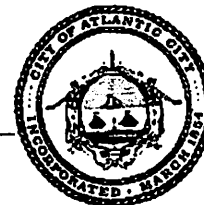


City of Atlantic City
Department of Planning & Development



Jacques A. Howard

Suite 506 City Hall
Atlantic City, New Jersey 08401-4603
TEL 609.347.5417
Email: jhoward@acnj.gov

September 27, 2022

Cooper Levenson
Nicholas F. Talvacchia
1125 Atlantic Ave, 3rd Floor
Atlantic City, NJ 08401

Re: Block 156 Lot 1 -1740 Atlantic Avenue

Dear Mr. Nicholas F. Talvacchia.:

Please accept this letter as a response to your recent request to obtain a Certified List of Property Owners Located within 200 feet of the above referenced property and a list of the Utility Companies. Attached to this letter is the official list.

This should satisfy this request. Please do not hesitate to contact this office in the event that you have any questions or require additional information.

Sincerely Yours,
The City of Atlantic City

Jacques A. Howard

Jacques A. Howard

Assistant Director
Department of Planning and Development



THIS IS A LIST OF UTILITY COMPANIES THAT SERVICE THE CITY OF ATLANTIC CITY. PLEASE NOTIFY ALL ENTITIES LISTED AT LEAST TEN (10) DAYS IN ADVANCE OF THE PUBLIC HEARING.

ATLANTIC CITY MUNICIPAL UTILITIES AUTHORITY

Attn: Claude Smith, Deputy Director – (609) 345-3315
P.O. Box 117
401 N. Virginia Avenue
Atlantic City, New Jersey 08404-0117
csmith@acmua.org

ATLANTIC CITY SEWERAGE COMPANY

Attn: Dan Kwapinski – (609) 345-0131
1200 Atlantic Avenue
Suite 300
Atlantic City, New Jersey 08401
dkwapinski@acsewerage.com

ATLANTIC COUNTY UTILITIES AUTHORITY

Attn: Rick Dovey
P.O. Box 996
Pleasantville, New Jersey 08232-0996
(609) 272-6950
rdovey@acua.com

ATLANTIC CITY ELECTRIC

Attn: Mr. Gregory Brubaker, PE (Senior Manager of Strategic Planning)
2542 Fire Road
Egg Harbor Township, New Jersey 08234

SOUTH JERSEY GAS COMPANY

Atlantic Division Attn: Briana Dirkes
111 N. Franklin Boulevard
Pleasantville, New Jersey 08232-0996
(609) 645-2690
bdirkes@sjindustries.com



City of Atlantic City

Buffer Report

Highlighted feature(s)

Subject Property (1)

| BLOCK | LOT | QUAL | Location | Owner | Street Address | City\State | ZipCode |
|-------|-----|------|-------------------|-------------------------------|----------------|-------------|---------|
| 156 | 1 | | 1740 ATLANTIC AVE | CHELSEA ATLANTIC EQUITIES,LLC | 1000 EASTON RD | WYNCOTE, PA | 19095 |

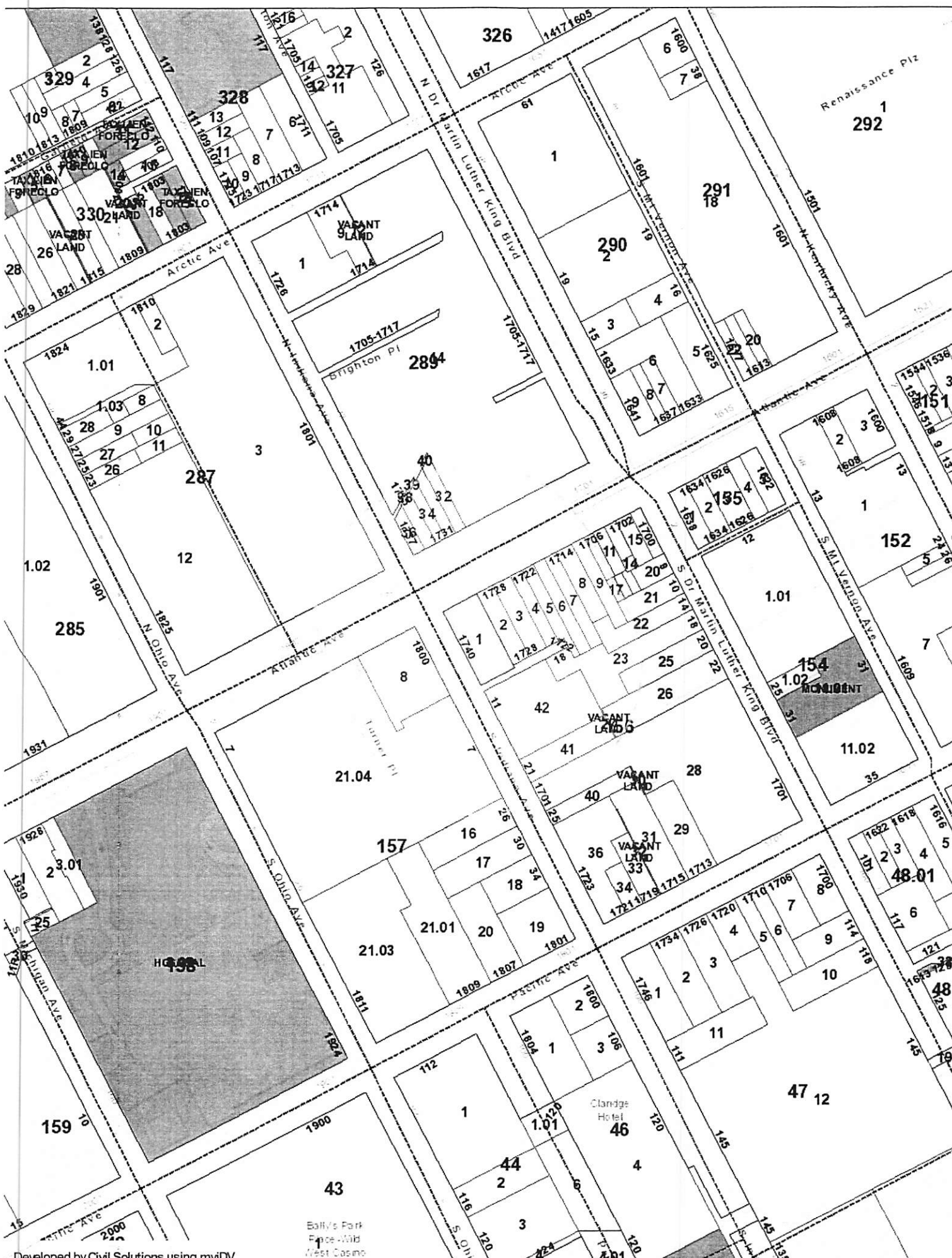
§

List of adjoining feature(s) that intersect 200 foot buffer from Subject Property.

Adjacent Properties (32)

| BLOCK | LOT | QUAL | Location | Owner | Street Address | City\State | ZipCode |
|-------|-----|------|---------------------------|----------------------------------|-----------------------|--------------------|---------|
| 156 | 1 | | 1740 ATLANTIC AVE | CHELSEA ATLANTIC EQUITIES,LLC | 1000 EASTON RD | WYNCOTE, PA | 19095 |
| 156 | 2 | | 1732 ATLANTIC AVE | CHELSEA ATLANTIC EQUITIES LLC | 1000 EASTON RD | WYNCOTE, PA | 19095 |
| 156 | 3 | | 1728 ATLANTIC AVE | NUT LLC | 1000 EASTON RD #105 | WYNCOTE, PA | 19095 |
| 156 | 4 | | 1724 ATLANTIC AVE | 1722 1724 ATLANTIC AVE LLC | 100 ATLANTIC AVE | LYNBROOK, NY | 11563 |
| 156 | 5 | | 1722 ATLANTIC AVE | 1722 1724 ATLANTIC AVE LLC | 100 ATLANTIC AVE | LYNBROOK, NY | 11563 |
| 156 | 6 | | 1720 ATLANTIC AVE | RHA, RAPHAEL & MICHAEL RMR LLC | 7 CRESTWOOD AVE | LINWOOD, NJ | 08221 |
| 156 | 7 | | 1718 ATLANTIC AVE | RHA, RAPHAEL & MICHAEL RMR LLC | 7 CRESTWOOD AVE | LINWOOD, NJ | 08221 |
| 156 | 8 | | 1714 ATLANTIC AVE | ZUMOT, NAEL & DABABNEH, MOUSA | 56 TOWER AVE | EGG HARBOR TWP, NJ | 08234 |
| 156 | 9 | | 1710 ATLANTIC AVE | CHELSEA PROPERTIES LLC | 1000 EASTON RD #108 | WYNCOTE, PA | 19095 |
| 156 | 10 | | 1708 ATLANTIC AVE | JONUZI, DRITAN & SEFEDINI, BEKIM | 42 POTTERS LN | MAYS LANDING, NJ | 08330 |
| 156 | 17 | | 8 S DR MARTIN LUTHER RR 3 | BOARDWALK PIERS 3 LLC | 2050 CENTER AVE #400 | FORT LEE, NJ | 07024 |
| 156 | 21 | | 10 S DR MARTIN LUTHER K | BOARDWALK PIERS 3 LLC | 2050 CENTER AVE #400 | FORT LEE, NJ | 07024 |
| 156 | 22 | | 14 S DR MARTIN LUTHER K | BOARDWALK PIERS 3 LLC | 2050 CENTER AVE #400 | FORT LEE, NJ | 07024 |
| 156 | 23 | | 18 S DR MARTIN LUTHER K | BOARDWALK PIERS 3, LLC | 2050 CENTNER AVE #400 | FORT LEE, NJ | 07024 |
| 156 | 25 | | 20 S DR MARTIN LUTHER K | BOARDWALK PIERS 4 LLC | 2050 CENTER AVE 510 | FORT LEE, NJ | 07024 |
| 156 | 26 | | 22 S DR MARTIN LUTHER K | BOARDWALK PIERS 4 LLC | 2050 CENTER AVE 510 | FORT LEE, NJ | 07024 |
| 156 | 27 | | S INDIANA AVE RR | BOARDWALK PIERS 4 LLC | 2050 CENTER AVE 510 | FORT LEE, NJ | 07024 |

| BLOCK | LOT | QUAL | Location | Owner | Street Address | City/State | Zip Code |
|-------|-------|------|------------------------|--------------------------------------|---------------------------|--------------------|------------|
| 156 | 28 | | 1701 PACIFIC AVE | CRDA | 15 S PENNSYLVANIA AVE | ATLANTIC CITY, NJ | 08401 |
| 156 | 41 | | 21 S INDIANA AVE | CRDA | 15 S PENNSYLVANIA AVE | ATLANTIC CITY, NJ | 08401 |
| 156 | 42 | | 11 S INDIANA AVE | THERMAL ENERGY LIMITED PARTNERSHIP 1 | 1825 ATLANTIC AVE | ATLANTIC CITY, NJ | 08401 |
| 157 | 8 | | 1800 ATLANTIC AVE | 1800 ATLANTIC LLC | 2 EASTWICK DRIVE #200 | GIBBSBORO, NJ | 08026 |
| 157 | 16 | | 26 S INDIANA AVE | ATLANTICARE, HEALTH SERV INC | 2500 ENGLISH CREEK AVE | EGG HBR TWP, NJ | 08234.5549 |
| 157 | 21.04 | | 7 S OHIO AVENUE | ATLANTICARE HEALTH SERV INC | 2500 ENGLISH CRK 500 #501 | EGG HARBOR TWP, NJ | 08234 |
| 287 | 3 | | 1801 ATLANTIC AVE | ARCTIC REALTY CO. LLC | P.O.BOX 1517 | VINELAND, NJ | 08362 |
| 289 | 14 | | 1705-1717 ATLANTIC AVE | AMELIA ASSOCIATES | 3000 BOARDWALK | ATLANTIC CITY, NJ | 08401 |
| 289 | 32 | | 1729 ATLANTIC AVE | LONG RIVER ATLANTIC LLC | 5503 WELLINGTON AVE | VENTNOR, NJ | 08406 |
| 289 | 33 | | 1731 ATLANTIC AVE | JONUZI, DRITAN | 42 PUTTERS LN | MAYS LANDING, NJ | 08330 |
| 289 | 34 | | 1733 ATLANTIC AVE | SULLTANA LLC | 42 PUTTERS LN | MAYS LANDING, NJ | 08330 |
| 289 | 35 | | 1735 ATLANTIC AVE | JONUZI, MURTEZAN | 416 S TULIP AVE | GALLOWAY, NJ | 08205 |
| 289 | 36 | | 1737 ATLANTIC AVE | FIRST SAI LLC | 1737 ATLANTIC AVE | ATLANTIC CITY, NJ | 08401 |
| 289 | 38 | | 1735 ATLANTIC AVE REAR | JONUZI, MURTEZAN | 1735 ATLANTIC AVE | ATLANTIC CITY, NJ | 08401 |
| 289 | 39 | | 1733 ATLANTIC AVE REAR | SULLTANA LLC | 42 PUTTERS LN | MAYS LANDING, NJ | 08330 |



CITY OF ATLANTIC CITY
OFFICE OF TAX COLLECTOR
1301 BACHARACH BLVD, STE #126
ATLANTIC CITY, NEW JERSEY 08401
(609) 347-5630 FAX # 347-5621



CERTIFICATION OF PAYMENT

June 22, 2023

City of Atlantic City

This certifies that the taxes on Block: 156 Lot: 1

Location: 1740 Atlantic Ave

Property Owner : Chelsea Atlantic Equities, LLC

are paid up to date as of 4/28/2023.

Taxes are Delinquent as of N/A.

There is a lien on this property as of N/A.

Kacey B. Johnson, CTC, CPM

Collector of Taxes
KACEY B. JOHNSON, CTC, CPM

Resolution of the City of Atlantic City

No. 497

Approved as to Form and Legality on Basis of Facts Set Forth

Factual contents certified to by

Assistant City Solicitor /s/ Karl Timbers

Assistant Director Planning & Development /s/ Jacques Howard

Prepared by City Solicitor's Office

Council Member MARSHALL presents the following Resolution:

RESOLUTION IN SUPPORT FOR SUITABILITY OF CANNABIS BUSINESS THE THC SHOP LLC

WHEREAS, THE THC SHOP LLC, operators of a proposed cannabis business are required to demonstrate local support for the suitability and appropriateness of its business location from a municipality pursuant to N.J.A.C. 17:30-5.1(g) and/or pursuant to the provisions of N.J.S.A. 24:61-7.2(4); and

WHEREAS, pursuant to the provisions of N.J.S.A. 17:30-5.1, the City of Atlantic City has adopted Ordinance No. 51 of 2021 amending Chapter 163 to license and regulate cannabis businesses in designated zoning districts; and

WHEREAS, the applicant, **THE THC SHOP LLC**, (the "License-Applicant") has sought such a letter of support to apply for a state license to operate a licensed Class 5 retail cannabis business at the address 1740 Atlantic Avenue, located in the Zoning District CBD; and

WHEREAS, the City of Atlantic City has reviewed and considered the request of the License-Applicant to conduct the cannabis business at the location described above; and

WHEREAS, the City of Atlantic City has determined that it has authorized the type of cannabis business license being sought by the License-Applicant to operate within its jurisdiction subject to approval by the CRDA; and

WHEREAS, to the extent the City of Atlantic City has imposed a limit on the number of licensed cannabis businesses within its jurisdiction, the issuance of a license to the License-Applicant by the Cannabis Regulatory Commission would not exceed that limit as of the date of this Resolution;

WHEREAS, the City of Atlantic City has determined that the proposed location is suitable and appropriate for the proposed activity subject to CRDA approval, related to the operations of the proposed cannabis business to be conducted by the License-Applicant; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Atlantic City hereby authorizes this resolution of local support for **THE THC SHOP LLC** and for the purpose described herein.

kc July 28, 2022 10:20 AM

| DO NOT USE SPACE BELOW THIS LINE | | | | | | | | | | | | | |
|--|-----|-----|------|------|------|------|----------------|-----|-----|------|------|------|------|
| RECORD OF COUNCIL VOTE ON FINAL PASSAGE | | | | | | | | | | | | | |
| COUNCIL MEMBER | AYE | NAY | N.V. | A.B. | MOT. | SEC. | COUNCIL MEMBER | AYE | NAY | N.V. | A.B. | MOT. | SEC. |
| DUNSTON | X | | | | | | RANDOLPH | | X | | | | X |
| KURTZ | X | | | | | | SHABAZZ | | X | | | | |
| MARSHALL | X | | | | | | WEEKES | X | | | | | |
| MORSHED | | X | | | X | | ZIA | | X | | | | |
| TIBBITT, PRESIDENT | | | | | | | | X | | | | | |
| X-Indicates Vote NV-Not Voting AB-Absent MOT-Motion SEC-Second | | | | | | | | | | | | | |

This is a Certified True copy of the Original Resolution on file in the City Clerk's Office.

DATE OF ADOPTION: JULY 27, 2022

Paula Geletai

/s/ Paula Geletai, City Clerk

- Leadership
- Expectations
- Transparency

CITY OF ATLANTIC CITY
OFFICE OF THE MAYOR

- Accountability
- Credibility
- Excellence In Execution

L.E.T.S. A.C.E. IT!



MAYOR MARTY SMALL, SR.

City Hall
1301 Bacharach Boulevard • Suite 706
Atlantic City, New Jersey 08401
Telephone 609-347-5400

8/23/2022

Karen Melchionda
CEO
The THC Shop LLC
1740 Atlantic Avenue, Atlantic City New Jersey

RE: LETTER OF SUPPORT FOR The THC Shop LLC

To Whom It May Concern:

The THC Shop LLC has requested a letter of support to be included in his application before the Cannabis Regulatory Commission, as is required to obtain a state license for a cannabis business to operate within the City of Atlantic City. 1740 Atlantic Avenue which is within the approved zone for Recreational Cannabis Dispensary.

The purpose of this letter is to express support on behalf of the Administration of the City of Atlantic City for a cannabis business with the City of Atlantic City. This letter of support is contingent upon an organization's ability to meet all state, county and local regulations.

Yours in service to the community,

A handwritten signature in black ink, appearing to read "Marty Small Sr.", is written over the typed name.

Marty Small Sr.
Mayor
City of Atlantic City



Philip D. Murphy
Governor

Modia "Mo" Butler
Chairman

Elizabeth M. Muoio
State Treasurer

Matthew J. Platkin
Acting Attorney General

Sheila Y. Oliver
DCA Commissioner

James T. Plousis
Casino Control Commission

Mayor Marty Small, Sr.
City of Atlantic City

Michael D. Beson

Daniel Cosner

Debra P. DiLorenzo

Edward H. Gant

Michael I. Hanley

Gary L. Hill

Brett H. Matik

William T. Mullen

William C. Sproule

Karen Worman

Sean M. Pattwell
Executive Director

January 24, 2023

The THC Shop LLC
1 Maple Shade Drive
Whippany NJ 07981
C/O Nicholas F. Talvacchia, Esq. (ntalvacchia@cooperlevenson.com)

Re: Zoning Determination Letter
The THC Shop LLC
1740 Atlantic Avenue
Atlantic City NJ 08401
Block 156, Lot 1 (portion)
(the "Property") CRDA# 2023-01-3383

It is understood that the above referenced Applicant has submitted an application to the Cannabis Regulatory Commission for a Class 5 license for the retail sale of recreational cannabis and indicated its intent to locate said establishment at the Property referenced above.

The Casino Reinvestment Development Authority ("CRDA") has zoning and land use jurisdiction within the Tourism District in the City of Atlantic City ("City") pursuant to P.L. 2011, c. 18, as amended (the "Tourism District Act").

The City introduced Ordinance #57 to adopt a Green Zone Redevelopment Plan authorizing the retail sale of recreational cannabis. In accordance with the Tourism District Act, the CRDA consented to the adoption of the Green Zone Redevelopment Plan pursuant to Resolution 22-112 adopted September 20, 2022. The City adopted Ordinance #57 dated September 22, 2022, adopting the Green Zone Redevelopment Plan. Accordingly, the uses permitted under the Green Zone Redevelopment Plan are deemed to be permitted within Tourism District.

Please let this letter confirm that the Property is located in the Tourism District and within the Green Zone Redevelopment Area where the retail sale of recreational cannabis is a permitted use, subject to the review and approval of a complete application for development by the CRDA once a license for the retail sale of recreational cannabis is obtained by the Applicant.

Yours truly,

Robert L. Reid, AICP, PP
Land Use Regulation Enforcement Officer

**LIMITED LIABILITY COMPANY AGREEMENT
OF
THE THC SHOP LLC**

THIS LIMITED LIABILITY COMPANY AGREEMENT (this "*Agreement*") of **THE THC SHOP LLC** (the "*Company*"), effective as of November 23, 2021, is by and among the individuals or entities identified as Members on Schedule I attached hereto and who have executed a counterpart of this Agreement as Members (the "*Members*").

**ARTICLE I
GENERAL PROVISIONS**

Section 1.1. Formation. The Company was formed on 11/23/2021 as a limited liability company pursuant to the New Jersey Limited Liability Company Act (the "*LLCL*") by the filing of the Articles of Organization of the Company (the "*Articles*") with the Secretary of State of New Jersey. The Members shall execute or cause to be executed all other instruments, certificates, notices and documents as may now or hereafter be required for the valid existence and, when appropriate, termination of the Company as a limited liability company under the LLCL.

Section 1.2. Company Name. The name of the Company is "The THC Shop LLC", and its business shall be carried on in such name with such variations and changes as the Manager (as defined below) deems prudent.

Section 1.3. Purpose of the LLC. The purpose of the Company is to engage in any and all activities permitted under the LLCL, including, without limitation obtaining and holding a license for the [retail sale] of adult-use cannabis(the "*License*") from the State of New Jersey, Cannabis Regulatory Commission (the "*CRC*") pursuant to the New Jersey Regulatory Enforcement Assistance and Marketplace Modernization Act ("*CREAMMA*") and the regulations promulgated with respect thereto (collectively, the "*New Jersey Cannabis Laws*") and all activities related to or incidental to the foregoing. The Company is hereby authorized to do all things and execute such agreements and documents that its Members and/or the Manager deems necessary or advisable in furtherance of the foregoing purposes of the Company, to the extent not prohibited by this Agreement, the LLCL or other applicable law.

Place of Business. The business address of the Company shall be as determined from time to time by the Manager and shall initially be 1 Mapleshade Drive, Whippany, NJ 07981

Section 1.4. . The Company may from time to time have such other place or places of business, within or without the Manager may decide.

Agent for Service of Process. The Secretary of State of the State of New Jersey is designated as an agent of the Company upon whom process against it may be served. The address to which the Secretary of State of the State of New Jersey shall mail a copy of any process against the Company served upon him or her is: The THC Shop LLC, c/o Karen Melchionda, 1 Mapleshade Drive Whippany NJ 07981

Section 1.5. No Term to Existence. The Company's existence commenced on the date of the filing of the Articles with the Secretary of State of New Jersey and shall continue until terminated in accordance with Article IX.

Section 1.6. Accounting Period. The close of the Company's fiscal year for financial statement and federal income tax purposes shall be the year ending on December 31 of each calendar year (the "*Fiscal Year*").

ARTICLE II MEMBERS AND INTERESTS

Section 2.1. Members. The names, addresses, percentage interests (the "*Interests*") and initial capital contributions of each Member to the Company are set forth on Schedule I hereto, as it may be amended from time to time in accordance with this Agreement.

Section 2.2. Rights or Powers. Members shall not have any right or power to take part in the management or control of the Company or its affairs or to act for or bind the Company in any way. Notwithstanding the foregoing, Members shall have all the rights and powers specifically set forth in this Agreement, the Articles and the LLCL.

Section 2.3. Admission of New Members. New Members may be admitted to the Company as determined from time to time by the unanimous consent of the Members in accordance with this Agreement. Notwithstanding the foregoing, the admission of a new Member may be subject to the approval of the CRC or other restrictions, limitations or requirements of the New Jersey Cannabis Laws, including, without limitation the potential prohibition of such new Members and/or the pre-approval for a change of ownership of the Company). No new Member shall be admitted if such admission shall violate the New Jersey Cannabis Laws.

Section 2.4. No Liability of Members. All 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 no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member; provided, that any Member may, but shall not be required to, separately agree to guarantee or otherwise become liable for any debt, liability or obligation of the Company.

Section 2.5. Company Property. No real or other 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.

Section 2.6. Meetings of Members.

a. The Company shall not be required to hold an annual meeting of Members.

b. Meetings of Members may be called at any time by the Manager or by Members holding in the aggregate a majority of the Interests. Notice of any such meeting shall be given to all Members not less than ten (10) days or more than sixty (60) days prior to the date of such meeting. The presence in person or by proxy of Members holding a majority of the Interests shall constitute a quorum. Members may vote in person, by proxy or by telephone at such meeting and may waive advance notice of such meeting. Whenever any action is to be taken by Members under this Agreement or the LLCL, such action shall, except as otherwise required or specified by the LLCL or this Agreement, be authorized by Members holding a majority of the Interests. Whenever the vote or consent of Members is permitted or required under this Agreement or the LLCL, such vote or consent may be given at a meeting of Members or by written consent signed by Members having not less than the minimum number of votes that would be necessary to approve any action at a meeting of Members.

c. Each meeting of Members shall be conducted by the Manager or such other individual person as the Manager may designate. The Manager shall establish all other provisions relating to meetings of Members.

ARTICLE III MANAGEMENT

Section 3.1. Management of the Company. The business and affairs of the Company will be managed by its manager (the "*Manager*"). The Manager shall be appointed by the unanimous vote of the Members. The Manager will initially be Karen Melchionda. Except for situations in which the approval of the Members is expressly required by this Agreement, the Articles or by non-waivable provisions of the LLCL, the Manager will have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business. Action required or permitted to be taken at a meeting of the Manager may be taken

without a meeting if the action is evidenced by a written consent describing the action taken, such consent is signed by the Manager and is delivered to the principal place of business of the Company or to an employee or agent of the Company having custody of the records of the Company.

Section 3.2. Officers. The Manager may appoint such officers of the Company as the Manager deems from time to time necessary or desirable. Each of the officers of the Company shall serve at the pleasure of the Manager and shall have such powers and duties as the Manager may specify from time to time.

Section 3.3. Expenses and Compensation. Subject to Section 3.4, Managers shall be entitled to reimbursement by the Company for all out-of-pocket expenses paid or incurred by a Manager on behalf of the Company or in furtherance of its business.

Section 3.4. Business Transactions of a Manager or Member with the Company. Except as otherwise provided by applicable law, including, without limitation, the New Jersey Cannabis Laws, any Manager or any Member (with the consent of the Manager) may, but shall not be obligated to, lend money to the Company, act as surety for the Company and transact other business with the Company and have the same rights and obligations when transacting business with the Company as a person or entity who is not a Member or a Manager. A Manager, Member, or any affiliate thereof, may also be an employee or be retained as an agent of the Company. The existence of these relationships and acting in such capacities will not result in the Member being deemed to be participating in the control of the affairs of the Company or otherwise affect the limited liability of the Member under the LLCL.

ARTICLE IV CAPITAL CONTRIBUTIONS

Section 4.1. Capital Contributions. No Member shall be required to make any additional capital contribution to the Company. All capital contributions made, if any, shall be based upon each Members' Interest.

Section 4.2. No Withdrawals. No Member shall be entitled to resign as a Member or to withdraw any part of his or her capital contribution from the Company except upon dissolution and liquidation of the Company in accordance with Article IX or as otherwise set forth herein. Notwithstanding the foregoing and the provisions of Article IX, such withdrawal may require the approval of the CRC or compliance with such other rules, restrictions or requirements under the New Jersey Cannabis Laws. No Member shall be entitled to receive any distributions from the Company, except as expressly provided in this Agreement.

Section 4.3. No Liability for Capital Contributions. No Member shall be personally liable for the return of any portion of the capital contributions of the Members. The return of the Members' capital contributions shall be made solely

from the Company's assets. No Member shall have the right to demand or receive property other than cash for his or her interest in the Company.

Section 4.4. No Interest. No Member shall receive interest on his or her capital contributions.

Section 4.5. No Partition, Sale or Appraisal. No Member shall have the right to require partition of any of the Company's property or to compel any sale or appraisal of the Company's assets.

Section 4.6. No Loans. No Member shall be required to lend any funds to the Company, except as otherwise required by applicable law or by this Agreement or under such terms as the Members shall unanimously agree. Any Member may, with the unanimous written consent of all Members, make loans to the Company, and any loan by a Member to the Company shall not be considered to be a capital contribution.

ARTICLE V CAPITAL ACCOUNTS

Section 5.1. Maintenance of Capital Accounts. An individual capital account shall be maintained for each Member. The amount of each Member's capital account shall equal the aggregate amount of cash and the fair market value, as determined by the Members, of any property contributed by that Member to the Company and (1) increased by that Member's share of Company profits and (2) decreased by (i) that Member's share of Company losses and (ii) that aggregate amount of cash and the fair market value (as determined by the Members) of any property distributed to that Member in respect of his or her Interest. No Member shall have any responsibility to restore a deficit balance in his or her capital account. In all cases, the capital accounts of the Members shall be accounted for in accordance with the Internal Revenue Code (together with Treasury Regulations promulgated from time to time thereunder, the "*IRS Code*").

Section 5.2. Tax Matters. The "partnership representative" (as defined herein) shall make any and all elections for federal, state, and local purposes including any election, if permitted by applicable law: (i) to adjust the basis of Property pursuant to Code Sections 754, 734(b) and 743(b), or comparable provisions of state and local tax laws, in connection with transfers of Interests and Company distributions; (ii) to extend the statute of limitations for assessment of tax deficiencies against the Members with respect to adjustments to the Company's federal, state and local returns; and (iii) to the extent provided in Code Sections 6221 through 6231 and similar provisions of federal, state and local law, to represent the Company and the Members before taxing authorities or courts of competent jurisdiction in tax matters affecting the Company or the Members in their capacities as such, and to make any tax elections or 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 Members with respect to such tax matters or otherwise affect the rights of

the Company and Members. [Karen Melchionda] shall act as the "partnership representative" as defined in Section 6223 of the Code, as amended by the Bipartisan Budget Act of 2015 (the "BBA"). Each Member shall cooperate and take actions reasonably requested by the partnership representative in connection with any tax matters relating to the Company, including elections made by the Company pursuant to the BBA partnership audit rules.

ARTICLE VI ALLOCATIONS AND DISTRIBUTIONS

Section 6.1. Allocation of Profits and Losses. Except as otherwise provided in Section 6.2 of this Agreement, all Profits and Losses of the Company shall be allocated and charged to the Members in accordance with their respective percentage Interest. "Profits" and "Losses" mean, for each Fiscal Year, an amount equal to the Company's taxable income or loss for such Fiscal Year, determined in accordance with IRS Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to IRS Code Section 703(a)(1) shall be included in taxable income or loss), with the Profits and Loss adjustments set forth in Section 6.2 of this Agreement.

Section 6.2. Special Allocations. The following special allocations (if applicable) shall be made in the following order:

a. Minimum Gain Chargeback. Notwithstanding any other provision of this Article VI, except Section 6.2(d), if there is a net decrease in the Company's minimum gain (as calculated in accordance with the principles of Treasury Regulation Section 1.704-2(b)(2) and 1.704-2(d)(1)) during any fiscal year, each Member, but only to the extent required by Treasury Regulation Section 1.704-2(f), shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to the portion of such Member's share of the net decrease in Company minimum gain, determined in accordance with Treasury Regulation Section 1.704-2(g)(2). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and 1.704-2(j) of the Treasury Regulations. This Section 6.2(a) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Treasury Regulations and shall be interpreted consistently therewith.

b. Member Nonrecourse Debt Minimum Gain Chargeback. Notwithstanding any other provision of this Article VI, except Sections 6.2(a) and 6.2(d), if there is a net decrease in

Member nonrecourse debt minimum gain (calculated in accordance with the principles of Treasury Regulation Section 1.704-2(i)(3)) during any Company fiscal year, each Member who has a share of the Member nonrecourse debt minimum gain, determined in accordance with the principles of Treasury Regulation Section 1.704-2(i)(5), as of the beginning of such fiscal year, but only to the extent required by Treasury Regulation Section 1.704-2(i) and not subject to the exceptions set forth in Treasury Regulation Section 1.704-2(i)(4), shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member nonrecourse debt minimum gain, determined in accordance with Treasury Regulation Sections 1.704-2(i)(4) and 1.704-2(g)(2). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with, and only to the extent required by, Sections 1.704-2(i) and 1.704-2(j) of the Regulations. This Section 6.2(b) is intended to comply with the minimum gain chargeback requirements in such sections of the Treasury Regulations and shall be interpreted consistently therewith.

c. Qualified Income Offset. If any Member unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) or 1.704-1(b)(2)(ii)(d)(6), items of Member income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the capital account deficit of such Member adjusted in the manner set forth in Treasury Regulation Section 1.704(b)(2)(ii)(d)(4), (5) and (6) ("*Adjusted Capital Account Deficit*") as quickly as possible, provided that an allocation pursuant to this Section 6.2(c) shall be made only to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article VI have been tentatively made as if this Section 6.2(c) were not in the Agreement. This qualified income offset is intended to comply with Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

d. Gross Income Allocation. If a Member has a deficit capital account at the end of any fiscal year which exceeds the amount such Member is obligated (or deemed obligated) to restore pursuant to the penultimate sentences of Treasury Regulation Sections 1.704-2(g)(1) and 1.704-2(c)(5), each such

Member shall be specially allocated items of income and gain in the amount of such excess as quickly as possible, provided that such allocation shall be made only to the extent the deficit remains after all other allocations provided in this Section 6.

e. Nonrecourse Deductions. Nonrecourse deductions (within the meaning of Treasury Regulation Section 1.704-2(b)(1)) shall be allocated to Members in proportion to their respective percentage Interests.

Section 6.3. Distributions. Distributions (other than distributions pursuant to Section 9.2) shall be made to the Members at the times and in the amounts as determined by the Manager in accordance with this Agreement; provided that any distribution of available cash authorized by the Manager shall be made to each of the Members, in accordance with their percentage interests. No distributions may be made or declared in violation of the LLCL. [Notwithstanding the foregoing, the Manager shall seek to distribute to the Interest holders in respect of each fiscal year an aggregate amount equal to the product of (i) the Assumed Income Tax Rate (as defined below) and (ii) the amount of taxable income allocated to the Interest holders hereunder (the "*Tax Distribution*"). Any Tax Distribution pursuant to this Section 6.3 shall be made in accordance with the percentage Interests of the Interest holder. "*Assumed Income Tax Rate*" means the maximum aggregate individual Federal, state and local tax rate for residents of New York City regardless of the actual residence of any Member.]

ARTICLE VII TRANSFERS OF INTERESTS

Section 7.1. Transfer of LLC Interests. Except as provided in this Agreement, no Member may sell, assign, transfer, pledge, hypothecate, encumber or otherwise dispose (each, a "*Transfer*") of his or her Interests without the consent of all the Members. For purposes of this Agreement, the term "Transfer" is used as a defined term both as a noun and as a verb, including variations thereof. Notwithstanding the foregoing, a transfer may be subject to the approval of the CRC or other rules, restrictions or limitations pursuant to the New Jersey Cannabis Laws, including, without limitation, pre-approval for a change of ownership of the Company. The Members agree that no Transfer shall be permitted which violates the New Jersey Cannabis Laws.

Section 7.2. Condition to the Effectiveness of Transfers. Notwithstanding any other provision of this Agreement, no Transfer shall be effective unless and until the transferee executes and delivers a writing agreeing to become a party to this Agreement.

Section 7.3. Purported Transfers Invalid; Indemnification.

a. Any attempted or purported Transfer of Interests or a Member's rights or obligations under this Agreement other than in accordance with the provisions hereof and in compliance with the New Jersey Cannabis Laws shall be *void ab initio*, and the Company shall have no obligation to acknowledge or deal with any person purporting to have any rights as a consequence thereof; provided that, if the Company is required to recognize a Transfer (or if the Manager, in its sole discretion, elects to recognize a Transfer), the transferor's rights shall be strictly limited to the Economic Interest (as defined below) represented by such Transferred Interests, and any distributions therein may be applied (without limiting any other legal or equitable rights of the Company) to satisfy any debts, obligations, or liabilities for damages that the transferor or transferee of such Interests may have to the Company. A transferee of such Transferred Interests shall not have the right to participate in the management and affairs of the Company or become a Member unless and until consented to by the Manager and only to the extent of such management rights related to such Transferred Interests. "*Economic Interest*" means an Interest holder's share of the Profits and Losses of, and the right to receive distributions from, the Company.

b. In the case of a transfer or attempted transfer of Interests, the Members and/or other persons engaging or attempting to engage in such Transfer shall indemnify and hold harmless the Company, the Manager and the other Members from all costs, liabilities or damages that any of such indemnified persons may incur (including, without limitation, incremental tax liabilities and reasonable attorneys' fees and expenses) as a result of such transfer or attempted transfer or as a result of any efforts to enforce the indemnity granted hereby.

Section 7.4. Rights of Assignees. A person who acquires Interests but who is not admitted as a substituted Member pursuant to Sections 7.1 and 7.2 shall be entitled only to the Economic Interest represented by such Interests in accordance with this Agreement and shall have no right to any information or accounting of the affairs of the Company, shall not be entitled to inspect the books or records of the Company or to vote on any matter, and shall not have any of the other rights of a Member.

ARTICLE VIII REDEMPTION OF INTERESTS

Section 8.1. [Death, Permanent Disability or Involuntary Transfer.]

a. [In the event of the (i) death of any Member; (ii) Permanent Disability (as defined below) of any Member or (iii)

Transfer of title or beneficial ownership of Interests upon default, foreclosure, forfeit, divorce, bankruptcy, court order, or otherwise than by a voluntary decision on the part of a Member (an "*Involuntary Transfer*"), the Company shall have the option, exercisable for a period of six (6) months after the death of such Member, Permanent Disability of such Member or effective date of an Involuntary Transfer, and upon the approval of the Manager (without the vote of the Manager whose Interests are subject to the Company's redemption option under this Section, if such Manager is the Member whose Interests are the subject of redemption hereunder, in which case the approval of the remaining Member shall be required) to redeem all of such Member's Interests (the "*Redeemable Interests*") from his or her estate (or beneficiaries of his or her estate), from the disabled Member or the Member's assignee, as applicable, as of the effective date of transfer of the Redeemable Interests (the "*Determination Date*"). The purchase price of the Interests that are the subject of the Company's purchase rights pursuant to this Section 8.1 shall be the fair market value of such Interests as determined hereunder. The Company and the person or entity from whom the Company will acquire the Redeemable Interests (the "*Payee*") shall each use its best efforts to mutually agree on the fair market value. If the Company and the Payee are unable to so agree within 30 days of the Determination Date, the Company and the Payee shall mutually select a certified public accountant acceptable to both parties (the "*Expert*"). The Expert shall conduct an appraisal of the fair market value Interests. The Expert's appraisal of the fair market value of the Interests shall be final and binding upon the Company, the Payee and the Members. Each of the Company and the Payee shall bear its own expenses, provided the fees of the Expert shall be split equally by the Company and the Payee. Any increase or decrease in the fair market value of the Interests after the Determination Date shall not affect the purchase price payable to the Payee.]

b. [For purposes of this Agreement, the term "*Permanent Disability*" shall mean when a Member becomes incapacitated or disabled at any time during his or her employment with the Company so as to be unable (either mentally or physically) to substantially perform the services required of the Member pursuant to this Agreement and/or any employment agreement with the Company for a period of one hundred twenty (120) or more consecutive days, including permitted vacation days, holidays or sick days, or one hundred eighty (180) or more non-consecutive days, including permitted vacation days, holidays or sick days, in any twelve (12) month

period. In the event of a dispute as to a Member's ability to perform his or her employment duties, the Company may refer such Member to a licensed practicing physician of the Company's choice, as determined by the Members, and such Member agrees to submit to such tests and examinations as such physician shall deem appropriate.]

c. [The purchase price for any Interests repurchased by the Company pursuant to Section 8.1 shall be payable, at the Company's option, (A) all or a portion in cash at the closing of the repurchase and/or (B) by execution and delivery of a promissory note for all or any remaining portion of the purchase price, which note shall (i) be payable in [six (6) equal] installments of principal, the first of which shall be due ninety (90) days after the date of the note and the remainder of which shall be due on each successive anniversary of the effective date of the Transfer of the Interests to the Member's estate or spouse, and (ii) be pre-payable at any time at the Company's election, without penalty or premium. The note shall bear interest at a rate equal to [three hundred (300) basis points above the Prime Rate] as published at such time in the Wall Street Journal and, if the Company shall default on any scheduled payment under the note, an additional [three (300) basis points] until such time as all amounts in default have been paid. Each payment of principal of the note shall be accompanied by payment of all accrued and unpaid interest through the applicable payment date.]

d. [If the Company fails to exercise its option pursuant to Section 8.1(a) of this Agreement to purchase any Interests transferred pursuant to an Involuntary Transfer, then, unless admitted as a Member pursuant to Sections 2.3 and 7.3 of this Agreement, the assignee of Interests pursuant to such Involuntary Transfer shall have no right to vote the Interests or participate in the management of the business and affairs of the Company.]

e. [Notwithstanding the provisions of this Section 8.1, a Transfer conducted pursuant to this Section 8.1, may be subject to the approval of the CRC or other rules, restrictions or limitations pursuant to the New Jersey Cannabis Laws, including, without limitation, pre-approval for a change of ownership of the Company. The Members agree that no Transfers pursuant to the is Section 8.1 shall be permitted which violates the New Jersey Cannabis Laws.]

Section 8.2 [Life Insurance Policies]. Following the date hereof, the Company may purchase life insurance policies insuring the lives of Karen Melchinoda and

William Abbott (each an "*Insured Member*") and naming the Company as the beneficiary (each a "*Member Policy*"). The death benefit payable under each Member Policy shall be no less than the amount the Company would be required to pay to each Insured Member's estate for the purchase of all of such Insured Member's estate's Interests pursuant to Section 8.1 of this Agreement. Each Insured Member shall reasonably cooperate with the Company in obtaining each Member Policy. The Company shall take all actions to maintain in effect each Member Policy (including, without limitation, paying all insurance premiums due on the policies); provided, however, that such duty shall terminate immediately upon a Transfer by an Insured Member pursuant to Section 7.1 or Article VIII of this Agreement. Any death benefits payable under such policies shall first be used to fund any purchase of an Insured Member's Interests, with the balance to be used in the discretion of the Company. Upon the written agreement of the Manager, any life insurance policies required to be maintained pursuant to this Section 8.2 may be canceled.]

ARTICLE IX DISSOLUTION OF THE COMPANY

Section 9.1. Dissolution. The Company shall be dissolved upon (i) a unanimous decision by the Members to dissolve the Company; or (ii) the entry of a decree of judicial dissolution under Section 706 of the LLCL.

Section 9.2. Winding Up of the Company. Upon dissolution of the Company, the Manager shall proceed to sell or liquidate the assets within a reasonable time. The proceeds from the liquidation of the Company's assets shall be distributed as follows:

i. first, to creditors, including Members and Managers who are creditors (if any) until all of the Company's debts and liabilities are paid and discharged (or provision is made for payment thereof);

ii. second, the expenses of the Company, including, without limitation, any liquidation expenses arising from a dissolution and/or winding up under this Article IX; and

iii. third, to the Members in accordance with, Section 6.3.

Section 9.3. The Company shall terminate when all property owned by the Company has been disposed of and the assets, after payment of or provision for all liabilities to the Company's creditors, have been distributed as provided in Section 9.2 and the Members shall have caused the filing of a certificate of cancellation in accordance with the LLCL.

ARTICLE X BOOKS AND RECORDS

Section 10.1. Books and Records. The Company shall, and the Manager shall cause the Company to, keep at the principal office of the Company, in written paper form or another form capable of being converted into written paper form within a reasonable time, complete and accurate books and records of accounts of the Company, including without limitation: (i) a current list of Members, including addresses for notice and the percentage Interest of each Member, (ii) copies of all federal, state and local tax information or income tax returns for each of the six preceding tax years, (iii) copies of the Articles and this Agreement, including in each case any amendments or restatements thereof, and (iv) all other documents or records required to be kept by the Company pursuant to the LLCL or other applicable law.

Section 10.2. Access to Books and Records of LLC. Each Member and any designated representative thereof, upon written request and for any proper purpose, may examine and copy at any reasonable time, at the Member's sole expense, all books and records of the Company required to be maintained by the Company pursuant to this Agreement or the LLCL and all other information regarding the business, affairs and financial condition of the Company that is reasonable for the person to examine and copy. Each Member gaining access to the books and records of the Company shall, and shall cause its representatives to, hold such information confidential and only use such information for the furtherance of Company business and interests or for making investment decisions regarding the Member's interest in the Company.

ARTICLE XI EXCULPATION OF LIABILITY: INDEMNIFICATION

Section 11.1. Exculpation. No Member, Manager or officer of the Company shall be liable to the Company, any Manager or any Member for any act or omission based upon errors of judgment or other fault in connection with the business of the Company; provided that in connection with those acts or omissions such Member, Manager or officer has acted in good faith and in a manner reasonably believed by his or her or it to be in the best interests of the Company and the acts or omissions do not constitute gross negligence or willful misconduct, and in criminal actions or proceedings, the Member, Manager or officer had no reasonable cause to believe his or her conduct was unlawful.

Section 11.2. Limitation of Liability. A Member, Manager or officer of the Company exercising management powers or responsibilities for or on behalf of the Company shall not have any duties (including fiduciary duties) and shall not have liability to the Company, any Member or Manager, any other Interest holder or any other person that is a party to or is bound by this Agreement for damages for any breach of contract or breach of duty (including fiduciary duty) in such capacity, provided that nothing in this Section 11.2 shall eliminate, or limit the liability of

any such Member or officer for any act or omission that constitutes a bad faith violation of, the implied contractual covenant of good faith and fair dealing.

Section 11.3. Indemnification and Expenses. The Company shall indemnify each Member, Manager and any officer, and may advance expenses to a Member, Manager or any officer, to the fullest extent permitted in the LLCL. The Company may, but shall not be required to, indemnify any other person.

ARTICLE XII MISCELLANEOUS

Section 12.1. Confidentiality. The parties hereto agree that the terms of this Agreement shall be kept confidential and not disclosed to any third party other than its/his legal and financial advisors who are bound by the same confidentiality provisions of this Section, without the prior written consent of the other parties hereto, except if required by applicable law. The parties hereto further acknowledge and agree that if prior to, or during the term of, or at any time after termination or expiration of this Agreement they have received or may be given access to or become acquainted with "Confidential Information" (as such term is defined below) of the other parties, they shall not, either during or after the term of this Agreement, use or disclose, directly or indirectly, to anyone other than such party's authorized agents or representatives who are bound by the same confidentiality provisions of this Section, any financial information or data, budgets, plans, customer/vendor list(s), pricing or revenue information, company policies, or other confidential or proprietary materials of any kind or nature in any way related to such party, its business affairs or operations ("*Confidential Information*").

Section 12.2. Amendments. This Agreement may be modified only by the unanimous consent of the Members.

Section 12.3. Entire Agreement; Successors. This Agreement together with the Articles constitutes the entire agreement among the Members and the Company with respect to the matters set forth herein. This Agreement shall be binding upon, and shall inure to the benefit of, the Members and their respective heirs, executors, administrators, successors, and assigns.

Section 12.4. Notices. Any notice or other communication to a Member under this Agreement shall be in writing and shall be considered given (i) when delivered, if delivered in person, (ii) upon receipt, if mailed by certified or registered mail, postage prepaid and return receipt requested, or overnight courier service, addressed to the recipient at the address listed on the Company's records or at such other address as the recipient may designate by written notice to the Company, or (iii) when sent, if sent to the recipient by facsimile or email transmission (with written confirmation of delivery) to the facsimile number or email address listed on the Company's records or at such other facsimile number or email address as the recipient may designate by written notice to the Company.

Section 12.5. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW JERSEY. EACH MEMBER, BY SIGNING THIS AGREEMENT, HEREBY SUBMITS TO PERSONAL AND SUBJECT MATTER JURISDICTION IN THE STATE OF NEW JERSEY OF ANY DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT.

Section 12.6. Severability: Standard for Interpretation. If it shall be determined by a court or other competent body that any provision or wording of this Agreement shall be invalid or unenforceable under state or other applicable law such invalidity or unenforceability shall not invalidate the entire Agreement. Whenever two or more interpretations of the provisions or wording of this Agreement shall be possible, the interpretation or construction which leads to the enforcement and validity of any provision of this Agreement shall be favored and deemed to be the intended interpretation of the parties to this Agreement.

Section 12.7. Headings. The headings of the various Articles, Sections and Paragraphs of this Agreement are solely for convenience and shall not be relied upon in construing any provision hereof. As used in this Agreement, all pronouns and variations thereof refer to the masculine, feminine or neuter, singular or plural, as the context may require.

Section 12.8. Counterparts. This Agreement may be executed in counterparts and by facsimile or electronic transmission in .pdf format, with the same effect as if the parties executing the several counterparts had all executed the same document. All counterparts shall be construed together and shall constitute one agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the undersigned Members have duly executed this Limited Liability Company Operating Agreement as of the date first above written:

MEMBERS



KAREN MELCHIONDA



WILLIAM ABBOTT

SCHEDULE I

THE THC SHOP LLC

| <u>Members</u> | <u>Percentage Interest</u> | <u>Initial Capital Account</u> |
|--|----------------------------|--------------------------------|
| Karen Melchionda 1 Mapleshade Drive Whippany NJ 07981 | 51% | [\$51.00] |
| William Abbott 8255 East Overlook Drive Scottsdale, AZ 85255 | 49% | [\$49.00] |