYPORT, MA 01950 USA
SOC SIGNATORY	BRAD KUTCHER	61 PLEASANT STREET, #1479 NEWBURYPORT, MA 01950 USA

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

Title	**Individual Name** First, Middle, Last, Suffix	**Address** (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	GEORGE HASELTINE	61 PLEASANT STREET, #1479 NEWBURYPORT, MA 01950 USA
REAL PROPERTY	BRAD KUTCHER	61 PLEASANT STREET, #1479 NEWBURYPORT, MA 01950 USA

9. Additional matters:

SIGNED UNDER THE PENALTIES OF PERJURY, this 15 Day of August, 2019,
GEORGE HASELTINE

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

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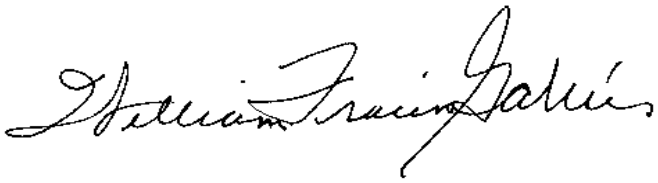
All Rights Reserved

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 15, 2019 11:35 AM



WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth

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

Certificate of Amendment
(General Laws, Chapter)

Identification Number: 001397535

The date of filing of the original certificate of organization: 8/15/2019

1.a. Exact name of the limited liability company: **ROOT AND BLOOM LLC**

1.b. The exact name of the limited liability company *as amended*, is: **SALISBURY CULTIVATION AND PRODUCT MANUFACTURING, LLC**

2a. Location of its principal office:
No. and Street: 138 ELM STREET
City or Town: SALISBURY State: MA Zip: 01952 Country: USA

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

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:
Name: GEORGE HASELTINE
No. and Street: 138 ELM STREET
City or Town: SALISBURY State: MA Zip: 01952 Country: USA

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	GBH INC.	25 STORES AVENUE, SUITE #8 #171 NEWBURYPORT, MA 01950 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
SOC SIGNATORY	GEORGE HASELTINE	25 STORES AVENUE, SUITE #8 #171 NEWBURYPORT, MA 01950 USA
SOC SIGNATORY	BRAD KUTCHER	25 STORES AVENUE, SUITE #8 #171 NEWBURYPORT, MA 01950 USA

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	BRAD KUTCHER	25 STORES AVENUE, SUITE #8 #171 NEWBURYPORT, MA 01950 USA
REAL PROPERTY	GEORGE HASELTINE	25 STORES AVENUE, SUITE #8 #171 NEWBURYPORT, MA 01950 USA

9. Additional matters:

10. State the amendments to the certificate:
A) SECTION 1.B.- THE NAME OF THE LLC IS NOW "SALISBURY CULTIVATION AND PRODUCT MANUFACTURING, LLC". B) SECTION 2A- THE LOCATION OF THE PRINCIPAL OFFICE IS NOW "138 ELM STREET, SALISBURY, MA 01952, USA". C) SECTION 6- THE MANAGER IS NOW "GBH INC., 25 STORES AVENUE, SUITE #8 #171, NEWBURYPORT, MA 01950" D) SECTION 7- THE AUTHORIZED SIGNATORIES ARE NOW "GEORGE HASELTINE, 25 STORES AVENUE, SUITE #8 #171, NEWBURYPORT, MA 01950" AND "BRAD KUTCHER, 25 STORES AVENUE, SUITE #8 #171, NEWBURYPORT, MA 01950". E) SECTION 8- THE PERSONS AUTHORIZED TO EXECUTE INSTRUMENTS AFFECTING REAL PROPERTY ARE NOW "GEORGE HASELTINE, 25 STORES AVENUE, SUITE #8 #171, NEWBURYPORT, MA 01950" AND "BRAD KUTCHER, 25 STORES AVENUE, SUITE #8 #171, NEWBURYPORT, MA 01950".

11. The amendment certificate shall be effective when filed unless a later effective date is specified:

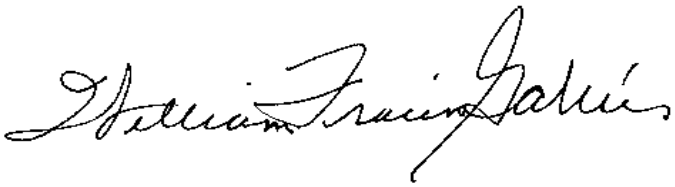
SIGNED UNDER THE PENALTIES OF PERJURY, this 9 Day of December, 2019,
GEORGE HASELTINE **, Signature of Authorized Signatory.**

© 2001 - 2019 Commonwealth of Massachusetts
All Rights Reserved

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:

December 09, 2019 01:28 PM



WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth

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

Certificate of Amendment
(General Laws, Chapter)

Identification Number: 001397535

The date of filing of the original certificate of organization: 8/15/2019

1.a. Exact name of the limited liability company: **SALISBURY CULTIVATION AND PRODUCT MANUFACTURING, LLC**

1.b. The exact name of the limited liability company *as amended*, is: **SALISBURY CULTIVATION AND PRODUCT MANUFACTURING, LLC**

2a. Location of its principal office:
No. and Street: 138 ELM STREET
City or Town: SALISBURY State: MA Zip: 01952 Country: USA

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

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:
Name: GEORGE HASELTINE
No. and Street: 138 ELM STREET
City or Town: SALISBURY State: MA Zip: 01952 Country: USA

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	GBH INC.	25 STOREY AVENUE, SUITE #8 #171 NEWBURYPORT, MA 01950 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
SOC SIGNATORY	GEORGE HASELTINE	25 STOREY AVENUE, SUITE #8 #171 NEWBURYPORT, MA 01950 USA
SOC SIGNATORY	BRAD KUTCHER	25 STOREY AVENUE, SUITE #8 #171 NEWBURYPORT, MA 01950 USA

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	GEORGE HASELTINE	25 STOREY AVENUE, SUITE #8 #171 NEWBURYPORT, MA 01950 USA
REAL PROPERTY	BRAD KUTCHER	25 STOREY AVENUE, SUITE #8 #171 NEWBURYPORT, MA 01950 USA

9. Additional matters:

THIS AMENDMENT SERVES TO CLARIFY THAT THE CERTIFICATE OF AMENDMENT FILED ON DECEMBER 9, 2019, (FILING NO. 201944543530), CONTAINED A TYPOGRAPHICAL ERROR IN ITS MANAGER, SOC SIGNATORIES, AND PERSONS AUTHORIZED TO EXECUTE INSTRUMENTS AFFECTING REAL PROPERTY ADDRESSES, AND SHOULD HAVE SAID "25 STOREY AVENUE, SUITE #8 #171, NEWBURYPORT, MA 01950".

10. State the amendments to the certificate:

A) SECTION 6- THE MANAGER IS NOW "GBH INC., 25 STOREY AVENUE, SUITE #8 #171, NEWBURYPORT, MA 01950" B) SECTION 7- THE AUTHORIZED SIGNATORIES ARE NOW "GEORGE HASELTINE, 25 STOREY AVENUE, SUITE #8 #171, NEWBURYPORT, MA 01950" AND "BRAD KUTCHER, 25 STOREY AVENUE, SUITE #8 #171, NEWBURYPORT, MA 01950". C) SECTION 8- THE PERSONS AUTHORIZED TO EXECUTE INSTRUMENTS AFFECTING REAL PROPERTY ARE NOW "GEORGE HASELTINE, 25 STOREY AVENUE, SUITE #8 #171, NEWBURYPORT, MA 01950" AND "BRAD KUTCHER, 25 STOREY AVENUE, SUITE #8 #171, NEWBURYPORT, MA 01950".

11. The amendment certificate shall be effective when filed unless a later effective date is specified:

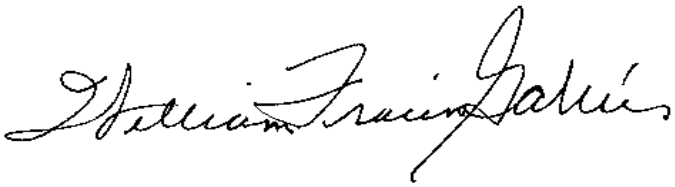
SIGNED UNDER THE PENALTIES OF PERJURY, this 9 Day of December, 2019,
GEORGE HASELTINE **, Signature of Authorized Signatory.**

© 2001 - 2019 Commonwealth of Massachusetts
All Rights Reserved

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:

December 09, 2019 03:38 PM



WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth

Commonwealth of Massachusetts
Town of Salisbury
Business Certificate

Date: December 9, 2019

In accordance with the provisions of M.G.L. Chapter 110 § 5, as amended, the undersigned hereby declare(s) that a business, under the title of:

Root and Bloom
(Business Name)

Is conducted at the following address:

138 Elm Street
Salisbury, MA 01952
(Business Address)

By the following person(s):

George Haseltine
(Name)

(Signature)

1 Shandel Drive, Newburyport
(Home Address) MA 01950

Bradley Kutcher
(Name)

(Signature)

42 Bachelor Street
(Home Address) West Newbury, MA 01985

TOWN CLERK OR NOTARY PUBLIC AFFIDAVIT

Date: 12/9/2019

Personally appeared before me, the above-named George Haseltine and Bradley Kutcher and made oath that the foregoing statement is true.

A certificate issued in accordance with this section shall be in force and in effect for four (4) years from the date of issue and shall be renewed each four years thereafter so long as such business shall be conducted and shall lapse and be void unless renewed.

BOOK: 9 PAGE: 60 EXPIRATION DATE: 4/26/2024

TOWN CLERK/NOTARY PUBLIC

For Your Information: Business Certificates cost $25.00 for 4 years. A business certificate ONLY REGISTERS YOUR NAME in town (which you must do by M.G.L. Chapter 110 § 5). It does NOT give you permission to operate. Business Certificates are available at the Town Clerk's Office.

JOHN M. WELCH
Notary Public, Commonwealth of Massachusetts
My Commission Expires: April 26, 2024

A TRUE COPY ATTEST
Melinda J. Morrison
TOWN CLERK
TOWN OF SALISBURY

Commonwealth of Massachusetts
Town of Salisbury
Business Certificate

Date: December 9, 2019

In accordance with the provisions of M.G.L. Chapter 110 § 5, as amended, the undersigned hereby declare(s) that a business, under the title of:

Root and Bloom
(Business Name)

Is conducted at the following address:

138 Elm Street
Salisbury, MA 01952
(Business Address)

By the following person(s):

George Haseltine
(Name)
(Signature)

1 Shandel Drive, Newburyport
(Home Address) MA 01950

Bradley Kutcher
(Name)
(Signature)

42 Bachelor Street
(Home Address) West Newbury, MA 01985

TOWN CLERK OR NOTARY PUBLIC AFFIDAVIT

Date: 12/9/2019

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JOHN M. WELCH
Notary Public, Commonwealth of Massachusetts
My Commission Expires: April 26, 2024

A TRUE COPY ATTEST
Melinda J Morrison
TOWN CLERK
TOWN OF SALISBURY

Commonwealth of Massachusetts
Town of Salisbury
Business Certificate

Date: December 9, 2019

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Root and Bloom
(Business Name)

Is conducted at the following address:

138 Elm Street
Salisbury, MA 01952
(Business Address)

By the following person(s):

George Haseltine
(Name)
(Signature)

1 Shandel Drive, Newburyport
(Home Address) MA 01950

Bradley Kutcher
(Name)
(Signature)

42 Bachelor Street
(Home Address) West Newbury, MA 01985

TOWN CLERK OR NOTARY PUBLIC AFFIDAVIT

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BOOK: 9 PAGE: 60 EXPIRATION DATE: 4/26/2024

TOWN CLERK/NOTARY PUBLIC

For Your Information: Business Certificates cost $25.00 for 4 years. A business certificate ONLY REGISTERS YOUR NAME in town (which you must do by M.G.L. Chapter 110 § 5). It does NOT give you permission to operate. Business Certificates are available at the Town Clerk's Office.

JOHN M. WELCH
Notary Public, Commonwealth of Massachusetts
My Commission Expires: April 26, 2024

SALISBURY CULTIVATION
AND
PRODUCT MANUFACTURING, LLC

d/b/a ROOT AND BLOOM
and/or ROOT & BLOOM

Amended and Restated Limited Liability Company Agreement

Dated as of December 9, 2019

This Limited Liability Company Operating Agreement is made as of December 9, 2019, by and between the persons identified as the Manager(s) and Members on **Schedule A** attached hereto (such persons and their respective successors in office or in interest being hereinafter referred to individually as "Manager" or "Member" or collectively as "Manager(s)" or "Members"), except as otherwise noted.

WHEREAS, Salisbury Cultivation and Product Manufacturing, LLC (the "LLC" or "Company") has been formed as a limited liability company under the Massachusetts Limited Liability Company Act (as amended from time to time, the "Act") on August 15, 2019, as amended by Certificate of Amendment dated December 9, 2019; and

WHEREAS, a license to use the name "Root and Bloom™" and/or "Root & Bloom" and file a trade name with Salisbury Town Hall has been granted to the Company pursuant to certain License Agreement between the LLC and Root and Bloom, LLC, a Massachusetts limited liability company, and Company dated as of date first above written (the "License Agreement");

WHEREAS, the Manager(s) and the Members wish to set out fully their respective rights, obligations and duties regarding the LLC and its assets and liabilities as well as their respective ownership interests ("Percentage Interests");

WHEREAS, each Member (before deciding to become a Member of the LLC and executing and delivering this Operating Agreement) has had access to the Company's books, records, financial and otherwise, and personnel before deciding on participating as a Member of the Company and has reviewed and consulted with such advisors (legal, financial, business and tax, as such Member deems necessary and appropriate) about the business of the Company management, and the risks, financial and otherwise, of participating in the business of the Company including without limitation the risks occasioned by the uncertain legal environment in which the Company's business is engaged;

WHEREAS, EACH PROSPECTIVE MEMBER HAS OBTAINED THE ADVICE OF HIS/HER/ITS ATTORNEY, TAX CONSULTANT AND BUSINESS ADVISOR WITH RESPECT TO THE LEGAL, TAX AND BUSINESS ASPECTS OF THIS INVESTMENT PRIOR TO SUBSCRIBING FOR THESE PERCENTAGE INTERESTS

AND ENTERING INTO THIS AGREEMENT;

WHEREAS, EACH MEMBER HEREBY REPRESENTS THAT THE PERCENTAGE INTERESTS ARE BEING ACQUIRED FOR THE MEMBER'S OWN ACCOUNT, AND NOT FOR THE ACCOUNT OF OTHERS, FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO THE SALE OR DISTRIBUTION THEREOF IN WHOLE OR IN PART. THE SPECULATIVE NATURE AND RISKS OF THE COMPANY'S BUSINESS, FINANCIAL AND OTHERWISE, TOGETHER WITH THE LACK OF LIQUIDITY OF THE PERCENTAGE INTERESTS MAKES THE PURCHASE OF PERCENTAGE INTERESTS SUITABLE ONLY FOR MEMBERS WHO HAVE ADEQUATE FINANCIAL MEANS AND WHO CAN AFFORD THE TOTAL LOSS OF THEIR INVESTMENT.

WHEREAS, given the nature of the business of the Company, each Member from and after date first above written, as a condition of becoming a Member, has executed and delivered Confidentiality/Non-Disclosure/Non-Use Agreement, substantially in the forms of **Schedule I** ("NDA"), Receipt of Disclosure Notebook attached as **Schedule II** ("Disclosure Notebook"), Investor Letter attached as **Schedule III** and related then Private Placement Memorandum ("PPM") and all other disclosures regarding the Company and its affairs (collectively, "Disclosure Documents"); and

WHEREAS, Members agree and acknowledges that participation as a Member is expected to be a long-term commitment and involves participation in effecting the strategic growth and success of Company and its purpose as set forth in this Agreement and no Member has any expectation, in his/her/its capacity as Member, to withdraw as a Member or to receive any payment or compensation from the LLC, except for distributions, if any, in his/her/its capacity as Members, when and as provided in this Agreement; and

WHEREAS, the Manager, GBH Inc.(and its designated successors as provided herein), are provided certain preferences given not only the considerable knowledge each has acquired about the type of business to be engaged by the Company, but also time, effort and other resources in effecting its start-up and purpose and but for such preferences, neither would forgo existing and proposed business ventures or participate as contemplated by this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants expressed herein, the parties hereby agree as follows:

ARTICLE I – Organization and Powers

1.01. Organization. The LLC has been formed by the filing of its Certificate of Organization with the Secretary of the Commonwealth of Massachusetts and amended as of date first above written, pursuant to the Act. The Certificate of Organization may be restated or amended by the Manager(s) as provided in the Act. The Certificate of Organization as so amended from time to time, is referred to herein as the "Certificate." The Manager(s) shall deliver a copy of the Certificate and any amendment thereto to any Member who so requests.

1.02. Purposes and Powers. The business activity and purpose of the LLC shall be as set forth in Certificate of Organization and is limited, upon securing necessary license(s), permit(s) and approval(s), for the cultivation and manufacturing, of cannabis at 187 Lafayette Road, Salisbury, MA (the "Location') up to maximum amount of state registered cannabis permissible under applicable state law for that Location. In effecting such purpose, LLC shall possess and may exercise all of the powers and privileges granted by the Act or which may be exercised by any person, together with any powers incidental thereto, so far as such powers or privileges are necessary or convenient to the conduct, promotion or attainment of the business, purposes or activities of the LLC.

1.03. Principal Place of Business. The principal office and place of business of the LLC shall be presently 138 Elm Street, Salisbury, MA 01952 or such other location as Manager(s), acting by Consent of Manager (but where GBH Inc. is no longer Manager, then by Consent of Members) may determine, from time to time. The Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members) may change the principal office or place of business of the LLC at any time and may cause the LLC to establish other offices or places of business. The Manager shall promptly notify the Members of any change in the principal office or place of business of the LLC.

1.04. Fiscal Year. The fiscal year of the LLC shall end on December 31 in each year.

1.05. Qualification in Other Jurisdictions. The Manager(s) shall cause the LLC to be qualified or registered under applicable laws of any jurisdiction in which the LLC transacts business and shall be authorized to execute, deliver and file any Certificate and documents necessary to affect such qualification and registration, including without limitation, the appointment of agents for service of process in such jurisdictions.

1.06. Books, Records, Reports, Etc.

(a) **Books and Records.**

(i) The Manager(s) shall, or cause other(s) to, keep or cause to be kept complete and accurate books and records of the Company. These records shall include, but not be limited to: (A) a current list of the name and address of each Member and the Percentage Interests owned by each such Member and Manager(s); (B) a copy of the Certificate and all Certificates of Amendment thereto (including powers of attorney executed in connection with these certificates); (C) copies of the Company's federal, state, and local income tax returns and reports for the three most recent years; (D) copies of this Operating Agreement and any documents incorporated by reference into this Operating Agreement; (E) the License Agreement; (F) certain real estate lease between Company and 187 Lafayette Street LLC (the "Lease"); and (G) copies of any tax returns of the Company for the three most recent years and then applicable Certificate of Valuation (collectively "Required Records").

(ii) (A) The Required Records shall be maintained in accordance

with Company's then customary practices and shall be available at reasonable times during normal business hours at the Company's office in Massachusetts for inspection and copying, at Member's sole cost and expense, by any Member or the Member's duly authorized representative subject to reasonable conditions and standards established by Consent of the Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members), which may include, without limitation, withholding or restrictions on the use of confidential, proprietary, Company Information and such additional information as Manager(s) acting by Consent of Manager(s) (but where GBH Inc., is no longer , then by Consent of Members) and against execution and delivery of confidentiality/non-disclosure agreement, substantially in the form of **Schedule I** ("NDA").

(B) Member(s), individually and collectively, requesting the inspection and/or copying of Required Records and/or otherwise, shall upon Company's demand and prior to effecting such inspection pay in immediately available U.S. funds all costs and expenses incurred and/or to be incurred by the Company in connection with effecting the requested inspection and copying of the Company's books and records and/or at sole discretion of Managers, acting by Consent of Managers (but where GBH Inc. is no longer Manager, then by Consent of Members) reimburse Company promptly.

(iii) At the request of Members holding **51%** of the Class A Percentage Interests or 51% of the Class B Percentage Interests of Company, as the case may be, and at **sole cost** of such requesting Member(s), may cause an audit of the Company's then Required Records as it relates to federal, state and local income taxes and any then financial statements of the Company prepared by independent accountants for the period requested by such requesting Member(s), but not more frequently than annually.

(iv) Each Member requesting inspection and/or audit shall, prior to effecting either, together with his/her/its agents and/or representatives, execute and delivery to Company the NDA.

(b) **Annual Accounting Period, Etc.** The annual accounting period of the Company shall be the calendar year, subject to the requirements and limitations of the Internal Revenue Code of 1986, as amended (the "Code") on a cash basis, or such other accounting method as the Manager(s) may determine, from time to time.

(c) **Reports**. Within thirty (30) days after the preparation of K-1 for each Member, or as soon as practicable thereafter, the Manager(s) shall cause to be sent to each person who was a Member at any time during the taxable year then ended, that tax information concerning the Company that is necessary for preparing the Member's income tax returns for that year and such other reports when and as required, if any, by the Act.

(d) **Tax Matters Person.** Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members) or such delegatee(s) as assigned by Manager(s) acting by Consent of Manager(s), shall be the Company's tax matters person ("Tax Matters Person") for the purposes of Code § 6231. The Tax Matters Person shall have all powers and responsibilities provided in Code § 6221, et seq. The Tax Matters Person shall keep all Members reasonably informed of all notices from government taxing authorities that may come to the attention of the Tax Matters Person. The Company shall pay and be responsible for all reasonable third-party costs and expenses incurred by the Tax Matters Person in performing those duties. A Member shall be responsible for any costs incurred by such Member with respect to any tax audit or tax-related administrative or judicial proceeding against any Member, even though it relates to the Company. The Tax Matters Person who is the Manager shall not compromise any dispute with the Internal Revenue Service without the written Consent of Members.

(e) **Tax Elections.** The Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members) shall have the authority to make all Company elections permitted under the Code, including without limitation elections of methods of depreciation and elections under Code § 754. The decision to make or not make an election shall be at the Manager(s)' or Tax Matters Person, if different, sole and absolute discretion, to make such elections.

ARTICLE II – Members

2.01. Members.

(a) **Member Eligibility.** Each Member, Additional Member and/or Substitute Member must satisfy the following (collectively, "Member Eligibility Requirements"):

(i) **Securities Laws.** (A) Each Member, to the extent required by applicable law, shall be an "Accredited Investor," as defined in Regulation D promulgated under the Securities Act. Each Member shall be required to comply with and be in compliance with the regulations and rules promulgated, from time to time, by the Commonwealth of Massachusetts, and agrees to either cure any breach of those relegations and rules, or sell their Percentage Interests (as hereinafter defined), if notified by the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members) of any non-compliance with current regulations or rules of the Commonwealth of Massachusetts;

(B) **Not Prohibited Person.** No Member may have any association(s), existing and/or contemplated, with any Competitive Business (as hereinafter defined) except as otherwise permitted under ARTICLE V and not be subject to any Disqualifying Felony.

(C) **No Admission**. No Person shall be admitted as a Member if (1) such admission will cause the Company to be classified as other than a partnership for Federal income tax purposes; (2) such admission will constitute a violation of any applicable registration provisions of the Securities Act or any other applicable State or Federal securities laws; (3) such admission will cause the Company to lose, or pose a potential risk to the Company of losing, any licenses, permits or approvals held by, or is in the process of being acquired by, the Company; (4) such admission would hinder or interfere with Company's effecting its purpose; or (5) such Member is not an Additional Member and/or Substituted Member under Section 2.03.

(D) **No Transfers to Competitors**. Except as otherwise provided in this Agreement, including without limitation, ARTICLE VIII, no Member may Transfer, in whole or in part, its Percentage Interest, or any interest therein, to any person subject to a Disqualifying Felony or otherwise not meeting each and all of the Membership Eligibility Requirements, and/or to, any person engaged, or who reasonably anticipates engaging, directly or indirectly, in whole or in part, in the business, in the Commonwealth of Massachusetts in the cannabis industry or anywhere else that would threaten ability of Company to fulfill its purpose under Section 1.02 (a "**Competitive Business**"); *provided that* a Competitor shall not include a person that owns, directly or indirectly, up to [4.9%] of the aggregate voting securities of any Competitive Business that is a privately-held person or [10%] of the aggregate voting securities of any Competitive Business that is publicly-traded Person.

(E) **Conditions of Transfer**. All Conditions of Transfer have been satisfied as determined by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), including without limitation, the covenant and warranty of each Member of his/her/its intention to participate long-term in the Company; and

(ii) **No Transfers to Prohibited Persons**. No Member may Transfer, in whole or in part, its Percentage Interests, or any interest therein or Percentage Interests thereunder, to (A) a minor or incompetent, unless by will or intestate succession, (B) any Person with a conviction or plea of nolo contendere of a felony or crime involving moral turpitude or civil judgment for fraud or larceny, or (C) any Person that may interfere with the ability of the Company or any of its Affiliates to acquire and/or maintain a license to harvest, cultivate, process, or sell cannabis or otherwise continue to operate the business or maintain a bank account.

(iii) **Equity Ownership.** Equity ownership in the limited liability company is designated by percentage ownership interests of the Members in the Company ("Percentage Interest"). If Percentage Interest is represented by a certificate, such certificate shall include a conspicuous legend, stating that the certificate and the rights represented by the certificate, including, without limitation, all rights to transfer such certificate, are subject to the terms of this

Agreement, as it may be amended from time to time, and such other legend(s) as the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members) may deem to be appropriate.

(b) **List of Members.**

(i) **Recording of Members.** The full name(s) and business address(es) of each Member and his/her/its ownership of Percentage Interests in the Company as approved by Consent of Manager(s) (but where GBH Inc. is not Manager, then upon approval by Consent of Members) are shown on **Schedule A** and said schedule shall be amended, from time to time, to reflect the withdrawal of Members or the admission of additional Members pursuant to this Agreement.

(ii) **Membership Limited.** No Additional Members and/or transfer of Percentage Interests between and/or among Members may be effected unless and until Conditions of Admission/Transfer have been satisfied.

(iii) **Key Employees.** From time to time, with Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), certain employees may be eligible to acquire and/or may be issued Percentage Interests, from time to time, upon such terms and conditions as determined by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members).

(c) **Suitability/Risk Factors Acknowledgment.** Each Member acknowledges the risks and speculative nature of the Company's business and, therefore, the possible attendant losses as evidenced by his/her/its execution and delivery of Investor's Letter (substantially in the form attached hereto as **Schedule III**) and this Agreement, and further by his/her/its signature below, and to such Instrument of Adherence (as hereinafter defined) and/or Amendment and/or Amended and Restated Operating Agreement, each Member acknowledges and warrants as to the following:

(i) **Suitability.** An investment in Company is suitable only for the sophisticated investor who has such business and financial experience (either above or with his/her/its purchaser representatives) that s/he/it is capable of evaluating the merits and risks of an investment in the Company and of protecting his/her/its interest in the transaction, and who is able to bear the economic risks involved herein for an indefinite period of time and/or complete loss of his/her/its investment.

(ii) **Disclosure.** Each Member represents and warrants that s/he/it has had an opportunity to review the Disclosure Notebook, Required Records, PPM and all of the matters referenced therein and related to the condition and prospects of the Company, financial and otherwise, as well as to discuss the Company's business, management and financial affairs with the Company's management and accountant and has had the opportunity to review the facilities and has been furnished with all information, financial and otherwise, s/he/it

deems necessary to make an informed investment decision. Each Member has also had an opportunity to ask questions with respect to the affairs of the Company, which questions were answered to his/her/its satisfaction.

Each Member acknowledges disclosure regarding the Company and related documents in the Company's Disclosure Notebook, Required Records, PPM and otherwise and his/her/its opportunity to review with such advisors (financial, business, legal and such other advisors deemed necessary and/or appropriate), the foregoing and this Agreement together with access to all books of record of the Company before becoming a Member of the Company.

(iii) **Conflicts of Interest.** By his/her/its signature to this Agreement, each Member acknowledges disclosure of, and consents to:

A) **Situational Benefits.** Situations could arise in which the management of the Company and/or the decisions, actions and/or inactions, by either GBH Inc. and/or its affiliates, individually and/or collectively, could make determinations by GBH Inc. which benefit its, his and/or their benefit rather than for that of the Company. Accordingly, the interests of the Company, the Members and Manager could conflict, including without limitation, under the Lease and/or License.

(B) **Permissible Activities Preference.** GBH Inc. and/or its affiliates, individually and/or collectively, are provided preferences not available to other Members and/or Manager(s), including without limitation pursuant to Section 2.16 and ARTICLE V. Each Member acknowledges the Permissible Activities (as defined in ARTICLE V) and the ongoing relationship between and among GBH Inc. and/or its affiliates, individually and/or collectively, with the Company and the preferences afforded to GBH Inc. and/or its affiliates, individually and/or collectively, not afforded to others, with the impermissible activities applicable to Members not being applicable to GBH Inc. and/or its affiliates, individually and/or collectively.

(C) **Dilution.** (1) The investment by Members may be subject to dilution of voting power and economic return due to the needs of the Company for future financing and/or to support continued growth.

(2) In the event of any dilution, however, whenever the Consent of Manager(s) and/or Consent of Members is required or sought, the concurring Consent of Manager(s) (so long as GBH Inc. is a Manager) must also be secured.

(iv) **Risk Factors Acknowledgment.** Each Member hereby represents and warrants that s/he/it understands the Risk Factors set forth herein and in all Disclosure Documents, including the following:

(A) **Speculative.**

(1) Percentage Interests and ownership in the Company are **speculative and involve a high degree of risk**. The business of the Company is presently prohibited under federal law.

(2) The likelihood of the Company's success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered with the formation of a new business and the **uncertain legal and other regulatory and competitive environments in which the Company will operate.**

(B) **No Significant Assets, Property, Etc.** The Company, as of the date hereof, has no significant assets or properties.

(C) **Risk.** Significant areas of risk:

(1) **High Risk Industry.** The Company's purpose and business of effecting that purpose although legal in Massachusetts is not presently legal under federal law. This inconsistency in federal and state law poses significant potential legal risks, indeed, an existential threat to the Company's viability and/or significant risk to any economic returns to Members.

There are also numerous other risks associated with Company's business, including the fact that established and/or other start-up companies such as the Company engaged in growing cannabis similar to those of the Company which may be better funded than the Company and/or have greater access to funds than the Company.

(2) **Competition and Marketing Uncertainty.** The market in which the Company will be competing is competitive, and includes companies with greater financial resources, greater access to financing, larger staffs and more marketing experience than those currently available to the Company. The Company's services may be imitated by others, and similar products/services may be offered by others at substantially lower prices.

(3) **Performance.** The successful performance of the Company is **not assured**. Monies contributed by Members and/or the availability of borrowed monies and/or revenues hopefully to be derived from operations of the Company is not assured, but rather is speculative. The Company may need additional funds,

from time to time, but may not be able to secure same on the same terms and conditions hereunder or by which any Member secured. Moreover, the Company may not be able to secure needed funds. The Company has also committed to contributing annually not less than 3% of Available Cash flow to Local Bloom ("Local Bloom Contribution"), a not-for-profit, Massachusetts corporation, formed by George Haseltine and Brad Kutcher, affiliates of GBH Inc.

(5) **Restrictions on Transferability; No Market for the Percentage Interests.** The Percentage Interests are not, and not intended to be, registered under the Securities Act of 1933, as amended (the "1933 Act"). The Percentage Interests may not be resold unless permitted hereunder and consistent with applicable state and federal securities laws, and the stock legend. **There is no existing public or other market for the Percentage Interests. It is not anticipated that any such market will develop which would enable the sale of such Percentage Interests to be made. Consequently, investors may not be able to liquidate their investment in the Percentage Interests for an emergency or for any other reason.**

(6) **Management/Participation.** GBH Inc. has been designated as Manager(s) responsible for the day-to-day management of the Company while Members may participate, consistent with Participant Covenant (as hereinafter defined) so as to position the Company to effect a reasonable return on investment upon sale of all or substantially all of the assets of the Company. GBH Inc. is not required, and has not undertaken, to devote full time or sole attention to the business of the Company.

(7) **Expulsion.** Each Member is subject to Expulsion under Section 2.10 and upon demand Mandatory Redemption, involving payment of a Redemption Fee if and when any buy back of his/her Percentage Interests.

(d) **Consent of Members General**. (i) (A) **Class A**. Except where otherwise specified herein, in all instances requiring approval or consent of Members, such approval or consent must be by not less than **51%** of Percentage Interests of Class A evidenced in writing signed by such Members ("Consent of Members").

(B) **Class B.** In instances specifically requiring approval of Members holding Class B Percentage Interests under the Act, if any, shall require Consent of not less than 51% of Percentage Interests of Class B in writing signed by such Class B Members ("Consent of Class B Members").

(ii) **Concurring Consent of Manager(s)**. Other than as set forth in Section 2.04(b)(ii), whenever GBH Inc. is the Manager, to be effective, any and all Consent of Members **also** requires Consent of Manager(s).

(iii) **Member Deadlock.** In the event of a deadlock or other dispute such that Consent of Members cannot be obtained, Members hereby agree to submit any such deadlock or dispute to Deadlock Breaker (as defined in Section 3.01(c)), whose decision is binding and conclusive on all parties.

2.02. Percentage Interests.

(a) **Percentage Interests.** The Members shall have no interest in the LLC other than the interest conferred by this Agreement represented by the Percentage Interests of Members in the residual profits and losses of the LLC evidenced by Percentage Interests set forth opposite such Member's name in the Required Records, from time to time.

(i) **Class A Percentage Interests**. The holder of Class A Percentage Interests shall have the right to vote, on the basis of one vote per Class A Percentage Interest, on all matters requiring Consent of Members. The holder of Class A Percentage Interests shall also have the rights to participate in Profits, Losses, and distributions of the Company in the manner set forth in this Agreement.

(ii) **Class B Percentage Interests**. Except as specifically provided by the non-waivable provisions of the Act or this Agreement, the Class B Members shall not be entitled to vote, be entitled to undertake any activities on behalf of the Company, and shall not have any power to sign for or to bind the Company. Instead, Members holding Class B Percentage Interests shall have only the right to participate in Profits, Losses and distributions of the Company in the manner set forth in this Agreement.

(b) **No Derivative Property Rights.** Every Member by virtue of having become a Member shall be held to have expressly assented and agreed to the terms hereof and to have become a party hereto. Ownership of a Percentage Interests shall not entitle a Member to any title in or to the whole or any part of the property of the LLC or right to call for a partition or division of the same or for an accounting.

(c) **Loss or Destruction of Percentage Interests Certificates.** In case of loss or destruction of a Percentage Interest evidenced by any certificate, if any, no new certificate shall be issued in lieu thereof except upon satisfactory proof to the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members) or its designee of such loss or destruction, which proof may be in the form of an affidavit signed under the penalties of perjury and upon the giving to the Company of satisfactory security or indemnity against loss, by bond or otherwise, if such security or indemnity is deemed appropriate by the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members). Any such new

certificate shall be plainly marked "Duplicate" upon its face.

(d) **Employee Members.** Every Member becoming a Member from and after date first above written who is also an employee or otherwise providing services to the Company ("Agent") in exchange for his/her Percentage Interests shall, if required by Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), acquire such Percentage Interests on such terms and conditions and with such voting or non-voting rights, as Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is not Manager then by Consent of Members) determine, from time to time, subject to substantial risk of forfeiture so as to comply with Internal Revenue Code §83 and this Agreement, all as set forth in such Member/Agent's Services Agreement or other agreement with the Company ("Risk of Forfeiture Provisions").

2.03. Admission of New Members/Substituted Members.

(a) **Additional Members**. (i) (A) (1) **Admission/Classes, Etc.** Additional persons may be admitted to the LLC as Members only by Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members) with such voting and/or non-voting rights, preferences, and participation in the profits, losses, distributions, allocations and capital contributions of the LLC upon such terms as are established, from time to time, by the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), which may also include the establishment of classes or groups, with and/or without voting rights, of one or more Members having different relative rights, powers and duties, including without limitation, rights and powers that are superior to those of existing Members, or the right to vote as a separate class or group on specified matters, by amendment of this Agreement under Section 10.04. Further, new Members must satisfy all Member Eligibility Requirements and event then shall only be admitted at the time when all conditions to their admission have been satisfied hereunder, including without limitation, all Conditions of Admission/Transfer (as hereinafter defined), as determined by the Manager(s), from time to time, acting by Consent of Manager(s) (except where GBH Inc. is not Manager then by Consent of Members) and their identity, Percentage Interests and Contributions (if any) under Section 6.02 have been established by amendment of **Schedule A** upon satisfaction of all applicable provisions of this Agreement ("Additional Member" or "additional Member").

(2) **"Fit"/Timing**. The Manager(s) may, acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members), cause the LLC to refuse to accept any assignment and/or transfer of Percentage Interests even if satisfying all of the terms and conditions of this Agreement for any reason or no reason as the "fit" into the group of is an integral and essential element of the Essential Reliance of Members and in effecting the Individual and Mutual Benefit and, moreover, even if approved to become a Member, the effect of any

approved assignment may be delayed and the date of becoming a Member until the end of the next successive quarterly accounting period.

(3) **Purported Assignee No Rights.** Any purported assignee not acquiring Percentage Interests strictly in compliance with this Agreement acquires no rights hereunder and having, at most, whatever rights, if any, against purported transferor and no assignee may become a record owner Member or have any rights hereunder unless and until Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members), all applicable Condition of Transfer have been satisfied, Member Eligibility is satisfied and other applicable requirements have been satisfied.

(4) **Non-Complying Transferor.** Unless or until all of the requirements of this Agreement are satisfied, the LLC, the Members and Manager(s) shall be entitled to treat the purported assignor and/or transferor as a Triggering Event Member in all respects subject to all the consequences of a Prohibited Resignation, and treat purported assignee as a third party with no rights hereunder.

(5) **Consequences of Non-Compliance.** In the event of failure to satisfy the applicable term of this Agreement, including without limitation, as summarized above within thirty (30) days of notice of purported assignment or transfer: (aa) purported transferee/assignee's sole recourse is against purported transferee/assignee, and; (bb) purported transferor/assignor shall use, best and diligent efforts to offer his/her transfer Percentage Interests required in connection with Prohibited Resignation and to comply with all other provisions of this Agreement.

(B) **Conditions.** Any person acquiring Percentage Interests, not then a record owner Member, from the LLC and/or from an existing record owner Member, shall be an Additional Member only upon: his/her satisfying Member Eligibility Requirements; satisfaction of all of the terms and conditions of this Agreement, including satisfaction of Conditions of Transfer and the applicable provisions of ARTICLE VII; and all other provisions of this Agreement are satisfied, including without limitation all applicable items of Section 2.03(a) above and acknowledgement and confirmation of Suitability Risk Factors Acknowledgement. For the avoidance of doubt, any Additional Member and/or Substitute Member acquires only the class of Percentage Interest of the transferor.

(ii) Existing Members shall have no preemptive or similar right to subscribe to the purchase of Percentage Interests in the LLC being transferred by an existing record owner Member, except as otherwise provided in Section 6.05.

(b) **Substituted.** Except to the extent otherwise provided in this Agreement, an assignee of all of, or any portion of, the Percentage Interests of a Member shall only become a substituted Member (i.e., where a record owner Member transfers his/her

Percentage Interests, in whole or in part, to another record owner Member), with respect to such assigned and/or transferred Percentage Interests, **if and only if each and all of the applicable provisions of this Agreement are satisfied, including all of the applicable provisions of subparagraph (c) immediately below.**

(c) **Transfer Requirements and Consequences.** With respect to any assignment or other **transfer**, in whole or in part, of any Percentage Interests, each and all of the following must also be satisfied (collectively, "Transfer Requirements"):

(A) **Assignor Consent**. The assignor and/or transferor, consistent with the provisions of this Agreement, voluntarily assigns and/or transfers his/her Percentage Interests, in whole or in part, to a person meeting the Member Eligibility Requirements and such assignment and/or transfer complies with all of the provisions of, and is consistent with the terms of this Agreement and applicable laws; and

(ii) **Approval**. Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), approve such assignment, transfer, substitution and/or addition; and

(iii) **Payment of Costs**. The assignor/transferor and/or assignee and/or transferee pays to the LLC all costs and expenses incurred in connection with effecting such assignment, substitution and/or addition, including, specifically and without limitation, costs incurred in reviewing and processing the assignment and amending this Agreement; and

(iv) **Conditions of Transfer, Etc.** All Conditions of Transfer, Conditions of Admission/Transfer and all other applicable provisions of ARTICLE VII are satisfied unless otherwise provided by Consent of Disinterested Members, and such other terms and conditions as may be imposed by Consent of Disinterested Members, from time to time; and

(v) **Executed Amendment / Instrument of Adherence**.

(A) The assignee and/or transferee executes and delivers an Amended and Restated Operating Agreement or Amendment to this Agreement or Instrument of Adherence, substantially in the form of **Exhibit A** attached hereto, as may be determined by Consent of Manager(s) (but where GBH Inc. is not Manager then by Consent of Members), along with such other instruments, in form and substance satisfactory to Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is not Manager then by Consent of Members), as may be necessary or desirable to effect

such substitution and/or addition, and agrees to confirm and to be bound by all of the terms and provisions of this Agreement.

(B) **Strict Compliance**. Any person, including, each Substituted Member or Additional Member, as the case may be, must acquire any and all Percentage Interests, if any, pursuant to the applicable provisions of ARTICLE VII unless otherwise approved by Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members) and in strict compliance with the provisions of this Agreement including this Section 2.03 and no person(s) may become Additional Members or Substituted Member unless satisfying the Member Eligibility Requirements and the Condition of Transfer of assignment have been fully satisfied;

(C) **Suitability/Risk Factors Acknowledgment**. Each Member, Substituted Member and Additional Member acknowledges and warrants upon becoming a Member of this LLC as to the Suitability/Risk Factors Acknowledgement incorporated here by reference.

(vi) **Disqualification**.

(A) **Inability to Become Member.** No party may be a Member hereunder unless satisfying Member Eligibility and as a further condition complies with all other provisions of this Agreement. For avoidance of all doubt, in no event shall any Percentage Interests in the LLC or any portion thereof be owned, sold, transferred or assigned unless consistent with the provisions of this Agreement, and, in any event no Percentage Interests may be sold or assigned to a minor or incompetent or any person not satisfying Member Eligibility Requirements and in all events any and all ownership, sale, transfer, and/or assignment may be effected only if and when approved by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members).

(B) **Ineffective.** Any attempted sale, transfer or assignment inconsistent with each of the foregoing or otherwise inconsistent with this Agreement shall be void and ineffectual and shall not bind the LLC or any other Member or Manager.

2.04. Participation and Voting Rights.

(a) **Participation.** By becoming a Member, upon specific request in sole discretion of Managers, acting by Consent of Managers (but where GBH Inc. is not

Manager, then by Consent of Members), from time to time, each Member covenants to participate as follows ("Participation Covenant"):

(i) To comply with the provisions of this Agreement;

(ii) To participate in good faith, from time to time, upon request evidenced by Consent of Managers (but where GBH Inc. is not Manager, then by Consent of Members) in strategic planning, and positioning the Company, for success of Company's business so as to effect a good return on investment and in furtherance thereof to participate in meetings, from time to time, upon request evidenced by Consent of Manager(s), to provide insights and advice to be considered in advancing business of Company and return on investment;

(iii) Each Member shall use good faith and best efforts to bring possible business opportunities to Company (except as otherwise provided in ARTICLE V);

(iv) Review and provide insights and recommendations concerning Annual Budget, if any, prepared by, and if submitted for review by, Consent of Manages (but where GBH Inc. is not Manager, then by Consent of Members); and

(v) To devote such time to provide time, effort and attention to effecting the growth of and success of Company's business as may be necessary and appropriate, consistent with acknowledgements under ARTICLE V.

(vi) **Essential Reliance/Individual and Mutual Benefit**. Each Member acknowledges that the Company is relying on the long-term commitment of each Member's association with and non-withdrawal of his/her/its capital contribution which is in the material and individual benefit of the Company and its ability to succeed, together with compliance by each Member using good and best faith efforts in effecting this Agreement ("Essential Reliance"), and the related commitment of each and all Member(s), individually and collectively, to the growth and success of the enterprise of this LLC to their individual and mutual benefit, which each and all such Members hereby agree benefits the Company and, thereby, each and all Members, individually and collectively, all Members, individually and collectively, therefore, hereby agree that compliance with the provisions of this Agreement is required, including without limitation the continued commitment of each Member not to withdraw and comply with the provisions of this Agreement so as to effect stability and harmony and Essential Reliance, thereby, effecting Individual and Mutual Benefit desired by Members, individually and collectively (collectively, the foregoing herein referred to as ("Individual

and Mutual Benefit").

(b) **Voting Rights.**

(i) **General.** (A) Members shall have no right to amend or terminate this Agreement or to appoint, select, vote for or remove the Manager(s) or its agents or to exercise voting rights or to otherwise control or participate in any manner in the business decisions of the LLC or otherwise in connection with the property of the LLC, except as specifically provided in this Agreement.

(B) Managers, acting by Consent of Managers (but where GBH Inc. is not Manager, then by Consent of Members) have the right to amend this Agreement on behalf of all Members provided not done to enlarge rights of Managers.

(C) Only Members holding Class A Percentage Interests have the right to vote on matters specifically provided herein, as all decision making is vested in Managers, acting by Consent of Managers (but where GBH Inc. is not Manager, then by Consent of Members).

(ii) **Exceptions.** Notwithstanding anything to the contrary, the following matters concerning fundamental changes to the business of the Company and participation in positioning Company by Members shall require the approval of Members acting by Consent of Members (which approval may be by vote at a meeting or telephone conference of the Members called by the Manager(s), acting by Consent of Managers, (but where GBH Inc. is not Manager, then by Consent of Members):

(A) Dissolution of the LLC consistent with ARTICLE IX;

(B) Sale of all or substantially all of the assets of the LLC not in the ordinary course of its business, or its merger or consolidation with another business entity as allowed under the Act;

(C) Designation of Manager in the event GBH Inc. is no longer a Manager; and

(D) Removal of a Manager for Cause.

(iii) **Concurring Consent.** Except as otherwise provided in this Agreement, whenever any action is required by Consent of Members while GBH Inc. is a Manager, all Consents of Members and/or Consent of Class B Members also require concurring Consent of Manager(s).

(iv) **Consent of Members Where No GBH Inc.as Manager.** Whenever GBH Inc. is not acting as Manager hereunder, all power, authority and

actions by Manager(s) hereunder shall, notwithstanding anything to the contrary, immediately and contemporaneously be vested with Members acting by Consent of Members.

(v) **Certificate of Valuation.** So as to avoid costly valuations when any purchase or sale of Percentage Interest, if any, is triggered Members and Managers agree to be bound by the values set forth in the applicable Certificate of Valuation signed by Managers, acting by Consent of Managers (but where GBH Inc. is not Manager, then by Consent of Members).

2.05. Limitation of Liability of Members. Except as otherwise provided in the Act or in this Agreement, no Member of the LLC shall be obligated personally for any debt, obligation or liability of the LLC or of any other Member, whether arising in contract, tort or otherwise, solely by reason of being a Member of the LLC. Except as otherwise provided in the Act, by law or expressly in this Agreement, no Member shall have any fiduciary or other duty to another Member with respect to the business and affairs of the LLC, and no Member shall be liable to the LLC or any other Member for acting in good faith reliance upon the provisions of this Agreement. No Member shall have any responsibility to restore any negative balance in its Capital Account (as defined in Section 6.03) or to contribute to or in respect of the liabilities or obligations of the LLC or return distributions made by the LLC except as required by the Act or other applicable law; provided, however, that Members are responsible for their failure to make required Contributions under Section 6.02. The failure of the LLC to observe any formalities or requirements relating to the exercise of its powers or the management of its business or affairs under this Agreement or the Act shall not be grounds for making its Members or Manager(s) responsible for the liabilities of the LLC. For the avoidance of doubt, a Member's conduct shall not be deemed to be committing willful misconduct for engaging in activity related to cannabis or the cannabis industry that may be a violation of federal law, so long as the Member's conduct or activity is reasonably believed to be in compliance with applicable state laws.

2.06. Authority. Unless specifically authorized by the Manager(s), no Member shall be an agent of the LLC or have any right, power or authority to act for or to bind the LLC or to undertake or assume any obligation or responsibility of the LLC or of any other Member.

2.07. Conditions of Admissions/Transfer. No Additional Members and/or transfer of Percentage Interest(s) between and among Members may be effected without proof satisfactory to Manager(s) as evidenced by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), except upon evidence satisfactory to Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members) that (collectively, "Conditions of Admission/Transfer"):

(a) all Conditions of Transfer under Section 8.02 have been satisfied; and

(b) all other provisions of this Agreement have been complied with, including Section 2.03.

2.08. No Appraisal Rights, Etc. No Member shall have any right to:

(a) have its interest in the LLC appraised and paid out;

(b) receive any remuneration, of whatever type and kind, other than distributions, if any, in his/her/its capacity as a Member, unless otherwise expressly and specifically provided herein or by written contract signed by then Manager(s); or

(c) to receive any amounts upon his/her/its resignation or other withdrawal, unless such resignation or withdrawal is specifically provided herein or by written contract signed by then Manager(s), acting by Consent of Managers (but where GBH Inc. is not Manager, then by Consent of Members).

2.09. No Interest/Withdrawal, Etc.

(a) **No Interest/No Withdrawal.** No interest shall accrue on any contributions to the capital of the LLC, and no Member shall have the right to withdraw, resign or to be repaid any capital contributed by him/it or to receive any other payment in respect of his/its interest in the LLC, including without limitation, as a result of the withdrawal or resignation of such Member from the LLC, except as specifically provided in this Agreement.

(b) **Certificate of Valuation.** On or before ninety (90) days after the end of each fiscal year, the Managers acting by Consent of Managers (but where GBH Inc. is not then Manager, then by Consent of Members) shall sign a Certificate of Valuation substantially in the form of **Exhibit C**, which, unless otherwise specifically provided in this Agreement, shall determine Fair Value under ARTICLE VIII, if and when, any event occurs under which Percentage Interests if ever purchased.

2.10. Prohibited Resignation Expulsion.

(a) **Prohibited Resignation.** Given the mutual and individual reliance of each Member on the "fit" of each Member as part of a team effort, the covenant of long-term commitment of each Member to LLC, the Essential Reliance of the Company and thereby, the Individual and Mutual Benefit, the Members, individually and collectively, accordingly hereby agree any one of the foregoing herein constituting a Prohibited Resignation (individually and/or collectively "Prohibited Resignation") with consequences resulting therefrom: in the event of any Disqualifying Felony; Termination for Cause; any attempted resignation, transfer of Percentage Interests inconsistent with the provisions of this Agreement; or failure to comply with this Agreement. or failure to satisfy Member Eligibility Requirements at any time(s); or not falling within Exemption from Prohibited Resignation or any violation of this Agreement, including under ARTICLES V or VIII. Except for Exemptions from Prohibited Resignation or unless otherwise agreed by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members), no Member and/or Manager shall engage in any event within term Prohibited Resignation and otherwise subject to Expulsion, each Member hereby agrees to accepting and cooperating in effecting the consequences resulting from his/her Prohibited Resignation and/or Expulsion as each Member hereby acknowledges

that providing an incentive to avoid these consequences is required to effect and preserve Individual and Mutual Benefit and encouraging compliance with this Agreement which effects Individual and Mutual Benefit.

(b) **Exemption for Resignation.** "Exemption From Prohibited Resignations" shall, notwithstanding anything to the contrary herein, mean death or other event, including without limitation, voluntary resignation as may otherwise be determined qualifying as Exemption from Prohibited Resignation by Consent of Manager(s) (but where GBH Inc. is not Manager then by Consent of Members).

(c) **Expulsion/Prohibited Resignation.** Each Member acknowledges his/her/its understanding that s/he/it may be expelled as a Member as set forth below.

(1) **Grounds for Expulsion**: Unless otherwise determined by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), any person shall be expelled as a Member:

(aa) whenever any Member and/or Manager is subject to Termination for Cause, Disqualifying Felony or other Prohibited Resignation;

(bb) Member falls within definition of Cause, Disqualifying Felony or fails to satisfy Member Eligibility Requirements; and/or

(cc) upon determination of Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members) occurrence of any event with respect to a Member engaged in Impermissible Activities, including Competitive Activity.

(2) The occurrence of any Prohibited Resignation or Expulsion with respect to any Member shall be deemed a contractually Prohibited Resignation and such Member is thereby liable for claim of breach of contract and damages flowing therefrom and be deemed to have been removed for Cause as a Manager if then serving as a Manager.

(ii) **Consequences of Expulsion and/or Prohibited Resignation to Applicable to Triggering Event Member**. Any Member subject to Expulsion, Prohibited Resignation or Termination for Cause shall thereupon be treated as a Triggering Event Member who, until completion of Mandatory Redemption, if any, shall comply with the provisions of this Agreement notwithstanding his/her/its status as Unadmitted Assignee.

(A) **Triggering Event Member**. In the event of any Prohibited Resignation, Disqualifying Felony, Expulsion, or other

Termination to which this subparagraph (c), in whole or in part, applies to a Member, such Member thereupon becomes a Triggering Event Member ("Triggering Event Member"), and, thereby triggering contemporaneously removal for cause as a Manager together with all consequences of Expulsion and/or Prohibited Resignation, including under subparagraph (b) immediately below. Each Triggering Event member until occurrence of, and completion of, Mandatory Redemption, if any, shall comply with the provisions of this Agreement, notwithstanding status as Unadmitted Assignee.

(B) **Specific.** In addition to the events and consequences specified herein, each Triggering Event Member shall be, and each Member hereby agrees to be, subject to the following consequences as appropriate and necessary for their mutual and individual benefit to be derived from the stability of membership, including without limitation effecting the Essential Reliance and thereby, Individual and Mutual Benefit and so as to effect the continuing smooth operation, and growth, of business of the LLC in furtherance of achieving the Essential Reliance and thereby, Individual and Mutual Benefit and, in acknowledgement of and the disruption and injury likely occasioned by his/her Expulsion and/or Prohibited Resignation, each Member hereby agrees, immediately upon his/her Expulsion and/or Prohibited Resignation, such Triggering Event Member will use best and diligent efforts, not to interfere or challenge, in effecting the implementation of the consequences of such Expulsion and/or Prohibited Resignation, including without limitation, the following:

(1) **Loss of Right to Vote, Etc.** To the maximum extent permitted under Act; each Triggering Event Member immediately and contemporaneously shall: Loss of any and all rights to vote;

(2) **Loss of Indemnification.** Except as otherwise provided by Consent of Manager (but where GBH Inc. is not Manager, then by Consent of Members), loss of any and all rights to indemnification otherwise permitted hereunder for any and all matters giving rise to such Expulsion and/or Prohibited Resignation as well as those occurring from and after date of such Expulsion and/or Prohibited Resignation and the granting of Proxy Power of applicable Members.

(3) **No Right to LLC Property, Etc.** Lose and deemed to release, disclaim, waive any and all claims, rights, title and interest to any and all rights to LLC assets, revenues of whatever type and kind.

(4) **Payment.** Immediate obligations of such Member subject to Expulsion and/or Prohibited Resignation to pay immediately all amounts then due or to become due (i.e., such as Purchase Price Deductible Amounts);

(5) **Unliquidated Amounts.** If for any reason, the amount due or to be come due from such Triggering Event Member or any portion is not then liquidated, then such Triggering Event Member shall put in escrow an amount mutually acceptable to LLC and such Triggering Event Member in a mutually acceptable escrow or secure a letter of credit.

(6) **Resignation from All Positions.** Tender his/her resignation from all position(s) with the LLC substantially in the form of **Exhibit D.** Each Triggering Event Member hereby agrees that such status shall be deemed to fall within term Termination for Cause and his/her acknowledgement of impermissible resignation from any and all positions with the LLC thereby automatically and contemporaneously triggers his/her expiration of tenure as a Manager, together with, all incurring consequences hereunder applicable to any Triggering Event Member and each Member hereby agrees, such obligations and consequences effect the Individual and Mutual Benefit and Essential Reliance and, accordingly, hereby agrees not to assert upon his/her becoming a Triggering Event Member, any position at variance with the foregoing and the provisions of this Agreement, including the following;

(7) **Covenant Not To Sue.** Covenant not to sue Company, other Members and/or any Manager for exercising or failing to exercise any rights under power of attorney and/or proxy granted hereunder and/or otherwise.

(8) **Consent.** Each Member hereby irrevocably and unconditionally consents to the above consequences as upon becoming a Member, each Member acknowledges the reliance of each other Member of the fidelity to the Company and the injury which is likely to occur upon

his/her/its Termination, and to exercise Proxy Power by others as provided herein and will use best and diligent efforts in effecting the exercise of such Proxy Power consistent with the terms hereof.

(9) **Unadmitted Assignee**. Each Triggering Event Member shall immediately and automatically be deemed an Unadmitted Assignee until the purchase of Percentage Interests under applicable provision of ARTICLE VII, if any, and thereby automatically and contemporaneously loses any and all rights to vote hereunder and under the Act as well as any and all informational rights contemporaneously upon such Prohibited Resignation, Expulsion and/or other Termination to which this subparagraph (c) applies (or if not permitted by law, the Proxy Power and power of attorney under subparagraph (10) immediately below is triggered. Each Triggering Event Member be removed as a Manager if then a Manager and be subject to mandatory redemption upon demand by Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager then by Consent of Members) and not enjoy any other benefit, including without limitation, upon death.

(10) **Proxy Power**. in the event of certain of the consequences and/or forfeitures under this subparagraph (c) is prohibited under the Act, each Member hereby irrevocably and unconditionally consents upon becoming a Triggering Event Member to the exercise (by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members) of Proxy Power hereby granted with respect to his/her Percentage Interests together with power of attorney coupled with an interest for LLC appointed agent to sign on behalf of such Triggering Event Member such document(s), agreement(s), certificate(s) as well as amendment(s), including to this Agreement, from and after Prohibited Resignation as such grant is deemed necessary and appropriate by Members, individually and collectively, to effect Individual and Mutual Benefit; the foregoing is deemed for the individual and mutual benefit of Members, which each Member hereby acknowledges and confirms is deemed necessary or appropriate for his/her individual benefit.

(11) **Mandatory Redemption.** Any purchase and sale of such Triggering Event Member's Percentage Interest(s),

if any, shall be governed by applicable provisions of Section 8.04 dealing with mandatory redemption ("Mandatory Redemption").

2.11. Employment.

(a) **Certain Manager(s).** Nothing in this Agreement or any other documents shall be taken to establish or imply a contract of employment or a guarantee of continued employment, except with respect to GBH Inc.

(b) **Members.** Except as otherwise expressly provided in this Agreement, each Member acknowledges that **he/she/it shall not, solely by virtue of his/her/its acquisition or ownership of Percentage Interests or title as Member or Manager, be entitled among other things** (i) to employment by the LLC, except as otherwise provided herein; (ii) to receive distributions on account of his/her/its ownership of Percentage Interests, except as specifically provided herein or as the same may be declared from time to time, by the Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager then by Consent of Members); (iii) to have his/her ownership of Percentage Interests redeemed by the LLC even where Percentage Interests of other Members are being redeemed pursuant to this Agreement or otherwise or if by the Manager(s) acting by Consent of Managers (but where GBH Inc. is no longer Manager then by Consent of Members) shall have determined in good faith that there exists special circumstances for redeeming of Percentage Interests from such other Members; (iv) to participate in, or have preemptive rights with respect to, any issue of Percentage Interests of the LLC; or (v) to sell his/her percentage ownership of Percentage Interests when another Member is selling percentage ownership of Percentage Interests, except as otherwise provided herein.

2.12. No Partnership. No Member shall be considered to be a partner or joint venturer of any other Member for any purposes other than foreign and domestic federal, state, provincial and local income tax purposes, and this Agreement shall not be construed to suggest otherwise.

2.13. Title to LLC Property. All property owned by the LLC, whether real or personal, tangible or intangible, **shall be deemed to be owned by the LLC as an entity**, and no Member, individually, shall have any ownership of such property. The LLC may hold any of its assets in its own name or in the name of its nominee, which nominee may be one or more trusts. **Any property held by a nominee trust for the benefit of the LLC shall, for purposes of this Agreement, be treated as if such property were directly owned by the LLC.**

2.14. Nature of Member's Interest. The **interests of all of the Members** in the LLC are personal property.

2.15. Non-Disclosure and Non-Use of Company Information.

(a) **Non-Disclosure/Non-Use.** Each Member (excluding GBH Inc. and its affiliates) agrees (and agrees to cause their respective Affiliates): not to disclose and not to use, directly or indirectly, Company Information and/or any other information from Required Records and/or otherwise, Licensed Property, Information and Licensor's Intellectual Property (each as defined in License Agreement), Company Information, in whole or in part, for any reason other than to effect the LLC's purpose and for the benefit of LLC, and only as consistent with License Agreement and permitted hereunder; and further to restrict access to, Required Records, Company Information as well as Information, Licensed Property and Licensor's Intellectual Property as provided in, and consistent with, License Agreement, only to the following: LLC, Manager, Members and other LLC authorized representative and/or agent or other persons specifically authorized by Consent Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members) ["Representatives"]; Further, each Member will, and each shall cause their respective Affiliates, not to use any information from Required Records and/or otherwise, Company Information, Licensed Property, Information and Licensor's Intellectual Property for the development of any product, services and/or its business that are competitive with or similar to LLC products, services or activities for any reason other than to effect the LLC's purpose set forth in its Certificate of Organization and as implemented in course of LLC's business, from time to time, on behalf of the LLC and only as consistent with License Agreement.

(b) **Non-Public.** Each Member will treat, and will cause his/her/its Affiliates to treat, confidential and non-public, information of Company, including without limitation, Company Information and information from Required Records.

(c) **No Copy, Etc.** Member will not (and each shall cause their respective Affiliates not to) copy Company Information, Licensed Property, Information, and Licensor's Intellectual Property and/or any LLC documents, records, tapes or other media, except as authorized in writing by LLC, and shall treat confidential and non-public any copies in accordance with this Agreement.

(d) **Return of Property and Documents.** Within five (5) days after a request is received from LLC, evidenced by Consent of Managers (but where GBH Inc. is not Manager, then by Consent of Members), or upon Termination of any Member, all Company Information, Required Records and all copies of Company Information, Required Records, Information, Licensed Property, Licensor's Intellectual Property shall be returned to LLC and not retained by such terminated Member in any form or for any reason and upon request of LLC evidenced by Consent of Managers (but where GBH Inc. is not Manager, then by Consent of Members), such Member shall furnish written confirmation that such Member has done so.

(e) **No License.** No license to any Member under any trademark, patent or copyright or other right which are now or may thereafter be owned, and/or licensed, by LLC or any subsidiary thereof is either granted or implied by access granted to and/or disclosure of Company Information, Licensed Property, Information, Licensor's Intellectual Property and/or otherwise.

2.16. Preferential Treatment.

(i) **Differences.** Each Member understands that the Company does and may (in addition to compensation and other benefits) deal with GBH Inc. and/or its affiliates, including without limitation, George Haseltine and/or Brad Kutcher and/or their respective affiliates, from time to time, differently from other Members and such treatment may be more beneficial accorded to any Member(s).

(ii) **Non-Arms Length.** Each Member acknowledges and agrees that there are now and may exist, from time to time, hereafter, special employment and other arrangements between the Company and GBH Inc., its affiliates, and/or their respective affiliates which have not necessarily been arrived at by arms-length negotiations and/or dealings and may provide substantial benefits to either Manager and their respective affiliates, directly or indirectly, which are not only different from, but also more beneficial than available to other Member(s) and/or employees.

(iii) **Permissible Activities.** Each Member acknowledges and consents to preferences accorded to GBH Inc. and/or its affiliates, including without limitation, George Haseltine and Brad Kutcher under ARTICLE V, not accorded to other Members and/or Manager(s).

ARTICLE III – Management

3.01. Manager.

(a) **General.** (i) The Manager(s) set forth in the Certificate of Organization are hereby appointed to serve as the Manager(s) of the LLC until his/her/its removal or resignation pursuant to applicable provisions of this Agreement. The names and addresses of each Manager and any successor Manager on said **Schedule A** and the Certificate shall be amended to reflect the resignation or removal of a Manager or the appointment of a new or additional Manager pursuant to this Agreement, from time to time, but where there are remaining or additional Manager(s) acting by Consent of Manager(s), but where GBH Inc. is not Manager, then not by then Manager(s) but as approved by Consent of Members.

(ii) Each Member has agreed to participate pursuant to his/her Participation Covenant hereunder upon special request of Managers, from time to time, acting by Consent of Managers.

(b) **Required Consent.** The Manager(s) must act unanimously where there are two (2) Manager(s) and by majority when there are three (3) or more Manager(s) ("Consent of Manager(s)" or "Consent of Manager") and so wherever approved, consent of determination of Manager is required when there are two or more Manager(s), such approval, consent or determination must be by Consent of Manager(s).

(c) **Manager Deadlock.** In the event of deadlock or other dispute so that Consent of Manager(s) cannot be obtained, Manager(s) hereby agree to submit any deadlock or dispute to mutually agreeable business consultant or other third party (or such other party as Manager(s), acting by Consent of Manager(s), may designate, from time to time, in writing) ("Deadlock Breaker") whose decision is binding and conclusive on all parties. If the foregoing does not resolve the issue, the Manager(s) shall submit to binding mediation if dispute is not thereby resolved.

3.02. Powers and Duties of the Manager.

(a) **Manager**. The business and affairs of the LLC shall be conducted by, and under (except as otherwise provided under Section 2.04 and Section 3.02(c)), the direction of the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members) who shall have and may exercise on behalf of the LLC all of its rights, powers, duties and responsibilities under Section 1.02 or as provided by law, including without limitation the right and authority:

(i) to borrow money, to issue evidences of indebtedness and to guarantee the debts of others for whatever purposes they may specify, whether or not related to the LLC or the LLC's assets, and, as security therefore, to mortgage, pledge or otherwise encumber the assets of the LLC;

(ii) to cause to be paid on or before the due date thereof all amounts due and payable by the LLC to any person or entity;

(iii) to employ such agents, employees, Manager(s), accountants, attorneys, consultants and other persons necessary or appropriate to carry out the business and affairs of the LLC, whether or not any such persons so employed are Members or are affiliated or related to any Member; and to pay such fees, expenses, salaries, wages and other compensation to such persons as the Members shall in their sole discretion determine;

(iv) to pay, extend, renew, modify, adjust, submit to arbitration, prosecute, defend or compromise, upon such terms as they may determine and upon such evidence as they may deem sufficient, any obligation, suit, liability, cause of action or claim, including taxes, either in favor of or against the LLC;

(v) to pay any and all fees and to make any and all expenditures that the Members, in their discretion, deem necessary or appropriate in connection with the organization of the LLC, and the carrying out of its obligations and responsibilities under this or any other Agreement;

(vi) to cause the LLC's property to be maintained and operated in a manner that satisfies in all respects the obligations imposed with respect to such maintenance and operation by law, by any mortgages encumbering such property

from time to time, and by any lease, agreement or rental arrangement pertaining to such property;

(vii) to cause necessary and/or appropriate proper repairs to be made, and supplies necessary for the proper operation, maintenance and repair of the LLC's property to be obtained;

(viii) to lease, sell, finance or refinance all or any portion of the LLC's property;

(ix) to exercise all powers and authority granted by the Act to Members, except as otherwise specifically provided in this Agreement;

(x) to make elections and prepare and file returns regarding any federal, state or local tax obligations of the LLC;

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

(xii) to negotiate, merger of the Company with another and/or the sale, in whole or in part, of the Company;

(xiii) filing of bankruptcy, receivership or other like proceedings involving the Company;

(xiv) approve the admission of any new Member, Additional Member, substitute Member and/or assignee as a Member of this LLC;

(xv) to negotiate the sale of all or substantially all of the assets of the LLC not in the ordinary course of business or the merger or consolidation with another business entity as allowed under the Act;

(xvi) to cause the LLC to enter into any agreement or arrangement with any Manager, or an Affiliate of either pursuant to which any Manager, Member or any of such Affiliates is to receive compensation of any kind and/or to make payments in connection with indemnification hereunder and/or otherwise distributed to Members and/or Manager(s);

(xvii) to select a successor to Manager (1) upon Manager's resignation; (2) upon removal of any Manager pursuant to Section 3.04 hereof; or (3) Termination of a Manager;

(xviii) to bring suit, initiate mediation, arbitration or other dispute resolution and to defend or not defend any lawsuit and/or complaint brought against the LLC or the conduct of its business or assets;

(xix) to appoint a liquidator;

(xx) to change any purpose of the LLC in its Certificate;

(xxi) to create or issue Percentage Interests or other ownership interests in the LLC which are not in existence at the time of this Agreement;

(xxii) to effect any borrowing by the LLC in terms of which include any convertible or participating or shared appreciation interest of the lender or any pledge by the Members of their Percentage Interests in the LLC or any portions thereof;

(xxiii) to amend the Certificate of Organization, from time to time;

(xxiv) to contest any action(s) and/or inaction(s) and/or all other approvals and/or consents of Members provided herein;

(xxv) to issue or reserve for issuance from time to time, any Percentage Interests which may be authorized from time to time to such person for such consideration and upon such terms and conditions as they shall determine;

(xxvi) to effect a conversion of the Company into a corporation organized under the laws of the any jurisdiction;

(xxvii) to compromise the obligation of a Member to make a contribution to the capital of the LLC or to return to the LLC money or other property paid or distributed to such Member in violation of this Agreement or the Act;

(xxviii) The Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), may, from time to time, delegate to one or more persons (including any Member or any officer or employee of the Company) such authority and responsibility as the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), may deem advisable including, but not limited to, the creation of an advisory board to assist and counsel the Manager(s) on decisions impacting the Company. Any delegation pursuant to this subsection (c) may be revoked at any time by the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members); and

(xxix) to exercise any and all other powers Manager deems necessary or appropriate in managing and conducting the business of the LLC.

(b) **Conclusive Evidence.** Unless otherwise provided in this Agreement, any action taken by a Manager, and the signature of a Manager on any agreement, contract, instrument or other document on behalf of the LLC, shall be sufficient to bind the LLC and shall conclusively evidence the authority of Manager(s) and the LLC with respect thereto.

(c) **When GBH Inc is not Manager.** From and after removal for Cause, or voluntary resignation of GBH Inc. as Manager or Expulsion of GBH Inc. as Member, the business and affairs of the Company shall thereupon be managed by Consent of Members with the same powers and authority vested previously in Manager(s) hereunder.

Notwithstanding anything to the contrary, Members subject to removal, resignation, dissolution of LLC or other event set forth in Section 3.04 as Manager shall have no rights to vote and/or participation in any Consent of Members.

3.03. Reliance by Third Parties. Any person dealing with the LLC, any Manager or any Member may rely upon a certificate signed by Manager(s) (but where GBH Inc. is not Manager then by Consent of Members) as to: (a) the identity of any Manager or Members; (b) any factual matters relevant to the affairs of the LLC; (c) the persons who are authorized to execute and deliver any document on behalf of the LLC; or (d) any action taken or omitted by the LLC, any Manager or any Member.

3.04. Resignation / Removal / Replacement of Manager. Except as may be otherwise provided under applicable Employment Agreement(s), a Manager shall serve as such until:

(a) **Dissolution.** Dissolution of the LLC and completion of the liquidation contemplated by Article IX hereof;

(b) **Resignation.**

(i) **Event.** His/her/its resignation, removal as specified herein, death, or mental incompetency as determined by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members).

(ii) **Effectiveness.** GBH Inc. and/or any individual serving as a Manager, while competent, may resign such office at any time, effective upon filing of an amendment to the Certificate noting a successor Manager appointed.

(iii) **Successor.** Upon removal for Cause or resignation by GBH Inc., its successor shall be selected by Consent of Members.

(c) **Removal.** At any time or times, by Consent of Members, such Members may remove a Manager serving hereunder for Cause but, any removal, if involving GBH Inc., must also involve its successor being selected by Consent of Members as the successor Manager with all of the rights and powers afforded to GBH Inc.as Manager hereunder unless otherwise specifically provided in such Consent of Members.

3.05. Compensation/Reimbursement.

(a) **General.** The Manager shall be entitled to receive reasonable compensation for his/her/its services as determined, from time to time, by Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members). In addition, the Manager shall be entitled to reimbursement for out-of-pocket expenses incurred by him/her/it in managing and conducting the business and affairs of the LLC, against reasonable substantiation as may be required by IRS.

(b) **Guaranteed Payments.**

(i) To the extent any compensation paid to any Member in his capacity as a Manager by the Company, including any fees payable to any such Member who is also a Manager pursuant to this subparagraph (b)(i) and (ii) immediately below hereof, is determined by the Internal Revenue Service not to be a guaranteed payment under Code § 707(c) or is not paid to such Member in his capacity as Manager within the meaning of Code § 707(a), the applicable Member who is also a Member shall be specially allocated gross income of the Company in an amount equal to the amount of that compensation, and the Member's Capital Account shall be adjusted to reflect the payment of that compensation.

(ii) Immediately upon securing both the final State license and certificate of occupancy for 187 Lafayette Road, Salisbury, MA, each Manager shall be entitled to compensation for services performed for the Company in an amount of not less than $5,000.00 per month as the same may be adjusted, from time to time, by: Manager acting by Consent of Manager(s) (but whenever GBH Inc. is not Manager, then by Consent of Members).

3.06. Limitation of Liability of Manager. No Manager shall be obligated personally for any debt, obligation or liability of the LLC or of any Member, whether arising in contract, tort or otherwise, solely by reason of being or acting as Manager of the LLC. No Manager shall be personally liable to the LLC or to its Members for breach of any fiduciary or other duty that does not involve acts or omissions in bad faith or which involve intentional misconduct or a knowing, deliberate and willful violation of law.

3.07. Officers. The Manager(s) acting by Consent of Manager(s) may, from time to time, appoint individuals to act as officers of the LLC and may delegate to such officers such authority to act for the LLC as the Manager(s) deem appropriate provided that whenever GBH Inc. no longer serves as Manager, the appointed officers shall be ratified by Consent of Members. Any such officer may be terminated by the Manager(s) with or without cause.

3.08. Cooperation. Each Member and Manager (except as may be otherwise specified in applicable Employment Agreement(s) under Section 2.11) agrees to:

(a) devote his/her best efforts, and his/her skill and ability to promote the interests of the Company;

(b) carry out his/her duties in capacity as a Member and/or Manager to Company, if any, in a competent and professional manner;

(c) cooperate with other Members, Manager(s), agents of the Company in a cooperative, competent and professional manner, except as otherwise provided in relevant document;

(d) not engage in any event falling within Termination, including resigning, except as permitted hereunder; and

(e) devote if not his full-time, to the extent agreed to in any other agreement signed by Manager, at least significant time to the business of the Company.

ARTICLE IV – Indemnification

4.01. (a) **No Liability**. (i) **General.** Neither any Manager nor any Member (whether acting as Member or as Manager or otherwise), nor their respective affiliates (when acting in the capacity as or for such Member or Manager) shall have any liability to the LLC or to any Member or Manager for any loss suffered by the LLC or any Member or Manager, that arises out of any action or inaction of the Manager or Member, or their foregoing respective affiliates.

(ii) **No Fiduciary Obligations.** No Member or Manager shall be a fiduciary of, or have any fiduciary obligations to, Members and/or Manager(s) in connection with the LLC, this Agreement, or performance of his/her/its obligations under this Agreement; and each Member hereby waives to the fullest extent permitted by applicable law any such rights s/he/it may have to claim any breach of fiduciary obligation under this Agreement or in connection with the LLC with respect to any Member and/or Manager.

(iii) **Release.** In furtherance of this Section 4.01(a), each Member hereby releases each Related Person, to the fullest extent permitted by applicable law, from and against any and all Damages, including, without limitation, Damages incurred in investigating, preparing or defending any action (including any action to enforce this Section 4.01), claim, suit, inquiry, proceeding, investigation or appeal taken from any of the foregoing by or before any court or other Governmental Authority, whether pending or threatened, whether or not a Related Person is or may be a party thereto, which, in the good faith judgment of the Manager(s), arise out of, relate to or are in connection with this Agreement or the nature of the purpose of the business, the management or conduct of the business or affairs of the Company as contemplated by this Agreement, any other Person in which the Company, GBH Inc. and/or either George Haseltine or Brad Kutcher has a direct or indirect interest or any of their

respective Affiliates (including, without limitation, actions taken or not taken by any Related Person as a director of any Person in which the Company has a direct or indirect interest or any Affiliates of such Person or activities of any Related Person which relate to the offering and selling of Member Interests), except for any such Damages that are finally found by a court of competent jurisdiction to have resulted primarily from the bad faith, gross negligence or intentional misconduct of, or material breach of this Agreement or knowing violation of a law, other than related to cannabis, by the Person seeking indemnification. If any Related Person is entitled to indemnification from any source other than the Company, including, without limitation or any insurance policy by which such Person is covered, then the Manager(s) shall use their reasonable best efforts to cause such Related Person to seek indemnification from such other source simultaneously while seeking indemnification from the Company, and the amount recovered by such Related Person from such other source shall reduce the amount of the Company's indemnification hereunder. Such attorneys' fees and expenses shall, in the sole discretion of the Manager(s), be paid by the Company as they are incurred upon receipt, in each case, of a written undertaking by or on behalf of the Related Person on whose behalf such expenses are incurred to repay such amounts if it is finally adjudicated by a court of competent jurisdiction that indemnification is not permitted by law or this Agreement.

(b) **Indemnification.** (i) (A) The Company hereby agrees to the maximum extent permitted by applicable law, indemnify and hold harmless all Members and Manager(s) together with Related Persons and the Company. In furtherance thereof, the Company shall indemnify any Person who was or is a party, or is threatened to be made a party, to any pending, threatened or completed action, suit or proceeding, whether criminal, civil, administrative or investigatory, by reason of the fact that such Person is or was a Manager, or officer or counsel of the Company, or is or was serving at the request of the Company or the Manager as a partner, director, officer, principal, counsel or trustee of another corporation or business entity, or benefit plan or trust, against expenses, judgments, fines, and amounts paid in settlement actually and reasonably incurred by such Person in connection with such action, suit or proceeding, unless the Person seeking indemnification is determined to have been guilty of some gross negligence, fraud or willful misconduct, or otherwise not to have acted in good faith in the reasonable belief that his actions or omissions were in the best interests of the Company; *provided, however*, that the standard of conduct set forth in this sentence shall apply to a Manager who is also an officer if the basis on which he or she is made a party to the proceeding is an act or omission solely as an officer. For the avoidance of doubt, conduct shall not be deemed to be willful misconduct for engaging in activity related to cannabis or the cannabis industry that may be a violation of federal law, so long as the conduct or activity is reasonably believed to be in compliance with applicable state laws. Indemnification may include payment by the LLC of expenses in defending a civil or criminal action or governmental proceeding as well as appeal(s) therefrom and with respect to the Manager acting by Consent of Manager(s) (but where GBH Inc. is not Manager,

then by Consent of Members) such course of conduct did not constitute gross negligence or willful misconduct.

(B) **Acting As Representative of LLC.** (1) Except as otherwise expressly required by law, the LLC shall, to the fullest extent legally permissible, indemnify any person serving or who shall have served at the request of the LLC, Manager(s) or Members, as a director, or officer or manager of another organization or other agent acting on behalf of the LLC and/or its Member(s) or in any other capacity, against all liabilities, costs, including judgments, fines, settlement payments, penalties and expenses, including reasonably attorneys' fees and all amounts, paid or incurred, (other than to the LLC or such other organization) imposed upon or reasonably incurred by such person in connection with or arising out of any (or incurred in anticipation of) claim, action, suit or proceeding, civil or criminal, in which s/he/it or they may be (by any person other than this LLC) made a party defendant or which s/he/it may be threatened by reason of such person's being or having so served as officer, director or other agent at the request of LLC, Manager(s) or the Members or serving in any capacity for any entity for which the LLC is a stockholder or owner or creditor and by which s/he/it is not so indemnified, or by reason of any action or omission by him/her/it in such capacity, whether or not s/he/it continues to be such at the time of incurring such expenses or at the time the indemnification is made provided that s/he is not adjudicated to have acted without authority beyond his/her authority or to have acted in bad faith or with recklessness.

(2) **Employee Benefit Plan.** If the LLC or any Manager sponsors or undertakes any responsibility as a fiduciary with respect to an employee benefit plan, then for purposes of this Article (i) "Manager" shall be deemed to include said Manager or any officer or agent of the LLC who serves at the request of the Manager(s) in any capacity with respect to said plan, (ii) said Manager or officer shall not be deemed to have failed to act in good faith or in the reasonable belief that its action was in the best interests of the LLC if said Manager, officer or agent acted in good faith and in the reasonable belief that its action was in the best interests of the participants or beneficiaries of said plan, and (iii) "expenses" shall be deemed to include any taxes or penalties imposed upon said Manager or officer with respect to said plan under applicable law.

(C) **Heirs and Personal Representatives.** The indemnification provided by this Article shall inure to the benefit of the heirs and personal representatives of each Manager and Member.

(ii) **Settlement.** The termination of any proceeding by settlement shall be deemed not to create a presumption that any indemnified person involved in such settlement acted in a manner which constituted bad faith, gross negligence, intentional misconduct, material breach of this Agreement or a

knowing violation of law. The indemnification provisions of this Section 4.01 may be asserted and enforced by, and shall be for the benefit of, each indemnified person, and each indemnified person is hereby specifically empowered to assert and enforce such right, provided that any indemnified person who fails to take such actions as the Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members) may reasonably request in defending any claim or who enters into a settlement of any proceeding without the prior approval of the Manager(s) (which shall not be unreasonably withheld) shall not be entitled to indemnification provided in this section. The right of any indemnified person to the indemnification provided herein shall be cumulative of, and in addition to, any and all rights to which such indemnified person may otherwise be entitled by contract or as a matter of law or equity and shall extend to his or its heirs, successors, assigns and legal representatives.

(iii) **Exception To Indemnification.** Notwithstanding anything to the contrary, however:

(A) no indemnification shall be provided: (1) for any person with respect to any matter as to which she/he/it shall have been adjudicated in any proceeding not to have acted in foregoing good faith in the reasonable belief that his/her/its action was consistent with said best interests of the LLC; (2) for any losses, liabilities or expenses arising from or out of a violation of federal or state securities laws or any other intentional or criminal wrongdoing other than occasioned by violation of acknowledged federal law prohibiting and/or governing cultivation and production of cannabis or otherwise related to purpose and business of the Company; (3) regarding his/her/its Expulsion or Mandatory Redemption; or (4) for any losses, liabilities, expenses and/or claims arising out of, or related to, his/her acting as an adversary of the LLC and/or GBH Inc. in any proceeding.

(B) The Company may, but shall not be required to, indemnify any employee, independent contractor **or** agent of the Company (other than serving as Manager) on the same terms, or on such other terms as the Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members) deems appropriate.

(c) **Contribution.** If for any reason the indemnity provided for in this Section 4.01 and to which an indemnified person is otherwise entitled is unavailable to such indemnified person (other than for reason of such indemnified person acted in a manner which constituted bad faith, gross negligence, intentional misconduct, material breach of this Agreement or a knowing violation of law) in respect of any Damages, then the Company, in lieu of indemnifying such indemnified person, shall contribute to the amount paid or payable by such indemnified person as a result of such Damages in

the proportion the total capital of the Company (exclusive of the balance in the indemnified person's Capital Account (which, for purposes of this Section 4.01, in the case of a indemnified person which is not a Member, shall mean the Manager(s)' Capital Account, if any, if the indemnified person is an Affiliate thereof)) bears to the total capital of the Company (including the balance in the indemnified person's Capital Account), which contribution shall be treated as an expense of the Company.

(d) **Assets of the Company; Insurance**.

(i) **Insurance.** The LLC shall have power to purchase and maintain insurance on behalf of any Manager, officer, agent or employee against any liability or cost incurred by such person in any such capacity or arising out of its status as such, whether or not the LLC would have power to indemnify against such liability or cost.

(ii) **Assets.** The Manager(s) have the right in their sole discretion acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members) to satisfy any right of indemnity or contribution granted under this ARTICLE IV to which it may be otherwise be entitled out of the assets of the Company. The Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members) may obtain appropriate insurance on behalf of the Company to secure the Company's obligations hereunder.

(iii) **Offset.** (A) Any indemnity under this Section shall be paid from, and only to the extent of, assets and/or available insurance, and no Member or Manager shall have any personal liability on account thereof, except as otherwise contemplated hereunder and/or other related agreements. The LLC shall not incur the cost of that portion of any insurance, other than public liability insurance, that insures any party against any liability as to which such party is herein prohibited from being indemnified.

(B) The LLC's obligation to provide indemnification hereunder shall be offset to the extent of any other source of indemnification or any otherwise applicable insurance coverage.

(e) **Not Liable for Return of Capital**. Neither the Manager(s) nor any other Related Person shall be personally liable for the return of the Capital Contributions of any Member or any portion thereof or interest thereon, and such return shall be made solely from available Company assets, if any.

4.02. Advance, ETC.

(a) **Advance Payment.** If authorized in the manner provided herein, expenses, including counsel fees, reasonably incurred by any such indemnified person in connection with the defense or disposition of any such action, suit or other proceeding, may be paid from time to time by the LLC in advance of the final disposition thereof

upon receipt of (A) an affidavit of such individual of his/her/its good faith that s/he has met the standard of conduct necessary for indemnification under this Section, (B) an undertaking by such individual to repay the amounts so paid by the LLC if it is ultimately determined that indemnification for such expenses is not authorized by law or under this Article, which undertaking may be accepted without reference to the financial ability of such person to make repayment, and (C) approval by Consent of Manager(s) (but where GBH Inc. is not Manager, or if no Manager or if involving a Manager, then by a majority in Percentage Interests of disinterested Member(s)).

(b) **Non-Exclusive.** The right of indemnification hereby provided shall not be exclusive of, or affect, any other rights to which any such person authorized to be indemnified hereunder may be entitled and shall inure to the benefit of the executor or administrator of such indemnified person or other person, this right is in addition to those provided by law. Nothing contained in this Article shall affect any rights to indemnification to which any Member and/or Manager may be entitled by contract, by agreement, under law or otherwise.

(c) **Continuing.** Any indemnification to be provided hereunder shall be provided even if the person to be indemnified is no longer then a Manager or Member or affiliate of a Manager or Member or not then acting at the request of the LLC.

4.03. Definition. As used in this Article the terms "person", "Director", and "officer", "employee", "agent", "representative" include their respective heirs, executors and administrators, and an "interested" Member is one against whom in such capacity the proceedings in question or other proceedings on the same or similar grounds is then pending.

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

4.05. Non-Exclusivity. The provisions of this Article shall not be construed to limit the power of the LLC to indemnify its Manager(s), Members, officers, employees or agents to the full extent permitted by law or to enter into specific agreements, commitments or arrangements for indemnification permitted by law. The absence of any express provision for indemnification herein shall not limit any right of indemnification existing independently of this Article.

4.06 Severability. If this ARTICLE IV or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless such person indemnified pursuant to this ARTICLE 4 as to cost, charges and expenses, including reasonable attorneys' fees, judgments, fines and amounts paid in settlement with respect to any suit, action or proceeding including any appeal thereof to the full

extent permitted by any applicable portion of this Article IV that shall not have been so invalidated and to the fullest extent permitted by applicable law.

ARTICLE V – Conflicts of Interest / Confidentiality / Non-Competition

5.01. Transactions with Interested Persons and/or Affiliate(s).

(a) **General.** (i) The Manager(s) and their respective Affiliates (including any members, partners, officers, directors and shareholders of such Persons), employees or other agents shall devote such time to the affairs of the Company as in the judgment of the Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members) deem appropriate. Notwithstanding the foregoing, for avoidance of doubt, GBH Inc. as Manager(s) shall not be obligated to do or perform any act or thing in connection with the business of the Company not expressly set forth herein or in any written agreements ancillary hereto duly executed and delivered by GBH Inc.

(ii) Nothing contained herein shall be deemed to preclude the Manager(s) or, as the case may be, any of their respective Affiliates, employees or other agents from engaging directly or indirectly in any other businesses, including without limitation, those acknowledged and/or permitted hereunder.

(A) **Interested Transactions.** No contract or transaction between the LLC and any Manager or his/her Affiliates or between the LLC and any other corporation, partnership, association or other organization in which any Manager has a financial interest or is a director, partner, manager or officer and is approved by Consent of Manager(s) while GBH Inc. is Manager (but where GBH Inc. is no longer a Manager, then as approved by Consent of Members), shall not be voidable for this reason or because said Manager was present or participated in the authorization of such contract or transaction or benefits from same. Neither GBH Inc., nor its Affiliates interested in such contract or transaction, because of such interest, shall be considered to be in breach of this Agreement or liable to the LLC or any Member, or Manager or any other person or organization for any loss or expense incurred by reason of such contract or transaction or shall be accountable for any gain or profit realized from such contract or transaction.

(B) **Services to Company.** The Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is not Manager then Members, acting by Consent of Members) shall have the authority to engage any other Member or Manager or any Affiliate of either to provide services to the Company, provided that the costs of such services are on terms no less favorable to the Company than the Company could obtain from an unrelated third party providing similar services and that such services are obtained in accordance with applicable law.

(C) **Permissible Business Opportunities.** (1) GBH Inc., its affiliates, including without limitation George Haseltine and Brad Kutcher, their respective affiliates, individually and/or collectively, without liability, at law or in equity,

to the LLC or its Members on account thereof, may be engaged in businesses which are similar to and/or compete with that of the LLC. Moreover, neither need disclose, or present same, to LLC and give LLC opportunity to participate in any such business(es) and/or opportunities.

(2) **Definition.** "Affiliate" and/or "affiliate" or any derivative thereof such as "affiliated" shall mean:

(aa) with respect to any entity, any officer or director of such entity and any person, corporation, limited liability company, partnership or other entity which, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such entity;

(bb) with respect to any specified person or entity: (w) any person or entity that: such person controls or influences, and/or directly or indirectly controls, is controlled by, or is under common control with such specified person or entity; (x) any person or entity that directly or indirectly controls ten (10%) percent or more of the outstanding equity interests of an entity or of which the specified person or entity is directly or indirectly the owner of ten (10%) percent or more of any class of equity interests; (y) any person or entity that is an officer of, director of, manager of, partner in, or trustee of, or serves in a similar capacity with respect to, the specified person or entity or of which the specified person or entity is an officer, director, partner, manager or trustee, or with respect to which the specified person or entity serves in a similar capacity; or (z) any person that is a member of the immediate family of the specified person.

5.02. Permissible Activities/Outside Businesses. (a) **Acknowledgment and Approval.** Notwithstanding anything to the contrary herein or otherwise, the following, together with activities under Section 5.01 and this Section 5.02(a), herein involving GBH Inc. and Affiliates are permissible activities and/or "Permitted Activities" (collectively, "Permissible Activities"):

(i) **GBH Inc. and Affiliates.** It is understood and approved that GBH Inc., its affiliates, including without limitation, George Haseltine and Brad Kutcher and their respective affiliates, individually and/or collectively, each have existing outside business operations, related and/or unrelated, to the business of the Company and intend alone and/or together, directly or indirectly, to own and/or operate, in whole or in part, one or more businesses, from and after date first above written, which may be the same as, and/or complimentary to the Company's business, including without limitation, to the extent not specifically prohibited by then regulation applicable to the cannabis industry in the Commonwealth of Massachusetts, competitors of the Company and/or in ancillary businesses to the Company such dispensary(ies) for products grown and/or

cultivated by Company at 187 Lafayette Road, Salisbury, MA ("Separate Dispensary Business(es)") as well as:

(A) Each Member and Manager understands and acknowledges that the conduct of the Company's business may involve business dealings and undertakings with GBH Inc., its affiliates, including without limitation, George Haseltine and/or Brad Kutcher, and/or their respective Affiliates, including:

(1) Real estate rented by Company from 187 LLC, (of which George Haseltine and Brad Kutcher are presently Members);

(2) Construction business operated by George Haseltine and/or construction business operated by Brad Kutcher and/or their respective affiliates;

(3) Separate Dispensary Business(es);

(4) Root and Bloom LLC;

(5) Local Bloom; and

(6) Such additional enterprises, businesses and ventures as may be conducted from and after date first above written by GBH Inc. and/or its affiliates, including without limitation, George Haseltine and/or Brad Kutcher.

In any of those cases, those dealings and undertakings shall be on reasonable terms and such dealings are <u>not</u> a breach of any duty, at law or in equity.

(C) Without limitation of any of the authority set forth herein, GBH Inc. is expressly authorized, for, in the name of, and on behalf of the LLC as follows:

(1) to cause the LLC to enter into personal services agreements with:

(x) such person(s) and/or entity(ies) pursuant to which each will provide executive, management and administrative services to the Company as determined to be necessary or appropriate by GBH Inc., its affiliates, including without limitation, George Haseltine and/or Brad Kutcher; and

(y) with any Manager pursuant to which Manager shall receive not less than complete reimbursement of all expenses incurred by such Manager in connection with Company business and a monthly fee in such amount(s) as determined necessary or appropriate to compensate Manager for his/her/its services to the Company.

(2) The fact that any Manager and/or Member is directly or indirectly affiliated or connected with any person shall not prohibit the Manager from dealing with that party(ies) and is not a breach of any duty, at law or in equity.

(iii) **Local Bloom.** Affiliates of GBH Inc. form and operate a Massachusetts not-for-profit company to which 3% of Available Cash of LLC shall be contributed annually.

(iv) **Root and Bloom**. Affiliates of GBH Inc. form and operate Root and Bloom LLC, the licensor under the License Agreement.

(v) GBH Inc. is owned and operated by George Haseltine and Brad Kutcher.

(vi) **Investment Opportunity.** Neither GBH Inc. nor George Haseltine nor Brad Kutcher nor their respective Affiliates shall be obligated to present any investment and/or other business opportunity to the LLC and/or its Members. The Members hereby expressly waive any claim of conflict of interest or similar claim arising out of or related to any transactions entered into by GBH Inc., its Affiliates, including without limitation, George Haseltine and/or Brad Kutcher and/or their respective Affiliates.

(b) **Investment Opportunities Available to Members.** (i) Except as otherwise provided herein, each Member and/or any Manager (other than GBH Inc., its Affiliates, including without limitation, George Haseltine and Brad Kutcher) must fully disclose to, and obtain Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members), before engaging in any or taking advantage of any business opportunity in the same line of business as Company and/or similar to business of Company or ancillary to the Company.

(ii) **Others.** Except as otherwise provided with respect to GBH Inc. and its Affiliates, including without limitation, George Haseltine and/or Brad Kutcher, all other Members and their respective Affiliates may only engage in, possess interests in, own, operate or manage other businesses or investment **ventures** of every kind and description for their own account or jointly with others; *provided that* such business or investment venture is approved in writing by Managers, acting by Consent of Managers (but where GBH Inc. is not

Manager, then by Consent of Members) and is not a conflict with Member Eligibility Requirements, does not trigger any Disqualification Felony and is not directly in the same line of business of the Company, Competitive Business and/or competing with the business of the Company or otherwise not permitted hereunder (the "Opportunities"); **and**

(A) such Member(s) provide seven (7) days' advance notice to the Company of an investment by any such Member in person in any of the Opportunities. Each Member agrees that it will not invest in Opportunities in this state and/or other states that have limitations on the number of cannabis licenses that a company may own and/or the financial interests that an individual may retain in multiple cannabis licenses, but only to the extent that such investment(s) could reasonably be expected to preclude the Company from expanding its operations, obtaining cannabis licenses from, or investing in Opportunities, in the respective state.

(B) such Member(s) must provide:

(1) the material facts as to the relationship or interest of said Member and such additional information as Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), may request, from time to time; and

(2) the contract or transaction is approved by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members) and is fair to the LLC as of the time it was authorized, approved or ratified by Consent of Members.

(D) To the extent that (1) any Member acquires equity ownership or financial interest in any person in the Commonwealth of Massachusetts or any other state in which the Company possesses or is pursuing cannabis licensure; and (2) such ownership jeopardizes the Company's licensure (or pending license application), the Member agrees that it will immediately divest itself of such ownership or financial interest.

NOTE: The foregoing provision does not, however, apply to GBH Inc. or its affiliates, including without limitation, George Haseltine or Brad Kutcher. Neither the Company nor any other Member shall have any right, by virtue of this Agreement, in or to such other business or investment venture or the revenue or profits derived therefrom.

5.03 **No Participation.** No Member shall, by reason of being a Member, **have** any right to participate in any manner in the profits or income earned or derived by or accruing to the

Manager(s) or their respective Affiliates from the conduct of any Permitted Activity or Opportunities satisfying provisions of Section 5.02.

5.04. Non-Permitted Activities.

(a) **Similar Business Impermissible.** Any Member and/or Manager (excluding GBH Inc. and its affiliates based on Sections 5.01 and 5.02 above) must, provide full and accurate disclosure and obtain prior Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members but if the interested party is also a Member, then by consent of Disinterested Members) before engaging or having an interest in other business ventures that are similar to Company or a Competitive Business or any other venture, if the pursuit of such ventures would hinder, delay or interfere with the business strategies of the Company and/or success of Company ("Impermissible Activity").

(b) **Other Impermissible Activities.** Except when and as permitted under laws and regulations applicable to cannabis in Commonwealth of Massachusetts, no Member or Manager as an individual proprietor, partner, stockholder, officer, employee, director, joint venturer, investor, lender, consultant, or in any other capacity whatsoever (other than as the holder of not more than 9 percent of the combined voting power of the outstanding stock of a publicly held company), shall, without the prior approval of Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Disinterested Members), ***conduct any business (as a principal, investor, lender, or otherwise)*** that engages in the same line of business, directly or indirectly, with the business of the LLC or any portion thereof in any location or a business opportunity that may be beneficial to the LLC at any time while a Member and for a period of three (3) years thereafter. Members (excluding GBH Inc. and its affiliates, including without limitation, George Haseltine or Brad Kutcher) who do so notwithstanding such Member's covenant not to do so, shall account to the LLC and hold as trustee for it any property, profit or benefit derived by the Member, without the Consent of Manager (but where GBH Inc. is no longer Manager, then by Consent of Disinterested Members), in the conduct and winding up of the LLC business or from a use or appropriation by the Member of the LLC property including information developed exclusively for the LLC and opportunities expressly offered to the LLC. For avoidance of doubt this Section 5.04 does not apply to GBH Inc., its affiliates and their affiliates but instead Sections 5.01 and 5.02 apply solely to GBH Inc. and its affiliates.

(c) **Further Assurances.** Each Member covenants and agrees that it will cooperate with all reasonable requests from the Company to provide such information, disclosures, or other materials or take any other actions required to comply with current applicable regulations or rules as well as concerning any Permissible Activities and/or Impermissible Activities and/or businesses hereunder.

5.05 Confidential/Non-Disclosure/Non-Use/Non-Solicitation

(a) Each Member agrees: not to disclose; not to copy; and not to use, directly or indirectly, Company Information, Licensed Property, Licensor's Intellectual Property and/or Information, in whole or in part, of the other party for any reason other than to benefit the Company, except as otherwise contemplated by License Agreement and/or hereunder, including without limitation, Permitted Activities. Each Member will treat confidential and non-public Company Information, Licensed Property, Licensor's Intellectual Property and/or Information. Except as otherwise contemplated by License Agreement and/or Permitted Activities, each Member will not copy any documents, records, tapes or other media, except as authorized in writing by Consent of Manager(s) (but where GBH Inc. is not Manager then by Consent of Members), and shall treat confidential and non-public any such authorized copies in accordance with this Agreement. Further, each Member shall ensure that reasonable precautions are in place to safeguard the confidentiality of the Company Information, including but not limited to shredding and destruction of any and all copies of the Company Information.

(b) **Non-Solicitation / Non-Interference.** Further, during any period a Member or Manager is a Member and/or Manager, as the case may be, and for three (3) years following the termination of his/her status as a Member and/or Manager, as the case may be, such Member shall not (other than in connection with Permitted Activities):

(i) directly or indirectly, whether as an employee, agent, consultant, owner or otherwise, of any entity, compete with the LLC by soliciting contracts, or supervising the solicitation or acceptance of such contracts, originating or pertaining to any person or business which is a client and/or customer of the LLC or which has been solicited as a client and/or customer of the LLC, during the term of his/her status as a Member; or

(ii) take any action which might disturb the existing business relationships of the LLC with any of its clients, customers or vendors, including without limitation, in each case, clients, customers and vendors acquired by the LLC as a result of the Member's efforts during the terms of his/her status as a Member.

ARTICLE VI – Capital Accounts and Contributions

6.01 Authorized Capital and Percentage Interests

(a) **Authorized Capital**. As of the date hereof, the classes and number of issued and outstanding Percentage Interests of Authorized Capital and Class A Percentage Interests and Class B Percentage Interests are as set forth on **Schedule A** to this Agreement. By Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), the issuance of additional Percentage Interests (Class A or Class B), from time to time, as well as additional classes of Percentage Interests.

(b) **No Withdrawal.** No Member shall be entitled to receive interest on or to withdraw any amount from such Member Capital Account, other than as expressly provided herein.

6.02 Capital Contributions.

(a) **Class A Member**. The Class A Member has previously made contributions (capital and/or otherwise) as set forth on **Schedule A** to the Company in connection with the issuance of its Percentage Interests.

(b) **Non-Class A Members**. The contributions (capital) by Non-Class A Member(s) shall be as set forth on **Schedule A** to the Company in connection with the issuance of their Percentage Interests.

(c) **Payment of Initial Capital Contributions**. As a condition precedent to the issuance of Percentage Interests, and a subscriber being admitted to the Company as a new Member, such subscriber shall first make a contribution to the capital of the Company in an amount equal to its Capital Contribution commitment. All Capital Contributions shall be made in cash, by certified check or by wire transfer of funds at the direction of the Managing Member, or in such other lawful form as the Managing Member may permit, including other valuable consideration. No Member shall be obligated, or have the right, to make capital contributions to the Company in excess of its Capital Contribution commitment.

6.03 Capital Accounts. A Capital Account shall be maintained for each Member in accordance with Section 704 of the Code and the Treasury Regulations adopted thereunder. Without limitation of the foregoing, each such Capital Account shall be increased pursuant to the terms hereof, with the Member's Capital Contributions and with its share of the Profits, shall be decreased by its share of Losses and distributions, and shall otherwise appropriately reflect transactions of the Company and the Members. Profits, Losses and other Capital Account adjustments shall be determined in accordance with Treasury Regulations adopted under Section 704 of the Code.

(a) **Capital Accounts.** A separate capital account (a "Capital Account") shall be maintained for each Member in accordance with Section 1.704-1(b)(2)(iv) of the U.S. Treasury Regulations (the "Treasury Regulations"), and this Section 6.03 shall be interpreted and applied in a manner consistent with said Section of the Treasury Regulations. The LLC may adjust the Capital Accounts of its Members to reflect revaluations of the LLC property whenever the adjustment would be permitted under Treasury Regulations Section 1.704-1(b)(2)(iv)(f). In the event that the Capital Accounts of the Members are so adjusted, (i) the Capital Accounts of the Members shall be adjusted in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g) for allocations of depreciation, depletion, amortization and gain or loss, as computed for book purposes, with respect to such property and (ii) the Members' distributive shares of depreciation, depletion, amortization and gain or loss, as computed for tax purposes, with respect to such property shall be determined so as to take account of the variation between the adjusted tax basis and book value of such property in the same manner as under Section 704(c) of the Code. In the event that Code Section 704(c) applies to LLC property, the Capital Accounts of the Members shall be adjusted in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g) for allocations of depreciation, depletion, amortization and gain and loss, as computed for book purposes, with respect to

such property. The Capital Accounts shall be maintained for the sole purpose of allocating items of income, gain, loss and deduction among the Members and shall have no effect on the amount of any distributions to any Members in liquidation or otherwise. The amount of all distributions to Members shall be determined pursuant to Section 7.01. Notwithstanding any provision contained herein to the contrary, no Member shall be required to restore any negative balance in its Capital Account.

(b) **Initial Capital Accounts.** All contributions shall be paid in cash unless otherwise specified on **Schedule A** or agreed to by the Manager ("Contributions"). Except as set forth on **Schedule A**, no Member or Manager shall be entitled or required to make any contribution to the capital of the LLC; however, the LLC may borrow from one or more of its Members as well as from banks or other lending institutions to finance its working capital or the acquisition of assets upon such terms and conditions as shall be approved by the Manager acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then as approved by Consent of Members) and any such borrowing from Members shall not be considered Contributions or reflected in their Capital Accounts. The value of all Contributions made by Members shall be set forth in the Capital Accounts of each Member by Manager(s) and/or Company's then accountant. No Member shall be entitled to any interest or compensation with respect to his/her Contribution or any services rendered on behalf of the LLC except as specifically provided in this Agreement or approved by the Manager(s). No Member shall have any liability for the repayment of the Contribution of any other Member and each Member shall look only to the assets to the LLC for return of its Contribution.

(c) **Return of Capital Contributions**. No Member shall have the right to demand a return of his/her/its Contributions, except as otherwise provided herein or as permitted by the Manager(s). No Member shall be personally liable for the return of any portion of any other Member's Contributions, if any, and return of Contributions shall be made solely from the assets of the Company.

6.04 Issuance of Percentage Interests and Other Securities

The Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), are authorized, subject to the provisions of applicable law, the Company's Certificate and this Agreement, to issue from time to time any Percentage Interests. In addition to the foregoing, the Manager(s), acting by Consent of Manager(s), (but where GBH Inc. is not Manager, then by Consent of Members) may from time to time issue equity and/or debt securities, options or warrants to acquire Percentage Interests, and securities convertible into such Percentage Interests, all on such terms and conditions as the Manager(s), acting by Consent of Manager(s), determines in its business judgment. In the absence of actual fraud, the judgment of the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), as to the value of consideration shall be conclusive. Notwithstanding anything to the contrary contained herein, the actions and/or decisions of the Manager(s), acting by Consent of Manager(s), under this Section 6.04 shall be made in such manner and on such terms and conditions as the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), determines to be reasonable, appropriate and in the best interests of the Company.

6.05 Additional Capital from Existing Members; Admission of New Members; Other Capital Raises; Dilution.

(a) **Capital Calls; Pre-emptive Right.** If the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members), determines in good faith that additional capital is required by the Company upon terms and conditions as shall be determined in the exercise of the business judgment of Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members), who may determine to raise capital through a capital call, in which case the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members), shall so notify the Members in writing, together with a statement of the amount of capital required, the reasons therefor and the terms upon which the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members), desires to raise such capital. Each of the Members may, but shall not be required to, contribute additional capital to the Company on a *pro rata* basis. If less than all of the requested additional capital is contributed by the Members, then the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members), may, in its sole discretion, in addition to or in lieu of such capital call, and upon terms and conditions as shall be determined in the exercise of its business judgment, raise capital through an issuance of Percentage Interests or other securities pursuant to Section 6.04 consistent with the provisions of this Agreement. Capital contributions shall be due and payable within the period specified in the Manager's, acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members), written notice to the Members, or on such other terms as the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members), may reasonably determine to be necessary and appropriate.

(b) **Other Capital Raises**. If all of the requisite capital is not committed to or if the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members) determines not to raise capital through a capital call pursuant to Section 6.05(a) by existing Members, then the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members), may determine to raise capital in the manner as determined by the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members), upon terms and conditions determined in the business judgment of the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members), to be commercially reasonable, which may include the issuance of Percentage Interests, Class A, any new class, and/or other securities in the Company. To the extent such capital raise involves the issuance of Percentage Interests, acquiring persons shall become new (as applicable) Additional Members of the Company upon compliance with all applicable provisions of this Agreement.

(c) **Pre-emptive Right for Percentage Interests Issuances**. With respect to any capital raising transaction under this Agreement that involves the issuance of additional Percentage Interests or other securities of the Company, each Member shall

have a right of first refusal to purchase its *pro rata* share of any such Percentage Interests or other securities. For purposes hereof, "*pro rata*" means the number of Percentage Interests equal to the ratio of (i) the number of Percentage Interests held by such Member immediately prior to the issuance of such securities to (ii) the total number of Percentage Interests outstanding immediately prior to the issuance of such securities. If the Company proposes to issue any such additional Percentage Interests or other securities, it shall give each Member written notice of such intention, describing such Percentage Interests or other securities, the price and terms and conditions upon which the Company proposes to issue the same. Each Member shall have thirty (30) days from the receipt of such notice to agree to purchase its *pro rata* share of such Percentage Interests or other securities for the price and upon the terms and conditions specified in the notice by giving written notice to the Company and stating therein the number of Percentage Interests or other securities to be purchased. To the extent any Member specifies a number in excess of his, her or its *pro rata* share, he, she or it may purchase additional offered Percentage Interests or other securities to the extent they are not purchased by other prospective purchasers.

(d) **Exceptions.** Notwithstanding the foregoing, in no event shall this Section 6.05 apply to (i) any issuance by the Company of indebtedness to institutional or commercial lenders, (ii) any grant by the Company of Percentage Interests or options to purchase Percentage Interests to employees, consultants, Manager(s) or directors of the Company or its subsidiaries for compensatory purposes, (iii) any issuance of Percentage Interests or other securities of the Company issued pursuant to acquisitions or strategic transactions approved by the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members), pursuant to this Agreement, *provided that* any such issuance shall only be to a person (or to the equity holders of a person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities and (iv) any issuance by the Company of securities or rights, whether debt or equity, convertible into Percentage Interests, any simple agreement for future equity, or options or warrants to purchase Percentage Interests, or any combination of the foregoing.

ARTICLE VII – Distributions and Allocations

7.01. Distribution of LLC Funds Other than Governed by ARTICLE IX.

(a) **General.**

(i) **Available Cash.** Except upon dissolution, all funds and assets of the LLC available for distribution must only be made from Available Cash (including liquidating distributions) are determined by the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then as determined

by Consent of Members), shall be distributed to the Members in accordance with their then Percentage Interests.

(A) **Minimum Mandatory Tax Distribution Amount.** Notwithstanding anything to the contrary, however, unless restricted or prohibited by any agreement with any lender or other person, distributions from Available Cash to Members shall be made annually on or before April 15th of each year in an amount equaling, in any year, the applicable Tax Distribution Amount, those Members to whom allocations of Net Profits have been made by the Company in an amount that is deemed by the Manager(s) sufficient to pay the combined estimated federal and state income tax liability of such Members resulting solely from inclusion of the operating results of the Company on the personal tax returns of such Members using an assumed combined state and federal income tax rate of forty percent (40%) ("Tax Distribution Amount"). The Manager(s) shall not be required to consider the personal circumstances of the Members in making a determination of the estimated combined federal and state income tax liability of the Members and shall make an assumption as to the "tax bracket" applicable to the Members as a group as provided. The amount of any distribution made to a Member pursuant to this Section 7.02(a)(i)(A) shall be deducted from the amount of any current or future distributions that would otherwise be made to such Member pursuant to ARTICLES VII or IX. The Manager(s) may withhold from distributions to any Member any amount required to be withheld pursuant to the Code or any other law, rule or regulation. Any amount so withheld shall be treated as a distribution to the affected Member.

(B) **Available Cash for Distribution.** As contemplated by this Agreement, except as otherwise provided upon dissolution, distributions to Members are made only from Available Cash [(i.e., only from net) available from cash flow of Company as determined by Consent of Manager(s) (but where GBH Inc. is not Manager, then as approved by Consent of Members)], from time to time.

(ii) **No Payment Upon Expulsion or Other Withdrawal.** No Member shall be entitled to any distribution or payment with respect to his/her/its Percentage Interests in the LLC upon the resignation or, Expulsion in or other withdrawal of such Member, except to the extent that the LLC exercises its option to purchase the Percentage Interests of such Member under Section 8.05. Distributions may be limited and repayable as provided in the Act and in this Agreement.

(iii) **No Other Rights.** No Member has any right to any distributions prior to the termination of the LLC, except as set forth in this Agreement.

(b) **Final Distribution.** The final distributions following dissolution of the Partnership shall be made in accordance with the provisions of ARTICLE IX.

7.02. Allocations of Profits and Losses. All items of LLC income, gain, loss and deduction as determined for book purposes shall be allocated among the Members and credited or debited to their respective Capital Accounts in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv), as the same may be adjusted to accommodate cannabis industry and applicable Treasury Regulation, so as to ensure to the extent possible (i) that such allocations satisfy the economic effect equivalence test of Treasury Regulations Section 1.704-1(b)(2)(ii)(*i*) (as provided hereinafter) and (ii) that all allocations of items that cannot have economic effect (including credits and nonrecourse deductions) are allocated to the Members in accordance with the Members' Percentage Interests in the LLC, which, unless otherwise required by Code Section 704(b) and the Treasury Regulations promulgated thereunder, as the same may be adjusted to accommodate cannabis industry and applicable Treasury Regulation, shall be in proportion to their Percentage Interests. To the extent possible, items that can have economic effect shall be allocated in such a manner that the balance of each Member's Capital Account at the end of any taxable year (increased by the sum of (a) such Member's "share of partnership minimum gain" as defined in Treasury Regulations Section 1.704-2(g)(1) and (b) such Member's "share of partner nonrecourse debt minimum gain" as defined in Treasury Regulations Section 1.704-(i)(5)) would be positive to the extent of the amount of cash that such Member would receive (or would be negative to the extent of the amount of cash that such Member would be required to contribute to the LLC) if the LLC sold all of its property for an amount of cash equal to the book value (as defined pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)) of such property (reduced, but not below zero, by the amount of nonrecourse debt to which such property is subject) and all of the cash of the LLC remaining after payment of all liabilities (other than nonrecourse liabilities) of the LLC were distributed in liquidation following the end of such taxable year in accordance with Section 7.01.

7.03. Distribution of Assets in Kind. No Member shall have the right to require any distribution of any assets of the LLC to be made in cash or in kind. If the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then as approved by Consent of Members) determines to distribute assets of the LLC in kind, such assets shall be distributed on the basis of their fair market value as determined by the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then as approved by Consent of Members). Any Member entitled to any interest in such assets shall, unless otherwise determined by the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then as approved by Consent of Members), receive separate assets of the LLC, and not an interest as tenant-in-common with other Members so entitled in each asset being distributed. Distributions in kind need not be made on a pro-rata basis but may be made on any basis which the Manager(s) determine to be reasonable under the circumstances.

ARTICLE VIII – Transfers of Interests/Repurchase of Interest

8.01. General Restrictions on Transfer.

(a) **No Transfer.**

(i) **General.** Except as permitted in Sections 8.04 and 8.05 and with respect to permitted transfer(s) set forth in this ARTICLE VIII no Member may sell, assign, give, pledge, hypothecate, encumber or otherwise transfer, including, without limitation, any assignment or transfer by operation of law or by order of court, such Member's Percentage Interests in the LLC or any part thereof, or in all or any part of the assets of the LLC, without the written consent of the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members). Such approval can be withheld or denied for any reason or no reason, and any purported assignment without such consent shall be null and void and of no effect whatsoever.

(ii) **Transfer.** Transfer as used herein shall mean "Transfer" (whether used as a noun or a verb) and refer to any sale, exchange, issuance, redemption, distribution, encumbrance, hypothecation, gift, pledge, retirement, resignation, transfer, withdrawal, disposition or alienation in any way (whether voluntarily, involuntarily or by operation of law) as to any interest as a Member and/or Percentage Interests in the Company. Transfer shall specifically without limitation to the above, include assignments and distributions resulting from death, incompetency, bankruptcy, liquidation and dissolution.

(iii) **Void Transfer.** Any transfer in violation of any provisions of this Agreement shall be null and void and ineffective to transfer any Percentage Interests in the LLC and shall not be binding upon or be recognized by the LLC, and any such transferee shall not be treated as or deemed to be a Member for any purpose, but rather an unadmitted assignee. In the event that any Member shall at any time transfer its interest in violation of any of the provisions of this Agreement, the LLC and the other Members, in addition to all rights and remedies at law and equity, shall have and be entitled to an order restraining or enjoining such transaction, it being expressly acknowledged and agreed that damages at law would be an inadequate remedy for a transfer in violation of this Agreement.

(iv) **Permitted Transfer.** A "Permitted Transfer" shall be any transfer by any Member during life and/or at death, in a single or series of transactions as well as applied to any party(ies) permitted by this ARTICLE VIII or as otherwise approved by Manager acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), provided further that the applicable provisions of this Article VIII are satisfied, the Conditions of Transfer are satisfied unless otherwise waived or amended by Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members) and the applicable transferee executes and delivers a counterpart of this Agreement or Instrument of Adherence or the like and such other documents that disinterested Manager(s) may reasonably require in order to confirm such Permitted Transferee's qualifications as such and his/her obligation to be bound by the terms of this Agreement in the same manner and to the same extent as existing Members, including, without limitation to make any Percentage Interests available for repurchase and redemption by the Company and/or Members

pursuant to this ARTICLE VIII, and the Permitted Transferee delivers the following information to the LLC: (x) the Permitted Transferee's taxpayer identification number; and (y) the Permitted Transferee's initial tax basis in the transferred Percentage Interests.

(b) **Additional Member/Substitute Member.** In no event may any party(ies) obtaining an interest, Percentage Interests or otherwise, in the LLC by Transfer, assignment, transfer, pledge or other means from an existing Member be admitted as a successor Member ("Substitute Member" or "substitute Member") or any party(ies) be admitted as an additional Member, without the approval of the Manager, acting by Consent of Manager(s), (but where GBH Inc. is not Manager, then by Consent of Members), which approval in either case may be withheld or denied for any reason or for no reason.

(c) **Record.** The LLC and its Manager(s) and Members shall be entitled to treat the record owner of Percentage Interests in the LLC as the absolute owner thereof in all respects, and shall incur no liability for distributions of cash or other property made in good faith to such owner until such time as a written assignment of such Percentage Interests has been received and accepted by the Manager, acting by Consent of Manager(s), (but where GBH Inc. is not Manager, then by Consent of Members) and recorded on the books of the LLC. The Manager, acting by Consent of Manager(s), (but where GBH Inc. is not Manager, then by Consent of Members) may refuse to accept and record an assignment until the end of the next successive quarterly accounting period of the LLC.

8.02. Requirements for Transfer. Except with respect to Permitted Transfer(s) or Permitted Transfers governed by Section 8.04 and Transfers subject to Consent of disinterested Members under Section 8.01, every transfer of Percentage Interests in the LLC permitted hereunder, including transfers permitted by Section 8.04 shall be subject to satisfying the Conditions of Transfer.

8.03. Effect of Transfer.

(a) If a Transferee is admitted as an Additional Member hereunder or is already a Member, the Member so transferring his/her/its Percentage Interests shall be relieved of liability with respect to the transferred Percentage Interests arising or accruing under this Agreement on or after the effective date of the transfer, unless the transferor affirmatively assumes such liability; provided, however, that the transferor shall not be relieved of any liability for prior distributions and unpaid Contributions unless the Permitted Transferee affirmatively assumes such liabilities.

(b) Any person who acquires in any manner Percentage Interests or any part thereof in the LLC, whether or not such person has accepted and assumed in writing the terms and provisions of this Agreement or been admitted as a Substitute Member and/or Additional Member, shall be deemed by the acquisition of such Percentage Interests to have agreed to be subject to and bound by all of the provisions of this Agreement with

respect to such interest, including without limitation, the provisions hereof with respect to any subsequent transfer of such Percentage Interest.

Note, even if Percentage Interests are not purchased or redeemed by Company and/or other Members, all Purchase Price Deductible Amounts must be paid in full by any Member subject to Termination and/or Involuntary Transfer.

8.04. Permitted Transfers. The following Transfers of Percentage Interests in the LLC may be permitted but shall be subject to the requirements of Sections 8.02 and 8.03 hereof and the following:

(a) **Certain Involuntary Transfers.**

(i) **Applicable Transactions.** A Percentage Interests of a Member transferred by operation of law from time to time in connection with (A) any Involuntary Transfer not governed by subparagraph (ii), (iii) or (iv) immediately below, proceeding under the federal bankruptcy laws or any applicable federal or state laws relating to bankruptcy, insolvency, or the relief of debtors requiring by operation of law such transfer or other transfer effected by operation of law, but subject to the other requirements and provisions hereof, or (B) a tax-free reorganization, merger or consolidation of the LLC; or (C) determination of incompetency; or (D) divorce proceeding; or (E) for avoidance of doubt, "Involuntary Transfer" means any transfer occasioned by law (other than death, which is governed by Section 8.04(c) below.

(ii) **Unadmitted Assignee.** Any transferee effected by Involuntary Transfer governed by this this Section 8.04(a) is an unadmitted assignee and not a Substitute Member or Additional Member unless and until the provisions hereof are satisfied, including without limitation, Sections 8.02 and 8.04.

(iii) **Withdrawing Member/Mandatory Offer.** In the event a Member is subject to Involuntary Transfer, such withdrawing member and his/her legal representative ("Withdrawing Member") shall offer for sale all of his/her Percentage Interests as provided below for the Transfer Purchase Price (as hereinafter defined) and pay the costs and expenses of determining the Transfer Purchase Price as set forth below and subject to all of the provisions governing an assignee not qualifying as a Member hereunder unless and until the Transfer Price is paid.

(iv) **Optional Buy-out in Event of Involuntary Transfer.** In the event of any Involuntary Transfer of any Member(s) governed by this Section 8.04(a), the Withdrawing Member and his/her legal representative shall be deemed to offer for sale to the LLC (the "Transfer Offer"), the Percentage Interests owned of record and beneficially by such Member

("Transfer Interest") subject to Involuntary Transfer (the "Transfer Interest"). The buy-out provisions of this Section 8.04(a) shall be in lieu of any buy-out rights the Withdrawing Member may have from the LLC pursuant to the Act or otherwise.

(A) The Transfer Offer shall be and remain irrevocable for a period ending at 11:59 P.M., local time at the LLC's principal office on or before the 270th day following the date (the "Transfer Offer Period") of the transfer to a Legal Representative or other designee in the applicable Involuntary Transfer to the extent the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members) elect to continue the LLC as determined by Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members). At any time during the Transfer Offer Period, the LLC may accept the Transfer Offer by notifying the Withdrawing Member and his/her Legal Representative (the "Transfer Notice") of its acceptance. The Withdrawing Member shall not be deemed a Member for the purpose of the vote or Consent of disinterested Members on whether the LLC shall accept the Transfer Offer.

(B) If the LLC accepts the Transfer Offer and the Conditions of Transfer are satisfied or waived by LLC as evidenced by Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), the Transfer Notice shall fix a closing date (the "Transfer Closing Date") for the purchase which shall be within ninety (90) days after the expiration of the Transfer Offer Period.

(C) If the LLC accepts the Transfer Offer, the LLC shall purchase the Transfer Interest for a price equal to the **lesser of**: Redemption Value of Percentage Interests of amount the Withdrawing Member or equal to what Withdrawing Member would receive if the LLC were liquidated and available for distribution to the Members, in each instance, **less** applicable Purchase Price Deductible Amounts and all other amounts attributable to, and/or due from, such Withdrawing Member (the "Transfer Purchase Price"). The Transfer Purchase Price shall be paid pursuant to Buy-Out Promissory Note, attached hereto as **Exhibit B**, on the Transfer Closing Date or as otherwise determined by Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members).

(D) If the LLC fails to accept the Transfer Offer, then the Withdrawing Member or his/her successor, as the case may be, upon the expiration of the Transfer Offer Period, thereafter shall be

continuously treated as the unadmitted assignee of a Member unless and until LLC per the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), decides to purchase at a later date at the then Transfer Purchase Price.

(b) **Right of First Refusal/Offer to Company and Other Members.**

(i) **Mandatory Offer.** In the event that any Member proposes to Transfer any Percentage Interests not specifically governed by any other provision of this Agreement, unless otherwise agreed by Manager(s), acting by Consent of Manager(s) [but where GBH Inc. is not Manager, then by Consent of Members (who are not the transferring Member)], such transferring Member shall **first** offer such Percentage Interests to the Company and then to all other Members (in that order of priority) by delivering a written offer (the "Offer") to the Company and all other Members, as the case may be, which Offer shall set forth (A) the number of Percentage Interests proposed for Transfer (the "Offered Percentage Interests); (B) a description of the proposed Transfer and evidence satisfactory to Manager(s) (who are not the transferring Member) and Company that such prospective transferee satisfies the Conditions of Transfer ("Prospective Transferee"); (C) the name and address of each bona fide Prospective Transferee; and (D) any and all other material terms with such additional information as the Company and/or Manager(s), acting by Consent of Manager(s) [but where GBH Inc. is not Manager, then by Consent of Members (who are not the transferring Member)] may request (the "Terms") regarding the proposed Transfer and of the proposed Transfer, including without limitation, the purchase price offered by each Prospective Transferee ("Prospective Transferee Purchase Price") and the manner in which such purchase price shall be paid. Such Offer when made shall remain irrevocable until the earliest of (1) the date on which such offer is accepted by the Company which has **first priority**, and then the other Members who have **second priority** as provided in Sections 8.04(b)(ii) and (iii), setting forth those Offered Percentage Interests so elected to be purchased by the Company, or if not so accepted by the Company or the other Members, as the case may be, that the right of first refusal has been waived by Company and other Members, as evidenced by written notice to the Transferor.

(ii) **Election To Purchase Pursuant to Order of Priority.** Within thirty (30) days after receipt of the Offer by the Company (the "Offer Date"), and if not so accepted by the Company, then by the other Members who may elect to purchase all or any portion of the Offered Percentage Interests in the order of priority above at the lesser of the Prospective Transferee Purchase Price of Certificate of Valuation Purchase Price. The Company, and if not so accepted by the Company, then by the other Members, shall exercise their respective election to purchase such Offered Percentage Interests as set forth in subparagraph (iii) below ("Rules of Priority") by giving notice to the transferring member specifying (A) a date for the closing of the purchase, which date shall be not more

than sixty (60) days after the Offer Date; and (B) the number of Offered Percentage Interests that the Company, and if not so accepted by the Company, then by the other Members, elects to purchase.

(iii) **Subsequent Election by Other Members.** In the event that the Company does not elect to purchase any of the Offered Percentage Interests, or in the event that the Company elects to purchase less than all of the Offered Percentage Interests, then within the fifteen (15) day period commencing on the earlier to occur of: thirty (30) days after the Offer Date or notice to the transferring Member from the Company of its election not to purchase or purchase less than all of the Offered Percentage Interests, each of the Class A Members (a "Class A Electing Member" or collectively "Class A Electing Members") may initially elect to purchase his or her pro rata portion (based on his/her then Percentage Interest), or any lesser portion, of any Offered Percentage Interests that are not subject to an election to purchase made by the Company pursuant to Section 8.04(b) above. Subsequently, other Class B Members may also elect to purchase all or any portion of any Offered Percentage Interests that Class A Members do not elect to purchase (the "Oversubscription Percentage Interests"). In the event that the aggregate number of Oversubscription Percentage Interests subscribed for by Class A Electing Members making elections to purchase Oversubscription Percentage Interests exceeds the number of Oversubscription Percentage Interests available for purchase, then each Class A Electing Member making an election to purchase Oversubscription Percentage Interests shall be entitled to purchase through such election that number of Oversubscription Percentage Interests bearing the same proportion to the aggregate number of Oversubscription Percentage Interests, as the Proportionate Number of Percentage Interests which are then held by such Class A Electing Member bears to the aggregate number of Percentage Interests then held by all Class A Electing Members who have elections to purchase Oversubscription Percentage Interests. Each such Class A Electing Member may exercise his/her/its election to purchase the Offered Percentage Interests, pursuant to this Section 8.04(b)(iii) by giving written notice to the Company and the Transferor, indicating the number of Offered Percentage Interests (including Oversubscription Percentage Interests) that s/he elects to purchase and, if the Company has not specified a date for the closing of the purchase, the closing date for the purchase by Class A Electing Members which shall be not more than sixty (60) days after the Offer Date.

(iv) **Non-Cash Offers.** Should any Offer contain Terms by which any of the Offered Percentage Interests are to be transferred for consideration other than cash or cash equivalents, then the cash value of such Offer shall be determined in good faith by an independent appraiser to be selected by the disinterested Manager(s) who are not the transferring Member. The cost of any appraisal pursuant to this Section 8.04 shall be borne by the transferring Member or by the transferring Member and Company with Consent of Manager(s), [but where GBH Inc. is not Manager, then by Consent of Members (other than any

transferring Member)]. The Company and all other Members shall have the opportunity to accept such Offer as provided in this Section 8.04 at the cash value so determined.

(v) **Terms of Purchase.** Except to the extent that an Offer contains Terms by which the Offered Percentage Interests, are to be sold for consideration other than cash or cash equivalents and the Company or any other Member pursuant to Rules of Priority in Section 8.04(b), as the case may be, elects to accept such Offer at its cash value as determined pursuant to Section 8.04(b)(iv), the Company or other Member(s), as the case may be, may purchase the Offered Percentage Interests upon the most favorable terms as determined by the Managers, acting by Consent of Managers (but where GBH Inc. is not Manager, then by Consent of Members), Company and/or other Member(s) electing to purchase of: Terms set forth in the Offer delivered pursuant to Section 8.04 hereof, except the price to be paid to purchase same shall be at the Redemption Value **less** applicable Purchase Price Deductible Amount payable by promissory note over ten (10) years in the form of a Buy-Out Promissory Note.

(vi) **Transfers to Prospective Transferees.** If: (A) the Offered Percentage Interests are not purchased by the Company or any other Member pursuant to the foregoing provisions of this Section 8.04 and the Prospective Transferee qualifies as a permitted transferee pursuant to this Article VIII if accepted as a Member by the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), then the Transferor may Transfer such Offered Percentage Interests, to the Prospective Transferee or Transferees upon the Terms set forth in the Offer, provided that such Prospective Transferee or Transferees also execute(s) and deliver(s) to the Company a counterpart of this Agreement or Instrument of Adherence and such other documents as the Manager(s) may reasonably require in order to confirm such Prospective Transferee's obligation to be bound by the terms of this Agreement in the same manner and to the same extent as the Transferor and to confirm that all Conditions of Transfer have been satisfied or waived by the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members). If the Transferor fails to make any such Transfer within ninety (90) days after the Offer Date, such Percentage Interests shall again become subject to all of the restrictions set forth in this Section 8.04 and the transferring Member shall not Transfer such Offered Percentage Interests without first submitting an additional Offer to the Company and the other Members in accordance with this Section 8.04 If, in the course of the negotiations with a Prospective Transferee, terms are agreed upon that are different in price or in any other material respect from the Terms of the offer to the Company or Members, as the case may be, the Transferor shall not Transfer such Offered Percentage Interests without first submitting another Offer which shall set forth such new Terms, and the Company or Members, as the case may be, shall have the right to accept such Offer in accordance with this Section 8.04.

(vii) **Assignee / No Rights as Member**. Any Transfer not satisfying the Conditions of Transfer strictly unless waived by the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members) involves only an assignment and does not result in such assignee becoming a Member hereunder. Unless an assignee becomes a Member in accordance with the provisions hereof, including Section 2.03 and Conditions of Transfer, assignee shall not be entitled to any of the rights granted to a Member hereunder, other than economic right(s) to receive all or part of the share of the cash distributions or returns of capital to which his/her/its assignor would otherwise be entitled, if any.

(c) **Death.**

(i) **General.** Upon death of an individual Member:

(A) **Unadmitted Assignee.** the deceased Member's executor, administrator, guardian, conservator or other legal representative has the status of an unadmitted assignee.

(B) **No Life Insurance Proceeds.** Except where there exists Life Insurance Proceeds (as hereinafter defined) on then deceased Member, the Company, acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members) shall have the option, but not the obligation, to purchase the deceased Member's Percentage Interests at the then Certificate of Valuation, **less** all Purchase Price Deductible Amounts, as defined in Section 8.05. If the deceased Member's Percentage Interests are not so purchased by the Company, the Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), shall have the option, but not the obligation, to purchase the deceased Member's Percentage Interests at the then Certificate of Valuation, as defined in Section 8.05, **less** all Purchase Price Deductible Amounts, as defined in Section 8.05.

(d) **Mandatory Redemption.**

(i) **General.** Upon Expulsion, Prohibited Resignation or other Termination for Cause at the election of the Company, evidenced by Consent of Manager (but where GBH Inc. is not Manager, then by Consent of Members):

(A) **Redemption Notice/Redemption Value.** (1) Any Triggering Event Member, upon election evidenced by written demand ("Redemption Notice") by Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members) shall tender his Percentage Interest in exchange for an amount equal to the

Redemption Value of Percentage Interests of such Triggering Event Member as of the Redemption Date (for purposes hereof, the term "Redemption Date" shall mean a date following the effective date of Redemption Notice as reasonably determined by the Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager then by Consent of Members), but in no event later than December 31 of the Fiscal Year during which the effective date of the Mandatory Redemption occurs). For purposes of this Section 8.04 (d), the amount payable to a Triggering Event Member shall be the Redemption Value.

(2) The Triggering Event Member shall not have any right to receive any profits attributable to the Percentage Interests of such Triggering Event Member or any Company assets as of the Redemption Date. A Triggering Event Member shall not have any right to receive any profits attributable to his/her/its Percentage Interests or any Company assets after the Effective Date.

(3) The Redemption Payment shall be payable in cash or in kind or in a combination thereof, at the sole option of the Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager then by Consent of Members) at the time of payment, and, to the extent paid in kind, the assets so distributed shall be valued at their fair market value as of the Redemption Date. The Redemption Payment shall be paid not later than three months after the Redemption Date, except in extraordinary circumstances as determined in good faith by the Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager then by Consent of Members).

(4) If the Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members) are redeeming all Percentage Interests from a Triggering Event Member, then effective immediately upon the payment of the Redemption Payment to such Triggering Event Member, such Triggering Event Member shall cease to be associated with a LLC in any way, whether as a Member and/or Unadmitted Assignee of the Company.

(B) **Redemption Fee.** The Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager then by Consent of Members) may deduct from any Redemption Payments applicable Purchase Price Deductible Amounts, including the redemption fee equal to up to four percent (4%) of the Redemption Value (the "Redemption Fee"), in addition to any other charges incurred by the Company; provided, however, the Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager then by Consent of Members) may waive such redemption fee in part or in whole in its sole discretion. The amount of any other charges retained by the Company in connection

with any withdrawal, net of any actual costs and expenses of processing the withdrawal, shall be allocated among and credited to the Capital Accounts of the remaining Members in accordance with their respective Percentage Interests at such time.

(C) **Suspension.** The Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager then by Consent of Members) may suspend or postpone the distribution of any Redemption Payments from Capital Accounts:

(1) during the existence of any state of affairs which, in the opinion of the Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager then by Consent of Members), makes the disposition of the Company's investments impractical or prejudicial to the Members, or where such state of affairs, in the opinion of the Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager then by Consent of Members), makes the determination of the price or value of the Company's investments impractical or prejudicial to the Members;

(2) where any withdrawals or distributions, in the opinion of the Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager then by Consent of Members), would result in the violation of any applicable law or regulation; or

(3) for such other reasons or for such other periods as the Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager then by Consent of Members) may in good faith determine.

(4) The Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager then by Consent of Members) will promptly notify each Triggering Event Member to whom payment in full of the amount being withdrawn has not yet been remitted of any suspension of withdrawal or distribution rights. The Manager(s), in sole discretion of Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager then by Consent of Members), may allow any such Members to rescind their withdrawal request to the extent of any portion thereof for which a Redemption Payment has not yet been distributed. **The Manager(s), in sole discretion of Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager then by Consent of Members), may complete any withdrawals or distributions as of a date after the cause of**

any such suspension has ceased to exist to be specified by the Manager(s), in its sole discretion acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager then by Consent of Members).

NOTE: The Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members), may suspend or postpone the distribution of any Redemption Payments from Capital Accounts.

(e) **Tag Along.** Notwithstanding anything to the contrary in this Agreement, if at any time one or more Members holding Class A Percentage Interests (the "**Offering Members**") shall propose a transfer of their Percentage Interests of the Company in one or more related transactions of Units constituting at least a majority of the outstanding Percentage Interest, to a third party, the Offering Members shall give written notice to the other Members and the Company of their intention to make such proposed transfer describing in reasonable detail the proposed transfer including, without limitation, the number and class of Percentage Interests to be transferred, the nature of such transfer, the consideration to be paid, and the name and address of each prospective purchaser or transferee. In such event, each other Member (the "**Tag Along Members**") shall have the option, exercisable upon written Consent of the Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members), to sell all, and not less than all of his, her or its interests in the Company to the proposed transferee at the price and upon the terms offered by the proposed transferee, and the proposed transferee shall be required to purchase the interest of each Tag Along Member at such price and upon the terms offered by the proposed transferee. By way of clarification, any transfer by the Offering Member holding a majority interest pursuant to this subparagraph (e) shall not be subject to the right of first refusal or right of first offer set forth in subparagraph (b) above and the rights of the other Members to participate in such transfer as described in this Section 8.04(e) shall be in lieu of such Member's rights under such subparagraphs (b) above. Notwithstanding anything to the contrary, the provisions of this Section 8.04(e) shall not apply and a Member shall not have the so-called "tag-along rights" in connection with any other permitted transfer under this Article VIII.

(f) **Drag Along.** If at any time the Class A Member receives a bona fide offer from a third party to purchase, in one transaction or a series of related transactions, a majority of the issued and outstanding Class A Percentage Interests of the Company or the Manager(s) acting by Consent of Manager(s) decides to do a Capital Transaction, the Class A Member shall have the right to require that each other Member, including all of the Class B Members (each, a "**Drag-Along Member**") participates in the Capital Transaction or such sale in the manner set forth in this subparagraph (f), and each Drag-Along Member shall be required to sell its respective Percentage Interest at the price and upon the terms offered to the Class A Member; *provided, however,* that no Drag-Along Member shall be required to transfer or sell any of his Percentage Interests if the consideration for the drag-along sale is other than cash or registered securities listed on an established U.S. or foreign securities exchange or traded on the NASDAQ National Market or a U.S. or foreign established over-the-counter trading system. Notwithstanding

the provisions of subparagraph (f), this subparagraph (f) shall not apply and a Member shall not have the so-called "drag-along rights" in connection with any other permitted transfer under this Article VIII. Notwithstanding anything to the contrary in this Agreement, each Drag-Along Member shall vote in favor of the transaction and take all actions to waive any dissenters, appraisal or other similar rights.

8.05. Repurchase of Percentage Interests

(a) **Purchase Price Calculations.** Except as otherwise expressly provided under Section 8.04, repurchase of Percentage Interests, if any, by the Company and/or Members shall be at Fair Market Value (as hereinafter defined) **less** the amounts listed immediately below in subparagraphs (1) through (24) (collectively such amounts are herein referred to "Purchase Price Deductible Amount") which are to be subtracted from Fair Market Value to arrive at the applicable Purchase Price:

(1) such transferor's Percentage Interests amount of all amounts due and/or payable to pay in full all amounts due and/or advanced (together with all related costs, expenses and charges) by LLC to such Member and/or on behalf of such Member (in any and all capacities) and/or Member selling or otherwise transferring his/her Percentage Interests as well as such transferor's Percentage Interests amount of such Member's share for all amounts due under any and all promissory notes by which Member owes money(ies) to Company and/or any Manager;

(2) all amounts due, if any, resulting from breach hereunder occasioned by such termination or resignation, including breach of any of the provisions of ARTICLE V or any employment agreement; and

(3) all amounts not paid and still due from such transferor to Company, including without limitation, under Section 1.06 as well as those not covered by indemnification under ARTICLE IV;

(4) all costs and expenses related to determining Fair Market Value (as defined below) and applicable Purchase Price;

(5) in the instance of Redemption Value, the Redemption Fee;

(6) in the instance of Expulsion or Prohibited Resignation, Termination for Cause and/or Involuntary Transfer, all costs and expenses (including reasonable attorneys fees)

incurred arising from occurrence of any of the foregoing applicable events;

(7) applicable share of his/her personal guarantee all Company debt and guaranteed debt when and as required and pay all amounts due from his/her under this Agreement upon his/her Involuntary Transfer, Termination, Expulsion, death, Prohibited Resignation, removal, transfer of his/her Percentage Interest(s) and/or Expulsion; and

(8) Percentage Interest of applicable transferring Member of Local Bloom Contribution as if due on date of Transfer.

NOTE: In addition to the above, in the event of breach of any of the provisions of ARTICLE V, any employment or other like agreement by which services are performed by a Member for LLC and/or the Risk of Forfeiture Provisions, all ownership rights of such Member terminate simultaneously and automatically and Percentage Interests of such Member are revoked, null and void and without rights or recourse, at law or in equity.

(the amount resulting therefrom [i.e., Fair Market Value less Purchase Price Deductible Amount] is the "Purchase Price").

(C) "**Fair Value**" shall mean, with respect to any Percentage Interest, the fair value of such Percentage Interest, determined by the then effective Certificate of Valuation, except if otherwise specified in Section 8.04.

(D) **Payment Method.** Payment of the Purchase Price shall be evidenced by a promissory note by LLC payable over ten (10) year period at the then interest rate and other terms pursuant to promissory note substantially in the form of Buy-Out Promissory Note substantially in form of **Exhibit B** as approved by Manager [but where GBH Inc. is not Manager, then by Consent of Members (who are not the resigning or terminated Member)] in his/her/their sole discretion.

(E) **Closing.** The Closing under this Section 8.05 shall occur within 60 days from the date upon which the Fair Market Value of the Percentage Interests is finally determined.

8.06. Effect of Transfer.

(a) Any Member who shall Transfer all or a portion of his or her Percentage Interests shall cease to be a Member of the Company with respect to such Transferred

Percentage Interests, and shall no longer have any of the rights or privileges of a Member with respect thereto. From and after the date of any Transfer of Percentage Interests pursuant to the terms of this ARTICLE VIII, the Permitted Transferee shall have the same rights, and shall be bound by the same obligations, under this Agreement as the Transferor of the Percentage Interests.

(b) Transfer (whether used as a noun or a verb) shall mean and refer to any sale, exchange, issuance, redemption, distribution, encumbrance, hypothecation, gift, pledge, retirement, resignation, transfer, withdrawal, disposition or alienation in any way (whether voluntarily, involuntarily or by operation of law) as to any interest as a Member and/or Percentage Interests in the Company. Transfer shall specifically without limitation to the above, include assignments and distributions resulting from death, incompetency, bankruptcy, liquidation and dissolution.

8.07. Void Transfers. Any Transfer in contravention of any of the provisions of this Agreement shall be null and void and ineffective to transfer any interest in the LLC, and shall not bind, or be recognized by, or on the books of, the LLC, and any Prospective Transferee or assignee in such transaction shall not be or be treated as or deemed to be a Member for any purpose. In the event any Member shall at any time Transfer an interest in the LLC in contravention of any of the provisions of this Agreement, then each other Member shall, in addition to all rights and remedies at law and equity, be entitled to a decree or order restraining and enjoining such transaction, and the offending Member shall not plead in defense thereto that there would be an adequate remedy at law; it being expressly hereby acknowledged and agreed that damages at law would be an inadequate remedy for a breach or threatened breach of the provisions of this Agreement concerning such transactions.

Note, even if Percentage Interests are not purchased or redeemed by LLC and/or other Members, all Purchase Price Deductible Amounts must be paid in full by any Member subject to Termination and/or Involuntary Transfer.

8.08. Substantial Risk of Forfeiture. From and after date first above written, any and all Members who acquire Percentage Interests in exchange for services performed for LLC, in whole or in part, such Percentage Interests subject to forfeiture upon breach of any of the terms of ARTICLE V or Section 2.15 or ARTICLE VIII.

ARTICLE IX – Dissolution, Liquidation and Termination

9.01. Dissolution. The term of the Company shall be perpetual, unless sooner dissolved and liquidated in accordance with the provisions hereof. All provisions of this Agreement relating to dissolution and liquidation shall be cumulative; that is, the exercise or use of one of the provisions hereof shall not preclude the exercise or use of any other provision.

9.02. Death, Incompetency, Bankruptcy, Disability or Dissolution of a Member. (a) The death, adjudication of incompetency, Bankruptcy, disability, termination or dissolution of a Member shall not dissolve or terminate the Company. The legal

representative of any such Member shall succeed as assignee to such Member's Member Interest in the Company but shall not be admitted as a Member unless otherwise provided in this Agreement. The bankruptcy, death, dissolution, liquidation, termination or adjudication of incompetency of a Member, Involuntary Transfer or other event shall not automatically cause the termination or dissolution of the LLC and the business of the LLC shall continue. Upon any such occurrence, the trustee, receiver, executor, administrator, committee, guardian or conservator of such Member shall have all the economic rights of such Member for the purpose of settling or managing its estate or property, subject to satisfying conditions precedent to the admission of such assignee as a substitute Member. The transfer by such trustee, receiver, executor, administrator, committee, guardian or conservator of any LLC interest shall be subject to all of the restrictions hereunder to which such transfer would have been subject if such transfer had been made by such bankrupt, deceased, dissolved, liquidated, terminated or incompetent Member.

(b) Dissolution of the LLC shall occur upon:

(i) approval by Consent of Members with Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members);

(ii) the entry of a decree of judicial dissolution under Section 44 of the Act; or

(iii) the sale of the Company or other disposition of all or substantially all of the Company's assets outside of the ordinary course of business and the collection of all the proceeds therefrom (except that, if the Company receives purchase money paper in connection therewith, the Company shall continue until such purchase money paper is paid in full or otherwise disposed of); or

(iv) the determination of the Managers, acting by Consent of Managers (but where GBH Inc. is not Manager, then by Consent of Members).

(c) Absent the appointment of substitute Manager(s), the failure to continue the business of the Company following a Disabling Event in respect of the Manager(s); or Any dissolution of the Company shall be effective on the date the event occurs giving rise to the dissolution, but the Company shall not terminate until all of its affairs have been wound up and its assets distributed as provided in this ARTICLE IX.

(d) Upon dissolution of the LLC, the Manager(s), or his/her/its/their appointed replacement or successor, as provided herein, shall act as its liquidating trustee or such Manager(s) may appoint one or more Manager or Members or other party(ies) as liquidating trustee. If no Manager then exists, the Members, acting by Consent of Members shall appoint liquidating trustee. The liquidating trustee shall proceed diligently to liquidate the LLC and wind up its affairs and shall dispose of the assets of the LLC as follows:

First, to the payment of all debts and liabilities of the LLC, including license fees due under License Agreement and expenses of its liquidation and amounts due to Manager(s);

Second, to the setting up of any reserves which the Manager(s) or the liquidating trustee may deem necessary for any contingent or unforeseen liabilities or obligations of the LLC or of the Members arising out of or in connection with the LLC; and

Third, to the payment of any loans or advances made by any of the Members to the Company;

Fourth, to distribute the balance to the Members in accordance with his/her/its Percentage Interest, less all amounts owed by such Member to LLC or other Members; and

Fifth, thereafter, to the Members and the Manager(s) in accordance with their respective distribution priorities set forth in, and after making all allocations required by, ARTICLE VII of this Agreement.

Notwithstanding any to the contrary set forth herein, in the event of a dissolution of the Company, neither Company nor any of its Members or Managers shall have any rights in or to the intellectual property and Protected Name under License Agreement. Nothing in this paragraph shall affect the rights of Licensor under the License Agreement.

9.03. Certificate of Dissolution. Within ninety (90) days following the dissolution and commencement of winding up of the Company, or if at any time there are no Members, certificate of dissolution shall be filed with the Secretary of the Commonwealth of Massachusetts pursuant to the Act.

9.04. Certificate of Dissolution. Upon completion of the distribution of LLC assets as provided herein, the LLC shall be terminated, and the Manager(s) (or such other person or persons as the Act may require or permit) shall file Certificate of Dissolution with the Massachusetts Secretary of the Commonwealth under the Act, cancel any other filings made and take such other actions as may be necessary to terminate the existence of the LLC.

ARTICLE X – General Provisions

10.01. Offset. Whenever the LLC is obligated, or the Manager(s), by Consent of Manager(s) so determines, to make a distribution or payment to any Member, any amounts that Member owes the LLC may be deducted from said distribution or payment by the Manager(s).

10.02. Notices. Except as expressly set forth to the contrary in this Agreement, all notices, requests, or consents required or permitted to be given under this Agreement must be in writing and shall be deemed to have been given (i) three (3) days after the date mailed by registered or certified mail, addressed to the recipient, with return receipt requested, (ii) upon delivery to the recipient in person or by courier, or (iii) upon receipt of a facsimile transmission

by the recipient. Such notices, requests and consents shall be given (x) to Members at their addresses on **Schedule A**, or such other address as a Member may specify by notice to the Manager(s) or is part of the Required Records, or (y) to the LLC or the Manager(s) at the address of the principal office of LLC specified in Section 1.03. Whenever any notice is required to be given by law, the Certificate or this Agreement, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

10.03. Entire Agreement. This Agreement, together with Exhibits and Schedules attached hereto and related documents thereto and/or referenced therein, constitutes the entire agreement of the Members and the Manager(s) relating to the LLC and supersedes all prior contracts or agreements with respect to the LLC, whether oral or written.

10.04. Amendment or Modification; Action by Members. This Agreement, including any Schedule hereto, may be amended from time to time, in whole or in part, by an instrument in writing by Consent of Managers (but where GBH Inc. is not Manager, then by Consent of Members). Nothing contained in this Agreement shall permit the amendment of this Agreement to impair the exemption from personal liability of the Manager(s) or to permit assessments upon the Members, or enable Managers, acting by Consent of Managers (but where GBH Inc. is not Manager, then by Consent of Members) enhance the rights of such Managers (or Members acting by Consent of Members), as the case may be, in effecting any amendment.

10.05. Binding Effect. Subject to the restrictions on transfers set forth in this Agreement, this Agreement is binding on and inures to the benefit of the parties and their respective heirs, legal representatives, successors and assigns.

10.06. Governing Law; Severability. Except as otherwise required by applicable federal law, this Agreement, and all rights and remedies of the parties, shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, without regard to the principles of conflict of laws. Any action brought to interpret and/or enforce this Agreement shall be tried in state or federal courts located in Boston, Massachusetts and all claims to improper venue and forum non conveniens are waived; and the parties hereby submit to Massachusetts personal jurisdiction and all claims to failure to obtain personal jurisdiction are waived.

10.07. Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions, as requested by the Manager(s).

10.08. Waiver of Certain Rights. Each Member irrevocably waives any right s/he/it may have to maintain any action for dissolution of the LLC or for partition of the property of the LLC.

10.09. Notice to Members of Provisions of this Agreement. By executing this Agreement, each Member acknowledges that such Member has actual notice of (a) all of the provisions of this Agreement, including, without limitation, the restrictions on the transfer of Percentage Interests set forth in Article VIII, and (b) all of the provisions of the Certificate. Each Member hereby agrees that this Agreement constitutes adequate notice of all such provisions, and each Member hereby waives any requirement that any further notice thereunder be given.

10.10. Third-Party Beneficiaries. The provisions of this Agreement are not intended to be for the benefit of any creditor or other person to whom any debts or obligations are owed by, or who may have any claim against, the LLC or any of its Members or Manager(s), except for the Members or Manager(s) in their capacities as such. Notwithstanding any contrary provision of this Agreement, no such creditor or person shall obtain any rights under this Agreement or shall, by reason of this Agreement, be permitted to make any claim against the LLC or any Member or Manager.

None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of any Member, or any creditor of the LLC other than a member who is such a creditor of the LLC.

10.11. Interpretation. For the purposes of this Agreement, terms not defined in this Agreement shall be defined as provided in the Act; and all nouns, pronouns and verbs used in this Agreement shall be construed as masculine, feminine, neuter, singular, or plural, whichever shall be applicable. Titles or captions of Certificate and Sections contained in this Agreement are inserted as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

10.12. Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all parties had signed the same document, and all counterparts shall be construed together and shall constitute the same instrument.

10.13. Estoppel Certificate. Each Member shall, within ten (10) days after written request by Manager, deliver to the requesting person a certificate stating, to the Member's knowledge, that: (a) this Agreement is in full force and effect; (b) this Agreement has not been modified except by any instrument or instruments identified in the certificate; and (c) there is no default hereunder by the requesting party(ies), or if there is a default, the nature and extent thereof.

10.14. Membership / Not A Basis For Other Rights.

(a) Except as otherwise expressly provided in this Agreement, each Member acknowledges that **s/he/it shall NOT, solely by virtue of his/her/it acquisition or ownership of Percentage Interest(s), be entitled among other things:** (i) to employment or other engagement by the Company; (ii) to receive distributions on account of his/her/its Percentage Interest(s), except as the same may be declared from time to time by the Manager(s), acting by Consent of Manager(s) GBH Inc. is no longer serving as Manager, then by Consent of Members); (iii) to have his/her/its **Percentage**

Interest(s) redeemed by the Company when Percentage Interests of other Members are being redeemed if the Manager(s) shall have determined in good faith that there exists special circumstances for redeeming **Percentage Interest(s)** from such other Members; (iv) to participate in or have preemptive rights with respect to any issue of **Percentage Interest(s)** of the Company; or (v) to sell his/her/its Percentage Interests when another Member is selling **Percentage Interest(s)**; or (vi) be compensated as an employee of the LLC, but rather, Member's sole compensation shall be from distributions, if any, in his/her capacity as a Member.

(b) Any Member who also may be an employee or other agent of the Company may be subject to restrictions in addition to those herein as may be deemed appropriate, from time to time, by the Manager(s).

10.15. Intentionally Omitted.

10.16. <u>Counsel</u>.

(a) Each Member and Manager has sought his/her own counsel, tax and business/financial advice and is not relying on any other Member, Manager or Finneran & Nicholson, P.C. Each Member and Manager has been advised to seek his/her own counsel to advise him/her regarding the matters set forth herein and/or related thereto and notwithstanding such advice has declined.

(b) Each Member and Manager acknowledges:

(i) that, before signing this Agreement and accepting its terms, s/he has had every reasonable opportunity to consider these terms and to review them with his/her attorney;

(ii) that s/he has accepted the terms of this Agreement knowingly and freely;

(iii) Finneran & Nicholson, P.C. represents only GBH Inc.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the date set forth above.

MANAGER(S): GBH INC.

By:_____
George Haseltine, CEO

By:_____
Brad Kutcher, President

AGREED, ACKNOWLEDGED AND ACCEPTED:

MEMBERS: GBH INC.

By:_____
George Haseltine, CEO

By:_____
Brad Kutcher, President

ARTICLE I
DEFINITIONS

1.1. Definitions. The following defined terms as used in this Agreement shall, unless otherwise defined herein, each have the meaning set forth in this Article I.

"Accounting Period" means the period beginning on the day immediately succeeding the last day of the immediately preceding Accounting Period (or, in the case of the first Accounting Period, beginning on the date of this Agreement) and ending on the earliest to occur of the following: (i) the last day of the Fiscal Year; (ii) the day immediately preceding the day on which a Member makes an additional contribution to, or a full or partial withdrawal from, its Capital Account; (iii) the day immediately preceding the day on which a new Member is admitted to the Company; or (iv) the date of termination of the Company in accordance with this Agreement.

"Additional Member" shall have meaning assigned to that term in Section 2.03(a) (i.e., a party(ies) acquiring Percentage Interest(s) satisfying Eligibility Requirements, all of the Conditions of Transfer and Section 2.03 and admitted an additional Member with Consent of Disinterested Members).

Affiliate shall mean:

(i) with respect to any entity, any officer or director of such entity and any person, corporation, limited liability company, partnership or other entity which, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such entity;

(ii) with respect to any specified person or entity: (A) any person or entity that: such person controls or influences, and/or directly or indirectly controls, is controlled by, or is under common control with such specified person or entity; (B) any person or entity that directly or indirectly controls ten (10%) percent or more of the outstanding equity interests of an entity or of which the specified person or entity is directly or indirectly the owner of ten (10%) percent or more of any class of equity interests; (C) any person or entity that is an officer of, director of, manager of, partner in, or trustee of, or serves in a similar capacity with respect to, the specified person or entity or of which the specified person or entity is an officer, director, partner, manager or trustee, or with respect to which the specified person or entity serves in a similar capacity; or (D) any person that is a member of the immediate family of the specified person.

"Available Cash" for each Fiscal Year shall mean cash derived from the Company's cash flow as follows:

(i) Net cash means with respect to any fiscal period, after amounts specified allocated sales of goods and/or assets [but excluding proceeds of borrowings, capital contributions of the Members, proceeds from Capital Transaction, and any and all other

sources, as may be determined from time to time, as determined by Consent of Manager(s) (but where GBH Inc. is no longer serving as Manager, then by Consent of Members), **less** payment of, if not previously paid or satisfied, (the sum of the following amounts collectively subparagraphs (A), (B), (C) and (D) are "Deductions")]:

(A) amounts allocated and payable to specific Manager(s) as guaranteed payments as provided under Section 3.05(b) (except as otherwise specified upon dissolution of the Company under ARTICLE IX);

(B) paying all company expenses when or as required together with all other costs and expenses incurred with Consent of Manager(s) including without limitation:

(1) payment of applicable amounts then due under any applicable and then enforceable Buy-Out Note(s), if any; and

(2) cash disbursements for payment of amounts due hereunder by Company and/or pursuant to agreements authorized hereunder and duly authorized by Consent of Manager(s) including without limitation, Company debt, and all other amounts authorized by Consent of Manager(s);

(3) payments of interest, principal, premium, points and other costs of borrowing under any indebtedness of the LLC approved by Consent of Manager(s), including, without limitation, (A) any mortgages or deeds of trust encumbering the real property or other assets owned or leased by the LLC, and (B) any Voluntary Loans;

(4) payment of taxes due from LLC; if any;

(5) Tax Distributions Amount, in any fiscal year by Consent of Manager(s) other than upon dissolution of the Company pursuant to ARTICLE IX;

(6) payments made to purchase inventory or capital assets, and for capital construction, rehabilitation, acquisitions, alterations and improvements as approved by Consent of Manager(s); and

(7) amounts set aside as reserves as may be determined appropriate by Consent of Manager(s), as well as for payments due under promissory notes by Company, working capital, contingent liabilities, replacements or for any of the expenditures described in clauses (1), (2) and (3), above, deemed to be necessary to meet the current and anticipated future needs of the LLC as may be determined appropriate by Consent of Manager(s).

"Bankruptcy" means, with respect to any Person, (i) making an assignment for the benefit of creditors, (ii) filing a voluntary petition in bankruptcy, (iii) becoming the subject of an order for relief or being-declared insolvent in any federal or state bankruptcy or insolvency proceeding (unless such order is dismissed within ninety (90) days following entry), (iv) filing a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law, or regulation, (v) filing an answer or other pleading admitting or failing to contest the material allegation of a petition filed against it in any proceeding similar in nature to those described in the preceding clause, or otherwise filing to obtain dismissal of such petition within one hundred twenty (120) days following its filing, or (vi) seeking, consenting to, or acquiescing in, the appointment of a trustee, receiver, or liquidator of all or any substantial part of its properties.

"Business Day" means any day other than Saturday, Sunday or other day on which commercial banks in the Commonwealth of Massachusetts are authorized or required to close.

"Capital Account" means as to any Member, such Member's Capital Contributions (i) increased by his share of Net Profits and (ii) reduced by his share of (w) Net Losses and (x) distributions and withdrawals of cash or the fair market value of assets distributed to or withdrawn by such Member.

"Capital Contributions" means the sum of the amount of cash, if any, plus the aggregate value of all tangible or intangible property contributed by a Member, and accepted by the Manager(s), to the capital of the Company including, without limitation, any amounts paid by a Member (except to the extent indemnification is made by another Member) in respect of any claims, liabilities, or obligations of or against the Company and/or pursuant to any guaranty of any Company indebtedness by such Member.

"Cause" shall mean with respect to any Member and/or Manager, the occurrence of any one or more of the following (unless otherwise determined with respect to Members by the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members):

(a) indictment, arrest or being convicted of, or entering a plea of nolo contendere to any felony, (excepting any felony traffic offenses, including driving under the influence of alcohol or drugs) or no contest to a Disqualifying Felony;

(b) fraud, willful misappropriation of LLC funds, engaging in a pattern of neglect, malfeasance or non-feasance, and/or engaging in willful or gross misconduct as determined by the Manager(s), acting by Consent of Manager(s) (but where B&G Holdings is not Manager, then by Consent of Members);

(c) Resignation of any Member, Expulsion under Section 2.10 (c) or removal for Cause as provided herein and/or by judicial or quasi-judicial process;

(d) while a Member, such Member violates NDA and/or other like covenant under this Agreement, usurps any business opportunity (other than as specifically permitted

hereunder) or engages in activity impermissible hereunder or any activity other than as permitted hereunder, including ARTICLE V or materially breaches his/her Participation Covenant or otherwise this Agreement, as determined by the Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members);

(e) any Involuntary Transfer, which shall mean any bankruptcy, transfer by operation of law, judicial decree or other non-volitional transfer of Percentage Interests, including occasioned by divorce or like proceeding **(other than upon death in the case of in individual)**, filing a voluntary or involuntary petition under any bankruptcy or insolvency law, or a petition for the appointment of a receiver or making an assignment for the benefit of creditors and shall be deemed to occur if the Manager who owns such Percentage Interests become(s) legally incompetent to manage his/her financial affairs for which a legal representative has been designated to manage his/her affairs, or is the subject of any proceeding under any law relating to any arrangement and/or readjustment of debt or if all or substantially all of the real or personal property of the Manager is levied on or sold in any judicial proceeding(s) or if a Manager shall file a petition with a court seeking the involuntary winding up and dissolution of the LLC or if such Percentage Interests are transferred pursuant to a divorce or separation decree, a property settlement or any other form of judicially approved marital arrangement, the foreclosure of any lien or other security interest, a judicial sale, or otherwise by operation of law;

(f) the commission by any Member of any willful or intentional act which injures or would reasonably be expected to injure seriously the reputation, business or business relationships of the Company or any affiliate thereof, the material breach of this Operating Agreement or any other agreement with the Company by any Member, which breach is not cured (if capable of being cured) within thirty (30) days of receiving written notice thereof, or (v) a Member's ownership of its Member Interest or any portion or aspect thereof is prohibited by Law; and/or

(g) While a Member failing to satisfy Member Eligibility.

NOTE: For the avoidance of doubt, the conduct of any Member or Manager with respect to the Company shall not be deemed to be committing willful misconduct for engaging in activity related to cannabis or the cannabis industry that may be a violation of federal law, so long as the such conduct or activity is reasonably believed to be in compliance with applicable state laws.

"Code" means the Internal Revenue Code of 1986, as amended (or any corresponding provision of succeeding law).

"Certificate of Valuation" is the Valuation and Value Per Percentage Interest, determined annually by Company's then independent accountant and inserted in Certificate of Valuation attached hereto as **Exhibit C** which governs determination of Fair Market Value by which Purchase Price determination is based, except as otherwise specifically provided in this Agreement.

"Competitive Business" is defined in Section 2.01(a)(i)(D).

"Conditions of Transfer" shall mean the following requirements (collectively, "Conditions of Transfer") unless otherwise waived in writing by the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is no longer serving as Manager then by Consent of Members):

(a) **No Breach.** The prospective transferor and transferee shall establish that the proposed transfer will not cause or result in a breach of this Agreement (including without limitation, Member Eligibility Requirements), any agreement binding upon the LLC or any violation of law, including without limitation, federal or state securities laws, and that the proposed transfer would not cause the LLC to be an investment company as defined in the Investment Company Act of 1940, as amended.

(b) **Tax Classification, Etc.** The prospective transferor and transferee shall establish to the satisfaction of the disinterested Manager(s) (who is not a Transferor) that the transferee is financially responsible and of good character and that the transfer would not adversely affect the classification of the LLC as a partnership for federal tax purposes or have a substantial adverse effect with respect to federal income taxes payable by the LLC.

(c) **Bound.** The prospective transferor and transferee shall execute a counterpart of this Agreement, an Instrument of Adherence and/or such other documents or instruments evidencing such undertakings, as may be required by Manager(s) acting by Consent of Manager(s) (but where either George Haseltine or Brad Kutcher is no longer serving as Manager, then by Consent of Members) to reflect the provisions hereof.

(d) **Financial Responsibility, Etc.** Such representations, warranties and documents as the Manager(s) acting by Consent of Manager(s) (but where GBH Inc. is no longer serving as Manager, then by Consent of Members) may determine, as well as require that such Prospective Transferee demonstrate to the reasonable satisfaction of the Manager(s) (who is not a Transferor) that s/he/it is a financially responsible person, Conditions of Transfer have been satisfied and such Prospective Transferee does not and is not likely to reflect poorly on Members and Company, impair satisfaction of any then obligation of Company and such additional evidence as may be necessary and/or appropriate to satisfy state and federal and other laws and regulations.

(e) **Minimum Required Information.** The Transferor or the Prospective Transferee delivers the following information to the LLC: (i) the Prospective Transferee's taxpayer identification number; (ii) the Prospective Transferee's initial tax basis in the transferred Percentage Interests; (iii) have an address and e-mail address of transferor and prospective transferee; (iv) undertaking regarding the confidentiality/non-disclosure/non-solicitation of certain Company Information substantially in form of **Schedule I;** and (v) evidence that prospective transferee is not then in Competitive Business (as herein defined) and that transferor not undertaking to use funds from sale of Percentage Interests in connection with any Competitive Business..

(f) **Payments Made.** Payment in full is made of all Purchase Price Deductible Amounts (as hereinafter defined) and all other amounts and liabilities attributed to Transferor.

(g) **No Default.** Any Transfer must not cause a default under any then obligation of Company and/or any other material agreement to which the Company is bound.

(h) **Liability**. Unless the Members has specifically approved otherwise in writing, a Transferor of Percentage Interest(s),in whole or in part, by a Member of the LLC, shall not be relieved of liability under this Agreement with respect to the transferred interest arising or accruing on or after the effective date of the Transfer, except to the extent of the payments made in the Transferor's place by any Transferee of his/her Percentage Interest, and the LLC may proceed to collect any amount due from the transferor as and when due, together with interest thereon from the date for payment stated herein at the rate of 18 percent per annum, compounded monthly, but not exceeding the maximum rate permitted by law, and all costs and expenses of collection incurred by the LLC (including reasonable fees and disbursements of counsel).

(i) **Bound To Agreement**. Any person who acquires in any manner whatsoever Percentage Interests (or any part thereof) in the LLC, whether or not such person has accepted and assumed in writing the terms and provisions of this Agreement or been admitted into the LLC as a Member, shall be deemed, by acceptance of the acquisition thereof, to have agreed to be subject to and bound by all of the obligations of this Agreement with respect to such interest, including without limitation, his/her/its long-term commitment to remain as a Member and acknowledgment of Essential Reliance of Company, and shall be subject to the provisions of this Agreement with respect to any subsequent Transfer of such interest.

(j) **Dilution.** In connection with any admission of Additional Members, Permitted Transferee or other transferee, the Percentage Interests of the Members may be **diluted proportionately**, based on their respective Percentage Interests immediately prior to any such dilution. Without in any way limiting the foregoing, the interest of any third party admitted to the LLC as an Additional Member, Permitted Transferee or other transferee, in the net Profits, net Losses and distributions of cash or property of any nature, may have such priority or priorities in relationship to the interests therein of the Members, as determined by Manager(s) (but where GBH Inc. is no longer serving as Manager, then by Consent of Members).

(k) **Conditions of Admission/Transfer.** All provisions of Conditions of Admission/Transfer and Transfer Requirements have been satisfied, including without limitation, Transfer Requirements.

(l) **Satisfactory Evidence.** The LLC shall not be required to recognize any Transfer of Percentage Interests until the instrument(s) conveying such interest has been delivered to the LLC for recordation on the books of the LLC, together

with satisfactory evidence that the Conditions of Transfer have been satisfied and all other terms of this Agreement have been satisfied.

(m) **Assignee / No Rights as Member**. Any Transfer not satisfying the Conditions of Transfer strictly unless waived by Consent of Disinterested Members or occasioned by Involuntary Transfer, death, or other event effected not in compliance with this Agreement, involves only an assignment and does not result in such assignee becoming a Member. Unless an assignee becomes a Member in accordance with the provisions hereof, Sections 2.03 and Conditions of Transfer, assignee shall not be entitled to any of the rights granted to a Member hereunder, including without limitation, as an agent of the LLC, other than the right to receive all or part of the share of the gross income, net profits, net losses, Distributable Cash, cash distributions or returns of capital to which his/her/its assignor would otherwise be entitled, if any, but only to the extent permitted by applicable law. Upon any Transfer of Percentage Interest(s), all amounts due from Transferor and Transferee must be paid in full.

"Consent of Class B Members" is defined in Section 2.01(d).

"Damages" means any and all damages, disbursements, suits, claims, liabilities, obligations, judgments, fines, penalties, charges, amounts paid in settlement, costs and expenses (including, without limitation, attorneys' fees and expenses) arising out of or related to (pending or threatened) litigation or any investigation or proceeding by any Governmental Authority and interest on any of the foregoing.

"Deadlock Breaker" is defined in Section 3.01(c).

"Disclosure Documents" has meaning assigned in the Recitals.

"Disqualifying Felony" means a felony that would jeopardize or prohibit the Company's application for, renewal of, or maintenance of any permit or license necessary to conduct Company business.

"Essential Reliance" has meaning assigned to that term in Section 2.04(a)(vi).

"Fair Market Value" shall mean the value of the Company as determined at applicable time(s) as set forth in applicable Certificate of Valuation unless otherwise provided in this Agreement.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof and any other Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Initial Capital Contribution" means the purchase price paid by the Member for its Member Interests. The Initial Capital Contribution of each Member shall be made in cash and/or tangible or intangible property and/or labor and operations, and are set forth on Schedule A hereof, as such schedule may be amended from time to time by the Manager(s). The Initial

Capital Contribution shall include any subsequent Capital Contributions that Members may add to their respective Capital Accounts.

"License Agreement" is defined in the Recitals.

"Local Bloom Contribution is defined in Section 2.01(iv)(C)(3)

"Member Eligibility Requirements" is as defined in Section 2.01(a).

"Notice" means a writing containing information to be communicated to any Person pursuant to this Agreement.

"Permissible Activities" and/or **"Permitted Activities"** is as provided in Section 5.02(a).

"Person" means any natural person, corporation (stock or non-stock), limited liability company, limited liability partnership, limited partnership, partnership, joint stock company, joint venture, association (profit or non-profit), company, estate, trust, bank, trust company, land trust, business trust or other organization, whether or not a legal entity, and any government agency or political subdivision thereof.

"Proxy Power" shall mean, to the fullest extent permitted by applicable laws, rules and regulations, the granting by the applicable Member where required hereunder whereby the Member, where required under the Agreement loses his/her voting rights under this Agreement whereby such Member:

(i) Irrevocably constitutes and appoints Managers, acting by Consent of Managers (but where GBH Inc. is not Manager then by Consent of Members), as such Member's true and lawful attorney-in-fact, with full power of substitution and full irrevocable authority in the place and stead of such Member and in the name of such Member, but at the expense of such Member, from time to time, in discretion of Managers, acting by Consent of Managers (but where GBH Inc. is not Manager then by Consent of Members) to take and/or refrain from taking any and all actions for which action by Consent of Manager(s), Consent of Members and/or Consent of Disinterested Members and/or, as the case may be, may be required and/or appropriate and to execute any and all instrument(s), documents, agreements and the like which Members, acting by Consent of Disinterested Members, Consent of Members, Consent of Manager(s), as the case may be, may deem necessary or advisable to accomplish the purposes of this Agreement for and on behalf of such Member in any and all of his/her capacity(ies) with LLC, without liability, at law or in equity, to Company, all other Members and/or their respective Affiliates; and

(ii) Unequivocally, irrevocably and unconditionally authorizes Managers acting as Consent of Manager(s), (but where GBH Inc. is not Manager, then by Consent of Members), to vote for and on his/her behalf as Member, as well as vote all of his/her then Percentage Interests for any and all matters for which Consent of Members, Consent

of Class B Members, and/or Consent of Manager(s), Consent of Disinterested Members, as the case may be, is required or necessary and appropriate;

(iii) Each Member hereby so consents to all of the above, recognizing that it is in each Member's best interest as well as in the best interest of the LLC to provide a smooth, non-disruptive and automatic mechanism for the orderly transition in severing a Member's association with, and management and operation of, the LLC in any and all capacity(ies) upon the occurrence of any Triggering Event and as otherwise provided herein and/or by Consent of Manager(s) (but where GBH Inc. is not Manager, then by Consent of Members);

(iv) This proxy is coupled with interest and, to the extent permitted by applicable law, survives the death or disability of each Member;

(v) To the fullest extent permitted by law, the Member granting such Proxy Power hereunder hereby ratifies any and all actions and/or inactions that all said attorneys and proxies shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable;

(vi) The powers conferred on the Members hereunder are solely to protect Company, Manager(s) and Members of the LLC, and shall not impose any duty upon any Members and/or Manager(s) to exercise any such powers; and

(vii) In furtherance thereof, each Member has executed and delivered to the LLC undated resignations as Manager and Member substantially in the form attached hereto as **Exhibit D** as well as Authorization, Release and Proxy substantially in the form attached hereto as **Exhibit E**. Upon the occurrence of any event by which this Proxy Power becomes operative, each Member designates and appoints the LLC acting through its designated agent, to date same and make each such document part of the LLC records and to take any and all other action as deemed necessary or appropriate by the LLC to effect same and/or any required document related thereto.

"Purchase Price" is the Purchase Price which is the Fair Value paid in exchange for Percentage Interest, (including without limitation, Redemption Value) less applicable Purchase Price Deductible Amounts.

"Redemption Value" shall mean the lesser of the applicable Fair Value or the amount calculated based upon the balance of the applicable Member's Capital Account as of the Redemption Date adjusted as if (i) all the assets of the Company had been sold for their fair market value; (ii) all Company liabilities of the Company had been paid; and (iii) all allocations required by this Agreement in respect of the applicable Percentage Interests of said Triggering Event Member had been made, as of the Redemption date **less** applicable Purchase Price Deductible Amounts and the Manager(s), acting by Consent of Manager(s) (but where GBH Inc. is no longer Manager, then by Consent of Members) may deduct the Redemption Fee from any Redemption Value in addition to any other charges incurred by the Company. The amount of any other charges in connection with any withdrawals, net of any actual costs and expenses of

processing the withdrawal, shall be allocated amount and credited to the Capital Accounts of the remaining Members in accordance with their Respective Percentage Interest.

"Reserves" means the reserves established by the Manager(s) in an amount equal to at least one Fiscal Year of the Company's anticipated expenses, plus such additional amounts which the Manager(s) in their sole discretion deems necessary or appropriate. The Manager(s) may increase or reduce any such Reserves from time to time by such amounts as the Manager(s) in their sole discretion deems necessary or appropriate.

"Termination" shall mean the termination of Member's and/or Manager's relationship with the LLC, whether voluntary or otherwise, including without limitation upon Expulsion; any event constituting Cause involving such Member or Manager, or otherwise for any reason including death, attempted resignation, Prohibited Resignation or other attempted and/or effected withdrawal of a Member, sale or transfer of all Percentage Interests by Member; making any Transfer of Percentage Interests in violation of this Agreement and/or other material breach by Member hereunder and/or other agreement with LLC (as employee or otherwise) or associating in any capacity with another person(s) or entity(ies) engaged in any business substantially similar to LLC, (except if falling within Permissible Activities); or otherwise violating this Agreement, or being adjudicated (after expiration of all appeal periods) responsible for any claim involving Company in excess of $10,000 and/or being an adversary of the LLC and/or GBH Inc. in a judicial, quasi-judicial or administrative proceeding.

"Transfer Requirements" has the meaning assigned to that term is Section 2.03(c).

Salisbury Cultivation and Product Manufacturing, LLC

d/b/a ROOT AND BLOOM and/or
ROOT & BLOOM

Schedule A as of December 9, 2019

Name(s) and Address(es) of Class A Members	Class A Percentage Interest	Contribution
GBH Inc.	100%	$12,000.00
TOTAL:	100%	

Name(s) and Address(es) of Class B Members	Class B Percentage Interest	Contribution
	_____%	$_____.00
TOTAL:	_____%	$_____.00

MANAGER(S)

GBH Inc.
25 Storey Avenue, Suite #8 #171
Newburyport, MA 01950

SCHEDULE I

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

This Confidentiality and Non-Disclosure Agreement ("Agreement"), effective as of _____, 20___, is by and between Salisbury Cultivation and Product Manufacturing, LLC d/b/a Root and Bloom, a Massachusetts limited liability company ("Root and Bloom" or "Disclosing Party"), and _____ and his/her/its nominee, assignee and affiliates (collectively, "Receiving Party"). The parties to this Agreement plan to engage in discussions relating to the possible business association (the "Purpose"). In the course of such discussions, Root and Bloom may disclose proprietary and/or other non-public information to the Receiving Party, and, but for the undertakings of the Receiving Parties hereunder, Root and Boom would not make such disclosures.

In consideration of $1.00, the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Confidentiality. All information of Root and Bloom, including but not limited to all trade secrets, customer lists existing and proposed, proprietary, confidential, technical, financial, marketing and business information, strategies, arrangements and all information obtained or generated by the Receiving Party, including without limitation based in whole or in part upon such disclosed information, in any form, whether or not in writing and whether or not labeled or identified as confidential or proprietary, is referred to in this Agreement as the "Proprietary and/or Confidential Information".

2. Use of Proprietary and/or Confidential Information. The Receiving Party will (and will cause all of the advisors, agents and representatives of Receiving Party): (a) keep confidential the Proprietary and/or Confidential Information disclosed by the Disclosing Party to Receiving Party; (b) not disclose such Proprietary and/or Confidential Information to any third party, except for the Receiving Party's attorney; and (c) use the Proprietary and/or Confidential Information only in furtherance of the discussions or contract dealings regarding the Purpose. No license to the Receiving Party and/or advisors by the Disclosing Party to Receiving Party, is either granted, or implied by access to the Proprietary and/or Confidential Information granted to the Receiving Party.

3. Return of Proprietary and/or Confidential Information. All Proprietary and/or Confidential Information remains the exclusive property of Disclosing Party. Immediately upon the termination of the dealings or discussions between the parties, or upon written request from Disclosing Party, Receiving Party will return (and will cause all of the advisors, agents and representatives of Receiving party) to Disclosing Party all of the Proprietary and/or Confidential Information, without keeping copies in any format.

4. Remedies. The Proprietary and/or Confidential Information is a unique and valuable asset of the Disclosing Party, and Disclosing Party will be irreparably damaged if Receiving Party breaches this Agreement. If Receiving Party and/or advisors disseminates,

publishes or discloses to any third party, uses in any other manner not permitted in this Agreement, any Proprietary and/or Confidential Information in breach of this Agreement, threatens or appears to be preparing or threatening to do so or is in default or in breach of any term or condition of this Agreement, in addition to any other rights or remedies to which the Disclosing Party may be entitled, the Disclosing Party is entitled to an injunction restraining the Receiving Party and advisors, agents, representatives and affiliates of Receiving Party from breaching this Agreement, and Receiving Party will indemnify, defend and hold harmless Disclosing Party and managers, members, agents, employees, representatives, successors, heirs and assigns from all damages and costs incurred, including without limitation, the reasonable attorney's fees and court costs.

5. Term. The parties' respective obligations under this Agreement shall survive the termination of their dealings or discussions.

6. Entire Agreement; Binding Effect. This Agreement is the entire agreement between the parties hereto relating to the subject matter hereof and shall be modified only by a writing signed by the parties hereto. This Agreement will be binding upon and inure to the benefit of the heirs, successors and assigns of the parties.

7. Governing Law. This Agreement, and all rights and remedies of the parties, is governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, to the exclusion of any other jurisdiction and without regard to the principles of conflict of laws. Any action brought to interpret and/or enforce this Agreement will be tried in state courts located in Essex County, Massachusetts or federal courts located in Boston, Massachusetts and all claims to improper venue, forum non conveniens and failure to obtain personal jurisdiction are waived.

8. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any signature page of any such counterpart, or any electronic version thereof, may be attached or appended to any other counterpart to complete a fully executed counterpart of this Agreement, and any electronic transmission or facsimile of any signature shall be deemed an original and shall bind each party.

[SIGNATURE PAGE FOLLOWS]

Executed as a sealed instrument as of the day and year first above written.

SALISBURY CULTIVATION AND PRODUCT MANUFACTURING, LLC D/B/A ROOT AND BLOOM

By: _____

_____ _____
WITNESS

_____ _____
WITNESS

SCHEDULE II

RECEIPT OF DISCLOSURE NOTEBOOK

To: SALISBURY CULTIVATION AND PRODUCT MANUFACTURING, LLC D/B/A ROOT AND BLOOM.

I, _____ ("_____"), do hereby certify that on this ___ day of _____, 20___, I received from Salisbury Cultivation and Product Manufacturing, LLC d/b/a Root and Bloom (the "Company") a Disclosure Notebook, pursuant to that certain _____ Agreement between _____ and the Company dated as of _____, 20____ (the "Agreement"), containing the following:

1. Amended and Restated Operating Agreement of the Company;

2. Certificate of Organization of the Company and amendments thereto;

3. Financial Statements of the Company- note that no statements are prepared according to generally accepted accounting principles, but the detailed accounting books and files (Quickbooks or otherwise) are available for the inspection and review by _____ and his/her/its advisers;

4. Statement of Risk Factors;

5. Stock Ledger of the Company;

6. Asset List of the Company; and

7. Material Contracts.

THE UNDERSIGNED UNDERSTANDS AND ACKNOWLEDGES THAT PURCHASE OR ACQUISITION OF PERCENTAGE INTEREST OF THE COMPANY IS NOT A PUBLIC OFFERING, THAT THE INFORMATION SET FORTH IN THE DISCLOSURE NOTEBOOK IS CONFIDENTIAL AND THAT THE DISCLOSURE NOTEBOOK AND ALL COPIES SHALL BE IMMEDIATELY RETURNED TO THE COMPANY IF THE UNDERSISNGED DOES NOT PURCHASE OR ACQUIRE PERCENTAGE INTEREST IN THE COMPANY.

THE UNDERSIGNED UNDERSTANDS AND ACKNOWLEDGES THAT HE/SHE/IT HAS BEEN ADVISED: (I) THAT FINNERAN & NICHOLSON, P.C. REPRESENTS THE COMPANY ONLY AND NOT THE UNDERSIGNED; AND (II) THE UNDERSIGNED SHOULD SEEK HIS/HER/ITS OWN COUNSEL TO ADVISE HIM/HER/IT REGARDING MATTERS SET FORTH HEREIN OR RELEATED THERETO AND SUCH ADVICE HAS BEEN DECLINED.

Signed under the pains and penalties of perjury this ___ day of _____, 20____.

_____ _____

WITNESS _____

SCHEDULE III

INVESTOR'S LETTER

_____, 20____

Salisbury Cultivation and Product Manufacturing, LLC
d/b/a Root and Bloom
138 Elm Street
Salisbury, MA 01952

Dear _____:

In order to induce you each to transfer, assign, and sell to the undersigned Percentage Interest, of Salisbury Cultivation and Product Manufacturing, LLC d/b/a Root and Bloom, a Massachusetts limited liability company (the "LLC"), set forth opposite the undersigned signature below (the "Percentage Interest"), I represent, warrant and covenant as follows:

A. The undersigned is purchasing the Percentage Interest for investment only, and not with a view to, or for sale in connection with, any distribution of the Percentage Interest in violation of the Securities Act of 1933 (the "Securities Act"), or any rule or regulation under the Securities Act;

B. The undersigned has had such opportunity as the undersigned has deemed adequate to obtain from representatives of the LLC such information as is necessary to permit the undersigned to evaluate the merits and risks of the undersigned's investment in the LLC;

C. The undersigned acknowledges that the undersigned has had access to the books and records of the LLC and has had an adequate opportunity to review the books and records of the LLC;

D. The undersigned has sufficient experience, business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Percentage Interest and to make an informed investment decision with respect to such purchase;

E. The undersigned can afford a complete loss of the value of the Percentage Interest and is able to bear the economic risk of holding such Shares for an indefinite period; and

F. The undersigned understands that (i) the Percentage Interest has not been registered under the Securities Act and, therefore, they cannot be sold, transferred or otherwise disposed of unless they are subsequently registered under the Securities Act or an exemption from registration is then available; (ii) the LLC

has no obligation to register the Percentage Interest under the Securities Act; and (iii) a legend to this effect will be placed on the certificate(s) representing the Percentage Interest, if certificated.

Very truly yours,

Total Percentage Interest: ____%

_____

_____ L.S.
Signed as an instrument under seal

EXHIBIT A

INSTRUMENT OF ADHERENCE

The undersigned, _____, in order to become the owner or holder of _____ (_____) Percentage Interests of Salisbury Cultivation and Product Manufacturing, LLC d/b/a Root and Bloom, a Massachusetts limited liability company ("LLC"), hereby agrees to become a Member to that certain Amended and Restated Operating Agreement, dated as of December 9, 2019 by and among the LLC and _____, as the same may be amended, from time to time. This Instrument of Adherence shall take effect as an instrument under seal and shall become a part of said Agreement immediately upon execution.

Signature: _____

Address: _____

_____

_____

Date: _____

EXHIBIT B

SUBORDINATED TERM PROMISSORY NOTE

$_____ _____, 20___

FOR VALUE RECEIVED, the undersigned, **SALISBURY CULTIVATION AND PRODUCT MANUFACTURING, LLC d/b/a ROOT AND BLOOM,** a limited liability company (the "Payor"), by this Promissory Note (the "Note"), absolutely and unconditionally promises to pay to the order of _____ (the "Payee") the principal sum of _____ DOLLARS and to pay interest on the principal sum outstanding hereunder from time to time from the date hereof until the said principal sum or the unpaid portion thereof shall be paid PER ANNUM at the Prime Rate (as defined in that certain Amended and Restated Operating Agreement dated as of December 9, 2019, between inter alia Payor and Payee, as may be amended, from time to time, (the "Operating Agreement"). The principal hereof shall be paid on or before _____, 20___ **[TEN YEARS FROM DATE FIRST ABOVE WRITTEN]**. Interest shall be payable in arrears on each calendar **[NOTE: REVISE/DELETE AS APPROPRIATE]** quarter/month commencing _____ and on the date the principal amount of this note becomes due and payable in full. Principal and interest shall be payable in equal consecutive **[NOTE: REVISE/DELETE AS APPROPRIATE]** quarterly/monthly installments _____ of **[ACCOUNTANT PLEASE PROVIDE]** _____ ($_____) ("Installment Amount") each and commencing on _____, 20__. Interest on overdue principal or interest shall be payable on demand at the **maximum rate permitted under law** ("Default Rate").

Both principal and interest shall be payable in lawful money of the United States of America to Payee at _____ Street, _____ **[NOTE: REVISE AS APPROPRIATE]**, MA, or such other address as designated in writing from time to time by Payee, in immediately available funds.

The Payor shall have the right, to prepay the unpaid principal amount of this Note in full at any time, or in part from time to time, without premium or prepayment penalty, with all accrued interest to the date of prepayment. The Payor shall give the holder at least three business days prior written notice of each, if any, proposed date of prepayment and shall specify the portion of the unpaid principal amount of this Note to be prepaid on such date. Each partial prepayment of principal shall be applied to the installments of principal due hereunder in the inverse order of maturity.

This Note is made and delivered by the Payor to the Payee in exchange for sale of all Percentage Interests and ownership in and to **SALISBURY CULTIVATION AND PRODUCT MANUFACTURING, LLC d/b/a ROOT AND BLOOM** (the "LLC"), a Massachusetts limited liability company and release of any and all claims in and to the LLC.

The Payor is entitled to certain offset upon the occurrence of any one or more of the following events set forth below, entitling the Payor, without default or recourse by Payee, at law

or in equity, to off-set any amounts due hereunder and, thus being excused from making payments hereunder equaling such off-set amounts, from time to time (the "Off-Set"):

(1) breach by Payee of any of his obligation(s) under Section 2.15, ARTICLE V or ARTICLE VIII under the Operating Agreement; and

(2) To satisfy Payee's indemnification obligations under the Operating Agreement.

Provided none of the above enumerated Off-set events exist or with the passage of time would occur, in the event that:

(1) the Payor shall fail to pay when due any installment of principal or interest on this Note and such default continuing for a period of thirty (30) days,

(2) the Payor shall make an assignment of the whole or a substantial part of their respective assets for the benefit of creditors;

(3) the Payor shall become unable to pay the obligation(s) due to Payee hereunder or Payor is unable to pay its other material obligations when and as due;

(4) Payor shall sell all or substantially all of its assets in a single or related series of transactions and/or there is any other transfer, voluntary or involuntary, of all or substantially all of the assets of Payor;

(5) there shall be commenced by or against the Payor any proceeding under any bankruptcy, insolvency, receivership, readjustment of debt of similar law of any jurisdiction which, in the case of a proceeding against the Payor, shall not have been dismissed within sixty (60) days of its commencement;

(6) there shall be a material change in the condition of Payor, financial or otherwise;

(7) there shall be a default under any lease from which Payor's business operates and/or any breach or default under any obligation to any lender, banking or financial institution or material supplier, by Payor;

(8) there shall be a breach or default under any material agreement to which Payor is a party or to which any assets of Payor are subject;

(9) there shall be final judgment against Payor and/or Majority Interest involving a claim in excess of $5000, not satisfied within thirty (30) days of same or covered by insurance;

(10) taxes, payroll or other like obligations of Payor are not paid when and as due;

(11) there shall be an abandonment or cessation of operation of business of Payor for any reason or no reason;

(12) there shall be a Transfer By Law (as hereinafter defined).

<u>then</u>: the Payee may, in his/her discretion, declare the entire unpaid principal of this Note and all of the unpaid interest accrued thereon subject to applicable Off-Set to be immediately due and payable, whereupon all of the unpaid principal of this Note and all of the unpaid interest become and be due and payable to the order of the Payee without notice and without presentment for payment, demand, protest or notice of protest, or any formalities of any kind, all of which are hereby expressly waived by the Payor. The failure of the Payee to exercise any of his/her/its rights, remedies, powers of privileges, hereunder in any instance, shall not constitute a waiver thereof in that or any other instance.

"Transfer By Law" as used herein shall mean any transfer by operation of law or other non-volitional transfer of property whatsoever and shall be deemed to occur if person(s) who presently or subsequently own or hold a majority interest in the outstanding Percentage Interests (as defined in the Operating Agreement) of Payor ("Majority Interest") and/or any Guarantor of this Note dies or becomes legally incompetent to manage his/her/their financial affairs, or is the subject of any proceeding under any law relating to bankruptcy, insolvency, arrangement and/or assignment for the benefit of creditors or readjustment of debt, or if all or substantially all of the real or personal property of the Payor, Majority Interest and/or any Guarantor of this Note is levied on or sold in any judicial proceeding(s) or any other form of judicially approved marital arrangement, the foreclosure of any lien or other security interest, a judicial sale, or otherwise by operation of law.

The Payor will pay on demand all reasonable costs and expenses, including reasonable attorneys' fees, incurred or paid by the Payee in enforcing or collecting any of the obligations of the Payor hereunder. The Payor agrees that all such costs and expenses and all other expenditures by the Payor on account hereof, other than advances of principal, which are not reimbursed by the Payee immediately upon demand, all amounts due under this Note after maturity, and any amounts due hereunder if a default shall occur hereunder, shall bear interest at a per annum rate equal to the Default Rate, until such expenditures are repaid or this Note and such amounts as are due are paid to the Payee. Default Rate interest shall be calculated on the basis of a 360-day year for the actual number of days (including the first day and excluding the last day) elapsed. Except as otherwise provided in the Documents, all payments shall be applied first to interest due hereunder, and any balance shall be applied in reduction of principal.

Every Obligor waives presentment, notice, protest and all other demands and notices and assents to any extension of the time of payment or any other indulgence, to any substitution, exchange or release of collateral and/or to the release of any other Obligor. As used herein "Obligor" means any person primarily or secondarily liable hereunder or in respect hereto.

The failure of the holder to exercise any of its rights, remedies, powers or privileges hereunder in any instance shall not constitute a waiver thereof in that or any other instance.

PAYOR WAIVES ANY RIGHT TO TRIAL BY JURY PAYOR MAY HAVE IN ANY ACTION OR PROCEEDING IN LAW OR IN EQUITY IN CONNECTION WITH THIS NOTE AND THE DOCUMENTS. PAYOR HEREBY KNOWINGLY AND VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS NOTE AND THE DOCUMENTS. PAYOR HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF PAYEE HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT PAYEE WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION. PAYOR ACKNOWLEDGES THAT PAYEE HAS BEEN INDUCED TO ENTER INTO THE LENDING RELATIONSHIP WITH PAYOR, BY AMONG OTHER THINGS, THE PROVISIONS OF THIS PARAGRAPH.

This Note is delivered in and shall be governed by and interpreted and determined in accordance with the laws of the Commonwealth of Massachusetts and any action brought to interpret and/or enforce this Note shall only be brought in Essex County, Commonwealth of Massachusetts. The parties waive any right to claim improper venue or forum non conveniens.

IN WITNESS WHEREOF, Payor has caused this Promissory Note to be executed in its name and its seal to be impressed hereon by its duly authorized officer on the day and in the year first above written as an instrument under seal.

[seal] PAYOR

By: _____
[NAME], Manager

_____
WITNESS

EXHIBIT C

CERTIFICATE OF VALUATION

SALISBURY CULTIVATION
AND
PRODUCT MANUFACTURING, LLC

The undersigned mutually agree that as of this _____ day of _____, 2020, that for the purposes of the Amended and Restated Limited Liability Company Operating Agreement dated as of December 9, 2019 (the "Operating Agreement"), as the same may be amended, from time to time, except as set forth below, each unit of the Percentage Interest, as of the date first written above, has a value of **[To Be Provided Annually By Company's Then Independent Accountant] ("Value Per Unit")** or a total aggregate value for all the now outstanding units of Percentage Interest of **[To Be Provided Annually By Company's Then Independent Accountant]** (the "**Valuation**") and _____ (the "Company") and each and all Members hereby agree to be bound by such **Value Per Unit** and **Valuation (not specifically otherwise governed by the Operating Agreement)** whenever the Company and/or the other Members, as the case may be, **elect** and/or are obligated, to purchase the units of Percentage Interest of any Member under the Operating Agreement (any and/or all of the foregoing being herein referred to as "Purchase Election Event(s)"). Accordingly, upon the occurrence of any and all of the foregoing Purchase Election Event(s) (not otherwise specifically governed by Operating Agreement at any time from and after the date first above written through and to the date a subsequent Certificate of Valuation is executed and delivered by the Managers and Members, in which case the immediately succeeding Certificate of Valuation governs, or if no such succeeding Certificate of Valuation is so executed, then the immediately preceding then executed Certificate of Valuation shall remain effective (the "Affected Period"). Determination of Valuation does not in any way provide a preference of priority to be paid before payments made to any other person or Member. The actual Purchase Price to be paid using this Certificate of Valuation shall be based on Value Per Unit listed in then effective Certificate of Valuation multiplied by applicable Percentage Interest being purchased **less** applicable Purchase Price Deductible Amounts ("Amounts To Be Paid").

Notwithstanding the provisions set forth above, in the event of a breach or default by any Member of the Operating Agreement, upon notice by the Company, evidenced by Consent of Managers (but where GBH, Inc. is not Manager, then by Consent of Members) to the breaching Member (in addition to any other applicable right or remedy), the Member hereby agrees to transfer his/her Percentage Interest in consideration of Applicable Amounts To Be Paid **less** ten percent (10%) of said Amounts To Be Paid (the "Breach Price"), each of the below Members and Manager signatories believe the foregoing calculation of the Breach Price is reasonable liquidated damages in the event of such breach, as the actual damages occasioned by any breach are unascertainable as of the date first above written, and hereby authorizes the Company to record such transfer in the Company's records. The Members acknowledge and agree that actual damages for any breach are difficult to ascertain, and therefore the consideration of the Breach

Price represents a reasonable forecast of the value of the Percentage Interest based upon damages to the Company in the event of such breach.

IN WITNESS WHEREOF, the undersigned have caused this Certificate of Valuation to be executed and delivered as of the date first above written.

Agreed and Accepted

_____ (L.S.)

_____

SALISBURY CULTIVATION AND PRODUCT MANUFACTURING LLC

By: _____ (L.S.)
[NAME], Manager

This Certificate of Valuation governs only the Affected Period and supersedes all prior Certificate(s) of Valuation (which shall be automatically null and void).

EXHIBIT D

RESIGNATION

I, _____, hereby resign effective immediately from all positions with **Salisbury Cultivation and Product Manufacturing, LLC d/b/a Root and Bloom** (the "Company"), including without limitation, as manager, member, officer, employee and from all other position(s) and capacity(ies) with the Company.

Very truly yours,

_____ _____

Witness _____

Date: _____, 20__

EXHIBIT E

AUTHORIZATION, RELEASE AND PROXY

The undersigned hereby irrevocably appoints _____ proxy for the undersigned to vote all Percentage Interest (Units) owned, held and/or controlled for which the undersigned is entitled to participate under that certain Amended and Restated Operating Agreement, dated as of December 9, 2019, as the same is amended from time to time, and when Consent of Manager(s), Consent of Members, Consent of Disinterested Members and/or Consent of Class B Members, as the case may be, is required, necessary, appropriate and/or as otherwise permitted and/or for the ratification of any action(s) taken and/or not taken and/or for the vacating or rescinding of any prior vote(s), consent(s) or action(s), and/or for any action(s), consent(s) and/or inaction(s) as may be necessary and/or appropriate by Consent of Manager(s), Consent of Members, Consent of Disinterested Members and/or Consent of Class B Members, as the case may be, as well as to any and all other matters which may arise with respect to the LLC and the undersigned hereby ratifies and confirms whatever the said proxy may do by virtue hereof and any and all action(s) and/or inaction(s) under this Authorization, Release and Proxy may be effected without liability, at law or in equity.

Dated: _____, 20__

_____

_____, Member

The Commonwealth of Massachusetts

Secretary of the Commonwealth

State House, Boston, Massachusetts 02133

William Francis Galvin
Secretary of the
Commonwealth

December 17, 2019

TO WHOM IT MAY CONCERN:

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

SALISBURY CULTIVATION AND PRODUCT MANUFACTURING, LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **August 15, 2019.**

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

I also certify that the names of all managers listed in the most recent filing are: **GBH INC.**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **GBH INC., GEORGE HASELTINE, BRAD KUTCHER**

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **GEORGE HASELTINE, BRAD KUTCHER**

In testimony of which,

I have hereunto affixed the

Great Seal of the Commonwealth

on the date first above written.

William Francis Galvin

Secretary of the Commonwealth

Processed By:TAA

LIMITED LIABILITY COMPANY CERTIFICATE

March 31, 2020

The undersigned certifies that GHB Inc. is the sole Manager of Salisbury Cultivation and Product Manufacturing, LLC d/b/a Root and Bloom (the "Company"), a Massachusetts limited liability company, and that, as such, is authorized to execute this Limited Liability Company Certificate (the "Certificate") on behalf of the Company in connection with its application to the Cannabis Control Commission (the "CCC") and further certifies the following:

1. The Company has not, and is not yet, producing goods, delivering services, and/or otherwise operating, pending approval of its licensing request to the CCC.

2. The Company has not hired, and is not yet hiring, any employees.

3. George Haseltine and Brad Kutcher (collectively, the "Members") together own one hundred percent (100%) of the membership interest of the Company.

4. The Members are, and since the date of organization of the Company have been, the only members of the Company.

5. The undersigned, GBH Inc. (the "Manager"), a Delaware corporation, is the sole Manager of the Company. The officers and directors of GHB Inc. are as follows:

   President - Brad Kutcher
   Treasurer - George Haseltine
   Assistant Treasurer - Brad Kutcher
   Secretary - George Haseltine
   Assistant Secretary - Brad Kutcher
   Chief Executive Officer - George Haseltine

6. The Members together own one hundred percent (100%) of the issued and outstanding shares of stock of the Manager.

7. The Members are, and since the date of incorporation of the Manager have been, the only shareholders of the Manager.

8. The Manager has not engaged in any active business operations, pending approval of the Company's license request from the CCC.

9. Neither the Company nor the Manager have paid any person(s) as employees for services.

10. The Manager and the Members are not, and have never been, employees of the Company.

11. As the Company has no employees, it has not registered with the Department of Unemployment Assistance (the "Department").

12. The Company shall register with the Department prior to, and upon hiring and employing, any employees of the Company.

[SIGNATURE PAGE FOLLOWS]

WITNESS the signature of the undersigned as of the date first set forth above. A facsimile, portable document form (PDF) and/or otherwise electronic signature to this Certificate will be given the same force and effect as an original.

Salisbury Cultivation and Product Manufacturing, LLC

By: _____ /Manager

GBH Inc., Manager, by George Haseltine, as its Representative

Plan for Obtaining Liability Insurance

Root & Bloom will obtain and maintain the required General Liability and Product Liability insurance coverage as required pursuant to 935 CMR 500.105(10), or otherwise comply with this requirement. Root & Bloom have engaged with multiple insurance providers offering General and Product Liability Insurance coverage in the amounts required in 935 CMR 500.105(10). These providers are established in the legal marijuana industry. We will engage with the provider who best suits the needs of the company once we receive a Provisional License.

Once Root & Bloom receives its Provisional Marijuana Establishment License we will engage with an insurance provider who is experienced in the legal marijuana industry. We will obtain and maintain general liability insurance coverage for no less than $1,000,000 per occurrence and $2,000,000 in aggregate, annually, and product liability insurance coverage for no less than $1,000,000 per occurrence and $2,000,000 in aggregate, annually. The deductible for each policy shall be no higher than $5,000 per occurrence.

If Root & Bloom cannot obtain the required insurance coverage, Root & Bloom will place a minimum of $250,000 in an escrow account. These funds will be used solely for the coverage of liabilities. Root & Bloom will replenish this account within ten business days of any expenditure. Root & Bloom will maintain reports documenting compliance with 935 CMR 500.105(10) in a manner and form determined by the Commission and make these reports available to the Commission up request.

Owners: George Haseltine & Brad Kutcher
Submitted to the Cannabis Control Commission,
Commonwealth of Massachusetts

November, 2019

ROOT & BLOOM

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ROOT & BLOOM

EXECUTIVE SUMMARY

Recreational retail cannabis launched in Massachusetts in November of 2018. Between November 2018 and November 2019, gross cannabis sales in Massachusetts topped $364 million, according to the Cannabis Control Commission. And all indications are that it's just the tip of the iceberg for the cannabis market in Massachusetts.

Estimates project Massachusetts recreational cannabis market to reach $2 billion by 2023, according to a recent analysis by the Brightfield Group, a Chicago-based cannabis market research firm.

Root & Bloom, Inc. ("Root & Bloom") is entering the cannabis market as an adult-use cultivation and product manufacturing company with a focus on creating high-quality products while prioritizing sustainability, innovation, and giving back to the local community.

Housed in a custom-built, state-of-the-art, 40,000+- square foot facility in Salisbury, Massachusetts, Root & Bloom is scheduled to be fully operational in Fall of 2021.

The Root & Bloom cultivation facility will have the capacity to produce and cultivate unique strains of cannabis to meet the needs and preferences of the market.

In addition to flower, our in-house manufacturing facility will produce a range of manufactured products, including but not limited to: tinctures, resins, infused edible products, extracted oils, and vape cartridges (if approved to be produced sold).

We anticipate the following sales:

$	Year 1	Year 2	Year 3
Total Revenues	6,099,363	10,215,710	11,010,130
Total Cost of Goods Sold	-1,394,096	-1,776,142	-1,909,338
Total Operating Expenses	-2,472,138	-2,452,475	-2,436,581
EBITDA	2,589,019	6,352,042	7,029,160
Interest Expense	-751,156	-719,905	-620,970
Net Income	375,309	3,073,504	3,648,616

Root & Bloom's target markets the recreational users across a range of cannabis consumers – from

novice to experienced. Focusing on the Massachusetts' market, we aim to provide a variety of expertly-crafted and unique products to licensed dispensaries across the state.

We anticipate cultivating and manufacturing a full complement of cannabis products. We will cultivate highly-sought-after cannabis strains which will be sold as white label flower and pre-rolls to dispensaries at a premium price. In addition, the raw cannabis will be used to create an array of branded Root & Bloom manufactured products (such as tinctures, sublingual sprays, edibles, pre-dosed oil vaporizers (if approved), shatter, wax, hash, resins, and other products) that are known for their consistency and quality of experience.

Our target markets for raw, white label cannabis will include a range of consumers – from those looking for craft-quality flower to those looking for preroll, which will include a mix of top quality flower and less potent shake or trim.

Our target markets for manufactured products span generations, but are bound by a loyalty to quality, consistency, and discreet enjoyment. We anticipate our top two markets to be personas we've identified as "The Parent" and "The Boomer." (See Marketing section for details.)

Root & Bloom's product will stand apart from the competition through our hallmark of exceptional quality, reputation for consistency, and benefits-focused branding. Our clean and clear branding, tied directly into the benefits of the products, will attract our target audience looking for a discreet, consistent experience. Our products will be both driven by market demand, as well as intensely innovated with an R & D arm to catch and forge upcoming trends.

Co-owners George Haseltine and Brad Kutcher are local business leaders who, combined, have 30+ years running profitable, multi-million dollar companies.

As local residents and business owners, our commitment to our community runs deep. Our "doing good through cannabis" model is setting the standard for socially-responsible cannabis companies and includes: generous percentages of profits back to our community; local hiring, education, and training priorities; a vast array of community service projects; and LocalBloom, a non-profit foundation established to support healthy families in our area; among others.

Lead by an experienced team using some of the most modern technology available, Root & Bloom is poised to be an innovator in the fast-growing Massachusetts cannabis industry.

COMPANY OVERVIEW

About

Salisbury Cultivation and Product Manufacturing, LLC. d/b/a Root & Bloom is a locally-owned and locally-controlled adult use cannabis cultivator and manufacturer. We are in the process of building a state-of-the-art, from-the-ground-up facility at 187 Lafayette Street in Salisbury, Massachusetts.

We are *LOCAL*.

Unlike many other cannabis companies, Root & Bloom is a local company with local commitments. Owners George Haseltine and Brad Kutcher live, work, and raise families in Essex County. The funding for Root & Bloom is locally sourced. And Root & Bloom is committed giving back locally through LocalBloom, a newly-established foundation to support the growth and health of families in the Salisbury area.

We are *MODERN*.

Root & Bloom are innovators. While the owners bring more than forty years of experience running successful businesses, they also bring a brand new perspective to the cannabis business. With a focus on clean, secure facilities; flexible and fair management practices; and social progress at their core, Root & Bloom will change perceptions of cannabis cultivators and manufacturers.

We are *GIVING*.

Root & Bloom's philosophy is that business should be at the foundation of a healthy economy – and healthy community. We plan on giving 3% of our annual profit back to the local community through a foundation that will fund scholarships and programs.

We are *GREEN*.

Nature is our business. From organic products to green building and business practices, we uphold the highest standards in support of a healthier world.

Mission Statement

Quality, innovation, sustainability, and socially-conscious profitability drive Root & Bloom to cultivate and manufacture exceptional, craft cannabis products for dispensaries across the Commonwealth.

OWNERS & LEADERSHIP

George Haseltine

Co-Founder, Root & Bloom
Newburyport, MA

With a passion for sustainability and innovation, George is a natural-born entrepreneur and disrupter looking to expand the cannabis industry.

Learning the business from the ground up, George founded two residential construction companies that have been responsible for over $100 million in revenue. And was personally responsible for raising over $20 million in funding capital for the acquisition of cost of goods sold (COGS).

His companies are well-known for their forward-thinking approach to sustainability and design. Throughout George's fifteen years in real estate development and general contracting, he has pioneered state-of-the-art solutions to create environmentally sound and financially responsible building projects.

While George has innovated in a highly competitive construction industry, he credits his success to being able to seek out and surround himself with the best people for the job. A skilled leader, George doesn't only build businesses, he builds – and retains – teams of smart, motivated, successful employees. Last year, George's business reached revenues of over $4.5 mil and is on a $3 million annual run rate of revenue for service based residential construction projects, including renovations to existing homes and ground-up builds.

George is a corporator at the Newburyport Bank, one of the top lending institutions on the North Shore, coastal NH and southern Maine. George lives in Newburyport with his wife and two children. He has his undergraduate degree from University of New Hampshire and graduate credits from Bentley University.

An Innovator for the Industry
The cannabis industry is ripe for innovation. And George, with his finger on the pulse of technology, is poised to capitalize on this unique moment.

Cannabis cultivation and manufacturing is on the brink of leaping from old-fashioned farming to state-of-the-art production. Extraction processes using Supercritical CO2, bleeding-edge sustainability solutions, and constantly innovating R and D arms, among many others, ensure that technology is threaded into every aspect of Root & Bloom.

And while disruption is a core value of George's, so is healing. And at Root & Bloom, George has made it his mission to find a way to give back through cannabis. As a local resident, business owner, and father, George's investment in the community extends far beyond Root & Bloom. Local Bloom, a nonprofit foundation, will be a new model for cannabis philanthropy, with a focus on helping local families in need thrive.

Brad Kutcher

Co-Founder, Root & Bloom
West Newbury, MA

With decades of experience building companies, Brad is steady and seasoned businessman with deep roots in the community.

Brad is the president of a general contracting and development firm with over thirty years in business. Based out of Amesbury, Brad works extensively in residential and commercial development and specializes in large, multi-faceted projects.

Over the past several years, Brad has successfully developed commercial projects such as national pharmacy chains, local banks, healthcare offices, and commercial office space build outs. Brad's revenues in 2018 topped $5.4 million and he employs several employees and manages over 100 workers and subcontractors on a weekly basis.

Brad's business acumen, sense of fairness, and quality of work has led him to successful partnerships with local communities and municipal boards and offices such as Planning, Zoning, City Council, Board of Selectmen, Historic, and Conservation, among others.

Brad is also a corporator for the Newburyport Savings Bank. He lives in West Newbury with his wife and their four children. Brad holds a Bachelor of Business Administration from Merrimack College.

A Steady Head and Hand
Brad's deep experience in building successful businesses brings insights and best practices to Root & Bloom. Few in the industry can boast of the long-term success that Brad has had.

His decision to co-found Root & Bloom comes from a love of creating sustainable and profit-driven companies, and a desire to give back to his own community in new ways.

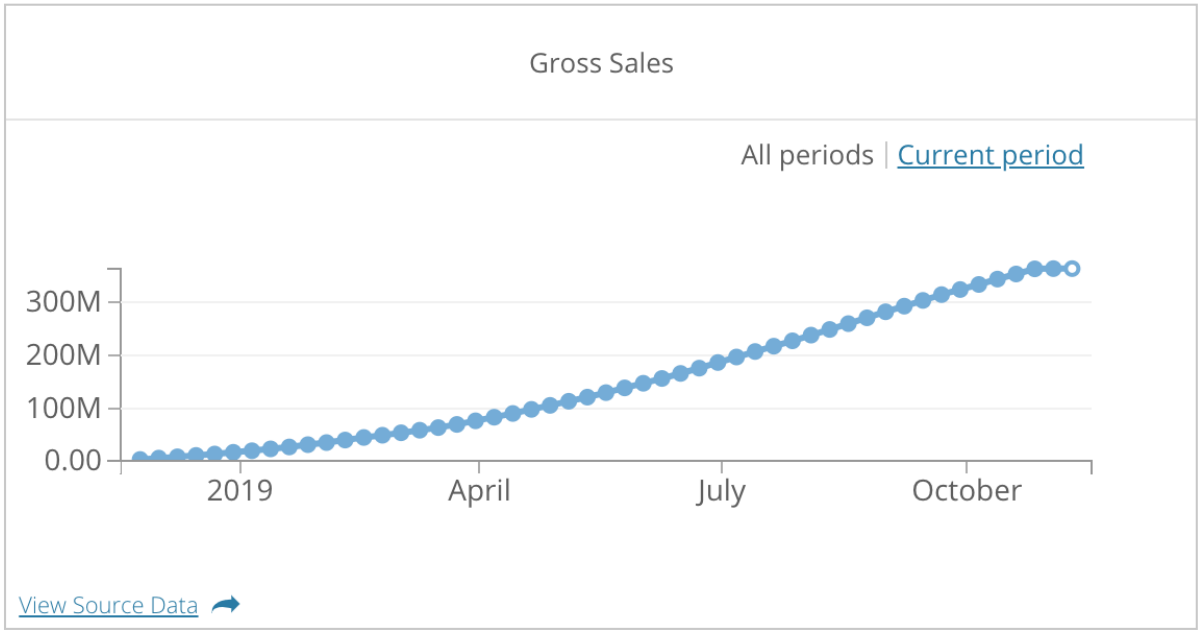
A life-long resident of the area, Brad's involvement in local charities and nonprofits is extensive. Brad is able to expand his charitable work through Root & Bloom's nonprofit arm, LocalBloom, which will serve families in need on the North Shore.

CANNABIS INDUSTRY & PROJECTED GROWTH

"Retail sales of medical and recreational cannabis in the United States are on pace to eclipse $12 billion by the end of 2019 – an increase of roughly 35% over 2018 – and could rise as high as $30 billion by 2023." – 2019 Marijuana Business Factbook

The cannabis industry is big business – and getting bigger.

Recreational retail cannabis launched in Massachusetts in November of 2018. From November 2018 to November 2019, gross cannabis sales in Massachusetts topped $364 million, as recorded by the Cannabis Control Commission. Estimates by cannabis market research firm the Brightfield Group project Massachusetts recreational cannabis market, alone, to reach $2 billion by 2023.



- from Cannabis Control Commission, Gross Sales Total Since Retailers Opened, 11/1/2018-11/12/2019

The Massachusetts market is different. With higher median household income ($77,000, which is $15,000 above US median), Massachusetts consumers are not only able to pay for premium product, they are looking for a more premium experience. The proliferation of Massachusetts colleges and universities also means a more educated population, with consumers thoughtful about what they choose to buy and how they choose to consume cannabis.

The differences in Massachusetts don't stop at income. Massachusetts cannabis regulations are among the strictest in the country. Cannabis and cannabis-related companies face significant hurdles:

- Massachusetts financial institutions have rebuffed cannabis businesses for fear of falling afoul of federal regulations on what remains a Schedule 1 substance. Many cannabis businesses are forced to rely on a small number of state-chartered institutions or function as cash-only businesses.

- Host Community Agreements, where municipalities request "community impact fee" of up to 3% of gross sales can add financial strains.

While barriers to entry impact entrants to the industry, companies like Root & Bloom, who are able to finance privately and to work through regulations, benefit from:

- Fewer competitors
- Increased pricing power
- Higher profit margins
- Lower ongoing capital-expenditure requirements

OPPORTUNITIES AND CHALLENGES

Root & Bloom will supply Massachusetts dispensaries with flower and manufactured product.

Price

As of October 2019, wholesale supply does not meet the current demand in the Massachusetts market.

As more cultivators open in the years to come, the supply of flower will increase and we anticipate the wholesale price to drop accordingly. This shift will put pressure on wholesale margins.

Both an opportunity and a challenge will be maintaining and securing strong viable wholesale distribution lines with the licensed retail dispensaries in the Commonwealth.

Newness to Market

The nascent state of the Massachusetts cannabis market means there is still uncertainty as to how it will evolve and take shape.

Many industry experts agree that additional future Federal governmental oversight and compliance requirements will be required – thereby tightening many facility and operational standards.

Additionally, there are many new businesses looking to gain entry into the field, to navigate regulations, and to distinguish themselves.

In order to thrive in the long run, we are focusing on meeting demand now – as well as for the future. We are preparing for additional regulations throughout our building and planning processes.

Additionally, we are investing heavily with our R & D arm to:

- stay ahead of the curve with products, product development
- continuously improve on meeting the demands of new customers

Hiring

Root & Bloom's goal is to build a high-performing, diverse workforce based on mutual acceptance and trust. However, the tight labor market will make finding and hiring required labor a challenge. It will be critical to find, hire, and retain qualified employees.

Expanding opportunities for gainful employment is a key driver in helping populations disproportionately affected by marijuana prohibition, and that is something that Root & Bloom is committed to. Through a variety of outreach, we will be seeking to hire employees from the community of Haverhill, which is an area of disproportionate impact. While, at the same time It is also our policy to select the best qualified applicant for the job, regardless of race, gender, disability, sexual orientation, or any other non-merit factor.

To help achieve our hiring goals, we have put into place a top-notch team to run our Human Resources. With extensive training, competitive salaries and benefits, and formalized performance review systems, we are building to hire (and keep) the best employees in the field.

OPERATIONAL AND COMPLIANCE PLAN

We are committed to building a state-of-the-art cultivation and product manufacturing facility that is compliant with, or will exceed, all local and state laws. Our proposed 40,000+- square foot facility will set the standards in the industry – being both advanced and nimble enough to grow and adapt to ever-changing technology and future governmental regulations.

Facility

We are building our facility from the ground up. The new build allows us to work with award-winning architectural firm Anderson Porter Design to create one of the most innovative and efficient cannabis cultivation and manufacturing facilities in the state.

The sleek and modern building will contain a highly innovative cultivation facility that will yield over 5,500 pounds in flower available for recreational wholesale. We will be implementing the latest technology and grow practices in order to maximize the most efficient yield possible. Our technology and growing practices will also allow us to precisely measure inputs such as fertigation, C02 and light to help allow the operation team adjust for maximum efficiency of product. We will be able to stagger volume of planting schedules, flattening out labor variances, lowering labor cost while helping us better service the demand from our buyers.

Rooms pertinent to grow are:

- Mother Room
- Vegetative Room(s)
- Flower Room(s)
- Trim Room
- Dry Rooms(s)
- Cure Room

The facility will also contain a manufacturing facility with the following capabilities but not limited to:

- State of the art extraction lab setup utilizing the latest extraction equipment and methodology
- Full post processing setup that will include:
    - Kitchen capable of producing a wide variety of consumables and other edible creations
    - Infusion equipment for bottles and cartridges’
    - Labeling and packaging plant
    - Complete dry and cure flower processing setup
    - Innovation lab for extensive Research & Development

The facility will also contain the following rooms:

- Vault storage and other conditioned storage environments for post processed and packaged goods ready for wholesale
- Training & conference rooms
- Offices
- Break rooms and locker rooms with showers
- Laundry and Gowning
- Integrated Pest Management Control Room
- Fertigation Control Room
- Quarantine Room
- Security Room
- Pot Washing Room
- Janitorial Room(s)
- Other mechanical rooms essential for the operation of the facility

At Root & Bloom, we're not just thinking about today, but are planning well into the future. Our facility is designed to execute current industry best manufacturing methodologies, as well to be adaptable to future regulation that industry is sure to face, including Good Manufacturing Process (GMP), Good Agricultural and Collection Practices (GACP), OSHA compliance, Adoption of SOPs, and FDA compliance.

In addition to being prepared for forthcoming regulations, these best practices will help us develop and maintain a more consistent product for our customers and end users.

Sustainability & Efficacy

While the facility will be cutting-edge in innovation, it will also be cutting-edge in sustainability. What separates Root & Bloom cultivation from competitors is the investment – up front– we have made in order to drive our operational costs of growing flower down while significantly reducing our carbon footprint.

One of the largest drivers of cost in any cultivation facility is energy use, which equates to approximately ⅓ of all operational cost. Our growing solution will allow us to grow at a much higher efficiency and lower per unit cost than many of our competitors. This is an especially critical point due to the expected increase in wholesale flower supply resulting in an expected drop in wholesale flower price over time - as recent history has shown in other state markets where cannabis has been regulated. In addition to being cost effective and allow us greater flexibility in the marketplace, this solution is sustainable, too – also allowing us to significantly reduce energy usage related to light, cooling and dehumidification, substantially reducing our carbon footprint.

We will be recycling up to 80% of our water usage by capturing and reusing almost all of the water discharged through the dehumidification process. The water will be treated and reinserted back into the vegetation fertigation system. This will significantly reduce our water usage and thus our tax on the municipality water supply. In addition to the above, we will be using a specialized growing medium that will allow for targeted water and fertilizer, reducing our requirement for both of these inputs -further driving down operational costs.

We also have an edge with our brand-new building over many of our competitors. By building to our own specifications, we can use the most effective layout to create a more efficient operation.

Many of our competitors are retro-fitting older, existing structures and/or are using antiquated grow technology. These competitors will face real challenges related to the newer energy conscious regulations currently being implemented in the Commonwealth, they will be forced to potentially go through costly retro-fit event to their existing operation to meet the more restrictive energy requirements being regularly adopted by the CCC. Inefficiencies with existing building layouts yielding less efficient mechanical designs result in higher operational costs. This in turn leads to added financial pressure for our competition with regards to future falling wholesale prices of the bud.

Neighbors & Concerns

We're not just building to maximize cannabis output, we're also building to be good neighbors.

Odor Control: Our facility is being specially built to mitigate any outside odor detection as it abuts a residential neighborhood. Our state of the art facility will also give us the ability to have a two stop gap odor control. Each egress will have its own independent air-lock system which will keep the environments on either side independent of each other. We will also be implementing a state of the art facility odor control system – filtering and treating all the air leaving the facility – reducing our liability with odor pollution – an often-mentioned neighborhood concern.

Noise Control: Root & Bloom has designed the facility with noise reduction in mind. The proposed layout of the facility and exterior mechanical equipment minimizes sound pollution created from the operation of the facility. Additional provisions such mature plantings, topographical screening, and sound fencing will meet or exceed ambient sound pollution laws.

Aesthetics: We are committed to building a facility that the neighborhood, local community, and the municipality will be proud of. Designed by Boston architects Anderson Porter, our facility will have a welcoming facade, housing the most cutting-edge equipment available. We envision the Root & Bloom facility as a catalyst for the revitalization of the Rt. 1 corridor and a model for future development in the Lafayette Main Commercial District in Salisbury, Massachusetts.

Security

The Cannabis Control Commission (CCC), a state agency regulating cannabis in Massachusetts, has strict guidelines for security that govern a range of measures, including exterior lighting and surveillance, multiple layers of locking storage, and emergency plans and procedures.

In addition to meeting the CCC regulations, we are hiring a security consulting firm that has experience in the regulated cannabis industry in order to integrate a best-practice design that adheres to the requirements of the Town of Salisbury and the CCC.

Software

There's a surprising amount of technology needed in cultivating and manufacturing cannabis and we are hiring a team of information technology professionals to implement state-of-the-art systems to both keep us in compliance with regulations and to transparently and efficiently manage our processes. These systems will include, but not be limited to, yield forecasting, seed to sale tracking using METRC as required by the CCC, investor reporting, and compliance regulations.

Hiring & Training

We anticipate rapid growth as we scale our cannabis cultivation and manufacturing operation. Early stage hiring estimates are up to 20-30 full and part time staff at the time of opening, including the following positions but limited to:

- *Executive Function*
    - Human Resources Officer
    - Financial Services Officer or Chief Financial Officer
    - Information Technology lead
    - Compliance Officer
    - Chief Market and Sales Officer
    - Director or Operations
- *Cultivation*
    - Master grower and cultivation assistants
- *Extraction*
    - Head Extractor and extraction technicians
- *Processing*
    - Trimmers
    - Packaging and Labeling technician
- Facility Management
    - Custodial
    - Grounds and maintenance

Root & Bloom is looking to be the best in the business – and will hire for it. We plan on compensating

employees at the high end of industry standards while providing competitive benefits packages available, including medical, dental and company-matched retirement programs.

We are also committed to hiring locally, and are implementing an extensive human resources plan to ensure we are giving opportunity to local residents and residents in areas of disproportionate impact.

Getting hired is only the beginning at Root & Bloom. Education is core to our business, and our training program is currently being designed by a leading executive education team, with an eye to continual learning. All staff will be required to satisfy specific training requirements, as well as team-building community service commitments.

Federal Regulations

With the possibility of legalization of cannabis on a Federal level at some point in the future, we are confident that we are poised to take full advantage of our position in the industry.

The exacting standards that the Commonwealth of Massachusetts has already implemented, along with our commitment to constructing a new, state-of-the-art facility that will already meet or exceed the standards of the FDA from a Federal compliance standpoint, puts Root & Bloom in a strong position.

In addition to meeting or exceeding expected federal regulations at our manufacturing facility, we will adhere to strict manufacturing standards and processes such as: Good Manufacturing Process (GMP), Good Agricultural and Collection Practices (GACP).

We feel strongly that as industry standards change to meet new Federal guidelines, our proactive approach in building our facility to meet these future standards will position us well ahead of our competitors. While existing facilities will have to make substantial and costly upgrades and improvements to operate in the new environment, we will be able to seamlessly continue to operate with minimal upgrades expenses with little or no down time. This also makes us more attractive to potential investors in the future.

PRODUCTS

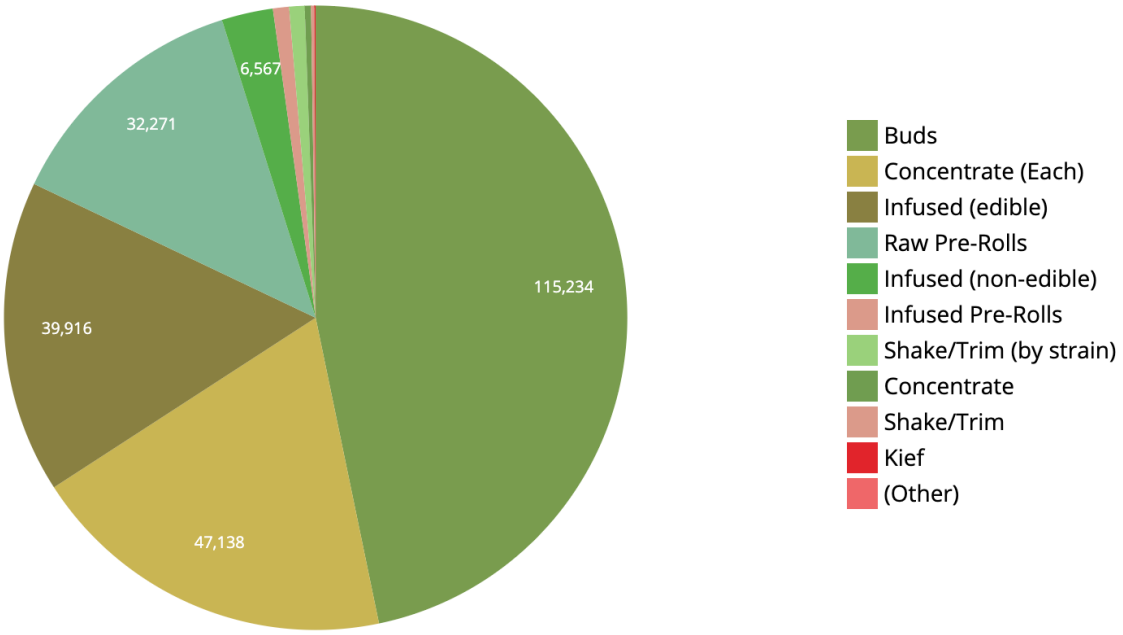
Root & Bloom will produce craft-quality cannabis flower and manufactured products to serve customers with various needs and preferences.

Our branded wholesale and manufactured goods will initially be distributed and sold to retail dispensaries throughout the Commonwealth. While management is looking into the acquisition or opening of a retail store, it is our goal to provide multiple dispensaries across the state with high quality and consistent products for sale.

Products we intend to offer include, but will not be limited to:

- Flower and prerolls
- Tinctures and other highly water soluble products
- Sublingual sprays
- Resin, shatter, wax, hash
- Pre-Dosed Oil Vaporizers (if approved)
- Edibles
- Other distillate based products

While we will cultivate and sell wholesale flower that stays true to its natural state, we will also use our manufacturing equipment, skills, and knowledge to isolate specific strains, terpenes, cannabinoids, and flavinoids that will deliver the consistent and predictable experiences in our manufactured products.



-Snapshot of weekly distribution of total units sold by product category in Massachusetts, September, 2019, Cannabis Control Commission

Wholesale Flower

Root & Bloom will produce multiple strains of high-quality recreational cannabis flower such as bud, pre rolls, and other flower-related, processed goods that we will wholesale to licensed dispensaries in the Commonwealth.

Based on our projections, we will have the capability of producing over 5,500 pounds of cannabis flower annually.

Currently, as of late 2019 the market rate for mid-rated flower is between $3,300-$4,200/lb.

While we do expect the price to come down in the coming years (reflecting what has happened in other states that have regulated retail cannabis production and sales), we believe that due to high barriers to entry and operational standards in the Commonwealth (vs. the rest of the legalized states) the wholesale price of cannabis will continue to stay at existing pricing levels for an extended period of time.

Additionally, we project that the cost of cannabis will stabilize at a higher level than other states with legalized cannabis.

Wholesale Flower – Sales forecast

Wholesale flower and pre rolls: We expect prices for wholesale flower to barely keep up with demand for several years. While we do expect the market price for wholesale to dip in the foreseeable future, we recognize that while margins fall on this product line we must continue to produce flower to meet customer demand and to fuel our own manufactured goods division.

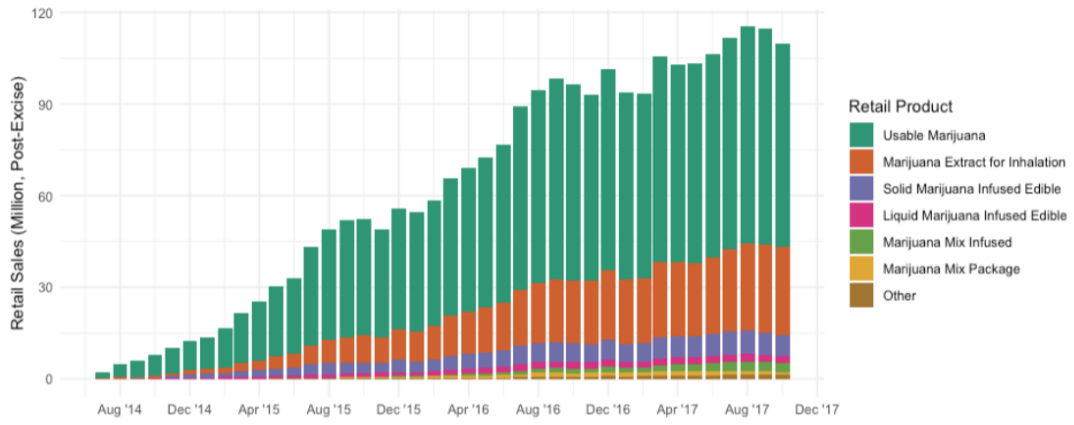
Manufactured Goods

In addition to growing cannabis flower for wholesale consumption, we will be focused on manufacturing and producing high quality cannabis products, including but not limited to: tinctures, resins, infused edible products, extracted oils, and vape cartridges (if approved).

Based on Massachusetts sales (see snapshot, above), the legal cannabis consumption in the Commonwealth is split roughly 70/30 between flower and manufactured product.

As seen in figure below from a Rand Corporation report on Washington State, the manufactured goods market is gaining market share – while the percentages are small for the years reported, they are growing at significant rates year over year, and it continues to trend upward as a percentage of sales.

Figure 2.5. Retail Sales Revenue (Post-Excise Tax, Millions)



- *Assessing Cannabis Supply and Demand in Washington State, Rand Corporation*

We believe there are two main reasons why.

1. **Older and wiser:** New customers entering the legalized cannabis market tend to be older. According to a comprehensive 2018 study by EAZE on California consumers, Baby Boomers are one of the fastest growing segments, increasing by 25% over the past year. Plus, 51% of cannabis consumers surveyed have a college or postgraduate degree, compared to state average of 39%.

2. **Female consumers**: With female consumers nearly doubling, the growth of women entering the market outpaced men and continued the trend of increasing female participation. With women now 38% of cannabis consumers, equal gender representation is expected in 2022. (EAZE Report, 2018)

3. **Discretion:** Consumers are looking to use cannabis more discreetly. They are also more aware of the negative health effects of smoking. Manufactured products such as oils, tinctures, and edibles offer more discreet and perceived healthier consumption.

4. **Consistency:** Due to processing methods, manufactured goods deliver a more consistent experience over flower. Highly-regulated manufactured goods require significant testing and labeling, leading to a more consistent experience across purchases. The result? Customers can now confidently choose cannabis products based on their specific needs and desired effect.

The growth and quality of the manufactured goods is directly linked to the evolution of the cannabis market.

The acceleration of growth for manufactured goods will continue to outpace the growth of flower for the foreseeable future. As manufactured goods continue to go through the R & D revolution, more and more manufactured products will continue to hit the market, further increasing the demand for such products.

Root & Bloom is focused on capitalizing on this market trend. We will be dedicating over four thousand square feet of our facility for the purposes of manufacturing. We will be installing a state of the art extraction lab in order to create high quality and unique processed cannabis. We will also invest in a bottling plant in order to bottle and brand our own products such as tinctures and sprays. In addition we will be producing pre-filled cartridges for pen and vaping vehicles. Additionally we will be constructing a state of the art kitchen to produce edibles such as chocolates, gummies, and other edible products.

Manufactured goods - Sales forecast

While margins will slide with flower in the future, we believe the way forward for high margin cannabis sales is with manufactured goods. We do believe there is a significant void in the market with availability of consistent, well labeled, quality manufactured products. There is still considerable confusion on the consumer side when it comes to product consistency with regards to type of target effect, strength and identification.

As with all our products, our manufactured goods will have a simple and benefits-forward approach that will help customers easily see and associate the effects with their desired effect or ailments. This will make the buying experience more enjoyable for the customer and the

customer will associate Root & Bloom with a clear and identifiable product that can be trusted to purchase and yield the desired effect.

We expect gross margin on manufactured goods to be between 75 and 85%. Our margins will be significantly higher than other facilities who just manufacture and have to import their own wholesale flower, as Root & Bloom will be growing our own supply.

In short, manufactured goods not only provide a hedge, but will be a core business driver for Root & Bloom. And though a trend of manufactured goods will continue to gain market share over wholesale flower, based on other state sales, we project that wholesale flower demand will continue to grow steadily, just not as quickly as manufactured goods.

MARKETING

Unique Selling Proposition & Branding

In the highly-competitive field of cannabis sales, Root & Bloom will stand apart from the competition with product known for its exceptional quality, innovative delivery, and simple, benefits-focused branding for patients and consumers.

What does benefits-focused branding mean? Using consistent branding across all products, we will identify dominant attributes of the cannabis product and make its recommended use simple and crystal clear to the consumer. The consumer will be able to identify what the desired effect of the product is within 30 seconds of reading the label. This type of clear branding will allow everyone, including patients and consumers who have never tried cannabis before, have an enjoyable, controlled experience.

For example, for customers and patients who visit a dispensary looking for a product to use at the gym, we may have a branded product line named “Energy.” The “Energy” line may span multiple delivery types (edibles, resin, etc.) and will provide a consistent and invigorating experience across all products. For other users looking for a product for calming and sleep, we may create a product line named “Dream.” And so forth.

This simple, clear straight forward branding strategy eliminates confusion for all consumers, while allowing an easy and welcoming entry-point for new-to-cannabis consumers – a market segment expected to skyrocket as Massachusetts residents become more familiar with dispensaries.

Cannabis dispensary customers know the desired benefit they’re looking for when they walk into a store. But they are often faced with a menu of meaningless names (ie- Gorilla Glue, Herijuana, Middlefork, Strawberry Cough) and a hit-or-miss chance to get guidance from the budtender.

Our brand strategy will allow our customers to choose what they want quickly, bringing novice users into our product line, reducing the stress of product information overload, and intimidation and decision fatigue, overall. This approach will also be a breath of fresh air to our more experienced customers, too.

Our branding, combined with calibrated dosing guidelines, will create a consistent experience that is sorely lacking in today’s products.

Anticipated Customer Profile

Root & Bloom will be servicing dispensaries in Massachusetts.

We will be targeting a broad market base of consumers who appreciate quality of product, ease of product selection, and consistency.

Priced at the mid to higher end of the market with a distinctively simple, benefits-driven brand and consistently high quality product, we are targeting the following customer profiles within the larger spectrum of cannabis users.

The Novice	**The Parent**	**The Boomer**	**The Elitist**
Ages 25-35	Ages 35-50	Ages 55-75	Ages 25-45
Values: Novelty & Guidance	Values: Consistency, brand loyalty, discretion	Values: Consistency, predictability, reliability	Values: Quality & Socially conscious company
Mid income level	Mid to higher income level	Mid to high income	Mid to high income level
Moderately inelastic	Relatively high price elasticity	Slightly inelastic	Relatively high price elasticity
Vaping	Edibles, Tinctures, water solubles, sublinguals (spray and distillate)	Edibles, Tinctures, water solubles, sublinguals (distillate)	Flower, Resin

A “one-size-fits-all” approach will fail. But identifying our core consumers, and reaching them with exceptional product, consistent and easy-to-understand benefits branding, and innovative delivery methods, we’ll create a pathway for long-term brand loyalty.

FINANCIALS & PROJECTIONS (3 Year Proforma)

Profit&Loss Statement

$	YEAR 1	YEAR 2	YEAR 3
Revenue	6,099,363	10,215,710	11,010,130
COGS - Cost of Goods Sold	1,394,096	1,776,142	1,909,338
Gross Profit	4,705,267	8,439,568	9,100,792
% of revenue	77%	83%	83%
SG&A Expenses			
G&A Expenses - Initial & General Costs	605,500	289,337	297,765
G&A Expenses - Cultivation	205,563	230,978	237,705
G&A Expenses - Extraction/Refining	275,148	448,869	476,849
SG&A Expenses - Marketing & Sales Expens	291,490	336,824	243,905
Senior Management Salaries & Benefits	346,816	364,157	381,498
IT Salaries & Benefits	157,644	165,526	173,408
Other Salaries & Benefits	208,090	218,494	228,899
SG&A Expenses - Misc.	25,998	33,341	31,604
Total SG&A Expenses	2,116,247	2,087,526	2,071,632
Operating Income (EBITDA)	2,589,019	6,352,042	7,029,160
% of revenue	42%	62%	64%
Depreciation and Amortization	355,891	364,949	364,949
Earnings Before Interest & Taxes (EBIT)	2,233,129	5,987,093	6,664,211
Interest Expense	(751,156)	(719,905)	(620,970)
Earnings Before Taxes (EBT)	1,481,973	5,267,188	6,043,241
Income Tax	1,106,664	2,193,684	2,394,626
Net Income	375,309	3,073,504	3,648,616
% of revenue	6%	30%	33%

Policy for Separating Recreational from Medical Operations

Not Applicable

This policy is not applicable to Root & Bloom. Root & Bloom is not a Medical Marijuana Treatment Center.

Policy for Restricting Access to Age 21 and Older

Root & Bloom operations will be compliant with all regulations outlined in 935 CMR 500.000 et. seq. ("the Regulations") and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission ("CNB") or any other regulatory agency. Root & Bloom's management team is responsible for ensuring that all persons who enter the facility or are otherwise associated with the operations of the facility are over the age of 21.

The purpose of this policy is to outline the responsibilities of the Company, the Company's management team and Agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that access to our facility is restricted to only persons who are 21 years of age or older.

Definitions:

Law Enforcement Authorities means local law enforcement unless otherwise indicated.

Marijuana Establishment Agent means a board member, director, employee, executive, manager, or volunteer of a Marijuana Establishment, who is **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.

Visitor means an individual, other than a Marijuana Establishment Agent authorized by the Marijuana Establishment, on the premises of an establishment for a purpose related to its operations and consistent with the objectives of St. 2016, c. 334, as amended by St. 2017, c. 55 and 935 CMR 500.000, provided, however, that **no such individual shall be younger than 21 years old**.

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For the purposes of this Policy the term “facility” also refers to any vehicle owned, leased, rented or otherwise used by Root & Bloom for the transportation of Marijuana. Our cultivation facility allows only the following individuals access to our facility:

1. Root & Bloom Agents (including board members, directors, employees, executives, managers, or volunteers) must have a valid Agent Registration Card issued by the Commission and all of Root & Bloom Agents will be verified to be 21 years of age or older prior to being issued a Marijuana Establishment Agent card.
2. All Root & Bloom visitors (including outside vendors and contractors) prior to being allowed access to the facility or any Limited Access Area must produce a Government issued Identification Card to a member of the management team and have their age verified to be 21 years of age of older. If there is any question as to the visitors age, or if the visitor cannot produce a Government Issued Identification Card, they will not be granted access. After the age of the visitor has been verified, they will be given a Visitor Identification Badge. Visitors will always be escorted by a marijuana establishment agent that is authorized to enter the limited access area. Visitors will be logged in and out of the facility and must return the Visitor Identification Badge upon exiting the facility. The visitor log will always be available for inspection by the Commission.
3. Root & Bloom will ensure that the following individuals listed below will be granted immediate access to the Marijuana Establishment or Marijuana Establishment transportation vehicle:
    a. Agents of the Commission;
    b. Commission Delegees;
    c. State and Local Law enforcement Authorities acting within their lawful jurisdictions;
    d. Police and Fire departments, and emergency medical services acting in the course of their official capacity.

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Policy for Quality Control and Testing of Marijuana and Marijuana Products

Root & Bloom is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. ("the Regulations") and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission ("CNB") or any other regulatory agency. This policy has been created to provide clear and concise instructions for all our employees to maintain Quality Control and Testing procedures that are in compliance with the Regulations.

Definitions:

Cultivation Batch means a collection of cannabis or marijuana plants from the same seed or plant stock that are cultivated and harvested together, and receive an identical propagation and cultivation treatment including, but not limited to: growing media, ambient conditions, watering and light regimes and agricultural or hydroponic inputs. Clones that come from the same plant are one batch. The marijuana licensee shall assign and record a unique, sequential alphanumeric identifier to each cultivation batch for the purposes of production tracking, product labeling and product recalls.

Independent Testing Laboratory means a laboratory that is licensed by the Commission and is:

(a) Accredited to the International Organization for Standardization 17025 (ISO/IEC 17025: 2017) by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the Commission;

(b) Independent financially from any Medical Marijuana Treatment Center (RMD), Marijuana Establishment or licensee for which it conducts a test; and

(c) Qualified to test cannabis or marijuana in compliance with 935 CMR 500.160 and M.G.L. c. 94C, § 34.

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Marijuana means all parts of any plant of the genus Cannabis, not excepted in (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 Products means cannabis or marijuana and its products unless otherwise indicated. These include products have been manufactured and contain cannabis or 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 edible products, beverages, topical products, ointments, oils and tinctures.

Process or Processing means to harvest, dry, cure, trim and separate parts of the cannabis or marijuana plant by manual or mechanical means, except it shall not include manufacture as defined in 935 CMR 500.002.

Production Batch means a batch of finished plant material, cannabis resin, cannabis concentrate or marijuana-infused product made at the same time, using the same methods, equipment and ingredients. The licensee shall assign and record a unique, sequential alphanumeric identifier to each production batch for the purposes of production tracking, product labeling and product recalls. All production batches shall be traceable to one or more cannabis or marijuana cultivation batches.

Root & Bloom is committed to cultivating healthy, high quality, and disease-free marijuana. Contaminants such as mold, fungus, bacterial diseases, rot, pests, pesticides not in compliance with 500.120(5) for use on marijuana and mildew are the biggest threat to a marijuana cultivation facility and its products. Root & Bloom is committed to utilizing Best Management Practices ("BMP") for the prevention and treatment of possible contaminants using the safest and least invasive means.

Root & Bloom will also implement an industry standard Integrated Pest Management ("IPM") program focusing on preventing pest problems. Preventing pest problems in our cultivation facility will entail minimizing pest access to the facility and the food and shelter available to it. Consequently, IPM relies heavily on the cooperation and participation of all employees. Also, quality control and the testing of marijuana products are essential for the operation of Root & Bloom' cultivation facility. Root & Bloom will utilize best industry practices when it comes to quality control and product testing.

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Quality Control will be maintained through the strict adherence to Good Manufacturing Practices and compliance with 935 CMR 500.000 et. seq, 105 CMR 590.000: *Minimum Sanitation Standards for Food Establishments,* the sanitation requirement in 105 CMR 500.000: *Good Manufacturing Practices for Food*, and with the requirements for food handlers specified in 105 CMR 300.000*: Reportable Diseases, Surveillance, and Isolation and Quarantine.*

All products that Root & Bloom will sell or transfer to other Marijuana Establishment will be tested in accordance with the regulations and this policy. Root & Bloom will not sell or otherwise market marijuana for adult use that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000. Any testing results indicating noncompliance with M.G.L. c.132B and the regulations at 333 CMR 2.00 through 333 CMR 14.00 will be immediately reported to the Commission, who may refer any such result to the Massachusetts Department of Agricultural Resources.

Root & Bloom will satisfy minimum energy efficiency and equipment standards established by the Commission and meet all applicable environmental laws, regulations, permits and other applicable approvals, including those related to water quality and solid and hazardous waste management, prior to obtaining a final license under 935 CMR 500.103(2). Root & Bloom will adopt and use additional best management practices as determined by the Commission, in consultation with the working group established under section 78(b) of St. 2017, c. 55, to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts, and shall provide energy and water usage reporting to the Commission in a form determined by the Commission. These energy efficiency and equipment standards include:

1. The building envelope for our facility will meet minimum Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR: *State Building Code*), International Energy Conservation Code (IECC) Section C.402 or The American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Chapters 5.4 and 5.5 as applied or incorporated by reference in 780 CMR: *State Building Code*, except that facilities using existing buildings may demonstrate compliance by showing that the envelope insulation complies with code minimum standards for Type Factory Industrial F-1, as further defined in guidelines issued by the Commission.
2. The Lighting Power Densities (LPD) for our cultivation space will not exceed an average of 36 watts per gross square foot of active and growing space canopy, unless otherwise determined in guidelines issued by the Commission.
3. Our Heating Ventilation and Air Condition (HVAC) and dehumidification systems will meet Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR: *State Building Code*), IECC Section C.403 or ASHRAE Chapter 6 as applied or incorporated by reference in (780 CMR: *State Building Code*).

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4. We will establish documented safety protocols to protect workers and consumers (e.g., eye protection near operating grow light).
5. Root & Bloom understands and acknowledges that the Commission may further define these standards, or create reasonable exemptions or modifications, through guidelines issued in consultation with the energy and environmental standards working group established under St. 2017, c. 55, § 78(b), including but not limited to provisions for greenhouses and agricultural buildings.

Quality Control – Sanitation Standard Operating Procedure (SOP)

Facility

Root & Bloom cultivation facility ("the facility") will be designed and constructed with safe food handing and sanitation in mind. All equipment in the facility will comply with the design and construction standards of appropriate nationally recognized standards and/or code requirements and bear the certification mark of an ANSI accredited organization (e.g. NSF, UL, ETL).

1. All product contact surfaces will be smooth, durable and easily cleanable. The walls, ceiling and floors of all cultivation, processing and storage areas will be constructed of materials that are smooth, durable and can be adequately kept clean and in good repair. There must be coving at base junctures that is compatible with both wall and floor coverings. The coving should provide at least 1/4-inch radius and 4" in height.
2. The facility will provide sufficient space for the placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations and the production of safe marijuana products.
3. Floor drains and floors are effectively sloped and designed prevent pooling water. Drains have proper grating to prevent blockage and stopping of drains.
4. Overhead fixtures, ducts and pipes are designed as to prevent drips or condensate from potential contamination of marijuana products or marijuana products-packaging materials. Piping and conduit is at least 25 mm (2.5 cm) from the walls and ceilings.
5. Aisles or working spaces are provided between equipment and walls and are adequately unobstructed and of adequate width to permit employees to perform their duties and to protect against contaminating infused or marijuana products or infused or marijuana products- contact surfaces with clothing or personal contact.
6. Lighting and light fittings will be shatter-proof or safety-type light bulbs, fixtures, or other glass is used where lighting is suspended over cultivation, processing or storage areas or otherwise protect against marijuana product contamination in case of glass breakage. Suspended lighting is constructed from non- corrodible and cleanable assemblies. Adequate lighting will be installed in

hand-washing areas, dressing and locker rooms, and toilet rooms and in all areas where infused or marijuana products are examined, processed, or stored and where equipment or utensils are cleaned. All light bulbs used in the production, processing and storage areas are shatterproof and/or protected with plastic covers. Root & Bloom will ensure adequate safety lighting in all production, processing and storage areas, as well as areas where equipment or utensils are cleaned.

7. Buildings, fixtures, and other physical facilities will be constructed in such a manner that allow them to be maintained in a sanitary condition.
8. Adequate ventilation or control equipment will be installed to minimize odors and vapors (including steam and noxious fumes) in areas where they may contaminate marijuana products. Fans and other air-blowing equipment shall be operated in a manner that minimizes the potential for contaminating infused or marijuana products, infused or marijuana products-packaging materials, and infused or marijuana products-contact surfaces.
9. Handwashing facilities will be adequate and convenient and shall be furnished with running water at a suitable temperature. Handwashing will be located in all production and processing areas and where good sanitary practices require employees to wash and sanitize their hands. Root & Bloom will provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices.
10. The facility water supply comes from the Salisbury municipal water supply and is sufficient for necessary operations. The facilities plumbing will be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the facility. Plumbing shall properly convey sewage and liquid disposable waste from the facility. There will be no cross-connections between the potable and wastewater lines. The facility will provide its employees with adequate, readily accessible toilet facilities that will be maintained in a sanitary condition and in good repair.
11. All storage areas will be constructed in a manner that will protect its contents against physical, chemical, and microbial contamination as well as against deterioration of marijuana products or their containers.

Contamination Control

1. All entrance and exit doors to the facility will be self-closing and rodent proof. Air curtains will prevent insects and microbial contaminants from entering the building when doors are in use. Insect screening, HEPA, and carbon filters will prevent pest and microbial contaminants from entering through vents and exhaust from the outside. Foot baths and sticky mats are strategically placed thru out the facility to collect pest and contaminants from foot ware.
2. Employee and visitor gowning will be required. Employees are required to change out of their street clothes and footwear into uniforms and footwear dedicated to the facility. Visitors are required to secure personal belongings and done jump suits and disposable boot covers.

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3. Training: All employees will be trained on pest prevention, pest management, pest detection, and pest treatments.
4. Traps for monitoring: Small sticky traps for monitoring of flying or airborne pest shall be posted, mapped and levels of any pest monitored/documented.
5. Handling and storage of marijuana product or marijuana plant waste: All marijuana plant waste will be placed in the "Marijuana Waste" container located in each cultivation and processing area. This container must be impervious and covered at all times. At the end of every day, the "Marijuana Waste" container must be emptied, and the contents transferred to the Marijuana Waste Room. All plant waste will be stored in the waste room in sealed containers until disposal.
6. All non-marijuana waste will be placed into the appropriate impervious covered waste receptacles; Recyclable, Organic and Solid Waste. At the end of every day these containers will be emptied, and the contents removed from the building and placed in the appropriate containers to await pickup.
7. All toxic materials including cleaning compounds, pesticides, sanitizers, etc. will be stored in an area away from production, processing and storage areas.

Sanitation

All marijuana products will be prepared, handled, and stored in compliance with;

- The sanitation requirements in 105 CMR 500.000: *Good Manufacturing Practices for Food;*
- The sanitation requirements in 105 CMR 590.000: *Minimum Sanitation Standards for Food Establishments;* and
- The requirements for food handlers specified in 105 CMR 300.000*: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements*

1. Storage- Separate storage rooms will be utilized for finished marijuana products.
2. Hand Washing- The facility will have a separate handwashing sink; hand drying device, or disposable towels; supply of hand cleaning agent; and waste receptacle for each processing, production, utensil washing area, and toilet room.
    a. Sinks used for product preparation or for washing equipment or utensils shall not be used for handwashing.
    b. Each handwashing sink will be provided with hot and cold water tempered by means of a mixing valve or a combination faucet to provide water at a temperature of at least 110 degrees Fahrenheit.
    c. Handwashing sinks will be of sufficient number and conveniently located for use by all employees in the production, processing and utensil washing areas. Handwashing sinks will be easily accessible and may not be used for purposes other than handwashing.

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3. Toilet Room- A toilet room shall be available for use by all workers. Ventilation will be provided by mechanical means. A soap dispenser and disposable towels shall be provided for hand washing in toilet rooms.
4. Manual Cleaning and Sanitizing- For manual cleaning and sanitizing of equipment and utensils, a stainless steel three-compartment sink will be used.
    a. The sink compartments shall be large enough to hold the largest pot, pan or piece of equipment.
    b. Each compartment will be supplied with adequate hot and cold potable running water.
    c. Integral drainboards of adequate size shall be provided on both sides of the sink for cleaned and soiled utensils.
    d. A floor drain will be located in the immediate vicinity of the sink in areas where wet pots, utensils and equipment are air-drying.
    e. Stainless Steel racks, shelves or dish tables are to be provided adjacent to the warewash sink.
    f. An approved chemical test kit for determining sanitizer strength will be available and used.
    g. Manual Warewashing Procedure
        i. Rinse, scrape, or soak all items before washing.
        ii. Record the date, sanitizer water temperature or test strip results, and initial record on Manual Warewashing Monitoring Form.
        iii. Wash items in the first sink in a detergent solution. Water temperature should be at least 110°F. Use a brush, cloth, or scrubber to loosen remaining soil. Replace detergent solution when suds are gone or water is dirty.
        iv. Immerse or spray-rinse items in second sink. Water temperature should be at least 110°F. Remove all traces of food and detergent. If using immersion method, replace water when it becomes cloudy, dirty, or sudsy.
        v. Immerse items in third sink filled with hot water or a chemical-sanitizing solution.
            1. If hot water immersion is used, the water temperature must be at least 180°F. Items must be immersed for 30 seconds. Proper personal protective equipment should be worn.
            2. If chemical sanitizing is used, the sanitizer must be mixed at the proper concentration. (Check at regular intervals with a test kit.) Water must be correct temperature for the sanitizer used.

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a. The strength of the sanitizer must be measured in accordance with manufacturer's instructions.

vi. To avoid recontamination of clean and sanitary items:

1. Air dry all items on a drainboard.
2. Wash hands prior to returning to storage.

Warewashing Sink Setup

WASH	RINSE	SANITIZE
110°F	110°F	180°F or
Soapy Water	Clear Water	Chemical Sanitizer

Chemical Solution	Concentration Level	Minimum Temperature	Minimum Immersion Time
Chlorine Solution	25mg/l minimum 50mg/l minimum 100mg/l minimum	120°F 100°F 55°F	10 seconds 10 seconds 10 seconds
Iodine Solution	12.5-25.0mg/l	75°F	30 seconds
Quaternary Ammonium Solution	200 ppm maximum	75°F	30 seconds

h. Equipment Cleaning and Sanitizing Procedure

i. Disassemble removable parts from equipment.

ii. Use the three-sink method to wash, rinse, and sanitize all parts. Verify sanitizer concentration for each meal period and as necessary per policy.

1. Quaternary ammonia –200 ppm and immerse for 30 seconds
2. Iodine –12.5-25.0 ppm and immerse for 30 seconds
3. Chlorine –50-99ppm and immerse for 7 seconds

iii. Wash, rinse, and sanitize all food contact surfaces of the equipment that are stationary.

iv. Allow all parts of the equipment to air dry.

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v. After being rinsed and sanitized, equipment and utensils should not be rinsed before air-drying, unless the rinse is applied directly from a ware washing Machine or the sanitizing solution calls for rinsing off the sanitizer after it has been applied in a commercial ware washing Machine.

vi. Re-assemble the equipment.

i. Product Preparation Surfaces- These surfaces will be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the US Environmental Protection Agency (EPA), in accordance with labeled instructions.

i. Prescrape surface to remove gross soils.

ii. Wash surface with recommended strength solution of pot & pan detergent.

iii. Rinse with water and wipe dry.

iv. Using trigger sprayer bottle and a different wiping cloth, apply sanitizing solution of sanitizer.

1. Per label directions, use appropriate test papers to determine correct concentration of the sanitizer solution. Surfaces must remain wet for 60 seconds and allow to air dry.

Personnel

1. Any employee or contractor who, by medical examination or supervisory observation, is shown to have, or appears to have, any disease transmissible through food, an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination by which there is a reasonable possibility of marijuana products, production or processing surfaces, or packaging materials becoming contaminated, shall be excluded from any operations which may be expected to result in such contamination until the condition is corrected. Personnel shall be instructed to report such health conditions to their supervisors.

a. Any manager, when he or she knows or has reason to believe that an employee has contracted any disease transmissible through food or has become a carrier of such disease, or any disease listed in 105 CMR 300.200(A) will report the same immediately by email to the Board of Health.

b. Root & Bloom will voluntarily comply with any and all isolation and/or quarantine orders issued by the Board of Health or the Department of Public Health.

c. Root & Bloom Agents must report any flu-like symptoms, diarrhea, and/or vomiting to their supervisor. Employees with these symptoms will be sent home with the exception of symptoms from a noninfectious condition.

i. Agents may be re-assigned to activities so that there is no risk of transmitting a disease through food/product.

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2. Root & Bloom Agents shall conform to sanitary practices while on duty, including:
    a. Maintain adequate personal cleanliness:

    Grooming:

        i. Arrive at work clean – clean hair, teeth brushed, bathed and used deodorant daily.
        ii. Maintain short, clean, and polish-free fingernails. No artificial nails are permitted in the food/product production or processing area.
            a. Fingernails should be trimmed, filed, and maintained so edges and surfaces are cleanable and not rough.
        iii. Wash hands (including under fingernails) and up to forearms vigorously and thoroughly with soap and warm water for a period of 20 seconds:
            - When entering the facility before work begins.
            - Immediately before preparing or processing products or handling equipment.
            - As often as necessary during cultivation or product preparation when contamination occurs.
            - In the restroom after toilet use and when you return to your work station.
            - When switching between working areas.
            - After touching face, nose, hair, or any other body part, and after sneezing or coughing.
            - After cleaning duties.
            - Between each task performed and before wearing disposable gloves.
            - After eating or drinking.
            - Any other time an unsanitary task has been performed – i.e. taking out garbage, handling cleaning chemicals, picking up a dropped item, etc.
            a. Wash hands only in hand sinks designated for that purpose.
            b. Dry hands with single use towels. Turn off faucets using a paper towel, in order to prevent recontamination of clean hands.

    Proper Attire:

        i. Wear appropriate clothing – clean uniform with sleeves and clean non-skid close-toed work shoes (or leather tennis shoes) that are comfortable for standing and working on floors that can be slippery.

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ii. Wear apron or lab coat on site, as appropriate.
    - Do not wear apron or lab coat to and from work.
    - Take off apron or lab coat before using the restroom.
    - Remove apron or lab coat when leaving the production or processing area.
    - Change apron or lab coat if it becomes soiled or stained.

iii. Wear disposable gloves with any cuts, sores, rashes, or lesions.

iv. Wear gloves when handling products or product ingredients that will not be heated-treated.

v. Wear gloves when packaging products.

vi. Change disposable gloves as often as handwashing is required. Wash hands before donning and after discarding gloves.

<u>Hair Restraints and Jewelry:</u>

i. Wear a hair net or bonnet in any food/product production or processing area so that all hair is completely covered.

ii. Keep beards and mustaches neat and trimmed. Beard restraints are required in any food/product production or processing area.

iii. Refrain from wearing jewelry in the food/product production and processing area.
    - Only a plain wedding band.
    - No necklaces, bracelets, or dangling jewelry are permitted.
    - No earrings or piercings that can be removed are permitted.

<u>Cuts, Abrasions, and Burns:</u>

i. Bandage any cut, abrasion, or burn that has broken the skin.

ii. Cover bandages on hands with gloves and finger cots and change as appropriate.

iii. Inform supervisor of all wounds.

<u>Smoking, eating, and gum chewing:</u>

i. Root & Bloom facility is a smoke free facility. No smoking or chewing tobacco shall occur on the premises.

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ii. Eat and drink in designated areas only. A closed beverage container may be used in the production area if the container is handled to prevent contamination of 1) the employee's hands, 2) the container, and 3) exposed product, clean equipment and utensils.

iii. Refrain from chewing gum or eating candy during work in a food/product production or processing area.

HACCP- Hazard Analysis and Critical Control Point

Root & Bloom will implement a HACCP plan in accordance with *the HACCP Principles & Application Guidelines* issued by the FDA. This HACCP plan will address the processing, production and packaging of all marijuana products that Root & Bloom will manufacture. Once operational Root & Bloom will:

1. Assemble the HACCP team.
2. Describe the product and its distribution.
3. Describe the intended use and consumers of the product.
4. Develop a flow diagram which describes each process.
5. Verify the flow diagram.
6. Conduct a hazard analysis for each product (Principle 1).
7. Determine critical control points (CCPs) for each product (Principle 2).
8. Establish critical limits (Principle 3).
9. Establish monitoring procedures (Principle 4).
10. Establish corrective actions (Principle 5).
11. Establish verification procedures (Principle 6).
12. Establish record-keeping and documentation procedures (Principle 7).

Training

Root & Bloom will provide training and training opportunities to all of its employees. In addition to required training, Root & Bloom will encourage advanced training to all employees in the areas of Plant Safety, Safe Cultivation Processes, Good Manufacturing Practices and HACCP.

1. All employees will be trained on basic plant safety prior to or during the first day of employment.
    a. Include basic product safety training as part of new employee orientation.
    b. The sanitation requirements in 105 CMR 500.000: Good Manufacturing Practices for Food;

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c. The sanitation requirements in 105 CMR 590.000: Minimum Sanitation Standards for Food Establishments; and

d. The requirements for food handlers specified in 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements.

2. All employees engaging in the trimming or packaging will be trained and certified in;

   a. A nationally accredited Food Handler Program (i.e. ServSafe)

3. Provide staff with at least bi-annual training on plant safety, Good Manufacturing Practices and HACCP.
4. Monthly in-service training.
5. Require all managers to be Certified Food Protection Mangers (CFPM) by completing a SERVSAFE or similar nationally accredited food safety certification course.
6. Use outside resources, such as Extension specialists, vendors, health department inspectors, or qualified trainers to provide plant safety and HACCP training.
7. Observe staff to ensure they demonstrate plant safety knowledge each day in the workplace.
8. Document the content of all training sessions and attendance.
9. File documentation in HACCP records.

Testing of Marijuana and Marijuana Products

No marijuana product, including marijuana, may be sold or otherwise marketed for adult use that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000. Testing of marijuana products shall be performed by an Independent Testing Laboratory in compliance with the protocol(s) established in accordance with M.G.L. c. 94G, § 15 and in a form and manner determined by the Commission, including but not limited to, the *Protocol for Sampling and Analysis of Finished Medical Marijuana Products and Marijuana-infused Products*. Testing of environmental media *(e.g.*, soils, solid growing media, and water) shall be performed in compliance with the *Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana Dispensaries* published by the Commission.

Testing of environmental media (e.g., soils, solid growing media, and water) shall be performed in compliance with the "*Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana Dispensaries*" published by the Commission.

Root & Bloom will contract with a Licensed Independent Testing Laboratory to test all marijuana batches prior to packaging to ensure contaminant-free purity and correct dosage and potency. We have begun discussions with several Marijuana Testing laboratories which are Accredited to International Organization for Standardization (ISO) 17025 by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Cooperation (ILAC) Mutual Recognition Arrangement. Any

Laboratory that Root & Bloom contracts with will be Licensed by the Commission prior to Root & Bloom contracting them for testing services.

1. This testing lab will pick up and transport our testing samples to and from their lab. This transportation will comply with Root & Bloom policies and procedures and 935 CMR 500.105(13) if applicable.
2. Root & Bloom will ensure that the storage of all marijuana products at the laboratory complies with 935 CMR 500.105(11).
3. Any and all excess Root & Bloom marijuana product samples used in testing will be disposed of in compliance with 935 CMR 500.105(12), either by the Independent Testing Laboratory returning excess marijuana to Root & Bloom facility for disposal or by the Independent Testing Laboratory disposing of it directly.

Root & Bloom will not sell or otherwise market for adult use any Marijuana Product that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000. The product must be deemed to comply with the standards required under 935 CMR 500.160.

Pursuant to 935 CMR 500.130(4) Root & Bloom will provide documentation of our compliance, or lack thereof, with the testing requirements of 935 CMR 500.160, and standards established by the Commission for the conditions, including time and temperature controls, necessary to protect Marijuana Products against physical, chemical, and microbial contamination as well as against deterioration of finished products during storage and transportation to all marijuana establishments that we sell or otherwise transfer marijuana to.

Required testing includes:

1. Cannabinoid Profile
2. Contaminants as specified by the Department including, but not limited to:
    a. Mold
    b. Mildew
    c. Heavy metals
    d. Plant-Growth Regulators and
    e. Pesticides

Root & Bloom will maintain the results of all testing for no less than one year. All testing results shall be valid for one year.

All testing will be conducted in accordance with the frequency required by the Commission.

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Policy for Responding to Laboratory Results that Indicate Contaminant Levels are Above Acceptable Limits

If a laboratory test result indicates that a Root & Bloom marijuana product sample has contaminant levels above the acceptable limits established in the DPH protocols identified in 935 CMR 500.160(1) – Root & Bloom will:

1. Immediately segregate the cultivation or production batch and evaluate next steps.
    a. Using the flow chart below *(Actions in Response to Laboratory Analytical Results),* the Cultivation Manager and CEO will determine whether to:
        i. Retest the Cultivation/Production Batch
        ii. Remediate the Cultivation/Production Batch
        iii. Dispose of Cultivation/Production Batch
2. If the test result indicates has a contaminant level for Pesticides that is above the acceptable limits the Production Batch will be immediately disposed of.
3. If it is determined that the Production Batch cannot be remediated, it will be disposed of.
    a. Root & Bloom Cultivation Manager or CEO will:
        i. Notify the Commission within 72 hours of the laboratory testing results indicating that the contamination cannot be remediated and is being disposed of;
        ii. Notify the Commission of any information regarding contamination as specified by the Commission or immediately upon request by the Commission
        iii. This notification to the Commission will describe the proposed plan of action for both the destruction of the contaminated product and the assessment of the source of contamination.
4. In the case of any test result that indicates that a Root & Bloom marijuana product sample has contaminant levels above the acceptable limits, the Cultivation Manger and CEO will conduct an assessment of the source of the contamination.
    a. This extensive assessment will include investigating all possible sources of contamination including water, media, nutrients, environmental conditions and employee factors.
    b. The assessment should include a corrective action plan and be shared as a training tool with all Root & Bloom Agents.
5. Marijuana and Marijuana Products submitted for retesting prior to remediation will be submitted to an Independent Testing Laboratory other than the laboratory which provided the initial failed result. Marijuana submitted for retesting after documented remediation may be submitted to

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the same Independent Testing Laboratory that produced the initial failed testing result prior to remediation.

Miscellaneous Marijuana Testing Requirements

1. Clones are subject to these testing provisions but are exempt from testing for metals.
2. All transportation of Marijuana to and from Independent Testing Laboratories providing Marijuana testing services will comply with 935 CMR 500.105(13).
3. All storage of Marijuana at a laboratory providing Marijuana testing services shall comply with 935 CMR 500.105(11).
4. All excess Marijuana must be disposed of in compliance with 935 CMR 500.105(12) by the Independent Testing Laboratory disposing of it directly.
5. Root & Bloom will not sell or otherwise market Marijuana or Marijuana Products for adult use that have not first been tested by an Independent Testing Laboratory and deemed to comply with the standards required under 935 CMR 500.160.
6. Single-servings of Marijuana Products tested for potency in accordance with 935 CMR 500.150(4)(a) are subject to a potency variance of no greater than plus/minus ten percent (+/-10%).

Environmental Media Testing

1. All source soils and solids shall be sampled and analyzed prior to use in cultivation.
2. All source soils and solids shall be sampled and analyzed whenever a new source material is utilized (e.g., different source soil location or different source solid manufacturer).
3. All source soils and solids for initial use must be sampled at the rate of one (1) sample per cubic yard of solid environmental media/soil.
4. Source soils and solids passing initial testing requirements may be stockpiled for later use without requiring re-analysis unless;
    a. The stockpile has been contaminated or altered while stored.
5. Situations for re-analysis may include but are not limited to soils that have been;
    a. Amended;
    b. Mixed with other source soils/solids;
    c. Subject to pesticide application;
    d. Used for other purposes; or
    e. Inundated by flood waters.

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Supplies Needed: Sample Form, Chain of Custody, Pen, Marker and Sample Container (provided by CDX Labs)

Sampling of Environmental Media for Testing

This procedure applies to all environmental media that is required to be tested in accordance with the Regulations.

Water will be sampled and analyzed prior to use for cultivation of marijuana and quarterly thereafter.

Quality assurance is responsible for all product sampling to meet the compliance criteria. Root & Bloom has contracted with NE Labs for the purposes of testing all of our environmental media and water. Follow the process outlined in the *"Sampling Instructions for Massachusetts DPH Medical Marijuana Program"* form below from NET Labs.

Supplies Needed: Sample Form, Chain of Custody, Pen. Marker, Ziploc bag

1. Label
    a. Label each Ziploc bag with the sample ID, date and time of sampling, and sampler's initials.
2. Fill out the Chain of Custody
    a. List the same info on the chain of custody
    b. One sample ID goes on one line
    c. Check the appropriate boxes
    d. Make sure date and time stamp are filled in
3. Sampling
    a. Fill the Ziploc sample bag with 8 oz. of soil/media
    b. Tightly seal the sample bag
4. Storing Sample
    a. Store samples in a cool, dry location until samples are picked up by a NET Lab courier.
5. Quality Assurance will perform routine audits and analysis of report from the testing lab.

Sampling of Water for Testing

This procedure applies to all water that is required to be tested in accordance with the Regulations.

The Quality Assurance Manager is responsible for all water sampling to meet the compliance criteria. Root & Bloom has contracted with NE Labs for the purposes of testing all of our water. In compliance

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with the Regulations and the *"Protocol for sampling and analysis of environmental media for Massachusetts Registered Medical Marijuana Dispensaries"* Root & Bloom will sample and test its water supply prior to use for cultivation of marijuana and quarterly thereafter. Following the process outlined in the "Sampling Instructions for Marijuana Testing" form below from NE Labs.

Samples will be taken at the location closest to cultivation area prior to any water treatment and immediately following any treatment systems.

We will test our water for the following contaminants;

1. Metals;
2. Pesticides; and
3. Bacteriological

Collecting Water Samples

1. Samples should not be collected during any periods of unusual activity such as draining of water lines, immediately after changing treatment cartridges or replenishing of hydroponic nutrient solutions.
2. Prior to Sample Collection. The QA Manager or designee will assemble all equipment and information needed before beginning.
    a. Items to assemble before sampling include, but are not limited to, the following:
        i. Sample collection plan or diagram of locations to ensure representative sample collection
        ii. Logbook or sample collection forms
        iii. Chain-of-custody forms (COCs) (See below)
        iv. Disposable gloves
        v. Clean, decontaminated plastic sheeting or other clean, non-porous surface for sample processing;
        vi. Sample containers appropriate for the analyses required;
            1. These will be supplied by the lab.
        vii. Container labels and pen with indelible ink; and
        viii. Supplies to thoroughly clean, decontaminate and dry sampling equipment between samples;

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b. Sample collection personnel will create a new entry for each sampling event in the sample collection logbook.

c. Sample collection documentation should identify the sample collection date and start time, participating personnel and locations sampled, relevant environmental conditions, a description of the sampling procedures and equipment decontamination/cleaning used.

d. Sample collection personnel shall identify or determine the number and location of water samples to be collected

    i. Sample locations must be recorded in the sample collection logbook. Record the sample location identifier (location ID) for each sample so that it can be utilized to identify the physical location of the sample location within the facility.

    ii. Location identifiers should be consistent across sampling events to allow tracking of repeated sample locations. The location IDs will be included on sample labels (unless the grab samples are used in a composite sample).

    iii. In addition to the location ID, create a unique sample ID for each sample. Sample identifiers should be unique for a given sample event. Record the location and sample IDs in the sample collection logbook or forms as well as the volume of the sample, preservation, and associated sample containers.

e. Any tools that contact the samples should be made of stainless steel or other inert material to avoid potential contamination of the sample. In addition, all tools that come in contact with the sample media should be rinsed with deionized water between samples to reduce potential cross contamination.

f. Preparing sample labels and affixing them to sample containers immediately before sampling.

    i. Information to include on the label includes at a minimum the location and sample ID and date/time of collection. Additional information that must be recorded in documentation if not on the label includes sample collector's name, environmental media type, collection method, whether the sample is a grab or composite sample, and preservation (if applicable).

3. Sample Collection. Collect the planned samples from each sample location one at a time:

    a. Don gloves to mitigate potential for contamination of samples.

    b. Spread clean, decontaminated plastic sheeting or other nonporous surface near the sample location and lay out any tools and equipment needed.

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c. Prepare the sample location by removing faucet aerators if connected. Note the location of any water treatment systems and remove if required to represent pre-treatment location.

d. For sample collection of water lines, purge the lines of standing water and note purge time in sample collection documentation. Generally, for frequently used water 15 minutes run time is considered sufficient but actual time for purge depends on pipe volume and frequency of use.

e. Open the pre-labeled sample containers appropriate for the analyses taking care to not allow errant drips or splashes off other surfaces to enter the caps or containers.

f. Samples for all analyses may be collected directly into sample containers or into a larger, inert vessel then poured into containers. During sample collection, make sure than the tap or spigot does not contact the sample container.

g. Record the time each sample was collected and record any difficulties, inconsistencies with the sampling plan, or other remarks (e.g., environmental conditions) that might be relevant to data analysis or quality assurance.

h. Samples should be refrigerated or maintained on ice until shipped to the analytical laboratory.

i. Chain-of-custody paperwork should be completed immediately prior to shipment.

4. Sample Handling

a. After samples are properly collected and labeled, they should be delivered for analysis as soon as possible. This section describes how to handle, securely store, package, and ship the samples to the laboratory.

b. Sample containers both empty and once containing samples shall be stored in a contaminant-free environment to the degree possible. Sample containers should not be stored for more than one (1) year.

c. All samples should be collected and stored in containers of the appropriate materials based on the analysis method being performed.

d. Until the samples are analyzed, they should be preserved to minimize chemical or physical changes according to the analytical method references.

5. Sample Storage

a. Samples should be refrigerated or maintained on ice (4 ºC +/-2ºC) until they are shipped to the analytical laboratory.

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b. Placing the samples in airtight containers with minimal headspace preserves samples by minimizing moisture loss and chemical exchange between the sample medium and air.

c. In addition, protect the samples from excessive light exposure to minimize photochemical degradation. Samples can be protected from light by using an amber sample container, storing the samples in a closed box or other amber container, or in a dark storage location.

d. To be considered valid, all samples must be analyzed prior to expiration of the technical holding time as defined in each analytical method. Note that the holding time for some biological components is very short; 24 to 48 hours from the time of collection.

Quality Control (QC)

1. Field duplicate samples shall be collected at least annually and one (1) for every twenty (20) field samples of the solid samples collected.
2. Field duplicate samples shall be collected and analyzed for each analytical method performed on the samples.
3. Field duplicate samples will not be identified to the laboratory (blind QC).

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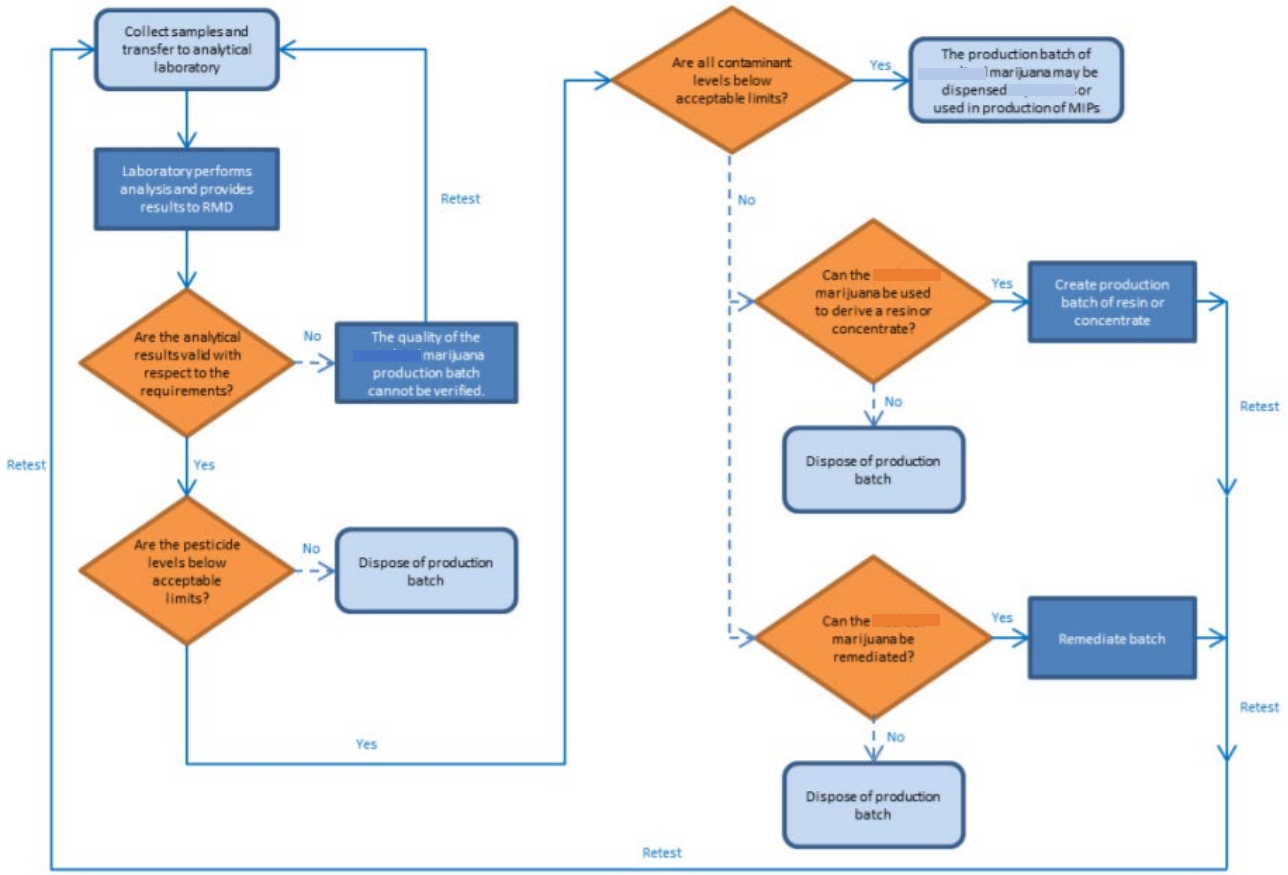
Actions in Response to Laboratory Analytical Results



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Personnel and Background Check Policy

Root & Bloom is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. ("the Regulations") and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission ("CNB" or "the Commission") or any other regulatory agency. The purpose of this policy is to outline the responsibilities of the Company, the Company's management team, and Agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that our personnel policies are compliant will all regulations and laws.

Root & Bloom will maintain the following Personnel Records:

1. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
2. A personnel record for each Root & Bloom Agent. All records will be maintained for at least 12 months after termination of the individual's affiliation with Root & Bloom and will include, at a minimum, the following:
    a. All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
    b. Documentation of verification of references;
    c. The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;
    d. Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;
    e. Documentation of periodic performance evaluations;
    f. A record of any disciplinary action taken; and
    g. Notice of completed responsible vendor and eight-hour related duty training.
3. A staffing plan that will demonstrate accessible business hours and safe manufacturing & processing conditions;

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4. Personnel policies and procedures; and
5. All background check reports obtained in accordance with M.G.L c. 6 § 172, 935 CMR 500.029, 935 CMR 500.030, and 803 CMR 2.00: Criminal Offender Record Information (CORI).

These Personnel Records will be held electronically and in hard copy. The electronic records will be stored in a secure server with encryption software that protects against unauthorized access to the files. Access to the electronic records will only be allowed to Root & Bloom Management Agents who require access as part of their job duties. Hard Copy (written records) will be stored in a secure, locked cabinet in a locked room accessible to only Root & Bloom Management Agents who require access. These records will be made available for inspection by the Commission upon request.

All Root & Bloom board members, directors, employees, executives, managers and volunteers will register with the Commission as a Root & Bloom Marijuana Establishment Agent ("Root & Bloom Agent"). For clarity, an "employee" means, any 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. All Root & Bloom Agents will:

1. Be 21 years of age or older;
2. 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 another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority; and
3. Be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802.

Root & Bloom will submit to the Commission an application for every Root & Bloom Agent and our application will include;

1. The full name, date of birth, and address of the individual;
2. All aliases used previously or currently in use by the individual, including maiden name, if any;
3. A copy of the applicant's driver's license, government-issued identification card, liquor purchase identification card issued pursuant to M.G.L. c. 138, § 34B, or other verifiable identity documents acceptable to the Commission;
4. An attestation that the individual will not engage in the diversion of marijuana products;
5. 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;
6. Background information, including, as applicable:

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a. A description and the relevant dates of any criminal action under the laws of the Commonwealth, or another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority, whether for a felony or misdemeanor and which resulted in conviction, or guilty plea, or plea of nolo contendere, or admission of sufficient facts;

b. A description and the relevant dates of any civil or administrative action under the laws of the Commonwealth, another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority relating to any professional or occupational or fraudulent practices;

c. A description and relevant dates of any past or pending denial, suspension, or revocation of a license or registration, or the denial of a renewal of a license or registration, for any type of business or profession, by any federal, state, or local government, or any foreign jurisdiction;

d. A description and relevant dates of any past discipline by, or a pending disciplinary action or unresolved complaint by, the Commonwealth, or alike action or complaint by another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority with regard to any professional license or registration held by the applicant; and

e. A nonrefundable application fee paid by the Marijuana Establishment with which the marijuana establishment agent will be associated; and

f. Any other information required by the Commission.

Root & Bloom's CEO is registered with the Department of Criminal Justice Information Systems pursuant to 803 CMR 2.04: iCORI Registration and will submit to the Commission a Criminal Offender Record Information (CORI) report and any other background check information required by the Commission for each individual for whom Root & Bloom seeks a marijuana establishment agent registration which was obtained within 30 days prior to submission.

Root & Bloom will notify the Commission no more than one business day after a Root & Bloom Agent ceases to be associated with the establishment. The registration will be immediately voided when the Agent is no longer associated with the establishment.

The Agent registration card is valid for one year from the date of issue, Root & Bloom will renew each Agent Registration Card on an annual basis upon a determination by the Commission that the applicant for renewal continues to be suitable for registration.

After obtaining a registration card for a Root & Bloom Agent registration card, Root & Bloom will notify the Commission, in a form and manner determined by the Commission, as soon as possible, but in any event, within five business days of any changes to the information that the establishment was previously required to submit to the Commission or after discovery that a registration card has been lost or stolen.

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All Agents will carry the registration card at all times while in possession of marijuana products, including at all times while at the establishment or while transporting marijuana products.

Root & Bloom will comply with all Background Check requirements in the Regulations and any other sub-regulatory guidance issued by the Commission.

1. Application Process- During the application process Root & Bloom will complete the Background Check Packet as outlined in 935 CMR 500.101(1)(b) which includes;
    a. The list of individuals and entities in 935 CMR 500.101(1)(a)1. (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);
    b. Information for each individual identified in 935 CMR 500.101(1)(a)1., which shall include:
        i. The individual's full legal name and any aliases;
        ii. The individual's address;
        iii. The individual's date of birth;
        iv. A photocopy of the individual's driver's license or other government-issued identification cards;
        v. A CORI Acknowledgment Form, pursuant to 803 CMR 2.09: Requirements for Requestors to Request CORI, provided by the Commission, signed by the individual and notarized;
        vi. Authorization to obtain a full set of fingerprints, in accordance with M.G.L. c. 94G, § 21, submitted in a form and manner as determined by the Commission;
    c. Relevant Background Check Information. Applicants for licensure will also be required to provide information detailing involvement in any criminal or civil or administrative matters:
        i. A description and the relevant dates of any criminal action under the laws of the Commonwealth, or an Other Jurisdiction, whether for a felony or misdemeanor including, but not limited to, action against any health care facility or facility for providing Marijuana for medical- or adult-use purposes, in which those individuals either owned shares of stock or served as board member, Executive, officer, director or member, and which resulted in conviction, or guilty plea, or plea of nolo contendere, or admission of sufficient facts;

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ii. A description and the relevant dates of any civil action under the laws of the Commonwealth, or other Jurisdiction including, but not limited to, a complaint relating to any professional or occupational or fraudulent practices;

iii. A description and relevant dates of any past or pending legal or enforcement actions in the Commonwealth or any other state against an entity whom the applicant served as a Person or Entity Having Direct or Indirect Control, related to the cultivation, processing, distribution, or sale of Marijuana for medical- or adult-use purposes;

iv. A description and the relevant dates of any administrative action with regard to any professional license, registration, or certification, including any complaint, order, stipulated agreement or settlement, or disciplinary action, by the Commonwealth, or like action in an Other Jurisdiction including, but not limited to, any complaint or issuance of an order relating to the denial, suspension, or revocation of a license, registration, or certification;

v. A description and relevant dates of any administrative action, including any complaint, order or disciplinary action, by the Commonwealth, or alike action by another Jurisdiction with regard to any professional license, registration, or certification, held by any Person or Entity Having Direct or Indirect Control, if any;

vi. A description and relevant dates of actions against a license to prescribe or distribute controlled substances or legend drugs held by any Person or Entity Having Direct or Indirect Control that is part of the applicant's application, if any; and

vii. Any other information required by the Commission.

Root & Bloom will not present any individual in our application whose background check will result in a Mandatory Disqualification or Presumptive Negative Suitability Determination as outlined in Table A of 935 CMR 500.801.

2. Background Checks not included in the Application Process- For all Marijuana Establishment Agent Registrations not included in the application process, Root & Bloom will submit Marijuana Establishment Agent applications for all required individuals. Root & Bloom will perform its own due diligence in the hiring of employees and contractors and will not knowingly submit an employee or contractors' application if the background check would result in a Mandatory Disqualification or Presumptive Negative Suitability Determination as outlined in 935 CMR 500.802.

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It is the policy of Root & Bloom to provide equal employment opportunities to all employees and employment applicants without regard to unlawful considerations of race, religion, creed, color, national origin, sex, pregnancy, sexual orientation, gender identity, age, ancestry, physical or mental disability, genetic information, marital status or any other classification protected by applicable local, state or federal laws. This policy prohibits unlawful discrimination based on the perception that anyone has any of those characteristics or is associated with a person who has or is perceived as having any of those characteristics. This policy applies to all aspects of employment, including, but not limited to, hiring, job assignment, working conditions, compensation, promotion, benefits, scheduling, training, discipline, and termination.

Root & Bloom expects all employees to support our equal employment opportunity policy, and to take all steps necessary to maintain a workplace free from unlawful discrimination and harassment and to accommodate others in line with this policy to the fullest extent required by law. For example, Root & Bloom will make reasonable accommodations for employees' observance of religious holidays and practices unless the accommodation would cause an undue hardship on Root & Bloom operations. If an employee desires religious accommodation, they are required to make the request in writing to their manager as far in advance as possible. Employees requesting accommodations are expected to attempt to find co-workers who can assist in the accommodation (e.g. trade shifts) and cooperate with Root & Bloom in seeking and evaluating alternatives.

Moreover, in compliance with the Americans with Disabilities Act (ADA), Root & Bloom provides reasonable accommodations to qualified individuals with disabilities to the fullest extent required by law. Root & Bloom may require medical certification of both the disability and the need for accommodation. Keep in mind that Root & Bloom can only seek to accommodate the known physical or mental limitations of an otherwise qualified individual. Therefore, it is the employees' responsibility to come forward if they are in need of accommodation. Root & Bloom will engage in an interactive process with the employee to identify possible accommodations if any will help the applicant or employee perform the job.

Root & Bloom seeks to promote a workplace that is free from discrimination and harassment, whether based on race, color, gender, age, religion, creed, national origin, ancestry, sexual orientation, marital status or disability. Inappropriate interference with the ability of Root & Bloom employees to perform their expected job duties is not tolerated. It is illegal and against Root & Bloom's policy for any employee, male or female, to harass another employee. Examples of such harassment include making sexual advances or favors or other verbal or physical conduct of a sexual nature a condition of any employee's employment; using an employee's submission to or rejection of such conduct as the basis for, or as a factor in, any employment decision affecting the individual; or otherwise creating an intimidating, hostile, or offensive working environment by such conduct. The creation of an intimidating, hostile, or offensive working environment may include but is not limited to such actions as persistent comments on an employee's sexual preferences, the display of obscene or sexually-oriented photographs or drawings, or

the telling of sexual jokes. Conduct or actions that arise out of a personal or social relationship and that are not intended to have a discriminatory employment effect may not be viewed as harassment. Root & Bloom will determine whether such conduct constitutes sexual harassment, based on a review of the facts and circumstances of each situation.

Root & Bloom will not condone any sexual harassment of its employees. All employees, including supervisors and managers, will be subject to severe discipline, up to and including discharge, for any act of sexual harassment they commit. Root & Bloom will not condone sexual harassment of its employees by non-employees, and instances of such harassment should be reported as indicated below for harassment by employees.

If an employee feels victimized by sexual harassment they are instructed to report the harassment to their manager immediately. If their immediate manager is the source of the alleged harassment, they should report the problem to the Human Resources Department. Managers who receive a sexual harassment complaint should carefully investigate the matter, questioning all employees who may have knowledge of either the incident in question or similar problems. The complaint, the investigative steps and findings, and disciplinary actions (if any) should be documented as thoroughly as possible. Any employee who makes a complaint, or who cooperates in any way in the investigation of the same, will not be subjected to any retaliation or discipline of any kind.

In addition to the above, if an employee believes they have been subjected to sexual harassment, they may file a formal complaint with either or both of the government agencies set forth below. Using our complaint process does not prohibit you from filing a complaint with these agencies. Each of the agencies has a short time period for filing a claim (EEOC - 300 days; MCAD - 300 days).

The United States Equal Employment Opportunity Commission ("EEOC") One Congress Street, 10th Floor Boston, MA 02114, (617) 565-3200.

The Massachusetts Commission Against Discrimination ("MCAD") One Ashburton Place, Rm. 601, Boston, MA 02108, (617) 994-6000.

Root & Bloom strongly supports the policies of the Americans with Disabilities Act and is completely committed to treating all applicants and employees with disabilities in accordance with the requirements of that act. Root & Bloom judge individuals by their abilities, not their disabilities, and seeks to give full and equal employment opportunities to all persons capable of performing successfully in the company's positions. Root & Bloom will provide reasonable accommodations to any persons with disabilities who require them, who advise Root & Bloom of their particular needs. Information concerning individuals' disabilities and their need for accommodation will, of course, be handled with the utmost discretion.

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Root & Bloom is committed to providing its employees with a safe and productive work environment. In keeping with this commitment, it maintains a strict policy against the use of alcohol and the unlawful use of drugs in the workplace. Consequently, no employee may consume or possess alcohol, or use, possess, sell, purchase or transfer illegal drugs at any time while on Root & Bloom premises or while using Root & Bloom vehicles or equipment, or at any location during work time. No employee may report to work with illegal drugs (or their metabolites) or alcohol in his or her bodily system. The only exception to this rule is that employees may engage in moderate consumption of alcohol that may be served and/or consumed as part of an authorized Company social or business event. "Illegal drug" means any drug that is not legally obtainable or that is legally obtainable but has not been legally obtained. It includes prescription drugs not being used for prescribed purposes or by the person to whom it is prescribed or in prescribed amounts. It also includes any substance a person holds out to another as an illegal drug. Any violation of this policy will result in disciplinary action, up to and including termination.

Any employee who feels he or she has developed an addiction to, dependence upon, or problem with alcohol or drugs, legal or illegal, is strongly encouraged to seek assistance before a violation of this policy occurs. Any employee who requests time off to participate in a rehabilitation program will be reasonably accommodated. However, employees may not avoid disciplinary action, up to and including termination, by entering a rehabilitation program after a violation of this policy is suspected or discovered.

Smoke-Free Workplace: Smoking is prohibited throughout the workplace. This policy applies equally to all employees, clients, partners, and visitors.

Employee Assistance Policy: To help employees in circumstances where counseling services would be helpful, Root & Bloom will make an Employee Assistance Program (EAP) counseling service available to employees, when needed, at no personal cost.

Employee Diversion of Marijuana: If a Root & Bloom Agent is found to have diverted marijuana, that agent will immediately be dismissed and have their Marijuana Establishment Registration Card confiscated. The CEO will immediately be notified. The CEO will make a detailed report of the event and report it to local law enforcement and the Commission within 24 hours.

Root & Bloom will provide a comprehensive employee handbook to all employees that will outline all the information pertinent to their employment with Root & Bloom**.** These subjects will include, but not be limited to;

1. Root & Bloom Mission and Vision
2. Organizational Structure
3. General Employment Policies
4. Employee Categories
5. Conflicts of Interest
6. Access to Personnel Files

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7. Performance Evaluations
8. Hours of Work
9. Compensation
10. Benefits
11. Code of Conduct
12. Discipline
13. Training

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Record Keeping SOP

Root & Bloom is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. ("the Regulations") and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission ("CNB" or "the Commission") or any other regulatory agency. The purpose of this policy is to outline the responsibilities of the Company, the Company's management team and Agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that our Record Keeping Procedures are compliant will all regulations and laws.

Access to the Commission

Root & Bloom's electronic and hard copy (written) records will be available to the Commission upon request pursuant to 935 CMR 500.105(9). The records will be maintained in accordance with generally accepted accounting principles. All written records required in any section of 935 CMR 500.000 are subject to inspection.

Access to the Massachusetts Department of Revenue ("DOR")

Root & Bloom's books, records, papers and other data will be made available upon request by the DOR Accounting records and information in electronic format will be provided in a searchable electronic format if requested by the Commission of the DOR. Any additional reports and schedules relating to the preparation of tax returns will be maintained and made available upon request. Inventory system data as well as any additional purchase reports, schedules or documentation that reconcile to other books and records, such as purchase journals or a general ledger, will also be maintained and made available upon request.

These records will be kept so long as their contents are material in the administration of Massachusetts tax laws. At a minimum, unless the DOR Commissioner consents in writing to an earlier destruction, the records will be preserved until the statute of limitations for making additional assessments for the period for which the return was due has expired. The DOR may require a longer retention period, such as when the records are the subject of an audit, court case, or other proceeding.

Additionally, Root & Bloom will comply with all records retention requirements outlined in the DOR Regulations including but limited to 830 CMR 62C.25.1: Record Retention.

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1. **Point of Sale (POS) Systems (Not Applicable)**
    a. Root & Bloom is not a Marijuana Retailer, we will not utilize any point of sales system.
2. **Types of Records**

The following records will be maintained and stored by Root & Bloom and available to the Commission upon request:

a. Operating procedures as required by 935 CMR 500.105(1)
    i. Security measures in compliance with 935 CMR 500.110;
    ii. Employee security policies, including personal safety and crime prevention techniques;
    iii. A description of the Marijuana Establishment's hours of operation and after-hours contact information, which shall be provided to the Commission, made available to law enforcement officials upon request, and updated pursuant to 935 CMR 500.000.
    iv. Storage of marijuana in compliance with 935 CMR 500.105(11);
    v. Description of the various strains of marijuana to be cultivated, processed or sold, as applicable, and the form(s) in which marijuana will be sold;
    vi. Price list for Marijuana and Marijuana Products and any other available products, and alternate price lists for patients with documented Verified Financial Hardship, as defined in 935 CMR 501.002, as required by 935 CMR 501.100(1)(f);
    vii. Procedures to ensure accurate recordkeeping, including inventory protocols in compliance with 935 CMR 500.105(8) and (9);
    viii. Plans for quality control, including product testing for contaminants in compliance with 935 CMR 500.160;
    ix. A staffing plan and staffing records in compliance with 935 CMR 500.105(9);
    x. Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;
    xi. Alcohol, smoke, and drug-free workplace policies;
    xii. A plan describing how confidential information will be maintained;
    xiii. A policy for the immediate dismissal of any marijuana establishment agent who has:
        1) Diverted marijuana, which shall be reported to law enforcement officials and to the Commission;

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2) Engaged in unsafe practices with regard to operation of the Marijuana Establishment, which shall be reported to the Commission; or

3) Been convicted or entered a guilty plea, plea of nolo contendere, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority.

xiv. A list of all board members and executives of a Marijuana Establishment, and members, if any, of the licensee must be made available upon request by any individual. 935 CMR This requirement may be fulfilled by placing this information on the Marijuana Establishment's website.

xv. Policies and procedures for the handling of cash on Marijuana Establishment premises including but not limited to storage, collection frequency, and transport to financial institution(s).

xvi. Policies and procedures to prevent the diversion of marijuana to individuals younger than 21 years old.

xvii. Policies and procedures for energy efficiency and conservation that shall include:

1) Identification of potential energy use reduction opportunities (including but not limited to natural lighting, heat recovery ventilation and energy efficiency measures), and a plan for implementation of such opportunities;

2) Consideration of opportunities for renewable energy generation, including, where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable;

3) Strategies to reduce electric demand (such as lighting schedules, active load management and energy storage); and

4) Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.

xviii. Policies and procedures to promote workplace safety consistent with applicable standards set by the Occupational Safety and Health Administration, including plans to identify and address any biological, chemical or physical hazards. Such policies and procedures shall include, at a minimum, a hazard communication plan, personal protective equipment assessment, a fire protection plan, and an emergency action plan.

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b. Operating procedures as required by 935 CMR 500.120(12)

   i. Methods for identifying, recording, and reporting diversion, theft, or loss, and for correcting all errors and inaccuracies in inventories. The policies and procedures, at a minimum, must be in compliance with 935 CMR 500.105(8);

   ii. Policies and procedures for handling voluntary and mandatory recalls of marijuana products. Such procedures shall be adequate to deal with recalls due to any action initiated at the request or order of the Commission, and any voluntary action by a Marijuana Establishment to remove defective or potentially defective marijuana products from the market, as well as any action undertaken to promote public health and safety;

   iii. Policies and procedures for ensuring that any outdated, damaged, deteriorated, mislabeled, or contaminated marijuana products is segregated from other product and destroyed. Such procedures shall provide for written documentation of the disposition of the marijuana products. The policies and procedures, at a minimum, must be in compliance with 935 CMR 500.105(12);

   iv. Policies and procedures for transportation. The policies and procedures, at a minimum, must be in compliance with 935 CMR 500.105(13);

   v. Policies and procedures to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts. The policies and procedures, at a minimum, must be in compliance with 935 CMR 500.105(15); and

   vi. Policies and procedures for the transfer, acquisition, or sale of marijuana products between Marijuana Establishments.

c. Inventory records as required by 935 CMR 500.105(8);

d. Seed-to-sale tracking records for all marijuana products are required by 935 CMR 500.105(8)(e).

e. Personnel records required by 935 CMR 500.105(9)(d), including but not limited to;

   i. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;

   ii. 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:

      1) All materials submitted to the Commission pursuant to 935 CMR 500.030(2);

      2) Documentation of verification of references;

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3) The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision

4) 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;

5) Documentation of periodic performance evaluations;

6) A record of any disciplinary action taken; and

7) Notice of completed responsible vendor and eight-hour related duty training.

iii. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;

iv. Personnel policies and procedures; and

v. All background check reports obtained in accordance with 935 CMR 500.030

f. Business records, which shall include manual or computerized records of:

i. Assets and liabilities;

ii. Monetary transactions;

iii. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;

iv. Sales records including the quantity, form, and cost of marijuana products; and

v. Salary and wages paid to each employee, stipend paid to each board member, and an executive compensation, bonus, benefit, or item of value paid to any individual affiliated with a Marijuana Establishment, including members of the nonprofit corporation, if any.

g. Waste disposal records as required under 935 CMR 500.105(12); and

h. Following closure of a Marijuana Establishment, all records must be kept for at least two years at the expense of the Marijuana Establishment and in a form and location acceptable to the Commission.

i. Responsible vendor training program compliance records.

j. Vehicle registration, inspection and insurance records. (If Applicable)

k. Host Community records of any cost to a city reasonably related to the operation of the establishment, which would include the city's or town's anticipated and actual expenses resulting from the operation of the establishment in its community.

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l. Records of monthly analysis of sales equipment and 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.

All records kept and maintained by Root & Bloom will be securely held. Access to these records will only be accessible to those Root & Bloom Agents who require access as a part of their job duties.

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Maintenance of Financial Records Policy and Procedure

Root & Bloom is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. ("the Regulations") and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission ("CNB" or "the Commission") or any other regulatory agency. The purpose of this policy is to outline the responsibilities of the Company, the Company's management team and Agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that our financial records are maintained in a compliant manner in compliance with all regulations and laws.

Root & Bloom's financial records will be kept and maintained according to generally accepted accounting principles. The CFO is responsible for all accounting responsibilities and will engage the services of external Accountants and Tax Professionals to ensure proper accounting compliance. Once operational Root & Bloom will hire or engage a bookkeeper with experience in business accounting to assist in the maintaining of these records. All of Root & Bloom's financial/business records will be available for inspection to the Commission upon request. Root & Bloom will maintain all business records in manual and electronic (computerized) form. These records include, but are not limited to;

1. Assets and liabilities;
2. Monetary transactions;
3. Books of accounts, which will include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
4. Sales records including the quantity, form, and cost of marijuana products; and
5. Salary and wages paid to each employee, or stipend, executive compensation, bonus, benefit, or item of value paid to any persons having direct or indirect control over the marijuana establishment.

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In relation to the maintenance of financial records Root & Bloom will incorporate the following into our business operations;

1. Root & Bloom will engage the services of a professional payroll and human resources company to assist in Human resources management and payroll services for our employees
2. Root & Bloom will engage, to the extent possible, a banking relationship in Massachusetts to provide banking services for our company.
3. Root & Bloom will use financial software programs for all financial transactions.
4. Root & Bloom does not plan to make cash transactions with other Marijuana Establishments. All transactions will be done through traditional banking transactions including checks, wire transfers or credit cards.
5. On an annual basis Root & Bloom will engage the services of an independent certified public accountant who is preferably experienced in the legal marijuana industry, to conduct a financial audit of Root & Bloom finances (books).
6. Root & Bloom will engage the services of an industry experienced tax professional for the filing of all required state and federal tax documents.
7. At the end of each business day a reconciliation audit will be done on each POS station by the Facility Manager or designee. Comprehensive financial audits will be done at the end of every day by the CFO or designee. At the discretion of the CFO, the frequency of these audits may be changed to weekly and then monthly. At a minimum, a comprehensive audit by the CFO or designee of all sales transactions will be completed every month.
8. For the first year of operation the CFO will conduct a comprehensive audit of all of the facility's financial records every 3 months and report their findings to the CEO and COO.

Root & Bloom's electronic and hard copy (written) records will be available to the Commission upon request pursuant to 935 CMR 500.105(9). The records will be maintained in accordance with generally accepted accounting principles. All written records required in any section of 935 CMR 500.000 are subject to inspection.

Our books, records, papers and other data will be made available upon request by the Department of Revenue (DOR). Accounting records and information in electronic format will be provided in a searchable electronic format if requested by the Commission or the DOR. Any additional reports and schedules relating to the preparation of tax returns will be maintained and made available upon request. Inventory system data as well as any additional purchase reports, schedules or documentation that reconcile to other books and records, such as purchase journals or a general ledger, will also be maintained and made available upon request. These records will be kept as long as their contents are material in the administration of Massachusetts tax laws. At a minimum, unless the DOR or Commissioner consents in writing to an earlier destruction, the records will be preserved until the statute of limitations for making additional assessments for the period for which the return was due has expired. The DOR may require a

longer retention period, such as when the records are the subject of an audit, court case, or other proceeding. Additionally, Root & Bloom will comply with all records retention requirements outlined in the DOR Regulations including but limited to 830 CMR 62C.25.1: Record Retention.

Root & Bloom will utilize a POS system that complies with the requirements in G.L. c. 62C, § 25; 830 CMR 62C.25.1 (the Records Retention Regulation); and the Massachusetts Department of Revenue ("DOR") Directive 16-1 "*Recordkeeping Requirements for Sales and Use Tax Vendors Utilizing Point of Sale (POS) Systems"*

1. Our POS system will record all transactions in a manner that will allow the DOR to verify what was sold and whether the appropriate amount of tax was collected. Along with the data in the POS system, Root & Bloom will maintain the following records:
    a. A journal or its equivalent, which records daily all non-cash transactions affecting accounts payable;
    b. A cash journal or its equivalent, which records daily all cash receipts and cash disbursements, including any check transactions;
    c. A sales slip, invoice, cash register tape, or other document evidencing the original transaction, which substantiates each entry in the journal or cash journal;
    d. Memorandum accounts, records or lists concerning inventories, fixed assets or prepaid items, except in cases where the accounting system clearly records such information; and
    e. 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.
2. Each POS transaction record will provide enough detail to independently determine the taxability of each sale and the amount of tax due and collected. Information on each sales transaction will include, but is not limited to the:
    a. individual item(s) sold,
    b. selling price,
    c. tax due,
    d. invoice number,
    e. date of sale,
    f. method of payment; and
    g. POS terminal number and POS transaction number.

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3. Root & Bloom will maintain auditable internal controls to ensure the accuracy and completeness of the transactions recorded in the POS system. The audit trail details include, but are not limited to:
    a. Internal sequential transaction numbers;
    b. Records of all POS terminal activity; and
    c. Procedures to account for voids, cancellations, or other discrepancies in sequential numbering.
    d. The POS audit trail or logging functionality must be activated and operational at all times, and it must record:
        i. Any and all activity related to other operating modes available in the system, such as a training mode; and Any and all changes in the setup of the system.
4. Root & Bloom will comply with the provisions of 935 CMR 500.140(6): Recording Sales by:
    a. Only utilizing a point-of-sale (POS) system approved by the Commission, in consultation with the DOR.
    b. Utilizing a sales recording module approved by the DOR.
    c. By not utilizing software or other methods to manipulate or alter sales data.
    d. Root & Bloom will conduct a monthly analysis of our 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. Root & Bloom will maintain records that it has performed the monthly analysis and produce it upon request to the Commission. If Root & Bloom determines that software has been installed for the purpose of manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data:
        i. We will immediately disclose the information to the Commission;
        ii. We will cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
        iii. We will take such other action directed by the Commission to comply with 935 CMR 500.105.
    e. Root & Bloom will comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements:
        i. Root & Bloom will adopt separate accounting practices at the point-of-sale for marijuana and marijuana product sales, and non-marijuana sales.

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ii. Root & Bloom will allow the Commission and the DOR may audit and examine our point-of-sale system in order to ensure compliance with Massachusetts tax laws and 935 CMR 500.000.

Pursuant to 935 CMR 500.110(7) Root & Bloom will establish a contract to deposit funds with a financial institution that conducts any transaction in cash and will establish and implement adequate security measures and procedures for safe cash handling and cash transportation to financial institutions or DOR facilities to prevent theft and loss, and to mitigate associated risks to the safety of employees, customers and the general public. These security measures will include:

1. An on-site secure locked vault maintained in an area separate from retail sales areas used exclusively for the purpose of securing cash;
2. Video cameras will be directed to provide images of areas where cash is kept, handled and packaged for transport to financial institutions or DOR facilities, these cameras may be motion-sensor activated cameras and provided, further, that all cameras be able to produce a clear, still image whether live or recorded;
3. Root & Bloom will have a written process for securing cash and ensuring transfers of deposits to the Marijuana Establishment's financial institutions and DOR facilities on an incremental basis consistent with the requirements for deposit by the financial institution or DOR facilities; and
4. We will utilize an armored transport provider that is licensed pursuant to M.G.L. c. 147, § 25 (watch, guard or patrol agency) and has been approved by the financial institution or DOR facility.

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Qualifications and Training Policy and Procedure

Root & Bloom is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. ("the Regulations") and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission ("CNB" or "the Commission") or any other regulatory

The purpose of this policy is to outline the responsibilities of the Company, the Company's management team and Agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that we only hire qualified Marijuana Establishment Agents and that our training process and curriculum are in compliance with all regulations and laws.

The minimum requirements to become a Root & Bloom Marijuana Establishment Agent ("Agent") are outlined below. All Root & Bloom board members, directors, employees, executives, managers or volunteers will register with the Commission as an Agent. For clarity an employee means, any 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. All Root & Bloom Agents must;

1. Be 21 years of age or older;
2. 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
3. Be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 935 CMR 500.801 or 935 CMR 500.802.

Root & Bloom will develop a job description for all positions with the company. While all Agents must meet the qualifications listed above, several of our positions will require additional qualifications depending on the required duties.

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Pursuant to 935 CMR 500.105(2)(a) we will ensure all Root & Bloom Agents complete training prior to performing job functions. Training will be tailored to the role and responsibilities of the job function.

1. Our initial training begins during employee orientation where all new employees will be issued their employee handbook. Classroom or online training will include, but not be limited to;
    a. Code of Conduct;
    b. Verifying Identifications;
    c. Marijuana Regulations;
    d. Security and Safety;
    e. Emergency Procedures/Disaster Plan;
    f. Diversion of Marijuana;
    g. Terminatable Offences;
    h. Confidential Information;
    i. Employee Policies (all employee policies from the handbook will be covered) including but not limited to;
        i. Alcohol, smoke and drug-free workplace;
        ii. Equal Employment Policy;
        iii. Anti-Harassment and Sexual Harassment Policy;
        iv. Americans with Disability Act;
        v. Employee Assistance Policy; and
        vi. Diversity Plan
2. After the initial training(s) are completed, Agents will be trained on job specific areas depending on their duties. This training will be done in a classroom setting, online or computerized, on the job training ("OJT") or through external training platforms.
3. All Root & Bloom Agents will receive a minimum of 8 hours of training annually.
4. Root & Bloom will record, maintain and store 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. These records will be stored in the Agents Personnel File. Training records will be retained by Root & Bloom for at least one year after the Agents' termination.

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5. Within 90 days of hire, Root & Bloom will require all of its Agents to attend and complete a Responsible Vendor Training Program to become designated as a "responsible vendor."
    a. After the responsible vendor designation is applied each Root & Bloom owner, manager, and employee involved in the handling and sale of marijuana for adult use will successfully complete the program once every year thereafter to maintain designation as a "responsible vendor."
    b. Root & Bloom will maintain records of responsible vendor training program compliance for four years and make them available to inspection by the Commission and any other applicable licensing authority upon request during normal business hours.
6. All Root & Bloom Agents responsible for tracking and entering product into the Seed-to-sale SOR (Metrc) will receive training in a form and manner determined by the Commission.

Root & Bloom will provide training and training opportunities to its employees. In addition to required training, Root & Bloom will require advanced training to our employees in the areas of Safety and Security, Marijuana Science or other areas then enhance the Company's, our Agents and our customers safety. These training will include:

1. All Agents who handle marijuana or marijuana products will be trained on basic food safety prior to or during the first day of employment.
    a. Include basic food safety training as part of new employee orientation.
    b. The sanitation requirements in 105 CMR 500.000: Good Manufacturing Practices for Food;
    c. The sanitation requirements in 105 CMR 590.000: Minimum Sanitation Standards for Food Establishments; and
    d. The requirements for food handlers specified in 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements.
2. All employees engaging in the processing or packaging of Marijuana will be trained and certified in;
    a. SERVSAFE Massachusetts Allergen Training Program
    b. SERVSAFE Food Handler Program
3. Cultivation staff will receive bi-annual in-service training on food safety, including food allergy awareness and HACCP.

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4. All Managers in cultivation, processing and packaging will be trained as a Certified Food Protection Manager (CFPM) by completing a SERVSAFE or similar nationally accredited food safety certification course.
5. File documentation in HACCP records.

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Diversity Plan

I. INTENT

It is the policy of Root & Bloom to promote principles of diversity management that will enhance the level of effectiveness and efficiency of its programs. The concept of diversity management is a strategic business objective that seeks to increase organizational capacity in a workplace where the contributions of all employees are recognized and valued. Root & Bloom's goal is to build a high-performing, diverse workforce based on mutual acceptance and trust.

II. PURPOSE

The purpose of this policy is to outline the responsibilities of Root & Bloom, the company's management team, and its agents to ensure that Root & Bloom is a diverse and inclusive company that promotes a discrimination-free work environment and provides opportunities for all employees to use their diverse talents to support the company's mission.

Root & Bloom will comply with the requirements of 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 Root & Bloom will not violate the Commission's regulations with respect to limitations on ownership, control, or other applicable state laws.

Root & Bloom is committed to a diverse and equitable workforce and will implement this plan to ensure access to employment (including management positions) and other relationships with the company. The demographics this plan promotes are outlined below:

Plan Populations:

1. Minorities; 2. Women; 3. Veterans; 4. People with disabilities; and 5. People who are LGBTQ+

III. GOALS

Root & Bloom is committed to achieving the following goals though this plan. Our goals include:

1. Make Root & Bloom's workplace and management team as diverse as possible, including attracting and retaining qualified employees with no regard to race, gender, gender identity, disability, sexual orientation, or any other non-merit factor.
2. Create a workplace environment at Root & Bloom that is safe, accepting, respectful, welcoming, comfortable and supportive.
3. Include as our suppliers and contractors, businesses owned by minorities, women, veterans, people who are LBGTQ+, and by persons with disabilities.

IV. PROGRAMS

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Recruitment and Hiring Program

Root & Bloom looks to recruit and hire diverse employees and plans to promote equity among minorities, women, veterans, people with disabilities, and people who are LBGTQ+ in the operation of our company.

To promote diversity and equity Root & Bloom will:

1. Give hiring preference to individuals who meet the criteria of the Plan Populations that are outlined above.
2. Institute a "blind hiring" policy that anonymizes or "blinds" demographic-related information about a candidate from the recruiter or hiring manager that can lead to bias about the candidate.
    a. Blind hiring reduces biases during the talent acquisition process by removing information like name, gender, religion, or socioeconomic background. It also removes things like academic qualifications or experience, meaning candidates are judged based on skills—not where they came from.
    Theoretically, when the characteristics that may lead to a biased hire are removed from the equation, companies can guarantee they're selecting the top talent for their open positions.
    Therefore, if implemented thoughtfully, blind hiring can increase diversity and help make stronger hires.
3. Train Human Resource Hiring Managers to address unconscious bias and cultural sensitivity.
    a. Our Hiring Manager(s) will receive this training at least 60 days prior to our projected opening date and prior to the hiring of any employees for our Marijuana Establishment
4. Promote our Diversity Hiring policy on recruitment websites, our social media presence and traditional hiring platforms. We will target our job postings to the community of Haverhill, an area with higher populations of people of color, with the goal of attracting and retaining a qualified and diverse workforce.
5. We will post all employment opportunities with MassHire - North Shore Career Center. This organization is a One Stop Career Centers that serves Haverhill. Haverhill has the most diverse population in our area.
    a. Our first employment postings will occur within 180 days of our receipt of Provisional License from the Commission.
    b. Second and subsequent posting will be done as needed.
6. In addition to posting employment opportunities with the aforementioned Center, we will also promote our job fairs through with Career Resource Corporation out of Haverhill.
    a. Our first job fair will be held approximately within 180 of receipt of our Provisional License from the Commission.
    b. Second and subsequent job fairs will be held as needed.
    c. We will participate in additional job fairs and events sponsored by organizations promoting diversity in the cannabis workplace including the Mass CBA, Massachusetts Recreational Consumer Council, and Elevate New England. We will also post jobs to these organizations.
        i. All job postings will clearly promote our hiring priorities and encourage individuals who fall into the Plan Populations to apply.
7. We will work directly with local veteran organizations, including the Haverhill Veterans Services and Career Resources Corporation, to notify their members of any and all hiring fairs and open positions and will actively recruit veterans.

Root & Bloom's recruitment and hiring goals are to hire and retain 50% of our workforce are female, and 30% of our workforce meet the criteria of the Plan Population outlined above excluding gender.

Of the 30% that meet the Plan Population excluding gender, our goal is that 70-80% will be minorities, 5-10% will be Veterans, 5-10 will be people with disabilities and 5-10% will Be LBGTQ+

Inclusion and Retention Program

Root & Bloom is dedicated to providing a work environment that is a diverse and inclusive workplace where employees and stakeholders form long term relationships and tenure. We encourage a broad range of opinions, ideas, and perspectives that drive creativity, innovation, and excellence. Our goal is to ensure that every employee, contractor, and visitor feels safe, respected, welcome, comfortable, supported, and accepted.

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To ensure inclusion in our workplace, Root & Bloom will:

- Provide training to all employees regarding inclusion in the workplace. This training will be conducted as part of the new employee training curriculum and annually during in-service training.
- Provide advanced training to managers in their roles in fostering an inclusive workplace environment. This training will occur upon hiring.
- Implement a Non-Discrimination, Harassment, and Retaliation Policy. This policy will include provisions for responding to complaints, discipline for non-compliance, and evaluation of the circumstances to see if this plan needs improvements.
- Periodically evaluate the workplace climate through observations, an annual employee survey, employee meetings, and individual conversations with employees to ensure our workplace is inclusive, supportive, and respectful.

Root & Bloom's inclusion and retention goals are 100% of our full-time and part-time employees attend Diversity and Inclusion Trainings within 30 days of their employment start date. To provide advanced Diversity and Inclusion Training to managers within 60 days of the manager being hired/promoted and annually thereafter. To maintain an employee retention rate of at least 70% over the previous year and to distribute and report on annual, anonymous workplace satisfaction survey to staff, yearly.

Supplier Contractor Program

Root & Bloom is committed to utilizing, to the extent possible, minority-owned, women-owned, veteran-owned, disabled-owned, LGBTQ+-owned businesses, as suppliers, contractors and business providers. Root & Bloom recognizes that sourcing products and services from previously under-represented suppliers helps to sustain and progressively transform a company's supply chain, thus quantitatively reflecting the demographics of the communities in which we operate by recording transactions with diverse suppliers.

Root & Bloom will actively identify and pursue relationships with suppliers, contractors and Marijuana Establishments who meet the Plan Populations that are outlined above. This Program will be implemented immediately upon receipt of a Provisional License from the Commission.

1. Root & Bloom will give preference to suppliers and contractors whose owners or employees meet the Program Populations outlined above.
2. Root & Bloom will actively recruit these individuals or companies and promote this Program when sourcing these services.
    a. As part of any bid or solicitation for services, Root & Bloom will request demographic information from the business or individual in order to see if they meet the Program Populations outlined above.
    b. When requesting bids from suppliers and contractors we will expressly promote the Supplier Contractor priority outlined in this plan.
3. We will give priority to establishments whose owners or a majority of its employees meet the Plan Populations that are outlined above when sourcing wholesale products.

Root & Bloom's supplier contractor goals are:

- 25% of our supplier/contractor demographic will meet the criteria of the Plan Population outlined above.

IV. PLAN MEASUREMENT

Root & Bloom realizes that any plan needs to be evaluated once it is implemented. We will perform an ongoing and comprehensive evaluation of this plan to ensure that it accomplishes our goals. We will analyze the progress towards our diversity goals quarterly and will produce a full report annually, which outlines this policy, data collected, whether the goals have been met, and if any changes are necessary. This report will be made available to the Commission and Commonwealth of Massachusetts. Root & Bloom managers and appropriate community leaders will meet to discuss the report and make any necessary adjustments. 60 days prior to our License renewal, this report will be completed and available for review by the Commission. This report, at a minimum will include:

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- The demographics of all employees and applicants;
- Attempts to hire, actual hires, where they came from, their training, pay, benefits, and advancement;
- Report of workplace environment that includes feedback from employees and annual satisfaction surveys;
- Report on percentage of employees completing inclusion training;
- Rate of retention of all employees;
- The demographics, numbers, amounts and percentages of all third-party suppliers, contractors and marijuana industry establishments that Root & Bloom has engaged with and done business with; and
- Conclusions and recommendations.

60 days prior to License renewal, and annually thereafter Root & Bloom will produce a comprehensive report on our Goals and Programs which will outline the metrics for each program and whether we have met our goals. This report will be made available to the Commission.

Root & Bloom managers and appropriate community stakeholders will meet to discuss the report and make any necessary adjustments.

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ENERGY PLAN-Cultivation

In compliance with 935 CMR 500.105(15) Root and Bloom has:

- Identified potential energy use reduction opportunities (such as natural lighting and energy efficiency measures), and implemented these opportunities to the extent possible;
- Considered opportunities for renewable energy generation including, where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable;
- Reduced electric demand (such as lighting schedules, active load management, and energy storage); and
- Engaged with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.

Our Cultivation facility will satisfy the minimum energy efficiency and equipment standards established by the Commission and meet all applicable environmental laws, regulations, permits and other applicable approvals including, but not limited to, those related to water quality and quantity, wastewater, solid and hazardous waste management, and air pollution control, including prevention of odor and noise pursuant to 310 CMR 7.00: Air Pollution Control as a condition of obtaining a final license under 935 CMR 500.103(2) and as a condition of renewal under 935 CMR 500.103(4). We have adopted additional best management practices as determined by the Commission, in consultation with the working group established under St. 2017, c. 55, § 78(b) or applicable departments or divisions of the EOEEA, to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts, and shall provide energy and water usage reporting to the Commission in a form determined by the Commission. Our license renewal application under 935 CMR 500.103(4) will include a report of our energy and water usage over the 12-month period preceding the date of application. Our facility complies with the following minimum energy efficiency and equipment standards:

- Our building envelope will meet the minimum Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR: State Building Code), International Energy Conservation Code (IECC) Section C402 or The American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE) Chapters 5.4 and 5.5 as applied or incorporated by reference in 780 CMR: State Building Code;
    - Root and Bloom will provide documentation required under 935 CMR 500.120(11)(a) in the form of an Energy Compliance Letter as part of the Architectural Review which will include a narrative confirming compliance with the building envelope requirements and the output from COMcheck™ software used to show building envelope compliance with Massachusetts Building Code, 780 CMR.
- Our Horticulture Lighting Power Density (HLPD) will not exceed 36 watts per square foot;

- Root and Bloom will provide documentation required under 935 CMR 500.120(11)(b) in the form of an Energy Compliance Letter as part of the Architectural Review which will include:
    - A narrative explanation of how the facility complies with 935 CMR 500.120(11)(b) or 501.120(12)(b), supported by copies of the facility lighting schedule, square footage of canopy, description of HLE, number, type, and wattage of all HLE as well as the calculations that show compliance with the HLPD requirements;
    - Cutsheets for all HLE to be submitted as part of the Architectural Review;
    - Detailed identification of the stamped plans showing the layout of all HLE, which means any lighting equipment (e.g. fixtures, bulbs, ballasts, controls, etc.) that uses energy for the cultivation of plants, at any stage of growth (e.g. germination, cloning/mother plants, propagation, vegetation, flowering, and harvest);
    - Detailed identification of the stamped plans showing the areas considered as HLSF;
    - Description of an eye safety plan that includes the following:
        - Safety protocols related to eye safety for those exposed to horticultural lighting;
        - Communication plan for how eye safety protocols will be communicated to employees;
        - Description of how protective eyewear will be provided for anyone coming in to contact with active horticultural lights;
        - Description of signage that will be used to remind workers of eye safety;
        - Affirmation that the safety protocols will be reviewed and updated by the Cultivation Facility on an annual basis.

- Our Heating Ventilation and Air Condition (HVAC) and dehumidification systems will meet Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR State Building Code), IECC Section C403 or ASHRAE Chapter 6 as applied or incorporated by reference in (780 CMR: State Building Code)
    - Root and Bloom will provide documentation required under 935 CMR 500.120(11)(c) in the form of an Energy Compliance Letter as part of the Architectural Review which will include:
        - A certification from a Massachusetts Licensed Mechanical Engineer that the HVAC and dehumidification systems meet Massachusetts building code as specified in this 935 CMR 500.120(11)(c) and that such systems have been evaluated and sized for the anticipated loads of the facility.
        - Total of tons of refrigeration (TR), thousands of British thermal units (BTUs) per hour (MBH), and a listing of all HVAC equipment to be installed. The information provided in the letter must be supported by equipment data sheets available immediately upon request.
        - Total of tons of dehumidification (TD), and a listing of all dehumidification equipment to be installed, supported by equipment data sheets.

- Details about energy recovery equipment installed as part of the ventilation system.
- A listing of all odor mitigation equipment to be installed. The information provided in the letter must be supported by equipment data sheets available immediately upon request.

Additionally, Root and Bloom will work closely with our local utility companies to create and execute interactive Energy Savings Plans, by means of:

- Understanding how we use energy through analysis generation;
- Compare our operation with similar businesses and act accordingly;
- Intake customized energy improvement recommendations from professionals; and
- Utilize cost incentives through utility energy performance.

Our construction administrators, superintendents, project managers, and their subcontracted team of architects, designers, and engineers will execute the buildout processes through pre-construction, construction, and review construction phases within preliminary planning guidelines that ensure the highest capacity of energy efficiency, both on the job and throughout the reasonable lifespan of the operation, including but not limited to:

- The purchase and installation of the highest R-Value insulation materials, that actively resist the conductive flow of heat, wherever applicable on site;
- The purchase and installation of LED lighting systems;
- The removal and disposal of outdated HVAC systems, with the purchase and installation of advanced HVAC systems and all associated ductwork.

Further practices to maintain energy efficiency throughout daily operations include:

- Using power strips to power all devices, and turning off all power strips at the conclusion of the closing process (excludes security systems);
- Using communal printers, coffee makers, microwave ovens, and refrigerators;
- Turning off monitors when leaving for more than one hour;
- Save paper by only photocopying what is absolutely needed, and always using the second side of sheets by either printing on both sides or using the blank side as scratch paper;
- Report any obvious energy waste or material deficiencies such as broken heaters or air leaks up the chain of command;
- Close or tilt window blinds to block direct sunlight to reduce cooling needs during warmer months;
- Prohibiting the use of individual space heaters;
- Using Energy Star labeled appliances.