



Massachusetts Cannabis Control Commission

Marijuana Retailer

General Information:

License Number: MR282638
Original Issued Date: 07/17/2020
Issued Date: 07/17/2020
Expiration Date: 07/17/2021

ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Eskar Arlington LLC

Phone Number: 781-697-9323 Email Address: jcrowford@publicpolicylaw.com

Business Address 1: 9 Wildwood Road Business Address 2:

Business City: Middleton Business State: MA Business Zip Code: 01949

Mailing Address 1: 9 Wildwood Road Mailing Address 2:

Mailing City: Middleton Mailing State: MA Mailing Zip Code: 01949

CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

PRIORITY APPLICANT

Priority Applicant: no

Priority Applicant Type: Not a Priority Applicant

Economic Empowerment Applicant Certification Number:

RMD Priority Certification Number:

RMD INFORMATION

Name of RMD:

Department of Public Health RMD Registration Number:

Operational and Registration Status:

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

If no, describe the circumstances below:

PERSONS WITH DIRECT OR INDIRECT AUTHORITY

Person with Direct or Indirect Authority 1

Percentage Of Ownership: 50.23 Percentage Of Control: 50

Role: Owner / Partner Other Role:

First Name: Michael Last Name: Hunnewell 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: 40.77 Percentage Of Control: 50

Role: Owner / Partner Other Role:

First Name: Michael Last Name: Aldi Suffix:

Gender: Male User Defined Gender:

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

Specify Race or Ethnicity:

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

Entity with Direct or Indirect Authority 1

Percentage of Control: Percentage of Ownership: 85

Entity Legal Name: Eskar Holdings LLC Entity DBA: DBA City:

Entity Description: Holding Company for controlling interest in Eskar Arlington LLC

Foreign Subsidiary Narrative:

Entity Phone: 781-697-9323 Entity Email: mike.r.hunnewell@gmail.com Entity Website:

Entity Address 1: 15 Forbes Street Apt #2 Entity Address 2:

Entity City: Boston Entity State: MA Entity Zip Code: 02130

Entity Mailing Address 1: 15 Forbes Street Apt #2 Entity Mailing Address 2:

Entity Mailing City: Boston Entity Mailing State: MA Entity Mailing Zip Code: 02130

Relationship Description: Eskar Holdings LLC holds 85% of the membership interests in the Marijuana establishment, of Eskar Arlington LLC. The manor in which authority exercised is by virtue of the appointment of Michael Aldi and Michael Hunnewell as managing members of Eskar Holdings LLC.

CLOSE ASSOCIATES AND MEMBERS

Close Associates or Member 1

First Name: Brian Last Name: Navarro Suffix:

Describe the nature of the relationship this person has with the Marijuana Establishment: Capital Investor

Close Associates or Member 2

First Name: John Last Name: Aldi Suffix:

Describe the nature of the relationship this person has with the Marijuana Establishment: Capital Investor

CAPITAL RESOURCES - INDIVIDUALS

Individual Contributing Capital 1

First Name: Brian Last Name: Navarro Suffix:

Types of Capital: Monetary/Equity Other Type of Capital: Total Value of the Capital Provided: \$475000 Percentage of Initial Capital: 82

Capital Attestation: Yes

Individual Contributing Capital 2

First Name: John Last Name: Aldi Suffix:

Types of Capital: Monetary/Equity Other Type of Capital: Total Value of the Capital Provided: \$100000 Percentage of Initial Capital: 18

Capital Attestation: Yes

CAPITAL RESOURCES - ENTITIES

No records found

BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

DISCLOSURE OF INDIVIDUAL INTERESTS

Individual 1

First Name: Michael Last Name: Hunnewell Suffix:
Marijuana Establishment Name: Eskar Northbridge LLC Business Type: Marijuana Retailer
Marijuana Establishment City: Northbridge Marijuana Establishment State: MA

Individual 2

First Name: Michael Last Name: Aldi Suffix:
Marijuana Establishment Name: Eskar Northbridge LLC Business Type: Marijuana Retailer
Marijuana Establishment City: Northbridge Marijuana Establishment State: MA

Individual 3

First Name: Brian Last Name: Navarro Suffix:
Marijuana Establishment Name: Eskar Northbridge LLC Business Type: Marijuana Retailer
Marijuana Establishment City: Northbridge Marijuana Establishment State: MA

Individual 4

First Name: John Last Name: Aldi Suffix:
Marijuana Establishment Name: Eskar Northbridge LLC Business Type: Marijuana Retailer
Marijuana Establishment City: Northbridge Marijuana Establishment State: MA

MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 21 Broadway Street

Establishment Address 2:

Establishment City: Arlington Establishment Zip Code: 02474

Approximate square footage of the establishment: 2500 How many abutters does this property have?:
21

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
Community Outreach Meeting Documentation	Eskar Arlington Community Outreach Meeting Attestation Packet 10.29.19.pdf	pdf	5dc1c55ebcb01253152f429c	11/05/2019
Certification of Host Community Agreement	Eskar Arlington Host Community Agreement Cetification.pdf	pdf	5e8a314ff0445c357cb07995	04/05/2020
Plan to Remain Compliant with Local Zoning	Eskar Arlington Plan to Remain Compliant with Local Zoning Arlington.pdf	pdf	5e8a31aed29ad9357159705d	04/05/2020

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	Eskar Arlington Plan for Positive Impact RFI 1.pdf	pdf	5e8b452e172cbc354597628b	04/06/2020

ADDITIONAL INFORMATION NOTIFICATION

Notification: I understand

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: Owner / Partner Other Role: President
First Name: Michael Last Name: Hunnewell Suffix:
RMD Association: Not associated with an RMD
Background Question: no

Individual Background Information 2

Role: Owner / Partner Other Role: Vice President
First Name: Michael Last Name: Aldi Suffix:
RMD Association: Not associated with an RMD
Background Question: no

Individual Background Information 3

Role: Other (specify) Other Role: Close Associate
First Name: John Last Name: Aldi Suffix:
RMD Association: Not associated with an RMD
Background Question: no

Individual Background Information 4

Role: Other (specify) Other Role: Close Associate
First Name: Brian Last Name: Navarro Suffix:
RMD Association: Not associated with an RMD
Background Question: no

ENTITY BACKGROUND CHECK INFORMATION

Entity Background Check Information 1

Role: Parent Company Other Role:
Entity Legal Name: Eskar Holdings, LLC Entity DBA:
Entity Description: Majority Owner of Eskar Arlington, LLC
Phone: 781-697-9323 Email: mike.r.hunnewell@gmail.com
Primary Business Address 1: 15 Forbes Street, Apt. #2 Primary Business Address 2:
Primary Business City: Boston Primary Business State: MA Principal Business Zip Code: 02130
Additional Information:

MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	Eskar Arlington Certificate of Organization.pdf	pdf	5e8a33e8172cbc35459760d6	04/05/2020
Department of Revenue - Certificate of Good standing	Eskar Arlington Certificate of Good Standing DOR.pdf	pdf	5e8a349481ed8a355b8d8e11	04/05/2020
Secretary of Commonwealth - Certificate of Good Standing	Eskar Arlington Certificate of Good Standing SOS.pdf	pdf	5e8a34a4554b033566cd0f33	04/05/2020
Secretary of Commonwealth - Certificate of Good Standing	Eskar Arlington DUA Attestation.pdf	pdf	5e8a3590172cbc35459760df	04/05/2020
Bylaws	Eskar Arlington Operating Agreement_compressed.pdf	pdf	5e8b455f2b97cf38fa37617c	04/06/2020

No documents uploaded

Massachusetts Business Identification Number: 001426220

Doing-Business-As Name:

DBA Registration City:

BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Business Plan	Eskar Business Plan RFI 1.pdf	pdf	5e8a35c181ed8a355b8d8e18	04/05/2020
Plan for Liability Insurance	Eskar Arlington Liability Insurance Plan.pdf	pdf	5e8a36cc5f1da0353e2b33dc	04/05/2020
Proposed Timeline	Eskar Arlington Proposed Timeline.pdf	pdf	5e8a36d32eba6d38ef1659af	04/05/2020

OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for obtaining marijuana or marijuana products	Eskar Arlington Plan for Obtaining Marijuana.pdf	pdf	5e810a3f2b97cf38fa3746f5	03/29/2020
Separating recreational from medical operations, if applicable	Eskar Arlington Separating Medical Recreational.pdf	pdf	5e810a491cdd2e3910a518b3	03/29/2020
Restricting Access to age 21 and older	Eskar Arlington Restricting Access to age 21 or older.pdf	pdf	5e810a52b7c619391b8b8356	03/29/2020
Prevention of diversion	Eskar Arlington Prevention of Diversion.pdf	pdf	5e810a66b014bf38e46cca40	03/29/2020
Storage of marijuana	Eskar Arlington Storage of Marijuana.pdf	pdf	5e810ac4b7c619391b8b835d	03/29/2020
Transportation of marijuana	Eskar Arlington Transportation of Marijuana.pdf	pdf	5e810accbddd0438d21db18e	03/29/2020
Inventory procedures	Eskar Arlington Inventory Procedures.pdf	pdf	5e810ad6482e703583b7a0c7	03/29/2020

Quality control and testing	Eskar Arlington Quality Control and Testing.pdf	pdf	5e810adf9a385038d9d89411	03/29/2020
Dispensing procedures	Eskar Arlington Dispensing Procedures.pdf	pdf	5e810aebbddf0438d21db194	03/29/2020
Personnel policies including background checks	Eskar Arlington Personnel Policies.pdf	pdf	5e810af5b3c49635509e96a3	03/29/2020
Record Keeping procedures	Eskar Arlington Record Keeping Procedure.pdf	pdf	5e810b012eba6d38ef1640dd	03/29/2020
Maintaining of financial records	Eskar Arlington Maintaining of Financial Records.pdf	pdf	5e810b0c554b033566ccf52a	03/29/2020
Qualifications and training	Eskar Arlington Qualifications and Training.pdf	pdf	5e810b17f0445c357cb06080	03/29/2020
Security plan	Eskar Arlington Security Plan RFI 1.pdf	pdf	5e8a37521cdd2e3910a531a7	04/05/2020
Diversity plan	Eskar Arlington Diversity Plan RFI 1 UPDATE.pdf	pdf	5e94a72cf0445c357cb09068	04/13/2020

MARIJUANA RETAILER SPECIFIC REQUIREMENTS

No documents uploaded

No documents uploaded

ATTESTATIONS

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

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

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

Notification: I Understand

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

I 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: I Understand

COMPLIANCE WITH POSITIVE IMPACT PLAN

No records found

COMPLIANCE WITH DIVERSITY PLAN

Date generated: 12/03/2020

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: 10:00 AM	Sunday To: 7:00 PM

Community Outreach Meeting Attestation Form

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

I, Michael Hurneave II, (insert name) attest as an authorized representative of Eskear LLC (insert name of applicant) that the applicant has complied with the requirements of 935 CMR 500 and the guidance for licensed applicants on community outreach, as detailed below.

1. The Community Outreach Meeting was held on September 4th, 2019 (insert date).
2. A copy of a notice of the time, place, and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was published in a newspaper of general circulation in the city or town on 08/22/2019 (insert date), which was at least seven calendar days prior to the meeting. A copy of the newspaper notice is attached as Attachment A (please clearly label the newspaper notice in the upper right hand corner as Attachment A and upload it as part of this document).
3. A copy of the meeting notice was also filed on 08/21/2019 (insert date) with the city or town clerk, the planning board, the contracting authority for the municipality, and local licensing authority for the adult use of marijuana, if applicable. A copy of the municipal notice is attached as Attachment B (please clearly label the municipal notice in the upper right-hand corner as Attachment B and upload it as part of this document).
4. Notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed on 08/17/2019 (insert date), which was at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town. A copy of one of the notices sent to abutters and parties of interest as described in this section is attached as Attachment C (please clearly label the municipal notice in the upper right hand corner as Attachment C and upload it as part of this document; please only include a copy of one notice and please black out the name and the address of the addressee).



Cannabis
Control
Commission

COMMONWEALTH OF MASSACHUSETTS

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

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

mn pa

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Notice Publish Date:
Thursday, August 22, 2019

Notice Content

19-23 Broadway, Unit 1F, Arlington

LEGAL NOTICE

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for Wednesday, September 4th at 7pm at the Arlington Town Hall in the Lyons Hearing Room. The proposed Marijuana Retail Establishment is anticipated to be located at 19-23 Broadway, Unit 1F, Arlington, MA 02474. There will be an opportunity for the public to ask questions.

AD#13825118
Arlington Advocate 8/22/19

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TOWN CLERK'S OFFICE
ARLINGTON, MA 02174

2019 AUG 21 AM 8:26

RECEIVED

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for Wednesday, September 4th at 7pm at the Arlington Town Hall in the Lyons Hearing Room. The proposed Marijuana Retail Establishment is anticipated to be located at 19-23 Broadway, Unit 1F, Arlington, MA 02474. There will be an opportunity for the public to ask questions.



Office of the
Board of Assessors
Robbins Memorial Town Hall
Arlington, MA 02476
(781) 316-3050
Assessors@town.arlington.ma.us

Abutters List

Date: July 01, 2019

Subject Property Address: 19-23 BROADWAY Arlington, MA
Subject Property ID: 33-2-3

Search Distance: 300 Feet

The Board of Assessors certifies the names and addresses of requested parties in interest, all abutters to a single parcel within 300 feet.

Kevin C. Feeley
Robert E. Greeley
[Signature]

Board of Assessors

Abutters List

Date: July 01, 2019

Subject Property Address: 19-23 BROADWAY Arlington, MA

Subject Property ID: 33-2-3

Search Distance: 300 Feet

Prop ID: 26-6-16.A
Prop Location: 30 BROADWAY Arlington, MA
Owner: CATHOLIC CEMETARY ASSOC
Co-Owner: ARCHDIOCESE OF BOSTON
Mailing Address:
175 BROADWAY
MALDEN, MA 02148

Prop ID: 33-2-1
Prop Location: 22 SUNNYSIDE AVE Arlington, MA
Owner: 22-26 SUNNYSIDE AVENUE LLC
Co-Owner:
Mailing Address:
22 SUNNYSIDE AVE
ARLINGTON, MA 02474

Prop ID: 33-2-3
Prop Location: 19-23 BROADWAY Arlington, MA
Owner: Kentury Ventures LLC
Co-Owner:
Mailing Address:
23 Broadway
Arlington, MA 02474

Prop ID: 33-2-10
Prop Location: 23-25 SILK ST Arlington, MA
Owner: CALCATERRA ANNE M/ETAL
Co-Owner: HOOD MARIA C & PETER M
Mailing Address:
25 SILK ST
ARLINGTON, MA 02474

Prop ID: 33-2-12
Prop Location: 31-33 SILK ST Arlington, MA
Owner: BERSON JULIE LEAH
Co-Owner:
Mailing Address:
33 SILK STREET
ARLINGTON, MA 02474

Prop ID: 33-2-17.A
Prop Location: 35 MICHAEL ST Arlington, MA
Owner: CHAPLIN MONIQUE H
Co-Owner: MC CARTNEY MARY E
Mailing Address:
35 MICHAEL ST
ARLINGTON, MA 02474

Prop ID: 33-2-18
Prop Location: 39 MICHAEL ST Arlington, MA
Owner: LIENDO KARINA
Co-Owner: ACOSTA ROBERTO
Mailing Address:
39 MICHAEL STREET
ARLINGTON, MA 02474

Prop ID: 33-2-1.B
Prop Location: 0-LOT SUNNYSIDE AVE Arlington, MA
Owner: MIRAK JOHN TR
Co-Owner: YUKON REALTY TRUST
Mailing Address:
P.O. BOX 268
ARLINGTON, MA 02476

Prop ID: 33-2-1.C
Prop Location: 0-LOT SUNNYSIDE AVE Arlington, MA
Owner: 22-26 SUNNYSIDE AVENUE LLC
Co-Owner:
Mailing Address:
22 SUNNYSIDE AVE
ARLINGTON, MA 02474

Prop ID: 33-2-2.A
Prop Location: 0-LOT SUNNYSIDE AVE Arlington, MA
Owner: MIRAK JOHN TR
Co-Owner: YUKON REALTY TRUST
Mailing Address:
P.O. BOX 268
ARLINGTON, MA 02476

Prop ID: 33-2-2.B
Prop Location: 10 SUNNYSIDE AVE Arlington, MA
Owner: 10 SUNNYSIDE AVENUE LLC
Co-Owner:
Mailing Address:
10 SUNNYSIDE AVE
C/O GEORGE MIKHAEL
ARLINGTON, MA 02474

Prop ID: 33-2-5.A
Prop Location: 33 BROADWAY Arlington, MA
Owner: ARLINGTON CENTER GARAGE &
Co-Owner: SERVICE CORP
Mailing Address:
438 MASS AVE SUITE 127
ARLINGTON, MA 02474

Prop ID: 33-2-5.B
Prop Location: 0-LOT BROADWAY Arlington, MA
Owner: ARLINGTON CENTER GARAGE &
Co-Owner: SERVICE CORP
Mailing Address:
P.O. BOX 268
ARLINGTON, MA 02476

Prop ID: 33-2-8
Prop Location: 15-17 SILK ST Arlington, MA
Owner: KEPKA JOANNA ASIA
Co-Owner: DOWLING LYNN
Mailing Address:
15 SILK STREET
ARLINGTON, MA 02474

Prop ID: 33-3-1
Prop Location: 25 SUNNYSIDE AVE Arlington, MA
Owner: BOYLE DAVID T/TRUSTEE
Co-Owner: D & B REALTY TRUST
Mailing Address:
16 SHORT STREET
BROWNFIELD, ME 04010

Prop ID: 33-3-2
Prop Location: 1 BROADWAY Arlington, MA
Owner: BAYSTATE CONDOMINIUMS LLC
Co-Owner:
Mailing Address:
956 MASS AVE
LEXINGTON, MA 02420

Prop ID: 33-6-1
Prop Location: 0-LOT BROADWAY Arlington, MA
Owner: DEPT/CONSERVATION & RECREATION
Co-Owner: WATER SUPPLY PROTECTION DIV
Mailing Address:
20 SOMERSET ST
BOSTON, MA 02108

Prop ID: 33.A-2-11
Prop Location: 27 SILK ST Arlington, MA
Owner: GERARD BAUDOIN
Co-Owner:
Mailing Address:
27 SILK ST
ARLINGTON, MA 02474

Prop ID: 33.A-2-12
Prop Location: 29 SILK ST Arlington, MA
Owner: WILLIS BRYAN J ETAL/ TRUSTEES
Co-Owner: GRIMALDI WILLIS FAMILY TRUST
Mailing Address:
29 SILK ST
ARLINGTON, MA 02474

Prop ID: 33.A-2-19.1
Prop Location: 19 SILK ST UNIT 1 Arlington, MA
Owner: CYRAN PETER J & BRITTANY A
Co-Owner:
Mailing Address:
19 SILK ST UNIT 1
ARLINGTON, MA 02474

Prop ID: 33.A-2-19.2
Prop Location: 19 SILK ST UNIT 2 Arlington, MA
Owner: LARAQUI JAWAD & MEGAN
Co-Owner:
Mailing Address:
21 SILK ST UNIT 2
ARLINGTON, MA 02474

Host Community Agreement Certification Form

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

Applicant

I, Michael Aldi, (*insert name*) certify as an authorized representative of Eskar Arlington, LLC (*insert name of applicant*) that the applicant has executed a host community agreement with The Town of Arlington (*insert name of host community*) pursuant to G.L.c. 94G § 3(d) on June 24, 2019 (*insert date*).



Signature of Authorized Representative of Applicant

Host Community

I, Adam Chapdelaine, (*insert name*) certify that I am the contracting authority or have been duly authorized by the contracting authority for the Town of Arlington (*insert name of host community*) to certify that the applicant and the Town of Arlington (*insert name of host community*) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on June 24, 2019 (*insert date*).



Signature of Contracting Authority or
Authorized Representative of Host Community

Plan to Remain Compliant with Local Zoning

The purpose of this plan is to outline how Eskar Arlington, LLC (“Eskar”) is and will remain in compliance with local codes, ordinances and bylaws for the physical address of the retail marijuana establishment 21 Broadway, Arlington, MA 02474 (“Location”) which shall include, but not be limited to, the identification of any local licensing requirements for the adult use of marijuana.

The location is properly zoned pursuant to the Town of Arlington Zoning Bylaw Section 8.3 Standards for Marijuana Uses. The Location is located in the Major Business (B2A) District and will seek a special permit from the Planning Board for this Location.

In accordance with Section 8.3(B)(2) the marijuana retail establishment is not located within 300 feet of Town-owned playgrounds and recreational facilities and 200 feet of public libraries. Furthermore, in accordance with Section 8.3(B)(3) the Location is not within 2,000 feet of another Marijuana Retailer. Eskar will continuously engage with City of Arlington officials to remain up to date with local zoning ordinances to remain fully compliant.

Plan for Positive Impact

The purpose of this document is to summarize Eskar Arlington, LLC's (together with our other license under Eskar Northbridge, LLC, collectively known in this document as "Eskar") plan to ensure our business creates positive and lasting impacts on the communities in which it will be involved.

Eskar is committed to fostering positive relationships within the community and endeavoring to identify ways in which to give back. Eskar will utilize our resources, including time, talent and monies, to provide assistance to those who may be underserved and/or in need. We will achieve these goals through charitable giving, volunteer time and community engagement.

Eskar will adhere to the requirements set forth in 935 CMR 500.105(4) relative to the permitted and prohibited advertising, branding, marketing, and sponsorship practices of our marijuana establishment. Any actions taken, or programs instituted by Eskar will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

INITIATIVES AND METRICS

Eskar will implement the following initiatives to assist those communities that have been disproportionately impacted.

Proposed Initiative: Eskar will make a minimum annual financial contribution of at least \$5,000 to the CultivatED program to help promote participation in the cannabis industry by those who were disproportionately harmed by marijuana prohibition. CultivatED is a jails-to-jobs cannabis program that focuses on issues such as expungement, education and employment for those harmed populations. Eskar will provide money to CultivatED to support its mission and goals but will not offer any of its own programming through the CultivatED program. Attached, please find a letter from CultivatED acknowledging acceptance of funds from cannabis license holders.

Goal: Eskar will make an annual contribution of at least \$5,000 to the CultivatED program which will in turn support the mission of empowering, educating, and employing individuals from areas of disproportionate impact, as identified by the Massachusetts Cannabis Control Commission.

Metrics: Eskar will maintain a record of its annual donations to the CultivatED program. Eskar will keep records of feedback that we receive relative to the impact of our contributions, if any. This will in turn help us make decisions about adjustments that need to be made in the future.

Eskar Arlington, LLC
Application of Intent

Proposed Initiative: Eskar will commit to provide all employees with paid time to participate in a minimum of 8 hours per year in neighborhood clean-up initiative, organized by Eskar, that serves identified areas of disproportionate impact. Eskar will seek to focus their clean-ups in Boston, including but not limited to census tracts 1001, 1002, 1011.02 and 1011.01.

Goal: Eskar is committed to serving communities that have been disproportionately impacted by serving individuals and organization through the contribution of employee volunteer time courtesy of the company. Eskar will have a goal of donating 8 hours per employee per year to its neighborhood cleanup and a goal of having 85% participation in the neighborhood clean-up program by its employees each calendar year.

Metrics: Eskar will maintain records of each employee who participates in the neighborhood clean-up program and the number of hours contributed by each employee. Eskar will host two clean-up days annually, one in the Spring and one in the Fall. Eskar will then solicit feedback from each employee to learn about their experiences and determine whether adjustments should be made in the future with regards to this program. These metrics will be outlined in a comprehensive report that will be completed 60 days prior to our annual license renewal to the Cannabis Control Commission.

CONCLUSION

Eskar will conduct continuous and regular evaluations of the implementation of its goals and at any point will retool its policies and procedures in order to better accomplish the goals set out in this Plan for Positive Impact. Eskar will provide an update on its progress of its goals as part of its license renewal process at least 60 days prior to the expiration of its license.



MASS CultivatED

February 24, 2020

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

RE: Acceptance of Cannabis Funds

Dear Cannabis Control Commission:

It is with great pleasure that we inform you that we will be graciously accepting contributions from licensed Massachusetts cannabis companies in order to assist in funding our program, CultivatED.

CultivatED is a first in the nation jails to jobs cannabis program that focuses on issues such as expungement, education and employment for those who have been affected by the prohibition of cannabis in the Commonwealth. We are an innovative public-private partnership providing our fellows with a robust co-op education program, legal services, workforce preparedness training, and cannabis externships with livable wages and benefits. We work closely with organizations such as Greater Boston Legal Services, Roxbury Community College and the Urban League of Eastern Massachusetts to achieve our program goals.

We appreciate the opportunity to allow Massachusetts licensed cannabis companies to participate through their contributions. Please do not hesitate to contact us should you have any additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan Dominguez". The signature is written in a cursive style and is positioned above a horizontal line.

Ryan Dominguez



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: 001426220

1. The exact name of the limited liability company is: ESKAR ARLINGTON LLC

2a. Location of its principal office:

No. and Street: 9 WILDWOOD ROAD
City or Town: MIDDLETON State: MA Zip: 01949 Country: USA

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

No. and Street: 9 WILDWOOD ROAD
City or Town: MIDDLETON State: MA Zip: 01949 Country: USA

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

TO OBTAIN A CANNABIS LICENSE IN THE STATE OF MASSACHUSETTS.

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:

Name: MICHAEL ALDI
No. and Street: 9 WILDWOOD ROAD
City or Town: MIDDLETON State: MA Zip: 01949 Country: USA

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

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
MANAGER	MICHAEL FRANCIS ALDI	9 WILDWOOD ROAD MIDDLETON, MA 01949 USA
MANAGER	MICHAEL RICHARD HUNNEWELL	9 WILDWOOD ROAD MIDDLETON, MA 01949 USA

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

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



Andrew Minerowicz
Clerk

Massachusetts State Corporations Division andrew.minerowicz@state.ma.us

To Whom It May Concern:

I hereby give consent to the formation of the Massachusetts entity titled "Eskar Arlington LLC."
Please let me know if you have any further questions.

Kind Regards,

Michael Aldi

Vice President & COO
Eskar LLC, Eskar, Northbridge LLC
617-833-8795 Ald10435@gmail.com

SOC SIGNATORY

MICHAEL FRANCIS ALDI ALDI

9 WILDWOOD ROAD
MIDDLETON, MA 01949 USA

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	MICHAEL FRANCIS ALDI	9 WILDWOOD ROAD MIDDLETON, MA 01949 USA

9. Additional matters:

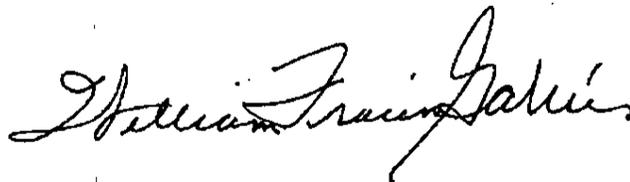
SIGNED UNDER THE PENALTIES OF PERJURY, this 27 Day of February, 2020,
MICHAEL ALDI

(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:

February 27, 2020 10:15 AM

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

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth



CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



MICHAEL ALDI
ESKAR ARLINGTON LLC
9 WILDWOOD RD BLDG 9
MIDDLETON MA 01949-2133

Why did I receive this notice?

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

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

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

What if I have questions?

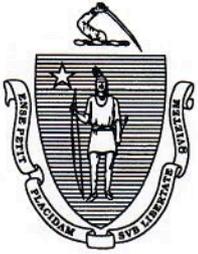
If you have questions, call us at (617) 887-6400 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 8:30 a.m. to 4:30 p.m..

Visit us online!

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

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

Edward W. Coyle, Jr., Chief
Collections Bureau



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

William Francis Galvin
Secretary of the
Commonwealth

March 18, 2020

TO WHOM IT MAY CONCERN:

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

ESKAR ARLINGTON LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **February 27, 2020.**

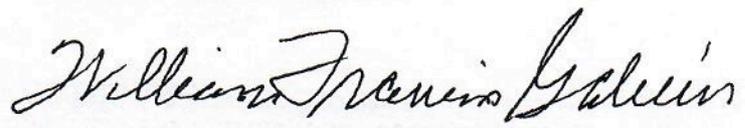
I further certify that said Limited Liability Company has filed all annual reports due and paid all fees with respect to such reports; that said Limited Liability Company has not filed a certificate of cancellation; that there are no proceedings presently pending under the Massachusetts General Laws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

I also certify that the names of all managers listed in the most recent filing are:
MICHAEL FRANCIS ALDI, MICHAEL RICHARD HUNNEWELL

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **MICHAEL FRANCIS ALDI, MICHAEL RICHARD HUNNEWELL, MICHAEL FRANCIS ALDI ALDI**

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

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


Secretary of the Commonwealth



Department of Unemployment Assistance
Certificate of Compliance Request

I, Michael Aldi, do hereby certify that I have been unable to register Eskar Arlington, LLC with the Department of Unemployment Assistance and request a certificate of compliance because Eskar Arlington, LLC does not currently have any employees. As soon as Eskar Arlington, LLC can register with the Department of Unemployment Assistance, we will provide the Cannabis Control Commission with a Certificate of Compliance.



Name: Michael Aldi

Eskar Arlington, LLC

Its: Manager

Date: 4/03/2020

**OPERATING AGREEMENT
OF
ESKAR ARLINGTON LLC**

THIS OPERATING AGREEMENT (“Agreement”) of **ESKAR ARLINGTON LLC** (the “Company”) is made effective as of this 13 day of March, 2020, by and among the parties whose names are shown on Exhibit A hereto (each a “Member” and collectively, the “Members”).

WITNESSETH:

WHEREAS, the Company has been formed as a limited liability company under the laws of the Commonwealth of Massachusetts by the filing of a Certificate of Organization in the office of the Secretary of the Commonwealth of Massachusetts, in accordance with the Massachusetts Limited Liability Company Act (the “Act”);

WHEREAS, the Company has been formed to, among other things, engage in such business activities authorized under the Act and as may be approved from time to time by the Manager, subject to the limitations contained in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Members, intending to be legally bound, hereby agree as follows:

ARTICLE I
THE COMPANY

Section 1.1 **Formation**. The Company has been formed under and pursuant to the Act as described in the preamble. The Members agree that the rights and liabilities of the Members shall be as provided in the Act, except as herein otherwise expressly provided.

Section 1.2 **Purpose**. The purpose of the Company shall be to operate a duly licensed adult cannabis dispensary in the Commonwealth of Massachusetts and to engage in any act and to transact any and all business endeavors in furtherance thereof which a limited liability company may transact under the Act.

Section 1.3 **Filings**. The Board of Managers is hereby authorized to execute, file and record all such other certificates and documents, including amendments to the Certificate, and to do such other acts as may be appropriate to comply with all requirements for the formation, continuation and operation of a limited liability company, the ownership of property and the conduct of the Company’s business under the laws of the Commonwealth of Massachusetts and any other jurisdiction in which the Company may own property or conduct its business.

Section 1.4 **Name**. The name of the Company is as set forth in the preamble of this Agreement. The business of the Company may be conducted upon compliance with all applicable laws under the Company name or any other name designated by the Board of Managers. The Company shall have the exclusive ownership of and the right to use the Company name.

Section 1.5 Principal Office. The principal office and the principal place of business of the Company shall be maintained at 15 Forbes Street, Apartment 2, Boston, MA, or at such other place(s) as the Board of Managers may from time to time designate on notice to the Members in accordance with this Agreement.

Section 1.6 Registered Office and Registered Agent. The registered agent and registered office of the Company are designated in the Certificate. The Board of Managers may from time to time in accordance with the Act change the Company's registered office and/or registered agent. The Board of Managers 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.

Section 1.7 Term. The term of the Company began upon the filing of the Certificate of Organization of Eskar Arlington LLC on February 27, 2020 and shall continue in perpetuity unless sooner dissolved by operation of law or as provided by this Agreement.

Section 1.8 Definitions:

(a) "Accounting Period" means the period beginning on the day following any Adjustment Date (or, in the case of the first Accounting Period, beginning on the day of formation of the Company) and ending on the next succeeding Adjustment Date.

(b) "Act" means the Massachusetts Limited Liability Company Act, as amended or superseded.

(c) "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 taxable year, after giving effect to the following adjustments:

(i) credit to such Capital Account any amounts that such Member is obligated to restore or deemed obligated to restore pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-1(b)(2)(ii)(c), 1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) debit to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(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.

(d) "Adjustment Date" means (i) the last day of each taxable year, (ii) the date of any adjustment pursuant to clause (i) or (ii) of the definition of Book Value, and (iii) any other date determined by the Board of Managers as appropriate for a closing of the Company's books.

(e) "Agreement" is defined in the preamble.

(f) "Authorized Person" is defined in Section 2.3.

(g) “Available Cash” means the gross receipts of the Company, from whatever source derived, less the expenses incurred by the Company in the operation of its day to day business and the amount of any reserves established by the Board of Managers in accordance with this Agreement.

(h) “Board of Managers” shall mean Michael Aldi and Michael Hunnewell..

(i) “Book Value” shall mean, with respect to any Company asset, the asset’s adjusted basis for U.S. federal income tax purposes, except as follows:

(i) the initial Book Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset as determined by the Board of Managers and the contributing Member;

(ii) the Book Values of all of the Company’s assets shall be adjusted by the Company to equal their respective gross fair market values as of the following times: (x) the acquisition of an additional Interest by any new or existing Member in exchange for more than a de minimis contribution of money or property; (y) the distribution by the Company of more than a de minimis amount of money or property to a Member in consideration of the retirement of all or a portion of such Member’s Interest; and (z) the liquidation of the Company for federal tax purposes within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that the adjustments pursuant to clauses (x) and (y) above shall be made only if the Board of Managers reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company.

(iii) the Book Value of any Company asset distributed to any Member shall be the gross fair market value of such asset on the date of distribution as determined by the Manager;

(iv) the Book Values of Company assets shall be increased or decreased to reflect any adjustments to the adjusted basis of those assets pursuant to Code Sections 734(b) or 743(b) if and to the extent that those adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m) and/or this Agreement, except that the Book Value of any asset shall not be adjusted pursuant to this paragraph if the Board of Managers determine that an adjustment pursuant to paragraph (ii) of this definition of Book Value is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this paragraph.

(v) if the Book Value of any asset has been adjusted pursuant to paragraphs (i), (ii) or (iv) hereof, such Book Value shall thereafter be adjusted by any Depreciation taken into account with respect to such asset for the purposes of computing Profits and Losses.

(j) “Capital Account” means, with respect to any Member, the account maintained for the Member in accordance with the provisions of Section 3.3.

(k) “Capital Contribution” means, with respect to each class of Interest held by any Member, the total amount of cash and the gross fair market value of any property contributed by such Member to the Company in respect of such class of Interest in accordance with Article III hereof.

- (l) “Certificate” means the certificate of organization filed with the Secretary on November 28, 2018 as it may be amended or restated from time to time.
- (m) “Class A Member” means each Person designated as a Class A Member on Exhibit “A” attached hereto, and any Person who has been approved as a substitute Member of a Class A Member in accordance with this Agreement.
- (n) “Class B Member” means each Person designated as a Class B Member on Exhibit “A” attached hereto, and any Person who has been approved as a substitute Member of a Class B Member in accordance with this Agreement.
- (o) “Class B Members’ Initial Cash Capital Contribution” is Six Hundred Thousand and 00/100 (\$600,000.00) Dollars.
- (p) “Code” shall mean the Internal Revenue Code of 1986, or any successor statute, as amended from time to time.
- (q) “Company” is defined in the preamble.
- (r) “Company Minimum Gain” has the same meaning as “partnership minimum gain” set forth in Treasury Regulations Sections 1.704-2(b)(2) and 1.704-2(d).
- (s) “Depreciation” shall mean, for any Accounting Period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such period for U.S. federal income tax purposes, provided that if the Book Value of an asset differs from its adjusted basis for U.S. federal income tax purposes at the beginning of any Accounting Period, Depreciation shall be an amount that bears the same relationship to the Book Value of such asset as the depreciation, amortization, or other cost recovery deduction computed for tax purposes with respect to such asset for the applicable period bears to the adjusted tax basis of such asset at the beginning of such period, or if such asset has a zero adjusted tax basis, Depreciation shall be an amount determined with reference to the Book Value of the asset at the beginning of the Accounting Period under any reasonable method selected by the Manager.
- (t) “Excess Nonrecourse Liabilities” has the meaning set forth in Treasury Regulations Section 1.752-3(a)(3).
- (u) “Indemnified Person” is defined in Section 11.3.
- (v) “Interest” or “Membership Interest” of a Member means the “limited liability company interest” (as defined in the Act) of a Member in the Company and such Member’s rights and obligations with respect to the Company pursuant to this Agreement and applicable law.
- (w) “Member” means any Class A Member or Class B Member who at any time is a member of the Company and whose name is set forth as a Member on Exhibit A. “Members” mean two or more Persons when acting in their capacities as members of the Company.
- (x) “Member Nonrecourse Debt” has the same meaning as the term “partner nonrecourse debt” set forth in Treasury Regulations Section 1.704-2(b)(4).

(y) “Member Nonrecourse Debt Minimum Gain” shall have the same meaning as “partner nonrecourse debt minimum gain” set forth in Treasury Regulations Section 1.704-2(b)(4).

(z) “Member Nonrecourse Deductions” has the same meaning as the term “partner nonrecourse deductions” set forth in Treasury Regulations Sections 1.704-2(i)(1) and 1.704-2(i)(2).

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

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

(cc) “Percentage Interest” shall mean the percentage that Member’s Interest constitutes of the total outstanding Interests at the time and that is shown on Exhibit A hereto, as amended in accordance with this Agreement from time to time.

(dd) “Permitted Transferee” means, with respect to any Person (i) the Member’s spouse, a member of his immediate family, or any trust for the benefit of such person, or (ii) any other person directly or indirectly controlling, controlled by, or under common control with such person.

(ee) “Persons” means any natural person or entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such person where the context so admits.

(ff) “Profits” and “Losses” means, with respect to any Accounting Period, the net income or net loss of the Company for such Accounting Period, determined in accordance with Section 703(a) of the Code, including any items that are separately stated for purposes of Section 702(a) of the Code, as determined in accordance with U.S. federal income tax accounting principles with the following adjustments:

(i) any income of the Company that is exempt from U.S. federal income tax shall be added to such taxable income or loss;

(ii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i) shall be subtracted from such taxable income or loss;

(iii) in the event the Book Value of any Company asset is adjusted pursuant to paragraphs (ii) or (iii) of the definition of Book Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(iv) gain (or loss) resulting from any disposition of an asset of the Company 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 asset disposed of, notwithstanding that the adjusted tax basis of such asset differs from its Book Value;

(v) in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such net income or loss, there shall be taken into account Depreciation for such Accounting Period;

(vi) to the extent an 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)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in complete liquidation of a Member's Interest, 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 the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(vii) any items of income, gain, loss or deduction specially allocated pursuant to this Agreement shall be excluded from the determination of Profits and Losses.

(gg) "Secretary" is defined in the preamble.

(hh) "Transfer" means, as the context requires, (i) to sell, exchange, assign, pledge, give, encumber, or otherwise dispose of, whether voluntarily or by operation of law or (ii) a sale, exchange, assignment, pledge, gift, encumbrance, or other disposition, whether voluntary or by operation of law.

(ii) "Treasury Regulations" means the U.S. federal income tax regulations promulgated under the Code, as they may be amended from time to time.

(jj) "Unadmitted Assignee" means a successor in interest to any Member that has not completed the requirements for Transfer of Membership contained in Article VII.

ARTICLE II **MANAGEMENT OF THE COMPANY**

Section 2.1 Board of Managers. The business and affairs of the Company shall be directed by the Board of Managers (the "Board of Managers") who shall, subject to any limitations, restrictions or approval requirements provided in this Agreement, have full authority to direct the conduct of the business of the Company and to take all steps as are necessary or advisable in furtherance of the Company's purpose. The Board of Managers shall act by the affirmative vote of the majority of the Members of the Board of Managers. The Board of Managers shall keep the Class B Members informed of the status of the Company business and shall notify the other Members of any material adverse event such as cancellation of insurance and status of its license with the Cannabis Control Commission. Notwithstanding anything herein to the contrary, until such time as the Class B Membership Interests of the Company and Eskar Northbridge, LLC have been redeemed in full by the Company and Eskar Northbridge, LLC, the Board of Managers shall act by the sole vote of Michael Aldi.

Section 2.2 Authorized Persons. The Board of Managers may (a) authorize, by written

action, any Person to enter into and perform any agreement on behalf of the Company, and (b) appoint such Persons (including one or more Members), with such titles as they may select, as officers, employees or agents of the Company to act on behalf of the Company, for such reasonable compensation as the Board of Managers shall determine, and with such power and authority as the Board of Managers may delegate from time to time thereto. Any such Persons (each an "Authorized Person") may be removed by the Board of Managers at any time, with or without cause.

Section 2.3 Actions Requiring Approval of Brian Navarro. Notwithstanding any other provision hereof, the Board of Managers shall not have the authority to do any of the following acts except with the prior written approval of Brian Navarro:

- (a) Cause or permit the Company to engage in any activity that is not consistent with the stated purposes of the Company;
- (b) Knowingly do any act in contravention of this Agreement;
- (c) Knowingly do any act which would make it impossible to carry on the ordinary business of the Company, except as otherwise provided in this Agreement;
- (d) Knowingly perform any act that would subject any Member to liability as a manager in any jurisdiction;
- (e) Change, convert or reorganize the Company into any other legal form;
- (f) Change the principal place of business of the Company;
- (g) Cause the Company to incur indebtedness or to pledge the assets of the Company as security for, or to guarantee, any indebtedness of any Person, except in the ordinary course of business;
- (h) Obtain a new loan or refinance or alter the terms of any Company indebtedness existing on the date hereof or any sale of the Company or substantially all of its assets;
- (i) File a petition for bankruptcy;
- (j) Enter into a merger or acquisition agreement involving the Company;
- (k) Enter into an agreement for the purchase of an additional cannabis facility;
- (l) Sell all, or substantially all, of the Company's assets;
- (m) File documents for the liquidation/termination of the Company;
- (n) Issue loans to any person or entity;
- (o) Any change in the management of the Company, admission of new members or dilution of membership interests in the Company; and
- (p) Obtaining, modifying or terminating Company liability insurance policies.

Section 2.4 Special Provisions Regarding Sale of Company. Notwithstanding anything to the contrary in this Agreement, if the Company receives a bona fide offer (the "Offer") to purchase all or substantially all of the assets of the Company, or all of the Membership Interests of the Company (the "Transaction"), the following decision making rules shall apply:

(a) If the Offer price is \$10,000,000.00 or more, the vote of a majority of the members of the Board of Managers shall be required to accept such Offer. In the event there is a deadlock between the Members of the Board of Managers, or in the event there is only one Member on the Board of Managers when the offer is received, Brian Navarro shall have the right to cast the deciding vote. Notwithstanding anything else herein contained, Brian Navarro's approval is required for a sale of the Company or substantially all of its assets.

(b) If the Offer price is less than \$10,000,000.00; and

(i) The Board of Managers and Brian Navarro unanimously approve such Offer, the Transaction shall be deemed approved.

(ii) Only one of the two members of the Board of Managers and Brian Navarro approve said Offer, the dissenting Member of the Board of Managers (the "Dissenting Member") shall have the option to match the exact terms of the Offer. In such event, the Dissenting Member shall have the same time period as set forth in the Offer to close and failure to do so shall give the Company the absolute right to proceed to close the Transaction. If the Dissenting Member proceeds to close the Transaction, the other member of the Board of Managers shall have the right to participate in the Transaction on the same terms as the Dissenting Member.

(c) The Board of Managers shall provide to each Member via electronic mail or fax or via U.S. mail or private delivery service:

(i) within thirty (30) days following the close of each quarter, a copy of an internally generated income and expense statement for that quarter;

(ii) within ninety (90) days following the close of each year, an annual financial statement prepared by a certified public accountant; and

(iii) within ten (10) days of their filing, copies of the Company's federal and state tax and information returns.

Section 2.5 No Exclusive Duty. The Board of Managers shall devote whatever time and effort is necessary to conduct Company's business. The Members specifically acknowledge that the Members of the Board of Managers are not expected to devote his full time and attention to the business affairs of the Company.

Section 2.6 Compensation. Subject to the approval of the Board of Managers, and Brian Navarro, the Members of the Board of Managers may be awarded a salary which salary shall be based in large part by the amount of time and energy the Members of the Board of Managers actually devote to the Company's business operations. In addition, the Managers shall be entitled to be reimbursed for expenses reasonably incurred on behalf of the Company or in connection with the performance of his

duties to the Company. No compensation or salary shall be paid to the Members of the Board of Managers without Brian Navarro's consent until such time as the Class B Members Capital Contributions have been repaid in full. Further, no compensation or salary shall be paid to the Members of the Board of Managers after the Class B Members Capital Contributions have been repaid in full.

Section 2.7 Term; Resignation; Removal. Except as otherwise provided herein, each Members of the Board of Managers shall serve as the manager of the Company until the earliest to occur of his death, disability or resignation. Notwithstanding the foregoing, a Member of the Board of Managers may be removed by Brian Navarro in the event of any act of dishonesty, theft and/or fraud and/or criminal conduct relating to the business of the Company or its assets, whether or not criminally convicted; and/or a material breach of this agreement; and/or tortious interference with the business expectations and/or contractual relationship(s) associated with the Company or its business or assets; and/or gross negligence resulting in a material loss to the Company.

Section 2.8 Board of Managers Dispute Resolution. In the event of any deadlock between the Members of the Board of Managers, Brian Navarro shall have the right to cast the tie-breaking vote.

Section 2.9 Financial Reporting. The Board of Managers shall provide quarterly financial reports to the Members, including profit and loss statements and balance sheets. Brian Navarro shall have the right to request an audit of such financial reports by a third party accountant in his discretion.

ARTICLE III **CONTRIBUTIONS AND CAPITAL ACCOUNTS**

Section 3.1 Capital Contributions. Each Member has or is deemed to have made a Capital Contribution to the Company of cash or of property having the value set forth opposite such Member's name on Exhibit A hereto.

Section 3.2 Additional Capital Contributions.

(a) No Member shall be required or permitted to make additional Capital Contributions to the Company. A Member may make additional Capital Contributions in exchange for such additional Interests in the Company as the Manager shall approve and upon the written consent of a majority of the Members and Members owning at least eighty percent (80%) of the Class B Interests of the Company. The Manager shall promptly amend Exhibit A hereto to reflect any additional Capital Contributions made by a Member and the corresponding adjustment to such Member's Percentage Interest, if any, determined in accordance with the principles set forth in Section 3.3(a).

Section 3.3 Capital Accounts. A Capital Account shall be maintained and adjusted for each Member in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv) as in effect on the date hereof or as amended in the future, and shall be maintained in accordance with the following provisions:

(a) To each Member's Capital Account there shall be added: (i) the amount of money contributed by such Member to the Company; (ii) the fair market value of property

contributed by such Member to the Company (net of liabilities secured by such property that the Company is considered to be assumed or take subject to under Code Section 752); and (iii) allocations to such Member of Company income and gain including income and gain exempt from tax and income and gain described in Treasury Regulation §1.704-1(b)(2)(iv)(g).

(b) From each Member's Capital Account there shall be subtracted (i) the amount of money distributed to such Member by the Company; (ii) the Book Value (as defined below) of any Company property distributed to such Member by the Company (net of liabilities secured by such property that such Member is considered to assume or take subject to under Code Section 752); (iii) allocations to such Member of expenditures of the Company described in Code Section 705(a)(2)(B) (relating to expenditures which are neither deductible nor properly chargeable to capital); and (vii) allocations to such Member of any Company loss, deduction, or item thereof, (including any loss or deduction described in Treas. Reg. §1.704-1(b)(2)(iv)(g) the Member's Capital Contributions and the Member's distributive share of Profits and any items of income or gain, if any, which are allocated separately from Profits pursuant to this Agreement.

Section 3.4 Transfers. If any Interest in the Company is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Interest.

Section 3.5 Compliance with Regulations. The foregoing provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with §704(b) of the Code and the Regulations issued thereunder, and shall be interpreted and applied in a manner consistent with such Regulations. If the Manager determines that it is appropriate to modify the manner in which the Capital Accounts are computed in order to comply with such Regulations, the Manager may make such modification, provided that such modification shall not have a material effect on the amounts distributable to any Member upon the dissolution of the Company.

Section 3.6 No Interest. Except as otherwise expressly provided herein, no interest shall be paid on any Capital Contributions or Capital Account balance of any Member.

Section 3.7 No Deficit Make-Up. No Member shall be obligated to the Company, or to any other Member, solely because of a deficit balance in such Member's Capital Account.

Section 3.8 No Withdrawal of Capital. Except as otherwise expressly provided herein, no Member shall have the right to withdraw his or her capital from the Company or to receive any distribution of, or return on, such Member's Capital Contributions. An unrepaid Capital Contribution is not a liability of the Company or of any Member.

Section 3.9 Advances by Members. With the consent of the Manager and the approval of a majority of the Members owning at least eighty percent (80%) of the Class B Interests of the Company, any Member may lend funds to the Company bearing interest at or above the applicable federal rate and subject to such other terms and conditions as the Manager and the Member may agree. Any amount so loaned/advanced to the Company by a Member shall be a debt obligation of the Company which shall be repaid from Company assets and shall not constitute a Capital Contribution to the Company by such Member for any purpose.

ARTICLE IV

MEMBERSHIP INTERESTS; RIGHTS OF MEMBERS

Section 4.1 Classes of Membership Interests. The Company shall have two classes of Interests (Class A and Class B), subject to the rights and limitations provided in this Agreement. Any Person may, subject to the terms of this Agreement, concurrently hold more than one class of Interest. The Manager may, with the unanimous consent of all of the Members, create and issue additional classes of Interests subject to such terms and entitled to such rights as they may determine. No Membership Interests shall be issued in certificated form.

Section 4.2 Voting Rights; Action by Members. Except as explicitly provided in this Agreement, no Member shall have the right to control or participate in the management of the Company. No Member shall be entitled to vote on any matter except as may be specifically provided in this Agreement. Whenever this Agreement shall require the approval of the Members, such approval shall require, unless otherwise specified, the vote of a majority of the Members, on a Percentage Interest basis.

Section 4.3 Action by Written Consent. Any action required or permitted to be taken by the Members may be taken by vote of such Members at a meeting of such Members or upon the written consent of such Members, in either case by a sufficient number of Members necessary for adoption or approval of such matter. Any such written consent or consents may be signed in counterpart and may be delivered in any manner described in Section 12.10. Any written consent of the Members shall be effective when the requisite Members have signed the consent, within the meaning of the Act, unless the consent specifies a different effective date.

Section 4.4 Limited Liability. Except as otherwise expressly provided by this Agreement or by the Act, the obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member of the Company.

Section 4.5 Other Business. The Members, and any Person affiliated with any of the Members, may engage in or possess an interest in other business ventures of every kind and description, independently or with others. Neither the Company nor other Members shall have any rights in or to such independent ventures (whether related or unrelated to the business of the Company) or the income or profits therefrom by virtue of this Agreement.

ARTICLE V **ALLOCATIONS AND TAX MATTERS**

Section 5.1 Allocations of Profits and Losses. Profits and Losses and, to the extent necessary, individual items of income, gain, loss or deduction of the Company for a fiscal year shall be distributed not less than quarterly (subject to reasonable reserves not to exceed the amount of \$250,000) for anticipated operating expenses and allocated among the Persons who were Members during such fiscal year in accordance with the following:

Until the return of 100% of the Class B Members' Capital Contributions are returned to the Class B Members relating to their investment in the Company and their investment in Eskar Northbridge, LLC:

- (a) Eighty Five Percent (85%) to the Class B Members allocated based on the Class B percentages set forth on Exhibit A; and
- (b) Fifteen Percent (15%) to the Class A Member.

After 100% of the Class B Members' Capital Contributions are returned to the Class B Members relating to their investment in the Company and their investment in Eskar Northbridge, LLC:

100% to the Class A Members allocated based on the percentages set forth on Exhibit A .

Notwithstanding anything else herein contained, upon the sale of the Company or substantially all of its assets, the net closing proceeds shall be divided as follows:

(a) Any outstanding Capital Contributions not yet returned to Class B Members of the Company, and any outstanding Capital Contributions not yet returned to the same Class B Members for their investment in Eskar Northbridge LLC, shall be repaid first, subject to their proportionate Class B membership interest.

(b) Any remaining net proceeds shall be paid to the Class A Members, subject to their proportionate Class A membership interest.

Section 5.2 Special Allocations. The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Notwithstanding any other provision of this Section 5.2, if there is a net decrease in Company Minimum Gain during any Company taxable year, each Member shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in accordance with Treas. Reg. Section 1.704-2(f). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. This Section 5.2(a) is intended to comply with the minimum gain chargeback requirement in such Section of the Treasury Regulations and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback. Notwithstanding any other provision of this Agreement except Section 5.2(a), if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Company fiscal year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treas. Reg. Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in accordance with Treas. Reg. Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Treas. Reg. Section 1.704-2(i)(4). This Section 5.2(b) is intended to comply with the minimum gain chargeback requirement in that Section of the Treasury Regulations and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event any Member unexpectedly receives any

adjustments, allocations, or distributions described in Treas. Reg. Section 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) that would create an Adjusted Capital Account Deficit for such Member, items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 5.2(c) shall be made if and only to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Agreement have been tentatively made as if this Section 5.2(c) were not in this Agreement.

(d) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any Company fiscal year, that is in excess of the amounts described in clause (i) of the definition of Adjusted Capital Account Deficit above, each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 5.2(d) shall be made if and only to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Agreement have been tentatively made as if Section 5.2(c) and this Section 5.2(d) were not in this Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any fiscal year or other period shall be allocated among the Members in proportion to their respective Percentage Interest.

(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 Treas. Reg. Section 1.704-2(i).

Section 5.3 Tax Allocations: Code Section 704(c).

(a) In accordance with Code Section 704(c) and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated 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 Gross Asset Value.

(b) In the event the Gross Asset Value of any Company asset is adjusted pursuant to paragraph (2) of the definition of Gross Asset Value, 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 Gross Asset Value in the same manner as under Code Section 704(c) and the Treasury Regulations thereunder.

(c) Any elections or other decisions relating to allocations pursuant to this Section 5.3 shall be made by the Manager in any manner that is provided in the Treasury Regulations under Code Section 704(c), reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 5.3 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, other items or distributions pursuant to any provision of

this Agreement.

Section 5.4 Miscellaneous Allocation Provisions.

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

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

(c) For the purpose of determining each Member's share of excess nonrecourse liabilities pursuant to Treas. Reg. Section 1.752-3(a)(3), and solely for such purpose, each Member's interest in profits is hereby specified to be such Member's Income Percentage.

(d) The Managing Member shall have the right to cause the Company to elect C-corp status for tax filing purposes.

ARTICLE VI
DISTRIBUTION

Section 6.1 General Rule for Distributions of Available Cash. Except as otherwise provided in Sections 6.2 and 6.4 of this Article VI, the Manager shall, on a quarterly basis, make a distribution of "Available Cash" to the Members. All distributions, other than liquidating distributions, shall be made to the members in accordance with the following:

(a) until such time as the Class B Members' Capital Contributions (exclusive of the Minimum Distributions provided by Section 6.2) are returned to the Class B Members:

(i) Eighty-Five Percent (85%) to the Class B Members allocated based on the percentages set forth on Exhibit A; and,

(ii) Fifteen Percent (15%) to the Class A Members.

(b) Immediately after the Class B Members' Capital Contributions are returned to the Class B Members relating to their investment in the Company and their investment in Eskar Northbridge, LLC (exclusive of the Minimum Distributions provided by Section 6.2) are returned to the Class B Members:

100% to the Class A Members allocated based on the percentages set forth on Exhibit A;

Section 6.2 Minimum Distribution. Prior to making any distributions pursuant to Section 6.1(a) or (b), with respect to any taxable year of the Company in which Members are allocated taxable income for federal income tax purposes (and for this purpose all items of income, gain, loss or

deduction required to be separately stated pursuant to Section 703 of the Code shall be included in the calculation of taxable income (other than the amount, if any, by which capital losses exceed capital gains)), the Company shall distribute to the Members, within 90 days after the close of that taxable year, no less than the amount determined by multiplying the Company's taxable income (computed as set forth in this sentence) by Twenty Five percent (25%), which is intended to approximate the Members' composite federal, state and local income tax rate. Nothing herein shall require the Company to borrow money or reduce its cash flow so as to restrict its ability to operate the day-to-day activities of the business in order to make such distributions. The determination of the Manager in this regard shall be binding.

Section 6.3 Withholding. The Manager is authorized to withhold with respect to income allocable to any Members, or from distributions to any Members, and to pay over to any federal, state, local or government any amounts required to be so withheld pursuant to the Code as any provisions of any other federal, state or local law. All amounts withheld pursuant to the Code or any provision of any state, local or foreign tax law with respect to any income, payment, distribution or allocation to any Member shall be treated as amounts distributed to such Members pursuant to Section 6.1.

Section 6.4 Limitations on Distribution. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to any Member on account of its Interest in the Company if the distribution would violate the Act or other applicable law, or if such distributions are prohibited by any contract to which the Company is a party or by which the Company is bound.

ARTICLE VII

ADMISSION OF MEMBERS, WITHDRAWAL AND TRANSFER OF MEMBERSHIP INTERESTS

Section 7.1 Transfers.

(a) Except to the extent permitted pursuant to Section 7.4, no Member shall, directly or indirectly, Transfer all or any portion of its Interest, including any rights to receive distributions or other similar or dissimilar rights or interest, without the prior written consent of the Manager, other than in accordance with the terms and conditions of this Article VII. Any such attempted Transfer not permitted hereunder shall be null and void *ab initio* and the Company shall not register or effect such Transfer and the Member making the purported Transfer shall indemnify and hold the Company and the other Members harmless from any against any federal, state or local income taxes, or transfer taxes arising as a result of, or caused directly or indirectly by, such purported Transfer.

(b) Any such Transfer shall be subject to the applicable approval requirements of the Massachusetts Cannabis Control Commission and the Town of Arlington under its Host Community Agreement.

Section 7.2 Conditions to Admission as a Member.

(a) Except in connection with the issuance and sale of additional interests in accordance with this Agreement, no Person shall be admitted to the Company as a Member except upon a Transfer by a Member of all or a portion of its Interest in accordance with this Article VII.

(b) In addition to the requirements set forth in Article III, no Person shall have the right to be admitted to the Company as a substitute member or as a new member unless all of the following conditions are satisfied:

(i) The transferee agrees to be legally bound by this Agreement as a Member and executes and delivers to the Company such documents and instruments as are necessary or appropriate in connection with the transferee becoming a Member, as may reasonably be requested by the Manager, in his sole discretion;

(ii) The transferor and transferee execute such instruments as the Manager deems necessary or desirable to effect such transfer;

(iii) The transferee has paid all reasonable expenses incurred by the Company (including its legal fees) in connection with such Transfer, including the cost of preparing, filing and publishing any amendment to this Agreement and/or any schedule or exhibit to this Agreement;

(iv) The transferor has otherwise complied with the terms of this Article VII and the other provisions of this Agreement.

Once the above conditions have been satisfied, the transferee shall become a Member on the closing date of the Transfer, which must occur at the end of a calendar month unless such other date is approved by the Manager. The Company shall, upon substitution for a Member pursuant to this Section 7.2, thereafter make all further distributions on account of the Interest so Transferred to the transferee for such time as the Interest is so reflected on its books in accordance with the above provisions. Any Person so admitted to the Company as a Member shall be subject to all provisions hereof. Any transferee of an interest who is not admitted as a Member shall have the rights of a transferee with respect to distributions and Profits, Losses, and other allocations attributable to the transferred Interest, but shall have no rights as a Member under this Agreement or the Act. Notwithstanding the foregoing, the Interest of the assignee shall be subject to the restrictions contained in this Agreement applicable to Interest held by a Member.

Section 7.3 No Withdrawal. No Member shall have the right to withdraw from the Company prior to the dissolution and winding up of the Company. Notwithstanding the foregoing, Mass Ventures, LLC shall have the right to withdraw as a Member and in such event, Mass Ventures, LLC shall be entitled to the repayment of its Capital Contributions payable over a period of five (5) years on a quarterly basis with interest of eight percent (8%), subject to the provisions of a promissory note and a security interest in the Company assets.

Section 7.4 Miscellaneous Transfer Restrictions. Notwithstanding any other provisions of this Agreement, no Transfer of any Interest (including pursuant to a Permitted Transfer) may be made unless:

(a) the transferor gives the Company notice thereof at least fifteen (15) calendar days prior to such Transfer, together with a certificate of the transferor containing a statement that such Transfer is permitted under this Article VII, together with such information as is reasonably necessary for the Company to confirm such statement;

- (b) such Transfer would not result in a violation of applicable law, including the Securities Act and any state securities or “Blue Sky” laws applicable to the Company or the Interest to be Transferred;
- (c) such Transfer would not cause the Company to lose its exemption from the registration requirements of the Investment Company Act of 1940, as amended;
- (d) such Transfer is not to a proposed transferee that is a competitor of the Company;
- (e) such Transfer would not result in the Company being required to register under Section 12(g) of the Securities Exchange Act of 1934, as amended;
- (f) the Transferring Member and the transferee shall have agreed in writing to provide the Company with any information requested by the Manager relating to the Company’s obligation to make basis adjustments under Section 743 of the Code (including the Company’s obligations under Section 6031 of the Code);
- (g) such Transfer would not, based upon the advice of counsel, cause the Company to violate any law or have the effect of prohibiting or impairing any material business practice of the Company, any acquisition of property (tangible or intangible) by the Company, the conduct of business by the Company, or otherwise limiting the freedom of the Company to engage in any line of business or to compete or do business with any Person; and
- (h) if requested by the Board of Managers, the Transferring Member shall have provided an opinion of counsel satisfactory to the Manager as to the matters set forth in this Article 7.

ARTICLE VIII
PURCHASE OPTIONS, PARTICIPATION AND PUT RIGHTS

Section 8.1 Deemed Offers. Upon the occurrence of any of the following events (each, a “Purchase Option Event”), unless otherwise provided in an agreement with a Member, the Member to whom the event relates and his heirs, executor, administrator, guardian or other legal representative, and his Permitted Transferees (collectively, the “Affected Member”), shall be deemed to have made an offer to Transfer all of such Affected Member’s Interest (the “Affected Interest”) on the date that the Purchase Option Event occurred to the Company pursuant to Section 8.4.

Section 8.2 Purchase Option Events. The following events shall constitute a “Purchase Option Event” with respect to the Interest of any Member or Unadmitted Assignee:

- (a) the filing of a petition in bankruptcy by or with respect to the Member or Unadmitted Assignee;
- (b) an assignment by a Member for the benefit of creditors, which assignment includes such Member’s Interest;
- (c) the attachment of, execution against, levy upon or other seizure of a Member’s Interest (other than an attachment that is solely for jurisdictional purposes) unless (and for only so long as) counsel for the Company determines that the Affected Member is in good faith

contesting such attachment, execution, levy or other seizure;

(d) the entering of an order or decree by any court or arbitrator directing the involuntary transfer of the Interest or a transfer of the Interest required pursuant to any state law, including without limitation any state law of intestate succession;

(e) the receipt of a written and binding offer to purchase the Interest from any Person that the Member or Unadmitted Assignee wishes to accept;

(f) any actual or attempted transfer of all or any portion of an Interest not in accordance with this Agreement.

Section 8.3 Permitted Transferees of a Member. If a Member has Transferred all or any portion of his or her Interest to a Permitted Transferee upon the occurrence of a Triggering Event, the Company shall also have the option to acquire the Interest from such Permitted Transferees on the same terms set forth in this Article VIII and such Permitted Transferees shall be considered as Affected Members for purposes of this Article VIII.

Section 8.4 Exercise of Company Option.

(a) Upon the occurrence of a Purchase Option Event, the Company (at the sole discretion of the Manager) shall have the option to purchase all or any part of the Interest held by the Affected Member on the date the Purchase Option Event occurred at the price set forth in this Section 8.4 (the "Purchase Option Event Purchase Price"). The Company may exercise its option under this Section 8.4 by providing written notice to the Affected Member within thirty (30) calendar days after receipt of the [Purchase Option Event Communication]. In the event the Company does not exercise its right to purchase the Interest owned by the Affected Member, the Company shall have the option of acquiring such Affected Interest on each six (6) month anniversary of the Purchase Option Event for a price equal to the Fair Market Value of such Affected Interest in twelve equal installments on a monthly basis following the transfer of the Interest.

(b) If the Company exercises its option to acquire all of any part of the Interest owned by an Affected Member pursuant to Section 8.4(a), closing on such sale shall be held at the offices of the Company on a date which is mutually acceptable to the Company and the Affected Member but no later than sixty (60) calendar days from the date of the Purchase Option Event Communication. On such date, the Affected Member, shall tender to the Company an assignment of all of the Affected Member's right, title and interest in and to such Interest, free and clear of all liens and encumbrances and the Company shall pay the Affected Member the Fair Market Value of such Affected Interest in twelve equal installments on a monthly basis following the transfer of the Interest.

ARTICLE IX **DISSOLUTION**

Section 9.1 Dissolution Events. The Company shall be dissolved and its affairs shall be wound up upon the first to occur of the following (each a "Dissolution Event"):

(a) A determination of the Board of Managers approved by a majority of the

Members to dissolve the Company;

(b) The entry of a decree of judicial dissolution; or

(c) At any time there are no Members, unless the Company is continued as permitted under the Act.

Section 9.2 Liquidation and Termination. Upon the occurrence of a Dissolution Event, the Board of Managers shall act as a liquidator or appoint one or more Members or other Persons to act as liquidator. Subject to the control and direction of the Manager, the liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided in this Section 9.2. The steps to be accomplished by the liquidator are as follows:

(a) the liquidator shall sell such assets as the Board of Managers deems proper to pay or provide for the Company's debts or liabilities and to generate cash for distribution to the Members;

(b) with respect to all Company property that has not been sold, the fair market value of that property shall be determined and the Capital Accounts of the Members shall be adjusted to reflect the manner in which the unrealized income, gain, loss and deduction inherent in such property that has not been reflected in the Capital Accounts previously would be allocated among the Members if there were a taxable disposition of the property for the fair market value thereof on the date of its distribution to any Member; and

(c) any cash or other assets, based on their fair market values, remaining shall be distributed to the Members in the following order of priority:

(i) First, to creditors of the Company, including Members who are creditors, to the extent otherwise permitted by law, in satisfaction of the liabilities of the Company (whether by payment or the making of reasonable provision for payment thereof);

(ii) Second, to the Members pro rata to the extent of the balances in their respective Capital Accounts; and

(iii) Thereafter, to the Members pro rata in accordance with their Percentage Interests.

Section 9.3 State Law Compliance. The Board of Managers may utilize any provisions of the Act designed to limit liability of the Members after distribution of the Company's assets and shall take all steps which are required by the Act to complete the dissolution of the Company.

ARTICLE X

BOOKS AND RECORDS; TAX MATTERS; BANK ACCOUNTS

Section 10.1 Books and Records. The Board of Managers shall keep or cause to be kept complete and accurate books and records of the Company, using the same methods of accounting which are used in preparing the federal income tax returns of the Company, to the extent applicable, and otherwise in accordance with sound accounting principles consistently applied. Such books and records shall be maintained and be available, in addition to any documents and information required

to be kept under the Act, at its principal office, for examination and copying by any Member, or the Member's duly authorized representative, upon such Member's reasonable request and at the Member's expense during ordinary business hours. A current list of the full name and last known address of each Member and Unadmitted Assignee, a copy of this Agreement and the Certificate (and any amendments thereto), executed copies of all powers of attorney, minutes of meetings or written consents of the or Members, and copies of the Company's financial statements and federal, state and local income tax returns and reports for the three most recent years, shall be maintained at such office.

Section 10.2 Bank Accounts. Subject to Section 2.5 hereof, bank accounts and/or other accounts of the Company shall be opened and/or maintained in such banking and/or other financial institution(s), and withdrawals shall be made and other activity conducted, on such signature or signatures as the Board of Managers may designate.

Section 10.3 Tax Elections and Methods. The shall have the power, in its sole discretion, to (a) cause an election under Section 754 of the Code to be made with respect to the Company and (b) determine all other tax matters relating to the Company, including accounting procedures, not expressly provided for by the terms of this Agreement.

Section 10.4 Tax Returns and Other Writings. The Board of Managers shall cause the preparation and timely filing of all Company tax returns and shall, on behalf of the Company, timely file all other writings required by any governmental authority having jurisdiction to require such filing. On or before the date which is 15 days before the due date (including extensions) of the federal income tax return of the Company for each year, each Member shall be furnished with a copy of his or her Form K-1 with respect to the Company's federal income tax return for the year.

Section 10.5 Tax Matters Member. If the Company is subject to the consolidated audit procedures of Sections 6221 through 6234 of the Code, the Board of Managers shall select any Member to serve as the "tax matters partner" of the Company pursuant to Section 6231(a)(7) of the Code. Any Member serving as tax matters partner shall take such action as may be necessary to cause each other Member to become a "notice partner" within the meaning of Section 6223 of the Code and shall promptly inform each Member of all significant matters that may come to his or her attention and forward copies of all correspondence received in connection with his or her role as tax matters partner. The Company shall reimburse the tax matters partner for any costs incurred representing the interests of the Members in respect of Company tax matters.

Section 10.6 Tax Classification. The Company shall be classified as a partnership for U.S. federal income tax purposes and shall not elect to be classified as an association taxable as a corporation for U.S. federal, state or local income tax purposes under Treasury Regulations Section 301.7701-3(a) or under any corresponding provision of state or local law.

ARTICLE XI **EXCULPATION, INDEMNIFICATION AND INSURANCE**

Section 11.1 Exculpation. No Member or Authorized Person who has acted in good faith with respect to the conduct of the business and affairs of the Company shall be liable or accountable to the Company or to any of the Members, in damages or otherwise, for any error of judgment, for any mistake of fact or of law, for any other act or thing that the Member or Authorized Person may do or refrain from doing in connection with the business and affairs of the Company or for any act

or omission performed or omitted by the Member or Authorized Person, except for fraud, willful misconduct, gross negligence or breach of fiduciary duty to the Company or its Members, and further except for breaches of contractual obligations or agreements between the Member or Authorized Person and the Company.

Section 11.2 Reliance. Any Member or Authorized Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any of the Members, officers, employees or committees, or by any other Person as to matters the Member or Authorized Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company (including, without limitation, information, opinions, reports or statements as to the value and the amount of the assets, liabilities, profits or losses of the Company or any other facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid). In addition, a Member or Authorized Person may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisors selected by him, and any opinion of any such person as to matters which the Member or Authorized Person reasonably believes to be within such person's professional or expert competence shall be a full and complete authorization and shall provide full and complete protection in respect of any action taken or suffered or omitted by the Member or Authorized Person hereunder in good faith and in accordance with such opinion.

Section 11.3 Indemnification. In addition to any other powers provided by law:

(a) Subject to the other provisions of this Section, the Company shall, to the maximum extent permitted by law, indemnify and hold harmless each Member, tax matters partner, Authorized Person, employee or agent of the Company (each, an "Indemnified Person") who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company, with respect to which the Company may, in the discretion of the Manager, indemnify any Indemnified Person as provided in this Section) that arises out of or is related to the conduct of the business or affairs of the Company or the Indemnified Person's activities with respect thereto against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Indemnified Person in connection with such action, suit or proceeding unless such Indemnified Person's actions or omissions constitute fraud, willful misconduct or gross negligence. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Indemnified Person's actions or omissions constitute fraud, willful misconduct or gross negligence.

(b) To the extent that an Indemnified Person has been successful on the merits or otherwise in connection with any action, suit or proceeding referred to in Section 11.3(a), the Indemnified Person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(c) Any indemnification under this Article XI (unless ordered by a court) shall be made by the Company only as authorized in the specific case pursuant to a determination that such indemnification is permitted or required by the provisions of this Article XI. Such authorization and determination shall be made by the Manager, excluding, however, any person

who was a party to the action, suit or proceeding.

(d) The indemnification and advancement of expenses provided by this Article XI shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any law, agreement, or otherwise, and no amendment or repeal of any provision of this Section shall alter, to the detriment of an Indemnified Person, the rights of such Person to the advancement of expenses or indemnification related to a claim based on an act or omission that took place prior to the amendment or repeal or the Person's ceasing to be a Member or Authorized Person of the Company.

Section 11.4 Advancement of Expenses. To the fullest extent permitted by this Agreement and applicable law, expenses (including, without limitation, attorneys' fees and disbursements) incurred by an Indemnified Person in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Indemnified Person to repay such amount if it shall be later determined that such Indemnified Person was not entitled to be indemnified hereunder.

Section 11.5 Insurance. The Company may purchase and maintain insurance or other similar protection for its benefit, the benefit of any Indemnified Person, or both, against any liability that may be asserted against or expense that may be incurred by an Indemnified Person, whether or not the Company would have the obligation to indemnify such Indemnified Person against such liability.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 12.1 Binding Effect, Not for Benefit of Creditors. Subject to the restrictions on transfers set forth herein, the terms of this Agreement shall be binding upon and shall inure to the benefit of the Members, their respective successors, successors-in-title, heirs, legal representatives and assigns; and each and every successor-in-interest to any Member, whether such successor acquires his, her or its interest by way of inheritance, gift, purchase, foreclosure or any other method, and each Member shall hold his, her or its interest subject to all of the terms and provisions of this Agreement. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or of any Member (including any Member acting in his or her capacity as a creditor of the Company).

Section 12.2 Amendment. No change, modification or amendment of this Agreement shall be valid or binding unless such change, modification or amendment shall be in writing and duly adopted by the Manager; *provided, however*, that any such change, modification or amendment that would adversely alter the preferences, privileges or relative rights of any class of Members shall require the written consent of the Members of such class holding at least eighty percent (80%) of the Percentage Interests held by the Members of such class entitled to vote. Any amendment made pursuant to this Section 12.2 may be made effective as of the date of this Agreement.

Section 12.3 Additional Documents and Acts. Each Member agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions, and conditions of this

Agreement and the transactions contemplated hereby.

Section 12.4 Severability of Provisions. Each provision of this Agreement shall be considered severable and, if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 12.5 Waiver of Partition. Each Member agrees that irreparable damage would be done to the Company if any Member brought an action in court to dissolve the Company. Accordingly, except as may be otherwise expressly authorized in this Agreement, each Member agrees that he, she or it shall not, either directly or indirectly, take any action to require partition or appraisal of the Company or of any of the assets or properties of the Company, and notwithstanding any provisions of this Agreement to the contrary, each Member (and his, her or its successors and assigns) accepts the provisions of this Agreement as his, her or its sole entitlement on termination, dissolution or liquidation of the Company and hereby irrevocably waives any and all right to maintain any action for partition or to compel any sale or other liquidation with respect to his, her or its Interest, in or with respect to, any assets or properties of the Company; and each Member agrees that he, she or it will not petition a court for the dissolution, termination or liquidation of the Company.

Section 12.6 Title to Assets. Title to the assets and to any other property, real or personal, owned by or leased to the Company shall be held in the name of the Company unless, in the opinion of counsel to the Company or if the Board of Managers so determines, it is advisable to hold record title in a nominee or in a limited liability company or other entity wholly owned, directly or indirectly, by the Company.

Section 12.7 Applicable Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Massachusetts, notwithstanding any choice of law rules to the contrary, or in accordance with federal law as applicable.

Section 12.8 Entire Agreement. This Agreement, including the Certificate, which is hereby incorporated herein, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter.

Section 12.9 Non-Waiver. The failure of any Person to insist upon strict performance of any covenant or any obligation hereunder, irrespective of the length of time for which such failure continues, shall not be a waiver of the rights of such Person to demand strict compliance in the future. No consent or waiver, expressed or implied, to or of any breach or default in the performance of any obligation hereunder, shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation hereunder.

Section 12.10 Notices. Any and all notices provided under this Agreement shall be treated as having been received (i) on the fourth business day after being sent by registered or certified mail, return receipt requested, postage prepaid, or (ii) on the first business day after being sent by commercial expedited delivery service providing a receipt for delivery or by telecopy or e-mail by a machine providing automatic, printed confirmation of successful transmission (if the telecopy

number or e-mail address, as the case may be, of the Person to whom the notice is addressed is set forth as part of such Person's address for purposes of this Agreement) or by United States Postal Service express mail. All such notices in order to be effective shall be addressed, if to the Board of Managers or the Company, at the principal office of the Company and, if to a Member, at the last address of record on the Company's books, and copies of such notices shall also be sent to the last address for the recipient which is known to the sender, if different from the address so specified.

Section 12.11 Construction. Article and paragraph titles are for descriptive purposes only and shall not control or alter the meaning of the Agreement as set forth in the text. As used herein, the singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires.

Section 12.12. Legal Representation. Each Member hereby acknowledges that they are aware that the law firm of Bershtein, Volpe & McKeon, P.C. ("BVM"): (i) represented Michael Aldi, John Aldi, Brian Navarro and their affiliated entities in connection in certain legal matters; and (ii) represents the Company in connection with its organization and other legal matters. This Agreement, upon execution by the Members, confirms the agreement by each of them to waive any actual or potential conflicts of interest arising out of BVM's representation of, respectively, Michael Aldi, John Aldi, Brian Navarro and their affiliated entities and the Company. By signing this Agreement, each Member acknowledges that it has had the opportunity to review this conflict waiver and this entire Agreement with its own counsel and that it is not relying on the legal advice of BVM or any of its attorneys in connection with any matter relating to this Agreement or any other agreement, undertaking or action of the Company.

Section 12.13 Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall for all purposes constitute one Agreement, binding on all parties notwithstanding that all parties have not signed the same counterpart.

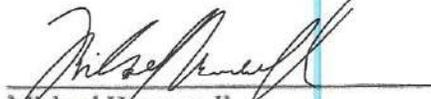
Section 12.14. Arbitration. All disputes arising under this Agreement (other than disputes related to a matter of \$100,000.00 or more) shall promptly be submitted to arbitration in Boston, Massachusetts, before one arbitrator in accordance with the rules of the American Arbitration Association. The arbitrator may assess costs, including counsel fees, in such manner as he or she deems fair and equitable. The award of the arbitrator shall be final and binding upon all parties, and judgment upon the award may be entered in any court of competent jurisdiction.

Section 12.15. Other Cannabis Dispensaries. In the event that the Company or either Member of the Board of Managers elect to engage in any other legal cannabis dispensary or cultivation business in any other location, each Class B Member shall have the right to participate in such venture on the same terms set forth herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned Members have executed this Agreement effective as of the date first above written.

MANAGERS:


Michael Hunnewell

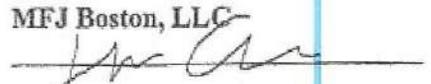

Michael Aldi

**MEMBERS:
ESKAR HOLDINGS, LLC**

By: Michael Aldi
Its: Member

MASS VENTURES, LLC

By: 
Brian Newark
Its: Member

MFJ Boston, LLC

By: John Aldi, Its Member

Lillian Koby LLC

By: Linda Hunnewell, Its Member

EXHIBIT A

As of 03/13/2020, 2020

CLASS A MEMBERS:	CAPITAL CONTRIBUTION	PERCENTAGE OWNERSHIP
Eskar Holdings, LLC	\$1.00	85%
Mass Ventures, LLC MFJ Boston, LLC Linda Hunnewell	See Below	11.88% 2.50% 0.62%
CLASS B MEMBERS:		15%
Mass Ventures, LLC MFJ Boston, LLC	\$475,000.00 \$100,000.00	79.17% 16.67%
Lillian Koby, LLC	\$25,000.00	4.17%

MEMBERSHIP INTEREST REDEMPTION AGREEMENT

THIS MEMBERSHIP INTEREST REDEMPTION AGREEMENT (the "Agreement") is made as of this 13 day of March, 2020 between **ESKAR, LLC**, a Massachusetts limited liability company ("Company") and **MASS VENTURES, LLC, MFJ BOSTON, LLC, and LILLIAN KOPY LLC** (the "Members"). Capitalized terms used, but not otherwise defined herein, shall have the meaning assigned to such terms in the Operating Agreement (as defined below).

RECITALS:

WHEREAS, the Members are members of the Company pursuant to the terms of that certain Operating Agreement of the Company, dated October 30, 2019 (the "Operating Agreement");

WHEREAS, the Company wishes to redeem, and the Members have agreed to convey, all of their Membership Interests in the Company.

WHEREAS, upon the redemption of the Membership Interests by the Company as set forth herein, the remaining member of the Company, Eskar Holdings, LLC, will own one hundred percent (100%) of the Membership Interests in the Company.

NOW THEREFORE, in consideration of the mutual promises and covenants of the parties hereto, and subject to the terms and conditions set forth herein, the parties agree as follows:

AGREEMENT:

1. Redemption of Units. The Company hereby redeems, and the Members hereby convey to the Company, on the terms and conditions set forth herein, for one dollar (\$1.00) and other consideration, the Membership Interests, free and clear of all security interests, pledges, liens, charges and encumbrances, effective as of the date hereof.
2. Representations and Warranties. Each Member hereby represents and warrants to the Company as follows:
 - a. It has full power and authority to carry out the transactions contemplated hereunder.
 - b. It is the sole legal and beneficial owner of the Membership Interests, free and clear of any liens, claims or encumbrances.
3. Miscellaneous
 - a. Parties Bound. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and the heirs, executors, administrators and personal representatives.
 - b. Amendment. This Agreement may be amended only by an instrument in writing executed by the parties.

c. Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersede all understandings of the parties.

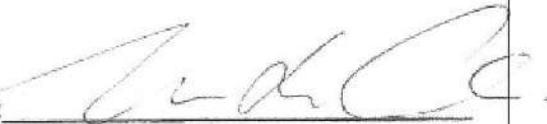
d. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which will constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties to be effective as of the date first above written.

COMPANY:

ESKAR, LLC

By: 
Michael Aldi
Its: Member

MEMBERS:

MASS VENTURES, LLC

By: 
Brian Navarro
Its: Member

MFJ BOSTON, LLC

By: 
John Aldi its Member

LILLIAN KOBY LLC

By: 
Linda Hammer
Its:



CCC State Submission

Business Plan

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EXECUTIVE SUMMARY

Eskar Arlington LLC and Eskar Northbridge LLC (herein collectively as “Eskar”) is founded by Mr. Michael Hunnewell, a local Massachusetts resident with an education in biology and economics and over 15 years of experience running business development groups in high tech enterprises. Mr. Hunnewell ventured into this new and exciting field early to rezone over 26 acres of land in Northbridge, MA for cannabis production and sale. This is now one of the largest cannabis zones in the state. Just getting started, he has assembled a team of the brightest experts in cannabis cultivation, supply chain management, strain genetics, commercial real estate, and local government relations to create a small network of cannabis dispensaries across the state. Michael Aldi, the owner and operator of several high-end restaurants throughout the Greater Boston Area is a core team member assembled to tackle this task.

Currently, Eskar has been awarded a Host Community Agreement (HCA) for a retail permit in the towns of Northbridge, MA and Arlington, MA for Retail Marijuana Establishment locations. Looking ahead, the company has also identified other potential locations for their final recreational dispensary around the greater Boston area.

PRODUCTS AND SERVICES

Eskar will provide various types of cannabis including; buds, oils, and various edible products. In order to reduce overhead costs, Eskar will focus on adult-use products only and will not at this time seek a license as Medical Marijuana Treatment Center. Unlike many of the commercial firms in the market already, Eskar doesn't plan to establish a large cultivation facility in the beginning. Instead, the retail stores will sell the bulk of their products from a variety of growers and vendors in the market. This is a radical departure compared to the traditional firms in the market today. Many of the large firms are vertically integrated, mostly selling the product they grow themselves. This severely limits the variety of options for the customer. This approach is effective in the early years of legalization since there are very few alternatives for the customer to go to. However, as time goes by, the consumer will become much more educated and have more options for stores to purchase their products from. Eskar plans to use product diversity as a selling point to the consumer.

TEAM

MICHAEL R. HUNNEWELL: SALES, OPERATIONS

Michael Hunnewell has over 10 years of government contracting expertise and over 15 years of experience in high tech, cutting-edge industries. In 2018 Mr. Hunnewell was able to rezone 26 acres of residential land in Northbridge, MA to industrial for cannabis use, making this one of the single largest pieces of cannabis real estate in the Commonwealth of Massachusetts. Prior to his work founding Eskar, Mr. Hunnewell worked in defense & aerospace, acquiring individual government contracts of over \$4M each alongside commercial orders earning over \$1M each. Mr. Hunnewell tripled shareholder value over a 3-year period for his firm while also opening up global distribution channels to increase sales. From his time in the defense sector, Mr. Hunnewell has garnered extensive experience in handling sensitive information and products. Metamagnetics, Mr. Hunnewell's previous employer, holds a SECRET level organization clearance and recently spent over \$100K in 2019 alone updating their security protocols. Mr. Hunnewell has also worked diligently with the firm's supplier group to make sure Metamagnetics was in compliance with defense manufacturing standards (i.e. ISO9000) and the firm is now an approved supplier to some of the largest defense firms in the world including Lockheed Martin and Raytheon. Mr. Hunnewell received his B.A. in biology from Boston College and his MBA from Northeastern University with a concentration in innovation for high tech industries. He attended graduate school on academic scholarship.

MICHAEL ALDI: REAL ESTATE HOLDINGS, CAPITAL MANAGEMENT

Michael Aldi has over a decade of experience in both the real estate and hospitality industry. In his role as Eskar LLC's head of Real Estate Development and Investor Relations, Mr. Aldi is responsible for all the company's capital raising initiatives and site selection activities. Mr. Aldi is responsible for managing the preparation of complex financial forecasts in addition to conducting in-depth market research for the team's prospective locations. Mr. Aldi has experience in all facets of site selection, lease negotiation, general contracting/construction management, and capital structuring/financing. Mr. Aldi also has experience underwriting structuring opportunities for his family's portfolio of hospitality and real estate investments. Mike graduated from Suffolk University, with a B.A. in Communications and a Minor in Business Management.

MARKET OVERVIEW

NORTH AMERICAN CANNABIS MARKET

Although the federal government still considers the use of cannabis a criminal offence, more than half the states in the US have legalized marijuana in some form. Most states sell cannabis for medicinal purposes only, often broadly defined. However, states like Alaska, California, Colorado, Maine, Nevada, Massachusetts, Oregon, and Washington have gone further, legalizing the adult-use. Legal cannabis is more expensive than the black-market variety, but it is better value; three times more potent and only about 50% more expensive¹.

Legal cannabis sales reached almost \$10 billion in North America in 2017, in a new report from cannabis industry analysts.² This represents an unprecedented 33% increase over 2016. The report further predicts the entire legal cannabis market to reach \$24.5 billion in sales – a 28% annual growth rate by 2021 – as more states legalize cannabis for adult-use and existing markets mature.

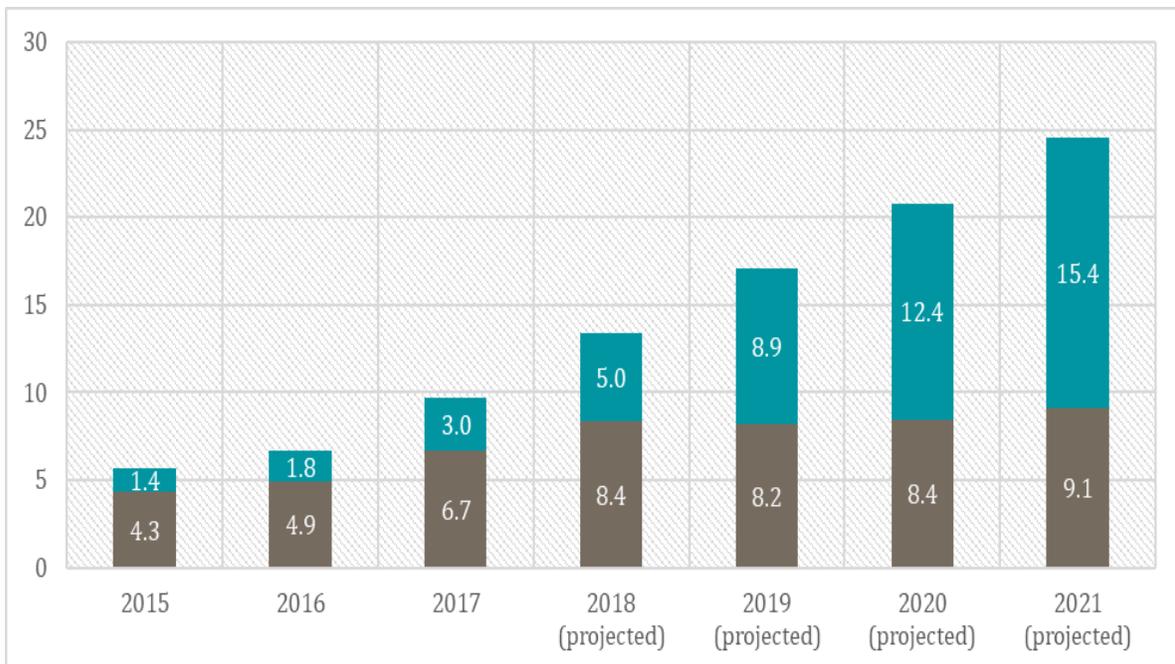


FIGURE 1. MEDICAL AND ADULT-USE CANNABIS SALES FORECAST,

¹ <http://www.economist.com/blogs/graphicdetail/2016/02/daily-chart-10>

² Arcview Market Research in partnership with BDS Analytics

60% of the U.S. population lives within states that have legalized some form of cannabis use and sales, illustrating the rising acceptance of cannabis nationwide and highlighting the industry’s immense potential for future growth. On November 9, 2016 three new states approved cannabis for medicinal use; Arkansas, Florida, and North Dakota. Four others that already had medical cannabis laws, legalized recreational. New markets could create \$7B to \$8B in additional retail revenue for the industry, according to estimates by Marijuana Business Daily.

As of January 2018, there are 30 states that allow cannabis for medical use, 16 states allow Cannabidiol (CBD), 9 States and the District of Columbia now allow for recreational cannabis use. There are 9,397 active licenses for cannabis businesses in the U.S., according to Ed Keating, chief data officer for Cannabiz Media, which tracks cannabis licenses. This includes cultivators, manufacturers, retailers, distributors, deliverers and test labs.

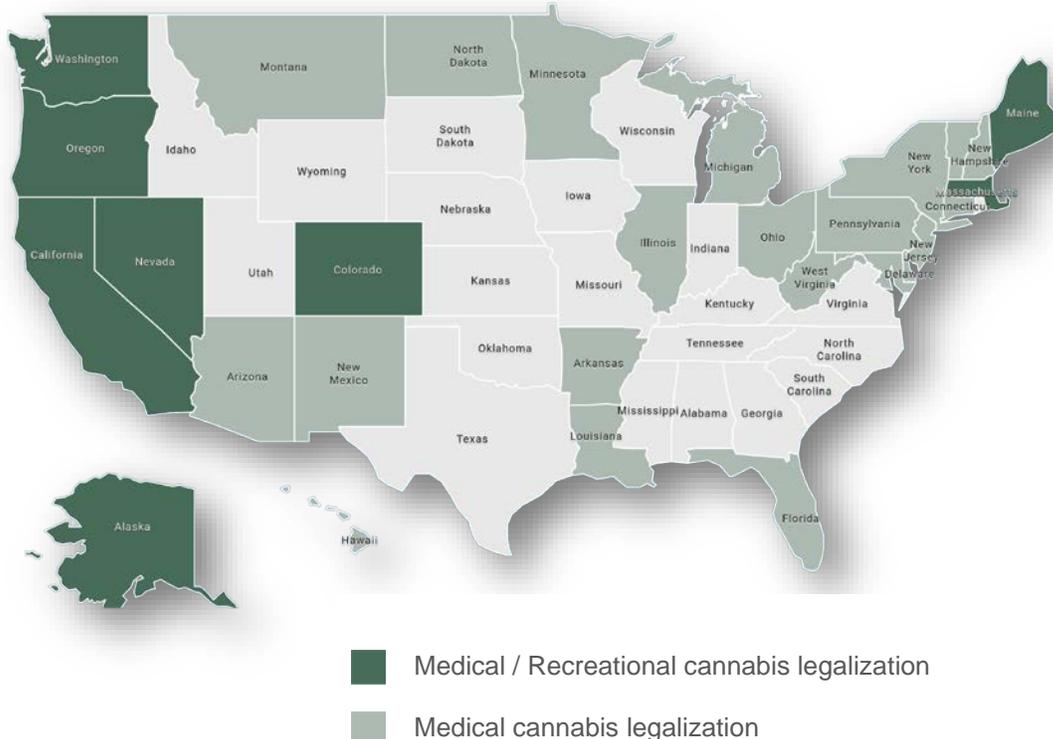


FIGURE 2: U.S. LEGALIZATION MAP. THIRTY STATES AND THE DISTRICT OF COLUMBIA CURRENTLY HAVE LAWS LEGALIZING MARIJUANA IN SOME FORM.

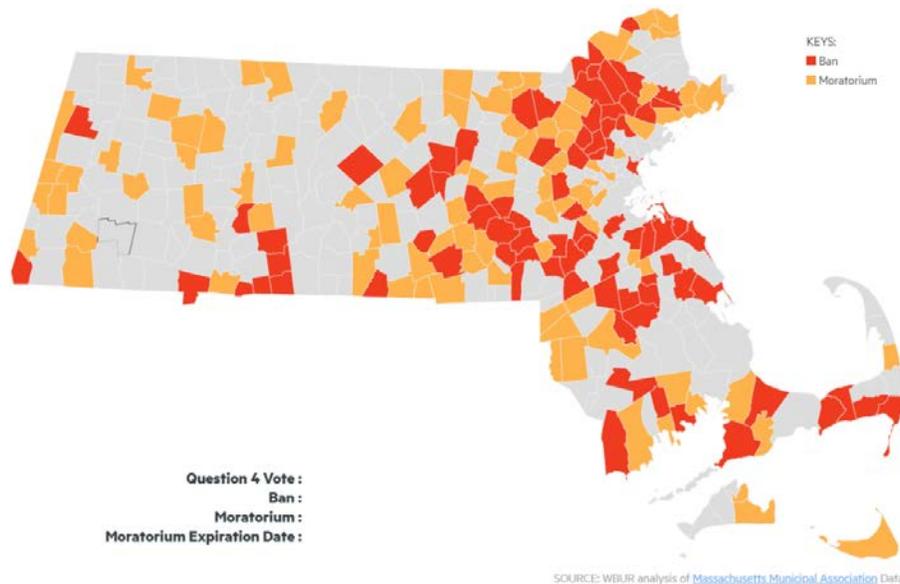
The industry employed 121,000 people in 2017. If cannabis continues its growth trajectory, the number of workers in that field could reach 292,000 by 2021, according to BDS Analytics. The passage of initiatives in California, Nevada, Massachusetts, Maine, Florida, Arkansas, Montana, North Dakota, and West Virginia will add \$7.4 billion to the 2021 market forecast bringing the

overall market projection for legal adult-use and medical sales in North America to \$24.5 billion by 2021. That would bring the compound annual growth rate (CAGR) to 28%.

MASSACHUSETTS MARKET ANALYSIS

Total cannabis spending worldwide is expected to hit \$57B by 2027, of which 67% of the market will come from recreational purchases.³ In the U.S., firms are racing to establish themselves in the market with deep pockets from financial backing. The legal cannabis industry raised more than \$1 billion in funding in 2016, and *Marijuana Business Daily* estimated that there were 21,000–33,000 legal cannabis businesses operating in the U.S. last year.⁴ Legalization in Massachusetts will open the door to 6.8 million people with a state GDP of \$507B.

In 2016, Massachusetts residents voted to legalize recreational cannabis. While cannabis is technically legal at the moment, recreational sales have been slow due to the severe delay in issuing permits for retail stores. Many local town governments/municipalities have voted to either ban or place a moratorium on recreation marijuana sales. This has led to less than 10 stores being open across the entire state in May 2019. This creates an opportunity for firms still looking to enter the market like Eskar. Those who can obtain the permit may be the only retailer within miles for customers, even in denser cities near Boston.



³ <https://www.foESKARes.com/sites/thomaspellechia/2018/03/01/double-digit-billions-puts-north-america-in-the-worldwide-cannabis-market-lead/#24341c866510>

⁴ <https://www.funglobalretailtech.com/research/deep-dive-us-cannabis-economy-fast-growing-industry-facing-regulatory-concerns/>

FIGURE 3: MAP OF MASSACHUSETTS OUTLINING ZONING LAWS ON RECREATIONAL CANNABIS SALES BY TOWN. AS OF OCTOBER 31ST, 2018

2.4M voters in the state of Massachusetts voted in favor of legalization. If we assume those voters will become cannabis consumers, we start to understand just how large this market is. If these voters spend \$100 a month, well below the Colorado average, the Massachusetts market is estimated around \$2.8B. If the average consumer spends \$175 a month, the market balloons to \$5B.

To help speed the implementation of recreational cannabis across the state, the Cannabis Control Commission (CCC) released guidelines and regulations for local municipalities to implement in their respective towns. One of the guidelines was to regulate the number of cannabis stores each town should have. The CCC reaffirmed the statutory requirement that the number of cannabis stores should be “20% the number of liquor stores.” This puts tremendous leverage in cannabis retailer’s hands. Below is a table of the average number of customers a liquor store has in various states across the US.

LIQUOR STORE DENSITY COMPARISON				
OTA STATE LIQUOR RETAIL DATA				
State	Population	Quota Per Capita	Stores	Pop Per Store
Alaska	731,449	1/3000	101	7242
Arizona	6,553,255	varies locally	1466	4470
Arkansas	2,949,131	1/4000	318	9274
California	38,041,430	1/2500	13806	2755
Florida	19,317,568	1/7500	1367	14131
Indiana	6,537,334	1/3500	359	18210
Kentucky	4,380,415	1/2300	914	4793
Massachusetts	6,646,144	1/2000	1900	3498
Michigan	9,883,360	1/3000	1581	6251
Montana	1,005,141	1/1500	96	10470
New Jersey	8,864,590	1/3000	2260	3922
New Mexico	2,085,538	1/2000	95	21953
Ohio	11,544,225	varies locally	837	13792
Pennsylvania	12,763,536	1/3000	600	21273
South Dakota	833,354	1/1500	75	11111
Utah	2,855,287	1/4925	144	19828
Washington	6,897,012	1/1200	1400	4926
Wyoming	576,412	1/3000	100	5764
Average				10204

FIGURE 4: ABOVE IS A TABLE OF THE AVERAGE CUSTOMER BASE FOR A LIQUOR STORE BY STATE. DATA PROVIDED BY MARATHON STRATEGIES.

Per the chart, the average population per liquor store in Massachusetts is 3,498. Due to the 20% store limit for cannabis shops, we can assume the average cannabis retail location will have access to a population of 20,000 people. This doesn't even take into consideration the fact that many towns across the state have band cannabis sales in their town. Combined with an influx of tourists from other states nearby where cannabis is illegal, the population could climb to 40,000. With online delivery illegal right now, the retail locations hold the majority of access to the market. This is why Eskar's focus will be on gaining retail permits.

MOBILIZATION PLAN

PRE-PERMIT ROLLOUT

Eskar is well under way to attain all of the prerequisites for retail permits in Massachusetts. It estimates that by April 2020 it will have approval by the Massachusetts Cannabis Control for its first retail dispensary, approval for the processing permit, and their 2nd & 3rd retail locations should be complete by June 2020.

Before Eskar can apply for their permits they must complete the following steps:

1. Control of real estate for its intended use
2. Confirm property meets the town zoning requirements
 - a. Achieve variances if the property fails the zoning requirements
3. Confirm location has the support of the local municipality
4. Letter of Intent from property manager where the firm seeks to operate
5. Host community forum
6. Sign Community Host Agreement
7. Finish confirmation of compliance with local zoning (Special permit if needed)
8. Finish state submission packet

Steps 1-4 don't necessarily happen in chronological order. It should also be noted Step 6 is the most critical step in this process. The host community agreement (HCA) is a document in which the town and marijuana business outline the terms and payments the business needs to uphold if it wishes to operate in the town. This may be in the form of a 3% sales tax, which goes directly to the town, or an agreement to operate within certain business hours. Upon signing the document, the business may start the permitting process with the state for their license. The town will not sign more HCAs than it plans to issue permits. This means once an HCA is obtained, the business has a high probability of obtaining a permit.

POST-HCA ROLLOUT

As permits are approved by the Cannabis Control Commission, Eskar will then begin the detail, design, and engineering for the retail locations. The engineering and design timeline will take 90 days to prepare all the required documents for permitting. The permitting approval process for towns like of Northbridge and Boston is estimated to take another 90 days once the permit applications are submitted. Arlington's special permit process is different from most towns in

Massachusetts. However, the town has provided guidance stating Eskar should expect to wait about 1 year before opening its door if it is selected to move forward with the permitting process.

STORE #1: NORTHBRIDGE OVERVIEW

NORTHBRIDGE

Northbridge has an HCA for a 5,000 sq ft property at 200 Commerce Drive, Northbridge, MA. The population of Northbridge is 17,000, but the location is along Providence Highway, a major thru road where other towns travel to Northbridge's shopping center located just down the street from the site. A local traffic study estimates the roadway sees an estimated 15,000 people a day. The new building will have at least 20 designated spaces along with on street parking up and down the roadway. The property owner of the industrial park has also been approved for several additional expansion and plans to add additional stores to the lot making the area a major destination for locals. Northbridge also abuts Sutton, a town which has voted to ban cannabis sales. The town will be issuing only 2 retail permits of which. The other retail firm was approved for an HCA at the beginning of March 2019. They will be located on the opposite side of town and will therefore pull from a different client base.

PROPOSED HOURS OF OPERATION BASED ON TOWN ZONING LAWS:

Monday: 8am-10pm
Tuesday: 8am-10pm
Wednesday: 8am-10pm
Thursday: 8am-10pm
Friday: 8am-10pm
Saturday: 8am-10pm
Sunday: 10am-10pm

ARCHITECTURAL DRAWINGS

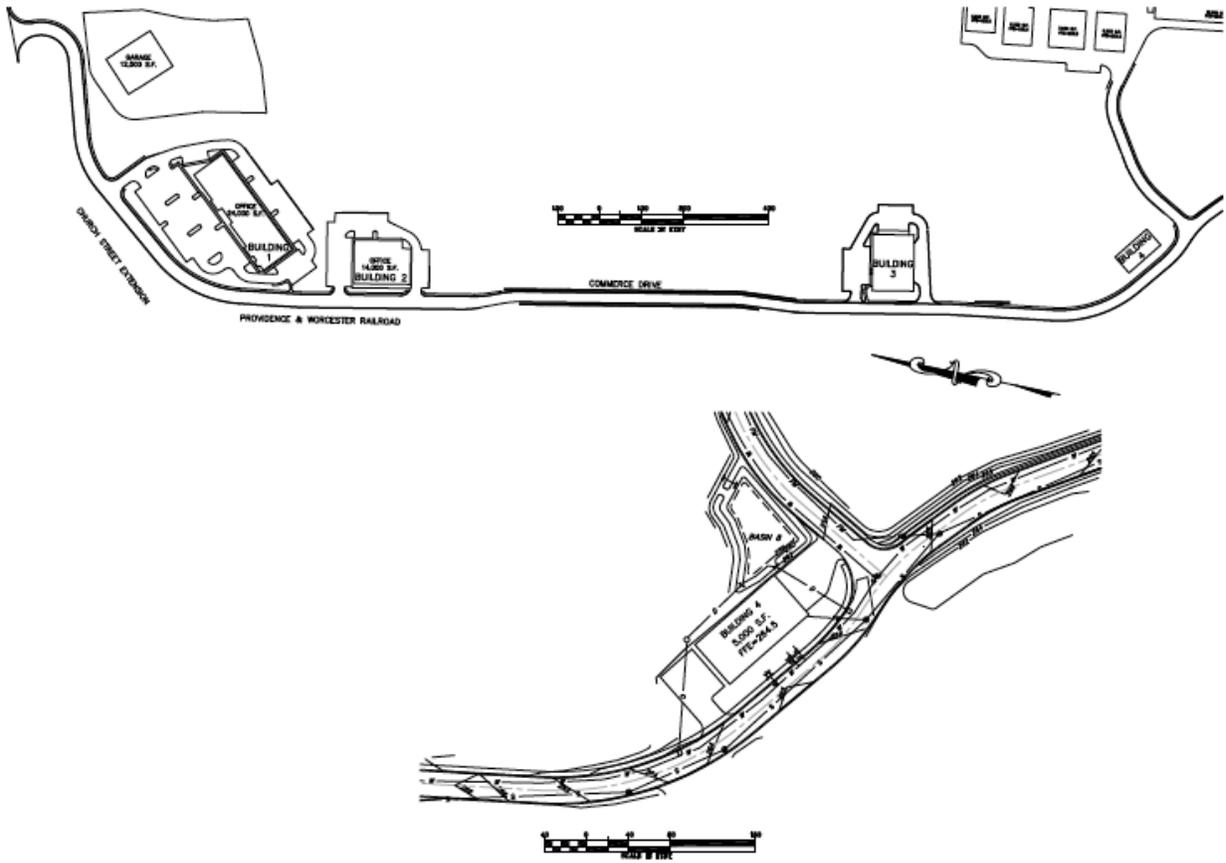


FIGURE 5: LOCATION OF THE RECREATIONAL MARIJUANA FACILITY (BUILDING 4) IN THE OSTERMAN COMMERCE PARK.

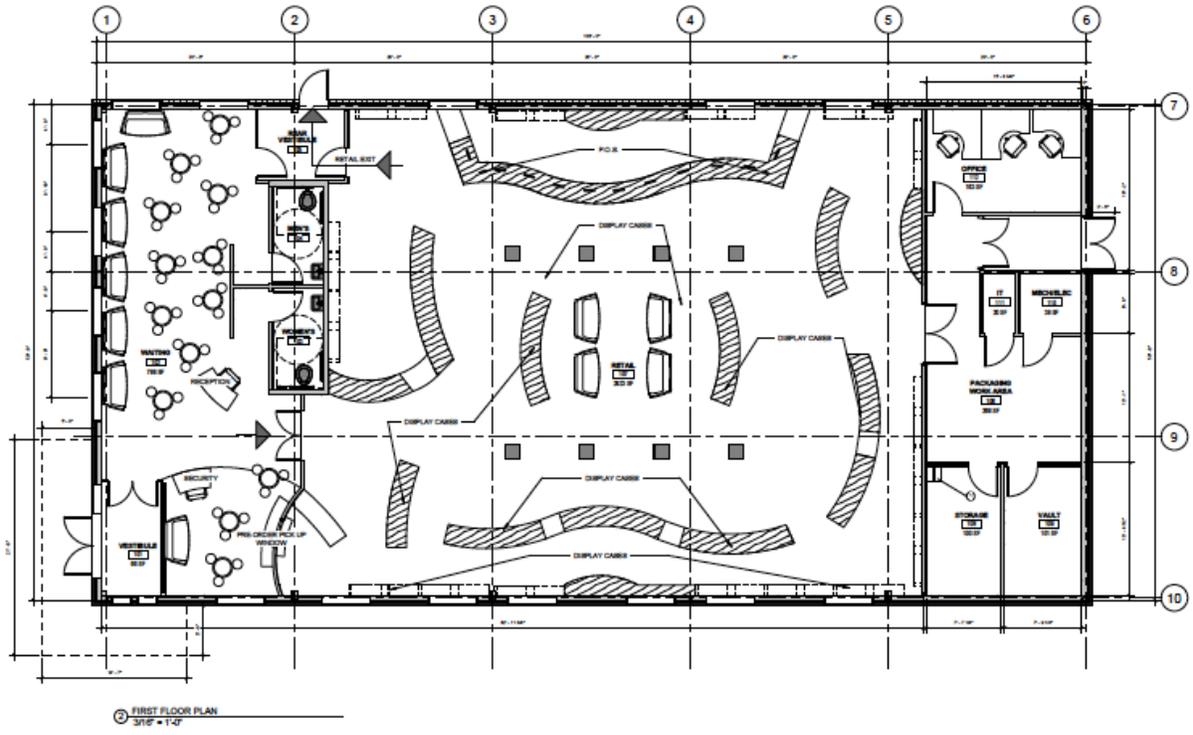
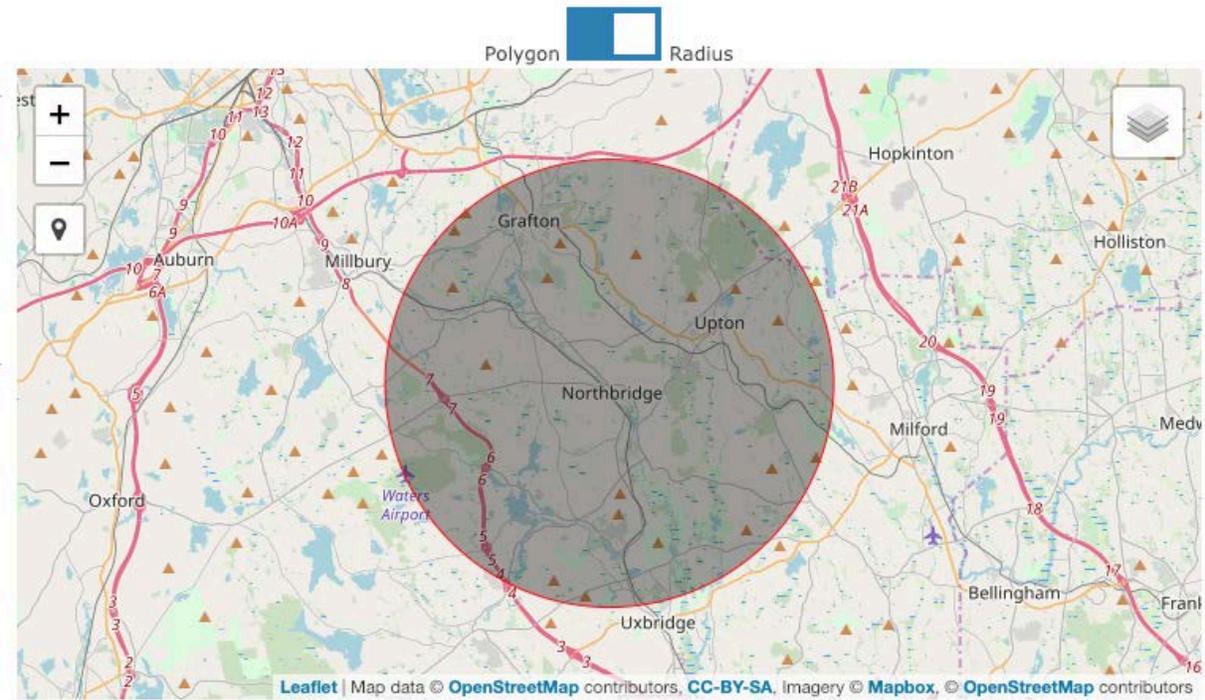


FIGURE 6: STORE LAYOUT OF NORTHBRIDGE FACILITY. 3,000 SQ FEET OF RETAIL SPACE WITH A LARGE DEDICATED BACKOFFICE AND STORAGE FOR STAFF TO MANAGE OPERATIONS BOTH AT THE NORTHBRIDGE AND ARLINGTON SITE.

POPULATION DENSITY

Population Inside a Area Search Map



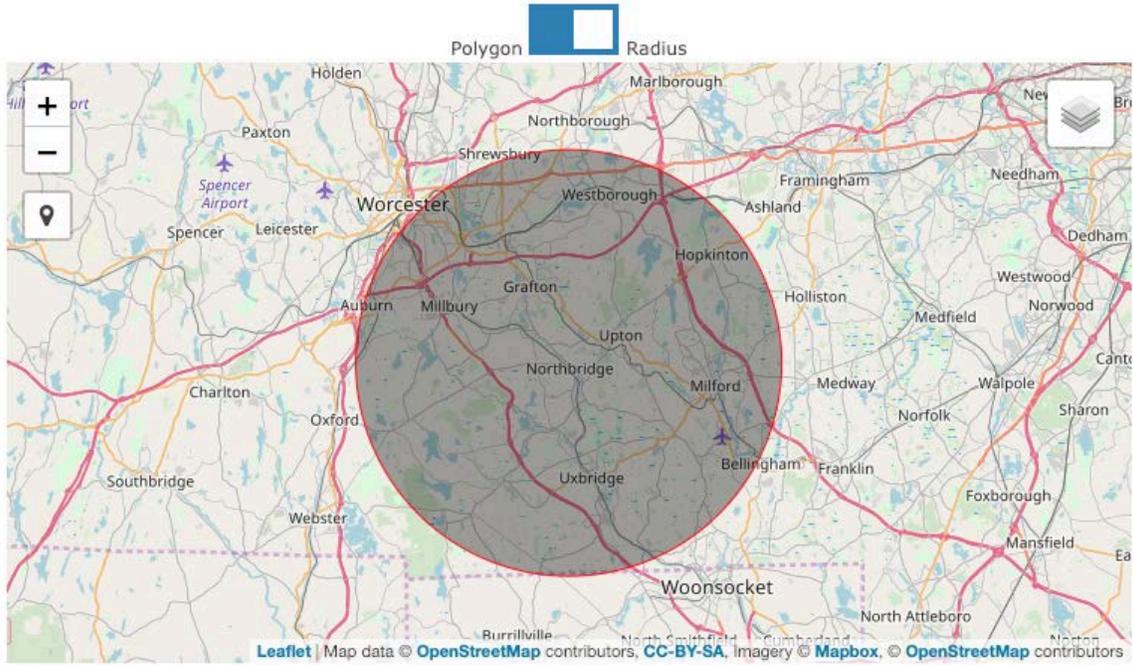
Input

Add Radius manually : Radius km OR miles Location :

Output

The estimated population in the defined area is 39,356

Population Inside a Area Search Map



Input

Add Radius manually : Radius km OR miles Location :

Output

The estimated population in the defined area is 203,352

STAGES OF THE PERMITTING PROCESS

Part of Process	Completed
Control of Property	X
Confirmed Approved Zoning	X
Local Municipality Approval	X
Signed LOI	X
Host Community Forum	X
Sign Community Host Agreement	X
Obtain Special Permit	

State Application Complete	
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FINANCIALS

Northbridge Profit & Loss Forecast (6 Years)

	Year 1		Year 2		Year 3		Year 4		Year 5		Year 6	
	Total	% of Income	Total	% of Income	Total	% of Income	Total	% of Income	Total	% of Income	Total	% of Income
Income												
Flowers	-		4,896,000	51.0%	5,042,880	51.0%	5,194,166	51.0%	5,349,991	51.0%	5,510,491	51.0%
Concentrates	-		2,736,000	28.5%	2,818,080	28.5%	2,902,622	28.5%	2,989,701	28.5%	3,079,392	28.5%
Edibles	-		1,200,000	12.5%	1,236,000	12.5%	1,273,080	12.5%	1,311,272	12.5%	1,350,611	12.5%
Topicals	-		768,000	8.0%	791,040	8.0%	814,771	8.0%	839,214	8.0%	864,391	8.0%
Gross Sales	-		9,600,000	100.0%	9,888,000	100.0%	10,184,640	100.0%	10,490,179	100.0%	10,804,885	100.0%
Discounts (10-15%)	-		(960,000)	-10.0%	(988,800)	-10.0%	(1,018,464)	-10.0%	(1,049,018)	-10.0%	(1,080,488)	-10.0%
Net Sales	-		8,640,000		8,899,200		9,166,176		9,441,161		9,724,396	
Cost of Goods Sold												
Flowers	-		2,232,300	23.3%	2,299,269	23.3%	2,368,247	23.3%	2,439,295	23.3%	2,512,473	23.3%
Concentrates	-		1,485,305	15.5%	1,529,864	15.5%	1,575,760	15.5%	1,623,033	15.5%	1,671,724	15.5%
Edibles	-		521,829	5.4%	537,483	5.4%	553,608	5.4%	570,216	5.4%	587,323	5.4%
Topicals	-		441,600	4.6%	454,848	4.6%	468,493	4.6%	482,548	4.6%	497,025	4.6%
Accessories	-		5,000		5,150		5,305		5,464		5,628	
COGS OH Allocation	-		290,000	3.0%	298,700	3.0%	307,661	3.0%	316,891	3.0%	326,398	3.0%
Total Cost of Goods Sold	-		4,976,034	51.8%	5,120,165	51.8%	5,273,770	51.8%	5,431,983	51.8%	5,594,942	51.8%
Total Cost of Goods Sold	-		4,976,034	51.8%	5,120,165	51.8%	5,273,770	51.8%	5,431,983	51.8%	5,594,942	51.8%
Gross Profit	-		3,663,966	38.2%	3,779,035	38.2%	3,892,406	38.2%	4,009,178	38.2%	4,129,454	38.2%
Expenses												
Fixed Expenses												
Overhead expense allocation to COGS	-		(290,000)	-3.0%	(295,800)	-3.0%	(301,716)	-3.0%	(307,750)	-2.9%	(313,905)	-2.9%
Insurance Expense												
Health	-		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Liability	-		40,000	0.4%	40,800	0.4%	41,616	0.4%	42,448	0.4%	43,297	0.4%
Workers Comp	-		15,000	0.2%	15,300	0.2%	15,606	0.2%	15,918	0.2%	16,236	0.2%
Total Insurance Expense	-		55,000	0.6%	56,100	0.6%	57,222	0.6%	58,366	0.6%	59,534	0.6%
Payroll Expenses												
Dispensary Team	91,667		550,000	5.7%	566,500	5.7%	583,495	5.7%	601,000	5.7%	619,030	5.7%
Discretionary Bonus	-		10,000	0.1%	10,300	0.1%	10,609	0.1%	10,927	0.1%	11,255	0.1%
Dispensary Management	37,500		225,000	2.3%	231,750	2.3%	238,703	2.3%	245,864	2.3%	253,239	2.3%
Payroll Taxes	10,333		62,800	0.7%	64,684	0.7%	66,625	0.7%	68,623	0.7%	70,682	0.7%
Management Fee	150,000		150,000	1.6%	154,500	1.6%	159,135	1.6%	163,909	1.6%	168,826	1.6%
Total Payroll Expenses	289,500		997,800	10.4%	1,027,734	10.4%	1,058,566	10.4%	1,090,323	10.4%	1,123,033	10.4%
Rent Expense	65,000		65,000	0.7%	66,950	0.7%	68,959	0.7%	71,027	0.7%	73,158	0.7%
CAM/ Real Estate Taxes	22,060		22,060	0.2%	22,722	0.2%	23,403	0.2%	24,106	0.2%	24,829	0.2%
Total Rent Expense	87,060		87,060	0.9%	89,672	0.9%	92,362	0.9%	95,133	0.9%	97,987	0.9%
Utilities												
Cable	1,000		6,000	0.1%	6,180	0.1%	6,365	0.1%	6,556	0.1%	6,753	0.1%
Electric	2,500		15,000	0.2%	15,450	0.2%	15,914	0.2%	16,391	0.2%	16,883	0.2%
Gas	2,500		15,000	0.2%	15,450	0.2%	15,914	0.2%	16,391	0.2%	16,883	0.2%
Water	1,667		10,000	0.1%	10,300	0.1%	10,609	0.1%	10,927	0.1%	11,255	0.1%
Total Utilities	7,667		46,000	0.5%	47,380	0.5%	48,801	0.5%	50,265	0.5%	51,773	0.5%
Total Fixed Expenses	384,227		895,860	9.3%	925,086	9.4%	955,235	9.4%	986,337	9.4%	1,018,421	9.4%
Variable Expenses												
Advertising/PR	35,000		25,000	0.3%	25,750	0.3%	26,523	0.3%	27,318	0.3%	28,138	0.3%
Bank Service Charges	-		5,000	0.1%	5,150	0.1%	5,305	0.1%	5,464	0.1%	5,628	0.1%
Counter Supplies	-		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Cleaning	2,000		25,000	0.3%	25,750	0.3%	26,523	0.3%	27,318	0.3%	28,138	0.3%
CPU & Internet	15,000		5,000	0.1%	5,150	0.1%	5,305	0.1%	5,464	0.1%	5,628	0.1%
Charitable Contributions	-		10,000	0.1%	10,300	0.1%	10,609	0.1%	10,927	0.1%	11,255	0.1%
Dues & Subscriptions	2,000		2,000	0.0%	2,060	0.0%	2,122	0.0%	2,185	0.0%	2,251	0.0%
Equipment Rental	-		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Legal & Accounting	50,000		10,000	0.1%	10,300	0.1%	10,609	0.1%	10,927	0.1%	11,255	0.1%
Licenses & Permits	5,000		5,000	0.1%	5,150	0.1%	5,305	0.1%	5,464	0.1%	5,628	0.1%
Office Supplies	6,000		6,000	0.1%	6,180	0.1%	6,365	0.1%	6,556	0.1%	6,753	0.1%
Payroll Fees	400		2,400	0.0%	2,472	0.0%	2,546	0.0%	2,623	0.0%	2,701	0.0%
Printing & Production	15,000		15,000	0.2%	15,450	0.2%	15,914	0.2%	16,391	0.2%	16,883	0.2%
Professional Fees	30,000		10,000	0.1%	10,300	0.1%	10,609	0.1%	10,927	0.1%	11,255	0.1%
Repairs & Maintenance	-		20,000	0.2%	20,600	0.2%	21,218	0.2%	21,855	0.2%	22,510	0.2%
Supplies/Packaging	-		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Security	20,000		60,000	0.6%	61,800	0.6%	63,654	0.6%	65,564	0.6%	67,531	0.6%
Training	15,000		5,000	0.1%	5,150	0.1%	5,305	0.1%	5,464	0.1%	5,628	0.1%
Trash Removal	5,000		15,000	0.2%	15,450	0.2%	15,914	0.2%	16,391	0.2%	16,883	0.2%
Uniforms	3,000		5,000	0.1%	5,150	0.1%	5,305	0.1%	5,464	0.1%	5,628	0.1%
Total Variable Expenses	203,400		225,400	2.3%	232,162	2.3%	239,127	2.3%	246,301	2.3%	253,690	2.3%
Total Expenses	587,627		1,121,260	11.7%	1,157,248	11.7%	1,194,362	11.7%	1,232,638	11.8%	1,272,111	11.8%
Net Operating Income	(587,627)		2,542,706	26.5%	2,621,787	26.5%	2,698,044	26.5%	2,776,540	26.5%	2,857,343	26.4%
Federal tax (21%)	-		769,433		793,597		817,405		841,927		867,185	
Mass excise tax (10%)	-		864,000		889,200		916,618		944,116		972,440	
Mass sales tax (7%)	-		604,800		622,944		641,632		660,881		680,708	
Mass host community tax (3%)	-		259,200		266,976		274,985		283,235		291,732	
Sales Taxes Collected (20%)	-		(1,728,000)		(1,779,840)		(1,833,235)		(1,888,232)		(1,944,879)	
Business Income Tax	-		769,433		793,597		817,405		841,927		867,185	
Free Cash AFTER TAX for Distribution	(587,627)		1,773,273	18%	1,828,190	18%	1,880,639	18%	1,934,613	18%	1,990,157	18%

5 year cash return
Original Investment
Gain

IRR 78%

SOURCES AND USES

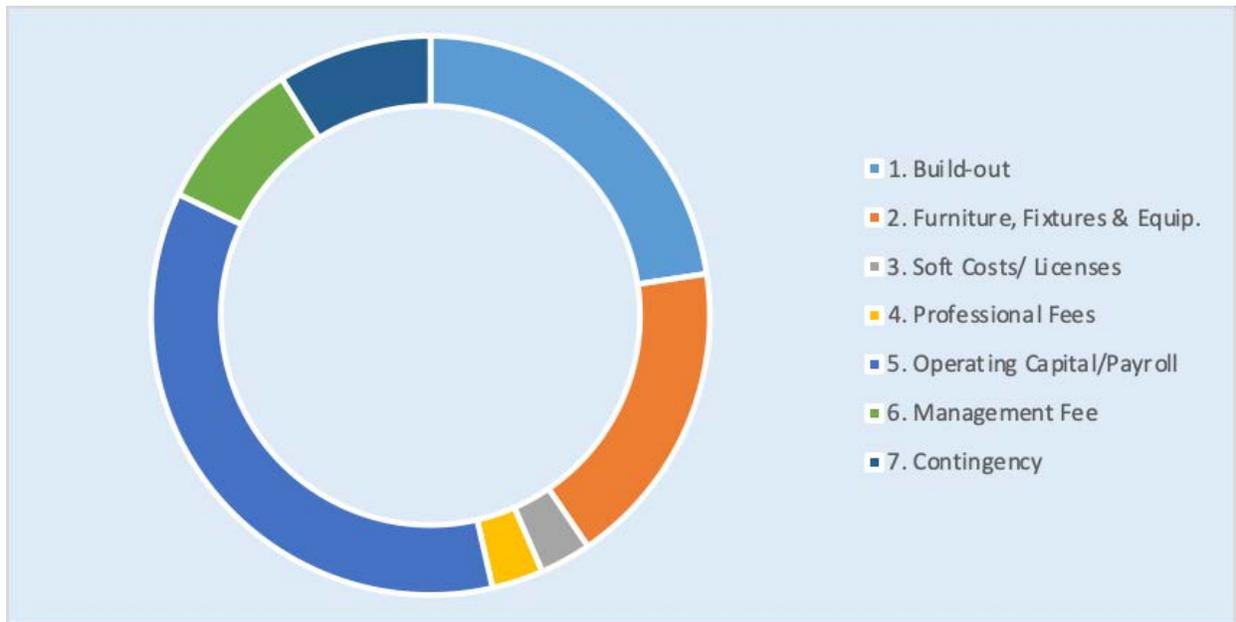
Funding Sources

Investor Group Capital	\$	1,500,000
Total Sources	\$	1,500,000

Uses

1. Build-out	\$	380,000
2. Furniture, Fixtures & Equip.	\$	300,000
3. Soft Costs/ Licenses	\$	50,000
4. Professional Fees	\$	50,000
5. Operating Capital/Payroll	\$	600,000
6. Management Fee	\$	150,000
7. Contingency	\$	150,000 *
Total Uses	\$	1,680,000
Original	\$	1,500,000

*Encompasses construction contingency as well as unforeseen opex



STORE #2: ARLINGTON OVERVIEW

ARLINGTON

Arlington has an HCA for a 3,000 sq ft property at 21 Broadway in Arlington, MA. Located just outside the city of Boston, the population of Arlington is 42,000. 21 Broadway is conveniently located on the Somerville town line. Currently only 2 stores are approved to operate in the town, but the town will allow one more vendor to open once they find a proper location. The other approved firm is located at Arlington Heights on the other side of town.

PROPOSED HOURS OF OPERATION

*Arlington special permits do not propose set hours like other towns. The final proposed hours of the business will not be decided until permitting with the town is complete. These hours are based on hours taken from the liquor stores in the town.

Monday: 9am-9pm

Tuesday: 9am-9pm

Wednesday: 9am-9pm

Thursday: 9am-9pm

Friday: 9am-9pm

Saturday: 9am-9pm

Sunday: 10am-7pm

ARCHITECTURAL DRAWINGS

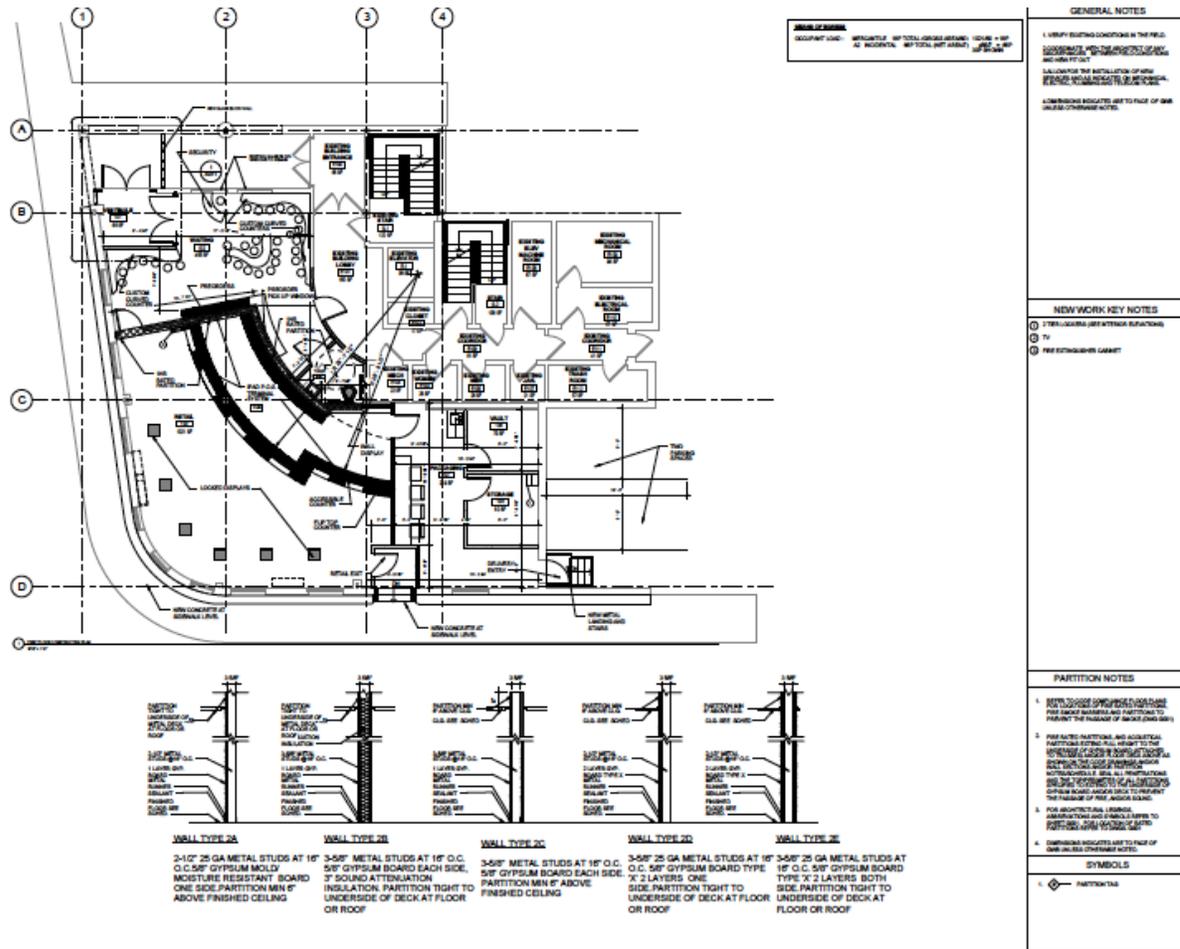


FIGURE 7: FLOOR DESIGN FOR ARLINGTON STORE. THOUGH THE SPACE IS A LITTLE OVER 2,000 SQ. FT. THE HOLDING ROOM ALLOWS THE MAXIMUM CAPACITY TO FOR THE STORE TO INCREASE TO OVER 80 PEOPLE. THIS HELPS PREVENT LONG LINES OUTSIDE THE BUILDING AND IMPROVES THE CUSTOMER EXPERIENCE.

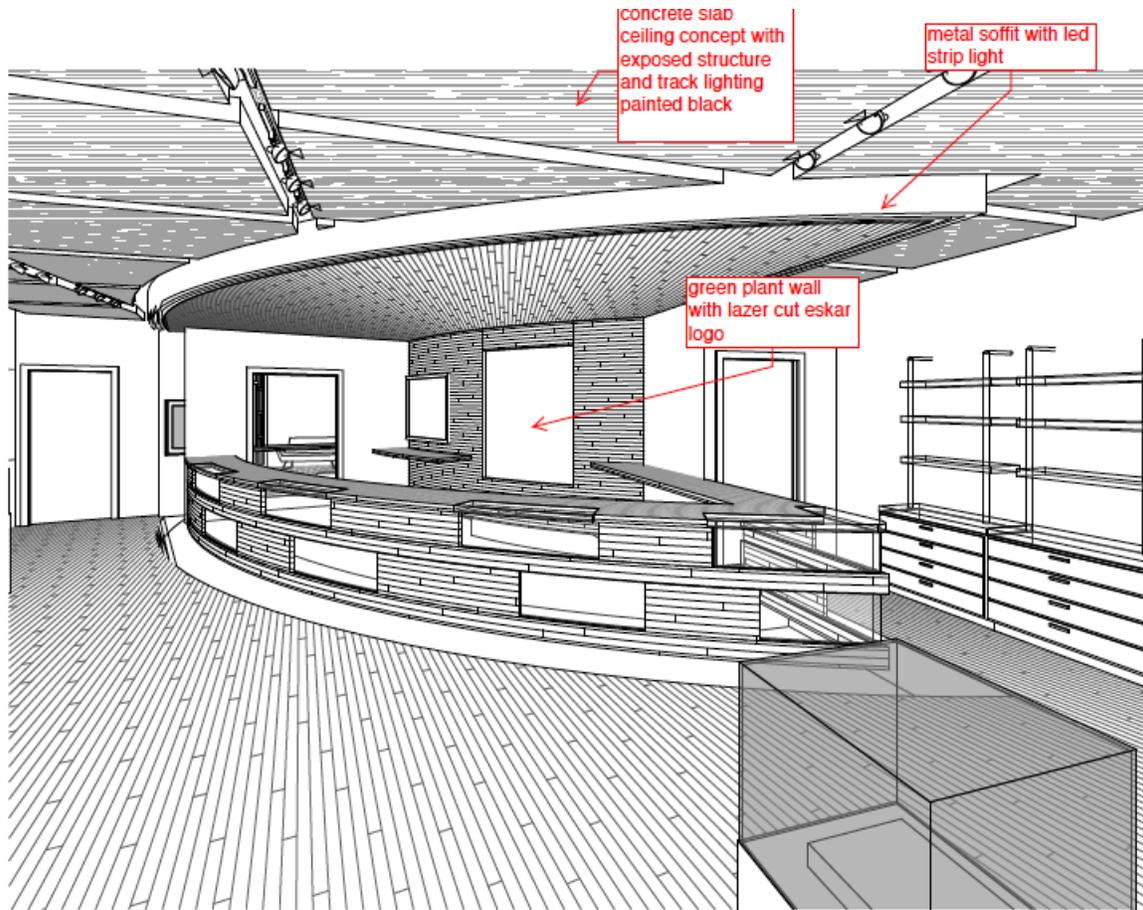


FIGURE 8: EXAMPLE OF STORE DESIGN. WOOD PANELING WILL COVER THE WALLS AND FLOOR GIVING THE STORE A MORE ORGANIC FEEL. THE CEILING WILL BE A CONCRETE SLAB DESIGN WHICH COMPLIMENTS THE WOOD PANELING.

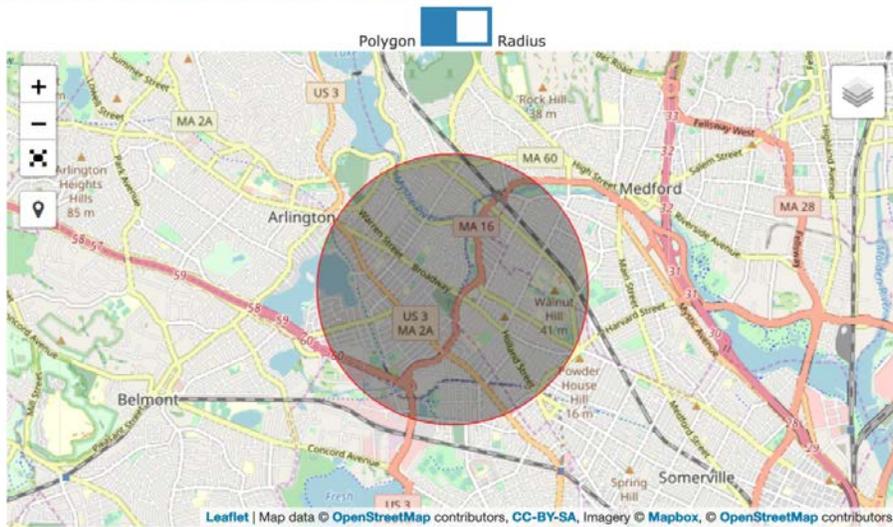
STAGES OF PERMIT PROCESS

Part of Process	Completed
Control of Property	X
Confirmed Approved Zoning	X
Local Municipality Approval	X
Signed LOI	X
Host Community Forum	X
Sign Community Host Agreement	X
Obtain Special Permit	

State Application Complete	
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POPULATION DENSITY

Population Inside a Area Search Map



1 | PCI DSS Best Practices

Recommended for: CIOs, CSOs, IT managers, compliance managers and PCI auditors Tufin



2 | Get Earth & 360° View Maps Now - Enter Location For Earth Maps.

Enter Any Location. Get the MyEarthMap App. Get Earth & Satellite 360° Maps Now. myearthmaps.net

Input

Add Radius manually : Radius km OR miles Location :

Output

The estimated population in the defined area is 61,250

FINANCIALS

Profit & Loss Forecast (5 Years)

	Year 1		Year 2		Year 3		Year 4		Year 5				
	Total	% of Income	Total	% of Income	Total	% of Income	Total	% of Income	Total	% of Income			
Income													
Flowers	\$	9,408,512	64.0%	\$	9,690,767	64.0%	\$	9,981,490	64.0%	\$	10,589,363	64.0%	
Concentrates	\$	3,895,712	26.5%	\$	4,012,583	26.5%	\$	4,132,961	26.5%	\$	4,384,658	26.5%	
Edibles	\$	1,249,568	8.5%	\$	1,287,055	8.5%	\$	1,325,667	8.5%	\$	1,406,400	8.5%	
Topicals	\$	147,008	1.0%	\$	151,418	1.0%	\$	155,961	1.0%	\$	165,459	1.0%	
Gross Sales	\$	14,700,800	100.0%	\$	15,141,824	100.0%	\$	15,596,079	100.0%	\$	16,063,961	100.0%	
Discounts (10-15%)	-	(1,470,080)	-10.0%	(1,514,182)	-10.0%	(1,559,608)	-10.0%	(1,606,396)	-10.0%	(1,654,588)	-10.0%		
Net Sales	-	13,230,720		13,627,642		14,036,471		14,457,565		14,891,292			
Cost of Goods Sold													
Flowers	\$	4,317,945	29.4%	\$	4,447,484	29.4%	\$	4,580,908	29.4%	\$	4,718,335	29.4%	
Concentrates	\$	2,133,790	14.5%	\$	2,197,803	14.5%	\$	2,263,738	14.5%	\$	2,331,650	14.5%	
Edibles	\$	512,428	3.5%	\$	527,801	3.5%	\$	543,635	3.5%	\$	559,944	3.5%	
Topicals	\$	66,154	0.5%	\$	68,138	0.5%	\$	70,182	0.5%	\$	72,288	0.5%	
Accessories	\$	7,500	0.1%	\$	7,725	0.1%	\$	7,957	0.1%	\$	8,195	0.1%	
COGS OH Allocation	\$	(430,000)	-2.9%	\$	(438,600)	-2.9%	\$	(447,372)	-2.9%	\$	(456,319)	-2.8%	
Total Cost of Goods Sold	\$	6,607,817	44.9%	\$	6,810,351	45.0%	\$	7,019,048	45.0%	\$	7,234,093	45.0%	
Total Cost of Goods Sold	\$	6,607,817	44.9%	\$	6,810,351	45.0%	\$	7,019,048	45.0%	\$	7,234,093	45.0%	
Gross Profit	\$	8,092,983	55.1%	\$	8,331,473	55.0%	\$	8,577,031	55.0%	\$	8,829,868	55.0%	
Expenses													
Fixed Expenses													
Overhead expense allocation to COGS	-	(430,000)	-2.9%	(438,600)	-2.9%	(447,372)	-2.9%	(456,319)	-2.8%	(465,446)	-2.8%		
Insurance Expense													
Health	\$	-	0.0%	\$	-	0.0%	\$	-	0.0%	\$	-	0.0%	
Liability	\$	40,000	0.3%	\$	40,800	0.3%	\$	41,616	0.3%	\$	42,448	0.3%	
Workers Comp	\$	20,000	0.1%	\$	20,400	0.1%	\$	20,808	0.1%	\$	21,224	0.1%	
Total Insurance Expense	\$	60,000	0.4%	\$	61,200	0.4%	\$	62,424	0.4%	\$	63,672	0.4%	
Payroll Expenses													
Dispensary Team	\$	116,667	0.8%	\$	120,000	0.8%	\$	123,630	0.8%	\$	127,499	0.8%	
Discretionary Bonus	\$	20,000	0.1%	\$	20,600	0.1%	\$	21,218	0.1%	\$	21,855	0.1%	
Dispensary Management	\$	58,333	0.4%	\$	60,000	0.4%	\$	61,715	0.4%	\$	63,474	0.4%	
Payroll Taxes	\$	14,000	0.1%	\$	14,400	0.1%	\$	14,816	0.1%	\$	15,248	0.1%	
Management Fee	\$	175,000	1.2%	\$	180,250	1.2%	\$	185,658	1.2%	\$	191,227	1.2%	
Total Payroll Expenses	\$	364,000	2.7%	\$	375,250	2.7%	\$	386,973	2.7%	\$	399,204	2.7%	
Rent Expense	\$	90,000	0.6%	\$	92,700	0.6%	\$	95,481	0.6%	\$	98,345	0.6%	
CAM/ Real Estate Taxes	\$	22,060	0.2%	\$	22,722	0.2%	\$	23,403	0.2%	\$	24,106	0.2%	
Total Rent Expense	\$	112,060	0.8%	\$	115,422	0.8%	\$	118,884	0.8%	\$	122,451	0.8%	
Utilities													
Cable	\$	1,000	0.0%	\$	1,000	0.0%	\$	1,000	0.0%	\$	1,000	0.0%	
Electric	\$	2,500	0.0%	\$	2,500	0.0%	\$	2,500	0.0%	\$	2,500	0.0%	
Gas	\$	2,500	0.0%	\$	2,500	0.0%	\$	2,500	0.0%	\$	2,500	0.0%	
Water	\$	1,667	0.0%	\$	1,667	0.0%	\$	1,667	0.0%	\$	1,667	0.0%	
Total Utilities	\$	7,667	0.0%	\$	7,667	0.0%	\$	7,667	0.0%	\$	7,667	0.0%	
Total Fixed Expenses	\$	483,727	3.6%	\$	497,879	3.6%	\$	512,331	3.6%	\$	527,184	3.6%	
Variable Expenses													
Advertising/PR	\$	35,000	0.2%	\$	35,700	0.2%	\$	36,420	0.2%	\$	37,155	0.2%	
Bank Service Charges	\$	-	0.0%	\$	-	0.0%	\$	-	0.0%	\$	-	0.0%	
Counter Supplies/packaging	\$	-	0.0%	\$	-	0.0%	\$	-	0.0%	\$	-	0.0%	
Cleaning	\$	3,000	0.0%	\$	3,000	0.0%	\$	3,000	0.0%	\$	3,000	0.0%	
CPU & Internet	\$	20,000	0.1%	\$	20,000	0.1%	\$	20,000	0.1%	\$	20,000	0.1%	
Contributions	\$	-	0.0%	\$	-	0.0%	\$	-	0.0%	\$	-	0.0%	
Dues & Subscriptions	\$	2,000	0.0%	\$	2,000	0.0%	\$	2,000	0.0%	\$	2,000	0.0%	
Equipment Rental	\$	-	0.0%	\$	-	0.0%	\$	-	0.0%	\$	-	0.0%	
Legal & Accounting	\$	60,000	0.4%	\$	60,000	0.4%	\$	60,000	0.4%	\$	60,000	0.4%	
Licenses & Permits	\$	5,000	0.0%	\$	5,000	0.0%	\$	5,000	0.0%	\$	5,000	0.0%	
Office Supplies	\$	10,000	0.0%	\$	10,000	0.0%	\$	10,000	0.0%	\$	10,000	0.0%	
Payroll Fees	\$	1,000	0.0%	\$	1,000	0.0%	\$	1,000	0.0%	\$	1,000	0.0%	
Printing & Production	\$	12,000	0.0%	\$	12,000	0.0%	\$	12,000	0.0%	\$	12,000	0.0%	
Professional Fees	\$	50,000	0.3%	\$	50,000	0.3%	\$	50,000	0.3%	\$	50,000	0.3%	
Repairs & Maintenance	\$	-	0.0%	\$	-	0.0%	\$	-	0.0%	\$	-	0.0%	
Supplies	\$	-	0.0%	\$	-	0.0%	\$	-	0.0%	\$	-	0.0%	
Security	\$	30,000	0.2%	\$	30,000	0.2%	\$	30,000	0.2%	\$	30,000	0.2%	
Training	\$	20,000	0.1%	\$	20,000	0.1%	\$	20,000	0.1%	\$	20,000	0.1%	
Trash Removal	\$	10,000	0.0%	\$	10,000	0.0%	\$	10,000	0.0%	\$	10,000	0.0%	
Uniforms	\$	5,000	0.0%	\$	5,000	0.0%	\$	5,000	0.0%	\$	5,000	0.0%	
Total Variable Expenses	\$	263,000	1.9%	\$	263,237	1.9%	\$	263,484	1.9%	\$	263,739	1.9%	
Total Expenses	\$	746,727	5.1%	\$	763,116	5.1%	\$	780,815	5.1%	\$	799,923	5.1%	
Net Operating Income	\$	(746,727)	-5.1%	\$	(669,423)	-4.5%	\$	(688,936)	-4.5%	\$	(702,422)	-4.5%	
Federal tax (21%)	-	-		1,699,527		1,749,609		1,801,177		1,854,272		1,908,942	
Mass State income tax (8%)	-	-		647,439		666,518		686,162		706,389		727,216	
Mass excise tax (10%)	-	-		1,323,072		1,362,764		1,403,647		1,445,756		1,489,129	
Mass sales tax (7%)	-	-		926,150		953,935		982,553		1,012,030		1,042,390	
Mass host community tax (3%)	-	-		396,922		408,829		421,094		433,727		446,739	
Sales Taxes Collected (20%)	-	-		(2,646,144)		(2,725,528)		(2,807,294)		(2,891,513)		(2,978,258)	
Business Income Tax	\$	-		2,346,965		2,416,127		2,487,339		2,560,662		2,636,158	
Free Cash AFTER TAX for Distribution	\$	(746,727)		4,349,458	30%	4,473,189	30%	4,600,497	29%	4,731,486	29%	4,866,264	29%

5 year cash return \$ 22,274,167
 Original Investment 1,800,000
 Gain 20,474,167
 IRR 135%

SOURCES AND USES

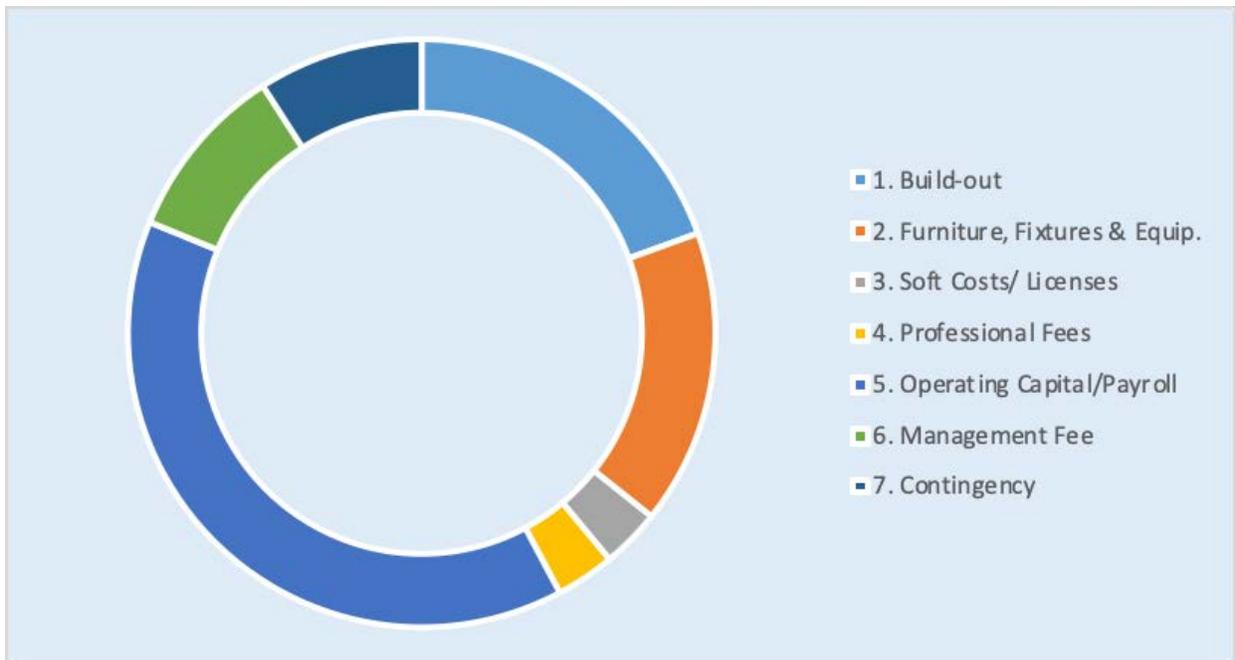
Funding Sources

Investor Group Capital	\$ 1,800,000
Total Sources	\$ 1,800,000

Uses

1. Build-out	\$ 300,000
2. Furniture, Fixtures & Equip.	\$ 250,000
3. Soft Costs/ Licenses	\$ 50,000
4. Professional Fees	\$ 50,000
5. Operating Capital/Payroll	\$ 600,000
6. Management Fee	\$ 150,000
7. Contingency	\$ 140,000 *
Total Uses	\$ 1,540,000

*Encompasses construction contingency as well as unforeseen opex



CONTACT:

Michael Hunnewell

President

Eskar Arlington LLC and Eskar Northbridge LLC

mike.r.hunnewell@gmail.com

781-697-9323

Plan for Obtaining Liability Insurance

Purpose

The purpose of this plan is to outline how Eskar Arlington, LLC (“Eskar”) will obtain and maintain the required General Liability and Product Liability insurance coverage as required pursuant to 935 CMR 500.105(10), or otherwise comply with this requirement.

Research

Eskar has engaged with multiple insurance providers offering General and Product Liability Insurance coverage in the amounts required in 935 CMR 500.105(10). These providers are established in the legal marijuana industry. We are continuing these discussions with the insurance providers and will engage with the provider who best suits the needs of the company once we receive a Provisional License.

Plan

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

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Separating Recreational from Medical Operations

Eskar Arlington, LLC (“Eskar”) does not intend to sell medical marijuana or marijuana products to registered qualifying patients at this time and does not hold a medical license under 935 CMR 501.000. As a result, Eskar will not need to separate its recreational operations from its medical operations because it will only be conducting retail recreational operations.

Restricting Access to Age 21 or Older

Upon entry into the premise of Eskar Arlington, LLC (“Eskar”) by an individual, a Eskar agent shall immediately inspect the individual’s proof of identification. An individual shall not be admitted to the premise unless the retailer has verified that the individual is 21 years of age or older by offering proof of identification. Eskar’s management team is responsible for ensuring that all persons who enter the facility or are otherwise associated with the operations of Eskar are 21 years of age or older.

To verify an individual’s age, an Eskar Agent must receive and examine from the individual one of the following authorized government issued ID cards: Massachusetts issued driver’s license; Massachusetts issued ID card; Out-of-state driver’s license or ID card (with photo); Passport; or U.S. Military ID. To verify the age of the individual the Agent will use an Age Verification Smart ID Scanner that will be supplied by Eskar. If for any reason the identity of the customer or the validity of the ID is in question, the individual will not be granted access to the facility.

Eskar will train all Retail and Security Agents on the verification and identification of individuals. All Agents will enroll in and complete the Responsible Vendor Training Program when it is available. This curriculum will include: Diversion prevention and prevention of sales to minors; and Acceptable forms of identification, including how to check identification, spotting false identification, provisions for confiscating fraudulent identifications, and common mistakes made in verification.

Eskar will have limited access areas identified with clear signage designating the access point for authorized personnel only, pursuant to 935 CMR 500.110(4). Identification badges will be required to be worn at all times by Eskar employees while at the facility or engaged in transportation. Eskar will positively identify all individuals seeking access to the facility to limit access solely to individuals 21 years or age or older.

While at the facility or transporting marijuana for the facility all Eskar Agents must carry their valid Agent Registration Card issued by the Commission. All Eskar Agents are verified to be 21 years of age or older prior to being issued a Marijuana Establishment Agent card. All outside vendors, contractors and visitors shall be required to wear visitor badges prior to entering limited access areas and shall be displayed at all times. Visitors shall be logged in and out and be escorted while at the Eskar facility. The visitor log will be available for inspection by the Commission at all times. All visitor badges will be returned to Eskar upon exit.

The following individuals shall be granted immediate access to the facility: Representatives of the Commission in the course of responsibilities authorized by Chapter 334 of the Acts of 2016, as amended by Chapter 55 of the Acts of 2017 or 935 CMR 500.000; representatives of other state agencies in the Commonwealth; emergency responders in the course of responding to an emergency; and law enforcement personnel or local public health, inspectional services, or other permit-granting agents acting within their lawful jurisdiction.

All Limited Access areas will be clearly described by the filing of a diagram of the registered premises, as determined by the Commission, reflecting, where applicable, entrances and exits,

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walls, partitions, processing, production, storage, disposal and retail sales areas. Access to Limited Access areas will be restricted to employees, agents or volunteers specifically permitted by Eskar, agents of the Commission, state and local law enforcement and emergency personnel. All Eskar employees will visibly display an employee identification badge issued by Eskar at all times while Eskar's Marijuana Establishments or transporting marijuana.

Procedures for Quality Control and Testing of Product

Pursuant to 935 CMR 500.160, Eskar Arlington, LLC (“Eskar”) will not sell or market any marijuana product that is not capable of being tested by Independent Testing Laboratories, including testing of marijuana products and environmental media. Eskar will 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 Eskar 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 Eskar by the testing facility will be disposed of in accordance with 935 CMR 500.105(12). Eskar will 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.

In accordance with 935 CMR 500.130(2), Eskar will prepare, handle and store all edible marijuana products in compliance with the sanitation requirements in 105 CMR 500.000: *Good Manufacturing Practices for Food*, and with the requirements for food handlers specified in 105 CMR 300.000: *Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements*. In addition, Eskar’s 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.

Pursuant to 935 CMR 500.105(11)(a)-(e), Eskar will provide adequate lighting, ventilation, temperature, humidity, space and equipment, in accordance with applicable provisions of 935 CMR 500.105 and 500.110. Eskar 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. Eskar 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 Eskar storage areas will be maintained in accordance with the security requirements of 935 CMR 500.110.

Eskar has a Quality Manager who will oversee the Eskar facility to maintain strict compliance with DPH regulations and protocols for quality control and analytical testing. In accordance with 935 CMR 500.160. All Marijuana Infused Products (“MIPs”) sold will be produced using good manufacturing practices and safe practices for food handling to ensure quality and prevention of contamination.

All Eskar agents whose job includes contact with marijuana or nonedible marijuana products is subject to the requirements for food handlers specified in 105 CMR 300.000: *Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements*. All Eskar agents working in direct contact with preparation of marijuana or nonedible marijuana products shall conform to sanitary practices while on duty, including personal cleanliness and thorough hand-washing. The hand-washing facilities will be adequate and convenient with running water at a suitable temperature and conform with all requirements of 935 CMR 500.105(3)(b)(3).

Eskar will provide sufficient space for placement of equipment and storage of materials as is

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necessary for the maintenance of sanitary operations, in accordance with 935 CMR 500.105(3)(b)(4). Litter and waste will be properly removed and disposed of and the operating systems for waste disposal shall be maintained in an adequate manner pursuant to 935 CMR 500.105(12). The floors, ceilings and walls will be constructed in a way that allows them to be adequately cleaned and in good repair. All contact surfaces, including utensils and equipment, shall be maintained in a clean and sanitary condition in compliance with 935 CMR 500.105(3)(b)(9). All toxic items shall be identified, held, and stored in a manner that protects against contamination of marijuana products.

Pursuant to 935 CMR 500.105(3)(b)(11), Eskar's water supply will be sufficient for necessary operations able to meet our needs. The plumbing requirements of 935 CMR 500.105(3)(b)(12) will be met through adequate size and design and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the Eskar facility. Eskar will also provide our employees with adequate, readily accessible toilet facilities that are maintained in sanitary condition and in good repair. All products that can support the rapid growth of undesirable microorganisms will be held in a manner that prevents the growth of these microorganisms.

Our quality assurance manager will ensure all batches of Marijuana and MIPs will be tested, by an independent testing laboratory pursuant to 935 CMR 500.160. All products shall be tested for the cannabinoid profile and for contaminants as specified by the Department, including but not limited to mold, mildew, heavy metals, plant-growth regulators, and the presence of pesticides.

Environmental media will be tested in compliance with the *Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana Dispensaries* published by the Department of Public Health pursuant to 935 CMR 500.160(1). All testing results will be maintained by Eskar for no less than one year in accordance with 935 CMR 500.160(3).

Samples that fail testing will be reported and destroyed. 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.

Personnel Policies

It is Eskar Arlington, LLC (“Eskar”) policy to provide equal opportunity in all areas of employment, including recruitment, hiring, training and development, promotions, transfers, termination, layoff, compensation, benefits, social and recreational programs, and all other conditions and privileges of employment, in accordance with applicable federal, state, and local laws. Eskar will make reasonable accommodations for qualified individuals with known disabilities, in accordance with applicable law.

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, determined by Eskar to be involved in discriminatory practices are subject to disciplinary action and may be terminated. Eskar 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(2), all current owners, managers and employees of Eskar 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. Eskar will maintain records of responsible vendor training compliance, 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; and key state and local laws.

All Eskar policies will include a staffing plan and corresponding records in compliance with 935 CMR 500.105(1)(i) and ensure that all employees are aware of the alcohol, smoke, and drug-free workplace policies in accordance with 935 CMR 500.105(1)(k). Eskar will also implement policies to ensure the maintenance of confidential information pursuant to 935 CMR 500.105(1)(l). Eskar will enforce a policy for the dismissal of agents for prohibited offenses according to 935 CMR 105(1)(m).

All Eskar 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 marijuana establishment agents will complete a training course administered by Eskar 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).

Record Keeping Procedures

Eskar Arlington, LLC's ("Eskar") records will be available to the Cannabis Control Commission ("CCC") upon request pursuant to 935 CMR 500.105(9). The records will be maintained in accordance with generally accepted accounting principles. All written records required in any section of 935 CMR 500.000 are subject to inspection, 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).

Eskar will also keep all waste disposal records as required by 500.105(12), including record keeping procedures. Eskar will ensure that at least 2 Marijuana Establishment Agents witness and document how the marijuana waste is disposed or otherwise handled in accordance with 935 CMR 500.105(12). When the marijuana products or waste is disposed or handled, Eskar will create and maintain a written or electronic record of the date, the type, and quantity disposed or handled, the manner of disposal or other handling, the location of the disposal or other handling, and the names of the Agents present during the disposal or handling, with their signatures. Eskar will keep these records for at least 3 years.

Personnel records will also be maintained, in accordance with 935 CMR 500.105(9)(d), including but not limited to, job descriptions for each employee, organizational charts, staffing plans, 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 Eskar, in accordance with 935 CMR 500.105(9)(d)(2). Additionally, business will be maintained in accordance with 935 CMR 500.104(9)(e) as well as waste disposal records pursuant to 935 CMR 500.104(9)(f), as required under 935 CMR 500.105(12).

Following the closure of the Marijuana Establishment, all records will be kept for at least two years at the expense of Eskar and in a form and location acceptable to the Commission, pursuant to 935 CMR 500.105(9)(g). In accordance with 935 CMR 500.105(9), records of Eskar will be available for inspection by the Commission upon request. Eskar's records will be maintained in accordance with generally accepted accounting principles. Eskar will have all required written records and available for inspection, including all written operating procedures as required by 935 CMR 500.105(1) and business records as outlined by 935 CMR 500.105(9)(e).

Maintaining of Financial Records

Eskar Arlington, LLC's ("Eskar") 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.

Eskar will conduct monthly sales equipment and data software checks and initiate reporting requirements for discovery of software manipulation as required by 935 CMR 500.140(5)(d). Eskar will not utilize software or other methods to manipulate or alter sales data in compliance with 935 CMR 500.140(5)(c). Eskar 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. Eskar will maintain records that it has performed the monthly analysis and produce it upon request to the Commission. If Eskar determines that software had been installed for the purpose of manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data we will: disclose the information to the Commission; cooperate with the Commission in an investigation relative to data manipulation; and take other action as directed by the Commission to comply with the applicable regulations. Pursuant to 935 CMR 500.140(5)(e), Eskar will comply with 830 CMR 62C.25.1: *Record Retention* and DOR Directive 16-1 regarding recordkeeping requirements.

Eskar will implement separate accounting practices for marijuana and non-marijuana sales pursuant to 935 CMR 500.140(5)(f).

Following the closure of Eskar, all records will be kept for at least two years at the expense of Eskar and in a form and location acceptable to the Commission, in accordance with 935 CMR 500.105(9)(g). Financial records shall be kept 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)(e).

Qualifications and Training

Pursuant to 935 CMR 500.105(2)(a) Eskar Arlington, LLC (“Eskar”) will ensure all dispensary agents complete training prior to performing job functions. Training will be tailored to the role and responsibilities of the job function. Dispensary agents will be trained for one week before acting as a dispensary agent. At a minimum, staff shall receive eight hours of on-going training annually. New dispensary agents will receive employee orientation prior to beginning work with Eskar. Each department managed will provide orientation for dispensary agents assigned to their department. Orientation will include a summary overview of all the training modules.

In accordance with 935 CMR 500.105(2), all current owners, managers and employees of Eskar 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. Eskar will maintain records of responsible vendor training compliance, 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; and key state and local laws.

All employees will be registered as agents, in accordance with 935 CMR 500.030. All Eskar 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 Eskar shall meet suitability standards of 935 CMR 500.800.

Training will be recorded and retained in dispensary agents file. Training records will be retrained by Eskar for at least one year after agents’ termination. Dispensary agents will have continuous quality training and a minimum of 8 hours annual on-going training.

Diversity Plan

Purpose

Eskar Arlington, LLC's (together with our other license under Eskar Northbridge, LLC, collectively known in this document as "Eskar") Diversity Plan is meant to be an evolving document designed to guide decisions and practices that ensure we are able to reach our goals described below. The Diversity Plan represents an initial approach to establish a comprehensive management plan with goals and measures for inclusion and diversity. The Diversity Plan will be evaluated and modified, when necessary, as our company grows and expands.

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

Proposed Initiatives, Goals and Metrics

GOAL 1: Recruit and hire a diverse group of employees that values and promotes inclusiveness among the workforce. As part of its hiring plan, Eskar will seek to hire a workforce that is made up of at least 50% of individuals who identify as women, and will also seek opportunities to hire people who identify as minorities (10%), veterans (10%), people with disabilities (5%) and LGBTQ+ individuals (5%) with a goal to increase the number of individuals falling into these demographics working in the establishment.

Proposed Initiative: To achieve this goal, Eskar will:

- Create gender-neutral job descriptions;
- Recruit from state and local employment staffing groups at a frequency that meets our employment requirements; and
- Post hiring needs in diverse publications such as a variety of web-based recruitment platforms such as indeed.com at a frequency that meets our employment requirements;

Eskar will adhere to the requirements set forth in 935 CMR 500.105(4) relative to the permitted and prohibited advertising, brand, marketing, and sponsorship practices of marijuana establishments. Eskar will engage with community groups and leaders to further identify ways in which to attract candidates that may not otherwise be aware of employment opportunities with Eskar. To ensure that our workplace is an inclusive environment and to promote equity among our team, all hiring managers will undergo training to address bias and cultural sensitivity.

Metrics and Evaluation: Eskar will assess the demographics of its employees to see if it is

meeting its goal of increasing diversity in these positions. Eskar will annually analyze the staffing makeup and based upon the outcome of those analytics, determine what steps are necessary to further increase the diversity of Eskar. Eskar will assess and review its progress, submitting a report to the Commission at least 60 days prior to the annual renewal date of our Provisional License. Based upon this annual review and in conjunction with the renewal of its license, Eskar will be able to demonstrate to the Commission the success of

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this initiative.

GOAL 2: Create a safe, accepting and respectful work environment with a goal of having at least 85% of our employees describe Eskar as a safe, accepting, and respectful work environment.

Proposed Initiative: To accomplish this goal, Eskar will require one annual cultural sensitivity training for all employees including specific training for employees in management positions. Employees will be asked to fill out annual engagement surveys which will elicit feedback on Eskar's work environment. Employees will be able to provide feedback to Eskar at any time through the use of an anonymous suggestion box outside management offices for any employee who wishes to leave a suggestion but remain anonymous when doing so. This box will remain locked, so any suggestions left inside cannot be tampered with.

Metrics and Evaluation: Eskar will collect and consider the feedback from the surveys and suggestion box. All comments and feedback will be documented and reviewed by senior management staff. Eskar will conduct engagement surveys annually and review the results of these surveys within a month of administering them. The suggestion box will be checked at least on a weekly basis by either the CEO, COO, or approved corresponding human resources management of the company. The senior management staff, will identify the top 3-5 areas for improvement and, in collaboration with the Eskar employees, develop goals (short and long term) on how to address those areas of development. This review of feedback and engagement surveys will enable Eskar to demonstrate to the Commission the success of its progress upon the renewal of its license each year.

I. Conclusion

Eskar will conduct continuous and regular evaluations of the implementation of its goals and at any point will retool its policies and procedures in order to better accomplish the goals set out in this Diversity Plan. Any actions taken, or programs instituted by Eskar will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.