



Massachusetts Cannabis Control Commission

Marijuana Cultivator

General Information:

License Number: MC283400
Original Issued Date: 06/16/2022
Issued Date: 06/16/2022
Expiration Date: 06/16/2023

ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Baked Beans Farm LLC

Phone Number: 617-692-0386 Email Address: david.essig@bakedbeansfarm.com

Business Address 1: 150 Sam Fonzo Drive

Business Address 2:

Business City: Beverly

Business State: MA

Business Zip Code: 01915

Mailing Address 1: 865 E 1st Street

Mailing Address 2:

Mailing City: South Boston

Mailing State: MA

Mailing Zip Code: 02127

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: 23.5

Percentage Of Control: 25

Role: Owner / Partner

Other Role:

First Name: David

Last Name: Essig

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: 23.5

Percentage Of Control: 25

Role: Executive / Officer

Other Role:

First Name: Jennifer

Last Name: Essig

Suffix:

Gender: Female

User Defined Gender:

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

Specify Race or Ethnicity:

Person with Direct or Indirect Authority 3

Percentage Of Ownership: 23.5

Percentage Of Control: 25

Role: Executive / Officer

Other Role:

First Name: Andrew

Last Name: Hawes

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: Groton

Person with Direct or Indirect Authority 4

Percentage Of Ownership: 23.5

Percentage Of Control: 25

Role: Executive / Officer

Other Role:

First Name: Robert

Last Name: Dolins

Suffix:

Gender: Male

User Defined Gender:

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

Specify Race or Ethnicity:

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

No records found

CLOSE ASSOCIATES AND MEMBERS

No records found

CAPITAL RESOURCES - INDIVIDUALS

No records found

CAPITAL RESOURCES - ENTITIES

No records found

BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

DISCLOSURE OF INDIVIDUAL INTERESTS

No records found

MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 150 Sam Fonzo Drive

Establishment Address 2:

Establishment City: Beverly

Establishment Zip Code: 01915

Date generated: 07/01/2022

Approximate square footage of the Establishment: 21000

How many abutters does this property have?:

13

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

Cultivation Tier:

Cultivation Environment:

FEE QUESTIONS

Cultivation Tier: Tier 02: 5,001 to 10,000 sq. ft. Cultivation Environment: Indoor

HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Community Outreach Meeting Documentation	Community Outreach Meeting Attestation Form.pdf	pdf	61aa8b2787e0ce4a4adfb6fc	12/03/2021
Certification of Host Community Agreement	HCA Certification Form - Final Signed 11.18.2021.pdf	pdf	61aa8b2aa9375e4890945225	12/03/2021
Community Outreach Meeting Documentation	Community Out Reach - News Paper.pdf	pdf	61cc94cc151a044618ec7768	12/29/2021
Community Outreach Meeting Documentation	Baked Beans Farm Notice of Community Outreach Meeting_Kent.pdf	pdf	61cc94ea84fb17447c43eeef	12/29/2021
Community Outreach Meeting Documentation	Baked Beans Farm Notice of Community Outreach Meeting_Abutters.pdf	pdf	61cc94f9922a104454b6be7b	12/29/2021
Plan to Remain Compliant with Local Zoning	BBF Plan to Remain Compliant with Local Zoning_v3.pdf	pdf	62054ecee95b8c0888818b98	02/10/2022

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

PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Other	City of Beverly_Letter to Baked Beans_Educational Program Support Confirmation.pdf	pdf	61cc959d90ca3b46232e2d1a	12/29/2021
Plan for Positive Impact	BBF Positive Impact Plan_v4.pdf	pdf	62054eeca828d708f05135f6	02/10/2022

ADDITIONAL INFORMATION NOTIFICATION

Notification:

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: Owner / Partner

Other Role:

First Name: David

Last Name: Essig Suffix:

RMD Association: Not associated with an RMD

Background Question: no

Date generated: 07/01/2022

Page: 3 of 6

Individual Background Information 2

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

First Name: Jennifer **Last Name:** Essig **Suffix:**

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 3

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

First Name: Andrew **Last Name:** Hawes **Suffix:**

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 4

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

First Name: Robert **Last Name:** Dolins **Suffix:**

RMD Association: Not associated with an RMD

Background Question: no

ENTITY BACKGROUND CHECK INFORMATION

No records found

MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Secretary of Commonwealth - Certificate of Good Standing	MA Certificate of Good Standing.pdf	pdf	61aa8ddb84dbbb4a4339679c	12/03/2021
Articles of Organization	Baked Beans Operating Agreement v4.pdf	pdf	61aa8f7087e0ce4a4adfb723	12/03/2021
Articles of Organization	Certificate of Organization.pdf	pdf	61cc968590ca3b46232e2d3b	12/29/2021
Department of Revenue - Certificate of Good standing	Baked Beans COGS.pdf	pdf	61cc96b2073d79445b0d6773	12/29/2021
Secretary of Commonwealth - Certificate of Good Standing	BBF Dept of Unemployment_v2.pdf	pdf	62054f685099080851f39aa0	02/10/2022

No documents uploaded

Massachusetts Business Identification Number: 001441514

Doing-Business-As Name:

DBA Registration City:

BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Business Plan	Baked Beans Farm Business Plan v7.pdf	pdf	62054f8bea5b88086e773065	02/10/2022
Plan for Liability Insurance	BBF Liability Insurance_v1.pdf	pdf	62054f9b71cb790879592716	02/10/2022
Proposed Timeline	BBF Proposed Timeline_v2.pdf	pdf	62054fb4e95b8c0888818ba9	02/10/2022

OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Security plan	Appendix A to Security Policy and Procedures.pdf	pdf	61cc977c434e1f4432e3e1a6	12/29/2021
Storage of marijuana	BBF Storage of Marijuana_v1.pdf	pdf	62054fe18dbcc3090663f292	02/10/2022
Prevention of diversion	BBF Prevention of Diversion_v1.pdf	pdf	620550a2879c73091c819d6e	02/10/2022
Inventory procedures	BBF Inventory Procedures_v1.pdf	pdf	620550c18d09e508d6117c09	02/10/2022
Personnel policies including background checks	BBF Personnel Policies_v1.pdf	pdf	620550dd71cb790879592731	02/10/2022
Quality control and testing	BBF Quality Control and Testing_v2.pdf	pdf	620550f65099080851f39ac8	02/10/2022
Record Keeping procedures	BBF Record-Keeping Procedures_v1.pdf	pdf	62055107f2351e085f72ae99	02/10/2022
Energy Compliance Plan	BBF Energy Compliance_v1.pdf	pdf	6205511ce95b8c0888818bc3	02/10/2022
Security plan	BBF Security Policy and Procedures_v2.pdf	pdf	62055131ea0b000858e8cd68	02/10/2022
Transportation of marijuana	BBF Transportation of Marijuana_v2.pdf	pdf	62055142d04772090d5a5f91	02/10/2022
Restricting Access to age 21 and older	BBF Restricting Access_v1.pdf	pdf	6205519af2351e085f72aea3	02/10/2022
Maintaining of financial records	BBF Maintenance of Financial Records_v2.pdf	pdf	620551aad96b108e551bca4	02/10/2022
Qualifications and training	BBF Training for Agents_v2.pdf	pdf	620551b87c2bdd089a1f751e	02/10/2022
Diversity plan	BBF Diversity Plan_v2.pdf	pdf	620551cee95b8c0888818bd3	02/10/2022
Policies and Procedures for cultivating.	BBF Cultivation Procedures_v2.pdf	pdf	620551e1ea0b000858e8cd76	02/10/2022

ATTESTATIONS

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

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

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

Notification:

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

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

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

ADDITIONAL INFORMATION NOTIFICATION

Notification:

COMPLIANCE WITH POSITIVE IMPACT PLAN

No records found

COMPLIANCE WITH DIVERSITY PLAN

No records found

HOURS OF OPERATION

Monday From: 9:00 AM	Monday To: 6:00 PM
Tuesday From: 9:00 AM	Tuesday To: 6:00 PM
Wednesday From: 9:00 AM	Wednesday To: 6:00 PM
Thursday From: 9:00 AM	Thursday To: 6:00 PM
Friday From: 9:00 AM	Friday To: 6:00 PM
Saturday From: 9:00 AM	Saturday To: 12:00 PM
Sunday From: 9:00 AM	Sunday To: 12:00 PM

Community Outreach Meeting Attestation Form

Instructions

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

Attestation

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

1. The Community Outreach Meeting was held on the following date(s): 09/02/2021
2. At least one (1) meeting was held within the municipality where the ME is proposed to be located.
3. At least one (1) meeting was held after normal business hours (this requirement can be satisfied along with requirement #2 if the meeting was held within the municipality and after normal business hours).



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

a. Date of publication:

8/19/21

b. Name of publication:

Beverly Herald

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

a. Date notice filed:

8/18/21

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

a. Date notice(s) mailed:

08/20/21

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



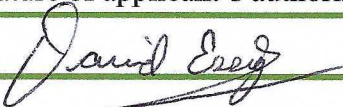
Name of applicant:

Baked Beans Farm LLC

Name of applicant's authorized representative:

David Essig

Signature of applicant's authorized representative:





Host Community Agreement Certification Form

Instructions

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

Certification

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

1. Name of applicant:

Baked Beans Farm LLC

2. Name of applicant's authorized representative:

David S. Essig

3. Signature of applicant's authorized representative:

David S. Essig

4. Name of municipality:

City of Beverly

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

Michael P. Cahill, Mayor



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

DocuSigned by:
Michael P. Cahill, Mayor
CF88794F9BA4470...

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

mayorcahill@beverlyma.gov

8. Host community agreement execution date:

November 18, 2021



150 SAM FONZO DR

LEGAL NOTICE
August 2021

Community Outreach Meeting Hosted by Baked Beans Farm, LLC for 150 Sam Fonzo Drive, Beverly, MA

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Cultivation and a Marijuana Production Establishment is scheduled for:

September 2nd, 2021 at 6:00 pm, 150 Sam Fonzo Drive, Beverly MA
Rear of Building Open-Air Underground Garage

This meeting is open to the public. There will be an opportunity to ask questions.

Baked Beans Farm, LLC ("Baked Beans Farm") will be seeking a license from the Massachusetts Cannabis Control Commission. Baked Beans Farm will also be applying for a special permit from the Beverly Planning Board to conduct the business of a marijuana cultivation and production establishment at 150 Sam Fonzo Drive, Beverly, MA.

Information to be presented at the meeting will include:

- 1) The types of marijuana establishments to be located at 150 Sam Fonzo Drive;
- 2) The proposed location is allowed under the City of Beverly Zoning Bylaws;
- 3) The proposed location requires a special permit be issued by Beverly Planning Board;
- 4) The proposed location is more than 300 feet from houses of worship, public and private K - 12 schools, and licensed daycares;
- 5) The proposed location is more than 350 feet from the edge of an athletic field or the nearest play structure;
- 6) Information adequate to demonstrate that the location will be maintained securely, and meet the requirement set forth in the Massachusetts Cannabis Control Commissions Security Regulations;
- 7) Information demonstrating how Baked Beans Farm intends to ensure that the proposed location will not constitute a nuisance to the community as defined by law;
- 8) What steps that Baked Beans Farm will to prevent diversion to minors; and
- 9) A plan for how Baked Beans Farm will positively impact the community.

Notice of this meeting will be published in a local newspaper of general circulation and filed with the Beverly Mayor's Office, the Beverly Planning Board, and the Beverly City Clerk at least seven (7) calendar days prior to the meeting.

Notice of this meeting will also be mailed at least seven (7) calendar days prior to the meeting to abutters of 150 Sam Fonzo Drive and to abutters within 300 feet of 150 Sam Fonzo Drive as they appear on the most

recent applicable tax list, as provided to Baked Beans Farm by the City of Beverly Assessor's Office.

This meeting is being noticed and held in accordance with all applicable state statutes and regulations and Beverly Zoning Bylaws.

Baked Beans Farm is committed to being a good neighbor and active member of the Beverly Community.

We look forward to seeing you on September 2nd, 2021. Warm regards,

Baked Beans Farm Management Team

August 2021

Community Outreach Meeting Hosted by Baked Beans Farm, LLC
for 150 Sam Fonzo Drive, Beverly, MA

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Cultivation and a Marijuana Production Establishment is scheduled for:

September 2nd, 2021 at 6:00 pm, 150 Sam Fonzo Drive, Beverly MA
Rear of Building Open-Air Underground Garage

This meeting is open to the public. There will be an opportunity to ask questions.

Baked Beans Farm, LLC (“Baked Beans Farm”) will be seeking a license from the Massachusetts Cannabis Control Commission. Baked Beans Farm will also be applying for a special permit from the Beverly Planning Board to conduct the business of a marijuana cultivation and production establishment at 150 Sam Fonzo Drive, Beverly, MA.

Information to be presented at the meeting will include:

- 1) The types of marijuana establishments to be located at 150 Sam Fonzo Drive;
- 2) The proposed location is allowed under the City of Beverly Zoning Bylaws;
- 3) The proposed location requires a special permit be issued by Beverly Planning Board;
- 4) The proposed location is more than 300 feet from houses of worship, public and private K - 12 schools, and licensed daycares;
- 5) The proposed location is more than 350 feet from the edge of an athletic field or the nearest play structure;
- 6) Information adequate to demonstrate that the location will be maintained securely, and meet the requirement set forth in the Massachusetts Cannabis Control Commissions Security Regulations;
- 7) Information demonstrating how Baked Beans Farm intends to ensure that the proposed location will not constitute a nuisance to the community as defined by law.;
- 8) What steps that Baked Beans Farm will to prevent diversion to minors; and
- 9) A plan for how Baked Beans Farm will positively impact the community.

Notice of this meeting will be published in a local newspaper of general circulation and filed with the Beverly Mayor’s Office, the Beverly Planning Board, and the Beverly City Clerk at least seven (7) calendar days prior to the meeting.

Notice of this meeting will also be mailed at least seven (7) calendar days prior to the meeting to abutters of 150 Sam Fonzo Drive and to abutters within 300 feet of 150 Sam Fonzo Drive as they appear on the most

recent applicable tax list, as provided to Baked Beans Farm by the City of Beverly Assessor's Office.

This meeting is being noticed and held in accordance with all applicable state statutes and regulations and Beverly Zoning Bylaws.

Baked Beans Farm is committed to being a good neighbor and active member of the Beverly Community.

We look forward to seeing you on September 2nd, 2021.

Warm regards,

Baked Beans Farm Management Team

August 2021

Community Outreach Meeting Hosted by Baked Beans Farm, LLC
for 150 Sam Fonzo Drive, Beverly, MA

Dear Neighbor:

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Cultivation and a Marijuana Production Establishment is scheduled for:

September 2nd, 2021 at 6:00 pm, 150 Sam Fonzo Drive, Beverly MA
Rear of Building Open-Air Underground Garage

This meeting is open to the public. There will be an opportunity to ask questions.

Baked Beans Farm, LLC (“Baked Beans Farm”) will be seeking a license from the Massachusetts Cannabis Control Commission. Baked Beans Farm will also be applying for a special permit from the Beverly Zoning Board of Appeals to conduct the business of a marijuana cultivation and production establishment at 150 Sam Fonzo Drive, Beverly, MA.

Information to be presented at the meeting will include:

- 1) The types of marijuana establishments to be located at 150 Sam Fonzo Drive;
- 2) The proposed location is allowed under the City of Beverly Zoning Bylaws;
- 3) The proposed location requires a special permit be issued by Beverly Zoning Board of Appeals;
- 4) The proposed location is more than 300 feet from houses of worship, public and private K - 12 schools, and licensed daycares;
- 5) The proposed location is more than 350 feet from the edge of an athletic field or the nearest play structure;
- 6) Information adequate to demonstrate that the location will be maintained securely, and meet the requirement set forth in the Massachusetts Cannabis Control Commissions Security Regulations;
- 7) Information demonstrating how Baked Beans Farm intends to ensure that the proposed location will not constitute a nuisance to the community as defined by law.;
- 8) What steps that Baked Beans Farm will to prevent diversion to minors; and
- 9) A plan for how Baked Beans Farm will positively impact the community.

Notice of this meeting will be published in a local newspaper of general circulation and filed with the Beverly Mayor’s Office, the Beverly Planning Board, and the Beverly City Clerk at least seven (7) calendar days prior to the meeting.

Notice of this meeting will also be mailed at least seven (7) calendar days prior to the meeting to abutters of 150 Sam Fonzo Drive and to abutters within 300 feet of 150 Sam Fonzo Drive as they appear on the most

recent applicable tax list, as provided to Baked Beans Farm by the City of Beverly Assessor's Office.

This meeting is being noticed and held in accordance with all applicable state statutes and regulations and Beverly Zoning Bylaws.

Baked Beans Farm is committed to being a good neighbor and active member of the Beverly Community.

We look forward to seeing you on September 2nd, 2021.

Warm regards,

Baked Beans Farm Management Team



Plan to Remain Compliant with Local Zoning

The City of Beverly finalized its zoning regulations on January 19, 2019, to allow the cultivation, production and dispensing of marijuana for adult-use. Baked Beans Farm LLC will remain compliant at all times with the local zoning requirements set forth in the Beverly Zoning Ordinance Chapter 300. Under the Zoning Ordinance, Baked Beans Farm LLC will work diligently to obtain a Special Permit from the Zoning Board of Appeals. Any Marijuana Establishment that obtains a Special Permit will thereafter annually provide to the Director of Municipal Inspection a copy of its CCC license demonstrating that the Marijuana Establishment continues to hold a current, valid license issued by the CCC. The license will be required to be provided within 14 days of receipt.

Baked Beans Farm LLC is proposing to develop and operate a marijuana cultivation and product manufacturing facility at 150 Sam Fonzo Drive. This site is located in the approved buffer zone and is not within 500 feet of any pre-existing public or private school providing education in kindergarten or any of grades 1-12, 500 feet of any pre-existing state-licensed child care facility, including daycare center, preschool, or afterschool facility, 500 feet of any pre-existing City of Beverly-owned library, 300 feet of any pre-existing City of Beverly-owned park, playground, and/or recreation area, or 2,000 feet of another Marijuana Establishment.

Baked Beans Farm LLC will also remain compliant under the Zoning Board of Appeals with respect to hours of operation, odor performance standards, waste disposal, noise, light/visual impacts, parking, security, emergency response, and energy and environmental standards.

Baked Beans Farm LLC has attended several meetings with various municipal officials to discuss Baked Beans Farm's plans for a proposed Marijuana Establishment and has executed a Host Community Agreement with the City of Beverly. Baked Beans Farm LLC will continue to work cooperatively with various municipal departments, boards, and officials to ensure that Baked Beans Farm's Marijuana Establishment remains compliant with all local laws, regulations, rules, and codes with respect to design, construction, operation, and security.



Positive Impact Plan

Baked Beans Farm Positive Impact Plan will adhere to the requirements set forth in 935 CMR 500.105(4), which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of Marijuana Establishments. Any actions taken, or programs instituted will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws. The progress or success of the Positive Impact Plan will be documented upon renewal (one year from provisional license, and each year thereafter).

Goal #1

Baked Beans Farm will offer a scholarship program annually to 4 individuals that are Massachusetts residents who have past drug-convictions. Baked Beans Farm will concentrate on the City of Lynn as its closest disproportionate area of impact.

Programs:

Baked Beans Farm will post the scholarship program in the local newspaper, The Daily Item, bi-annually stating that Baked Beans Farm is offering a scholarship program to Massachusetts residents who have past drug-convictions. The scholarship program will provide \$500 to be used for CCC agent registration fees, background checks, and fingerprinting fees. Baked Beans Farm will work with applicants on a first come first-serve basis and will prioritize applicants who are actively looking for employment within the industry.

Metrics:

Baked Beans Farm will count the number of Massachusetts residents who have received a scholarship through the program each year.

Goal #2

Baked Beans Farm will work with the City of Beverly to participate in one City-sponsored educational program on public health and drug abuse prevention annually, not to exceed 50 hours per year. This program will target Massachusetts residents who have past drug-convictions and Massachusetts residents with parents or spouses who have drug-convictions and provide educational resources for them.

Programs:

Baked Beans Farm Management will reach out to the City of Beverly each year to determine which educational program they would like Management's participation in. Baked Beans Farm will publicize the program in the local newspaper, the Beverly Herald Citizen. Participants will be required to certify that they are at least 21 years of age and that they are residents of Beverly.

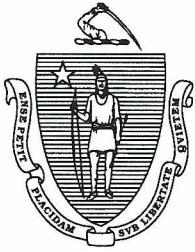


Positive Impact Plan

Metrics:

Baked Beans Farm will document all participants that attend the educational program as well as Management volunteer hours from its participation in the educational program.

Baked Beans Farm intends to volunteer time to the City of Beverly and acknowledges that its participation has been included in the HCA. Baked Beans Farm has also received the attached letter as support as well.



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

William Francis Galvin
Secretary of the
Commonwealth

November 19, 2021

TO WHOM IT MAY CONCERN:

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

BAKED BEANS FARM LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **June 9, 2020**.

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

I also certify that the names of all managers listed in the most recent filing are: **DAVID S ESSIG**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **DAVID S ESSIG, JENNIFER L ESSIG, ANDREW HAWES, ROBERT DOLINS**

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



In testimony of which,

I have hereunto affixed the

Great Seal of the Commonwealth

on the date first above written.

William Francis Galvin

Secretary of the Commonwealth

Processed By:IL

THE MEMBERSHIP UNITS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER ANY FEDERAL OR STATE SECURITIES LAWS, NOR BEEN APPROVED, DISAPPROVED, OR RECOMMENDED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR BY THE SECURITIES REGULATORY AUTHORITY OF ANY STATE, NOR HAS ANY COMMISSION OR AUTHORITY CONFIRMED OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF ANY DISCLOSURE MADE IN CONNECTION THEREWITH. IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES (UNITS) AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE MEMBERSHIP UNITS OFFERED HEREBY MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, HYPOTHECATED, OR OTHERWISE DISPOSED CONTRARY TO THIS AGREEMENT OR ANY APPLICABLE LAW.

OPERATING AGREEMENT
of
BAKED BEANS FARM, LLC
a Massachusetts Limited Liability Company

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SCHEDULE A

SCHEDULE B

OPERATING AGREEMENT
of
BAKED BEANS FARM, LLC
a Massachusetts Limited Liability Company

THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT (this “Agreement”) of BAKED BEANS FARM, LLC (the “Company”), a limited liability company organized pursuant to the laws of the Commonwealth of Massachusetts, is entered into and shall be effective as of November 24, 2020 (the “Effective Date”), by and among the Company and the Persons whose names are set forth on Schedule A, as amended from time to time (each, a "Member" and collectively, the "Members"), and the Managers, as such term is defined herein.

PRELIMINARY STATEMENT

WHEREAS, the Company was formed as a Massachusetts limited liability company pursuant to its Certificate of Organization filed with the Corporations Division of the Secretary of the Commonwealth of Massachusetts on June 9, 2020;

WHEREAS, the Company and the Members desire to provide in this Agreement for the operation of the Company, and, in general, to set out fully the rights and obligations of the Members, Managers and officers of the Company; and

WHEREAS, by executing this Operating Agreement, the Members acknowledge and agree that (i) they understand the risks associated with investing in the Company and becoming a Member, and (ii) they have read and understand Schedule B, which summarizes the risks associated with the Company, investing in the Company, and the business in which the Company participates.

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

ARTICLE I
FORMATION OF LIMITED LIABILITY COMPANY; NAME AND
PRINCIPAL PLACE OF BUSINESS; TERM

1.01. Formation. The Company was duly formed under and pursuant to the laws of the Commonwealth of Massachusetts on June 9, 2020.

1.02. Name and Address. The name of the Company is Baked Beans Farm, LLC. The initial business address of the Company is 865 E 1st Street, South Boston, Massachusetts, 02127. The Company may change the business address and/or maintain such additional offices at such other places as the Manager may hereafter determine.

1.03. Registered Agent. The name and address of the resident agent for service of process on the Company in Massachusetts is David Essig, 865 E 1st Street, South Boston, Massachusetts, 02127. The business address and the resident agent may be changed by the Manager from time to time upon compliance with the procedures required by the Act.

1.04. Purposes and Powers of the Company. The purpose of the Company is to pursue cannabis-related businesses, including the cultivation, manufacture, and sale of cannabis and cannabis-related products, upon receipt of the proper licenses to do so. The Company may engage in any lawful business, purpose or activity for which limited liability companies may be formed under the Act, whether incident to the foregoing purpose or otherwise.

1.05. Term. The term of the Company commenced on the date of the filing the Certificate with the Secretary of State of the Commonwealth of Massachusetts, and shall continue in perpetuity, unless and until it is terminated or in accordance with this Agreement or the Act.

1.06. Members. The Members are those persons or entities listed as Members in Schedule A hereto, as it may be amended from time to time.

1.07. Liability of Members. No Member shall be liable for the obligations of the Company solely by reason of being a Member. No Member shall be required to make any contributions to the capital of the Company other than as provided in this Agreement. Except as otherwise expressly provided in the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member. Except as otherwise expressly provided in the Act, the liability of each Member shall be limited to the amount of Capital Contributions required to be made by such Member in accordance with the provisions of this Agreement.

1.08. Transfer. Subject to the provisions of Article VII of this Agreement, no Member shall have the right to sell, assign, pledge, transfer or otherwise dispose of (“Transfer”) all or any part of his or her Membership Units in the Company without the consent of Board of Managers, which consent shall be in the Board of Manager’s sole discretion. Any purported sale, assignment, pledge, transfer or other disposition of all or any part of an Interest in the Company in contravention of this Section 1.08 and Article VII shall be null and void and of no force and effect.

ARTICLE II MANAGEMENT

2.01. Management of the Company.

(a) Board of Managers. The overall management and control of the business and affairs of the Company will be vested in a Board of Managers (“Board of Managers” or “Board”) who may delegate the day to day management and control of the business and affairs of the Company to such officers and other employees or agents as they deem necessary or advisable as and

to the extent provided in this Article II. Subject to the provisions of this Agreement, the Board of Managers, acting by majority vote, shall have the full and complete authority, power and discretion to manage and control the business affairs and properties of the Company, to carry out any and all of the purposes of the Company set forth in Section 1.04 and to perform all acts and enter into and perform all contracts and other undertakings which it may deem necessary or advisable or incidental thereto, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business, and the Members shall have only the voting rights specifically provided in this Agreement or, if and to the extent not specified herein, the Act. The Managing Member shall have the authority, on behalf and in the name of the Company, in the ordinary course of business, to take any action or make any decisions on behalf of the Company hereunder, to carry out any and all of the purposes of the Company set forth in Section 1.04 and to perform all acts and enter into and perform all contracts and other undertakings which it may deem necessary or advisable or incidental thereto, including, without limitation, the power to:

(b) Initial Managers. The Company shall initially have one (1) Manager. The number of Managers of the Company may be increased or decreased from time to time by the approval of Members holding 51% of the Membership Units. The initial Manager shall be David Essig ("David"). Except as provided herein, each Manager shall be a member of the Board of Managers until removed or a successor is duly elected, in each case by the approval of Members holding 51% the Membership Units, or until such Manager resigns, becomes incapacitated or dies, whichever occurs first. When any decision or determination is to be made by the Manager under this Agreement and no other vote is specified herein such decision shall be made by the Board of Managers.

2.02. Authority of the Managers.

(a) Without limiting the generality of Section 2.01 above, the Board of Managers shall have power and authority, on behalf of the Company to:

(i) borrow money for the Company from banks, other lending institutions, or any Member, on such terms as the Managers deem appropriate, and in connection therewith, to hypothecate, encumber, and grant security interests in the assets of the Company to secure repayment of the borrowed sums;

(ii) prepay in whole or in part, refinance, recast, increase, modify or extend any deed of trust, mortgage or other indebtedness of the Company, and, in connection therewith, to execute any extensions, renewals or modifications of such deeds of trust or mortgages;

(iii) appoint individuals to act as officers of the Company and delegate to such individuals such authority to act on behalf of the Company and such duties and functions as the Board of Managers shall determine and to pay reasonable compensation for such officers' services;

(iv) hold and own any Company real and/or personal properties in the name of the Company;

(v) sell or otherwise dispose of any assets of the Company outside the ordinary course of business;

(vi) acquire from any Person by purchase, lease or otherwise, any real or personal property which may be necessary, convenient or incidental to the accomplishment of the purposes of the Company. The fact that a Member is an Affiliate of any such Person shall not prohibit the Managers from dealing with that Person, provided that the terms for dealing with such Person are no less favorable to the Company than would be available in dealing with an independent third party;

(vii) enter into, perform and carry out contracts of any kind necessary to, in connection with or incidental to, the accomplishment of the purposes of the Company, which contracts may extend beyond the term of the Company;

(viii) employ or engage persons, firms or companies (including any Member or an Affiliate of any Member) for the operation, maintenance, marketing and financing of the Company and to pay reasonable compensation for such services;

(ix) cause to be paid any and all taxes, charges and assessments that may be levied, assessed or imposed upon any assets of the Company;

(x) purchase insurance to protect the Company's property and business;

(xi) invest any Company funds temporarily (by way of example but not limitation) in time deposits, short-term governmental obligations, commercial paper, or other investments;

(xii) sell or otherwise dispose of any part of the assets of the Company in the normal course of business;

(xiii) employ accountants, legal counsel, or other experts to perform services for the Company and to compensate them from Company funds;

(xiv) execute on behalf of the Company mortgages or deeds of trust; security agreements; financing statements; documents providing for the acquisition, mortgage or disposition of the Company's property; assignments; partnership agreements and operating agreements of other limited liability companies;

(xv) subject to the foregoing provisions, to execute on behalf of the Company all instruments and documents, including, without limitation: checks, drafts, notes and other negotiable instruments, bills of sale, leases, and any other instruments or documents necessary or desirable, in the opinion of the Board of Managers, to the business of the Company;

(xvi) engage in such other activities and incur such other expenses as may be reasonably necessary, advisable or appropriate for the furtherance of the Company's

purposes so long as such activities may be lawfully carried on or performed by the Company under the terms of this Agreement and by a limited liability company under the Act, and to execute, acknowledge and deliver any and all instruments necessary to implement the foregoing.

(b) Limitations on Powers of the Managers. Notwithstanding any other provision of this Agreement to the contrary, the Board of Managers shall not take any of the following actions regarding the Company and shall not cause or attempt to cause the Company to take any of the following actions without the written consent of the Supermajority in Interest of the Members:

(i) Except as provided herein, to dissolve or cause the voluntary termination of the Company;

(ii) fundamentally change the nature of the Company's business;

(iii) assign or transfer the management responsibility of the Company to a person other than a Board of Managers or a Company Officer;

(iv) amend this Agreement or the Certificate of Organization of the Company in a manner as would adversely affect any Member, including, without limitation, any rights, preferences or privileges of any Member;

(v) other than as contemplated herein or in connection with subsequent issuances of Membership Units issued or created in accordance with the terms of this Agreement, change the Percentage Interest of a Member in a manner as would adversely affect such Member; or

(vi) issue additional Membership Units in excess of the maximum authorized amounts set forth in Section 3.02(b).

Approval may be documented in writing; provided that the occurrence of any of the foregoing actions without written objection to the Managing Member following at least ten (10) days prior written notice to the Members shall be deemed to evidence approval.

2.03 Reliance by Third Parties. Persons dealing with the Company are entitled to rely conclusively upon the certificate of any Member to the effect that he or she is then acting as a duly appointed officer or agent by the Managing Member, and upon the power and authority of the Managers (or any such person duly designated by the Board of Managers) as herein set forth.

2.04 Activity of the Managers.

(a) The Managers shall devote so much of their time to the affairs of the Company as in the judgment of the Board of Managers the conduct of the business of the Company shall reasonably require. The Managers 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.

(b) Other than as provided under Section 2.04(c), nothing herein contained shall be deemed to preclude David from engaging, directly or indirectly, in any

other business, and no Member shall have the right to participate in any manner in any profits or income earned or derived by or accruing to David from the conduct of any such other business.

(c) Notwithstanding the above, other than indirectly as a result of being a Member of the Company, in no event shall David make any investment (equity, debt or otherwise), in any person or entity which develops, markets, distributes or sells any products or services in or to the cannabis industry without the written consent of the Supermajority in Interest of the Members.

2.05 Company Officers.

(a) The Board of Managers may, from time to time, designate one or more persons to be officers of the Company ("Company Officers"). Any Company Officers so designated shall have such authority and perform such duties as the Board of Managers may, from time to time, delegate to them. The Board of Managers may assign titles to particular Company Officers. Unless the Board of Managers otherwise determines, if the title is one commonly used for officers of a business corporation incorporated under Massachusetts Business Corporations Act, the assignment of such title shall constitute the delegation to such Company Officer of the authority and duties that are normally associated with that office, subject to any specific delegation of authority and duties made to such Company Officer by the Board. Each Company Officer shall hold office until his successor shall be duly designated or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. Any number of officers may be held by the same person. Any Company Officer shall serve at the pleasure of the Board and may be removed at any time and in the sole discretion of the Managing Member by written notice to such Company Officer.

(b) Each Company Officer shall hold office until his or her successor shall be duly designated and shall qualify, or until his or her death, or until he or she shall resign or shall have been removed in the manner hereinafter provided. Any Company Officer may resign as such at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or if no time be specified, at the time of its receipt by the Board of Managers. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

(c) Any Company Officer may be removed as such, either with or without cause, by the Board of Managers (excluding in such vote, if applicable, the Company Officer being removed, but still requiring the approval of the Board of Managers) whenever in the Board's judgment the best interests of the Company will be served thereby; provided, however, that such removal shall be without prejudice to the written contract rights, if any, of the Company Officer so removed. The designation of a person as a Company Officer shall not of itself create contract rights.

(d) Any vacancy occurring in any office of the Company may be filled by the Board of Managers.

2.06 Liability for Certain Acts.

(a) No Manager, Company Officer, Partnership Representative, employee, agent (including, without limitation, any consultant engaged by the Company, or any Member (collectively with the Members, the “Indemnified Parties”), shall be liable to any Member or the Company for mistakes of judgment or for any action or inaction, unless such mistakes, action or inaction arise out of, or are attributable to, the gross negligence, willful misconduct or bad faith of the Indemnified Party as determined by a final, non-appealable judgment of a court of applicable jurisdiction; nor shall any Indemnified Party be liable to any Member or the Company for any action or inaction of any employee or other agent of the Company or Manager, provided that such employee or agent was selected with reasonable care. Any Indemnified Party may consult with counsel, accountants, investment bankers, financial advisers, appraisers and other professional consultants or advisers in respect of Company affairs and be fully protected and justified in any action or inaction which is taken in accordance with the advice or opinion of such persons, provided that they shall have been selected with reasonable care. The foregoing standard shall be in lieu of any other standard that may otherwise be applicable and the fiduciary duties of the Indemnified Parties are hereby disclaimed and eliminated to the maximum extent permitted by Massachusetts law. Notwithstanding the foregoing, the provisions of this Section shall not be construed to relieve (or attempt to relieve) the Indemnified Parties of any liability to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but shall be construed so as to effectuate the provisions of this Section to the fullest extent permitted by law.

2.07 Indemnification.

(a) Each Indemnified Party shall be indemnified and held harmless by the Company from and against any and all losses, claims, damages, liabilities, expenses (including legal and other professional fees and disbursements), judgments, fines, settlements, and other amounts (collectively, the “Indemnification Obligations”) arising from any and all claims, demands, actions, suits or proceedings (whether civil, criminal, administrative or investigative), actual or threatened, in which such Indemnified Party may be involved, as a party or otherwise, by reason of such person’s service to or on behalf of, or management of the affairs of, the Company, or rendering of advice or consultation with respect thereto, or which relate to the Company, its properties, business or affairs, whether or not the Indemnified Party continues to be such at the time any such Indemnification Obligation is paid or incurred, provided that such Indemnification Obligation resulted from a mistake of judgment, or from action or inaction of such Indemnified Party that did not constitute gross negligence, willful misconduct or bad faith. The Company shall also indemnify and hold harmless an Indemnified Party from and against any Indemnification Obligation suffered or sustained by such Indemnified Party by reason of any action or inaction of any employee or other agent of such Indemnified Party; provided, that such employee or agent was selected with reasonable care and provided, further, that the Indemnified Obligation did not result from a mistake of judgment, or from action or inaction of such employee or other agent that did not constitute gross negligence, willful misconduct or bad faith. The termination of a proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not, of itself, create a presumption that such Indemnification Obligation resulted

from the gross negligence, willful misconduct or bad faith of such Indemnified Party. Expenses (including legal and other professional fees and disbursements) incurred in any proceeding will be paid by the Company in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf of such Indemnified Party to repay such amount if it shall ultimately be determined that such Indemnified Party is not entitled to be indemnified by the Company as authorized hereunder.

(b) The indemnification provided by this Section 2.07 shall not be deemed to be exclusive of any other rights to which each Indemnified Party may be entitled under any agreement, or as a matter of law, or otherwise, both as to action in such Indemnified Party's official capacity and to action in another capacity, and shall continue as to such Indemnified Party who has ceased to have an official capacity for acts or omissions during such official capacity or otherwise when acting at the request of a Manager and shall inure to the benefit of the heirs, successors and administrators of such Indemnified Party.

(c) The Board of Managers shall have the power to purchase and maintain insurance on behalf of the Managers and each Indemnified Party, at the expense of the Company, against any liability which may be asserted against or incurred by them in any such capacity, whether or not the Company would have the power to indemnify the Indemnified Parties against such liability under the provisions of this Agreement.

(d) Notwithstanding any of the foregoing to the contrary, the provisions of this Section 2.07 shall not be construed so as to provide for the indemnification of an Indemnified Party for any liability to the extent (but only to the extent) that such indemnification would be in violation of applicable law or that such liability may not be waived, modified or limited under applicable law, but shall be construed so as to effectuate the provisions of this Section 2.07 to the fullest extent permitted by law.

2.08 Other Matters Concerning the Board of Managers. The Board of Managers may rely, and shall be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by him to be genuine and to have been signed or presented by the proper party or parties.

2.09 Expenses. The Company will pay, or reimburse the Managers for all operating expenses and other costs of the Company ("Expenses"), including, but not limited to: (i) all expenses incurred in connection with Company operations, including, without limitation, all expenses incurred with the purchase or holding of the Company investments including, without limitation, all costs and expenses of custodians, paying agents, registrars, counsel, independent accountants (including the allocable share of the costs, fees and expenses relating to internal accounting and tax preparation functions — inclusive of salaries of employees of the Managers performing such functions — should the Company determine not to use third party providers for such services) and consultants and other third parties retained in connection with the Company; (ii) all costs incurred in connection with the preparation of or relating to reports made to the Members; (iii) all costs related to litigation involving the Company, directly or indirectly, including, without limitation, attorneys' fees incurred in connection therewith; (iv) all costs related to the Company's indemnification obligations; (v) the costs of any litigation, director and officer liability or other insurance and indemnification or extraordinary expense or liability relating to the affairs of the

Company; (vi) all third party professional fees incurred in connection with the business or management of the Company; (vii) all expenses of liquidating the Company; (viii) any taxes, fees or other governmental charges levied against the Company and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Company; and (ix) reasonable office rent, furniture and fixtures, stationary, secretarial/administrative services, salaries, entertainment expenses, and employee insurance and payroll taxes.

2.10 Removal of Managers. David may not be removed as a Manager other than for “cause” (as hereinafter defined). For purposes of this Agreement, "cause" shall be limited to a material breach of this Agreement, fraud, gross negligence, criminal activity or willful misconduct involving the Company or the Manager’s performance of its duties. The resignation or removal of a Manager who is also a Member shall not affect the Manager's rights as a Member and shall not constitute a withdrawal of such Manager as a Member. Other Managers may be removed, with or without cause, by the approval of the Board of Managers.

ARTICLE III

CAPITAL ACCOUNTS AND MEMBERSHIP UNITS

3.01 Capital Contributions.

(a) Each Member, unless otherwise approved by the Board of Managers, has made (or, simultaneously herewith, shall make) a Capital Contribution to the Company in the amounts set forth in the books and records of the Company, which Capital Contribution may, with the consent of the Board of Managers, be made in cash, in-kind and/or in services. Capital Contributions made in-kind shall be valued for the purposes of determining the amount set forth in the books and records of the Company by the Board of Managers in its sole discretion.

(b) The Members may make, but shall not be required to make, additional Capital Contributions to the Company at the times and in the aggregate amounts determined solely by the Board of Managers.

(c) All Capital Contributions to the Company under this Section 3.01 shall be credited to the Members’ relevant Capital Account.

(d) A Member shall not have any obligation to the Company or to any other Member to restore any negative balance in the Capital Accounts of such Member. No interest shall be paid by the Company on any Capital Contributions.

(e) The Board of Managers hereby covenants and agrees that the Board of Managers will maintain a balance in its Capital Account sufficient to ensure that the Company is treated as a partnership for federal income tax purposes.

3.02 Membership Units.

(a) The Membership Units of the Company shall be represented by issued and outstanding Membership Units, which may be divided into one or more Classes or Series. Each Class or Series of Membership Units shall have the privileges, preferences, duties, liabilities, obligations and rights, including voting rights, if any, authorized by this Agreement with respect

to such Class or Series. Upon any change in the number or ownership of outstanding Membership Units (whether upon issuance of Membership Units, a Transfer of Membership Units, a cancellation or redemption of Membership Units or otherwise), the Board of Managers shall amend and update Schedule A and shall deliver a copy of such updated ledger to each Member upon request; provided that any error or delay in amending and updating Schedule A or in delivering a copy of Schedule A to the Members shall not delay or alter the effect of the change in ownership. Absent manifest error, the ownership interests recorded on Schedule A shall be conclusive record of the Membership Units that have been issued and are outstanding.

(b) Authorized Membership Units. The total Membership Units which the Company has authority to issue shall, subject to approval as may be required by Section 2.02(b), be determined by the Board of Managers from time to time, and shall initially consist of 100 Membership Units. In addition, subject to and in compliance with Sections 2.02(a) and 2.02(b) hereof, the Board of Managers, in its sole discretion, shall hereinafter have the power from time to time to authorize and issue additional Membership Units, and create one or more new Class or Series of Membership Units, and in each such event shall establish, determine and fix the relative rights, powers, duties and preferences thereof, including, without limitation, voting rights, rights to allocations of Profits and Losses, rights to distributions (liquidating or otherwise), whether or not such Membership Units shall be subject to redemption or conversion or exchange for any other Membership Units and all other rights, and the qualifications, limitations and restrictions thereof, granted to and imposed upon such new Class or Series of Membership Units, and the resolution or resolutions of the Board of Managers effecting such designation shall, with no need for any further vote, consent, approval or other action by any Member, constitute an amendment of this Agreement, and a copy of such resolution or resolutions shall be appended as a schedule to this Agreement (and such schedule shall thereafter constitute an integral part of this Agreement for all purposes).

3.03 Certificates. The Membership Units of each Member shall not be certificated unless otherwise determined by the Board of Managers.

3.04 Capital Accounts.

(a) An individual capital account (“Capital Account”) shall be established and maintained for each Member. The Capital Account for each Member shall:

(i) be increased by (i) the amount of money contributed or deemed contributed by that Member to the Company, (ii) the fair market value of property contributed or deemed contributed by that Member to the Company (net of liabilities secured by the contributed property that the Company is considered to assume or take subject to under Section 752 of the Code), and (iii) allocations to that Member of Profits and any other Company income and gain (or items thereof), including income and gain which are specially allocated to such Member pursuant to Section 3.07 and Section 3.08 hereof; and

(ii) be decreased by (i) the amount of money distributed to that Member by the Company, (ii) the fair market value of property distributed to that Member by the Company (net of liabilities secured by the distributed property that the Member is considered to assume or take subject to under Section 752 of the Code), and (iii) allocations of Losses and any

other Company loss and deduction (or items thereof), including loss and deduction which are specially allocated to such Member pursuant to Section 3.07 and Section 3.08 hereof.

(b) The Members' Capital Accounts also shall be maintained and adjusted as required by the provisions of Regulations §§ 1.704-1(b)(2)(iv) and 1.704-1(b)(4), including adjustments to reflect the allocations to the Members of depreciation, depletion, amortization, and gain or loss as computed for book purposes rather than the allocation of the corresponding items as computed for tax purposes, as required by Regulations § 1.704-1(b)(2)(iv)(g). On the transfer or all or part of a Membership Unit, the Capital Account of the transferor that is attributable to the transferred Membership Unit or part thereof shall carry over to the transferee Member in accordance with the provisions of Regulations § 1.704-1(b)(2)(iv)(l). If the Board of Managers determines that it is prudent to modify the manner in which the Capital Accounts, or any increases or decreases to the Capital Accounts, are computed in order to comply with such Regulations, the Board of Managers may authorize such modifications; provided that such modifications shall not have an adverse and disproportionate effect on the amounts distributed to any Member without the approval of such affected Member, such approval not to be unreasonably withheld, conditioned, or delayed. Any references in this Agreement to the Capital Account of a Member shall be deemed to refer to such Capital Account as the same may be increased or decreased from time to time as set forth above.

(c) If any Member has a deficit balance in his, her or its Capital Account, such Member shall have no obligation to restore such negative balance or to make any Capital Contributions to the Company by reason thereof, and such negative balance shall not be considered an asset of the Company or of any Member.

3.05 Determination by the Board of Managers of Certain Matters. All matters concerning valuations and the allocation of profits, taxable income, deductions, credits, income and losses among the Members, including taxes thereon and accounting procedures, not expressly provided for by the terms of this Agreement shall be equitably determined in good faith by the Board of Managers, whose determination shall be final, conclusive and binding as to all of the Members.

3.06 Profits and Losses. After giving effect to the special allocations set forth in Sections 3.07 and 3.08 hereof, Profits or Losses for any taxable year (or portion thereof) beginning on or after the Effective Date shall be allocated to the Members as follows:

(a) The Company's Profits shall be allocated to the Members having Capital Account Shortfalls for such taxable year in proportion to their respective Capital Account Shortfalls, except that Operating Profits shall be allocated to the Members in proportion to their Percentage Interest.

(b) The Company's Losses shall be allocated to the Members having Capital Account Excesses for such taxable year in proportion to their respective Capital Account Excesses, except that Operating Losses shall be allocated to the Members in proportion to their Percentage Interest; provided, however, that Losses allocated pursuant to this Section 3.06(b) shall not exceed the maximum amount of Losses that can be so allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any taxable year. In the event some but not all of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of

Losses pursuant to the first sentence of this Section 3.06(b), the limitation set forth in this Section 3.06(b) shall be applied on a Member by Member basis so as to allocate the maximum permissible Losses to each Member under Regulations § 1.704-1(b)(2)(ii)(d).

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

(a) Minimum Gain Chargeback. Notwithstanding any other provision of this Article III, if there is a net decrease in Company Minimum Gain during any Company taxable year, each Member shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in accordance with Regulations § 1.704-2(f). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. This Section 3.07(a) is intended to comply with the minimum gain chargeback requirement in Regulations § 1.704-2(f) and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback. Notwithstanding any other provision of this Agreement except Section 3.07(a) hereof, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Company taxable year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations § 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in accordance with Regulations § 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations § 1.704-2(i)(4). This Section 3.07(b) is intended to comply with the minimum gain chargeback requirement in Regulations § 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Regulations §§ 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) that would create an Adjusted Capital Account Deficit for such Member, items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 3.07(c) shall be made if and only to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Agreement have been tentatively made as if this Section 3.07(c) were not in the Agreement.

(d) Gross Income Allocation. In the event any Member has an Adjusted Capital Account Deficit at the end of any Company taxable year, each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 3.07(d) shall be made if and only to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Agreement have been tentatively made as if Section 3.07(d) hereof and this Section 3.07(d) were not in this Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any taxable year or other period shall be allocated among the Members in accordance with their respective Percentage Interest.

(f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any taxable year or other period shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations §1.704-2(i).

(g) Excess Nonrecourse Liabilities. The Excess Nonrecourse Liabilities of the Company shall be allocated among the Members up to the amount of any remaining built-in gain after the application of Regulation §1.752-3(a)(2) and thereafter among the Members in accordance with their respective Percentage Interest.

3.08 Curative Allocations. The allocations set forth in Section 3.07 hereof (herein referred to as the “Regulatory Allocations”) are intended to comply with certain requirements of Regulations §1.704-1(b). Notwithstanding any other provisions of this Agreement (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account in allocating Profits, Losses, and items of income, gain, loss, and deduction in the current or future taxable years among the Members so that, to the extent possible, the net amount of such allocations of Profits, Losses and other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

3.09 Tax Allocations.

(a) Except as provided in Sections 3.09(b), 3.09(c) and 3.09(d) hereof, all income, gains, losses, deductions and credits of the Company shall be allocated, for federal, state and local income tax purposes, among the Members in accordance with the allocation of such income, gains, losses, deductions and credits among the Members for computing their Capital Accounts, except that if any such allocation for tax purposes is not permitted by the Code or other applicable law, the Company’s subsequent income, gains, losses, deductions and credits shall be allocated among the Members for tax purposes, to the extent permitted by the Code and other applicable law, so as to reflect as nearly as possible the allocation set forth herein in computing their Capital Accounts.

(b) Items of Company income, gain, loss and deduction with respect to any property contributed or deemed contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members in accordance with Code Section 704(c) using such method as is determined by the Board of Managers, so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value.

(c) If the Gross Asset Value of any Company property is adjusted pursuant to clause (b) of the definition of “Gross Asset Value”, subsequent allocations of items of income, gain, loss and deduction with respect to such property shall take account of any variation between the adjusted basis of such property for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

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

(e) Allocations pursuant to this Section 3.09 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, distributions or other items pursuant to any provision of this Agreement.

3.10 Miscellaneous Allocation Provisions.

(a) For purposes of determining the Profits, Losses or any other items allocable to any period, Profits, Losses and any such other items shall be determined on a daily, monthly or other basis, as determined by the Board of Managers using any permissible method under Code Section 706 and the Regulations thereunder.

(b) Except as otherwise provided in this Agreement, all items of Company income gain, loss, deduction, and any other allocations not otherwise provided for shall be divided among the Members in the same proportions as they share Profits or Losses, as the case may be, for the year.

ARTICLE IV DISTRIBUTIONS AND WITHDRAWALS FROM CAPITAL ACCOUNTS

4.01 Withdrawals from Capital Accounts.

(a) No Member may make withdrawals from his or her Capital Account without the written consent of the Supermajority in Interest of the Members.

(b) The proceeds payable to any Member withdrawing all or a portion of an Interest shall be reduced, in the sole discretion of the Board of Managers, by (i) legal, accounting or administrative expenses incurred in connection with any valuation of the Company, and (ii) fees, charges and penalties (including redemption penalties) incurred in connection with the liquidation of its investments.

(c) The Board of Managers may distribute amounts due in respect of any withdrawal in cash, in kind or in a combination thereof as determined by the Board of Managers; provided, however, that in kind distributions shall only be made with the written consent of the Supermajority in Interest of the Members.

4.02 Distributions Generally. Except as otherwise provided in Section 4.03 hereof, and subject to any consent required pursuant to Section 2.02 hereof, Distributable Cash Flow shall be distributed to the Members at the times and in the amounts at least in proportion to their Percentage Interest as determined by the Board of Managers, provided that the Board of Managers shall make distributions of Distributable Cash Flow, if any, on an annual basis to the extent practicable.

4.03 Tax Distributions.

(a) The Company shall use commercially reasonable efforts to distribute to each Member in cash, with respect to each fiscal year, prior to making any distributions pursuant to Section 4.02 hereof, an amount equal to the aggregate federal, state and local income tax liability, including estimated tax payments, such Member would have incurred (or estimated to incur) arising from allocations of taxable income (including gross items thereof, but excluding items specifically attributable to Section 743(b) of the Code) as a result of such Member's ownership of Membership Units calculated (i) as if such Member were taxable at a tax rate equal to the highest combined marginal federal, state, and local income tax rates applicable to an individual resident in Massachusetts, which rate shall be applied to all Members regardless of the actual tax rate of such Member; (ii) as if allocations of such taxable income were, for such year, the sole source of income and loss for such Member, but subject to the maximum marginal income tax rates described in clause (i) above regardless of the amount of such taxable income, (iii) by taking into account the character of such income and reduced long-term capital gain rates, where applicable, and (iv) by taking into account any items of loss, deduction and expense previously allocated by the Company to such Member to the extent not previously taken into account under this clause (iv) (such distributions being referred to herein as "Tax Distributions"). The Company shall use commercially reasonable efforts to make Tax Distributions with respect to a taxable year on a quarterly basis to allow the Members to pay estimated taxes with respect to their allocable shares of taxable income. If the amount of Tax Distributions actually made with respect to a taxable year is less than such amount calculated pursuant to this Section 4.03(a), the Company shall distribute the amount of such shortfall as soon as practicable and prior to any other distributions.

(b) No Tax Distribution pursuant to Section 4.03 shall be made (i) for the quarter in which the Company sells or otherwise disposes of all or substantially all of its assets or any period thereafter, or (ii) for the quarter in which the Company dissolves or any period thereafter.

(c) Any Tax Distribution made pursuant to Section 4.03 shall not be a separate economic right to a distribution under this Agreement but rather an advance against and reduce (dollar-for-dollar) distributions to which such Member is otherwise entitled to under the terms of this Agreement so that the cumulative amounts distributed to the Member under this Agreement will be the same as the respective amounts that would have been distributed to the Member if no distributions had been made pursuant to this Section 4.03.

(d) Notwithstanding the foregoing, the Company may offset Excess Tax Distributions made to a Member in respect of a taxable year commencing on or after the date of this Agreement (to the extent not previously treated as an advance against distributions in accordance with Section 4.03 hereof) against Tax Distributions that otherwise would be made to such Member with respect to subsequent taxable years.

(e) Notwithstanding the foregoing, the Company shall not be required to make Tax Distributions if and to the extent (i) the Company does not have sufficient Distributable Cash Flow as determined by the Board of Managers after consideration of the Company's liabilities and obligations; (ii) such distributions would reasonably be expected by the Board of Managers to

cause an Insolvency Event; or (iii) such distribution is prohibited by any restrictions in the Company's or its Subsidiaries' applicable financing agreements.

(f) In determining the amount of any distribution pursuant to Section 4.02(a) hereof, the Company shall take into account any amount withheld or required to be paid to a taxing authority on behalf of such Member pursuant to Section 4.05 hereof.

4.04 Amounts to Withhold.

(a) The Company shall at all times be entitled to make payments required to discharge any obligation of the Company to withhold or make payments to any governmental authority with respect to any United States federal, state or local tax liability or any other tax liability of any Member liable for such taxes arising out of such Member's ownership of Units in the Company (herein referred to as "Withholding Payments"). For purposes of this Agreement, any such Withholding Payments shall be treated as a Tax Distribution to the Members on behalf of whom the withholding or payment was made and shall reduce the Tax Distributions otherwise payable to such Member. To the extent any amount withheld with respect to a Member pursuant to this Section 4.05(a) for any year exceeds the amount distributable to such Member for such year, such Member shall repay such excess to the Company within ten days after such Member receives written notice from the Company of the amount of such excess, except that, at the option of the Board of Managers, the Company may reduce distributions which would otherwise be made to such Member until the Company has recovered the amount owed by such Member (and the amount of such reduction will be deemed to have been distributed for all purposes, but such deemed distribution will not further reduce the Member's Capital Account). The Company may make, on behalf of its Members, composite tax return filings in those states and other jurisdictions in which the Company is required by law to file an income tax return and is permitted to file a composite tax return filing on behalf of its Members; and shall in such event pay all state income taxes payable pursuant to any such state composite tax return to the extent permitted by law. Any such tax payments in respect of a Member shall be deemed to be a Tax Distribution in respect to such Member subject to the provisions with respect thereto in this Agreement (and shall reduce the amount of Tax Distributions otherwise payable to such Member). In the event that the distributions to a Member are reduced on account of taxes withheld at the source or any taxes are otherwise required to be paid by the Company and such taxes are imposed on or with respect to one or more, but not all of the Members, the amount of the reduction shall be borne by the relevant Members and treated as if it were paid by the Company as a Withholding Payment with respect to such Members pursuant to this Section 4.05(a). Taxes imposed on the Company where the rate of tax varies depending on characteristics of the Members shall be treated as taxes imposed on or with respect to the Members for purposes of this Section 4.05(a).

(b) Any "imputed underpayment" within the meaning of Section 6225 of the Code paid (or payable) by the Company as a result of an adjustment with respect to any Company item, including any interest or penalties with respect to any such adjustment (herein referred to, collectively, as an "Imputed Underpayment Amount") shall be treated as if it were paid by the Company as a Withholding Payment with respect to the appropriate Members. The Board of Managers shall determine or approve in accordance with this Section 4.05(b) the portion of an Imputed Underpayment Amount attributable to each Member or former Member in a fair and equitable manner, taking into account any modifications attributable to such Member or former Member pursuant to Section 6225(c) of the Code, as amended by Section 1101 of P.L. 114-74 (if

applicable). Imputed Underpayment Amounts treated as Withholding Payments also shall include any imputed underpayment within the meaning of Code Section 6225 paid (or payable) by any entity treated as a partnership for U.S. federal income tax purposes in which the Company holds (or has held) a direct or indirect interest other than through entities treated as corporations for U.S. federal income tax purposes to the extent that the Company bears the economic burden of such amounts, whether by law or agreement.

(c) Each Member and its successors and assignees agrees to indemnify and hold harmless the Company from and against any and all liability with respect to Withholding Payments required on behalf of, or with respect to, such Member. A Member's obligation to so indemnify shall survive the liquidation and dissolution of the Company or any Transfer, assignment or liquidation of such Member's interest in the Company and the Company may pursue and enforce all rights and remedies it may have against each such Member or former Member in this Section 4.05(c).

ARTICLE V

REPRESENTATIONS, WARRANTIES AND CERTIFICATIONS

5.01 Members' Representations.

(a) Each Member (each, a "Person"), represents, warrants and covenants that (which representation, warranty and covenant shall be in addition to and not in lieu of any other representation, warranty and covenant given by such Person to the Company in any other agreement between such Person and the Company):

(i) such Person has all requisite power and authority to enter into this Agreement and perform such Person's obligations hereunder;

(ii) this Agreement has been duly and validly executed and delivered by such Person and is enforceable against it, in accordance with its terms, and the performance of such Person's obligations hereunder shall not conflict or result in the violation of, any agreement, lease, instrument, license, permit or other authorization applicable to such Person;

(iii) such Person acknowledges that the Interests are subject to transfer restrictions and consents that stop transfer instructions in respect of the Interests may be issued to any transfer agent, transfer clerk or other agent at any time acting for the Company;

(iv) such Person acknowledges that purchase of the Interests may involve tax consequences. The Person confirms that he or she is not relying on any statements or representations of the Company or any of its agents or legal counsel with respect to the tax and other economic considerations of an investment in the Interests and acknowledges that the Person must retain his or her own professional advisors to evaluate the federal, state and local tax and other economic considerations of an investment in the Interests. The Person also acknowledges that he or she is solely responsible for any of his or her own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement;

(v) such Person acknowledges that the Company will review and rely upon the representations, warranties and covenants contained in this Agreement without making any independent investigation, and that the representations, warranties and agreements made by the Person shall survive the execution and delivery of this Agreement and the purchase of the Interests;

(vi) such Person hereby represents that, except as expressly set forth in this Agreement, no representations or warranties have been made to the Person by the Company or any agent, employee or Affiliate of the Company, related to the performance of the Company or otherwise, and in entering into this transaction, the Person is not relying on any information other than that which is the result of independent diligence; and

(vii) such Person acknowledges the risks associated with his, her, or its investment in the Company, especially as it pertains to the risks related to the cannabis and marijuana industry including, but not limited to: increased competition, illegality under federal law, new and evolving industry, changing laws, barriers to entry, etc.

(b) All of the foregoing representations and warranties and the foregoing indemnity shall survive the withdrawal of any Person and the termination of this Agreement.

ARTICLE VI

ADMISSION OF NEW MEMBERS

6.01 Admission of Additional or Substitute Members. The Board of Managers may, at any time admit one or more new Members, subject to: (a) the federal and state restrictions on transfers of Securities, (b) Article III regarding authorized Membership Units and Section 2.02 regarding any required consents in connection therewith, (c) Section 6.02 regarding an issuance of Membership Units by the Company, (d) Article VII regarding Transfer and Withdrawal, and (e) subject to the condition that each such new Member shall execute an appropriate supplement to this Agreement pursuant to which it agrees to be bound by the terms and provisions hereof. A description of each new Member admitted to the Company under this Section 6.01 shall be reflected on Schedule A as of the effective date of its admission. Admission of a new Member shall not be a cause for dissolution of the Company. The Admission of a new Member shall result in the dilution of existing Members.

6.02 Right of First Refusal.

(a) The Company shall, prior to any proposed issuance by the Company of any of its securities (other than debt securities with no equity feature) and other than Excluded Securities (“New Securities”), offer to each of the Members (each a “Participating Member,” and collectively, the “Participating Members”), by written notice (“Issue Notice”) the right, for a period of twenty (20) days, to purchase for cash at an amount equal to the price or other consideration for which the New Securities are to be issued, a portion of the New Securities equal to the Percentage Interest of each such Participating Member (as to each Participating Member, the “Pro Rata Share”). The right of first refusal under this Section 6.02 may not be assigned by any Member without the approval of the Board of Managers.

(b) The Issue Notice shall describe the New Securities proposed to be issued and specify the number, price and payment terms. Each Participating Member may accept the

Company's offer as to its full Pro Rata Share of the New Securities or any lesser number, by written notice thereof given by it to the Company prior to the expiration of the aforesaid twenty (20) day period, in which event the Company shall promptly sell and the accepting Member shall buy, upon the terms specified, the number of New Securities agreed to be purchased by such Member.

(c) Each Participating Member shall also have a right of oversubscription such that if any Participating Member ("Declining Member") declines to purchase any or all of its Pro Rata Share of New Securities, the other Participating Members shall, among them, have the right to purchase, on the terms and conditions set forth in the Issue Notice, some or all of the balance of the New Securities not purchased by the Declining Member ("Available Securities"). This right of oversubscription shall only be exercised by a Member indicating in its written notice to the Company its desire to purchase more than its Pro Rata Share of New Securities. If the total number of New Securities so exercised in the oversubscriptions exceed the total number of Available Securities, the oversubscribing Participating Members shall only be entitled to purchase the Available Securities on a pro rata basis in accordance with the respective amounts of New Securities as to which each such oversubscribing Participating Member shall have requested in exercising its right of oversubscription, or as they may otherwise agree among themselves.

(d) The Company shall be free at any time prior to one hundred and eighty (180) days after the date of the Issue Notice to offer and sell to any third party or parties the remainder of the New Securities (including but not limited to those New Securities which the Participating Members have elected not to purchase), at a price and on payment terms no less favorable to the Company than those specified in the Issue Notice. If, however, any such third party sale or sales are not consummated within the aforesaid one hundred and eighty (180) day period, the Company shall not sell any New Securities that were not purchased within such period without again complying with this Section 6.02.

ARTICLE VII

TRANSFER AND WITHDRAWAL

7.01 Withdrawals.

(a) No Member may withdraw from the Company or make a demand for or receive paid-in capital without the prior written consent of the Board of Managers, which consent may be withheld in its sole and absolute discretion; provided, however, that any return of capital to such Member is subject to Section 4.03.

7.02 Member Dissociation.

(a) Any Member ("Subject Member") may, in the sole discretion of the Board of Managers, be required to fully withdraw from the Company and sell all of such Subject Member's Membership Units to the Company if: (i) the Subject Member or an Affiliated/Associated Person of such Member has been convicted of a misdemeanor involving fraud, deceit or embezzlement or any felony by a court of competent jurisdiction, with respect to which conviction any further right of the Subject Member or Affiliated/Associated Person of

such Member to appeal shall have been exhausted or expired, or (ii) the Subject Member or an Affiliated/Associated Person of such Member has been convicted by a court of competent jurisdiction of violating securities laws or commodities trading laws, with respect to which conviction any further right of the Subject Member or Affiliated/Associated Person of such Member to appeal shall have been exhausted or expired, or (iii) the Commission, Financial Industry Regulatory Authority Inc., Commodities Futures Trading Commission, National Futures Association or any other regulatory or administrative agency which oversees or regulates investment activities determines that the Subject Member or an Affiliated/Associated Person of such Member has violated a rule or regulation of such commission, association or agency, with respect to which conviction any further right of the Subject Member or Affiliated/Associated Person of such Member to appeal shall have been exhausted or expired.

(b) Without limiting Section 7.02(a), in the event that any Member (“Indicted/Investigated Member”) or an Affiliated/Associated Person of such Member has been indicted for any of the offenses or violations listed in clauses (i) or (ii) of Section 7.02(a), or is subject to an investigation by a regulatory agency of the type listed in clause (iii) of Section 7.02(a) regarding violation of a rule or regulation: (x) such Indicted/Investigated Member will be required to withdraw from the Company and sell all of such Member’s Membership Units to the Company, if so requested to withdraw by the determination of the Board of Managers in its sole discretion, or (y) the Board of Managers may propose such other sanction or arrangement, to be agreed upon by the Indicted/Investigated Member or Affiliated/Associated Person of such Member, regarding the relationship between the Company and the Indicted/Investigated Member or Affiliated/Associated Person of such Member.

(c) If (i) any of the representations given in (A) Article V of this Agreement or (B) any other agreement with the Company, by a Member (“Misrepresenting Member”) or an Affiliated/Associated Person of such Member is materially false or ceases to be true in a respect which is, in the reasonable opinion of the Board of Managers, materially adverse to the Company or the other Members, (ii) a Member (“Breaching Member”) or an Affiliated/Associated Person of such Member has breached its agreements or obligations hereunder or thereunder and the consequences of such breach are, in the reasonable opinion of the Board of Managers, materially adverse to the Company or the other Members, or (iii) the continued participation of any Member (“Regulatory Adverse Member”) or an Affiliated/Associated Person of such Member in or with the Company or any Subsidiary or Affiliate of the Company would, in the Board of Managers’ reasonable opinion, cause undue risk of adverse tax, regulatory or other consequences to the Company or any Affiliate of the Company or would be materially detrimental to the business, operations or commercial reputation of the Company or any Subsidiary or Affiliate of the Company, the Board of Managers may, upon written notice to the Misrepresenting Member, Breaching Member or Regulatory Adverse Member, as applicable, require such Misrepresenting Member, Breaching Member or Regulatory Adverse Member to fully withdraw from the Company and sell all of such Member’s Membership Units to the Company (irrespective of whether the subject misrepresentation, breach or regulatory consequence involves such Member or an Affiliated/Associated Person of such Member).

(d) A Member who is required to withdraw from the Company pursuant to this Section 7.02 (a “Dissociation”) shall be entitled to receive, in exchange for all of such Member’s outstanding Membership Units, the fair market value of such Membership Units, as determined by the Board of Managers, in its sole discretion, taking into account all factors

affecting its fair market value. The foregoing purchase price shall be paid, at the sole option of the Board of Managers, in either (i) one lump sum cash payment or (ii) by the delivery of the Company to such Member of an unsecured promissory note, in form prescribed by the Company, providing for the payment of such purchase price in five (5) equal annual installments, together with accrued and unpaid interest at the Applicable Federal Rate, with the first of such installments beginning on the closing of such repurchase by the Company (except that the Company may, in the sole discretion of the Board of Managers, prepay such installments at any time without premium or penalty), which closing shall be at a time and place as selected by the Board of Managers and communicated to such Member.

(e) A Member subject to Dissociation shall execute all documents in connection with his, her or its withdrawal from the Company as the Board of Managers shall reasonably require.

7.03 Death or Dissolution of a Member. Upon the death or dissolution of a Member, the Board of Managers may, upon written notice to the estate or representative of such Member, require such estate, representative or Member, as applicable, to sell all of such Member's Membership Units to the Company at a price equal to the fair market value of such Membership Units, as determined by the Board of Managers in its sole discretion. Written notice under this provision must be provided within ninety (90) days of the death of said member. The provisions of Section 7.02(d) shall govern the terms and payment of the purchase price and closing mechanics for any repurchase of Membership Units under this Section 7.03. Notwithstanding the foregoing, the estate or representative of David Essig shall not be required to sell the Membership Units of said member, unless the beneficiaries of David's estate, as the case may be, who are entitled to acquire such Membership Units consent to the sale of the Membership Units.

7.04 Life Insurance.

(a) The Company may in the sole discretion of the Board of Managers maintain life insurance policies on the lives of certain Members, with the Company named as the sole beneficiary, in such amounts the Board of Managers, in its sole discretion, deems appropriate to satisfy all or a portion of any purchase price in respect of a deceased Member as determined pursuant to Section 7.03. The Company shall be responsible for, and agrees to pay, the premiums for such insurance policies.

(b) The Members agree to cooperate in the acquisition of all such insurance by performing all requirements of the insurance company which are necessary for the issuance of such insurance, including medical examinations.

7.05 Restriction on Transfer and Assignment.

(a) No Member shall Transfer or offer to Transfer all or any part of such Member's Interest in the Company without complying with this Section 7.05 and without the prior written consent of the Board of Managers, which consent may be withheld in its sole and absolute discretion.

(b) Any Transfer of any interest in the Company in contravention of Section 7.05(a) hereof shall be void and ineffective, and shall not bind, or be recognized by, the Company or any other party. No purported assignee shall have any rights under this Agreement.

(c) Substituted Member.

(i) No Member shall have the right to substitute an assignee as a Member in such Person's place. The Board of Managers shall, however, have the right to permit, in its sole discretion, such an assignee to become a substituted Member ("Substituted Member"). If granted, such permission by the Board of Managers shall be binding and conclusive without the consent or approval of any other Member.

(ii) Upon the admission of a Substituted Member, a counterpart of the Schedule A annexed hereto shall be amended to reflect the description of such Substituted Member and to eliminate the assigning Member. Each Person, as a condition of becoming a Member in the Company, shall execute such instrument or instruments as shall be required by the Board of Managers to signify such Substituted Member's agreement to be bound by all the provisions of this Agreement.

(d) Effect of Assignment.

(i) Any Person who shall assign such Person's Interest in the Company shall cease to be a Member of the Company and shall no longer have any rights or privileges of a Member, except that, unless and until the assignee of such Member is admitted as a Substituted Member in accordance with the provisions of this Agreement, such assigning Member shall retain the statutory rights and obligations of an assignor Member under applicable law.

(ii) Any Person who acquires in any manner whatsoever any Interest in the Company, irrespective of whether such Person has accepted and adopted in writing the terms and provisions of this Agreement, shall be deemed by the acceptance of the benefits of the acquisition thereof to have agreed to be subject to and bound by all the obligations of this Agreement that any predecessor in interest of such person was subject to or bound by.

(e) Permitted Transfers. Notwithstanding the provision of this Section 7.05, each Person may, during his lifetime, transfer his or her Interest without the prior consent of the other Members or the Board of Managers without complying with Section 7.05 herein (i) to a trust or other legal entity in which such trust or entity is controlled directly or indirectly by the Person or for the benefit of such Person or such Person's spouse, children and direct lineal descendants of such children, or (ii) to any Affiliate of such Person (collectively a "Permitted Transferee"). Any Permitted Transferee which so succeeds to an Interest as a result of such a Transfer shall become a Substitute Member only upon compliance with the provisions of this Agreement. A Substitute Member shall have all of the rights of the Person whose Interest was so acquired. Notwithstanding the foregoing, if a Permitted Transferee is, in the reasonable opinion of the Board of Managers, a Person who could trigger a Dissociation under Section 7.02, such Transfer shall be prohibited and void on its face.

(f) Right of First Refusal.

(i) In the event that a Member receives an offer from a third party to purchase any or all of the Member's Interest (an "ROFR Third-Party Purchaser"), such Member (the "ROFR Selling Member") shall provide written notice (the "ROFR Sale Notice") to the Board of Managers and all other Members stating the terms of such proposed sale, including, without limitation, the purchase price and payment terms for such Interest (the "ROFR Sale Terms"), and including copies of all materials (including, without limitation, a signed term sheet) with respect to such proposed sale. Each other Member shall have the exclusive right, not more than thirty (30) days after receipt of the ROFR Sale Notice (during which time the ROFR Selling Member may not sell such Interest to the ROFR Third-Party Purchaser), to either: (i) decline to purchase such Interest from the ROFR Selling Member, or (ii) provide to the ROFR Selling Member a written notice (the "ROFR Acceptance") stating that the other Member (a "ROFR Purchasing Member") has agreed to acquire the Interest of the ROFR Selling Member in accordance with the ROFR Sale Terms.

(ii) If an ROFR Acceptance is given by a ROFR Purchasing Member to the ROFR Selling Member as provided in Section 7.05(f)(i) above, the ROFR Selling Member shall sell the subject Interest to the ROFR Purchasing Member pursuant to the ROFR Sale Terms. If more than one ROFR Purchasing Member delivers a ROFR Acceptance, each such ROFR Purchasing Member shall be allocated its Pro Rata Portion of the subject Interest, unless otherwise agreed by such ROFR Purchasing Members.

(iii) Failure of a Member to deliver the ROFR Acceptance within thirty (30) days of receipt of the ROFR Sale Notice shall be deemed to be an election by such Member not to purchase the Interest of the ROFR Selling Member as provided pursuant to Section 7.05(g). In the event no Member elects (or no Members elect) to purchase all of such Interest of the ROFR Selling Member, the ROFR Selling Member may then sell such Interest to the ROFR Third-Party Purchaser, provided that (1) such sale to the ROFR Third-Party Purchaser is pursuant to terms not less favorable than the ROFR Sale Terms, as certified to the other Members by the ROFR Selling Member, (2) is consummated within 90 days following the expiration of the 30 day period set forth in Section 7.05(g)(i) and (3) the transfer otherwise complies with this Agreement. If the ROFR Selling Member desires to sell the applicable Interest to an ROFR Third-Party Purchaser on terms less favorable than the ROFR Sale Terms provided to the other Members, the ROFR Selling Member may not sell such Interest without first providing the other Members with a revised ROFR Sale Notice and complying with the terms and provisions of this Section 7.05(f), however, the time period for the other Members to review and accept or deny such ROFR Sale Terms shall be fifteen (15) days. If the ROFR Selling Member does not complete such sale within such 90 day period, the ROFR Selling Member shall be prohibited from selling any Membership Units without first complying again with the provisions of this Section 7.05(g)

(iv) Notwithstanding the foregoing, this Section 7.05(g) shall not apply and no Member shall have any right to purchase the Interest of the other Members in connection with a Permitted Transfer.

(g) All of the rights afforded under Section 7.05(f) shall terminate upon consummation of an Initial Public Offering.

7.06 Drag-Along Rights.

(a) If, at any time and from time to time (a) the Board of Managers and (b) a Supermajority in Interest of the Members (herein referred to, collectively, as the “Participating Members”), approves a Change-of-Control Event (as so approved, herein referred to as a “Drag-Along Transaction”), then each Member agrees (i) to vote all Membership Units at any regular or special meeting of Members (or consent pursuant to a written consent in lieu of such meeting) in favor of such Drag-Along Transaction, and to raise no objections against the Drag-Along Transaction or the process pursuant to which the Drag-Along Transaction was arranged, (ii) to waive any and all dissenters’, appraisal or similar rights with respect to such Drag-Along Transaction, (iii) not to deposit, and to cause their Affiliates not to deposit, any Membership Units owned by such party or Affiliate in a voting trust or subject any Membership Units to any arrangement or agreement with respect to the voting of such Membership Units, unless specifically requested to do so by the acquirer in connection with the Drag-Along Transaction, and (iv) if the Drag-Along Transaction is structured as a sale of Membership Units by the Members, to sell the Membership Units then owned by such Member on the terms and conditions of such Drag-Along Transaction. Each Member will take all necessary and desirable actions in connection with the consummation of the Drag-Along Transaction, including entering into an agreement reflecting the terms of the Drag-Along Transaction, surrendering Membership Unit certificates, giving customary and reasonable representations and warranties, and executing and delivering customary certificates or other documents; provided, however, that the liability for indemnification, if any, of such Member in the Drag-Along Transaction and for the inaccuracy of any representations and warranties made by the Company in connection with such Drag-Along Transaction, is several and not joint with any other Person (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any Member of any of identical representations, warranties and covenants provided by all Members), and is pro rata in proportion to the amount of consideration paid to such Member in connection with such Drag-Along Transaction (in accordance with the provisions of Section 8.02(d) hereof).

(b) Upon the consummation of the Drag-Along Transaction, each Member will Transfer Membership Units on the same terms and will receive the same form of consideration and the same portion of the aggregate consideration that such Members would have received if such aggregate consideration had been distributed by the Company in complete liquidation pursuant to the rights and preferences set forth in Section 8.02(d) hereof.

(c) In order to exercise the rights under this Section 7.06, the Board of Managers must give notice to the Members not less than forty-five (45) days prior to the proposed date upon which the contemplated sale is to be effected. In addition, the Board of Managers shall furnish to the Members all such agreements, documents and instruments to be executed in connection with such transaction and shall afford the Members a reasonable period of time (but in any event not less than ten (10) business days) within which to review such agreements, documents and instruments. The Members will take all reasonable actions in connection with the consummation of the Drag-Along Transaction as requested by the Company.

(d) Each Member hereby constitutes and appoints as the proxies of such Member and hereby grants a power of attorney to any officer of the Company, with full power of substitution, with respect to the matters set forth in this Section 7.06, and, if and only if the Member (i) fails to vote or (ii) attempts to vote (whether by proxy, in person or by written consent), in a manner which is inconsistent with the terms of this Section 7.06, hereby authorizes each of them to represent and vote all of such Member's Membership Units in favor of the approval of any transaction pursuant to and in accordance with the terms and provisions of this Section 7.06. Each of the proxy and power of attorney granted pursuant to the immediately preceding sentence is given in consideration of the agreements and covenants of the Company and the parties in connection with the transactions contemplated by this Agreement and, as such, each is coupled with an interest and shall be irrevocable unless and until this Agreement terminates or expires pursuant to Article VIII hereof.

(e) The obligations of the Members pursuant to this Section 7.06 are subject to the following terms and conditions:

(i) the Company shall bear the reasonable, documented costs incurred in connection with any Drag-Along Transaction under this Section 7.06 (costs incurred by or on behalf of any Member for such Member's sole benefit will not be considered costs of the transaction hereunder) unless otherwise agreed by the Company and the third party purchaser, in which case no Member shall be obligated to make any out-of-pocket expenditure prior to the consummation of such transaction (excluding modest expenditures for postage, copies, and the like) and no Member shall be obligated to bear any portion (or, if paid, shall be entitled to be reimbursed by the Company for that portion paid) that is more than its proportionate share (based on the proportionate share of the consideration received in such transaction by such Member as among all Members) of reasonable expenses incurred in connection with such transaction;

(ii) no Member shall consummate any such Drag-Along Transaction unless the aggregate cash proceeds and readily liquid assets to be received by each Member in connection with such transaction shall equal or exceed the amount of any income tax that shall become due and payable by such Member as a result of the recognition of taxable income or gain recognized by such Dragged Member in connection with such transaction.

(f) Change of Control Events. In the event that any portion of the consideration payable to the Company or the Members in connection with a Change-of-Control Event (including, without limitation, any Drag-Along Transaction) is payable only upon satisfaction of contingencies (herein referred to as the "Additional Consideration"), the definitive agreement memorializing such Change-of-Control Event shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, herein referred to as the "Initial Consideration") shall be allocated among the Members in accordance with the priorities and liquidation preferences set forth under Section 8.02(d) hereof as if the Initial Consideration were the only consideration payable in connection with such Change-of-Control Event; and (b) any Additional Consideration which becomes payable to the Members upon satisfaction of such contingencies shall be allocated among Members in accordance with the priorities and liquidation preferences set forth in Section 8.02(d) hereof after taking into account the previous payment of the Initial Consideration as part of the same transaction.

ARTICLE VIII
TERMINATION OF THE COMPANY

8.01 Dissolution. The Company shall continue to operate until the earlier of the following dates:

- (i) 12:00 midnight on a date designated by the written consent of the Members holding at least fifty-one percent (51%) of the then issued and outstanding Units;
- (ii) upon the sale of all or substantially all the assets of the Company and the conversion into cash of the sales proceeds;
- (iii) upon the entry of a decree of judicial dissolution under the Act; or
- (iv) upon a consolidation or merger of the Company in which it is not the resulting or surviving entity.

8.02 Termination of Company. Upon the dissolution of the Company as provided in Section 8.01, the Board of Managers, out of Company assets, shall proceed with the sale or liquidation of all of the assets of the Company and shall apply and distribute the proceeds of such sale or liquidation in the following order of priority, unless otherwise required by mandatory provisions of applicable law:

- (a) first, to pay (or to make provision for payment of) all expenses of the liquidation in satisfaction of all obligations of the Company for such expenses of liquidation;
- (b) second, to pay (or to make provision for the payment of) all creditors of the Company (including Members who are creditors of the Company) in the order of priority provided by law or otherwise, in satisfaction of all debts, liabilities or obligations of the Company due such creditors;
- (c) third, to the establishment of any reserve which the Board of Managers may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company (such reserve may be paid over by the Board of Managers to an escrow agent acceptable to the Board of Managers, to be held for disbursement in payment of any of the aforementioned liabilities and, at the expiration of such period as shall be deemed advisable by the Board of Managers for distribution of the balance in the manner hereinafter provided in this Section 8.02);
- (d) fourth, after the payment (or the provision for payment) of all debts, liabilities and obligations of the Company in accordance with each of the clauses above, and after adjusting the Capital Accounts of the Members for all items of income, gain, loss and deduction, to each Member with an Unreturned Capital Contribution, pro rata in proportion to such Unreturned Capital Contribution, until there are no Unreturned Capital Contributions for the Members; and

(e) fifth, to the Members in accordance with their then respective Percentage Interests, no later than the end of the fiscal year in which the event giving rise to this distribution occurs or, if later, within ninety (90) days after the date of the liquidation of the Company.

ARTICLE IX

BOOKS AND RECORDS

9.01 Tax and Financial Matters. The Treasurer shall be responsible for preparing or causing to be prepared all tax and accounting records for the Company. The Treasurer shall appoint the Accountants to be engaged by the Company. The cost of preparing the Company's tax returns shall be paid by the Company as a Company expense.

9.02 Tax Audits.

(a) Selection of Partnership Representative. The Company shall designate on its annual Form 1065 filing David Essig as the "Partnership Representative" for each taxable year as long as Mr. Essig is a Member and has a substantial presence in the United States. If Mr. Essig is no longer a Member or no longer has substantial presence in the United States, the Board of Managers shall select an individual to with substantial presence in the United States to serve as the "Partnership Representative" for such taxable year. The Partnership Representative shall also represent the Company with respect to pending state and local tax audits.

(b) Scope of Partnership Representative's Authority. The Partnership Representative shall have the sole authority to act on behalf of the Company in such Tax Administrative Proceedings as set forth in Sections 6221 through 6241 of the Code, and his or her authority shall be binding on the Company, Members, and former Members. The Partnership Representative shall take all steps reasonably necessary to keep the Company, its Members, and any former Members who may be affected by the Tax Administrative Proceeding reasonably informed as to the progress of any Tax Administrative Proceeding. The Partnership Representative may, if he or she deems it is appropriate, seek input as to the resolution of the Tax Administrative Proceeding from current and former Members. The Partnership Representative shall provide Members with any notice of proposed partnership adjustment as that term is used under Section 6231 of the Code, and provide sufficient information to Members and former Members as to permit the filing of amended returns as permitted under Section 6225 of the Code. The Company shall pay all ordinary expenses of the Partnership Representative incurred in connection with such proceedings. The Partnership Representative shall not be liable to the Company or to any Member for any loss or expense, or disallowance of deduction, credit, or beneficial tax treatment of any item of Company income or loss arising from the conduct, settlement, or final adverse determination of the administrative or judicial proceedings described above; provided, however, that such Partnership Representative acted in good faith and not with misconduct or in willful breach of the fiduciary duties hereunder.

(c) Duty of Members in Administrative Proceedings. The Members shall promptly inform the Company or Partnership Representative of any change in their addresses, even after periods in which they have withdrawn from the Company. The Members acknowledge that the actions of the Partnership Representative on any Company audit of federal or state income taxes

may be binding on the Members in an individual capacity and may result in liability for tax years otherwise closed by Section 6501.

(d) Elections. The Partnership Representative shall, in the sole discretion of the Board of Managers, within 45 days from the date of a notice of final partnership adjustment, elect the application of Section 6226(a) of the Code, in its sole discretion. If such election is made, the Partnership Representative shall timely furnish to each Member of the Company for the reviewed year, and to the IRS, a statement of the member's share of any adjustment to income, gain, loss, deduction, credit, penalties, or interest. If such an election is made, such adjustments shall be taken into account by the Members consistent with Code Section 6226(b). If requested by the Company, the Members agree to provide the Company with any information requested, or file any required tax returns or statements required, under Section 6225 of the Code requiring such Member to pay its applicable share of any adjustments resulting from an Administrative Proceeding.

(e) Liability of Individual Members for LLC-Level Taxes, Indemnity. The Members agree to indemnify the Company for their pro-rata share of any entity-level federal income tax assessments made against the Company for a given tax year pursuant to Section 6221(a) of the Code. The pro-rata share in this Section shall be determined consistent with the Members' individual average Percentage Interests for the year subject to assessment. The indemnity obligation under this Section shall continue and survive after a Member sells or otherwise disposes of his or her Interest in the Company.

9.03 Books and Records. The Company shall keep just and true books of account with respect to the operations of the Company. Such books shall be maintained at the principal place of business of the Company, or at such other place as the Company shall determine, and all Members, and their duly authorized representatives, shall at all reasonable times have access to such books, but no more than once per month, during ordinary business hours.

9.04 Accounting Basis and Fiscal Year. The books of account of the Company shall be kept on the accrual basis of accounting, or on such other method of accounting as the Board of Managers may from time to time determine. The Fiscal Year of the Company shall be (i) the calendar year or such other year as the Board of Managers may from time to time determine, or (ii) in the event the Code requires otherwise, then such other Fiscal Year as is required by the Code.

9.05 Tax Elections. The Board of Managers may, but are not required to, make any and all elections provided for in the Code or Regulations that they deem to be in the best interest of the Company.

9.06 Reports.

(a) Annual Reports. Within ninety (90) days after the end of each year, the Treasurer shall cause to be prepared and shall deliver to each Member, a financial report of the Company, including a balance sheet, a profit and loss statement and, if such profit and loss statement is not prepared on a cash basis, a cash flow or source and application of funds statement, which shall be prepared on the accrual basis of accounting. If the Board of Managers

determine it to be advisable, these reports shall be audited by an accounting firm selected by the Board of Managers.

(b) Tax Information. Within ninety (90) days after the end of each Fiscal Year, the Company shall furnish to each Member such information as may be needed to enable such Member to file his or its Federal income tax return, any required state income tax return and any other reporting or filing requirements imposed by any governmental agency or authority.

(c) Expenses. All Company accounting costs and the cost of all reporting required under this Section 9.06 shall be paid by the Company as a Company expense.

ARTICLE X

CONVERSION TO A CORPORATION

1001 Cooperation. The Board of Managers may cause the Company to convert to corporate form in order to consummate an Initial Public Offering as follows. If the Board of Managers proposes to cause the Company to convert to a corporation (which it may accomplish, in its discretion, through one or more structures, including without limitation merger or formation of a holding corporation that will be the entity that goes public), it will notify the Members, and the Members will (a) cooperate with the Board of Managers in all respects in such conversion and enter into any transaction required to effect such conversion, including, without limitation, by promptly contributing such Member's Membership Units in exchange for shares of the capital stock of the new corporation, (b) not exercise any dissenter's rights or rights to seek an appraisal under Delaware law or otherwise in connection with such conversion, (c) not attempt to prohibit or delay such conversion and (d) execute all agreements, consents, documents and instruments required by the Board of Managers and consistent with this Article X.

1002 Valuation and Conversion of Interests. Immediately prior to a conversion in connection with an Initial Public Offering, the Board of Managers will determine the then aggregate value of all Membership Units. Such valuation will be based on the price per share at which shares of common stock are to be sold to the public in such offering. The Membership Units held by each Member will be converted into a number of shares of common stock determined by dividing (i) the amount that would be distributed to such Member upon a liquidation of the Company for cash in accordance with Section 8.02 at the aggregate value determined by the Board of Managers by (ii) the value per share of common stock selected by the Board of Managers; provided that any Membership Units that do not have a positive value shall be canceled, and the Company shall have no further obligations with respect thereto.

1003 Lock-Up; Restrictions on Sale. If the conversion occurs in connection with an Initial Public Offering, each Member agrees that, upon the request of the Company or the managing underwriter in such offering or any subsequent offering, such Member will not offer, sell, contract to sell, grant any option or right for the purchase of, or otherwise dispose of any of the Company's successor's (or Affiliate's, as applicable) securities held by such Member (other than those included in such registration) or engage in any swap or derivative transactions involving the Company's successor's (or Affiliate's, as applicable) securities, in each case without the prior written consent of the Company and such underwriter, for such period of time as may be requested by the Company and such underwriter (commencing as of the date of such

offering and ending no later than (i) 180 days thereafter, subject to extension by the managing underwriter to the extent required to comply with Rule 2711(f)(4) of the Financial Industry Regulatory Authority or other applicable non-U.S. law, in the case of the initial public offering of the Company's successor's (or Affiliate's, as applicable) common stock or (ii) 90 days thereafter, in the case of any other registration).

Section 10.04 Stockholders Agreements. Upon conversion to corporate form pursuant to this Article X, the Members will enter into a stockholders agreement containing operative terms that are substantially similar to the corresponding terms of this Agreement (but only to the extent such terms are consistent with the other provisions of this Article X). Any such shareholders agreement shall terminate automatically upon the Initial Public Offering.

ARTICLE XI

MISCELLANEOUS

11.01 Notices. Except as otherwise provided in this Agreement, any and all notices, elections, consents or demands permitted or required to be made or given under this Agreement shall be in writing, signed by the Manager, Member or officer giving such notice, election, consent or demand and shall be delivered personally, by telecopy, or email transmission, sent by overnight courier or sent by registered or certified mail, return receipt requested, to each other Member, at his or its address set forth on Schedule A, and/or to the Managers or officers at the Company's principal executive office. Any and all notices, elections, consents or demands permitted or required to be made or given under this Agreement shall be deemed to have been given if by hand, at the time of the delivery thereof to the receiving party, if made by telecopy or email transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, if sent by overnight courier, on the fifth (5th) business day following the day such notice is delivered to the courier service, or if sent by registered or certified mail, on the tenth (10th) business day following the day such mailing is made.

11.02 Successors and Assigns. Subject to the restrictions on transfer set forth herein, this Agreement, and each and every provision hereof, shall be binding upon and shall inure to the benefit of the Members, their respective successors, successors-in-title, heirs and assigns, and each and every successor-in-interest to any Member, whether such successor acquires such interest by way of gift, purchase, foreclosure, or by any other method, shall hold such interest subject to all of the terms and provisions of this Agreement.

11.03 Amendments. The terms and provisions of this Agreement may be modified or amended at any time and from time to time (i) by the Board of Managers provided that such modification or amendment complies with Section 2.02(a) and Section 2.02(b), or (ii) with the consent of (A) the Board of Managers and (B) Supermajority in Interest of the Members.

11.04 Partition. The Members hereby agree that no Member nor any successor-in-interest to any Member, shall have the right while this Agreement remains in effect to have any property of the Company partitioned, or to file a complaint or institute any proceeding at law or in equity to have any property of the Company partitioned, and each Member, on behalf of himself or itself, his or its successors, representatives, heirs, and assigns, hereby waives any such right. It is the intention of the Members that during the term of this Agreement, the rights of the Members and

their successors-in-interest, as among themselves, shall be governed by the terms of this Agreement, and that the right of any Member or successor-in-interest to assign, transfer, sell or otherwise dispose of his interest in the Company's properties shall be subject to the limitations and restrictions of this Agreement.

11.05 Exhibits. All Exhibits and Schedules attached hereto are an integral part of this Agreement and are incorporated herein by this reference.

11.06 Entire Agreement. This Agreement constitutes the full and complete agreement of the parties hereto with respect to the subject matter hereof.

11.07 Captions. Titles or captions of Articles or Sections contained in this Agreement are inserted only 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.

11.08 Counterparts. This Agreement may be executed in a number of counterparts, all of which together shall for all purposes constitute one Agreement, binding on all the Members notwithstanding that all Members have not signed the same counterpart. For purposes of this Agreement, use of an email or electronic medium shall have the same force and effect as an original signature.

11.09 Goodwill. No value shall be placed on the name or goodwill of the Company, which shall belong exclusively to the Board of Managers.

11.10 Severability. If any provision of this Agreement, or the application of any provision to any person or circumstance, shall be held to be inconsistent with any present or future law, ruling, rule or regulation of any court or governmental or regulatory authority having jurisdiction over the subject matter hereof, such provision shall be deemed to be rescinded or modified in accordance with such law, ruling, rule or regulation, and the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it shall be held inconsistent, shall not be affected thereby.

11.11 Applicable Law; Jurisdiction. This Agreement and the rights and obligations of the parties hereunder shall be governed by and interpreted, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts. The parties to this Agreement, acting for themselves and for their respective successors and assigns, without regard to domicile, citizenship or residence, hereby expressly and irrevocably submit to, as the exclusive forum for the determination of all disputes arising under or in connection with this Agreement, the jurisdiction of the United States District Court for the Eastern District of Massachusetts and the jurisdiction of any court of the Commonwealth of Massachusetts. Each of the parties hereto hereby waives any claims of inconvenient forum or venue.

11.12 Equitable Remedies. Each Member shall, in addition to rights provided herein or as may be provided under applicable law, be entitled to all equitable remedies, including those of specific performance and injunction, to enforce its rights hereunder.

11.13 Arbitration. Any controversy, dispute or claim arising out of or in connection with this Agreement, or the breach, termination or validity hereof, shall be settled by final and binding

arbitration, in Boston, Massachusetts, administered by the JAMS under its Commercial Arbitration Rules then obtaining. The decision or award of the arbitration shall be final and judgment upon such decision or award may be entered in any competent court or application may be made to any competent court for judicial acceptance of such decision or award and an order of enforcement. In the event of any procedural matter not covered by the aforesaid rules, the procedural law of the State shall govern.

11.14 Deadlocks. If the Board of Managers is deadlocked, or if the Members are deadlocked in respect of any matter requiring the approval of the Members, then they shall exercise reasonable good faith efforts to resolve or compromise the dispute. Such efforts shall include, without limitation, at least two (2) meetings to discuss and attempt to resolve the disputed matter, and, if the deadlock remains, consultation with a qualified (a) third-party business consultant, (b) lawyer, and/or (c) advisor who will render a non-binding decision on the matter. If the parties remain deadlocked, such deadlock shall be resolved via arbitration as set forth Section 11.14 above, or by some other method acceptable to all the Managers, or where applicable, the affected Members.

11.15 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of any Member or of the Company.

ARTICLE XII

DEFINITIONS

Section 12.01 Definitions. For purposes of this Agreement, the terms set forth below and not defined elsewhere in this Agreement shall have the following meanings:

“Act” means the Massachusetts Limited Liability Company Act, M.G.L. ch. 156C, as in effect at the time of the initial filing of the Company's Certificate with the Secretary of State of the State, and as thereafter amended from time to time.

“Adjusted Capital Account Deficit” shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant taxable year, after giving effect to the following adjustments: (a) increasing the Capital Account by any amounts that the Member is deemed to be obligated to restore pursuant to Regulations §§ 1.704-1(b)(2)(ii)(c), 1.704-2(g)(1) and 1.704-2(i); and (b) reducing the Capital Account by the items described in Regulations §§ 1.704-1(b)(2)(ii)(d)(4), (5), and (6). The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations § 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

“Affiliate” shall mean any Person who is a director, officer or manager of the subject referenced or is a Person which, directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with the subject referenced. The terms “control”, including the terms “controlling”, “controlled by” and “under common control with”, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the subject referenced, whether through the ownership of voting securities, by contract or otherwise.

“Affiliated/Associated Person” of a Member is a person or entity which is (i) an Affiliate of such Member or (ii) a trust (or similar entity) of which more than 50% of the beneficial interests are owned by such Member.

“Agreement” shall mean this Limited Liability Company Agreement, as amended, restated, supplemented or modified from time to time.

“Applicable Federal Rate” shall have the meaning set forth in Section 1274 of the Code.

“Bankruptcy” shall mean, with respect to any Member, such Member making an assignment for the benefit of creditors, becoming a party or subject to any liquidation or dissolution action or proceeding with respect to such Member, the institution of any bankruptcy, reorganization, insolvency or other proceeding for the relief of financially distressed debtors with respect to such Member, or a receiver, liquidator, custodian or trustee being appointed for such Member or a substantial part of such Member’s assets and, if any of the same occur involuntarily, the same is not dismissed, stayed or discharged within 60 days; or the entry of an order for relief against such Member under the Bankruptcy Code; or such Member taking any action to effect, or which indicates his acquiescence in, any of the foregoing.

“Bankruptcy Code” shall mean Title 11 of the United States Code entitled “Bankruptcy”.

“Capital Account” shall mean, with respect to any Member, the capital account established and maintained for such Member as provided under Section 3.01 hereof.

“Capital Account Excess” means, with respect to any Member, the excess (if any) of such Member’s Partially Adjusted Capital Account over such Member’s Target Account.

“Capital Account Shortfall” shall mean, with respect to any Member, the excess (if any) of such Member’s Target Account over such Member’s Partially Adjusted Capital Account.

“Capital Contribution” shall mean, with respect to any Member, the amount of money and the initial fair market value of any property (other than money) contributed or deemed contributed to the Company with respect to the Membership Units held or purchased by such Member (net of any liabilities the Company assumes or takes subject to). In the case of a Member that acquires Membership Units by an assignment or transfer in accordance with the terms of this Agreement, “Capital Contribution” means the Capital Contribution of the Member’s predecessor proportionate to the acquired Membership Units.

“Capital Proceeds” shall mean any and all proceeds (whether in the form of cash or property) received by the Company or receivable by its Members from the Company from a Capital Transaction, reduced by expenses incurred by the Company in connection with such Capital Transaction, liabilities of the Company which are repaid out of the proceeds from such Capital Transaction and such reserves as the Board of Managers determines to be necessary or appropriate for the needs of the Company.

“Capital Transaction” means a Change-of-Control Event or the liquidation of the Company pursuant to Sections 8.01 and 8.02.

“Change-of-Control Event” shall mean (i) the acquisition by any Person or Persons of beneficial ownership (within the meaning of Rule 13d-3, or any successor rule, promulgated by the Commission under the Exchange Act) of in excess of 50% of the combined voting power of the Company’s Equity Securities, except in the event that such Person is, or is an Affiliate of, a Person beneficially owning in excess of 50% of such Equity Securities prior to such transaction; (ii) the consummation of a sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, except to a Person, or an Affiliate of a Person, who beneficially owns in excess of 50% of the combined voting power of the Company’s then outstanding voting Equity Securities; or (iii) a reorganization, merger, consolidation or similar transaction (including a sale or other disposition of one or more Subsidiaries if prior to such transaction such Subsidiary or Subsidiaries held all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole), in each case unless, following such transaction all or substantially all of the Persons who were the beneficial owners, respectively, of the outstanding Equity Securities of the Company immediately prior to such transaction beneficially own, directly or indirectly, in excess of 50% of the combined voting power of the then outstanding Equity Securities of the entity resulting from such transaction (including, without limitation, an entity which, as a result of such transaction, owns the Company or all or substantially all of assets of the Company’s business, taken on a consolidated basis, either directly or indirectly) in substantially the same proportions as their ownership, immediately prior to such transaction, of the outstanding voting Equity Securities of the Company.

“Code” shall mean the United States Internal Revenue Code of 1986, as amended.

“Commission” shall mean the Securities and Exchange Commission.

“Company Minimum Gain” shall have the meaning given the term “partnership minimum gain” in Regulations §§ 1.704-2(d) and 1.704-2(g).

“Company Securities” means (a) Membership Units and any other equity security of the Company (including other classes or groups thereof having such relative rights, powers and duties as may from time to time be established by the Board of Managers), (b) any security convertible, with or without consideration, into any equity securities, (c) any security carrying any warrant or right to subscribe to or purchase equity securities of the Company and (d) any warrant, right, option or other derivative security which provides the right to subscribe to or purchase the securities described in clauses (a), (b) or (c) above.

“Depreciation” means, for each taxable year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable for federal income tax purposes with respect to an asset for such year or other period, except if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Board of Managers, and if the Company uses the “remedial allocation method” under Regulations § 1.704-3(d) with respect to any asset, Depreciation for that asset shall be computed in accordance with Regulations § 1.704-3(d)(2).

“Distributable Cash Flow” with respect to any period shall mean all cash revenues received by the Company during such period (excluding therefrom Capital Proceeds, Capital Contributions and the like, but including financing or refinancing proceeds), less all charges against income of any kind (other than non-cash charges against income such as depreciation and amortization of intangibles) including, without limitation, taxes, insurance, accounting and legal fees, and payments of principal and interest on, and all other fees and charges paid with respect to, all indebtedness of the Company, plus the net decrease (or minus the net increase) in the amount of such working capital or other reserves or other amounts as determined by the Board of Managers to be necessary or appropriate for the proper operation of the Company’s business or the winding up of the affairs and liquidation of the Company.

“Effective Date” shall have the meaning assigned to such term in the preamble hereof.

“Equity Securities” shall have the meaning set forth under Rule 405 (or any successor rule) promulgated by the Commission under the Securities Act.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as from time to time amended.

“Excess Nonrecourse Liabilities” shall have the meaning set forth in Regulations §1.752-3(a)(3).

“Excess Tax Distributions” shall mean, for any taxable year, the amount of the excess, if any, of estimated Tax Distributions made with respect to such taxable year over the amount that should have been distributed with respect to such taxable year based on the Company’s determination of the actual Tax Distributions required pursuant to Section 4.05(a) hereof.

“Excluded Securities” shall mean (a) any Company Securities (i) issued as purchase price consideration to the seller in a bona-fide business acquisition by the Company or any Subsidiary or Affiliate of the Company, whether structured as a merger, consolidation, sale of assets, sale or exchange of Equity Securities or otherwise, that has been approved by the Board of Managers; (ii) issued in connection with any bona-fide strategic research, development, manufacturing, marketing, sales or distribution arrangement, or similar arrangement, that has been approved by the Board of Managers; (iii) issued to a third-party commercial bank or other lender in connection with a bona-fide debt financing transaction approved by the Board of Managers; (iv) issued in the Initial Public Offering; and (v) issued in an equity split or distribution by the Company that is paid on a proportionate basis to all holders of the same Class of Units, or (b) any Class C-1 Membership Units or any other Company Securities issued to employees of, or consultants to, the Company or a Subsidiary or Affiliate of the Company (including the Board of Managers), pursuant to an equity compensation plan or other award agreement as determined by the Board of Managers; “Gross Asset Value” shall mean, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

(a) the initial Gross Asset Value of any asset contributed or deemed contributed by a Member to the Company shall be the gross fair market value of the asset, as determined by the contributing Member and the Company in a written agreement;

(b) the Gross Asset Values of each of the Company assets may be adjusted to equal their respective gross fair market values, as determined by the Board of Managers, as of the following times:

(i) the acquisition of an additional interest in the Company by any new or existing Member in exchange for services or for more than a *de minimis* contribution of money or other property;

(ii) the distribution by the Company to a Member of more than a *de minimis* amount of money or other property as consideration for an interest in the Company; and

(iii) the liquidation of the Company for federal income tax purposes within the meaning of Regulations §1.704-1(b)(2)(ii)(g); except that the adjustments pursuant to subclauses (i) and (ii) above may be made only if the Board of Managers reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members;

(c) the Gross Asset Value of any Company asset distributed to a Member shall be the gross fair market value of such asset on the date of distribution, as determined by the Board of Managers; and

(d) the Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Sections 734(b) or 743(b), but only to the extent that the adjustments are taken into account in determining Capital Accounts pursuant to Regulations §1.704-1(b)(2)(iv)(m) and Section 3.09 hereof, except that Gross Asset Values shall not be adjusted pursuant to this clause (d) to the extent the Board of Managers determines that an adjustment pursuant to clause (b) above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (d).

“Initial Public Offering” means an initial public offering of any Company Securities or Equity Securities of any successor entity of the Company (including a successor formed for the purpose of effecting such offering) pursuant to an effective registration statement under the Securities Act or comparable non-U.S. law.

“Insolvency Event” shall mean any period of 60 consecutive days during which the Company fails to pay its debts as they become due and is legally insolvent within the meaning of the Bankruptcy Code.

“Interest” means with respect to any Member, all of such Member’s right, title and interest in and to the Company.

“Members” shall mean a Person listed as a Member on Schedule A annexed hereto, as the same may be amended pursuant to the terms of this Agreement from time to time, and any other Person admitted to the Company as a Member pursuant to this Agreement, and their respective permitted assigns.

“Member Nonrecourse Debt” shall have the same meaning as the term “partner nonrecourse debt” set forth in Regulations §1.704-2(b)(4) and 1.704-2(i).

“Member Nonrecourse Debt Minimum Gain” shall have the same meaning as “partner nonrecourse debt minimum gain” set forth in Regulations §1.704-2(i).

“Member Nonrecourse Deductions” shall have the same meaning as the term “partner nonrecourse deductions” in Regulations §§1.704-2(i)(1) and 1.704-2(i)(2).

“Membership Units” means the Membership Units issued by the Company.

“Nonrecourse Deductions” has the meaning set forth in Regulations §§1.704-2(b)(1) and 1.704-2(c).

“Operating Profits” and “Operating Losses” shall mean all Profits and Losses other than Profits and Losses from Capital Transactions.

“Partially Adjusted Capital Account” shall mean, with respect to any Member as of the end of any taxable year or other period of the Company, the Capital Account balance of such Member at the beginning of such year or period, adjusted for all contributions and distributions during such year or period and all special allocations pursuant to Sections 3.07 and 3.08 hereof with respect to such year or period but before giving effect to any allocations of Profits or Losses pursuant to Section 3.06 hereof with respect to such year or other period.

“Percentage Interest” means the equity ownership interest of each Member in the Company calculated by dividing the total number of Membership Units owned by such Member into the total number of Membership Units then outstanding.

“Person” shall mean an individual, a corporation, a partnership, a trust, an unincorporated organization and a government or any department, agency or political subdivision thereof.

“Profits” and “Losses” shall mean, for each taxable year or other period, an amount equal to the Company’s taxable income or loss for that year or period, determined in accordance with Code Section 703(a) (for these purposes, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to the foregoing shall be added to such taxable income or loss;

(b) any expenditures of the Company described in Code Section 705(a)(2)(B) or that are treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations §1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing Profits or Losses pursuant to the foregoing shall be subtracted from such taxable income or loss;

(c) in the event the Gross Asset Value of any Company asset is adjusted pursuant to paragraph (a), (b) or (d) of the definition of Gross Asset Value, the amount of the adjustment shall be taken into account as gain or loss from the disposition of the asset for purposes of computing Profits or Losses;

(d) gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of the property differs from its Gross Asset Value;

(e) in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for the taxable year or other period, computed in accordance with the definition of Depreciation under this Agreement; and

(f) Notwithstanding the above, any items that are specially allocated pursuant to Sections 3.07 and 3.08 hereof shall not be taken into account in computing Profits and Losses.

“Regulations” shall mean the federal income tax regulations promulgated under the Code, as the same may be amended from time to time. All references herein to a specific section of the Regulations shall be deemed also to refer to any corresponding provisions of succeeding Regulations.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Subsidiary” shall mean any entity at least a majority of the outstanding voting Equity Securities of which shall be owned at the time, directly or indirectly through Subsidiaries, by the Company, or which is otherwise controlled by the Company.

“Supermajority in Interest” shall mean the Members holding collectively, as of the relevant date, at least 60% of the Membership Units held by all membership classes.

“Target Account” shall mean, with respect to any Member for any taxable year or other period, an amount equal to the hypothetical distribution such Member would receive if all assets of the Company, including cash at the end of such period: (a) were sold for cash equal to their Gross Asset Value (taking into account any adjustments to Gross Asset Value for such period); (b) all liabilities allocable to such assets were then due and were satisfied according to their terms (with the satisfaction of nonrecourse liabilities limited to the Gross Asset Value of the assets securing such liabilities); (c) all “minimum gain chargebacks” required by Sections 3.07 and 3.08 of this Agreement with respect to such sale were made; (d) and all obligations, if any, of Members to contribute additional capital to the Company were satisfied; and (e) all remaining proceeds from such sale were distributed to the Members pursuant to Section 8.02 hereof (except that amounts deemed constructively distributed pursuant to the computation of prior Target Account balances shall not be treated as having been actually distributed for the computation of such given Target Account balance).

“Unreturned Capital Contribution” shall mean, with respect to a particular Member, an amount equal to the excess of such Member’s aggregate Capital Contributions over the cumulative distributions made to such Member pursuant to Section 4.01, Section 7.01 and Section 8.02(d)

IN WITNESS WHEREOF, the parties have executed this Limited Liability Company
Operating Agreement as of the day and year first above written.

THE COMPANY:

Baked Beans Farm, LLC

By: _____
David Essig, Manager

MEMBER:

David Essig

Jennifer Essig

Andrew Hawes

Robert Dolins

[Limited Partners]

MANAGER:

David Essig

BAKED BEANS FARM, LLC

SCHEDULE A

MEMBERS

Name and Address	Number of Units	Percentage Interest
David Essig 865 E 1 st Street South Boston, MA 02127		12.75%
Jennifer Essig 865 E 1 st Street South Boston, MA 02127		12.75%
Andrew Hawes 42 Austin Street Charlestown, MA 02129		12.75%
Robert Dolins 14 Boat House Road Groton, MA 01450		12.75%
[Limited Partners]		49%
Total		100%

BAKED BEANS
FARM, LLC
SCHEDULE B

Investment in Baked Beans Farm, LLC (the “Company”) carries a significant degree of risk. An investment in the Company is suitable only as a long-term investment for persons of adequate financial means who have no need for liquidity with respect to the investment. By investing in the Company, Members understand and have considered the risk factors set forth herein in addition to other information, prior to making their investment decision. In making the decision to invest in the Company, the Member relied on their own examination of the Company, including, without limitation, the merits and risks involved.

The Membership Units of the Company (“Membership Units” or “Interests”) have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), nor under the securities laws of any state, as they will be offered and sold only to a limited number of institutional investors and/or accredited investors, in reliance upon the exemption pursuant to Section 4(a)(2) of the Securities Act and/or Rule 506(b) of Regulation D promulgated thereunder and the related exemption from state securities laws registration. The Membership Units have not been recommended by any federal or state securities commission or regulatory authority. Any member desiring to transfer his/her/its unregistered Interests must furnish the Company with an opinion of counsel satisfactory to the Company and its counsel to the effect that the proposed transfer is exempt from the registration requirements of the Securities Act and does not violate Federal or state securities laws.

The Operating Agreement does not constitute an offer to sell or the solicitation of an offer to purchase Membership Units, nor shall there be any offer, solicitation or sale of the Interests in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful.

This is not a public offering. No general solicitation or advertisement was used to sell Membership Units. There is currently no public market for the Membership Units and in all probability, none will develop. The Membership Units are illiquid. The Members acknowledge that the Membership Units are being acquired for investment purposes and not with an intention of sale or distribution. Members acknowledge that they will be required to bear the financial risks of an investment in the Company for an indefinite period of time.

Each Member is satisfied that they have asked for and received all information which would enable such Member to evaluate the merits and risk of investing in the Company, prior to making such investment. Each Member is and has been urged to consult such Member’s legal counsel, accountant, or business advisor as to legal, tax, and related matters concerning any purchase of the Membership Units.

No representations or warranties of any kind are intended or should be inferred with respect to the economic return or the tax consequences from an investment in the Company. No assurance can be given that existing laws will not be changed or interpreted adversely. No persons other than the Managing Members and their representatives have been authorized to make representations, or give any information with respect to the Membership Units or investment in the Company.

Materials provided to Members and prospective members prior to such member's investment in the Company, may contain certain "forward looking information" about the Company in reliance upon the "Safe Harbor" provisions of the Federal securities laws. This information is subject to various risks and uncertainties, including, but not limited to, those described under "Risk Factors" below. All investment performance is inherently subject to significant uncertainties and contingencies, many of which are beyond the control of the Company. Any significant change therein can materially affect future results. Accordingly, there can be no assurances that the Company's objective will be achieved or that the Company will not incur losses.

The risks and uncertainties described below are not the only risks and uncertainties facing the Company. Additional risks and uncertainties that are not presently known or that the Company currently deem immaterial may also impair the Company's business operations, including risks and uncertainties generally applicable to companies that are involved in the cannabis industry. If any of the following risks actually occur they could materially adversely affect the Company's business, and financial condition or operating results.

RISK FACTORS

Risks Related to the Company

Baked Beans Farm is a development stage company with a no operating history on which to evaluate its business.

The Company's business prospects are difficult to predict because of the lack of operating history and early stage of development. This is compounded by the fact the Company operates in the legal cannabis business, a rapidly transforming industry. There is no guarantee that the Company's products or services will remain attractive to potential and current users as the industry undergoes rapid change. Unanticipated problems, expenses and delays are frequently encountered in establishing a new business and developing new facilities. These include, but are not limited to, inadequate funding, competition, facility development, the inability to employ or retain talent, inadequate sales and marketing, and regulatory concerns. The failure by the Company to meet any of these conditions would have a materially adverse effect upon the Company. No assurance can be given that the Company will ever be successful in its operations and operate profitably.

There is no guarantee the Company will secure a return to its Investors.

Investment in the Company requires a long-term commitment and there is no assurance that the Company's investment return objectives will be realized, or that significant capital losses will not occur. While market indicators appear to be positive (based on the Company's internal market research) there is no guarantee that the market will not change or that the Company may not be able to take advantage of existing or potential market opportunities.

Competition in the Industry could prohibit the Company from developing a customer base and generating revenue.

The cannabis industry is highly competitive and the Company will be competing with companies that have greater capital resources, facilities and diversity of product lines. Additionally, as the industry continues to grow, the Company expects many new competitors to enter the market. More established companies with much greater financial resources which do not currently compete with the Company may be able to adapt their existing operations to the Company's lines of business. Due to this competition, there is no assurance that the Company will not encounter difficulties in obtaining revenues and market share or in the positioning of its services or that competition in the industry will not lead to reduced prices for the Company's products and services.

The success of the Company is dependent on the ability to attract qualified personnel and manage growth.

The Company will need to hire personnel in the areas of growing, management, and compliance in order to operate the businesses as planned. The Company's future performance will substantially depend on its ability to hire and retain employees with the experience and skills in the industry in order to implement the Company's business plan. If the Company cannot attract and retain such personnel, it would have a material adverse effect on the business. Further, as the business progresses, the Company expects to experience significant and rapid growth in the business. The Company will be required to hire a broad range of additional personnel in order to successfully advance its operations. This growth is likely to place a strain on the Company's management and operational resources. The failure to manage growth effectively could have a materially adverse effect on the Company's business and financial condition.

Changes in consumer preferences could negatively impact demand.

The Company's continued success depends, in part, upon the popularity of cannabis and/or cannabis related products produced by the Company. The Company's success will depend in part on its ability to anticipate and respond to changing consumer preferences and purchasing habits, as well as other factors, including new market entrants, changes in laws, and demographic changes.

Failure to obtain the required permits, licenses and approvals necessary to acquire, develop and produce cannabis and cannabis related products, could negatively impact the Company's growth and success.

The Company will be subject to licensing and regulation by a number of governmental authorities, including the Cannabis Control Commission, and may also include health, sanitation, safety, fire, building, environmental, zoning, land use and other agencies in Massachusetts or the municipality in which the Company is located. Difficulties in obtaining or failure to obtain the required licenses or approvals could delay or prevent the Company from operating in a particular area, or could result in the failure of the Company's business.

The Company may not generate sufficient cash flow to make distributions to Members.

There is no assurance that the Company will have income sufficient to cover expenses or have sufficient cash flow to make distributions to Members. Even if the Company makes such distributions, there can be no guaranty concerning the timing or amounts of the distributions.

The Company's ability to succeed is subject to numerous factors, some of which are beyond the Company's control.

The success of the Company will depend upon numerous factors, many of which are beyond the Company's control, including the following:

- The availability and retention of qualified operating personnel;
- The increases in minimum wage and other operating costs;
- Volatility of prices;
- Consumer preferences, spending patterns and demographic trends;
- Securing required governmental approvals and permits;
- Changes in state and federal law or enforcement priorities;
- Competition in current and future markets and competitive discounting;
- Availability of capital; and
- The possibility of unforeseen events affecting the cannabis industry generally, such as the change in laws or enforcement of current laws related to the cannabis industry.

Any one or all of these factors could impact the performance and success of the Company.

Regulatory and Legal Risks

The Cannabis business is a highly regulated industry, but many of the laws are untested and the regulations are constantly evolving.

Although Massachusetts law permits the use, possession, cultivation and distribution of cannabis, subject to significant restrictions and limitations, such laws are in conflict with the Federal Controlled Substances Act (the "FCSA"), which classifies cannabis as a schedule-1 controlled substance and makes cannabis use and possession illegal on a national level. The laws, regulations, policies, and current administrative practices of Massachusetts and the United States with respect to the cannabis industry are rapidly evolving and may be changed or interpreted in a manner which will fundamentally alter the ability of the Company to carry on their respective businesses. Further, Massachusetts cannabis laws are relatively new and there is little interpretive guidance and case law available to understand how certain laws, rules and

regulations will be interpreted or applied by enforcement agencies or the courts. Accordingly, the Company may unintentionally violate laws, rules or regulations. Any such violations could result in litigant or other legal proceedings which may have adverse consequences for the Company, including the loss of our ability to conduct operations.

Further, the Company's participation in the cannabis industry and the evolving nature of the laws and regulations may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, state, or local governmental authorities against the Company. Litigation, complaints, and enforcement actions involving these subsidiaries could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Company's future cash flows, earnings, results of operations, and financial condition.

An investment in the Membership Interests has complex tax consequences.

The tax consequences of an investment in the Company are complex and their impact may vary depending on each Member's particular tax situation. Passive activity loss limitations may suspend a Member's ability to deduct our tax losses. ***Member's should also understand that they must pay a tax on the Member's share of the taxable income of the Company regardless of whether the Company makes a distribution to cover the taxes resulting from such profits. There is no guarantee that the Company will have sufficient funds to make a distribution sufficient to cover any taxes that might result from ownership of the Membership Units. A Member is personally liable for federal income taxes on the portion of the Company income that is allocated to the Member regardless of whether or not the Company makes any such distribution. The Company strongly encourages Members to consult with your legal and tax advisors to determine the tax implications of owning the Membership Units.***

Application of Internal Revenue Code Section 280E.

Except for "cost of goods sold," Section 280E of the Internal Revenue Code prohibits cannabis businesses from taking tax deductions for ordinary business expenses that are available to similar businesses in other industries. The Company and Members' allocations of Profit and Losses and distributions from the Company may be subject to Section 280E of the Code limiting the ability of the Company and/or the Members from deducting usual business expenses from the income of the company. ***The Company may pay a high effective Federal, state and local tax rate due to the tax rules and there is no guarantee that the Company will have sufficient funds to make a distribution sufficient to cover any taxes that might result from ownership of the Membership Units.***

The summary set forth in this Schedule B as to certain federal income tax matters does not purport to be a complete analysis of all of the relevant federal income tax rules and considerations nor does it purport to be a complete summary of all of the potential tax risks inherent in purchasing and holding Membership Units in the Company. The income tax consequences of an investment in the Company are complex and can vary significantly with the particular circumstances of each Member. Members should consult their own tax advisors with respect to the tax consequences of their investment in the Company.



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: 001441514

1. The exact name of the limited liability company is: BAKED BEANS FARM LLC

2a. Location of its principal office:

No. and Street: 865 E 1ST STREET
 City or Town: BOSTON State: MA Zip: 02127 Country: USA

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

No. and Street: 865 E 1ST STREET
 City or Town: BOSTON State: MA Zip: 02127 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:

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: DAVID S ESSIG
 No. and Street: 865 E 1ST STREET
 City or Town: BOSTON State: MA Zip: 02127 Country: USA

I, DAVID S ESSIG 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	DAVID S ESSIG	865 E 1ST STREET BOSTON, MA 02127 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	JENNIFER L ESSIG	865 E 1ST STREET BOSTON, MA 02127 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

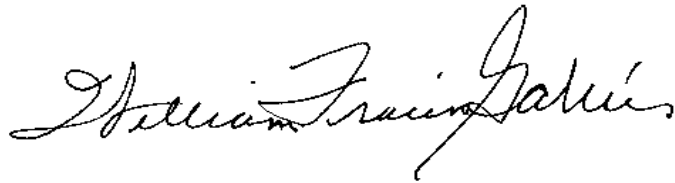
9. Additional matters:

SIGNED UNDER THE PENALTIES OF PERJURY, this 9 Day of June, 2020,
DAVID S ESSIG
(The certificate must be signed by the person forming the LLC.)

THE COMMONWEALTH OF MASSACHUSETTS

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

June 09, 2020 12:32 PM

A handwritten signature in black ink, reading "William Francis Galvin". The signature is written in a cursive style with a large, stylized 'G' at the end.

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth



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

mass.gov/dor

Letter ID: L1306600128
Notice Date: December 3, 2021
Case ID: 0-001-334-671



CERTIFICATE OF GOOD STANDING/TAX COMPLIANCE REQUEST STATUS



BAKED BEANS FARM LLC
865 E 1ST ST
BOSTON MA 02127-1708

Why did I receive this notice?

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

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

What if I have questions?

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

Visit us online!

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

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

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

Confirmation Code: c3kf7p

Edward W. Coyle, Jr., Chief
Collections Bureau



Certificate of Good Standing - DoU

Dear Cannabis Control Commission:

This letter is to certify and attest at the present time that Baked Beans Farm is unable to obtain a Certificate of Good Standing from the Department of Unemployment Assistance as the Company cannot register with the department until hiring employees.

If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "David E. Smith", is written over the word "Sincerely,".

CEO, Founder
Baked Beans Farm LLC



Executive Summary

Company Summary

Baked Beans Farm is a new Massachusetts Limited Liability Company intending to penetrate the cannabis cultivation and manufacturing market in Massachusetts. Baked Beans Farm is applying for a Tier 2 Cultivation License and a Manufacturing License in the Commonwealth of Massachusetts to operate in a 20,141 square foot facility in Beverly, Massachusetts. Baked Beans Farm intends to cultivate and manufacture cannabis and cannabis products and sell to other Marijuana Establishments upon launch.

Main Goals

- Secure a Tier 2 Cultivation License and a Manufacturing License in the Commonwealth of Massachusetts to be able to cultivate, manufacture and sell cannabis and cannabis products to Marijuana Establishments
- Rent a facility to support the launch and growth of the business
- Cultivate and manufacture high quality cannabis flower and products, such as pre-rolled cannabis joints, edibles, vape cartridges, oil, concentrates, and cannabis-infused seltzer, as a fully compliant cannabis business
- Create brand recognition of Baked Beans Farm's high-quality cannabis and related products

Mission

Baked Beans Farm is a cannabis business that is focused on cultivating and manufacturing high-quality, safe, and consistent cannabis flower and products while being fully compliant with state and local laws and regulations. Baked Beans Farm is passionate about cannabis and the positive, healthy, and fulfilling lifestyle it can provide to adults.

Products and Services

Baked Beans Farm will have the ability to vegetate flower concurrently under 10,000 square feet of canopy, which is defined as the physical structure in which a plant can grow, will grow up to 10 different strains of cannabis, and will have the ability to grow from seedling and/or clone to finished product. Baked Beans Farm will dry and process all cannabis flowers into labeled/inventoried vacuum sealed bags before delivery to other Marijuana Establishments.

Baked Beans Farm will also manufacture cannabis products by extracting high-quality oils from the cannabis plant using various approved methods such as CO2 and hydro-carbon extraction. These oils will be used to produce cannabis products, including edibles, vape cartridges, oil, concentrates, and cannabis-infused seltzer. Baked Beans Farm will comply with all appropriate packaging/labeling.

Baked Beans Farm will contract with a Marijuana Transporter licensed with the Commonwealth of Massachusetts for all transportation services.

Objectives

Year 1: Secure a Tier 2 Cultivation License and a Manufacturing License in the Commonwealth of Massachusetts and complete the buildout needed to support operations

Year 2: Begin to sell cannabis to other Marijuana Establishments by commencing manufacturing production and maximizing vegetation space by the end of the year

Year 3: Continue to sell cannabis to other Marijuana Establishments with maximization of space and production, including the selling of cannabis-infused seltzer

Year 4 and Beyond: Maintain quality and production levels and maximize selling prices through marketing, branding, and strategic relationships with other Marijuana Establishments

Market Opportunities

According to the report by Arcview Market Research and BDS Analytics: "The Road Map to a \$57 Billion Worldwide Market", spending on legal cannabis worldwide is expected to hit \$57 billion by 2027. The recreational cannabis market will cover 67% of the spending while medical cannabis will take up the remaining 33%.

The North American legal cannabis market amounted to almost \$14 billion in 2019, growing by 30% on the year. The largest market was the United States (U.S.), which totaled \$12.2 billion. It was followed by Canada with about \$1.7 billion. Analysts predict the overall cannabis market for legal adult-use and medical sales in North America to reach \$24.5 billion by 2021 with the compound annual growth rate (CAGR) to over 20%.

Over 60% of the U.S. population now lives in states and territories that have legalized some form of cannabis use and sales.

In 2008, Massachusetts voters decriminalized the possession of small amounts of marijuana and Massachusetts became the 18th state to legalize medical marijuana when voters passed a ballot in 2012. Recreational marijuana became legal in Massachusetts on December 15, 2016, following a ballot initiative in November of that year.

Governor Charlie Baker signed legislation on December 30, 2016 extending the start date for legal licensed recreational cannabis sales by six months, to July 2018. The extended ban eventually lasted 8 months past the original effective date of the initiative. The law legalizing recreational cannabis in Massachusetts was signed into effect on July 28, 2017.

While the recreational marijuana industry in Massachusetts was initially overseen by the Department of Public Health, the Cannabis Control Commission took charge of the administration of the industry in December 2018. The Commission is responsible for promulgating regulations relating to marijuana, processing business applications and issuing licenses, and creating policies and procedures which "promote and encourage full participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement and to positively impact those communities."

The first recreational license for cultivation was granted on June 21, 2018. Retail sales have a 10.75% excise tax on marijuana, on top of the general 6.25% state sales tax, and up to a 3% local option tax, for a total of 17%–20% tax.

In addition to the above taxation, applicants are required to execute a host community agreement with the city or town it intends to operate its business. As part of the host community agreement, a city or

town may be able to receive up to 3% of gross sales of marijuana and marijuana products for up to five years. This fee is to cover the cost to a community in allowing a cannabis business to operate in the community.

According to the Cannabis Control Commission, as of February 28, 2021, the Commonwealth of Massachusetts had approved 774 licenses, including 323 retail licenses, 242 cultivator licenses, 184 manufacturing licenses and 17 microbusiness licenses. Year-to-date sales, through February 28, 2021 were approximately \$239 million in the Commonwealth as well.

Start-up Summary

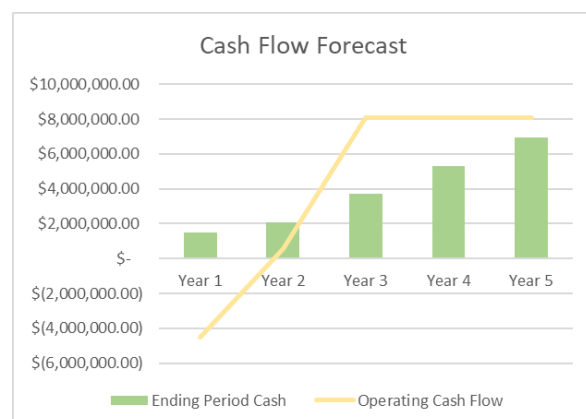
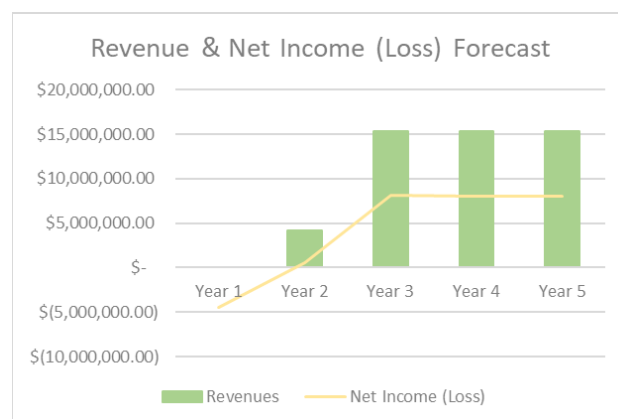
The total investment required before Baked Beans Farm begins generating revenue is approximately \$6.0 million. Initial investment would cover start-up costs and fixed expenses until profitability is achieved.

Buildout and equipment costs	\$ 3,100,000.00
Cultivation supplies/equipment	1,000,000.00
Payroll	650,000.00
Rent and utilities	600,000.00
Manufacturing supplies/equipment	400,000.00
Legal and administrative fees	100,000.00
Security system	60,000.00
Insurance	20,000.00
Other	70,000.00
Total	\$ 6,000,000.00

Financial Summary

Baked Beans Farm will fund its start-up and fixed expenses through a \$6.0 million capital raise, not to exceed 49% of the business.

From a total investment of \$6.0 million, Baked Beans Farm is expected to generate approximately \$4.2 million in gross revenues with net income of approximately \$0.6 million by the end of Year 2. Gross revenues are expected to grow to approximately \$15.3 million in Year 3 with net income of approximately \$8.1 million. Gross revenues do not include sales tax or income tax.



Baked Beans Farm will create between 18-20 jobs in the city of Beverly, Massachusetts over the next 3 years, including a Master Grower, Grow Techs, Trimmers, Head of Manufacturing, Manufacturers, Office Manager, Inventory Specialist, and HR. These jobs will pay better than the prevailing wage in the area. Baked Beans Farm will work to promote equity among minorities, women, Veterans, people with disabilities, and people of all gender identities and sexual orientation, in its operations.

Market Overview

Global Market

The global legal cannabis market is valued at \$17.7 billion in 2019, growing by about 22%, according to the report from Grand View Research.

Spending on legal cannabis worldwide is expected to reach \$42.7 billion by 2024 at a CAGR of 25% from 2019 and hit \$57 billion by 2027, while cannabis in the U.S. and Canada is estimated to be approximately \$46.5 billion and another \$10.5 billion would go to other markets. The largest growth rate is predicted within the rest-of-world markets with a projected \$2.5 billion in 2027.

The recreational cannabis market will cover about 67% of the spending while medical cannabis will take up the remaining 33%.

Legal medical cannabis spending outside the U.S. and Canada more than doubled in 2019, from \$367 million to \$840 million, largely due to markets in Germany and Mexico. According to the report, the global medical cannabis market is projected to increase in value to \$14.09 billion in 2024 at a CAGR of 10% from 2019 to 2024.

Key trends:

- The initial decision by many U.S. states and Canada to create medical-only cannabis regulations prompted many other countries to act similarly while legalization of adult recreational use in California and Canada triggered a second wave of legalization laws internationally to increase access to medical cannabis.
- South American countries have the most liberal medical cannabis programs. Led by Brazil, Argentina, Peru and Uruguay, the South American medical cannabis market may grow from \$125 million in 2018 to \$776 million in 2027.
- Germany is ready to become the leader of the European cannabis market, and Italy is expected to be second with \$1.2 billion in sales by 2027. Some form of medical cannabis is now legal in 22 countries in Europe.
- Australia's legal cannabis market is forecast to grow from \$52 million in 2018 to \$1.2 billion in 2027, the 5th largest in the world.
- Israel has a small population and a long history of legal medical cannabis use. It continues to be a leader over the years in the development of cannabis pharmaceuticals.

North American Market

The North American legal cannabis market amounted to almost \$14 billion in 2019, growing by 30% on the year. The largest market was the U.S., which totaled \$12.2 billion. It was followed by Canada with approximately \$1.7 billion.

The report from cannabis industry analysts, Arcview Market Research, in partnership with BDS Analytics, forecasts that the entire legal cannabis market in North America to reach \$24.5 billion in sales – a 20% annual growth rate by 2021 – as more countries and states legalize cannabis for recreational use and existing markets mature and will grow to \$46.5 billion six years later.

U.S. Market

The U.S. legal cannabis sales reached \$12.2 billion in 2019 according to the Arcview/BDS report and experts forecast that 2020 sales should reach \$16.2 billion and by 2024 could be as high as \$31.1 billion.

Although the use of cannabis is illegal under the federal law and the federal government classifies cannabis as a schedule 1 drug, more than 60% of the U.S. states have legalized it in some form. Most states legalized it only for medical purposes, but eleven states – Alaska, California, Colorado, Illinois, Maine, Massachusetts, Michigan, Nevada, Oregon, Vermont and Washington – have gone further, legalizing recreational use.

As a result, 33 states, the District of Columbia, Puerto Rico, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands have effective medical cannabis laws, and 11 states and the District of Columbia now allow cannabis for recreational use.

In 2018, 62% of Americans report supporting cannabis legalization, up from what it was in 2000 (31%).

There are more than 20,000 active licenses for cannabis businesses in the U.S. This includes cultivation, extraction and manufacturing, retail, distribution and testing licenses.

The industry employed 211,000 people in 2018 and the number of full-time cannabis employees grew 17% to 247,300 in 2019. If the cannabis market continues its growth trend, the number of workers in that industry could reach about 500,000 by 2022, according to New Frontier Data.

Much of last year was marked in general by an upward trend in the national composite price. The U.S. Spot increased by 21.9% from the opening to the closing week of 2019. Additionally, for Q4, the national composite rate averaged \$1,423 per pound, up by 30.1% compared to the quarterly average price of \$1,094 per pound, documented in the same period in 2018. Yet, Q4 2019's mean going rate is up by only 2.8% from Q3's quarterly average price of \$1,392 per pound.

The seasonal impact of the fall harvest remains undeniable, driving prices to their annual low in November the previous three years except the last year. The U.S. Spot opened the year at \$1,165 per pound and slid to its annual low of \$1,066 per pound in the first week of April after a strong outdoor harvest on the west coast. The U.S. Spot trended upward through the spring, summer, and into the autumn, when it peaked at \$1,464 per pound in mid-November.

Massachusetts Market

In 2008, Massachusetts voters decriminalized the possession of small amounts of marijuana and Massachusetts became the 18th state to legalize medical marijuana when voters passed a ballot in 2012. Recreational marijuana became legal in Massachusetts on December 15, 2016, following a ballot initiative in November of that year.

Governor Charlie Baker signed legislation on December 30, 2016 extending the start date for legal licensed recreational cannabis sales by six months, to July 2018. The extended ban eventually lasted 8

months past the original effective date of the initiative. The law legalizing recreational cannabis in Massachusetts was signed into effect on July 28, 2017.

While the recreational marijuana industry in Massachusetts was initially overseen by the Department of Health, the Cannabis Control Commission took charge of the administration of the industry in December 2018. The Commission is responsible for promulgating regulations relating to marijuana, processing business applications and issuing licenses, and creating policies and procedures which "promote and encourage full participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement and to positively impact those communities."

The first recreational license for cultivation was granted on June 21, 2018. Retail sales have a 10.75% excise tax on marijuana, on top of the general 6.25% state sales tax, and up to a 3% local option tax, for a total of 17%–20% tax.

According to the Cannabis Control Commission, as of February 28, 2021, the Commonwealth of Massachusetts had approved 774 licenses, including 323 retail licenses, 242 cultivator licenses, 184 manufacturing licenses and 17 microbusiness licenses. The Commonwealth has recorded sales of approximately \$1.4 billion since the first license was approved by the Cannabis Control Commission. Year-to-date sales, through February 28, 2021 were approximately \$239 million in the Commonwealth as well.

SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none">• Experience in growing• Business startup experience• Financial experience	<ul style="list-style-type: none">• Product liability / legal issues• Risk of banking / financial / IRS• Crop loss possibility due to heat, human error, etc.• High energy consumption	<ul style="list-style-type: none">• High growth industry• Growing interest and demand for high quality product• Trend toward greater cannabis legalization, including the use of cannabis for recreational purposes• Global Market	<ul style="list-style-type: none">• A significant drop in wholesale pricing• Enforcement of federal law• Possible state law changes• Indicators of a slowed global economy• Large companies entering the market

Sales Strategy

Marketing Plan

Since cannabis is illegal under federal law, state governments and online advertising platforms are placing strict rules on how companies can market their products.

The most effective strategies for legal marijuana companies are direct marketing at industry conferences and other events, building communities around marijuana -related concerns such as health and wellness. The marketing and sales strategy of Baked Beans Farm will be based on generating long-term personalized relationships with other cultivators, manufacturers and dispensaries and creating brand recognition for its products.

Marketing and advertising will include:

- Meeting with distributors and retailers
- Email marketing
- Business events and conferences (post COVID-19 restrictions)
- Business and industry associations
- Brand development
- Brochures
- Website development with search engine optimization
- Cannabis business directories and platforms

Currently in the Commonwealth of Massachusetts, there are more dispensaries than there are grow operations, causing a shortage in supply in the market. Baked Beans Farm will contract with Massachusetts recreational dispensaries and sell flower and products with our packaging and labeling for brand recognition and quality-control. There is no formal trading/brokerage process with Massachusetts recreational dispensaries. They are only allowed to buy cannabis from other Marijuana Establishments under the regulations. Based on discussions with multiple recreational dispensaries and another operating Microbusiness, pricing is the main variable for buying/selling cannabis and is dependent upon how the cannabis tests with the laboratory and quality of the cannabis.

Competition

The cannabis industry is known to be highly competitive in the U.S. and in most parts of the world. The industry is growing and there are alternative ways through which clients/patients can obtain their cannabis.

In this industry, most of the competitive dynamics center around the quality of cannabis cultivated, the service offered, and the location where the cultivation will be done. The branding of Baked Beans Farm plays a significant role. Even though competition is stiff, especially from the big well-backed enterprises, smaller enterprises can still get their fair share of the market if they stay true to the competitive dynamics. Small cannabis cultivation operations will always struggle with larger based cannabis cultivation operations when it comes to pricing power and brand recognition, but smaller based operations will deliver excellent client service. It is through top-notch client service that they can secure a fair share of the available market.

Sales Forecast

Baked Beans Farm intends to start operations in Year 2, with sales projected to start within those first 3 months after receiving its final license, and significantly increasing during Year 3. Operations will be performed year-round in an indoor facility in Beverly, Massachusetts.

The growth rate for revenue is approximately 262% from Year 2 to Year 3.

	Year 2			
	Q1	Q2	Q3	Q4
Gross revenues (not including sales tax)	\$ -	\$ 525,000.00	\$ 525,000.00	\$ 3,172,501.05
	Year 3			
	Q1	Q2	Q3	Q4
Gross revenues (not including sales tax)	\$ 3,825,005.55	\$ 3,825,005.55	\$ 3,825,005.55	\$ 3,825,005.55

Operating Plan

While most businesses in any industry try to keep startup costs as low as possible, that isn't necessarily the best way to proceed when opening a cannabis business. Creating a cost-efficient cultivation and manufacturing site often involves investing in technology and processes that may result in larger startup costs. These costs will reduce Baked Beans Farm's cost of operations in the long run and will allow the company to be more competitive in pricing in the market.

The building will include:

- Mother room and cloning
- Vegetative grow room
- Flowering room
- Drying and trim room
- Curing room
- Manufacturing room
- Packaging room
- Office space

Cultivation

The cultivation premises will be adequate to house and grow under 10,000 square feet of canopy. Canopy is defined as the physical structure in which a plant can grow. Conservatively, this would result in approximately 3,000 pounds of cannabis per year. Baked Beans Farm expects to sell its cannabis in the market at approximately \$3,000 per pound, with this decreasing slightly over time with additional competition in the market. However, Baked Beans Farm's cost per plant will also decrease over time.

An indoor environment provides maximum control, and therefore the most reliable consistent cannabis crops are produced in a properly designed grow room. Without natural light, indoor grow rooms depend on intelligent grow lights which need to replicate the parts of the sunlight spectrum that the marijuana plants need at each stage of growth. Lighting is a key component in an integrated system. Air filtration and circulation systems are essential for controlling heat buildup and eliminating exhaust odors. It is critical that the air circulation in a marijuana premises is designed in conjunction with the grow lights because lighting systems emit large amounts of heat. There are various irrigation systems for growing cannabis appropriate for growing indoors: drip irrigation, hydroponic, flood benches, or trough benches. The irrigation system should be designed in conjunction with a nutrient management system for maximizing the production yield of the cannabis plants. There will also be a computer control system to monitor nutrients, lights, air circulation, and the irrigation needs of the plants.

Baked Beans Farm will exclusively use hydroponics, which are highly recommended for any commercial cannabis grow operation.

Yields and quality of plants grown under artificial lights mostly depends on:

- Seed variety
- Whether the plants are grown from seeds or clones
- After how many days of growing the plants are put into flowering
- The optimization of the climatic conditions of the grow room

Baked Beans Farm will utilize LED lights as its artificial lights. On average, LED lights draw approximately 32 watts per light and cover 1 square foot for flowering cannabis. However, LED lights are sold as panels, typically including a multiple number of lights per panel and therefore can cover a much larger grow space. LED lights convert electricity into light much more efficiently than any other light bulbs on the market, which is demonstrated by the production of lower heat being generated, less air conditioning needed, and a lower possibility of plant burn.

Phases of Production

- 1st stage: seed growing (2 weeks)
- 2nd stage: vegetation (4 to 5 weeks)
- 3rd stage: flowering (8 to 9 weeks)
- 4th stage: processing / trimming (1 day)
- 5th stage: drying and curing (4 weeks)
- 6th stage: packaging and labeling (1 day)

Total elapsed time: approximately 18 to 21 weeks

Product Timeline and Production Schedule

Baked Beans Farm will have the ability to vegetate flower concurrently under 10,000 square feet of canopy, which is defined as the physical structure in which a plant can grow, will grow up to 10 different strains of cannabis, and will have the ability to grow from seedling and/or clone to finished product. Below is the estimated schedule once Baked Beans Farm obtains their license to maximize the 10,000 square feet of canopy.

	Year 2				
	Month 1	Month 2	Month 3	Month 4	Going Forward
Square footage of canopy being used	80	1,680	4,180	7,180	10,000

Manufacturing Area

The manufacturing premises will be adequate to house extraction equipment for producing products. Baked Beans Farm will source the cannabis needed to produce products through both their own grow facility and purchasing cannabis from other Marijuana Establishments. Baked Beans Farm expects to sell its products in the market at the current market prices.

Baked Beans Farm will manufacture cannabis products by extracting high-quality oils from the cannabis plant using various approved methods such as CO2 and hydro-carbon extraction. These oils will be used

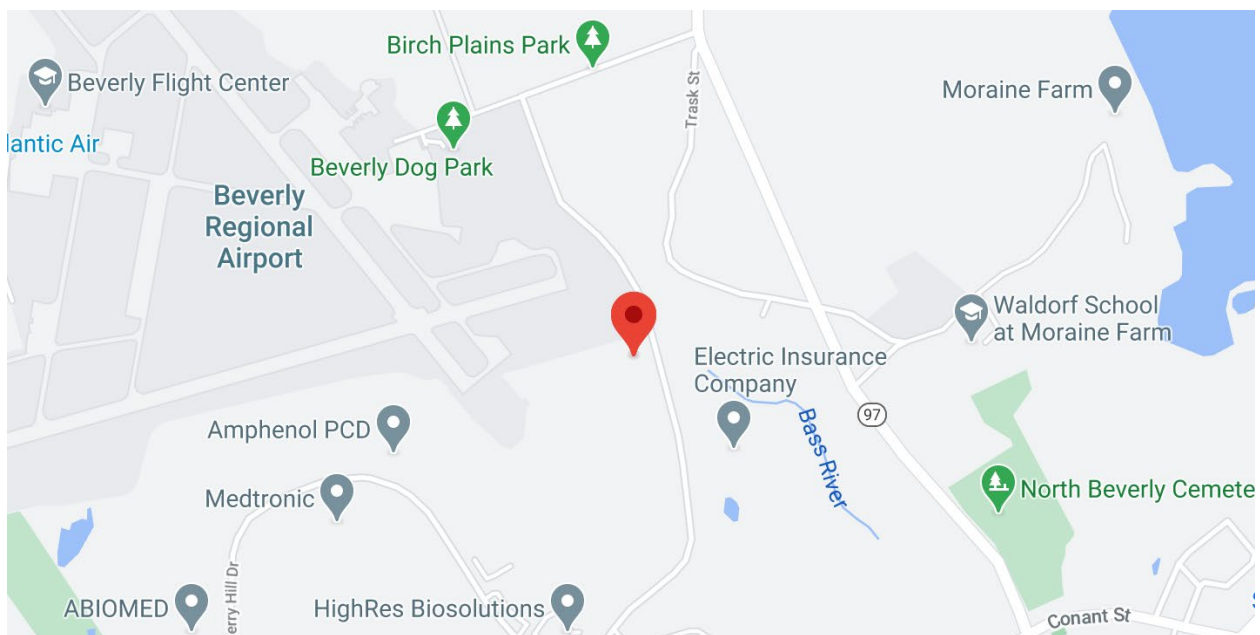
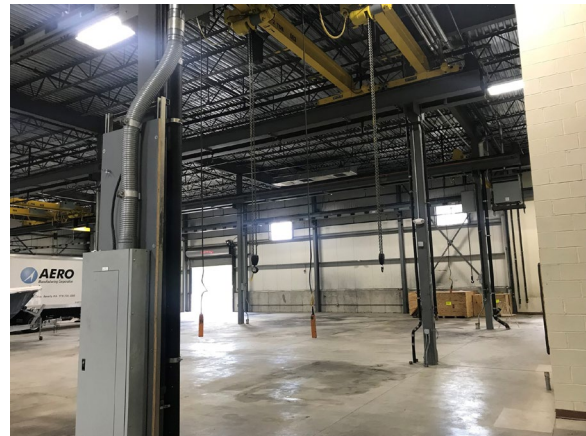
to produce cannabis products, including edibles, vape cartridges, oil, concentrates, and cannabis-infused seltzer.

Baked Beans Farm will comply with all COVID-19 regulations in place at the time the business is operating.

Physical Security Plan

Physical Building

The physical address of the facility will be 150 Sam Fonzo Drive, Beverly, Massachusetts.



The building is set in an industrial park next to an airport. There is one industrial building across the street, but the remaining buildings are not visible from the potential leased building. There are very little residential buildings/homes in the area as well. Baked Beans Farm will be the only tenant in the building.

A site plan showing the entire structure of the building, including the street, parking lot, and any other entities that physically border the site will be provided in an Appendix.

Areas where cannabis will be kept or handled have no external doors or windows and can be accessed only from within the facility.

All main access point door hinges will be equipped with hinge-pin-locking screws to increase security. All finished product will be locked additionally through a safe or other similar security measure.

This configuration yields optimal conditions for surveillance. These existing design elements will not only make unauthorized access extremely unlikely, but also act as a deterrent discouraging theft.

Floor Plan

A floor plan of the facility detailing the location shows the following and will be provided in an Appendix:

- All entrances and exits;
- The location of any windows;
- The location of any cameras, and their field of view;
- The location of all alarm inputs (door contacts, motion detectors, duress/hold up devices) and alarm sirens;
- The location of the digital video recorder and alarm control panel.

Security

Baked Beans Farm will secure its facility to prevent unauthorized intrusion using electronic surveillance. The perimeter will be secured by video surveillance and adequate outside security lighting. Motion detectors will monitor the inside of all exterior doors and windows, hallways, cultivation rooms, and storage rooms. These are separate sensors from the video camera motion detectors.

Baked Beans Farm anticipates contracting with a third-party monitoring service to help deter, detect, and document security events. This service will monitor for fire and for security breach of doors or windows. Trained professionals from their monitoring centers will be able to access the security surveillance system at all times and will report and document any suspicious activity. The security personnel, such as the Commonwealth's seed to sale tracking system will ensure that there is no diversion of marijuana and marijuana products.

There will be triggers around the facility to alert the monitoring team of a possible intrusion or unauthorized access. Triggers can be:

- Motion-sensor surveillance cameras
- Motion-sensor laser beams
- Unauthorized electronic access
- Security and fire alarms
- Break-proof glass

The facility will comply with all local fire code and building code requirements, as well as the Cannabis Control Commission's regulations.

There will be no cash held at the facility. Since all sales will be with Marijuana Establishments, payments will be made by wire, ACH, credit card or check. Any checks received will be immediately endorsed for deposit. Check stock for payments to vendors will be held in a locked drawer, with only the CEO and CFO having access.

Currently in the Commonwealth of Massachusetts, there are three banks that are permitted to do banking with Marijuana Establishments. In the unlikely event that this is no longer possible, Baked Beans Farm will become a cash-only business. Baked Beans Farm will purchase a safe that will be bolted to the floor and wall in a separate locked room. Only the CEO and CFO will have access to the room. Baked Beans Farm will continue to use an accounting software to keep track of sales and purchases and will reconcile cash to the safe each month.

Transportation

Cannabis will only be transported to other Marijuana Establishments and/or consumers through a Marijuana Transporter licensed with the Commonwealth of Massachusetts. Baked Beans Farm will ensure that all transported cannabis is linked to the seed-to-sale tracking program. Prior to the cannabis leaving Baked Beans Farm, the company will weigh, inventory, and account for, on video, all cannabis to be transported. Baked Beans Farm will receive a manifest from the Marijuana Transporter to ensure successful delivery to the other Marijuana Establishment and/or consumer. Baked Beans Farm will document and report any unusual discrepancy in weight or inventory, or any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport, not more than 24 hours after discovery to the Cannabis Control Commission.

Packaging and Labeling

Baked Beans Farm will conduct the following regulations for packaging and labeling to other Marijuana Establishments:

- A legible, firmly affixed label on which the wording is no less than ½ inch in size on each package that it makes available for retail sale, containing at a minimum the following information:
 - The name and registration number of Baked Beans Farm, together with the retail Licensee's business telephone number, electronic mail address, and website information, if any;
 - The quantity of usable marijuana contained within the package;
 - The date that Baked Beans Farm packaged the contents and a statement of which employee performed the packaging;
 - A batch number, sequential serial number, and bar code when used, to identify the batch associated with manufacturing and processing;
 - The full cannabinoid profile of the marijuana contained within the package, including THC and other cannabinoid level;
 - A statement and a seal certifying that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with the Commonwealth of Massachusetts's regulations.
 - This statement, including capitalization;

This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Marijuana use during pregnancy and breast-feeding may pose potential harms. It is against the law to drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN.;

- Easily recognizable marks or symbols issued by the Cannabis Control Commission that indicates the package contains marijuana and that the product is harmful to children.

Cannabis product packaging and labeling will also comply with the requirements of the Cannabis Control Commission when produced.

Testing Requirements

Marijuana may not be sold or otherwise marketed for adult use unless it has been tested by an Independent Testing Laboratory in compliance with the protocols established in accordance with the Commonwealth and in a form and manner determined by the Cannabis Control Commission. Marijuana will be tested for the cannabinoid profile and for contaminants as specified by the Cannabis Control Commission including, but not limited to, mold, mildew, heavy metals, plant growth regulators, and the presence of pesticides. The Cannabis Control Commission may require additional testing.

Baked Beans Farm will have a written policy for responding to laboratory results that indicate contaminant levels are above acceptable limits established in the protocols and will maintain the results of all testing for no less than one year.

Tracking Solution

Baked Beans Farm will use the seed-to-sales tracking system, Metrc, as required in the Commonwealth of Massachusetts. This electronic system of record provides the electronic tracking of an individual cannabis or marijuana plant, including its cultivation, growth, harvest and preparation of cannabis or marijuana products, if any, and final sale in real time. This system shall utilize a unique-plant identification and unique-batch identification. It will also be able to track agents' and licensees' involvement with the marijuana product.

Organizational Structure

Baked Beans Farm is a Massachusetts Limited Liability Company. Baked Beans Farm intends to raise capital for 49% of the business, with the remaining 51% being owned by the founders David Essig, Jennifer Essig, Andrew Hawes, and Robert Dolins.

David has over 16 years of experience in the finance/accounting industry, recently working towards furthering his knowledge in insurance and selling financial products, and successfully running an outsourced CFO business for start-ups for the past 4 years as he felt there was a need in the industry for a virtual CFO for companies just starting out. David is an experienced knowledgeable home grower and has been farming indoors in hydroponics and cloning, hardening and transplanting plants while staying compliant with all of the Massachusetts legal requirements. David is a licensed CPA in Massachusetts and earned his Bachelor's Degree in Financing and Accounting and Master's Degree in Accounting at Northeastern University.

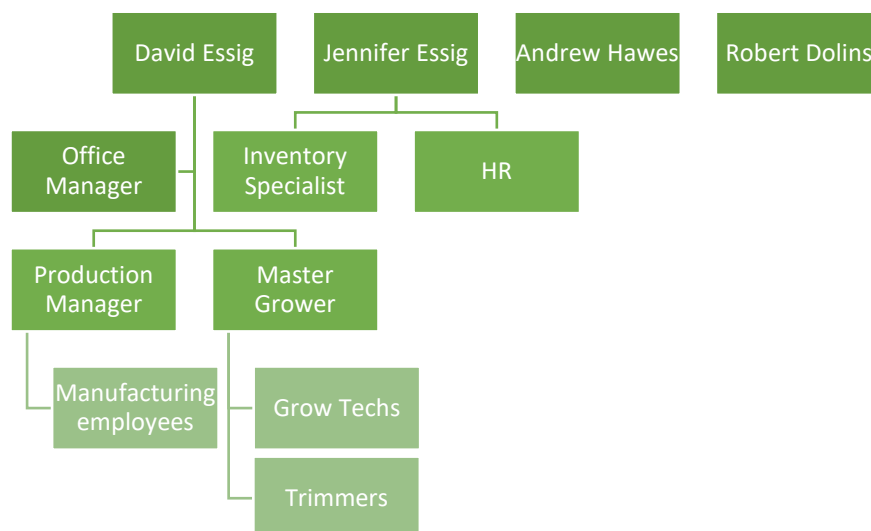
Jennifer Essig will serve as CFO of Baked Beans Farm. Jennifer also has over 16 years of experience in the finance/accounting industry. She has spent her entire career in the biotech industry, currently serving as a Corporate Controller at a publicly-traded biotechnology company in Massachusetts. Jennifer is a licensed CPA in Massachusetts and earned her Bachelor's Degree in Accounting at Stonehill College and Master's Degree in Accounting at Northeastern University.

Andrew is the current owner of Vista Way Advisors LLC, a Massachusetts registered investment advisory firm which focuses on wealth management and private investment opportunities. Before Vista Way Advisors, Andrew spent 10 years in financial services working for two of the industry's top global asset managers - at BlackRock as Vice President of Investment Management Consulting and at Columbia Threadneedle Investments as a Regional Sales Director. Much of that time was dedicated to funding, over \$1 billion dollars, into various investment funds and consulting financial advisors on investment strategies and portfolio construction. Andrew also has a unique perspective of owning and operating a small retail business, a ski and bike shop, which he is still involved with today. He earned the Accredited Wealth Management Advisor designation and holds the FINRA series 7, 63, and 65 registrations.

Robert Dolins brings years of strategic sales experience to Baked Beans Farms as the Director of Sales and as member of the Board of Directors. Robert's core responsibility is to develop and service the multiple sales channels that make up the distribution end of Baked Beans Farms. Outside of Baked Beans Farm Robert is the co-owner of a specialty sports goods store for the past 2 years and has held various senior leadership roles for two of the largest automotive groups in Massachusetts.

Baked Beans Farm will create between 18-20 jobs in the city of Beverly, Massachusetts over the next 3 years, including a Master Grower, Grow Techs, Trimmers, Head of Manufacturing, Manufacturers, Office Manager, Inventory Specialist, and HR. These jobs will pay better than the prevailing wage in the area. Baked Beans Farm will work to promote equity among minorities, women, Veterans, people with disabilities, and people of all gender identities and sexual orientation, in its operations.

These employees will be trained on business operations and compliance upon hire and annually going forward.



Financial Plan

Funding Analysis

Baked Beans Farm intends to raise \$6.0 million, not to exceed 49% of the business. Details of capital are included in a Partnership Agreement.

Profit & Loss Forecast

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues	\$ -	\$ 4,222,501.05	\$ 15,300,022.20	\$ 15,300,022.20	\$ 15,300,022.20
<u>Costs and Expenses:</u>					
Sales tax	-	844,500.21	3,060,004.44	3,060,004.44	3,060,004.44
Payroll expense	70,000.00	868,750.00	1,990,000.00	1,990,000.00	1,990,000.00
Rent and utilities	207,250.89	422,256.00	342,397.00	362,538.00	382,679.00
Cultivation supplies	985,300.00	3,732.00	7,464.00	15,464.00	15,464.00
Manufacturing supplies	-	1,380,000.00	1,680,000.00	1,680,000.00	1,680,000.00
Legal and administrative fees	61,600.00	60,000.00	60,000.00	60,000.00	60,000.00
Repairs and maintenance	-	1,200.00	4,800.00	4,800.00	4,800.00
Insurance	-	30,000.00	30,000.00	30,000.00	30,000.00
Security system	50,000.00	12,000.00	12,000.00	12,000.00	12,000.00
Building readiness costs	3,110,300.00	-	-	-	-
Other	22,200.00	12,950.00	12,950.00	12,950.00	-
Total costs and expenses	4,506,650.89	3,635,388.21	7,199,615.44	7,227,756.44	7,234,947.44
Net Income (Loss)	\$ (4,506,650.89)	\$ 587,112.84	\$ 8,100,406.76	\$ 8,072,265.76	\$ 8,065,074.76

Balance Sheet

	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Assets:</u>					
Cash	\$ 1,493,349.11	\$ 2,080,461.95	\$ 3,700,543.30	\$ 5,314,996.45	\$ 6,928,011.41
Goodwill	6,200,000.00	\$ 6,200,000.00	\$ 6,200,000.00	\$ 6,200,000.00	\$ 6,200,000.00
Total Assets	\$ 7,693,349.11	\$ 8,280,461.95	\$ 9,900,543.30	\$ 11,514,996.45	\$ 13,128,011.41
<u>Liabilities</u>					
Debt	-	-	-	-	-
Total Liabilities	-	-	-	-	-
<u>Equity</u>					
Limited Partners (49% ownership)	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00
Limited Partners Income Allocation	(2,208,258.94)	(1,920,573.64)	2,048,625.67	6,004,035.89	9,955,922.52
Limited Partners Cash Distribution	-	-	(3,175,359.45)	(6,339,687.63)	(9,501,196.93)
General Partner (51% ownership)	6,200,000.00	6,200,000.00	6,200,000.00	6,200,000.00	6,200,000.00
General Partner Income Allocation	(2,298,391.95)	(1,998,964.41)	2,132,243.04	6,249,098.58	10,362,286.71
General Partner Cash Distribution	-	-	(3,304,965.96)	(6,598,450.39)	(9,889,000.89)
Total Equity	7,693,349.11	8,280,461.95	9,900,543.30	11,514,996.45	13,128,011.41
Total Liabilities and Equity	\$ 7,693,349.11	\$ 8,280,461.95	\$ 9,900,543.30	\$ 11,514,996.45	\$ 13,128,011.41

Cash Flow Statement

	Year 1	Year 2	Year 3	Year 4	Year 5
Net Income	\$ (4,506,650.89)	\$ 587,112.84	\$ 8,100,406.76	\$ 8,072,265.76	\$ 8,065,074.76
<u>Cash Flow from Operations</u>					
Depreciation	-	-	-	-	-
Total Cash Flow from Operations	-	-	-	-	-
<u>Cash Flow from Investing</u>					
Capital expenditures	-	-	-	-	-
Total Cash Flow from Investing	-	-	-	-	-
<u>Cash Flow from Financing</u>					
Equity issuance	6,000,000.00	-	-	-	-
Limited Partners' capital distribution	-	-	(3,175,359.45)	(3,164,328.18)	(3,161,509.31)
General Partner's capital distribution	-	-	(3,304,965.96)	(3,293,484.43)	(3,290,550.50)
Debt issuance	-	-	-	-	-
Debt repayment	-	-	-	-	-
Total Cash Flow from Financing	6,000,000.00	-	(6,480,325.41)	(6,457,812.61)	(6,452,059.81)
Total Change in Cash	1,493,349.11	587,112.84	1,620,081.35	1,614,453.15	1,613,014.95
Beginning Period Cash	-	1,493,349.11	2,080,461.95	3,700,543.30	5,314,996.45
Ending Period Cash	\$ 1,493,349.11	\$ 2,080,461.95	\$ 3,700,543.30	\$ 5,314,996.45	\$ 6,928,011.41

Ratios

The return on equity (ROE) measures how much the owner and investors earn for their investment in Baked Beans Farm. The higher the ratio percentage, the better return is. In general, financial analysts consider return on equity ratios in the 15-20% range as representing attractive levels of investment quality. As shown below, Baked Beans Farm's projected ROE is 82% by Year 3.

Return on assets (ROA) gives an idea as to how efficient management is at using its assets to generate earnings.

Return on investment (ROI) is a performance measure used to evaluate the efficiency of an investment or compare the efficiency of a number of different investments. ROI tries to directly measure the amount of return on a particular investment, relative to the investment's cost. Through Year 5, Baked Beans Farm's projected ROI is 339%.

Profitability ratios are a class of financial metrics that are used to assess a business' ability to generate earnings as compared to its expenses and other relevant costs incurred during a specific period of time.

	Year 1	Year 2	Year 3	Year 4	Year 5
Return on Equity	-59%	7%	82%	70%	61%
Return on Assets	-59%	7%	82%	70%	61%
LTD Return on Investment	-75%	-65%	70%	204%	339%
Operating margin	0%	14%	53%	53%	53%

Appendix – to be provided

Site Plan

Security Floor Plan



Plan for Obtaining Liability Insurance

The purpose of this plan is to outline the way in which Baked Beans Farm LLC 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.

Baked Beans Farm LLC has 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 are continuing these discussions with the insurance providers and will engage with the provider who best suits the needs of the company once we receive a Provisional License.

Baked Beans Farm LLC 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 will be no higher than \$5,000 per occurrence.

In the event that Baked Beans Farm LLC cannot obtain the required insurance coverage, Baked Beans Farm LLC will place a minimum of \$250,000 in an escrow account. These funds will be used solely for the coverage of liabilities. Baked Beans Farm LLC will replenish this account within ten business days of any expenditure.

Baked Beans Farm LLC 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 upon request.



Personnel Policies

Personnel Policies and Procedures

(1) New hire procedures:

- a. All employees will have established registered agent status upon full hire and complete hiring procedures as on Baked Beans Farm new hire protocol.
- b. Baked Beans Farm may choose to work with potential hires in the agent acquisition process in order to reach eligibility for hire, but no guarantee of hiring is made dependent on work available at that time.
- c. An overview of Baked Beans Farm process of maintaining employee confidentiality in paperwork and electronically will be discussed with the employee upon hire
- d. Employee will complete all hiring paperwork before work commences including affidavits of understanding of the facility's security, health and safety policies, alcohol and firearms policy and product diversion policies and procedures.
- e. Baked Beans Farm will perform an E-verify and CORI Background check prior to assigning an employee final agent status.
- f. Upon signing of paperwork and before actual work commences, the employee will undergo further training in the facility's security, health and safety policies, no alcohol, drugs and firearms policy and product diversion policies and procedures as well as further product handling instruction.

(2) Security Procedures and Guidelines: All employees will be trained in all facets of and be able to report back the following guidelines Security Policy and Protocol.

- a. Employees will be given an access fob, keycode and employee level key for access throughout the facility. An overview of restricted areas will be outlined. They will sign an acknowledgement of receiving these and the legal ramifications of losing or lending these to anyone, including another employee. Employee will hand these items back to the facility upon end of employment.
- b. Employee will communicate to ownership of any incidents/ activity outside of acceptable protocol.
- c. Employee will acknowledge the risk of termination if they are seen to be in restricted areas they are not authorized to be in.

(3) Security Upgrades:

- a. Security Policy and Procedures will be taught upon hire and reviewed quarterly and updated with all employees as required.
- b. Updated Policy and Procedures will be discussed and implemented with all personnel as required.



Personnel Policies

(4) Personal Health, Safety and Hygiene:

- a. All personal coats, bags, food and other items are to be secured in an employee's dedicated locker. Lock to be supplied by Baked Beans Farm. Each employee will have a separate lock not shared with others. Lock will be turned in upon end of employment.
- b. Personnel will be given smocks/ overalls as required for product handling. Requirement for these contaminant measures will be determined by head cultivator/ manager on shift. Personnel may wear these over their personal clothes.
- c. Personnel will be supplied gloves to be worn during all product handling.
- d. Colored safety glasses will be required for all persons entering the grow room. Hearing protection will be made available as well.
- e. Personnel will be required to wear a face mask during close handling of the product.
- f. Personnel will be expected to wash hands before and after product handling.
- g. Personnel will be expected to keep work areas clean and free of debris. All will be asked at various times to sweep and wash floors and sterilize work surfaces, trays and tools to maintain a safe and secure environment.

(5) Emergency Procedures and Drug/ Weapon Free Facility Policy:

- a. All employees will participate in monthly training on emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;
- b. All employees will be trained in emergency procedures in the case of break-in / robbery or other unknown activity.
- c. All employees will sign an affidavit acknowledging alcohol, smoke, and drug-free workplace policies and the repercussions of this activity.
- d. Any employee who is suspected of having drugs, alcohol or weapons will be approached by the administration and will be asked for access to locker or person where items are suspected.
- e. Any employee found with drugs, alcohol or weapon will be immediately terminated and reported to Commission.
- f. Any employee who witnesses another employee with drugs, alcohol or weapon is required to report it to the administration or risk termination themselves.
- g. Law enforcement may be called at any time when safety of personnel or property is threatened.

(6) Product Diversion and related actions:

- a. Diversion means stealing product. It is diverting product produced at Baked Beans Farm for lawful sale providing it for unlawful sale or use.



Personnel Policies

- b. All employees will be required to sign an affidavit of understanding of these policies including the risk of legal action upon proof of diversion and/ or other actions. Understanding of the industry importance of stopping diversion and prevention of sales to minors, including best practices;
- c. Evidence of diversion by an employee will result in immediate termination and be reported to law enforcement officials and to the Commission.
- d. Evidence of performing unsafe practices as outlined above will result in immediate termination and will be reported to the Commission.
- e. Employee pleading guilty to diversion of product to minors will be terminated.

(7) Direct product handling methods and related activities

- a. Employee will be instructed in product handling at the various stages of cultivation.
- b. Employee will be responsible to entering all related Log entries as required for handling, record keeping, waste disposal and batch/ package tracking.
- c. Proper operation of equipment and hand tools will be taught.
- d. Instruction on proper packaging and labeling guidelines will be given.

(8) Hours of Operation:

- General hours for production will be 8 AM to 6 PM.
- Employees hired for production services including trimming, packaging and preparation for transportation will work on an expected 8 AM to 4:30 PM shift.
- Hours will be in line with personnel availability however and Baked Beans Farm will endeavor to be flexible to accommodate the employee's special situations.
- Employees will be given (2) 15 minute breaks and (1) ½ hour lunch break.



Quality Control and Testing

Quality Control and Testing Procedures

Guidelines for Handling of Marijuana.

Our facility will process marijuana in a safe and sanitary manner, including:

- a. Free of debris, and other foreign matter;
- b. Free of contamination by mold, rot, other fungus, and bacterial diseases and satisfying the sanitation requirements contained in 105 CMR 500.000, and if applicable, 105 CMR 590.000: State Sanitary Code Chapter X – Minimum Sanitation Standards for Food Establishments;
- c. Prepared and handled on food-grade stainless steel tables with no contact with Licensees' or Marijuana Establishment Agents' bare hands ; and
- d. Packaged in a secure area.

Our facility will comply with the following sanitary requirements:

- a. Any marijuana establishment agent whose job includes contact with marijuana or non-edible marijuana products, including cultivation, production, or packaging, is subject to the requirements for food handlers specified in 105 CMR 300.000: *Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements*;
- b. Any marijuana establishment agent working in direct contact with preparation of marijuana or nonedible marijuana products shall conform to sanitary practices while on duty, including:
 - i. Maintaining adequate personal cleanliness; and
 - ii. Washing hands thoroughly in an adequate hand-washing area before starting work, and at any other time when hands may have become soiled or contaminated.
- c. Hand-washing facilities shall be adequate and convenient and shall be furnished with running water at a suitable temperature. Hand-washing facilities shall be located in the Marijuana Establishment in production areas and where good sanitary practices require employees to wash and sanitize their hands, and shall provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices;
- d. There shall be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations;



Quality Control and Testing

- e. Litter and waste shall be properly removed, disposed of so as to minimize the development of odor and minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal shall be maintained in an adequate manner pursuant to 935 CMR 500.105(12);
- f. Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately kept clean and in good repair;
- g. There shall be adequate safety lighting in all processing and storage areas, as well as areas where equipment or utensils are cleaned;
- h. Buildings, fixtures, and other physical facilities shall be maintained in a sanitary condition;
- i. All contact surfaces, including utensils and equipment, shall be maintained in a clean and sanitary condition. Such surfaces shall be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the US Environmental Protection Agency (EPA), in accordance with labeled instructions. Equipment and utensils shall be so designed and of such material and workmanship as to be adequately cleanable;
- j. All toxic items shall be identified, held, and stored in a manner that protects against contamination of marijuana products. Toxic items may not be stored in an area containing products used in the cultivation of marijuana. The Commission may require a Marijuana Establishment to demonstrate the intended and actual use of any toxic items on the Premises;
- k. A Marijuana Establishment's water supply shall be sufficient for necessary operations. Any water source shall be capable of providing a safe, potable, and adequate supply of water to meet the Marijuana Establishment's needs;
- l. Plumbing shall be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the Marijuana Establishment. Plumbing shall properly convey sewage and liquid disposable waste from the Marijuana Establishment. There shall be no cross-connections between the potable and waste water lines;
- m. A Marijuana Establishment shall provide its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair;



Quality Control and Testing

- n. Products that can support the rapid growth of undesirable microorganisms shall be held in a manner that prevents the growth of these microorganisms;
- o. Storage and transportation of finished products shall be under conditions that will protect them against physical, chemical, and microbial contamination as well as against deterioration of finished products or their containers; and
- p. All vehicles and transportation equipment used in the transportation of marijuana products or edibles requiring temperature control for safety must be designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the marijuana products or edibles from becoming unsafe during transportation, consistent with applicable requirements pursuant to 21 CFR 1.908(c).

All Marijuana Establishments, including those that develop or process edible marijuana products, shall comply with sanitary requirements. All edible products shall be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 590.000: *Minimum Sanitation Standards for Food Establishments*.

Unless otherwise authorized by the Commission, the facility shall comply with 935 CMR 500.105(3) and 501.105(3): Handling of Marijuana.

Testing:

No marijuana product, including marijuana, will be sold or otherwise marketed for adult use that has not been 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. Potency leaves derived from the Cannabinoid Profile, including the amount of delta-nine-tetrahydrocannabinol (A9-THC) and other Cannabinoids, contained within Finished Marijuana or Marijuana Product to be sold or otherwise marketed, shall be recorded in the Seed-to-Sale SOR.

Baked Beans Farm Quality Control Regulations:

The facility will have controlled air systems in each product room, water filtration system, controlled access to each area of the facility.

- Each room has its own HVAC system with a closed loop system. This ensures no outside or inside air will mix or potentially contaminate the closed systems when the doors are open.
- Each grow room is fully sealed with zero light or air leaks.



Quality Control and Testing

- All plants will be from seed or inhouse mothers, thus ensuring no outside contaminants.
- All employees will use only inhouse clothing/ scrubs while working at Baked Beans Farm.
- Water will be filtered before use inside the grow rooms as required.
- Filtration systems will be monitored on a schedule determined after installation as required.
- All pots will be cleaned with Dawn soap then a hydrogen peroxide soak before being reused.

Testing: Managed by Baked Beans Farm owners only.

- All of the finished product is put into a 'Package' of the same strain of plants at the same time under the same conditions
- All handling and manipulation of product is videotaped and documented.
- A 4 gram sample is taken from each batch.
- The batch samples are then logged and labeled to be sent out for testing.
- These samples are put into a locked container inside the delivery vehicle for transport by Baked Beans Farm owners only.
- The 3rd party testing facility will be testing for pesticide, heavy metals, microbial terpenes and the cannabinoids.
- A secured loading dock/ receiving is utilized for all deliveries in and out of the facility.



Record-Keeping Procedures

Operating Procedures:

1. A detailed summary of operating policies and procedures for the Marijuana Establishment which shall include, but not be limited to provisions for:
 - a. Security;
 - b. Prevention of diversion;
 - c. Storage of marijuana;
 - d. Transportation of marijuana, if applicable to license type;
 - e. Inventory procedures;
 - f. Procedures for quality control and testing of product for potential contaminants, if applicable to license type;
 - g. Personnel policies;
 - h. Dispensing procedures;
 - i. Record-keeping procedures;
 - j. Maintenance of financial records; and
 - k. Diversity plans to promote equity among minorities, women, veterans, people with disabilities, and people of all gender identities and sexual orientation, in the operation of the Marijuana Establishment.

As per CCC Regulations:

Record keeping for the grow – Marijuana product will be managed through Metric, a mandatory seed to sale software that is required for this type of business.

Business and accounting records will be maintained as outlined by Commission in details below:

Record Keeping.

Records of a Marijuana Establishment will be available for inspection by the Commission, upon request. The records of a Marijuana Establishment will be maintained in accordance with generally accepted accounting principles. Written records that are available for inspection include, but are not necessarily limited to, all records required in any section of 935 CMR 500.000, in addition to the following:

- a. Written operating procedures as required by 935 CMR 500.105(1);
- b. Inventory records as required by 935 CMR 500.105(8);
- c. Metric tracking records for all marijuana products as required by 935 CMR 500.105(8)(e);
- d. The following personnel records; and
- e. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions.



Record-Keeping Procedures

2. A personnel record for each marijuana establishment agent. Such records shall be maintained for at least 12 months after termination of the individual's affiliation with the Marijuana Establishment and shall include, at a minimum, the following:
 - a. all materials submitted to the Commission pursuant to 935 CMR 500.030(2);
 - b. documentation of verification of references;
 - c. the job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision
 - d. documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating
 - e. the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;
 - i. documentation of periodic performance evaluations;
 - ii. a record of any disciplinary action taken; and
 - iii. notice of completed responsible vendor and eight-hour related duty training.
3. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;
4. Personnel policies and procedures; and
5. All background check reports obtained in accordance with 935 CMR 500.030.
6. Business records, which shall include manual or computerized records of:
 - a. Assets and liabilities;
 - b. Monetary transactions;
 - c. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
 - d. Sales records including the quantity, form, and cost of marijuana products;
 - e. Salary and wages paid to each employee, stipend paid to each board member, and any 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;
 - f. Waste disposal records as required under 935 CMR 500.105(12); and
 - g. 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.



Record-Keeping Procedures

Waste Disposal will be recorded and processed as outlined below:

1. All recyclables and waste, including organic waste composed of or containing finished marijuana and marijuana products, shall be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations.
2. Liquid waste containing marijuana or by-products of marijuana processing shall be disposed of in compliance with all applicable state and federal requirements, including but not limited to, for discharge of pollutants into surface water or groundwater (Massachusetts Clean Waters Act, M.G.L. c. 21 §§ 26 through 53; 314 CMR 3.00: *Surface Water Discharge Permit Program*; 314 CMR 5.00: *Groundwater Discharge Program*; 314 CMR 12.00: *Operation Maintenance and Pretreatment Standards for Wastewater Treatment Works and Indirect Dischargers*; the Federal Clean Water Act, 33 U.S.C. 1251 *et seq.*, the National Pollutant Discharge Elimination System Permit Regulations at 40 CFR Part 122, 314 CMR 7.00: *Sewer System Extension and Connection Permit Program*), or stored pending disposal in an industrial wastewater holding tank in accordance with 314 CMR 18.00: *Industrial Wastewater Holding Tanks and Containers*.
3. Organic material, recyclable material and solid waste generated at a Cannabis Establishment shall be redirected or disposed of as follows:
 - a. Organic material and recyclable material shall be redirected from disposal in accordance with the waste disposal bans described at 310 CMR 19.017: *Waste Bans*.
 - b. To the greatest extent feasible:
 - i. Any recyclable material as defined in 310 CMR 16.02: *Definitions* shall be recycled in a manner approved by the Commission; and
 - ii. Any remaining marijuana waste shall be ground and mixed with other organic material as defined in 310 CMR 16.02: *Definitions* such that the resulting mixture renders the marijuana unusable for its original purpose. Once such marijuana waste has been rendered unusable, the mixture may be composted or digested at an aerobic or anaerobic digester at an operation that is in compliance with the requirements of 310 CMR 16.00: *Site Assignment Regulations for Solid Waste Facilities*.
 - iii. Solid waste containing cannabis waste generated at a marijuana establishment may be ground up and mixed with solid wastes such that the resulting mixture renders the cannabis unusable for its original purposes. Once such cannabis waste has been rendered unusable, it may be brought to a solid waste transfer facility or a solid waste disposal facility (e.g., landfill or incinerator) that holds a valid permit issued by the Department of Environmental Protection or by the appropriate state agency in the state in which the



Record-Keeping Procedures

facility is located; or

- iv. No fewer than two Marijuana Establishment Agents must witness and document how the marijuana waste is disposed or otherwise handled (recycled, composted, *etc.*) in accordance with 935 CMR 500.105(12). When marijuana products or waste is disposed or handled, the Marijuana Establishment must create and maintain a written or electronic record of the date, the type and quantity disposed or handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two Marijuana Establishment Agents present during the disposal or other handling, with their signatures. Marijuana Establishments shall keep these records for at least three years. This period shall automatically be extended for the duration of any enforcement action and may be extended by an order of the Commission.



Energy Compliance

Baked Beans Farm LLC will maintain policies and procedures for energy efficiency and conservation that will include:

- Identification of potential energy use reduction opportunities and a plan for implementation of such opportunities
 - Baked Beans Farm will work with utility program administrators (e.g., Mass Save) to identify and implement cost-effective options for maximizing energy efficiency as part of their sustainability plan with the City of Beverly. Within 30 days of commercial operation, Baked Beans Farm shall participate in the cleanest option of the City's Green Municipal Aggregation electricity program or purchase 100% Class I Renewable Energy Credits (RECs) through a third-party electricity supplier. If 100% compliance through MA Class I REC price exceeds \$.05/kwh, Baked Beans Farm may procure the difference with national renewable energy content. Baked Beans Farm shall purchase carbon offsets for 100% of its on-site fossil fuel use. Solar panels and/or other renewable sources shall be installed on the site where technically feasible. Baked Beans Farm shall electrify HVAC systems within four years of the Host Community Agreement.
 - Baked Beans Farm will utilize LED lights and new energy-efficient HVAC units to reduce energy and will monitor their energy consumption and make adjustments to operations based on energy usage data.
 - Baked Beans Farm will ensure on regular basis that lighting and HVAC is maintained, calibrated, and operating properly, including maintaining operations manuals and operating procedures.
 - When and if an equipment fails and needs to be replaced, Baked Beans Farm will utilize the most energy-efficient equipment on the market to replace the old equipment.



Restricting Access to Individuals 21 or Older

In accordance with the regulations under the Cannabis Control Commission (CCC), Baked Beans Farm will restrict access to individuals under 21. All employees and registered agents will be 21 years of age or older and all visitors will be 21 years of age or older.



Maintenance of Financial Records Procedures

Operating Procedures as per 935 CMR 500.101 (1) C (7):

Financial Records and Recording Sales.

- (a) Baked Beans Farm will use Quick Books Online, an approved accounting software as required for maintaining grow and production costs and monies acquired from retail establishment customers and production customers.
- (b) Periodic audits of inventory from METRC to financial revenue (QuickBooks) will be performed as part of our monthly balance sheet reconciliations.
- (c) All records will be available to the Commission and shall comply to the extent relevant to cultivation operations with 830 CMR 62C.25.1: *Record Retention* and DOR Directive 16-1 regarding recordkeeping requirements.
- (d) The following business records will be maintained:
 - a. Assets and liabilities;
 - b. Monetary transactions;
 - c. Books of accounts;
 - d. Sales records; and
 - e. Salary and wages paid to each employee.

Financial Records and Recording Sales.

Baked Beans Farm:

- (a) Money Record Keeping: Will use QuickBooks for maintaining grow and production costs and monies acquired from retail establishment customers and production establishment customers.
- (b) Sales are all wholesale and can easily be generated from QuickBooks.
- (c) METRC can generate lists of sales by retail or production partner for comparison of weight and costs transferred.
- (d) Cost Records will include: Reports will be generated and maintained with details and summary of:
 - a. Production Record Keeping correlating with costs records:
 - i. Record management software is METRC.
 - ii. As much as possible, the costs outlined below will be associated with the record keeping batches and movement of plants, viable product and waste products.
 - b. Cultivation and Manufacturing costs to include:
 - i. Cultivation materials including nutrients, pots, labels,
 - ii. Manufacturing materials
 - iii. Material handling costs including packaging, scale components, small tools



Maintenance of Financial Records Procedures

- iv. Waste handling costs to including packaging and solvent/ additives / disposal costs
 - v. Labor costs for each of the activities will be recorded through payroll ultimately, but currently is on a daily activity report, recorded by harvest batch and finished package ID's as close as possible to the batch being handled at the time.
- c. Marketing / Retail costs to include:
- i. Marketing: Notifications to retail environments/ new strain label design/ social media announcement creations, etc.
 - ii. Retail costs to include: Labels – standard warning labels and product identification labels.
 - iii. Transport costs – either service by licensed transport or fuel/ labor and records keeping for transport of product from our cultivation site to the retail / producer establishments.
- (e) Audits of inventory to financial revenue will be performed.
- a. All data outlined above will be entered as the activity occurs.
 - b. Monthly reports will be generated and confirmed against invoices of materials and METRC records of activity throughout the month.
 - c. An electronic and hardcopy reports will be generated and made available immediately upon request.
- (f) All records will be available to the Commission and shall comply to the extent relevant to cultivation operations with 830 CMR 62C.25.1: *Record Retention* and DOR Directive 16-1 regarding recordkeeping requirements.
- a. Financial Records will be generated from Electronic copies as requested as they will be permanently maintained.

Expenditures & Transactions (QuickBooks)

- (a) All cash receipts or payments will be entered into the Quickbooks Accounting Software
- (b) Baked Beans Farm operations will utilize QuickBooks for recording financial transactions including:
 - a. Purchase Orders (typically for non-recurring purchases greater than \$500 [requires approval] – consumables used in production will be purchased on a blanket PO for volume discounts)
 - b. Expense Transactions (used for purchases below \$500 and recurring expenses such as leases, utility bills, insurance, etc.)



Maintenance of Financial Records Procedures

- c. Petty Cash (Petty Cash is an account to which funds are added from the business bank account it is used for office supplies, entertainment, and meals)
- d. Sales Transactions
- e. Finished Goods Inventory Loss (this is tracked in METRC)
- f. Payroll Expenses

(c) Expense Transaction – Data Requirements

- a. Vendor
- b. Method of Payment
- c. Bank Account – this will be default to Baked Beans Farm primary business checking account or Petty Cash will be selected – use of any other account requires CEO approval
- d. Items Purchased
- e. Total Cost
- f. Baked Beans Farm PO Number if one was used

(d) Process for Expenses

- a. Invoice received or new requirement?
 - i. Invoice – is it recurring?
 - 1. Yes – enter expense for vendor (apply against open PO as appropriate)
 - 2. No – enter new vendor and enter expense
- b. Is it greater than \$500?
 - i. Yes – get approval from CEO
 - ii. No – use Baked Beans Farm Debit Card or Petty Cash (if purchase is non-production)
- c. Forward invoice and Bill of Lading as applicable to Admin upon receipt of items.



Training for Agents

Baked Beans Farm will ensure that all employees hired to work will be qualified to work as a marijuana establishment agent and properly trained to serve in their respective roles in a compliant manner.

Qualifications

In accordance with the guidance, a candidate for employment as a marijuana establishment agent must be 21 years of age or older. In addition, the candidate cannot have been convicted of a criminal 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. Baked Beans Farm will also ensure that its employees are suitable for registration consistent with the provisions of 935 CMR 500.802. In the event that Baked Beans Farm discovers any of its agents are not suitable for registration as a marijuana establishment agent, the agent's employment will be terminated, and Baked Beans Farm will notify the Commission within one (1) business day that the agent is no longer associated with the establishment.

Baked Beans Farm Employee Training.

- Baked Beans Farm employee training will combine:
 - Baked Beans Farm's values and business goals
 - Concepts of cannabis cultivation and manufacturing
 - Regulatory responsibilities and METRC
 - Job Function – Classroom & OJT
- Every Employee will receive a minimum of eight hours of ongoing training annually
- All current owners, managers, and employees will completed the Responsible Vendor Program
- All new employees will complete the Responsible Vendor Program within 90 days of being hired
- Responsible Vendor Program documentation will be retained for four years
- Every Employee will be trained in Baked Beans Farm's Safety and Security Practices
- Job function training shall be tailored to the roles and responsibilities of the job an employee was hired for
- Employees will be cross-trained in other roles through a combination of class room and OJT training over time

Baked Beans Farm Safety & Security Training & Policies

1. Whomever unlocks the office takes an emergency button and phone
 - a. Anyone arriving after office is open who is in a different part of the facility will also carry an emergency button and phone
 - b. When working in facility alone staff must carry emergency button and phone



Training for Agents

2. Visitors will be announced to all staff when they arrive
 - a. Unplanned visitors will be announced to all staff before they are allowed in the facility explaining who they are and purpose of visit
3. All visitors (deliveries, vendors, friends and family, investors, customers) should be scheduled in advance – identifying which door they will be entering
 - a. This is part of daily operations plan reviewed with all staff every morning
 - b. Daily Ops Plan is also log for recording
 - i. Visitors
 - ii. Production activities
 - iii. Bills/Expenses recorded
 - iv. Attendance
 - v. Who is carrying emergency buttons
 - vi. Receipts
 - vii. Shipments
 - viii. Sales
4. Problems
 - a. Fire has started
 - i. Assess cause and options for putting it out.
 - ii. Based on source and type of fire smother or extinguish
 - iii. Evacuate and let the Fire Department handle it
 - b. Employee becomes ill
 - i. Send home
 - ii. Can they drive? – if not drive them home. (Contact emergency contact)
 - iii. Illness requires medical attention? – Drive them to emergency room
 - iv. Do not allow employee to return if cold, flu, or any contagious illness until they are sufficiently recovered
 - c. Employee is injured
 - i. Assess if emergency room visit is required
 - ii. If not treat injury (minor cut is only situation not requiring medical review)
 - iii. If so treat injury as appropriate drive to emergency room to ensure they get there and we understand seriousness of injury (Contact emergency contact)
 - iv. If injury is significant call 911
 - v. Document injury and cause (Standard OSHA documents)
 - d. Damage to facility
 - i. Make sure no one is injured
 - ii. Identify cause
 - iii. Take pictures
 - iv. If vendor / transport is cause take pictures and contact vendor / transport for procedure to redress costs



Training for Agents

- v. If grow or production facilities are affected assess impact on product production and communicate immediately to Management
- vi. Develop action plan to 'fix' and continue operations (if impacted)
- e. People problem
 - i. Staff training in conflict resolution – TRAINING that getting angry, abusive language, abusive and/or violent behavior does not fix the problem. Dissatisfaction / unhappiness needs to be communicated so issues can be resolved and/or explained
 - ii. Staff acting abusively will be asked to leave
 - 1. If they refuse to leave call 911
 - 2. Schedule meeting offsite to resolve issue if possible – never meet staff alone in these circumstances
 - iii. Staff acting violently **press emergency button**
 - 1. Move any other staff outside the facility
 - iv. Visitors – same rules – acting abusively ask to leave – if they will not call 911 or hit emergency button
- f. Facility break-in
 - i. Any staff in facility becoming aware of someone attempting to break-in hit emergency button and if possible leave facility through opposite exit. (i.e. if attempting to force back door leave from front after checking video feed and vice-a-versa)
 - ii. If working alone and someone (not staff) is spotted in facility hit emergency button and attempt to vacate facility if not possible evaluate threat from trespasser
 - iii. Any staff monitoring alarm remotely will verify police have been contacted and come to facility

Training

1. Processes and work instructions will be taught prior to working in the facility.
2. Training will be done by the owners/managers for each new employee as they are hired.
3. Training will include cultivation, production, manufacturing, and packaging.
4. Training will include tolerance and diversity education.
5. Training will include the security guidelines for the facility and the personnel.

Training for the product grow and production and manufacturing rooms.

1. Personal hygiene around the plants and protective garb, eye and hearing protection requirements.
2. Process in development for detailed tasks as seeds are purchased, planted, and plants are propagated.



Training for Agents

3. Detailed handling instruction for all aspects of harvesting, drying, manufacturing and packaging.
4. Related inventory procedures for record keeping.
5. Cleaning process of all spaces

Training for administration (Future advanced placement).

1. A training process will be developed for record keeping as applicable for the Metro program.
2. Security protocols for the computer and documentation of product will be trained and supervised.

Training for Security Response

1. All employees will be trained on how to respond to emergency situations incl:
 - a. Fire
 - b. Theft
 - c. Robbery
 - d. Health related emergency
 - e. Community disaster.



Diversity Plan

Baked Beans Farm Diversity Plan will adhere to the requirements set forth in 935 CMR 500.105(4), which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of Marijuana Establishments. Any actions taken, or programs instituted will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws. The progress or success of the Diversity Plan will be documented upon renewal (one year from provisional license, and each year thereafter).

Goal #1

Baked Beans Farm will hold an annual employee training on diversity and inclusion in the workplace.

Programs:

Baked Beans Farm will hold a mandatory annual employee training on topics that may include harassment, creating an inclusive workplace, and preventing discrimination.

Metrics:

Baked Beans Farm will document each employee's participation in the annual training and will make completion of the training a part of each employee's personnel file. Documentation will include topics covered, any materials used for the training, and certification of completion for each employee.

Goal #2

Baked Beans Farm will hire the following:

- 25% women;
- 50% minorities;
- 15% veterans;
- 10% persons with disabilities; and
- 10% LGBTQ+

Programs:

Baked Beans Farm will post to job boards that target minorities, including but not limited to, Blackjobs.com, United Latino Job Bank, LatPro.com, Black Career Network, HBCU Connect, Asian Hires, NAAAP Career Center, iHispano, Diversity Inc., and Diversity Job Board as well as the local newspapers Beverly Herald Citizen and Salem News. Jobs will be posted as positions become



Diversity Plan

available (but not less than annually).

Metrics:

Upon hire, employees will be asked to fill out a voluntary survey relative to diversity (in accordance with employment law standards). Upon each license renewal, Baked Beans Farm will assess what percentage of employees identify as each of the following by reviewing the survey responses and reporting the number of employees that identify as women, minorities, veterans, persons with disabilities, and LGBTQ+.