



Massachusetts Cannabis Control Commission

Marijuana Retailer

General Information:

License Number: MR282705
Original Issued Date: 12/11/2025
Issued Date: 12/11/2025
Expiration Date: 12/11/2026

ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Royal Sun Cannabis LLC

Phone Number: 617-932-9726
Email Address: info@royalsuncannabis.com

Business Address 1: 1 N Main St
Business City: Templeton
Business State: MA
Business Zip Code: 01468
Business Address 2:
Mailing Address 1: 1 N Main St
Mailing City: Templeton
Mailing State: MA
Mailing Zip Code: 01468
Mailing Address 2:

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: 70
Percentage Of Control: 100
Role: Owner / Partner
Other Role:

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

ENTITIES WITH DIRECT OR INDIRECT AUTHORITY
No records found

CLOSE ASSOCIATES AND MEMBERS
No records found

CAPITAL RESOURCES - INDIVIDUALS
No records found

CAPITAL RESOURCES - ENTITIES
No records found

BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES
No records found

DISCLOSURE OF INDIVIDUAL INTERESTS
Individual 1

First Name: Damon **Last Name:** Schmidt **Suffix:**
Marijuana Establishment Name: Royal Sun Farm **Business Type:** Marijuana Cultivator
Marijuana Establishment City: Royalston **Marijuana Establishment State:** MA

Individual 2

First Name: Damon **Last Name:** Schmidt **Suffix:**
Marijuana Establishment Name: Royal Sun Farm **Business Type:** Marijuana Cultivator
Marijuana Establishment City: Royalston **Marijuana Establishment State:** MA

Individual 3

First Name: Damon **Last Name:** Schmidt **Suffix:**
Marijuana Establishment Name: Royal Sun Farm **Business Type:** Marijuana Cultivator
Marijuana Establishment City: Templeton **Marijuana Establishment State:** MA

Individual 4

First Name: Damon **Last Name:** Schmidt **Suffix:**
Marijuana Establishment Name: Royal Sun Farm **Business Type:** Marijuana Product Manufacture
Marijuana Establishment City: Royalston **Marijuana Establishment State:** MA

Individual 5

First Name: Damon **Last Name:** Schmidt **Suffix:**
Marijuana Establishment Name: Tempest **Business Type:** Marijuana Retailer
Marijuana Establishment City: Templeton **Marijuana Establishment State:** MA

Individual 6

First Name: Damon **Last Name:** Schmidt **Suffix:**
Marijuana Establishment Name: Royal Sun Farm **Business Type:** Marijuana Product Manufacture
Marijuana Establishment City: Templeton **Marijuana Establishment State:** MA

MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 1 N Main St

Establishment Address 2:

Establishment City: Templeton

Establishment Zip Code: 01468

Approximate square footage of the establishment: 3800

How many abutters does this property have?: 9

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

HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan to Remain Compliant with Local Zoning	Plan to Remain Compliant with Local Zoning Royal Sun Cannabis Templeton.pdf	pdf	6410cabbd523e300087294c3	03/14/2023
Executed HCA	HCA for Royal Sun Cannabis and Bud Runner LLC.pdf	pdf	67eae68b3b8f2e45c6e26147	03/31/2025
Community Outreach Meeting Documentation	Community Outreach Meeting Docs June 16 2025.pdf	pdf	68a21f9b1eca271ddda505d3	08/17/2025
Community Outreach Meeting Documentation	newspaper clipping for outreach meeting 8 19 25.pdf	pdf	68a4d76f0670acd340a5e4ab	08/19/2025
Community Outreach Meeting Documentation	CCC Regs require affidavit not an actual list.pdf	pdf	68bb037f6248b2e32478a843	09/05/2025

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.: \$

POSITIVE IMPACT PLAN

Positive Impact Plan:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	Plan for Positive Impact Royal Sun Cannabis 8 19 25.pdf	pdf	68a4d4367bfc7e797b09f184	08/19/2025

ADDITIONAL INFORMATION NOTIFICATION

Notification:

INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role: Owner / Partner

Other Role:

First Name: Damon

Last Name: Schmidt Suffix:

RMD Association: Not associated with an RMD

Background Question: yes

ENTITY BACKGROUND CHECK INFORMATION

No records found

MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Department of Unemployment Assistance - Certificate of Good standing	Department of Unemployment Royal Sun Cannabis.pdf	pdf	641218513a44570008b14375	03/15/2023
Articles of Organization	cert of organization Royal Sun Cannabis.pdf	pdf	6412189a3a44570008b14456	03/15/2023
Bylaws	Royal Sun Cannabis- Op Agt_Bylaws FINAL July 2021 - signed.pdf	pdf	641218e43a44570008b144f5	03/15/2023
Department of Revenue - Certificate of Good standing	Cert of good standing DOR Royal Sun Cannabis.pdf	pdf	68ae2d955fa9118d2cd5ca0a	08/26/2025
Secretary of Commonwealth - Certificate of Good Standing	Sec of State cert of good standing.pdf	pdf	68b0a78a5fa9118d2cd7fbb6	08/28/2025

No documents uploaded

Massachusetts Business Identification Number: 001489235

Doing-Business-As Name:

DBA Registration City:

BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for Liability Insurance	Plan for obtaining liability insurance Royal Sun Cannabis.pdf	pdf	64121f103a44570008b15998	03/15/2023
Business Plan	Business Plan Royal Sun Cannabis Templeton 02 06 2025.pdf	pdf	67a50111aa85921185a91b00	02/06/2025
Capitalization Table	Cap Table Royal Sun Cannabis.pdf	pdf	68a2233e97444ac6c4c0597a	08/17/2025
Proposed Timeline	Proposed Timeline Royal Sun Cannabis - Templeton.pdf	pdf	68a4d3850670acd340a5d7f1	08/19/2025

OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for obtaining marijuana or marijuana products	Plan for Obtaining Marijuana or Marijuana Products - Royal Sun Cannabis.pdf	pdf	6412205fd523e30008740c89	03/15/2023
Restricting Access to age 21 and older	Restricting Access to age 21 and older Royal Sun Cannabis.pdf	pdf	641220cc3a44570008b161d8	03/15/2023
Security plan	Security Plan Royal Sun Cannabis Templeton.pdf	pdf	641221fa3a44570008b16775	03/15/2023
Prevention of diversion	Policy for Preventing Diversion Royal Sun Cannabis.pdf	pdf	641222943a44570008b169c4	03/15/2023
Storage of marijuana	Policy for Storage of Marijuana in Compliance with 935 CMR 500.105 Section 11 Royal Sun Cannabis.pdf	pdf	641224f7d523e30008741afc	03/15/2023

Transportation of marijuana	Transportation of Marijuana - Royal Sun Cannabis.pdf	pdf	641225d4d523e30008741c17	03/15/2023
Inventory procedures	Inventory Procedures Royal Sun Cannabis.pdf	pdf	6412263cd523e30008741cbb	03/15/2023
Quality control and testing	Quality control and testing Royal Sun Cannabis.pdf	pdf	641227683a44570008b1723c	03/15/2023
Dispensing procedures	Concrete Garden Retail Dispensing Procedures Royal Sun Cannabis.pdf	pdf	641228c23a44570008b17408	03/15/2023
Personnel policies including background checks	Personnel policies including background checks Royal Sun Cannabis .pdf	pdf	64123148d523e30008743040	03/15/2023
Record Keeping procedures	Record Keeping Procedures - Royal Sun Cannabis.pdf	pdf	64123217d523e3000874327a	03/15/2023
Maintaining of financial records	Maintaining of financial records Royal Sun Cannabis.pdf	pdf	641232403a44570008b18516	03/15/2023
Qualifications and training	Retail Qualifications and Training Royal Sun Cannabis.pdf	pdf	641232ca3a44570008b1855e	03/15/2023
Energy Compliance Plan	Energy Efficiency and Conservation Procedures Royal Sun Cannabis.pdf	pdf	641233103a44570008b1861e	03/15/2023
Diversity plan	Diversity Plan Royal Sun Cannabis 8 17 25.pdf	pdf	68a225b597444ac6c4c05b62	08/17/2025

MARIJUANA RETAILER SPECIFIC REQUIREMENTS

No documents uploaded

No documents uploaded

ATTESTATIONS

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

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

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

Notification:

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

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

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

ADDITIONAL INFORMATION NOTIFICATION

Notification:

COMPLIANCE WITH POSITIVE IMPACT PLAN - PRE FEBRUARY 27, 2024

Date generated: 01/06/2026

No records found

COMPLIANCE WITH DIVERSITY PLAN

No records found

HOURS OF OPERATION

Monday From: 8:00 AM	Monday To: 10:00 PM
Tuesday From: 8:00 AM	Tuesday To: 10:00 PM
Wednesday From: 8:00 AM	Wednesday To: 10:00 PM
Thursday From: 8:00 AM	Thursday To: 10:00 PM
Friday From: 8:00 AM	Friday To: 10:00 PM
Saturday From: 8:00 AM	Saturday To: 10:00 PM
Sunday From: 8:00 AM	Sunday To: 10:00 PM

Plan to Remain Compliant with Local Zoning — Royal Sun Cannabis

Royal Sun Cannabis plans to remain compliant with the Local Zoning bylaws of the Town of Templeton and will:

- a) adhere to the provisions in Article II, Section 300-7, Article III, Sections 300-8(A), 300-9(A), and Article IV “Overlay Districts” of the Zoning Bylaw of the Town of Templeton, August 26, 2019 Marijuana Zoning Bylaw
- b) comply with all local rules/codes, regulations, ordinances, and bylaws;
- c) adhere to the provisions of Massachusetts General Law Chapter 94G;
- d) contain all marijuana establishments within a building or structure;
- e) conduct hours of operation that are within the limits set by the special permit granting authority of the Town of Templeton;
- f) keep boundaries of the marijuana establishment to more than 500 feet from the property boundary line of any lot in use as a public or private pre-school, primary or secondary school. Distance shall be measured in a straight line from property boundary line to property boundary line;
- g) not be located inside a building containing residential units, including transient housing such as motels and dormitories, or inside a movable or mobile structure such as a van or truck;
- h) be located within a permanent building and will not be located in a trailer, cargo container, motor vehicle or other similar nonpermanent enclosures.
- i) have no outside storage of marijuana, related supplies or promotional materials;
- j) ventilate the marijuana establishment in such a manner that no: pesticides, insecticides, or other chemicals or products used in cultivation or processing are dispersed into the outside atmosphere. Also, no odor from marijuana will be detected by a person with a normal sense of smell at the exterior of the marijuana establishment or at any adjoining use or property;
- k) attain a special permit from the Planning Board in accordance with MGL Ch. 40A, Section 3, Section 4 and Section 5 of the Zoning Bylaw of the Town of Templeton, August 1, 2017, and Article II, Section 300-7, Article III, Sections 300-8(A), 300-9(A), and Article IV “Overlay Districts” of the Zoning Bylaw of the Town of Templeton, August 26, 2019 Marijuana Zoning Bylaw;
- l) meet all dimensional, parking, landscaping, and signage requirements of the Zoning Bylaw of the Town of Templeton, August 1, 2017;
- m) provide the Town of Templeton with the names, address, phone number, and email addresses of all management, staff, and key holders of the marijuana establishment, including a minimum of two (2) operators or managers which the facility identifies as contact persons to whom one can provide notice of operating problems associated with the marijuana establishment;
- n) provide to the Town of Templeton a copy of its Articles of Incorporation or equivalent documents, a current Certificate of Legal Existence from the Secretary of the Commonwealth, and the most recent annual report;
- o) provide to the Town of Templeton copies of all required licenses and permits issued to Royal Sun Cannabis by the Commonwealth of Massachusetts and any of its agencies for the marijuana establishment, including the Cannabis Control Commission;

- p) provide to the Town of Templeton evidence of Royal Sun Cannabis's right to use the site for the establishment, such as a purchase and sale agreement, deed, owner's authorization, or lease;
- q) provide to the Town of Templeton details showing all proposed security measures for the marijuana establishment, including lighting, fencing, gates and alarms, etc., to ensure the safety of persons and to protect the premises from criminal activity. A letter from the Town of Templeton Police Chief, or designee, acknowledging review and approval of the marijuana establishment security plan will be attained;
- r) provide to the Town of Templeton the resumes of the applicant and all members of the marijuana establishment management, including company history, references, and relevant experience;
- s) provide to the Town of Templeton a description of activities: A narrative providing information about the type and scale of all activities that will take place on the proposed site. Royal Sun Cannabis will provide a context map that depicts all properties and land uses within a minimum of five hundred (500) foot radius of the proposed site.
- t) design the establishment to minimize any adverse impacts on abutters and other parties in interest, as defined in MGL Ch. 40A, Sec 11;
- u) meet all the permitting requirements of all applicable agencies within the Commonwealth of Massachusetts and will comply with all applicable state laws and regulations;
- v) file an annual report to, and appear before, the Planning Board no later than January 31st of each calendar year providing a copy of all current applicable state licenses for the facility and/or its owners and demonstrate continued compliance with the conditions of the Special Permit;
- w) only transfer the special permit with the approval of the special permit granting authority in the form of an amendment to the special permit with all application information required in accordance with the provisions in Article II, Section 300-7, Article III, Sections 300-8(A), 300-9(A), and Article IV "Overlay Districts" of the Zoning Bylaw of the Town of Templeton, August 26, 2019 Marijuana Zoning Bylaw;
- x) remove all material, plants, equipment and other paraphernalia within six months of ceasing operations;
- y) make sure no smoking, burning, vaping, aerosolization or consumption of any marijuana product shall be permitted except as may be authorized by 935 CMR 500 et seq.

Community Outreach Meeting Attestation Form

Instructions

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

Attestation

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

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



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

a. Date of publication:

b. Name of publication:

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

a. Date notice filed:

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

a. Date notice(s) mailed:

7. The applicant presented information at the Community Outreach Meeting, which at a minimum included the following:

- a. The type(s) of ME or MTC to be located at the proposed address;
- b. Information adequate to demonstrate that the location will be maintained securely;
- c. Steps to be taken by the ME or MTC to prevent diversion to minors;
- d. A plan by the ME or MTC to positively impact the community; and
- e. Information adequate to demonstrate that the location will not constitute a nuisance as defined by law.

8. Community members were permitted to ask questions and receive answers from representatives of the ME or MTC.



Name of applicant:

Royal Sun Cannabis

Name of applicant's authorized representative:

Deenan Schmidt

Signature of applicant's authorized representative:



Massachusetts Public Notices

Attachment A

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NOTICE OF MORTGAGEE'S SALE OF REAL ESTATE 06/03/2025

Premises: 9 Grant Street, Gardner, MA 01440

By virtue and in execution of the Power of Sale containe...

Notice is hereby given that a Community Outreach Meeting for proposed Marijuana Establishments is scheduled for June 16, 2025 at 5:30pm at Templeton Town Hall in the Conference Room at 160 Patriots Rd, East Templeton MA. The proposed retail, delivery, and ...

05/31/2025

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Notice is hereby given that a Community Outreach Meeting for proposed Marijuana Establishments is scheduled for June 16, 2025 at 5:30pm at Templeton Town Hall in the Conference Room at 160 Patriots Rd, East Templeton MA. The proposed retail, delivery, and manufacturing establishments are to be located at 1 N Main St in Templeton. There will be an opportunity for the public to ask questions.

COMMONWEALTH OF MASSACHUSETTS 05/31/2025

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Outlook

"Attachment B."

official notice to Templeton for the Community Outreach Meeting on June 16

From Damon Schmidt <damon@royalsunfarm.com>

Date Mon 6/2/2025 1:04 PM

To Young, Holly <hyoung@templetonma.gov>; Kelsey Schecker <kschecker@templetonma.gov>; Wiita, Laurie <lwiita@templetonma.gov>

Notice is hereby given that a Community Outreach Meeting for proposed Marijuana Establishments is scheduled for June 16, 2025 at 5:30pm at Templeton Town Hall in the Conference Room at 160 Patriots Rd, East Templeton MA. The proposed retail, delivery, and manufacturing establishments are to be located at 1 N Main St in Templeton. There will be an opportunity for the public to ask questions.

Thanks,

Damon

"Attachment C."

Notice is hereby given that a Community Outreach Meeting for proposed Marijuana Establishments is scheduled for June 16, 2025 at 5:30pm at Templeton Town Hall in the Conference Room at 160 Patriots Rd, East Templeton MA. The proposed retail, delivery, and manufacturing establishments are to be located at 1 N Main St in Templeton. There will be an opportunity for the public to ask questions.

The purpose of the Community Outreach Meeting is to explain the proposed Marijuana Establishment use and provide information about potential impacts to the neighborhood and community as a whole.

1) Location of the proposed Marijuana Establishments.

1 N Main St, East Templeton MA

2) What type(s) of Marijuana Establishments will be sited at the location?

Retail Store for Recreational Marijuana and delivery service

3) Is the proposed Marijuana Establishment allowed under current zoning bylaws/ordinances or is a zoning amendment required to allow it to go there?

Currently allowed and maybe a bylaw addition for the delivery service

4) Is the proposed Marijuana Establishment allowed by right or does it require local zoning permitting? What permits are required?

Special Permit

5) Is there a local licensing regulation pertaining to Marijuana Establishments?

Yes, submitting a Special Permit to the Select Board.

6) Is there a local Board of Health regulation pertaining to Marijuana Establishments?

No

7) Does the proposed location comply with the 500-foot buffer zone from existing public or private school buildings (K-12)?

Yes

Do local bylaws or ordinance create a smaller buffer zone?

No

8) If the applicant is moving into an existing building or building a new one, will its premises comply with the security requirements set forth in 935 CMR 500?

Yes.

9) What steps will be taken by the Marijuana Establishment to prevent diversion to minors?

We only sell to people age 21 and up. We check ids multiple times before purchase and use child resistant packaging.

10) Information demonstrating how the applicant intends to ensure that the location will not constitute a nuisance to the community as defined by law.

We will be following all Templeton bylaws and regulations to make sure we are not a nuisance to the community as defined by law.

11) A plan for how the Marijuana Establishment will positively impact the community.

The establishment will pay a percentage of revenue to Templeton.

8/19/25

Dear CCC:

The attached, "Attachment A." shows that the community outreach notice was published on 5/31/25. This is a printout from <https://www.thegardnernews.com/public-notice>

This should be considered a newspaper clipping as it's from The Gardner News website when you search up the past public notices. It shows the notice as it was printed in two places on the page with the date of 5/31/25 clearly shown.

Newspapers are generally "online" now and this is how The Gardner News lets people see past public notices. They don't let you scroll through the newspaper of past dates.

Thank you,

Damon Schmidt

Massachusetts Public Notices

Attachment A

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Start date 05/31/2025	End date 06/04/2025

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COMMONWEALTH OF MASSACHUSETTS 05/31/2025

The Trial Court
Probate and Family Court
Docket No. WO25CO277CA...

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The CCC regs do not require a list of the abutters. All we need to do is make an affidavit we sent it out not provide documentation showing the list.

The documentation we sent is the affidavit form off the CCC website where we said we sent it to the abutters. That is what is required by law. It does not say we need to provide the list. Please advise.

Under section 935 CMR 500.101(1)(9)(e) is says:

e. Attestation that notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed 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, not

Host Community Information (Community Outreach Documentation).

Documentation showing the applicant sent a copy of the notice to all abutters within 300 feet of the property line of the proposed establishment. 935 CMR 500.101(1)

COMPLIANT MORE INFORMATION REQUIRED N/A

Note: Please submit a redacted list of all abutters within 300 feet of the property line.

Thanks.

Damon Schmidt
Royal Sun Cannabis

Community Outreach Meeting Attestation Form

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a. Date of publication:

b. Name of publication:

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Name of applicant:

Royal Sun Cannabis

Name of applicant's authorized representative:

Deenan Schmidt

Signature of applicant's authorized representative:



Plan to positively impact areas of disproportionate impact – Royal Sun Cannabis

The area of disproportionate impact that Royal Sun Cannabis plans to positively are those that are designated by the Commission to be Social Equity Program participants and/or Economic Empowerment Priority applicants by following the requirements under 935 CMR 500.101(1)(a) with the following Goal, Program, and Measurements:

SOCIAL EQUITY PROGRAM PARTICIPANT AND/OR ECONOMIC EMPOWERMENT PRIORITY APPLICANTS ARE TWO OF THE FIVE “AREAS OF DISPROPORTIONATE IMPACT”. WE DO NOT HAVE TO DESIGNATE A GEOGRAPHIC AREA BUT ONE OF THE FIVE “AREAS OF DISPROPORTIONATE IMPACT”.

Royal Sun Cannabis has searched in the past and found participants at the Social Equity classes and community meetups. The searches were random and were over general discussions with strangers that happened to be either Social Equity or Economic Empowerment participants that Royal Sun Cannabis did not know before. Royal Sun Cannabis will not search for more participants in the future as this is the last year we will do this type of Positive Impact. Next year upon renewal we will have a new plan. For this year we have on Social Equity participant who will be submitting an application for a Provisional License and then Royal Sun Cannabis will help through the process till Final License and Commence Operations.

Paper Crane Cannabis retail store and Boey Bertold is the Social Equity Participant who was chosen for this year’s retail and was met through the Social Equity Training.

Goal: In year one Royal Sun Cannabis will successfully train, mentor, and help to launch a new marijuana business for a minimum of one Social Equity participant and one Economic Empowerment Priority applicant as defined by the Commission. The mentoring and professional training will involve learning all of the applicable CCC compliance rules, how to successfully run the business from financing, hiring, and managing personnel. Royal Sun Cannabis will mentor and train 1 SEP or EEP applicant at a time and the training will last as long as it takes to get to a provisional and Final Licenses. Royal Sun Cannabis’s majority owner will help with the financial contribution to the participants to ensure success. No violation of the Commission’s regulations on limitations on ownership or control or applicable state laws will occur.

Program: Provide mentoring and professional training to individuals that are designated by the Commission as Social Equity Program participants and Economic Empowerment Priority applicants to get them ready to run and own their own marijuana businesses. Successful completion of the program will see the Social Equity and Economic Empowerment Priority applicant individuals funded 100% for land and operations to the point of getting their respective business licensed and up and running to be self-sufficient.

Measurements: At the end of year one of Royal Sun Cannabis being operational the following three measurement metrics will be used in measuring the success of the program:

- 1) Number of Host Community Agreements signed. A successful result would be one Host Community Agreement signed for a Social Equity Program participant as well as an Economic Empowerment Priority applicant.
- 2) Number of marijuana license applications submitted to the CCC. A successful result would be one complete application submitted for a Social Equity Program participant as well as an Economic Empowerment Priority applicant.
- 3) Number of provisional approved CCC applications. A successful result will be that Royal Sun Cannabis has helped one Social Equity and one Economic Empowerment individual to be granted their provisional approval from the CCC.

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

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

Royal Sun Cannabis acknowledges that the progress or success of the plan, in its entirety, must be documented annually upon renewal.



The Commonwealth of Massachusetts
William Francis Galvin

Minimum Fee: \$500.00

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

Certificate of Organization

(General Laws, Chapter)

Identification Number: 001489235

1. The exact name of the limited liability company is: ROYAL SUN CANNABIS LLC

2a. Location of its principal office:

No. and Street: 130 SOUTH ROYALSTON RD
 City or Town: ROYALSTON State: MA Zip: 01368 Country: USA

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

No. and Street: 130 SOUTH ROYALSTON RD
 City or Town: ROYALSTON State: MA Zip: 01368 Country: USA

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

APPLYING FOR A LICENSE WITH THE CANNABIS CONTROL COMMISSION.

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:

Name: DAMON SCHMIDT
 No. and Street: 130 SOUTH ROYALSTON RD
 City or Town: ROYALSTON State: MA Zip: 01368 Country: USA

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

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
MANAGER	DAMON SCHMIDT	130 SOUTH ROYALSTON RD ROYALSTON, MA 01368 UNI

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
SOC SIGNATORY	DAMON SCHMIDT SCHMIDT	130 SOUTH ROYALSTON RD ROYALSTON, MA 01368-9504 UNI

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

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	DAMON SCHMIDT	130 S ROYALSTON RD ROYALSTON, MA 01368-9504 UNI

9. Additional matters:

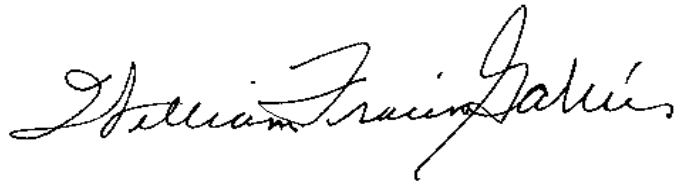
**SIGNED UNDER THE PENALTIES OF PERJURY, this 19 Day of February, 2021,
DAMON SCHMIDT**

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

THE COMMONWEALTH OF MASSACHUSETTS

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

February 19, 2021 04:48 PM

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

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth

LIMITED LIABILITY COMPANY AGREEMENT

among

Royal Sun Cannabis LLC

and

THE MEMBERS NAMED HEREIN

Dated as of:

February 19, 2021

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LIMITED LIABILITY COMPANY AGREEMENT

This Limited Liability Company agreement of Royal Sun Cannabis LLC, a Massachusetts limited liability company (the “**Company**”), is entered into as of June 15, 2020, by and among the Company, the Initial Members executing this Agreement as of the date hereof and each other Person who after the date hereof becomes a Member of the Company and becomes a party to this Agreement by executing a Joinder Agreement.

RECITALS

WHEREAS, the Company was formed under the laws of the Commonwealth of Massachusetts by the filing of the Certificate of Organization with the Secretary of State of the Commonwealth of Massachusetts on April 29, 2020 (the “**Certificate of Organization**”);

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

ARTICLE I DEFINITIONS

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

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

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

“**Adjusted Taxable Income**” of a Member for a Fiscal Year (or portion thereof) with respect to Units held by such Member means the federal taxable income allocated by the Company to the Member with respect to such Units (as adjusted by any final determination in connection with any tax audit or other proceeding) for such Fiscal Year (or portion thereof); provided, that such taxable income shall be computed (a) minus any excess taxable loss or excess taxable credits of the Company for any prior period allocable to such Member with respect to such Units that were not previously taken into account for purposes of determining such Member’s Adjusted Taxable Income in a prior Fiscal Year to the extent such loss or credit would be available under the Code to offset income of the Member (or, as appropriate, the direct or indirect members of the Member) determined as if the income, loss, and credits from the Company were the only income, loss, and credits of the Member (or, as appropriate, the direct or indirect members of the Member) in such

Fiscal Year and all prior Fiscal Years, and (b) taking into account any special basis adjustment with respect to such Member resulting from an election by the Company under Code Section 754.

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

“**Agreement**” means this Limited Liability Company Agreement, as executed and as it may be amended, modified, supplemented or restated from time to time, as provided herein.

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

“**Applicable Offered Common Units**” has the meaning set forth in Section 10.03(a)(i).

“**Applicable Offered Preferred Units**” has the meaning set forth in Section 10.03(a)(ii).

“**Applicable Offered Units**” has the meaning set forth in Section 10.03(a)(ii).

“**Applicable Pro Rata Portion**” means a Member’s Preferred Pro Rata Portion of any Offered Preferred Units proposed to be Transferred by an Offering Member and a Member’s Common Pro Rata Portion of any Offered Common Units proposed to be Transferred by an Offering Member.

“**Applicable ROFR Rightsholders**” has the meaning set forth in Section 10.03(a)(ii).

“**Bankruptcy**” means, with respect to a Member, the occurrence of any of the following: (a) the filing of an application by such Member for, or a consent to, the appointment of a trustee of such Member’s assets; (b) the filing by such Member of a voluntary petition in bankruptcy or the filing of a pleading in any court of record admitting in writing such Member’s inability to pay its debts as they come due; (c) the making by such Member of a general assignment for the benefit of such Member’s creditors; (d) the filing by such Member of an answer admitting the material allegations of, or such Member’s consenting to, or defaulting in answering a bankruptcy petition filed against such Member in any bankruptcy proceeding; or (e) the expiration of sixty (60) days following the entry of an order, judgment or decree by any court of competent jurisdiction adjudicating such Member a bankrupt or appointing a trustee of such Member’s assets.

“**Board**” has the meaning set forth in Section 8.01.

“**Book Depreciation**” means, with respect to any Company asset for each Fiscal Year, the Company’s depreciation, amortization, or other cost recovery deductions determined for federal

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

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

(a) the initial Book Value of any Company asset contributed by a Member to the Company shall be the gross Fair Market Value of each such Company asset as of the date of such contribution;

(b) immediately prior to the Distribution by the Company of any Company asset to a Member, the Book Value of such asset shall be adjusted to its gross Fair Market Value as of the date of such Distribution;

(c) the Book Value of all Company assets shall be adjusted to equal their respective gross Fair Market Values, as determined by the Board, as of the following times:

(i) the acquisition of an additional Membership Interest in the Company by a new or existing Member in consideration of a Capital Contribution of more than a de minimis amount;

(ii) the Distribution by the Company to a Member of more than a de minimis amount of property (other than cash) as consideration for all or a part of such Member’s Membership Interest in the Company;

(iii) the liquidation of the Company within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(g);

provided, that adjustments pursuant to clauses (i) and (ii) above need not be made if the Board reasonably determines that such adjustment is not necessary or appropriate to reflect the relative economic interests of the Members and that the absence of such adjustment does not adversely and disproportionately affect any Member;

(d) the Book Value of each Company asset shall be increased or decreased, as the case may be, to reflect any adjustments to the adjusted tax basis of such Company asset pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Account balances pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m); provided, that Book Values shall not be adjusted pursuant to this paragraph (d) to the extent that an adjustment pursuant to paragraph (c) above is made in conjunction with a transaction that would otherwise result in an adjustment pursuant to this paragraph (d); and

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

“**Budget**” has the meaning set forth in Section 11.03.

“**Business Day**” means a day other than a Saturday, Sunday or other day on which commercial banks in the City of Boston are authorized or required to close.

“**Cannabis Code**” means any laws or regulations promulgated or enacted by state or local jurisdiction in which the Company or its subsidiaries have operations pertaining to cannabis cultivation, dispensing, sale, storage, manufacturing, distribution, transporting, testing or other commercial cannabis activities within its respective jurisdiction including.

“**Cannabis Regulatory Body**” means all applicable State and local licensing authorities with authority under a Cannabis Code, as the case may be.

“**Capital Account**” has the meaning set forth in Section 5.03.

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

“**Cause**” with respect to any particular Service Provider, has the meaning set forth in any effective Award Agreement, employment agreement or other written contract of engagement entered into between the Company and such Service Provider, or if none, then “Cause” means any of the following:

(a) such Service Provider’s repeated failure to perform substantially his duties as an employee or other associate of the Company or any of the Company Subsidiaries (other than any such failure resulting from his Disability) which failure, whether committed willfully or negligently, has continued unremedied for more than thirty (30) days after the Company has provided written notice thereof; provided, that a failure to meet financial performance expectations shall not, by itself, constitute a failure by the Service Provider to substantially perform his duties;

(b) such Service Provider’s fraud or embezzlement;

(c) such Service Provider’s material dishonesty or breach of fiduciary duty against the Company or any of the Company Subsidiaries;

(d) such Service Provider’s willful misconduct or gross negligence which is injurious to the Company or any of the Company Subsidiaries;

(e) any conviction of, or the entering of a plea of guilty or nolo contendere to, a crime that constitutes a felony (or any state-law equivalent) or that involves moral turpitude, or any willful or material violation by such Service Provider of any federal, state or foreign securities laws;

(f) any conviction of any other criminal act or act of material dishonesty, disloyalty or misconduct by such Service Provider that has a material adverse effect on the property, operations, business or reputation of the Company or any of the Company Subsidiaries;

(g) the unlawful use (including being under the influence) or possession of illegal drugs by such Service Provider on the premises of the Company or any of the Company Subsidiaries while performing any duties or responsibilities with the Company or any of the Company Subsidiaries;

(h) the material violation by such Service Provider of any rule or policy of the Company or any of the Company Subsidiaries; or

(i) the material breach by such Service Provider of any covenant undertaken in 0 herein, any effective Award Agreement, employment agreement or any written non-disclosure, non-competition, or non-solicitation covenant or agreement with the Company or any of the Company Subsidiaries.

“Certificate of Organization” has the meaning set forth in the Recitals.

“Change of Control” means: (a) the sale of all or substantially all of the consolidated assets of the Company and the Company Subsidiaries to a Third Party Purchaser; (b) a sale resulting in no less than a majority of the Common Units on a Fully Diluted Basis being held by a Third Party Purchaser; or (c) a merger, consolidation, recapitalization or reorganization of the Company with or into a Third Party Purchaser that results in the inability of the Members to designate or elect a majority of the Managers (or the board of directors (or its equivalent) of the resulting entity or its parent company).

“Code” means the Internal Revenue Code of 1986, as amended.

“Common Pro Rata Portion” means for purposes of Section 10.03, with respect to an Applicable ROFR Rightsholder holding Common Units, on any date of a proposed Transfer by an Offering Member, a fraction determined by dividing (a) the number of Common Units on a Fully Diluted Basis owned by such Applicable ROFR Rightsholder immediately prior to such Transfer by (b) the total number of Common Units on a Fully Diluted Basis held by the Members on such date immediately prior to such Transfer.

“Common Tag-along Portion” has the meaning set forth in Section 10.05(d)(i).

“Common Units” means the Units having the privileges, preference, duties, liabilities, obligations and rights specified with respect to “Common Units” in this Agreement.

“Company” has the meaning set forth in the Preamble.

“Company Interest Rate” means a rate equal to the prime rate published in the Wall Street Journal on the applicable date plus two percent (2%).

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

“**Company Option Period**” has the meaning set forth in Section 10.03(d)(iii).

“**Company ROFR Exercise Notice**” has the meaning set forth in Section 10.03(d)(iii).

“**Company Subsidiary**” means a Subsidiary of the Company.

“**Confidential Information**” has the meaning set forth in Section 10.07(a).

“**Covered Person**” has the meaning set forth in Section 13.01(a).

“**Damon Schmidt ROFR Exercise Notice**” has the meaning set forth in Section 10.03(d)(iii).

“**Damon Schmidt Option Period**” has the meaning set forth in Section 10.03(d)(iii).

“**Disability**” with respect to any Service Provider, has the meaning set forth in any effective Award Agreement, employment agreement or other written contract of engagement entered into between the Company and such Service Provider, or if none, then “**Disability**” means such Service Provider’s incapacity due to physical or mental illness that: (a) shall have prevented such Service Provider from performing his duties for the Company or any of the Company Subsidiaries on a full-time basis for more than ninety (90) consecutive days or an aggregate of one hundred eighty (180) days in any 365-day period; or (b)(i) the Board determines, in compliance with Applicable Law, is likely to prevent such Service Provider from performing such duties for such period of time and (ii) thirty (30) days have elapsed since delivery to such Service Provider of the determination of the Board and such Service Provider has not resumed such performance (in which case the date of termination in the case of a termination for “**Disability**” pursuant to this clause (ii) shall be deemed to be the last day of such 30-day period).

“**Distribution**” means a distribution made by the Company to a Member, whether in cash, property or securities of the Company and whether by liquidating distribution or otherwise; provided, that none of the following shall be a Distribution: (a) any redemption or repurchase by the Company or any Member of any Units or Unit Equivalents; (b) any recapitalization or exchange of securities of the Company; (c) any subdivision (by a split of Units or otherwise) or any combination (by a reverse split of Units or otherwise) of any outstanding Units; or (d) any fees or remuneration paid to any Member in such Member’s capacity as a Service Provider for the Company or a Company Subsidiary. “**Distribute**” when used as a verb shall have a correlative meaning.

“**Drag-along Member**” has the meaning set forth in Section 10.04(a).

“**Drag-along Notice**” has the meaning set forth in Section 10.04(c).

“**Drag-along Sale**” has the meaning set forth in Section 10.04(a).

“Dragging Member” has the meaning set forth in Section 10.04(a).

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

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

“Excess Amount” has the meaning set forth in Section 7.04(c).

“Fair Market Value” of any asset as of any date means the purchase price that a willing buyer having all relevant knowledge would pay a willing seller for such asset in an arm’s length transaction, as determined in good faith by the Board based on such factors as the Board, in the exercise of its reasonable business judgment, considers relevant.

“Family Members” has the meaning set forth in Section 10.02(b).

“Financing Document” means any credit agreement, guarantee, financing or security agreement or other agreements or instruments governing indebtedness of the Company or any of the Company Subsidiaries.

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

“Forfeiture Allocations” has the meaning set forth in Section 6.02(e).

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

“Fully Participating Common Tag-along Member” has the meaning set forth in Section 10.05(e)(i).

“Fully Participating Preferred Tag-along Member” has the meaning set forth in Section 10.05(e)(i).

“**GAAP**” means United States generally accepted accounting principles in effect from time to time.

“**Good Reason**” with respect to any Service Provider, has the meaning set forth in any effective Award Agreement, employment agreement or other written contract of engagement entered into between the Company and such Service Provider, or if none, then “Good Reason” means any of the following actions taken without the Service Provider’s written consent:

(a) a material reduction in the Service Provider’s base salary or the Service Provider’s ability to participate in Company incentive or bonus plans (other than a general reduction in base salary or bonuses that affects all salaried Service Providers equally);

(b) the failure by the Company to pay to the Service Provider any material portion of the salary, bonus or other benefits owed to such Service Provider;

(c) a substantial adverse change in the Service Provider’s duties and responsibilities or a material diminution in the Service Provider’s title, responsibility, or authority; or

(d) a transfer of the Service Provider’s primary workplace by more than seventy-five (75) miles from the current workplace;

provided, that Good Reason shall not be deemed to exist unless (a) the Company fails to cure the event giving rise to Good Reason within thirty (30) days after written notice thereof given by the Service Provider to the Board, which notice shall (i) be delivered to the Board no later than twenty (20) days following the Service Provider’s initial detection of the condition, and (ii) specifically set forth the nature of such event and the corrective action reasonably sought by the Service Provider; and (b) the Service Provider terminates his employment within thirty (30) days following the last day of the foregoing cure period.

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

“**Initial Cost**” means, with respect to any Unit, the purchase price paid to the Company with respect to such Unit by the Member to whom such Unit was originally issued.

“**Initial Member**” has the meaning set forth in the term Member.

“**Joinder Agreement**” means the joinder agreement in form attached hereto as EXHIBIT B.

“**Liquidator**” has the meaning set forth in Section 12.03(a).

“**Losses**” has the meaning set forth in Section 13.03(a).

“**Manager**” has the meaning set forth in Section 8.01.

“**Member**” means (a) each Person identified on the Members Schedule as of the date hereof as a Member and who has executed this Agreement or a counterpart thereof (each, an “**Initial Member**”); and (b) and each Person who is hereafter admitted as a Member in accordance with the terms of this Agreement in each case so long as such Person is shown on the Company’s books and records as the owner of one or more Units. The Members shall constitute the “members” of the Company.

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

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

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

“**Member ROFR Exercise Notice**” has the meaning set forth in Section 10.03(d)(iv).

“**Members Schedule**” has the meaning set forth in Section 3.01.

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

“**Misallocated Item**” has the meaning set forth in 0.

“**Net Income**” and “**Net Loss**” mean, for each Fiscal Year or other period specified in this Agreement, an amount equal to the Company’s taxable income or taxable loss, or particular items thereof, determined in accordance with Code Section 703(a) (where, for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or taxable loss), but with the following adjustments:

(a) any income realized by the Company that is exempt from federal income taxation, as described in Code Section 705(a)(1)(B), shall be added to such taxable income or taxable loss, notwithstanding that such income is not includable in gross income;

(b) any expenditures of the Company described in Code Section 705(a)(2)(B), including any items treated under Treasury Regulation Section 1.704-1(b)(2)(iv)(i) as

items described in Code Section 705(a)(2)(B), shall be subtracted from such taxable income or taxable loss, notwithstanding that such expenditures are not deductible for federal income tax purposes;

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

(d) any items of depreciation, amortization and other cost recovery deductions with respect to Company property having a Book Value that differs from its adjusted tax basis shall be computed by reference to the property's Book Value (as adjusted for Book Depreciation) in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(g);

(e) if the Book Value of any Company property is adjusted as provided in the definition of Book Value, then the amount of such adjustment shall be treated as an item of gain or loss and included in the computation of such taxable income or taxable loss; and

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

“**New Interests**” has the meaning set forth in Section 3.05.

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

“**Offered Common Units**” has the meaning set forth in Section 10.03(a)(i).

“**Offered Preferred Units**” has the meaning set forth in Section 10.03(a)(i).

“**Offered Units**” has the meaning set forth in Section 10.03(a)(i).

“**Offering Member**” has the meaning set forth in Section 10.03(a)(i).

“**Offering Member Notice**” has the meaning set forth in Section 10.03(c)(i).

“**Officers**” has the meaning set forth in Section 8.09.

“**Partnership Representative**” has the meaning set forth in Section 11.04

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

“Permitted Transfer” means a Transfer of Preferred Units or Common Units carried out pursuant to Section 10.02. **“Permitted Transferee”** means a recipient of a Permitted Transfer.

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

“Preferred Capital Value” means, for any Preferred Unit at any time, the sum of the Capital Contributions attributable in respect of the acquisition of such Preferred Unit.

“Preferred Pro Rata Portion” means for purposes of Section 10.03, with respect to an Applicable ROFR Rightsholder holding Preferred Units, on any date of a proposed Transfer by an Offering Member, a fraction determined by dividing (i) the number of Preferred Units on a Fully Diluted Basis owned by such Applicable ROFR Rightsholder immediately prior to such Transfer by (ii) the total number of Preferred Units on a Fully Diluted Basis held by the Members on such date immediately prior to such Transfer.

“Preferred Tag-along Portion” has the meaning set forth in Section 10.05(d)(i).

“Preferred Units” means the Units having the privileges, preference, duties, liabilities, obligations and rights specified with respect to “Preferred Units” in this Agreement.

“Proposed Transferee” has the meaning set forth in Section 10.05(a).

“Purchasing Rightsholders” has the meaning set forth in Section 10.03(e)(ii).

“Qualified Member” has the meaning set forth in Section 11.01.

“Quarterly Estimated Tax Amount” of a Member for any calendar quarter of a Fiscal Year means the excess, if any of (a) the product of (i) a quarter ($\frac{1}{4}$) in the case of the first calendar quarter of the Fiscal Year, half ($\frac{1}{2}$) in the case of the second calendar quarter of the Fiscal Year, three-quarters ($\frac{3}{4}$) in the case of the third calendar quarter of the Fiscal Year, and one (1) in the case of the fourth calendar quarter of the Fiscal Year and (b) the Member’s Estimated Tax Amount for such Fiscal Year over (ii) all Distributions previously made during such Fiscal Year to such Member.

“Regulatory Allocations” has the meaning set forth in Section 6.02(d).

“Remaining Common Portion” has the meaning set forth in Section 10.05(e)(i).

“Remaining Portion Notice” has the meaning set forth in Section 10.05(e)(i).

“Remaining Preferred Portion” has the meaning set forth in Section 10.05(e)(i).

“Remaining Tag-along Notice” has the meaning set forth in Section 10.05(e)(ii).

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

“ROFR Rightsholder Option Period” has the meaning set forth in Section 10.03(d)(iv).

“**Sale Notice**” has the meaning set forth in Section 10.05(c).

“**Securities Act**” means the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations thereunder, which shall be in effect at the time.

“**Selling Member**” has the meaning set forth in Section 10.05(a).

“**Shortfall Amount**” has the meaning set forth in Section 7.04(b).

“**Subscription Agreements**” means, collectively, those Subscription Agreements, in a form of which is attached hereto as Exhibit A, by and between the Company and the respective Member named therein, pursuant to which the named Member has acquired that number of Common Units set forth opposite such Member’s name on the Members Schedule as of the date hereof.

“**Subsidiary**” means, with respect to any Person, any other Person of which a majority of the outstanding shares or other equity interests having the power to vote for directors or comparable managers are owned, directly or indirectly, by the first Person.

“**Tag-along Member**” has the meaning set forth in Section 10.05(a).

“**Tag-along Notice**” has the meaning set forth in Section 10.05(d)(iii).

“**Tag-along Period**” has the meaning set forth in Section 10.05(d)(iii).

“**Tag-along Sale**” has the meaning set forth in Section 10.05(a).

“**Tax Advance**” has the meaning set forth in Section 7.04(a).

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

Partnership Representative “**Tax Rate**” of a Member, for any period, means the highest marginal blended federal, state and local tax rate applicable to ordinary income, qualified dividend income or capital gains, as appropriate, for such period for an individual residing in New York, New York, taking into account for federal income tax purposes, the deductibility of state and local taxes and any applicable limitations on such deductions.

“**Taxing Authority**” has the meaning set forth in Section 7.05(b).

“**Third Party Purchaser**” means any Person who, immediately prior to the contemplated transaction, (a) does not directly or indirectly own or have the right to acquire any outstanding Preferred Units or Common Units (or applicable Unit Equivalents) or (b) is not a Permitted Transferee of any Person who directly or indirectly owns or has the right to acquire any Preferred Units or Common Units (or applicable Unit Equivalents).

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

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

“Unallocated Item” has the meaning set forth in 0.

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

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

“Unit Purchase Agreement” means any Unit Purchase Agreement or Subscriber Agreement, in the form attached hereto as Exhibit A, or as such form may be amended by the Company from time to time, by and between the Company and the Preferred Members, pursuant to which the Preferred Members have acquired those number of Preferred Units set forth on the Members Schedule as of the date hereof.

“Voting Members” has the meaning set forth in Section 4.07(b).

“Voting Units” has the meaning set forth in Section 4.07(a).

“Withholding Advances” has the meaning set forth in Section 7.05(b).

Section 1.02 Interpretation. For purposes of this Agreement, (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. The definitions given for any defined terms in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Unless the context otherwise requires, references herein: (i) to Articles, Sections, and Exhibits mean the Articles and Sections of, and

Exhibits attached to, this Agreement; (ii) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (iii) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

ARTICLE II ORGANIZATION

Section 2.01 Formation.

(a) The Company was formed on April 29, 2020 upon the filing of the Certificate of Organization with the Secretary of State of the Commonwealth of Massachusetts.

(b) This Agreement shall constitute the “limited liability company agreement” of the Company. The rights, powers, duties, obligations and liabilities of the Members shall be determined pursuant to this Agreement.

Section 2.02 Name. The name of the Company is “Royal Sun Cannabis LLC” or such other name or names as the Board may from time to time designate; provided, that the name shall always contain the words “Limited Liability Company” or the abbreviation “L.L.C.” or the designation “LLC” The Board shall give prompt notice to each of the Members of any change to the name of the Company.

Section 2.03 Principal Office. The principal office of the Company is located at **130 South Royalston Rd, Royalston MA 01368** or such other place as may from time to time be determined by the Board. The Board shall give prompt notice of any such change to each of the Members.

Section 2.04 Registered Office; Registered Agent.

(a) The registered office of the Company shall be the office of the initial registered agent named in the Certificate of Organization or such other office (which need not be a place of business of the Company) as the Board may designate from time to time in the manner provided by Applicable Law.

(b) The registered agent for service of process on the Company in the Commonwealth of Massachusetts shall be the initial registered agent named in the Certificate of Organization or such other Person or Persons as the Board may designate from time to time in the manner provided by Applicable Law.

Section 2.05 Purpose; Powers.

(a) The purpose of the Company is to engage in any lawful act or activity for which limited liability companies may be formed and to engage in any and all activities necessary or incidental thereto.

(b) The Company shall have all the powers necessary or convenient to carry out the purposes for which it is formed.

Section 2.06 Term. The term of the Company commenced on the date the Certificate of Organization was filed with the Secretary of State of the Commonwealth of Massachusetts and shall continue in existence perpetually until the Company is dissolved in accordance with the provisions of this Agreement.

Section 2.07 No State-Law Partnership. The Members intend that the Company shall be treated as a partnership for federal and, if applicable, state and local income tax purposes, and, to the extent permissible, the Company shall elect to be treated as a partnership for such purposes. The Company and each Member shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment and no Member shall take any action inconsistent with such treatment. The Members intend that the Company shall not be a partnership (including, without limitation, a limited partnership) or joint venture, and that no Member, Manager or Officer of the Company shall be a partner or joint venture of any other Member, Manager, or Officer of the Company, for any purposes other than as set forth in the first sentence of this Section 2.07.

**ARTICLE III
UNITS**

Section 3.01 Units Generally. The Membership Interests of the Members shall be represented by issued and outstanding Units, which may be divided into one or more types, classes or series. Each type, class or series of Units shall have the privileges, preference, duties, liabilities, obligations and rights, including voting rights, if any, set forth in this Agreement with respect to such type, class or series. The Board shall maintain a schedule of all Members, their respective mailing addresses and the amount and series of Units held by them (the “**Members Schedule**”), and shall update the Members

Schedule upon the issuance or Transfer of any Units to any new or existing Member. A copy of the Members Schedule as of the execution of this Agreement is attached hereto as Schedule A.

Section 3.02 Authorization and Issuance of Preferred Units. Subject to compliance with Section 4.07 and Section 10.01(b), the Company is hereby authorized to issue a class of Units designated as Preferred Units. As of the date hereof the number of Preferred Units issued and outstanding to the Members are set forth opposite each Member's name on the Members Schedule.

Section 3.03 Authorization and Issuance of Common Units. Subject to compliance with Section 10.01(b), the Company is hereby authorized to issue a class of Units designated as Common Units. As of the date hereof, the number of Common Units issued and outstanding to the Members are set forth opposite each Member's name on the Members Schedule.

Section 3.04 Authorization and Issuance of Incentive Units. Intentionally omitted.

Section 3.05 Other Issuances. Intentionally Omitted.

Section 3.06 Certification of Units.

(a) The Board in its sole discretion may, but shall not be required to, issue certificates to the Members representing the Units held by such Member.

(b) In the event that the Board shall issue certificates representing Units in accordance with Section 3.06(a), then in addition to any other legend required by Applicable Law, all certificates representing issued and outstanding Units shall bear a legend substantially in the following form:

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

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

ARTICLE IV MEMBERS

Section 4.01 Admission of New Members.

(a) New Members may be admitted from time to time (i) in connection with an issuance of Units by the Company, subject to compliance with the provisions of Section 4.07 and Section 10.01(b), as applicable, and (ii) in connection with a Transfer of Units, subject to compliance with the provisions of Article X and in either case, following compliance with the provisions of Section 4.01(b). Further, a new Member may be admitted into the Company only if the new Member is qualified under the Cannabis Code to have an ownership or permitted economic interest in a marijuana business.

(b) In order for any Person not already a Member of the Company to be admitted as a Member, whether pursuant to an issuance or Transfer of Units, such Person shall have executed and delivered to the Company a written undertaking substantially in the form of the Joinder Agreement. Upon the amendment of the Members Schedule by the Board and the satisfaction of any other applicable conditions, including, if a condition, the receipt by the Company of payment for the issuance of the applicable Units, such Person shall be admitted as a Member and deemed listed as such on the books and records of the Company and thereupon shall be issued his, her or its Units. The Board shall also adjust the Capital Accounts of the Members as necessary in accordance with Section 5.03.

Section 4.02 Representations and Warranties of Members. By execution and delivery of this Agreement or a Joinder Agreement, as applicable, each of the Members, whether admitted as of the date hereof or pursuant to Section 4.01, represents and warrants to the Company and acknowledges that:

(a) The Units have not been registered under the Securities Act or the securities laws of any other jurisdiction, are issued in reliance upon federal and state exemptions for transactions not involving a public offering and cannot be disposed of unless (i) they are subsequently registered or exempted from registration under the Securities Act and (ii) the provisions of this Agreement have been complied with;

(b) Such Member is an “accredited investor” within the meaning of Rule 501 promulgated under the Securities Act, as amended by Section 413(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and agrees that it will not take any action that could have an adverse effect on the availability of the exemption from registration provided by Rule 501 promulgated under the Securities Act with respect to the offer and sale of the Units;

(c) Such Member’s Units are being acquired for its own account solely for investment and not with a view to resale or distribution thereof;

(d) Such Member has conducted its own independent review and analysis of the business, operations, assets, liabilities, results of operations, financial condition and prospects of the Company and the Company Subsidiaries (if applicable) and such Member

acknowledges that it has been provided adequate access to the personnel, properties, premises and records of the Company and the Company Subsidiaries for such purpose;

(e) The determination of such Member to acquire Units has been made by such Member independent of any other Member and independent of any statements or opinions as to the advisability of such purchase or as to the business, operations, assets, liabilities, results of operations, financial condition and prospects of the Company and the Company Subsidiaries that may have been made or given by any other Member or by any agent or employee of any other Member;

(f) Such Member has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in the Company and making an informed decision with respect thereto;

(g) Such Member is able to bear the economic and financial risk of an investment in the Company for an indefinite period of time;

(h) The execution, delivery and performance of this Agreement have been duly authorized by such Member and do not require such Member to obtain any consent or approval that has not been obtained and do not contravene or result in a default in any material respect under any provision of any law or regulation applicable to such Member or other governing documents or any agreement or instrument to which such Member is a party or by which such Member is bound;

(i) This Agreement is valid, binding and enforceable against such Member in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws of general applicability relating to or affecting creditors' rights or general equity principles (regardless of whether considered at law or in equity);

(j) Neither the issuance of any Units to any Member nor any provision contained herein will entitle the Member to remain in the employment of the Company or any Company Subsidiary or affect the right of the Company or any Company Subsidiary to terminate the Member's employment at any time for any reason, other than as otherwise provided in such Member's employment agreement or other similar agreement with the Company or Company Subsidiary, if applicable; and

(k) Such Member is qualified under the Cannabis Code to have an ownership or permitted economic interest in a marijuana business.

(l) Any Transfer of Units before a Sale or other liquidation of the Company can only be Transferred to Damon Schmidt or his heirs or the Majority Unit holder at \$2,535.71429 per Unit unless by a vote of the Members holding a majority of the Common Units;

Section 4.03 No Personal Liability. By Applicable Law or expressly in this Agreement, no Member will be obligated personally for any debt, obligation or liability of the Company or of

any Company Subsidiaries or other Members, whether arising in contract, tort or otherwise, solely by reason of being a Member.

Section 4.04 No Withdrawal. A Member shall not cease to be a Member as a result of the Bankruptcy of such Member. So long as a Member continues to hold any Units, such Member shall not have the ability to withdraw or resign as a Member prior to the dissolution and winding up of the Company and any such withdrawal or resignation or attempted withdrawal or resignation by a Member prior to the dissolution or winding up of the Company shall be null and void. As soon as any Person who is a Member ceases to hold any Units, such Person shall no longer be a Member. Notwithstanding anything contained herein to the contrary, in the event any Member is determined to be unfit to have an ownership or permitted economic interest in a marijuana business pursuant to the Cannabis Code, such Member shall be subject to Automatic Divestiture as set forth in Section 4.12 below.

Section 4.05 Death. The death of any Member shall not cause the dissolution of the Company. In such event the Company and its business shall be continued by the remaining Member or Members and the Units owned by the deceased Member shall automatically be Transferred to such Member's heirs unless Member is Ron Baldwin in which case the Units will be Transferred to Damon Schmidt or his heirs or the Majority Unit holder at \$2,535.71429 per Unit; provided, that within a reasonable time after such Transfer, the applicable heirs shall sign a written undertaking substantially in the form of the Joinder Agreement. Notwithstanding the foregoing, such Member's heirs shall only be admitted as Members of the Company if such heirs are suitable to have an ownership or permitted economic interest in a marijuana business pursuant to the Cannabis Code, and are otherwise in compliance with Section 4.01. If heirs are not suitable to have an ownership or permitted economic interest in a marijuana business pursuant to the Cannabis Code, the the Units will be Transferred to Damon Schmidt or his heirs or the Majority Unit holder for \$2,535.71429 per Unit.

Section 4.06 Voting.

(a) Except as otherwise provided by this Agreement (including Section 4.07 and Section 14.09) or as otherwise required by Applicable Law:

(i) each Member shall be entitled to one vote per Common Unit on all matters upon which the Members have the right to vote under this Agreement;

(ii) the Preferred Units shall be entitled to one vote per Preferred Unit on all matters upon which the Members have the right to vote under this Agreement.

Section 4.07 Meetings.

(a) Voting Units. As used herein, the term “**Voting Units**” shall mean:

(i) the Common Units, for purposes of calling or holding any meeting of the Members holding Common Units, providing notice of such a meeting, forming a quorum for such a meeting, or taking any action by vote at a meeting or by written consent without a meeting, in all cases to take any action or conduct any business not described in Section 4.07; and

(ii) the Preferred Units, for purposes of calling or holding any meeting of the Members holding Preferred Units, providing notice of such a meeting, forming a quorum for such a meeting, or taking any action by vote at a meeting or by written consent without a meeting, in all cases to take any action or conduct any business described in Section 4.07.

(b) Calling the Meeting. Meetings of the Members may be called by (i) the Board or (ii) by a Member or group of Members holding more than 40% of the then-outstanding votes attributable to the relevant Voting Units. Only Members who hold the relevant Voting Units (“**Voting Members**”) shall have the right to attend meetings of the Members.

(c) Notice. Written notice stating the place, date and time of the meeting and, in the case of a meeting of the Members not regularly scheduled, describing the purposes for which the meeting is called, shall be delivered not fewer than seven (7) days and not more than thirty (30) days before the date of the meeting to each Voting Member, by or at the direction of the Board or the Member(s) calling the meeting, as the case may be. The Voting Members may hold meetings at the Company’s principal office or at such other place as the Board or the Member(s) calling the meeting may designate in the notice for such meeting.

(d) Participation. Any Voting Member may participate in a meeting of the Voting Members by means of conference telephone or other communications equipment by means of which all Persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(e) Vote by Proxy. On any matter that is to be voted on by Voting Members, a Voting Member may vote in person or by proxy, and such proxy may be granted in writing, by means of Electronic Transmission or as otherwise permitted by Applicable Law. Every proxy shall be revocable in the discretion of the Voting Member executing it unless otherwise provided in such proxy; provided, that such right to revocation shall not invalidate or otherwise affect actions taken under such proxy prior to such revocation.

(f) Conduct of Business. The business to be conducted at such meeting need not be limited to the purpose described in the notice and can include business to be conducted by Voting Members holding Common Units and Voting Members holding Preferred Units; provided, that the appropriate Voting Members shall have been notified

of the meeting in accordance with Section 4.07(c); and provided, further, that any Voting Member holding the appropriate Voting Units shall have the right to request removal from the meeting of any Voting Member holding only Preferred Units or only Common Units prior to any discussion of business at the meeting for which such Units do not have a vote pursuant to the provisions of this Agreement. Attendance of a Member at any meeting shall constitute a waiver of notice of such meeting, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 4.08 Quorum. A quorum of any meeting of the Voting Members shall require the presence of the Members holding a majority of the appropriate Voting Units held by all Members. Subject to Section 4.09, no action at any meeting may be taken by the Members unless the appropriate quorum is present. Subject to Section 4.09, no action may be taken by the Members at any meeting at which a quorum is present without the affirmative vote of Members holding a majority of the appropriate Voting Units held by all Members.

Section 4.09 Action Without Meeting. Notwithstanding the provisions of Section 4.08, any matter that is to be voted on, consented to or approved by Voting Members may be taken without a meeting, without prior notice and without a vote if consented to, in writing or by Electronic Transmission, by a Member or Members holding not less than a majority of the appropriate Voting Units held by all Members. A record shall be maintained by the Board of each such action taken by written consent of a Member or Members.

Section 4.10 Power of Members. The Members shall have the power to exercise any and all rights or powers granted to Members pursuant to the express terms of this Agreement. Except as otherwise specifically provided by this Agreement, no Member, in its capacity as a Member, shall have the power to act for or on behalf of, or to bind, the Company.

Section 4.11 No Interest in Company Property. No real or personal property of the Company shall be deemed to be owned by any Member individually, but shall be owned by, and title shall be vested solely in, the Company. Without limiting the foregoing, each Member hereby irrevocably waives during the term of the Company any right that such Member may have to maintain any action for partition with respect to the property of the Company.

Section 4.12 Automatic Divestiture. If, during anytime while the Company holds a local or state license pursuant to the Cannabis Code, any of the following occur to a Member or to a member of an entity that is a Member of Company, all interests of that Member in the Company (the “Affected Member”) will automatically

and immediately terminate, and the Affected Member will cease to be a Member:

(a) The Affected Member is charged with or convicted of any criminal offense, if a conviction of the offense in question would, pursuant to the Cannabis Code, disqualify the Affected Member from owning a marijuana business. However, where an Affected Member is only charged with a criminal offense and not convicted, and where the Cannabis Regulatory Body and any other local or state licensing authority upon request have agreed to defer pursuing any action against the Company's marijuana business license(s) based upon such charges, or where any such actions of the Cannabis Regulatory Body and local licensing authorities are subject to a stay order, then the Affected Member's Units shall not be subject to divestiture under this Section 4.12;

(b) The Affected Member or any entity that it owns or controls incurs a revocation of any Massachusetts marijuana business license, and it is determined by the Board that such revocation has a material adverse effect upon the issuance or continued good standing of the Company's marijuana business license;

(c) The Cannabis Regulatory Body or local licensing authority issues a formal notice stating that the Affected Member is unfit to have an ownership or economic interest in a marijuana business;

(d) The Cannabis Regulatory Body or local licensing authority issues a formal notice against the issuance to the Company of a marijuana business license or revokes a marijuana business license, which notice cites the participation of the Affected Member as a material factor in the decision, or the Cannabis Regulatory Body or local licensing authority conditions the issuance of a marijuana business license on the Company removing the Affected Member in the Company;

(e) The Cannabis Regulatory Body or local licensing authority notifies the Company in writing, or it is otherwise determined by court order, that a decision on the Company's marijuana business license is being delayed beyond one (1) year following the filing of the Company's application for a marijuana business license, and the Company is noticed before or after said date that the sole reason for such delay is the participation of or concerns about the Affected Member.

(f) The Affected Member demonstrates a repeated failure to attend meetings with the Cannabis Regulatory Body or any local licensing authority as required for Company business to be conducted. As used herein, repeated failure to attend shall be demonstrated by failure to attend any meeting without good cause, or any two (2) meetings with any licensing authority.

(g) The Affected Member is Ron Baldwin and has ceased being employed according to the Employment Agreement between Ron Baldwin and the Company. Employment will be considered at-will employment without a executed Employment Agreement;

(h) The Affected Member fails to provide information to the Cannabis Regulatory Body which is requested by or required by the Cannabis Regulatory Body.

(i) If the Affected Member is a partnership or other business entity and not a natural person, a member of the Affected Member is disqualified from obtaining an ownership interest in a licensed marijuana business by final written determination of the Cannabis Regulatory Body, unless such member is divested from the Affected Member in a timely manner.

(j) The Company shall continue in existence notwithstanding the automatic termination of any Member pursuant to Section 4.12 above. Notwithstanding any provision of this Agreement to the contrary, if the Affected Member is a corporate entity and the occurrence of any of the events enumerated in Section 4.12, above, is due to a Member, Shareholder, or Manager of the Affected Member, the Affected Member shall have an option to redeem its Units and shall be restored to its ownership position before the divestiture events occur if the Board, a court of law, or the Cannabis Regulatory Body provides a written assurance or order that Affected Member has removed the member, shareholder, or manager that caused any of the events enumerated in Section 4.12, above, pursuant to the terms of the Affected Member's governing documents.

Section 4.13 Settling of Accounts Following Automatic Divestiture: The Company shall be liable for the terminated ownership interest of the Affected Member as follows: (i) The Company and the Affected Member will allow Damon Schmidt or his heirs to purchase the Units for \$2,535.71429 per unit. If Damon Schmidt is the Affected Member, then The Company and Damon Schmidt will allow Kristen Schmidt or her heirs to purchase the Units for \$2,535.71429 per unit. The Company shall deliver a note (the "**Payoff Note**") on behalf of Damon Schmidt or Kristen Schmidt or her heirs to the Affected Member for one hundred percent (100%) of the value which is \$2,535.71429 per Unit. If the Affected Member is Ron Baldwin, payment will be \$2,535.71429 per Unit if they have been employed with the Company for 1 year or more from the time the Company receives Final Licensure for Cultivation from the Cannabis Control Commission. If the time of employment has been under 1 year, the Units will be purchased at \$2,535.71429 per Unit. The Payoff Note shall be payable over a one (1) year period and shall bear interest at a rate equal to the prime rate of interest as announced from time to time by the Wall Street Journal or shall be discounted (using the same rate) to present value if an earlier payoff is required under the Cannabis Code. The terms of the Payoff Note shall include equal monthly payments and shall be reasonable and customary for a transaction of this type. The Company may sell the Affected Member's Units to Damon Schmidt or his heirs, in accordance with the terms of this Agreement, to finance the Payoff Note or for any other lawful reason.

ARTICLE V
CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS

Section 5.01 Initial Capital Contributions.

Contemporaneously with the execution of this Agreement, each Initial Member owning Preferred Units or Common Units has made the Capital Contribution giving rise to such Initial Member's initial Capital Account and is deemed to own, and the Company hereby issues, the number, type, series and class of Units, in each case, in the amounts set forth opposite such Initial Member's name on the Members Schedule as in effect on the date hereof.

Section 5.02 Additional Capital Contributions.

(a) No Member shall be required to make any additional Capital Contributions to the Company. Any future Capital Contributions made by any Member shall only be made with the consent of the Board.

(b) No Member shall be required to lend any funds to the Company and no Member shall have any personal liability for the payment or repayment of any Capital Contribution by or to any other Member.

Section 5.03 Maintenance of Capital Accounts. The Company shall establish and maintain for each Member a separate capital account (a "**Capital Account**") on its books and records in accordance with this Section 5.03. Each Capital Account shall be established and maintained in accordance with the following provisions:

- (a) Each Member's Capital Account shall be increased by the amount of:
- (i) such Member's Capital Contributions, including such Member's initial Capital Contribution;
 - (ii) any Net Income or other item of income or gain allocated to such Member pursuant to Article VI and
 - (iii) any liabilities of the Company that are assumed by such Member or secured by any property Distributed to such Member;
- (b) Each Member's Capital Account shall be decreased by:
- (i) the cash amount or Book Value of any property Distributed to such Member pursuant to 0 and Section 12.03(c);

(ii) the amount of any Net Loss or other item of loss or deduction allocated to such Member pursuant to Article VI and

(iii) the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company.

Section 5.04 Succession Upon Transfer. In the event that any Units are 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 Units and, subject to Section 6.04, shall receive allocations and Distributions pursuant to Article VI, 0 and Article VIII in respect of such Units.

Section 5.05 Negative Capital Accounts. In the event that any Member shall have a deficit balance in his, her or its Capital Account, such Member shall have no obligation, during the term of the Company or upon dissolution or liquidation thereof, to restore such negative balance or make any Capital Contributions to the Company by reason thereof, except as may be required by Applicable Law or in respect of any negative balance resulting from a withdrawal of capital or dissolution in contravention of this Agreement.

Section 5.06 No Withdrawal. No Member shall be entitled to withdraw any part of his, her or its Capital Account or to receive any Distribution from the Company, except as provided in this Agreement. No Member shall receive any interest, salary or drawing with respect to its Capital Contributions or its Capital Account, except as otherwise provided in this Agreement. The Capital Accounts are maintained for the sole purpose of allocating items of income, gain, loss and deduction among the Members and shall have no effect on the amount of any Distributions to any Members, in liquidation or otherwise.

Section 5.07 Treatment of Loans from Members. Loans by any Member to the Company shall not be considered Capital Contributions and shall not affect the maintenance of such Member's Capital Account, other than to the extent provided in Section 5.03(a)(iii), if applicable.

Section 5.08 Modifications. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 1.704-1(b) of the Treasury Regulations and shall be interpreted and applied in a manner consistent with such Treasury Regulations. If the Board determines that it is prudent to modify the manner in which the Capital Accounts, or any increases or decreases to the Capital Accounts, are

computed in order to comply with such Treasury Regulations, the Board may authorize such modifications.

ARTICLE VI ALLOCATIONS

Section 6.01 Allocation of Net Income and Net Loss.

For each Fiscal Year (or portion thereof), except as otherwise provided in this Agreement, Net Income and Net Loss (and, to the extent necessary, individual items of income, gain, loss or deduction) of the Company shall be allocated among the Members in a manner such that, after giving effect to the special allocations set forth in Section 6.02, the Capital Account balance of each Member, immediately after making such allocations, is, as nearly as possible, equal to (a) the Distributions that would be made to such Member pursuant to Section 12.03(c) if the Company were dissolved, its affairs wound up and its assets sold for cash equal to their Book Value, all Company liabilities were satisfied (limited with respect to each Nonrecourse Liability to the Book Value of the assets securing such liability), and the net assets of the Company were Distributed, in accordance with Section 12.03(c), to the Members immediately after making such allocations, minus (b) such Member's share of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain, computed immediately prior to the hypothetical sale of assets.

Section 6.02 Regulatory and Special Allocations.

Notwithstanding the provisions of Section 6.01:

(a) If there is a net decrease in Company Minimum Gain (determined according to Treasury Regulations Section 1.704-2(d)(1)) during any Fiscal Year, each Member shall be specially allocated Net Income for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g). The items to be so allocated shall be determined in accordance with Treasury Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 6.02(a) is intended to comply with the "minimum gain chargeback" requirement in Treasury Regulation Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) Member Nonrecourse Deductions shall be allocated in the manner required by Treasury Regulations Section 1.704-2(i). Except as otherwise provided in Treasury Regulations Section 1.704-2(i)(4), if there is a net decrease in Member Nonrecourse Debt Minimum Gain during any Fiscal Year, each Member that has a share of such Member Minimum Gain shall be specially allocated Net Income for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to that Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain. Items to be allocated pursuant to

this paragraph shall be determined in accordance with Treasury Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 6.02(b) is intended to comply with the “minimum gain chargeback” requirements in Treasury Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) In the event any Member unexpectedly receives any adjustments, allocations or Distributions described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), Net Income shall be specially allocated to such Member in an amount and manner sufficient to eliminate the Adjusted Capital Account Deficit created by such adjustments, allocations or Distributions as quickly as possible. This Section 6.02(c) is intended to comply with the qualified income offset requirement in Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(d) The allocations set forth in paragraphs (a) (b) and (c) above (the “**Regulatory Allocations**”) are intended to comply with certain requirements of the Treasury Regulations under Code Section 704. Notwithstanding any other provisions of this Article VI (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account in allocating Net Income and Net Losses among Members so that, to the extent possible, the net amount of such allocations of Net Income and Net Losses and other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to such Member if the Regulatory Allocations had not occurred.

(e) The Company and the Members acknowledge that allocations like those described in Proposed Treasury Regulation Section 1.704-1(b)(4)(xii)(c) (“**Forfeiture Allocations**”) result from the allocations of Net Income and Net Loss provided for in this Agreement. For the avoidance of doubt, the Company is entitled to make Forfeiture Allocations and, once required by applicable final or temporary guidance, allocations of Net Income and Net Loss will be made in accordance with Proposed Treasury Regulation Section 1.704-1(b)(4)(xii)(c) or any successor provision or guidance.

Section 6.03 Tax Allocations.

(a) Subject to Section 6.03(b) through Section 6.03(e), all income, gains, losses and deductions of the Company shall be allocated, for federal, state and local income tax purposes, among the Members in accordance with the allocation of such income, gains, losses and deductions among the Members for computing their Capital Accounts, except that if any such allocation for tax purposes is not permitted by the Code or other Applicable Law, the Company’s subsequent income, gains, losses and deductions shall be allocated among the Members for tax purposes, to the extent permitted by the Code and other Applicable Law, so as to reflect as nearly as possible the allocation set forth herein in computing their Capital Accounts.

(b) Items of Company taxable income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall be allocated among the Members in accordance with Code Section 704(c) and the traditional method of Treasury Regulations Section 1.704-3(b), so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its Book Value.

(c) If the Book Value of any Company asset is adjusted pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(f) as provided in clause (c) of the definition of Book Value, subsequent allocations of items of taxable income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Book Value in the same manner as under Code Section 704(c).

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

(e) The Company shall make allocations pursuant to this Section 6.03 in accordance with the traditional method in accordance with Treasury Regulations Section 1.704-3(d).

(f) Allocations pursuant to this Section 6.03 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Net Income, Net Losses, Distributions or other items pursuant to any provisions of this Agreement.

Section 6.04 Allocations in Respect of Transferred Units. In the event of a Transfer of Units during any Fiscal Year made in compliance with the provisions of Article X Net Income, Net Losses and other items of income, gain, loss and deduction of the Company attributable to such Units for such Fiscal Year shall be determined using the interim closing of the books method.

Section 6.05 Curative Allocations. In the event that the Partnership Representative determines, after consultation with counsel experienced in income tax matters, that the allocation of any item of Company income, gain, loss or deduction is not specified in this Article VI (an "**Unallocated Item**"), or that the allocation of any item of Company income, gain, loss or deduction hereunder is clearly inconsistent with the Members' economic interests in the Company (determined by reference to the general principles of Treasury Regulations Section 1.704-1(b) and the factors set forth in Treasury Regulations Section 1.704-1(b)(3)(ii)) (a "**Misallocated Item**"), then the Board may allocate such Unallocated Items, or reallocate such Misallocated Items, to reflect such economic interests; provided, that no such allocation will be made without the prior consent of each Member that would be adversely and disproportionately affected thereby; and provided, further, that no such allocation shall have any material effect on the amounts distributable to any Member, including the amounts to be distributed upon the complete liquidation of the Company.

ARTICLE VII DISTRIBUTIONS

Section 7.01 General.

(a) Subject to Section 7.01(b), Section 7.02 and Section 7.04, the Board shall have sole discretion regarding the amounts and timing of Distributions to Members, including to decide to forego payment of Distributions in order to provide for the retention and establishment of reserves of, or payment to third parties of, such funds as it deems necessary with respect to the reasonable business needs of the Company (which needs may include the payment or the making of provision for the payment when due of the Company's obligations, including, but not limited to, present and anticipated debts and obligations, capital needs and expenses, the payment of any management or administrative fees and expenses, and reasonable reserves for contingencies).

(b) Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make any Distribution to Members if such Distribution would violate Applicable Law.

Section 7.02 Priority of Distributions. After making all Distributions required for a given Fiscal Year under Section 7.04 and subject to the priority of Distributions pursuant to Section 12.03(c), if applicable, all Distributions determined to be made by the Board pursuant to Section 7.01 shall be made to the Members holding Common Units and Preferred Units pro rata in proportion to their aggregate holdings of Common Units and/or Preferred Units treated as one class of Units.

Section 7.03 Limitations on Distributions to Incentive Units. Intentionally Ommitted.

Section 7.04 Tax Advances.

(a) Subject to any restrictions in any of the Company's and/or any Company Subsidiary's then applicable debt-financing arrangements, and subject to the Board's sole discretion to retain any other amounts necessary to satisfy the Company's and/or the Company Subsidiaries' obligations, at least seven (7) days before each date prescribed by the Code for a calendar-year corporation to pay quarterly installments of estimated tax, the Company shall Distribute cash to each Member in proportion to and to the extent of such Member's Quarterly Estimated Tax Amount for the applicable calendar quarter (each such Distribution, a "**Tax Advance**").

(b) If, at any time after the final Quarterly Estimated Tax Amount has been Distributed pursuant to Section 7.04(a) with respect to any Fiscal Year, the aggregate Tax Advances to any Member with respect to such Fiscal Year are less than such Member's Tax Amount for such Fiscal Year (a "**Shortfall Amount**"), the Company shall Distribute cash in proportion to and to the extent of each Member's Shortfall Amount. The Company shall use commercially reasonable efforts to Distribute Shortfall Amounts with respect to a Fiscal Year before the 60th day of the next succeeding Fiscal Year; provided, that if the Company has made Distributions other than pursuant to this Section 7.04, the Board may apply such Distributions to reduce any Shortfall Amount.

(c) If the aggregate Tax Advances made to any Member pursuant to this Section 7.04 for any Fiscal Year exceed such Member's Tax Amount (an "**Excess Amount**"), such Excess Amount shall reduce subsequent Tax Advances that would be made to such Member pursuant to this Section 7.04, except to the extent taken into account as an advance pursuant to Section 7.04(d).

(d) Any Distributions made pursuant to this Section 7.04 shall be treated for purposes of this Agreement as advances on Distributions pursuant to Section 7.02 and shall reduce, dollar-for-dollar, the amount otherwise Distributable to such Member pursuant to Section 7.02.

Section 7.05 Tax Withholding; Withholding Advances.

(a) Tax Withholding. If requested by the Board, each Member shall, if able to do so, deliver to the Board:

(i) an affidavit in form satisfactory to the Board that the applicable Member (or its members, as the case may be) is not subject to withholding under the provisions of any federal, state, local, foreign or other Applicable Law;

(ii) any certificate that the Board may reasonably request with respect to any such laws; and/or

(iii) any other form or instrument reasonably requested by the Board relating to any Member's status under such law.

(iv) If a Member fails or is unable to deliver to the Board the affidavit described in Section 7.05(a)(i), the Board may withhold amounts from such Member in accordance with Section 7.05(b).

(b) Withholding Advances. The Company is hereby authorized at all times to make payments ("**Withholding Advances**") with respect to each Member in amounts required to discharge any obligation of the Company (as determined by the Partnership Representative based on the advice of legal or tax counsel to the Company) to withhold or make payments to any federal, state, local or foreign taxing authority (a "**Taxing Authority**") with respect to any Distribution or allocation by the Company of income or gain to such Member and to withhold the same from Distributions to such Member. Any funds withheld from a Distribution by reason of this Section 7.05(b) shall nonetheless be deemed Distributed to the Member in question for all purposes under this Agreement and, at the option of the Board, shall be charged against the Member's Capital Account.

(c) Repayment of Withholding Advances. Any Withholding Advance made by the Company to a Taxing Authority on behalf of a Member and not simultaneously withheld from a Distribution to that Member shall, with interest thereon accruing from the date of payment at a rate equal to the prime rate published in the Wall Street Journal on the date of payment:

(i) be promptly repaid to the Company by the Member on whose behalf the Withholding Advance was made (which repayment by the Member shall not constitute a Capital Contribution, but shall credit the Member's Capital Account if the Board shall have initially charged the amount of the Withholding Advance to the Capital Account); or

(ii) with the consent of the Board, be repaid by reducing the amount of the next succeeding Distribution or Distributions to be made to such Member (which reduction amount shall be deemed to have been Distributed to the Member, but which shall not further reduce the Member's Capital Account if the Board shall have initially charged the amount of the Withholding Advance to the Capital Account).

Interest shall cease to accrue from the time the Member on whose behalf the Withholding Advance was made repays such Withholding Advance (and all accrued interest) by either method of repayment described above.

(d) Indemnification. Each Member hereby agrees to indemnify and hold harmless the Company and the other Members from and against any liability with respect to taxes, interest or penalties which may be asserted by reason of the Company's failure to deduct and withhold tax on amounts Distributable or allocable to such Member. The provisions of this Section 7.05(d) and the obligations of a Member pursuant to Section 7.05(c) shall survive the termination, dissolution, liquidation and winding up of the Company and the withdrawal of such Member from the Company or Transfer of its Units. The Company may pursue and enforce all rights and remedies it may have against each Member under this Section 7.05, including bringing a lawsuit to collect repayment with interest of any Withholding Advances.

(e) Overwithholding. Neither the Company nor the Board shall be liable for any excess taxes withheld in respect of any Distribution or allocation of income or gain to a Member. In the event of an overwithholding, a Member's sole recourse shall be to apply for a refund from the appropriate Taxing Authority.

Section 7.06 Distributions in Kind.

(a) The Board is hereby authorized, in its sole discretion, to make Distributions to the Members in the form of securities or other property held by the Company; provided, that Tax Advances shall only be made in cash. In any non-cash Distribution, the securities or property so Distributed will be Distributed among the Members in the same proportion and priority as cash equal to the Fair Market Value of such securities or property would be Distributed among the Members pursuant to Section 7.02.

(b) Any Distribution of securities shall be subject to such conditions and restrictions as the Board determines are required or advisable to ensure compliance with Applicable Law. In furtherance of the foregoing, the Board may require that the Members execute and deliver such documents as the Board may deem necessary or appropriate to ensure compliance with all federal and state securities laws that apply to such Distribution

and any further Transfer of the Distributed securities, and may appropriately legend the certificates that represent such securities to reflect any restriction on Transfer with respect to such laws.

ARTICLE VIII MANAGEMENT

Section 8.01 Establishment of the Board. A board of managers of the Company (the “**Board**”) is hereby established and shall be comprised of natural Persons (each such Person, a “**Manager**”) who shall be appointed in accordance with the provisions of Section 8.02. The business and affairs of the Company shall be managed, operated and controlled by or under the direction of the Board, and the Board shall have, and is hereby granted, the full and complete power, authority and discretion for, on behalf of and in the name of the Company, to take such actions as it may in its sole discretion deem necessary or advisable to carry out any and all of the objectives and purposes of the Company, subject only to the terms of this Agreement.

Section 8.02 Board Composition; Vacancies.

(a) If at any point, Damon Schmidt is not the majority interest holder, the Company and the Members shall take such actions as may be required to ensure that the number of managers constituting the Board is at all times three (3). Until such time, the Initial Board shall be comprised as follows:

(i) Damon Schmidt, (the “**Common Unit Manager**”);

(ii) In the event that a vacancy is created among the Common Unit Managers due to Damon Schmidt’s death, disability, or retirement, then such vacancy shall be filled by a vote of the Members then holding a majority of the Common Units.

(b) In the event that the Members shall fail to designate a replacement to fill a vacant Manager position on the Board as described in Section 8.02(a) above, and such failure shall continue for more than thirty (30) days after notice from the Company with respect to such failure, except in the case of Damon Schmidt’s demise, in which case the thirty (30) day period shall commence from the date of appointment of the Personal Representative of his estate, or from the date of appointment of another appropriate fiduciary, then the vacant position shall be filled by an individual designated by a majority of the remaining Members; provided, that such individual shall be removed from such position if the Members designate a new Manager in the manner described in Section 8.02(a) above.

(c) The Board shall maintain a schedule of all Managers with their respective mailing addresses, and shall update the schedule upon the replacement of any Manager in accordance with this Section 8.02 or Section 8.03.

Section 8.03 Resignation-Removal. A Manager may resign at any time from the Board by delivering his written resignation to the Board. Any such resignation shall be effective upon receipt thereof unless it is specified to be effective at some other time or upon the occurrence of some other event. The Board's acceptance of a resignation shall not be necessary to make it effective. A Manager may be removed for any reason by a vote of the Members holding a majority of the Common Units. Any such Removal shall be effective upon the occurrence of the vote therefor unless it is specified to be effective at some other time or upon the occurrence of some other event.

Section 8.04 Meetings.

(a) Generally. The Board shall meet at such time and at such place as the Board may designate. Meetings of the Board may be held either in person or by means of telephone or video conference or other communications device that permits all Managers participating in the meeting to hear each other, at the offices of the Company or such other place (either within or outside the Commonwealth of Massachusetts) as may be determined from time to time by the Board. Written notice of each meeting of the Board shall be given to each Manager at least forty-eight (48) hours prior to each such meeting.

(b) Special Meetings. Special meetings of the Board shall be held on the call of any Manager upon at least five days' written notice (if the meeting is to be held in person) or one day's written notice (if the meeting is to be held by telephone communications or video conference) to the Managers, or upon such shorter notice as may be approved by all the Managers. Any Manager may waive such notice as to himself.

(c) Attendance and Waiver of Notice. Attendance of a Manager at any meeting shall constitute a waiver of notice of such meeting, except where a Manager attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

Section 8.05 Quorum; Manner of Acting.

(a) Quorum. A majority of the Managers serving on the Board shall constitute a quorum for the transaction of business of the Board. At all times when the Board is conducting business at a meeting of the Board, a quorum of the Board must be present at such meeting. If a quorum shall not be present at any meeting of the Board, then the Managers present at the meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(b) Participation. Any Manager may participate in a meeting of the Board by means of telephone or video conference or other communications device that permits all Managers participating in the meeting to hear each other, and participation in a meeting by

such means shall constitute presence in person at such meeting. A Manager may vote or be present at a meeting either in person or by proxy, and such proxy may be granted in writing, by means of Electronic Transmission or as otherwise permitted by Applicable Law.

(c) Binding Act. Each Manager shall have one vote on all matters submitted to the Board or any committee thereof. With respect to any matter before the Board, the act of a majority of the Managers constituting a quorum shall be the act of the Board.

Section 8.06 Action by Written Consent.

Notwithstanding anything herein to the contrary, any action of the Board (or any committee of the Board) may be taken without a meeting if either (a) a written consent of a majority of the Managers on the Board (or committee) shall approve such action; provided, that prior written notice of such action is provided to all Managers at least one day before such action is taken, or (b) a written consent constituting all of the Managers on the Board (or committee) shall approve such action. Such consent shall have the same force and effect as a vote at a meeting where a quorum was present and may be stated as such in any document or instrument filed with the Secretary of State of Massachusetts.

Section 8.07 Compensation; No Employment.

(a) Each Manager shall be reimbursed for his reasonable out-of-pocket expenses incurred in the performance of his duties as a Manager, pursuant to such policies as from time to time established by the Board. Nothing contained in this Section 8.07 shall be construed to preclude any Manager from serving the Company in any other capacity and receiving reasonable compensation for such services.

(b) This Agreement does not, and is not intended to, confer upon any Manager any rights with respect to continued employment by the Company, and nothing herein should be construed to have created any employment agreement with any Manager.

Section 8.08 Committees.

(a) Establishment. The Board may, by resolution, designate from among the Managers one or more committees, each of which shall be comprised of one or more Managers; provided, that in no event may the Board designate any committee with all of the authority of the Board. Subject to the immediately preceding proviso, any such committee, to the extent provided in the resolution forming such committee, shall have and may exercise the authority of the Board, subject to the limitations set forth in Section 8.08(b). The Board may dissolve any committee or remove any member of a committee at any time.

(b) Limitation of Authority. No committee of the Board shall have the authority of the Board in reference to:

- (i) authorizing or making Distributions to the Members;
- (ii) authorizing the issuance of Preferred or Common Units;
- (iii) approving a plan of merger or sale of the Company;
- (iv) recommending to the Members a voluntary dissolution of the Company or a revocation thereof;
- (v) filling vacancies in the Board; or
- (vi) altering or repealing any resolution of the Board that by its terms provides that it shall not be so amendable or repealable.

Section 8.09 Officers. The Board may appoint individuals as officers of the Company (the “**Officers**”) as it deems necessary or desirable to carry on the business of the Company and the Board may delegate to such Officers such power and authority as the Board deems advisable. No Officer need be a Member or Manager, except that the Chief Executive Officer shall automatically become a Manager pursuant to Section 8.01. Any individual may hold two or more offices of the Company. Each Officer shall hold office until his successor is designated by the Board or until his earlier death, resignation or removal. Any Officer may resign at any time upon written notice to the Board. Any Officer may be removed by the Board (acting by majority vote of all Managers other than the Officer being considered for removal, if applicable) with or without cause at any time. A vacancy in any office occurring because of death, resignation, removal or otherwise, may, but need not, be filled by the Board.

Section 8.10 No Personal Liability. By Applicable Law or expressly in this Agreement, no Manager will be obligated personally for any debt, obligation or liability of the Company or of any Company Subsidiaries, whether arising in contract, tort or otherwise, solely by reason of being a Manager.

Section 8.11 Protective Provisions.

(a) Majority Member Approval. Notwithstanding the foregoing, the following actions may not be taken by the Company without the consent of Members holding a majority of the outstanding Units:

- (i) Issuance of New Securities;
- (ii) admission of new Members;

(iii) formation, acquisition, or disposal of a subsidiary of the Company;
or

(iv) borrow money excess of Two Million Dollars (\$2,000,000.00) in one transaction.

(b) Super Majority Member Approval. Notwithstanding the foregoing, the following actions may not be taken by the Company without the consent of the Members holding fifty-five percent (55%) of the outstanding Units:

(i) Sale or other liquidation of the Company or substantially all of its assets at a valuation of less than \$8,353,000; or

(ii) Entering in to an agreement for compensation with any Officer, employee, or contractor where the annual compensation exceeds \$250,000.00 for an Officer, \$150,000 for a botanist or scientist, \$125,000 for sales/retail managers and \$100,000.00 for all other such individuals.

ARTICLE IX Reserved for Future Use

ARTICLE X TRANSFER

Section 10.01 General Restrictions on Transfer.

(a) Each Member acknowledges and agrees that such Member (or any Permitted Transferee of such Member) shall not Transfer any Units or Unit Equivalents except as permitted pursuant to Section 10.02 or in accordance with the procedures described in Section 10.03 through 0, as applicable. Notwithstanding the foregoing or anything in this Agreement to the contrary, Transfers of Units shall not be permitted except with consent of Members holding a majority of the Units.

(b) No Transfer of Units or Unit Equivalents to a Person not already a Member of the Company shall be deemed completed until the prospective Transferee is admitted as a Member of the Company in accordance with Section 4.01(b) hereof.

(c) No Transfers of Units will be allowed before a Sale or other liquidation of the Company for more than \$2,535.71429 per Unit unless the Members holding a majority of the Common Units vote to allow it.

(d) Notwithstanding any other provision of this Agreement (including Section 10.02), each Member agrees that it will not, directly or indirectly, Transfer any of its Units or Unit Equivalents, and the Company agrees that it shall not issue any Units or Unit Equivalents:

(i) except as permitted under the Securities Act and other applicable federal or state securities or blue sky laws, and then, with respect to a Transfer of

Units or Unit Equivalents, if requested by the Company, only upon delivery to the Company of an opinion of counsel in form and substance satisfactory to the Company to the effect that such Transfer may be effected without registration under the Securities Act;

(ii) if such Transfer or issuance would cause the Company to be considered a “publicly traded partnership” under Section 7704(b) of the Code within the meaning of Treasury Regulation Section 1.7704-1(h)(1)(ii), including the look-through rule in Treasury Regulation Section 1.7704-1(h)(3);

(iii) if such Transfer or issuance would affect the Company’s existence or qualification as a limited liability company;

(iv) if such Transfer or issuance would cause the Company to lose its status as a partnership for federal income tax purposes;

(v) if such Transfer or issuance would cause a termination of the Company for federal income tax purposes;

(vi) if such Transfer or issuance would cause the Company or any of the Company Subsidiaries to be required to register as an investment company under the Investment Company Act of 1940, as amended;

(vii) if such Transfer or issuance would cause the assets of the Company or any of the Company Subsidiaries to be deemed “Plan Assets” as defined under the Employee Retirement Income Security Act of 1974 or its accompanying regulations or result in any “prohibited transaction” thereunder involving the Company or any Company Subsidiary; or

(viii) if such Transfer would jeopardize or otherwise adversely affect the Company’s ability to hold any license, registration, certification, or permit held or sought by the Company or if such Transfer would otherwise jeopardize or adversely affect the Company’s ability to engage in its business.

In any event, the Board may refuse the Transfer to any Person if such Transfer would have a material adverse effect on the Company as a result of any regulatory or other restrictions imposed by any Governmental Authority.

(e) Any Transfer or attempted Transfer of any Units or Unit Equivalents in violation of this Agreement shall be null and void, no such Transfer shall be recorded on the Company’s books and the purported Transferee in any such Transfer shall not be treated (and the purported Transferor shall continue be treated) as the owner of such Units or Unit Equivalents for all purposes of this Agreement.

(f) For the avoidance of doubt, any Transfer of Units or Unit Equivalents permitted by Section 10.02 or made in accordance with the procedures described in Section 10.03 through 0, as applicable, and purporting to be a sale, transfer, assignment or other disposal of the entire Membership Interest represented by such Units or Unit Equivalents,

inclusive of all the rights and benefits applicable to such Membership Interest, shall be deemed a sale, transfer, assignment or other disposal of such Membership Interest in its entirety as intended by the parties to such Transfer, and shall not be deemed a sale, transfer, assignment or other disposal of any less than all of the rights and benefits of the Membership Interest unless explicitly agreed to by the parties to such Transfer.

Section 10.02 Permitted Transfers. The provisions of Section 10.01(a), Section 10.03, Section 10.04 (with respect to the Dragging Member only) and Section 10.05 shall not apply to any of the following Transfers by any Member of any of its Units or Unit Equivalents:

(a) With respect to any company that is the holder of Preferred Units or Common Units, to (i) any Affiliate of the holder of such Units, and (ii) in the event of a winding up of such company, any of its limited partners in accordance with its constitutive documents; and

(b) With respect to any Member, to (i) a trust under which the distribution of Units may be made only to such Member and/or any Family Member of such Member, (ii) a charitable remainder trust, the income from which will be paid to such Member during his life, (iii) a corporation, partnership or limited liability company, the stockholders, partners or members of which are only such Member and/or immediate family members of such Member, or (iv) by will or by the laws of intestate succession, to such Member's executors, administrators, testamentary trustees, legatees or beneficiaries; provided, that any Member who Transfers Units shall remain bound by the provisions of Section 10.07.

Section 10.03 Right of First Refusal.

(a) Offered Units.

(i) Subject to the terms and conditions specified in Section 10.01, Section 10.02 and this Section 10.03, Damon Schmidt or his heirs, first, the Majority Unit Holder, second, the Company, third, and each Member holding Preferred Units and/or Common Units (as applicable), fourth, shall have a right of first refusal if any other Member (the "**Offering Member**") desires to accept \$2,535.71429 or less per Unit to Transfer all or any portion of the Preferred Units (or applicable Unit Equivalents) (the "**Offered Preferred Units**") and/or Common Units (or applicable Unit Equivalents) (the "**Offered Common Units**") it owns (the Offered Preferred Units and the Offered Common Units, collectively, the "**Offered Units**").

(ii) As used herein, the term "**Applicable Offered Units**" shall mean (a) the Offered Preferred Units with respect to those Members holding Preferred Units (or applicable Unit Equivalents) (the "**Applicable Offered Preferred Units**") and (b) the Offered Common Units with respect to those Members holding Common Units (or applicable Unit Equivalents) (the "**Applicable Offered Common Units**"). As used herein, the term "**Applicable ROFR Rightsholders**"

shall mean, in the case of a proposed Transfer of Preferred Units (or applicable Unit Equivalents), all Members other than the Offering Member holding Preferred Units (or applicable Unit Equivalents), and in the case of a proposed Transfer of Common Units (or applicable Unit Equivalents), all Members other than the Offering Member holding Common Units (or applicable Unit Equivalents).

(b) Offering; Exceptions. Each time the Offering Member receives an offer for a Transfer of any of its Preferred Units and/or Common Units (or applicable Unit Equivalents) (other than Transfers that (i) are permitted by Section 10.02, (ii) are proposed to be made by a Dragging Member or required to be made by a Drag-along Member pursuant to Section 10.04, or (iii) are made by a Tag-along Member upon the exercise of its tag-along right pursuant to Section 10.05 after the Company and Applicable ROFR Rightsholders have declined to exercise their rights in full under this Section 10.03), the Offering Member shall first make an offering of the Offered Units to Damon Schmidt or his heirs, first, the Majority Unit Holder, second, the Company, third, and the Applicable ROFR Rightsholders, second, all in accordance with the following provisions of this Section 10.03, prior to Transferring such Offered Units to the proposed purchaser.

(c) Offer Notice.

(i) The Offering Member shall, within five (5) Business Days of receipt of the Transfer offer, give written notice (the “**Offering Member Notice**”) to the Company and the Applicable ROFR Rightsholders stating that it has received a bona fide offer for a Transfer of its Preferred Units and/or Common Units (or applicable Unit Equivalents) and specifying:

(1) the number of Offered Preferred Units and/or Offered Common Units to be Transferred by the Offering Member;

(2) the proposed date, time and location of the closing of the Transfer, which shall not be less than 45 (forty-five) days from the date of the Offering Member Notice;

(3) the purchase price per Applicable Offered Unit (which shall be payable solely in cash) and the other material terms and conditions of the Transfer; and

(4) the name of the Person who has offered to purchase such Offered Units.

(ii) The Offering Member Notice shall constitute the Offering Member’s offer to Transfer the Offered Units to Damon Schmidt or his heirs, the Majority Unit Holder, the Company and the Applicable ROFR Rightsholders, which offer shall be irrevocable until the end of the ROFR Rightsholder Option Period described in Section 10.03(d)(iv).

(iii) By delivering the Offering Member Notice, the Offering Member represents and warrants to Damon Schmidt or his heirs, the Majority Unit Holder, the Company and each Applicable ROFR Rightsholder that:

(1) the Offering Member has full right, title and interest in and to the Offered Units;

(2) the Offering Member has all the necessary power and authority and has taken all necessary action to Transfer such Offered Units as contemplated by this Section 10.03; and

(3) the Offered Units are free and clear of any and all liens other than those arising as a result of or under the terms of this Agreement.

(d) Exercise of Right of First Refusal.

(i) Upon receipt of the Offering Member Notice, the Company and each Applicable ROFR Rightsholder shall have the right to purchase the Applicable Offered Units in the following order of priority: first, Damon Schmidt or his heirs shall have the right to purchase all or any portion of the Offered Units in accordance with the procedures set forth in Section 10.03(d)(ii), and thereafter, the Majority Unit Holder, and thereafter, the Company the Applicable ROFR Rightsholders shall have the right to purchase the Applicable Offered Units, in accordance with the procedures set forth in Section 10.03(d)(iv), to the extent Damon Schmidt or his heirs does not exercise its right in full. Notwithstanding the foregoing, Damon Schmidt or his heirs, the Majority Unit Holder, the Company and the Applicable ROFR Rightsholders may only exercise their right to purchase the Offered Units if, after giving effect to all elections made under this Section 10.03(d), no less than all of the Offered Units will be purchased by the Company and/or the Applicable ROFR Rightsholders.

(ii) For the avoidance of doubt, in the event of a proposed Transfer of both Preferred Units and Common Units (and/or applicable Unit Equivalents), the Offering Member may deliver a single Offering Member Notice to the Company and all Members holding any Preferred Units or Common Units (and/or applicable Unit Equivalents). Upon their receipt of the Offering Member Notice: first, Damon Schmidt or his heirs shall have the right to elect to purchase all or any portion of the Offered Preferred Units, the Offered Common Units, or both; and thereafter, the Majority Unit Holder, and thereafter the Company, and thereafter any Member holding only Preferred Units shall have the right to purchase the Offered Preferred Units, any Member holding only Common Units shall have the right to purchase the Offered Common Units, and any Member holding both Preferred Units and Common Units shall have the right to elect to purchase both or either the Offered Preferred Units or the Offered Common Units without purchasing any Units of the other class or series; provided, in all cases, that Damon Schmidt or his heirs, the Majority Unit Holder, the Company's and Applicable ROFR Rightsholders' rights

to purchase any Offered Preferred Units or any Offered Common Units will only be exercisable if, after giving effect to all elections made under this Section 10.03(d), Damon Schmidt or his heirs, the Majority Unit Holder, the Company and/or the Applicable ROFR Rightsholders shall have elected to purchase no less than all the Offered Preferred Units and all the Offered Common Units.

(iii) The initial right of Damon Schmidt or his heirs to purchase any Offered Units shall be exercisable with the delivery of a written notice (the “**Damon Schmidt ROFR Exercise Notice**”) by Damon Schmidt or his heirs to the Offering Member, the Majority Unit Holder, the Company, and the Applicable ROFR Rightsholders within ten (10) Business Days of receipt of the Offering Member Notice (the “**Damon Schmidt Option Period**”), stating the number (including where such number is zero) and type of Offered Units the Company elects irrevocably to purchase on the terms and respective purchase prices set forth in the Offering Member Notice. The Damon Schmidt ROFR Exercise Notice shall be binding upon delivery and irrevocable by Damon Schmidt or his heirs.

(iv) If Damon Schmidt or his heirs shall have indicated an intent to purchase any less than all of the Offered Preferred Units and/or all of Offered Common Units, the Majority Unit Holder, first, the Company, second, and the Applicable ROFR Rightsholders, third, shall have the right to purchase the remaining Applicable Offered Units not selected by Damon Schmidt or his heirs. For a period of fifteen (15) Business Days following the receipt of a Company ROFR Exercise Notice in which Damon Schmidt or his heirs has elected to purchase less than all the Offered Units (such period, the “**the Majority Unit Holder Option Period**”), the Majority Unit Holder shall have the right to elect irrevocably to purchase all or none of its Preferred Pro Rata Portion of the remaining Applicable Offered Preferred Units and/or all or none of its Common Pro Rata Portion of the remaining Applicable Offered Common Units by delivering a written notice to the Company and the Offering Member (a “**the Majority Unit Holder ROFR Exercise Notice**”) specifying its desire to purchase its Preferred Pro Rata Portion of the remaining Applicable Offered Preferred Units and/or its Common Pro Rata Portion of the remaining Applicable Offered Common Units, on the terms and respective purchase prices set forth in the Offering Member Notice. In addition, each Applicable ROFR Rightsholder shall include in its Majority Unit Holder ROFR Exercise Notice the number of remaining Applicable Offered Units that it wishes to purchase. Any Majority Unit Holder ROFR Exercise Notice shall be binding upon delivery and irrevocable by the Majority Unit Holder.

(v) The failure of Damon Schmidt or his heirs, the Majority Unit Holder, the Company or any Applicable ROFR Rightsholder to deliver a Damon Schmidt ROFR Exercise Notice, Majority Unit Holder ROFR Exercise Notice, Company ROFR Exercise Notice or Member ROFR Exercise Notice, respectively, by the end of the Damon Schmidt Option Period or ROFR Rightsholder Option Period, respectively, shall constitute a waiver of their respective rights of first refusal under this Section 10.03 with respect to the Transfer of Offered Units, but shall not affect their respective rights with respect to any future Transfers.

(e) Allocation of Offered Units. Upon the expiration of the ROFR Rightsholder Option Period, the Applicable Offered Units not selected for purchase by Damon Schmidt or his heirs, the Marjority Unit Holder, the Company pursuant to Section 10.03(d)(iii) shall be allocated for purchase among the Applicable ROFR Rightsholders as follows:

(i) First, to each Applicable ROFR Rightsholder having elected to purchase its entire Applicable Pro Rata Portion of such Units, such Applicable ROFR Rightsholder's Applicable Pro Rata Portion of such Units; and

(ii) Second, the balance, if any, not allocated under clause (i) above (and not purchased by the Company pursuant to Section 10.03(d)(iii)), shall be allocated to those Applicable ROFR Rightsholders who set forth in their Member ROFR Exercise Notices a number of Applicable Offered Units that exceeded their respective Applicable Pro Rata Portions (the "**Purchasing Rightsholders**"), in an amount, with respect to each such Purchasing Rightsholder, that is equal to the lesser of:

(1) the number of Applicable Offered Units that such Purchasing Rightsholder elected to purchase in excess of its Applicable Pro Rata Portion; or

(2) the product of (x) the number of Applicable Offered Units not allocated under clause (i) (and not purchased by the Company pursuant to Section 10.03(d)(iii)), multiplied by (y) a fraction, the numerator of which is the number of Applicable Offered Units that such Purchasing Rightsholder was permitted to purchase pursuant to clause (i), and the denominator of which is the aggregate number of Applicable Offered Units that all Purchasing Rightsholders were permitted to purchase pursuant to clause (i).

(f) The process described in clause (ii) shall be repeated until no Offered Units remain or until such time as all Purchasing Rightsholders have been permitted to purchase all Applicable Offered Units that they desire to purchase.

(g) Consummation of Sale. In the event that Damon Schmidt or his heirs, the Marjority Unit Holder, the Company and/or the Applicable ROFR Rightsholders shall have, in the aggregate, exercised their respective rights to purchase all and not less than all of the Offered Units, then the Offering Member shall sell such Offered Units to the Company and/or the Applicable ROFR Rightsholders, and the Company and/or the Applicable ROFR Rightsholders, as the case may be, shall purchase such Offered Units, within sixty (60) days following the expiration of the ROFR Rightsholder Option Period (which period may be extended for a reasonable time not to exceed ninety (90) days to the extent reasonably necessary to obtain required approvals or consents from any Governmental Authority). Each Member shall take all actions as may be reasonably necessary to consummate the sale contemplated by this Section 10.03(f), including, without limitation, entering into agreements and delivering certificates and instruments and consents as may be deemed necessary or appropriate. At the closing of any sale and purchase pursuant to this Section

10.03(f), the Offering Member shall deliver to Damon Schmidt or his heirs, the Majority Unit Holder, the Company and/or the participating Applicable ROFR Rightsholders certificates (if any) representing the Offered Units to be sold, free and clear of any liens or encumbrances (other than those contained in this Agreement), accompanied by evidence of transfer and all necessary transfer taxes paid and stamps affixed, if necessary, against receipt of the purchase price therefor from Damon Schmidt or his heirs, the Majority Unit Holder, the Company and/or such Applicable ROFR Rightsholders by certified or official bank check or by wire transfer of immediately available funds.

(h) Sale to Proposed Purchaser. In the event that Damon Schmidt or his heirs, the Majority Unit Holder, the Company and/or the Applicable ROFR Rightsholders shall not have collectively elected to purchase all of the Offered Units, then, provided the Offering Member has also complied with the provisions of Section 10.05, to the extent applicable, the Offering Member may Transfer all of such Offered Units, at a price per Applicable Offered Unit not less than specified in the Offering Member Notice and on other terms and conditions which are not materially more favorable in the aggregate to the proposed purchaser than those specified in the Offering Member Notice, but only to the extent that such Transfer occurs within ninety (90) days after expiration of the ROFR Rightsholder Option Period. Any Offered Units not Transferred within such 90-day period will be subject to the provisions of this Section 10.03 upon subsequent Transfer.

Section 10.04 Drag-along Rights.

(a) Participation. If one or more Members (together with their respective Permitted Transferees) holding no less than a majority of all the Common Units (such Member or Members, the “**Dragging Member**”), proposes to consummate, in one transaction or a series of related transactions, a Change of Control (a “**Drag-along Sale**”), the Dragging Member shall have the right, after delivering the Drag-along Notice in accordance with Section 10.04(c) and subject to compliance with Section 10.04(d), to require that each other Member (each, a “**Drag-along Member**”) participate in such sale (including, if necessary, by converting their Unit Equivalents into the Units to be sold in the Drag-along Sale) in the manner set forth in Section 10.04(b).

(b) Sale of Units. Subject to compliance with Section 10.04(d):

(i) If the Drag-along Sale is structured as a sale resulting in a majority of the Common Units of the Company on a Fully Diluted Basis being held by a Third Party Purchaser, then each Drag-along Member shall sell, with respect to each class or series of Units proposed by the Dragging Member to be included in the Drag-along Sale, the number of Units and/or Unit Equivalents of such class or series (with Common Units treated as one class for this purpose) equal to the product obtained by multiplying (a) the number of applicable Units on a Fully Diluted Basis held by such Drag-along Member (with Common Units treated as one class) by (b) a fraction (x) the numerator of which is equal to the number of applicable Units on a Fully Diluted Basis that the Dragging Member proposes to sell in the Drag-along Sale (with Common Units treated as one class) and (y) the denominator of which is equal to the number of applicable Units on a Fully Diluted

Basis held by the Dragging Member at such time (with Common Units treated as one class); and

(ii) If the Drag-along Sale is structured as a sale of all or substantially all of the consolidated assets of the Company and the Company Subsidiaries or as a merger, consolidation, recapitalization, or reorganization of the Company or other transaction requiring the consent or approval of the Members, then notwithstanding anything to the contrary in this Agreement (including Section 4.06), each Drag-along Member shall vote in favor of the transaction and otherwise consent to and raise no objection to such transaction, and shall take all actions to waive any dissenters', appraisal or other similar rights that it may have in connection with such transaction. The Distribution of the aggregate consideration of such transaction shall be made in accordance with Section 12.03(c).

(c) Sale Notice. The Dragging Member shall exercise its rights pursuant to this Section 10.04 by delivering a written notice (the "**Drag-along Notice**") to the Company and each Drag-along Member no more than ten (10) Business Days after the execution and delivery by all of the parties thereto of the definitive agreement entered into with respect to the Drag-along Sale and, in any event, no later than twenty (20) Business Days prior to the closing date of such Drag-along Sale. The Drag-along Notice shall make reference to the Dragging Members' rights and obligations hereunder and shall describe in reasonable detail:

(i) The name of the person or entity to whom such Units are proposed to be sold;

(ii) The proposed date, time and location of the closing of the sale;

(iii) The number of each class or series of Units to be sold by the Dragging Member, the proposed amount of consideration for the Drag-along Sale and the other material terms and conditions of the Drag-along Sale, including a description of any non-cash consideration in sufficient detail to permit the valuation thereof and including, if available, the purchase price per Unit of each applicable class or series; and

(iv) A copy of any form of agreement proposed to be executed in connection therewith.

(d) Conditions of Sale. The obligations of the Drag-along Members in respect of a Drag-along Sale under this Section 10.04 are subject to the satisfaction of the following conditions:

(i) The consideration to be received by each Drag-along Member shall be the same form and amount of consideration to be received by the Dragging Member per Unit of each applicable class or series (the Distribution of which shall be made in accordance with Section 10.04(b)) and the terms and conditions of such sale shall, except as otherwise provided in Section 10.04(d)(iii), be the same as those upon which the Dragging Member sells its Units;

(ii) If the Dragging Member or any Drag-along Member is given an option as to the form and amount of consideration to be received, the same option shall be given to all Drag-along Members; and

(iii) Each Drag-along Member shall execute the applicable purchase agreement, if applicable, and make or provide the same representations, warranties, covenants, indemnities and agreements as the Dragging Member makes or provides in connection with the Drag-along Sale; provided, that each Drag-along Member shall only be obligated to make individual representations and warranties with respect to its title to and ownership of the applicable Units, authorization, execution and delivery of relevant documents, enforceability of such documents against the Drag-along Member, and other matters relating to such Drag-along Member, but not with respect to any of the foregoing with respect to any other Members or their Units; provided, further, that all representations, warranties, covenants and indemnities shall be made by the Dragging Member and each Drag-along Member severally and not jointly and any indemnification obligation shall be pro rata based on the consideration received by the Dragging Member and each Drag-along Member, in each case in an amount not to exceed the aggregate proceeds received by the Dragging Member and each such Drag-along Member in connection with the Drag-along Sale.

(e) Cooperation. Each Drag-along Member shall take all actions as may be reasonably necessary to consummate the Drag-along Sale, including, without limitation, entering into agreements and delivering certificates and instruments, in each case, consistent with the agreements being entered into and the certificates being delivered by the Dragging Member, but subject to Section 10.04(d)(iii).

(f) Expenses. The fees and expenses of the Dragging Member incurred in connection with a Drag-along Sale and for the benefit of all Drag-along Members (it being understood that costs incurred by or on behalf of a Dragging Member for its sole benefit will not be considered to be for the benefit of all Drag-along Members), to the extent not paid or reimbursed by the Company or the Third Party Purchaser, shall be shared by the Dragging Member and all the Drag-along Members on a pro rata basis, based on the consideration received by each such Member; provided, that no Drag-along Member shall be obligated to make any out-of-pocket expenditure prior to the consummation of the Drag-along Sale.

(g) Consummation of Sale. The Dragging Member shall have ninety (90) days following the date of the Drag-along Notice in which to consummate the Drag-along Sale, on the terms set forth in the Drag-along Notice (which ninety 90-day period may be extended for a reasonable time to the extent reasonably necessary to obtain required approvals or consents from any Governmental Authority). If at the end of such period the Dragging Member has not completed the Drag-along Sale, the Dragging Member may not then exercise its rights under this Section 10.04 without again fully complying with the provisions of this Section 10.04.

Section 10.05 Tag-along Rights.

(a) Participation. Subject to the terms and conditions specified in Section 10.01, Section 10.02 and Section 10.03, if any Member (the “**Selling Member**”) proposes to Transfer any of its Preferred Units and/or Common Units (or any Unit Equivalents of such Units) to any Person (a “**Proposed Transferee**”), each other Member (each, a “**Tag-along Member**”) shall be permitted to participate in such sale (a “**Tag-along Sale**”) on the terms and conditions set forth in this Section 10.05. Any Transfer of Units before a Sale or other liquidation of the Company can only be Transferred to Damon Schmidt or his heirs or the Majority Unit holder at \$2,535.71429 per Unit unless otherwise authorized by a vote of the Members holding a majority of the Common Units;

(b) Application of Transfer Restrictions. The provisions of this Section 10.05 shall only apply to Transfers in which:

(i) Damon Schmidt or his heirs, the Majority Unit Holder, The Company and Applicable ROFR Rightsholders have not exercised their rights in full under Section 10.03 to purchase all of the Offered Units; and

(ii) The Dragging Member has elected to not exercise its drag-along right under Section 10.04.

(c) Sale Notice. Prior to the consummation of any Transfer of Preferred Units and/or Common Units (or any Unit Equivalents of such Units) qualifying under Section 10.05(b), and after satisfying its obligations pursuant to Section 10.03, the Selling Member shall deliver to the Company and each other Member holding Units (or any Unit Equivalents of such Units) of the class or series proposed to be Transferred a written notice (a “**Sale Notice**”) of the proposed Tag-along Sale as soon as practicable following the expiration of the ROFR Rightsholder Option Period, and in no event later than five (5) Business Days thereafter. The Sale Notice shall make reference to the Tag-along Members’ rights hereunder and shall describe in reasonable detail:

(i) The aggregate number of Common Units and/or Preferred Units (or any Unit Equivalents of such Units) the Proposed Transferee has offered to purchase;

(ii) The identity of the Proposed Transferee;

(iii) The proposed date, time and location of the closing of the Tag-along Sale;

(iv) The purchase price per applicable Unit (which shall be payable solely in cash) and the other material terms and conditions of the Transfer; and

(v) A copy of any form of agreement proposed to be executed in connection therewith.

(d) Exercise of Tag-along Right.

(i) The Selling Member and each Tag-along Member timely electing to participate in the Tag-along Sale pursuant to Section 10.05(d)(ii) shall have the right to Transfer in the Tag-along Sale the number of Common Units and/or Preferred Units (and applicable Unit Equivalents, if any), as the case may be and with the Common Units and Preferred units treated as separate classes for purposes of this calculation, equal to the product of (x) the aggregate number of Common Units or Preferred Units (and applicable Unit Equivalents), as the case may be, that the Proposed Transferee proposes to buy as stated in the Sale Notice and (y) a fraction (A) the numerator of which is equal to the number of Common Units or Preferred Units, as the case may be, on a Fully Diluted Basis then held by the applicable Member, and (B) the denominator of which is equal to the number of Common Units or Preferred Units, as the case may be, on a Fully Diluted Basis then held by the Selling Member and all of the Tag-along Members timely electing to participate in the Tag-along Sale pursuant to Section 10.05(d)(ii) (such amount with respect to the Common Units (and applicable Unit Equivalents, if any), the “**Common Tag-along Portion**”, and with respect to the Preferred Units (and applicable Unit Equivalents, if any), the “**Preferred Tag-along Portion**”).

(ii) Each Tag-along Member shall exercise its right to participate in a Tag-along Sale by delivering to the Selling Member a written notice (a “**Tag-along Notice**”) stating its election to do so and specifying the number of Common Units and/or Unit Equivalents (up to its Common Tag-along Portion) and/or Preferred Units and/or Unit Equivalents (up to its Preferred Tag-along Portion), as the case may be, to be Transferred by it no later than ten (10) Business Days after receipt of the Sale Notice (the “**Tag-along Period**”).

(iii) The offer of each Tag-along Member set forth in a Tag-along Notice shall be irrevocable, and, to the extent such offer is accepted, such Tag-along Member shall be bound and obligated to consummate the Transfer on the terms and conditions set forth in this Section 10.05.

(e) Remaining Portions.

(i) If any Tag-along Member declines to exercise its right under Section 10.05(d)(i) or elects to exercise it with respect to less than its full Common Tag-Along Portion or full Preferred Tag-along Portion (the aggregate amount of Common Units resulting from all such unexercised Common Tag-Along Portions, the “**Remaining Common Portion**”, and the aggregate amount of Preferred Units resulting from all such unexercised Preferred Tag-Along Portions, the “**Remaining Preferred Portion**”), the Selling Member shall promptly deliver a written notice (a “**Remaining Portion Notice**”) to those Tag-along Members who have elected to Transfer their Common Tag-Along Portion in full (each, a “**Fully Participating Common Tag-along Member**”) and/or those Tag-along Members who have elected to Transfer their Preferred Tag-Along Portion in full (each, a “**Fully Participating Preferred Tag-along Member**”). The Selling Member, each Fully

Participating Common Tag-along Member (with respect to any Remaining Common Portion) and each Fully Participating Preferred Tag-along Member (with respect to any Remaining Preferred Portion) shall be entitled to Transfer, in addition to any applicable Units or Unit Equivalents already being Transferred, a number of Common Units and/or Preferred Units (or applicable Unit Equivalents), as the case may be, held by it equal to the product of (x) the Remaining Common Portion and/or Remaining Preferred Portion, as the case may be, and (y) a fraction (A) the numerator of which is equal to the number of Common Units and/or Preferred Units (and applicable Unit Equivalents), as the case may be, then held by the applicable Member, and (B) the denominator of which is equal to the number of Common Units and/or Preferred Units (and applicable Unit Equivalents), as the case may be, then held by the Selling Member and all Fully Participating Common Tag-along Members and/or Fully Participating Preferred Tag-along Members, as the case may be.

(ii) Each Fully Participating Common Tag-along Member and/or Fully Participating Preferred Tag-along Member, as the case may be, shall exercise its right to participate in the Transfer described in Section 10.05(e)(i) by delivering to the Selling Member a written notice (a “**Remaining Tag-along Notice**”) stating its election to do so and specifying the number of Common Units and/or Preferred Units (or applicable Unit Equivalents), as the case may be (up to the amounts it may Transfer pursuant to Section 10.05(e)(i)), to be Transferred by it no later than five (5) Business Days after receipt of the Remaining Portion Notice.

(iii) The offer of each Fully Participating Common Tag-along Member and each Fully Participating Preferred Tag-along Member set forth in a Remaining Tag-along Notice shall be irrevocable, and, to the extent such offer is accepted, such Member shall be bound and obligated to consummate the Transfer on the terms and conditions set forth in this Section 10.05.]

(f) Waiver. Each Tag-along Member who does not deliver a Tag-along Notice in compliance with Section 10.05(d)(ii) shall be deemed to have waived all of such Tag-along Member’s rights to participate in the Tag-along Sale with respect to the Common Units and/or Preferred Units (and/or Unit Equivalents) owned by such Tag-along Member, and the Selling Member shall (subject to the rights of any other participating Tag-along Member) thereafter be free to sell to the Proposed Transferee the Units and/or Unit Equivalents identified in the Sale Notice at a per Unit price that is no greater than the applicable per Unit price set forth in the Sale Notice and on other terms and conditions which are not materially more favorable to the Selling Member than those set forth in the Sale Notice, without any further obligation to the non-accepting Tag-along Members. Conditions of Sale. Each Member participating in the Tag-along Sale shall receive the same consideration per Common Unit and/or Preferred Unit, as the case may be, after deduction of such Member’s proportionate share of the related expenses in accordance with Section 10.06 below. Each Tag-along Member shall make or provide the same representations, warranties, covenants, indemnities and agreements as the Selling Member makes or provides in connection with the Tag-along Sale; provided, that each Tag-along Member shall only be obligated to make individual representations and warranties with

respect to its title to and ownership of the applicable Units, authorization, execution and delivery of relevant documents, enforceability of such documents against the Tag-along Member, and other matters relating to such Tag-along Member, but not with respect to any of the foregoing with respect to any other Members or their Units; provided, further, that all representations, warranties, covenants and indemnities shall be made by the Selling Member and each Tag-along Member severally and not jointly and any indemnification obligation shall be pro rata based on the consideration received by the Selling Member and each Tag-along Member, in each case in an amount not to exceed the aggregate proceeds received by the Selling Member and each such Tag-along Member in connection with the Tag-along Sale.

(i) Each holder of then currently exercisable Unit Equivalents with respect to a class or series of Units proposed to be Transferred in a Tag-along Sale shall be given an opportunity to convert such Unit Equivalents into the applicable class or series of Units prior to the consummation of the Tag-along Sale and participate in such sale as holders of such class or series of Units.

(g) Cooperation. Each Tag-along Member shall take all actions as may be reasonably necessary to consummate the Tag-along Sale, including, without limitation, entering into agreements and delivering certificates and instruments, in each case, consistent with the agreements being entered into and the certificates being delivered by the Selling Member, but subject to Section 10.05(g).

(h) Expenses. The fees and expenses of the Selling Member incurred in connection with a Tag-along Sale and for the benefit of all Tag-along Members (it being understood that costs incurred by or on behalf of a Selling Member for its sole benefit will not be considered to be for the benefit of all Tag-along Members), to the extent not paid or reimbursed by the Company or the Proposed Transferee, shall be shared by the Selling Member and all the participating Tag-along Members on a pro rata basis, based on the consideration received by each such Member; provided, that no Tag-along Member shall be obligated to make any out-of-pocket expenditure prior to the consummation of the Tag-along Sale.

Section 10.06 Section 10.06 Consummation of Sale.

The Selling Member shall have sixty (60) days following the expiration of the Tag-along Period in which to consummate the Tag-along Sale, on terms not more favorable to the Selling Member than those set forth in the Tag-along Notice (which such 60-day period may be extended for a reasonable time to the extent reasonably necessary to obtain required approvals or consents from any Governmental Authority). If at the end of such period the Selling Member has not completed the Tag-along Sale, the Selling Member may not then effect a Transfer that is subject to this Section 10.05 without again fully complying with the provisions of this Section 10.05.

Section 10.07 Confidentiality.

(a) Each Member acknowledges that during the term of this Agreement, he will have access to and become acquainted with trade secrets, proprietary information and confidential information belonging to the Company, the Company Subsidiaries and their Affiliates that are not generally known to the public, including, but not limited to, information concerning business plans, financial statements and other information provided pursuant to this Agreement, operating practices and methods, expansion plans, strategic plans, marketing plans, contracts, customer lists or other business documents which the Company treats as confidential, in any format whatsoever (including oral, written, electronic or any other form or medium) (collectively, “**Confidential Information**”). In addition, each Member acknowledges that: (i) the Company has invested, and continues to invest, substantial time, expense and specialized knowledge in developing its Confidential Information; (ii) the Confidential Information provides the Company with a competitive advantage over others in the marketplace; and (iii) the Company would be irreparably harmed if the Confidential Information were disclosed to competitors or made available to the public. Without limiting the applicability of any other agreement to which any Member is subject, no Member shall, directly or indirectly, disclose or use (other than solely for the purposes of such Member monitoring and analyzing his investment in the Company or performing his duties as a Manager, Officer, employee, consultant or other Service Provider of the Company) at any time, including, without limitation, use for personal, commercial or proprietary advantage or profit, either during his association or employment with the Company or thereafter, any Confidential Information of which such Member is or becomes aware. Each Member in possession of Confidential Information shall take all appropriate steps to safeguard such information and to protect it against disclosure, misuse, espionage, loss and theft.

(b) Nothing contained in Section 10.07(a) shall prevent any Member from disclosing Confidential Information: (i) upon the order of any court or administrative agency; (ii) upon the request or demand of any regulatory agency or authority having jurisdiction over such Member; (iii) to the extent compelled by legal process or required or requested pursuant to subpoena, interrogatories or other discovery requests; (iv) to the extent necessary in connection with the exercise of any remedy hereunder; (v) to other Members; (vi) to such Member’s Representatives who, in the reasonable judgment of such Member, need to know such Confidential Information and agree to be bound by the provisions of this Section 10.07 as if a Member; or (vii) to any potential Permitted Transferee in connection with a proposed Transfer of Units from such Member, as long as such Transferee agrees to be bound by the provisions of this Section 10.07 as if a Member; provided, that in the case of clause (i), (ii) or (iii), such Member shall notify the Company and other Members of the proposed disclosure as far in advance of such disclosure as practicable (but in no event make any such disclosure before notifying the Company and other Members) and use reasonable efforts to ensure that any Confidential Information so disclosed is accorded confidential treatment satisfactory to the Company, when and if available.

(c) The restrictions of Section 10.07(a) shall not apply to Confidential Information that: (i) is or becomes generally available to the public other than as a result

of a disclosure by a Member in violation of this Agreement; (ii) is or becomes available to a Member or any of its Representatives on a non-confidential basis prior to its disclosure to the receiving Member and any of its Representatives in compliance with this Agreement; (iii) is or has been independently developed or conceived by such Member without use of Confidential Information; or (iv) becomes available to the receiving Member or any of its Representatives on a non-confidential basis from a source other than the Company, any other Member or any of their respective Representatives; provided, that such source is not known by the recipient of the Confidential Information to be bound by a confidentiality agreement with the disclosing Member or any of its Representatives.

ARTICLE XI ACCOUNTING; TAX MATTERS

Section 11.01 Financial Statements. The Company shall furnish to each Member holding Common Units of the Company (each, a “**Qualified Member**”) the following annual financial statements:

(a) **Annual Financial Statements.** As soon as available, and in any event within one hundred twenty (120) days after the end of each Fiscal Year, consolidated balance sheets of the Company and Company Subsidiaries as at the end of each such Fiscal Year and consolidated statements of income, cash flows and Members’ equity for such Fiscal Year, in each case setting forth in comparative form the figures for the previous Fiscal Year. Such financial statements need not be audited and shall be prepared in a manner and form determined at the sole discretion of the Board.

Section 11.02 Inspection Rights. Upon reasonable notice from a Qualified Member, the Company shall, and shall cause its Managers, Officers and employees to, afford each Qualified Member and its Representatives reasonable access during normal business hours to (i) the Company’s and the Company Subsidiaries’ properties, offices, plants and other facilities, (ii) the corporate, financial and similar records, reports and documents of the Company and the Company Subsidiaries, including, without limitation, all books and records, minutes of proceedings, internal management documents, reports of operations, reports of adverse developments, copies of any management letters and communications with Members or Managers, and to permit each Qualified Member and its Representatives to examine such documents and make copies thereof, and (iii) the Company’s and the Company Subsidiaries’ Officers, senior employees and public accountants, and to afford each Qualified Member and its Representatives the opportunity to discuss and advise on the affairs, finances and accounts of the Company and the Company Subsidiaries with their Officers, senior employees and public accountants (and the Company hereby authorizes said accountants to discuss with such Qualified Member and its Representatives such affairs, finances and accounts).

Section 11.03 Budget. Not later than thirty (30) days prior to the commencement of each Fiscal Year, the Company shall prepare, submit to and obtain the approval of the Board of a business plan and monthly and annual operating budgets for the Company and Company Subsidiaries in detail for the upcoming Fiscal Year, including capital and operating expense budgets, cash flow projections, covenant compliance calculations of all

outstanding and projected indebtedness, and profit and loss projections, all itemized in reasonable detail (including itemization of provisions for Officers' compensation) (the "**Budget**"). The Company and the Subsidiaries shall use commercially reasonable efforts to operate in all material respects in accordance with the Budget. The Company shall review the Budget periodically and shall not make any material changes thereto without the approval of the Board.

Section 11.04 Partnership Representative.

(a) Appointment. The Members hereby appoint Damon Schmidt as the "**Partnership Representative**" who shall serve as the "partnership representative" (as such term is defined in the Partnership Tax Audit Rules) for the Company. The holders of Common Units may replace the Partnership Representative at any time by a majority vote, provided, however, that such replacement must be approved by a majority of the Board.

(b) Tax Examinations and Audits. The Partnership Representative is authorized and required to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by Taxing Authorities, including resulting administrative and judicial proceedings, and to expend Company funds for professional services and costs associated therewith. Each Member agrees to cooperate with the Partnership Representative and to do or refrain from doing any or all things reasonably requested by the Partnership Representative with respect to the conduct of examinations by Taxing Authorities and any resulting proceedings. Each Member agrees that any action taken by the Partnership Representative in connection with audits of the Company shall be binding upon such Members and that such Member shall not independently act with respect to tax audits or tax litigation affecting the Company.

(c) Income Tax Elections. The Partnership Representative shall have sole discretion to make any income tax election it deems advisable on behalf of the Company; provided, that the Partnership Representative will make an election under Section 754 of the Code, if requested in writing by Members holding a majority of the outstanding Common Units. All determinations as to tax elections and accounting principles shall be made solely by the Partnership Representative.

(d) Tax Returns and Tax Deficiencies. Each Member agrees that such Member shall not treat any Company item inconsistently on such Member's federal, state, foreign or other income tax return with the treatment of the item on the Company's return. The Partnership Representative shall have sole discretion to determine whether the Company (either on its own behalf or on behalf of the Members) will contest or continue to contest any tax deficiencies assessed or proposed to be assessed by any Taxing Authority. Any deficiency for taxes imposed on any Member (including penalties, additions to tax or interest imposed with respect to such taxes) will be paid by such Member and if required to be paid (and actually paid) by the Company, will be recoverable from such Member as provided in Section 7.05(d).

(e) Resignation. The Partnership Representative may resign at any time by providing written notice to the Company, provided, however, that such resignation shall

not be effective until the holders of a majority of the Common Units of the Company appoint a new Partnership Representative, with said appointment not to be unreasonably delayed.

Section 11.05 Tax Returns. At the expense of the Company, the Board (or any Officer that it may designate pursuant to Section 8.09) shall endeavor to cause the preparation and timely filing (including extensions) of all tax returns required to be filed by the Company pursuant to the Code as well as all other required tax returns in each jurisdiction in which the Company and the Company Subsidiaries own property or do business. As soon as reasonably possible after the end of each Fiscal Year, the Board or designated Officer will cause to be delivered to each Person who was a Member at any time during such Fiscal Year, IRS Schedule K-1 to Form 1065 and such other information with respect to the Company as may be necessary for the preparation of such Person's federal, state and local income tax returns for such Fiscal Year.

Section 11.06 Company Funds. All funds of the Company shall be deposited in its name, or in such name as may be designated by the Board, in such checking, savings or other accounts, or held in its name in the form of such other investments as shall be designated by the Board. The funds of the Company shall not be commingled with the funds of any other Person. All withdrawals of such deposits or liquidations of such investments by the Company shall be made exclusively upon the signature or signatures of such Officer or Officers as the Board may designate.

ARTICLE XII DISSOLUTION AND LIQUIDATION

Section 12.01 Events of Dissolution. The Company shall be dissolved and its affairs wound up only upon the occurrence of any of the following events:

- (a) The determination of the Board to dissolve the Company:
 - (i) An election to dissolve the Company made by holders of a majority of the Common Units;
 - (ii) The sale, exchange, involuntary conversion, or other disposition or Transfer of all or substantially all the assets of the Company; or
 - (iii) The entry of a decree of judicial dissolution.

Section 12.02 Effectiveness of Dissolution. Dissolution of the Company shall be effective on the day on which the event described in Section 12.01 occurs, but the Company shall not terminate until the winding up of the Company has been completed, the assets of the Company have been distributed as provided in Section 12.03 and the Certificate of Organization shall have been cancelled as provided in Section 12.04.

Section 12.03 Liquidation. If the Company is dissolved pursuant to Section 12.01, the Company shall be liquidated and its business and affairs wound up in accordance with the following provisions:

(a) Liquidator. The Board, or, if the Board is unable to do so, a Person selected by the holders of a majority of the Common Units, shall act as liquidator to wind up the Company (the “**Liquidator**”). The Liquidator shall have full power and authority to sell, assign, and encumber any or all of the Company’s assets and to wind up and liquidate the affairs of the Company in an orderly and business-like manner.

(b) Accounting. As promptly as possible after dissolution and again after final liquidation, the Liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company’s assets, liabilities and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable.

(c) Distribution of Proceeds. The Liquidator shall liquidate the assets of the Company and Distribute the proceeds of such liquidation in the following order of priority, unless otherwise required by mandatory provisions of Applicable Law:

(i) First, to the payment of all of the Company’s debts and liabilities to its creditors (including Members, if applicable) and the expenses of liquidation (including sales commissions incident to any sales of assets of the Company);

(ii) Second, to the establishment of and additions to reserves that are determined by the Board in its sole discretion to be reasonably necessary for any contingent unforeseen liabilities or obligations of the Company; and

(iii) Third, to the Members in the same manner as Distributions are made under Section 7.02.

(d) Discretion of Liquidator. Notwithstanding the provisions of Section 12.03(c) that require the liquidation of the assets of the Company, but subject to the order of priorities set forth in Section 12.03(c), if upon dissolution of the Company the Liquidator determines that an immediate sale of part or all of the Company’s assets would be impractical or could cause undue loss to the Members, the Liquidator may defer the liquidation of any assets except those necessary to satisfy Company liabilities and reserves, and may, in its absolute discretion, Distribute to the Members, in lieu of cash, as tenants in common and in accordance with the provisions of Section 12.03(c), undivided interests in such Company assets as the Liquidator deems not suitable for liquidation. Any such Distribution in kind will be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operating of such properties at such time. For purposes of any such Distribution, any property to be Distributed will be valued at its Fair Market Value.

Section 12.04 Cancellation of Certificate. Upon completion of the Distribution of the assets of the Company as provided in Section 12.03(c) hereof, the Company shall be terminated and the Liquidator shall cause the cancellation of the Certificate of Organization in the Commonwealth of Massachusetts and of all qualifications and registrations of the Company as a foreign limited liability company in jurisdictions other

than the Commonwealth of Massachusetts and shall take such other actions as may be necessary to terminate the Company.

Section 12.05 Survival of Rights, Duties and Obligations. Dissolution, liquidation, winding up or termination of the Company for any reason shall not release any party from any Loss which at the time of such dissolution, liquidation, winding up or termination already had accrued to any other party or which thereafter may accrue in respect of any act or omission prior to such dissolution, liquidation, winding up or termination. For the avoidance of doubt, none of the foregoing shall replace, diminish or otherwise adversely affect any Member's right to indemnification pursuant to Section 13.03.

Section 12.06 Resource for Claims. Each Member shall look solely to the assets of the Company for all Distributions with respect to the Company, such Member's Capital Account, and such Member's share of Net Income, Net Loss and other items of income, gain, loss and deduction, and shall have no recourse therefor (upon dissolution or otherwise) against the Board, the Liquidator or any other Member.

ARTICLE XIII EXCULPATION AND INDEMNIFICATION

Section 13.01 Exculpation of Covered Persons.

(a) Covered Persons. As used herein, the term "**Covered Person**" shall mean (i) each Member, (ii) each officer, director, shareholder, partner, member, controlling Affiliate, employee, agent or representative of each Member, and each of their controlling Affiliates, and (iii) each Manager, Officer, employee, agent or representative of the Company.

(b) Standard of Care. No Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any action taken or omitted to be taken by such Covered Person in good-faith reliance on the provisions of this Agreement, so long as such action or omission does not constitute fraud or willful misconduct by such Covered Person.

(c) Good Faith Reliance. A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, Net Income or Net Losses of the Company or any facts pertinent to the existence and amount of assets from which Distributions might properly be paid) of the following Persons or groups: (i) another Manager; (ii) one or more Officers or employees of the Company; (iii) any attorney, independent accountant, appraiser or other expert or professional employed or engaged by or on behalf of the Company; or (iv) any other Person selected in good faith by or on behalf of the Company, in each case as to matters that such relying Person reasonably believes to be within such other Person's professional or expert competence.

Section 13.02 Liabilities and Duties of Covered Persons.

(a) Limitation of Liability. This Agreement is not intended to, and does not, create or impose any fiduciary duty on any Covered Person. Furthermore, each of the Members and the Company hereby waives any and all fiduciary duties that, absent such waiver, may be implied by Applicable Law, and in doing so, acknowledges and agrees that the duties and obligation of each Covered Person to each other and to the Company are only as expressly set forth in this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Members to replace such other duties and liabilities of such Covered Person.

(b) Duties. Whenever in this Agreement a Covered Person is permitted or required to make a decision (including a decision that is in such Covered Person's "discretion" or under a grant of similar authority or latitude), the Covered Person shall be entitled to consider only such interests and factors as such Covered Person desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Company or any other Person. Whenever in this Agreement a Covered Person is permitted or required to make a decision in such Covered Person's "good faith," the Covered Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Agreement or any other Applicable Law.

Section 13.03 Indemnification.

(a) Indemnification. As the same now exists or may hereafter be amended, substituted or replaced the Company shall indemnify, hold harmless, defend, pay and reimburse any Covered Person against any and all losses, claims, damages, judgments, fines or liabilities, including reasonable legal fees or other expenses incurred in investigating or defending against such losses, claims, damages, judgments, fines or liabilities, and any amounts expended in settlement of any claims (collectively, "**Losses**") to which such Covered Person may become subject by reason of:

(i) Any act or omission or alleged act or omission performed or omitted to be performed on behalf of the Company, any Member or any direct or indirect Subsidiary of the foregoing in connection with the business of the Company; or

(ii) The fact that such Covered Person is or was acting in connection with the business of the Company as a partner, member, stockholder, controlling Affiliate, manager, director, officer, employee or agent of the Company, any Member, or any of their respective controlling Affiliates, or that such Covered Person is or was serving at the request of the Company as a partner, member, manager, director, officer, employee or agent of any Person including the Company or any Company Subsidiary;

provided, that (x) such Covered Person acted in good faith and in a manner believed by such Covered Person to be in, or not opposed to, the best interests of the Company and,

with respect to any criminal proceeding, had no reasonable cause to believe his conduct was unlawful, and (y) such Covered Person's conduct did not constitute fraud or willful misconduct, in either case as determined by a final, nonappealable order of a court of competent jurisdiction. In connection with the foregoing, the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Covered Person did not act in good faith or, with respect to any criminal proceeding, had reasonable cause to believe that such Covered Person's conduct was unlawful, or that the Covered Person's conduct constituted fraud or willful misconduct.

(b) Reimbursement. The Company shall promptly reimburse (and/or advance to the extent reasonably required) each Covered Person for reasonable legal or other expenses (as incurred) of such Covered Person in connection with investigating, preparing to defend or defending any claim, lawsuit or other proceeding relating to any Losses for which such Covered Person may be indemnified pursuant to this Section 13.03; provided, that if it is finally judicially determined that such Covered Person is not entitled to the indemnification provided by this Section 13.03, then such Covered Person shall promptly reimburse the Company for any reimbursed or advanced expenses.

(c) Entitlement to Indemnity. The indemnification provided by this Section 13.03 shall not be deemed exclusive of any other rights to indemnification to which those seeking indemnification may be entitled under any agreement or otherwise. The provisions of this Section 13.03 shall continue to afford protection to each Covered Person regardless of whether such Covered Person remains in the position or capacity pursuant to which such Covered Person became entitled to indemnification under this Section 13.03 and shall inure to the benefit of the executors, administrators, legatees and distributees of such Covered Person.

(d) Insurance. To the extent available on commercially reasonable terms, the Company may purchase, at its expense, insurance to cover Losses covered by the foregoing indemnification provisions and to otherwise cover Losses for any breach or alleged breach by any Covered Person of such Covered Person's duties in such amount and with such deductibles as the Board may determine; provided, that the failure to obtain such insurance shall not affect the right to indemnification of any Covered Person under the indemnification provisions contained herein, including the right to be reimbursed or advanced expenses or otherwise indemnified for Losses hereunder. If any Covered Person recovers any amounts in respect of any Losses from any insurance coverage, then such Covered Person shall, to the extent that such recovery is duplicative, reimburse the Company for any amounts previously paid to such Covered Person by the Company in respect of such Losses.

(e) Funding of Indemnification Obligation. Notwithstanding anything contained herein to the contrary, any indemnity by the Company relating to the matters covered in this Section 13.03 shall be provided out of and to the extent of Company assets only, and no Member (unless such Member otherwise agrees in writing) shall have personal liability on account thereof or shall be required to make additional Capital Contributions to help satisfy such indemnity by the Company.

(f) Savings Clause. If this Section 13.03 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Covered Person pursuant to this Section 13.03 to the fullest extent permitted by any applicable portion of this Section 13.03 that shall not have been invalidated and to the fullest extent permitted by Applicable Law.

(g) Amendment. The provisions of this Section 13.03 shall be a contract between the Company, on the one hand, and each Covered Person who served in such capacity at any time while this Section 13.03 is in effect, on the other hand, pursuant to which the Company and each such Covered Person intend to be legally bound. No amendment, modification or repeal of this Section 13.03 that adversely affects the rights of a Covered Person to indemnification for Losses incurred or relating to a state of facts existing prior to such amendment, modification or repeal shall apply in such a way as to eliminate or reduce such Covered Person's entitlement to indemnification for such Losses without the Covered Person's prior written consent.

(h) Survival. The provisions of this Article XIII shall survive the dissolution, liquidation, winding up and termination of the Company.

ARTICLE XIV MISCELLANEOUS

Section 14.01 Expenses. Except as otherwise expressly provided herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with the preparation and execution of this Agreement, or any amendment or waiver hereof, and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

Section 14.02 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, the Company and each Member hereby agrees, at the request of the Company or any other Member, to execute and deliver such additional documents, instruments, conveyances and assurances and to take such further actions as may be required to carry out the provisions hereof and give effect to the transactions contemplated hereby.

Section 14.03 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the

following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 14.03):

If to the Company: Royal Sun Cannabis LLC
130 South Royalston Road
Royalston, MA 01368
E-mail: damon@royalsunfarm.com
Attention: Damon Schmidt, CEO

with a copy to: AAFCPAs
Facsimile: 508-366-9789
E-mail: Jengland@aafcpa.com
Attention: Joshua England

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

Section 14.04 Headings. The headings in this Agreement are inserted for convenience or reference only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provision of this Agreement.

Section 14.05 Severability. If any term or provision of this Agreement is held to be invalid, illegal or unenforceable under Applicable Law in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 14.06 Entire Agreement.

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

(b) In the event of an inconsistency or conflict between the provisions of this Agreement and any provision of any Incentive Plan or an applicable Award Agreement with respect to the subject matter of the Incentive Plan or Award Agreement, the Board shall resolve such conflict in its sole discretion.

Section 14.07 Successors and Assigns. Subject to the restrictions on Transfers set forth herein, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 14.08 No Third-party Beneficiaries. Except as provided in Article XIII which shall be for the benefit of and enforceable by Covered Persons as described therein, this Agreement is for the sole benefit of the parties hereto (and their respective heirs, executors, administrators, successors and assigns) and nothing herein, express or implied, is intended to or shall confer upon any other Person, including any creditor of the Company, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 14.09 Amendment. No provision of this Agreement may be amended or modified except by an instrument in writing executed by the Company and Members holding fifty-five percent (55%) of the Units. Any such written amendment or modification will be binding upon the Company and each Member; provided, that an amendment or modification modifying the rights or obligations of any Member in a manner that is disproportionately adverse to (a) such Member relative to the rights of other Members in respect of Units of the same class or series or (b) a class or series of Units relative to the rights of another class or series of Units, shall in each case be effective only with that Member's consent or the consent of the Members holding a majority of the Units in that class or series, as applicable. Notwithstanding the foregoing, amendments to the Members Schedule following any new issuance, redemption, repurchase or Transfer of Units in accordance with this Agreement may be made by the Board without the consent of or execution by the Members.

Section 14.10 Waiver. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. For the avoidance of doubt, nothing contained in this Section 14.10 shall diminish any of the explicit and implicit waivers described in this Agreement, including in Section 4.07(f), Section 8.04(c), Section 10.03(d)(v), Section 10.04(b)(ii), Section 10.05(f) and Section 14.13 hereof.

Section 14.11 Governing Law. All issues and questions concerning the application, construction, validity, interpretation and enforcement of this Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Massachusetts or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the Commonwealth of Massachusetts.

Section 14.12 Submission to Jurisdiction. The parties hereby agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby, whether in contract, tort or otherwise, shall be brought in the Superior Court of the Commonwealth of Massachusetts (or, if such court lacks subject matter jurisdiction, in a court of the Commonwealth of Massachusetts with subject matter jurisdiction), so long as one of such courts shall have subject-matter jurisdiction over such suit, action or proceeding, and that any case of action arising out of this Agreement shall be deemed to have arisen from a transaction of business in the Commonwealth of Massachusetts. Each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient form. Service of process, summons, notice or other document by registered mail to the address set forth in Section 14.03 shall be effective service of process for any suit, action or other proceeding brought in any such court.

Section 14.13 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 14.14 Equitable Remedies. Each party hereto acknowledges that a breach or threatened breach by such party of any of its obligations under this Agreement would give rise to irreparable harm to the other parties, for which monetary damages would not be an adequate remedy, and hereby agrees that in the event of a breach or a threatened breach by such party of any such obligations, each of the other parties hereto shall, in addition to any and all other rights and remedies that may be available to them in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

Section 14.15 Attorneys' Fees. In the event that any party hereto institutes any legal suit, action or proceeding, including arbitration, against another party in respect of a matter arising out of or relating to this Agreement, the prevailing party in the suit, action or proceeding shall be entitled to receive, in addition to all other damages to which it may be entitled, the costs incurred by such party in conducting the suit, action or proceeding, including reasonable attorneys' fees and expenses and court costs.

Section 14.16 Remedies Cumulative. The rights and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights and

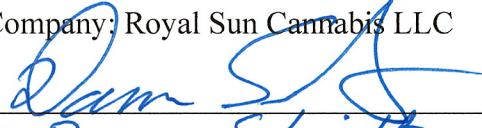
remedies available at law or in equity or otherwise, except to the extent expressly provided in Section 13.02 to the contrary.

Section 14.17 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of Electronic Transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

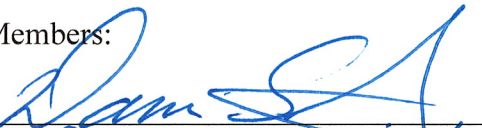
[Signature page follows]

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

The Company: Royal Sun Cannabis LLC

By: 
Name: Damon Schmitt
Title: Mgr

The Members:

By: 
Name: Damon Schmitt
Title: subscriber

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Signature Page to Amended and Restated Limited Liability Company Agreement
Signature Page Continued

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

The Members:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
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Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Signature Page to Amended and Restated Limited Liability Company Agreement

Signature Page to Amended and Restated Limited Liability Company Agreement

Signature Page Continued

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

The Members:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
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By: _____
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By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT A
UNIT PURCHASE AGREEMENT
Royal Sun Cannabis LLC

Subscription Agreement

THIS SUBSCRIPTION AGREEMENT (this “**Agreement**”) is entered into by and between Royal Sun Cannabis LLC a MA limited liability company (the “**Company**”), and the undersigned Subscriber in the Company (“**Subscriber**”) as of 7/30/21. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to in the Operating Agreement provided herewith by and among the Managers and the Members identified therein (the “**Operating Agreement**”).

WHEREAS, the Company has been formed as a limited liability company under the laws of the State of MA by the filing of its Royal Sun Cannabis LLC Certificate in the office of the Secretary of State of the State of MA.

WHEREAS, the existing Members and the Managers have set out fully in the Operating Agreement their respective rights, obligations and duties with respect to the Company and its assets; and

WHEREAS, Subscriber wishes to purchase from the Company, and the Company wishes to issue to Subscriber, a membership interest in the Company in the form of a number of units, each represented by a capital commitment in the aggregate amount of \$2,535.71429 a “**Unit**”;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, the parties agree as follows:

1. Subscription for Units.

1.1 Agreement to Sell and Purchase. Subscriber hereby agrees to purchase from the Company, and the Company hereby agrees to issue and sell to Subscriber, subject to Section 2.2 (Rejection of Subscription) of this Agreement, the number of Units set forth below Subscriber’s signature on the signature page hereto (the “**Purchased Units**”), all subject to the terms and conditions set forth in this Agreement.

1.2 Consideration. In consideration of the issuance and sale of the Purchased Units, Subscriber agrees to make an Initial Capital Contribution to the Company based on \$2,535.71429 per Unit with a total amount of Units of 3,294.11764 that make up all the Units of Royal Sun Cannabis LLC. There will be no additional Units beyond the 3,294.11764 Units.

2. Closing.

2.1 Closing Date. The Closing of the purchase and sale of the Units shall occur at a time, date, and place designated by the Company; provided, however, that in no event shall the Closing occur more than 30 days after the execution of this Agreement.

2.2 Rejection of Subscription. At or before the Closing, the Company may, in its sole discretion and for any reason, elect not to accept the subscription of Subscriber, in whole or in part. If the Company rejects such subscription, the Company shall refund to Subscriber all funds submitted by Subscriber to the Company in connection with such rejected subscription.

2.3 Default. If Subscriber fails to perform his obligations hereunder within five days after receipt of notice by the Company to Subscriber of such failure, the Company may, at its sole option: (a) if such failure occurs prior to the Closing, refuse to issue the Purchased Units to Subscriber; or (b) if such failure occurs after the Closing, result in the reversion of all rights, title and interest in the Units to the Company and a rescission of the transactions contemplated hereby.

2.4 Failure of Closing to Occur. The Company shall have no liability to Subscriber for (a) the failure of the Closing to occur or (b) its failure to issue the Purchased Units to Subscriber.

2.5 Obligations of Subscriber. At the Closing, Subscriber shall execute the Operating Agreement and such other documents as are deemed by the Company to be appropriate, advisable or necessary to consummate the transactions contemplated hereby and thereby.

2.6 Subscription Irrevocable. Except as provided under applicable state securities laws, this subscription is and shall be irrevocable on the part of Subscriber.

3. Representation and Warranties of Subscriber.

Subscriber hereby represents and warrants to the Company as follows:

3.1 No Conflicts. The execution and delivery of this Agreement do not, and the consummation of the transactions contemplated hereby will not, violate any terms of any material contractual restriction or commitment of any kind or character to which Subscriber is a party or by which Subscriber is bound.

3.2 Risk of Loss. Subscriber is able to bear the substantial economic risks of an investment in the Company and to sustain a complete loss of such investment. Subscriber recognizes that the acquisition of the Purchased Units involves a high degree of risk. Subscriber is cognizant of and

understands all of the risks related to the purchase of the Units, including those set forth in Section 3.7 (Restrictions on Transfer) of this Agreement pertaining to transferability. Subscriber has adequate net worth and means of providing for his current needs and possible personal contingencies and has no need for liquidity in this investment. Subscriber's commitment to investments which are not readily marketable is not disproportionate to his net worth and his acquisition of the Purchased Units will not cause his overall commitment to such investments to become excessive.

3.3 Access. Subscriber acknowledges that all documents, records and books pertaining to this investment have been made available for inspection by him, his counsel, and his accountants. Counsel and accountants for Subscriber, and Subscriber himself, have had the opportunity to obtain any additional information necessary to verify the accuracy of the contents of the documents presented to them, and to confer with and to ask questions of, and receive answers from, representatives of the Company or persons authorized to act on its behalf concerning the terms and conditions of this investment and any additional information requested by Subscriber or his representatives. In evaluating the suitability of this investment in the Company, Subscriber has not relied upon any representations or other information (whether oral or written) other than as set forth in any documents or answers to questions furnished by the Company. Subscriber is making this investment without being furnished any offering literature other than the documents or answers to questions described above.

3.4 Investment Intent. The Purchased Units are being acquired by Subscriber for the account of Subscriber, for investment purposes only, and not with a view to, or in connection with, any resale or distribution thereof. Subscriber has no contract, undertaking, understanding, agreement or arrangement, formal or informal with any person or entity to sell, transfer or pledge to any person or entity all or any part of the Purchased Units, any interest therein or any rights thereto, and Subscriber has no present plans to enter into any such contract, undertaking, agreement or arrangement.

3.5 Reliance on Representations. Subscriber understands that no federal or state agency has passed on or made any recommendation or endorsement of the Units. Subscriber further understands that the Company, in offering the Purchased Units for sale to Subscriber, is relying on the truth and accuracy of the representations, declarations, and warranties made by Subscriber herein and in the investor suitability questionnaire completed, executed and delivered by Subscriber to the Company contemporaneously herewith.

3.6 No Registration. Subscriber acknowledges that, because the Units have not been registered under the Securities Act of 1933 (the "**Securities Act**"), and because the Company has no obligation to effect such registration, Subscriber shall continue to bear the economic risk of his investment in the Purchased Units for an indefinite period.

3.7 Restrictions on Transfer. Subscriber agrees that he will not sell or otherwise transfer the Purchased Units without prior written consent of the Board. It is understood that the Units cannot be liquidated easily, that no public or other market exists for the Units, and that no such market is expected to develop. Subscriber is aware that, because the Purchased Units have not been registered under the Securities Act or applicable state securities laws, any resale inconsistent with the Securities Act or applicable state securities laws may create liability on Subscriber's part or

the part of the Company, and agrees not to assign, sell, pledge, transfer or otherwise dispose of the Units unless they are registered under the Securities Act and applicable state securities laws, or an opinion of counsel satisfactory to the Company is given to the Company that such registration is not required. Subscriber is aware that the Company will impress on the back of any certificate representing Units a legend substantially as follows:

- *These Units have not been registered under the Securities Act of 1933 or applicable state securities laws. They may not be offered or transferred by sale, assignment, pledge or otherwise unless (i) a registration statement for the Units under the Securities Act and applicable state securities laws is in effect or (ii) the Company has received an opinion of counsel satisfactory to the Company to the effect that such registration is not required.*

3.8 Sophistication. Subscriber possesses a sufficient degree of sophistication, knowledge, and experience in financial and business matters such that he is capable of evaluating the merits and risks of acquiring the Purchased Units.

3.9 No Oral Representations. No person representing the Company or purporting to do so has made any oral representation or warranty to Subscriber which is inconsistent with the information provided in writing to him. Subscriber agrees that he has not relied and shall not rely on any such representation or warranty in connection with any decision to acquire the Purchased Units.

3.10 Execution on Behalf of Certain Entities. If this Agreement is executed on behalf of a partnership, trust, corporation or other entity, the undersigned has been duly authorized to execute and deliver this Agreement and all other documents and instruments (if any) executed and delivered on behalf of such entity in connection with this subscription for the Purchased Units.

3.11 Brokers. No broker, finder or intermediary has been paid or is entitled to a fee or commission from or by Subscriber in connection with the purchase of the Purchased Units nor is Subscriber entitled to or will accept any such fee or commission.

3.12 Indemnification. Subscriber acknowledges that Subscriber understands the meaning and legal consequences of the representations and warranties contained in this Agreement, and hereby agrees to indemnify and hold harmless the Company and any affiliate of the Company, and the officers, members, managers, associates, agents and employees of the Company and their affiliates, and any professional advisers to any of the above parties, from and against any and all loss, damage or liability (including costs and reasonable attorneys' fees) due to or arising out of a breach of any representation, warranty or acknowledgement of Subscriber or failure to fulfill any obligation of Subscriber, whether contained in this Agreement or in any other document completed as part of the sale of the Purchased Units to Subscriber, or arising out of the sale or distribution by Subscriber of any securities in violation of the Securities Act or any applicable state securities laws. Notwithstanding any of the representations, warranties, acknowledgements or agreements made herein by Subscriber, Subscriber does not hereby or in any other manner waive any rights granted to him under federal or state securities laws.

3.13 Subject to Operating Agreement. The Units subscribed for herein shall at all times be subject to the terms of the Operating Agreement.

3.14 Confidentiality. Subscriber hereby agrees, on behalf of himself and his designated representative, if any, to keep confidential at all times any nonpublic information which such persons may acquire concerning the Company pursuant to this Agreement or otherwise. Nothing in this Section 3.14 (Confidentiality) shall be construed to impose a confidentiality obligation on such persons in connection with (a) any information already possessed by such persons which such persons acquired from sources other than the Company, or (b) any matter which is at the date of this Agreement, or thereafter becomes, public knowledge through no act or failure to act by the undersigned or designated representatives of Subscriber.

3.15 Survival. The foregoing representations and warranties of Subscriber shall survive the Closing. Subscriber represents and warrants that the representations, warranties and acknowledgements set forth above are true and accurate as of the date hereof and as of the Closing. If in any respect such representations and warranties shall not be true prior to the Closing, the undersigned will give prompt written notice of such fact to the Company.

4. General.

4.1 Governing Law. This Agreement will be construed in accordance with and governed by the laws of the State of MA, without giving effect to conflict of law principles.

4.2 Successors and Assigns. Except as otherwise expressly provided in this Agreement, this Agreement will be binding on, and will inure to the benefit of, the successors and permitted assigns of the parties to this Agreement. Nothing in this Agreement is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights or obligations under or by reason of this Agreement, except as expressly provided in this Agreement.

4.3 Notices. All notices and other communications required or permitted hereunder will be in writing and will be delivered by hand or sent by overnight courier, fax or e-mail to:

If to the Company:

Royal Sun Cannabis LLC

Address: 130 South Royalston Rd, Royalston MA 01368

E-mail: damon@royalsunfarm.com

Attention: Damon Schmidt

If to the Subscriber:

Name:

Address:

E-mail:

Attention:

Each party may furnish an address substituting for the address given above by giving notice to the other parties in the manner prescribed by this Section 4.3. All notices and other communications will be deemed to have been given upon actual receipt by (or tender to and rejection by) the intended recipient or any other person at the specified address of the intended recipient.

4.4 Severability. In the event that any provision of this Agreement is held to be unenforceable under applicable law, this Agreement will continue in full force and effect without such provision and will be enforceable in accordance with its terms.

4.5 Construction. The titles of the sections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless the context of this Agreement clearly requires otherwise: (a) references to the plural include the singular, the singular the plural, and the part the whole, (b) references to one gender include all genders, (c) “or” has the inclusive meaning frequently identified with the phrase “and/or,” (d) “including” has the inclusive meaning frequently identified with the phrase “including but not limited to” or “including without limitation,” and (e) references to “hereunder,” “herein” or “hereof” relate to this Agreement as a whole. Any reference in this Agreement to any statute, rule, regulation or agreement, including this Agreement, shall be deemed to include such statute, rule, regulation or agreement as it may be modified, varied, amended or supplemented from time to time.

4.6 Entire Agreement. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter of this Agreement and supersedes all prior or contemporaneous agreements and understanding other than this Agreement relating to the subject matter hereof.

4.7 Amendment and Waiver. This Agreement may be amended only by a written agreement executed by the parties hereto. No provision of this Agreement may be waived except by a written document executed by the party entitled to the benefits of the provision. No waiver of a provision will be deemed to be or will constitute a waiver of any other provision of this Agreement. A waiver will be effective only in the specific instance and for the purpose for which it was given, and will not constitute a continuing waiver.

4.8 Counterparts. This Agreement may be in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one instrument.

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

COMPANY:

Signature: _____

Name: _____

Title: _____

Dated: _____

SUBSCRIBER:

Signature: _____

Name: _____

Title: _____

Dated: _____

Number of Units: _____ For a Total Dollar Amount Invested: \$ _____

SIGNATURE PAGE TO SUBSCRIPTION AGREEMENT

EXHIBIT B
JOINDER AGREEMENT
TO LIMITED LIABILITY COMPANY AGREEMENT

This joinder agreement to limited liability company agreement of Royal Sun Cannabis LLC (this “Agreement”) is executed and delivered this _____ day of _____, 2021 by _____ (“[NAME]”) and is effective as of the date hereof.

All capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Limited Liability Company Agreement of Royal Sun Cannabis LLC dated as of _____, 2021, as amended, by and among the Members of the Company as defined therein (the “Operating Agreement”).

WHEREAS, _____ [NAME] desires to purchase _____ Units, each representing a member interest of the Company (a “Member’s Interest”);

WHEREAS, in connection with the purchase of the Member’s Interest, _____ [NAME] must, among other things, become a party to the Operating Agreement;

NOW, THEREFORE, in consideration of the premises, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

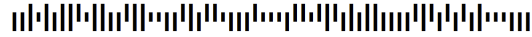
_____ [NAME] hereby acknowledges and agrees with the Company that he/she is a signatory and party to the Operating Agreement as of the date first written above and thus subject to all terms and conditions of the Operating Agreement applicable to each Member of the Company.

IN WITNESS WHEREOF, the undersigned has executed this Agreement on the day and year first set forth above.

_____ FULL NAME	ACCEPTED: _____ Royal Sun Cannabis LLC BY: Name Title
--------------------	--------------------------------------------------------------------------



CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



ROYAL SUN CANNABIS LLC
130 S ROYALSTON RD
ROYALSTON MA 01368-9504

Why did I receive this notice?

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

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

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

What if I have questions?

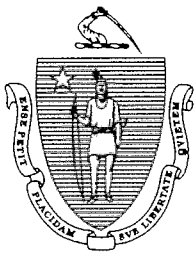
If you have questions, call us at (617) 887-6400, Monday through Friday, 9:00 a.m. to 4:00 p.m.

Visit us online!

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

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

Edward W. Coyle, Jr., Chief
Collections Bureau



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

William Francis Galvin
Secretary of the
Commonwealth

August 22, 2025

TO WHOM IT MAY CONCERN:

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

ROYAL SUN CANNABIS LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **February 19, 2021**.

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

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

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

I also certify that the names of all persons authorized to act with respect to real property listed in the most recent filing are: **DAMON SCHMIDT**



In testimony of which,

I have hereunto affixed the

Great Seal of the Commonwealth

on the date first above written.

William Francis Galvin

Secretary of the Commonwealth

Processed by: TAA

QC by: Sam

Plan for Obtaining Liability Insurance – Royal Sun Cannabis LLC

Royal Sun Cannabis LLC plans to obtain a liability insurance policy or otherwise meet the requirements of 935 CMR 500.105(10). Royal Sun Cannabis will contract with an insurance provider to maintain general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate annually and product liability coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate annually. The deductible for this policy will be no higher than \$5,000 per occurrence.

If Royal Sun Cannabis is unable to obtain minimum liability insurance coverage as required by 935 CMR 500.105(10)(a), Royal Sun Cannabis will place in escrow \$250,000 or such other amount approved by the Commission, to be expended for coverage of liabilities. The escrow account required pursuant to 935 CMR 500.105(10)(b) will be replenished within ten business days of any expenditure.

Royal Sun Cannabis will carry automobile coverage, as well as property and casualty coverage. Coverage to include business interruption protection. Replacement cost will be used to value all property ensuring a full recovery in event of total loss. Business interruption coverage will allow Royal Sun Cannabis to continue paying employees, vendors, taxes & fees during reconstruction, if necessary. Royal Sun Cannabis will keep reports documenting compliance with 935 CMR 500.000.

Business Plan – Royal Sun Cannabis

Under 935 CMR 500.101 (7) - A detailed **summary** of the business plan for the Marijuana Establishment;

Definitions of the word **summary**:

- 1) a comprehensive and usually brief abstract, recapitulation, or compendium of previously stated facts or statements.
- 2) A summary is a short statement that summarizes or informs the audience of the main ideas of a longer piece of writing. Essentially, the summary is a short version of a longer text. The size of a summary can vary based on the type of writing, but most often they are no longer than a page.

Business Plan Summary

Royal Sun Cannabis will become a recreational marijuana retailer licensed by the State of Massachusetts. Royal Sun Cannabis main business plan/goal is to expand to 3 recreational cannabis retail locations. A delivery company is also in the works which will extend the reach of the stores into other municipalities.

Royal Sun Cannabis in Templeton will commence operations in the Summer of 2025 with the first 4,000 sq ft retail store. And if the Cannabis Control Commission approves upon inspection, part of the business plan is to offer two drive up windows where only the driver's hand will enter the retail store enabling all types of vehicles to drive up to the store.

Royal Sun Cannabis also has a lease in the works for a second location. In addition, Royal Sun Cannabis is in talks to take over an operations retail store near Boston. The business plan is to have all three stores operational under the Royal Sun Cannabis brand by the end of 2025.

Policy for Restricting Access to Individuals Age 21 and Older - Royal Sun Cannabis

Facility Access Restriction

Royal Sun Cannabis will restrict access to its facilities to individuals who are age 21 and older and are either employees or approved visitors. All employees and prospective employees of Royal Sun Cannabis will have provided adequate proof of meeting the age 21 and older requirement prior to being submitted for the required registration with the Cannabis Control Commission as Marijuana Establishment Agents.

To ensure that access to Royal Sun Cannabis is restricted to individuals age 21 and older, mandatory positive identification of all individuals seeking access to the premises of Royal Sun Cannabis is required to gain entry to the premises. Individuals who are not able to provide Massachusetts State-Issued Identification, or two forms of identification if their State-Issued Identification is that of a state other than Massachusetts, will not be allowed access to the premises of Royal Sun Cannabis as a visitor.

Procedures for Quality Control and Testing of Product for Contaminants

All environmental media inputs, marijuana and marijuana product sold by Royal Sun Cannabis will have undergone a strict quality control process in accordance with all quality control requirements detailed in 935 CMR 500, including:

- Mandatory testing of marijuana products that is performed by an Independent Testing Laboratory that has been appropriately certified and licensed by the Cannabis Control Commission (“the Commission”) in compliance with the *Protocol for Sampling and Analysis of Finished Medical Marijuana Products and Marijuana-infused Products*, as amended in November, 2016, published by the Department of Public Health
- Mandatory testing of environmental media (e.g. soils, solid growing media, and water) performed 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
- Mandatory segregation and material review by the Management Team of any marijuana product batches for which laboratory results indicate contaminant levels above acceptable limits established in the DPH protocols identified in 935 CMR 500.160(1).
 - In the case of laboratory test results indicating that the contamination cannot be remediated in a compliant manner, the Commission will be notified directly within 72 hours and will include a description of the proposed plan of action for both the destruction of the contaminated product and the assessment of the source of contamination.
- Maintenance of results of all testing for a minimum of one year, in accordance with 935 CMR 500.160(3)
- Disposal of all excess marijuana in compliance with 935 CMR 500.105(12) if returned by the Independent Testing Laboratory as per 935 CMR 500.160(8)
- A hold process under which all marijuana product is held until such time that it has been tested by an Independent Testing Laboratory and deemed to comply with the standards required under 935 CMR 500.160 and is determined to be acceptable to be sold or otherwise marketed for adult use.
- Ensuring that only the leaves and flowers of the female marijuana plant are processed accordingly in a safe and sanitary manner as prescribed below:

- 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 diseases;
- Prepared and handled on food-grade stainless steel tables; and
- Packaged in a secure area as per 935 CMR 500.105(3)

- All agents whose job includes contact with marijuana is subject to the requirements for food handlers specified in 105 CMR 300.000.
- Any agent working in direct contact with marijuana shall conform to sanitary practices while on duty, including:
 - Maintaining adequate personal cleanliness; and
 - Washing hands appropriately as per *935 CMR 500.105(3)*
- Hand-washing facilities shall be located in production areas and where good sanitary practices require employees to wash and sanitize their hands as per *935 CMR 500.105(3)*
- There shall be sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations as per *935 CMR 500.105(3)*
- Litter and waste shall be properly removed so as to minimize the development of odor and the potential for the waste attracting and harboring pests as per 935 CMR 500.105(12) and *935 CMR 500.105(3)*
- Floors, walls, and ceilings shall be constructed in such a manner that they may be adequately kept clean and in good repair as per *935 CMR 500.105(3)*
- All contact surfaces, shall be maintained, cleaned, and sanitized as frequently as necessary to protect against contamination as per *935 CMR 500.105(3)*.
- All toxic items shall be identified, held, and stored in a manner that protects against contamination of marijuana as per *935 CMR 500.105(3)*
- Water supply shall be sufficient for necessary operations as per *935 CMR 500.105(3)*
- Plumbing shall be of adequate size and design and maintained to carry sufficient quantities of water to required locations throughout the establishment as per *935 CMR 500.105(3)*
- The establishment shall provide its employees with adequate, readily accessible toilet facilities as per *935 CMR 500.105(3)*
- Storage and transportation of finished products shall be under conditions that will protect them against physical, chemical, and microbial contamination as per *935 CMR 500.105(3)*
- No marijuana may be sold or otherwise marketed for adult use that is not capable of being tested by Independent Testing Laboratory as per *935 CMR 500.140(9)*
- The establishment shall notify the Commission within 72 hours of any laboratory testing results indicating contamination if contamination cannot be remediated and disposal of the production batch is necessary as per *935 CMR 500.160(2)*

Employee Handbook for Royal Sun Cannabis

Royal Sun Cannabis policies may change at any time, and staff employees are expected to comply with the most current versions. To the extent this Handbook conflicts with any applicable company policy, the policy will govern. If you have questions concerning this Handbook or a policy, consult your supervisor for clarification. Royal Sun Cannabis will have a staffing plan and records in compliance with 935 CMR 500.105(9) and 935 CMR 500.105(1).

Background Check Requirements

All employees of Royal Sun Cannabis will be required to undergo the registration process outlined in 935 CMR 500.030: Registration of Marijuana Establishment Agents. This includes all of its board members, directors, employees, executives, managers and volunteers who are associated with Royal Sun Cannabis. To meet the necessary base qualifications for employment with Royal Sun Cannabis, all employees must:

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

Royal Sun Cannabis will only employ individuals who meet all requirements for registration of marijuana establishment agents outlined in the provisions of 935 CMR 500.800 and 500.802 and have successfully completed the registration process for marijuana establishment agents as required in 935 CMR 500.030.

All employees of Royal Sun Cannabis will have completed the registration process for marijuana establishment agents and received confirmation of their status as a registered marijuana establishment agent of Royal Sun Cannabis prior to beginning their employment at Royal Sun Cannabis. Royal Sun Cannabis will notify the Cannabis Control Commission (the Commission) within one business day after a marijuana establishment agent ceases to be associated with the establishment.

Royal Sun Cannabis will notify the Commission in a form and manner determined by the Commission within five business days of any changes to the information that Royal Sun Cannabis was previously required to submit to the Commission or after discovery that a registration card has been lost or stolen.

Non-Disclosure Agreement (NDA) and Conflict of Interest Statements

Royal Sun Cannabis will maintain confidential information pursuant to 935 CMR 500.105(1)

To protect company assets, we require all employees to adhere to our non-disclosure agreement and avoid any conflicts of interest.

Non-Disclosure Agreement (NDA)

Employees & contractors must not misuse confidential information, including internal and client information and communications. It is a condition of employment that the employee signs the Royal Sun Cannabis Confidentiality and Intellectual Property Assignment Agreement, which will be provided under separate cover.

Confidential information generally consists of non-public information about a person or an entity that, if disclosed, could reasonably be expected to place either the person or the entity at risk of criminal or civil liability, or damage the person or entity's financial standing, employability, privacy or reputation. Royal Sun Cannabis is bound by law or contract to protect some types of confidential information, and in other instances Royal Sun Cannabis requires protection of confidential information beyond legal or contractual requirements as an additional safeguard. Confidential information includes but is not limited to:

- Payroll records, salary, and non-public benefits information
- Social Security numbers, driver's license numbers, state identification card numbers
- Credit and debit card information, and financial account information
- Personnel records, including but not limited to information regarding an employee's work history, credentials, salary and salary grade, benefits, length of service, performance, and discipline
- Individual conflict of interest information
- Computer system passwords and security codes
- Information regarding client accounts including client information
- Royal Sun Cannabis internal business plans, tools, products, and strategy methods

Conflicts of Interest

Royal Sun Cannabis understands that its staff employees may have or be involved in outside financial, business, professional, academic, public service, or other activities. However, outside activities or commitments, familial or other relationships, private financial or other interests, and benefits or gifts received from third parties may create an actual or perceived conflict of interest between the staff employee and Royal Sun Cannabis. A conflict of interest is a situation, arrangement, or circumstance where the staff employee's outside or private interests or relationships interfere or appear to interfere with those of Royal Sun Cannabis or cast doubt on the fairness or integrity of Royal Sun Cannabis business dealings. Every employee is responsible for disclosing to his or her supervisor, any financial or personal interests, activities, or personal or familial relationships that create an actual or perceived conflict of interest.

The purpose of this policy is to establish guidelines for conflicts of interest or commitment that might arise in the course of an employees' duties and external activities. This policy does not seek to unreasonably limit external activities, but emphasizes the need to disclose conflicts and potential conflicts of interest and commitment, to manage such conflicts and to ensure that Royal Sun Cannabis interests are not compromised.

As a basic condition of employment, all Company staff members have a duty to act in Royal Sun Cannabis best interest in connection with matters arising from or related to their employment and other Company activities. In essence, this duty means that employees must not engage in external activities that interfere with their obligations to Royal Sun Cannabis. They may not damage v reputation, compete with Royal Sun Cannabis interests, or compromise the independence of Royal Sun Cannabis research and business activities, or be seen as doing so. Staff employees likewise must not profit or otherwise gain advantage from any external activity at Royal Sun Cannabis expense or engage in external activities under circumstances that appear to be at Royal Sun Cannabis expense.

Staff employees must disclose and avoid actual and perceived conflicts of interest or commitment between their Company responsibilities and their external activities. Depending on the circumstances, employee participation in activities in which a conflict or perceived conflict of interest exists may be prohibited or may be permitted but affirmatively managed.

Anti-Discrimination Policy

Royal Sun Cannabis provides equal employment opportunities to all employees, applicants, and job seekers, and is committed to making decisions using reasonable standards based on each individual's qualifications as they relate to a particular employment action (e.g., hiring, training, promotions).

No person shall be discriminated against in employment or harassed because of race, color, religion, sex, sexual orientation, gender identity, national or ethnic origin, age, status as an individual with a physical or mental disability unrelated to ability, protected veteran status, military status, unfavorable discharge from military service, citizenship status, genetic information, marital status, parental status, ancestry, source of income, credit history, housing status, order of protection status, actual or perceived association with such a person or other classes protected by law. This policy includes the commitment to maintaining a work environment based on inclusion and free from unlawful harassment.

Under this policy, no employee or applicant shall be subject to retaliation (including harassment, intimidation, threats, coercion or discrimination) because he/she has engaged, in good faith, in the following activities:

(i) filing a complaint under this policy with Royal Sun Cannabis, or with federal, state or local equal employment opportunity agencies;

(ii) assisting or participating in an investigation or other activity related to the administration of any federal, state or local equal employment opportunity or affirmative action law;

(iii) opposing any act or practice prohibited by this policy or federal, state or local equal employment opportunity or affirmative action law;

or (iv) exercising any other right protected by federal, state or local equal employment opportunity or affirmative action law.

Staff employees and applicants for employment should immediately bring any complaint or retaliation under this Policy to the business owner.

Royal Sun Cannabis complies with all federal and state laws concerning the employment of persons with disabilities and acts in accordance with such regulations and guidance including the Americans with Disabilities Act (ADA). Employees with any questions or requests related to these laws and guidelines, including the ADA, should contact Royal Sun Cannabis ownership.

Employment At Will

Royal Sun Cannabis abides by the at will employment doctrine, which means in essence that employees have the right to terminate employment without notice and without cause, for any reason. They are employed at will. As an employer at will, Royal Sun Cannabis also has the right to terminate any employee for any reason, and also without advanced notice, except where federal or state law prohibit such actions.

Compensation

The amount of compensation you will receive is provided in your offer letter. In addition, Royal Sun Cannabis is required to deduct specific amounts from your paycheck. These deductions may be taken pre-tax or post-tax depending on IRS tax rules.

Required deductions for federal and state taxes

As an employee of Royal Sun Cannabis, there are certain mandatory deductions under federal law that must come out of employees' paychecks.

They are:

- Social security (pre-tax)
- Medicare (pre-tax)
- Federal withholding taxes (pre-tax)
- State withholding taxes (pre-tax)
- Court-ordered garnishments/child support (post-tax)

Voluntary deductions

Voluntary deductions from a Royal Sun Cannabis employee paycheck can include participation in benefits programs such as medical, dental, or vision insurance. These are elective deductions and may be taken pre-tax as laws permit.

Other deductions

Royal Sun Cannabis may make deductions from an employee's pay for:

- Full day absences for personal reasons or sickness if vacation/sick leave has been exhausted
- Any days not worked in the initial and final weeks of employment

- For hours taken as unpaid leave

Overtime pay

Some employees of Royal Sun Cannabis are considered to be exempt from overtime.

Exempt status as classified by the Fair Labor Standards Act (FLSA) is for those employed in professional roles, such as those at Royal Sun Cannabis with a salary (versus an hourly wage).

Non-exempt status is reserved for hourly workers, and they are eligible for overtime.

If you have questions about your status, please ask your supervisor.

Pay schedules

Employees at Royal Sun Cannabis are paid on a [bimonthly basis on the 15th and 30th] via check or direct deposit. If a payday shall fall on a Saturday, Sunday, or bank holiday, the employee will be paid on the Friday prior.

Break times

To ensure your general health and productivity, employees are offered paid rest breaks of no more than 15 minutes and unpaid lunch time of at least 30 minutes, but not longer than 1 hour.

General Employment Information

Probationary periods

The probationary period is a time for you to learn about your job and become familiar with Royal Sun Cannabis. During this time, your supervisor will explain Company policies and procedure, your job duties, and your performance expectations. Your performance will be closely evaluated by your supervisor to ensure that you understand and are able to meet the performance expectations. The probationary period is considered to be the employee's first [90] days. Probationary periods may be extended or reenacted on a case by case basis.

Resignation procedures

If you decide to terminate your employment, it is recommended that you give at least a two-week notice to your supervisor in order to maintain a mutually respectful relationship. All resignations must be submitted in writing or email to the [Company Owner or the HR manager].

Computers and technology

Royal Sun Cannabis information technology systems and the information served by those systems are valuable and vital assets to Royal Sun Cannabis. This includes all computer systems (hardware and software), communication systems (networks, telecommunications, video, and audio broadcast systems), and information (processes, documents, data, text images, etc.) in any form on any media.

Royal Sun Cannabis information technology systems and all data that reside on them are Company property and may only be used in compliance with applicable law and Company and department policy. As a user of information resources, you are responsible for knowing about appropriate and ethical use of information in all environments you access, protecting the information you are using from corruption or unauthorized disclosure, working in such a manner as to consider the access rights of others, and following applicable guidelines concerning the use and nondisclosure of passwords and other means of access control.

Royal Sun Cannabis has the right to monitor all of its information technology system and to access, monitor, and intercept any communications, information, and data created, received, stored, viewed, accessed or transmitted via those systems. Staff employees should have no expectation of privacy in any communications and/or data created, stored, received, or transmitted on, to, or from Royal Sun Cannabis information technology systems.

Leave Policies

Royal Sun Cannabis provides the following kinds of leave after the employee has completed their 90 day probationary period. Any leave prior to 90 days will be up to the discretion of management to approve on a case-by-case basis. All leave is on a use-it-or-lose it basis that resets on January 1st of each year.

Vacation Leave

Royal Sun Cannabis defines “vacation leave” as leave needed for personal trips such as vacation, birthdays, weddings, etc Royal Sun Cannabis provides the following amount of vacation time for employees unless otherwise specified in their employment agreement:

0-3 years tenure = 10 days or 80 hours
4-5 years tenure = 15 days or 120 hours
6+ years tenure = 20 days or 160 hours

Vacation leave should be requested in advance through our payroll system under your employee account.

Sick Leave

Royal Sun Cannabis complies with local, state and federal laws for sick leave. In accordance, we offer 5 days of paid sick leave annually to all employees. Sick leave can be used for personal illness or for caring for an ill family member.

After 2 consecutive days of sick leave, Royal Sun Cannabis reserves the right to request proof of illness with a signed doctor’s note.

Sick leave should be requested by 8 am on the day in question via email or phone call to your supervisor (please note: text messages do not suffice).

Medical and Family Leave

As a company with fewer than 50 employees, please note that we are not required to comply with the federal Family Medical Leave Act (FMLA).

However, should a situation come up where leave might be required for a personal or family medical issue, we will review providing unpaid leave or flexible working arrangements on a case-by-case basis for employees in good standing who have worked full time at Royal Sun Cannabis for at least one year.

Bereavement Leave

Royal Sun Cannabis offers up to 3 days or 72 hours for bereavement leave for employees with an additional 1 day or 8 hours for funerals that require travel of over 100 miles.

Royal Sun Cannabis reserves the right to require proof of need for bereavement leave.

Paid Holidays

Royal Sun Cannabis provides the following paid holidays:

- New Year's Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day & the Friday after Thanksgiving
- Christmas Day

If a holiday falls on a weekend, the Friday before or Monday after will be provided as the day off instead.

Progressive Disciplinary Policy

Corrective action is a process designed to identify and correct problems that affect an employee's work performance and/or the overall performance of the department. The progressive corrective action process should be handled consistently within each unit and for each problem. However, progressive discipline is not guaranteed, as Royal Sun Cannabis is an at will employer, and may choose to terminate an employee at any time with or without cause.

The Progressive Corrective Action Process refers to the following actions:

- Counseling or verbal warning;
- Written reprimand and warning;
- Suspension;
- Suspension pending investigation and final determination;
- Specific warning of discharge; and
- Discharge.

Depending on the situation, any step may be repeated, omitted, or taken out of sequence; however, Royal Sun Cannabis reserves the right to effect immediate termination consistent with our rights as an at will employer. Each case is considered on an individual basis.

Typically, a preliminary meeting is held with the employee to allow the employee an opportunity to understand the nature of the concern and to explain his/her position on the matter. If necessary, the corrective action documentation would then be put together which would summarize the issue, taking into account any additional information the employee may have provided during the preliminary meeting.

When issuing corrective action, there should be clear and direct communication between the employee and his/her immediate supervisor. This communication should include a meeting between the employee and the supervisor.

However, in cases of serious workplace misconduct an employee is likely to be discharged immediately. Serious workplace misconduct includes, but is not limited to:

- Theft;
- Fighting;
- Behavior/language of a threatening, abusive or inappropriate nature;
- Misuse, damage to or loss of Company property;
- Falsification, alteration or improper handling of Company-related records;
- Unsatisfactory customer service;
- Disclosure or misuse of confidential information;
- Unauthorized possession or concealment of weapons;
- Insubordination (e.g., refusal to carry out a direct assignment);
- Misuse of Royal Sun Cannabis electronic information systems;
- Possession, use, sale, manufacture, purchase or working under the influence of non-prescribed or illegal drugs, alcohol, or other intoxicants;
- Any action that violates federal, state or local law.

Royal Sun Cannabis policy is for the immediate dismissal of any agent who has diverted marijuana, engaged in unsafe practices, or been convicted or entered a guilty plea for a felony charge of distribution of a drug to a minor pursuant to 935 CMR 500.105(1)

Signature Page

The Employee Handbook contains important information about Royal Sun Cannabis, and I understand that I should consult Royal Sun Cannabis Ownership, or my supervisor, regarding any questions not answered in the handbook. I have entered into my employment relationship with Royal Sun Cannabis voluntarily and understand that there is no specified length of employment. Accordingly, either Royal Sun Cannabis or I can terminate the relationship at will, at any time, with or without cause, and with or without advance notice.

Since the information, policies, and benefits described herein are subject to change at any time, I acknowledge that revisions to the handbook may occur. All such changes will generally be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing policies. Only the President of Royal Sun Cannabis has the ability to adopt any revisions to the policies in this handbook.

Furthermore, I understand that this handbook is neither a contract of employment nor a legally-binding employment agreement. I have had an opportunity to read the handbook, and I understand that I may ask my supervisor any questions I might have concerning the handbook. I accept the terms of the handbook. I also understand that it is my responsibility to comply with the policies contained in this handbook, and any revisions made to it.

I further agree that if I remain with Royal Sun Cannabis following any modifications to the handbook, I hereby accept and agree to such changes.

I have received a copy of Royal Sun Cannabis Employee Handbook on the date listed below. I understand that I am expected to read the entire handbook. Additionally, I will sign the two copies of this Acknowledgment of Receipt, retain one copy for myself, and return one copy to Royal Sun Cannabis representative listed below on the date specified. I understand that this form will be retained in my personnel file.

Signature of Employee

Date

Printed Name of Employee

Record-Keeping Procedures – Retail – Royal Sun Cannabis

Royal Sun Cannabis will maintain ongoing records over the course of normal operations as a licensed marijuana cultivator. These will include records of the following:

- Personnel records (including background checks and agent registration documents) for each agent.
- Transportation manifests
- Seed-to-sale tracking data
- Destruction logs
- Security logs
- Security recordings
- Financial records
- Inventory Records
- Any other ongoing records as required by 935 CMR 500.105
- Job descriptions for each agent
- A staffing plan that will demonstrate accessible business hours and safe cultivation conditions
- Personnel policies and procedures
- All background check reports obtained in accordance with 935 CMR 500.030 and 935 CMR 500.105(9)
- Assets and liabilities
- Monetary transactions
- Books of accounts
- Sales records; and
- Salary and wages paid to each employee. *935 CMR 500.105(9)*

All records at Royal Sun Cannabis, including personnel records, transportation manifests, seed-to-sale tracking data, destruction logs, security logs, security recordings, financial records, and any and any other necessary records, will be stored and maintained for a minimum of a 3-year period unless otherwise specified in 935 CMR 500.105.

Royal Sun Cannabis will maintain records in accordance with generally accepted accounting principles pursuant to 935 CMR 500.105(9).

Written operating procedures shall be maintained as required by 935 CMR 500.105(1) and 935 CMR 500.105(9).

Royal Sun Cannabis will maintain inventory controls and procedures for conducting monthly inventory reviews of marijuana products in the process of cultivation, and finished, stored marijuana as well as a comprehensive annual inventory at least once each year within 12 months

of the previous comprehensive inventory. If an oral recording device is utilized, the individuals who conducted the inventory will promptly transcribe all oral recordings in addition to saving the original recordings for a minimum of 3 years.

Maintaining of financial records – Royal Sun Cannabis

Royal Sun Cannabis will maintain financial records in accordance with Generally Accepted Accounting Principles (GAAP) as well as 935 CMR 500.000, and will make its records available for inspection by the Commission, upon request. Concrete Garden has retained AAFCPAs as its CPA firm. AAFCPA has a Cannabis division. <https://www.aafcpcpa.com/industries/cannabis-businesses/>. Concrete Garden will implement AAFCPA's record keeping platform they have developed for the Cannabis Industry.

Royal Sun Cannabis will keep manual and computerized records of:

- a. assets and liabilities;
- b. monetary transactions;
- c. books of accounts, which shall include journals, ledges, and supporting documents, agreements, checks, invoices, and vouchers;
- d. sales records including the quantity, form, and cost of marijuana products;
- e. salary and wages paid to each employee, stipend paid to each board member, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with a Marijuana Establishment, including members of Concrete Garden
- f. following the closure of Concrete Garden, all records will be kept for three years in a form and location acceptable to the Commission

Royal Sun Cannabis will not utilize software or other methods to manipulate or alter sales data as outlined in *935 CMR 500.140(6)*.

Royal Sun Cannabis will conduct a monthly analysis of equipment to determine that no software has been installed that could be utilized to manipulate or alter sales data as outlined in *935 CMR 500.140(6)*.

Royal Sun Cannabis will maintain records that it has performed the monthly analysis as outlined in *935 CMR 500.140(6)*.

If Royal Sun Cannabis determines that software or other methods have been installed/utilized to manipulate or alter sales data: it shall immediately disclose the information to the Commission, cooperate in any investigation, and take such other action directed by the Commission as outlined in *935 CMR 500.140*.

Royal Sun Cannabis will comply with 830 CMR 62C.25.1: Record Retention and DOR Directive 16-1 regarding recordkeeping requirements as outlined in *935 CMR 500.140(6)*.

Royal Sun Cannabis will adopt separate accounting practices at the point-of-sale for marijuana and non- marijuana sales as outlined in *935 CMR 500.140(6)*.

If Royal Sun Cannabis is co-located it will maintain and provide to the Commission on a biannual basis accurate sales data during the six months immediately preceding this application for the

purpose of ensuring an adequate supply of marijuana and marijuana products under 935 CMR 500.140(10) as outlined in 935 CMR 500.140(6). *c*

Employee Qualification and Training Requirements – Royal Sun Cannabis

Suitability Standard and Background Check Requirements

All employees of Royal Sun Cannabis will be required to undergo the registration process outlined in 935 CMR 500.030: Registration of Marijuana Establishment Agents. This includes all of its board members, directors, employees, executives, managers and volunteers who are associated with Royal Sun Cannabis. To meet the necessary base qualifications for employment with Royal Sun Cannabis, employees must:

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

Royal Sun Cannabis will only employ individuals who meet all requirements for registration of marijuana establishment agents outlined in the provisions of 935 CMR 500.800 and 500.802 and have successfully completed the registration process for marijuana establishment agents as required in 935 CMR 500.030

All employees of Royal Sun Cannabis will have completed the registration process for marijuana establishment agents and received confirmation of their status as a registered marijuana establishment agent of Royal Sun Cannabis prior to beginning their employment at Royal Sun Cannabis.

Royal Sun Cannabis will notify the Cannabis Control Commission (the Commission) within one business day after a marijuana establishment agent ceases to be associated with the establishment.

Royal Sun Cannabis will notify the Commission in a form and manner determined by the Commission within five business days of any changes to the information that Royal Sun Cannabis was previously required to submit to the Commission or after discovery that a registration card has been lost or stolen.

Employee Training

All marijuana establishment agents at Royal Sun Cannabis will complete training prior to performing job functions as well as eight hours of on-going training annually. Training will be tailored to the specific roles and responsibilities of the job function of each marijuana

establishment agent and will include, on or after July 1st 2019, the completion of a Responsible Vendor Program for all current employees as outlined in 935 CMR 500.105(2)(b).

Employees hired after July 1st, 2019 must successfully complete the Responsible Vendor Program within 90 days of hire as a condition of their employment at Royal Sun Cannabis.

Employee Qualifications

In addition to the mandatory qualifications for employment at Royal Sun Cannabis listed above, the following are mandatory qualifications for specific positions per 935 CMR 500.105:

- **Retail Manager**
 - 1.5+ Years in a Management Role at a Massachusetts Licensed Adult-Use or Medical Cannabis Retail Marijuana Establishment
 - Bachelor's Degree, or 3+ years in a retail, sales or service industry;
 - Familiarity with METRC and/or other seed-to-sale software
 - Extensive familiarity with Massachusetts Adult-Use Cannabis Regulations as pertain to Retail Marijuana Establishments

- **Retail Supervisor**
 - 1+ years of experience in a Supervisor/Lead role at a Massachusetts Licensed Adult-Use or Medical Cannabis Retail Marijuana Establishment
 - Familiarity with Massachusetts Adult-Use Cannabis Regulations as pertain to Retail Marijuana Establishments
 - Familiarity with METRC and/or other seed-to-sale software
 - High school degree or equivalent

- **Retail Host**
 - Entry-level role
 - Previous experience in retail, sales, or service industry is beneficial
 - Familiarity with Massachusetts Adult-Use Cannabis Regulations as pertain to Retail Marijuana Establishments
 - High school degree or equivalent

Royal Sun Cannabis will ensure that employees are trained on job specific duties prior to performing job functions. 935 CMR 500.105(2)

Royal Sun Cannabis will retain for four (4) years all Responsible Vendor Program documentation. 935 CMR 500.105(2)

Energy Efficiency and Conservation Procedures – Royal Sun Cannabis

Royal Sun Cannabis as a retail establishment will meet all energy efficiency and equipment standards established by the Commission and all applicable environmental laws, regulations, permits, and other applicable approvals. In addition, Royal Sun Cannabis will adopt any additional best management practices as determined by the Cannabis Control Commission to reduce energy and water usage, engage in energy conservation, and mitigate other environmental impacts.

Royal Sun Cannabis will seek energy use reduction opportunities by using natural lighting in the design plans of the building as well as implement energy efficiency measures where applicable especially during facility upgrades, renovations or expansions or equipment replacement.

Royal Sun Cannabis will engage with energy efficiency programs offered pursuant to M.G.L. c. 25, § 21, or through municipal lighting plants. *935 CMR 500.105(15)*

Diversity Plan – Royal Sun Cannabis

We have not commenced operations yet or started to hire. When the original diversity plan was submitted to the Cannabis Control Commission, the intent was to implement it when hiring began. As Royal Sun Cannabis will not begin hiring until after we have a final license, we are not able to start or fully implement a diversity plan until individuals look to be hired.

Royal Sun Cannabis purpose of the diversity plan is that it will adhere to 935 CMR 500.101(e) and implement a diversity plan to promote equity among minorities, women, veterans, people with disabilities, and those falling under LGBTQ+.

Royal Sun Cannabis will have the following Goals, Programs, and Measurements:

Goals: (Hiring Goal #1) Royal Sun Cannabis will participate in a career fair in Fitchburg or UMass Amherst and hire individuals' falling into the demographics of minorities, women, veterans, people with disabilities, and people considering themselves LGBTQ. The goal is 50% of the hired staff to be from the above demographics broken down into:

Goal 1: 25% women

Goal 2: 10% minorities

Goal 3: 5% veterans

Goal 4: 5% people with disabilities

Goal 5: 5% people considering themselves LGBTQ+

(Education Seminar Goal #2) Royal Sun Cannabis will hold a minimum of 1 education seminar on joining the legal cannabis business per year seeking individuals falling into the above demographics. Royal Sun Cannabis will advertise geared towards the above demographics the education seminar in the Gardner News to seek the desired audience as well as do on site marketing for the seminars in the retail location in Templeton.

The Seminars should last about an hour and will cover topics such as:

- Who qualifies to sign up for future Cohorts of the Social Equity Program.
- How and what documentation to get in order for when the next Cohort opens up
- Overview of the Social Equity Grant Process and how to position for future grants which involves incorporation/starting a legal business in Massachusetts and obtaining all required tax numbers. In addition to starting to plan first steps and goals.
- Status of Cannabis Business and regulatory risks including but not limited to Federal Legalization and intrastate commerce.
- What opportunities are in the Cannabis space from employment to ownership.

Programs: (Goal 1) Royal Sun Cannabis will also hold a minimum of 1 career fair per year at UMASS Amherst or in Fitchburg seeking individuals falling into the above demographics as new hiring demands. Royal Sun Cannabis expects to have at least twenty-five qualified applicants from the above demographics participate in the career fair.

(Goal 2) Royal Sun Cannabis will hold a minimum of 1 education seminar per year near Gardner for individuals falling into the above demographics.

Measurement: (Goal 1) At the end of year one of Royal Sun Cannabis receiving the Provisional License, the following measurement metrics will be used in measuring the success of the program:

Percent of those hired at the career fairs fall into the above-listed demographics. A successful result will be 50% of those hired at the career fairs be minorities, women, veterans, people with disabilities, and people considering themselves LGBTQ+ with the following minimum targets:

25% women

10% minorities

5% veterans

5% people with disabilities

5% people considering themselves LGBTQ+

(Goal 2) At the end of year one of Royal Sun Cannabis receiving the Provisional License (and each year on renewal), the following measurement metrics will be used in measuring the success of the program:

The measurement metric will be if the minimum of 1 education seminar was held in the year.

The metrics for assessing the progress or success of the plan's two goals will be made once a year at the time of the renewal of the license. The method to assess the progress or success will be employees questionnaires and also education seminar questionnaires.

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

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

Royal Sun Cannabis acknowledges that the progress or success of the plan, in its entirety, must be documented annually upon receipt of provisional license.

