



Massachusetts Cannabis Control Commission

Marijuana Retailer

General Information:

License Number: MR284843
Original Issued Date: 08/10/2023
Issued Date: 08/10/2023
Expiration Date: 08/10/2024

ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Stone's Throw Cannabis LLC d/b/a Firebrand Cannabis

Phone Number: 617-333-8725

Email Address: Blake@MensingGroup.com

Business Address 1: 100 State Street

Business Address 2:

Business City: 9th Floor

Business State: MA

Business Zip Code: 02109

Mailing Address 1: 100 State Street

Mailing Address 2:

Mailing City: 9th Floor

Mailing State: MA

Mailing Zip Code: 02109

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: EE201902

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: 24.13

Percentage Of Control: 24.13

Role: Manager

Other Role:

First Name: David

Last Name: Rabinovitz

Suffix:

Gender: Male	User Defined Gender:
What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)	
Specify Race or Ethnicity:	

Person with Direct or Indirect Authority 2

Percentage Of Ownership: 24.13	Percentage Of Control: 24.13	
Role: Manager	Other Role:	
First Name: Blake	Last Name: Mensing	Suffix:
Gender: Male	User Defined Gender:	
What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)		
Specify Race or Ethnicity:		

Person with Direct or Indirect Authority 3

Percentage Of Ownership: 12.75	Percentage Of Control: 12.75	
Role: Owner / Partner	Other Role:	
First Name: Trey	Last Name: Williams	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:		

Person with Direct or Indirect Authority 4

Percentage Of Ownership: 12.75	Percentage Of Control: 12.75	
Role: Owner / Partner	Other Role:	
First Name: Michael	Last Name: Ortoll	Suffix:
Gender: Male	User Defined Gender:	
What is this person's race or ethnicity?: Hispanic, Latino, or Spanish (Mexican or Mexican American, Puerto Rican, Cuban, Salvadoran, Dominican, Colombian)		
Specify Race or Ethnicity:		

Person with Direct or Indirect Authority 5

Percentage Of Ownership: 12.75	Percentage Of Control: 12.75	
Role: Owner / Partner	Other Role:	
First Name: Albert	Last Name: Montgomery	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:		

Person with Direct or Indirect Authority 6

Percentage Of Ownership: 12.75	Percentage Of Control: 12.75	
Role: Owner / Partner	Other Role:	
First Name: Desiree	Last Name: Franjul	Suffix:

Gender: Female

User Defined Gender:

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

No records found

BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

Business Interest in Other State 1

Business Interest of an Owner or the Marijuana Establishment: Business Interest of an Owner

Owner First Name: Blake	Owner Last Name: Mensing	Owner Suffix:	
Entity Legal Name: Squared Holdings, LLC	Entity DBA: MC2		
Entity Description: Applicant for medical marijuana licensure in Michigan			
Entity Phone: 908-499-4896	Entity Email: david@dhcconsulting.net	Entity Website:	
Entity Address 1: 520 N. Main Street	Entity Address 2:		
Entity City: Royal Oak	Entity State: MI	Entity Zip Code: 48067	Entity Country: USA
Entity Mailing Address 1: 520 N. Main Street	Entity Mailing Address 2:		
Entity Mailing City: Royal Oak	Entity Mailing State: MI	Entity Mailing Zip Code: 48067	Entity Mailing Country: USA

Business Interest in Other State 2

Business Interest of an Owner or the Marijuana Establishment: Business Interest of an Owner

Owner First Name: Blake	Owner Last Name: Mensing	Owner Suffix:	
Entity Legal Name: Squared Holdings LLC	Entity DBA:		
Entity Description: Applying for medical marijuana licensure in New Jersey			
Entity Phone: 908-499-4896	Entity Email: david@dhcconsulting.net	Entity Website:	
Entity Address 1: 301 Orange Avenue	Entity Address 2:		
Entity City: Cranford	Entity State: NJ	Entity Zip Code: 07016	Entity Country: USA
Entity Mailing Address 1: 301 Orange Avenue	Entity Mailing Address 2:		
Entity Mailing City: Cranford	Entity Mailing State: NJ	Entity Mailing Zip Code: 07016	Entity Mailing Country: USA

DISCLOSURE OF INDIVIDUAL INTERESTS

Individual 1

First Name: Blake	Last Name: Mensing	Suffix:
Marijuana Establishment Name: Healing Calyx LLC	Business Type: Other	
Marijuana Establishment City: Holyoke	Marijuana Establishment State: MA	

Date generated: 09/05/2023

Individual 2

First Name: Blake Last Name: Mensing Suffix:
Marijuana Establishment Name: Mint Retail Facilities LLC Business Type: Marijuana Retailer
Marijuana Establishment City: Belmont Marijuana Establishment State: MA

Individual 3

First Name: Blake Last Name: Mensing Suffix:
Marijuana Establishment Name: Holyoke 420 LLC d/b/a Holyoke Cannabis Business Type: Marijuana Retailer
Marijuana Establishment City: Holyoke Marijuana Establishment State: MA

Individual 4

First Name: Blake Last Name: Mensing Suffix:
Marijuana Establishment Name: Coyote Cannabis Corporation Business Type: Marijuana Cultivator
Marijuana Establishment City: Uxbridge Marijuana Establishment State: MA

Individual 5

First Name: Blake Last Name: Mensing Suffix:
Marijuana Establishment Name: Coyote Cannabis Corporation Business Type: Marijuana Product Manufacture
Marijuana Establishment City: Uxbridge Marijuana Establishment State: MA

Individual 6

First Name: Blake Last Name: Mensing Suffix:
Marijuana Establishment Name: H&H Culitvation LLC Business Type: Marijuana Cultivator
Marijuana Establishment City: Holyoke Marijuana Establishment State: MA

Individual 7

First Name: Blake Last Name: Mensing Suffix:
Marijuana Establishment Name: H&H Culitvation LLC Business Type: Marijuana Product Manufacture
Marijuana Establishment City: Holyoke Marijuana Establishment State: MA

Individual 8

First Name: Michael Last Name: Ortoll Suffix:
Marijuana Establishment Name: Healing Calyx LLC Business Type: Other
Marijuana Establishment City: Holyoke Marijuana Establishment State: MA

MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 727 Atlantic Ave.
Establishment Address 2: Floors #1-2
Establishment City: Boston Establishment Zip Code: 02111
Approximate square footage of the establishment: 6192 How many abutters does this property have?: 310
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	2022-12-20 Stone's Throw Cannabis LLC - Plan to Remain Compliant.pdf	pdf	63a659f1522535000852d9ab	12/23/2022

Community Outreach Meeting Documentation	2022-12-23 Stone's Throw Cannabis LLC - Community Outreach Attestation.pdf	pdf	63a65bbda0fd020008e72890	12/23/2022
Certification of Host Community Agreement	2023-02-13 Stone's Throw Cannabis LLC - HCA Certification Form.pdf	pdf	63eabb8aa8e27500072397dc	02/13/2023

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	2022-12-23 Stone's Throw Cannabis LLC - Positive Impact Plan.pdf	pdf	63a65c16522535000852da0f	12/23/2022
Other	2022-12-20 Stone's Throw Cannabis LLC - Letter from Big Hope Project.pdf	pdf	63a65c3f522535000852da29	12/23/2022

ADDITIONAL INFORMATION NOTIFICATION

Notification:

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: Manager

Other Role:

First Name: David

Last Name: Rabinovitz Suffix:

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 2

Role: Manager

Other Role:

First Name: Blake

Last Name: Mensing Suffix:

RMD Association: Not associated with an RMD

Background Question: yes

Individual Background Information 3

Role: Owner / Partner

Other Role:

First Name: Trey

Last Name: Williams Suffix:

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 4

Role: Owner / Partner

Other Role:

First Name: Michael

Last Name: Ortoll Suffix:

RMD Association: Not associated with an RMD

Background Question: yes

Individual Background Information 5

Role: Owner / Partner

Other Role:

First Name: Albert Last Name: Montgomery Suffix:

RMD Association: Not associated with an RMD

Background Question: no

Individual Background Information 6

Role: Owner / Partner Other Role:

First Name: Desiree Last Name: Franjul 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
Articles of Organization	2022-12-20 Stone's Throw Cannabis LLC - Articles of Formation.pdf	pdf	63a6601fa0fd020008e72a51	12/23/2022
Bylaws	2022-12-21 Stone's Throw Cannabis LLC - Operating Agreement (Application Copy).pdf	pdf	63a66026522535000852dbd0	12/23/2022
Secretary of Commonwealth - Certificate of Good Standing	2022-12-23 Stone's Throw Cannabis LLC - SOC Cert.jpg	jpeg	63a660d0a0fd020008e72a77	12/23/2022
Secretary of Commonwealth - Certificate of Good Standing	2022-12-23 Stone's Throw Cannabis LLC - SOC Cert.jpg	jpeg	63a660eaa0fd020008e72a8b	12/23/2022
Department of Revenue - Certificate of Good standing	2022-12-23 Stone's Throw Cannabis LLC - DOR Cert.pdf	pdf	63a660eb522535000852dbf6	12/23/2022
DUA attestation if no employees	2022-12-23 Stone's Throw Cannabis LLC - DUA Cert.pdf	pdf	63a660eea0fd020008e72aa2	12/23/2022

No documents uploaded

Massachusetts Business Identification Number: 001536708

Doing-Business-As Name: Firebrand Cannabis

DBA Registration City: Boston

BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Business Plan	2022-12-23 Stone's Throw Cannabis LLC - Business Plan.pdf	pdf	63a66114522535000852dc28	12/23/2022
Proposed Timeline	2022-12-20 Stone's Throw Cannabis LLC - Proposed Timeline.pdf	pdf	63a66115522535000852dc3c	12/23/2022
Plan for Liability Insurance	Letter_of_Intent_to_Bind_Coverage_-_Stone's_Throw_Cannabis_LLC_(Retail).pdf	pdf	640274323a44570008a4d59a	03/03/2023

OPERATING POLICIES AND PROCEDURES

Date generated: 09/05/2023

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for obtaining marijuana or marijuana products	2022-12-23 Stone's Throw Cannabis LLC - Plan for Obtaining Marijuana.pdf	pdf	63a66155522535000852dc56	12/23/2022
Prevention of diversion	2022-12-23 Stone's Throw Cannabis LLC - Prevention of Diversion.pdf	pdf	63a66157a0fd020008e72ae8	12/23/2022
Restricting Access to age 21 and older	2022-12-23 Stone's Throw Cannabis LLC - Restricting Access to Age 21 or Older.pdf	pdf	63a66158522535000852dc6a	12/23/2022
Security plan	2022-12-23 Stone's Throw Cannabis LLC - Security Plan.pdf	pdf	63a6615aa0fd020008e72afc	12/23/2022
Storage of marijuana	2022-12-23 Stone's Throw Cannabis LLC - Storage of Marijuana.pdf	pdf	63a6615b522535000852dc7e	12/23/2022
Dispensing procedures	2022-12-23 Stone's Throw Cannabis LLC - Dispensing Procedures.pdf	pdf	63a6618e522535000852dc98	12/23/2022
Inventory procedures	2022-12-23 Stone's Throw Cannabis LLC - Inventory Procedures.pdf	pdf	63a6618fa0fd020008e72b16	12/23/2022
Personnel policies including background checks	2022-12-23 Stone's Throw Cannabis LLC - Personnel Policies Including Background Checks.pdf	pdf	63a66190522535000852dcac	12/23/2022
Quality control and testing	2022-12-23 Stone's Throw Cannabis LLC - Quality Control and Testing.pdf	pdf	63a66192522535000852dcc0	12/23/2022
Transportation of marijuana	2022-12-23 Stone's Throw Cannabis LLC - Transportation of Marijuana.pdf	pdf	63a66194a0fd020008e72b2a	12/23/2022
Record Keeping procedures	2022-12-23 Stone's Throw Cannabis LLC - Recordkeeping Procedures.pdf	pdf	63a661c6522535000852dcda	12/23/2022
Qualifications and training	2022-12-23 Stone's Throw Cannabis LLC - Qualifications and Training.pdf	pdf	63a661c6a0fd020008e72b44	12/23/2022
Maintaining of financial records	2022-12-23 Stone's Throw Cannabis LLC - Maintaining of Financial Records.pdf	pdf	63a661c7522535000852dcee	12/23/2022
Energy Compliance Plan	2022-12-23 Stone's Throw Cannabis LLC - Energy Compliance Plan.pdf	pdf	63a661c8a0fd020008e72b58	12/23/2022
Diversity plan	2022-12-23 Stone's Throw Cannabis LLC - Diversity Plan.pdf	pdf	63a661c9522535000852dd02	12/23/2022

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: 9:00 AM	Monday To: 9:00 PM
Tuesday From: 9:00 AM	Tuesday To: 9:00 PM
Wednesday From: 9:00 AM	Wednesday To: 9:00 PM
Thursday From: 9:00 AM	Thursday To: 9:00 PM
Friday From: 9:00 AM	Friday To: 9:00 PM
Saturday From: 9:00 AM	Saturday To: 9:00 PM
Sunday From: 11:00 AM	Sunday To: 9:00 PM

Stone's Throw Cannabis, LLC

Adult Use Marijuana Establishment; Retail and Courier

727 Atlantic Avenue, Boston, MA, 02111

Assessor ID 0304311000

Boston Property Type: Commercial

Zone: Leather District, Zoning Map 1C

Plan to Remain Compliant with Local Codes, Ordinances and Bylaws

Stone's Throw Cannabis, LLC, (the Applicant), is seeking permits and approvals for a Marijuana Establishment for Marijuana Retail and Courier uses at 727 Atlantic Avenue and the site is located within the City's Leather District zone and its marijuana retail uses are allowed with a conditional use permit issued by the Boston Zoning Board of Appeals and a license issued by the Boston Cannabis Board. The Applicant shall duly apply-for and comply-with the ordinance provisions and requirements and all applicable conditions that may be imposed by the Boston ZBA and the Boston Cannabis Board.

The Applicant is in the process of applying to the Boston ZBA for its conditional use permit and the Applicant's uses meet the definition of a Cannabis Establishment under the Zoning Code as a marijuana retailer and courier. The Applicant's site meets the buffer requirements of the Boston Zoning Code for the Leather District which requires that that any cannabis establishment shall be sited at least one-half mile or 2,640 feet from another existing cannabis establishment and at least 500 feet from a pre-existing public or private school providing education in kindergarten or any of grades 1 through 12.

The Boston Zoning Code states that the purposes, goals and objectives for zoning and uses in the Leather District include retail and services, and the cannabis retail use allowed by conditional use is consistent with these purposes, goals and objectives.

The Boston Cannabis Board further regulates marijuana establishments and grants licenses to ensure equity, quality and community safety and licensees must comply with the laws and regulations of the City and the Cannabis Commission with periodic inspections to ensure compliance. The Applicant is in the process of applying to the Boston Cannabis Board.

The Applicant has attested and certified to the ZBA and the Cannabis Board that it meets the buffer requirements set forth in the City's Zoning Ordinance.

The Applicant's location/site consists of 3,250 square feet on the first/street level for retail purposes and 3,250 square feet on the second floor for office purposes at the six story commercial building fronting Atlantic Avenue at the corner of Beach Street.

The time frame for obtaining a conditional use permit from the Boston ZBA and a license from the Boston Cannabis Commission is approximately six to nine months.

Applicant has obtained a Conditional Use Permit from the ZBA and HCA from the Cannabis Board as of the date of this application. **END OF COMPLIANCE PLAN**

Community Outreach Meeting Attestation Form

Instructions

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

Attestation

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

1. The Community Outreach Meeting was held on the following date(s):

12/12/22
2. At least one (1) meeting was held within the municipality where the ME is proposed to be located.
3. At least one (1) meeting was held after normal business hours (this requirement can be satisfied along with requirement #2 if the meeting was held within the municipality and after normal business hours).



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

- a. Date of publication: 11/28/22
- b. Name of publication: Boston Globe

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

- a. Date notice filed: 12/5/22

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

- a. Date notice(s) mailed: 12/5/22

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



Name of applicant:

Stone's Throw Cannabis LLC

Name of applicant's authorized representative:

Blake M. Mensing, Esq.

Signature of applicant's authorized representative:

Blake M. Mensing



NOTE ON VIRTUAL COMMUNITY OUTREACH MEETING

This meeting was hosted virtually pursuant to the Enforcement Order in place at the time of the Community Outreach Meeting.

The meeting had approximately 13 attendees. Members of the public were permitted to ask questions in advance of the meeting utilizing a Google Form link included in all meeting notices.

The meeting was recorded and can be viewed online at the link below:

<https://youtube.com/video/6UhbyA5FhHY>

VIRTUAL MEETING PERMISSION



Quinn Heath <quinn@mensinggroup.com>

Stone's Throw - Permission to Host Follow-up Community Meeting on Zoom

Jasmin Winn <jasmin.winn@boston.gov>
To: Quinn Heath <quinn@mensinggroup.com>
Cc: Cannabis Board <cannabisboard@boston.gov>

Wed, Nov 23, 2022 at 12:08 PM

Hello Quinn

This email serves as confirmation that Stone's Throw may conduct the additional community outreach meeting virtually.

Please let me know if there are any additional questions

Best
Jasmin

[Quoted text hidden]

--

Jasmin Winn

Cannabis Board Manager | Boston Cannabis Board | 617•635•2330 | 1 City Hall Square, Room 809, Boston, MA 02201

CITY of BOSTON

SIGN UP FOR PERIODIC UPDATES FROM THE BOSTON CANNABIS BOARD HERE.

Please note: This is a City of Boston email account and the content of this message is public record.

December 2, 2022

Stone's Throw Cannabis LLC

Notice of Meeting

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for Monday, December 12, 2022 at 6:00pm. In light of COVID-19, it will be held via Zoom Meeting:

Link: <https://us06web.zoom.us/j/83104386775>

Dial-in #: (929) 205-6099

Meeting ID: 831 0438 6775

The proposed Adult-Use Marijuana Retailer and Courier Delivery Operator is anticipated to be located at 727 Atlantic Ave., Boston, MA 02111. There will be an opportunity for the public to ask questions at the meeting, and questions can be submitted in advance at the following link: <https://forms.gle/X9BPP4L2YSdYYung7>

December 2, 2022

Stone's Throw Cannabis LLC

Notice of Meeting

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for Monday, December 12, 2022 at 6:00pm. In light of COVID-19, it will be held via Zoom Meeting:

Link: <https://us06web.zoom.us/j/83104386775>

Dial-in #: (929) 205-6099

Meeting ID: 831 0438 6775

The proposed Adult-Use Marijuana Retailer and Courier Delivery Operator is anticipated to be located at 727 Atlantic Ave., Boston, MA 02111. There will be an opportunity for the public to ask questions at the meeting, and questions can be submitted in advance at the following link: <https://forms.gle/X9BPP4L2YSdYYung7>

NOTE ON ABUTTER NOTICES

Stone's Throw Cannabis LLC mailed notices to the following parties by December 5, 2022 via USPS first-class postage, using a third-party mail service (unless otherwise noted). Additional documentation of abutter/city notices can be provided on request.

- Boston Planning & Development Agency. 1 City Hall Square #9. Boston, MA, 02201
- City Clerk, 1 City Hall Square, Room 601, Boston, MA 02201
- Boston Cannabis Board (*via email*)
- 310 property abutters within 300' according to the Boston Abutters Mailing List tool at <https://www.boston.gov/abutter-mailing-list-generator>.

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:

Stone ' s Throw Cannabis LLC d/b/a Firebrand Cannabis

2. Name of applicant's authorized representative:

Blake M. Mensing

3. Signature of applicant's authorized representative:



4. Name of municipality:

City of Boston

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

Jasmin Winn



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

Jasmin Winn

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)*):

jasmin.winn@boston.gov

8. Host community agreement execution date:

11/9/2022

Positive Impact Plan

Pursuant to M.G.L. ch. 94G, §4 and 935 CMR 500.101(1)(a)(11).

Stone's Throw Cannabis LLC ("Stone's Throw Cannabis" or the "Company") is dedicated to serving and supporting those disproportionately harmed by cannabis prohibition policies. This Positive Impact Plan is an effort to respond to evidence which demonstrates that certain populations have been disproportionately impacted by high rates of arrests and incarceration for marijuana or other drug crimes as a result of federal and state drug policy.

The Cannabis Control Commission has identified the following Groups as those should be targeted and supported by this plan:

1. Certified Economic Empowerment recipients;
2. Social Equity Program participants;
3. Past or present residents of the geographic areas of disproportionate impact ("ADI"), which have been defined by the Commission and identified in its Guidance for Identifying Areas of Disproportionate Impact;
4. Massachusetts residents who have past drug convictions; and
5. Massachusetts residents with parents or spouses who have past drug convictions.

To support these populations, Stone's Throw Cannabis has created a Positive Impact Plan, summarized below, and has identified numerous goals and priorities.

Goal #1 - Financial Support for the Big Hope Project:

Provide monetary support in the amount of \$2,500 per year to Big Hope Project Inc., as more particularly described below.

Program #1:

Give an annual donation as described above to support Big Hope Project, Inc. The Big Hope Project, Inc. is an organization that works directly with many individuals who are members of ADIs in order to provide them with access to information and services relating specifically to Massachusetts criminal record sealing. The Big Hope Project, Inc. is able to provide an annual report to the donor summarizing the use of the funds, as well as a summary of whether the individuals participating in the programs supported by this donation are from an area of disproportionate impact as defined by the Commission.

The donation will be used by the Big Hope Project, Inc. to help individuals from groups disproportionately impacted by the War on Drugs as that phrase is defined by the Commission. In particular, funds will be used to support individuals who have past drug convictions, their spouses and families, or individuals from a geographic ADI to obtain access to record sealing services. Access to the state mechanisms for sealing criminal records are a

critical service in assisting those wronged by the War on Drugs. The attached letter from Big Hope Project, Inc. describes in greater detail how the donation will support individuals from areas of disproportionate impact.

Measurement/Metrics #1:

At the end of each year, Stone's Throw Cannabis will conduct an analysis and create a report on the amounts and percentages of donations and other financial support that the Company has given to the program outlined above.

Stone's Throw Cannabis will continue to assess the viability and impact of financial donations made, and annually review donation goals amounts. The Big Hope Project, Inc. will be able to produce documentation that the individuals participating in their programs have had past drug convictions and are from an area of disproportionate impact.

Goal #2 - Provide Community Space for Record-Sealing:

Stone's Throw Cannabis is excited to have space available to host a variety of community-based events for local organizations working with the Groups listed above. Stone's Throw is actively developing a plan to utilize its community space effectively, but as a part of this Positive Impact Plan Stone's Throw commits to provide at least 5 Massachusetts residents per year who have past drug convictions or who have parents or spouses who have had drug convictions with education and support relating to sealing criminal records to reduce barriers to entry in the cannabis industry and the workforce in general.

Program #2:

Stone's Throw Cannabis will host an annual record sealing workshop teaching which criminal records can be sealed and how to seal them. The workshop will also assist individuals through the sealing process with the courts or probation department. The workshop will be advertised in print and online sources to include ADI and local newspapers. Specific sources utilized will include The Boston Globe or the Boston Herald. The workshop will be held at Stone's Throw Cannabis facilities, and will have a capacity of at least 5 participants. The topics for the workshops will include practical training and information that will assist Massachusetts residents to identify and seal eligible drug convictions.

Measurements/Metrics #1:

Stone's Throw Cannabis will document the record sealing workshop date, the topics discussed, the number of attendees, to which targeted group the attendees belong and referral sources. Participating individuals or businesses will be asked to complete an assessment of the program which will provide insight into the demographics of the attendees, the helpfulness and clarity of the topics presented as well as suggestions for future programs.

Disclosures:

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

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

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



The Commonwealth of Massachusetts
William Francis Galvin

Minimum Fee: \$500.00

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

Certificate of Organization

(General Laws, Chapter)

Identification Number: 001536708

1. The exact name of the limited liability company is: STONE'S THROW CANNABIS LLC

2a. Location of its principal office:

No. and Street: 100 STATE STREET
9TH FLOOR
 City or Town: BOSTON State: MA Zip: 02109 Country: USA

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

No. and Street: 100 STATE STREET
9TH FLOOR
 City or Town: BOSTON State: MA Zip: 02109 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:

APPLYING FOR LICENSURE FROM THE CANNABIS CONTROL COMMISSION.

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:

Name: BLAKE M. MENSING
 No. and Street: 100 STATE STREET
9TH FLOOR
 City or Town: BOSTON State: MA Zip: 02109 Country: USA

I, BLAKE M MENSING 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	BLAKE M MENSING	100 STATE STREET, 9TH FLOOR BOSTON, MA 02109 USA
MANAGER	DAVID RABINOVITZ	100 STATE STREET, 9TH FLOOR BOSTON, MA 02109 USA

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

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

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

9. Additional matters:

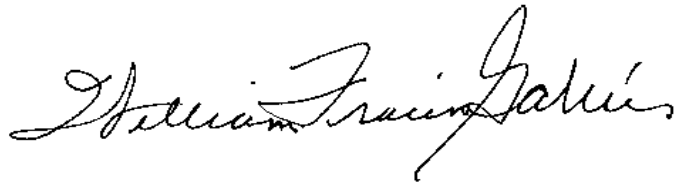
**SIGNED UNDER THE PENALTIES OF PERJURY, this 7 Day of October, 2021,
BLAKE M MENSING**

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

THE COMMONWEALTH OF MASSACHUSETTS

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

October 07, 2021 02:06 PM

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

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth



STONE'S THROW CANNABIS LLC

(A Massachusetts limited liability company)

LIMITED LIABILITY COMPANY AGREEMENT

Dated as of: January 24, 2022

THE UNITS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT AND SUCH LAWS. THE UNITS ARE SUBJECT TO RESTRICTION ON TRANSFERABILITY AND RESALE CONTAINED IN THIS LIMITED LIABILITY COMPANY AGREEMENT AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY THIS LIMITED LIABILITY COMPANY AGREEMENT AND UNDER THE 1933 ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE SECURITIES BEING SOLD HEREUNDER OR THE ACCURACY OR ADEQUACY OF THE INFORMATION HEREIN. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

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STONE'S THROW CANNABIS LLC

OPERATING AGREEMENT

This Operating Agreement (this "Operating Agreement") of Stone's Throw Cannabis LLC, a Massachusetts limited liability company (the "Company"), is entered into as of January 24, 2022 (the "Effective Date") by and among the Company, the Members identified on Schedule A attached hereto (the "Members"), and the Managers identified on Schedule B attached hereto as of the date hereof. The Company, the Members, and the Managers each are referred to herein separately as "Party" and are referred to herein collectively as the "Parties."

WITNESSETH:

WHEREAS, the Company was formed under the laws of the Commonwealth of Massachusetts by the filing of a Certificate of Organization with the Secretary of the Commonwealth (the "Secretary of State") on October 7, 2021 in accordance with the Massachusetts Limited Liability Company Act (the "Massachusetts Act");

WHEREAS, the Members wish to enter into this Operating Agreement to set forth the terms and conditions governing the operation and management of the Company;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I - DEFINITIONS

Section 1.01 Definitions

Capitalized terms used herein and not otherwise defined shall have the meanings set forth in this Section 1.01.

"Adjusted Capital Account Balance" means, with respect to any Member as of the close of any Fiscal Year or other accounting period, the balance in such Member's capital account adjusted by adding to such balance such Member's share of any Company Minimum Gain or Member Nonrecourse Debt Minimum Gain, of the Company as of the close of such year or other period.

"Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

- (a) crediting to such Capital Account any amount that such Member is obligated to restore or is deemed to be obligated to restore pursuant to Treasury Regulations Sections 1.704-1(b)(2)(ii)(c), 1.704-2(g)(1) and 1.704-2(i); and
- (b) debiting to such Capital Account the items described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

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

"Adjusted Taxable Income" of a Member for a Fiscal Year (or portion thereof) with respect to the Units held by such Member means the federal taxable income allocated by the Company to the Member with respect to its Units (as adjusted by any final determination in connection with any tax audit or other proceeding) for such Fiscal Year (or portion thereof); *provided*, that such taxable income shall be computed (i) by subtracting any excess taxable loss or excess taxable credits of the Company for any prior period allocable to such Member with respect to its Units that were not previously taken into account for purposes of determining such Member's Adjusted Taxable Income in a prior Fiscal Year to the extent such loss or credit would be available under the Code to offset income of the Member (or, as appropriate, the direct or indirect owners of the Member) determined as if the income, loss, and credits from the Company were the only income, loss, and credits of the Member (or, as appropriate, the direct or indirect members of the Member) in such Fiscal Year and all prior Fiscal Years, and (ii) taking into account any special basis adjustment with respect to such Member resulting from an election by the Company under Code Section 754.

"Affiliate" means, with respect to any Person, any other Person who, directly or indirectly (including through one or more intermediaries), controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control," when used with respect to any specified Person, shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise; and the terms "controlling" and "controlled" shall have correlative meanings.

"Applicable Law" means all applicable provisions of (a) constitutions, treaties, statutes, laws (including the common law), rules, regulations, decrees, ordinances, codes, proclamations, declarations or orders of any Governmental Authority; (b) any consents or approvals of any Governmental Authority; and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any Governmental Authority.

"Board" has the meaning given in Section 7.01.

"Book Depreciation" means, with respect to any Company asset for each Fiscal Year, the Company's depreciation, amortization, or other cost recovery deductions determined for

federal income tax purposes, except that if the Book Value of an asset differs from its adjusted tax basis at the beginning of such Fiscal Year, Book Depreciation shall be an amount which bears the same ratio to such beginning Book Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; *provided*, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero and the Book Value of the asset is positive, Book Depreciation shall be determined with reference to such beginning Book Value using any permitted method selected by the Board in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g)(3).

"Book Value" means, with respect to any Company asset, the adjusted basis of such asset for federal income tax purposes, except as follows:

- (a) the initial Book Value of any Company asset contributed by a Member to the Company shall be the gross Purchase Value of such Company asset as of the date of such contribution;
- (b) immediately prior to the distribution by the Company of any Company asset to a Member, the Book Value of such asset shall be adjusted to its gross Purchase Value as of the date of such distribution;
- (c) the Book Value of all Company assets may, in the sole discretion of the Board, be adjusted to equal their respective gross Purchase Values as of any of the following times:
 - (i) the acquisition of an additional Units in the Company by a new or existing Member in consideration for more than a *de minimis* Capital Contribution;
 - (ii) the distribution by the Company to a Member of more than a *de minimis* amount of property (other than cash) as consideration for all or a part of such Member's Units; and
 - (iii) the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g);
- (d) the Book Value of each Company asset shall be increased or decreased, as the case may be, to reflect any adjustments to the adjusted tax basis of such Company asset pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Account balances pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m); *provided*, that Book Values shall not be adjusted pursuant to this paragraph (d) to the extent that an adjustment pursuant to paragraph (c) above is made in conjunction with a transaction that would otherwise result in an adjustment pursuant to this paragraph (d); and

- (e) if the Book Value of a Company asset has been determined pursuant to paragraph (a) or adjusted pursuant to paragraphs (b), (c) or (d) above, such Book Value shall thereafter be adjusted to reflect the Depreciation taken into account with respect to such Company asset for purposes of computing Net Income and Net Loss.

"Business Day" means a day other than a Saturday, Sunday, or any local, state, or federal holiday, or any other day on which commercial banks in the City of Boston are authorized or required to close.

"Capital Contribution" means, for any Member, the total amount of cash and cash equivalents and the Book Value of any property contributed to the Company by such Member.

"Change of Control" means any of the following, in one or a series of related transactions: (a) the sale of all or substantially all of the consolidated assets of the Company to an Independent Third Party; (b) a sale resulting in no less than a majority of the Units on a Fully Diluted Basis being held by an Independent Third Party; or (c) a merger, consolidation, recapitalization or reorganization of the Company with or into an Independent Third Party that results in the inability of the Members to designate or elect a majority of the Managers (or the board of directors (or its equivalent) of the resulting entity or its parent company).

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Units" means the common units issued by the Company; the Common Units of the Company are entitled to one vote per Common Unit.

"Common Member" means the Members holding the Common Units as set forth on Schedule A, as amended from time to time.

"Company Minimum Gain" means "partnership minimum gain" as defined in Treasury Regulations Section 1.704-2(b)(2), substituting the term "Company" for the term "partnership" as the context requires.

"Company Units" shall mean the Common Units and the Preferred Units.

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

"Designated Individual" means the individual appointed under this Operating Agreement to serve as the "designated individual" of the Company for purposes of Subchapter C of Chapter 63 of the Code and the Treasury Regulations relating thereto, or similar role under provisions of state, local and non-U.S. law as updated annually on Schedule E appended hereto.

"Disinterested Managers" means, in relation to any Impacted Person, those members of the Board that have no material direct or indirect financial interest in or with respect to such Impacted Person. For the avoidance of doubt, any Manager of the Company that is designated to such position by such Impacted Person, or is an officer, director, employee or is otherwise engaged by such Impacted Person, shall not be deemed a "Disinterested Manager" with respect to such Impacted Person.

"Distributable Cash" means the Company's net earnings after taxes or amounts set aside for Tax Advances, less amounts retained for working capital, capital expenditures, cash reserves, and further investments in inventory. Cash reserves shall be determined by the Board with consultation of the Company's senior financial officer, and may include, subject to economic conditions, up to six (6) months of operating costs, and amounts adequate to fund an account with a minimum balance equal to the Purchase Value of the two largest SE/EE Membership Interests.

"Economic Interest" means the share of profits or other compensation by way of income and return of contributions an Economic Interest Owner is entitled to, but shall not include any right to participate in the management of the business and affairs of the Company, including the right to vote on, consent to or otherwise participate in any decision of the Members.

"Economic Interest Owner" means the owner of an Economic Interest who is not a Member. An Economic Interest Owner shall not be entitled to: (i) require any accounting of the Company's transactions; (ii) inspect the Company's books and records; (iii) require any information from the Company; or (iv) exercise any privilege or right of a Member which is not specifically granted to a non-substituted transferee of a limited liability company interest under the Massachusetts Act.

"Electronic Transmission" means any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process.

"Estimated Tax Amount" of a Member for a Fiscal Year means the Member's Tax Amount for such Fiscal Year as estimated in good faith from time to time by the Board. In making such estimate, the Board shall take into account amounts shown on Internal Revenue Service Form 1065 filed by the Company and similar state or local forms filed by the Company for the preceding taxable year and such other adjustments as the Board

reasonably determines are necessary or appropriate to reflect the estimated operations of the Company for the Fiscal Year.

"Fiscal Year" means the calendar year, unless the Company is required to have a taxable year other than the calendar year, in which case Fiscal Year shall be the period that conforms to its taxable year.

"Founder" or "Founding Member" means those Members listed on Schedule A as "Founders."

"Fully Diluted Basis" means, as of any date of determination, (a) with respect to all the Units, all issued and outstanding Units of the Company and all Units issuable upon the exercise of any outstanding Unit Equivalents as of such date, whether or not such Unit Equivalent is at the time exercisable, or (b) with respect to any specified type, class or series of Units, all issued and outstanding Units designated as such type, class or series and all such designated Units issuable upon the exercise of any outstanding Unit Equivalents as of such date, whether or not such Unit Equivalent is at the time exercisable.

"GAAP" means United States generally accepted accounting principles in effect from time to time.

"Governmental Authority" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction.

"Independent Third Party" means any Person who, immediately prior to the contemplated transaction, does not directly or indirectly own or have the right to acquire any outstanding Units.

"Impacted Person" means any Member, or any Manager or officer of the Company, who either (i) in the good faith determination of the Disinterested Managers, or (ii) by a determination (whether or not such determination is final, binding or non-appealable) by any Regulatory Authority:

- (a) has breached any Regulatory Laws, the condition of any Regulatory Authority, or the conditions of any Regulatory Licenses;
- (b) is not suitable, eligible or otherwise qualified with respect to (1) any Regulated Activities, (2) any Regulatory Licenses or (3) owning or controlling any Units or its position as a Manager or officer of the Company, as applicable;
- (c) fails to be found suitable, eligible or otherwise qualified with respect to (1) any Regulated Activities, (2) any Regulatory Licenses or (3) owning or controlling any

Units or its position as a manager or officer of the Company, as applicable pursuant to any Regulatory Laws (including by the applicable Regulatory Authority); provided, however, such failure, in the good faith determination of the Disinterested Managers, precludes or materially delays, jeopardizes, impedes or impairs, or imposes materially burdensome terms and conditions on, the ability of the Company or any of its subsidiaries to conduct any Regulated Activities or to obtain, retain, renew or reinstate any Regulatory License;

(d) causes, or would reasonably likely to cause, any Regulatory License to be lost, rejected, rescinded, suspended, revoked, not renewed or not reinstated by any Regulatory Authority; or

(e) is otherwise reasonably likely to preclude or materially delay, jeopardize, impede or impair, or impose materially burdensome terms and conditions on, the ability of the Company or any of its subsidiaries to conduct any Regulated Activities or to obtain, retain, renew or reinstate any Regulatory License.

"Joinder Agreement" means the joinder agreement in form and substance attached hereto as Exhibit A and incorporated herein by reference.

"Lien" means any mortgage, pledge, security interest, option, right of first offer, encumbrance or other restriction or limitation of any nature whatsoever.

"Manager" means each Person identified as of the date hereof as a Manager in on Schedule B attached hereto. Without an affirmative super-majority vote in each instance, only Members of the Company may serve as Managers.

"Member" means (a) each Person identified on the Members Schedule as of the date hereof as a Preferred Member and/or a Common Member who has executed this Operating Agreement or a counterpart thereof; and (b) each Person who is hereafter admitted as a Member in accordance with the terms of this Operating Agreement and the Massachusetts Act, in each case so long as such Person is shown on the Company's books and records as the owner of Units. The Members shall constitute "members" (as that term is defined in the Massachusetts Act) of the Company.

"Member Nonrecourse Debt" means "partner nonrecourse debt" as defined in Treasury Regulations Section 1.704-2(b)(4), substituting the term "Company" for the term "partnership" and the term "Member" for the term "partner" as the context requires.

"Member Nonrecourse Debt Minimum Gain" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if the Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Treasury Regulations Section 1.704-2(i)(3).

"Member Nonrecourse Deduction" means "partner nonrecourse deduction" as defined in Treasury Regulations Section 1.704-2(i), substituting the term "Member" for the term "partner" as the context requires.

"Membership Interest" means an interest in the Company owned by a Member, including such Member's right (based on the type and class of Unit or Units held by such Member), as applicable, (a) to a distributive share of Net Income, Net Loss and other items of income, gain, loss and deduction of the Company in accordance with this Operating Agreement; (b) to a distribution in accordance with this Operating Agreement; (c) to vote on, consent to or otherwise participate in any decision of the Members as provided in this Operating Agreement; and (d) to any and all other benefits to which such Member may be entitled.

"Minimum Gain" means "partnership minimum gain" as determined pursuant to Treasury Regulations Section 1.704-2(d).

"Net Income" and "Net Loss" mean, for each Fiscal Year or other period specified in this Operating Agreement, an amount equal to the Company's taxable income or taxable loss, or particular items thereof, determined in accordance with Code Section 703(a) (where, 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 taxable loss), but with the following adjustments:

- (a) any income realized by the Company that is exempt from federal income taxation, as described in Code Section 705(a)(1)(B), shall be added to such taxable income or taxable loss, notwithstanding that such income is not includable in gross income;
- (b) any expenditures of the Company described in Code Section 705(a)(2)(B), including any items treated under Treasury Regulations Section 1.704-1(b)(2)(iv)(I) as items described in Code Section 705(a)(2)(B), shall be subtracted from such taxable income or taxable loss, notwithstanding that such expenditures are not deductible for federal income tax purposes;
- (c) any 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 Book Value of the property so disposed, notwithstanding that the adjusted tax basis of such property differs from its Book Value;
- (d) any items of depreciation, amortization and other cost recovery deductions with respect to Company property having a Book Value that differs from its adjusted tax basis shall be computed by reference to the property's Book Value (as adjusted for Book Depreciation) in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g);
- (e) if the Book Value of any Company property is adjusted as provided in the definition of Book Value, then the amount of such adjustment shall be treated as an item of

gain or loss and included in the computation of such taxable income or taxable loss; and

- (f) to the extent an adjustment to the adjusted tax basis of any Company property pursuant to Code Sections 732(d), 734(b) or 743(b) is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis).

"Nonrecourse Deductions" has the meaning set forth in Treasury Regulations Section 1.704-2(b).

"Nonrecourse Liability" has the meaning set forth in Treasury Regulations Section 1.704-2(b)(3).

"Partnership Tax Audit Rules" means Code Sections 6221 through 6241, as amended by the Bipartisan Budget Act of 2015, together with any guidance issued thereunder or successor provisions and any similar provision of state or local tax laws.

"Percentage Interest" is a term used to make certain allocations among the Members herein and is calculated for each Member by dividing such Member's Units by the total number of Units held by all Members, with each such Members' respective Percentage Interest being reflected on Schedule A attached hereto, as the same may be hereinafter amended.

"Person" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"Preferred Members" means the Members holding the Preferred Units as set forth on Schedule A, as amended from time to time.

"Preferred Member's Unreturned Capital Contributions" means the Preferred Member's Capital Contributions reduced by the aggregate distributions to the Preferred Members made pursuant to Section 6.01(b)(i). A Preferred Member's Unreturned Capital Contribution shall not be considered indebtedness for the purposes of Section 14.03.

"Preferred Return" means a cumulative, non-compounding annual rate of return as outlined on Schedule C attached hereto, on a Preferred Member's Unreturned Capital Contribution.

"Preferred Units" means the preferred units issued by the Company entitling the holder to certain preferential rights as set forth in this Operating Agreement; Preferred Units are entitled to one vote per Preferred Unit.

"Purchase Value" of any asset as of any date means the cash-equivalent price at which the property would change hands between a hypothetical, informed, able, and willing buyer and a hypothetical, informed, able, and willing seller, both acting at arm's length in an open and unrestricted market, with neither being under any compulsion to act and both having reasonable knowledge of all relevant facts, and in each case without regard for minority interest discounts or discounts for lack of marketability. Purchase Value shall be determined in accordance with Section 10.5.

"Quarterly Estimated Tax Amount" of a Member for any calendar quarter of a Fiscal Year means the excess, if any of (a) the product of (i) a quarter (1/4) in the case of the first calendar quarter of the Fiscal Year, half (1/2) in the case of the second calendar quarter of the Fiscal Year, three-quarters (3/4) in the case of the third calendar quarter of the Fiscal Year, and one (1) in the case of the fourth calendar quarter of the Fiscal Year and (ii) the Member's Estimated Tax Amount for such Fiscal Year over (b) all distributions previously made during such Fiscal Year to such Member.

"Remaining Members" means all Members other than an Offering Member, whose Units are subject to sale pursuant to Section 10.01 and Section 10.02.

"Representative" means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

"Regulated Activities" means any activities or intended activities of the Company and its subsidiaries' businesses that pursuant to applicable state and local laws requires a license or franchise (including, without limitation, permit, approval, order, authorization, registration, finding of suitability, exemption, certification, clearance, waiver and similar qualification) from a state or local governmental agency to conduct such activities, including without limitation the cultivation, harvesting, manufacturing, production, marketing, commercialization, distribution, transfer, sale and/or possession of cannabis or related substances, or products, activities or services containing or relating to the same.

"Regulatory Authorities" means any state or local regulatory or licensing bodies, instrumentalities, departments, commissions, authorities, boards, officials, tribunals and agencies with authority over or responsibility for the regulation or licensing of Regulated Activities within any applicable state, local or tribal jurisdiction for Regulated Activities, including without limitation the Massachusetts Cannabis Control Commission.

"Regulatory Laws" means any applicable state and local laws, statutes and ordinances requiring a license or franchise (including, without limitation, permit, approval, order, authorization, registration, finding of suitability, exemption, certification, clearance, waiver and similar qualifications) for Regulated Activities and all orders, decrees, rules and regulations promulgated thereunder, and all policies and interpretations of the applicable Regulatory Authorities of such laws, statutes, ordinances, orders, decrees, rules, and regulations.

"Regulatory License" any licenses or franchises (including, without limitation, permits, approvals, orders, authorizations, registrations, findings of suitability, exemptions, certifications, clearances, waivers and similar qualifications) from Regulatory Authorities or pursuant to Regulatory Laws.

"Regulatory Redemption Date" means the date directed by a Regulatory Authority and, if not so directed, fixed by the Disinterested Managers for the redemption of Units pursuant to Section 10.03.

"Regulatory Redemption Notice" means that notice of redemption delivered by the Company pursuant to Section 10.03 to an Impacted Person if the applicable Regulatory Authority so requires the Company, or if the Disinterested Managers deem it necessary or advisable, to redeem such Impacted Person's Units or Unit Equivalents. Each Regulatory Redemption Notice shall set forth (i) the Regulatory Redemption Date, (ii) the number and type of Units or Unit Equivalents to be redeemed, (iii) the Regulatory Redemption Price and the manner of payment therefor, and (iv) if applicable, the manner and place where any certificates for such Units (if any) shall be surrendered for payment, and (v) any other terms and conditions imposed by the applicable Regulatory Authority or the Disinterested Managers.

"Regulatory Redemption Price" shall mean the per Unit price for the redemption of any Units to be redeemed pursuant to Section 10.03, which shall be (i) the price (if any) required to be paid by the applicable Regulatory Authority, or if no such price is required, or (ii) the Purchase Value.

"Securities Act" means the Securities Act of 1933.

"SE/EE Status" means qualification as either a state-certified Economic Empowerment Program Participant, or a state-certified Social Equity Program Participant, and in either case, also qualifying for the Boston Cannabis Equity Program.

"SE/EE Units" means those Common Units held by Members who qualify for SE/EE Status.

"Substituted Member" means any Person admitted to the Company as a Member in connection with the acquisition of another Member's Units pursuant to the terms of this Operating Agreement.

"Supermajority" means 66.67% (two-thirds).

"Target Capital Account Balance" means, for any Member as of the close of any Fiscal Year (or portion thereof), the amount which such Member would then be entitled to receive if the Company were to sell its non-cash assets at book value as then determined in accordance with the Treasury Regulations under Section 704(b) of the Code, satisfy its debts and obligations in accordance with their terms (limited, in the case of any nonrecourse liability of the Company, to the assets securing such liability), and then liquidate in accordance with Section 14.03.

"Tax Amount" of a Member for a Fiscal Year means the product of (a) the Tax Rate for such Fiscal Year and (b) the Adjusted Taxable Income of the Member for such Fiscal Year with respect to its Units.

"Tax Rate" of a Member, for any period, means the highest marginal combined federal, state and local tax rate applicable to an individual residing in Boston, Massachusetts, taking into account (a) the character (for example, long-term or short-term capital gain, ordinary or exempt) of the applicable income and (b) if applicable, the deduction under IRC Section 199A.

"Transfer" means to, directly or indirectly, sell, transfer, assign, pledge, encumber, hypothecate or similarly dispose of, either voluntarily or involuntarily, by operation of law or otherwise, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance, hypothecation or similar disposition of, any Units owned by a Person or any interest (including a beneficial interest) in any Units owned by a Person. "Transfer" when used as a noun shall have a correlative meaning. "Transferor" and "Transferee" mean a Person who makes or receives a Transfer, respectively.

"Treasury Regulations" means the final or temporary regulations issued by the United States Department of Treasury pursuant to its authority under the Code, and any successor regulations.

"Unit" means a unit representing a fractional part of the Membership Interests of the Members and shall include all classes and series of Units, including the Common Units and the Preferred Units; provided, that any type or class of Unit shall have the privileges, preference, duties, liabilities, obligations and rights set forth in this Operating Agreement and the Membership Interests represented by such type or class or series of Unit shall be determined in accordance with such privileges, preference, duties, liabilities, obligations and rights.

"Unit Equivalents" means any security or obligation that is by its terms, directly or indirectly, convertible into, exchangeable or exercisable for Units, and any option, warrant or other right to subscribe for, purchase or acquire Units.

"U.S. Federal Cannabis Laws" means any U.S. federal laws, civil, criminal or otherwise, as such relate, either directly or indirectly, to the cultivation, harvesting, manufacturing, production, marketing, commercialization, distribution, transfer, sale and/or possession of cannabis or related substances, or products, activities or services containing or relating to the same, including, without limitation, the prohibition on drug trafficking under 21 U.S.C. Ch. 13, et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another's felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960, and any other U.S. federal law

the violation of which is predicated on the violation of any of the foregoing as it applies to Regulated Activities and all orders, decrees, rules and regulations promulgated under any of the foregoing

Section 1.02 Interpretation

For purposes of this Operating Agreement: (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Operating Agreement as a whole. The definitions given for any defined terms in this Operating Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Unless the context otherwise requires, references herein: (x) to Articles, Sections, and Exhibits mean the Articles and Sections of, and Exhibits attached to, this Operating Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented or modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Operating Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Exhibits and Schedules referred to herein shall be construed with, and as an integral part of, this Operating Agreement to the same extent as if they were set forth verbatim herein.

ARTICLE II - ORGANIZATION

Section 2.01 Formation

- (a) The Company was formed on October 7, 2021 pursuant to the provisions of the Massachusetts Act, upon the filing of the Certificate of Organization with the Secretary of the Commonwealth.
- (b) This Operating Agreement shall constitute the "limited liability company agreement" (as that term is used in the Massachusetts Act) of the Company. The rights, powers, duties, obligations and liabilities of the Members shall be determined pursuant to the Massachusetts Act and this Operating Agreement. To the extent that the rights, powers, duties, obligations and liabilities of any Member are different by reason of any provision of this Operating Agreement than they would be under the Massachusetts Act in the absence of such provision, this Operating Agreement shall, to the extent permitted by the Massachusetts Act, control.

Section 2.02 Purpose

- (a) The Company's purposes shall be to operate one or more licensed marijuana establishments under the Regulatory Laws and to engage in other business activities reasonably related thereto, and to engage in any other act and to transact any and all business endeavors which a limited liability company may transact under the Massachusetts Act. The Company shall have all the powers necessary or convenient to carry out the purposes for which it is formed, including the powers granted by the Massachusetts Act.
- (b) In connection with the foregoing, the Company and each Member shall take all actions reasonably necessary in connection with the application for such licenses, and shall not otherwise take any action that would reasonably be expected to jeopardize such licenses. For the avoidance of doubt, such actions may include modifications to this Operating Agreement, provided that any such modification pursuant to this Section 2.02 shall be made so as to maintain the original intent of the parties hereto to the greatest extent possible.
- (c) ACQUISITION OF THE UNITS INVOLVES DIRECT AND/OR INDIRECT FINANCIAL INTERESTS IN CANNABIS OR CANNABIS PRODUCTS, TRANSACTIONS AND ACTIVITIES. THE POSSESSION, CULTIVATION, MANUFACTURE, PRODUCTION, STORAGE, TESTING, DISTRIBUTION AND/OR SALE OF CANNABIS IS ILLEGAL UNDER U.S. FEDERAL LAW. NO PARTY, NOR ANY ATTORNEYS FOR ANY PARTY, HAVE MADE ANY REPRESENTATION TO THE CONTRARY. EACH MEMBER ASSUMES ALL RISKS ASSOCIATED WITH ACQUISITION OF THE UNITS, INCLUDING THE RISK OF CRIMINAL PROSECUTION, AND HEREBY REPRESENTS AND WARRANTS THAT IT UNDERSTANDS SUCH RISKS AND THAT ITS ACQUISITION OF THE UNITS DOES NOT VIOLATE THE LAWS OF THE JURISDICTIONS UNDER WHICH IT RESIDES OR IS DOMICILED AND, AS APPLICABLE, IS FORMED OR ORGANIZED (OTHER THAN U.S. FEDERAL LAWS AS THEY PERTAIN TO THE ILLEGALITY OF CANNABIS). THE MEMBERS AGREE TO REFORM THIS OPERATING AGREEMENT IF REQUIRED BY THE REGULATORY LAWS OR ANY REGULATORY AUTHORITIES.

Section 2.03 Name

The name of the Company is "Stone's Throw Cannabis LLC" or such other name or names as may be designated by the Board; provided that the name shall always contain the words "Limited Liability Company" or the abbreviation "L.L.C." or the designation "LLC." The Board shall give prompt notice to each of the Members of any change to the name of the Company.

Section 2.04 Principal Office

The principal office of the Company is located at 727 Atlantic Avenue, Boston, Massachusetts 02111-2810, or such other place as may from time to time be determined by

the Board. The Board shall give prompt notice of any such change to each of the Members and shall annually confirm the same on Schedule E.

Section 2.05 Registered Office and Registered Agent

The registered agent and registered office of the Company are designated in the Certificate of Organization. The Board may from time to time, in accordance with the Massachusetts Act, change the Company's registered office and/or registered agent. The Board shall select and designate a registered office and registered agent for the Company in each other state in which the Company is required to maintain or appoint one. All such matters set forth in this Section 2.05 shall be annually confirmed on Schedule E.

Section 2.06 Filings; Registered Office; Registered Agent

- (a) Any Manager is hereby authorized to execute, file, and record all certificates and documents as the Board believes to be necessary or appropriate for recording.
- (b) The registered office of the Company shall be the office of the initial registered agent named in the Certificate of Organization or such other office (which need not be a place of business of the Company) as the Board may designate from time to time in the manner provided by the Massachusetts Act and Applicable Law and set forth and confirmed annually on Schedule E attached hereto.
- (c) The registered agent for service of process on the Company in the Commonwealth of Massachusetts shall be the initial registered agent named in the Certificate of Organization or such other Person or Persons as the Board may designate from time to time in the manner provided by the Massachusetts Act and Applicable Law and set forth and confirmed annually on Schedule E attached hereto.

Section 2.07 Term

The term of the Company commenced on the date the Certificate of Organization was filed with the Secretary of the Commonwealth and shall continue in existence perpetually until the Company is dissolved in accordance with the provisions of this Operating Agreement.

Section 2.08 No State-Law Partnership

Pursuant to Section 13.03, the Members intend for the Company to be treated as a partnership for federal and, if applicable, state and local income tax purposes, and, to the extent permissible, the Company shall elect to be treated as a partnership for such purposes. The Members intend that the Company shall not be a state law partnership (including, without limitation, a limited partnership) or joint venture, and that no Member, Manager or Officer of the Company shall be a partner or joint venture of any other

Member, Manager, or Officer of the Company, for any purposes other than as set forth in the first sentence of this Section 2.08.

ARTICLE III - CAPITALIZATION; CAPITAL ACCOUNTS

Section 3.01 Initial Capital Contributions

Contemporaneously with the execution of this Operating Agreement, each Member has made an initial Capital Contribution and is deemed to own Units in the amounts set forth opposite such Member's name and address on Schedule A attached hereto (the "Members Schedule"). The Board shall maintain and update the Members Schedule upon the issuance or Transfer of any Units to any new or existing Member in accordance with this Operating Agreement.

Section 3.02 Membership Units

- (a) The Board is authorized to cause the Company to issue up to an aggregate of 100,000 Units, in any combination of (i) up to 20,000 Preferred Units and (ii) up to 100,000 Common Units. The rights, duties, and obligations of the Members of the Company shall be governed by the terms and conditions of this Operating Agreement and shall be represented by Units.
- (b) Preferred Units. The Preferred Units have interest, payment and liquidation preferences over the Common Units. The result is that in the event of any liquidation, dissolution or winding up of the Company's affairs, whether voluntary or involuntary, the Preferred Members shall be entitled to recover their investment and the Preferred Return prior and in preference to any distribution of any of the Company's assets or surplus funds to the Common Members. At such time as any Preferred Member has received aggregate distributions in an amount equal to the sum of (i) its original purchase price for its Units and (ii) all the Preferred Return, its Preferred Units shall automatically and without further action of the Company or any Member convert to Common Units having the same Percentage Interest as its Preferred Units.
- (c) Other Units. In the future, the Company may raise additional capital through sales of additional units. The Board has authority, in accordance with the provisions of this Operating Agreement, and without action by the Members, to designate and issue additional units, and to determine the voting rights, preferences, privileges and restrictions, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences and the number of units constituting any series in the designation of any such preferred units. In addition, this Operating Agreement may be amended to include other series of Units.
- (d) Notwithstanding the foregoing, the Company will not, and each Member and Manager shall not cause the Company to, issue Units if such issuance would reasonably be

expected to jeopardize the Company's SE/EE Status, for so long as that SE/EE Status is required to maintain the Company's business licenses or permits, or otherwise jeopardize the business licenses or permits of the Company. Any purported issuance of Units in violation of this Section 3.02(d) shall be void and of no effect.

Section 3.03 Additional Capital Contributions

Except as may be set forth in a Member's initial purchase agreement (the Membership Unit Subscription Agreement) regarding its Units, no Member shall be required to make any additional Capital Contributions to the Company and any future Capital Contributions made by any Member shall only be made with the consent of the Member or Members holding a majority of the Common Units. To the extent that a Member makes an additional Capital Contribution to the Company, the Board shall revise the Members Schedule to reflect an increase in the Units of the contributing Member that fairly and equitably reflects the value of its additional Capital Contribution in relation to the aggregate amount of all Capital Contributions made by the Members.

Section 3.04 Maintenance of Capital Accounts

- (a) The Company shall maintain one "Capital Account" for each Member in accordance with the capital accounting rules of the Treasury Regulations, pursuant to which the balance in each Member's Capital Account shall be credited by (i) such Member's contributions of cash, (ii) the fair market value of property contributed by such Member (net of liabilities secured by such property that the Company is considered to assume or take under Code Section 752) and (iii) allocations to such Member of Company income and gain (or items thereof), including income or gain exempt from tax and income and gain described in Treasury Regulation Section 1.704-1(b)(2)(iv)(g), but excluding income and gain described in Treasury Regulation Section 1.704-1(b)(4)(i) and to each Member's Capital Account there shall be debited (iv) the amount of cash distributed to such Member by the Company, (v) the fair market value of any property distributed to such Member pursuant to any provision of this Agreement (net of any liabilities that such Member is considered to assume or take under Code Section 752), (vi) allocations to such Member of expenditures of the Company described in Code Section 705(a)(2)(B) and (vii) allocations to such Member of Company loss and deduction (or items thereof), including loss or deduction described in Treasury Regulation Section 1.704-1(b)(2)(iv)(g), but excluding items described in (vi) above and loss or deduction described in Treasury Regulation Section 1.704-1(b)(4)(i) or 1.704-1(b)(4)(iii).

Section 3.05 Succession Upon Transfer

In the event that any Units are Transferred in accordance with the terms of this Operating Agreement, the Transferee shall succeed to the Capital Account of the Transferor to the extent it relates to the Transferred Units and, subject to Section 5.04, shall receive

allocations and distributions pursuant to Article V, Article VI, Article X, and Article XI in respect of such Units.

Section 3.06 Limits on Contributions; No Third-Party Beneficiaries

No Member shall be obligated to contribute capital to the Company in excess of the amount set forth above (including, without limitation, to restore a deficit balance in such Member's capital account). The provisions of this Article III are intended solely for the benefit of the Members and, to the fullest extent permitted by applicable law, shall not be construed as conferring any benefit on any creditor of the Company. No Member shall have any duty or obligation to any creditor of the Company to make payments with respect to its capital commitment. No creditor of the Company shall be a third-party beneficiary of this Agreement.

Section 3.07 No Withdrawals From Capital Accounts

- (a) No Member shall be entitled to withdraw any part of its Capital Account or to receive any distribution from the Company, except as otherwise provided in this Operating Agreement. No Member shall receive any interest, salary, management or service fees or drawing with respect to its Capital Contributions or its Capital Account, except as otherwise provided in this Operating Agreement. No Member shall have the right to receive distributions or the repayment of its Capital Contribution except as provided in Section 6.01 and Section 14.03. No Member shall have any right to have the fair value of its Units in the Company appraised and paid out upon the resignation or withdrawal of such Member or any other circumstances, subject to the right of the Company and the other Members to purchase Units under Article X.
- (b) The Capital Accounts are maintained for the sole purpose of allocating items of income, gain, loss and deduction among the Members and shall have no effect on the amount of any distributions to any Members, in liquidation or otherwise.
- (c) As soon as any Person who is a Member ceases to hold any Units, such Person shall no longer be a Member.

Section 3.08 Loans From Members

Loans by any Member to the Company shall not be considered Capital Contributions and shall not affect the maintenance of such Member's Capital Account, other than to the extent provided in Section 3.04(a), if applicable.

Section 3.09 Modifications

The foregoing provisions and the other provisions of this Operating Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations

Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Treasury Regulations. If the Board determines that it is prudent to modify the manner in which the Capital Accounts, or any increases or decreases to the Capital Accounts, are computed in order to comply with such Treasury Regulations, the Board may authorize such modifications without the consent any Member.

ARTICLE IV - MEMBERS

Section 4.01 Admission of New Members

- (a) New Members may be admitted from time to time in connection with a Transfer of Units in accordance with Article X or new issuance of Units in accordance with Article III, subject to compliance with the provisions of Section 4.01(b) and Article IX.
- (b) In order for any Person not already a Member of the Company to be admitted as a Member: (i) such Person must have reached at least twenty-one (21) years of age, if a human being; (ii) the holders of a majority of the Units must approve the admission of such Person to membership of the Company; and (iii) such Person shall have executed and delivered to the Company a written undertaking substantially in the form of the Joinder Agreement (with (i), (ii), and (iii) collectively known as the "Membership Initiation Process"). Upon the amendment of the Members Schedule by the Board and the satisfaction of any other applicable conditions, including the receipt by the Company of consideration for the issuance of Units, such Person shall be admitted as a Member and deemed listed as such on the books and records of the Company. The Board shall also adjust the Capital Accounts of the Members as necessary in accordance with Section 3.04.
- (c) Notwithstanding anything else contained herein, a Person not already a Member of the Company may only be admitted as a Member, and the Members and Board may only cause a Person not already a Member of the Company to be admitted as a Member, if such Person is qualified under the Regulatory Laws to have an ownership or economic interest in the Company and the addition of such Person as a Member would not jeopardize or be reasonably expected to jeopardize the Company's SE/EE or the business licenses or permits of the Company. Without limiting any other obligations contained herein, any Person to be admitted as a Member shall provide any and all information required by the Regulatory Laws or reasonably required by the Company in connection with such admission as a Member, and submit to any applicable background checks or fingerprinting required by the Regulatory Laws or otherwise by any Regulatory Authorities. Any purported admission of a Person as a Member in violation of this Section 4.01(c) shall be void and of no effect.
- (d) For so long as Preferred Units are outstanding, should an SE/EE Member seek to sell their Common Units, the Founding Members (Blake Mensing and David Rabinovitz) shall have the sole and exclusive right require admission of new replacement Member(s), and

to nominate replacement Members to acquire the subject Units, provided said nominees satisfy all SE/EE requirements of any Regulatory Authority. All other provisions of this Section 4.01 shall apply.

Section 4.02 No Personal Liability of a Member

Except as otherwise provided in the Massachusetts Act, by Applicable Law or expressly in this Operating Agreement, no Member will be obligated personally for any debt, obligation or liability of the Company or other Members, whether arising in contract, tort or otherwise, solely by reason of being a Member.

Section 4.03 Death of a Member

The death of any 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 Units owned by the deceased Member shall be repurchased by the Company for the Purchase Value pursuant to Section 10.02; provided, that payments shall be deferred until all Preferred Units have converted to Common Units in accordance with this Agreement, and, if applicable, the proceeds of any insurance policy insuring the life of the deceased, owed by the Company, has been collected by the Company.

Section 4.04 Meetings of Members

- (a) Meetings of the Members may be called by (i) the Board or (ii) by a Member or group of Members holding a majority of the Units.
- (b) Written notice stating the place, date and time of the meeting and, in the case of a meeting of the Members not regularly scheduled, describing the purposes for which the meeting is called, shall be delivered not fewer than ten (10) calendar days and not more than thirty (30) calendar days before the date of the meeting to each Member, by or at the direction of the Board or the Member(s) calling the meeting, as the case may be. The Members may hold meetings at the Company's principal office or at such other place as the Board or the Member(s) calling the meeting may designate in the notice for such meeting.
- (c) Any Member may participate in a meeting of the Members by means of conference telephone, video communication, or other communications equipment by means of which all Persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.
- (d) On any matter that is to be voted on by Members, a Member may vote in person or by proxy, and such proxy may be granted in writing, by means of Electronic Transmission or as otherwise permitted by Applicable Law. Every proxy shall be revocable in the discretion of the Member executing it unless otherwise provided in such

proxy; provided, that such right to revocation shall not invalidate or otherwise affect actions taken under such proxy prior to such revocation. A proxy shall only be valid and effective for a single specified meeting.

- (e) The business to be conducted at such meeting need not be limited to the purpose described in the notice and can include business to be conducted by Members; *provided*, that the appropriate Members shall have been notified of the meeting in accordance with Section 4.04(b). Attendance of a Member at any meeting shall constitute a waiver of notice of such meeting, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 4.05 Quorum of Members

A quorum of any meeting of the Members shall require the presence of the Member or Members holding a majority of the Units. Subject to Section 4.06, no action at any meeting may be taken by the Members unless the appropriate quorum is present. Subject to Section 4.06, no action may be taken by the Members at any meeting at which a quorum is present without the affirmative vote of the Member or Members holding a majority of the Units.

Section 4.06 Member Action without a Meeting

Notwithstanding the provisions of Section 4.05, any matter that is to be voted on, consented to or approved by Members may be taken without a meeting, with one business day's prior written or electronic notice, and without a vote if consented to, in writing or by Electronic Transmission, by a Member or Members holding not less than a Supermajority of the outstanding Units. A record shall be maintained by the Board of each such action taken by written consent of a Member or Members.

Section 4.07 Power of Members

The Members shall have the power to exercise any and all rights or powers granted to Members pursuant to the express terms of this Operating Agreement and the Massachusetts Act. Except as otherwise specifically provided by this Operating Agreement or required by the Massachusetts Act, no Member, in its capacity as a Member, shall have the power to act for or on behalf of, or to bind, the Company.

Section 4.08 Regulatory Covenants of the Members

Each of the Company's Members covenants that:

- (a) all Units held by such Member shall be held subject to the restrictions and requirements of all Regulatory Laws;

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- (b) such Member shall comply with all Regulatory Laws including (i) filing required applications for Regulatory Licenses, as applicable, (ii) providing all information regarding such Member as may be requested or required by Regulatory Authorities (including in connection with any application for a Regulatory License), and (iii) responding to written or oral questions or inquiries from any Regulatory Authorities;
 - (c) such Member consents to (i) the performance of any personal background investigation that may be required by any Regulatory Authorities or Regulatory Laws and (ii) the disclosure by the Company of any information regarding such Member required by Regulatory Authorities or Regulatory Laws without the need to obtain approval from such Member;
 - (d) any Transfer of Units held by such Member shall be subject to the requirements of all Regulatory Laws, including that such Transfer may be subject to the prior approval of the Regulatory Authorities, and any purported Transfer thereof in violation of such requirements shall be void and of no effect; and
 - (e) in the event that such Member (i) has experienced an event or circumstance, or otherwise reasonably believes, that such Member may meet any condition to be deemed an Impacted Person or (ii) has knowledge that any other Member or any other individual elected or appointed as a Manager, director, or officer of the Company or any current Manager, director, or officer of the Company has experienced an event or circumstance, or otherwise may meet any condition to be deemed an Impacted Person, then, in all cases, such Member shall promptly notify the Company of the relevant details.

Section 4.09 No Interest in Company Property

No real or personal property of the Company shall be deemed to be owned by any Member individually, but shall be owned by, and title shall be vested solely in, the Company. Without limiting the foregoing, each Member hereby irrevocably waives during the term of the Company any right that such Member may have to maintain any action for partition with respect to the property of the Company.

Section 4.10 Certification of Units

- (a) The Company may, but shall not be required to, issue certificates to the Members representing the Units held by such Member.
- (b) If the Company shall issue certificates representing Units in accordance with Section 4.10(a), then in addition to any other legend required by Applicable Law, all certificates representing issued and outstanding Units shall bear a legend substantially in the following form:

THE UNITS REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LIMITED LIABILITY COMPANY AGREEMENT AMONG THE COMPANY AND ITS MEMBERS, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL EXECUTIVE OFFICE OF THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE UNITS REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH LIMITED LIABILITY COMPANY AGREEMENT.

THE UNITS REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED EXCEPT PURSUANT TO (A) A REGISTRATION STATEMENT EFFECTIVE UNDER SUCH ACT AND LAWS, OR (B) AN EXEMPTION FROM REGISTRATION THEREUNDER.

Section 4.11 Other Activities; Business Opportunities

Nothing contained in this Operating Agreement shall prevent any Member or any of its Affiliates from engaging in any other activities or businesses, regardless of whether those activities or businesses are similar to or competitive with the Business. None of the Members nor any of their Affiliates shall be obligated to account to the Company or to the other Member for any profits or income earned or derived from other such activities or businesses. None of the Members nor any of their Affiliates shall be obligated to inform the Company or the other Member of any business opportunity of any type or description.

Section 4.12 Corporate Transparency Act

Each Member shall provide to the Company such information (including without limitation any personally identifying information and "acceptable identification documents" of the Member and its beneficial owners) as may be required by the Company to comply with the Corporate Transparency Act, Title LXIV of the 2021 National Defense Authorization Act, and the regulations promulgated thereunder from time to time. Each Member agrees to update the Company upon request of any changes to the Member's beneficial ownership. Each Member, on behalf of itself and its beneficial owners, consents to disclosure of such information pursuant to that Act, other laws or regulations or order of any court, arbitrator or regulatory body having or claiming authority over the Company.

ARTICLE V - ALLOCATIONS

Section 5.01 Allocation of Net Income and Net Loss

Subject to the remaining provisions of this Article V, the Company shall allocate Net Income and Net Loss for each Fiscal Year (or portion thereof) as follows:

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- (a) Generally. After giving effect to the remaining provisions of this Article V, Net Income and Net Loss for each Fiscal Year (or portion thereof) shall be allocated among the Members as follows:
- (i) Net Income of the Company for any Fiscal Year (or portion thereof) shall be allocated as follows:
 - (A) First, to the Members to the extent of and in proportion to their negative Adjusted Capital Account Balances as adjusted pursuant to this Agreement, if any; and
 - (B) Second, thereafter, to the Members in such amounts and proportions as are necessary for their respective Adjusted Capital Account Balances as adjusted pursuant to this Agreement to equal their respective Target Capital Account Balances as of the close of such Fiscal Year (or portion thereof) (or, if such equalization is not possible, as are necessary to reduce proportionately the differences between their respective Adjusted Capital Account Balances as adjusted pursuant to this Agreement and their respective Target Capital Account Balances).
 - (ii) Net Loss of the Company for any Fiscal Year (or portion thereof) shall be allocated as follows:
 - (A) First, until the Members' Adjusted Capital Account Balances as adjusted pursuant to this Agreement have been reduced to zero (0), to the Members in such amounts and proportions as are necessary for their respective Adjusted Capital Account Balances as adjusted pursuant to this Agreement, if any, to equal their respective Target Capital Account Balances as of the close of such Fiscal Year (or portion thereof) (or, if such equalization is not possible, as are necessary to reduce proportionately the differences between their respective Capital Account balances as adjusted pursuant to this Agreement and their respective Target Capital Account Balances); and
 - (B) Second, thereafter, to the Members pro rata in accordance with their respective Percentage Interests.
 - (iii) Notwithstanding the foregoing, the Net Loss allocated to any Member pursuant to this Agreement shall not exceed the maximum amount of Net Loss that can be allocated to that Member without causing or increasing an Adjusted Capital Account Deficit for such Member at the end of any Fiscal Year. All Net Loss in excess of the amount that may be allocated to that Member shall be reallocated to any other Members which would not have an Adjusted Capital Account Deficit as a result of the allocation, in proportion to their respective Percentage Interests, or, if no such Members exist, then to the Members in accordance with their respective Percentage Interests.

- (iv) Except as otherwise provided in this Article V, upon the sale, exchange or other disposition of all or substantially all of the assets of the Company or upon the dissolution of the Company, the Company shall make a final allocation of Net Income or Net Loss, as the case may be, and other items in such amounts and proportions as are necessary (to the extent possible) for the Members' Capital Account balances to equal the amounts of any remaining assets of the Company they would be entitled to receive if such remaining assets were to be distributed in accordance with Section 14.03(c) of this Operating Agreement.

Section 5.02 Regulatory and Special Allocations

Notwithstanding the provisions of Section 5.01:

- (a) Minimum Gain Chargeback. Notwithstanding any other provision of this Article V, if there is a net decrease in Minimum Gain for any Fiscal Year, each Member shall, in the manner provided in Treasury Regulations Section 1.704-2(f), be allocated items of Company income and gain for such year (and, if necessary, for subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g)(2); provided, however, that this Section 5.02(a) shall not apply to the extent the circumstances described in Treasury Regulations Sections 1.704-2(f)(2), 1.704-2(f)(3), 1.704-2(f)(4), or 1.704-2(f)(5) exist. The items of Company income and gain to be allocated pursuant to this Section 5.02(a) shall be determined in accordance with Treasury Regulations Section 1.704-2(f)(6). This Section 5.02(a) is intended to comply with the minimum gain chargeback requirement in Treasury Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.
- (b) Member Minimum Gain Chargeback. Notwithstanding any other provision of this Article V except Section 5.02(a), if during any Fiscal Year there is a net decrease in Member Nonrecourse Debt Minimum Gain, any Member with a share of that Member Nonrecourse Debt Minimum Gain (determined in accordance with Treasury Regulations Section 1.704-2(i)(5)) as of the beginning of such Fiscal Year shall be allocated items of Company income and gain for the Fiscal Year (and, if necessary, for succeeding Fiscal Years) equal to that Member's share of the net decrease in the Member Nonrecourse Debt Minimum Gain (determined in accordance with Treasury Regulations Section 1.704-2(i)(4)); provided, however, that this Section 5.02(b) shall not apply to the extent the circumstances described in the third and fifth sentences of Treasury Regulations Section 1.704-2(i)(4) exist. The items of Company income and gain to be allocated pursuant to this Section 5.02(b) shall be determined in accordance with Treasury Regulations Section 1.704-2(i)(4). This Section 5.02(b) is intended to comply with the minimum gain chargeback requirement in Treasury Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

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- (c) Corrective Income Allocation. Notwithstanding any other provision of this Article V, in the event that Net Loss are specially reallocated to any Member in a Fiscal Year pursuant to Section 5.01(a)(iii), items of Company income and gain for the next succeeding Fiscal Year (and, if necessary, for additional succeeding Fiscal Years) shall be allocated to the Members, as is practicable (consistent with the provisions of Section 5.01(a)(iii)) to the extent of the excess, if any, of (x) the cumulative amount of Net Loss re-allocated to such Members pursuant to Section 5.01(a)(iii) for all prior Fiscal Years over (y) the cumulative amount of items of Company income and gain previously allocated to those Members pursuant to this Section 5.02(c).
- (d) Qualified Income Offset. If any Member unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulations Sections 1.704-1 (b)(2)(ii) (d)(4), (5) or (6) that create an Adjusted Capital Account Deficit for such Member, items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year) shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit for such Member as quickly as possible; provided, however that an allocation pursuant to this Section 5.02(d) shall be made if and only to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article V have been tentatively made as if this Section 5.02(d) were not in this Agreement.
- (e) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year or other period shall be specially allocated as Net Loss in accordance with the Members' Percentage Interests in the manner provided in Treasury Regulations Section 1.704-2(j)(1)(ii).
- (f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Fiscal Year or other period shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i).
- (g) Section 754 Adjustment. To the extent any adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Treasury Regulations Section 1.704-1 (b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Treasury Regulations. The Board may cause the Company to make an election permitted under Code Section 754.
- (h) Distributions of Property. If any property is distributed in kind to any Member (whether in connection with a liquidation of the Company or otherwise), the difference between its fair value and its book value at the time of distribution shall be treated as Net Income

or Net Loss recognized by the Company and allocated pursuant to the provisions of this Section 5.02, in accordance with Treasury Regulations Section 1.704-1 (b)(2)(iv)(f). For this purpose, the Board of Directors shall determine the fair value of any property.

- (i) The allocations set forth in Sections 5.02(a) through (h) (the "Regulatory Allocations") are intended to comply with certain requirements of the Treasury Regulations under Code Section 704. Notwithstanding any other provisions of this Article V (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account in allocating Net Income and Net Loss among Members so that, to the extent possible, the net amount of such allocations of Net Income and Net Loss and other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to such Member if the Regulatory Allocations had not occurred.

Section 5.03 Allocations in Respect of Transferred Units

In the event of a Transfer of Units during any Fiscal Year made in compliance with the provisions of this Operating Agreement, Net Income, Net Loss and other items of income, gain, loss and deduction of the Company attributable to such Units for such Fiscal Year shall be determined using the interim closing of the books method, or such other method as the Board may find appropriate in light of the circumstances.

Section 5.04 Recharacterization

If any fees or other payments deducted for federal income tax purposes by the Company are recharacterized by a final determination of the U.S. Internal Revenue Service as nondeductible distributions to any Member, then, notwithstanding all other allocation provisions (other than the special allocations pursuant to 5.02), gross income shall be allocated to such Member (for each Fiscal Year in which such recharacterization occurs) in an amount equal to the fees or payments recharacterized.

Section 5.05 Application of Code Section 704(c)

- (a) In accordance with Code Section 704(c), the traditional method with curative allocations as set forth in Treasury Regulations Section 1.704-3(c), or such other method as the Board may find appropriate in light of the circumstances, shall, solely for tax purposes, direct the allocation of income, gain, loss and deduction with respect to any property contributed to the capital of the Company among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial fair market value.
- (b) When the value of any Company property is adjusted in accordance with Treasury Regulations Section 1.704-1 (b)(2)(iv)(f) to reflect fair market value of such property, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its fair market value in the same manner as under Code

Section 704(c) and in accordance with the traditional method with curative allocations, or such other method as the Board may find appropriate in light of the circumstances, as set forth in Treasury Regulations Section 1.704-3(c).

- (c) Except as provided in Sections 5.05(a) and 5.05(b), for federal income tax purposes, under the Code and Treasury Regulations, each Company item of income, gain, loss and deduction shall be allocated among the Members in the same manner as its correlative item of book income, gain, loss or deduction is allocated elsewhere in this Article V. Any elections or other decisions relating to such allocations shall be made by the Members in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 5.05(c) are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Net Income or Net Loss, other items or distributions pursuant to any provision of this Agreement.

ARTICLE VI - DISTRIBUTIONS

Section 6.01 General

- (a) Subject to Section 6.02, distributions of Distributable Cash shall be made to the Members when and in such amounts as determined by the Managers in their sole discretion.
- (b) Subject to Section 6.02 and Section 6.03 and except in connection with the liquidation of the Company, in which case all distributions shall be made in accordance with Section 14.03, with timing as determined in the sole discretion of the Board, the Company shall make any distribution of Distributable Cash in the following priority:
- (i) first, until Preferred Members shall have received aggregate distributions under clause (A) equal to the sum of the Preferred Members' Unreturned Capital Contributions and Preferred Returns thereon: (A) 80% to the Preferred Members pro rata in proportion to each Preferred Member's Percentage Interest and (B) 20% to all Members pro rata accordance with their Percentage Interest, provided, however, than any distribution made to any Preferred Member under this Section 6.01(b)(B) shall not reduce such Preferred Member's Unreturned Capital Contribution. Distributions made pursuant to clause (B) shall not be applied as return of Unreturned Capital Contributions, nor shall such distributions count as Preferred Return;
- (ii) second, to all Members pro rata in accordance with their Percentage Interests.
- (c) Notwithstanding any provision to the contrary contained in this Operating Agreement, the Company shall not make any distribution to Members if such distribution would violate the Massachusetts Act, any Regulatory Law, or other Applicable Law.

Section 6.02 Tax Advances

- (a) Subject to any restrictions in the Company's then applicable debt-financing arrangements, and subject to the determination by the Board to retain any other amounts necessary to satisfy the Company's obligations, at least five (5) days before each date prescribed by the Code for an individual taxpayer to pay quarterly installments of estimated tax, the Company shall use commercially reasonable efforts to distribute cash to each Member in proportion to and to the extent of such Member's Quarterly Estimated Tax Amount for the applicable calendar quarter (each such distribution, a "Tax Advance").
- (b) If, at any time after the final Quarterly Estimated Tax Amount has been distributed pursuant to Section 6.02(a) with respect to any Fiscal Year, the aggregate Tax Advances to any Member with respect to such Fiscal Year are less than such Member's Tax Amount for such Fiscal Year (a "Shortfall Amount"), then the Company shall use commercially reasonable efforts to distribute cash in proportion to and to the extent of each Member's Shortfall Amount. The Company shall use commercially reasonable efforts to distribute Shortfall Amounts with respect to a Fiscal Year before the 75th day of the next succeeding Fiscal Year; *provided*, that if the Company has made distributions other than pursuant to this Section 6.02, the Board may cause the Company to apply such distributions to reduce any Shortfall Amount.
- (c) If the aggregate Tax Advances made to any Member pursuant to Section 6.02 for any Fiscal Year exceed such Member's Tax Amount (an "Excess Amount"), such Excess Amount shall reduce subsequent Tax Advances that would be made to such Member pursuant to this Section 6.02, except to the extent taken into account as an advance pursuant to Section 6.02(d).

Section 6.03 Tax Withholding; Withholding Advances

- (a) Tax Withholding. Each Member agrees to furnish the Company with any representations and forms as shall be reasonably requested by the Board to assist it in determining the extent of, and in fulfilling, any withholding obligations it may have.
- (b) Withholding Advances. The Company is hereby authorized at all times to make payments ("Withholding Advances") with respect to each Member in amounts required to discharge any obligation of the Company (as determined by the Tax Matters Representative based on the advice of legal or tax counsel to the Company) to withhold or make payments to any federal, state, local or foreign taxing authority (a "Taxing Authority") with respect to any distribution or allocation by the Company of income or gain to such Member and to withhold the same from distributions to such Member. Any funds withheld from a distribution by reason of this Section 6.03(b) shall nonetheless be deemed distributed to the Member in question for all purposes under this Operating Agreement. If the Company makes any Withholding Advance in respect of a Member

hereunder that is not immediately withheld from actual distributions to the Member, then the Member shall promptly reimburse the Company for the amount of such payment, plus interest at a rate equal to the prime rate published in the Wall Street Journal on the date of payment plus two percent (2.0%) per annum (the "Company Interest Rate"), compounded annually, on such amount from the date of such payment until such amount is repaid (or deducted from a distribution) by the Member (any such payment shall not constitute a Capital Contribution). Each Member's reimbursement obligation under this Section 6.03(b) shall continue after such Member transfers its Units.

- (c) Indemnification. Each Member hereby agrees to indemnify and hold harmless the Company and the other Members from and against any liability with respect to taxes, interest or penalties that may be asserted by reason of the Company's failure to deduct and withhold tax on amounts distributable or allocable to such Member. The provisions of this Section 6.03(c) and the obligations of a Member pursuant to Section 6.03(b) shall survive the termination, dissolution, liquidation and winding up of the Company and the withdrawal of such Member from the Company or Transfer of its Units. The Company may pursue and enforce all rights and remedies it may have against each Member under this Section 6.03(c), including bringing a lawsuit to collect repayment with interest of any Withholding Advances.
- (d) Over-withholding. Neither the Company nor any Manager shall be liable for any excess taxes withheld in respect of any distribution or allocation of income or gain to a Member. In the event of an over-withholding, a Member's sole recourse shall be to apply for a refund from the appropriate Taxing Authority.

Section 6.04 Distributions in Kind

- (a) The Board is hereby authorized, as it may reasonably determine, to cause the Company to make distributions to the Members in the form of securities or other property held by the Company; *provided*, that Tax Advances shall only be made in cash. In any non-cash distribution, the securities or property so distributed will be distributed among the Members in the same proportion and priority as cash equal to the Purchase Value of such securities or property would be distributed among the Members pursuant to Section 6.01.
- (b) Any distribution of securities shall be subject to such conditions and restrictions as the Board determines is required or advisable to ensure compliance with Applicable Law. In furtherance of the foregoing, the Board may require that the Members execute and deliver such documents as the Board may deem necessary or appropriate to ensure compliance with all federal and state securities laws that apply to such distribution and any further Transfer of the distributed securities, and may appropriately legend the certificates that represent such securities to reflect any restriction on Transfer with respect to such laws.

ARTICLE VII - MANAGEMENT**Section 7.01 Management of the Company**

The business and affairs of the Company shall be managed, operated and controlled by or under the direction of a board of Managers (the "Board" or the "Managers"). Subject to the provisions of Section 7.05, the Board shall have, and is hereby granted, full and complete power, authority and discretion for, on behalf of and in the name of the Company, to take such actions as it may deem necessary or advisable to carry out any and all of the objectives and purposes of the Company, including, without limitation to consult and retain appropriate business, legal, and tax advice and counsel related thereto, and to issue additional Units or admit additional Members to the Company.

Section 7.02 Number, Election and Term of Managers

- (a) The number of Managers on the Board shall be six (6). As long as any Preferred Units have not been converted to Common Units in accordance with this Operating Agreement, the Managers shall be appointed as follows: three (3) Managers appointed by vote of the holders of a majority of the Percentage Interests represented by SE/EE Units voting as a separate class (the "SE/EE Managers"), two (2) Managers appointed by vote of the holders of a majority of the Percentage Interests represented by Common Units that are not SE/EE Units (the "Common Managers"), and one (1) manager appointed by vote of the holders of a majority of the Percentage Interests represented by Preferred Units voting as a separate class (the "Preferred Manager"). If all Preferred Units have been converted to Common Units in accordance with this Operating Agreement, there shall be three (3) SE/EE Managers and three (3) Common Managers and the former Preferred Manager shall automatically and without further action of the parties become a Common Manager.
- (b) In the case of any vote by the Board where the three SE/EE Managers are in concurrence but the Common Managers and Preferred Managers are not, the vote of the three SE/EE Managers shall be deemed the majority and will prevail.
- (c) Each Manager shall serve until the earliest of Manager's death, resignation, or removal. Managers may be appointed, from time-to-time by the affirmative vote of the Member or Members holding a majority of the outstanding Units entitled to vote for such Manager.
- (d) The Board shall maintain a schedule of all Managers with their respective mailing addresses (the "Managers' Schedule"), and shall update the Managers' Schedule upon the removal or replacement of any Manager in accordance with this Section 7.02 or Section 7.03. A copy of the Managers' Schedule as of the execution of this Operating Agreement is attached hereto as Schedule B. On an annual basis, not later

than thirty (30) days after the start of each fiscal year, the Board shall review and affirm the accuracy of the Managers' Schedule.

Section 7.03 Removal; Resignation of a Manager

- (a) The Member or Members holding a majority of the Units of a class that has voted to appoint Managers may remove all or any lesser number of such Managers with or without Cause. In addition, Members holding a majority of the Units may remove any Manager for Cause.
- (b) "Cause" means:
 - (i) the Manager's commission of fraud, embezzlement, misappropriation of funds, material misrepresentation, breach of fiduciary duty or other act of dishonesty against the Company;
 - (ii) the Manager's conviction of a felony or of a misdemeanor if such misdemeanor involves moral turpitude or misrepresentation, including a plea of guilty or nolo contendere (collectively, "Conviction"), except if such Conviction involves marijuana or another controlled substance possession, unless the Conviction is for distribution;
 - (iii) the Manager's material breach of any provision of this Operating Agreement, which breach is not cured within thirty (30) days following written notice;
 - (iv) the Manager's intentional wrongful act or gross negligence that has a material detrimental effect on the Company;
 - (v) the Manager is deemed to be an Impacted Person;
 - (vi) the Manager's inability to perform their duties under this Operating Agreement as the result of their incapacity due to death, physical or mental illness, and such inability lasts ninety (90) days after its commencement; or
 - (vii) the appointment of a guardian or conservator for a Manager.
- (c) A Manager may resign at any time by delivering their written resignation to the Company. Any such resignation shall be effective upon receipt thereof unless it is specified to be effective at some other time or upon the occurrence of some other event. The acceptance of a resignation by the other Managers shall not be necessary to make it effective.
- (d) The resignation of a Manager who is also a Member shall not in and of itself constitute a withdrawal or expulsion of the Manager as a Member of the Company or otherwise affect the Manager's rights as a Member.

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- (e) The removal of a Manager under Section 7.03(i)-(vi) above shall constitute a withdrawal or expulsion of the Manager as a Member.

Section 7.04 Action by the Board

- (a) Subject to Section 7.02(b), all decisions requiring action of the Board or relating to the business or affairs of the Company shall be decided by the affirmative vote or consent of a majority of the Board as determined per capita (one (1) vote per Manager).
- (b) On any matter that is to be voted on by the Board, any Board member may vote in person or by proxy, and such proxy may be granted in writing, by means of Electronic Transmission or as otherwise permitted by Applicable Law. Every proxy shall be revocable in the discretion of the Manager executing it unless otherwise provided in such proxy; *provided*, that such right to revocation shall not invalidate or otherwise affect actions taken under such proxy prior to such revocation. Any such proxy shall only be valid and effective for a single specified meeting or in the absence of a meeting, a single specified vote (and any other matter directly related to said specified vote).
- (c) Any action of the Board may be taken without a meeting if either (i) a written consent of a majority of the Board shall approve such action; *provided*, that prior written notice of such action is provided to all Board members at least one (1) Business Day before such action is taken, or (ii) a written consent constituting all of the Board shall approve such action. Such consent shall have the same force and effect as a vote at a meeting and may be stated as such in any document or instrument filed with the Secretary of the Commonwealth of Massachusetts.

Section 7.05 Actions Requiring Approval of Members

Other than trade debt incurred in the ordinary course of business, without the written approval of a Supermajority of the Members, the Company shall not, and shall not enter into any commitment to:

- (a) amend, modify or waive the Certificate of Organization or this Operating Agreement; *provided* that a Manager may, without the consent of the Members, amend the Members Schedule following any new issuance, redemption, repurchase or Transfer of Units in accordance with this Operating Agreement;
- (b) incur any indebtedness, pledge or grant Liens on any assets or guaranty, assume, endorse or otherwise become responsible for the obligations of any other Person in excess of \$5,000 in a single transaction or series of related transactions, or in excess of \$10,000 in the aggregate at any time outstanding;
- (c) make any loan, advance or capital contribution in any Person in excess of \$5,000;

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- (d) appoint or remove the Company's auditors or make any changes in the accounting methods or policies of the Company (other than as required by U.S. GAAP);
 - (e) enter into or effect any transaction or series of related transactions involving the purchase, lease, license, exchange or other acquisition (including by merger, consolidation, acquisition of stock or acquisition of assets) by the Company of any assets and/or equity interests of any Person, other than in the ordinary course of business;
 - (f) enter into or effect any transaction or series of related transactions involving the sale, lease, license, exchange or other disposition (including by merger, consolidation, sale of stock or sale of assets) by the Company of any assets, other than sales of inventory in the ordinary course of business;
 - (g) establish a subsidiary of the Company or enter into any joint venture or similar business arrangement;
 - (h) settle any lawsuit, action, dispute or other proceeding or otherwise assume any liability with a value in excess of \$25,000 or agree to the provision of any equitable relief by the Company;
 - (i) initiate or consummate an initial public offering or make a public offering and sale of the Units or any other securities;
 - (j) make any investments in any other Person in excess of \$10,000; or
 - (k) merge, consolidate, dissolve, wind-up or liquidate the Company or initiate a bankruptcy proceeding involving the Company.

Section 7.06 Officers

The Board may appoint individuals as officers of the Company as they deem necessary or desirable to carry on the business of the Company and the Board may delegate to such officers such power and authority as the Board deems advisable. No officer need be a Member of the Company. Any individual may hold two or more offices of the Company. Each officer shall hold office until their successor is designated by the Board or until their earlier death, resignation or removal. Any officer may resign at any time on written notice to the Board. Any officer may be removed by the Board with or without cause at any time. A vacancy in any office occurring because of death, resignation, removal or otherwise, may, but need not, be filled by the Board.

Section 7.07 Other Activities of Managers; Business Opportunities

The Managers shall devote so much time and attention to the business of the Company as they deem appropriate in their sole discretion. Nothing contained in this Operating Agreement shall prevent any Manager from engaging in any other activities or businesses,

regardless of whether those activities or businesses are similar to or competitive with the Company. None of the Managers shall be obligated to account to the Company or to the Members for any profits or income earned or derived from other such activities or businesses. None of the Managers shall be obligated to inform the Company or the Members of any business opportunity of any type or description._

Section 7.08 Compensation and Reimbursement of Managers; No Expectation of Employment

- (a) Any Manager shall be reimbursed all reasonable expenses incurred on behalf of the Company and shall be entitled to reasonable compensation, in an amount to be determined from time to time by the majority vote of the Units.
- (b) This Operating Agreement does not, and is not intended to, confer upon any Manager any rights with respect to employment by the Company, and nothing herein should be construed to have created any employment agreement with any Manager.

Section 7.09 No Personal Liability

Except as otherwise provided in the Massachusetts Act, by Applicable Law or expressly in this Operating Agreement, no Manager will be obligated personally for any debt, obligation or liability of the Company, whether arising in contract, tort or otherwise, solely by reason of being a Manager.

ARTICLE VIII - INTELLECTUAL PROPERTY

Section 8.01 Member IP

The Company recognizes that the Members may own good and valuable patents, trade secrets, trademarks, domain names, and copyrights and other intellectual property rights created by the Members prior to or outside the business of the Company for purposes outside the purpose of the Company ("Member IP") such Member IP shall remain solely to those Members respectively. Notwithstanding the foregoing, if the Company wishes to use any Member IP, such use shall be subject to a license by and between such Member and the Company.

Section 8.02 Company IP

- (a) Notwithstanding any other provision of this Operating Agreement, each Member acknowledges and agrees that all ownership rights with respect to patents, trade secrets, trademarks, domain names, and copyrights created by each of them in connection with the purpose of the Company, (collectively, "Company IP") shall be owned by the Company and shall be considered assets of the Company. Such

ownership rights of Company IP may be transferred, licensed, or assigned to third parties only upon the approval of a majority of the Units.

- (b) Each Member warrants that any Company IP produced by such Member is not subject to any claim of ownership by any other Member, individually. Each Member further warrants that any rights in Company IP either now held or later acquired by that Member shall not result in any royalty, fee, or credit to the Member's Capital Account as described in Section 3.04 of this Operating Agreement.
- (c) Each Member and Manager shall also have the right, but not the obligation, to contribute its individual Member IP, or any derivative thereof, to the Company that he or she may create that is unrelated to the Company's purpose (collectively, "Future Assets"). In such an event, the Member or Manager shall agree in writing with the disinterested Members (as a supplement or amendment to this Operating Agreement, the terms of which will be incorporated herein by reference) to the material terms and conditions that will govern the ownership, development, management and commercialization of those Future Assets and the Member's and Manager's individual respective rights, obligations and liabilities with respect thereto, which shall be attached as a Schedule to this Operating Agreement and incorporated herein by reference.

Section 8.03 Work for Hire

Each Member and Manager acknowledges and agrees that any works that each of them may create in connection with the Company's purpose (individually and/or collectively, the "Works") is/are hereby deemed a "work made for hire" as defined in 17 U.S.C. § 101, which comprise Company IP and are owned by the Company. If, for any reason, any of the Works, or any portion of them, do not constitute a "work made for hire," such Member or Manager agrees to irrevocably assign the Works to the Company, in each case without additional consideration, all right, title, and interest throughout the world across all mediums, now known or hereinafter devised, in and to such Company IP. Each Member hereby irrevocably grants and assigns to the Company all rights in the Works free from any restrictions and limitations. A Member or Manager who is uncertain whether such activity constitutes Works is responsible to proactively notify the Company of the potential Works, and to engage in discussion with the Company to determine whether such activity constitutes Works or not. This section shall not apply to legal documents created by counsel to the Company or a Member.

ARTICLE IX – TRANSFERS

Section 9.01 General Restrictions on Transfer

- (a) Each Member agrees that such Member will not Transfer any of their Units unless permitted under this Operating Agreement. Any Transfer or attempted Transfer of any Unit in violation of this Operating Agreement shall be void and of no effect, no such

Transfer shall be recorded on the Company's books and the purported Transferee in any such Transfer shall not be treated (and the purported Transferor shall continue be treated) as the owner of such Unit for all purposes of this Operating Agreement.

- (b) Members may Transfer all or any portion of its Units to any of the following:
- (i) a trust or retirement account under which the distribution of Units may be made only to such Member, so long as such Member retains control of all voting rights related to such trust during such Member's lifetime; or
 - (ii) a corporation, partnership or limited liability company, the stockholder or member of which is only such Member, so long as such Member retains control of all voting rights related to such entity during such Member's lifetime;
- (c) Notwithstanding any other provision of this Operating Agreement, each Member agrees that it will not Transfer all or any portion of its Units in the Company, and the Company agrees that it shall not sell any Units:
- (i) except as permitted under the Securities Act and other applicable federal or state securities or blue sky laws, and then, with respect to a Transfer of Units, only upon delivery to the Company of an opinion of counsel in form and substance satisfactory to the Company to the effect that such Transfer may be effected without registration under the Securities Act;
 - (ii) if such Transfer or issuance would cause the Company to be considered a "publicly traded partnership" under Section 7704(b) of the Code within the meaning of Treasury Regulations Section 1.7704-1(h)(1)(ii), including the look-through rule in Treasury Regulations Section 1.7704-1(h)(3);
 - (iii) if such Transfer or issuance would affect the Company's existence or qualification as a limited liability company under the Massachusetts Act;
 - (iv) if such Transfer or issuance would violate the Regulatory Laws or otherwise would jeopardize the Company's SE/EE Status or the business licenses or permits of the Company;
 - (v) if such Transfer or issuance would cause the Company to lose its status as a partnership for federal income tax purposes;
 - (vi) if such Transfer or issuance would cause the Company to be unable to qualify as an S-corporation taxpayer at any time in the future;
 - (vii) if such Transfer or issuance would cause the Company to be required to register as an investment company under the Investment Company Act of 1940, as amended; or

- (viii) if such Transfer or issuance would cause the assets of the Company to be deemed "Plan Assets" as defined under the Employee Retirement Income Security Act of 1974 or its accompanying regulations or result in any "prohibited transaction" thereunder involving the Company.
- (d) No Units shall be pledged, hypothecated, or otherwise encumbered without the unanimous approval of the disinterested Members.
- (e) Unit Transfers may only be effective as of either the first or the last day of a calendar month.

Section 9.02 Admission of Transferees as Members

Subject to the other provisions of this Article IX, a Transferee of any Units may be admitted to the Company as a Substituted Member only upon satisfaction of the Membership Initiation Process set forth in Section 4.01(b) and the requirements set forth in Section 4.01(c), and such Transferee will have the status of an Economic Interest Owner unless and until the conditions to admission set forth in Section 4.01(b) and Section 4.01(c) are satisfied. Upon the admission of the Substituted Member in accordance with Section 4.01(b), the records of the Company shall be amended to reflect the name and address of such Substituted Member and to eliminate the name and address of the Transferring Member.

Section 9.03 Complete Assignment by Member

Unless and until the Transferee of a Transferring Member is admitted to the Company as a Substituted Member in accordance with this Operating Agreement, the assigning Member (a) shall retain the statutory rights and be subject to the statutory obligations of a transferring Member under the Act, and (b) shall continue to be liable for all of its obligations hereunder.

Section 9.04 Units Covered

This Operating Agreement shall cover all of the Units now owned or hereafter acquired by the Members while this Operating Agreement remains in effect.

Section 9.05 Future Issuances

The Company may not issue Units to any Person who is not already a party to this Operating Agreement unless, contemporaneously with the issuance of such Units such Person satisfies the provisions of Section 4.01(b) and Section 4.01(c).

ARTICLE X - EVENTS THAT TRIGGER OPTION TO BUY UNITS**Section 10.01 Voluntary Transfers**

When a Member (the "Offering Member") desires to Transfer any or all of its Units (the "Offered Interests") other than as provided in Section 9.01(b), or in Section 10.02, or Section 10.03, the Offering Member shall give prompt, written, unconditional, and irrevocable notice to the Company and the Remaining Members of such intention (a "Sale Notice", and the Company, first, and each Remaining Member, second, shall have the option to purchase all (but not less than all) of the Offered Interests pursuant to the terms of this Article X and Article XI.

Section 10.02 Involuntary Transfers

- (a) Prior to a potential Transfer of Units that occurs in connection with: (i) a sale upon execution or in foreclosure of any pledge, hypothecation, lien or charge; (ii) a voluntary or involuntary petition under any federal or state bankruptcy, insolvency or related law; (iii) the appointment of a receiver; (iv) an assignment for the benefit of creditors; (v) a distribution of marital property following divorce; or (vi) attachment, assignment or other collection action, (each, an "Involuntary Transfer"); or upon the death of a Member, the Member (or his or her personal representative, as the case may be) shall give prompt written notice to the Company and the Remaining Members disclosing in full the nature and details of the Involuntary Transfer, and the Company, first, and each Remaining Member, second, shall have the option to purchase the Units owned by the Transferring Member at the effective date of the Involuntary Transfer pursuant to the terms of this Article X and Article XI.
- (b) Should the Member (or his or her personal representative, as the case may be) fail to deliver such a notice, any Remaining Member may notify the Company of any such involuntary event. Upon the Company's becoming aware of such an involuntary event, the Company will give written notice of its knowledge of such event to the subject Member. The subject Member shall have five (5) business days to respond to the notice and acknowledge or contest that an involuntary event has occurred. In the event the Member contests the accuracy of the claimed involuntary event, the Board shall take such steps and actions as deemed necessary or advisable to determine the veracity of the claims and will inform the Members of its findings.
- (c) The option period described below shall commence as of:
 - (i) In the case of a voluntary event, when the Company receives notice from the divesting Member;
 - (ii) In the case of an involuntary event, the earlier of:
 - (A) When the Company receives notice from the divesting Member;

- (B) Five (5) business days after the Company issues the Member a notice in accordance with Section 10.02(b), unless the subject Member contests the accuracy of the claimed involuntary event; or
- (C) As soon as the Board completes such steps and actions as deemed necessary or advisable to determine the veracity of the claims and finds the claims credible and of a manner that constitutes grounds for an involuntary transfer in accordance with Section 10.02(b).

Section 10.03 Procedure to Purchase Units Upon Voluntary or Involuntary Transfer

- (a) Whenever the Company and/or the Remaining Members have the option to purchase Units under Section 10.01 or Section 10.02 (in either the case, the "Option Interests"), the following procedures shall apply:
 - (i) The initial right of the Company to purchase the Option Interests shall be exercisable with the delivery of a written notice by the Company to the Offering Member or the Transferring Member, as the case may be, and the Remaining Members within thirty (30) days of (i) in the case of a voluntary Transfer pursuant to 10.01, the receipt of the Offering Member's written notice regarding the Offered Interests; or (ii) in the case of an Involuntary Transfer pursuant to Section 10.02, the date designated by Section 10.02(c). The Company's written notice of exercise shall be binding upon delivery and irrevocable by the Company.
 - (ii) If the Company does not elect to purchase all of the Option Interests, the Remaining Members individually or in aggregate shall have the right to purchase the Option Interests. For a period of thirty (30) days following the earlier of the expiration of the Company's option period set forth in Section 10.03(a)(i) or receipt of written notice from the Company that it does not elect to purchase all of the Option Interests, each Remaining Member shall have the right to elect to purchase up to their pro rata portion of the Option Interests by delivering written notice to the Company and the Offering Member or the Transferring Member, as the case may be. The pro rata portion of each Remaining Member for the purposes of this Article X shall be determined by dividing (i) the number of Units owned by a Remaining Member by (ii) the total number of Units owned by all of the Remaining Members. Each Remaining Member's exercise notice shall be binding upon delivery and irrevocable by such Remaining Member.
 - (iii) If the Remaining Members pursuant to Section 10.03(a)(ii) do not, in the aggregate, elect to purchase all of the Option Interests, then in such event, each Remaining Member electing to purchase its full pro rata portion of the Option Interests in accordance with Section 10.03(a)(ii) (each, an "Exercising Member") shall have the right to purchase additional Option Interests pursuant to the following process.

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- (A) The Board shall prepare a list of Exercising Members and shall indicate next to each Exercising Member's name (a) the number of Units presently owned, (b) the number of Option Interests each Exercising Member has elected to purchase pursuant to Section 10.03(a)(ii), (c) a percentage, arrived at by dividing that Exercising Member's existing Unit count (item a, above) (the numerator), by the total count of all Units owned by all Exercising Members (the denominator), and (d) the maximum number of Option Interests allocable to such Exercising Member (the number of unallocated Option Interests multiplied by item c, above).
- (B) If the total Option Interests requested are less than or equal to the Option Interests available, Option Interests will be allocated to each Exercising Member in the quantity requested. Any remaining Option Interests will be re-offered to the Company. See for illustration purposes only, example #1 as set forth in Schedule F.
- (C) If the total Option Interests requested are greater than the Option Interests available, Option Interests shall be allocated to each Exercising Member who has expressed an interest in purchasing additional Option Interests as follows:
- (D) First, up to their maximum Option Interest allocation (this Section, item (d), above).
- (E) Next, applying the same formula described above in item (c), but including only those Exercising Members whose purchase request exceeds their Option Interest allocation (item (d), above), to arrive at the allocation of the remaining Option Interests. This process will continue in iterations until all Option Interests are allocated. See for illustration purposes only, example #2 as set forth in Schedule F.
- (F) Each Exercising Member shall promptly (within ten (10) business days) notify the Company of the number of Option Interests such Exercising Member desires to purchase. If all Option Interests are not allocated and additional rounds of offers are made pursuant to the process described above, Members participating in such subsequent rounds shall respond to the Company within three (3) business days of being notified of an additional round of offers. Each Remaining Member's exercise notice shall be binding upon delivery and irrevocable by such Remaining Member.
- (iv) As promptly as practicable following the process described above in Section 10.03(a) (i), (ii), and (iii), the Company, on its behalf and on behalf of each Exercising Member, shall inform the Offering Member or the Transferring Member, as the case may be, of the Units to be purchased, the purchasing Member, and the number of Units committed to be purchased by each purchasing Member.

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- (b) The failure of the Company or any Remaining Member to deliver an exercise notice by the end of their respective option periods shall constitute a waiver of the applicable rights of first offer under this Article X with respect to the Transfer of such Option Interests, but shall not affect their respective rights with respect to any future Transfers.

Section 10.04 Purchase Price for Transfers

- (a) The purchase price for any Units purchased under Section 10.01 or Section 10.02 will be an amount equal to the Purchase Value of the Units.
- (b) Payment for any Units purchased by the Company pursuant to Section 10.01 or Section 10.02 shall be as follows:
- (i) If any Preferred Units remain outstanding, no down payment will be provided. If no Preferred Units remain outstanding, the Company shall make a cash down payment equal to ten (10%) percent of the aggregate purchase price (the Purchase Value of the Units). The unpaid balance, if any, plus interest at the lowest possible rate per annum to avoid imputation of interest under the then applicable provisions of the Internal Revenue Code, will be paid, (A) in the case of a voluntary Transfer under Section 10.01 in five (5) equal annual principal installments; or (B) in the case of an involuntary Transfer under Section 10.02 in eight (8) equal annual principal installments, each commencing on the anniversary date of the first payment. This amount may be prepaid in whole or in part at any time without premium or penalty; provided, the amount of any federal or state income tax liability (as reasonably demonstrated by the selling Member) resulting from the selling Member's recognition of income or gain upon his or her receipt of such note (including, without limitation, due to the inapplicability of the "installment method" of income tax reporting) must be prepaid, with such prepayment due at least five (5) days before the date by which such tax liability is payable by the selling Member as specified by the selling Member in a written notice to the Company. Any prepayment will be applied first to accrued interest and then to the installments in the inverse order in which they are due. If any payments hereunder are not paid when due and default in payment continues for a period of sixty (60) days, the entire amount will immediately become due and payable. Notwithstanding the foregoing, the dates for payment may be extended if in the opinion of the Board the Company would have insufficient funds following payment to pay its ordinary course of business operating costs, payments of current-year Preferred Return and Tax Advances, but without regard to other distributions or bonuses to Members.
- (ii) Concurrently with the delivery of the cash (down-payment) portion of the payment by the Company (or if no cash (down-payment) is to be paid, within ten (10) business days of determination of the Purchase Value), the selling Member will deliver to the Company the following:

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- (A) The certificate or certificates, if any, evidencing the Units to be sold, duly endorsed in blank for transfer or accompanied by duly executed blank transfer powers.
- (B) All other documents (including, without limitation, releases to the Company) that, in the opinion of counsel for the Company, may be reasonably required to effectuate the sale in the best interests of the Company in accordance with the provisions of Section 10.02 or Section 10.03.
- (iii) If neither the Company nor the Remaining Members elect to purchase all of the Offered Interests under Section 10.01 or Section 10.02, then the Offering Member may, during the thirty (30) day period following the expiration of the required periods of such option (which period may be extended for a reasonable time not to exceed ninety (90) days), subject to and under this Operating Agreement, Transfer all of such Offered Units on terms and conditions no more favorable to such Transferee than those specified in an offer made under or as provided by this Operating Agreement. If the Offering Member does not Transfer the Option Interests within such period, the rights provided hereunder shall be deemed to be revived and the Option Interests shall not be offered to any Person unless first re-offered to the Company and the Remaining Members in accordance with this Operating Agreement.

Section 10.05 Regulatory Redemptions

- (a) Upon receipt of a notice that a Member may meet any condition to be deemed an Impacted Person, such Member shall have thirty (30) days from the receipt thereof (to the extent permitted by any Regulatory Laws, including by the applicable Regulatory Authority), at such Member's sole election, to take all actions, at such Member's costs, to cure such condition. Upon the expiration of such period of time, if such Member has not cured such condition, the Disinterested Managers shall promptly make a determination regarding such Member as an Impacted Person.
- (b) Upon any determination that a Member is an Impacted Person, the Disinterested Managers may determine that the Impacted Person is permitted to Transfer its Units to an individual or entity approved by the Disinterested Managers (provided that such Transfer is permitted by any Regulatory Laws, including by the applicable Regulatory Authority, and such transfer will not invalidate any certification, standing, or other position of the Company, including that as a state qualified SE/EE enterprise, a City of Boston SE enterprise, or, if then in effect, a subchapter S qualified taxpayer) and such Transfer otherwise complies with the provisions of this Operating Agreement. If the Disinterested Managers determine that such Impacted Person shall not be permitted to Transfer its Units, such applicable Units shall be subject to redemption in accordance with Section 10.05(c) - (h).

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- (c) The Units owned or controlled by an Impacted Person shall be redeemable by the Company, subject to applicable law, as directed by a Regulatory Authority and, if not so directed, as and to the extent deemed necessary or advisable by the Disinterested Managers, in which event the Company shall deliver a Regulatory Redemption Notice to the Impacted Person and shall redeem the Units on the Regulatory Redemption Date and for the Regulatory Redemption Price set forth in the Regulatory Redemption Notice. To the extent that the redemption of less than all of the Units held by an Impacted Person would address the deficiency, the Board may determine, in its discretion, to cause the Company to redeem only such Units to address the deficiency and such Units shall be selected in such manner as shall be determined by the Disinterested Managers. In accordance with the requirements of the Regulatory Redemption Notice, such Impacted Person shall surrender the certificate(s), if any, representing the Units to be so redeemed.
- (d) From and after the Regulatory Redemption Date, the Units owned or controlled by the Impacted Person that will be redeemed shall no longer be deemed to be outstanding, all rights of such Impacted Person in such Units, other than the right to receive the Regulatory Redemption Price, shall cease and, if such Units represent all of the Units owned or controlled by the Impacted Person, such Impacted Person shall cease to be a member, partner or owner, as applicable, of the Company with respect to such Units.
- (e) The Company shall pay the Regulatory Redemption Price in any combination of cash, property or rights, as required by the applicable Regulatory Authority and, if not so required, in accordance with Section 10.02.
- (f) Upon the redemption of the applicable Units, the Company may, subject to compliance with the provisions of this Operating Agreement, reissue, cancel, or hold such Units.
- (g) Except as required by a Regulatory Authority, nothing in this Section 10.05 shall be deemed or construed to require the Company to redeem or repurchase any Units owned or controlled by an Impacted Person.
- (h) The Disinterested Managers shall have the exclusive right to interpret all issues arising under this Section 10.05, and any determination of the Disinterested Managers under this Section 10.05 or by a Regulatory Authority (whether or not such determination is final, binding, or non-appealable) shall be final, binding and conclusive determination for all purposes of this Section 10.05. The Disinterested Managers may also impose additional terms and conditions in connection with any redemption under this Section 10.05 and, from time to time, may adopt such other provisions and procedures in furtherance of this Section 10.05. In the event there is no Disinterested Managers, the Company and the Impacted Person jointly shall appoint an independent individual within forty-five (45) days.

Section 10.06. Determination of Purchase Value

(a) Unless otherwise specified in this Operating Agreement, Purchase Value shall be determined in good faith by the Board.

(b) Notwithstanding Section 10.06(a), if the Transfer of any Common Units under this Article X occurs before completion of the 60th full calendar month following the Company's receipt of an Authorization to Commence Operations from the Massachusetts Cannabis Control Commission, the Purchase Value shall be determined in accordance with the following formula:

(i) Until all Preferred Units have been converted to Common Units in accordance with this Operating Agreement, the Purchase Value shall be the affected Member's Capital Contributions. Thereafter, the Purchase Value shall be the sum of the following:

(A) The sum of the digits of all full calendar months elapsed since commencement of licensed operations, for a maximum of sixty (60) months, divided by 1,830 multiplied by the Purchase Value as otherwise determined.

For illustration, if a repurchase takes place during month no. 16, 15 full calendar months will have elapsed and the numerator shall be equal to $1 + 2 + 3 + 4 + \dots + 15$ (120), divided by 1,830 (the sum of digits of months 1 through 60) equaling 6.557%. If the aggregate Unit value owned by the selling Member is \$1 million, the first component of the Purchase Value is $6.557\% \times \$1 \text{ million}$ which equals \$65,570.

(B) The product of (x) 100% minus the amount determined in accordance with clause 1.a. above and (y) the affected Member's initial Capital Contribution.

For illustration, if the original purchase price of the Units was \$420, the second component of the Repurchase Price is equal to $\$420 \times 93.443\%$ ($1 - 0.06557$), or \$392.46.

See Schedule D for a sample table illustrating these values over time.

(c) Notwithstanding Section 10.06(a), if (A) determining the Purchase Value for Common Units or Preferred Units for any purpose under Article X of this Operating Agreement and (B) if a Transfer involves Common Units, the Transfer occurs after completion of the 60th full calendar month following the Company's receipt of an Authorization to Commence Operations from the Massachusetts Cannabis Control Commission, then the parties shall first seek to agree on the Purchase Value within ten (10) days of the date as of which determination is needed. If they are unable to agree, Purchase Value shall be determined by a mutually-agreed upon third party appraisal, the cost of which shall be shared as described below; provided, that (x) if the Impacted Person and the Company cannot agree on a third party appraiser, they shall both individually choose and pay for

their own appraisals, and if each such appraisal is within ten percent (10%) of the other, then the value of the Impacted Person's Units shall be the average of such two (2) appraisals, and (y) in the event that such two (2) appraisals diverge by greater than ten percent (10%), then the two (2) appraisers respectively chosen by the Impacted Person and the Company shall identify a third appraiser to perform an appraisal of the Impacted Person's Units, and the value of the Impacted Person's Units shall be the average of the closest two (2) of the three (3) appraisals. Any appraisal under this Operating Agreement shall be subject to the following conditions:

- (i) The Company shall cooperate fully with each appraiser appointed under this Operating Agreement and shall fully disclose any and all information (including, without limitation, any business plans or projections of the Company) which is or may be material to the valuation of the Company as a going concern.
- (ii) The appraiser(s) shall execute a non-disclosure agreement not to use or disclose any confidential business information of the Company.
- (iii) If the Company and the Impacted Person mutually agree upon a third party appraiser, each shall inform the other of their asserted Purchase Value prior to engaging the appraiser.
- (iv) If the third party appraiser determines a Purchase Value that is greater than the higher value asserted by the Company or the Impacted Person, then the party asserting the lower value shall bear the cost of the appraisal.
- (v) If the appraised value is lower than the lower value asserted by the Company or the Impacted Person, then the party asserting the higher value shall bear the cost of the appraisal.
- (vi) If the appraised value is between the values asserted by the Company and the Impacted Person, then cost of the appraisal shall be shared proportionally as described in the following illustrative examples (which assume party "A" asserts a \$10 per Unit value and party "B" asserts a \$20 per unit value):
 - (A) If the appraised per Unit value is \$15, the midway between the asserted values, then the parties shall share the cost of the appraisal equally.
 - (B) If the appraised per Unit value is \$17.50, 75% of the variance between the asserted values, then "A" shall pay 75% of the appraisal cost of "B" shall pay 25%.
 - (C) If the appraised per Unit value is \$13, 30% of the variance between the asserted values, then "A" shall pay 30% of the appraisal cost of "B" shall pay 70%.

Section 10.07 Cooperation

Each Transferring Member shall take all actions as may be reasonably necessary to consummate the transactions under this Article X.

ARTICLE XI - DRAG-ALONG AND TAG-ALONG RIGHTS**Section 11.01 Drag-Along Rights**

- (a) Participation. If the Offering Member or a group of Offering Members holding a Supermajority of the Units (such Offering Member or Offering Members, the "Dragging Member") proposes to Transfer all of the Units owned by the Dragging Member (a "Drag-along Sale"), the Dragging Member shall have the right, after delivering the Drag-along Notice in accordance with Section 11.01(c) and subject to compliance with Section 11.01(d), to require that each other Member (each, a "Drag-along Member") participate in such sale in the manner set forth in Section 11.01(b).
- (b) Sale of Units. Subject to compliance with Article X and Section 11.01(d), each Drag-along Member shall sell in the Drag-along Sale all of the Units held by such Drag-along Member
- (c) Drag-along Notice. The Dragging Member shall exercise its rights pursuant to this Section 11.01 by delivering a written notice (the "Drag-along Notice") to the Company and each Drag-along Member no more than ten (10) Business Days after the execution and delivery by all of the parties thereto of the definitive agreement entered into with respect to the Drag-along Sale and, in any event, no later than twenty (20) Business Days prior to the closing date of such Drag-along Sale. The Drag-along Notice shall make reference to the Dragging Members' rights and obligations hereunder and shall describe in reasonable detail:
 - (i) the name of the person or entity to whom such Units are proposed to be sold;
 - (ii) the proposed date, time and location of the closing of the sale;
 - (iii) the proposed amount of consideration for the Drag-along Sale and the other material terms and conditions of the Drag-along Sale, including a description of any non-cash consideration in sufficient detail to permit the valuation thereof; and
 - (iv) a copy of any form of agreement proposed to be executed in connection therewith.
- (d) Conditions of Sale. The obligations of the Drag-along Members in respect of a Drag-along Sale under this Section 11.01 are subject to the satisfaction of the following conditions:

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- (i) the consideration to be received by each Drag-along Member shall be the same form and amount of consideration to be received by the Dragging Member per percentage interest and the terms and conditions of such sale shall, except as otherwise provided in Section 11.01(d)(iii), be the same as those upon which the Dragging Member sells its Units;
 - (ii) if the Dragging Member or any Drag-along Member is given an option as to the form and amount of consideration to be received, the same option shall be given to all Drag-along Members; and
 - (iii) each Drag-along Member shall execute the applicable purchase agreement, if applicable, and make or provide the same representations, warranties, covenants, indemnities and agreements as the Dragging Member makes or provides in connection with the Drag-along Sale (except that in the case of representations, warranties, covenants, indemnities and agreements pertaining specifically to the Dragging Member, the Drag-along Member shall make the comparable representations, warranties, covenants, indemnities and agreements pertaining specifically to itself); provided, that all representations, warranties, covenants and indemnities shall be made by the Dragging Member and each Drag-along Member severally and not jointly and any indemnification obligation shall be pro rata based on the consideration received by the Dragging Member and each Drag-along Member (other than any indemnification obligation pertaining specifically to the Dragging Member or a Drag-along Member, which obligation shall be the sole obligation of such Dragging Member or Drag-along Member), in each case in an amount not to exceed the aggregate proceeds received by the Dragging Member and each such Drag-along Member in connection with the Drag-along Sale.
- (e) Cooperation. Each Drag-along Member shall take all actions as may be reasonably necessary to consummate the Drag-along Sale, including, without limitation, entering into agreements and delivering certificates and instruments, in each case, consistent with the agreements being entered into and the certificates being delivered by the Dragging Member, but subject to Section 11.01(d)(iii).
- (i) If a Drag-along Member fails or refuses to cooperate as provided above in (v), such Drag-along Member irrevocably authorizes the non-Drag-along Members, collectively, as said Drag-along Member's attorney-in-fact to execute and delivery the necessary agreements and bind the Drag-along Member. Any legal costs will be charged against the Drag-along Member's proceeds of sale.
- (f) Expenses. The fees and expenses of the Dragging Member incurred in connection with a Drag-along Sale and for the benefit of all Drag-along Members (it being understood that costs incurred by or on behalf of a Dragging Member for its sole benefit will not be considered to be for the benefit of all Drag-along Members), to the extent not paid or reimbursed by the Company, shall be shared by the Dragging Member and all the Drag-along Members on a pro rata basis, based on the consideration received by each such

Member; provided, that no Drag-along Member shall be obligated to make any out-of-pocket expenditure prior to the consummation of the Drag-along Sale.

- (g) Consummation of Sale. The Dragging Member shall have sixty (60) days following the date of the Drag-along Notice in which to consummate the Drag-along Sale, on the terms set forth in the Drag-along Notice (which period may be extended for a reasonable time not to exceed ninety (90) days). If at the end of such period the Dragging Member has not completed the Drag-along Sale, the Dragging Member may not then exercise its rights under this Section 11.01 without again fully complying with the provisions of this Section 11.01.

Section 11.02 Tag-along Rights

- (a) Participation. If an Offering Member or group of Offering Members or group of Members who hold at least a Supermajority of the outstanding Units of the Company (collectively, the "Selling Member") proposes to sell any Units to an Independent Third Party (the "Proposed Transferee") and the Selling Member cannot or has not elected to exercise its drag-along rights set forth in Section 11.01, each other Member (each, a "Tag-along Member") shall be permitted to participate in such sale (a "Tag-along Sale") on the terms and conditions set forth in this Section 11.02.
- (b) Sale Notice. Prior to the consummation of the sale described in Section 11.02(a) and in accordance with Section 10.01, the Selling Member shall deliver to the Company and each other Member the Sale Notice and no more than ten (10) Business Days after the execution and delivery by all the parties thereto of the definitive agreement entered into with respect to the Tag-along Sale and, in any event, no later than twenty (20) Business Days prior to the closing date of the Tag-along Sale. The Sale notice shall make reference to the Tag-along Members' rights hereunder and shall describe in reasonable detail:
- (i) the number of Units to be sold by the Selling Member;
 - (ii) the name of the Proposed Transferee;
 - (iii) the per Unit purchase price and the other material terms and conditions of the sale, including a description of any non-cash consideration in sufficient detail to permit the valuation thereof;
 - (iv) the proposed date, time and location of the closing of the sale; and
 - (v) a copy of any form of agreement proposed to be executed in connection therewith.
- (c) Units to be Sold.

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- (i) Each Tag-along Member shall exercise its right to participate in a sale of Units by the Selling Member subject to this Section 11.02 by delivering to the Selling Member a written notice (a "**Tag-along Notice**") stating its election to do so and specifying the number of Units to be sold by it no later than five (5) Business Days after receipt of the Sale Notice (the "**Tag-along Period**"). The offer of each Tag-along Member set forth in a Tag-along Notice shall be irrevocable, and, to the extent such offer is accepted, such Tag-along Member shall be bound and obligated to sell in the proposed sale on the terms and conditions set forth in this Section 11.02. Each Tag-along Member shall have the right to sell in a sale subject to this Section 11.02 the number of Units equal to the product obtained by multiplying (x) the number of Units held by the Tag-along Member by (y) a fraction (A) the numerator of which is equal to the number of Units the Selling Member proposes to sell or transfer to the Proposed Transferee and (B) denominator of which is equal to the number of Units then owned by such Selling Member.
- (ii) The Selling Member shall use its reasonable efforts to include in the proposed sale to the Proposed Transferee all of the Units that the Tag-along Members have requested to have included pursuant to the applicable Tag-along Notices, it being understood that the Proposed Transferee shall not be required to purchase Units in excess of the number set forth in the Sale Notice. In the event the Proposed Transferee elects to purchase less than all of the Units sought to be sold by the Tag-along Members, the number of Units to be sold to the Proposed Transferee by the Selling Member and each Tag-along Member shall be reduced so that each such Member is entitled to sell its Pro Rata Portion of the number of Units the Proposed Transferee elects to purchase (which in no event may be less than the number of Units set forth in the Sale Notice).
- (iii) Each Tag-along Member who does not deliver a Tag-along Notice in compliance with clause (i) above shall be deemed to have waived all of such Tag-along Member's rights to participate in such sale, and the Selling Member shall (subject to the rights of any participating Tag-along Member) thereafter be free to sell to the Proposed Transferee its Units at a per Unit price that is no greater than the per Unit price set forth in the Sale Notice and on other same terms and conditions which are not materially more favorable to the Selling Member than those set forth in the Sale Notice, without any further obligation to the non-accepting Tag-along Members.
- (d) **Consideration.** Each Member participating in a sale pursuant to this Section 11.02 shall receive the same consideration per Unit after deduction of such Member's proportionate share of the related expenses in accordance with paragraph (f) below.
- (e) **Conditions of Sale.** Each Tag-along Member shall make or provide the same representations, warranties, covenants, indemnities and agreements as the Selling Member makes or provides in connection with the Tag-along Sale (except that in the case of representations, warranties, covenants, indemnities and agreements pertaining

specifically to the Selling Member, the Tag-along Member shall make the comparable representations, warranties, covenants, indemnities and agreements pertaining specifically to itself); provided, that all representations, warranties, covenants and indemnities shall be made by the Selling Member and each other Tag-along Member severally and not jointly and any indemnification obligation in respect of breaches of representations and warranties that do not relate to such Tag-along Member shall be in an amount not to exceed the aggregate proceeds received by such Tag-along Member in connection with any sale consummated pursuant to this Section 11.02.

- (f) Expenses. The fees and expenses of the Selling Member incurred in connection with a sale under this Section 11.02 and for the benefit of all Members (it being understood that costs incurred by or on behalf of the Selling Member for its sole benefit will not be considered to be for the benefit of all Members), to the extent not paid or reimbursed by the Company or the Proposed Transferee, shall be shared by all the Members on a pro rata basis, based on the consideration received by each Member; *provided*, that no Member shall be obligated to make any out-of-pocket expenditure prior to the consummation of the transaction consummated pursuant to this Section 11.02.
- (g) Cooperation. Each Member shall take all actions as may be reasonably necessary to consummate the Tag-along Sale, including, without limitation, entering into agreements and delivering certificates and instruments, in each case, consistent with the agreements being entered into and the certificates being delivered by the Selling Member.
- (h) Deadline for Completion of Sale. The Selling Member shall have 90 days following the expiration of the Tag-along Period in which to sell the Units described in the Sale Notice, on terms not more favorable to the Selling Member than those set forth in the Sale Notice (which such 90 day period may be extended for a reasonable time not to exceed 120 days to the extent reasonably necessary to obtain any regulatory approvals). If at the end of such period the Selling Member has not completed such sale, the Selling Member may not then effect a sale of Units subject to this Section 11.02 without again fully complying with the provisions of this Section 11.02.
- (i) Sales in Violation of the Tag-along Right. If the Selling Member sells or otherwise transfers to the Proposed Transferee any of its Units in breach of this Section 11.02, then each Tag-along Member shall have the right to sell to the Selling Member, and the Selling Member undertakes to purchase from each Tag-along Member, the number of Units that such Tag-along Member would have had the right to sell to the Proposed Transferee pursuant to this Section 11.02, for a per Unit amount equal to 1.1 times the per Unit amount of the Selling Member's Units, and form of consideration and upon the term and conditions on which the Proposed Transferee bought such Units from the Selling Member, but without indemnity being granted by any Tag-along Member to the Selling Member; *provided*, that nothing contained in this Section 11.02 shall preclude any Member from seeking alternative remedies against such Selling Member as a result

of its breach of this Section 11.02. The Selling Member shall also reimburse each Tag-along Member for any and all reasonable and documented out-of-pocket fees and expenses, including reasonable legal fees and expenses, incurred pursuant to the exercise or the attempted exercise of the Tag-along Member's rights under this paragraph (i).

Section 11.03 No Further Rights or Obligations

If a Member's Units are sold in connection with a voluntary Transfer or Involuntary Transfer, the Member shall cease to be a party to this Operating Agreement and shall have no further rights or obligations hereunder, and this Operating Agreement may be amended or terminated without the Member's consent.

ARTICLE XII - EXCULPATION AND INDEMNIFICATION

Section 12.01 Exculpation of Covered Persons

- (a) Covered Persons. As used herein, the term "Covered Person" shall mean (i) each Member; (ii) each officer, director, Manager, stockholder, partner, member, Affiliate, employee, agent or representative of each Member, and each of their Affiliates; and (iii) each officer, Manager, employee, agent or representative of the Company.
- (b) Standard of Care. No Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any action taken or omitted to be taken by such Covered Person in their capacity as a Covered Person, so long as such action or omission does not constitute fraud, gross negligence or willful misconduct by such Covered Person or a breach by a Member of the terms of this Operating Agreement.

Section 12.02 Good Faith Reliance

Each Covered Person and each Manager shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, Net Income or Net Loss of the Company or any facts pertinent to the existence and amount of assets from which distributions might properly be paid) of the following Persons or groups: (i) another Manager; (ii) one or more officers or employees of the Company; (iii) any attorney, independent accountant, appraiser or other expert or professional employed or engaged by or on behalf of the Company; or (iv) any other Person selected in good faith by or on behalf of the Company, in each case as to matters that such relying Person reasonably believes to be within such other Person's professional or expert competence. The preceding sentence shall in no way limit any Person's right to rely on information to the extent provided in the Massachusetts Act.

Section 12.03 Liabilities and Duties of Covered Persons and Managers

- (a) To the greatest extent permitted by law, the parties waive any fiduciary duty of care that might otherwise apply to any Covered Person. The parties do not waive any fiduciary duty of loyalty that might apply to any Covered Person; provided that Members may be employed or retained by, and may own or operate, other participants in the state-legal cannabis industry as long as the foregoing (i) do not restrict a Member's ability to provide services to the Company, (ii) do not adversely affect the Company's relationship with any of its current or potential vendors, (iii) do not create conflicts of interest or result in a Member who is also an owner, manager, officer or employee of an unrelated cannabis business from placing the interest of that other cannabis business above the interests of the Company¹, and (iv) would not be reasonably expected to harm or disadvantage the Company. No exclusion or limitation of liability contained herein shall extend to misappropriation of assets or funds of the Company or other acts or omissions that constitute a violation of the implied contractual covenant of good faith and fair dealing.
- (b) In fulfilling their managerial responsibilities, each Manager shall be charged with duties as a manager in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner he or she reasonably believes to be in the best interests of the Company. In discharging his or her duties, the Managers may rely on information, opinions, reports, or statements, including, but not limited to, financial statements or other financial data, prepared or presented by: (i) one or more Members or employees of the Company; or (ii) legal counsel, public accountants, engineers or other persons as to matters the Managers in question reasonably believe are within such person's professional or expert competency.

Section 12.04 Indemnification

- (a) Indemnification. To the fullest extent permitted by the Massachusetts Act, as the same now exists or may hereafter be amended, substituted or replaced (but, in the case of any such amendment, substitution or replacement, only to the extent that such amendment, substitution or replacement permits the Company to provide broader indemnification rights than the Massachusetts Act permitted the Company to provide prior to such amendment, substitution or replacement), the Company shall indemnify, hold harmless, defend, pay and reimburse any Covered Person or Manager (collectively, the "Indemnified Person") against any and all losses, claims, damages, judgments, fines or liabilities, including reasonable legal fees or other expenses incurred in investigating

¹ Without limiting any of the foregoing, and for illustrative purposes only, assume a Member is also an owner, manager, officer or employee of another cannabis business and is in a position to affect the procurement of product and inventory to be sold by both the Company and the other cannabis business the quantity of raw flower is limited in the local market, both the Company and the other cannabis business need 20 lbs. of it and the supplier is only willing to sell 20 lbs. in total. In such a case, the Member will not prioritize the needs of the other cannabis business above the needs of the Company, and instead will confer with the Board to determine an equitable solution to share the 20 lb. purchase between the two purchasing entities.

or defending against such losses, claims, damages, judgments, fines or liabilities, and any amounts expended in settlement of any claims (collectively, "Losses") to which such Indemnified Person may become subject by reason of:

- (i) any act or omission or alleged act or omission performed or omitted to be performed on behalf of the Company or any Member in connection with the business of the Company; or
 - (ii) such Indemnified Person being or acting in connection with the business of the Company as a member, stockholder, Affiliate, manager, director, officer, employee or agent of the Company, any Member, or any of their respective Affiliates, or that such Indemnified Person is or was serving at the request of the Company as a member, manager, director, officer, employee or agent of any Person including the Company;
 - (iii) provided, however, that (x) such Indemnified Person acted in good faith and in a manner believed by such Indemnified Person to be in, or not opposed to, the best interests of the Company and within the scope of such Indemnified Person's authority conferred on them by the Company and, with respect to any criminal proceeding, had no reasonable cause to believe their conduct was unlawful, and (y) either (i) in the case of a Covered Person, such Covered Person's conduct did not constitute fraud or willful misconduct or (ii) in the case of a Manager, such Manager's conduct was under the standard set forth in Section 12.03(b). In connection with the foregoing, the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Indemnified Person did not act in good faith or, with respect to any criminal proceeding, had reasonable cause to believe that such Indemnified Person's conduct was unlawful, or that the Indemnified Person's conduct constituted fraud or willful misconduct.
- (b) Control of Defense. Upon an Indemnified Person's discovery of any claim, lawsuit or other proceeding relating to any Losses for which such Indemnified Person may be indemnified pursuant to this Section 12.04, the Indemnified Person shall give prompt written notice to the Company of such claim, lawsuit or proceeding; provided, that the failure of the Indemnified Person to provide such notice shall not relieve the Company of any indemnification obligation under this Section 12.04, unless the Company shall have been materially prejudiced thereby. Subject to the approval of the disinterested Members, the Company shall be entitled to participate in or assume the defense of any such claim, lawsuit or proceeding at its own expense. After notice from the Company to the Indemnified Person of its election to assume the defense of any such claim, lawsuit or proceeding, the Company shall not be liable to the Indemnified Person under this Operating Agreement or otherwise for any legal or other expenses subsequently incurred by the Indemnified Person in connection with investigating, preparing to defend or defending any such claim, lawsuit or other proceeding. If the Company does

not elect (or fails to elect) to assume the defense of any such claim, lawsuit or proceeding, the Indemnified Person shall have the right to assume the defense of such claim, lawsuit or proceeding as it deems appropriate, but it shall not settle any such claim, lawsuit or proceeding without the consent of the Company (which consent shall not be unreasonably withheld, conditioned or delayed).

- (c) Reimbursement. The Company shall promptly reimburse (and/or advance to the extent reasonably required) each Indemnified Person for reasonable legal or other expenses (as incurred) of such Indemnified Person in connection with investigating, preparing to defend or defending any claim, lawsuit or other proceeding relating to any Losses for which such Indemnified Person may be indemnified pursuant to this Section 12.04; provided that if it is finally judicially determined that such Indemnified Person is not entitled to the indemnification provided by this Section 12.04, then such Indemnified Person shall promptly reimburse the Company for any reimbursed or advanced expenses.
- (d) Entitlement to Indemnity. The indemnification provided by this Section 12.04 shall not be deemed exclusive of any other rights to indemnification to which those seeking indemnification may be entitled under any agreement or otherwise. The provisions of this Section 12.04 shall continue to afford protection to each Indemnified Person regardless of whether such Indemnified Person remains in the position or capacity pursuant to which such Indemnified Person became entitled to indemnification under this Section 12.04 and shall inure to the benefit of the executors, administrators, legatees and distributees of such Indemnified Person.
- (e) Insurance. To the extent available on commercially reasonable terms, the Company may purchase, at its expense, insurance to cover Losses covered by the foregoing indemnification provisions and to otherwise cover Losses for any breach or alleged breach by any Indemnified Person of such Indemnified Person's duties in such amount and with such deductibles as the Board may determine; *provided*, that the failure to obtain such insurance shall not affect the right to indemnification of any Indemnified Person under the indemnification provisions contained herein, including the right to be reimbursed or advanced expenses or otherwise indemnified for Losses hereunder. If any Indemnified Person recovers any amounts in respect of any Losses from any insurance coverage, then such Indemnified Person shall, to the extent that such recovery is duplicative, reimburse the Company for any amounts previously paid to such Indemnified Person by the Company in respect of such Losses.
- (f) Funding of Indemnification Obligation. Notwithstanding anything contained herein to the contrary, any indemnity by the Company relating to the matters covered in this Section 12.04 shall be provided out of and to the extent of Company assets only, and no Member (unless such Member otherwise agrees in writing) shall have personal liability on account thereof or shall be required to make additional Capital Contributions to help satisfy such indemnity by the Company.

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- (g) Savings Clause. If this Section 12.04 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Indemnified Person pursuant to this Section 12.04 to the fullest extent permitted by any applicable portion of this Section 12.04 that shall not have been invalidated and to the fullest extent permitted by Applicable Law.
- (h) Amendment. The provisions of this Section 12.04 shall be a contract between the Company, on the one hand, and each Indemnified Person who served in such capacity at any time while this Section 12.04 is in effect, on the other hand, pursuant to which the Company and each such Indemnified Person intend to be legally bound. No amendment, modification or repeal of this Section 12.04 that adversely affects the rights of an Indemnified Person to indemnification for Losses incurred or relating to a state of facts existing prior to such amendment, modification or repeal shall apply in such a way as to eliminate or reduce such Indemnified Person's entitlement to indemnification for such Losses without the Indemnified Person's prior written consent.

Section 12.05 Survival

The provisions of this Article XII shall survive the dissolution, liquidation, winding up and termination of the Company.

ARTICLE XIII - ACCOUNTING; TAX MATTERS

Section 13.01 Financial Statements

The Company shall furnish to each Member the following reports:

- (a) Annual Financial Statements. As soon as available, and in any event within one hundred and twenty (120) days after the end of each Fiscal Year, unaudited consolidated balance sheets of the Company as of the end of each such Fiscal Year prepared in accordance with U.S. GAAP and unaudited consolidated statements of income, cash flows and Members' equity for such Fiscal Year, applied on a basis consistent with prior years, and in each case setting forth in comparative form the figures for the previous Fiscal Year, prepared by an independent certified public accountant selected by the Board, that fairly present in all material respects the financial condition of the Company as of the dates thereof and the results of their operations and changes in their cash flows and Members' equity for the periods covered thereby. Disclosures will be consistent in scope of subject with a certified financial statement and shall include a discussion of related party transactions entered into during the subject reporting period.
- (b) Quarterly Financial Statements. As soon as available, and in any event within 60 days after the end of each quarterly accounting period in each Fiscal Year (other than the last fiscal quarter of the Fiscal Year), unaudited consolidated balance sheets of the Company as at the end of each such fiscal quarter and for the current Fiscal Year to date and

unaudited consolidated statements of income, cash flows and Members' equity for such fiscal quarter and for the current Fiscal Year to date, in each case setting forth in comparative form the figures for the corresponding periods of the previous fiscal year, all in reasonable detail and all prepared in accordance with U.S. GAAP, consistently applied (subject to normal year-end audit adjustments and the absence of notes thereto), together with a disclosure of any related party transactions entered into during that calendar month (excepting ongoing trade relationships previously disclosed and continuing only in the ordinary course of business).

- (c) Monthly Financial Statements. As soon as available, and in any event within 30 days after the end of each monthly accounting period in each fiscal quarter (other than the last month of the fiscal quarter), unaudited consolidated balance sheets of the Company as at the end of each such monthly period and for the current Fiscal Year to date and unaudited consolidated statements of income, cash flows and Members' equity for each such monthly period and for the current Fiscal Year to date, all in reasonable detail and all prepared in accordance with U.S. GAAP, consistently applied (subject to normal year-end audit adjustments and the absence of notes thereto), together with a disclosure of any related party transactions entered into during that calendar month (excepting ongoing trade relationships previously disclosed and continuing only in the ordinary course of business).

Section 13.02 Inspection Rights

Upon reasonable notice from a Member of no less than five (5) Business Days, and no more than one (1) time per calendar year, the Company shall afford such Member and its Representatives access during normal business hours to (i) the Company's properties, offices, and/or facilities; (ii) the corporate, financial and similar records, reports and documents of the Company, including all books and records, minutes of proceedings, internal management documents, reports of operations, reports of adverse developments, copies of any management letters and communications with Members or Managers, and to permit each Member and its Representatives to examine such documents and make copies thereof or extracts therefrom; *provided that* (x) the requesting Member shall bear its own expenses and all reasonable expenses incurred by the Company in connection with any inspection or examination requested by such Member pursuant to this Section 13.02 and (y) if the Company provides or makes available any report or written analysis for any Member pursuant to this Section 13.02, it shall promptly provide or make available such report or analysis to or for the other Members.

Section 13.03 Income Tax Status

It is the intent of this Company and the Members that this Company shall be treated as a partnership for U.S., federal, state and local income tax purposes. Neither the Company nor any Member shall make an election for the Company to be classified as other than a partnership pursuant to Treasury Regulations Section 301.7701-3. The Company and each

Member shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment.

Notwithstanding the foregoing, for as long as Internal Revenue Code § 280E shall apply to the Company, at the election of the Board, the Company may elect to be taxed as a so-called C corporation (a direct taxpaying entity and not a pass-through). In such event, at such time as § 280E no longer applies to the Company, the Board shall forthwith assess the impact and advantages of electing pass-through tax status and reverting to partnership tax treatment.

Section 13.04 Partnership Representative

- (a) The Members hereby appoint as the initial "partnership representative," as provided in Code Section 6223(a) (the "Tax Matters Representative") the individual listed as such on Schedule E. The Tax Matters Representative may resign at any time. The Tax Matters Representative may be removed at any time by a vote of the Member or Members holding a majority of the Units. In the event of the resignation or removal of the Tax Matters Representative, the Member or Members holding a majority of the Units shall select a replacement Tax Matters Representative. The Tax Matters Representative may appoint or revoke the appointment of the Designated Individual. The Board shall confirm the Tax Matters Representative and Designated Individual on an annual basis within thirty (30) days following the fiscal year end on Schedule E hereto.
- (b) The Tax Matters Representative and Designated Individual (as relevant) shall have and exercise any authority permitted the Tax Matters Representative under the Partnership Tax Audit Rules, including representing the Company in any disputes, controversies or proceedings with the U.S. Internal Revenue Service or with any state or local taxing authority; take whatever steps the Tax Matters Representative, in its reasonable discretion, deems necessary or desirable to perfect such designation and exercise such authority, including filing any forms and documents with the U.S. Internal Revenue Service or any other tax authority; and take such other action as may from time to time be required or authorized under applicable law. The Members shall cooperate and take such actions as the Tax Matters Representative in its reasonable discretion requests in connection with the foregoing.
- (c) The Tax Matters Representative may make any elections available to be made as partnership representative, including, without limitation, (i) electing out of the Partnership Tax Audit Rules, and (ii) making an election to have the Members take tax adjustments into account on their own tax returns.
- (d) If the Tax Matters Representative decides to have the Members file amended tax returns, all Members shall timely file and include payment of any tax due with such amended returns. In the event that the Company becomes liable for any taxes, interest or penalties, (A) each individual or entity that was a Member of the Company for the

taxable period to which such liability relates shall indemnify, defend and hold harmless the Company or such individual or entity's allocable share of the amount of such tax liability, including any interest and penalties associated therewith, (B) the Manager may cause the Members (including any former Member) to whom such liability relates to pay, and each such Member hereby agrees to pay, such amount to the Company, and such amount shall not be treated as a contribution to capital, and (C) without reduction to a Member's (or former Member's) obligations under this Section 13.04, any amount paid by the Company that is attributable to a Member, and that is not paid by such Member pursuant to clause (B) above, shall be treated for purposes of this Agreement as a Withholding Advance under Section 5.01.

- (e) In the event that an election for adjustment to be taken into account by Members is made, the Members agree and covenant to take into account and report to the U.S. Internal Revenue Service (or any other applicable taxing authority) any adjustment to their tax items for the reviewed year of which they are notified by the Company in a written statement, whether or not the Member owns any Membership Interests at such time. Any Member that fails to report its share of such adjustments on the Member's tax return for the taxable year including the date of the Company's statement described immediately above shall indemnify and hold the Company harmless from and against any and all liabilities related to taxes (including penalties and interest) imposed on the Company as a result of the Member's inaction.
- (f) The Tax Matters Representative and Designated Individual (as appropriate) shall be entitled to be reimbursed by the Company for all costs and expenses incurred by it in connection with any proceeding affecting tax matters of the Company.
- (g) The provisions of this Section 13.04 shall survive the termination of any Member's interest in the Company and shall remain binding on the Company and the Members for so long as necessary to resolve with the U.S. Internal Revenue Service or any other taxing authority any and all matters regarding the taxation of the Members with respect to the Company.
- (h) The Company shall defend, indemnify, and hold harmless the Tax Matters Representative and Designated Individual against any and all liabilities sustained as a result of any act or decision concerning Company tax matters and within the scope of the Tax Matters Representative's or Designated Individual's responsibilities, as the case may be, so long as such act or decision was done or made in good faith and does not constitute fraud, gross negligence or willful misconduct.

Section 13.05 Tax Returns

At the expense of the Company, the Board (or any officer that the Board may designate pursuant to Section 7.06) shall endeavor to cause the preparation and timely filing (including extensions) of all tax returns required to be filed by the Company pursuant to the

Code as well as all other required tax returns in each jurisdiction in which the Company owns property or does business. As soon as reasonably possible after the end of each Fiscal Year, the Board or designated officer will cause to be delivered to each Person who was a Member at any time during such Fiscal Year, IRS Schedule K-1 to Form 1065 and such other information with respect to the Company as may be necessary for the preparation of such Person's federal, state and local income tax returns for such Fiscal Year.

Section 13.06 Company Funds

All funds of the Company shall be deposited in its name, or in such name as may be designated by the Board, in such checking, savings or other accounts, or held in its name in the form of such other investments as shall be designated by the Board. The funds of the Company shall not be commingled with the funds of any other Person. All withdrawals of such deposits or liquidations of such investments by the Company shall be made exclusively upon the signature or signatures of such officer or officers as the Board may designate.

ARTICLE XIV - DISSOLUTION AND LIQUIDATION

Section 14.01 Events of Dissolution

The Company shall be dissolved and its affairs wound up only upon the occurrence of any of the following events:

- (a) an election to dissolve the Company made by all of the Members;
- (b) the sale, exchange, involuntary conversion, or other disposition or Transfer of all or substantially all the assets of the Company; or
- (c) The entry of a decree of judicial dissolution under the Massachusetts Act.

Section 14.02 Effectiveness of Dissolution

Dissolution of the Company shall be effective on the day on which the event described in Section 14.01 occurs, but the Company shall not terminate until the winding up of the Company has been completed, the assets of the Company have been distributed as provided in Section 14.03 and the Certificate of Organization shall have been cancelled as provided in Section 14.04.

Section 14.03 Liquidation

If the Company is dissolved pursuant to Section 14.01, the Company shall be liquidated and its business and affairs wound up in accordance with the Massachusetts Act and the following provisions:

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- (a) Liquidator. At least one (1) of the Managers, or another Person selected by the Board, shall act as liquidator to wind up the Company (the "Liquidator"). The Liquidator shall have full power and authority to sell, assign, and encumber any or all of the Company's assets and to wind up and liquidate the affairs of the Company in an orderly and business-like manner.
- (b) Accounting. As promptly as possible after dissolution and again after final liquidation, the Liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable.
- (c) Distribution of Proceeds. The Liquidator shall liquidate the assets of the Company and distribute the proceeds of such liquidation in the following order of priority, unless otherwise required by mandatory provisions of Applicable Law:
- (i) To creditors in order of priority as provided by law, except for any indebtedness owing to any Member.
 - (ii) To the establishment of any reserves that may be deemed by the Board or other persons having control of the liquidation proceedings to be reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company;
 - (iii) To the Members in satisfaction of any indebtedness owing to them;
 - (iv) If the Preferred Member's Unreturned Capital Contribution and Preferred Return is greater than zero, to the Preferred Members, pro rata in proportion to each Preferred Member's Percentage Interest in an amount equal to (i) the Preferred Return on such Preferred Member Unreturned Capital Contribution and (ii) such Preferred Member's Unreturned Capital Contribution.
 - (v) if/once such Preferred Member's Preferred Return and Unreturned Capital Contribution is reduced to zero under (iv), to the Members pro rata in proportion to each Member's Percentage Interest.
- (d) Upon liquidation of the Company, no Member shall be required to contribute any amount to the Company solely because of a deficit balance in its Capital Account and any such deficit balance shall not for any purpose be considered an asset of the Company.
- (e) Discretion of Liquidator. Notwithstanding the provisions of Section 14.03(c) that require the liquidation of the assets of the Company, but subject to the order of priorities set forth in Section 14.03(c), if upon dissolution of the Company the Liquidator reasonably determines that an immediate sale of part or all of the Company's assets would be impractical or could cause undue loss to the Members, the Liquidator may defer the

liquidation of any assets except those necessary to satisfy Company liabilities and reserves, and may, upon unanimous consent of the Members, distribute to the Members, in lieu of cash, as tenants in common and in accordance with the provisions of Section 14.03(c), undivided interests in such Company assets as the Liquidator deems not suitable for liquidation. Any such distribution in kind shall be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operating of such properties at such time. For purposes of any such distribution, any property to be distributed will be valued at its Purchase Value as determined by the Liquidator in good faith.

Section 14.04 Cancellation of Certificate of Organization

Upon completion of the distribution of the assets of the Company as provided in Section 14.03(c) hereof, the Company shall be terminated and the Liquidator shall cause the cancellation of the Certificate of Organization in the Commonwealth of Massachusetts and of all qualifications and registrations of the Company as a foreign limited liability company in jurisdictions other than the Commonwealth of Massachusetts and shall take such other actions as may be necessary to terminate the Company.

Section 14.05 Survival of Rights, Duties and Obligations

Dissolution, liquidation, winding up or termination of the Company for any reason shall not release any party from any Loss that at the time of such dissolution, liquidation, winding up or termination already had accrued to any other party or thereafter may accrue in respect of any act or omission prior to such dissolution, liquidation, winding up or termination. For the avoidance of doubt, none of the foregoing shall replace, diminish or otherwise adversely affect any Member's right to indemnification pursuant to Section 12.04.

Section 14.06 Recourse for Claims

Each Member shall look solely to the assets of the Company for all distributions with respect to the Company, such Member's Capital Account, and such Member's share of Net Income, Net Loss and other items of income, gain, loss and deduction, and shall have no recourse therefor (upon dissolution or otherwise) against the Liquidator or any other Member.

ARTICLE XV - MISCELLANEOUS

Section 15.01 Expenses

Except as otherwise expressly provided herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with

the preparation and execution of this Operating Agreement, or any amendment or waiver hereof, and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

Section 15.02 Further Assurances

In connection with this Operating Agreement and the transactions contemplated hereby, the Company and each Member hereby agrees, at the request of the Company or any other Member, to execute and deliver such additional documents, instruments, conveyances and assurances and to take such further actions as may be required to carry out the provisions hereof and give effect to the transactions contemplated hereby.

Section 15.03 Confidentiality

- (a) Each Member acknowledges that during the term of this Operating Agreement, it will have access to and become acquainted with trade secrets, proprietary information, and other confidential information belonging to the Company and its Affiliates that are not generally known to the public, including, but not limited to, information concerning business plans, financial statements and other information provided pursuant to this Operating Agreement, operating practices and methods, expansion plans, strategic plans, marketing plans, contracts, customer lists, supplier lists, price lists (retail and wholesale), or other business documents that the Company treats as confidential, in any format whatsoever (including oral, written, electronic or any other form or medium) (collectively, "Confidential Information"). In addition, each Member acknowledges that: (i) the Company has invested, and continues to invest, substantial time, expense and specialized knowledge in developing its Confidential Information; (ii) the Confidential Information provides the Company with a competitive advantage over others in the marketplace; and (iii) the Company would be irreparably harmed if the Confidential Information were disclosed to competitors or made available to the public. Without limiting the applicability of any other agreement to which any Member is subject, no Member shall, directly or indirectly, disclose or use (other than solely for the purposes of such Member monitoring and analyzing its investment in the Company, including, without limitation, use for personal, commercial or proprietary advantage or profit, any Confidential Information of which such Member is or becomes aware. Each Member in possession of Confidential Information shall take all appropriate steps to safeguard such information and to protect it against disclosure, misuse, espionage, loss and theft.
- (b) Nothing contained in Section 15.03(a) shall prevent any Member from disclosing Confidential Information: (i) upon the order of any court or administrative agency; (ii) upon the request or demand of any regulatory agency or authority having jurisdiction over such Member; (iii) to the extent compelled by legal process or required or requested pursuant to subpoena, interrogatories or other discovery requests; (iv) to the extent necessary in connection with the exercise of any remedy hereunder; (v) to the other Member; (vi) to such Member's Representatives who, in the reasonable judgment

of such Member, need to know such Confidential Information and agree to be bound by the provisions of this Section 15.03 as if a Member; or (vii) to any potential permitted Transferee in connection with a proposed Transfer of Units from such Member, as long as such Transferee agrees to be bound by the provisions of this Section 15.03 as if a Member; *provided*, that in the case of clause (i), (ii) or (iii), such Member shall notify the Company and other Member of the proposed disclosure as far in advance of such disclosure as practicable (but in no event make any such disclosure before notifying the Company and other Member) and use reasonable efforts to ensure that any Confidential Information so disclosed is accorded confidential treatment satisfactory to the Company, when and if available.

- (c) The restrictions of Section 15.03(a) shall not apply to Confidential Information that: (i) is or becomes generally available to the public other than as a result of a disclosure by a Member in violation of this Operating Agreement; (ii) is or has been independently developed or conceived by such Member without use of Confidential Information; or (iii) becomes available to such Member or any of its Representatives on a non-confidential basis from a source other than the Company, the other Member or any of their respective Representatives; *provided*, that such source is not known by the receiving Member to be bound by a confidentiality agreement regarding the Company.
- (d) The obligations of each Member under this Section 15.03 shall survive (i) the termination, dissolution, liquidation and winding up of the Company, (ii) the withdrawal of such Member from the Company, and (iii) such Member's Transfer of its Units.

Section 15.04 Notices

All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 15.04):

If to the Company:

Stone's Throw Cannabis LLC
100 State Street, 9th Floor
Boston, MA 02109
E-Mail: blake@mensinggroup.com

with a copy to:

Jeffrey N. Fink, Esq.
Kerstein, Coren & Lichtenstein, LLP
60 Walnut Street, 4th Floor
Wellesley, MA 02481
E-Mail: jfink@kcl-law.com
+1.781.997.1587

If to a Member or Manager, to such Member's or Manager's respective mailing address as set forth on the Members Schedule or Managers' Schedule, as applicable.

Section 15.05 Headings

The headings in this Operating Agreement are inserted for convenience or reference only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Operating Agreement or any provision of this Operating Agreement.

Section 15.06 Severability

If any term or provision of this Operating Agreement is held to be invalid, illegal or unenforceable under Applicable Law in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Operating Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Except as provided in Section 12.04(g), upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Operating Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 15.07 Entire Agreement

This Operating Agreement, together with the Certificate of Organization and all related Exhibits and Schedules, constitutes the sole and entire agreement of the parties to this Operating Agreement with respect to the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

Section 15.08 Successors and Assigns

Subject to the restrictions on Transfers set forth herein, this Operating Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. This Operating Agreement may not be assigned by any Member except as permitted by this Operating Agreement and any assignment in violation of this Operating Agreement shall be void and of no effect.

Section 15.09 No Third-Party Beneficiaries

Except as provided in Article XV, which shall be for the benefit of and enforceable by Indemnified Persons as described therein, this Operating Agreement is for the sole benefit of the parties hereto (and their respective heirs, executors, administrators, successors and assigns) and nothing herein, express or implied, is intended to or shall confer upon any other Person, including any creditor of the Company, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Operating Agreement.

Section 15.10 Amendment

No provision of this Operating Agreement may be amended or modified except by an instrument in writing executed by the Company and the Member or Members holding a majority of the Units. Any such written amendment or modification will be binding upon the Company and each Member. Notwithstanding the foregoing, amendments to the Members Schedule and the Managers' Schedule may be made by the Board in accordance with Section 3.01 and Section 7.03(c).

Section 15.11 Waiver

No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Operating Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. For the avoidance of doubt, nothing contained in this Section 15.11 shall diminish any of the explicit and implicit waivers described in this Operating Agreement.

Section 15.12 Governing Law

All issues and questions concerning the application, construction, validity, interpretation and enforcement of this Operating Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Massachusetts or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the Commonwealth of Massachusetts.

Section 15.13 Submission to Mediation and Arbitration

- (a) Jurisdiction and Venue. The jurisdiction and venue for any controversy or claim between or among the Parties arising out of or relating to this Operating Agreement (a "Dispute") shall be Boston, Massachusetts.
- (b) Mediation. A Dispute shall first be resolved by nonbinding confidential mediation with a single mediator administered by the Judicial Arbitration and Mediation Services ("JAMS"). Mediation may be initiated by written notice by any Member to the other Members, and shall be treated as compromise and settlement negotiations under the standards set forth in the Federal Rules of Evidence and all applicable state counterparts, together with any applicable statutes protecting the confidentiality of mediations or settlement discussions. The Members shall jointly choose the mediator from the list of JAMS Neutrals. If the Members cannot agree on a mediator, at the written request of a Member, JAMS shall designate a mediator.
- (c) Arbitration. If a Dispute has not been resolved by mediation within ninety calendar (90) days after the effective date of the written notice beginning the mediation process (or such longer period, if the Members so agree in writing), the mediation shall terminate and the Dispute shall be settled by binding arbitration. The arbitration shall be conducted in accordance with the Commercial Arbitration Rules (the "AAA Rules") then in effect, except as modified by this Section 15.13.
- (d) The Federal Arbitration Act shall govern the interpretation and enforcement of this Operating Agreement on Arbitration. If any court or arbitrator finds that any term makes this Arbitration agreement unenforceable for any reason, the court or arbitrator shall have the power to modify such term (or if necessary delete such term) to the minimum extent necessary to make this Arbitration agreement enforceable to the fullest extent permitted by law.
- (e) The arbitration shall be conducted before a panel of three (3) arbitrators. The arbitrators will be selected by the parties from the AAA's roster of commercial dispute arbitrators. Each of the Members shall designate one (1) arbitrator. No arbitrator may serve on the panel unless they have agreed in writing to abide by the terms of this Section 15.13.
- (f) The arbitrators may render a summary disposition relative to all or some of the issues, provided that the responding Member has had an adequate opportunity to respond to any such application for such disposition. No discovery shall be permitted in connection with the arbitration, except to the extent that it is expressly authorized by the arbitrators upon a showing of substantial need by the Member seeking discovery. Before making any disclosure permitted by the AAA Rules, a Member shall give written notice to the other Members and afford such Member a reasonable opportunity to protect its interests.

-
- (g) If the dispute is financial in nature, each party shall deliver to the other their claimed value. Upon resolution, the mediator or arbitrator shall apportion reasonable representation costs and the costs and associated expenses of the mediation or arbitration applying the approach set forth in Section 1.01, definition Iv, sub-items (b), (c), and (d):
- (i) If the final value as determined by the mediator or arbitrator is higher than the high value asserted by parties in controversy, then the party asserting the lower value shall bear the costs as determined by the mediator or arbitrator.
 - (ii) If the final value as determined by the mediator or arbitrator is lower than the low value asserted by parties in controversy, then the party asserting the higher value shall bear the cost as determined by the mediator or arbitrator.
 - (iii) If the final value as determined by the mediator or arbitrator is between the values asserted by the parties in controversy, then costs shall be shared proportionally as described in the following illustrative examples (which assume party "A" asserts a \$10 claim value and party "B" asserts a \$20 claim value):
 - (A) If the value as found by the mediator or arbitrator is \$15, the midway between the asserted values, then the parties shall share the costs as determined by the mediator or arbitrator equally.
 - (B) If the value as found by the mediator or arbitrator is \$17.50, 75% of the variance between the asserted values, then "A" shall pay 75% of the allowed costs as determined by the mediator or arbitrator and "B" shall pay 25%.
 - (C) If the value as found by the mediator or arbitrator is \$13, 30% of the variance between the asserted values, then "A" shall pay 30% of the allowed costs as determined by the mediator or arbitrator and "B" shall pay 70%.
 - (iv) The arbitration panel shall have no power to award non-monetary or equitable relief of any sort. It shall also have no power to award damages inconsistent with the indemnification provisions herein or any other terms in this Operating Agreement. Judgment on any arbitration award may be entered in any court having jurisdiction. All aspects of the arbitration shall be treated as Confidential. The Members acknowledge that any demand for arbitration arising from or in connection with this Operating Agreement must be issued within one (1) year from the date the Member became aware or should reasonably have become aware of the facts that give rise to alleged liability and, in any event, no later than two (2) years after the cause of action accrued.
 - (v) Any Member may bring an action in court to compel arbitration under this Operating Agreement, to enforce an arbitration award or to obtain temporary injunctive relief pending a judgment based on the arbitration award. Otherwise, no Member shall

initiate or prosecute any lawsuit or administrative action in any way related to any arbitrable claim.

(vi) THE MEMBERS HEREBY WAIVE ANY RIGHTS THEY MAY HAVE TO TRIAL BY JURY IN REGARD TO ARBITRABLE CLAIMS, INCLUDING WITHOUT LIMITATION ANY RIGHT TO TRIAL BY JURY AS TO THE MAKING, EXISTENCE, VALIDITY, OR ENFORCEABILITY OF THE OPERATING AGREEMENT TO ARBITRATE.

(vii) With respect to any mediation or binding arbitration conducted under this Operating Agreement, the Members may choose for themselves whether to appear in person, by phone, video conferencing, or through the submission of documents.

(viii) The provisions of this Section 15.13 shall survive the dissolution, liquidation, winding up and termination of the Company.

Section 15.13 Regulatory Review.

The Members, the Board and the Company acknowledge and agree that this Operating Agreement (a) must comply with the Regulatory Laws (b) may be subject to regulatory review from a Regulatory Authorities and (c) is intended to ensure that the Company maintain its SE/EE Status for so long as such status is required for the maintenance of its licenses and permits or the conduct of its business. In the event that a Regulatory Authorities determines, or the Members otherwise reasonably determine, that this Operating Agreement violates the Regulatory Laws or otherwise would jeopardize the Company's SE/EE Status or the business licenses or permits of the Company, the parties hereto shall negotiate in good faith to modify this Operating Agreement in a mutually acceptable manner to remedy such deficiency, provided, however, that any such modification shall be made so as to maintain the original intent of the parties to the greatest extent possible.

Section 15.14 Side Letters

The Board or a Person authorized by the Board may, on behalf of the Company, without any further act, approval, consent or vote of any Member, enter into side letters or other similar agreements with individual Members which have the effect of establishing rights under, modifying, or supplementing the terms of, this Operating Agreement between the Company and such Member, so long as they have no material adverse effect on the other Members.

Section 15.15 Agreement Drafted by Counsel

Each Member and each Manager acknowledges that counsel for the Company has participated in the preparation this Operating Agreement on behalf of and in the course of its representation of the Company and not as counsel for any Member or any Manager, (ii) a principal of each such counsel is becoming a Preferred Member, (iii) each Member and

Manager has been advised of potential conflicts of interest that may exist, now or in the future, between such counsel and its principal who is becoming a Member and those of the Company and the other Members or Managers, and (iv) the Company, the Members and the Managers have been advised to seek independent counsel.

Section 15.16 Counterparts

This Operating Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Operating Agreement delivered by facsimile, email or other means of Electronic Transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Operating Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Operating Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

EXECUTION ON FOLLOWING PAGE

Remainder of this page is intentionally blank

EXECUTION

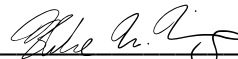
The Company:

Stone's Throw Cannabis LLC

The Members:



Blake Mensing, Manager



Blake Mensing, Founding Member



David Rabinovitz, Founding Member



William Francis Galvin
Secretary of the
Commonwealth

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

November 17, 2022

TO WHOM IT MAY CONCERN:

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

STONE'S THROW CANNABIS LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **October 7, 2021**.

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: **BLAKE M MENSING, DAVID RABINOVITZ**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **BLAKE M MENSING, DAVID RABINOVITZ**

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



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

William Francis Galvin

Secretary of the Commonwealth

Processed By:IL



William Francis Galvin
Secretary of the
Commonwealth

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

November 17, 2022

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



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

William Francis Galvin

Secretary of the Commonwealth

Processed By:IL



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

mass.gov/dor

Letter ID: L1395238944
Notice Date: November 16, 2022
Case ID: 0-001-771-025



CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



STONE'S THROW CANNABIS LLC
100 STATE ST FL 9
BOSTON MA 02109-2412

Why did I receive this notice?

The Commissioner of Revenue certifies that, as of the date of this certificate, STONE'S THROW CANNABIS 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?

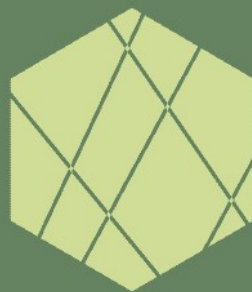
If you have questions, call us at (617) 887-6400 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 9:00 a.m. to 4:00 p.m..

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



Stone's Throw Cannabis

**727 Atlantic Ave
1st & 2nd Floor
Retail Cannabis Dispensary**

Diversity & Inclusion



Employee Enrichment

Goal:

To create a continuous learning environment to promote employee growth in the cannabis industry.

Program:

Employee pathway program will allow employees to cross train into other areas of the cannabis industry and retail business.

Measurement:

Human Resource, business and employee records.



Diverse Suppliers

Goal:

To support diverse suppliers including EEA, SEP, BEP

Program:

20% of business will be conducted by certified diverse businesses for pre-operational and operational work required on site.

Measurement:

Financial and business information records.



Pathway Programs

Goal:

Offer Boston residents from Areas of Disproportionate Impact pathways into the cannabis industry

Program:

Through the Budtender Program (hosted semi-annually) Boston residents will have an opportunity to have a competitive advantage in seeking employment in the cannabis industry

Measurement:

Program Enrollment and Business Records

Promoting Diversity & Local Hiring

OUR COMMITMENT

Focus

- Awareness of the need to support
 - social equity
 - restorative justice
 - individuals disproportionately impacted by the War on Drugs

Living Wage

- Starting wage of \$18 to \$22 per hour
- Wage review after 90-day probationary period
- Annual performance and wage review
- Goal of wages to at minimum keep pace with inflation
- Anti-retaliation and whistleblower policy

Benefits

Full-time (minimum 32-hour workweek) staff benefits:

- health, dental, and vision insurance
- sick pay
- subsidized transportation
- vacation
- short-term disability insurance
- retirement plan

Diversity & Hiring Goals

75%	Of employees will be Boston residents
50%	Of employees will be Women
50%	Of employees will be minorities
30%	Of employees will be cannabis related CORI's
15%	Of employees will be LGBTQ individuals
10%	Of employees will be veterans
5%	Of employees will be persons with disabilities

Resources

STC will work with several non-profits, including but not limited to

- The Big Hope Project
- Roca
- MassHire
- The Mayor's Office of Returning Citizens
- Elevate Northeast
- Diversity-focused job boards
- Staffing agencies
- On-site job fair(s)
- Communication with community leaders
- Presentations to neighborhood groups



Proposed Location

Proposed Location Address

727 Atlantic Ave., Boston, MA 02111

Proposed Hours 9 AM - 9 PM, Mon-Sun

Property Facts:

- Approx. 3,192 sq ft retail space
- Approx. 3,000 sq ft of administrative space

Features and Amenities

- Multiple transportation options (rail, bus, bike)
- High scores for walk, transit, and bike access
- Four local garages

Zoning Buffers

- No school within 500ft
- No cannabis establishments within half-mile walking distance

Security Plan

PROVIDING THE BEST SOLUTION

- **Smart Security, retired BPD Officers, dispensary security specialists.**
 - a. ID verification
 - b. Monitor customer flow
 - c. Prevent any nuisance surrounding and/or within the dispensary
- **Security Plan By Windwalker Group**
 - a. Comprehensive facility security plan
 - b. Camera monitoring and alarm system
 - c. Product security during retail operations
 - d. Secure handling of all payments
- **Transport agreement with Plymouth Armor Group.**
- **Traffic analysis by Fuss and O'Neil.**
- **Added surveillance: 3 Cameras based on community feedback**
 - a. Beach St
 - b. Atlantic Ave.
 - c. South Station
- **Prevention of Diversion to Minors**
 - a. Utilizing the seed to sale tracking system and going above and beyond all CCC requirements we have put in place diversion policies and procedures to ensure minors do not access product
- **Nuisance**
 - a. The proposed operation will in no way present a nuisance to the community. Instead, the proposed operation will bring additional security to the neighborhood through our security plan, positive impact plan, diversion plan, and overall community commitments.





Community Feedback & Benefits

Job Creation & Employment

Local hiring | Living wage | Full benefits | Substantial training

Revenue & Monetary Benefits

Community Impact Fees and Retail Tax

Community Impact

Participate in local drug education and prevention efforts

Volunteering for community focused projects

Participating in community events

3 hi-res security cameras to enhance surveillance and deter crime:

Beach Street | Atlantic Avenue | South Station

Economic Growth

Preference to local vendors, contractors, and other ancillary service providers, with preference for small businesses

Expungement Clinics

Help those impacted by the war on drugs to eliminate a major employment barrier



85 B East Central St, Suite A, Natick MA 01760
617-500-1824 www.budrisk.com

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

RE: Stone's Throw Cannabis LLC (Retail License)

Please be informed that the above referenced applicant has made formal application through our general brokerage for general liability and product liability insurance with minimum limits of \$1,000,000 per occurrence, and \$2,000,000 annual aggregate, and application for additional excess liability limits. In accordance with 935 CMR 500.101(1); 935 CMR 500.105(10), the deductible for each policy can be no higher than \$5,000 per occurrence. The below underwriters have received this application and are expecting to provide proposals within the coming weeks. Stone's Throw Cannabis LLC has purchased a bond through our brokerage with a bond limit in compliance with the Commission's request. We look forward to providing liability coverage to Stone's Throw Cannabis LLC as soon as a bindable proposal is available.

Quadscore Insurance Services
Cannasure Insurance Services, Inc.
Next Wave Insurance Services LLC
Canopius US Insurance Company
United Specialty Insurance Company

Best Regards,

DocuSigned by:

James Boynton

F5081B2D6DCB4CB...

James Boynton

Managing Broker

MA Insurance License #1842496

jim@budrisk.com

RESTRICTING ACCESS TO AGE 21 OR OLDER

Stone's Throw Cannabis LLC ("Stone's Throw Cannabis" or the "Company") is a Marijuana Establishment as defined by 935 CMR 500.002. The Company sets forth the following policies and procedures for restricting access to marijuana and marijuana infused products to individuals over the age of twenty-one (21) pursuant to the Cannabis Control Commission's (the "Commission") regulations at 935 CMR 500.105(1)(p). This regulation states that written operating procedures for the Company shall include "[p]olicies and procedures to prevent the diversion of marijuana to individuals younger than 21 years old."

- A. COMPLIANCE WITH 935 CMR 500.105(1)(p)
The Company incorporates and adopts herein by reference, all of the provisions for the prevention of diversion outlined in the Company's Standard Operating Procedure for the Prevention of Diversion. The provisions detailed in the Company's Standard Operating Procedure for the Prevention of Diversion apply to the prevention of diversion of marijuana and marijuana infused products to all minors and all individuals under the age of twenty-one (21).
- B. SPECIFIC PROVISIONS FOR RESTRICTING ACCESS TO AGE 21 AND OLDER
As stated above, the Company incorporates herein, all provisions for the prevention of diversion of marijuana and marijuana infused product to individuals under the age of twenty-one (21) as detailed in the Company's Standard Operating Procedure for the Prevention of Diversion. Specific provisions regarding restricting access to individuals age twenty-one (21) and older include the following:
 - 1. The Company will only employ marijuana establishment agents, as defined by the Commission's definitions at 935 CMR 500.002, who are at least twenty-one (21) years old.
 - 2. Pursuant to 935 CMR 500.050(5), the Company will only allow consumers to enter the Marijuana Retail Establishment that are 21 years of age or older unless the establishment is co-located with a Medical Marijuana Treatment Center.
 - 3. The Company will only allow visitors, age twenty-one (21) or older, at the Company's facilities. The Company defines visitors in accordance with the Commission's definitions at 935 CMR 500.002. The Company will designate an authorized agent to check the identification of all visitors entering the Company's facilities and entry shall only be granted to those aged twenty-one (21) or older. Acceptable forms of currently valid identification include:

- a. A motor vehicle license;
- c. A government-issued identification card;
- d. A government-issued passport; and
- e. A United States-issued military identification card.

PERSONNEL POLICIES INCLUDING BACKGROUND CHECKS

Stone's Throw Cannabis LLC ("Stone's Throw Cannabis" or the "Company") has drafted and instituted these personnel policies to provide equal opportunity in all areas of employment, including hiring, recruitment, training and development, promotions, transfers, layoff, termination, compensation, benefits, social and recreational programs, and all other conditions and privileges of employment, in accordance with applicable federal, state, and local laws. Stone's Throw Cannabis shall make reasonable accommodations for qualified individuals with demonstrated physical or cognitive disabilities, in accordance with all applicable laws. In accordance with 935 CMR 500.101(1)(c). and 935 CMR 500.101(1)(b), Stone's Throw Cannabis is providing these personnel policies, including background check policies, for its Marijuana Establishment.

Management is primarily responsible for seeing that equal employment opportunity policies are implemented, but all members of the staff share the responsibility for ensuring that, by their personal actions, the policies are effective and apply uniformly to everyone. Any employee, including managers, that Stone's Throw Cannabis determines to be involved in discriminatory practices are subject to disciplinary action and may be terminated. Stone's Throw Cannabis strives to maintain a work environment that is free from discrimination, intimidation, hostility, or other offenses that might interfere with work performance. In keeping with this desire, we will not tolerate any unlawful harassment of employees by anyone, including any manager, co-worker, vendor or clients.

In accordance with 935 CMR 500.105(1), General Operational Requirements for Marijuana Establishments, Written Operating Procedures, as a Marijuana Establishment, Stone's Throw Cannabis has and follows a set of detailed written operating procedures for each location. Stone's Throw Cannabis has developed and will follow a set of such operating procedures for each facility. Stone's Throw Cannabis' operating procedures shall include, but are not necessarily limited to the following:

- (a) Security measures in compliance with 935 CMR 500.110;
- (b) Employee security policies, including personal safety and crime prevention techniques;
- (c) 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:*Adult Use of Marijuana*.
- (d) Storage of marijuana in compliance with 935 CMR 500.105(11);

- (e) 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
- (f) Price lists for Marijuana and Marijuana Products and any other available products, and alternate price list patients with documented Verification Financial Hardship, as defined in 935 CMR 501.002, as required by 935 CMR 501.100(1)(f);
- (g) Procedures to ensure accurate record-keeping, including inventory protocols in compliance with 935 CMR 500.105(8) and (9);
- (h) Plans for quality control, including product testing for contaminants in compliance with 935 CMR 500.160;
- (i) A staffing plan and staffing records in compliance with 935 CMR 500.105(9);
- (j) Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;
- (k) Alcohol, smoke, and drug-free workplace policies;
- (l) A plan describing how confidential information will be maintained;
- (m) 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.
- (n) 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. This requirement may be fulfilled by placing this information on the Marijuana Establishment's website, in compliance with 935 CMR 500.105(1)(n).
- (o) 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).
- (p) Policies and procedures to prevent the diversion of marijuana to individuals younger than 21 years old.
- (q) 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.
- (r) Policies and procedures to promote workplace safety consistent with the standards set forth under the Occupational Safety and Health Act of 1970, 29 U.S.C. § 651, *et seq.*, including the general duty clause under 29 U.S.C. § 654, whereby:

Each employer (a) shall furnish to each of its employees employment and a place of employment which are free from recognized hazards that are causing or are likely to cause death or serious physical harm to its employees; (b) shall comply with occupational safety and health standards promulgated under this act. Each employee shall comply with occupational safety and health standards and all rules, regulations, and orders issued pursuant to 29 U.S.C. § 651, *et seq.*, which are applicable to the employee's own actions and conduct.

This is applicable to all places of employment covered by 935 CMR 500.00:
Adult Use of Marijuana.

In accordance with 935 CMR 500.105(2), all of Stone's Throw Cannabis' current owners, managers and employees that are involved in the handling and sale of marijuana will successfully complete Responsible Vendor Training Program, and once designated a "responsible vendor" require all new employees involved in handling and sale of marijuana to complete this program within 90 days of hire. This program shall then be completed annually and those not selling or handling marijuana may participate voluntarily. Stone's Throw Cannabis shall maintain records of responsible vendor training compliance at its principle place of business, pursuant to 935 CMR 500.105(2)(b). Responsible vendor training shall include: discussion concerning marijuana effect on the human body; diversion prevention; compliance with tracking

requirements; identifying acceptable forms of ID, including medical patient cards; key state and local laws; and such other areas of training determined by the Commission to be included in a Responsible Vendor Training Program..

All employees of Stone's Throw Cannabis will be duly registered as marijuana establishment agents and have to complete a background check in accordance with 935 CMR 500.030(1). All marijuana establishment agents will complete a training course administered by Stone's Throw Cannabis and complete a Responsible Vendor Program in compliance with 935 CMR 500.105(2)(b). Employees will be required to receive a minimum of eight hours of on-going training annually pursuant to 935 CMR 500.105(2)(a).

1. At a minimum, marijuana establishment agents shall receive a total of eight hours of training annually. The eight-hour total training requirement shall be tailored to the roles and responsibilities of the job function of each marijuana establishment agent.
2. A minimum of four hours of training shall be from responsible vendor training program courses established under 935 CMR 500.105(2)(b). Any additional RVT hours over the four-hour RVT requirement may count toward the eight-hour total training requirement.
3. Non-RVT training may be conducted in-house by the Marijuana Establishment or by a third-party vendor engaged by the Stone's Throw Cannabis. Basic on-the-job training Stone's Throw Cannabis provides in the ordinary course of business may be counted toward the eight-hour total training requirement
4. Agents responsible for tracking and entering product into the Seed-to-sale SOR shall receive training in a form and manner determined by the Commission. At a minimum, staff shall receive eight hours of on-going training annually.
5. Stone's Throw Cannabis shall maintain records of compliance with all training requirements noted above. Such records shall be maintained for four years and Stone's Throw Cannabis shall make such records available for inspection on request.

In accordance with 935 CMR 500.105 (9), General Operational Requirements for Marijuana Establishments, Record Keeping, Stone's Throw Cannabis' personnel records will be available for inspection by the Commission, upon request. Stone's Throw Cannabis' records shall be maintained in accordance with generally accepted accounting principles. Written records that are required and are subject to inspection include, but are not necessarily limited to, all records required in any section of 935 CMR 500.000, in addition to the following:

The following Stone's Throw Cannabis 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 of Stone's Throw Cannabis' marijuana establishment agents. Such records shall be maintained for at least 12 months after termination of the individual's affiliation with Stone's Throw Cannabis 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 taken; and
 - g. notice of completed responsible vendor and eight-hour related duty training.
 3. A staffing plan that will demonstrate accessible business hours and safe conditions;
 4. Personnel policies and procedures, including, at minimum, the following:
 - a. Code of ethics;
 - b. Whistle-blower policy; and
 - c.
 5. All background check reports obtained in accordance with M.G.L. c. 6 § 172, 935 CMR 500.029, 935 CMR 500.030, and 803 CMR 2.00:*Criminal Offender Record Information (CORI)*..

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. Stone's Throw Cannabis understands that in the event that Stone's Throw Cannabis were to close, all records will be kept for at least two years at the expense of Stone's Throw Cannabis.

QUALITY CONTROL AND TESTING

Pursuant to 935 CMR 500.160, Stone's Throw Cannabis LLC ("Stone's Throw Cannabis" or "the Company") will not sell or market any marijuana product that has not been tested by licensed Independent Testing Laboratories. Testing of marijuana products shall be performed by an Independent Testing Laboratory in compliance with the Protocol for Sampling and Analysis of Finished Medical Marijuana Products and Marijuana-infused Products, as amended in November 2016 and published by the Massachusetts Department of Public Health. Every marijuana product sold will have a set of specifications which define acceptable quality limits for cannabinoid profile, residual solvents, metals, bacteria, and pesticides.

Stone's Throw Cannabis shall implement a written policy for responding to laboratory results that indicate contaminant levels that are above acceptable levels established in DPH protocols identified in 935 CMR 500.160(1) and subsequent notification to the Commission of such results. Results of any tests will be maintained by Stone's Throw Cannabis for at least one year. All transportation of marijuana to or from testing facilities shall comply with 935 CMR 500.105(13) and any marijuana product returned to Stone's Throw Cannabis by the testing facility will be disposed of in accordance with 935 CMR 500.105(12). Stone's Throw Cannabis shall never sell or market adult use marijuana products that have not first been tested by an Independent Testing Laboratory and deemed to comply with the standards required under 935 CMR 500.160.

Stone's Throw Cannabis' policies include requirements for handling of marijuana, pursuant to 935 CMR 500.105(3), including sanitary measures that include, but are not limited to: hand washing stations; sufficient space for storage of materials; removal of waste; clean floors, walls and ceilings; sanitary building fixtures; sufficient water supply and plumbing; and storage facilities that prevent contamination. All Stone's Throw Cannabis staff will be trained and ensure that marijuana and marijuana products are handled with the appropriate food handling and sanitation standards. Stone's Throw Cannabis will ensure the proper equipment and storage materials, including adequate and convenient hand washing facilities; food-grade stainless steel tables; and temperature- and humidity- control storage units, refrigerators, and freezers.

Stone's Throw Cannabis' Director of Compliance will provide quality control oversight over all marijuana products purchased from wholesale suppliers and sold to licensed adult-use cannabis retail establishments within the Commonwealth of Massachusetts. All Stone's Throw Cannabis staff will immediately notify the Director of Compliance of any actual or potential quality control issues, including marijuana product quality,

facility cleanliness/sterility, tool equipment functionality, and storage conditions. All issues with marijuana products or the facility will be investigated and immediately rectified by the Director of Compliance, including measures taken, if necessary, to contain and dispose of unsafe products. The Director of Compliance will closely monitor product quality and consistency, and ensure expired products are removed and disposed.

All Stone's Throw Cannabis staff will receive relevant quality assurance training and provide quality assurance screening of marijuana flower, to ensure it is well cured and free of seeds, stems, dirt, and contamination, as specified in 935 CMR 500.105(3)(a), and meets the highest quality standards. All staff will wear gloves when handling marijuana and marijuana products, and exercise frequent hand washing and personal cleanliness, as specified in 935 CMR 500.105(2). Marijuana products will be processed in a secure access area of Stone's Throw Cannabis. All contact surfaces shall be maintained, cleaned, and sanitized as frequently as necessary to protect against contamination, in compliance with 935 CMR 500.105(3)(b)(9).

In accordance with 935 CMR 500.105(3)(a), Stone's Throw Cannabis will ensure that only the leaves and flowers of the female marijuana plant are processed accordingly in a safe and sanitary manner as prescribed below:

1. Well cured and generally free of seeds and stems;
2. Free of dirt, sand, debris, and other foreign matter;
3. Free of contamination by mold, rot, other fungus, and bacterial diseases;
4. Prepared and handled on food -grade stainless steel tables; and
5. Packaged in a secure area

Stone's Throw Cannabis management and inventory staff will continuously monitor quality assurance of marijuana products and processes, and prevent and/or mitigate any deficiencies, contamination, or other issues which could harm product safety.

Any spoiled, contaminated, dirty, spilled, or returned marijuana products are considered marijuana waste and will follow Stone's Throw Cannabis procedures for marijuana waste disposal, in accordance with 935 CMR 500.105(12). Marijuana waste will be regularly collected and stored in the secure-access, locked inventory vault.

Litter and waste shall be properly removed so as to minimize the development of odor and the potential for the waste attracting and harboring pests, pursuant to 935 CMR 500.105(12) and 935 CMR 500.105(3)(b)(5).

Pursuant to 935 CMR 500.105(11)(a)-(e), Stone's Throw Cannabis shall provide

adequate lighting, ventilation, temperature, humidity, space and equipment, in accordance with applicable provisions of 935 CMR 500.105 and 500.110. Stone's Throw Cannabis will have a separate area for storage of marijuana that is outdated, damaged, deteriorated, mislabeled, or contaminated, or whose containers or packaging have been opened or breached, unless such products are destroyed. Stone's Throw Cannabis storage areas will be kept in a clean and orderly condition, free from infestations by insects, rodents, birds and any other type of pest. The Stone's Throw Cannabis storage areas will be maintained in accordance with the security requirements of 935 CMR 500.110.

Stone's Throw Cannabis will ensure all toxic items are identified, held, and stored in a manner that protects against contamination of marijuana, in accordance with 935 CMR 500.105(3)(b)(10). Pursuant to 935 CMR 500.105(3)(b)(15), storage and transportation of finished products shall be under conditions that will protect them against physical, chemical, and microbial contamination.

All testing results will be maintained by Stone's Throw Cannabis for no less than one year in accordance with 935 CMR 500.160(3).

Pursuant to 935 CMR 500.160(9), no marijuana product shall be sold or marketed for sale that has not first been tested and deemed to comply with the Independent Testing Laboratory standards.

Stone's Throw Cannabis shall notify the Commission within 72 hours of any laboratory testing results indicating contamination if contamination cannot be remediated and disposal of the production batch is necessary, in accordance with 935 CMR 500.160(2).

Stone's Throw Cannabis shall provide its employees with adequate, readily accessible toilet facilities, in accordance with 935 CMR 500.105(3)(b)(13).

RECORDKEEPING PROCEDURES

Stone's Throw Cannabis LLC ("Stone's Throw Cannabis" or the "Company") records shall be available to the Cannabis Control Commission ("CCC") upon request pursuant to 935 CMR 500.105(9). Stone's Throw Cannabis shall maintain records in accordance with generally accepted accounting principles. All written records required in any section of 935 CMR 500.000 are subject to inspection, in addition to written operating procedures as required by 935 CMR 500.105(1), inventory records as required by 935 CMR 500.105(8) and seed-to-sale tracking records for all marijuana products are required by 935 CMR 500.105(8)(e).

Personnel records will also be maintained, in accordance with 935 CMR 500.105(9)(d), including but not limited to job descriptions and/or employment contracts each employee, organizational charts, staffing plans, periodic performance evaluations, verification of references, employment contracts, documentation of all required training, including training regarding privacy and confidentiality agreements and the signed statement confirming the date, time and place that training was received, record of disciplinary action, notice of completed responsible vendor training and eight-hour duty training, personnel policies and procedures, and background checks obtained in accordance with 935 CMR 500.030. Personnel records will be maintained for at least 12 months after termination of the individual's affiliation with Stone's Throw Cannabis, in accordance with 935 CMR 500.105(9)(d)(2). Additionally, business records will be maintained in accordance with 935 CMR 500.105(9)(e) as well as waste disposal records pursuant to 935 CMR 500.105(9)(f), as required under 935 CMR 500.105(12). Stone's Throw Cannabis shall keep these waste records for at least three years, in accordance with 935 CMR 500.105(12).

PERSONNEL RECORDS

Pursuant to 935 CMR 500.105(9)(d), the following personnel records shall be maintained:

1. Job description for each agent;
2. A personnel record for each agent;
3. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;
4. Personnel policies and procedures; and
5. All background check reports obtained in accordance with 935 CMR 500.030

BUSINESS RECORDS

Pursuant to 935 CMR 500.105(9)(d), the following personnel records shall be maintained:

1. Job description for each agent;
2. A personnel record for each agent;
3. A staffing plan that will demonstrate accessible business hours and safe cultivation conditions;
4. Personnel policies and procedures; and
5. All background check reports obtained in accordance with 935 CMR 500.030

VISITOR LOG

Stone's Throw Cannabis will maintain a visitor log that documents all authorized visitors to the facility, including outside vendors, contractors, and visitors, in accordance with 935 CMR 500.110(4)(e). All visitors must show proper identification and be logged in and out; that log shall be available for inspection by the Commission at all times.

REAL-TIME INVENTORY RECORDS

Stone's Throw Cannabis will maintain real-time inventory records, including at minimum, an inventory of all marijuana and marijuana products received from wholesalers, ready for sale to wholesale customers, and all damaged, defective, expired, or contaminated marijuana and marijuana products awaiting disposal, in accordance with 935 CMR 500.105(8). Real-time inventory records may be accessed via METRC, the Commonwealth's seed-to-sale tracking software of record. Stone's Throw Cannabis will continuously maintain hard copy documentation of all inventory records. The record of each inventory shall include, at a minimum, the date of inventory, a summary of inventory findings, and the names, signatures, and titles of the individuals who conducted the inventory.

MANIFESTS

Stone's Throw Cannabis will maintain records of all manifests for no less than one year and make them available to the Commission upon request, in accordance with 935 CMR 500.105(f). Manifests will include, at a minimum, the originating Licensed Marijuana Establishment Agent's (LME) name, address, and registration number; the names and registration number of the marijuana establishment agent who transported the marijuana products; the names and registration number of the marijuana establishment agent who prepared the manifest; the destination LME name, address, and registration number; a description of marijuana products being transported, including the weight and form or type of product; the mileage of the transporting vehicle at departure from origination LME and the mileage upon arrival at the destination LME, as well as the mileage upon returning to the originating LME; the date and time of departure from the originating LME and arrival at destination LME; a signature line for the marijuana establishment agent who receives the marijuana; the

weight and inventory before departure and upon receipt; the date and time that the transported products were re-weighted and re-inventoried; and the vehicle make, model, and license plate number. Stone's Throw Cannabis will maintain records of all manifests.

INCIDENT REPORTS

Stone's Throw Cannabis will maintain incident reporting records notifying appropriate law enforcement authorities and the Commission about any breach of security immediately, and in no instance, more than 24 hours following the discovery of the breach, in accordance with 935 CMR 500.110(7). Incident reporting notification shall occur, but not be limited to, during the following occasions: discovery of discrepancies identified during inventory; diversion, theft, or loss of any marijuana product; any criminal action involving or occurring on or in the Marijuana Establishment premises; and suspicious act involving the sale, cultivation, distribution, processing or production of marijuana by any person; unauthorized destruction of marijuana; any loss or unauthorized alteration of records relating to marijuana; an alarm activation or other event that requires response by public safety personnel or security personnel privately engaged by the Marijuana Establishment; the failure of any security alarm due to a loss of electrical power or mechanical malfunction that is expected to last more than eight hours; or any other breach of security.

Stone's Throw Cannabis shall, within ten calendar days, provide notice to the Commission of any incident described in 935 CMR 500.110(7)(a) by submitting an incident report in the form and manner determined by the Commission which details the circumstances of the event, any corrective action taken, and confirmation that the appropriate law enforcement authorities were notified. Stone's Throw Cannabis shall maintain all documentation relating to an incident for not less than one year or the duration of an open investigation, whichever is longer, and made available to the Commission and law enforcement authorities upon request.

TRANSPORTATION LOGS

In the event that Stone's Throw Cannabis operates its own vehicle to transport marijuana products, it will maintain a transportation log of all destinations traveled, trip dates and times, starting and ending mileage of each trip, and any emergency stops, including the reason for the stop, duration, location, and any activities of personnel existing the vehicle, as required by 935 CMR 500.115(13). Stone's Throw Cannabis shall retain all transportation logs for no less than a year and make them available to the Commission upon request.

SECURITY AUDITS

Stone's Throw Cannabis will, on an annual basis, obtain at its own expense, a security system audit by a vendor approved by the Commission, in accordance with 935 CMR 500.110(8). A report of the audit will be submitted, in a form and manner determined by the Commission, no later than 30 calendar days after the audit is conducted. If the audit identifies concerns related to Stone's Throw Cannabis' security system, Stone's Throw Cannabis will also submit a plan to mitigate those concerns within ten business days of submitting the audit.

CONFIDENTIAL RECORDS

Stone's Throw Cannabis will ensure that all confidential information, including but not limited to employee personnel records, financial reports, inventory records and manifests, business plans, and other documents are kept safeguarded and private, in accordance with 935 CMR 500.105(1)(k). All confidential hard copy records will be stored in lockable filing cabinets within the Director of Compliance's Office. No keys or passwords will be left in locks, doors, in unrestricted access areas, unattended, or otherwise left accessible to anyone other than the responsible authorized personnel. All confidential electronic files will be safeguarded by a protected network and password protections, as appropriate and required by the Commission. All hard copy confidential records will be shredded when no longer needed.

Following the closure of the Marijuana Establishment, all records will be kept for at least two years at Stone's Throw Cannabis' sole expense and in a form and location acceptable to the Commission, pursuant to 935 CMR 500.105(9)(g).

QUALIFICATIONS AND TRAINING

Stone's Throw Cannabis LLC ("Stone's Throw Cannabis" or the "Company") shall, pursuant to 935 CMR 500.105(2)(a), ensure that all marijuana establishment agents complete training prior to performing job functions. Training will be tailored to the role and responsibilities of the job function. Marijuana Establishment agents will be trained for one week before acting as an agent. At a minimum, staff shall receive eight hours of on-going training annually. New marijuana establishment agents will receive employee orientation prior to beginning work with Stone's Throw Cannabis. Each department manager will provide orientation for agents assigned to their department. Orientation will include a summary overview of all the training modules.

In accordance with 935 CMR 500.105(2)(b), all current owners, managers and employees of Stone's Throw Cannabis that are involved in the handling and sale of marijuana will successfully complete Responsible Vendor Training Program, and once designated a "responsible vendor" require all new employees involved in handling and sale of marijuana to complete this program within 90 days of hire. This program shall then be completed annually and those not selling or handling marijuana may participate voluntarily. Stone's Throw Cannabis shall maintain records of responsible vendor training compliance, pursuant to 935 CMR 500.105(2)(b). Responsible vendor training shall include: discussion concerning marijuana's effects on the human body; diversion prevention; compliance with seed-to-sale tracking requirements; identifying acceptable forms of ID demonstrating the age of majority (21+); and key state and local laws.

All of Stone's Throw Cannabis' employees will be registered as marijuana establishment agents, in accordance with 935 CMR 500.030. All Stone's Throw Cannabis employees will be duly registered as marijuana establishment agents and have to complete a background check in accordance with 935 CMR 500.030(1). All registered agents of Stone's Throw Cannabis shall meet suitability standards of 935 CMR 500.800.

Training will be recorded and retained in the marijuana establishment agents' files. Stone's Throw Cannabis shall retain all training records for four (4) years as required by 935 CMR 500.105(s). All marijuana establishment agents will have continuous quality training and a minimum of 8 hours annual on-going training.

MAINTAINING OF FINANCIAL RECORDS

Stone's Throw Cannabis LLC ("Stone's Throw Cannabis" or the "Company") policy is to maintain financial records in accordance with 935 CMR 500.105(9)(e). The records will include manual or computerized records of assets and liabilities, monetary transactions; books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices and vouchers; sales records including the quantity, form, and cost of marijuana products; and salary and wages paid to each employee, stipends 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 non-profit corporation.

Furthermore, Stone's Throw Cannabis will implement the following policies for Recording Sales:

- (a) Stone's Throw Cannabis will utilize a point-of-sale ("POS") system approved by the Commission, in consultation with the Massachusetts Department of Revenue ("DOR").
- (b) Stone's Throw Cannabis may also utilize a sales recording module approved by the DOR.
- (c) Stone's Throw Cannabis will not utilize any software or other methods to manipulate or alter sales data at any time or under any circumstances.
- (d) Stone's Throw Cannabis will conduct a monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate or alter sales data. Stone's Throw Cannabis will maintain records that it has performed the monthly analysis and produce it upon request to the Commission. If Stone's Throw Cannabis 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. it will immediately disclose the information to the Commission;
 - ii. it will cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
 - iii. take such other action directed by the Commission to comply with 935 CMR 500.105.
- (e) Stone's Throw Cannabis will comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements.
- (f) Stone's Throw Cannabis will adopt separate accounting practices at the POS for marijuana and marijuana product sales, and non-marijuana sales.

- (g) Stone's Throw Cannabis will allow the Commission and the DOR audit and examine the POS system used by a retailer in order to ensure compliance with Massachusetts tax laws and 935 CMR 500.140(5).

Following the closure of Stone's Throw Cannabis, all records will be kept for at least two years, at Stone's Throw Cannabis' sole expense, and in a form and location acceptable to the Commission, in accordance with 935 CMR 500.105(9)(g). Stone's Throw Cannabis shall keep financial records for a minimum of three years from the date of the filed tax return, in accordance with 830 CMR 62C.25.1(7) and 935 CMR 500.140(5).

ENERGY COMPLIANCE PLAN

Stone's Throw Cannabis LLC ("Stone's Throw Cannabis" or the "Company") will work with our architect and engineer to identify as many energy saving strategies as possible. In addition, Stone's Throw Cannabis will implement, as much as is feasible, the following energy saving strategies:

- Increasing or adding insulation.
- Installing 'smart' thermostats to identify periods where heating/cooling loads can be reduced
- Installing LED lighting
- Ensuring that the restrooms use low flow toilets and sinks.
- Coordinating with the HVAC contractor to identify any energy saving opportunities.
- Evaluating the efficacy of switching the kitchen(s) in the space to on-demand hot water heaters.
- Installing Photovoltaic panels
- Increase daylight into work areas
- Minimize night work
- Source raw materials only from suppliers that also implement energy saving measures
- Install bike racks to encourage bike use by employees
- Sustainable packaging of products
- Recycling

In the future, any replacements or upgrades of heating/cooling, lighting, and plumbing will include energy efficiency as part of its criteria for evaluation.

Stone's Throw Cannabis will investigate rooftop solar arrays to generate electricity, and rooftop solar hot water to provide both hot water and heat for the space.

Stone's Throw Cannabis acknowledges that if a Provisional License is issued, Stone's Throw Cannabis, at the Architectural Review stage, will submit further information to demonstrate actual consideration of energy reduction opportunities, use of renewable energy and renewable energy generation, including a list of opportunities that were considered and information that demonstrates actual engagement with energy

efficiency programs and any financial incentives received. This information will include whether opportunities are being implemented, will be implemented at a later date, or are not planned to be implemented.

Stone's Throw Cannabis will also include a summary of information that was considered to make the decision (i.e. costs, available incentives, and bill savings). Stone's Throw Cannabis will engage in either a Mass Save audit or coordinate with our local municipal electric company to conduct an audit, which will be included in the summary.

As part of our written operating procedures we will conduct an annual energy audit and request regular meetings with our municipal utilities to identify energy efficiency programs, incentives, opportunities, and areas for Stone's Throw Cannabis to optimize its energy usage.

Stone's Throw Cannabis is committed to considering how to optimally use energy early in the facility design process and continually assess new opportunities for reduced energy usage and costs.

Stone's Throw Cannabis will use best management practices to reduce energy and water usage, engage in energy consideration, and mitigate other environmental impacts.

Stone's Throw Cannabis will meet all applicable environmental laws and regulations; receive permits and other applicable approvals, including those related to water quality and solid and hazardous waste management, as a requirement of obtaining a final license.

DISPENSING PROCEDURES

All products sold to customers (aged 21+, with valid government-issued proof of identification) from Stone's Throw Cannabis LLC ("Stone's Throw Cannabis" or "the Company") will meet the requirements of 935 CMR 500.105(5)(a)-(d) addressing labeling of marijuana, marijuana products, edibles, marijuana concentrates and extracts and marijuana infused topicals and tinctures. Each label will contain wording no less than one-sixteenth (1/16) inch in size on each package of marijuana that it makes available for retail sale and shall include, at minimum: the name and registration

number, telephone number and email address of the duly-licensed marijuana retailer and marijuana product manufacturer and cultivator that produced the marijuana ; the name of the product; the net weight or volume of marijuana contained within the package; the full Cannabinoid Profile of the Marijuana contained within the package, including THC and other Cannabinoid levels; type of marijuana used in the product; the batch number, sequential serial number and bar code when used to identify the batch associated with manufacturing and processing; the date of creation/ packaging; directions for the use of the marijuana if relevant; and the symbols issued by the Commission that indicates the package contains marijuana product as found in 935 CMR 500.105(5)(a)(8)-(9).

Pursuant to 935 CMR 500.105(1)(e), Stone's Throw Cannabis' written operating procedures have been developed to provide a list of cultivars of marijuana (colloquially known as “strains,” although that is not the appropriate botanical terminology) that will be sold, cultivated, processed and dispensed and will also list the forms in which the marijuana will be sold.

Pursuant to 935 CMR 500.105(1)(p), Stone's Throw Cannabis, as a marijuana retail establishment, upon entry into the facility by an individual, a registered marijuana establishment agent shall immediately inspect the individual's proof of identification. An individual shall not be admitted to the premises unless the Stone's Throw Cannabis registered marijuana establishment agent has verified that the individual is 21 years of age or older by offering proof of identification, which shall be a valid government-issued identification. No individuals, whether customers or other visitors, shall be admitted into the facility without providing proof of the age of majority (21 years old) under any circumstances.

Pursuant to 935 CMR 500.140(2), Stone's Throw Cannabis, as an adult-use retail marijuana establishment location, Stone's Throw Cannabis registered marijuana retail establishment agent shall immediately inspect the individual's proof of identification upon entry to the facility. An individual shall not be admitted to the premises unless the Stone's Throw Cannabis registered marijuana establishment agent has verified that the individual is 21 years of age or older by offering proof of identification, which shall be a valid government-issued identification card. No individuals, whether customers or other visitors, shall be admitted into the facility without providing proof of the age of majority (21 years old) under any circumstances.

Pursuant to 935 CMR 500.140 (3) Stone's Throw Cannabis will strictly adhere to the regulations on Limitation on Sales, which provides as follows: “In accordance with M.G.L. c. 94G, § 7, a Marijuana Retailer [Stone's Throw Cannabis] may not sell more

than one ounce of marijuana or its dry weight equivalent in marijuana concentrate or edibles to a retail consumer per day.

Pursuant to 935 CMR 500.140(4)(a)-(e), Stone's Throw Cannabis shall strictly adhere to the Cannabis Control Commission's regulations on Unauthorized Sales and Right to Refuse Sales:

- A. As a Marijuana Retailer, Stone's Throw Cannabis shall refuse to sell marijuana to any consumer who is unable to produce valid proof of government-issued identification.
- B. As a retailer, Stone's Throw Cannabis shall refuse to sell marijuana products to a consumer if, in the opinion of the marijuana retail establishment agent based on the information available to the agent at that time, the consumer or the public would be placed at risk.
- C. As a retailer, Stone's Throw Cannabis may not sell to an individual more than one ounce of marijuana or five grams of marijuana concentrate per transaction.
- D. As a retailer, Stone's Throw Cannabis is prohibited from selling marijuana products containing nicotine.
- E. As a retailer, Stone's Throw Cannabis is prohibited from selling marijuana products containing alcohol, if sales of such alcohol would require licensure pursuant to M.G.L. c. 138.

Pursuant to 935 CMR 500.140(5)(a)-(g), Stone's Throw Cannabis will strictly adhere to the regulations on Recording Sales:

- A. As a Marijuana Retailer, Stone's Throw Cannabis shall only utilize a point-of-sale system approved by the Commission, in consultation with the DOR.
- B. As a retailer, Stone's Throw Cannabis may utilize a sales recording module approved by the DOR.
- C. As a retailer, Stone's Throw Cannabis is prohibited from utilizing software or other methods to manipulate or alter sales data.
- D. As a retailer, Stone's Throw Cannabis shall conduct a monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate or alter sales data.

As a Marijuana Retailer, Stone's Throw Cannabis shall maintain records that it has performed the monthly analysis and produce it upon request to the Commission. If as a retailer, Stone's Throw Cannabis 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:

- a. it shall immediately disclose the information to the Commission;

- b. it shall cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and
 - c. take such other action directed by the Commission to comply with 935 CMR 500.105: *General Operational Requirements for Marijuana Establishments*.
- E. As a retailer, Stone's Throw Cannabis shall comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements.
- F. As a retailer, Stone's Throw Cannabis shall adopt separate accounting practices at the point-of-sale for marijuana and marijuana product sales, and non-marijuana sales.
- G. The Commission and the DOR may audit and examine the point-of-sale system used by Stone's Throw Cannabis, as a retailer, in order to ensure compliance with Massachusetts tax laws and 935 CMR 500.140(5): *Recording Sales*;

Pursuant to 935 CMR 500.140(6), Stone's Throw Cannabis shall comply with the Consumer Education regulatory requirements. As a Marijuana Retailer, Stone's Throw Cannabis shall make available educational materials about marijuana products to consumers. As a retailer, Stone's Throw Cannabis shall have an adequate supply of current educational material available for distribution. Educational materials shall be available in commonly spoken languages designated by the Commission, which will include, but not be limited to appropriate materials for the visually- and hearing-impaired. Such materials shall be made available for inspection by the Commission upon request. The Commission will establish fines or other civil penalties for a Marijuana Establishment's failure to provide these materials. The educational material shall include at least the following:

- (a) A warning that marijuana has not been analyzed or approved by the FDA, that there is limited information on side effects, that there may be health risks associated with using marijuana, and that it should be kept away from children;
- (b) A warning that when under the influence of marijuana, driving is prohibited by M.G.L. c. 90, §24, and machinery should not be operated;
- (c) Information to assist in the selection of marijuana, describing the potential differing effects of various strains of marijuana, as well as various forms and routes of administration;
- (d) Materials offered to consumers to enable them to track the strains used and their associated effects;
- (e) Information describing proper dosage and titration for different routes of administration. Emphasis shall be on using the smallest amount possible to achieve the desired effect. The impact of potency shall also be explained;

- (f) A discussion of tolerance, dependence, and withdrawal;
- (g) Facts regarding substance abuse signs and symptoms, as well as referral information for substance abuse treatment programs;
- (h) A statement that consumers may not sell marijuana to any other individual;
- (i) Information regarding penalties for possession or distribution of marijuana in violation of Massachusetts law; and
- (j) Any other information required by the Commission.

Pursuant to 935 CMR 500.140 (7), Stone's Throw Cannabis will comply with the regulations on Testing. Stone's Throw Cannabis understands and will comply with regulations that 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: *Adult Use of Marijuana*. Stone's Throw Cannabis will not dispense any marijuana product that has not been tested by an Independent Testing Laboratory and deemed to comply with the acceptable standards required under 935 CMR 500.160.

Pursuant to 935 CMR 500.140(8), Stone's Throw Cannabis shall comply with the labeling and packaging requirements under 935 CMR 500.105(5) and 935 CMR 500.105(6).

In compliance with 935 CMR 500.140(9)(a-f), whereby the Stone's Throw Cannabis may allow for advance contactless ordering of marijuana and marijuana products by telephone, website or third-party platform, which shall be available for inspection prior to commencing operations and on request. In addition, Stone's Throw Cannabis may fulfill advance orders through contractless means by not requiring contact between a consumer and registered marijuana agent.

Stone's Throw Cannabis, in purchasing wholesale marijuana products from a licensed marijuana product manufacturer for the purposes of repackaging marijuana products for sale to consumers shall provide the Commission with the following information, in accordance with 935 CMR 500.140(10).

- a. Stone's Throw Cannabis will provide:
 - 1. A photograph of a finished marijuana product outside of, but next to, the marijuana product's packaging; provided, however, where single servings of a multi-serving product are unable to be easily identified because of its

form, then a description of what constitutes a single serving shall be provided.

2. A photograph the marijuana product inside packaging; and
 3. The name of the product manufacturer that produced the marijuana product.
- b. Photographs submitted shall be electronic files in a JPEG format with a minimum photo resolution of 640x480 and print resolution of 300 DPI, and shall be against a white background.
- c. Stone's Throw Cannabis shall provide the information required under 935 CMR 500.140(8)(a) for each marijuana product it repackages for sale prior to the product being made available for sale and shall update the information whenever a substantial change to packaging or label of marijuana product occurs, in compliance with 935 CMR 500.140(10)(c).

Stone's Throw Cannabis will implement additional policies and procedures necessary to adequately track, record, and document all vendor samples that the marijuana retailer receives from a marijuana cultivator or a marijuana product manufacturer in compliance with 935 CMR 500.140(11).

Stone's Throw Cannabis may receive a vendor sample of marijuana flower from a marijuana cultivator pursuant to 935 CMR 500.120(13). Stone's Throw Cannabis may also receive a vendor sample from a marijuana product manufacturer pursuant to 935 CMR 500.130(7). In compliance with 935 CMR 500.140(12), Stone's Throw Cannabis will not sell vendor samples to another marijuana establishment licensee or consumer.

Pursuant to 935 CMR 500.140(13), Stone's Throw Cannabis offering marijuana vaporizer devices for sale to consumers shall include signage at the point of sale, that is legible and enlarged and contains the following statements:

1. "Marijuana vaporizer devices have been tested for Vitamin E Acetate and other contaminants, with no adverse findings. WARNING: Vaporizer devices may contain ingredients harmful to health when inhaled."
2. "Consumers shall have access to the test results of marijuana vaporizer devices including copies of any Certificates of Analysis provided by the device's manufacturer."

In addition, Stone's Throw Cannabis shall provide a physical insert to consumers that accompanies and emphasizes the following: "Marijuana vaporizer devices have been

tested for Vitamin E Acetate and other contaminants, with no adverse findings.
WARNING: Vaporizer devices may contain ingredients harmful to health when inhaled.”.
The sale of disposable and reusable vaporizer pens and devices shall be accompanied by a product insert identifying the materials used in the vaporizer device’s atomizer coil, and manufacturer identification of the device hardware, cartridge, battery and other components. Stone's Throw Cannabis will also make available information contained in 935 CMR 500.105(5)(c)(6) in the product description at the point of sale and as part of any product list posted in the Stone's Throw Cannabis’ website or third-party platforms or applications employed for pre-ordering delivery.

STORAGE OF MARIJUANA

Pursuant to 935 CMR 500.105(11)(a)-(e), Stone’s Throw Cannabis LLC (“Stone's Throw Cannabis” or the “Company”) will provide adequate lighting, ventilation, temperature, humidity, space and equipment, in accordance with applicable provisions of 935 CMR 500.105 and 500.110. Stone's Throw Cannabis will have separate storage areas of marijuana that is outdated, damaged, deteriorated, mislabeled, or contaminated, or whose containers or packaging have been opened or breached, unless such products are destroyed. Stone's Throw Cannabis storage areas will be kept in a clean and orderly condition, free from infestations by insects, rodents, birds and any other type of pest. Stone's Throw Cannabis storage areas will be maintained in accordance with the security requirements of 935 CMR 500.110.

Stone's Throw Cannabis storage policy dictates that product may only be stored in areas under video surveillance. Only authorized marijuana establishment agents have access to product storage areas, product storage keys, and/or access cards. Storage rooms must remain locked and protected from entry, at all times, except for the actual time required to remove or replace marijuana. Marijuana establishment agents in product rooms without authorization, or good reason, will be terminated.

Marijuana waste will be tracked, handled, stored, and disposed of in compliance with 935 CMR 500.105 (3), (8), and (12). Stone's Throw Cannabis will contract with other licensed marijuana establishments, as necessary, to dispose of marijuana waste and comply with all regulatory requirements.

Pursuant to 935 CMR 500.105(13)(d), Stone's Throw Cannabis will transport marijuana products between marijuana establishments in a secure, locked storage compartment that is a part of the vehicle transporting the marijuana products and the storage compartment will be sufficiently secure that it cannot be easily removed. All vehicles

and transportation equipment used in the transportation of cannabis products or edibles requiring temperature control for safety will be designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the cannabis products or edibles from becoming unsafe during transportation, in accordance with 935 CMR 500.105(13)(a).

During delivery, pursuant to 935 CMR 500.110(8)(a)(3), Stone's Throw Cannabis will transport marijuana and marijuana products in a secure, locked storage compartment that is a part of the vehicle and complies with the requirements of 935 CMR 500.110(8).

If Stone's Throw Cannabis plans to transport marijuana products to multiple other establishments in the future, it will seek the Commission's permission to adopt reasonable alternative safeguards.

DIVERSITY PLAN

Stone's Throw Cannabis LLC ("Stone's Throw Cannabis" or the "Company") is committed to actively promoting diversity, inclusion, and cultural competency, by implementing programmatic and operational procedures and policies that will help to make Stone's Throw Cannabis a leader and champion of diversity, both locally in Boston and throughout the broader Massachusetts cannabis industry.

Stone's Throw Cannabis' commitment to diversity is reflected in the following Goals, which shall be pursued through the Programs outlined herein, and the progress of which shall be judged by the Measurements/ Metrics as stated below, and adjusted as needed if necessary:

Goal One - Diversity in Hiring:

Achieve at least the goals below for our hiring and staffing:

Veterans	20%
People with Disabilities	20%
LGBTQ+ individuals	20%
Women	20%
People of color, particularly Black, African American, Hispanic, Latinx, and Indigenous people	20%

Programs to Achieve Goal One:

Increase diversity of the make-up of our staff by actively seeking out people who are members of the groups specified above, through in-house hiring initiatives and participation in online diversity job boards at least once a year and as frequently as needed as staffing needs dictate. Sources utilized will include: *The Boston Globe*, *The Boston Herald*.

Measurements for Diversity Goal One:

Stone's Throw Cannabis personnel files shall be evaluated on an annual basis to determine how many employees are members of the groups above that occupy positions within the company and that number shall be divided by Stone's Throw Cannabis' total staffing at its facility to determine the percentage achieved.

Goal Two - Diversity in Contracting:

Enhance workforce diversity by contracting with diverse businesses. Stone's Throw Cannabis shall strive to employ at least the following percentages of its contractors, subcontractors, and suppliers from the following groups specified in the paragraph below:

Minority Business Enterprise	5%
Women Business Enterprise	5%
Veteran Business Enterprise	5%
LGBT Business Enterprise	5%
Disability-Owned Business Enterprise	5%

Programs for Goal Two:

Stone's Throw Cannabis will make good faith efforts to employ contractors, subcontractors, and suppliers who are listed in the Commonwealth of Massachusetts Directory of Certified Businesses as being a business from the categories above, with particular consideration given to businesses classified as Disadvantaged Business Enterprises.

Stone's Throw Cannabis seeks to have diversity across the listed demographic groups and measure those against the primary ownership of all of our contracted partners. We will strive to not limit our contractual relationships to a single disadvantaged business entity ("DBE") category and will instead seek a variety of qualifying businesses to contract with and will judge the mix of those relationships.

Measurements for Goal Two:

Stone's Throw Cannabis shall maintain a list of active contractors, subcontractors, and suppliers and compare that list annually to the Massachusetts Directory of Certified Businesses to determine progress towards the goals listed above.

Our goals are objectively reasonable.

Stone's Throw Cannabis' goals for this Establishment are objectively reasonable because of the facts (the demographics listed in the paragraph above) and our ability to advertise job positions in local papers.

Stone's Throw Cannabis acknowledges that the progress or success of our plan will be documented upon renewal (one year from provisional licensure, and each year thereafter).

Stone's Throw Cannabis will adhere to the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of Marijuana Establishments.

Stone's Throw Cannabis acknowledges that any actions taken, or programs instituted will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.