CANNA COLLECTIVE, LLC
OPERATING AGREEMENT

THIS OPERATING AGREEMENT (this "***Agreement***") of **Canna Collective, LLC** (the "***Company***"), dated and effective as of June 2, 2022 is hereby agreed to by and among (and any other Person hereafter admitted as a member of the Company in accordance with this Agreement, the "***Members***").

RECITALS

WHEREAS, the Members have formed the Company as a New York limited liability company pursuant to and in accordance with the New York Limited Liability Company law and desire to enter into this Agreement to govern the operations of the Company.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Members agree as follows:

ARTICLE 1
DEFINITIONS

As used in this Agreement, the following terms have the following meanings:

"**Accounting Period**" means (i) the Company's Fiscal Year if there are no changes in the Members' respective interests in Company income, gain, loss or deductions during such Fiscal Year except on the first day thereof or (ii) any other period beginning on the first day of a Fiscal Year, or any other day during a Fiscal Year, upon which occurs a change in such respective interests, and ending on the last day of a Fiscal Year, or on the day preceding an earlier day upon which any change in such respective interest shall occur.

"**Act**" means the New York Limited Liability Company law, and any successor statute, as amended from time to time.

"Adjusted Capital Account" means, with respect to any Member, the 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:

(i) Credit to the Capital Account any amount which such Member is obligated to restore or is deemed obligated to restore pursuant to Treasury Regulation Sections 1.704-1(b)(2)(ii)(c), 1.704-2(g)(1) and 1.704-2(i); and

(ii) Debit to such Capital Account the items described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

"**Affiliate**" means, with respect to any Person (i) any Person directly or indirectly controlling, controlled by, or under common control with such Person, (ii) any Person owning or controlling ten percent or more of the outstanding voting interests of such Person, (iii) any officer, director, general partner, or manager of such Person, or (iv) any Person who is an officer, director, general partner, manager, trustee or holder of ten percent or more of the voting interests of any Person described in clauses (i) through (iii) of this sentence. For purposes of this definition, "controls," "is controlled by," or "is under common control with" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

"**Agreement**" means this Operating Agreement, as executed and as it may be amended, modified, supplemented or restated from time to time, as the context requires.

"**Articles**" means the Articles of Organization of the Company filed with the Department of State in the State of New York.

"**Available Cash"** with respect to any period, the sum of money available at the end of that period for distribution to the Members after (i) payment of all debt service and other expenses (including, without limitation, payments due on or with respect to Member Loans, operating and maintenance expenses, general and administration expenses, insurance costs, taxes, assessments and other expenses); (ii) satisfaction of the Company's liabilities as they become due, including, without limitation, to Digi with respect to the Digi Fees; and (iii) establishment of such reserves as are deemed necessary or advisable by the Members.

"**Book Value**" means, (i) with respect to property contributed by any Member, the fair market value of such property at the time of contribution, or (ii) with respect to property purchased or otherwise acquired by the Company, the Company's initial basis for U.S. federal income tax purposes, decreased in either case by book depreciation allocable thereto and increased or decreased in either case from time to time to reflect the adjustments required or permitted by Treasury Regulation Section 1.704--1(b)(2)(iv)(f).

"**Capital Account**" has the meaning given such term in Section 3.1.

"**Capital Contribution**" means the total amount of cash contributed to the Company by a Member in its capacity as a Member pursuant to the terms of this Agreement.

"**Code**" means the Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

"**Company**" means the limited liability company formed pursuant to the Articles and this Agreement.

"**Damages**" has the meaning given such term in Section 7.2.2.

"**Dissolution**" has the meaning given such term in Section 10.1.

"**Fiscal Year**" of the Company means the calendar year.

"**Indemnitee**" has the meaning given such term in Section 7.2.2.

"**Member**" means each Person who hereby or hereafter executes this Agreement as a Member in accordance with the terms of this Agreement and the Act.

"**Member Loan**" means any loan made to the Company by a Member pursuant to Section 3.5.

"Member Approval" means the approval of a majority of the members of the Company.

"**Membership Interest**" means all of the rights of a Member in the Company, including a Member's: (i) rights in distributions and allocations of the profits, losses, gains, deductions, and credits of the Company, (ii) right to inspect the Company's books and records; and (iii) right to participate in the management of and vote on matters coming before the Company.

"**Net Profit**" and "**Net Loss**" mean, for each Accounting Period, an amount equal to the Company's taxable income or loss for such Accounting Period, determined in accordance with Section 703(a) of the Code, which for this purpose shall include all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code, with the following adjustments:

(a) Any income of the Company that is exempt from U.S. federal income tax and not otherwise taken into in computing Net Profit or Net Loss pursuant to this definition shall be added to such taxable income or subtracted from such taxable loss;

(b) Any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) expenditures pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)*(i)*(2) or (3) (other than

expenses in respect of which an election is properly made under Section 709(b) of the Code), and not otherwise taken into account in computing Net Profit or Net Loss pursuant to this definition, shall be subtracted from such taxable income or loss;

(c) If the Book Value of any Company property is adjusted pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)*(e)* (in connection with a distribution of such property) or *(f)* (in connection with a revaluation of Capital Accounts), the amount of such adjustment shall be taken into account as gain or loss from the disposition of such property for purposes of computing Net Profit or Net Loss;

(d) Gain or loss resulting from the disposition of Company property with respect to which gain or loss is recognized for U.S. federal income tax purposes shall be computed by reference to the Book Value of such property, notwithstanding that the adjusted tax basis of such Company property may differ from its Book Value; and

(e) With respect to Company property having a Book Value that differs from its adjusted basis for tax purposes, in lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing taxable income or loss, there shall be taken into account depreciation, amortization and cost recovery deductions computed by reference to the property's Book Value in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)*(g)*.

"**Percentage Interest"** means, with respect to any Member, the percentage interest of Membership Interests set forth opposite such Member's name on Schedule I attached hereto, as it may be modified or supplemented from time to time pursuant to the terms hereof.

"**Permitted Transferee**" has the meaning given such term in Section 9.1.

"**Person**" means a natural person, partnership (whether general or limited), limited liability company, trust, estate, association, corporation, custodian, nominee or any other individual or entity in its own or any representative capacity.

"**Tax Matters Partner**" has the meaning given such term in Section 8.1.

"**Transfer**" means any sale (including, without limitation, a sale by a trustee or debtor in bankruptcy or arising out of any manner of creditor's proceeding), assignment, transfer, exchange, mortgage, pledge, foreclosure, execution, garnishment, attachment, sheriff's sale, gift, or other disposition or encumbrance (whether voluntarily or involuntarily or by operation of law) of, or the granting of a security interest in, all or any portion of a Member's interests in the Company.

"**Treasury Regulations**" means the final and temporary regulations promulgated under the Code, as amended from time to time.

Terms not otherwise defined in this Article 1 have the meaning so given them elsewhere in this Agreement.

ARTICLE 2
ORGANIZATION, POWERS, AND PURPOSE

2.1 Formation and Tax Classification. The Company has been formed as a limited liability company under and pursuant to the Limited Liability Company law. Each Member represents and warrants that such Member is duly authorized to join this Agreement and that the person executing this Agreement on such Member's behalf is duly authorized to do so. The Members intend that the Company will be classified as a partnership for U.S. federal, state and local income and franchise tax purposes and each Member and the Company shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment. The Members intend that the Company shall not be a partnership (including, without limitation, a limited partnership) for any other purpose.

2.2 Company Name. The name of the Company is **CANNA COLLECTIVE, LLC.**

2.3 Term of Company. The term of the Company commenced on the date of the initial filing of the Articles with the Secretary of State of the State of New York and shall continue until dissolved or otherwise terminated pursuant to this Agreement or the laws of the State of New York.

2.4 Purposes. The object and purpose of the Company is to (i) engage in the retail dispensary business for adult use cannabis in the State of New York, (ii) exercise all powers necessary to or reasonably connected with the Company's business under clause (i) above which may be legally exercised by limited liability companies under the Act, (iii) engage in all activities necessary, customary, convenient, or incident to the foregoing purposes, and (iv) engage in any other lawful act for which limited liabilities may be formed under the law.

2.5 Powers. The Company shall possess and may exercise all the powers and privileges granted by the Law or by any other law or by this Agreement incidental, necessary or convenient to the conduct, promotion or attainment of the purposes or activities of the Company.

2.6 Principal Office. The principal office of the Company shall be located at the Premises or at such other place(s) within the State of New York as the Members may determine from time to time.

2.7 Limited Liability of Members. Except as otherwise expressly provided by the Law, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company. No Member or other agent of the Company shall be personally liable for the acts, debts, obligations or liabilities of the Company, whether arising in contract, tort or otherwise.

2.8 Bank Accounts. Bank accounts and/or other accounts of the Company shall be maintained in such banking and/or other financial institution(s) as shall be selected by the tax matters partner and withdrawals shall be made and other activity conducted on such signature or signatures as determined by the tax matters partner.

ARTICLE 3
CAPITALIZATION

3.1 Percentage Interests and Determination of Capital Accounts. The names, addresses, Capital Contributions and Percentage Interests of the Members are set forth on Schedule I hereto. A capital account ("***Capital Account***") representing each Member's interest in the capital of the Company has been established for each Member on the books of the Company and shall be maintained in the manner required by Treasury Regulations under Code Section 704(b). The Capital Accounts of the Members shall be increased or decreased to reflect a revaluation of Company property, if such increase or decrease is necessary to prevent a distortion in the Members' economic interests in the Company, upon each of the following events: (*A*) a contribution of money or other property (other than a de minimis amount) to the Company by a new or existing Member as consideration for an interest in the Company (including the exercise of an option, warrant or other convertible instrument); (*B*) a distribution of money or other property (other than a de minimis amount) by the Company to a retiring or continuing Member as consideration for an interest in the Company; or (*C*) the liquidation of the Company.

3.2 Negative Capital Accounts. Except as otherwise provided by law, no Member shall be required to pay to the Company or any other Member any deficit or negative balance which may exist from time to time in such Member's Capital Account.

3.3 Company Capital. No Member shall be paid interest on any Capital Contribution to the Company or on such Member's Capital Account, and no Member shall have any right (a) to demand the return of such Member's Capital Contribution or any other distribution from the Company (whether upon resignation, withdrawal or otherwise), except upon Dissolution of the Company pursuant to Article 10 hereof or (b) to cause a partition of the Company's assets.

3.4 [Intentionally Omitted]

3.5 Loans by Members.

3.5.1 If the Company's funds are insufficient to meet its costs, expenses, obligations, liabilities and charges, or to make any expenditure authorized by this Agreement, any Member may advance such funds to the Company as a Member Loan with Member Approval. Nothing herein shall be construed to obligate the any Member to provide funds to the Company as a Member Loan.

3.5.2 The proceeds of a Member Loan shall not be added to or otherwise affect the Capital Account of any Member and the making of a Member Loan shall not result in any change in the Percentage Interests of the Members or the Members' relative rights to distributions (excluding payments of principal of and interest on Member Loans).

3.6 Transfer Restrictions Generally.

3.6.1 Each Member agrees not to make any Transfer of all or any portion of its Membership Interest unless it has obtained Member Approval, except (i) that Transfers to a Permitted Transferee shall be permitted without compliance with such Sections, and (ii) as permitted by Article 9.

3.6.2 Any attempted Transfer by any Person of its Membership Interest other than in accordance with this Article 9 shall be, and is hereby declared, null and void *ab initio*.

3.6.3 A Person to whom a Membership Interest is transferred in accordance with this Agreement has the right to be admitted to the Company as a Member upon the execution by the transferee of such instruments as the Members may deem necessary or advisable to effect the admission of such transferee as a Member, including, without limitation, the written acceptance and adoption by such transferee of the provisions of this Agreement and any other agreement to which the transferring Member is bound with respect to the transferred Membership Interest.

3.6.4 The Member effecting a Transfer and any Person admitted to the Company as a Member in connection therewith shall pay, or reimburse the Company for, all costs incurred by the Company in connection with such Transfer or admission on or before the thirtieth day after the receipt by that Person of the Company's invoice for the amount due.

ARTICLE 4
DISTRIBUTIONS; ALLOCATIONS OF PROFITS AND LOSSES

4.1.1 Tax Distributions.

4.1.1.1 Notwithstanding anything to the contrary herein, the Members shall use commercially reasonable efforts to cause the Company to distribute, to each Member with respect to each Fiscal Year, an amount of cash (taking into account all other distributions the Member has received with respect to such Fiscal Year) equal to the Tax Distribution with respect to that Member for that Fiscal Year. Any distribution pursuant to this Section 4.1.1 shall be treated as advance distributions of amounts to which the Member otherwise would be entitled to pursuant to Sections 4.1.2 and 4.1.3.

4.1.1.2 The Tax Distribution, if any, with respect to any Member for any Fiscal Year shall be made no later than March 31 following each Fiscal Year, and shall be made more frequently if the Members determine that more frequent distributions are necessary in order to correspond to the Members' estimated tax obligations.

4.1.1.3 "***Tax Distribution***" with respect to any Member for any Fiscal Year means the net U.S. federal taxable income of the Company, if any, allocable to such Member with respect to such Fiscal Year, multiplied by the maximum combined U.S. federal, state and local, Medicare and non-U.S. income tax rate or rates applicable to such income in the hands of the Member, as determined by the Members in good faith, taking into account character of the income, applicable foreign tax credits and the deductibility of state and other taxes for U.S. federal income tax purposes.

4.1.2 Operating Distributions. The Members shall cause the Company to make distributions of Available Cash on a monthly basis, or at such other times as the Members shall determine with Member Approval, pro rata to the Members in accordance with their respective Percentage Interests.

4.1.3 Liquidating Distributions. In the event of any Dissolution of the Company, the Members shall cause the Company to make distributions of cash and any Company property in accordance with the provisions of Section 9.2.

4.1.4 Limitation on Distributions. Notwithstanding any other provision of this Agreement, no distribution (including distributions upon Dissolution) shall be made to any Member to the extent that, after giving effect to the distribution, all liabilities of the Company would exceed the fair market value of the Company's assets.

4.1.5 Allocation of Profits and Losses. Except as otherwise provided in Section 4.3, Net Income and Net Loss, and items thereof, for any Accounting Period shall be allocated among the Members in such manner that as of the end of such Accounting Period, each Member's Adjusted Capital Account shall be equal to the respective net amounts, positive or negative, which would be distributed to them or for which they would be liable to the Company under this Agreement, determined as if the Company were to: (A) liquidate all of the assets of the Company for an amount equal to their Book Value and (B) distribute the proceeds of such liquidation in the manner described in Section 4.1.3.

4.2 Regulatory Allocations. Notwithstanding the allocations set forth in Section 4.2, Net Profit, Net Loss and items thereof shall be allocated to the Members in the manner and to the extent required by the Treasury Regulations under Section 704 of the Code, including without limitation, the provisions thereof dealing with minimum gain chargebacks, partner minimum gain chargebacks, qualified income offsets, partnership nonrecourse deductions, partner nonrecourse deductions, forfeiture allocations, and the provisions dealing with deficit capital accounts in Sections 1.704-2(g)(1), 1.704-2(i)(5), and 1.704-1(b)(2)(ii)(d).

4.3 Tax Allocations; Code Section 704(c). The income, gains, losses, deductions and expenses of the Company shall be allocated, for U.S. federal, state and local income tax purposes, among the Members in accordance with the allocation of such income, gains, losses, deductions and expenses among such Members for computing their Capital Accounts, except that if any such allocation is not permitted by the Code or other applicable law, the Company's subsequent income, gains, losses, deductions and expenses 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. Notwithstanding the previous sentence, such items shall be allocated among the Members in a different manner to the extent required by Code Section 704(c) and the Treasury Regulations thereunder (dealing with contributed property), Treasury Regulations Sections 1.704-1(b)(2)(iv)(f) (dealing with property having a book value different than its tax basis), and 1.704-1(b)(4)(ii) (dealing with tax credit items). Allocations pursuant to this Section 4.3 are solely for U.S. federal, state and local tax purposes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of profits, losses, other items or distributions pursuant to any provisions of this Agreement.

ARTICLE 5
MEMBERS

5.1 Number. The Company shall at all times have one or more Members, who shall constitute the "members" of the Company for all purposes of the Limited Liability Company law.

5.2 Membership Interest. The Membership Interests of the Company are interests of a single class of Units. A Member's Membership Interest as quantified by the number of Units owned by such Person may be evidenced (but is not required to be evidenced) by a certificate of Units issued by the Company, which certificate (if any) shall contain appropriate restrictive legends. The holders of Units shall be entitled to one vote per Unit on any and all matters subject to member vote under this Agreement or applicable law.

5.3 Annual Meeting of Members. The annual meeting of the Members shall be held in January of each year or at such other time within six (6) months after the close of the Fiscal Year of the Company as may be determined by the Board of Managers. The annual meeting shall be held for such purposes as may be prescribed by law, the Articles of Organization or this Agreement, or as may be prescribed by the Board of Managers. If such annual meeting is not held as provided for herein, a special meeting may be held in lieu thereof, and business transacted or elections held at such meeting shall have the same effect as if transacted or held at the annual meeting.

5.4 Meetings. Meetings of the Members may be called at any time at the request of the President or by then-Members holding seventy-five percent (75%) of the Percentage Interest.

5.5 Place of Meetings. Meetings of the Members shall be held anywhere in the United States or by means of telecommunication as provided in Section 5.9 herein, at such place or places as may be fixed by the Board of Managers and stated in the notice of the meeting.

5.6 Notice of Meeting. Notice of each meeting of the Members, stating the day, hour and place thereof, shall be given to each Member by the Board of Managers, President, Secretary or the officers or persons calling the meeting at least fourteen (14) days before the meeting, by leaving written notice with each Member at his, her or its residence or usual place of business, by electronic mail transmission of such written notice to such Member's residence or usual place of business, or by mailing written notice, postage prepaid, and addressed to such Member at the Member's usual or last known business or residence address. Notice need only contain a summary of the purpose of the meeting, except that the notice of any meeting at which an amendment of this Agreement or the Articles of Organization is to be considered shall state the intended purpose and effect of the proposed amendment and shall state the proposed wording of the amendment.

5.7 Quorum. Except as otherwise required by this Agreement or the Law, at any meeting of the Members, a quorum for the transaction of business shall require the presence in person or by proxy of Members holding in the aggregate at least a majority of the total number of Units outstanding; but a lesser number may adjourn any meeting from time to time, and the meeting may be held as adjourned without further notice. No Member shall fail to attend a meeting of the Members for purposes of defeating a quorum or avoiding corporate action.

5.8 Meetings by Telecommunications. Unless the Law otherwise provides, Members may participate in a meeting of the Members by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

5.9 Action at a Meeting. Except as otherwise required by this Agreement or the Law, when a quorum is present at any meeting of Members, the holders of a majority of the Units may decide any question properly brought before such meeting.

5.10 Action by Consent. Any action required or permitted to be taken at any meeting of the Members may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by such number of Members holding the minimum number of Units required to approve such matters. Such written consents shall be filed with the records of the meetings of the Members. Any such consent shall be treated for all purposes as a vote at a meeting.

5.11 Waiver of Notice. Whenever any written notice is required to be given by this Agreement, a waiver of notice signed either before or after the action for which notice is required shall have the effect of written notice. Attendance by a Member at any meeting shall also constitute a waiver of notice unless an objection to the lack of notice is made by such Member at the meeting.

5.12 Voting; Proxy Voting. In any case in which a Member is entitled to vote and such Member is not an individual, the president or chief executive officer of such Member or an authorized designee of the president or chief executive officer shall exercise such vote on behalf of the Member. Any such president or chief executive officer, as well as any Member who is an individual, may authorize another person to act for him/her/it by proxy executed in writing by him. All proxies shall be filed with the Secretary before voting, shall be revocable and shall be effective

for no more than six (6) months. No proxy purporting to be executed by the president or chief executive officer of a Member or by a Member who is an individual shall be deemed invalid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger.

5.13 Voting Rights. Subject to Section 5.2 hereof, each Member shall be entitled to cast one (1) vote for each Unit held by such Member on matters to be determined or decided by the Members. Other than those actions explicitly requiring Member approval under the Law or under this Agreement, no Member shall have any right to vote with respect to the business and affairs or other matters of the Company. A Member who is in default of any of his, her or its obligations under this Agreement shall not be entitled to vote on any matter during the period of such default.

5.14 Required Vote. Except as otherwise provided in this agreement, in order to constitute the action of or approval by the Members, any action requiring the approval of the Members shall require Member Approval. Except as otherwise provided by law, any action or vote of the Members may be taken by a consent in writing setting forth the action or vote so taken and signed by Members holding the requisite Percentage Interest entitled to vote necessary to authorize or take such action. The Members agree that all significant actions involving the Company outside the ordinary course of business shall require Member Approval, including, without limitation, the following:

(a) Any material change in the business of the Company;

(b) A merger or other business combination of the Company with another entity; or the sale, lease, license, exchange or other disposal by the Company of any assets other than in the ordinary course of business;

(c) A dissolution, liquidation or a bankruptcy proceeding involving the Company;

(d) Granting a lien in any of the Company's assets, or incurring indebtedness for borrowed money; and

(e) Admitting new Members, accepting additional Capital Contributions from existing Members or otherwise creating or issuing additional Membership Interests or classes of Membership Interests or other equity in the Company.

5.15 Investment Opportunities. No Member shall have any obligation to offer investment opportunities to the Company or any other Member.

ARTICLE 6
MANAGEMENT

6.1 Management by Members. Subject to the express requirements of this Agreement, the power to determine the policies and procedures of the Company and to manage and control the business and affairs of the Company shall be vested in the Members of the Company. The Members shall have the sole right, power and authority to do on behalf of the Company, directly or by delegation to officers and agents of the Company, all things that are necessary, proper, desirable, incidental or convenient to conduct the business and affairs of the Company.

6.2 Individual Authority of Members. No Member, acting individually in its capacity as a Member, shall have any authority to bind the Company except to the extent expressly provided in this Agreement or to the extent such authority is expressly approved by Member Approval; provided, however, that the Members of the Company, acting together, shall have the full authority to bind the Company, and provided further that any acts by a Member may be subsequently ratified by Member Approval.

6.3 Duty to Company. Subject to the terms of this Agreement, the Members may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor any Member shall have any right, by virtue of this Agreement, to share or participate in such other investments or activities of the Members or to the income or proceeds derived therefrom.

6.4 Exculpation of Members. Neither Member nor any Affiliate of any Member shall be liable to the other Member for any act or failure to act pursuant to this Agreement, except where such act or failure to act constitutes a breach of this Agreement, gross negligence or willful misconduct and has not been expressly authorized by Member Approval. The Members shall be entitled to rely upon the advice of legal counsel, independent public accountants and other experts, including financial advisors, and any act of or failure to act by the Members in good faith reliance on such advice shall in no event subject any Members or any such other person to liability to the Company or any other Member.

6.5 Member Deadlock; **Dispute Resolution Procedures**. If at any time the Members reach an impasse on any decision requiring their action (a "**Deadlock**"), and they are unable to resolve the issue or decide upon an alternative course of action, the following procedures shall apply in the order as set forth hereunder:

6.5.1 Any Member may, upon five (5) days' notice to the other Members, submit the disagreement to mediation under the rules applicable in the State of New York. If the other Members agree to attempt to resolve the matter through mediation within five (5) days after a Member requests such mediation, the mediator shall then be jointly selected by the Members, but if they do not or cannot agree upon a mutually acceptable mediator within five (5) days after deciding to submit the matter to mediation, each Member shall select a candidate for mediator, which candidates shall, by majority vote, appoint the mediator. The mediator shall not have authority to impose a settlement upon the Members, but will attempt to help them reach a satisfactory resolution of the disagreement. The mediator shall end the mediation whenever, in the mediator's judgment, further efforts at mediation would not contribute to a resolution of the Deadlock matter; provided that any of the Members may end the mediation at any time after twenty (20) days from the date the mediator was selected. If none of the Members elects to have the matter mediated, or if after the mediation procedure terminates the Deadlock is still not resolved, any of the Members, upon notice to the other Members, shall have the right to declare a "**Deadlock Impasse**".

6.5.2 Within three (3) days after a Deadlock Impasse, provided that Ashely has at such time received aggregate distributions under Section 4.1.2 equal to its aggregate cash Capital Contributions to the Company, the Members may follow the procedure set forth in Section 6.6 below.

6.6 Member Buyout. Following a Deadlock Impasse (to the extent Ashely has previously received aggregate distributions under Section 4.1.2 equal to its aggregate cash Capital Contributions to the Company), the Members shall have the right to purchase from or sell to each of the other Members all, but not less than all, of their Membership Interests in the manner set forth in this Section 6.6:

6.6.1 Any Member (the "**Offeror"**) may serve upon the other Members (each an "**Offeree**") a notice (the "**Offering Notice**") which shall contain the following terms:

(1) a statement of intent to rely on this Section 6.6.

(2) the price for the Membership Interests at which the Offeror is willing to buy each Offeree's Membership Interest (the "**Specified Purchase Amount**") and sell the Offeror's Membership Interest (the "**Specified Sale Amount**"); provided that the Specified Sale Amount and Specified Purchase Amount shall be in the proportion as the Percentage Interests of the Members.

6.6.2 Each Offeree shall then have the option to elect to do one of the following at any time within 30 days after his receipt of the Offering Notice:

(1) to sell all, but not less than all, of such Offeree's Membership Interest to the Offeror for a purchase price equal to the Specified Purchase Amount;

(2) to purchase all, but not less than all, of the Membership Interests of the Offeror for a purchase price equal to the Specified Sale Amount;

6.6.3 If the Offeree does not exercise any of the options set forth above within such 30-day period, then, as of the day following the expiration of such period, the Offeree shall be conclusively deemed to have elected to sell its Membership Interest. The closing of any purchase and sale contemplated hereunder shall occur within thirty days of any such election to purchase and sell.

ARTICLE 7
LIABILITY; INDEMNIFICATION

7.1 Limited Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and the Members of the Company shall not be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member of the Company.

7.2 Indemnification.

7.2.1 No Member or officer of the Company shall be liable, in damages or otherwise, to the Company or any Member for any act or omission performed or omitted to be performed by it in good faith (except for intentional misconduct or recklessness) pursuant to the authority granted to such Member or officer of the Company by this Agreement or by the Act.

7.2.2 To the fullest extent permitted by the laws of the State of New York and any other applicable laws, the Company shall indemnify and hold harmless each Member of the Company, and may, at the discretion of the Members, indemnify and hold harmless each officer and other agent of the Company (each, an ***"Indemnitee"***), from and against any and all losses, claims, demands, costs, damages, liabilities (joint or several), expenses of any nature (including reasonable attorneys' fees and disbursements), judgments, fines, settlements and other amounts (***"Damages"***) arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which an Indemnitee may be involved, or threatened to be involved, as a party or otherwise, arising out of or incidental to the business of the Company, regardless of whether an Indemnitee continues to be a Member or an officer or agent of the Company, at the time any such liability or expense is paid or incurred, except for any Damages based upon, arising from or in connection with any act or omission of an Indemnitee committed without authority granted pursuant to this Agreement or in bad faith or otherwise constituting recklessness or willful misconduct.

7.2.3 Expenses (including reasonable attorneys' fees and disbursements) incurred in defending any claim, demand, action, suit or proceeding, whether civil, criminal, administrative or investigative, subject to Section 7.2.2 hereof, may be paid (or caused to be paid) by the Company in advance of the final disposition of such claim, demand, action, suit or proceeding upon receipt of an undertaking by or on behalf of the Indemnitee to repay such amount if it shall ultimately be determined, by a court of competent jurisdiction from which no further appeal may be taken or the time for any appeal has lapsed (or otherwise, as the case may be), that the Indemnitee is not entitled to be indemnified by the Company as authorized hereunder or is not entitled to such expense reimbursement.

7.2.4 Any indemnification hereunder shall be satisfied only out of the assets of the Company, and the Members shall not be subject to personal liability by reason of these indemnification provisions.

7.2.5 The indemnification provided by this Section 7.2 shall be in addition to any other rights to which each Indemnitee may be entitled under any agreement or vote of the Members, as a matter of law or otherwise, both as to action in the Indemnitee's capacity as a Member or as an officer, director, employee, shareholder, member or partner of a Member or of an Affiliate, and shall inure to the benefit of the heirs, successors, assigns, administrators and personal representatives of the Indemnitee.

7.2.6 The Company may purchase and maintain insurance on behalf of one (1) or more Indemnitees and other Persons against any liability which may be asserted against, or expense which may be

incurred by, any such Person in connection with the Company's activities, whether or not the Company would have the power to indemnify such Person against such liability under the provisions of this Agreement.

7.2.7 An Indemnitee shall not be denied indemnification in whole or in part under this Section 7.2 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

7.2.8 The provisions of this Section 7.2 are for the benefit of each Indemnitee and its heirs, successors, assigns, administrators and personal representatives, and shall not be deemed to create any rights for the benefit of any other Persons.

ARTICLE 8
ACCOUNTING

8.1 "Tax Matters Partner." Unless and until the Members shall otherwise agree, Erick Gauthreaux shall serve as the **"Tax Matters Partner"** for purposes of Section 6231 of the Code. Promptly following the written request of the Tax Matters Partner, the Company shall, to the fullest extent permitted by law, reimburse and indemnify the Tax Matters Partner for all reasonable expenses, including reasonable legal and accounting fees, claims, liabilities, losses and damages incurred by the Tax Matters Partner in connection with any administrative or judicial proceeding with respect to the tax liability of the Members. Without unanimous written approval by the Members, the Tax Matters Partner shall not settle, choose the forum of, or extend the statute of limitations related to, any administrative or judicial proceeding with respect to the tax liability of the Members. The Tax Matters Partner is authorized to employ any professional or consultant necessary to execute the duties described in this Section.

8.2 Required Records. The Secretary shall cause the records of the Company to be maintained in a complete and accurate manner. The Secretary shall cause the Company's records to be maintained on a current basis, including without limitation the recording of any transfer of all or part of a Member's Membership Interest pursuant to Article 9 herein. The Company's records shall conspicuously note that the Members' Membership Interests are governed by this Agreement and that this Agreement contains a restriction on the assignment of the Membership Interests. The Company's records at all times shall be kept at the principal executive office of the Company or such other place or places within the United States as the Board of Managers may determine.

8.3 Books of Account. The Company shall keep complete and accurate accounts of all transactions of the Company in proper books of account and shall enter or cause to be entered therein a full and accurate account of each and every Company transaction in accordance with generally accepted accounting principles or such other accounting principles and methods as determined by the Board of Managers with the advice of the Company's accountants; provided, that the financial provisions in this Agreement relating to Capital Contributions, Profits and Losses, distributions and Capital Accounts shall be construed, determined and reported to the Unit Holders in accordance with this Agreement without regarding to whether such provisions are consistent with generally accepted accounting principles. The books of account of the Company shall be closed and balanced as of the end of each Fiscal Year. The books of account and other records of the Company shall at all times be kept at the principal executive office of the Company or such other place or places within the United States as the Board of Managers may determine. Any Manager may have access to the books of account at any time.

8.4 Tax Characterization and Returns. The Members acknowledge that the Company will be characterized as a partnership for income tax purposes. The Tax Matters Partner shall prepare or cause to be prepared and shall file on or before the due date (or any extension thereof) any federal, state or local tax returns required to be filed by the Company, and the Board of Managers shall have complete discretion and authority concerning any tax election required or permitted to be made by the Company. The Tax Matters Partner shall deliver or cause to be delivered to each Member within ninety (90) days after the end of each Fiscal Year (or within a reasonable time thereafter if the Company's due date for a tax return is extended) such information concerning the Company as is necessary or appropriate to permit each Member to properly complete any federal, state or local income tax return in which Members must include items attributable to the Company. The Tax Matters Partner shall cause the Company to

endeavor to provide sufficient information from time to time during the year as may be appropriate to permit the Members to pay federal, state and local estimated taxes.

8.5 Tax Elections. The Company will make any and all elections for federal, state, local, and foreign tax purposes including without limitation any election, if permitted by applicable law: (a) to adjust the basis of Property pursuant to Code Sections 754, 734(b) and 743(b), or comparable provisions of state, local or foreign law, in connection with Transfers of Units and Company distributions; (b) to extend the statute of limitations for assessment of tax deficiencies against the Unit Holders with respect to adjustments to the Company's federal, state, local or foreign tax returns; and (c) to the extent provided in Code Sections 6221 through 6231 and similar provisions of federal, state, local, or foreign law, to represent the Company and the Unit Holders before taxing authorities or courts of competent jurisdiction in tax matters affecting the Company or the Unit Holders in their capacities as Unit Holders, and to file any tax returns and execute any agreements or other documents relating to or affecting such tax matters, including agreements or other documents that bind the Unit Holders with respect to such tax matters or otherwise affect the rights of the Company and the Unit Holders.

ARTICLE 9
TRANSFERS

9. 1 Restriction on Transfer. No Member (or other Unit Holder), may Transfer all or any portion of such Member's or Unit Holder's Membership Interest (or Financial Rights only in the case of nonmember Unit Holders) now owned or hereafter acquired, whether voluntary, by operation of law, or otherwise, without Member Approval or as otherwise provided in this Article. Any Transfer of Units or Financials rights made in accordance with this Section 9.1 is referred to herein as a "**Permitted Transfer**".

9.2 Transfers of Membership Interest. Notwithstanding anything to the contrary in the Articles of Organization or this Agreement, any transfer, assignment, or disposition of membership interests or voting rights must be effectuated in accordance with the laws, rules and regulations of the Office of Cannabis Management.

9.3 Company Purchase of Units upon Occurrence of a Triggering Event. In the event a Triggering Event (as hereinafter defined) occurs with respect to a Member, the following provisions shall apply unless waived by the Board on behalf of the Company on a case by case basis:

9.3.1. The Member with respect to which the Triggering Event occurred (the "**Selling Member**") shall notify the Company in writing of the occurrence of such Triggering Event within five (5) days of the Triggering Event occurring. Upon the Company's receipt of such written notice of the Triggering Event or of the Company's obtaining knowledge confirming that a Triggering Event has occurred, the Company shall determine the Appraised Value (as hereinafter defined) of the Selling Member's Units. Within thirty (30) days of determining the Appraised Value of the Selling Member's Units, the Company shall have the option to purchase all of the Selling Member's Units. If the Company exercises its option to purchase the Selling Member's Units, the purchase price shall be paid at the election of the Company, either: (i) in full, in legal tender of the United States, by check of the Company or by wire transfer; or (ii) by payment at the closing of not less than ten percent (10%) of the purchase price and by delivery of a promissory note having a principal amount equal to the remainder, bearing simple interest per annum at the applicable base interest rate published by the U.S. Treasury to calculate imputed interest as in effect on the date of closing, prepayable without penalty, and payable in not more than thirty-six (36) equal monthly installments, commencing one (1) month after the date of the closing. Upon the execution of the promissory note, the Selling Member shall relinquish all of his, her or its Units to the Company. If the Company has only two (2) Members at the time that a Triggering Event occurs with respect to one (1) Member, then the Member that has not experienced the Triggering Event shall determine the actions of the Company pursuant to this Section, including the determination of whether the Company shall (x) exercise its option and, if so, how the purchase price will be paid; or (y) dissolve.

9.3.2 "**Triggering Event**" with respect to a Member shall mean: (i) the Member commits a Material Breach as determined either (A) by the written consent of Members holding at least seventy-five percent (75%) of the Units; or (B) by the decision of a single arbitrator appointed pursuant to the

rules of the American Health Lawyers Association Dispute Resolution Service and pursuant to an expedited process that results in a final and binding decision within one hundred and eighty (180) days following the request of any party to arbitrate; (ii) the Bankruptcy of the Member or any involuntary Transfer by operation of law of any or all of the Member's Units or Membership Interest; (iii) an individual Member dies or becomes Disabled, or the dissolution or any other event terminating the existence of a non-individual Member; (iv) the Member becomes excluded (or an owner of an entity Member becomes so excluded and such owner's affiliation with the Member is not terminated within thirty (30) days) in any fashion and for any reason from participation in the New York State cannabis program; (v) the Member commits a crime of moral turpitude, a felony or any act involving fraud; (vi) any other act which has the unanimous consent of the non-offending members.

9.3.2 Purchase Price; Appraisal. The purchase price ("**Purchase Price**") payable to a Selling Member pursuant to this Section 9.3.2 shall equal the "**Appraised Value**" of the Units held by the Selling Member as of the effective date of Transfer. To determine the Appraised Value, the Company and the Selling Member or their respective representatives, as applicable, shall each select a reputable appraiser to determine the fair market value of the Units of the Selling Member without discount or premium. If the difference between the Appraised Value as determined by the Company's appraiser (the "**Purchaser's Appraised Value**") and the Appraised Value as determined by the Selling Member's appraiser (the "**Seller's Appraised Value**") is less than or equal to ten percent (10%) of the higher of the two appraisals, then the Appraised Value shall equal the aggregate of the Purchaser's Appraised Value and the Seller's Appraised Value divided by two (2). If the difference between the Purchaser's Appraised Value and Seller's Appraised Value is more than ten percent (10%) of the higher of the two appraisals, then, within twenty (20) days of the completion of both appraisals, the Company's appraiser and the Selling Member's appraiser shall select a third appraiser who shall make a final determination of the Appraised Value by selecting either the Purchaser's Appraised Value or the Seller's Appraised Value as the Appraised Value. Such determination shall be completed within a period of sixty (60) days of the appointment of such appraiser and shall be binding upon the Company and the Selling Member or their respective representatives. All appraisers engaged to determine the Appraised Value shall make their evaluations based solely on historical information (e.g., last twelve (12) months EBITDA). Each party shall bear the cost of the appraiser he, she or it engages and, if applicable, fifty percent (50%) of the cost of the third appraiser.

9.3.3. Limit on Payments. Aggregate payments to be made in connection with all redemptions shall not exceed seven and one-half percent (7.5%) of the Company's collected revenues in any year. If payments are so restricted, payments shall be made in proportion to amounts owed to all Members being redeemed pursuant to this Section 9.3.3. In sum, notwithstanding the provisions of this Section, the Company shall not be required to make payments to former Members pursuant to this article, which, in the aggregate, would exceed seven and one-half percent (7.5%) of the aggregate collections of the Company for any such period. If the aggregate amount of payments otherwise due to former Members pursuant to this Article would reasonably be expected to exceed this limitation in any calendar year or portion thereof, the Company, with the approval of the Board, shall pay such former Members, on a pro rata basis, based on the amount still owed such Members, quarterly payments totaling seven and one-half percent (7.5%) of the Company's anticipated aggregate collections for such period, and the balance of that period's payment obligations to such former Members shall be deferred to the following calendar year or years, until such amounts can be paid without violating such limitation with respect to any such year or years. Within thirty (30) days following the end of each calendar year, the Company shall make a pro rata adjusted payment to the former Members if and to the extent that actual aggregate collections during the prior year (or relevant portion thereof) have exceeded the anticipated amount. Notwithstanding the foregoing, in the case of a Member's withdrawal or Transfer that has been approved by the Board, the Board shall have the option to pay the entire Purchase Price on the date of Transfer.

9.4 Right of First Refusal. Notwithstanding the restrictions on Transfer of Section 9.3 above, if any Member receives a bona fide offer, whether or not solicited by he, she or it, from any third party for the purchase of all or any

portion of such Member's Units (the "**Offered Units**"), and such Member is willing to accept such offer (the "**Transferring Member**"), then the Transferring Member shall give written notice to the Members of: (a) the amount and terms of the offer; (b) the identity of the proposed transferee; and (c) the Transferring Member's willingness to accept the offer. Each Member shall have the option, within sixty (60) days after such notice is received, to elect to purchase the Offered Units designated in the third party offer on the same terms as those contained in the third party offer. In the event that more than one Founding Member desires to acquire the Offered Units, each shall do so in accordance with his, her or its Percentage Interest in Company on the date the offering notice is given (with such Percentage Interest derived by dividing the number of Units held by such Member at such time by the aggregate number of Units held by all Members outstanding at such time. If the sale shall not occur during such sixty (60) day period, then such Transferring Member shall not be permitted to sell the Units pursuant to such bona fide offer and any future sale of such Transferring Member's Units shall again be subject to this Section 9.4.

9.5 Drag Along. (a) Notwithstanding Section 9.1, but subject to Section 9.4, if one or more Members collectively holding at least sixty-five percent (65%) of the Units then issued and outstanding by the Company (the "**Drag Transferring Holders**") propose to Transfer their Units to a third party, then, the Drag Transferring Holders may require the other Unit Holders (the "**Non-Drag Transferring Holders**"), to sell all or any portion of the Units held by each of them (up to their respective pro rata share of the aggregate of the Units the third-party purchaser is willing to purchase in such sale transaction) for the same consideration and otherwise on the same terms and conditions as obtained by the Drag Transferring Holders in the sale transaction. The Drag Transferring Holders may exercise their rights under subsection 0 above by providing the Non-Drag Transferring Holders written notice pursuant to this subsection 0. The sale of the Units of any Non-Drag Transferring Unit Holder shall be on the same terms and conditions as the Units of the Drag Transferring Holders. For purposes of effectuating the sale, the Drag Transferring Holders shall have a power of attorney to execute such agreements and documents deemed reasonably necessary to the transfer of the Units held by the Non-Drag Transferring Holders.

9.6 Prohibited Transfers. Except as otherwise explicitly allowed for hereunder, any purported Transfer other than a Permitted Transfer shall be null and void and of no force or effect whatever. In the case of a Transfer or attempted Transfer of Units that is not made in accordance with this Agreement, the parties engaging or attempting to engage in such Transfer shall be liable to and shall indemnify and hold harmless the Company and the Members from all cost, liability, and damage that any of such indemnified Persons may incur (including without limitation incremental tax liability and attorney fees and related costs) as a result of such Transfer or attempted Transfer and efforts to enforce the indemnity granted hereby.

9.7 Effective Date of Transfer. Any Transfer of a Member's Units shall be deemed effective as of the day of the month and year in which (a) the Transfer occurs (as reflected by the form of Assignment) and (b) the transferee's name and address and the nature and extent of the Transfer are reflected in the required records of the Company. The appropriate Company records shall be conspicuously noted to prevent the Transfer of Units otherwise than in accordance with this Article. Notwithstanding the scheduling of the payment of amounts due under Section 9.3.2 or any delay in payments under Section 9.3.3, a Member's rights as a Member shall cease on the date of Transfer.

9.8 Distributions and Allocations in Respect to Transferred Units. If any Units are Transferred during any Fiscal Year in compliance with the provisions of this Section, Profits, Losses, each item thereof, and all other items attributable to the Transferred Units for such Fiscal Year will be divided and allocated between the transferor and the transferee based on the date of transfer. All distributions on or before the date of such Transfer will be made to the transferor, and all distributions thereafter will be made to the transferee. Solely for purposes of making such allocations and distributions, the Company will recognize such Transfer not later than the end of the calendar month during which it is given notice of such Transfer, provided that, if the Company is given notice of a Transfer at least ten (10) days prior to the Transfer, the Company will recognize such Transfer as of the date of such Transfer, and provided further that if the Company does not receive a notice stating the date such Units were Transferred and such other information as the Board of Managers may reasonably require within thirty (30) days after the end of the Fiscal Year during which the Transfer occurs, then all such items will be allocated, and all distributions will be made, to the Person who, according to the books and records of the Company, was the owner of the Units on the last day of such Fiscal Year. Neither the Company nor any Member will incur any liability for making allocations and distributions in accordance with the provisions of this Section 9.8, whether or not any Member or the Company has knowledge of any Transfer of ownership of any Units.

ARTICLE 10
DISSOLUTION; TERMINATION

10.1 Events of Dissolution. The Company shall survive in perpetuity and shall not be dissolved except (i) upon Member Approval, (ii) the entering of a decree of judicial dissolution under the Act or (iii) the sale of all or substantially all of the assets of the Company (in each case, a ***"Dissolution"***). Dissolution of the Company shall be effective on the date of such event (unless otherwise specified by the Members), but the Company shall not terminate until the assets of the Company shall have been distributed as provided herein and a certificate of dissolution of the Company has been filed with the Secretary of State of the State of New York.

10.2 Liquidation and Termination. On Dissolution of the Company, a Person shall be designated by the Members to act as liquidator. The liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidator shall continue to operate the Company properties with all of the power and authority of the Members; *provided, however*, that such liquidator may be removed and replaced at any time and for any reason by the Members. The steps to be accomplished by the liquidator are as follows:

10.2.1 The liquidator shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, any Member Loans, and all expenses incurred in liquidation) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine).

10.2.2 In the final Accounting Period of the Company, Net Profits and Net Losses shall be credited or charged to Capital Accounts of the Members (which Capital Accounts shall be first adjusted to take into account all distributions other than liquidating distributions made during the Accounting Period) in the manner provided in Article 4. If the fair market value of the assets to be distributed in kind pursuant to Section 9.2.3 exceeds ("book gain"), or is less than ("book loss"), the Company's book basis (as determined for Capital Account purposes) for such assets, such book gain or book loss shall be taken into account in the calculation of Net Profit or Net Loss to be allocated under Article 4.

10.2.3 All remaining assets of the Company shall be distributed to the Members in proportion to and accordance with their positive Capital Account balances.

10.3 Articles of Dissolution. On completion of the distribution of Company assets as provided herein, the Company is terminated, and shall conduct only such activities as are necessary to windup its affairs. The liquidator shall file articles of dissolution with the Secretary of State of the State of New York, cancel any other relevant filings and take such other actions as may be necessary to terminate the Company.

ARTICLE 11
MISCELLANEOUS

11.1 Notices. Any and all notices, consents, offers, elections and other communications required or permitted under this Agreement shall be deemed adequately given only if in writing and the same shall be delivered either (i) by hand or facsimile, or (ii) by mail or Federal Express or similar expedited commercial carrier, addressed to the recipient of the notice, postage prepaid and registered or certified with return receipt requested (if by mail), or with all freight charges prepaid (if by Federal Express or similar carrier). All notices, demands, and requests to be sent hereunder shall be deemed to have been given for all purposes of this Agreement upon the date of receipt or refusal. All such notices, demands and requests shall be addressed, if to the Company, at its principal executive offices, or if to a Member, at the address set forth on Schedule I attached hereto or to such other address as such Member may have designated for himself, herself or itself by written notice to the Company in the manner herein prescribed.

11.2 Word Meanings; Construction. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires. Unless otherwise indicated, all references to articles and Sections refer to articles and Sections of this Agreement, and all references to Schedules are to schedules attached hereto, each of which is made a part hereof for all purposes.

11.3 Binding Provisions. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assigns of the respective parties hereto.

11.4 Applicable Law. This agreement is governed by and shall be construed in accordance with the law of the State of New York, excluding any conflict-of-laws rule or principle that might refer the governance or the construction of this agreement to the law of another jurisdiction. In the event of a conflict between any provision of this Agreement and any non-mandatory provision of the Act, the provision of this Agreement shall control and take precedence.

11.5 Severability of Provisions. Each paragraph of this Agreement constitutes a separate and distinct undertaking, covenant and/or provision hereof. In the event that any provision of this Agreement shall finally be determined to be invalid, illegal or unenforceable in any respect under any applicable law, then (i) all such provisions shall be deemed severed from this Agreement, (ii)every other provision of this Agreement shall remain in full force and effect, and (iii) in substitution for any such provision held invalid, illegal or unenforceable, there shall be substituted a provision of similar import reflecting the original intent of the parties hereto to the extent permissible under applicable law.

11.6 Section Titles. Section titles are for descriptive purposes only and shall not control or alter the meaning of this Agreement as set forth in the text.

11.7 Further Assurance. The Members shall execute and deliver such further instruments and do such further acts and things as may be required to carry out the intent and purposes of this Agreement.

11.8 Directly or Indirectly. Where any provision in this Agreement refers to action to be taken by any person, or which such person is prohibited from taking, such provision shall be applicable whether the action in question is taken directly or indirectly by such person.

11.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement.

11.10 Effect of Waiver and Consent. A waiver or consent, express or implied, to or of any breach or default by any person in the performance by that person of its obligations hereunder or with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that person of the same or any other obligations of that person hereunder or with respect to the Company. Failure on the part of a person to complain of any act of any person or to declare any person in default hereunder or with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that person of its rights with respect to that default until the applicable statute-of-limitations period has run.

11.11 Entire Agreement. This Agreement together with the other agreements and instruments entered into in connection herewith constitutes the entire agreement among the parties hereto with respect to the transactions contemplated herein, and supersedes all other prior understandings or agreements among the Members with respect to such transactions.

11.12 Amendments. Except as otherwise provided herein, and subject to the Act, the Articles and this Agreement may be amended only with the Member Approval.

IN WITNESS WHEREOF, the undersigned Members have executed and delivered this Agreement as of the day and year first above written, and agree to and acknowledge all of its terms and those of the attached Schedules and Exhibits.

_____
Member

Justin Battles 
_____
Member

SCHEDULE I

Membership	**Interest %**
Eric Gauthreaux	51%
Justin Battles	49%