AKASHA HOLDINGS, LLC

Key Financing Terms

As of August 1, 2020

This term sheet (this "**Term Sheet**") summarizes the principal terms of the proposed equity financing (the "**Financing**") to be conducted by the Company (as defined below). This Term sheet is non-binding. This Term Sheet is not an offer to sell securities and is conditioned on the completion of definitive financing documentation that is satisfactory to the Company and the Investors.

Company:	Akasha Holdings, LLC, a Texas limited liability company
Use of Proceeds:	The proceeds from the Financing will be used by the Company for general working capital and capital expenditures.
Investors:	Individuals or entities that purchase Class B Units of the Company (the "**Class B Members**").
Form of Investment:	Class B Units of the Company (the "**Class B Units**").
Total Investment Amount; Minimum Closing:	The Company intends to raise up to $1,700,000 in equity capital through the issuance of up to 170,000 Class B Units pursuant to one or more closings.
Purchase Price:	$10 per Class B Unit (the "**Purchase Price**").
Minimum Investment:	$10,000 (i.e., 1,000 Class B Units).
Founder Ownership:	At closing, Suzanne DuBose, Douglas Turner and Kevin Andrews (the "**Class A Members**" and, together with the Class B Members, the "**Members**") collectively will own 100% of the Class A Units of the Company (the "**Class A Units**" and, together with the Class B Units, the "**Units**").
Class B Rights:	The rights of holders of the Class A Units and the Class B Units shall be the same, except that (i) holders of the Class B Units will be entitled to preferred distribution rights and a liquidation preference as set forth below and (ii) the holders of the Class B Units will be entitled to elect one member of the Board of Managers as described below. The holders of Class B Units will not otherwise participate in the management of the Company or have any voting rights, except as otherwise set forth in the Operating Agreement of the Company and any amendments thereto (the "**Operating Agreement**").
Capitalization:	Assuming all 170,000 Class B Units are sold, the post-closing capitalization of the Company will consist of 100,000 Class A Units and 170,000 Class B Units.

Distribution of Cash from Operations:

Available Cash (as defined below) shall be distributed from time to time in the reasonable discretion of the Board of Managers. Any such Available Cash shall be distributed to the Members as follows:

Period	**Percentage distributable to Class B Members**	**Percentage distributable to Class A Members**
Until each Class B Member has received total cumulative distributions equal to 135% of its investment amount (the "**Preferred Return**")	80%	20%
Once all Class B Members have received their Preferred Return	20%	80%

"**Available Cash**" means cash available for distribution as determined by the Board in good faith after taking into account reasonable reserves for operating expenses, accrued or contingent liabilities, reasonable reserves for capital expenditures and any expected Tax Distributions (described below).

The percentages in the foregoing table assume that all Class B Units are sold and remain outstanding at the time of a distribution of Available Cash; the Operating Agreement will define distribution rights on a per-unit basis to take into account any changes in the number of units outstanding.

Liquidating Distributions

In the event of a liquidation of the Company, proceeds available for distribution to the Members shall be distributed in the same manner as set forth above (it being understood that any distributions of Available Cash prior to the date of liquidation will be taken into account in determining the remaining Preferred Return of the Class B Members).

Allocations of Profits and Losses

The Operating Agreement shall contain a "target allocation provision" for purposes of allocating the Company's net profit or loss for any period. The intent of this provision is to allocate such items in a manner that reflects the underlying economic arrangement of the parties given the distribution rights set forth above.

Tax Distributions:

Notwithstanding anything to the contrary, to enable the Members to pay taxes with respect to net income allocated to them under the Operating Agreement, the Board of Managers (as defined below) shall have authority to declare cash distribution to each Member each calendar quarter in an amount equal to (i) such Member's expected share of net income for such quarter under the allocations provision in the Operating Agreement *multiplied by* (ii) a notional computation rate determined by the Board in good faith.

Taxation

The Company shall be treated as a partnership for federal and state tax purposes, except as otherwise set forth in the Operating Agreement.

Voting Rights:	Except for the right to elect one member of the Board of Managers and for certain other matters set forth in the Operating Agreement, the Class B Units shall be non-voting Units of the Company, and the Class A Units shall have the sole right to approve various matters affecting the Company.
Management of the Company:	The Company will be a manager-managed limited liability company under the Texas Business Organizations Code. Management of the Company shall be vested in a board of managers (the "**Board of Managers**") with three members. So long as 75,000 Class B Units remain outstanding, two members of the Board of Managers will be elected by a majority of the Class A Units and one member of the Board of Managers will be elected by a majority of the Class B Units.
Officers:	The Board of Managers may delegate management authority to officers of the Company.
Manager Salaries:	Each officer of the Company will receive a reasonable salary as compensation for their services to the Company, as established and updated from time to time by the Board of Managers acting in good faith. For any period during which the Company is taxed as a partnership, any such "salary" to a person that is a member of the Company will be treated as a "guaranteed payment" under federal income tax law.
Employee Incentive Pool:	The Board is authorized to adopt a profits interest, equity appreciation rights or similar equity incentive plan in order to issue equity incentives to employees and other valuable service providers, so long as the total number of units or similar interests issued thereunder do not exceed 20% of the fully diluted economic interest in the Company.
Limited Transferability:	The Units will not be registered with the Securities and Exchange Commission or qualified under the securities laws of any state but, will be offered and sold pursuant to an exemption there from. The Operating Agreement will contain customary limitations on transferability of the Units. The Units may not be resold or otherwise distributed without (i) compliance with the terms of the Operating Agreement and (ii) registration or qualification under the Securities Act and/or any other applicable securities laws or the availability of an exemption therefrom. Furthermore, there is currently no market for the Units and no market is expected to develop.