Massachusetts Cannabis Control Commission

Marijuana Retailer

General Information:

License Number: MR284224

Original Issued Date: 10/06/2021

Issued Date: 10/06/2021

Expiration Date: 10/06/2022

ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: KG Collective LLC

Phone Number: 617-866-3466 **Email Address:** mike@kushgroove.com

Business Address 1: 1536 Tremont Street **Business Address 2:**

Business City: Boston **Business State:** MA **Business Zip Code:** 02120

Mailing Address 1: 1536 Tremont St **Mailing Address 2:**

Mailing City: Boston **Mailing State:** MA **Mailing Zip Code:** 02120

CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

PRIORITY APPLICANT

Priority Applicant: yes

Priority Applicant Type: Economic Empowerment Priority

Economic Empowerment Applicant Certification Number: EEA201959

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: 67 **Percentage Of Control:** 67

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

First Name: Michael **Last Name:** Pires **Suffix:**

Gender: Male **User Defined Gender:**

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

Specify Race or Ethnicity: Cape Verdean

Person with Direct or Indirect Authority 2

Percentage Of Ownership: 33 **Percentage Of Control:** 33

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

First Name: Marcus **Last Name:** Johnson-Smith **Suffix:**

Gender: Male **User Defined Gender:**

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

Specify Race or Ethnicity:

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

No records found

CLOSE ASSOCIATES AND MEMBERS

No records found

CAPITAL RESOURCES - INDIVIDUALS

No records found

CAPITAL RESOURCES - ENTITIES

Entity Contributing Capital 1

Entity Legal Name: KG Collective LLC **Entity DBA:**

Email: mike@kushgroove.com **Phone:** 617-866-3466

Address 1: 1536 Tremont St **Address 2:**

City: Boston **State:** MA **Zip Code:** 02120

Types of Capital: Monetary/Equity **Other Type of Capital:** **Total Value of Capital Provided:** $88096.55 **Percentage of Initial Capital:** 100

Capital Attestation: Yes

BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

DISCLOSURE OF INDIVIDUAL INTERESTS

Individual 1

First Name: Michael **Last Name:** Pires **Suffix:**

Marijuana Establishment Name: KG Collective Brockton LLC **Business Type:** Marijuana Retailer

Marijuana Establishment City: Brockton **Marijuana Establishment State:** MA

Individual 2

First Name: Marcus **Last Name:** Johnson-Smith **Suffix:**

Marijuana Establishment Name: KG Collective Brockton **Business Type:** Marijuana Retailer

Marijuana Establishment City: Brockton **Marijuana Establishment State:** MA

MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 1589 Columbus Ave

Establishment Address 2:

Establishment City: Boston **Establishment Zip Code:** 02119

Approximate square footage of the establishment: 3611 **How many abutters does this property have?:** 2

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

HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan to Remain Compliant with Local Zoning	plan to remain compliant zoning.pdf	pdf	6089c5228ecb05074fe686df	04/28/2021
Certification of Host Community Agreement	HCA Cert_KG Collective_EXECUTED.pdf	pdf	6089c551b15b20079554fca3	04/28/2021
Community Outreach Meeting Documentation	Boston Community Outreach Docs 2.pdf	pdf	609210aa8f80610756a11dde	05/04/2021

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

PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	KG Collective Impact Plan_5_21_2021.pdf	pdf	60a7c0f4bbf00d07b2723246	05/21/2021

ADDITIONAL INFORMATION NOTIFICATION

Notification:

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

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

First Name: Michael **Last Name:** Pires **Suffix:**

RMD Association: Not associated with an RMD

Background Question: yes

Individual Background Information 2

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

First Name: Marcus **Last Name:** Johnson-Smith **Suffix:**

RMD Association: Not associated with an RMD

Background Question: no

ENTITY BACKGROUND CHECK INFORMATION

No records found

MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Department of Revenue - Certificate of Good standing	Dept of Revenue Cert of Good Standing KG Collective.pdf	pdf	6089c94bb15b20079554fcd5	04/28/2021
Secretary of Commonwealth - Certificate of Good Standing	Cert of Good Standing - Commonwealth _3_21_2021 KG COllective.pdf	pdf	6089c9bf09011007a03cf36a	04/28/2021
Articles of Organization	Articles of Organization KG Collective.pdf	pdf	6089c9d03fd8b2075df9b9df	04/28/2021
Bylaws	KG Collective Operating Agreement_2021.pdf	pdf	6092119e8f80610756a11de5	05/04/2021
Secretary of Commonwealth - Certificate of Good Standing	KG Collective Unemployment Attestation.pdf	pdf	60928df33bbe600765b4cd52	05/05/2021

No documents uploaded

Massachusetts Business Identification Number: 001321323

Doing-Business-As Name:

DBA Registration City:

BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for Liability Insurance	KG Liability Insurance Plan.pdf	pdf	6089ca4ce067a90777b4e40f	04/28/2021
Proposed Timeline	Boston Timeline of Operations - KG Collective_April 2021.pdf	pdf	6089ca522e7a1d0770d0729d	04/28/2021
Business Plan	KG Collective Business Plan for CCC Application.pdf	pdf	6089ca586f8420077bfc5906	04/28/2021

OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for obtaining marijuana or marijuana products	KG Collective Plan for Obtaining Marijuana or Marijuana Products.pdf	pdf	6089cac885675207abc7844e	04/28/2021
Separating recreational from medical operations, if applicable	KG Collective Plan for Separating Recreational from.pdf	pdf	6089cace09011007a03cf377	04/28/2021
Restricting Access to age 21 and older	KG Collective Restricting Access to Age 21 and Older SOP.pdf	pdf	6089caf4b15b20079554fcee	04/28/2021
Security plan	KG Collective Security Plan SOP.pdf	pdf	6089cb02954bd3079c68e759	04/28/2021
Prevention of diversion	KG Collective Prevention of Diversion SOP.pdf	pdf	6089cb102e7a1d0770d072a4	04/28/2021
Storage of marijuana	KG Collective Storage of Marijuana SOP.pdf	pdf	6089cb1c8ecb05074fe68718	04/28/2021
Transportation of marijuana	KG Collective Transportation of Marijuana SOP.pdf	pdf	6089cb2568436d078d6b0d6a	04/28/2021

Inventory procedures	KG Collective Inventory of Marijuana and Marijuana Products SOP.pdf	pdf	6089cb42031c12076ccf1016	04/28/2021
Quality control and testing	KG Collective Quality Control and Testing.pdf	pdf	6089d072954bd3079c68e774	04/28/2021
Dispensing procedures	KG Collective Dispensing Operations.pdf	pdf	6089d0a1b15b20079554fd0a	04/28/2021
Personnel policies including background checks	KG Collective Personnel and Background Check SOP.pdf	pdf	6089d0b8031c12076ccf1033	04/28/2021
Record Keeping procedures	KG Collective Record Keeping SOP.pdf	pdf	6089d0ccb15b20079554fd0e	04/28/2021
Maintaining of financial records	KG Collective Maintenance of Financial Records SOP.pdf	pdf	6089d0dd09011007a03cf39a	04/28/2021
Qualifications and training	KG Collective Qualifications and Training SOP.pdf	pdf	6089d0f5b15b20079554fd12	04/28/2021
Energy Compliance Plan	KG Collective Energy Plan SOP.pdf	pdf	6089d1043bbe600765b4b764	04/28/2021
Diversity plan	KG Collective Diversity Plan_5_21_2021.pdf	pdf	60a7c11b62b6b807d7d6deb6	05/21/2021

MARIJUANA RETAILER SPECIFIC REQUIREMENTS

No documents uploaded

No documents uploaded

ATTESTATIONS

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

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

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

Notification:

I 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: 11:00 AM	**Monday To:** 8:00 PM
Tuesday From: 11:00 AM	**Tuesday To:** 8:00 PM
Wednesday From: 11:00 AM	**Wednesday To:** 8:00 PM
Thursday From: 11:00 AM	**Thursday To:** 8:00 PM
Friday From: 11:00 AM	**Friday To:** 8:00 PM
Saturday From: 11:00 AM	**Saturday To:** 8:00 PM
Sunday From: 11:00 AM	**Sunday To:** 8:00 PM

Plan to Remain Compliant with Local Zoning

Purpose

The purpose of this plan is to outline how KG Collective, LLC. will remain in compliance and ensure that the Marijuana Establishment is and will remain compliant with local codes, ordinances and bylaws for the physical address of our Marijuana Establishment at 701-703B Mt. Auburn Street in Boston which includes, but not be limited to, the identification of 701-703B Mt. Auburn Street any local licensing requirements for the adult use of marijuana.

Background

The City of Boston enacted a Zoning Ordinance that established zoning restrictions for Adult-Marijuana Establishments.

Under Article II, Section 4.35 of the Zoning Ordinance eligible zones for adult use Retail Manufacturing Establishments may be allowed by Special Permit issued by the SPGA in General Business Zones and the Industrial districts. Additionally, Marijuana Retail Establishments may not be located within 500 feet of:

1. A public or private school providing education in Kindergarten or any grades 1 through 12
2. Another presently existing or permitted Marijuana Dispensary or Recreational Retail Facility.

Our location at 701-703B Mt. Auburn Street located in the BA-1 Business Zoning District and is compliant with allrequired setbacks.

The City of Boston requires a local license to operate a Marijuana Establishment. KG Collective Boston will apply for this license once we are Provisionally Licensed by the Commission. The KG Collective, LLC received a special permit approval from the City of Boston on November 5, 2020. **There is no term or length of a special permit issued by the City of Boston. Once a special permit is issued it is valid unless revoked or surrendered. We will have one year to commence buildout of the facility.**

Plan:

KG Collective, LLC. is currently fully compliant with all of the requirements outlined in the Ordinance.

It is the intention of KG Collective to remain compliant with all relevant local codes, ordinances and applicable to a Marijuana Retail Establishment.

In addition to KG Collective, LLC. remaining compliant with the existing Boston ZoningOrdinance, our executive management team will continually engage with the City of Boston toremain up to date with local codes zoning ordinances and by-laws, to remain fully compliant.

Cannabis Control Commission
COMMONWEALTH OF MASSACHUSETTS

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:

   KG COLLECTIVE, LLC

2. Name of applicant's authorized representative:

   MICHAEL PIRES

3. Signature of applicant's authorized representative:

   M. Pir

4. Name of municipality:

   Boston

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

   Robert Arcangeli

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

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

robert.arcangeli@boston.gov

8. Host community agreement execution date:

March 9, 2021

Cannabis Control Commission
COMMONWEALTH OF MASSACHUSETTS

Community Outreach Meeting Attestation Form

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

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

1. The Community Outreach Meeting was held on December 28, 2021 (*insert date*).

2. A copy of a notice of the time, place, and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was published in a newspaper of general circulation in the city or town on December 11, 2021 (*insert date*), which was at least seven calendar days prior to the meeting. A copy of the newspaper notice is attached as Attachment A (*please clearly label the newspaper notice in the upper right hand corner as Attachment A and upload it as part of this document).*

3. A copy of the meeting notice was also filed on December 18, 2021 (*insert date*) with the city or town clerk, the planning board, the contracting authority for the municipality, and local licensing authority for the adult use of marijuana, if applicable. A copy of the municipal notice is attached as Attachment B (*please clearly label the municipal notice in the upper right-hand corner as Attachment B and upload it as part of this document*).

4. Notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed on December 7, 2021 (*insert date*), which was at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town. A copy of one of the notices sent to abutters and parties of interest as described in this section is attached as Attachment C (*please clearly label the municipal notice in the upper right hand corner as Attachment C and upload it as part of this document; please only include a copy of one notice and please black out the name and the address of the addressee*).

Initials of Attester: M.P

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

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

Initials of Attester: M.P

ATTACHMENT A

ORDER DETAILS

Order Number:
W0085550
Order Status:
Approved
Classification
Legal Notice
Package:
Legal Notices
Cost:
193.80
Payment Type:
Amex
User ID:
W0024003

ACCOUNT INFORMATION

Michael Pires
1536 Tremont St
Boston, MA 02120
617-866-3466
mike@kushgroove.com
KG Collective LLC

PAYMENT DETAILS

Amex**********3005 06/2025

TRANSACTION REPORT

Date
3:17 PM - Tue, Dec 8, 2020
Amount:
193.80

SCHEDULE FOR LEGAL NOTICE NUMBER W00855500

Fri Dec 11, 2020
Boston Globe Legal Notices

PREVIEW FOR LEGAL NOTICE NUMBER W00855500

NOTICE OF KG COLLECTIVE, LLC COMMUNITY OUTREACH MEETING

Notice is hereby given that a Community Outreach Meeting, being held in conformity with the regulations of the Massachusetts Cannabis Control Commission, for a proposed Marijuana Retailer is scheduled for December 28th at 6:00 PM EST. The proposed Marijuana Retailer would be operated by KG Collective LLC and is anticipated to be located at 1589 Columbus Ave in Boston, MA 02119. The meeting will occur remotely by: Webex webinar: Link: https://bitly/3cJTYC Password: columbus or Telephone: Dial in: 1 408 418 9388 Passcode: 179-867-2202. There will be an opportunity for the public to ask questions.

If you would like to provide a comment or question before the meeting please send it to mike@kushgroove.com. A copy of the Meeting presentation will be made available 24 hours prior to the meeting at https://www.facebook.com/thekgcollective/

ATTACHMENT A

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Appeared in: ***Boston Globe*** on Friday, 12/11/2020

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ATTACHMENT B

NOTICE OF COMMUNITY OUTREACH MEETING
REGARDING ADULT-USE CANNABIS ESTABLISHMENT
THE KG COLLECTIVE, LLC
1589 COLUMBUS AVENUE BOSTON, MA 02119

RECEIVED
CITY CLERK'S OFFICE
2020 DEC 10 A 11: 58
BOSTON, MA

Notice is hereby given that the KG Collective, LLC, with the mailing address, 1536 Tremont Street, Boston, Massachusetts will conduct a Community Outreach Meeting on the following matter on **Monday, December 28, 2020 at 6:00 PM (EST)** via an online Webex webinar Link. The KG Collective, LLC intends to apply for a Marijuana Retailer license, at 1589 Columbus Avenue, Boston Massachusetts (the "premises") pursuant to M.G.L. Ch. 94G and Chapter 55 of the Acts of 2017, other applicable laws and regulations promulgated thereunder, including those promulgated thereunder by the Massachusetts Cannabis Control Commission.

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

1. The type of adult use establishment to be located at the premises;
2. Background information about the operators of the intended establishment;
3. Steps to be taken by adult use establishment to prevent diversion to minors;
4. A plan for the adult use establishment to positively impact the community;
5. Information adequate to demonstrate that the adult use establishment location will be maintained securely.

Community members will be permitted and are encouraged to ask questions after the presentation and will receive answers from representatives of KG Collective, LLC. If you would like to provide a comment or question before the meeting please send your comments or questions to mike@kushgroove.com. A copy of the meeting presentation will be made available 24 hours prior to the meeting at https://www.facebook.com/thekgcollectivema

Due to current guidelines for large gatherings, the meeting will be held online via a Webex Webinar Meeting. To participate online go to:

Meeting Link: https://bit.ly/3qLJTYC
Password: columbus

Please also join us by using phone using the phone number "+1 408 418 9388" and call-in code "179-867-2202".

A copy of this notice was sent to the Boston Planning and Development, the Boston Public Health Commission and is on file with the Boston City Clerk, at City Hall, located at 1 City Hall Ave Boston, MA 02109. A copy of this notice was mailed at least fourteen calendar days prior to the community outreach meeting to abutters of the proposed address of the adult use establishment, owners of land directly opposite of any public or private street or way, and abutters to the abutters within three hundred feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town.

Written with consideration,

The KG Collective, LLC

Michael Pires
Co-owner

Marcus Johnson-Smith
Co-owner

ATTACHMENT C

NOTICE OF COMMUNITY OUTREACH MEETING
REGARDING ADULT-USE CANNABIS ESTABLISHMENT
THE KG COLLECTIVE, LLC
1589 COLUMBUS AVENUE BOSTON, MA 02119

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Community members will be permitted and are encouraged to ask questions after the presentation and will receive answers from representatives of KG Collective, LLC. If you would like to provide a comment or question before the meeting please send your comments or questions to mike@kushgroove.com. A copy of the meeting presentation will be made available 24 hours prior to the meeting at https://www.facebook.com/thekgcollectivema

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Written with consideration,

The KG Collective, LLC

Michael Pires
Co-owner

Marcus Johnson-Smith
Co-owner

KG Collective Plan for Positive Impact

General Requirements

In accordance to all regulations outlined in 935 CMR 500.000 et. seq. ("the Regulations") and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission ("CNB"), the KG Collective is required to include a plan of action to positively impact areas of disproportionate impact.

KG Collective will comply with the requirements of 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment

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

Intent

KG Collective management team feels strongly about its obligation and related commitment to positively impacting the communities and residents it serves and operates in, as well as the residents and individuals from communities of disproportionate impact. The KG Collective will target its efforts in the communities of Boston (Census Tracts 10405, 10300 ,80801, 80601, 80401, 80500, 10405, 10404, 71201, 81500, and 81700) and Brockton.

Plan Populations

We are committed to providing economic opportunities and involvement in the cannabis industry to the following demographics:

- Past or present residents of "areas of disproportionate impact," which have been defined by the Commission, specifically Boston (Census Tracts 10405, 10300, 80801, 80601, 80401, 80500, 10405, 10404, 71201, 81500, and 81700) and Brockton.
- Commission-designated Social Equity Program participants;
- Massachusetts residents who have past drug convictions; and
- Massachusetts residents with parents or spouses who have drug convictions.

Goals

1. **Goal 1. Provide jobs in the legal cannabis industry to individuals and communities that have been disproportionately harmed by marijuana prohibition.**

Our goal is that 60% of KG Collective Agents hired will meet the following criteria:

- **45% -** Past or present residents of "areas of disproportionate impact", which have been defined by the Commission.
- **5% -** Commission-designated Social Equity Program participants;
- **5% -** Massachusetts residents who have past drug convictions; and
- **5% -** Massachusetts residents with parents or spouses who have drug convictions.

2. **Goal 2. Provide Skills, Education and Training to individuals and communities that have been disproportionately harmed by marijuana prohibition.**

   Our goal is to provide 50 hours of free training and educational seminars to individuals who meet the criteria outlined in our Plan Populations. These seminars will be focused on operating or working in the legal marijuana industry.

3. **Goal 3. Provide financial resources to social service programs and/or organizations that provide services to populations that have been disproportionately harmed by marijuana prohibition.**

Employment Program

Expanding opportunities for gainful employment is a key driver in helping populations disproportionately affected by marijuana prohibition. Quality jobs that pay above minimum wage and offer benefits assists individuals and families in breaking cycles of poverty and incarceration. This program includes:

1. Hiring Preference will be given to individuals who meet the Program Populations outlined above.

2. Postings will be listed with local newspapers the Bay State Banner and JP Gazette.

   a. Our first job postings will be placed within 90 days of receiving our Provisional License from the Commission.
   b. Second and subsequent job postings will be done as needed.

3. We will host at least 2 job fairs that will be targeted towards commission designated areas of disproportionate impact. One will be held in Boston and will be offered to past and present residents of Boston residents of Census Tracts 808.01, 103, 104.05, 806.01 and 804.01. The second job fair will be held in Brockton.

   a. These job fairs will be held within 90 days of receiving our Provisional License from the Commission.

4. Additionally, we will post all job postings and advertise our job fairs on our website and other social media pages including, Facebook, Twitter and LinkedIn.

Skills Education and Training Program

Providing skills, education and training to individuals looking to enter the legal marijuana industry as an operator or employee provides them with knowledge that can give them a head start in the industry. KG Collective will provide at least 50 hours of training and educational workshops/seminars to individuals who meet the Plan Populations outlined above. These workshops/seminars will cover such topics as: Retail Marijuana Operations, Regulatory Compliance in the Cannabis Industry, Applying for Cannabis Licenses, Business Plan Development and other related topics.

These workshops/seminars will be held in Boston. The Boston location will target individuals from Census Tracts 10405, 10300, 80801, 80601, 80401, 80500, 10405, 10404, 71201, 81500, and 81700. We will advertise these seminars on our website and other social media pages including, Facebook, Twitter, LinkedIn, Eventbrite and Meetup.

Our first 3-hour seminar will take place within 45 days of our receipt of Provisional License. We will hold seminars monthly at both locations.

Donation Program

KG Collective has chosen three social service groups that provide services to individuals who meet the criteria outlined in our Plan Populations. Each group will receive a donation of at least $2,500. Once operational this amount may go up.

These groups positively impact residents of areas of disproportionate impact and Massachusetts residents who have past drug convictions or whose parents or spouses who have drug convictions. A detailed description of these groups and how our donations will impact residents of areas of disproportionate impact and Massachusetts residents who have past drug convictions or whose parents or spouses who have drug convictions is outlined below.

These groups are:

1. **Woman With Purpose** https://www.bwomenwithpurpose.com/ Women with Purpose is an organization whose primary goal is to empower and unite women of color in the greater Boston area through a series of Professional Development seminars. The program, which takes place over a series of three consecutive months in the Fall and Spring, convenes women who are movers and shakers in the community to meet, discuss and learn about a variety of topics which vary from but are not limited to personal branding, negotiation, networking tactics and financial literacy.

   Our financial contribution will help expand seminar programming to include an increased number of Black and Latin women of color living in the following communities: Boston, , Chelsea, Haverhill, Lowell, Lynn, Worcester and Taunton.

2. **Minorities for Medical Marijuana** https://minorities4medicalmarijuana.org/ Minorities for Medical Marijuana is committed to cultivating a culturally inclusive environment where diversity of thought, experience and opportunities are valued, respected, appreciated and celebrated. M4MM will serve as a resource to our community by providing information, referrals, advocacy,

coordination and education regarding cannabis legislation, events, activities, initiatives and discussions.

Our financial contribution will be made to the Massachusetts Chapter of M4MM and earmarked for events and services for individuals and communities that are Commission designated Areas of Disproportionate Impact and to Massachusetts residents who have past drug convictions or whose parents or spouses who have drug convictions.

3. **Beat the Odds Boston** https://www.btoboston.org/ Beat the Odds is dedicated to serving under-resourced youth in Boston's low -income communities through its Creative Youth Development Program. With the recent decline of funding for music and art programs in public schools, they aim to help fill that void by providing students with a unique opportunity to explore their creativity and unlock their hidden talents. Their mission is to provide a safe space, where young people will have access to the creative tools necessary to inspire self-awareness and encourage mental health and healing from trauma through music and arts. Beat the Odds is a proud member of the Hustlers Guild Small and Strong non-profit Coalition.

   Our financial contribution will be made to help with the purchase of new equipment and development of new programs.

Measurement and Accountability

KG Collective will perform an ongoing and comprehensive evaluation of this plan to ensure that it accomplishes our goals. We will produce a full report annually which outlines this plan, data collected, whether the goals have been met and if any changes are necessary. Quarterly, our management team will meet to discuss the report and make any necessary adjustments.

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

1. Number and percentage of employees hired, retained, or promoted that come from the Plan Populations.
2. The demographics of all employees, applicants, new hires and promotions;
3. Number and types of jobs created in the adult-use cannabis industry in geographic areas of disproportionate impact;
4. Recruitment and hiring data including job postings, advertising, sourcing of candidates, offers of employment, and actual hires;
5. Data on all job fairs help by KG Collective including the number, locations, and the number of applicants generated.
6. A comprehensive report on our Skills Education and Training Program which will include the number of workshops/seminars help by KG Collective, the number of hours, times, locations, topics, presenters and attendance;
7. Reports of donations to our chosen recipients;

BEAT THE ODDS BOSTON | Creative Youth Development Program

Join our cause to beat the odds!

Beat The Odds
51 Dewey Street
Dorchester, MA 02125

To whom it may concern,

My name is Giovanni Lopez and I am the Co-Executive Director of Beat The Odds. Beat The Odds is dedicated to serving under-resourced youth in Boston's low-income communities through its Creative Youth Development Program. With the recent decline of funding for music and art programs in public schools, we aim to help fill that void by providing students with a unique opportunity to explore their creativity and unlock their hidden talents.

Our mission is to provide a safe space, where young people will have access to the creative tools necessary to inspire self-awareness and encourage mental health and healing from trauma through music and arts. Beat The Odds is a proud member of the Hustlers Guild Small and Strong non-profit coalition.

Beat The Odds is willing and committed to accepted financial contributions and donations from the KG Collective.

Sincerely,

Giovanni Lopez

Giovanni Lopez – Co Executive Director

Date: April 19, 2021

Beat The Odds - Boston
Phone: 617-777-6056
GioLopez@BTOBoston.org
www.BTOBoston.org

To whom it may concern,

My name is Derrell Black and I am the Chapter President of Massachusetts for the nonprofit organization Minorities for Medical Marijuana (M4MM). Minorities for Medical Marijuana, Inc. (M4MM) is organized as a non-profit organization with its corporate office based in Orlando, Florida. The organization was established in May 2016 and currently has 22 state chapter locations throughout the country and 7 national programs. M4MM's mission is focused on providing advocacy, outreach, research, and training as it relates to the business, social reform, public policy, and health /wellness in the cannabis industry. I have been working closely with the owners of KG Collective Mike Pires and Marcus Johnson-Smith on improving the awareness in the disproportionate communities at Kush Groove Smoke Shop. M4MM is committed to community outreach and working with the owners of KG Collective, we would be honored to accept financial donations from their cannabis business. Thank you.

Respectfully,

Derrell Black

Massachusetts Chapter President
M4MM

WomenwithPurpose
Educate • Empower • Advance

To whom it may concern,

Women with Purpose (https://www.bwomenwithpurpose.com/) is an organization that empowers, educates and advances women of all cultural and ethnic backgrounds through professional development seminars, women empowerment workshops and networking events. Women with Purpose creates safe and inclusive spaces for women of all ages and ethnic backgrounds to engage in meaningful discussions and learn crucial skills, such as public speaking, negotiation, financial literacy, civic engagement, emotional wellness and entrepreneurship, so that they can thrive both personally and professionally. Our mission is to build a supportive, inspiring tribe of diverse women throughout the greater Boston area who lead authentically, empower one another, share their knowledge and give back to their communities.

Women with Purpose has been in partnership with the Moakley Center at Suffolk University for the past 4 years and is now looking to expand its professional development seminars to service a greater amount of women at universities, corporate companies and community events throughout the Greater Boston area and beyond. For this reason, we are currently looking for community funding and investors to support us in our endeavor so that we may grow the reach and impact of our organization.

We will be accepting a donation from **The KG Collective** this year to fund the growth and social impact of Women with Purpose.

Sincerely,

Cristina Costa
President of Women with Purpose

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

mass.gov/dor

Letter ID: L2115502912
Notice Date: March 18, 2021
Case ID: 0-001-121-714

CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE

KG COLLECTIVE LLC
1536 TREMONT ST
BOSTON MA 02120-2929

Why did I receive this notice?

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

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

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

What if I have questions?

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

Visit us online!

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

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

Edward W. Coyle, Jr., Chief
Collections Bureau

The Commonwealth of Massachusetts

Secretary of the Commonwealth

State House, Boston, Massachusetts 02133

William Francis Galvin
Secretary of the
Commonwealth

March 16, 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

KG COLLECTIVE LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **April 5, 2018.**

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

I also certify that the names of all managers listed in the most recent filing are: **MICHAEL PIRES, MARCUS JOHNSON-SMITH**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **MICHAEL PIRES, MARCUS JOHNSON-SMITH**

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **MICHAEL PIRES**

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 Commonwealth of Massachusetts
William Francis Galvin

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

Minimum Fee: $500.00

Special Filing Instructions

Certificate of Organization
(General Laws, Chapter)

Identification Number: 001321323

1. The exact name of the limited liability company is: KG COLLECTIVE LLC

2a. Location of its principal office:
No. and Street: 1536 TREMONT STREET
City or Town: BOSTON State: MA Zip: 02120 Country: USA

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

No. and Street: 1536 TREMONT STREET
City or Town: BOSTON State: MA Zip: 02120 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:
TO APPLY FOR A MASSACHUSETTS MARIJUANA LICENSE AS PERMITTED BY THE STATE. NOT ENGAGING IN THE SALE OF MARIJUANA OR ANY OTHER BUSINESSES RELATED TO MARIJUANA.

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:
Name: MICHAEL PIRES
No. and Street: 1536 TREMONT ST
City or Town: BOSTON State: MA Zip: 02120 Country: USA

I, MICHAEL PIRES 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	MICHAEL PIRES	1536 TREMONT STREET BOSTON, MA 02120 USA
MANAGER	MARCUS JOHNSON-SMITH	1536 TREMONT STREET BOSTON, MA 02120 USA

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

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

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	MICHAEL PIRES	1536 TREMONT ST BOSTON, MA 02120 USA

9. Additional matters:

SIGNED UNDER THE PENALTIES OF PERJURY, this 5 Day of April, 2018,
MICHAEL PIRES

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

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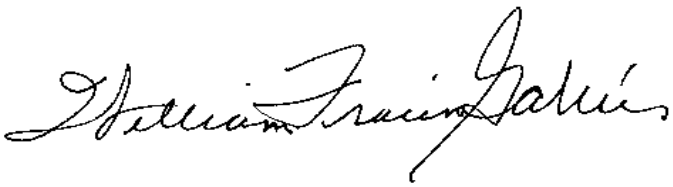
All Rights Reserved

THE COMMONWEALTH OF MASSACHUSETTS

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

April 05, 2018 12:00 PM



WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth

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OPERATING AGREEMENT

OF

KG COLLECTIVE HOLDING LLC

Dated as of November 30, 2020

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OPERATING AGREEMENT

of

KG COLLECTIVE HOLDING LLC

THIS OPERATING AGREEMENT (this "Agreement") of KG COLLECTIVE HOLDING LLC, a Massachusetts limited liability company (the "Company"), is made as of November , 2020, by and among the Company, the Persons identified on the signature page hereto as "Members" and each of the Persons identified on the signature page hereto as a "Manager" (and collectively, the "Board").

RECITALS

WHEREAS, the Company was formed as of [insert date formed], as a limited liability company under the laws of the Commonwealth of Massachusetts in accordance with the provisions of the Massachusetts Limited Liability Company Act by the filing of a Certificate of Organization for the Company (the "Certificate") in the Office of the Secretary of State of the Commonwealth of Massachusetts; and

WHEREAS, the Company, the Members and the Board wish to set out fully their respective rights, obligations and duties regarding the Company and its affairs, assets, liabilities and the conduct of its business; and

NOW THEREFORE, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which each of the parties hereto hereby acknowledge, the Company, the Members and the Board hereby agree as follows:

ARTICLE I
DEFINITIONS

For purposes of this Agreement, capitalized terms used, and not otherwise defined, herein shall have the meanings set forth below:

"Act" shall mean the Massachusetts Limited Liability Company Act and any successor statute, as amended from time to time.

"Advisory Board" shall mean a board of three (3) members nominated by the Managers as follows: Each Manager shall nominate one (1) Advisory Board member and the third (3rd) Advisory Board member shall be appointed by both Managers.

"Affiliate" shall mean, as to any Member, any Person that (i) directly or indirectly

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Controls, is Controlled by or is under common Control with such Member; (ii) directly or indirectly owns a beneficial interest of ten percent (10%) or more in such Member or (iii) is a Family Member.

"Assumed Tax Rate" shall mean the highest effective marginal statutory combined federal, state, municipal and local income tax rate for any Fiscal Year prescribed for an individual residing in Boston, Massachusetts, taking into account the character (e.g., long-term or short-term capital gain, ordinary or exempt) of the applicable income (but without taking into account any deductibility of state and local income taxes for federal income tax purposes).

"Agreement" shall have the meaning set forth in the Preamble.

"Board" shall have the meaning set forth in the introductory paragraph.

"Capital Account" shall have the meaning set forth in Section 5.1(b) hereof.

"Capital Contributions" shall have the meaning set forth in Section 3.2 hereof.

"Capital Event Proceeds" means: (a) the net amount of cash received by the Company from a Capital Transaction, after (i) the deduction of all associated fees, expenses and costs paid or payable by the Company, and (ii) such other reserves as the Board may establish in its discretion. Capital Event Proceeds shall include: (a) all principal and interest payments with respect to any note or other obligation received by the Company in connection with a Capital Transaction; and (b) amounts distributed to the Company as an owner of another entity to the extent that the amount distributed, in the hands of the distributing entity, is in the nature of Capital Event Proceeds. Amounts released from a reserve of Capital Event Proceeds shall be treated as Capital Event Proceeds.

"Capital Transaction" means: (i) any liquidation (as defined in Treasury Regulation 1.704-1(b)(2)(iv)(g) or as provided herein) or dissolution; of the Company; (ii) a merger, conversion into a corporation, consolidation or other combination of the Company with or into any Person; or (iii) a sale or other disposition of all or substantially all of the Company's assets in a single transaction or in a series of related transactions; (iv) any refinancing of the indebtedness secured by Company Property.

"Certificate" shall have the meaning set forth in the Recitals above.

"CEO" shall mean the Chief Executive Officer and Chief Financial Officer. The CEO shall be responsible for overseeing retail operations at the Company's marijuana establishment, including, but not limited to managing inventory and cash and managing and scheduling employees. The CEO shall be Michael Pires.

"Claim" shall have the meaning set forth in Section 10.2.

"Class A Member" shall mean and refer to each Member holding any Class A Unit(s).

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"Class A Unit" means the units of Class A interests as set forth on Exhibit A, as it may be amended from time to time, with the right to vote one (1) vote per Unit and with the other various rights and privileges set forth herein, including, without limitation, such Member's interest in capital and profits.

"Class B Member" shall mean and refer to each Member holding any Class B Unit(s).

"Class B Unit" means the units of Class B interests as set forth on Exhibit A, as it may be amended from time to time, with the right to vote one (1) vote per Unit, and with the other various rights and privileges set forth herein, including, without limitation, such Member's interest in capital and profits.

"Code" shall mean the Internal Revenue Code of 1986, as amended and in effect from time to time (or any corresponding provisions of succeeding law).

"Company" has the meaning given that term in the opening paragraph.

"Company Property" shall mean and include all property owned by the Company, whether real or personal and tangible or intangible.

"Control" and "Controlling" means either ownership of a majority of the outstanding voting interests with full right to vote the same and/or the capacity (whether or not exercised) to manage or direct the management of the business or affairs of the relevant Person.

"Depreciation" shall mean, for each Fiscal Year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such Fiscal Year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal 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 Fiscal Year or other period bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year or other period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Board.

"Director of Operations" shall mean the individual responsible for the operation of the Company's cannabis establishments, including but not limited to designing the interior of the cannabis establishments, creating menus, bringing in inventory, setting pricing, bringing in seed-to-sale tracking software, providing training and keeping the cannabis establishments stocked and compliant. The Director of Operations shall be Marcus Johnson-Smith

"Economic Interest" shall mean an interest in the Company's Profits, Losses and distributions of the Company's assets pursuant to this Agreement and the Act arising from the

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transfer of Units (together with the appropriate portion of the transferor's Capital Contribution and Percentage Interest) which has not received any consent required hereunder, but shall not include any right to participate in the management or affairs of the Company, including the right to vote on, consent to or otherwise participate in any decision of the Members or the Board.

"Economic Interest Owner" shall mean the owner of an Economic Interest who is not a Member.

"Employee" means any individual performing services for the Company.

"Event of Withdrawal" shall mean (i) the bankruptcy or insolvency of any Member, a general assignment for the benefit of creditors of a Member, or the occurrence of any event causing the termination of a Member's interest in the Company; or (ii) the assumption by a legal representative or successor in interest of control over the rights of a Member due to the death or incompetence of an individual Member, or dissolution or termination of any entity which is a Member; or (iii) the failure of any Member at any time to qualify as a party under all applicable law allowed to hold an interest in a Marijuana Establishment pursuant to Chapter 55 of the Acts of 2017, Mass. General Laws Ch. 94G, and its implementing regulations 935 CMR 500.000, *et seq*.

"Fair Market Value" shall mean, as of any date and as to any asset being transferred, the price which a knowledgeable, willing buyer would pay to a knowledgeable, willing seller for such asset, neither buyer nor seller being under any obligation to engage in such transaction, reflecting appropriate adjustments for lack of control, lack of marketability and the like.

"Family Member" shall mean and include a Member's spouse, parent, child, brother, sister, grandparent, grandchild, uncle, aunt, nephew, niece or in-law (whether naturally or by marriage or adoption) of such Member or the spouse of such Person; and trusts for the benefit of each of the foregoing.

"Fiscal Year" shall have the meaning set forth in Section 2.9 hereof.

"Gross Asset Value" shall mean with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and the Board, provided, that if the contributing Member is a member of the Board, the determination of fair market value of a contributed asset shall be made by independent appraisal;

(ii) The Gross Asset Value of all Company assets shall be adjusted from time to time to reflect their respective gross fair market values, as determined by the Board taking into account: (A) the acquisition of an additional interest in the

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Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (B) the distribution by the Company to a Member of more than a de minimis amount of Company Property as consideration for an interest in the Company; and (C) the liquidation of the Company within the meaning of Regulations Section 1.704- 1(b)(2)(ii)(g), provided, however, that the adjustments pursuant to clauses (A) and (B) above shall only be made if the Board reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(iii) The Gross Asset Value of any Company asset distributed to any Member shall be adjusted to equal the gross fair market value of such asset on the date of distribution as determined by the Board provided, that if the distributee is a member of

the Board, the determination of fair market value of such distributed asset shall be made by independent appraisal; and

(iv) The Gross Asset Value 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 such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Value shall not be adjusted pursuant to this subparagraph (iv) to the extent the Board determines that an adjustment pursuant to subparagraph (ii) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraphs (i), (ii) or (iv), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

"Initial Capital Contribution" shall mean the amount of a Member's original investment in the Company as properly reflected on Exhibit A, without adjustment for changes in the Capital account of such Member; and, professional services rendered in the preliminary stages of launch.

"Lien" shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement of any kind or nature whatsoever.

"Majority of Members" shall mean, as of any date, the holders of the Units constituting a majority of all issued and outstanding Class A Units and Class B Units.

"Member" shall have the meaning set forth in the Recitals. For the avoidance of doubt, "Member" shall mean and include all holders of any Units of Membership Interest and each Economic Interest Owner except that the Economic Interest Owner shall not have any rights to

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participate in the management of the Company, or the right to vote on, consent to or otherwise participate in any decision of the Members or the Board.

"Member Bankruptcy" shall have the meaning set forth in Section 9.5 hereof.

"Operating Proceeds" shall have the meaning set forth in Section 5.5 hereof.

"Percentage Interest" shall mean, with respect to any Member, as of any date, (i) if of a Class of Units, the ratio (expressed as a percentage) of such Member's Units of such Class on such date to the aggregate Units of that Class held by all Members on such date; and (ii) if of all Units, the ratio (expressed as a percentage) of all of such Member's Units on such date to the aggregate Units of all Members on such date. In the event that all or any portion of a Member's Units are transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Percentage Interest of the transferor to the extent it relates to the transferred Units.

"Person" shall mean a natural person or any corporation, association, joint venture, limited liability company, general or limited partnership, trust or other legal person or entity.

"Profits" and "Losses" shall mean, for each Fiscal Year or other period, an amount equal to the Company's taxable income or loss for such Fiscal Year or other period, determined in accordance with Code Section 703(a) (for this purpose, 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:

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

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

(iii) In the event that the Gross Asset Value of any Company asset is adjusted pursuant to subparagraphs (ii) or (iii) of the definition of "Gross Asset Value," the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits and Losses;

(iv) 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 such property differs from its Gross Asset Value;

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(v) 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 such Fiscal Year or other period, computed in accordance with the definition of "Depreciation";

(vi) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's interest in the Company, the amount of such adjustment shall be treated as an item of gain (if such item increases the basis of such asset) or loss (if the adjustment decreases the basis of such asset) from the disposition of the asset and shall be taken into account for purposes of computing Profit or Loss;

"Regulations" shall mean the rules and regulations promulgated by the Internal Revenue Service pursuant to the Code.

"Taxing Jurisdiction" shall have the meaning set forth in Section 5.4 hereof.

"Transfer" shall mean any offer, sale, conveyance, assignment, hypothecation, pledge, encumbrance, grant of a security interest in, transfer, or other disposition (including any gift, bequeath or otherwise transfer for no consideration (whether or not by operation of law, except in the case of bankruptcy)) of any Unit or any rights therein.

"Transferee" shall mean and include any recipient of a Transfer pursuant to Article VII hereof.

"Units" and "Units of Membership Interests" shall represent the Members' interests in the Company's Profits and Losses, distributions of the Company's assets pursuant to this Agreement and the Act, holder's Capital Contribution and Percentage Interest and all rights granted to Members to participate in the management or affairs of the Company, including the right to vote on, consent to or otherwise participate in any decision of the Members or the Board. "Units" shall include Class A Units, Class B Units, and any other Class of Units created hereunder.

"Withdrawing Member" shall have the meaning set forth in Section 7.5 hereof.

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ARTICLE II
THE LIMITED LIABILITY COMPANY

2.1 Formation. Effective November ___, 2020, the Members form a limited liability company under the name KG Collective Holding LLC, on the terms and conditions in this Agreement pursuant to the provisions of the Act, and the Certificate was filed in the Office of the Secretary of State of the Commonwealth of Massachusetts as of the date set forth in the Recitals in conformity with the Act.

2.2 Name. The business of the Company shall be carried on in the name of the Company with such variations and changes as the Board shall determine or deem necessary to comply with the requirements of the jurisdictions in which the Company's operations are conducted.

2.3 Registered Office; Registered Agent. The name and address of the Company's registered agent in the Commonwealth of Massachusetts is Michael Pires, located at 1536 Tremont Street, Boston, MA 02120.

2.4 Principal Place of Business. The principal place of business of the Company shall be at 1536 Tremont Street, Boston, MA 02120, or such other location as the Board may select from time to time.

2.5 Business Purpose of the Company. The purpose for which the Company is organized is to acquire, invest in, hold, distribute, hypothecate, and sell interests in other companies and corporate business enterprises, and to exercise all of the powers of an interest holder under the terms of such entities' charters and bylaws. The general character of the business of the Company and its subsidiaries shall be to engage in the retail sale of cannabis, to the extent permitted and in accordance with Massachusetts law, and to engage in any other lawful act or activity that a limited liability company may conduct in accordance with the Act.

2.6 Powers. The Company shall have all the powers necessary or convenient to carry out its purposes including, without limitation, all powers granted by the Act. In furtherance, and not in limitation, of the foregoing, the Company shall have the power to engage in the following activities:

(a) to enter into and perform its obligations under any ground lease, residential or commercial lease, loan, mortgage, and/or security, or any other agreements contemplated by any of the foregoing and contracts, instruments and agreements incidental to the operation of the Property;

(b) to enter into and perform its obligations under such contracts, agreements, instruments, guarantees of wholly-owned subsidiaries and other arrangements as the Board may deem necessary or appropriate in connection with the management and operation of the Company including, without limitation, contracts, agreements and arrangements with vendors, consultants, advisers, accountants, attorneys and other service providers;

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(c) to enter into any contract, agreement or arrangement with any member, Manager, principal or guarantor of the obligations of the Company, or any Affiliate of any of the foregoing, provided that the terms and conditions of any such contract, agreement and/or arrangement shall be commercially reasonable, shall reflect competitive market rate pricing and shall otherwise be substantially similar to those that would be available on an arm's length basis with an unaffiliated third party;

(d) to admit members and to accept capital contributions from time to time from the Members;

(e) to distribute to the Members all available cash to the extent that such distributions of available cash are not prohibited by applicable law and are otherwise in accordance with the terms and provisions of this Agreement;

(f) to pay (or to reimburse one or more Affiliates for) (i) the organizational, start-up and routine transactional and maintenance expenses of the Company, including the creation, assumption or incurrence of obligations to pay service providers to the Company and other ordinary course expenses of maintaining its existence and carrying out its various purposes under this Agreement and (ii) the fees, costs and expenses incurred in connection with the issuance and sale of Units to New Members; and

(g) to engage in any other lawful activities which are necessary to accomplish the foregoing or are incidental thereto or necessary in connection therewith.

2.7 Continuation. Subject to the provisions of Article IX, the Company shall have perpetual existence unless sooner terminated as provided in this Agreement.

2.8 Fiscal Year; Taxable Year. The fiscal year (the "Fiscal Year") and the taxable year ("Taxable Year") of the Company for financial statements and accounting purposes shall end on the 31st day of December each year.

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ARTICLE III
MEMBERS

3.1 Members. No Person may become a Member unless he, she or it is admitted in accordance with this Agreement, and also qualifies as a party allowed to hold an interest in all licenses and registrations held by the Company, including to the extent applicable: (a) a Registered Marijuana Dispensary Certificate of Registration issued pursuant to the Humanitarian Medical Use of Marijuana Act, Ch. 369 of the Acts of 2012, or Mass. General Laws Ch. 94I and their implementing regulations 935 CMR 501.000, et. seq., as applicable; and (b) any Final license(s) for a Marijuana Establishment pursuant to Ch. 55 of the Acts of 2017, Mass. General Laws Ch. 94G and its implementing regulations 935 CMR 500.000, et seq., each as applicable to the Company's business

3.2 Roster. The Company shall maintain a roster of the Members, the number and Class of Units, amounts or other property contributed to the initial capital of the Company (the "Capital Contribution"), as well as all Additional Capital Contributions, of each.

3.3 Actions Requiring the Consent of Members. Except as provided herein, no Member shall have any right to participate in the management of the Company merely by virtue of such Member's status as a Member. All authority, power and discretion to manage and control the business, affairs and properties of the Company, 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 shall be vested in the Board except as otherwise set forth herein.

3.4 Meetings of Members. At any time, and from time to time, the Board may call meetings of the Members. Regular bimonthly meetings shall occur at the principal place of business, or at a location chosen in advance by the Board. Written notice of any such meeting shall be given to all Members not less than five (5) days and not more than sixty (60) days prior to the date of such meeting. A Majority of the Members shall constitute quorum for all purposes at any such meeting. Each meeting shall be conducted by the Board or a designee of the Board. Each Member may authorize any other Person (regardless of whether such Person is a Member) to act on its behalf with respect to all matters on which such Member is entitled to consent or otherwise participate. Any proxy must be signed by the Member giving such proxy or by such Member's attorney-in-fact.

3.5 Liability of the Members.

(a) No Liability for Company Obligations. All 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 have any obligation with respect to for any such debt, obligation or liability of the Company solely by reason of being the Member.

(b) Limitation on Liability. Except as otherwise expressly required by law, no Member shall have any liability in excess of: (i) the amount of its capital contribution to the

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Company, (ii) its share of any assets and undistributed profits of the Company, or (iii) the amount of any distributions wrongfully distributed to it.

3.6 Compliance with Securities Laws and Other Laws and Obligations. Each Member hereby represents and warrants to the Company and to each other Member and acknowledges that: (a) it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in the Company and making an informed investment decision with respect thereto; (b) it is able to bear the economic and financial risk of an investment in the Company for an indefinite period of time and understands that it has no right to withdraw and have its Units of Membership Interest repurchased by the Company; (c) it is acquiring its Units of Membership Interest in the Company for investment only and not with a view to, or for resale in connection therewith, any distribution to the public or public offering thereof; and (d) it understands that the Units of Membership Interests have not been registered under the securities laws of any jurisdiction and cannot be disposed of unless they are subsequently registered and/or qualified under applicable securities laws and the provisions of this Agreement have been complied with.

3.7 Power to Bind the Company. No Member, in its capacity as a Member, shall take part in the management or control of the business of the Company; transact any business in the name of the Company; have the power or authority to bind the Company or to sign any agreement or document in the name of the Company; or have any power or authority with respect to the Company except: (i) as expressly provided in this Agreement, (ii) as directed by the Board, or (iii) as provided in the Certificate of Formation, as the same may be amended from time to time.

3.8 Admission of Members. New members shall be admitted to the Company only through issuance of a new interest in the Company which must be done with the written consent of the Board and a Majority of Members.

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ARTICLE IV
MANAGEMENT OF THE COMPANY

4.1 Management by the Board. Except as provided in Section 4.7 below, or as otherwise provided to the Members pursuant to this Agreement, the management of the Company is fully and solely vested in the Board, the powers of the Company shall be exercised by or under the sole authority of the Board, and the daily business and affairs of the Company shall be managed under the direction of, the Board. All services to be furnished by the Board may be delegated to and furnished by an officer or employee of the Board, an officer or employee of a Member of the Board, or any other Person or agent designated or retained by the Board. Decisions or actions taken by the Board in accordance with this Agreement shall constitute decisions or actions by the Company and shall be binding on the Company. In connection with the management of the business and affairs of the Company, without limiting the foregoing, the Board for and in the name of, and on behalf of Company, without any approval by or Consent of the Members, are hereby authorized:

(a) to execute any and all agreements, contracts, documents, certifications and instruments necessary or convenient in connection with the development, financing, management, maintenance, operation and disposition of any Company asset;

(b) to borrow money from the Members or third parties, to issue evidences of such indebtedness as is necessary, convenient or incidental to the accomplishment of the purposes of Company, and to secure the same by mortgage, pledge or other Lien on any Company asset;

(c) to prepay in whole or in part, renew, refinance, recast, consolidate, increase, modify or extend any debt of Company, and in connection therewith to execute and record any documents relating thereto;

(d) to enter into agreements to employ agents, attorneys, accountants, engineers, appraisers, or other consultants or contractors who may be Affiliates of, or otherwise affiliated with, any one or more of the Managers or Members, and to enter into agreements to employ any Member, Manager, or other Person to provide management or other goods and/or services to Company; provided, that any employment of such Member, Manager or Person is on terms not less favorable to Company than those offered by Persons who are not Affiliates of a Manager or Member for comparable good or services;

(e) to pay out of Company funds any and all fees and make any and all expenditures which the Board, in its sole discretion, deems necessary or appropriate in connection with the organization of Company, the management of the affairs of Company, and the carrying out of the Board's obligations and responsibilities under this Agreement and the Act;

(f) except as otherwise directed by the Partnership Representative, as herein defined, with respect to those matters within the powers of the Partnership Representative, to make and revoke any election permitted to Company by any taxing

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authority in such manner as the Board may decide, and to cause to be paid any and all taxes, charges and assessments that may be levied, assessed or imposed upon any of the assets of Company, unless the same are contested by the Partnership Representative, which the Partnership Representative is hereby expressly authorized to do; and

(g) except as otherwise provided herein, to engage in any kind of activity and perform and carry out contracts of any kind necessary to, in connection with, or incidental to the accomplishment of the purposes of Company as may be lawfully carried on or performed by a limited liability company under the laws of the Commonwealth of Massachusetts (including, without limitation, the Act) and in each jurisdiction where Company has qualified or is doing business (including, without limitation, their respective limited liability company acts or analogs thereof).

For the avoidance of doubt, the Company may enter into any contract, agreement or arrangement (whether for the provision of services or otherwise) with any Affiliate of the Company or of any member of the Board provided that the terms and conditions of any such contract, agreement or arrangement shall be commercially reasonable, shall reflect competitive market rate pricing and shall otherwise be substantially similar to those that would be available on an arm's length basis with an unaffiliated third party.

4.2 Board. The Company shall have two persons serving as Managers. Initially, the Board shall mean the Managers signing below. A majority of the holders of the Class A Units shall have the right to appoint one Manager to the Board and a majority of the Class B Units shall have the right to appoint one Manager to the Board. A quorum shall consist of all Managers. When a quorum is present, the Board shall act by majority vote. If the Board is unable to achieve majority vote on a decision, then the Advisory Board shall be the tie breaking vote. Meetings of the Board shall be held at such places and times and with such frequency as is determined by it. Any Manager may call a meeting of the Board upon not less than 6 hours advance notice, which notice may be given by electronic communication. Any meeting may be held in person, or by telephonic or other electronic communication permitting all Managers to communicate simultaneously. Actions of the Board also may be taken by unanimous written consent. Accurate minutes of any meeting of the Board shall be maintained by the Manager selected at that Board meeting.

4.3 Removal or Replacement of the Board. Each Manager shall serve until such Manager: (A) dies, (B) resigns upon giving sixty (60) days written notice to the Members, or (C) is removed by the affirmative vote of the Members holding 60% of the Units of the Class that appointed such manager. Until such Manager's successor shall have been appointed and qualified, any replacement(s) to fill the vacancy of any such Manager shall be appointed by a Majority of the Members of the Class that appointed such manager.

4.4 No Exclusive Duty to Company. The Manager(s) shall not be paid any remuneration. The Manager(s) shall devote to the Company such time as it may deem necessary to manage the affairs of the Company. Each Manager and Member may engage or have an interest in other business ventures which are similar to or competitive with the business of the Company, including but not limited to, the ownership, financing, leasing,

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operation, management, syndication, brokerage or development of ventures competitive with ventures owned by the Company and the pursuit of such ventures shall not be deemed wrongful or improper or give the Company or the Members any rights with respect thereto. Neither the Board nor any Member shall be obligated to present an investment opportunity to the Company even if such investment opportunity is similar to or consistent with the business of the Company, and any such Person shall have a right to take for its own account or recommend to others any such investment opportunity.

4.5 Bank Accounts; Company Books. The Board may from time to time open bank accounts in the name of the Company. In accordance with Section 2.6 hereof, the Board shall maintain and preserve, during the term of the Company, and for six (6) years thereafter, all accounts, books, and other relevant Company documents. Upon reasonable request, each Member shall have the right, during ordinary business hours, to inspect and copy such Company documents at the requesting Member's expense. Audits are to be conducted by the accounting firm on record, the records of which will be available at the principal office and virtually accessible. Inspection of the Books of Account will take place on a bi-monthly scheduled basis, at a time to be determined by the Board.

4.6 Officers. The Board may appoint individuals as officers of the Company with such titles as the Board may select, including the titles of CEO, CFO, and COO, to act on behalf of the Company, with such power and authority as the Board may delegate to any such individual. Pursuant to this Agreement, Michael Pires shall be appointed as the CEO and CFO and Marcus Johnson-Smith shall be appointed as the Director of Operations.

4.7 Rights of the Members. Notwithstanding anything to the contrary herein contained, the Company shall not, and the Board shall not approve, any of the following actions without the advance written approval of a Majority of Members, which approval shall be subject to such Members' sole discretion. The term "Major Decision," as used in this Agreement, means any decision to:

(a) Sell, transfer or enter into any transaction regarding any asset for a price in excess of $10,000, or the sale or transfer of any license or any agreement with any governmental authority;

(b) Halt or refrain from continuing any efforts by Company or any advisor to proceed with the aggressive pursuit of all needed licenses, permits and approvals to obtain final Licensure as a Marijuana Establishment from the Massachusetts Cannabis Control Commission to operate at 1536 Tremont Street, Boston, MA 02120 (the "Premises");

(c) Commit or create any Company borrowing or indebtedness in excess of $25,000 (excluding any third-party trade payables incurred in the ordinary course of business of the Company), and approval of any renewals, extensions, amendments, or modifications to any such indebtedness;

(d) Acquire on behalf of the Company any rights to real property in addition to the Premises;

(e) (i) File a petition for relief under the United States Bankruptcy Code, as

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amended, with respect to the Company; make an assignment for the benefit of creditors of the Company; apply for the appointment of a custodian, receiver, or trustee for a the Company or any of its property; consent to any other bankruptcy or similar proceeding; consent to the filing of such proceeding with respect to the Company, or admit in writing the Company inability to pay its debts generally as they become due; or (ii) Execute or deliver any assignment for the benefit of creditors of the Company;

(f) Settle any litigation requiring the payment by the Company of more than Twenty-five Thousand Dollars ($25,000) or requiring pleading guilty to a crime;

(g) Enter into any new business or venture;

(h) Modify the business, structure or ownership of the Company in a way that may have an impact on the Company's eligibility as an Economic Empowerment Applicant, as that term is defined in 935 CMR 500.002 and 935 CMR 500.101(1)(e). Specifically, any change that would limit the Company from demonstrating three or more of the following criteria:

a. A majority of ownership belongs to people who have lived for five of the preceding ten years in an area of disproportionate impact, as determined by the Commission;

b. A majority of ownership has held one or more previous positions where the primary population served were disproportionately impacted, or where primary responsibilities included economic education, resource provision or empowerment to disproportionately impacted individuals or communities;

c. At least 51% of current employees or subcontractors reside in areas of disproportionate impact and by the first day of business, the ratio will meet or exceed 75%;

d. At least 51% or employees or subcontractors have drug-related CORI and are otherwise legally employable in cannabis enterprises;

e. A majority of the ownership is made up of individuals from Black, African American, Hispanic or Latino descent; or

f. Other significant articulable demonstration of past experience in or business practices that promote economic empowerment in areas of disproportionate impact.

(i) Approve the annual operating budget of the Company;

(j) Approve any additional capital contributions;

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(k) Any debt or equity financing or refinancing of the Company;

(l) Sale of all or substantially all of the assets of the Company;

(m) Amend any provision of this Agreement except in accordance with the applicable provisions hereof;

(n) Take any action within the scope of authority of the Director of Operations; Cause the Company to liquidate or dissolve; and/or

(o) Amend this Section 4.8.

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ARTICLE V
CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNT; PROFITS, LOSSES AND DISTRIBUTIONS

5.1 Capital Contributions; Capital Account.

(a) Initial Capital Contributions. Initially, the Board is authorized to issue 8,000 Class A Units and 2,000 Class B Units. The ownership and Initial Capital Contributions of each Member shall be as set forth on Exhibit A.

(b) Additional Capital Contributions. The Board may, from time to time, with approval of a Majority of both the Class A Members and the Class B Members, each voting separately as a Class, cause the Company to raise additional capital. In connection with any such capital-raising, the Company may issue and sell additional Class A or Class B, or additional Classes of Units in the Company which may be made pari passu with, or senior in right to, any class of Units.

(c) Capital Accounts. The Company shall maintain a Capital Account on the books and records of the Company for each Member (each, a "Capital Account") in accordance with generally accepted accounting principles and the provisions set forth in Section 5.1.

(i) To each Member's Capital Account there shall be credited such Member's Capital Contributions, such Member's distributive share of Profits, and the amount of any Company liabilities assumed by such Member or that are secured by any Company Property distributed to such Member.

(ii) To each Member's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any Company Property distributed to such Member pursuant to any provision of this Agreement, such Member's distributive share of Losses, and the amount of any liabilities of the Company assumed by such Member or that are secured by any property contributed by such Member to the Company.

(iii) In the event that all or a portion of any interest in the Company is Transferred in accordance with this Agreement, the Transferee shall succeed to the Capital Account of the Transferor to the extent it relates to the Transferred interest.

The foregoing provisions, and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 1.704-1(b) of the Regulations and shall be interpreted and applied in a manner consistent with such Regulations. In the event that the Board shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities that are secured by contributed or distributed property or that are assumed by the Company or the Members) are computed in order to comply with such Regulations, the Board may make such modification, provided that it is not likely to have a

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material effect on the amounts distributable to any Member pursuant to Section 9.3 hereof upon the dissolution and liquidation of the Company. The Board shall also (i) make any adjustments necessary or appropriate to maintain equality between the aggregate Capital Accounts of the Members and the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes in accordance with Regulations Section 1.704-1(b)(2)(iv)(q) and make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b).

(d) Loans. No Member shall have any obligation to loan funds to the Company; provided, however, that subject to the provisions at Section 15(d), the Company may borrow funds or enter into other similar financial accommodations with any Member or any Affiliate of any Member. Loans to the Company by any Member shall not be considered Capital Contributions.

5.2 Calculation of Profits and Losses. For financial accounting and tax purposes, the Profits and Losses of the Company shall be determined on an annual basis in accordance with this Agreement.

5.3 Allocation of Profits, Losses, Credits and Other Items.

(a) Profits and Losses. Profits and Losses (and each item thereof) shall be allocated among the Members in such manner and amount as shall accurately reflect: (a) such Member's obligation, if any, to make future contributions to the Company; (b) such Member's right to receive distributions from the Company; and (c) such Member's economic risk of loss with respect to any liability of the Company. It is the intention of the Members that the allocations pursuant to this Section 5.3(a) be made in such manner as will have substantial economic effect or otherwise be in accordance with the Members' interest in the Company in accordance with Treasury Regulations Section 1.704-l(b) and 1.704-2. Without limiting the foregoing, it is anticipated that all allocations of Profits and Losses (and items thereof) among the Members will be allocated to the Members, in accordance with the provisions of such Regulations regarding "partner nonrecourse deductions," "nonrecourse deductions," limitations imposed on the deficit balance in a Member's capital account and 'qualified income offset," "partnership minimum gain," and "partner nonrecourse debt minimum gain," as such terms are defined in Regulations Sections I.704-2(i)(1), I.704-2(b)(1), 1.704-1(b)(2)(ii)(d), 1.704-2(b)(2) and 1.704-2(i)(2), respectively, are incorporated herein by reference, and shall apply to the Members (and any Transferees) in such Member's capacity as a member of the Company for federal income purposes. Losses allocated to a Member pursuant to this Section 5.3(a) shall not exceed the maximum amount of Losses that can be allocated to such Member without causing such Member to have a negative Adjusted Capital Account Balance at the end of any Fiscal Year or other allocation period in which any other Member does not have a negative Adjusted Capital Account Balance.

(b) Tax Allocations.

(i) Subject to Section 5.3(b)(ii) and 5.3(b)(iii), each item of income, gain, loss, or deduction for federal income tax purposes that

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corresponds to an item of income, gain, loss or expense that is either taken into account in computing Profits or Losses or is specially allocated pursuant to Section 5.3(a) shall be allocated among the Members in the same proportion as the corresponding item is allocated among them pursuant to Section 5.3(a).

(ii) In the event any property of the Company is credited to the Capital Account of a Member at a value other than its tax basis, then allocations of taxable income, gain, loss and deductions with respect to such property shall be made in a manner which will comply with Code Section 704(c). In connection with the admission of a subsequent Member as of the date hereof, the Capital Accounts of the Members shall be adjusted to reflect the current Gross Asset Values of the Company's assets, as described in subsection (ii)(A) of the definition of Gross Asset Value.

(iii) The tax allocations made pursuant to this Section 5.3(b) shall be solely for tax purposes and shall not affect any Member's Capital Account or share of non-tax allocations or distributions under this Agreement.

(c) Former Members. Any allocations described above in this Section 5.3 also shall be made by the Company to any former Member to the extent applicable, as reasonably determined by the Board.

(d) Code Section 754 Election. The allocation to a Member of items of taxable income, gain, loss, and deduction of the Company also shall be adjusted to reflect any election under Code Section 754.

5.4 Non-Federal Taxes.

(a) Elections. The Company may make any tax elections allowed under the tax laws of any state or other local jurisdiction having taxing jurisdiction over the Company ("Taxing Jurisdiction").

(b) Taxes of Taxing Jurisdictions. As determined by the Board, to the extent that the laws of any Taxing Jurisdiction require, each Member requested to do so will submit to the Taxing Jurisdiction an agreement indicating that the Member will timely file all returns and make all income tax payments to the Taxing Jurisdiction or that the Member accepts personal jurisdiction of the Taxing Jurisdiction with regard to the collection of income taxes attributable to the Member's income, and interest and penalties assessed on such income or such other agreement as the Taxing Jurisdiction provides. If the Member fails to provide such agreement, to file such returns, or to make such tax payments, the Company may, and if required by the Taxing Jurisdiction shall, withhold and pay over to such Taxing Jurisdiction the amount of tax, penalty and interest determined as due under the laws of the Taxing Jurisdiction. Any such payments with respect to a Member shall be treated as an advance of a distribution to such Member, provided that if the Member was not entitled to such a

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distribution, without notice or demand the Member shall pay to the Company the amount the Company paid to the Taxing Jurisdiction. The Company may, where permitted by the rules of any Taxing Jurisdiction, file a composite, combined or aggregate tax return reflecting the income of the Company and pay the tax, interest and penalties of some or all of the Members on such income to the Taxing Jurisdiction, in which case the Company shall inform the Members of the amount of such tax, interest and penalties so paid and such amounts shall be also treated as such an advance distribution and be subject to repayment.

5.5 Distributions.

(a) Generally. Distributions of net income from operations (the "Operating Proceeds") hereunder shall be made to the Members in accordance with Section 5.5(b) hereof at such time and in such amounts as may be determined by the Board. Distributions may be made in cash or in other property, as reasonably determined by the Board. Distributions other than in cash shall be valued as reasonably determined by the Board. Distributions in liquidation of the Company or in liquidation of a Member's interest shall be made in accordance with the positive capital account balances pursuant to U.S. Department of the Treasury Regulation 1.704.1(b)(2)(ii)(b)(2). To the extent a Member shall have a negative capital account balance, there shall be a qualified income offset, as set forth in U.S. Department of the Treasury Regulation 1.704.1(b)(2)(ii)(d).

(b) Priorities. All distributions hereunder shall be made in the following order:

(i) First, 100% to both Class A Members and Class B Members (in proportion to their Percentage Interests of that Class), to repay and return the Class A Members' and Class B Members' respective Initial Capital Contributions as referenced and valued in Exhibit A attached to this Agreement, until the distribution to each Class A Member and Class B Member is equal on a cumulative basis to such Member's Initial Capital Contribution.

(ii) Thereafter, to each Member in proportion to their Percentage Interests.

(c) Distributions of Capital Event Proceeds. Distributions of Capital Event Proceeds shall be made to the Members in accordance with Section 5.5(b) at such times and in such amounts as the Board may approve. Capital Event Proceeds shall be distributed in cash or in other property as reasonably determined by the Board. Distributions other than in cash shall be valued as reasonably determined by the Board.

(d) Tax Distributions to Members. Notwithstanding the other provisions of this Agreement, to the extent funds are available, the Board shall make distributions to the Members from time to time with respect to any taxable year in an amount to pay when due any federal, state and local income taxes

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imposed on such Members, calculated using the Assumed Tax Rate, that is attributable to the cumulative taxable income allocated to the Members under this Agreement. Tax distributions pursuant to this Section 5.5(d) shall not be made with respect to the year in which the Company liquidates. Tax distributions made hereunder shall be treated as an advance on other distributions to which a Member is entitled in respect of such Member's Units, and shall therefore reduce the amount of other distributions payable to that Member under this Agreement in respect thereof.

(e) Prohibited Distributions. Notwithstanding anything to the contrary contained herein, the Company shall not make any distribution to the Member if such distribution would violate the Act or other applicable law.

5.6 Withholding Taxes. The Company is authorized to withhold from distributions to the Members, and to pay over to a federal, state or local government, any amounts required to be withheld pursuant to the Internal Revenue Code of 1986, as amended, or any other provisions of any other federal, state, local or foreign law. Any amounts so withheld shall be treated as having been distributed to the Members pursuant to Section 5.3 for all purposes of this Agreement.

5.7 Condition to Distributions. At any time or from time to time, and prior to making any distributions, the Board may request from any Member or other Person receiving a distribution an affidavit or other evidence that such Person is not a "foreign person" within the meaning of Code Section 1445 or Code Section 1446. If such Person does not provide such affidavit or other evidence in form and content reasonably satisfactory to the Members within 30 days after such request, the Board may withhold and pay over to the IRS such portion of such Person's distribution as may be necessary to comply with Code Section 1445 or Code Section 1446, and any amount so withheld and paid over shall be treated as a distribution to such Person at the time it is paid over to the IRS.

5.8 Creditor Status. No Member shall have the status of, or be entitled to any remedies available to, a creditor of the Company with respect to any distribution to which such Member may become entitled.

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ARTICLE VI
ACCOUNTING REPORTS

6.1 Accounting Period. The Company's accounting period shall be the calendar year.

6.2 Records, Audits and Reports. The Board shall maintain records and accounts of all operations and expenditures of the Company at the Company's principal place of business as set forth in Section 2.4 hereof. Audits are to be conducted by the accounting firm on record, the records of which will be available at the principal office and virtually accessible. Inspection of the Books of Account will take place on a bi-monthly scheduled basis, at a time to be determined by the Board. Additionally, the Board shall provide electronic informal access to business records for Members. At a minimum, the Company shall keep at its principal place of business (and, at the request of a Member, shall deliver to such Member by electronic mail) the following records:

(a) A copy of the Certificate of Formation of the Company and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any articles of amendment have been executed;

(b) Copies of the Company's federal, state, and local income tax returns and financial statements for the six most recent years, or, if such returns or statements were not prepared for any reason, copies of the information and statements provided to, or which should have been provided to, the Members to enable them to prepare their federal, state and local tax returns for such period. Tax returns and financial statements shall be prepared by an accountant selected by the Board.

(c) Copies of the Company's current effective written Operating Agreement and all amendments thereto as well as copies of any written operating agreements no longer in effect.

(d) A writing setting forth the amount of cash, if any, and a statement of the agreed value of other property or services contributed by each Member and the times at which or the events upon the happening of which any additional contributions are to be made by each Member;

(e) A writing stating events, if any, upon the happening of which the Company is to be dissolved and its affairs wound up;

(f) Other writings, if any, prepared pursuant to a requirement in this Operating Agreement or prepared according to requirements of the Act.

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ARTICLE VII
TRANSFERABILITY

7.1 Transfers Generally.

(a) No Member shall have the right to Transfer all or any of its Units except in accordance with this Article VII.

(b) In the event that Sections 7.2 - 7.6, below are satisfied, regarding either the sale of a Member's Units to a third party purchaser or the gift of an interest in the Company, as a condition to recognizing the effectiveness and binding nature of any such sale or gift as against the Company or otherwise, and substitution of a new Member, the Board may require the Transferring Member and the proposed Transferee to execute, acknowledge and deliver to the Board such instruments of transfer, assignment and assumption and such other certificates, representations and documents, and to perform all such other acts which the Board may deem necessary or desirable to:

(i) constitute such Transferee as a Member;

(ii) assure that the Transferee qualifies as a Member under Section 3.1;

(iii) confirm that the Transferee has accepted, assumed and agreed to be subject and bound by all of the terms, obligations and conditions of this Agreement, as the same may have been further amended (whether such Person is to be admitted as a new Member);

(iv) preserve the Company after the completion of such Transfer or substitution under the laws of each jurisdiction in which the Company is qualified, organized or does business;

(v) maintain the status of the Company as a partnership for federal tax purposes; and

(vi) assure compliance with all applicable state and federal laws including securities laws and regulations.

(c) Any Transfer of a Unit or admission of a Member in compliance with this Article VII shall be deemed effective as of the last day of the calendar month in which the Board consent thereto was given unless and except to the extent that any governmental or regulatory approval(s) are needed as a precondition to such transfer, in which event such transfer shall take place as of the last day of the calendar month in which the regulatory approval(s) are granted.

(d) The Transferring Member shall pay all costs, fees and expenses of the Company in preparing the documents, conducing the investigations and seeking all governmental or regulatory approval(s) it reasonably deems necessary to approve and

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effectuate such Transfer, whether or not the Transfer is approved or occurs. Transferring Member further hereby indemnifies the Company, the Board and the remaining Members against any and all loss, damage, or expense (including, without limitation, tax liabilities or loss of tax benefits and reasonable accounting and legal expense) arising directly or indirectly as a result of any transfer or purported transfer in violation of this Article VII.

7.2 Transferee Not Member in Absence of Consent of Board.

(a) Notwithstanding anything contained herein to the contrary, if the Board does not approve the proposed Transfer of any Unit to a Transferee which is not a Member immediately prior to such Transfer, then the proposed Transferee shall have no right to become a Member or otherwise to participate in the management of the business and affairs of the Company. No Transfer of a Member's Interest in the Company (including any transfer of the Economic Interest or any other Transfer which has not been approved by the Board) shall be effective unless and until written notice (including the name and address of the proposed Transferee and the date of such transfer) has been provided to the Company and the non-transferring Members.

(b) Upon and contemporaneously with any Transfer of a Transferring Member's Economic Interest in the Company which does not at the same time transfer the balance of the rights associated with the Economic Interest transferred by such Transferring Member (including, without limitation, the rights of the Transferring Member to participate in the management of the business and affairs of the Company), then the Company shall purchase from the Transferring Member, and the Transferring Member shall sell to the Company for a purchase price of $100.00, all remaining rights and interests retained by the Transferring Member which immediately prior to such sale or gift were associated with the transferred Economic Interest.

7.3 Right of First Refusal Upon Sale of Units.

(a) In the event that any one or more Members holding less than a majority of any Class of Units (each, a "Selling Party") shall at any time desire to sell some or all of his Units to any Person who is qualified to be a Member under section 3.1, then, in addition to other requirements and limitations set forth in this Agreement, such Selling Party shall first receive a bona fide written offer (the "Offer") from an offeror (the "Offeror") to purchase such Units. The Selling Party shall then give written notice (the "Offer Notice") to the other Members of his intention to so sell. The Offer Notice shall:

(i) include a copy of the Offer and the Offeror's certification that he or she satisfies and will comply with each and every condition imposed by Section 7.1;

(ii) state the intention to Transfer the Units and the amount to be transferred (the "Offered Units");

(iii) state the name, business, and address of the Offeror; and

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(iv) state the amount of the consideration and the other terms of the Offer.

(b) The non-Selling Members shall have an option to Purchase (the "Purchase Option") Offered Units all, or any portion, of the Offered Units on the same terms and conditions as set forth in the Offer Notice.

(c) The Purchase Option granted in this Section must be exercised by non-Selling Members wishing to do so (the "Purchasers"), by notice given by each during the period ending 15 Business Days after the receipt by all the Members of the Offer Notice, stating the number of Units the Purchaser wishes to purchase (the "Purchase Notice"). If the Purchasers desire to purchase more Units than are Offered Units, then the Purchasers shall be allocated such Units on a pro rata basis relative to the number of Units sought. The Closing Date for all such Purchases shall be 60 days after the date of the Offer Notice. If a Purchase Notice is not timely given, or if timely given, the Purchaser does not timely close the Purchase, it shall be deemed that the Purchase Option was rejected.

(d) If and to the extent that the non-Selling Members do not exercise their right to purchase all of the Offered Units in their entirety, then the Selling Party shall then have the right to transfer that portion of the Offered Units which the non-Selling Members have not elected to purchase in accordance with the Offer Notice within a period no sooner than thirty 30 days but no later than 60 days next following the expiration of the Purchase Option. In the event the Selling Party has not transferred the Offered Units during such period in accordance with the Offer Notice or the Board does not approve the transferee then any transfer shall be null and void, and the Offered Units will continue to be subject to this Agreement.

7.4 Right of First Refusal Upon Involuntary Withdrawal.

(a) In the event that any Member (a "Withdrawing Member") shall suffer an Event of Withdrawal, then in addition to the other requirements and limitations set forth in this Agreement, the legal representatives of the Withdrawing Member ("Representatives") shall give written notice within 90 days of the occurrence of such event (the "Withdrawal Notice") to the other Members of the withdrawal of the Withdrawing Member.

(b) For a period of 90 days after the receipt by the Members of the Withdrawal Notice, the Members shall have an option to purchase ("Option") all, but not less than all, of the Withdrawing Member's Units in the Company ("Abandoned Interest"), on the terms and conditions set forth below in subparagraphs (c) and (d).

(c) The Option granted in this Section to the Members must be exercised by notice within said 90 day period. If and to the extent that the Members do not exercise their right to purchase the Abandoned Interest in its entirety, the Economic Interest represented by the Abandoned Interest and right to request admission as a substitute Member shall pass to the authorized legal representative(s) of the Withdrawing Member by operation of law, but

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subject, nevertheless, to the provisions of Section 7.1(b), (c) and (d) hereof.

(d) The purchase price for the Abandoned Interest ("Abandoned Interest Purchase Price") shall be the Fair Market Value of the Abandoned Interest as determined by an appraiser selected by the Board. The value of the Abandoned Interest shall be determined as of the date of the Event of Withdrawal, unless otherwise mutually agreed by the Company and the legal representatives of the Withdrawing Member. The cost of the appraisal shall be paid by the Company. The Abandoned Interest Purchase Price shall be paid in cash by wire transfer of immediately available funds or by certified or bank treasurer's check upon the transfer of the Abandoned Interest.

7.5 Permitted Transfers. Notwithstanding anything in this Agreement to the contrary, but subject to the requirements of Section 7.1, all transfers of Units or Economic Interests to a current Member, an Affiliate or to a Family Member can be undertaken without restriction. Notwithstanding anything in this Section 7.5 to the contrary, the Transferring Member shall maintain all voting rights attached to his Units during his lifetime in regard to any Transfer to an Affiliate or a Family Member and further provided that Members may only transfer their Units so long as such transfer of Units does not adversely impact the Company's Economic Empowerment applicant status and associated priority registration.

7.6 Tax Limitation. Notwithstanding anything to the contrary contained herein, no Transfer of, or Lien on, any interest in the Company shall be permitted if such Transfer or Lien would cause the Company to be treated as an association taxable as a corporation for U.S. federal income tax purposes, including pursuant to Section 7704 of the Internal Revenue Code of 1986, as amended.

7.7 Holder of Record. The Company shall be entitled to treat the record owner of Units as the absolute owner thereof in all respects, and shall incur no liability for distributions of cash or other property made in good faith to such owner until such time as: (i) a written assignment of such Units has been received and accepted by the Company in accordance with the terms and conditions set forth in this Agreement; and (ii) the transferee has been admitted as a Member of the Company and has fulfilled the terms and conditions of Section 7.1(b) of this Agreement. In the absence of the substitution (as provided herein) of a Member for an assigning or transferring Member, any payment to a Member or any trustee in bankruptcy in accordance with the terms of this Agreement shall acquit the Company and any other Member of all liability to any other persons or entities who may be interested in such payment by reason of any purported assignment or transfer of such Member. In addition to and not in limitation of any other legal or equitable remedies which it may have, the Company and any of its Members may enforce its rights hereunder by actions for specific performance.

7.8 Tag Along Rights.

(a) Notwithstanding anything contained herein to the contrary in this Article VII, in the event that the holders of a majority of any Class of Units desire to transfer all of their Units (the "Tag-Along Transferors") to any one or more Persons in an "arms'-length" single transaction or series of related transactions, then the Tag-Along Transferors shall provide all other Members of any Class (the "Tag-Along Members") with written notice

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("Transfer Notice") of their intention to transfer the Units, specifying in such Transfer Notice the identity of the proposed transferee, the number of Units to be transferred, the purchase price therefor (the "Purchase Price"), and the terms (the "Transfer Terms") of the proposed sale (the "Proposed Sale").

(b) Upon receipt of Transfer Notice, each Member that is not a Tag-Along Transferor, shall, for a period of twenty (20) days ("Tag-Along Exercise Period"), have the right and option ("Tag-Along Right") to sell to the proposed Transferee in the Proposed Sale at a price and on terms equivalent to the per Unit Purchase Price and the Transfer Terms, up to that number of Units owned by such Tag-Along Member as shall equal the product of (i) a fraction, the numerator of which is the number of Tag-Along Units and the denominator of which is the aggregate number of Units owned of record as of the date of the Tag-Along Notice by the Tag- Along Transferors, multiplied by (ii) the number of Units owned of record by such Tag-Along Member as of the date of the Tag-Along Notice provided however that the Members may only exercise such right and transfer their Units if such transfer of Units does not adversely impact the Company's status as an Economic Empowerment applicant status and priority registration. Such written notice shall state the aggregate number of Units that such Tag-Along Member proposes to include in such Transfer.

(c) If any Tag-Along Member exercises its rights pursuant to this Section 7.8, then Tag-Along Transferors will attempt to obtain from the proposed Transferee a commitment, for the benefit of each such Tag-Along Member, to purchase the number of Units that such Tag- Along Member proposes to include in such Transfer pursuant to this Section 7.8. To the extent Tag-Along Transferors cannot obtain such a commitment from such proposed Transferee for each of the Tag-Along Members, the Tag-Along Transferors and Tag-Along Members shall reduce the number of Units being sold by the Tag-Along Transferors and Tag-Along Members such that each Tag-Along Transferor and each Tag-Along Member sells a number of Units as is determined by multiplying (i) a fraction, the numerator of which is equal to the number of Units that such Tag- Along Transferor or such Tag-Along Member, as the case may be, would have sold if Tag-Along Transferors had obtained such commitments from such proposed Transferee, and the denominator of which is equal to the total number of Units that would have been sold by all of such Tag-Along Transferors and all of such Tag-Along Members if Tag-Along Transferors had obtained such commitments from such proposed Transferee, multiplied by (ii) the total number of Units that such proposed Transferee is in fact acquiring from all Tag-Along Transferors and all Tag-Along Members. Anything in this Section to the contrary notwithstanding, each reduction shall be determined based on the amount to be distributed to each of the Tag-Along Transferors and each of the Tag-Along Members as if the proceeds were to constitute Capital Event Proceeds (with any non-cash consideration valued at its fair market value) and were to be distributed pursuant to Section 5.5 at the time of such Transfer.

(d) The closing of the Transfer of the Units with respect to which rights have been exercised by a Tag-Along Member pursuant to this Section 7.8 is subject to, and will take place concurrently with, the closing of the Transfer of the Units by Tag-Along Transferors to the proposed Transferee. At such closing, each Tag-Along Member electing to Transfer Units shall deliver to the proposed Transferee, free and clear of all liens, the Units to

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be sold and shall receive in exchange therefor, the consideration to be paid by the proposed Transferee (but giving effect to the distribution priorities set forth in Section 5.5 as if such sale were a Capital Transaction) in respect of such Units as described in the Tag-Along Notice.

(e) If any Tag-Along Transfer is not closed within six (6) months from the date of the Transfer Notice, with the same proposed transferee and at the same or better Purchase Price and Transfer Terms than those set forth in the Transfer Notice, then prior to concluding any other proposed transfer of a majority of Units to any one or more Persons in a single transaction or series of related transactions, the Tag-Along Transferors shall be required to give all Members a new notice of their desire to transfer in accordance with the foregoing requirements and the foregoing procedures shall again be followed.

7.9 Drag Along Rights.

(a) Following the expiration of the Tag-Along Exercise Period, the Tag-Along Transferors shall have a period of 15 days to elect by written notice to require the Class A Members that did not exercise their Tag Along Right to participate in the proposed transaction (the "Drag-Along Right") at a price and on terms equivalent to the per Unit Purchase Price and the Transfer Terms, provided that the liability of any Member for any breach of representations or covenants shall be joint but not several for any Member holding less than 20% of all Units outstanding.

(b) No Member participating in a Proposed Sale ("Drag-Along Seller") pursuant to the exercise of Drag Along Rights of the Tag-Along Transferors shall be required to make any representations and warranties other than those related to authority, ownership and the ability to convey title to such Units, including, but not limited to, representations and warranties that (i) the Drag-Along Seller holds all right, title and interest in and to the Units such Drag- Along Seller purports to hold, free and clear of all liens and encumbrances, (ii) the obligations of the Drag-Along Seller in connection with the transaction have been duly authorized, if applicable, (iii) the documents to be entered into by the Drag-Along Seller have been duly executed by the Drag-Along Seller and delivered to the acquirer and are enforceable (subject to customary limitations) against the Drag-Along Seller in accordance with their respective terms; and (iv) neither the execution and delivery of documents to be entered into by the Drag-Along Seller in connection with the transaction, nor the performance of the Drag-Along Seller's obligations thereunder, will cause a breach or violation of the terms of any agreement to which the Drag-Along Seller is a party, or any law or judgment, order or decree of any court or governmental agency that applies to the Drag-Along Seller;

(c) A Drag-Along Seller is not required to agree (unless such Drag-Along Seller is a Corporation officer or employee) to any restrictive covenant in connection with the Proposed Sale (including without limitation any covenant not to compete or covenant not to solicit customers, employees or suppliers of any party to the Proposed Sale);

(d) A Drag-Along Seller is not liable for the breach of any representation, warranty or covenant made by any other Person in connection with the Proposed Sale, other

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than the Corporation (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Corporation as well as breach by any member of any of identical representations, warranties and covenants provided by all Members);

(e) A Drag-Along Seller's liability shall be limited to such Drag-Along Seller applicable share (determined based on the respective proceeds payable to each Drag-Along Seller in connection with such Proposed Sale but that in no event exceeds the amount of consideration otherwise payable to such Drag-Along Seller in connection with the Proposed Sale, except with respect to claims related to fraud by such Drag-Along Seller, the liability for which need not be limited as to such Drag-Along Seller;

(f) Upon the consummation of the Proposed Sale (i) each holder of each class or series of the Units must receive the same form of consideration for their Units of such class or series as is received by other holders in respect of their Units of such same class or series of Units, and (ii) unless waived pursuant to the terms of this Agreement and as may be required by law, the aggregate consideration receivable by all holders of the Units shall be allocated among the holders of the Classes giving effect to the distribution priorities set forth in Section 5.5 as if such sale were a Capital Transaction).

(g) If any Proposed Sale is not closed within six (6) months from the date of the Transfer Notice, with the same proposed transferee and at the same or better Purchase Price and Transfer Terms than those set forth in the Transfer Notice, then prior to concluding any other proposed transfer of a majority of Units to any one or more Persons in a single transaction or series of related transactions, the Tag-Along Transferors shall be required to give all Members a new notice of their desire to transfer in accordance with the foregoing requirements and the foregoing procedures shall again be followed.

7.10 Securities Issues. If the consideration to be paid in exchange for the Units pursuant to this Section 7 includes any securities and due receipt thereof by any Member would require under applicable law: (x) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities; or (y) the provision to any Member of any information other than such information as a prudent issuer would generally furnish in an offering made solely to "accredited investors" as defined in Regulation D promulgated under the Securities Act of 1933, as amended, the Company may cause to be paid to any such Member in lieu thereof, against surrender of the Units which would have otherwise been sold by such Member, an amount in cash equal to the fair value (as determined in good faith by the Board) of the securities which such Member would otherwise receive as of the date of the issuance of such securities in exchange for the Units; provided that if there is insufficient cash available for such Members, the Company shall make such other arrangements as are reasonably necessary to make such payments within one year of the Closing.

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ARTICLE VIII
BOOKS, ACCOUNTING AND TAX TREATMENT

8.1 Books and Records; Accounting. The Board shall keep or cause to be kept at the address of the Company (or at such other place as the Board shall determine (in its sole discretion) true and complete books and records regarding the status of the business and financial condition of the Company.

8.2 Financial Statements. The Company will send to all Members not more than 90 days after the end of each Fiscal Year an audited financial report including a balance sheet and statements of income, changes in Member's equity and changes in cash flows, prepared in accordance with accounting principles used to prepare the Company's federal income tax return and a statement for each Member of its Capital Account. In addition, within 60 days after the end of each calendar quarter the Company will provide its members with unaudited financial statements and other information.

8.3 Tax Treatment. The Members intend for the Company to be considered a partnership for Federal income tax purposes and agree that the Company will be governed by the provisions of Subchapter K of the Code and the applicable Treasury Regulations promulgated thereunder. The Members are aware of the income tax consequences of the allocations made by Article V and hereby agree to be bound by the provisions of Article V in reporting their shares of Company Profit and Losses for income tax purposes. The Board will undertake any and all actions necessary under the Code and the Regulations to ensure that the Company will be classified as a partnership for Federal income tax purposes and will file or cause to be filed any elections that may be required (but only if required) under the Code and the Regulations in order to ensure that the Company will be classified as a partnership for Federal income tax purposes.

8.4 Tax Returns and Other Elections.

(a) Preparation and Filing. The Board shall cause the preparation and timely filing of all returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to each Member as soon as practical after the end of the Company's fiscal year but in any event not more than 90 days after the end of each Fiscal Year. The tax information provided to each Member shall include, without limitation, such Member's federal tax Schedule K-1.

(b) Tax Elections. [NAMED ACCOUNTANT OR CPA] is hereby authorized to make elections and prepare and file returns regarding any federal, state or local tax obligations of the Company, and to serve as the "Partnership Representative" of the Company for purposes of Section 6231(a)(7) of the Code, with power to manage and represent the Company in any administrative proceeding of the Internal Revenue Service in his sole discretion, provided that he shall make any tax election requested by the remaining Members holding a Majority Interest if such election does not materially increase the tax obligations of any other Member.

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ARTICLE IX
DISSOLUTION

9.1 Duration and Dissolution. The Company shall be dissolved and its affairs shall be wound up upon the first to occur of the following:

(a) the sale, transfer, or other disposition of all or substantially all of the assets of the Company;

(b) the determination by the Board to dissolve the Company; and

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

The Company shall not be dissolved or otherwise terminated by reason of any Member Bankruptcy, and the Company shall continue its existence as a limited liability company upon, during and following any Member Bankruptcy.

9.2. Death of a Member.

The death of a Member shall not cause the dissolution of the Company. In such event, the Company and its business shall be continued by the remaining Member or Members and the Membership Interest owned by the deceased Member shall be automatically Transferred to such Member's executors, administrators, testamentary trustees, legatees, surviving Spouse, beneficiaries, or other legal representative, as applicable, as Permitted Transferees, and shall be subject to Section 7.1 *provided*, that any such Permitted Transferee shall be admitted as a Member only upon compliance with the provisions of Article 7.

Upon the death of the last remaining Member, the Company shall be wound up unless, within 120 days following such deceased Member's death, the legal representative of such deceased Member agrees in writing to

(i) continue the Company and

(ii) (ii) become a Member or designate another Person who agrees in writing to become a Member, in each case effective as of such deceased Member's death.

9.3 Winding Up. Subject to the provisions of the Act and, unless otherwise required by law, the Board shall have the right to wind up the Company's affairs in accordance with Section 45 of the Act (and shall promptly do so upon dissolution of the Company in accordance with Section 43 or 44 of the Act) and shall also have the right to act as or appoint a liquidating trustee in connection therewith.

9.4 Distribution of Assets. Upon the winding up of the Company, once the Company has made payment of, or adequate provisions for, the debts, expenses and obligations of the Company, the remaining assets of the Company shall be distributed to the Members in accordance with Section 5.5(b)

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9.5 Cancellation of Certificate. Upon the completion of the winding up of the Company and the distribution of the Company's assets, the Company shall be terminated and the Board shall cause the Company to execute and file a Certificate of Cancellation in accordance with Section 14 of the Act.

9.6 Member Resignation. Except in the case of a Transfer of its Units to a new Member in accordance herewith, a Member may not resign from the Company or otherwise disassociate itself from the Company without the consent of the Board.

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ARTICLE X
EXCULPATION AND INDEMNIFICATION

10.1 Exculpation. Notwithstanding any other provisions of this Agreement, whether express or implied, or obligation or duty at law or in equity, none of: (i) the Board, (ii) the Members or (iii) any of their respective officers, directors, stockholders, partners, members, employees, representatives or agents, or (iii) any director, officer, employee, or representative, or any agent of the Company or any of its affiliates (each individually, an "Indemnified Person" and collectively, the "Indemnified Persons") shall be liable to the Company or any other Person for any act or omission (in relation to the Company, this Agreement, any related document or any transaction or investment contemplated hereby or thereby) taken or omitted in good faith by an Indemnified Person and in the reasonable belief that such act or omission is in or is not contrary to the best interests of the Company and is within the scope of authority granted to such Indemnified Person by this Agreement, provided that such act or omission does not constitute fraud, willful misconduct, bad faith or gross negligence.

10.2 Indemnification. To the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless each of the Indemnified Persons from and against any and all losses, claims, demands, liabilities, expenses, judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Indemnified Person may be involved, or threatened to be involved, as a party or otherwise, by reason of its management of the affairs of the Company or which relates to or arises out of the Company or its property, business or affairs (a "Claim"). An Indemnified Person shall not be entitled to indemnification under this Section 10.2 with respect to any claim, issue or matter in which it has engaged in fraud, willful misconduct, bad faith or gross negligence. The Company shall advance to any Indemnified Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any such Claim if the Indemnified Person agrees in writing before any such advancement that he will reimburse the Company for such fees, costs and expenses to the extent that it is determined that he was not entitled to indemnification under this Section 10.2.

10.3 Exclusions. The Company will not be liable to pay any Covered Loss or Covered Expense (an "Excluded Claim"):

(a) For which payment is actually made to or on behalf of the Indemnified Person under such Members' and Boards' liability insurance policy as may be maintained by the Company (except for any deductible under, or excess beyond the amount covered by, such insurance);

(b) For which the Indemnified Person is otherwise indemnified or reimbursed;

(c) With respect to a Proceeding in which a final judgment or other final adjudication determines that the Indemnified Person is liable to the Company for breach of fiduciary duty by such person; or

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(d) If a final judgment or other final adjudication determines that such payment is unlawful.

10.4 Notice to Company; Insurance. Promptly after receipt by the Indemnified Person of notice of the commencement of or the threat of commencement of any Proceeding, the Indemnified Person will, if indemnification with respect thereto may be sought from the Company under this Article X, notify the Company of the commencement thereof. If, at the time of the receipt of such notice, the Company has any Members' and Boards' liability insurance in effect, the Company will give prompt notice of the commencement of such Proceeding to the insurer in accordance with the procedures set forth in the policy or policies in favor of the Indemnified Person. The Company will thereafter take all necessary or desirable action to cause such insurer to pay, on behalf of the Indemnified Person, any and all Covered Loss and Covered Expense payable as a result of such Proceeding in accordance with the terms of such policies.

10.5 Indemnification Procedures.

(a) Payments on account of the Company's indemnity against Covered Loss will be subject to the Company's first determining that the Covered Loss results from a claim which is not an Excluded Claim. Such a determination will be made by a majority vote of the Board not at the time parties to the Proceeding. The determination required by this Section 10.5(a) will be made within 60 days of the Indemnified Person's written request for payment of a Loss, and if it is determined that the Covered Loss is not an Excluded Claim payment will be made forthwith thereafter.

(b) Payment of an Indemnified Person's Covered Expenses in advance of the final disposition of any Proceeding will be made within 20 days of the Indemnified Person's written request therefor. From time to time prior to the payment of Covered Expenses the Company may, but is not required to, determine (in accordance with Section 10.5(a) whether the Covered Expenses claimed may reasonably be expected, upon final disposition of the Proceeding, to constitute an Excluded Claim. If such a determination is pending, payment of the Indemnified Person's Covered Expenses may be delayed up to 60 days after the Indemnified Person's written request therefor, and if it is determined that the Covered Expenses are not an Excluded Claim, payment will be made forthwith thereafter.

10.6 Settlement. The Company will have no obligation to indemnify the Indemnified Person under this Article X for any amounts paid in settlement of any Proceeding effected without the Company's prior written consent. The Company will not unreasonably withhold or delay its consent to any proposed settlement. The Company may consent to a settlement subject to the requirement that a determination thereafter will be made as to whether the Proceeding involved an Excluded Claim or not.

10.7 Rights Not Exclusive. The rights provided hereunder will not be deemed exclusive of any other rights to which the Indemnified Person may be entitled under the Act, any agreement, vote of Members or of the disinterested Manager(s) or otherwise, both as to

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action in the Indemnified Person's official capacity and as to action in any other capacity while holding such position or office, and shall continue after the Indemnified Person ceases to serve the Company in an official capacity.

10.8 Enforcement.

(a) The Indemnified Person's right to indemnification hereunder will be enforceable by the Indemnified Person in any court of competent jurisdiction and will be enforceable notwithstanding that an adverse determination has been made as provided in Section 10.5.

(b) In the event that any action is instituted by the Indemnified Person under this Article X to enforce or interpret any of the terms of this Article X, the Indemnified Person will be entitled to be paid all court costs and expenses, including reasonable attorneys' fees, incurred by the Indemnified Person with respect to such action, unless the court determines that each of the material assertions made by the Indemnified Person as a basis for such action was not made in good faith or was frivolous.

10.9 Successors and Assigns. This Article X will be (a) binding upon all successors and assigns of the Company (including any transferee of all or substantially all of its assets) and (b) binding on and inure to the benefit of the heirs, executors, administrators, and other personal representatives of the Indemnified Person. If the Company sells or otherwise transfers all or substantially all of its assets to a third party, the Company will, as a condition of such sale or other transfer, require such third party to assume and perform the obligations of the Company under this Article X.

10.10 Amendment. No amendment of this Article X will be effective as to an Indemnified Person without such Indemnified Person's written consent.

10.11 Acceptance by Indemnified Person. This Article X will apply, and the benefits hereof will be available, to each Member and Manager(s), of the Company who by accepting a respective position and serving on behalf of the Company will be deemed to have accepted the provisions of this Article X and to have agreed to abide by the terms contained herein.

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ARTICLE XI
MISCELLANEOUS

11.1 Power of Attorney. Each Member does hereby irrevocably constitute and appoint the Board and any Person which becomes an additional or substituted Manager, and any of the foregoing acting alone, in each case with full power of substitution, its true and lawful agent and attorney-in-fact, with full power and authority in its name, place, and stead, to make, execute, acknowledge, swear to, attest, seal, deliver, file, register, and record such documents and instruments as may be necessary, convenient, or advisable, in the sole discretion of any such attorney-in-fact, to carry out the provisions of this Agreement, including (a) such amendments to this Agreement and the Certificate as are necessary, convenient, or advisable as are described below or to admit to the Company any additional or substituted Member or an additional or substituted Manager in accordance with the terms and provisions of this Agreement, (b) such documents and instruments as are necessary to cancel the Certificate, (c) an amended Certificate reflecting the terms of this Agreement, (d) all certificates and other instruments deemed necessary, convenient, or advisable by the Board to permit the Company to become or to continue as a limited liability company wherein the Members have limited liability in the jurisdictions where the Company may be doing business, (e) all fictitious or assumed name certificates required or permitted to be filed on behalf of the Company, and (f) all other instruments which may be required or permitted by law to be filed on behalf of the Company. The foregoing power of attorney is coupled with an interest and shall be irrevocable and survive the death, dissolution, bankruptcy, or incapacity of any Member.

11.2 Title to Company Property. All Company Property shall be deemed to be owned by the Company as an entity, and no Member, individually, shall have any ownership of such property. The Company may hold any of its assets in its own name or in the name of its nominee, which nominee may be one or more trusts, corporations, individuals or other entities. Any property held by a nominee trust for the benefit of the Company shall, for purposes of this Agreement, be treated as if such property were directly owned by the Company.

11.3 Amendments of the Agreement. Amendments to this Agreement may be made from time to time upon the approval of the Board and a Majority of Members, except that no amendment may amend Section 4.8 or 5.5, eliminate any Member's or Class of Members rights to consent or approve any action of the Company, or reduce any Class of Units' share of the Company's Profits, Losses or distributions without the consent of the adversely affected Members. However, the Board may amend this Agreement without the approval of the Members to: (i) reflect changes validly made in the ownership of Units or Economic Interests and the Capital Contributions of the Member; (ii) reflect a change in the name of the Company; (iii) make any change that is necessary to cure any ambiguity, to correct or supplement any provision of this Agreement that would be inconsistent with any other provision contained herein, in each case so long as such change does not adversely affect any Members in any material respect; (iv) make a change that is necessary or desirable to satisfy any requirements, conditions, or guidelines in any opinion, directive, order, statute, ruling or regulation of any federal, state or local governmental entity so long as such change is made in

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a manner which minimizes any adverse effect on the Members; and (v) make any other amendments that in the opinion of the Board may be necessary or advisable provided that such amendments do not adversely affect the Members in any material respect.

11.4 Successors, Counterparts. This Agreement (i) shall be a legal, valid and binding agreement of the Company and the Members enforceable against the Company and each Member in accordance with its terms and (ii) may be executed in several counterparts with the same effect as if the parties executing the several counterparts had all executed one counterpart.

11.5 Waiver of Action for Partition. Each Member irrevocably waives during the term of the Company any right that such Member has or may have to maintain any action for partition with respect to the property of the Company.

11.6 Governing Law; Consent to Jurisdiction; Waiver of Jury Trial. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without giving effect to the principles of conflict of laws thereof. In particular, this Agreement shall be construed to the maximum extent possible to comply with all the terms and conditions of the Act. Each Member hereby irrevocably consents to the exclusive jurisdiction of the state and federal courts sitting in Boston, Massachusetts, in connection with any matter or dispute relating to or arising under this Agreement or relating to the affairs of the Company. Further, each of the parties to this Agreement hereby waives any and all rights such party may have to a trial by jury in connection with any such matter or dispute.

11.7 Severability. If it shall be determined by a court of competent jurisdiction that any provisions or wording of this Agreement shall be invalid or unenforceable under the Act or other applicable law, such invalidity or unenforceability shall not invalidate the entire Agreement. In that case, this Agreement shall be construed so as to limit any term or provision so as to make it enforceable or valid within the requirements of any applicable law, and, in the event such term or provisions cannot be so limited, this Agreement shall be construed to omit such invalid or unenforceable terms or provisions. If it shall be determined by a court of competent jurisdiction that any provision relating to the distributions and allocations of the Company or to any expenses payable by the Company is invalid or unenforceable, this Agreement shall be construed or interpreted so as to: (i)o make it enforceable or valid; and (ii) to make the distributions and allocations as closely equivalent to those set forth in this Agreement as is permissible under applicable law.

11.8 Integration. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and supersedes all prior agreements and understanding pertaining thereto. No covenant shall affect or be deemed to interpret, change or restrict the express provisions hereof.

11.9 Filings. Following the execution and delivery of this Agreement, the Board shall promptly prepare or cause to be prepared any documents required to be filed and recorded under the Act and shall promptly cause each such document to be filed and recorded

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in accordance with the Act and, to the extent required by applicable law, to be filed and recorded or notice thereof to be published in the appropriate place in each jurisdiction in which the Company may hereafter establish a place of business. The Board shall also promptly cause to be filed, recorded and published such statements of fictitious business name and any other notices, certificates, statements or other instruments required by any provision of any applicable law of the United States or any state or other jurisdiction which governs the conduct of its business from time to time.

11.10 Headings. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope or intent of this Agreement or any provision hereof.

11.11 Additional Documents. The Members agree to perform all further acts and execute, acknowledge and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

11.12 Notices. All notices, requests and other communications shall be in writing (including facsimile, electronic mail, or similar writing) and shall be given to the Members (and any other Person designated by any Member) at its physical address, electronic mail address, or facsimile number set forth in his, her or its Subscription for the Units or such other physical address, electronic mail address, or facsimile number as such Member may hereafter specify for the purpose by notice. Each such notice, request or other communication shall be effective (a) if given by facsimile when transmitted to the number specified pursuant to this Section 11.12 and the appropriate confirmation is received, (b) if given by mail, 72 hours after such communication is deposited in the mails with first-class postage prepaid, addressed as aforesaid, or (c) if given by any other means, when delivered at the physical address specified pursuant to this Section 11.12(b), or electronic mail address as if delivered via facsimile pursuant to this Section 11.12(a).

11.13 Waivers. The failure of any party to seek redress for violation of or to insist upon strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

11.14 Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

11.15 Captions. The captions used in this Agreement are for the convenience of the parties only and will not be interpreted to enlarge, contract or alter the terms and provisions of this Agreement.

11.16 Further Effect. The parties agree to execute other documents reasonably necessary to further effect and evidence the terms of this Agreement, as long as the terms and provisions of the other documents are fully consistent with the terms of this Agreement

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IN WITNESS WHEREOF, the undersigned have duly executed this Operating Agreement of KG COLLECTIVE HOLDING LLC as of the date first above written.

Managers:

Michael Pires

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PEZK-V8IH-7MRD-7NIG

Name: Michael Pires

Marcus Johnson-Smith

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HIPE-N8NG-HNCR-NUGV

Name: Marcus Johnson-Smith

Class A Members

Michael Pires

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TEW0-WBHI-AL9I-NFHD

Name: Michael Pires

Class B Members

Marcus Johnson-Smith

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QUI1-MYTE-HCUZ-4GHJ

Name: Marcus Johnson-Smith

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KG COLLECTIVE HOLDING LLC

EXHIBIT A
Initial Capital Contributions

Members Name and Address	Class A Units	Class B Units	Initial Capital Contribution
Michael Pires	6,700		$25,000
Marcus Johnson-Smith		3,300	$25,000
TOTAL	6,700	3,300	$50,000

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

Signed under the pains and penalties of perjury, I Michael Pires, an authorized representative of KG Collective, LLC., certify that KG Collective, LLC. does not currently have employees and is therefore unable to register with the Massachusetts Department of Unemployment Assistance to obtain a Certificate of Good Standing or Compliance.

Michael Pires
Signature

4/5/2021
Date

Name: Michael Pires

Title: Owner

Entity: KG Collective, LLC.

KG Collective Plan for Obtaining Liability Insurance

Purpose

The purpose of this plan is to outline how KG Collective 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.

Research

KG Collective 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.

Plan

1. Once KG Collective receives its Provisional Marijuana Establishment License, we will engage with an insurance provider who is experience in the legal marijuana industry.
    a. KG Collective 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.
    b. The deductible for each policy will be no higher than $5,000 per occurrence.
2. In the event that KG Collective cannot obtain the required insurance coverage, KG Collective will place a minimum of $250,000 in an escrow account. These funds will be used solely for the coverage of liabilities.
    a. KG Collective will replenish this account within ten business days of any expenditure.
3. KG Collective will maintain reports documenting compliance with 935 CMR 500.105(10) in a manner and form determined by the Commission and make these reports available to the Commission up request.

KG COLLECTIVE, LLC.BUSINESS PLAN

MARCH 2021

Stephen Chaisson

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Executive Summary

Company Summary

THE KG COLLECTIVE is organized as a Massachusetts Limited Liability Company owned byMichael Pires and Marcus Johnson-Smith, who will serve as Executives/Co-Owners and operators.

Products & Services

Aside from the dispensing of dried cannabis and concentrates which are our core products, THE KG COLLECTIVE will sell a wide range of additional cannabis Infused products such as edibles and topicals. We will also engage in the sale of accessories and supplies related to concentrate delivery methods.

THE KG COLLECTIVE store will ensure that all our customers are given first class treatment whenever they visit our store. We have a CRM software that will enable us to manage a one-on-one relationship with our customers no matter how large our client base grows. We will ensure that we get our customers involved in their own personal health decisions to make the right choices for their unique medicinalneeds.

Our mission: To provide high quality cannabis to customers with a product and service they can trust. To build our brand on the core values of customer service and care, hospitality, highest standards of quality, honesty, integrity and community outreach.

Vision: Be the number one cannabis store in Massachusetts.by what measure? Revenue, followers?

Goal: Our primary goal is to advocate and support a proactive approach to health management by providing a local and safe environment to dispense cannabis products.

Management: Our owners have several years of retail experience and will develop strong vendor relationships and many strategic partnerships extending nationally and covering all areas of the Cannabis Industry.

Market Opportunities

According to the report by ArcView Market Research and BDS Analytics: "The Road Map to a $57 Billion Worldwide Market"[1], spending on legal cannabis worldwide is expected to hit $57 billion by 2027. The recreational cannabis market will cover about 67% of the spending while medical cannabis will take up the remaining 33%.

The North America legal cannabis market amounted to $12 billion in 2018, growing by 30 percent on the year. The largest market was the United States, which totaled $10.4 billion. It was followed by Canada with $1.6 billion. Analysts predict the overall cannabis market for legal adult-use and medical sales in North America to reach $24.5 billion by 2021 with the compound annual growth rate (CAGR) to almost 28%.

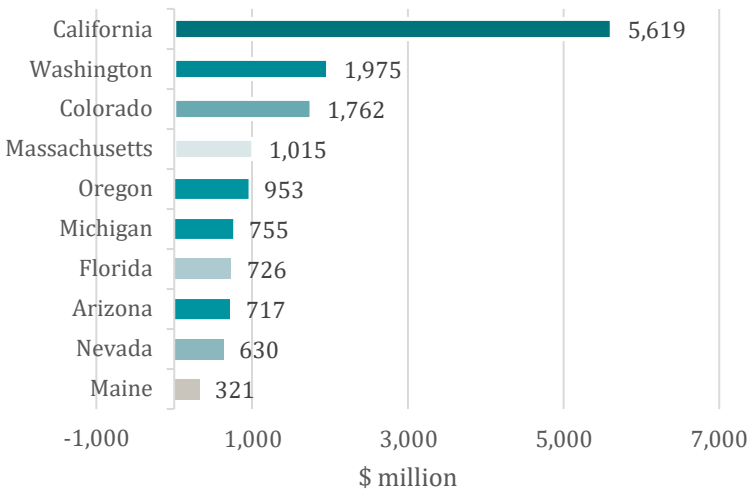


Figure 1. Medical and recreational cannabis sales in top states, 2020

Over 60% of the U.S. population now lives in states that have legalized some form of cannabis use and sales, illustrating the rising acceptance of cannabis nationwide and highlighting the industry's immense potential for future growth.

In 2008 Massachusetts voters decriminalized the possession of small amounts of cannabis and in 2012 Massachusetts became the 18th state to legalize medical cannabis through a ballot.

In November 2016, Massachusetts voters approved Question 4, the initiative to legalize the recreational use of cannabis and first retail cannabis business was opened in Massachusetts in November 2018.

Cannabis stores sold about $9.3 million worth of cannabis products during the first month and in February 2019 total legal cannabis sales exceeded $40 million, according to figures released by the Cannabis Control Commission.

It is expected over 700,000 customers potentially interested in using of a recreational cannabis and adult-use cannabis market in Massachusetts is projected to become a $1 billion industry by 2020. Research from multiple cannabis data and investment firms predict Massachusetts can become such a travel destination.

[1] https://arcviewgroup.com/research/reports/

Financial Summary

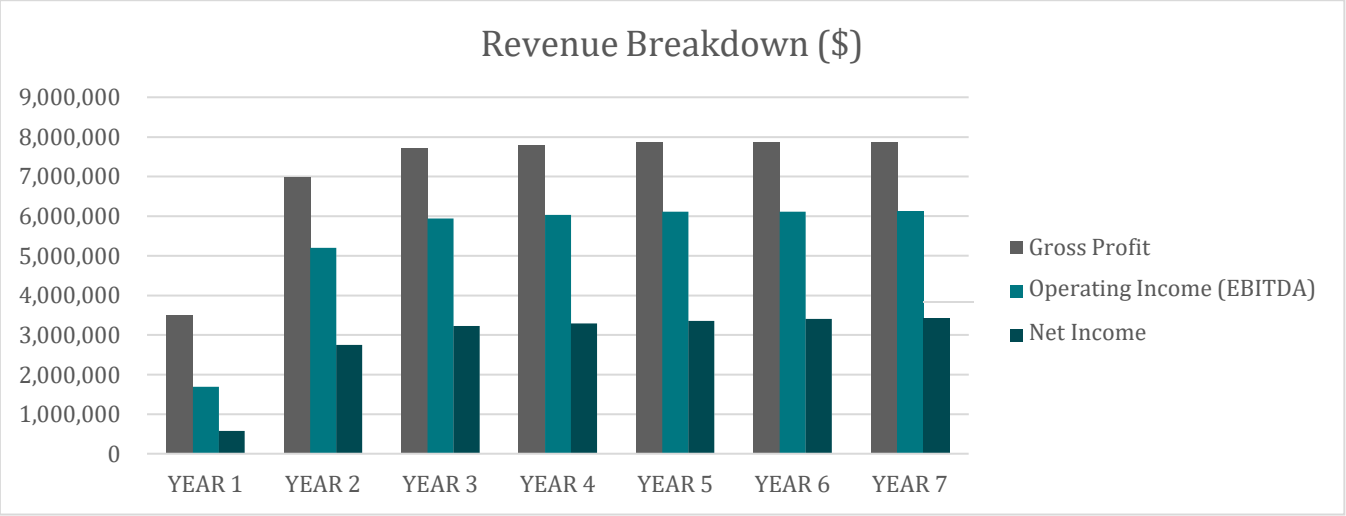
THE KG COLLECTIVE will fund its startup costs largely through personal savings and private investments.

From a total investment of $1,000,000 million, THE KG COLLECTIVE is expected to generate nearly $14.9 million in gross revenues with net income of nearly $2.3 million in Year 2, its first full year of operations. Revenues are expected to grow to nearly $16.6 million in Year 3 and $16.9 million in Year 4, withnet income of nearly $2.7 million and over $2.9 million respectively.

After the first year of operations, it is expected that THE KG COLLECTIVE will be able to trimexpenses through realizing business efficiencies in operating multiple locations, gaining operational experience and industry expertise.

Direct and Indirect Social Impacts

THE KG COLLECTIVE will create more than a dozen new jobs in the city of Boston with over $1.3 million in salaries with 12 positions? That likely includes you both- I would remove this number and say a dozen living wage jobs, $80,600 in Social Security taxes, $19,500 in Medicare taxes and $91,000 for health insurance each year. Through the HCA, a portion of sales will be allocated to the schools and different community programs.



Market Overview

Global Market

The global legal cannabis market amounted to $9.5 billion in 2017, growing by 37 percent on the year, according to the report “The Road Map to a $57 Billion Worldwide Market"[2].

Spending on legal cannabis worldwide is expected to hit $57 billion by 2027, while cannabis market in the United States and Canada is estimated to be about $46.5 billion and other $10.5 billion would go to other markets.

The largest growth rate is predicted within the rest-of-world markets, from $52 million spent in 2017 to 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%.

According to a report provided by Energias Market Research, the global medical cannabis market is projected to increase in value from $8.28 billion in 2017 to $28.07 billion in 2024 and at a CAGR of 19% from 2018 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 legalizing laws internationally to increase access to medical cannabis.
- South America 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.

[2] https://arcviewgroup.com/research/reports/

North American Cannabis Market

The North America legal cannabis market amounted to $12 billion in 2018, growing by 30 percent on the year. The largest market was the United States, which totaled $10.4 billion. It was followed by Canada with $1.6 billion.

The report from cannabis industry analysts ArcView Market Research, in partnership with BDS Analytics[3], forecasts that the entire legal cannabis market in North America to reach $24.5 billion in sales – a 28% annual growth rate by 2021 – as more countries and states legalize cannabis for recreational use and existing markets mature and will grow to $47.3 billion six years later.

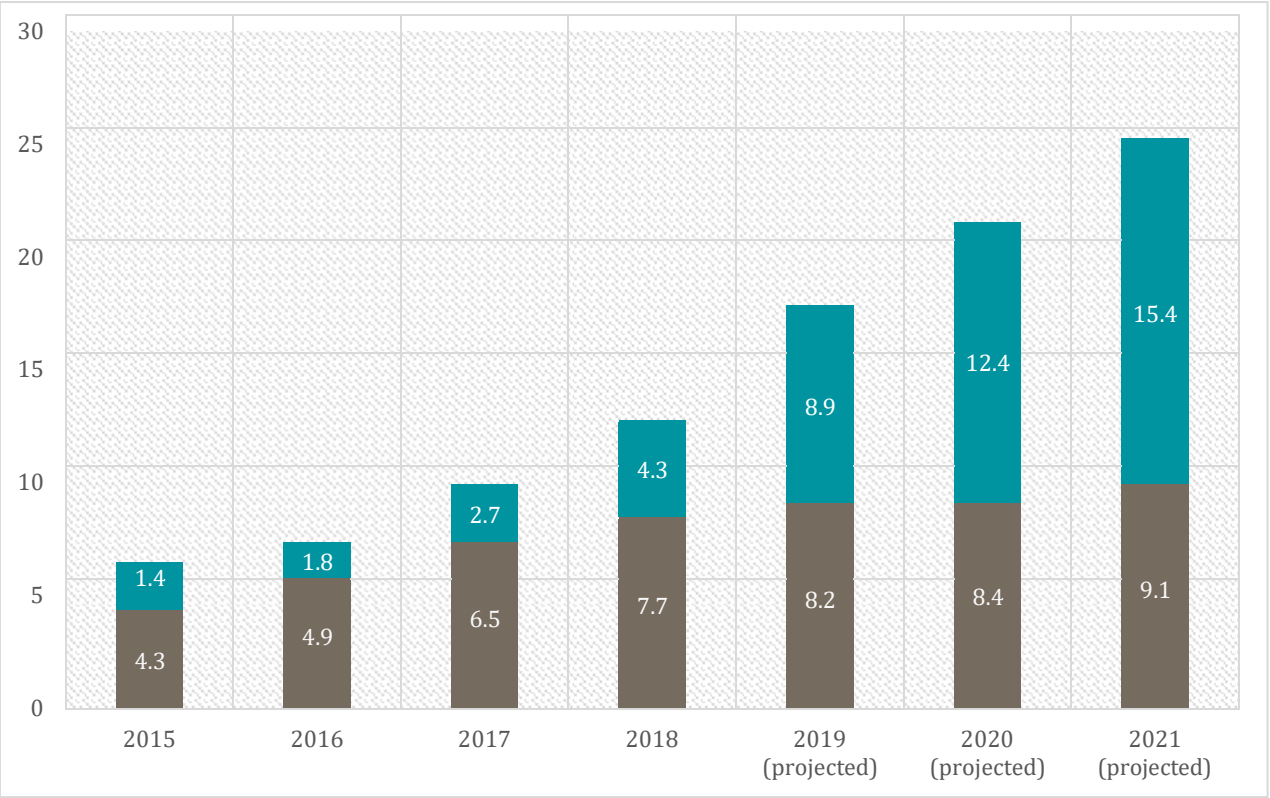


Figure 2. Medical and recreational cannabis sales forecast, billion $

[3] https://bdsanalytics.com/

The U.S. Cannabis Market

In 2018, 62% of Americans report supporting cannabis legalization, double what it was in 2000 (31%)[4]. Although the use of cannabis is illegal under the federal law and the federal government classifies cannabis as a schedule 1 drug, more than 60% of the U.S. states have legalized it in some form. Most states legalized it only for medical purposes, but ten states – Alaska, California, Colorado, Maine, Michigan (2018), Nevada, Massachusetts, Oregon, Vermont and Washington – have gone further, legalizing the recreational use.

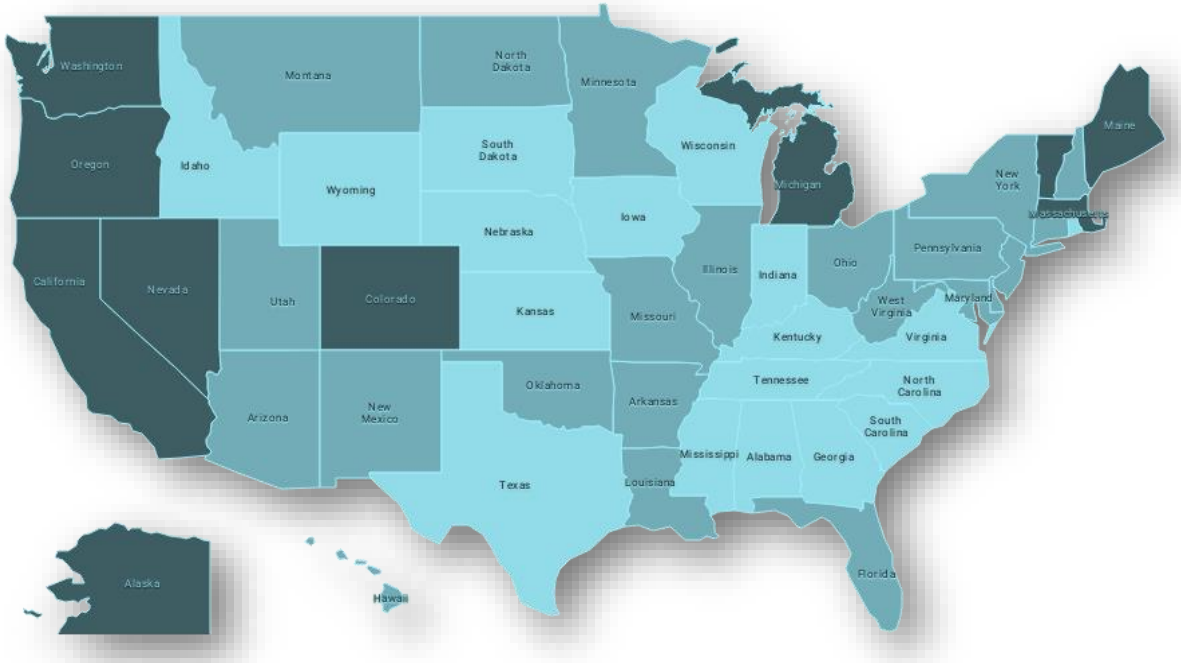


Figure 3. U.S. legalization map

- Medical / Recreational cannabis legalization
- Medical cannabis legalization
- No laws legalizing

As a result, there are 32 States that allow cannabis for medical use, 16 States allow Cannabidiol (CBD), 10 States and the District of Columbia allow cannabis for recreational use.

[4] Pew Research Survey, http://www.pewresearch.org/fact-tank/2018/10/08/americans-support-marijuana-legalization/

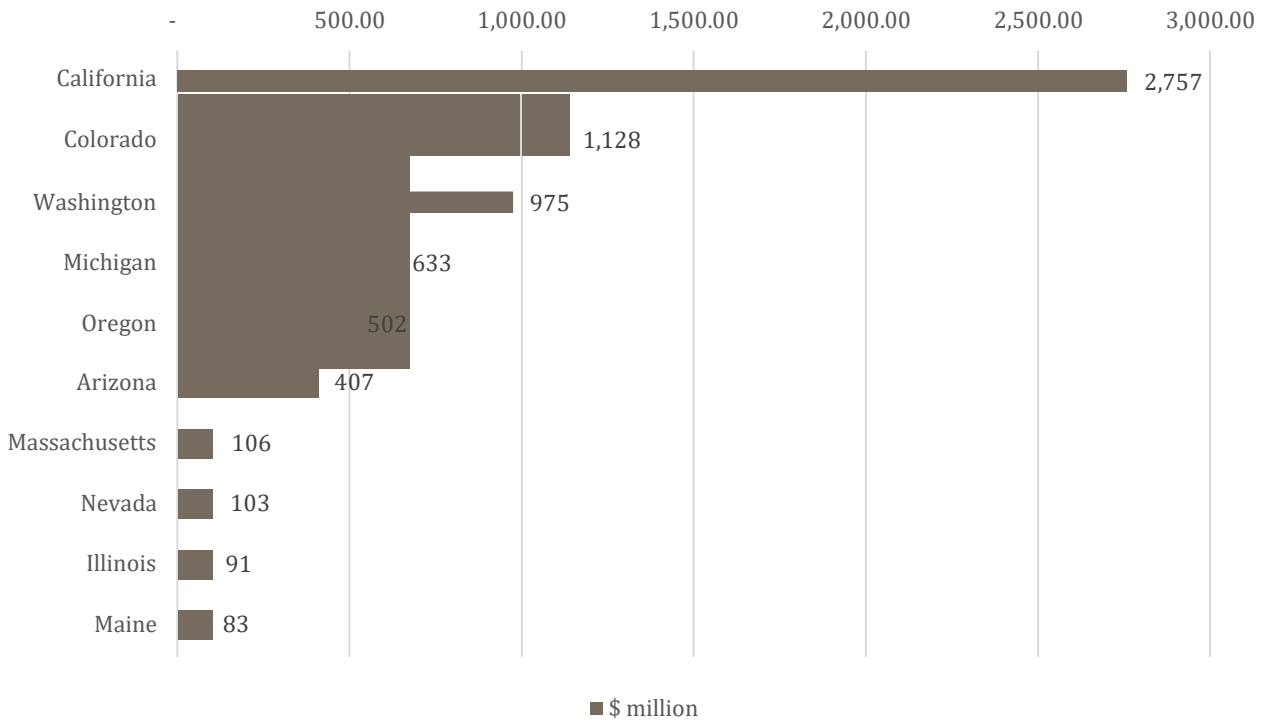


Figure 4. Medical and recreational cannabis sales in top states, 2017

There are about 10,000 active licenses for cannabis businesses in the U.S., according to Statista[5]. This includes cultivation, extraction and manufacturing, retail, distribution and testing licenses.

The industry employed 121,000 people in 2017 and 259,000 people in 2018. If 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.

5 https://www.statista.com/statistics/596641/us-cannabis-businesses-number/

U.S. Cannabis Retail Market

The expected growth came after a solid 2016, when recreational cannabis sales increased by 80% to reach $1.8 billion. Colorado and Washington led the charge, while Oregon's adult-use market posted strong sales gains in its first full calendar year of operation. The industry also saw a spike in medical cannabis sales, as patient counts rose in new states and continued climbing in mature markets.

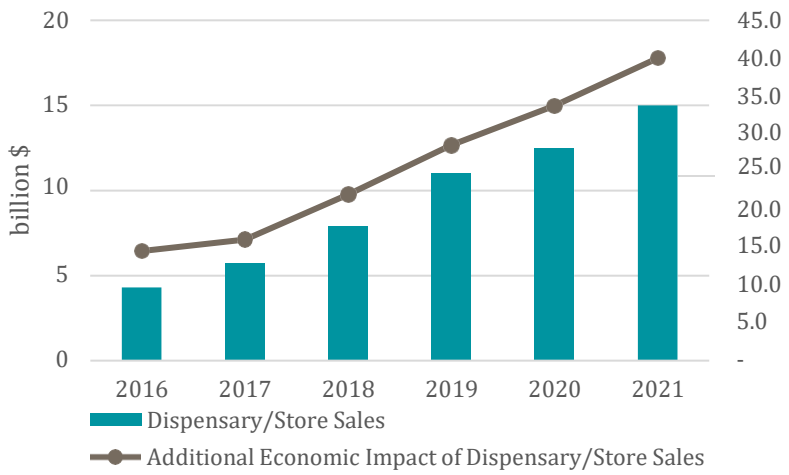


Figure 5. Cannabis retail industry economic impact

According to a BDS Analytics report, the retail sector owed $1 billion in state taxes in 2016 and another $1.4 billion in 2017.

In 2017, overall cannabis sales in the United States at the retail level to soar by 31.5%, hitting $5.7 billion on the back of continued growth in existing recreational cannabis markets.

Recreational sales are expected to surpass medical this year for the first time ever. Medical cannabis sales also are expected to sustain the industry.

The cannabis retail market is growing at a high rate in the United States alone, with there currently being over 3,000 open and operating dispensaries and retail stores throughout the country according to data from Statista[6]. The growing numbers of dispensaries is a large part as to why New Frontier projects the industry to top $25 billion in revenue by 2025.

The increase in retail sales over the next five years will provide a substantial economic boost for the United States. The total economic output from legal cannabis will grow 150% from $16 billion in 2017 to $40 billion by 2021, according to the "US Legal Cannabis: Driving $40 Billion Economic Output" report released by Arcview Market Research, in partnership with BDS Analytics.

The level of sophistication and involvement among investors in the cannabis industry varies quite widely, as some belong to cannabis-specific venture capital firms while others have taken a material interest in a friend or family member's cannabis business. But in general, more investors are pumping money into the cannabis industry than ever before, and they're also increasing the size of their capital placements. The average investor/investment firm involved in the cannabis industry has placed $450,000 in cannabis companies.

Cannabis Market in Massachusetts

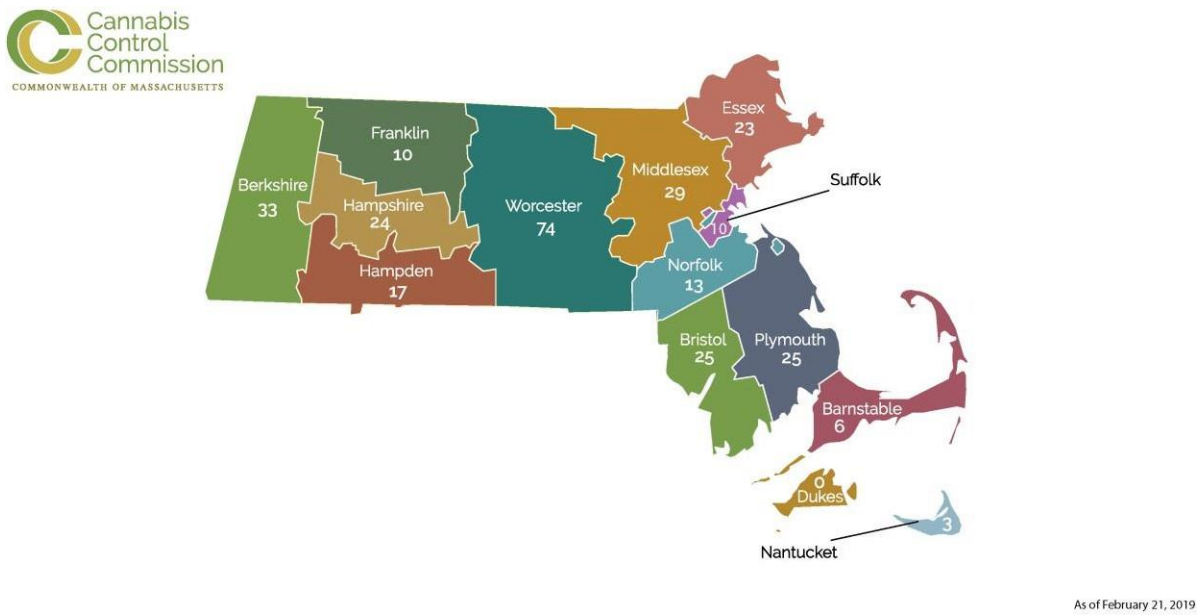
In 2008 Massachusetts voters decriminalized the possession of small amounts of cannabis and in 2012 Massachusetts became the 18th state to legalize medical cannabis through a ballot initiative.

[6] https://www.statista.com/statistics/596641/us-cannabis-businesses-number/

In November 2016, Massachusetts voters approved Question 4, the initiative to legalize the recreational use of cannabis for adults 21 years of age and older. In December 2016, the Massachusetts state legislature voted to delay sales of recreational cannabis for six months. Originally, licensing for cannabis shops was set to begin in January 2018, but the delay moved the date and first retail cannabis business opened in Massachusetts in November 2018.

In 2018, there were over 60,000 (up from 19,000 in early 2016) people who have gotten medical cannabis cards that allow them to use medical cannabis legally to treat a variety of ailments. They were served by 47 medical cannabis dispensaries.

As of February 2019, there are over 300 pending applications, including 130 retailer, 87 cultivator, 44



manufacturer, 12 microbusiness, 11 transporter and 4 testing licenses. The review process includes a background check and a 60-day window during which the municipality in which the business hopes to locate must certify that the applicant has met all local requirements.

Cannabis stores sold about $9.3 million worth of cannabis products during the first month and in February 2019 total legal cannabis sales exceeded $40 million, according to figures released by the Cannabis Control Commission.

It is expected over 700,000 customers potentially interested in using of a recreational cannabis and adult-use cannabis market in Massachusetts is projected to become a $1 billion industry by 2020. Research from multiple cannabis data and investment firms predict Massachusetts can become such a travel destination.

Cannabis Taxes

Under the new law, recreational cannabis is taxed 17 to 20%. The baseline tax is 17%, which is determined from a combination of a 6.25% sales tax and a 10.75% special excise tax on adult use. Cities and towns can choose to add a 3% tax on top of the 17%, tallying up to a 20% tax on adult use cannabis.

Marketing Strategy

Marketing Plan

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

Google, Facebook and Twitter all have advertising policies that restrict the promotion of the sale of cannabis. Google's policy prohibits ads that promote "substances that alter mental state for the purpose of recreation." Facebook restricts any "illegal, prescription, or recreational drugs." And Twitter bans "illegal drugs" as well as substances that cause "legal highs." Instagram and Facebook have decided to go a step further by removing pages of cannabis related businesses.

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 THE KG COLLECTIVE store will be based on generating long- term personalized relationships with growers and manufactures.

Marketing and advertising campaigns will include:

- Meeting with growers and manufactures
- E-mail Marketing
- Advertising and articles in the thematic Magazines, including:
    - Cannabis Now
    - 420 Magazine
    - Marijuana Venture
    - MG Magazine

WEEDMAP https://weedmaps.com/	Cannabis finder on the planet. With over 7,750 listings throughout the U.S., Canada, and Europe.	WeedMaps has 7.96 million total visits each month.
LEAFY https://www.leafly.com/	Leafy is a cannabis information resource for finding the right strains and products. Services include: cannabis finder, online store, branding, doctors' portal.	Leafy has 226.27 thousand total visits each month.

Table 1. Cannabis business directories

Target Customers

Aside from the dispensing of cannabis products, THE KG COLLECTIVE Store will sell a wide range of cannabis infused products to customers who are based in Boston and every other city where ourstores will be opened. We will also engage in the sale of accessories such as pipes, lighters, apparel, etc.

THE KG COLLECTIVE Cannabis Store will ensure that all our customers are given first class treatment whenever they visit our store. We have a CRM software that will enable us to manage a one-on-one relationship with our customers no matter how large our client base grows. We will ensure that we get our customers engaged in their own personal health decisions to make the right choices for their unique medicinal needs.

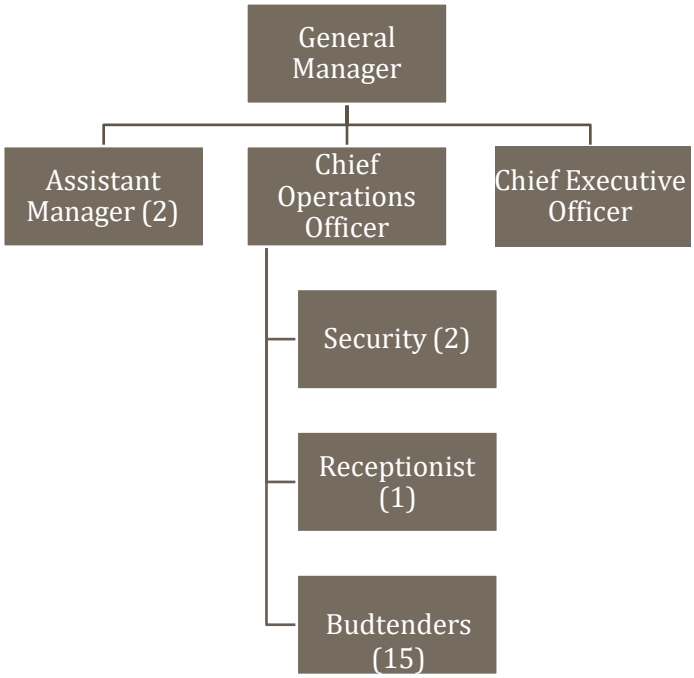
Medical cannabis customers come from diverse groups, ages, races and socioeconomic backgrounds. Ranging from young to old, treating chronic and terminal illnesses such as cancer, epilepsy, HIV/AIDS, and beyond.

Organizational Structure

THE KG COLLECTIVE is a business that will be built on a solid foundation. From the outset, we havedecided to recruit only qualified people to man various job positions in our company. We are quite aware of the rules and regulations governing the cannabis industry of which cannabis dispensing falls under which is why we decided to recruit experienced and qualify employees as foundational staff of the organization. We hope to leverage on their expertise to build our business brand to be well accepted in the United States.

These are the positions that will be available at THE KG COLLECTIVE:

Figure 6. Organizational structure



KG Collective Plan for Separating Recreational from Medical Operations

KG Collective is a retail establishment and will not operate as a Medical-Use of Marijuana MTC.

KG Collective Restricting Access to Age 21 and Older SOP

Intent

KG Collective Retail Marijuana Establishment operations will be compliant with all regulations outlined in 935 CMR 500.000 et. seq. ("the Regulations") and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission ("CNB") or any other regulatory agency.

Purpose

The purpose of this policy is to outline the responsibilities of the Company, the Company's management team and Agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that access to our facility is restricted to only persons who are 21 years of age or older.

Definitions

Consumer means a person who is 21 years of age or older.

Law Enforcement Authorities means local law enforcement unless otherwise indicated.

Marijuana Establishment Agent means a board member, director, employee, executive, manager, or volunteer of a Marijuana Establishment, who is **21 years of age or older**. Employee includes a consultant or contractor who provides on-site services to a Marijuana Establishment related to the cultivation, harvesting, preparation, packaging, storage, testing, or dispensing of marijuana.

Proof of Identification means a government issued photograph that contains the name, date of birth, physical description and signature of the individual and is currently valid (in other words, not expired). KG Collective will only accept the following forms of proof of identification that include all of the above criteria;

1. Massachusetts driver's license
2. Massachusetts Issued ID card
3. Out-of-state driver's license or ID card
4. Government issued Passport
5. U.S. Military I.D.

Visitor means an individual, other than a Marijuana Establishment Agent authorized by the Marijuana Establishment, on the premises of an establishment for a purpose related to its operations and consistent with the objectives of St. 2016, c. 334, as amended by St. 2017, c. 55 and 935 CMR 500.000, provided, however, that **no such individual shall be younger than 21 years old**.

Responsibilities

KG Collective Management team is responsible for ensuring that all persons who enter the facility or are otherwise associated with the operations of KG Collective are 21 years of age or older.

Access to the Facility

KG Collective retail facilities allows only the following individuals access. For the purposes of this Policy, the term facility also refers to any vehicle owned, leased, rented or otherwise used by KG Collective for the transportation of Marijuana.

1. KG Collective Agents (including board members, directors, employees, executives, managers, or volunteers) while at the facility or transporting marijuana for the facility all KG Collective Agents must carry their valid Agent Registration Card issued by the Commission.
    a. All KG Collective Agents are verified to be 21 years of age or older prior to being issued a Marijuana Establishment Agent card.
2. Customers/Consumers (Note: All Agents will be trained in the Verification and Identification of individuals):
    a. To verify a customer is 21 or older KG Collective Agents must receive and examine from the customer one of the following authorized government issued ID Cards;
        i. Massachusetts Issued driver's license
        ii. Massachusetts Issued ID card
        iii. Out-of-state driver's license or ID card (with photo)
        iv. Passport
        v. U.S. Military I.D.
    b. To verify the age of the customer the Agent will use an Age Verification Smart ID Scanner that will be supplied by KG Collective.
    c. In the event that the ID is not a scannable ID, or if for any reason the scanner is not operational or available of if the ID is questionable the Agent must use the **FLAG** methodology of ID verification

F. Feel

- ✓ Have the customer remove the ID from their wallet or plastic holder (never accept a laminated document)
- ✓ Feel for information cut-out or pasted on (especially near photo and birth date areas)
- ✓ Feel the texture – most driver's license should feel smooth, or (depending on your State) they will have an identifying texture

L. Look

- ✓ Look for the State seals or water marks; these seals are highly visible without any special light.

- ✓ Look at the photograph. Hairstyles, eye makeup and eye color can be altered, so focus your attention on the person's nose and chin as these features don't change. When encountering people with beards or facial hair, cover the facial hair portion of the photo and concentrate on the nose or ears.
- ✓ Look at the height and weight. They should reasonably match the person.
- ✓ Look at the date of birth and do the math!
- ✓ Compare the age on the ID with the person's apparent age.
- ✓ Look at the expiration date. If the ID has expired, it is not acceptable.
- ✓ If needed, compare the ID to the book of Government Issued ID's

A. Ask

- ✓ Ask questions of the person, such as their middle name, zodiac sign, or year of high school graduation. Ask them the month they were born. If they respond with a number, they may be lying. If the person is with a companion, ask the companion to quickly tell you the person's name.
- ✓ If you have questions as to their identity, ask the person to sign their name, and then compare signatures.

G. Give Back

- ✓ If the ID looks genuine, give the ID back to the customer and allow entry.

d. If for any reason the identity of the customer or the validity of the ID is in question, do not allow the customer to enter the facility.

3. Visitors (including outside vendors and contractors)

   a. Prior to being allowed access to the facility or any Limited Access Area, the visitor must produce a Government issued Identification Card to a member of the management team and have their age verified to be 21 years of age of older.

      i. If there is any question as to the visitors age, or of the visitor cannot produce a Government Issued Identification Card, they will not be granted access.

   b. After the age of the visitor is verified they will be given a Visitor Identification Badge

   c. Visitors will be escorted at all times by a marijuana establishment agent authorized to enter the limited access area.

   d. Visitors will be logged in and out of the facility and must return the Visitor Identification Badge upon exit.

      i. The visitor log will be available for inspection by the Commission at all times

4. Access to the Commission, Emergency Responders and Law Enforcement.

a. The following individuals shall have access to a Marijuana Establishment or Marijuana Establishment transportation vehicle:

    i. Representatives of the Commission in the course of responsibilities authorized by St. 2016, c. 334, as amended by St. 2017, c. 55 or 935 CMR 500.000;

    ii. Representatives of other state agencies of the Commonwealth; and

    iii. Emergency responders in the course of responding to an emergency.

    iv. Law enforcement personnel or local public health, inspectional services, or other permit-granting agents acting within their lawful jurisdiction.

b. Individuals described above in this policy will be granted immediate access to the facility.

I. Training

KG Collective will train all Agents on the verification and identification of individuals. This training will be done prior to Agents performing age verification duties. Management will supply Age Verification Smart ID Scanners and hardcover books to assist Agents in age verification.

All KG Collective Agents will enroll and complete the Responsible Vendor Training Program when it is available. This curriculum will include:

a. Diversion prevention and prevention of sales to minors;

b. Acceptable forms of identification, including:

    i. How to check identification;

    ii. Spotting false identification;

    iii. Medical registration cards issued by the DPH;

    iv. Provisions for confiscating fraudulent identifications; and

    v. Common mistakes made in verification.

KG Collective Policy for Quality Control and Testing of Marijuana and Marijuana Products SOP

Intent

To provide clear and concise instructions for KG Collective' employees on Quality Control and Testing that are compliant with the regulations.

KG Collective is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. ("the Regulations") and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission ("CNB" or "the Commission") or any other regulatory agency.

Superb quality control and the testing of marijuana products are essential for the operation of KG Collective Retail Marijuana Facility. KG Collective uses best industry practices when it comes to quality control and product testing, furthermore KG Collective will not sell any marijuana product that is a potentially hazardous food (PHF) or time/temperature control for safety food (TCS food).

General Requirements

Quality Control will be maintained through the strict adherence to Good Manufacturing Practices and compliance with 935 CMR 500.000 et. seq, 105 CMR 590.000: *Minimum Sanitation Standards for Food Establishments,* the sanitation requirement in 105 CMR 500.000: *Good Manufacturing Practices for Food*, and with the requirements for food handlers specified in 105 CMR 300.000*: Reportable Diseases, Surveillance, and Isolation and Quarantine.*

In the case of acquiring wholesale products, KG Collective will only source marijuana products from Marijuana Establishments where the product has been tested in accordance with the regulations. Prior to accepting any marijuana or marijuana product from a source Marijuana Establishment KG Collective will view and confirm that the source products have been tested in accordance with the regulations and will store the testing records.

No marijuana product, including marijuana, may be sold or otherwise marketed for adult use that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000.

Any testing results indicating noncompliance with M.G.L. c.132B and the regulations at 333 CMR 2.00 through 333 CMR 14.00 will be immediately reported to the Commission, who may refer any such result to the Massachusetts Department of Agricultural Resources.

KG Collective will not prepare, sell or otherwise transfer an edible marijuana product with potency levels exceeding the following, as tested by an independent marijuana testing facility licensed in accordance with M.G.L. c. 94G, § 15:

1. For a single serving of an edible marijuana product, five milligrams of active tetrahydrocannabinol (THC); and
2. In a single package of multiple edible marijuana product to be eaten, swallowed, or otherwise ingested, not more than 20 servings or 100 milligrams of active THC.
3. The THC content must be homogenous, or evenly distributed throughout the edible marijuana product.

KG Collective will satisfy minimum energy efficiency and equipment standards established by the Commission and meet all applicable environmental laws, regulations, permits and other applicable

approvals, including those related to water quality and solid waste disposal, and to use additional best management practices as determined by the Commission in consultation with the working group established under St. 2017, c. 55, § 78(b) to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts. If minimum standards or best management practices are not established by the time of an application for initial licensure, an KG Collective will satisfy such standards or best management practices as a condition of license renewal, in addition to any the terms and conditions of any environmental permit regulating the licensed activity.

Sanitation

KG Collective' Retail Marijuana facility ("the facility or facilities") will be designed and constructed with sanitation in mind.

All product contact surfaces will be smooth, durable, non-porous and easily cleanable.

1. The walls, ceiling and floors of all storage and packaging areas will be constructed of materials that are smooth, durable and can be adequately kept clean and in good repair.
    a. There will be coving at base junctures that is compatible with both wall and floor coverings. The coving should provide at least 1/4-inch radius and 4" in height.
    b. The Retail Manager will prepare a cleaning and sanitation checklist for the staff to that cleaning and sanitation is performed in a consistent and satisfactory manner.
2. The facility will provide sufficient space for the placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations and the sale of safe marijuana products.
3. Lighting and Light Fittings - Shatter-proof or safety-type light bulbs, fixtures, or other glass is used where lighting is suspended over retail or storage areas or otherwise protect against marijuana product contamination in case of glass breakage.
    a. Suspended lighting is constructed from non-corrodible and cleanable assemblies.
    b. All light bulbs used in the production, processing and storage areas are shatterproof and/or protected with plastic covers.
    c. Adequate safety lighting in all areas.
4. Buildings, fixtures, and other physical facilities will be constructed in such a manner that allow them to be maintained in a sanitary condition
5. Product Preparation Surfaces (stainless steel tables, scale surfaces and utensils) will be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the US Environmental Protection Agency (EPA), in accordance with labeled instructions.
    a. Pre-scrape surface to remove any soils.
    b. Wash surface with recommended strength solution of pot & pan detergent.
    c. Rinse with water and wipe dry.
    d. Using trigger sprayer bottle and a different wiping cloth, applying hydrogen peroxide.
    e. Per label directions, use appropriate test papers to determine correct concentration of the sanitizer solution. Surfaces must remain wet for 60 seconds

    f. Allow to air dry.

6. Hand-washing facilities will be adequate and convenient and shall be furnished with running water at a suitable temperature.
    a. Located in the packaging area and where good sanitary practices require employees to wash and sanitize their hands
    b. Provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices.
7. Each of the facilities water supply comes from the municipal water supply and is sufficient for necessary operations.
8. The facilities plumbing will be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the facility.
    a. Plumbing shall properly convey sewage and liquid disposable waste from the facility.
    b. There will be no cross-connections between the potable and wastewater lines;
9. The facility will provide its employees with adequate, readily accessible toilet facilities that will be maintained in a sanitary condition and in good repair.
10. All storage areas will be constructed in a manner that will protect its contents against physical, chemical, and microbial contamination as well as against deterioration of marijuana products or their containers.

<u>Contamination Control</u>

1. Training
    a. All employees will be trained on pest prevention, pest management, pest detection, and pest treatments.
2. Handling and storage of marijuana product or marijuana plant waste
    a. All marijuana plant waste will be placed in the sealed "Marijuana Waste" container.
        i. This container must impervious and covered
    b. All marijuana waste will be stored in the waste room in sealed containers until disposal
3. Handling and storage of non-marijuana waste.
    a. All non-marijuana waste will be placed into the appropriate impervious covered waste receptacles
        i. Recyclable
        ii. Organic
        iii. Solid waste
    b. At the end of every day these containers will be emptied, and the contents removed from the building and placed in the appropriate secure containers to await pickup
4. All toxic materials including cleaning compounds, sanitizers, etc. will be stored

    in an area away from marijuana storage areas.

Personnel

1. Any employee or contractor who, by medical examination or supervisory observation, is shown to have, or appears to have, any disease transmissible through food, an illness, open lesion, including boils, sores, or infected wounds, or any other abnormal source of microbial contamination shall be excluded from any operations which may be expected to result in contamination of the facility or others until the condition is corrected. Personnel shall be instructed to report such health conditions to their supervisors.
    a. Any manager, when he or she knows or has reason to believe that an employee has contracted any disease transmissible through food or has become a carrier of such disease, or any disease listed in 105 CMR 300.200(A) will report the same immediately by email to the Local Board of Health.
    b. KG Collective will voluntarily comply with any and all isolation and/or quarantine orders issued by the Local Board of Health or the Department of Public Health.
    c. KG Collective Agents must report any flu-like symptoms, diarrhea, and/or vomiting to their supervisor. Employees with these symptoms will be sent home with the exception of symptoms from a noninfectious condition
2. All KG Collective Agents shall conform to sanitary practices while on duty, including
    a. Maintain adequate personal cleanliness:

    Grooming:

        i. Arrive at work clean – clean hair, teeth brushed, bathed and used deodorant daily.
        ii. Maintain short, clean, and polish-free fingernails. No artificial nails are permitted in the food/product production or processing area.
            a. Fingernails should be trimmed, filed, and maintained so edges and surfaces are cleanable and not rough.
        iii. Wash hands (including under fingernails vigorously and thoroughly with soap and warm water for a period of at least 20 seconds:
            - When entering the facility before work begins
            - In the restroom after toilet use and when you return to your work station
            - After touching face, nose, hair, or any other body part, and after sneezing or coughing
            - After cleaning duties
            - After eating or drinking
            - Any other time an unsanitary task has been performed – i.e. taking out garbage, handling cleaning chemicals, wiping tables, picking up a dropped item, etc.
            - Wash hands only in hand sinks designated for that purpose.
            - Dry hands with single use towels. Turn off faucets using a paper towel, in order to prevent recontamination of clean hands.

Proper Attire:

i. Wear appropriate clothing – clean uniform with sleeves and clean non-skid close-toed work shoes (or tennis shoes) that are comfortable for standing and working on floors that can be slippery.

Cuts, Abrasions, and Burns:

i. Bandage any cut, abrasion, or burn that has broken the skin.

ii. Cover bandages on hands with gloves and finger cots and change as appropriate.

iii. Inform supervisor of all wounds.

Smoking, eating, and gum chewing:

i. KG Collective facility is a smoke free facility. No smoking or chewing tobacco shall occur on the premises.

ii. Eat and drink in designated areas only.

iii. Refrain from chewing gum or eating candy during work.

Training

KG Collective will provide training and training opportunities to all of its employees. In addition to required training, KG Collective will encourage advanced training to packaging agents in the areas of Good Manufacturing Practices and HACCP.

1. All employees will be trained on Good Manufacturing Practices ("GMP") and Sanitation prior to or during the first day of employment.
    a. Include basic product safety training as part of new employee orientation.
    b. The sanitation requirements in 105 CMR 500.000: Good Manufacturing Practices for Food;
    c. The sanitation requirements in 105 CMR 590.000: Minimum Sanitation Standards for Food Establishments; and
    d. The requirements for food handlers specified in 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements
2. Employees engaging in the packaging will be trained and certified in;
    a. A nationally accredited Food Handler Program (i.e. ServSafe)
3. Provide staff with at least bi-annual training on Good Manufacturing Practices and HACCP.
4. Quarterly in-service training.
5. At least one manager will be a Certified Food Protection Mangers (CFPM) by completing a ServSafe or similar nationally accredited food safety certification course.
6. Use outside resources, such as Extension specialists, vendors, health department inspectors, or qualified trainers to provide GMP, Sanitation and HACCP training.
7. Observe staff to ensure they demonstrate plant safety knowledge each day in the workplace.
8. Document the content of all training sessions and attendance.

9. File documentation in HACCP records.

Testing of Marijuana and Marijuana Products

The KG Collective Retail Marijuana Establishments will only have marijuana and marijuana products that have passed the required testing at a Licensed Testing Lab.

KG Collective will only source marijuana products from Marijuana Establishments where the product has been tested in accordance with the Regulations. Prior to accepting any marijuana or marijuana product from a source Marijuana Establishment KG Collective will view and confirm that the source products have been tested in accordance with the testing requirements outlined in 935 CMR 725.160 and the *"Protocol for sampling and analysis of finished medical marijuana products and marijuana-infused products for Massachusetts Registered Medical Marijuana Dispensaries"* published by DPH. These testing records will be stored and maintained pursuant to our Records Retention Policy and Procedure

We will contract with a Licensed Independent Testing Laboratory for the purposes of "Quality Control Testing." Our quality control testing will be used to ensure that the products we are receiving from our wholesale partners are consistent with the testing records that have been reported to us. These quality control tests will help us to ensure that our products are contaminant-free and the correct dosage and potency. We plan to use CDX Analytics which is Accredited by International Organization for Standardization (ISO) 17025 by Perry Johnson Laboratory Accreditation, Inc. (PJLA), 755 W. Big Beaver, Suite 1325 Troy, Michigan 48084, a third-party accrediting body that is a signatory to the International Laboratory Accreditation cooperation (ILAC) Mutual Recognition Arrangement. CDX Analytics will be Licensed by the Commission prior to KG Collective contracting them for testing services.

1. This testing lab will pick up and transport our testing samples to and from their lab.
2. KG Collective will ensure that the storage of all marijuana products at the laboratory complies with 935 CMR 500.105(11).
3. Any and all excess KG Collective marijuana product samples used in testing will be disposed of in compliance with 935 CMR 500.105(12), either by the Independent Testing Laboratory returning excess marijuana to KG Collective Facility for disposal or by the Independent Testing Laboratory disposing of it directly.

KG Collective will not sell or otherwise market for adult use any Marijuana Product that is not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000. The product must be deemed to comply with the standards required under 935 CMR 500.160

Required testing includes:

1. Cannabinoid Profile
2. Contaminants as specified by the Department including, but not limited to:
    a. Mold
    b. Mildew
    c. Heavy metals
    d. Plant-Growth Regulators and Pesticides that are compliant with M.G.L. c. 132B and the regulations promulgated at 333 CMR 2.00 through 333 CMR 14.00.
    e. Bacteria

f. Fungi

g. Mycotoxins.

KG Collective will maintain the results of all testing for no less than one year.

If a marijuana product fails the laboratory testing, it will be quarantined and stored away from other product and the Department and the Source Marijuana establishment will be notified immediately. KG Collective will submit to the Department upon their request, any information regarding contamination. The entire batch of the product will be quarantines and not sold to customers. If through a re-test of the product, it is determined that there is no contamination, the product may be removed from quarantine status and sold. Product that is confirmed to be contaminated, or if the testing results are inconsistent with the labels on the product, will be returned to the Source Marijuana Establishment.

KG Collective Personnel and Background Check SOP

Intent

To provide clear and concise instructions for KG Collective employees regarding Personnel Policies that are compliant with the regulations.

KG Collective is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. ("the Regulations") and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission ("CNB" or "the Commission") or any other regulatory agency.

Purpose

The purpose of this policy is to outline the responsibilities of the company, the company's management team and agents to ensure specific, methodical, and consistent compliance of the regulations and to ensure that our personnel policies are compliant will all relevant regulations and laws.

Personnel Records

KG Collective will maintain the following information in personnel records:

1. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
2. A personnel record for each KG Collective agent. Such records shall be maintained for at least 12 months after termination of the individual's affiliation with KG Collective 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 the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;
    e. Documentation of periodic performance evaluations;
    f. A record of any disciplinary action/performance issues; and
    g. Notice of completed responsible vendor and eight-hour related duty training.
3. A staffing plan that will demonstrate accessible business hours
4. Personnel policies and procedures; and
5. All background check reports obtained in accordance with 935 CMR 500.030.

These personnel records will be held electronically and in hard copy. The electronic records will be stored in a secure server with encryption software that protects against unauthorized access to the files. Access to the electronic records will only be allowed to KG Collective management agents who require access. as part of their job duties. Hard Copy (written records) will be stored in a secure, locked cabinet in a locked

room accessible to only KG Collective Management agents who require access. These records will be made available for inspection by the Commission upon request.

KG Collective Agents

All KG Collective board members, directors, employees, executives, managers and volunteers will register with the Commission as a KG Collective Marijuana Establishment Agent ("KG Collective Agent"). For clarity an employee means, any consultant or contractor who provides on-site services to a Marijuana Retail Establishment related to the packaging, storage, testing, or dispensing of marijuana.

All KG Collective Agents shall:

1. Be 21 years of age or older;
2. Not been convicted of an offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority; and
3. Be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802.

KG Collective will submit to the Commission an application for every KG Collective Agent, this application will include;

1. The full name, date of birth, and address of the individual;
2. All aliases used previously or currently in use by the individual, including maiden name, if any;
3. A copy of the applicant's driver's license, government-issued identification card, liquor purchase identification card issued pursuant to M.G.L. c. 138, § 34B, or other verifiable identity document acceptable to the Commission;
4. An attestation that the individual will not engage in the diversion of marijuana products;
5. Written acknowledgment by the applicant of any limitations on his or her authorization to cultivate, harvest, prepare, package, possess, transport, and dispense marijuana in the Commonwealth;
6. Background information, including, as applicable:
    a. a description and the relevant dates of any criminal action under the laws of the Commonwealth, or an Other Jurisdiction, whether for a felony or misdemeanor and which resulted in conviction, or guilty plea, or plea of nolo contendere, or admission of sufficient facts;
    b. a description and the relevant dates of any civil or administrative action under the laws of the Commonwealth or an Other Jurisdiction, relating to any professional or occupational or fraudulent practices;
    c. A description and relevant dates of any past or pending denial, suspension, or revocation of a license or registration, or the denial of a renewal of a license or registration, for any type of business or profession, by any federal, state, or local government, or any foreign jurisdiction;
    d. a description and relevant dates of any past discipline by, or a pending disciplinary action or unresolved complaint by, the Commonwealth, or a like action or complaint by an Other

Jurisdiction, with regard to any professional license or registration held by the applicant; and

7. A nonrefundable application fee paid by the Marijuana Establishment with which the marijuana establishment agent will be associated; and
8. Any other information required by the Commission.

The KG Collective CEO has registered with the Department of Criminal Justice Information Systems pursuant to 803 CMR 2.04: iCORI Registration and will submit to the Commission a Criminal Offender Record Information (CORI) report and any other background check information required by the Commission for each individual for whom KG Collective seeks a marijuana establishment agent registration which was obtained within 30 days prior to submission.

KG Collective will notify the Commission no more than one business day after a KG Collective agent ceases to be associated with the establishment. The registration shall be immediately void when the agent is no longer associated with the establishment.

The Agent registration card is valid for one year from the date of issue, KG Collective will renew each KG Collective Agent Registration Card on an annual basis upon a determination by the Commission that the applicant for renewal continues to be suitable for registration.

After obtaining a registration card for an KG Collective Agent registration card, KG Collective will notify the Commission, in a form and manner determined by the Commission, as soon as possible, but in any event, within five business days of any changes to the information that the establishment was previously required to submit to the Commission or after discovery that a registration card has been lost or stolen.

All agents will carry the registration card at all times while in possession of marijuana products, including at all times while at the establishment or while transporting marijuana products.

Background Checks

KG Collective will comply with all Background Check requirements in the regulations and any other sub-regulatory guidance issued by the Commission.

1. **Application Process-** During the application process KG Collective will complete the Background Check Packet as outlined in 935 CMR 500.101(1)(b) which includes;
    a. The list of individuals and entities in 935 CMR 500.101(1)(a)1. (all executives, managers, persons or entities having direct or indirect authority over the management, policies, security operations or cultivation operations of the Marijuana Establishment; close associates and members of the applicant, if any; and a list of all persons or entities contributing 10% or more of the initial capital to operate the Marijuana Establishment including capital that is in the form of land or buildings);
    b. Information for each individual identified in 935 CMR 500.101(1)(a)1., which shall include:
        i. The individual's full legal name and any aliases;
        ii. The individual's address;
        iii. The individual's date of birth;
        iv. A photocopy of the individual's driver's license or other government-issued identification card;

v. A CORI Acknowledgment Form, pursuant to 803 CMR 2.09: Requirements for Requestors to Request CORI, provided by the Commission, signed by the individual and notarized;

vi. Authorization to obtain a full set of fingerprints, in accordance with M.G.L. c. 94G, § 21, submitted in a form and manner as determined by the Commission;

c. Relevant Background Check Information. Applicants for licensure will also be required to provide information detailing involvement in any criminal or civil or administrative matters:

i. A description and the relevant dates of any criminal action under the laws of the Commonwealth, or an Other Jurisdiction, whether for a felony or misdemeanor including, but not limited to, action against any health care facility or facility for providing Marijuana for medical or adult-use purposes, in which those individuals either owned shares of stock or served as board member, Executive, officer, director or member, and which resulted in conviction, or guilty plea, or plea of nolo contendere, or admission of sufficient facts;

ii. A description and the relevant dates of any civil action under the laws of the Commonwealth, or an Other Jurisdiction including, but not limited to, a complaint relating to any professional or occupational or fraudulent practices;

iii. A description and relevant dates of any past or pending legal or disciplinary actions in the Commonwealth or any other state against an entity whom the applicant served as a Person or Entity Having Direct or Indirect Control, related to the cultivation, Processing, distribution, or sale of Marijuana for medical- or adult-use purposes;

iv. A description and relevant dates of any administrative action, including any complaint, order or disciplinary action, by the Commonwealth, or a like action by an Other Jurisdiction with regard to any professional license, registration, or certification, held by any Person or Entity Having Direct or Indirect Control, if any;

v. A description and relevant dates of any administrative action, including any complaint, order or disciplinary action, by the Commonwealth, or a like action by another state, the United States or foreign jurisdiction, or a military, territorial, Native American tribal authority or foreign jurisdiction, with regard to any professional license, registration, or certification, held by any board member, executive, officer, director, or member that is part of the applicant's application, if any;

vi. A description and relevant dates of actions against a license to prescribe or distribute controlled substances or legend drugs held by any Person or Entity Having Direct or Indirect Control that is part of the applicant's application, if any; and

vii. Any other information required by the Commission.

KG Collective will not present any individual in our application whose background check will result in a Mandatory Disqualification or Presumptive Negative Suitability Determination as outlined in Table A of 935 CMR 500.801.

2. **Background Checks not included in the Application Process-** For all Marijuana Establishment Agent Registrations not included in the application process KG Collective will submit Marijuana Establishment Agent applications for all required individuals. KG Collective will perform is own due diligence and perform background checks, including a CORI report, in the hiring of employees and contractors and will not knowingly submit an employee or contractors' application if the background check would result in a Mandatory Disqualification or Presumptive Negative Suitability Determination as outlined in Table B: Retail and Transporter Marijuana Establishment Agents, under 935 CMR 500.802.

Equal Opportunity Employment Policy

It is the policy of KG Collective to provide equal employment opportunities to all employees and employment applicants without regard to unlawful considerations of race, religion, creed, color, national origin, sex, pregnancy, sexual orientation, gender identity, age, ancestry, physical or mental disability, genetic information, marital status or any other classification protected by applicable local, state or federal laws. This policy prohibits unlawful discrimination based on the perception that anyone has any of those characteristics or is associated with a person who has or is perceived as having any of those characteristics. This policy applies to all aspects of employment, including, but not limited to, hiring, job assignment, working conditions, compensation, promotion, benefits, scheduling, training, discipline and termination.

KG Collective expects all employees to support our equal employment opportunity policy, and to take all steps necessary to maintain a workplace free from unlawful discrimination and harassment and to accommodate others in line with this policy to the fullest extent required by law. For example, KG Collective will make reasonable accommodations for employees' observance of religious holidays and practices unless the accommodation would cause an undue hardship on KG Collective operations. If an employee desires a religious accommodation, they are required to make the request in writing to their manager as far in advance as possible. Employees requesting accommodations are expected to attempt to find co-workers who can assist in the accommodation (e.g. trade shifts) and cooperate with KG Collective in seeking and evaluating alternatives.

Moreover, in compliance with the Americans with Disabilities Act (ADA), KG Collective provides reasonable accommodations to qualified individuals with disabilities to the fullest extent required by law. KG Collective may require medical certification of both the disability and the need for accommodation. Keep in mind that KG Collective can only seek to accommodate the known physical or mental limitations of an otherwise qualified individual. Therefore, it is the employees' responsibility to come forward if they are in need of an accommodation. KG Collective will engage in an interactive process with the employee to identify possible accommodations, if any will help the applicant or employee perform the job.

Anti-Harassment and Sexual Harassment Policy

KG Collective will promote a workplace that is free from discrimination and harassment, whether based on race, color, gender, age, religion, creed, national origin, ancestry, sexual orientation, marital status or disability. Inappropriate interference with the ability of KG Collective employees to perform their expected job duties will not be tolerated.

It is illegal and against KG Collective policy for any employee, male or female, to harass another employee. Examples of such harassment include making sexual advances or favors or other verbal or physical conduct of a sexual nature a condition of any employee's employment; using an employee's submission to or rejection of such conduct as the basis for, or as a factor in, any employment decision

affecting the individual; or otherwise creating an intimidating, hostile, or offensive working environment by such conduct.

The creation of an intimidating, hostile, or offensive working environment may include but is not limited to such actions as persistent comments on an employee's sexual preferences, the display of obscene or sexually oriented photographs or drawings, or the telling of sexual jokes. Conduct or actions that arise out of a personal or social relationship and that are not intended to have a discriminatory employment effect may not be viewed as harassment. KG Collective will determine whether such conduct constitutes sexual harassment, based on a review of the facts and circumstances of each situation.

KG Collective will not condone any sexual harassment of its employees. All employees, including supervisors and managers, will be subject to severe discipline, up to and including discharge, for any act of sexual harassment they commit.

KG Collective will not condone sexual harassment of its employees by non-employees, and instances of such harassment should be reported as indicated below for harassment by employees.

If you feel victimized by sexual harassment you should report the harassment to your manager immediately. If your immediate manager is the source of the alleged harassment, you should report the problem to the Human Resources Department.

Managers who receive a sexual harassment complaint should carefully investigate the matter, questioning all employees who may have knowledge of either the incident in question or similar problems. The complaint, the investigative steps and findings, and disciplinary actions (if any) should be documented as thoroughly as possible.

Any employee who makes a complaint, or who cooperates in any way in the investigation of same, will not be subjected to any retaliation or discipline of any kind.

In addition to the above, if you believe you have been subjected to sexual harassment, you may file a formal complaint with either or both of the government agencies set forth below. Using our complaint process does not prohibit you from filing a complaint with these agencies. Each of the agencies has a short time period for filing a claim (EEOC - 300 days; MCAD - 300 days).

The United States Equal Employment Opportunity Commission ("EEOC") One Congress Street, 10th Floor Boston, MA 02114, (617) 565-3200.

The Massachusetts Commission Against Discrimination ("MCAD") One Ashburton Place, Rm. 601, Boston, MA 02108, (617) 994-6000.

Americans with Disability Act

KG Collective strongly supports the policies of the Americans with Disabilities Act and is completely committed to treating all applicants and employees with disabilities in accordance with the requirements of that act. KG Collective judge's individuals by their abilities, not their disabilities, and seeks to give full and equal employment opportunities to all persons capable of performing successfully in the company's positions. KG Collective will provide reasonable accommodations to any persons with disabilities who require them, who advise KG Collective of their particular needs. Information concerning individuals' disabilities and their need for accommodation will of course be handled with the utmost discretion.

Drug/Alcohol Free Workplace

KG Collective is committed to providing its employees with a safe and productive work environment. In keeping with this commitment, it maintains a strict policy against the use of alcohol and the unlawful use of drugs in the workplace. Consequently, no employee may consume or possess alcohol, or use, possess, sell, purchase or transfer illegal drugs at any time while on KG Collective premises or while using KG Collective vehicles or equipment, or at any location during work time.

No employee may report to work with illegal drugs (or their metabolites) or alcohol in his or her bodily system. The only exception to this rule is that employees may engage in moderate consumption of alcohol that may be served and/or consumed as part of an authorized Company social or business event. "Illegal drug" means any drug that is not legally obtainable or that is legally obtainable but has not been legally obtained. It includes prescription drugs not being used for prescribed purposes or by the person to whom it is prescribed or in prescribed amounts. It also includes any substance a person holds out to another as an illegal drug.

Any violation of this policy will result in disciplinary action, up to and including termination.

Any employee who feels he or she has developed an addiction to, dependence upon, or problem with alcohol or drugs, legal or illegal, is strongly encouraged to seek assistance before a violation of this policy occurs. Any employee who requests time off to participate in a rehabilitation program will be reasonably accommodated. However, employees may not avoid disciplinary action, up to and including termination, by entering a rehabilitation program after a violation of this policy is suspected or discovered.

Smoke Free Workplace

Smoking is prohibited throughout the workplace. This policy applies equally to all employees, clients, partners, and visitors.

Employee Assistance Policy

To help employees in circumstances where counseling services would be helpful, KG Collective will make an Employee Assistance Program (EAP) counseling service available to employees, when needed, at no personal cost.

Employee Diversion of Marijuana

If a KG Collective Agent is found to have diverted marijuana, that agent will immediately be dismissed and have their Marijuana Establishment Registration Card confiscated. The Director of HR will immediately be notified. The Director of HR will make a detailed report of the event and report it to local law enforcement and the Commission within 24 hours.

Employee Handbook

KG Collective will provide a comprehensive employee handbook to all employees that will outline all the information pertinent to their employment with KG Collective**.** These subjects will include, but not me limited to;

1. KG Collective Mission and Vision
2. Organizational Structure
3. General Employment Policies
4. Employee Categories
5. Conflicts of Interest
6. Access to Personnel Files
7. Performance Evaluations
8. Hours of Work
9. Compensation
10. Benefits
11. Code of Conduct
12. Discipline
13. Training

KG Collective Record Keeping SOP

Intent

To provide clear and concise instructions for KG Collective employees regarding record keeping that are compliant with the regulations.

KG Collective is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. ("the Regulations") and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission ("CNB" or "the Commission") or any other regulatory agency.

Purpose

The purpose of this policy is to outline the responsibilities of the Company, the Company's management team and agents to ensure specific, methodical, and consistent compliance of the regulations and to ensure that our record keeping procedures are compliant will all regulations and laws.

Access to the Commission

KG Collective electronic and hard copy (written) records will be available to the Commission upon request pursuant to 935 CMR 500.105(9). The records will be maintained in accordance with generally accepted accounting principles. All written records required in any section of 935 CMR 500.000 are subject to inspection.

Access to the Massachusetts Department of Revenue ("DOR")

KG Collective' books, records, papers, and other data will be made available upon request by the DOR Accounting records and information in electronic format will be provided in a searchable electronic format if requested by the Commission of the DOR. Any additional reports and schedules relating to the preparation of tax returns will be maintained and made available upon request. Inventory system data as well as any additional purchase reports, schedules or documentation that reconcile to other books and records, such as purchase journals or a general ledger, will also be maintained and made available upon request.

These records will be kept so long as their contents are material in the administration of Massachusetts tax laws. At a minimum, unless the DOR Commissioner consents in writing to an earlier destruction, the records will be preserved until the statute of limitations for making additional assessments for the period for which the return was due has expired. The DOR may require a longer retention period, such as when the records are the subject of an audit, court case, or other proceeding.

Additionally, KG Collective will comply with all records retention requirements outlined in the DOR Regulations including but limited to 830 CMR 62C.25.1: Record Retention.

1. **Point of Sale (POS) Systems**

   KG Collective will utilize a POS system that complies with the requirements in G.L. c. 62C, § 25; 830 CMR 62C.25.1 (the Records Retention Regulation); and the Massachusetts Department of Revenue ("DOR") Directive 16-1 "*Recordkeeping Requirements for Sales and Use Tax Vendors Utilizing Point of Sale (POS) Systems"*

   a. Our POS system will record all transactions in a manner that will allow the DOR to verify what items were sold and confirm if the appropriate amount of tax was collected. In addition to the data in the POS system, KG Collective will maintain the following records:

i. A journal or its equivalent, which records daily all non-cash transactions affecting accounts payable;

ii. A cash journal or its equivalent, which records daily all cash receipts and cash disbursements, including any check transactions;

iii. A sales slip, invoice, cash register tape, or other document evidencing the original transaction, which substantiates each entry in the journal or cash journal;

iv. Memorandum accounts, records or lists concerning inventories, fixed assets or prepaid items, except in cases where the accounting system clearly records such information; and

v. A ledger to which totals from the journal, cash journal and other records have been periodically posted. The ledger must clearly classify the individual accounts receivable and payable and the capital account.

b. Each POS transaction record will provide enough detail to independently determine the taxability of each sale and the amount of tax due and collected. Information on each sales transaction will include, but is not limited to the:

i. individual item(s) sold,

ii. selling price,

iii. tax due,

iv. invoice number,

v. date of sale,

vi. method of payment, and

vii. POS terminal number and POS transaction number.

c. KG Collective will maintain auditable internal controls to ensure the accuracy and completeness of the transactions recorded in the POS system. The audit trail details include, but are not limited to:

i. Internal sequential transaction numbers;

ii. Records of all POS terminal activity; and

iii. Procedures to account for voids, cancellations, or other discrepancies in sequential numbering.

iv. The POS audit trail or logging functionality must be activated and operational at all times, and it must record:

v. Any and all activity related to other operating modes available in the system, such as a training mode; and

vi. Any and all changes in the setup of the system.

2. Types of Records

The following records will be maintained and stored by KG Collective and available to the Commission upon request:

a. Operating procedures as required by 935 CMR 500.105(1)

i. Security measures in compliance with 935 CMR 500.110;

ii. Employee security policies, including personal safety and crime prevention techniques;

iii. A description of the Marijuana Establishment's hours of operation and after-hours contact information, which shall be provided to the Commission, made available to law enforcement officials upon request, and updated pursuant to 935 CMR 500.000.

iv. Storage of marijuana in compliance with 935 CMR 500.105(11);

v. Description of the various strains of marijuana to be cultivated, processed or sold, as applicable, and the form(s) in which marijuana will be sold;

vi. Procedures to ensure accurate recordkeeping, including inventory protocols in compliance with 935 CMR 500.105(8) and (9);

vii. Plans for quality control, including product testing for contaminants in compliance with 935 CMR 500.160;

viii. A staffing plan and staffing records in compliance with 935 CMR 500.105(9);

ix. Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;

x. Alcohol, smoke, and drug-free workplace policies;

xi. A plan describing how confidential information will be maintained;

xii. A policy for the immediate dismissal of any marijuana establishment agent who has:

1) Diverted marijuana, which shall be reported to law enforcement officials and to the Commission;

2) Engaged in unsafe practices with regard to operation of the Marijuana Establishment, which shall be reported to the Commission; or

3) Been convicted or entered a guilty plea, plea of nolo contendere, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority.

xiii. A list of all board members and executives of a Marijuana Establishment, and members, if any, of the licensee must be made available upon request by any individual. 935 CMR This requirement may be fulfilled by placing this information on the Marijuana Establishment's website.

xiv. Policies and procedures for the handling of cash on Marijuana Establishment premises including but not limited to storage, collection frequency, and transport to financial institution(s).

xv. Policies and procedures to prevent the diversion of marijuana to individuals younger than 21 years old.

xvi. Policies and procedures for energy efficiency and conservation that shall include:

1) Identification of potential energy use reduction opportunities (including but not limited to natural lighting, heat recovery ventilation and energy efficiency measures), and a plan for implementation of such opportunities;

2) Consideration of opportunities for renewable energy generation, including, where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable;

3) Strategies to reduce electric demand (such as lighting schedules, active load management and energy storage); and

4) Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.

b. Operating procedures as required by 935 CMR 500.12012)

i. Methods for identifying, recording, and reporting diversion, theft, or loss, and for correcting all errors and inaccuracies in inventories. The policies and procedures, at a minimum, must be in compliance with 935 CMR 500.105(8);

ii. Policies and procedures for handling voluntary and mandatory recalls of marijuana products. Such procedures shall be adequate to deal with recalls due to any action initiated at the request or order of the Commission, and any voluntary action by a Marijuana Establishment to remove defective or potentially defective marijuana products from the market, as well as any action undertaken to promote public health and safety;

iii. Policies and procedures for ensuring that any outdated, damaged, deteriorated, mislabeled, or contaminated marijuana products is segregated from other product and destroyed. Such procedures shall provide for written documentation of the disposition of the marijuana products. The policies and procedures, at a minimum, must be in compliance with 935 CMR 500.105(12);

iv. Policies and procedures for transportation. The policies and procedures, at a minimum, must be in compliance with 935 CMR 500.105(13);

v. Policies and procedures to reduce energy and water usage, engage in energy conservation and mitigate other environmental impacts. The policies and procedures, at a minimum, must be in compliance with 935 CMR 500.105(15); and

vi. Policies and procedures for the transfer, acquisition, or sale of marijuana products between Marijuana Establishments.

c. Inventory records as required by 935 CMR 500.105(8);

d. Seed-to-sale tracking records for all marijuana products are required by 935 CMR 500.105(8)(e).

e. Personnel records required by 935 CMR 500.105(9)(d), including but not limited to;

i. Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;

ii. A personnel record for each marijuana establishment agent. Such records shall be

maintained for at least 12 months after termination of the individual's affiliation with the Marijuana Establishment and shall include, at a minimum, the following:

1) All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
2) Documentation of verification of references;
3) The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision
4) Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;
5) Documentation of periodic performance evaluations;
6) A record of any disciplinary action taken; and
7) Notice of completed responsible vendor and eight-hour related duty training.

iii. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;

iv. Personnel policies and procedures; and

v. All background check reports obtained in accordance with 935 CMR 500.030

f. Business records, which shall include manual or computerized records of:

i. Assets and liabilities;

ii. Monetary transactions;

iii. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;

iv. Sales records including the quantity, form, and cost of marijuana products; and

v. Salary and wages paid to each employee, stipend paid to each board member, and an executive compensation, bonus, benefit, or item of value paid to any individual affiliated with a Marijuana Establishment, including members of the nonprofit corporation, if any.

g. Waste disposal records as required under 935 CMR 500.105(12); and

h. Following closure of a Marijuana Establishment, all records must be kept for at least two years at the expense of the Marijuana Establishment and in a form and location acceptable to the Commission.

i. Responsible vendor training program compliance records.

j. Vehicle registration, inspection and insurance records. (If Applicable)

All records kept and maintained by KG Collective will be securely stored. Access to these records will only be granted to those KG Collective Agents who require access as a part of their job duties.

KG Collective Maintenance of Financial Records SOP

Intent

To provide clear and concise instructions for KG Collective employees regarding the Maintenance of Financial Records that are compliant with the regulations.

KG Collective is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. ("the Regulations") and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission ("CNB" or "the Commission") or any other regulatory agency.

Purpose

The purpose of this policy is to outline the responsibilities of the Company, the Company's management team and agents to ensure specific, methodical, and consistent compliance of the regulations and to ensure that our financial records are maintained in a compliant manner with all regulations and laws.

Policy

KG Collective financial records will be kept and maintained according to generally accepted accounting principles. The Finance Director is responsible for all accounting responsibilities and will engage the services of external professional accounting firm to ensure proper financial compliance.

All KG Collective financial/business records will be available for inspection to the Cannabis Control Commission upon request.

KG Collective will maintain all business records in Manual and electronic form. These records include, but are not limited to;

1. Assets and liabilities;
2. Banking transactions;
3. Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
4. Sales records including the quantity, form, and cost of marijuana products; and
5. Salary and wages paid to each employee, 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.

In relation to the maintenance of financial records KG Collective will incorporate the following into our business operations;

1. KG Collective will engage the services of a professional payroll and human resources company to assist in human resources management and payroll services for our employees
2. KG Collective will engage, to the extent possible, a banking relationship in Massachusetts to provide banking services for our company.
3. KG Collective will utilize financial/accounting software programs and an e-bill payment provider for all financial record keeping.
4. All inter-LME transactions will be done through traditional banking transactions including checks, wire transfers or credit cards.

5. On an annual basis an independent certified public accountant who is experienced in the legal marijuana industry, will conduct a financial audit.
6. KG Collective will engage the services of an industry experienced tax professional for the filing of all required state and federal tax documents.
7. At the end of each business day a reconciliation audit will be done on each POS station by the Retail Manager or designee.
8. A comprehensive financial audit will be done at the end of every month by the Finance Director and report their findings to the CEO and outside accounting firm.

Access to the Commission

KG Collective electronic and hard copy (written) records will be available to the Commission upon request pursuant to 935 CMR 500.105(9). The records will be maintained in accordance with generally accepted accounting principles. All written records required in any section of 935 CMR 500.000 are subject to inspection.

Access to the Massachusetts Department of Revenue ("DOR")

KG Collective books, records, papers and other data will be made available upon request by the DOR. Accounting records and information in electronic format will be provided in a searchable electronic format if requested by the Commission or the DOR. Any additional reports and schedules relating to the preparation of tax returns will be maintained and made available upon request. Inventory system data as well as any additional purchase reports, schedules or documentation that reconcile to other books and records, such as purchase journals or a general ledger, will also be maintained and made available upon request.

These records will be kept so long as their contents are material in the administration of Massachusetts and IRS tax laws. At a minimum, unless the DOR Commissioner consents in writing to an earlier destruction, the records will be preserved until the statute of limitations for making additional assessments for the period for which the return was due has expired. The DOR may require a longer retention period, such as when the records are the subject of an audit, court case, or other proceeding.

Additionally, KG Collective will comply with all records retention requirements outlined in the DOR Regulations including but limited to 830 CMR 62C.25.1: Record Retention.

Point of Sale (POS) Systems

KG Collective will utilize a POS system that complies with the requirements in G.L. c. 62C, § 25; 830 CMR 62C.25.1 (the Records Retention Regulation); and the Massachusetts Department of Revenue ("DOR") Directive 16-1 "*Recordkeeping Requirements for Sales and Use Tax Vendors Utilizing Point of Sale (POS) Systems*"

1. Our POS system will record all transactions in a manner that will allow the DOR to verify what was sold and whether the appropriate amount of tax was collected. Along with the data in the POS system, KG Collective will maintain the following records:
    a. A journal or its equivalent, which records daily all non-cash transactions affecting accounts payable;
    b. A cash journal or its equivalent, which records daily all cash receipts and cash disbursements, including any check transactions;

c. A sales slip, invoice, cash register tape, or other document evidencing the original transaction, which substantiates each entry in the journal or cash journal;

d. Memorandum accounts, records or lists concerning inventories, fixed assets or prepaid items, except in cases where the accounting system clearly records such information; and

e. A ledger to which totals from the journal, cash journal and other records have been posted. The ledger must clearly classify the individual accounts receivable and payable and the capital account.

2. Each POS transaction record will provide enough detail to independently determine the taxability of each sale and the amount of tax due and collected. Information on each sales transaction will include, but is not limited to the:

   a. individual item(s) sold,

   b. selling price,

   c. tax due,

   d. invoice number,

   e. date of sale,

   f. method of payment, and

   g. POS terminal number and POS transaction number.

3. KG Collective will maintain auditable internal controls to ensure the accuracy and completeness of the transactions recorded in the POS system. The audit trail details include, but are not limited to:

   a. Internal sequential transaction numbers;

   b. Records of all POS terminal activity; and

   c. Procedures to account for voids, cancellations, or other discrepancies in sequential numbering.

   d. The POS audit trail or logging functionality must be activated and operational at all times, and it must record:

   e. Any and all activity related to other operating modes available in the system, such as a training mode; and

   f. Any and all changes in the setup of the system.

4. KG Collective will comply with the provisions of 935 CMR 500.140(6): Recording Sales.

   a. KG Collective will only utilize a point-of-sale (POS) system approved by the Commission, in consultation with the DOR.

   b. KG Collective may utilize a sales recording module approved by the DOR.

   c. KG Collective will not utilize software or other methods to manipulate or alter sales data.

   d. KG Collective will conduct a monthly analysis of our equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate or alter sales data. KG Collective will maintain records that it has performed the monthly analysis and produce it upon request to the Commission. If KG Collective determines that software

has been installed for the purpose of manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data:

i. We will immediately disclose the information to the Commission;
ii. We will cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
iii. We will take such other action directed by the Commission to comply with 935 CMR 500.105.

e. KG Collective will comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements.
f. KG Collective will adopt separate accounting practices at the point-of-sale for marijuana and marijuana product sales, and non-marijuana sales.
g. KG Collective will allow the Commission and the DOR may audit and examine our point-of-sale system in order to ensure compliance with Massachusetts tax laws and 935

KG Collective Qualifications and Training SOP

Intent

To provide clear and concise instructions for KG Collective employees regarding the qualifications for employment and agent training that are complain with the regulations.

KG Collective is committed to being compliant with all regulations outlined in 935 CMR 500.000 et. seq. ("the Regulations") and any other requirements or sub-regulatory guidance issued by the Massachusetts Cannabis Control Commission ("CNB" or "the Commission") or any other regulatory agency.

Purpose

The purpose of this policy is to outline the responsibilities of the Company, the Company's management team and Agents to ensure specific, methodical, and consistent compliance of the Regulations and to ensure that we only hire qualified Marijuana Establishment Agents and that our training process and curriculum are in compliance with all regulations and laws.

Qualifications for aa KG Collective Marijuana Establishment Agent

The minimum requirements to become a KG Collective' Marijuana Establishment Agent ("Agent") are outlined below. All KG Collective board members, directors, employees, executives, managers, or volunteers will register with the Commission as an Agent. For clarity an employee means, any consultant or contractor who provides on-site services to a Marijuana Establishment related to the cultivation, harvesting, preparation, packaging, storage, testing, or dispensing of marijuana.

All KG Collective Agents must;

1. Be 21 years of age or older;
2. Not been convicted of an offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of another state, the United States or foreign jurisdiction, or a military, territorial, or Native American tribal authority; and
3. Be determined suitable for registration consistent with the provisions of 935 CMR 500.800 and 500.802.

KG Collective will develop a job description for all positions with the company. While all Agents must meet the qualifications listed above, several of our positions will require additional qualifications based on the specific duties of the position.

Required Training for KG Collective Agents

Pursuant to 935 CMR 500.105(2)(a) KG Collective will ensure all KG Collective Agents complete training prior to performing job functions. Training will be tailored to the role and responsibilities of the job function.

1. KG Collective will train all marijuana establishment agents in compliance with 935 CMR 500.105(2)(a) and (b). Agents responsible for tracking and entering product into the Seed-to-sale SOR (Metrc) must receive training in a form and manner determined by the Commission.
2. Our initial training begins during employee orientation where all new employees will be issued their employee handbook. Classroom or online training on this day will include, but not be limited to;

a. Code of Conduct;

b. Verifying Identifications;

c. Marijuana Regulations;

d. Security and Safety;

e. Emergency Procedures/Disaster Plan;

f. Diversion of Marijuana;

g. Terminatable Offences;

h. Confidential Information;

i. Employee Policies (all employee policies from the handbook will be covered) including but not limited to;

    i. Alcohol, smoke and drug-free workplace;

    ii. Equal Employment Policy;

    iii. Anti-Harassment and Sexual Harassment Policy;

    iv. Americans with Disability Act;

    v. Employee Assistance Policy; and

    vi. Diversity Plan

3. After the initial training is complete agents will be trained on job specific areas depending on their duties. This training can be done in a classroom setting, online or computerized, on the job training ("OJT") or through external training platforms.

4. All KG Collective Agents will receive a minimum of 16 hours of training annually.

5. KG Collective will record, maintain and store documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters. These records will be stored in the Agents Personnel File. Training records will be retained by KG Collective for at least one year after agents' termination.

6. Within 90 days of hire, KG Collective will require all of its Agents to attend and complete a Responsible Vendor Training Program to become designated as a "responsible vendor"

    a. After the responsible vendor designation is applied each KG Collective owner, manager, and employee involved in the handling and sale of marijuana for adult use will successfully complete the program once every year thereafter to maintain designation as a "responsible vendor."

    b. KG Collective will maintain records of responsible vendor training program compliance for four years and make them available to inspection by the Commission and any other applicable licensing authority upon request during normal business hours.

7. All retail employees will be trained on:

    a. Safety and Security;

b. Disaster plan;

c. Privacy ;

d. Cash handling;

e. Diversion prevention and prevention of sales to minors, including best practices;

f. Compliance with all tracking requirements;

g. Acceptable forms of identification. Training shall include:

h. How to check identification;

i. Spotting false identification; and

j. Common mistakes made in verification

Additional Training

KG Collective will provide training and training opportunities to its employees. In addition to required training, KG Collective will encourage advanced training to our employees in the areas of Safety and Security, Marijuana Science or other areas then enhance the Company's, our Agents and our customers safety and shopping experience.

KG Collective Energy Plan

In compliance with 935 CMR 500.105(15) KG Collective has:

- Identified potential energy use reduction opportunities (such as natural lighting and energy efficiency measures), and implemented these opportunities to the extent possible;
- Considered opportunities for renewable energy generation including, where applicable, submission of building plans showing where energy generators could be placed on the site, and an explanation of why the identified opportunities were not pursued, if applicable;
- Reduced electric demand (such as lighting schedules, active load management, and energy storage); and
- Engaged with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants.

KG Collective will work closely with our local utility companies to create and execute interactive Energy Savings Plans, by means of:

- Understanding how we use energy through analysis generation;
- Compare our operation with similar businesses and act accordingly;
- Intake customized energy improvement recommendations from professionals; and
- Utilize cost incentives through utility energy performance.

Our construction administrators, superintendents, project managers, and their subcontracted team of architects, designers, and engineers will execute the retail buildout processes through pre-construction, construction, and review construction phases within preliminary planning guidelines that ensure the highest capacity of energy efficiency, both on the job and throughout the reasonable lifespan of the operation, including but not limited to:

- The purchase and installation of the highest R-Value insulation materials, that actively resist the conductive flow of heat, wherever applicable on site;
- The purchase and installation of LED lighting systems;
- The removal and disposal of outdated HVAC systems, with the purchase and installation of advanced HVAC systems and all associated ductwork.

Further practices to maintain energy efficiency throughout daily operations include:

- Using power strips to power all devices, and turning off all power strips at the conclusion of the closing process (excludes security systems);
- Using communal printers, coffee makers, microwave ovens, and refrigerators;
- Turning off monitors when leaving for more than one hour;
- Save paper by only photocopying what is absolutely needed, and always using the second side of sheets by either printing on both sides or using the blank side as scratch paper;
- Report any obvious energy waste or material deficiencies such as broken heaters or air leaks up the chain of command;
- Close or tilt window blinds to block direct sunlight to reduce cooling needs during warmer months;

- Prohibiting the use of individual space heaters;
- Using Energy Star labeled appliances.

KG Collective Diversity Plan

General Requirements

As a certified economic empowerment applicant **[certification # EEA201959].** The KG Collective ownership and management team is made up of individuals from Black, African American, Hispanic or Latino descent and have articulable demonstration of past experience in or business practices that promote diversity and equity.

KG Collective will comply with the requirements of 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment

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

Intent

KG Collective management team is committed to fostering a diverse and equitable workplace.

Plan Populations

We are committed to providing economic opportunities and involvement in the cannabis industry to the following demographics:

- 50 % Minorities;
- 50 % Boston Residents;
- 50% Women
- 5 % Veterans
- 5 % Persons with disabilities; and
- 5% LGBTQ+

Goals

1. **Goal 1. Provide jobs in the legal cannabis industry to previously underrepresented populations**

   Our goal is that 50% of KG Collective Agents are Woman and 75% of KG Collective Agents will be minorities, veterans, people with disabilities and/or people who are LBGTQ+.

2. **Goal 2. Provide Skills, Education and Training to diverse individuals who have previously been underrepresented in the legal marijuana industry**

   Our goal is to provide 20 hours of free training and educational seminars to individuals who meet the criteria outlined in our Plan Populations. These seminars will be focused on operating or working in the legal marijuana industry.

Employment Program

Expanding opportunities for gainful employment is a key driver in helping previously underrepresented populations enter and benefit from the industry. Quality jobs that pay above minimum wage and offer benefits assists individuals in benefiting from this new industry. This program includes:

1. Hiring Preference will be given to individuals who meet the Program Populations outlined above.
2. Postings will be listed with local newspapers Bay State Banner and JP Gazette.
    a. Our first job postings will be placed within 90 days of receiving our Provisional License from the Commission.
    b. Second and subsequent job postings will be done as needed.
3. We will host at least 2 job fairs that will be held in diverse communities. One will be held in Boston and the second will be held in Cambridge.
    a. These job fairs will be held within 90 days of receiving our Provisional License from the Commission.
4. Additionally, we will post all job postings and advertise our job fairs on our website and other social media pages including, Facebook, Twitter and LinkedIn.
5. All job postings and job fair advertisements will clearly outline our diversity hiring preference and encourage women, minorities, veterans, people with disabilities and/or people who are LBGTQ+ to apply.
6. Additional programs to attract Minorites, Women and LBQTQ+ applicants include:
    a. **Minorities:** Our cannabis industry jobs, skills education training and networking programming hosted through our affiliated business, Kush Groove Clothing, are a natural pipeline for community networking, job recruitment, and hiring. KG Collective management will continue this programming as a means of hiring and recruiting for its retail location. Hiring events and outreach will take place at all Kush Groove Clothing Boston, Cambridge and Rockland locations and targeted towards minority applicants.
    b. **Women:** Modeled after a unique hiring program piloted by Latin American restaurant chain, Crepes & Waffles that reports 96% of staff are women, KG Collective management team plans to prioritize hiring for single mothers, primarily those living in proximity to the business

operation and/or in public housing. The program model has been billed as a model of women's economic empowerment in the private sector in Latin America. This program is intended to increase the number of female applicants and employees for our retail locations.

c. **LGBQT+:** Edge Media Boston, one of Boston's leading LGBTQ online media destination, is our leading partner for dedicated job outreach reaching Boston's LBGTQ community. KG Collective management will place monthly advertisements on the company website. KG Collective has advertised with Edge Media Boston in early 2019.

Skills Education and Training Program

Providing skills, education and training to individuals looking to enter the legal marijuana industry as an operator or employee provides them with knowledge that can give them a head start in the industry. KG Collective will provide at least 20 hours of training and educational workshops/seminars to individuals who meet the Plan Populations outlined above. These workshops/seminars will cover such topics as: Retail Marijuana Operations, Regulatory Compliance in the Cannabis Industry, Applying for Cannabis Licenses, Business Plan Development and other related topics.

These free workshops/seminars will be held in Boston and will target women, minorities, veterans, people with disabilities and/or people who are LBGTQ+ to attend.

We will advertise these seminars on our website and other social media pages including, Facebook, Twitter, LinkedIn, Eventbrite and Meetup.

Our first 2-hour seminar will take place within 45 days of our receipt of Provisional License. We will hold seminars monthly at both locations.

Measurement and Accountability

KG Collective will perform an ongoing and comprehensive evaluation of this plan to ensure that it accomplishes our goals. We will produce a full report annually which outlines this plan, data collected, whether the goals have been met and if any changes are necessary. Quarterly, our management team will meet to discuss the report and make any necessary adjustments.

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

1. Number and percentage of employees hired, retained, or promoted that meet the criteria of the Plan Populations.
2. The demographics of all employees, applicants, new hires and promotions;
3. Recruitment and hiring data including job postings, advertising, sourcing of candidates, offers of employment, and actual hires;

4. Data on all job fairs help by KG Collective including the number, locations, and the number of applicants generated.
5. A comprehensive report on our Skills Education and Training Program which will include the number of workshops/seminars help by KG Collective, the number of hours, times, locations, topics, presenters and attendance;