



## Massachusetts Cannabis Control Commission

### Marijuana Retailer

#### General Information:

License Number: MR282670  
Original Issued Date: 10/20/2020  
Issued Date: 10/20/2020  
Expiration Date: 10/20/2021

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: KRD Growers, LLC

Phone Number: 978-417-1247  
Email Address: sgrant@publicpolicylaw.com

Business Address 1: 155 State Street	Business Address 2: Suite 3
Business City: Newburyport	Business State: MA
Business Zip Code: 01950	
Mailing Address 1: 155 State Street	Mailing Address 2: Suite 3
Mailing City: Newburyport	Mailing State: MA
Mailing Zip Code: 01950	

### 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: 49  
Percentage Of Control: 49  
Role: Manager  
Other Role:

First Name: Joan Last Name: Regan Suffix:  
Gender: Female User Defined Gender:  
What is this person's race or ethnicity?: Decline to Answer  
Specify Race or Ethnicity:

Person with Direct or Indirect Authority 2

Percentage Of Ownership: 1 Percentage Of Control: 1  
Role: Executive / Officer Other Role:  
First Name: Narendra Last Name: Patel Suffix:  
Gender: Male User Defined Gender:  
What is this person's race or ethnicity?: Decline to Answer  
Specify Race or Ethnicity:

Person with Direct or Indirect Authority 3

Percentage Of Ownership: 1 Percentage Of Control: 1  
Role: Executive / Officer Other Role:  
First Name: Chetak Last Name: Patel Suffix:  
Gender: Male User Defined Gender:  
What is this person's race or ethnicity?: Decline to Answer  
Specify Race or Ethnicity:

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

No records found

CLOSE ASSOCIATES AND MEMBERS

No records found

CAPITAL RESOURCES - INDIVIDUALS

Individual Contributing Capital 1

First Name: Narendra Last Name: Patel Suffix:  
Types of Capital: Monetary/Equity Other Type of Capital: Total Value of the Capital Provided: \$200000 Percentage of Initial Capital: 16  
Capital Attestation: Yes

Individual Contributing Capital 2

First Name: Chetak Last Name: Patel Suffix:  
Types of Capital: Monetary/Equity Other Type of Capital: Total Value of the Capital Provided: \$300000 Percentage of Initial Capital: 24  
Capital Attestation: Yes

Individual Contributing Capital 3

First Name: Joan Last Name: Regan Suffix:  
Types of Capital: Monetary/Equity Other Type of Capital: Total Value of the Capital Provided: \$300000 Percentage of Initial Capital: 24  
Capital Attestation: Yes

CAPITAL RESOURCES - ENTITIES

No records found

BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

DISCLOSURE OF INDIVIDUAL INTERESTS

Date generated: 09/24/2021

#### Individual 1

First Name: Joan	Last Name: Regan	Suffix:
Marijuana Establishment Name: KRD Growers, LLC	Business Type: Marijuana Cultivator	
Marijuana Establishment City: Clinton	Marijuana Establishment State: MA	

#### Individual 2

First Name: Joan	Last Name: Regan	Suffix:
Marijuana Establishment Name: KRD Growers, LLC	Business Type: Marijuana Product Manufacture	
Marijuana Establishment City: Clinton	Marijuana Establishment State: MA	

#### Individual 3

First Name: Chetak	Last Name: Patel	Suffix:
Marijuana Establishment Name: KRD Growers, LLC	Business Type: Marijuana Cultivator	
Marijuana Establishment City: Clinton	Marijuana Establishment State: MA	

#### Individual 4

First Name: Chetak	Last Name: Patel	Suffix:
Marijuana Establishment Name: KRD Growers, LLC	Business Type: Marijuana Product Manufacture	
Marijuana Establishment City: Clinton	Marijuana Establishment State: MA	

#### Individual 5

First Name: Narendra	Last Name: Patel	Suffix:
Marijuana Establishment Name: KRD Growers, LLC	Business Type: Marijuana Cultivator	
Marijuana Establishment City: Clinton	Marijuana Establishment State: MA	

#### Individual 6

First Name: Narendra	Last Name: Patel	Suffix:
Marijuana Establishment Name: KRD Growers, LLC	Business Type: Marijuana Product Manufacture	
Marijuana Establishment City: Clinton	Marijuana Establishment State: MA	

#### Individual 7

First Name: Joan	Last Name: Regan	Suffix:
Marijuana Establishment Name: KRD Growers, LLC	Business Type: Other	
Marijuana Establishment City: Clinton	Marijuana Establishment State: MA	

#### Individual 8

First Name: Chetak	Last Name: Patel	Suffix:
Marijuana Establishment Name: KRD Growers, LLC	Business Type: Other	
Marijuana Establishment City: Clinton	Marijuana Establishment State: MA	

#### Individual 9

First Name: Narendra	Last Name: Patel	Suffix:
Marijuana Establishment Name: KRD Growers, LLC	Business Type: Other	
Marijuana Establishment City: Clinton	Marijuana Establishment State: MA	

#### MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 89 Parker Street

Establishment Address 2:

Establishment City: Clinton

Establishment Zip Code: 01510

Approximate square footage of the establishment: 29500

How many abutters does this property have?: 5

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	Notice Package.pdf	pdf	5ceea815acc50017edd60a3f	05/29/2019
Certification of Host Community Agreement	HCA Certification.pdf	pdf	5ddc6a49160e3b57a3dd4160	11/25/2019
Plan to Remain Compliant with Local Zoning	Clinton Plan to Remain Compliant with Local Zoning.pdf	pdf	5ddc6a557aad8653363bed0d	11/25/2019

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

### PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	KRD Plan for Positive Impact with Support.pdf	pdf	5e600f3249038b46abf1cb55	03/04/2020

### ADDITIONAL INFORMATION NOTIFICATION

Notification: I understand

### INDIVIDUAL BACKGROUND INFORMATION

#### Individual Background Information 1

Role: Executive / Officer

Other Role:

First Name: Chetak

Last Name: Patel Suffix:

RMD Association: Not associated with an RMD

Background Question: no

#### Individual Background Information 2

Role: Executive / Officer

Other Role:

First Name: Joan

Last Name: Regan Suffix:

RMD Association: Not associated with an RMD

Background Question: no

#### Individual Background Information 3

Role: Executive / Officer

Other Role:

First Name: Narendra

Last Name: Patel Suffix:

RMD Association: Not associated with an RMD

Background Question: no

### ENTITY BACKGROUND CHECK INFORMATION

No records found

### MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Department of Revenue - Certificate of Good standing	DoR Certificate of Good Standing.pdf	pdf	5ced46e413edb917cc1fb403	05/28/2019
Secretary of Commonwealth - Certificate of Good Standing	SoS Certificate of Good Standing.pdf	pdf	5ced476264ca8317f4fc9459	05/28/2019
Articles of Organization	Articles of Organization Updated 5.2020.pdf	pdf	5ec45e5f504715348b1e2dae	05/19/2020
Bylaws	Operating Agreement JR.pdf	pdf	5ec55ea20f96d32d20670e54	05/20/2020

No documents uploaded

Massachusetts Business Identification Number: 001376969

Doing-Business-As Name: New England Harvest

DBA Registration City:

### BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for Liability Insurance	KRD Liability Insurance Plan.pdf	pdf	5cca0282f25dae4c6c3f32b0	05/01/2019
Proposed Timeline	Proposed Timeline.pdf	pdf	5ddc6af4170b4c5353e3c00a	11/25/2019
Business Plan	KRD Business Plan MTC_compressed.pdf	pdf	5ec55eb28caba634a843a3af	05/20/2020

### OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Inventory procedures	KRD Inventory procedures summary.pdf	pdf	5ced8611748dc71348c3690a	05/28/2019
Maintaining of financial records	KRD Maintaining of Financial Records.pdf	pdf	5ced863750e7af1803c1d6fc	05/28/2019
Personnel policies including background checks	KRD Personnel Policies Summary.pdf	pdf	5ced86bf33099617d7943293	05/28/2019
Plan for obtaining marijuana or marijuana products	KRD Plan for Obtaining Marijuana.pdf	pdf	5ced86f3c70e2b132b31342c	05/28/2019
Prevention of diversion	KRD Prevention of Diversion.pdf	pdf	5ced89ef64ca8317f4fc95b2	05/28/2019
Qualifications and training	KRD Qualifications and Training.pdf	pdf	5ced8a411dae681319ce854e	05/28/2019
Record Keeping procedures	KRD Record Keeping Procedure.pdf	pdf	5ced8a6550e7af1803c1d72c	05/28/2019
Restricting Access to age 21 and older	KRD Restricting Access to age 21 or older.pdf	pdf	5ced8b9d624ce5135e924452	05/28/2019
Security plan	KRD Security Plan.pdf	pdf	5ced8d3550e7af1803c1d748	05/28/2019

Separating recreational from medical operations, if applicable	KRD Separating Recreational from Medical Operations Summary.pdf	pdf	5ced8d6758ad7e1336c259b8	05/28/2019
Storage of marijuana	KRD Storage of Marijuana.pdf	pdf	5ced8de8748dc71348c36957	05/28/2019
Dispensing procedures	Revised KRD Dispensing Procedures.pdf	pdf	5ddc6b21b4f83557d6cc87fa	11/25/2019
Quality control and testing	Revised KRD Procedures for Quality Control and Testing.pdf	pdf	5ddc6b3a0f35e05798b38f2c	11/25/2019
Transportation of marijuana	Revised KRD Transportation of Marijuana.pdf	pdf	5ddc6b47bcb01253152f7d22	11/25/2019
Diversity plan	KRD Diversity Plan v2.pdf	pdf	5e601046d21b9346780e1132	03/04/2020

### 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

No records found

### HOURS OF OPERATION

Monday From: 8:00 AM Monday To: 8:00 PM

Tuesday From: 8:00 AM Tuesday To: 8:00 PM

Wednesday From: 8:00 AM Wednesday To: 8:00 PM

Thursday From: 8:00 AM	Thursday To: 8:00 PM
Friday From: 8:00 AM	Friday To: 8:00 PM
Saturday From: 8:00 AM	Saturday To: 8:00 PM
Sunday From: 8:00 AM	Sunday To: 8:00 PM

## 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, Kalpesh Desai, (insert name) attest as an authorized representative of KRD Growers 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 March 25, 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 March 15, 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 March 15, 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 March 14, 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).



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.

Copy of Newspaper Notice appearing in the  
Telegram & Gazette on March 15, 2019  
(Attachment A)

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entrance for the food pantry.

## LEGAL NOTICES

### CLINTON COMMUNITY OUTREACH MEETING

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for Monday, March 25th, 2019 at 11:00 AM at 89 Parker Street, Clinton, MA 01510.

The proposed Marijuana Cultivation Facility, Marijuana Product Manufacturing Marijuana Retail Establishment and Registered Medical Dispensary is anticipated to be located at 86, 89, 98 Parker Street, Clinton, MA 01510.

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

3/15/2019

### LEGAL NOTICE NOTICE OF PUBLIC SALE

Notice is hereby given by Joe's Auto & Towing, LLC of 496 Groton Road, Unit 4 Westford, MA, pursuant to the provisions of Mass G.L.c. 255, Section 39A, that they will sell the following vehicle on or after March 23, 2019 beginning at 10:00 am by public or private sale to satisfy their garage keeper's lien for towing, storage, and notices of sale. Vehicle is being stored at Joe's Auto & Towing, LLC.

1. 2004 Chevrolet K1500  
VIN 2GCEK19V541252552

Signed,  
Jose Ferreira, president  
Joe's Auto & Towing, LLC

3/8/2019, 3/15/2019, 3/22/2019

### LEGAL NOTICE

The Clinton Conservation Commission will hold a Public Hearing on Wednesday, March 20, 2019 at 7:30 p.m. under the requirement of the Massachusetts Wetland Protection Act (M.G.L.c.131, s.40) to act on a Notice of intent from Patrick Litterio, 41 Terrance Street, Clinton, MA 01510. The project is for the proposed remediation of accidental release of home heating oil (#2 fuel oil) from above ground storage tank in basement located at 4-6 Fuller Street and further identified in assessors Map 12, Parcel 2199.

Meeting will be held at Town Hall, Clinton, Conference Room on

Waltham, MA 02454  
Phone: (781) 790-7800  
18-002593

3/1/20109, 3/8/2019, 3/15/2019

### NOTICE OF MORTGAGE SALE OF REAL ESTATE

Premises: 19 Ross Street, Clinton, MA 01510

By virtue and in execution of the mortgage contained in a certain mortgage instrument executed by Lee and Sonny M. Lee to Mortgage Electronic Registration Systems, Inc., as nominee of General Savings Bank, said mortgage dated 2009, and recorded in the Worcester County (Worcester District) Registry of Deeds, Page 265 and now held by U.S. Bank National Association by virtue of an assignment by Mortgage Electronic Registration Systems, Inc. to U.S. Bank National Association dated and recorded October 27, 2016, Book 56200 at Page 39, for breaches in said mortgage and for the closing of the same, will be sold at public auction on April 1, 2019 at 1:00 PM Local time at the premises, all and singular the premises in said mortgage, to wit:

A certain lot or parcel of land situated on the southerly side of Ross Street, bounded and described as follows: BEGINNING at an iron post on the southerly side of said proposed extension of Ross Street; THENCE turning and running 30" West by land of said Josie V. Ferreira, one hundred one and 19/100 ( 101.19%) feet to an iron post; THENCE turning and running 30" West also by land of said Josie V. Ferreira, one hundred twenty-four and 1/100 ( 124.1%) feet to a point at a cement boundary; THENCE turning and running West also by land of said Josie V. Ferreira, seventy-seven and 85/100 ( 77.85%) feet to a cement bound; THENCE turning and running East also by land of said Josie V. Ferreira, three and 82/100 ( 83.82%) feet to said southerly side of the proposed extension of Ross Street; THENCE turning and running East by said southerly line of extension of Ross Street one hundred and (123) feet to the point of beginning; CONTAINING 17,378 square feet of land. SAID premises are hereby sold with the right to pass and re-pass over the proposed extension of Ross Street on automobiles, on foot, or otherwise at all times. EXCEPTING a certain parcel of land

Ad Receipt from Telegram & Gazette

**Payment Receipt**

Account Number:

**1000014713**

Customer Name:

**SMITH, COSTELLO & CRAWFORD**

**Wednesday, March 13, 2019**

**Customer Information**

Customer Name: **SMITH, COSTELLO & CRAWFORD**

Phone Number: **6175230600**

Customer Address: **ATTN JONATHAN CAPANO  
50 CONGRESS ST STE 420  
BOSTON, MA 02109**

**Payment Information**

Check Number:

Credit Card Number: **\*\*\*\*\*1104 - AmEx**

Credit Card Expire Date: **4/28/2023**

Transaction Type: **Payment**

Amount Due: **\$0.00**

Payment Method: **Credit Card**

Payment Applied to Ad: **\$20.70**

Total Payment: **20.70**

**Ad Information**

Ad Number: **0000391028**

Product: **Item**

Placement: **CLS**

Position: **Legal Notices**

Start Date: **03/15/2019**

End Date: **4/13/2019**

# Of Insertions: **31**

Quantity Billed: **0**

Ad Size: **1 x 1.50**

Apply to Order: **Yes**

Invoice Text:

**Ad Content:**

**CLINTON COMMUNITY OUTREACH MEETING**

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for Monday, March 25th, 2019 at 11:00 AM at 89 Parker Street, Clinton, MA 01510.

The proposed Marijuana Cultivation Facility, Marijuana Product Manufacturing Marijuana Retail Establishment and Registered Medical Dispensary is anticipated to be located at 86, 89, 98 Parker Street, Clinton, MA 01510.

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

3/15/2019

Copy of Notice Filed with Town of Clinton  
and Stamped by the Town Clerk  
(Attachment B)



Sira Grant <sgrant@publicpolicylaw.com>

3/15/2019 12:30 PM

## Notice of Community Outreach Meeting

To hsargent@clintonma.gov <hsargent@clintonma.gov> • dcaraballo@clintonma.gov <dcaraballo@clintonma.gov> • selectmen@clintonma.gov <selectmen@clintonma.gov> • mward@clintonma.gov <mward@clintonma.gov>

Good afternoon,

Attached please find a notice of KRD Growers' community outreach meeting to be held Monday, March 25<sup>th</sup> at 11:00AM at 89 Parker Street in Clinton. If you have any questions, please feel free to contact me. At your earliest convenience, can the Clerk please send me a scan of the notice with a stamp certifying that this notice has been placed on the town's public notice board Thank you. Please feel free to contact me if you have any questions.

Sincerely,

Sira

**Sira R. Grant**  
*Senior Associate*

**Smith, Costello & Crawford**  
Public Policy Law Group.

50 Congress Street, Suite 420  
Boston, MA 02109  
O: 617-523-0600  
M: 978-979-6484  
[www.publicpolicylaw.com](http://www.publicpolicylaw.com)

- Municipal Notice to Clinton 3.15.19.pdf (67 KB)

03-15-19 PM 1:57 FILE





March 15, 2019

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for Monday, March 25th, 2019 at 11:00 AM at 89 Parker Street, Clinton, MA 01510. The proposed Marijuana Cultivation Facility, Marijuana Product Manufacturing Marijuana Retail Establishment and Registered Medical Dispensary is anticipated to be located at 86, 89, 98 Parker Street, Clinton, MA 01510. There will be an opportunity for the public to ask questions.

Copy of Notice Mailed to Abutters  
(Attachment C)

March 6, 2019

Dear Sir or Madam,

Notice is hereby given that a Community Outreach Meeting for a proposed Marijuana Establishment is scheduled for Monday, March 25<sup>th</sup>, 2019 at 11:00 AM at 89 Parker Street, Clinton, MA 01510. The proposed Marijuana Cultivation Facility, Marijuana Product Manufacturing Marijuana Retail Establishment and Registered Medical Dispensary is anticipated to be located at 86, 89, 98 Parker Street, Clinton, MA 01510. There will be an opportunity for the public to ask questions.

Smith, Costello  
& Crawford  
Public Policy Law Group.

50 Congress Street, Suite 420  
Boston, MA 02109

220 BROOK ST  
CLINTON, MA 01510



UNITED STATES POSTAGE  
PITNEY BOWES  
02 1P  
\$ 000.50  
0000303695 MAR 14 2019  
MAILED FROM ZIP CODE 02109

## 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).

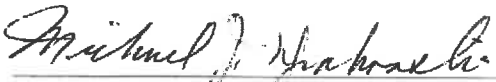
### Applicant

I, Kalpesh Desai, (*insert name*) certify as an authorized representative of KRD Growers, Inc. (*insert name of applicant*) that the applicant has executed a host community agreement with the Town of Clinton (*insert name of host community*) pursuant to G.L.c. 94G § 3(d) on 2/21/2019 (*insert date*).

  
Signature of Authorized Representative of Applicant

### Host Community

I, Michael J. Dziokonski, (*insert name*) certify that I am the contracting authority or have been duly authorized by the contracting authority for Town of Clinton-MA (*insert name of host community*) to certify that the applicant and Town of Clinton (*insert name of host community*) has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on 2-21-2019 (*insert date*).

  
Signature of Contracting Authority or  
Authorized Representative of Host Community  
(Board of Selectmen Chair)

### **Plan to Remain Compliant with Local Zoning**

The purpose of this plan is to outline how KRD Growers, LLC (“KRD”) is and will remain in compliance with local codes, ordinances and bylaws for the physical address of the cultivation, processing, and retail marijuana establishment at 89 Parker Street, Clinton, MA 01510 which shall include, but not be limited to, the identification of any local licensing requirements for the adult use of marijuana.

89 Parker Street is located in the Industrial (I) District and properly zoned pursuant to the Town of Clinton Zoning Bylaw Section 6800: Recreational Marijuana Establishments. In accordance with Section 6833 the marijuana establishment is not located within 500 feet of any lot occupied by a school attended by children under the age of 18, or any playground, public athletic field, or similar public recreational facility. Nor is the marijuana establishment located on a lot within 500 feet of any other lot in use as a Marijuana Retailer or Medical Marijuana Treatment Center.

KRD is currently in the process of obtaining a special permit from the Town of Clinton. KRD expects to receive this special permit in December of 2019. Section 6844 of Clinton’s Zoning Bylaw states that KRD’s special permit shall have a term limited to the duration of the KRDs ownership and/or lease of the premises as a Marijuana Establishment. In addition to KRD remaining compliant with existing Zoning Ordinances; KRD will continuously engage with Town of Clinton officials to remain up to date with local zoning ordinances to remain fully compliant.

## **Plan for Positive Impact**

### **INTENT**

Cannabis prohibition has disproportionately impacted certain communities in Massachusetts. As the Commonwealth begins to embrace the adult-use cannabis industry in earnest, KRD Growers, LLC (“KRD”) recognizes that it has a responsibility to contribute to the communities in which it does business and the surrounding areas in need. KRD will focus its time and resources on the community of Worcester which has been identified by the Commission as an area of disproportionate impact and is located not far from Clinton where KRD intends to locate their marijuana establishment. KRD is fully committed to ensuring that it is making positive and lasting contributions to the communities where KRD resides.

### **PURPOSE**

The purpose of this document is to summarize KRD’s plan to ensure our business creates positive and lasting impacts on the communities in which it will be involved.

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

### **INITIATIVES AND METRICS**

KRD aims to implement the following initiatives to assist those communities that have been disproportionately impacted.

*Proposed Initiative:* KRD 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. KRD 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: KRD will make an annual contribution 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: KRD will maintain a record of its annual donations to the CultivatED program. KRD 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.

## **CONCLUSION**

KRD 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. Any actions taken or programs instituted by KRD will not violate the CCC's regulations with respect to limitations on ownership or control or other applicable state laws. KRD will adhere to the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of the Marijuana Establishment.





## 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,

Ryan Dominguez



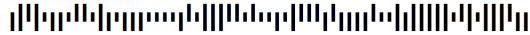
Commonwealth of Massachusetts  
Department of Revenue  
Christopher C. Harding, Commissioner

mass.gov/dor

Letter ID: L0979317632  
Notice Date: May 22, 2019  
Case ID: 0-000-301-767



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



KRD GROWERS LLC  
89 PARKER ST  
CLINTON MA 01510-1544

### ***Why did I receive this notice?***

The Commissioner of Revenue certifies that, as of the date of this certificate, KRD GROWERS 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](http://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



William Francis Galvin  
Secretary of the  
Commonwealth

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

May 21, 2019

TO WHOM IT MAY CONCERN:

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

**KRD GROWERS, LLC**

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **April 3, 2019.**

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

I also certify that the names of all managers listed in the most recent filing are:  
**KALPESH DESAI**

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **KALPESH DESAI**

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



In testimony of which,

I have hereunto affixed the

Great Seal of the Commonwealth

on the date first above written.

*William Francis Galvin*

Secretary of the Commonwealth



**The Commonwealth of Massachusetts**  
**William Francis Galvin**

Minimum Fee: \$100.00

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

**Certificate of Amendment**

(General Laws, Chapter )

Identification Number: 001376969

The date of filing of the original certificate of organization: 4/3/2019

1.a. Exact name of the limited liability company: KRD GROWERS, LLC

1.b. The exact name of the limited liability company *as amended*, is: KRD GROWERS, LLC

**2a. Location of its principal office:**

No. and Street: 155 STATE ST., STE. 3

City or Town: NEWBURYPORT State: MA Zip: 01950 Country: USA

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

4. The latest date of dissolution, if specified:

**5. Name and address of the Resident Agent:**

Name: SIRA GRANT

No. and Street: 50 CONGRESS ST., STE. 420

SMITH, COSTELLO & CRAWFORD

City or Town: BOSTON State: MA Zip: 02109 Country: USA

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
MANAGER	JOAN REGAN	143 KIMBALL ROAD AMESBURY, MA 01913 USA

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

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

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

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

**9. Additional matters:**

**10. State the amendments to the certificate:**

KALPESH DESAI HAS BEEN REMOVED AS MANAGER, SOC SIGNATORY, AND REAL PROPERTY AND JOAN REGAN HAS BEEN ADDED AS MANAGER.

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

**SIGNED UNDER THE PENALTIES OF PERJURY, this 14 Day of May, 2020,**  
KALPESH DESAI , Signature of Authorized Signatory.

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:

May 14, 2020 04:51 PM

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

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*

**D  
PC**

# The Commonwealth of Massachusetts

**William Francis Galvin**  
Secretary of the Commonwealth  
One Ashburton Place, Boston, Massachusetts 02108-1512

54.1% HOURS: 6.1 1 YR: 0

## Articles of Entity Conversion of a Domestic Business Corporation to a Domestic Other Entity

FORN BORN OF TYPE.

(General Laws Chapter 156D, Section 9.53; 950 CMR 113.29)

- (1) Exact name of corporation prior to conversion: KRD Growers, Inc.
- (2) Registered office address: 155 State Street, Suite 3, Newburyport, MA 01950  
(number, street, city or town, state, zip code)
- (3) New name after conversion, which shall satisfy the organic law of the surviving entity:  
KRD Growers, LLC
- (4) New type of entity: Limited Liability Company
- (5) The plan of entity conversion was duly approved by the shareholders, and where required, by each separate voting group in the manner required by G.L. Chapter 156D and the articles of organization.
- (6) Attach any additional sheets containing all information required to be set forth in the public organic document of the surviving entity.
- (7) The conversion of the corporation shall be effective at the time and on the date approved by the Division, unless a later effective date is specified in accordance with the organic law of the surviving entity:

**Signed by:**

(signature of authorized individual)

(Please check appropriate box)

- ☐ Chairman of the board of directors,  
☒ President,  
☐ Other officer,  
☐ Court-appointed fiduciary,

on this 3rd day of April, 2019

**KRD GROWERS, LLC****CERTIFICATE OF ORGANIZATION**

Pursuant to the provisions of the Massachusetts Limited Liability Company Act ("the Act"), the undersigned, desiring to organize a Massachusetts limited liability company pursuant to General Laws Chapter 156C, Section 12, hereby certifies as follows:

1. The exact name of the limited liability company formed hereby ("the LLC") is:

**KRD Growers, LLC**

- 2a. The location of the principal office of the LLC is:

**155 State Street, Suite 3  
Newburyport, MA 01950 USA**

- 2b. The street address of the office in the Commonwealth at which the records will be maintained is:

**155 State Street, Suite 3  
Newburyport, MA 01950 USA**

3. The general character of the business of the LLC is:

**Organizing in order to apply for a license with the Cannabis Control Commission**

4. The LLC shall have no fixed date on which it shall dissolve.

5. The name and address of the Registered Agent is:

**Sira Grant  
c/o Smith, Costello & Crawford  
50 Congress Street, Suite 420  
Boston, MA 02109 USA**

I, Sira Grant, 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 is:

**Kalpesh Desai  
15 Annabelle Court  
Nashua, NH 03062 USA**

7. The name and address of the person, in addition to the managers, authorized to execute documents to be filed with the Corporations Division is:

**Kalpesh Desai  
15 Annabelle Court**




**Nashua, NH 03062 USA**

8. The name and address of the person, in addition to the managers, authorized to execute, acknowledge, deliver and record any recordable instrument to affect an interest in real property is:

**Kalpesh Desai  
15 Annabelle Court  
Nashua, NH 03062 USA**

IN WITNESS WHEREOF, the undersigned hereby affirms under the penalties of perjury that the facts stated herein are true, as of the 15<sup>th</sup> day of March 2019.

  
\_\_\_\_\_  
Sara Grant, Esquire  
Authorized Person  
Smith, Costello & Crawford  
50 Congress Street, Suite 420  
Boston, MA 02109  
(617) 523-0600  
sgrant@publicpolicylaw.com

THE COMMONWEALTH OF MASSACHUSETTS

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

April 03, 2019 12:20 PM

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

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*



**The Commonwealth of Massachusetts**  
**William Francis Galvin**

Minimum Fee: \$100.00

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

**Articles of Amendment**

(General Laws, Chapter 156D, Section 10.06; 950 CMR 113.34)

Identification Number: 001345243

1. Exact name of corporation: AGHORI, INC.

2. Registered office address: 155 STATE STREET SUITE 3 NEWBURYPORT, MA 01950 USA

These Articles of Amendment affecting article(s):

☒ Article 1    ☐ Article 2    ☐ Article 3    ☐ Article 4    ☐ Article 5    ☐ Article 6

(Specify the number(s) of articles being amended(I-VI))

4. Date adopted: 9/10/2018

5. Approved by:

☒ the incorporators.

or

☐ the board of directors without shareholder approval and shareholder approval was not required.

or

☐ the board of directors and the shareholders in the manner required by law and the articles of organization.

6. State article number and text of the amendment.

**ARTICLE I**

The exact name of the corporation, **as amended**, is:  
(Do not state Article I if it has not been amended.)

KRD GROWERS, INC.

**ARTICLE II**

The purpose of the corporation, **as amended**, is to engage in the following business activities:  
(Do not state Article II if it has not been amended.)

**ARTICLE III**

*Amendments to Article III cannot be filed on-line at this time*

**ARTICLE IV**

If more than one class of stock is authorized, state a distinguishing designation for each class, **if amended**. Prior to the issuance of any shares of a class, if shares of another class are outstanding, the Business Entity must provide a description of the preferences, voting powers, qualifications, and special or relative rights or privileges of that class and of each other class of which shares are outstanding and of each series then established within any class.

(Do not state Article IV if it has not been amended.)

## ARTICLE V

**As amended**, the restrictions imposed by the Articles of Organization upon the transfer of shares of stock of any class are:

*(Do not state Article V if it has not been amended.)*

## ARTICLE VI

**As amended**, other lawful provisions for the conduct and regulation of the business and affairs of the business entity, for its voluntary dissolution, or for limiting, defining, or regulating the powers of the business entity, or of its directors or stockholders, or of any class of stockholders:

*(Do not state Article VI if it has not been amended.)*

The amendment shall be effective at the time and on the date approved by the Division, unless, a *later* effective date not more than *ninety days* from the date and time of filing is specified:

**Later Effective Date: Time:**

Signed by KALPESH DESAI, its PRESIDENT  
on this 10 Day of September, 2018

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:

September 10, 2018 04:21 PM

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

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*



**The Commonwealth of Massachusetts**  
**William Francis Galvin**

Minimum Fee: \$250.00

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

[Special Filing Instructions](#)

**Articles of Organization**

(General Laws, Chapter 156D, Section 2.02; 950 CMR 113.16)

**Identification Number:** 001345243

**ARTICLE I**

The exact name of the corporation is:

AGHORI, INC.

**ARTICLE II**

Unless the articles of organization otherwise provide, all corporations formed pursuant to G.L. C156D have the purpose of engaging in any lawful business. Please specify if you want a more limited purpose:

**ARTICLE III**

State the total number of shares and par value, if any, of each class of stock that the corporation is authorized to issue. All corporations must authorize stock. If only one class or series is authorized, it is not necessary to specify any particular designation.

Class of Stock	Par Value Per Share Enter 0 if no Par	Total Authorized by Articles of Organization or Amendments		Total Issued and Outstanding
		<i>Num of Shares</i>	<i>Total Par Value</i>	
CNP	\$0.00000	275,000	\$0.00	275,000

G.L. C156D eliminates the concept of par value, however a corporation may specify par value in Article III. See G.L. C156D Section 6.21 and the comments thereto.

**ARTICLE IV**

If more than one class of stock is authorized, state a distinguishing designation for each class. Prior to the issuance of any shares of a class, if shares of another class are outstanding, the Business Entity must provide a description of the preferences, voting powers, qualifications, and special or relative rights or privileges of that class and of each other class of which shares are outstanding and of each series then established within any class.

N/A

**ARTICLE V**

The restrictions, if any, imposed by the Articles of Organization upon the transfer of shares of stock of any class are:

N/A

**ARTICLE VI**

Other lawful provisions, and if there are no provisions, this article may be left blank.

1. MINIMUM NUMBER OF DIRECTORS. THE BOARD OF DIRECTORS MAY CONSIST OF ONE OR MORE INDIVIDUALS, NOTWITHSTANDING THE NUMBER OF SHAREHOLDERS. 2. PERSONAL LIABILITY OF DIRECTORS TO CORPORATION. NO DIRECTOR SHALL HAVE PERSONAL LIABILITY TO THE CORPORATION FOR MONETARY DAMAGES FOR BREACH OF HIS OR HER FIDUCIARY DUTY AS A DIRECTOR NOTWITHSTANDING ANY PROVISION OF LAW IMPOSING SUCH A LIABILITY, PROVIDED THAT THIS PROVISION SHALL NOT ELIMINATE OR LIMIT THE LIABILITY OF THE DIRECTOR (A) FOR ANY BREACH OF THE DIRECTOR'S DUTY OF LOYALTY TO THE CORPORATION OR ITS SHAREHOLDERS, (B) FOR ACTS OR OMISSIONS NOT IN GOOD FAITH OR WHICH INVOLVE INTENTIONAL MISCONDUCT OR A KNOWING VIOLATION OF LAW; (C) FOR IMPROPER DISTRIBUTIONS UNDER SECTION 6.40 OF CHAPTER 156D OF THE GENERAL LAWS OF MASSACHUSETTS, OR (D) FOR ANY TRANSACTION FROM WHICH THE DIRECTOR DERIVED AN IMPROPER PERSONAL BENEFIT. 3. SHAREHOLDER VOTE REQUIRED TO APPROVE MATTERS ACTED ON BY SHAREHOLDERS. WITH RESPECT TO ANY MATTER AS TO WHICH THE AFFIRMATIVE VOTE OF MORE THAN A MAJORITY OF THE SHARES IN ANY VOTING GROUP SHALL BE REQUIRED BY THE PROVISIONS OF CHAPTER 156D OF THE GENERAL LAWS OF MASSACHUSETTS FOR THE APPROVAL OF THE MATTER, THE AFFIRMATIVE VOTE OF A MAJORITY OF ALL THE SHARES IN ANY SUCH VOTING GROUP ELIGIBLE TO VOTE ON THE MATTER SHALL BE SUFFICIENT FOR THE APPROVAL OF THE MATTER, NOTWITHSTANDING THAT SUCH GREATER VOTE ON THE MATTER WOULD BE OTHERWISE REQUIRED. 4. SHAREHOLDER ACTION WITHOUT A MEETING BY LESS THAN UNANIMOUS CONSENT. AN ACTION REQUIRED OR PERMITTED BY CHAPTER 156D OF THE GENERAL LAWS OF MASSACHUSETTS TO BE TAKEN AT A SHAREHOLDERS' MEETING MAY BE TAKEN WITHOUT A MEETING BY SHAREHOLDERS HAVING NOT LESS THAN THE MINIMUM NUMBER OF VOTES OTHERWISE NECESSARY TO TAKE THE ACTION AT A MEETING AT WHICH ALL SHAREHOLDERS ENTITLED TO VOTE ON THE ACTION WOULD BE PRESENT AND VOTING. 5. AUTHORIZATION OF DIRECTORS TO MAKE, AMEND OR REPEAL BYLAWS. THE BOARD OF DIRECTORS MAY MAKE, AMEND, AND REPEAL THE BYLAWS OF THE CORPORATION, IN WHOLE OR IN PART, EXCEPT WITH RESPECT TO ANY PROVISION THEREOF WHICH, BY VIRTUE OF AN EXPRESS PROVISION IN CHAPTER 156D OF THE GENERAL LAWS OF MASSACHUSETTS, THESE ARTICLES OF ORGANIZATION OR THE BYLAWS, REQUIRES ACTION DIRECTLY AND EXCLUSIVELY BY THE SHAREHOLDERS. 6. AUTHORITY OF DIRECTORS TO CREATE NEW CLASSES AND SERIES OF SHARES. THE BOARD OF DIRECTORS, ACTING WITHOUT THE SHAREHOLDERS, MAY (A) RECLASSIFY ANY UNISSUED SHARES OF ANY AUTHORIZED CLASS OR SERIES INTO ONE OR MORE EXISTING OR NEW CLASSES OR SERIES, AND (B) CREATE ONE OR MORE NEW CLASSES OR SERIES OF SHARES, SPECIFYING THE NUMBER OF SHARES TO BE INCLUDED THEREIN, THE DISTINGUISHING DESIGNATION THEREOF, AND THE PREFERENCES, LIMITATIONS AND RELATIVE RIGHTS APPLICABLE THERETO, PROVIDED THAT THE BOARD OF DIRECTORS MAY NOT APPROVE AN AGGREGATE NUMBER OF AUTHORIZED SHARES OF ALL CLASSES AND SERIES WHICH EXCEEDS THE TOTAL NUMBER OF AUTHORIZED SHARES SPECIFIED IN THESE ARTICLES OF ORGANIZATION. 7. MEETINGS OF SHAREHOLDERS. ALL MEETINGS OF SHAREHOLDERS MAY BE HELD WITHIN THE COMMONWEALTH OF MASSACHUSETTS OR ELSEWHERE WITHIN THE UNITED STATES. SUCH MEETINGS MAY BE HELD BY TELEPHONE, WEBINAR OR OTHER ELECTRONIC MEANS. 8. PARTNERSHIP AUTHORITY. THE CORPORATION MAY BE A PARTNER, GENERAL OR LIMITED, IN ANY BUSINESS ENTERPRISE WHICH IT WOULD HAVE THE AUTHORITY TO CONDUCT BY ITSELF. 9. SHAREHOLDER EXAMINATION OF CORPORATION RECORDS. EXCEPT AS OTHERWISE PROVIDED BY LAW, NO SHAREHOLDER SHALL HAVE ANY RIGHT TO EXAMINE ANY PROPERTY OR ANY BOOKS, ACCOUNTS OR OTHER WRITINGS OF THE CORPORATION IF THERE IS REASONABLE GROUND FOR BELIEF THAT SUCH EXAMINATION WILL, FOR ANY REASON, BE ADVERSE TO THE INTERESTS OF THE CORPORATION. A VOTE OF THE BOARD OF DIRECTORS REFUSING PERMISSION TO MAKE SUCH EXAMINATION SHALL BE PRIMA FACIE EVIDENCE THAT SUCH EXAMINATION WOULD BE ADVERSE TO THE INTERESTS OF THE CORPORATION. EVERY SUCH EXAMINATION

ON SHALL BE SUBJECT TO REASONABLE REGULATIONS AS BOARD OF DIRECTORS MAY ESTABLISH IN REGARD THERETO.

**Note: The preceding six (6) articles are considered to be permanent and may be changed only by filing appropriate articles of amendment.**

#### ARTICLE VII

The effective date of organization and time the articles were received for filing if the articles are not rejected within the time prescribed by law. If a *later* effective date is desired, specify such date, which may not be later than the 90th day after the articles are received for filing.

**Later Effective Date: Time:**

#### ARTICLE VIII

The information contained in Article VIII is not a permanent part of the Articles of Organization.

**a,b. The street address of the initial registered office of the corporation in the commonwealth and the name of the initial registered agent at the registered office:**

Name: SIRA GRANT  
No. and Street: C/O SMITH, COSTELLO & CRAWFORD  
50 CONGRESS STREET, SUITE 420  
City or Town: BOSTON State: MA Zip: 02109 Country: USA

**c. The names and street addresses of the individuals who will serve as the initial directors, president, treasurer and secretary of the corporation (an address need not be specified if the business address of the officer or director is the same as the principal office location):**

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
PRESIDENT	KALPESH DESAI	15 ANNABELLE COURT NASHUA, NH 03062 USA
TREASURER	KALPESH DESAI	15 ANNABELLE COURT NASHUA, NH 03062 USA
SECRETARY	KALPESH DESAI	15 ANNABELLE COURT NASHUA, NH 03062 USA
DIRECTOR	KALPESH DESAI	15 ANNABELLE COURT NASHUA, NH 03062 USA

**d. The fiscal year end (i.e., tax year) of the corporation:**  
December

**e. A brief description of the type of business in which the corporation intends to engage:**

RETAIL SALES PURSUANT TO MASSACHUSETTS LAW

**f. The street address (post office boxes are not acceptable) of the principal office of the corporation:**

No. and Street: 155 STATE STREET  
SUITE 3  
City or Town: NEWBURYPORT State: MA Zip: 01950 Country: USA



**g. Street address where the records of the corporation required to be kept in the Commonwealth are located (post office boxes are not acceptable):**

No. and Street: 155 STATE STREET

SUITE 3

City or Town: NEWBURYPORT

State: MA

Zip: 01950

Country: USA

**which is**

☒ its principal office

☐ an office of its transfer agent

☐ an office of its secretary/assistant secretary

☐ its registered office

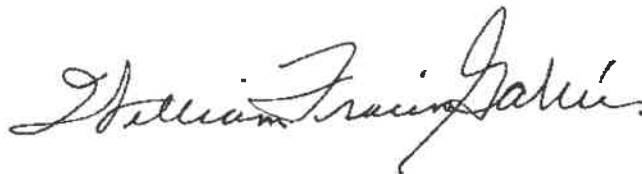
**Signed this 10 Day of September, 2018 at 3:18:21 PM by the incorporator(s).** *(If an existing corporation is acting as incorporator, type in the exact name of the business entity, the state or other jurisdiction where it was incorporated, the name of the person signing on behalf of said business entity and the title he/she holds or other authority by which such action is taken.)*

SIRA GRANT, ESQ.

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:

September 10, 2018 03:17 PM

A handwritten signature in cursive script, reading "William Francis Galvin". The signature is written in dark ink and is centered on the page.

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*

## **OPERATING AGREEMENT OF KRD Growers, LLC**

This Operating Agreement of KRD Growers, LLC ("the LLC") is made as of April 3<sup>rd</sup>, 2019, by and between the persons identified as the Managers and Members on Schedule A attached hereto (such persons and their respective successors in office or in interest being hereinafter referred to individually as a "Manager" or "Member" or collectively as the "Managers" or "Members").

WHEREAS, the LLC was formed as a limited liability company under the Massachusetts Limited Liability Company Act (as amended from time to time, the "Act") by the filing on April 3<sup>rd</sup>, 2019, of a Certificate of Organization (the "Certificate") in the office of the Secretary of the Commonwealth of Massachusetts ("SOC"); and

WHEREAS, the Managers and the Members wish to set out fully their respective rights, obligations and duties regarding the LLC, its assets and liabilities, and its business, management and operations;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants expressed herein, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged and confirmed, the parties hereby as follows:

### **Definitions**

The following capitalized terms used in this Agreement shall have the respective meanings ascribed to them below.

"Act" means the Massachusetts Limited Liability Company Act, in effect as of the date of this Agreement, and as thereafter amended from time to time.

"Adjusted Capital Account" means, for each Member, such Member's Capital Account balance increased by such Member's share of "minimum gain".

"Affiliate" shall mean, with respect to any specified person or entity, (i) any person or entity that directly or indirectly controls, is controlled by, or is under common control with such specified person or entity; (ii) any person or entity that directly or indirectly controls 10 percent or more of the outstanding equity securities of the specified entity or of which the specified person or entity is directly or indirectly the owner of 10 percent or more of any class of equity securities; (iii) any person or entity that is an officer of, director of, manager of, partner in, or trustee of, or serves in a similar capacity with respect to, the specified person or entity or of which the specified person or entity is an officer, director, partner, manager or trustee, or with respect to which the specified person or entity serves in a similar capacity; or (iv) any person that is a member of the Immediate Family of the specified person.

"Agreement" means this Operating Agreement as it may be amended, supplemented or restated from time to time.

“Bankruptcy” means the occurrence of any of the following events:

- (i) a Member makes an assignment for the benefit of creditors;
- (ii) a Member files a voluntary petition in bankruptcy;
- (iii) a Member is adjudged a bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceeding;
- (iv) a Member files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation;
- (v) a Member files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any bankruptcy or insolvency proceeding;
- (vi) a Member seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Member or of all or any substantial part of his or her properties; or
- (vii) 120 days after the commencement of any proceeding against a Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if, within 90 days after the appointment without its consent or acquiescence of a trustee, receiver, liquidator, of the Member or of all or any substantial part of its properties, the appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, the appointment is not vacated.

"Board of Managers" or "Board" means the Board of Managers described in Article III of this Agreement.

“Capital Account” means a separate account maintained for each Member and adjusted in accordance with the Treasury Regulations under Code §704. To the extent consistent with such Treasury Regulations, the adjustments to such accounts shall include the following:

- (i) There shall be credited to each Member’s Capital Account the amount of any cash (which shall not include imputed or actual interest on any deferred contributions) actually contributed by such Member to the capital of the LLC, the fair market value (without regard to Code §7701(g)) of any property contributed by such Member to the capital of the LLC, the amount of liabilities of the LLC assumed by the Member or to which property distributed to the Member was subject, and such Member’s share of the Net Profits of the LLC and of any items in the nature of income or

gain separately allocated to the Members, and there shall be charged against each Member's Capital Account the amount of all cash distributions to such Member, the fair market value (without regard to Code §7701(g)) of any property distributed to such Member by the LLC, the amount of liabilities of the Member assumed by the LLC or to which property contributed by the Member to the LLC was subject, and such Member's share of the Net Losses of the LLC and of any items in the nature of losses or deductions separately allocated to the Members.

- (ii) In the event any interest in the LLC 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.

“Capital Transaction” means a sale or other disposition of all or a portion of the LLC's property in a single transaction or in a series of related transactions, other than such a sale or disposition in the ordinary course of the LLC's business and any refinancing.

“Carrying Value” means, with respect to any asset, the asset's adjusted basis for federal income tax purposes; provided, however, that (i) the initial Carrying Value of any asset contributed to the LLC shall be adjusted to equal its gross fair market value at the time of its contribution and (ii) the Carrying Values of all assets held by the LLC shall be adjusted to equal their respective fair market values (taking Code §7701(g) into account) upon an election by the LLC to revalue its property in accordance with the provisions of Treasury Regulations Section 1.704-1(b)(2)(iv)(f) and upon liquidation of the LLC. The Carrying Value of any asset whose Carrying Value was adjusted pursuant to the preceding sentence thereafter shall be adjusted in accordance with the provisions of Section 1.704-1(b)(2)(iv)(g).

“Certificate” means the Certificate of Organization creating the LLC, as it may, from time to time, be amended in accordance with the Act.

"Code" means the Internal Revenue Code of the United States, as amended from time to time.

“Consent” means the written consent or approval of more than 50 percent in interest, based on Percentage Interests, of those Members entitled to participate in giving such Consent, and if more than one class or group of Members is so entitled, then more than 50 percent shall be so required with respect to each such class or group.

“Distributable Cash” means, with respect to any fiscal period, the excess of all cash receipts of the LLC from any source whatsoever, including normal operations, sales of assets, proceeds of borrowings, capital contributions of the Members, proceeds from a Capital Transaction, and any and all other sources over the sum of the following amounts:

- (i) cash disbursements for advertising and promotion expenses, salaries, employee benefits (including profit-sharing, bonus and similar plans),

fringe benefits, accounting and bookkeeping services and equipment, costs of sales of assets, utilities, rental payments with respect to equipment or real property, management fees and expenses, insurance, real estate taxes, legal expenses, costs of repairs and maintenance, and any and all other items customarily considered to be “operating expenses:”

- (ii) payments of interest, principal and premium, and points and other costs of borrowing under any indebtedness of the LLC, including, without limitation, (A) any mortgages or deeds of trust encumbering the real property or other assets owned or leased by the LLC, and (B) any loans;
- (iii) payments made to purchase inventory or capital assets, and for capital construction, rehabilitation, acquisitions, alterations and improvements; and
- (iv) amounts set aside as reserves for working capital, contingent liabilities, replacements or for any of the expenditures described in clauses (i), (ii) and (iii), above, deemed by the Manager to be necessary to meet the current and anticipated future needs of the LLC.

“Immediate Family” (i) with respect to any individual, means his or her ancestors, spouse, issue, spouses of issue, any trustee or trustees, including successor and additional trustees, principally for the benefit of any one or more of such individuals, and any entity or entities, of all of the beneficial owners of which are such trusts and/or such individuals, but (ii) with respect to a Legal Representative, means the Immediate Family of the individual for whom such Legal Representative was appointed and (iii) with respect to a trustee, means the Immediate Family of the Individuals who are the principal beneficiaries of the Trust.

“Invested Capital” means, at any point in time, for any Member, the excess of (i) the aggregate amount of the capital contributed to the LLC by such Member over (ii) the aggregate amount distributed (or deemed distributed) to such Member pursuant to Section 4.01(b) below.

“Legal Representative” means with respect to any individual, a duly appointed executor, administrator, guardian, conservator, personal representative or other legal representative appointed as a result of the death or incompetency of such individual.

“LLC” means KRD Growers, LLC, as it may from time to time be constituted and amended.

"LLC Capital" means an amount equal to the sum of all of the Members' Adjusted Capital Account balances determined immediately prior to the allocation to the Members of any Net Profits or Net Losses pursuant to Sections 7.2(a) or 7.2(b)(i), increased by the aggregate amount of Net Profits then to be allocated to the Members pursuant to Section 7.2(a) or decreased by the aggregate amount of Net Losses then to be allocated to the Members pursuant to Section 7.2(b)(i).

"Manager" refers to any person named as a Manager in this Agreement and any person who becomes an additional, substitute or replacement Manager as permitted by this Agreement, in each such person's capacity as (and for the period during which such person serves as) a Manager of the LLC. "Managers" or "Board of Managers" shall refer collectively to all of such persons in their capacities as (and for the period during which such persons serve as) Managers of the LLC.

"Member" refers severally to any person named as a Member in this Agreement and any person who becomes an additional, substitute or replacement Member as permitted by this Agreement, in such person's capacity as a Member of the LLC. "Members" shall refer collectively to all such persons in their respective capacities as Members.

"Net Profits" and "Net Losses" mean the taxable income or loss, as the case may be, for a period as determined in accordance with Code § 703(a), computed with the following adjustments:

- (i) Items of gain, loss and deduction shall be computed based on the Carrying Values of the LLC's assets (in accordance with Treasury Regulations Sections 1.704(b)(2)(iv)(g) and 1.704-3(d)), rather than on the assets' adjusted bases for federal income tax purposes;
- (ii) Any tax-exempt income received by the LLC shall be included as an item of gross income;
- (iii) The amount of any adjustment to the Carrying Value of the LLC asset pursuant to Code § 734(b) or Code § 743(b) that is required to be reflected in the Capital Accounts of the Members pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m) shall be treated as an item of gain (if the adjustment is positive) or loss (if the adjustment is negative), and only such amount of the adjustment shall thereafter be taken into account in computing items of income and deduction;
- (iv) Any expenditure of the LLC described in Code § 705(a)(2)(B) (including any expenditures treated as being described in Section 705(a)(2)(B) pursuant to Treasury Regulations under Code § 704(b)) shall be treated as a deductible expense;
- (v) The amount of items of income, gain, loss or deduction specifically allocated to any Members pursuant to Section 5.02 shall not be included in the computation;
- (vi) The amount of any unrealized gain or unrealized loss attributable to an asset at the time it is distributed in-kind to a Member shall be included in the computation as item of income or loss, respectively, and
- (vii) The amount of any unrealized gain or unrealized loss with respect to the assets of

the LLC that is reflected in an adjustment of the Carrying Values of the LLC's assets pursuant to clause (ii) of the definition of "Carrying Value" shall be included in the computation of items of income or loss, respectively.

"Percentage Interest" or "Membership Interest" shall be the percentage interest of a Member set forth in Schedule A, as amended from time to time.

"Securities Act" means the Securities Act of 1933, as amended.

"Transfer" and any grammatical variation thereof shall refer to any sale, exchange, issuance, redemption, assignment, distribution, encumbrance, hypothecation, gift, pledge, retirement, resignation, transfer or other withdrawal, disposition or alienation in any way (whether voluntarily, involuntarily or by operation of law) as to any interest as a Member. Transfer shall specifically, without limitation of the above, include assignments and distributions resulting from death, incompetency, Bankruptcy, liquidation and dissolution.

#### ARTICLE I - Organization and Powers

1.1. Organization. The name of the LLC is KRD Growers, LLC. The LLC was formed by filing its Certificate of Organization with the SOC pursuant to the Act. The address of the registered office of the LLC for purposes of Section 5 of the Act is 155 State Street, Suite 3 Newburyport, Massachusetts. The name and address of the resident agent for service of process for the LLC is Sira Grant, Smith Costello & Crawford, 50 Congress Street, Suite 420 Boston, MA. The Board of Managers established the place of business of the LLC at 155 State Street, Suite 3 Newburyport, MA in furtherance of its purposes set forth in Section 1.2 hereof, and may appoint agents for service of process in all jurisdictions in which the LLC shall conduct business. The Board of Managers may cause the LLC to change, from time to time, its name, its resident agent for service of process, or the location of its registered office in Massachusetts, provided, however, that the Board of Managers shall promptly notify all Members in writing of any such change.

1.2 Purposes and Powers. The principal business activity and purpose of the LLC buying, selling and leasing residential and commercial real estate. However, the business and purposes of the LLC shall not be limited to its initial principal business activities and, unless the Members otherwise determine, the LLC shall have authority to engage in any other lawful business, trade, purpose or activity permitted by the Act, and it shall possess and may exercise all of the powers and privileges granted by the Act and any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business, purposes or activities of the LLC, including without limitation the following powers:

(a) to conduct its business and operations in any state, territory or possession of the United States or in any foreign country or jurisdiction;

(b) to purchase, receive, take, lease or otherwise acquire, own, hold, improve, maintain, use or otherwise deal in and with, sell, convey, lease, exchange, transfer or otherwise



dispose of, mortgage, pledge, encumber or create a security interest in all or any of its real or personal property, or any interest therein, wherever situated;

(c) to borrow or lend money or obtain or extend credit and other financial accommodations, to invest and reinvest its funds in any type of security or obligation of or interest in any public, private or governmental entity, and to give and receive interests in real and personal property as security for the payment of funds so borrowed, loaned or invested;

(d) to make contracts, including contracts of insurance, incur liabilities and give guaranties, whether or not such guaranties are in furtherance of the business and purposes of the LLC, including without limitation guaranties of obligations of other persons who are interested in the LLC or in whom the LLC has an interest;

(e) to institute, prosecute and defend any legal action or arbitration proceeding involving the LLC, and to pay, adjust, compromise, settle or refer to arbitration any claim by or against the LLC or any of its assets;

(f) to enter into, execute, modify, amend, supplement, acknowledge, deliver, perform and carry out contracts of any kind, including contracts establishing business arrangements or organizations, necessary to, in connection with, or incidental to the accomplishment of the purposes of the LLC;

(g) to the extent that funds of the LLC are available therefor, to pay all expenses, debts and obligations of the LLC; and

(h) to enter into or engage in any kind of activity necessary to, in connection with, or incidental to, the accomplishment of the purposes of the LLC, so long as said activities may be lawfully carried on or performed by a limited liability company under the laws of the Commonwealth of Massachusetts and any other jurisdiction in which the LLC is authorized to conduct business in; and

(i) to take any other action not prohibited under the Act or other applicable law.

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

1.4 Taxpayer Identification Number. The federal tax identification number of the limited liability company is 83-2994003.

## ARTICLE II – Members

2.1. Members. The initial Members of the LLC and their addresses shall be listed on Schedule A and such Schedule shall be amended from time to time by the Board of Managers to reflect the withdrawal of Members or the admission of new or additional Members pursuant to this Agreement. Schedule A shall set forth the percentage interest that each Member holds in the profits and losses of the LLC (the "Membership Interests"). The Members shall constitute a

single class or group of Members of the LLC for all purposes of the Act, unless otherwise explicitly provided herein. The Board of Managers shall notify the Members of changes in Schedule A, which shall constitute the record list of the Members for all purposes of this Agreement.

## 2.2. Admission of New Members

(a) In no event may any person obtaining a Membership Interest in the LLC by assignment, transfer, pledge or other means from an existing Member be admitted as a successor Member without the unanimous consent of the Board of Managers.

(b) If the transferee is admitted as a Member or is already a Member, the Member transferring its Membership Interest shall be relieved of liability with respect to the transferred Membership Interest arising or accruing under this Agreement on or after the effective date of the transfer, unless the transferor affirmatively assumes such liability; provided, however, that the transferor shall not be relieved of any liability for prior distributions and unpaid contributions unless the transferee affirmatively assumes such liabilities.

(c) Any person who acquires in any manner a Membership Interest or any part thereof in the LLC, whether or not such person has accepted and assumed in writing the terms and provisions of this Agreement or been admitted as a Member, shall be deemed by the acquisition of such Membership Interest to have agreed to be subject to and bound by all of the provisions of this Agreement with respect to such Membership Interest, including without limitation, the provisions hereof with respect to any subsequent transfer of such Membership Interest.

## 2.3. Meetings of Members.

(a) Meetings of Members may be called for any proper purpose at any time by the Board of Managers. The Board of Managers shall determine the date, time and place of each meeting of Members, and written notice thereof shall be given by the Board of Managers to each Member not less than seven days or more than 60 days prior to the date of the meeting. The business of each meeting of Members shall be limited to the purposes described in the notice. A written waiver of notice, executed before or after a meeting by a Member or its authorized attorney and delivered to the Board of Managers, shall be deemed equivalent to notice of the meeting.

(b) Persons holding a majority of the Membership Interests shall constitute a quorum for the transaction of any business at a meeting of Members. Members may attend a meeting in person or by proxy. Members may also participate in a meeting by means of conference telephone or similar communications equipment that permits all Members present to hear each other.

(c) The Board of Managers may, but shall not be obligated to, select a chairman preside at a meetings of the Members and to determine the order of business and the procedures to be followed at such meeting.

2.4. Action Without a Meeting. There is no requirement that the Members hold a meeting in order to take action on any matter. Any action required or permitted to be taken by the Members may be taken without a meeting if one or more written consents to such action shall be signed by all Members. Such written consents shall be delivered to the Board of Managers at the principal office of the LLC.

2.5. Voting Rights. Unless otherwise required by the Act or this Agreement, all actions, approvals and consents to be taken or given by the Members under the Act, this Agreement or otherwise shall require a majority affirmative vote or written consent of all Members.

2.6. Limitation of Liability of Members. The liability of the Members for the losses, debts and obligations of the LLC shall be limited to the Members' capital contributions, provided, however, that under applicable law, the Members may, under certain circumstances, be liable to the LLC to the extent of previous distributions made to them in the event that the LLC does not have sufficient assets to discharge its liabilities. Without limiting the foregoing, (i) no Member in his, her or its capacity as a Member (or, if applicable, as a Manager) shall have any liability to restore any negative balance in his, her or its Capital Account; and (ii) the failure of the LLC to observe any formalities or requirements relating to exercise of the LLC's powers or management of its business or affairs under this Agreement or the Act shall not be grounds for imposing personal liability on the Members or Managers for liabilities of the LLC.

2.7. No Obligation to make Capital Contributions or Loans. No Member or Manager shall be obligated to make any capital contributions (except as shown on Schedule A) or loans to the LLC, or otherwise supply or make available any funds to the LLC, even if the failure to do so would result in a default of any of the LLC's obligations or the loss or termination of all or any part of the LLC's assets or business.

2.8. Authority. Unless specifically authorized by the Managers, no Member that is not a Manager shall be an agent of the LLC or have any right, power or authority to act for or to bind the LLC or to undertake or assume any obligation or responsibility of the LLC or of any other Member.

2.9. Rights to Withdraw. Unless determined otherwise by the Board of Managers, upon a Member's resignation or withdrawal from the LLC, such member shall have no right to receive any distribution or the repayment of its capital contribution except as provided in Section 7.2 and Article IX upon dissolution and liquidation of the LLC. No Member shall have any right to have the fair value of its Membership Interest in the LLC appraised and paid out upon the resignation or withdrawal of such Member or any other circumstances.

2.10. Rights to Information. Members shall have the right to receive from the Managers upon request a copy of the Certificate and of this Agreement, as amended from time to time, and such other information regarding the LLC as is required by the Act, subject to reasonable conditions and standards established by the Managers, as permitted by the Act, which may include without limitation withholding or restricting the use of confidential information.

2.11 Investment Representations. Each Member, by execution of this Agreement or an amendment hereto reflecting such Member's admission to the LLC, hereby represents and warrants to the LLC the following:

(a) It is acquiring an interest in the LLC for its own account for investment only, and not with a view to, or for sale in connection with, any distribution thereof in violation of the Securities Act, or any rule or regulation thereunder;

(b) It understands that (i) the interest in the LLC it is acquiring has not been registered under the Securities Act or applicable state securities laws and cannot be resold unless subsequently registered under the Securities Act and such laws, or unless an exemption from such registration is available; (ii) such registration under the Securities Act and such laws is unlikely at any time in the future and neither the LLC nor the Members or Managers are obligated to file a registration statement under the Securities Act or such laws; and (iii) the assignment, sale, transfer, exchange or other disposition of the interests in the LLC is restricted in accordance with the terms of this Agreement;

(c) It has had such opportunity as it has deemed adequate to ask questions of and receive answers from representatives of the LLC concerning the LLC, and to obtain from representatives of the LLC such information that the LLC possesses or can acquire without unreasonable effort or expense, as is necessary to evaluate the merits and risks of an investment in the LLC;

(d) It has, either alone or with its professional advisers, sufficient experience in business, financial and investment matters to be able to evaluate the merits and risks involved in investing in the LLC and to make an informed investment decision with respect to such investment; and

(e) It can afford a complete loss of the value of its investment in the LLC and is able to bear the economic risk of holding such investment for an indefinite period.

2.12 Contracts with Members. With the approval of the Managers, the LLC may engage in business with, or enter into one or more agreements, leases, contracts or other arrangements for the furnishing to or by the LLC of goods, services or space with any Member, and may pay compensation in connection with such business, goods, services or space, provided in each case that the amounts payable thereunder are determined to be reasonably comparable to those that would be payable to unaffiliated persons under similar agreements and, if the Board of Managers determines in good faith that such amounts are so comparable, such determination shall be conclusive absent manifest error.

### ARTICLE III – Management

3.1 Managers. The business and affairs of the LLC shall be managed by and under the direction of a Board of Managers, who may exercise all of the powers of the LLC except as otherwise provided by law or this Agreement. The number of Managers who shall constitute the whole Board of Managers shall be determined by the Board of Managers. The names and addresses of the Managers are listed on Schedule A, and such Schedule shall be amended from time to time by the Managers to reflect the resignation or removal of Managers or the appointment of new or additional Managers pursuant to this Agreement. The number of Managers may be increased at any time, and from time to time, by a majority of the Managers then in office.

3.2. Qualification. Each Manager shall devote such time to the business and affairs of the LLC as is reasonably necessary for the performance of such Manager's duties, but shall not be required to devote full time to the performance of such duties and may delegate its responsibilities as provided in Section 3.3.

3.3 Powers and Duties of the Managers. All management and other like responsibilities of the LLC shall be vested in the Board of Managers. The Board of Managers shall have and may exercise on behalf of the LLC all of its rights, powers, duties and responsibilities under Section 1.2 or as provided by law, including without limitation the right and authority:

(a) to manage the business and affairs of the LLC and for this purpose to employ, retain or appoint any employees, consultants, agents, brokers, professionals or other persons in any capacity for such compensation and on such terms as the Board of Managers deem necessary or desirable and to delegate to such persons such of their duties and responsibilities as the Board of Managers shall determine;

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

(c) to borrow money or otherwise obtain credit and other financial accommodations on behalf of the LLC on a secured or unsecured basis as provided in Section 1.2(c), and to perform or cause to be performed all of the LLC's obligations in respect of its indebtedness and any mortgage, lien or security interest securing such indebtedness;

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

(e) to acquire by purchase, lease, exchange or otherwise; and to sell, finance, refinance, encumber and otherwise deal with, any real or personal property;

(f) to employ executive, administrative and support personnel in connection with the business of the LLC; and to pay salaries, expense reimbursement, employee benefits, fringe benefits, bonuses and any other form of compensation or employee benefit to such persons and entities, at such times and in such amounts as may be determined by the Board of Managers in its sole discretion, to provide executive, administrative and support services in connection with the business of the LLC;

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

(h) to determine the appropriate accounting method or methods to be used by the LLC;

(i) to establish and maintain reserves for such purposes and in such amounts as it deems appropriate from time to time;

(j) to pay all organizational expenses, and general and administrative expenses of the LLC;

(k) to deal with, or otherwise engage in business with, or provide services to and receive compensation therefor from, any person who has provided or may in the future provide any services to, lend money to, sell property to, or purchase property from the LLC, including, without limitation, any Member or Manager;

(l) to engage in any kind of activity, and to perform and carry out contracts of any kind necessary to, in connection with or incidental to the accomplishment of the purposes of the LLC;

(m) to pay any and all fees and to make any and all expenditures that the Board of Managers, in its sole discretion, deems necessary or appropriate in connection with the organization of the LLC, the offering and sale of membership interests in the LLC, the management of the affairs of the LLC, and the carrying out of its obligations and responsibilities under this Agreement, including, without limitation, fees, reimbursements and expenditures payable to a Member or Manager;

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

(o) to cause the LLC and its properties and assets to be maintained and operated in such a manner as the Board of Managers may determine, subject, however, to obligations imposed by applicable laws or by any mortgage or security interest encumbering the LLC and such properties and assets from time to time, and by any lease, rental agreement or other agreement pertaining thereto;

(p) to cause to be obtained and continued in force all policies of insurance required by any mortgage, lease or other agreement relating to the LLC's business or any part thereof, or determined by the Board of Managers to be in the best interests of the LLC;

(q) to cause to be paid any and all taxes, charges and assessments that may be levied, assessed or imposed on any of the assets of the LLC unless the same are contested by the LLC; and

(r) to perform any other act that the Board of Managers may deem necessary, convenient or desirable for the LLC or its business.

Unless otherwise provided in this Agreement, any action taken by a Manager, and the signature of a Manager on any agreement, contract, instrument or other document on behalf of the LLC, shall not bind the LLC unless such agreement, contract, instrument or document has been previously authorized by the Board of Managers.

3.4. Tax Matters Partner. A Member so designated by the Board of Managers from time to time shall serve as the "Tax Matters Partner" of the LLC for purposes of Section 6231(a)(7) of the Code, with power to manage and represent the LLC in any administrative proceeding of the Internal Revenue Service. The Tax Matters Partner of the LLC shall be \_\_\_\_\_.

3.5. Reliance by Third Parties. Any person dealing with the LLC, the Board of Managers or any Member may rely upon a certificate signed by any Manager as to (i) the identity of any Manager or Member; (ii) any factual matters relevant to the affairs of the LLC; (iii) the persons who are authorized to execute and deliver any document on behalf of the LLC; or (iv) any action taken or omitted by the LLC, the Board of Managers or any Member.

3.6. Execution of this Agreement by Managers. Each person elected to serve as a Manager of the LLC shall sign this Agreement, or a counterpart hereof or amendment hereto, or other writing pursuant to which such person (i) acknowledges receipt of a copy of this Agreement, as amended and in effect as of the date of such writing; (ii) agrees that he or she is a party to and is bound by this Agreement; (iii) agrees to perform the duties of a Manager hereunder; and (iv) agrees to execute and deliver such additional agreements, instruments, certificates and documents, including, without limitation, an amendment to the Certificate, which may be necessary, appropriate or convenient to reflect the foregoing matters and the election of such person as a Manager of the LLC.

3.7. Resignation and Removal. Any Manager may resign upon at least 60 days' notice to the Members and the other Managers (unless notice is waived by them). Any Manager may be removed at any time with cause by a 2/3 vote of the Board of Managers. Upon the death, resignation or removal of any Manager (a "Terminated Manager"), (i) such Terminated Manager shall have no further authority under this Agreement; (ii) such Terminated Manager shall have no further obligations or rights under this Agreement (except for liabilities and rights accruing

prior to the date of death, resignation or removal of his or her term, such as, for example, rights to indemnification under Section 6.05 that relate to actions or omissions occurring during such person's service as a Manager), and (iii) no writing or instrument shall be required to be executed by the LLC or the Terminated Manager to reflect such cessation of service, except that the Terminated Manager (or his or her legal representative or attorney in fact, as provided in the following paragraph) shall execute and deliver any agreement, instrument, certificate or document, including an amendment to the Certificate that may be reasonably required to reflect that the Terminated Manager is no longer a Manager of the LLC.

3.8. Meetings and Action of Managers. Unless otherwise determined by the Board of Managers or as otherwise provided in this Agreement, all action to be taken by the Board of Managers shall be taken by majority vote or written consent of a majority of the Managers then in office. There is no requirement that the Board of Managers hold a meeting in order to take action on any matter. Meetings of the Board of Managers may be called by any Manager. If action is to be taken at a meeting of the Board of Managers, notice of the time, date and place of the meeting shall be given to each Manager by the Manager calling the meeting by personal delivery, telephone, email or fax sent to the business or home address of each Manager at least 24 hours in advance of the meeting, or by written notice mailed to each Manager at either such address at least 72 hours in advance of the meeting; however, no notice need be given to a Manager who waives notice before or after the meeting, or who attends the meeting without protesting at or before its commencement the inadequacy of notice to him or her. Managers may also attend a meeting in person or by proxy, and they may also participate in a meeting by means of conference telephone or similar communications equipment that permits all Managers present to hear each other. The Board of Managers may select a chairman to preside at a meeting of the Board of Managers and to determine the order of business and the procedures to be followed at such meeting of the Board of Managers.

3.9. Limitation of Liability of Manager. No Manager shall be obligated personally for any debt, obligation or liability of the LLC or of any Member, whether arising in contract, tort or otherwise, solely by reason of being or acting as Manager of the LLC. No Manager shall be personally liable to the LLC or to its Members for breach of any fiduciary or other duty that does not involve (i) a breach of the duty of loyalty to the LLC or its Members, (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (iii) a transaction from which the Manager derived an improper personal benefit.

3.10. Managers as Members. Any Manager, or any entity under the Manager's control or ownership, may hold an interest in the LLC as a Member, and such person's rights and interest as a Manager shall be distinct and separate from such person's rights and interest as a Member.

#### ARTICLE IV - Indemnification

4.1. Definitions. For purposes of this Article:



"Expenses" means all expenses, including attorneys' fees and disbursements, actually and reasonably incurred in defense of a proceeding or in seeking indemnification under this Article, and except for proceedings by or in the right of the LLC or alleging that a Manager received an improper personal benefit, any judgments, awards, fines, penalties and reasonable amounts paid in settlement of a proceeding; and

"Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and any claim which could be the subject of a proceeding.

4.2. Right to Indemnification. Except as limited by law and subject to the provisions of this Article, the LLC shall indemnify each of its Managers against all expenses incurred by them in connection with any proceeding in which a Manager is involved as a result of serving in such capacity, except that no indemnification shall be provided for a Manager regarding any matter as to which it shall be finally determined that such Manager did not act in good faith and in the reasonable belief that its action was in the best interests of the LLC. Subject to the foregoing limitations, such indemnification may be provided by the LLC with respect to a proceeding in which it is claimed that a Manager received an improper personal benefit by reason of its position, regardless of whether the claim arises out of the Manager's service in such capacity, except for matters as to which it is finally determined that an improper personal benefit was received by the Manager.

4.3. Award of Indemnification. The determination of whether the LLC is authorized to indemnify a Manager hereunder and any award of indemnification shall be made in each instance (a) by a majority of the Managers who are not parties to the proceeding in question, or (b) by independent legal counsel appointed by the Managers or the Members. The LLC shall be obliged to pay indemnification applied for by a Manager unless there is an adverse determination (as provided above) within forty-five (45) days after the application. If indemnification is denied, the applicant may seek an independent determination of its right to indemnification by a court, and in such event, the LLC shall have the burden of proving that the applicant was ineligible for indemnification under this Article. Notwithstanding the foregoing, in the case of a proceeding by or in the right of the LLC in which a Manager is adjudged liable to the LLC, indemnification hereunder shall be provided to such Manager only upon a determination by a court having jurisdiction that in view of all the circumstances of the case, such Manager is fairly and reasonably entitled to indemnification for such expenses as the court shall deem proper.

4.4. Successful Defense. Notwithstanding any contrary provisions of this Article, if a Manager has been wholly successful on the merits in the defense of any proceeding in which it was involved by reason of its position as Manager or as a result of serving in such capacity (including termination of investigative or other proceedings without a finding of fault on the part of the Manager), the Manager shall be indemnified by the LLC against all expenses incurred by the Manager in connection therewith.

4.5. Advance Payments. Except as limited by law, expenses incurred by a Manager in defending any proceeding, including a proceeding by or in the right of the LLC, shall be paid by

the LLC to the Manager in advance of final disposition of the proceeding upon receipt of its written undertaking to repay such amount if the Manager is determined pursuant to this Article or adjudicated to be ineligible for indemnification, which undertaking shall be an unlimited general obligation but need not be secured and may be accepted without regard to the financial ability of the Manager to make repayment; provided, however, that no such advance payment of expenses shall be made if it is determined pursuant to Section 4.3 of this Article on the basis of the circumstances known at the time (without further investigation) that the Manager is ineligible for indemnification.

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

4.7 Heirs and Personal Representatives. The indemnification provided by this Article shall inure to the benefit of the heirs and personal representatives of each Manager.

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

4.8 Amendment. The provisions of this Article may be amended or repealed in accordance with Section 12.4; however, no amendment or repeal of such provisions that adversely affects the rights of a Manager under this Article with respect to its acts or omissions at any time prior to such amendment or repeal shall apply to such Manager without its consent.

4.9 Limitations. Any indemnity under this Section 4.2 shall be paid from, and only to the extent of, LLC assets, and no Member shall have any personal liability on account thereof. The LLC shall not incur the cost of that portion of any insurance, other than public liability insurance, which insures any party against any liability as to which such party is herein prohibited from being indemnified.

## V - Conflicts of Interest

5.1. Transactions with Interested Persons. Unless entered into in bad faith, no contract or transaction between the LLC and one or more of its Managers or Members, or between the LLC and any other corporation, partnership, association or other organization in which one or more of its Managers or Members have a financial interest or are directors, partners, Managers or officers, shall be voidable solely for this reason or solely because such Manager or Member was present or participated in the authorization of such contract or transaction if:

(a) the material facts as to the relationship or interest of such Manager or Member and as to the contract or transaction were disclosed or known to the other Managers (if any) or

Members and the contract or transaction was authorized by the disinterested Managers (if any) or Members; or

(b) the contract or transaction was fair to the LLC as of the time it was authorized, approved or ratified by the disinterested Managers (if any) or Members;

and no Manager or Member interested in such contract or transaction, because of such interest, shall be considered to be in breach of this Agreement or liable to the LLC, any Manager or Member, or any other person or organization for any loss or expense incurred by reason of such contract or transaction or shall be accountable for any gain or profit realized from such contract or transaction.

## ARTICLE VI - Capital Accounts and Contributions

### 6.1. Capital Accounts.

(a) There shall be established on the books of the LLC a separate capital account (a "Capital Account") for each Member.

(b) The Capital Account of each Member (regardless of the time or manner in which such Member's interest was acquired) shall be maintained in accordance with the rules of Section 704(b) of the Code, as amended, from time to time (the "Code"), and Treasury Regulation Section 1.704-1(b)(2)(iv). Adjustments shall be made to the Capital Accounts for distributions and allocations as required by the rules of Section 704(b) of the Code and the Treasury Regulations thereunder.

(c) If there is a transfer of all or a part of an interest in the LLC by a Member, the Capital Account of the transferor that is attributable to the transferred interest shall carry over to the transferee of such Member.

(d) Subject to Section 7.2, notwithstanding any other provision contained herein to the contrary, no Member shall be required to restore any negative balance in its Capital Account.

### 6.2. Contributions.

(a) Each Member shall make the contributions to the capital of the LLC (herein "Contributions") specified on Schedule A. All Contributions shall be paid in cash unless otherwise specified on Schedule A or agreed to by the Members. Except as set forth on Schedule A, no Member or Manager shall be entitled or required to make any contribution to the capital of the LLC; however, the LLC may borrow from its Members as well as from banks or other lending institutions to finance its working capital or the acquisition of assets upon such terms and conditions as shall be approved by the Managers, and any such borrowing from Members shall not be considered Contributions or reflected in their Capital Accounts;

(b) If the Board of Managers determines at any time, or from time to time, that the LLC requires funds to carry out its purposes, conduct its business, meet its obligations or make any expenditure authorized by this Agreement, in excess of the amounts generated from the LLC's operations and the amounts specified on Schedule A hereto, and such funds are not available from third-party lenders on terms acceptable to the Board of Managers in its sole discretion, the Members may, but shall not be required to, contribute any such additional capital. Members electing to contribute such additional capital shall contribute such portions thereof as they may agree upon, or, if they are unable to agree, each such Member shall contribute a portion of the total amount required based on its Percentage Interest and the Percentage Interests of all other contributing Members.

(c) The value of all non-cash Contributions made by Members shall be set forth on Schedule A. No Member shall be entitled to any interest or compensation with respect to its Contribution or any services rendered on behalf of the LLC except as specifically provided in this Agreement or approved by the Managers.

(d) No Member shall have any liability for the repayment of the Contribution of any other Member and each Member shall look only to the assets of the LLC for return of its Contribution.

#### ARTICLE VII - Profits, Losses and Distributions

##### 7.1. Profits, Losses and Distributions.

(a) All profits and losses arising from the normal course of business operations or otherwise, and all cash available for distribution from whatever source as determined by the Managers, commencing with the date of this Agreement, shall be allocated or distributed to the Members according to their Membership Interests.

(b) All profits and losses allocated to the Members shall be credited or charged, as the case may be, to their Capital Accounts. The terms "profits" and "losses" as used in this Agreement shall mean income and losses, and each item of income, gain, loss, deduction or credit entering into the computation thereof, as determined in accordance with the accounting methods followed by the LLC and computed in a manner consistent with Treasury Regulation Section 1.704-1(b)(2)(iv). Profits and losses for Federal income tax purposes shall be allocated in the same manner as profits and losses for purposes of this Article VII, except as provided in Section 7.3(a).

##### 7.2. Distributions Upon Dissolution or From Capital Transactions.

(a) Except as provided in Section 7.3 (which shall be applied first), any Net Profits arising from a Capital Transaction or upon liquidation of the LLC shall be allocated as follows:

(i) first, to any Members having negative Adjusted Capital Account balances, in proportion to and to the extent of such negative balances; and

(ii) second, the balance, if any, to the Members in such proportions and in such amounts as would result in the respective Adjusted Capital Account balance of each Member equaling, as nearly as possible, such Member's share of the then LLC Capital;

(b) Any Net Losses arising from a Capital Transaction or upon liquidation of the LLC shall be allocated among the Members as follows:

(i) first, to each Member with a positive Adjusted Capital Account balance, in the amount of such positive balance, provided, however, that if the amount of Net Losses to be allocated is less than the sum of the Adjusted Capital Account balances of all Members having positive Adjusted Capital Account balances, then the Net Losses shall be allocated to the Members in such proportions and in such amounts as would result in the respective Adjusted Capital Account balance of each Member equaling, as nearly as possible, such Member's share of the then LLC Capital, determined as set forth in Section 7.2(a), above; and

(ii) second, the balance, if any, to the Members in accordance with their Percentage Interests.

(c) If the amount of Net Profits allocable to the Members is insufficient to allow the Adjusted Capital Account balance of each Member to equal such Member's share of the LLC Capital, such Net Profits or Net Losses shall be allocated among the Members in such a manner as to decrease the differences between the Members' respective Adjusted Capital Account balances and the Members' respective shares of the LLC Capital in proportion to such differences.

(d) Allocations of Net Profits and Net Losses provided for in this Section 7.2 shall generally be made as of the end of the fiscal year of the LLC and at any time that the Carrying Value of the LLC's assets is adjusted in accordance with clause (ii) of the definition of "Carrying Value."

(e) Net Profits and Net Losses allocated hereunder to the Members (or to any particular group of Members) as a group shall be allocated among them based on their Percentage Interests.

7.3 Regulatory Allocations. Notwithstanding the provisions of Section 7.2 above, the following allocations shall be made in the following order of priority:

(a) Items of income or gain (computed with the adjustments contained in paragraphs (i), (ii), (iii), (vi) and (vii) of the definition of "Net Profits and Net Losses") for any taxable period shall be allocated to the Members in the manner and to the minimum extent required by the "minimum gain chargeback" provisions of Treasury Regulation Section 1.704-2(f) and Treasury Regulation Section 1.704-2(i)(4).

(b) All "nonrecourse deductions" (as defined in Treasury Regulation Section 1.704-2(b)(1)) of the LLC for any year shall be allocated to the Members in accordance with their respective Percentage Interests, provided, however, that nonrecourse deductions attributable to "partner nonrecourse debt" (as defined in Treasury Regulation Section 1.704-2(b)(4)) shall be allocated to the Members in accordance with the provisions of Treasury Regulation Section 1.704-2(i)(1).

(c) Items of income or gain (computed with the adjustments contained in paragraphs (i), (ii), (iii), (vi) and (vii) of the definition of "Net Profits and Net Losses") for any taxable period shall be allocated to the Members in the manner and to the extent required by the "qualified income offset" provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d).

(d) In no event shall Net Losses of the LLC be allocated to a Member if such allocation would cause or increase a negative balance in such Member's Adjusted Capital Account (determined, for purposes of this Section 7.3 only, by increasing the Member's Adjusted Capital Account balance by the amount the Member is obligated to restore to the LLC pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(c) and decreasing it by the amounts specified in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6)).

(e) In the event that items of income, gain, loss or deduction are allocated to one or more Members pursuant to subsections (c) or (d) above, subsequent items of income, gain, loss or deduction from operations will first be allocated (subject to the provisions of subsections (c) and (d)) to the Members in a manner designed to result in each Member having a Capital Account balance equal to what it would have been if the original allocation of items pursuant to subsections (c), or (d) had not occurred.

#### 7.4. Special Provisions.

Notwithstanding the foregoing provisions in this Article VII:

(a) Income, gain, loss and deduction with respect to LLC property which has a variation between its basis computed in accordance with Treasury Regulation Section 1.704-(b) and its basis computed for Federal income tax purposes shall be shared among Members so as to take account of the variation in a manner consistent with the principles of Section 704(c) of the Code and Treasury Regulation Section 1.704-3.

(b) Section 704 of the Code and the Treasury Regulations issued thereunder, including but not limited to the provisions of such regulations addressing qualified income offset provisions, minimum gain chargeback requirements and allocations of deductions attributable to nonrecourse debt and partner nonrecourse debt, are hereby incorporated by reference into this Agreement.

7.5. Distribution of Assets in Kind. No Member shall have the right to require any distribution of any assets of the LLC to be made in cash or in kind. If the Board of Managers determines to distribute assets of the LLC in kind, such assets shall be distributed on the basis of

their fair market value as determined by the Managers. Any Member entitled to any interest in such assets shall, unless otherwise determined by the Managers, receive separate assets of the LLC, and not an interest as tenant-in-common with other Members so entitled in each asset being distributed. Distributions in kind need not be made on a pro-rata basis but may be made on any basis which the Managers determine to be reasonable under the circumstances.

7.6 Withholding and Other Taxes. If the Board of Managers determines in good faith that there is a material possibility that the LLC may be obligated to pay (or collect and pay over) the amount of any tax with respect to any Member's share of any income or distributions from the LLC, the LLC shall pay (or collect and pay over) the amount of such tax to the appropriate taxing authority. Any amount so paid with respect to a Member shall reduce the amount of any distribution that the Member would otherwise be entitled to receive at the time of the payment. If the amount paid with respect to a Member exceeds the amount of distributions then payable to such Member, such excess shall be treated as a loan to the Member from the LLC, payable with interest at the rate of the prime rate of interest announced from time to time within ten (10) days after such time that the LLC makes payment to the appropriate taxing authority. If for any reason the amount of such loan is not timely paid, then such unpaid amount shall be set off against any future distributions to which such Member otherwise would have been entitled.

#### ARTICLE VIII - Death or Incompetence of a Member

8.1. Death or Incompetence of a Member. If a Member dies, such Member's executor, administrator, or trustee, or, if he or she is adjudicated incompetent, such Member's guardian, or, if it is a corporation, trust, limited liability LLC or partnership and is dissolved, the liquidator, shall automatically become an assignee (the "Assignee") of the Membership Interest of the deceased, incompetent, or dissolved Member. The Assignee may receive distributions and shall have all the rights of a Member for the purpose of settling or managing such deceased or incompetent Member's estate, but shall not be a Member and shall not have the power to vote such Member's Membership Interest. The Assignee shall also have such power as the decedent, incompetent or dissolved entity possessed to assign all or any part of the Member's Membership Interest.

#### ARTICLE IX - Dissolution, Liquidation and Termination

9.1. Dissolution. The LLC shall dissolve and its affairs shall be wound up upon the first to occur of the following:

- (a) the written consent of the Members;
- (b) the entry of a decree of judicial dissolution under Section 44 of the Act;
- (c) the consolidation or merger of the LLC in which it is not the resulting or surviving entity; or

(d) the sale or other disposition of all or substantially all of the assets of the LLC, unless the disposition is a transfer of assets of the LLC in return for consideration other than cash and the Board of Managers determines not to distribute all or substantially all of such non-cash items to the Members.

9.2. Liquidation. Upon dissolution of the LLC, the Board of Managers shall act as its liquidating trustees or the Board of Managers may appoint one or more Managers or Members as liquidating trustee. The liquidating trustees shall proceed diligently to liquidate the LLC and wind up its affairs and shall dispose of the assets of the LLC as provided in Section 7.2 hereof. Until final distribution, the liquidating trustees may continue to operate the business and properties of the LLC with all of the power and authority of the Board of Managers. As promptly as possible after dissolution and again after final liquidation, the liquidating trustees shall cause an accounting by the accounting firm then serving the LLC of the LLC's assets, liabilities, operations and liquidating distributions to be given to the Members.

9.3. Certificate of Cancellation. Upon completion of the distribution of LLC assets as provided herein, the LLC shall be terminated, and the Board of Managers (or such other person or persons as the Act may require or permit) shall file a Certificate of Cancellation with the Secretary of the Commonwealth of Massachusetts under the Act and take such other actions as may be necessary to terminate the existence of the LLC.

9.4 Procedures on Dissolution. Dissolution of the LLC shall be effective on the day on which occurs the event giving rise to the dissolution, but the LLC shall not terminate until the Certificate shall have been canceled and the assets of the LLC shall have been distributed as provided herein. Notwithstanding the dissolution of the LLC, prior to the termination of the LLC, as aforesaid, the business of the LLC and the affairs of the Members, as such, shall continue to be governed by this Agreement. The Board of Managers or a liquidator appointed by the Board of Managers, shall liquidate the assets of the LLC, apply and distribute the proceeds thereof as contemplated by this Agreement and cause the cancellation of the Certificate.

## ARTICLE X - Fiscal Matters

10.1 Books and Records. The Board of Managers shall keep complete and accurate books and records of the LLC on the income tax method of reporting and otherwise in accordance with generally accepted accounting principles consistently applied, which shall be maintained and be available, in addition to any documents and information required to be furnished to the Members under the Act, at the office of the LLC for examination and copying by any Member or Manager at its reasonable request and at its expense during ordinary business hours. A current list of the full name of each Member and Manager; a copy of this Agreement and any amendments thereto; the Certificate, including all certificates of amendment thereto; executed copies of all powers of attorney, if any, pursuant to which this Agreement, any amendment, the Certificate or any certificate of amendment has been executed; and copies of the LLC's financial statements and federal, state and local income tax returns and reports, if any, for the three most recent fiscal years, shall be maintained at the registered office of the LLC as required by Section 5 of the Act.



10.2 Bank Accounts. The Board of Managers or the Treasurer shall be responsible for causing one or more accounts to be maintained in a bank (or banks) that is a member of the FDIC, which accounts shall be used for the payment of the expenditures incurred by the Board of Managers in connection with the business of the LLC, and in which shall be deposited any and all cash receipts of the LLC. All deposits and funds not needed for the operations of the LLC may be invested in short-term investments, including securities issued or fully guaranteed by United States government agencies; certificates of deposit of banks; bank repurchase agreements covering the securities of the United States government; commercial paper; money market funds; interest-bearing time deposits in banks and thrift institutions; and such other similar investments as the Board of Managers may approve. All such amounts shall be and remain the property of the LLC, and shall be received, held and disbursed by the Board of Managers for the purposes specified in this Agreement. There shall not be deposited in any of said accounts any funds other than funds belonging to the LLC, and no other funds shall in any way be commingled with such funds. Withdrawals from any LLC bank or similar account shall be made and other activity conducted on such signature or signatures as shall be approved by the Board of Managers.

10.3 Loans and Mortgages. Each Member shall cooperate in providing all documents and information necessary for securing any financing, loans, or mortgages, or maintaining them, as requested by the Board of Managers within 14 days of such a request.

#### ARTICLE XI - Transfers of Interest

##### 11.1 General Restrictions on Transfer of Interests by Members.

(a) No Member may Transfer some or all of his, her or its interest in the LLC unless the Board of Managers (acting exclusive of any Manager that is, or is affiliated with, the Transferring Member) shall have previously approved such Transfer unanimously in writing, the granting or denying of which approval shall be in the Board of Managers' absolute discretion.

(b) No assignment of the interest of a Member shall be made if, in the opinion of counsel to the LLC, such assignment (i) may not be effected without registration under the Securities Act; (ii) would result in the violation of any applicable state securities laws; (iii) unless approved by the Board of Managers (acting exclusive of any Manager which is, or is affiliated with, the Transferring Member), would result in a termination of the LLC under Code § 708; or (iv) unless approved by the Board of Managers (acting exclusive of any Manager which is, or is affiliated with, the Transferring Member), would result in the treatment of the LLC as an association taxable as a "publicly traded limited partnership" for tax purposes. The LLC shall not be required to recognize any such assignment until the instrument conveying such interest has been delivered to the Board of Managers for recordation on the books of the LLC. Unless an assignee becomes a substituted Member in accordance with the provisions of Section 11.1(b), the assignee shall not be entitled to any of the rights granted to a Member hereunder, other than the right to receive all or part of the share of the Gross Income, Net Profits, Net Losses, Nonrecourse Deductions, cash distributions or returns of capital to which his or her assignor would otherwise be entitled.

(c) An assignee of the interest of a Member, or any portion thereof, shall become a substituted Member entitled to all the rights of a Member if, and only if:

(i) the assignor gives the assignee such right;

(ii) the Board of Manager approves the transfer;

(iii) the assignee pays to the LLC all costs and expenses incurred in connection with such substitution, including specifically, without limitation, costs incurred in the review and processing of the assignment and in amending the LLC's then current Certificate and/or Operating Agreement, if required; and

(iv) the assignee executes and delivers an Instrument relating to this Agreement (and to the Certificate, if required), which Instrument shall be executed by a person authorized by the Board of Managers and by such assignee, and such other instruments, in form and substance satisfactory to the Board of Managers (acting exclusive of any Manager which is, or is affiliated with, the assigning Member), as may be necessary, appropriate or desirable to effect such substitution and to confirm the agreement of the assignee to be bound by the terms and provisions of this Agreement.

(d) The LLC and the Board of Managers shall be entitled to treat the record owner of any LLC interest as the absolute owner thereof in all respects, and shall incur no liability for distributions of cash or other property made in good faith to such owner until such time as a written assignment of such interest has been received and accepted by the Board of Managers and recorded on the books of the LLC. The Board of Managers may refuse to accept an assignment until the end of the next successive quarterly accounting period. In no event shall any membership interest, or any portion thereof, be sold, transferred or assigned to a minor or incompetent, and any such attempted sale, transfer or assignment shall be void and ineffectual and shall not bind the LLC or the Board of Managers.

11.2 Restrictions as to Certain Matters. Every Transfer of an interest of a Member of the LLC permitted by this Article VIII shall be subject to the following restrictions:

(a) No Transfer of any interest in the LLC may be made if such Transfer would cause or result in a breach of any agreement binding upon the LLC or of then applicable rules and regulations of any governmental authority having jurisdiction over such Transfer. The Board of Managers may require as a condition of any Transfer that the transferor furnish an opinion of counsel, satisfactory to the LLC (both as to counsel and as to the substance of the opinion), that the proposed Transfer complies with applicable law, including federal and state securities laws, and does not cause the LLC to be an investment company as such term is defined in the Investment Company Act of 1940, as amended;

(b) Any person who acquires in any manner whatsoever an interest (or any part thereof) in the LLC, whether or not such person has accepted and assumed in writing the terms

and provisions of this Agreement or been admitted into the LLC as a Member as provided in Section 8.01(b), shall be deemed, by acceptance of the acquisition thereof, to have agreed to be subject to and bound by all of the obligations of this Agreement with respect to such interest and shall be subject to the provisions of this Agreement with respect to any subsequent Transfer of such interest;

(c) Any Transfer in contravention of any of the provisions of this Agreement shall be null and void and ineffective to transfer any interest in the LLC, and shall not bind, or be recognized by, or on the books of, the LLC, and any transferee or assignee in such transaction shall not be or be treated as or deemed to be a Member for any purpose.

## ARTICLE XII - General Provisions

12.1. Offset. Whenever the LLC is obligated to make a distribution or payment to any Member, any amounts that such Member owes the LLC may be deducted from said distribution or payment by the Managers.

12.2. Notices. Except as expressly set forth to the contrary in this Agreement, all notices, requests, or consents required or permitted to be given under this Agreement must be in writing and shall be deemed to have been properly given if sent by registered or certified mail, postage prepaid, by commercial overnight courier, by facsimile, by email or if delivered in hand to Members at their addresses on Schedule A, or such other address as a Member may specify by notice to the Managers. Whenever any notice is required to be given by law, the Certificate or this Agreement, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

12.3. Entire Agreement; Binding Effect. This Agreement constitutes the entire agreement of the Members and the Managers relating to the LLC and supersedes all prior oral or written agreements or understandings with respect to the LLC. This Agreement is binding on and inures to the benefit of the parties and their respective successors, permitted assigns and legal representatives.

12.4. Amendment or Modification. Except as specifically provided herein, this Agreement may be amended or modified from time to time only by a written instrument signed by all Members.

12.5. Governing Law; Severability. This Agreement is governed by and shall be construed in accordance with the law of The Commonwealth of Massachusetts, exclusive of its conflict-of-laws principles. In the event of a conflict between the provisions of this Agreement and any provision of the Certificate or the Act, the applicable provision of this Agreement shall control, to the extent permitted by law. If any provision of this Agreement or the application thereof to any person or circumstance is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of that provision shall be enforced to the fullest extent permitted by law. The exclusive jurisdiction and venue for any proceedings brought

under this Agreement shall be the courts of Suffolk County, Massachusetts, and the parties expressly consent to such jurisdiction and venue.

12.6. Waiver of Certain Rights. Each Member irrevocably waives any right it may have to maintain any action for dissolution of the LLC or for partition of the property of the LLC. The failure of any Member to insist upon strict performance of a covenant hereunder or of any obligation hereunder, irrespective of the length of time for which such failure continues, shall not be a waiver of such Member's right to demand strict compliance herewith in the future. No consent or waiver, express 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.

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

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

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

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

MANAGERS:

  
\_\_\_\_\_  
Joan Regan

\_\_\_\_\_

**SCHEDULE A**

**MEMBERS**

Name and Contact Information  
of Members

Contribution

Membership Interest

Joan Regan

\$

% 100

# Plan for Obtaining Liability Insurance

(This document is a summary of KRD Growers, LLC's to obtain Liability Insurance.)

## **I. Purpose**

The purpose of this plan is to outline how KRD Growers, LLC ("KRD") 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.

## **II. Research**

KRD 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 KRD once we receive a Provisional License.

## **III. Plan**

1. Once KRD receives its Provisional Marijuana Establishment License we will engage with an insurance provider who is experienced in the legal marijuana industry.
  - a. KRD 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 KRD cannot obtain the required insurance coverage, KRD will place a minimum of \$250,000 in an escrow account. These funds will be used solely for the coverage of liabilities.
  - a. KRD will replenish this account within ten business days of any expenditure.
3. KRD will maintain reports documenting compliance with 935 CMR 500.105(10) in a manner and form determined by the Commission and make these reports available to the Commission upon request.

A person wearing a blue and white checkered button-down shirt is holding a white tablet. Their right hand is touching the screen, while their left hand supports the back. The background is a blurred outdoor scene with green grass and a dirt path.

# KRD GROWERS<sup>LLC.</sup>

A Vertically Integrated,  
Adult Use Cannabis  
Company







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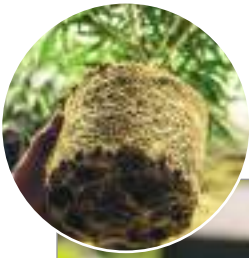
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CONTACT KRD GROWERS, LLC.

89 Parker Street • Clinton, MA 01510  
joan\_krdgrowers@yahoo.com  
978-417-1247

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# EXECUTIVE SUMMARY



KRD Growers, LLC. is a registered Massachusetts corporation. We are entering the adult use cannabis industry. This is an industry, in its infant stage, with great opportunity for growth. To assure a top quality product, we are a vertically integrated company, meaning we will grow, process and retail our products.

The projected sales for Massachusetts in 2019 are \$700 million to \$1 billion and Marijuana Business Daily projects Massachusetts to be one of the largest

markets in the country. We forecast, conservatively, that we will be able to capture 1% of the market giving us projected sales of seven to ten million dollars annually.

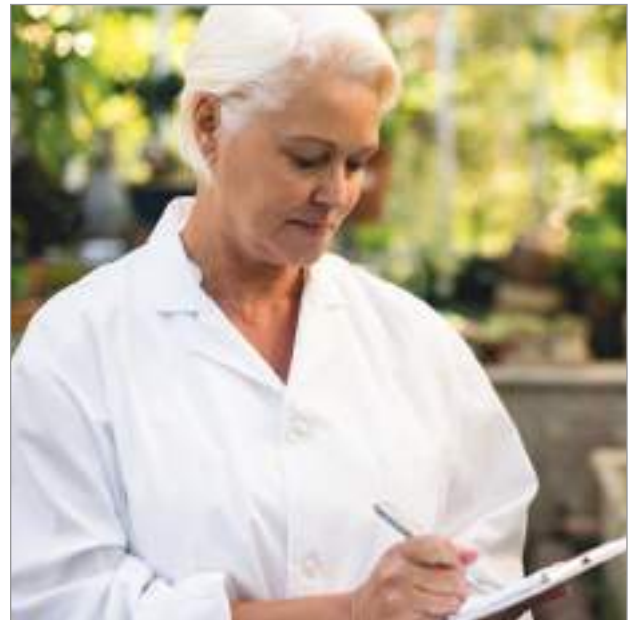
In order to open our facility we need to obtain a “host agreement” with the Town of Clinton, MA. Once we have the host agreement then we will submit our application for the licenses to the Cannabis Control Commission (CCC). This process may take six to eight months. When the licenses are approved we will begin our build- out for the facility.

Our plan is to obtain our retail license as soon as possible and open the retail store, while we are building out our cultivation and processing facility. We can purchase product from other licensed cultivators to supply our retail store, until we have our own product ready.

## Objectives

The objective timeline for operation is as follows.

- Obtain a host agreement from the Town of Clinton, MA and licensing from the CCC – six to eight months.
- From the time of license approval is the projected timeline for the following:
  - Three months to open retail with product sourced from an outside vendor.
  - Six months to start cultivation.
  - One year to start processing.



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## MISSION STATEMENT

KRD Growers, LLC is a vertically integrated, adult use cannabis company. We will provide the best quality products with a highly trained staff. We will always be a good neighbor to our host community and have our customer safety and satisfaction be our priority.

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### Keys to Success



State of the art facility



Exceptional quality products



Superior staff



High quality raw materials



Attention to details with an emphasis on compliance



Be a community partner with our host town

# DESCRIPTION OF BUSINESS

KRD Growers, LLC will grow, process and retail cannabis products including flower, edibles, concentrates and accessories. We are vertically integrated providing the control of product from seed to sale. This, also will enable us to maximize quality by being the manufacturer and retailer. Our commitment to detail, trends and record keeping will ensure compliance with the CCC and the demand of our customers.

## Company Ownership/Legal Entity

KRD Growers, LLC is registered in the state of Massachusetts. Kalpesh Desai is the stock holder.

A leading architecture firm, BKA Architects, with extensive experience in designing cannabis facilities has been hired as consultants to help design the building and grow products.



## Location

KRD Growers has executed a Twenty year lease of a thirty thousand square foot property located at 89 Parker St., Clinton, MA. We have negotiated an option to buy the property at our discretion at a predetermined price.

The building is a 100 year old manufacturing building with all manufacturing and retail to be done on the first floor at street level. Executive and administrative offices will be on the second floor. There is parking for approximately 65 vehicles including employee parking.

## Interior

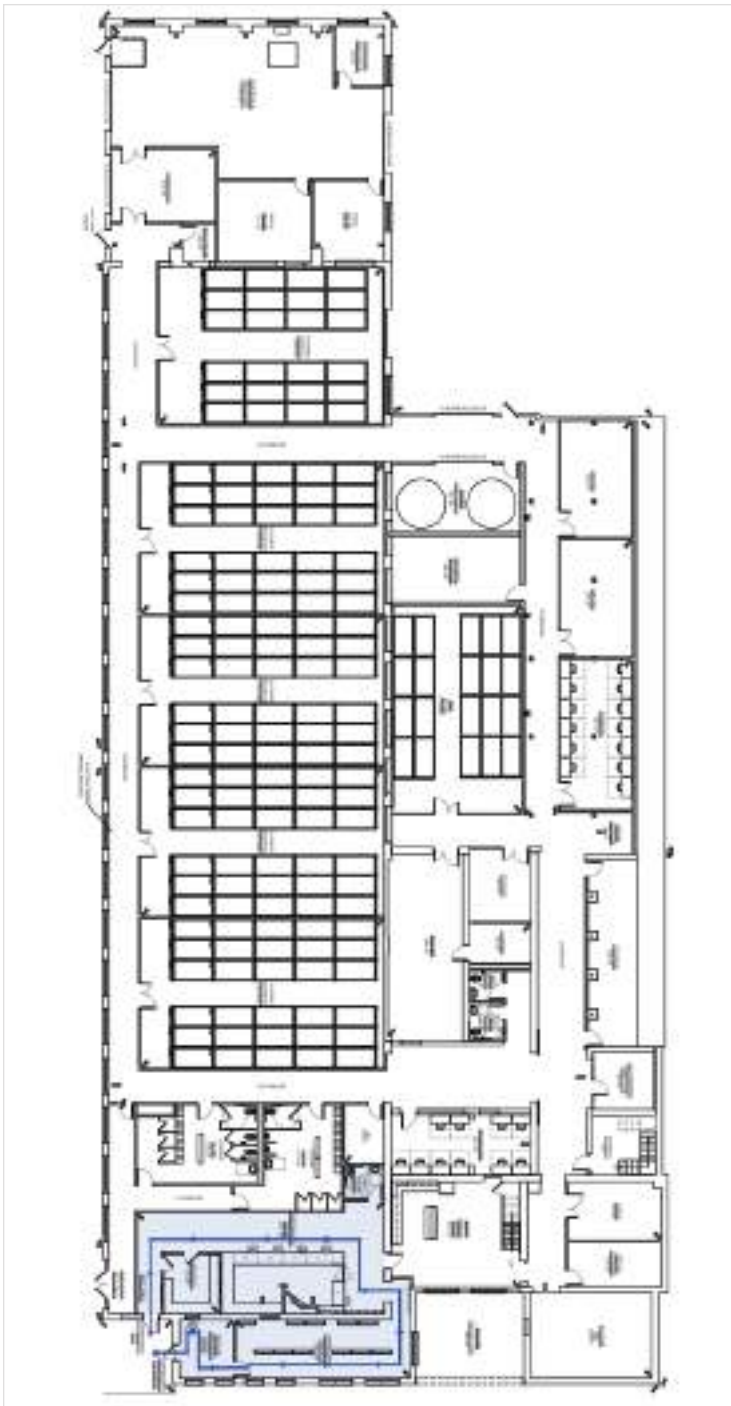
We have hired the architecture firm BKA Architects to design the interior and exterior

modifications to the building. BKA has extensive experience in designing cannabis facilities.

Construction will be extensive with the building of grow rooms, four – two thousand sq. feet flower rooms, one – two thousand sq. foot vegetative room, drying and curing rooms, clone room, process room, storage rooms, kitchen and retail space of four thousand sq. feet. In addition we will install a state of the art HVAC system, CO2 system and water and nutrient system.

The entire premises, inside and out will have a security system with lighting, alarms and 24/7 cameras with ninety days backup.





The retail store will have security personnel to check ID's and control the flow of customers from the waiting room into the retail store. All products will be in glass cases and not accessible to the customer. There will be eight registers with trained "budtenders" to wait on the customers.

## Hours of Operation

Hours of retail operation will be everyday 8:00am - 10:00pm

## Products and Services

Products offered will be a minimum of 10 strains of flower to include sativa, indica and hybrid. Edibles in the form of gummies, cookies and chocolates. Extract oils, tinctures and CBD products. All products will be tested by independent state approved labs to ensure quality and absence of contaminants and harmful chemicals.

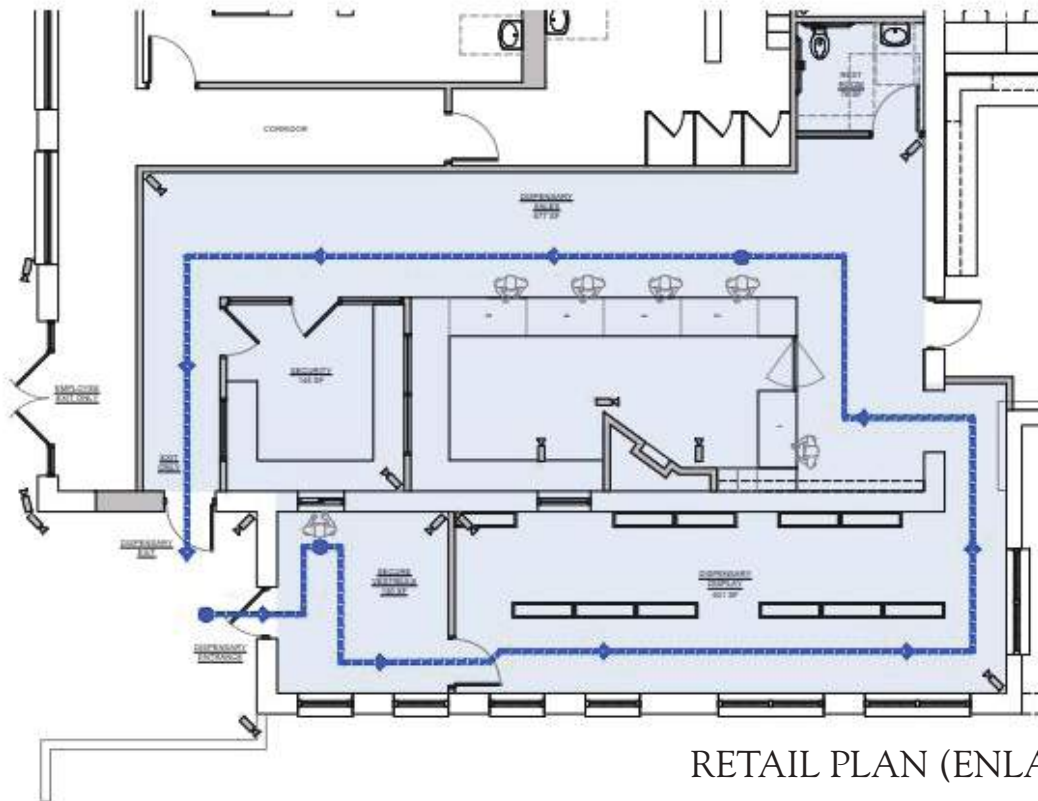
We will, also offer rolling papers, pipes, water pipes and vaporizers.

Our staff will be trained to consult with our customers by asking questions about their use and will have extensive knowledge of the products.

## Manufacturing

To manufacture extracts and oils we will use a super critical CO2 process

where the CO2 is pressurized into liquid form and washed over the plant material thereby separating the cannabinoids and terpenes from the plant. We feel this is the safest and most desirable method of extraction. The extracted oil can be used directly in vaporizer cartridges or further distilled. After further distillation the oil can be infused into edible and topical products without effecting taste or smell. The pure and concentrated oil is a homogenized product that allows patients/customers to ingest their medicine in a way that does not involve smoking.



RETAIL PLAN (ENLARGED)



CIVIL PLAN

## Management



### **Joan Regan, Investor and General Manager**

Twenty years working in the liquor business. Currently part owner and operator of a retail liquor store. Bachelor of Science in Criminal Justice/Management minor.



### **Jon Napoli of CannAssist, LLC, Consultant**

Mr. Napoli, principle of CannAssist, has been hired as a consultant. Jon has extensive experience in starting up a vertical integrated cannabis company. He worked extensively with In Good Health, the second medical marijuana dispensary to open in Massachusetts. CannAssist's services include all aspects of opening a cultivation/retail cannabis operation. Including design, cultivation, strain types, cloning, staffing, training, security, state compliance, retail. CannAssist has been contracted for a minimum of one year with an option for more time.



### **Narendra Patel, Investor**

Business Entrepreneur Narendra Patel has been involved in the Alcoholic Beverage retail business since 1997. In addition to extensive expertise in long-term strategic planning, he also has a keen sense of business process improvement, performance management and succession planning. Patel's business portfolio has grown and diversified over the course of the last three decades. He has acquired both commercial and residential real estate properties and currently owns two package retail stores, which successfully been seeing a growth year after year. Some of Patel's past experience includes managing multiple retail locations, serving on Dunkin Donuts Management team and serving as an Engineer in Optical Filter Corporation working with Raytheon Defense. Patel graduated from Sardar Patel University with a Bachelor's in Mechanical engineering.



### **Chetak Patel, Investor**

Chetak Patel has had over 15 year of both small business and corporate management experience. Chetak has successfully grown multiple startups into full-fledged companies with rising market share. He has an influential management style with proven commitment to customer satisfaction and people development. Chetak Patel graduated with a Bachelor of Science in Engineering from Northeastern University in 2008. He then spent ten year working for various startup company, leading their business teams to success. Afterwards Chetak attached Harvard University, where he received a Master's in Information Technology from Harvard University. He currently runs and operates multiple smalls business and real statement development projects.

# KRD GROWERS, LLC. IS PROUD TO JOIN CLINTON AND THE STATE OF MASSACHUSETTS AS INDUSTRY LEADERS.

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## **Massachusetts Officially Joins The Legal Cannabis Market**

Legal cannabis sales for adults 21 and over launched on Tuesday [November 20, 2018] in Massachusetts, marking the first legal adult-use dispensaries to open on the East Coast! The first customers to purchase cannabis were two U.S. military veterans, including Northampton Mayor David Narkewicz.

Residents in the Bay State voted to legalize cannabis in 2016. While only two dispensaries are currently licensed and open for business, a slow roll out of additional licenses are expected to be fully realized over the coming years. The market in Massachusetts is expected to grow to over \$1 billion by the year 2022, according to Arcview Market Research.

“Congratulations to Massachusetts for taking this important step toward implementing the rational cannabis policies supported by voters across the commonwealth,” stated NCIA executive director Aaron Smith in response to the launch of regulated sales. “It’s been a long time coming but we look forward to the development of a prosperous cannabis industry in the Bay State, as criminal markets are replaced by licensed businesses that create jobs and tax revenue while responsibly serving adult consumers safe cannabis products.”

In the densely populated Northeast region of the U.S., Massachusetts is setting the stage for nearby states to adopt similar cannabis policies.

*By Bethany Moore | National Cannabis Industry Association | November 21, 2018*

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# KRD PROFORMA

	YEAR ONE		YEAR TWO		YEAR THREE	
REVENUE		COST		COST		COST
Medical Marijuana/Adult use sales		4,236,450		12,709,350		16,945,800
Other supplies sold		10,000		15,000		30,000
<b>TOTAL REVENUE:</b>		<b>4,246,450</b>		<b>12,724,350</b>		<b>16,975,800</b>
PAYROLL EXPENSES						
Personnel Category	FTE		FTE		FTE	
Administration	1	150,000	1	150,000	1	150,000
Retail	4	149,760	6	224,640	8	299,520
Marketing	1	50,000	1	50,000	1	50,000
Delivery	2	70,000	4	140,000	4	70,000
Accountant/ office/purchasing	3	120,000	4	160,000	4	160,000
Extraction	2	40,000	3	127,500	4	170,000
It Manager/admin	1	75,000	1	75,000	1	75,000
kitchen	3	126,000	4	168,000	6	258,000
Head Grower	1	100,000	1	110,000	1	125,000
Growers	4	141,000	5	176,250	6	217,500
Trimmers and packaging	4	132,000	8	264,000	10	330,000
Director of security	1	75,000	1	75,000	1	75,000
Security	2	84,000	3	126,000	4	300,000
<b>TOTAL SALARIES</b>	<b>29</b>	<b>1,312,760</b>	<b>42</b>	<b>1,846,390</b>	<b>51</b>	<b>2,280,020</b>
Fringe Rate* and Total		303,904		427,439		527,825
<b>TOTAL SALARIES PLUS FRINGE*</b>		<b>1,616,664</b>		<b>2,273,829</b>		<b>2,807,845</b>

## \*FRINGE

0.0765 FICA & Medicare

0.0210 Workman's Comp

0.0175 SUT

0.2000 Health Insurance (40k @ 600/mo)

0.3150 = 31.5 % Fringe



# KRD PROFORMA

	YEAR ONE		YEAR TWO		YEAR THREE	
OTHER EXPENSES		COST		COST		COST
Professional fees		20,000		40,000		75,000
Equipment lease extractor/HVAC		225,000		225,000		225,000
Grow consultants fee		60,000		120,000		120,000
Lab testing		100,000		150,000		200,000
Supplies		10,000		35,000		60,000
Office Expenses/Supplies		5,000		6,000		7,000
Utilities		50,000		120,000		250,000
Insurance		20,000		23,000		30,000
Grow/ Packaging Material		125,000		250,000		375,000
Rent		192,000		192,000		192,000
RE Taxes		65,000		65,000		65,000
Building Maintenance		10,000		15,000		20,000
Security Monitoring		2,400		3,600		3,600
Marketing and Advertisement		2,500		5,000		8,000
License/dispensary Card		65,000		75,000		78,000
It and Software		10,000		12,000		18,000
Delivery Expense		2,000		6,000		12,000
<b>TOTAL OTHER EXPENSES</b>		<b>963,900</b>		<b>1,342,600</b>		<b>1,738,600</b>

<b>TOTAL EXPENSES</b>		<b>2,580,564</b>		<b>3,616,429</b>		<b>4,546,445</b>
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<b>DIFFERENCE</b>		<b>1,665,886</b>		<b>9,107,921</b>		<b>12,429,355</b>
<b>Provision for Taxes</b>	<b>Flow thru to members @ personal Federal and state rates</b>					



# PRODUCTION/REVENUE PROFORMA

	POTENTIAL REVENUES
	PHASE 1
Number of Clean Grow Rooms	4
Total Clean Room Grow Space	8,000 sq. ft.
<b>Assumptions</b>	
1.875 pound yield per light	
80 lights per room	
150 pounds per room	150
4 rooms	600
5 harvests/year	3,000
75% Flower	2,250
<b>Revenue flower @\$4500/lbs.</b>	<b>10,125,000</b>
25% Oil	750
Trim yield 10% of flower	300
Total available Lbs. for processing	1,050
10% yield for Oil	105
448 GR/Lbs.	47,040
<b>50% oil concentrates @\$40/gm</b>	<b>940,800</b>
<b>50% oil edibles/topical @\$.25/MG</b>	<b>5,880,000</b>
<b>TOTAL POTENTIAL REVENUE</b>	<b>16,945,800</b>



# EQUIPMENT BUDGET

EQUIPMENT	COST	
Security System	150,000	cameras, wiring, monitors, installation
Irrigation System	75,000	to water and control nutrient content, by room and strain
Lights	100,000	320 lights 80/ rm x4) @300 ea )Plus 4000 for t5's
Tables	10,000	32 tables (4 rooms) @ 300 ea Plus cost on installation
Ro Systems	30,000	purify water
Chiller	25,000	keeps water at the right temperature for watering plants
Extractor	150,000	plus exhaust and electrical \$150,000.00
Trimmers	10,000	1 automated trimmers
Kitchen Equipment	150,000	blenders, stoves , ovens , freezers , refrigeration
Safe & Vaults	1,000	door for vaults and safes for money, and products in kitchen and labs
Lab Equipment	150,000	Executive Short Path Kit, 5L / DigiVac Bullseye Vacuum Gauge, Bluetooth / Welch 1400B-01 DuoSeal Pump
		rotary evaporator / vacuum pumps / rotary evaporator accessories
HVAC	1,000,000	
Dehumidifiers & Ionizers	50,000	air purification for grow rooms
Interior Construction	3,000,000	includes engineers, electricians, fire sprinklers plumbing, door, interior partitions, ceilings, painting, masonry
Soft Costs	300,000	legal , consulting, permitting, environmental studies
Working Capital 4 Months	900,000	
<b>TOTAL EQUIPMENT</b>	<b>6,101,000</b>	

# THE FUTURE

**Predicting the future of cannabis isn't the easiest thing to do, but here are three guesses from leaders in the cannabis industry.**

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“Based upon informed consensus that cannabis will be federally de-scheduled in 2021, this single industry will fork into three primary sectors: recreational/wellness, medical/pharmaceutical, and industrial. Each of these will likely in turn have disbursed into numerous sub-forks e.g., infusion/food, families of related pharmaceuticals indicated for broad & specific medical conditions, and a wide range of sub-industry sectors related to whole new hemp-based industrial and commercial applications. Aggregate revenue across all related sectors will exceed \$100B, employing 10%-15% of the US population.”

— *Nathaniel Gurien | CEO of FINCANN*

“Over the next couple years we will see 40 or more states approving cannabis for medicinal use, the overwhelming majority of those states going full recreational. I anticipate the next administration will lean left and that will likely be the catalyst to a push for re-scheduling and federal approval. With this deregulation, we will see national support among citizens grow into the 70% or higher range, making M&A activity more commonplace among traditional firms and corporate sponsorships from cannabis companies less stigmatized and more mainstream. From a product perspective, I foresee concentrates continuing to dominate the marketplace and software and workflow automation systems pushing standardization across the industry.”

— *Danny Davis | Managing Partner of Convectium*

“I predict there will be a new mainstream name for “cannabis”-derived products and we will have gained enough understanding to arrange the properties freely to target different conditions or symptoms. Creative consumption methods will appear and we will see a market more dynamic than the one from the wine industry, which cannabis is often compared to. I believe the world will be a better place in terms of cannabis acceptance and adaptation.”

— *Richard Huang | Co-Founder and CEO of Cloudious9*

*Quotes from “What Will the Cannabis Industry Look Like in Five Years?” by Ethan Andersen on Equities.com | July 18, 2018*

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# KRD GROWERS<sup>LLC</sup>

89 Parker Street | Clinton, MA 01510

[joan\\_krdgrowers@yahoo.com](mailto:joan_krdgrowers@yahoo.com)

978-417-1247

### **Maintaining of Financial Records**

KRD Growers, LLC (“KRD”) will 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.

KRD will provide bi-annual sales data report for purposes of ensuring adequate marijuana supply in accordance with 935 CMR 500.140(6)(h). Additionally, KRD will implement separate accounting practices for marijuana and non-marijuana sales pursuant to 935 CMR 500.140(6)(f).

KRD 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(6)(d). KRD will not utilize software or other methods to manipulate or alter sales data in compliance with 935 CMR 500.140(5)(c). KRD 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. KRD will maintain records that it has performed the monthly analysis and produce it upon request to the Commission. If KRD 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

Following the closure of KRD, all records will be kept for at least two years at the expense of KRD 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(6)(e).

### **Personnel Policies**

It is KRD Growers, LLC's ("KRD") 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. KRD 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 KRD to be involved in discriminatory practices are subject to disciplinary action and may be terminated. KRD 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 KRD 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. KRD 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; and key state and local laws.

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

All KRD 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 KRD 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).



### **Qualifications and Training**

Pursuant to 935 CMR 500.105(2)(a) KRD Growers, LLC (“KRD”) 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 KRD. 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 KRD 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. KRD 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 KRD 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 KRD 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 KRD 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.

KRD Growers, LLC  
Management and Operations Profile  
Operating Policies and Procedures

**Record Keeping Procedures**

KRD Growers, LLC's ("KRD") 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).

KRD will also keep all waste disposal records as required by 500.105(12), including record keeping procedures. KRD 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, KRD 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. KRD 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 KRD, 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 KRD 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 KRD will be available for inspection by the Commission upon request. KRD's records will be maintained in accordance with generally accepted accounting principles. KRD 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).

### **Restricting Access to Age 21 or Older**

Upon entry into the premise of KRD Growers, LLC (“KRD”) by an individual, a KRD 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. Acceptable proof of identification is limited to:

- a. Massachusetts Issued driver’s license
- b. Massachusetts Issued ID card
- c. Out-of-state driver’s license or ID card (with photo)
- d. Passport
- e. U.S. Military I.D.

KRD’s management team is responsible for ensuring that all persons who enter the facility or are otherwise associated with the operations of KRD are 21 years of age or older.

To verify an individual’s age, a KRD 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 KRD. 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.

KRD 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.

KRD 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 KRD employees while at the facility or engaged in transportation. KRD 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 KRD Agents must carry their valid Agent Registration Card issued by the Commission. All KRD 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 KRD facility. The visitor log will be available for inspection by the Commission at all times. All visitor badges will be returned to KRD 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

KRD Growers, LLC  
Management and Operations Profile  
Operating Policies and Procedures

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

KRD Growers, LLC  
Management and Operations Profile  
Operating Policies and Procedures

### **Separating Recreational from Medical Operations**

KRD Growers, LLC will only be operating an adult-use marijuana dispensary and will not, at this time, be seeking a medical license from the Cannabis Control Commission.

### **Procedures for Quality Control and Testing of Product**

Pursuant to 935 CMR 500.160, KRD Growers, LLC (“KRD”) 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. KRD will implement a written policy for responding to laboratory results that indicate contaminant levels that are above acceptable levels established in Department of Public Health (“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 KRD 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 KRD by the testing facility will be disposed of in accordance with 935 CMR 500.105(12). KRD 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), KRD 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, KRD’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), KRD will provide adequate lighting, ventilation, temperature, humidity, space and equipment, in accordance with applicable provisions of 935 CMR 500.105 and 500.110. KRD 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. KRD 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 KRD storage areas will be maintained in accordance with the security requirements of 935 CMR 500.110.

KRD has a Quality Manager who will oversee the manufacturing at the KRD facility to maintain strict compliance with DPH regulations and protocols for quality control and analytical testing. In accordance with 935 CMR 500.160 KRD grow areas are monitored for temperature, humidity, and CO2 levels this monitoring helps reduce the risk of crop failure. Ethical pest management procedures are utilized to naturally maintain a pest free environment alongside our True Living Organics (“TLO”) growing method.

All marijuana processed by KRD shall be processed in a safe and sanitary manner including the following: leaves and flowers will be well cured and generally free of seeds and stems; free of dirt, sand, debris, and other foreign matter; free of contamination by mold, rot, other fungus, and bacterial disease; prepared and handled on food-grade stainless steel tables; and packaged in secure area. All Marijuana Infused Products (“MIPs”) are produced using good manufacturing practices and safe practices for food handling to ensure quality and prevention of contamination.

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All KRD 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 KRD 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).

KRD will provide sufficient space for placement of equipment and storage of materials as is 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), KRD'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 KRD facility. KRD 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 KRD for no less than one year in accordance with 935 CMR 500.160(3).

Samples that pass testing will be packaged for use or utilized in MIPs.

Samples that fail testing will be reported and destroyed. KRD shall notify the Commission within 72 hours of any laboratory testing results indicating contamination if the contamination cannot be remediated and disposal of the production batch is necessary in accordance with 935 CMR 500.160(3). Pursuant to 935 CMR 500.160(9), no marijuana product shall be sold or marketed for sale that has not first been tested and deemed to comply with the Independent Testing Laboratory standards.

## **Diversity Plan**

### **I. Intent**

KRD Growers, LLC (“KRD”) is committed to creating a diverse workforce by utilizing hiring practices that do not discriminate against women, minorities, veterans, persons with disabilities and LGBTQ+ individuals. Furthermore, it is our belief that the more diverse and inclusive our team is the more successful KRD will be in Massachusetts as we seek to utilize ideas and innovations from a variety of backgrounds, experiences and cultures.

### **II. Purpose**

KRD’s Diversity Plan has been created to ensure that our hiring practices create a diverse and inclusive organization. In doing so, individuals will be able to apply their life experiences and talents to support the goals of the company.

KRD’s 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 KRD will not violate the Cannabis Control Commission’s regulations with respect to limitations on ownership or control or other applicable state laws or regulations.

### **III. Proposed Initiatives, Goals and Metrics**

**GOAL 1:** Recruit and hire a diverse group of employees that values and promotes inclusiveness among the workforce with a goal of hiring a workforce that is made up of at least 50% women and 25% described as minorities, veterans, people with disabilities, and LGBTQ individuals with a goal to increase the number of individuals falling into these demographics working in the establishment.

**Proposed Initiative:** To achieve this goal, KRD will:

- Create gender-neutral job descriptions;
- Recruit from state and local employment staffing groups such as Masshire Worcester Career Center;
- Post hiring needs in diverse publications such as a variety of web-based recruitment platforms such as indeed.com;
- Participate in local hiring events and job fairs, at least two annually, including events held by the Massachusetts Cannabis Business Association (MassCBA);



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- Attend community group meetings in and around Clinton, at least two annually, to introduce KRD and address our existing hiring needs to attract a diverse array of individuals, with an emphasis on those affiliated with the cannabis industry.

KRD 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. KRD 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 KRD. 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:** KRD will assess the demographics of its employees to see if it is meeting its goal of increasing diversity in these positions. KRD 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 KRD. KRD will assess and review its progress within a year of receiving its Provisional License from the Cannabis Control Commission for an adult-use marijuana establishment and then annually thereafter during the time of its renewal. Based upon this annual review and in conjunction with the renewal of its license, KRD will be able to demonstrate to the Commission the success of this initiative.

**GOAL 2:** Ensure that all participants in our supply chain and ancillary services are committed to the same goals of promoting equity and diversity in the adult-use marijuana industry. KRD's goal will be to work with at least 15% of businesses who identify as one of the Plan Populations throughout its supply chain and services.

**Proposed Initiative:** To accomplish this goal, KRD will prioritize working with businesses in our supply chain and required ancillary services that are owned and/or managed by minority groups; women, veterans, people with disabilities, and/or LGBTQ+ individuals (herein referred to as Plan Populations). In order to target a diverse supplier base, KRD will post hiring needs in diverse publications such as a variety of web-based recruitment platforms and attend community group meetings, at least two annually, to introduce KRD and address the existing hiring needs to attract a diverse array of suppliers. KRD 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. During its engagement with community groups and leaders referenced in Goal 1, KRD will further identify ways in which to attract diverse supply chain candidates that may not otherwise be aware of employment opportunities with KRD.

**Metrics and Evaluation:** KRD will measure how many of its ancillary services and participants in its supply chain are owned and/or managed by Plan Populations and will calculate the percentage of services and members of its supply chain who meet this requirement. KRD will ask suppliers and ancillary services if they would identify themselves as a business that is owned or managed by one of the Plan Populations and give supplier contractor priority to these

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businesses. KRD will assess these percentages annually and will be able to demonstrate to the Commission the success of its progress upon the renewal of its license each year.

#### **IV. Conclusion**

KRD 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 KRD will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.