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IN THE CIRCUIT COURT OF ST. FRANCIS COUNTY, ARKANSAS

MARSHALL WRIGHT and JOSH LANDERS,

Plaintiffs,

v.

Case No. 62CV-22-288

STEEL, WRIGHT, GRAY, PLLC; CAPITOL LAW GROUP, LLC; NATE STEEL, and ALEX GRAY,

Defendants.

FIRST AMENDED COMPLAINT

COMES NOW the Plaintiffs Marshall Wright and Josh Landers (collectively, "Plaintiffs"), and hereby file this First Amended Complaint[1] and allege against the Defendants Steel, Wright, Gray, PLLC, Capitol Law Group, LLC, Nate Steel, and Alex Gray as follows:

JURISDICTION AND VENUE

1. This Court has subject matter over these state law civil claims, and personal jurisdiction over each Defendant as citizens of Arkansas subject to service of process in this County.

[1] The filing of this amended complaint moots the pending motion to dismiss.

2. Venue is proper here as Plaintiff Marshall Wright and Defendant Steel, Wright, Gray, PLLC are both found within St. Francis County, and many of the transgressions at issue occurred within this County.

PARTIES

3. Plaintiff Marshall Wright ("Wright") is a citizen of Arkansas and a resident of St. Francis County.

4. Plaintiff Josh Landers ("Landers") is a citizen of Arkansas and a resident of Saline County.

5. Defendant Steel, Wright, Gray, PLLC ("SWG") is a citizen of Arkansas and operates as a law firm with a principal place of business in Forrest City, St. Francis County, Arkansas, according to documents currently on file with the Arkansas Secretary of State. Its Registered Agent is Nate Steel at P.O. Box 588, Forrest City, Arkansas, 72336. SWG predecessor firms were known as Steel, Wright & Collier, and Steel, Wright, Gray & Hutchinson. Collectively, SWG and its predecessors are collectively referred herein as "SWG."

6. Defendant Capitol Law Group, LLC ("Capitol") is a citizen of Arkansas with a principal place of business located at 400 W. Capitol Ave., Suite 2910, Little Rock, 72201. It is also organized under Arkansas law as a limited liability company as of December 4, 2018, and based upon information and belief its members at least include Defendant Nate Steel and Defendant Alex Gray. Its Registered Agent is Alex Gray located at the same address as its principal place of business.

7. Defendant Nate Steel ("Steel") is an attorney and an owner/member in both Steel, Wright, Gray, PLLC, and Capitol Law Group. He is a citizen of Arkansas and resides in Pulaski County.

8. Respondent Alex Gray ("Gray") is an attorney and an owner/member in both Steel, Wright, Gray, PLLC, and Capitol Law Group. He is a citizen of Arkansas and resides in Pulaski County.

FACTS

9. Wright is a co-owner in a medical marijuana dispensary named Big Fish of North Central Arkansas, LLC, which is doing business as Enlightened – Cannabis for the People – Heber Springs. Hereafter, the dispensary will be referred to as "Big Fish."

10. Wright is, under certain corporate documents, a 19% owner in Big Fish.

11. Landers is a co-owner in Big Fish and Landers is, under certain corporate documents, a 25% owner in Big Fish.

12. Hereafter, Wright, and Landers may be collectively referred to as "Plaintiffs" or "Members."

13. SWG's predecessor firms were known as Steel, Wright & Collier, and Steel, Wright, Gray & Hutchinson. Collectively, the firm and its predecessors are collectively referred herein as "SWG."

14. Capitol Law Group, LLC ("Capitol") is also a law and consulting firm operating in the State of Arkansas and operates within the same office as SWG at 400 W. Capitol Ave., Suite 2910, Little Rock, 72201.

15. Additionally, SWG and Capitol advertise their services on the same website at www.capitollaw.com and publicize themselves as having the same lawyers, and staff. Further, SWG and Capitol provide the same services for their clients with the same lawyers and staff, and thus, are alter egos of one another.

16. Jeremy Hutchinson ("Hutchinson"), although not a named party in the lawsuit currently, was an attorney and formerly an owner in Steel, Wright, Gray, PLLC's predecessor Steel, Wright, Gray, & Hutchinson, PLLC. He is a citizen of Arkansas and recently received a 46-month federal prison sentence by Judge Kristine G. Baker of the Eastern District of Arkansas for crimes of bribery, etc.

17. SWG, Capitol, Steel, and Gray may be collectively referred to as "Defendants" for purposes of this pleading.

A. Background Facts

18. In about 2016, marijuana dispensary, cultivators, and management companies operating in other states saw a business opportunity for them in Arkansas. They began contacting law firms and others in Arkansas to help them gain and create this new business. Steel and Gray were at least two of the attorneys contacted by these out-of-state marijuana companies.

19. Wright was a very small percentage owner in SWG in 2016. The firm's representation of those interested in a medical marijuana ballot measure and marijuana business opportunities in Arkansas, such as Eddie Garcia and The Garcia Companies (collectively, "ESG"), were handled almost exclusively by Steel and Gray. Originally, Wright had no knowledge of Garcia or ESG.

20. SWG is a defined term here. The entity Steel, Wright & Gray operated as a legal association including Steel, Wright, Gray, and eventually Hutchinson. Wright had no knowledge of, nor did he participate in the firm's representation of the out-of-state marijuana companies, including ESG. In fact, Steel and Gray worked on these issues to even to the exclusion of Wright.

21. Eventually, Steel, Gray and SWG were employed by persons intent on creating marijuana business in Arkansas, and therefore, retained them to work on a ballot initiative to create an amendment to the Arkansas Constitution and legalize the use of medical marijuana, which was known as the Arkansas Medical Marijuana Amendment.

22. The Amendment was passed by Arkansas voters on November 8, 2016, and became effective on or about November 9, 2016.

23. Thereafter, the Arkansas Medical Marijuana Commission (the "Commission") was established and as part of its duties created rules and was to administer and regulate licenses for medical marijuana dispensaries and cultivation facilities. The Commission is a division of the Department of Finance and Administration (the "Department"). Further, the Alcoholic Beverage Control ("ABC") was tasked to regulate marijuana businesses and to develop the rules and regulations governing the oversight of Medical Marijuana Cultivation Facilities and Dispensaries.

24. Edward "Eddie" Garcia ("Garcia") of Virginia and/or Florida, through entities he owned/operated that some referred to as The Garcia Companies (or "ESG") was one of the persons/entities that contracted with Steel and Gray on the ballot

initiative, and thereafter, it also retained them to obtain as many medical marijuana dispensary licenses as possible for ESG to manage and/or possibly partly own.

25. Pursuant to its representation agreement with Garcia and ESG, Steel and Gray, as SWG, studied the rules and regulations for dispensary licensing and learned the scoring process to be used and the underlying criteria to grade applicants and to award the limited number of dispensary licenses. However, based upon information and belief, neither Garcia nor his entity could hold an Arkansas dispensary license as neither was a citizen of Arkansas. Instead, the plan was for an entity controlled by Garcia and ESG to manage the dispensaries that Steel and Gray were able to secure from the State.

26. Steel, Gray, and Hutchinson solicited several of their friends to be "owners" of the dispensary licenses to benefit their clients Garcia and ESG and whatever the entity was to serve as the management company for ESG's dispensaries.

27. These attorneys chose to solicit friends that were professionals and met certain criteria the State would implement in scoring the applicants and in awarding the dispensary licenses.

28. Importantly, Steel, Gray and Hutchinson were paid by and represented the Garcia and ESG in this endeavor of creating "ownership" slates of Arkansas citizens that would score well and better the chances for obtaining a dispensary license.

29. Eventually, Steel and Gray chose to solicit Wright as a dispensary owner because he was a longtime friend of Steel, a lawyer, a former State legislator, and the owner of a liquor store, which had a State license to sell alcohol. For these reasons, Steel

and Gray thought Wright's name on a proposed slate of dispensary owners would maximize the chances for obtaining another medical marijuana dispensary license.

30. Steel, Gray, and Hutchison also chose to solicit Landers as a potential dispensary owner. Hutchinson contacted Landers because of their friendly relationship and solicited Landers as a potential medical marijuana dispensary owner. Landers was also chosen by Defendants as the prospective "owner" of the medical marijuana dispensary license itself.

31. Wright and Landers did not know one another and didn't have a relationship at all before being solicited for medical marijuana dispensary "ownership" by Steel, Gray and Hutchinson.

32. Defendants also solicited many other people to serve as medical marijuana dispensary "owners" and focused on those that would score well and maximize the chances of obtaining as many medical marijuana dispensary licenses as possible from the State.

33. None of Defendants recruited "owners" were asked to provide any capital toward ownership of the license or any dispensary business created by Steel and Gray for the benefit of their clients Garcia and EGP.

34. Importantly, however, each of the recruited "owners," including Wright and Landers, were advised by Defendants they would not be required to put up any capital for this endeavor or ever be personally liable for any of the dispensary's expenses moving forward.

35. Further, Wright and Landers also understood Steel, Gray, and Hutchinson were representing them as their attorneys, and therefore, had their best interest in the forefront of the representation.

36. However, neither Steel, Gray or Hutchinson ever disclosed their simultaneous representation of Garcia and ESG, or the fees being paid to them or to be paid to them in the future by Garcia and ESG due to Defendants' representation of Garcia and ESG.

37. Indeed, this conflict of interest for Defendants was never disclosed by them to their client Plaintiffs, and thus, could not have been knowingly consented to or waived by the Plaintiffs.

B. <u>The Medical Marijuana License Application Process</u>

38. During the summer of 2017, attorneys Steel, Gray and Hutchinson worked feverishly on behalf of Garcia and ESG to prepare medical marijuana dispensary license applications for several groups of "owners" that were truly nothing more than figureheads put together by SWG, through Steel, Gray and Hutchinson, and designed to place Garcia and ESG, Defendants other clients, in the best position possible to be awarded several medical dispensary licenses.

39. Indeed, based upon information and belief, Garcia and/or his management company paid Steel, Gray and Hutchinson and their firm even more in fees based as the number of licenses awarded to their created slates of figurehead "owners."

40. In all, about 198 applications were submitted for medical marijuana dispensary licenses, and of those only 32 licenses would be awarded by the State.

41. In September 2017, Defendants submitted multiple applications for medical marijuana dispensary licenses for several slates of "owners" they had created.

42. Many of these slates manufactured Steel, Gray, and Hutchinson, included persons that didn't know one another and had no relationship at all with the other proposed "owners."

43. Defendants put the proposed slates of hopeful dispensary "owners" together based upon how they thought the "owners" would score, and thus, would better the chances of being awarded several dispensary licenses for Garcia and EGP, and therefore, increase the fees and other compensation that Steel, Gray and Hutchinson would individually receive.

44. Defendants slated Wright and Landers, with Dr. Regina Thurman ("Thurman") and Garcia. Thurman was recruited by Hutchinson as encouraged by Steel and Gray due to her being an African American female physician engaged in the practice of pain management. And thus, together with Garcia, Steel, Gray and Hutchinson thought they had a formidable group that would score well and presented a good chance of receiving a medical marijuana license.

45. None of these "owners" of Big Fish knew one another or had relationships with one another before Steel, Gray and Hutchinson put them forward as "owners" of the medical marijuana dispensary Big Fish.

46. After creating Big Fish and its "ownership" slate, Defendants also created the percentages of "ownership" for each member of Big Fish, and again, to better the score and chances of receiving a license.

47. These "ownership" percentages created by Defendants were not based upon capital contributions, because there were none, but instead were created solely based upon how, mostly, Steel and Gray thought the State would score the application and to better the chance of receiving a license.

48. Moreover, the ownership percentages for each "owner" were not disclosed by the Defendants to Wright or Landers. Neither Steel, Gray or Hutchinson ever properly advised Wright or Landers or obtained their consent to the "ownership" percentages that mostly Steel and Gray decided on their own self-interest to use for Big Fish.

49. In fact, Gray and Hutchinson told Landers he would earn 10% to 15% of the revenue generated by Big Fish, but "on paper" he would show a "little more ownership."

50. For Wright, Defendants did not discuss his "ownership" percentage with him at all, or what they were going to put within the application, but instead only assured him that he would not be personally liable for any of Big Fish's liabilities, debts, or taxes.

51. Likewise, Gray and Hutchinson also assured Landers that he would not be personally liable for any of Big Fish's liabilities, debts, including its taxes, but he only would pay taxes on actual dividends he personally received from Big Fish's operations.

52. In the end, Wright's "ownership" of 19%, Landers "ownership" of 25%, and Thurman's "ownership" of 55% were each unilaterally decided by Steel, Gray and Hutchinson exclusively for ESG's and their own personal financial benefit.

53. In August of 2018, Hutchinson was indicted on federal bribery and tax evasion charges, and he resigned from the Arkansas Senate. He was mostly out of all

things medical marijuana and dispensary thereafter, and he eventually gave up his law license in 2019.

C. The License is Awarded to Landers and Big Fish, and the Drafting of the 2019 Management Agreement and Operating Agreement

54. By January of 2019, the Medical Marijuana Commission approved the scoring results and began awarding licenses.

55. On or about January 23, 2019, Landers, as chosen by Defendants with their client ESG, was awarded the medical marijuana dispensary license on behalf of Big Fish.

56. Further, Defendants, and for their clients Garcia and ESG, had three other applicant slates also receive medical marijuana dispensary licenses, which also benefited Steel, Gray, and Garcia, ESG and its created management company Pure Health Products, LLC ("PHP" or "Pure Health").

57. The four dispensaries were Big Fish, River Valley Dispensary, Arkadelphia Dispensary, and Johnson County Dispensary, and each was secured by SWG, through Steel and Gray for their clients Garcia, ESG and PHP.

58. Sometime before January 23, 2019, SWG, Gray and Steel began to draft an operating agreement for Big Fish.

59. Although Steel and Gray supposedly represented Big Fish, and Wright and Landers, individually, Big Fish's operating agreement was drafted with and for the benefit of Defendants' other clients Garcia, ESG and PHP. Indeed, Steel, Gray, Garcia, ESG, and PHP drafted the eventual Operating Agreement together and to ensure that PHP would control Big Fish over its "owners," including Wright and Landers. **Exhibit A, Operating Agreement.**

60. In derogation of what had been represented to the Plaintiffs when they were solicited by Defendants as clients, Defendants set up Big Fish as a multi-member pass-through entity for purposes of tax treatment , and took no steps whatsoever to protect the Plaintiffs from the effect thereof, which would mean Wright and Landers would pay federal and state income taxes on all (and given the entity and management structure created by the Defendants) totally fictional income from Big Fish and in accordance with the ownership percentages assigned to them by Defendants without their knowledge or consent.

61. Specifically, both Steel and Gray chose not to advise Wright or Landers of this fact and the incredibly detrimental financial consequences for each of them individually, but instead consistently and repeatedly assured them they would not be responsible for any debts or expenses of the dispensary and its operations.

62. Moreover, because the federal taxation rules attendant to marijuana related entities prohibits most all operational expenses of the entity from being applied to offset income, this effectively ensured Plaintiffs, from the outset, would be personally liable for all of the enormous tax liability created by the dispensary without any right to receive any of its income which was siphoned off by the management company.

63. Indeed, because of the structure created by Defendants to benefit their other clients, Garcia and ESG, the more revenue the dispensary brought in, the worse the financial consequences for the Plaintiffs.

64. The Operating Agreement for Big Fish created by Steel, Gray, Garcia, ESG and PHP (an ESG related entity) in complete functional control by providing that the

Management Company "shall" have the power to approve of disprove of any sale, exchange, or other disposition of Big Fish's assets; termination of the Management Agreement (thus, in a mind-blowing exercise in circular logic) Defendants made sure PHP was empowered to veto even a unanimous vote of the owners of Big Fish to fire or in any way modify the powers of PHP; merger with any other business; or dissolution or liquidation of Big Fish. Ex. A, ¶4.4 of Operating Agreement. See also, Ex. A, Article Eleven of Operating Agreement. As such, under the oppressively adhesionary terms placed in their own internal Operating Agreement by Defendants, PHP was made the true owner with complete superintending control of Big Fish. Of course, Steel and Gray chose not to advise Wright and Landers of any of these facts or about the obvious repercussions thereof. To do so would violate their loyalty to Garcia, ESG, and PHP, which was paying them substantial fees unbeknownst to Wright and Landers.

65. Although Wright's and Landers's signatures appear to be on Big Fish's Operating Agreement, their purported signatures are not genuine. Neither Wright nor Landers recall ever even seeing the document or being advised by Steel or Gray about its contents, provisions, or its repercussions to them individually.

66. At no time did Steel or Gray disclose the Operating Agreement's terms were drafted with Garcia, ESG and PHP as the management company, that Defendants were being paid by Garcia, ESG and/or PHP, or of the conflict existing for Defendants by representing Garcia, ESG and PHP, while simultaneously representing Big Fish, Wright, and Landers.

67. Such representation was a clear impermissible conflict under Rule 1.7 (1) of the Arkansas Rules of Professional Conduct and a quintessential act of legal malpractice.

D. Steel and Gray are Retained to Broker the Purchase PHP

68. Later in 2019, SWG, through Steel and Gray, and on information belief, Capitol Law Group, were hired by Revolution Cannabis, Revolution DMCC Acquisition Corp., Revolution Arkansas Holdings, LLC, or another related Revolution entity (hereafter, "Revolution") to propose a purchase offer to ESG's related entity PHP, which managed the four dispensaries that Defendants secured for ESG, including Big Fish.

69. Based upon this retention by Revolution of Defendants, Gray called ESG's President Josh Kellam ("Kellam") about Revolution's desire to buy PHP.[2]

70. Gray told Kellam that he had a potential buyer of PHP and that it wanted the four dispensary licenses SWG had secured earlier in 2019.

71. Again, those four medical marijuana dispensaries holding such licenses were Big Fish, Johnson County, Arkadelphia Dispensary, and River Valley.

72. Originally, Kellam explained to Gray that PHP and its managed Arkansas dispensaries were not for sale. The call ended.

73. But eventually thereafter, Revolution proposed a purchase price through Gray to Kellum that was substantial enough to purchase PHP, including the management of the four dispensaries sometime close to the end of the 2019 calendar year.

[2] Kellam was also an officer of ESG at such time, and currently services of President of ESG at its affiliate businesses. Mr. Garcia passed away on May 30, 2019, before Gray's call to Kellam.

74. Upon information and belief, Defendants were paid fees for brokering this purchase transaction of PHP.

E. The 2020 Management Agreement with Revolution

75. By November 14, 2019, Gray told the “owners” of Big Fish that they had a new member of the “team” in Revolution and that it would bring the store into operation.

76. Steel and Gray, however, chose not to advise Wright and Landers that Defendants were, in fact, representing Revolution’s interests and had brokered the purchase of PHP from ESG. Further, Defendants chose not to reveal this relationship as a conflict of interest to either Wright or Landers.

77. Near the end of 2019, Revolution worked together with Steel and Gray, as attorneys and clients, to draft a new Management Agreement for Big Fish.

78. Even though the 2019 Management Agreement placed control of Big Fish with PHP, Revolution wanted even more onerous terms. Most importantly, Revolution wanted to ensure that Big Fish’s “owners” where indefinitely indentured to Revolution’s whims.

79. To do this, Revolution used its “partner” Defendants, and specifically its attorneys Gray and Steel, to draft a new management agreement and gain Big Fish’s signature through Thurman, who at the time was also engaged in business with Gray and Steel through a medical marijuana cultivator known as Good Day Farm. In fact, Gray advised Thurman on matters related to Good Day Farm’s business. Upon information and belief, Gray called Thurman and expressed the need for urgency and that this new Management Agreement was “exactly the same” as one before and to just sign the back

page and return immediately to him. Thurman did not read any of the document and instead relied on Gray to provide her solid legal and business advice due to her professional relationship with him in both Big Fish and Good Day Farm. Defendants also did not properly advise Landers or Wright about this new agreement, its drafting with Revolution by Defendants, nor did the Defendants attempt to gain proper approval of the terms and conditions within the Management Agreement from Landers or Wright.

80. The February 3, 2020, Management Agreement is provided as **Exhibit B**.

F. SWG and Capitol are Alter Egos of One Another

81. The purported separateness of SWG, Capitol, Steel, and Gray is a façade in the instances discussed here, and thus, all are jointly and severally liable for the harms and injuries alleged herein.

82. Further, it appears that Steel and Gray have organized several other companies, which are also alter egos of them, SWG and Capitol, and potentially jointly and severally liable for the harms and injuries alleged herein.

G. Damages Due to Defendants' Legal Malpractice.

83. Sometime before tax filings were due for 2020, Revolution employed an accounting firm to prepare the tax returns for Big Fish.

84. Beginning with tax filings of May 6, 2021, and Revolution's accountants prepared and issued K-1s to Big Fish's individual "owners" passing the dispensary's income to them each personally and individually respective to their "ownership" shares.

85. As a result, in 2021, Landers paid $28,157.00 in federal and state income taxes for the 2020 tax year related to Big Fish's operations and even though he did not

receive any income distributions from Big Fish at all. Landers paid these income taxes and suffered these damages as a proximate result of Defendants' malpractice, including their breaches of the duties of loyalty and professional standard of care.

86. In 2021, Wright paid $17,509.00 in federal and state income taxes related to Big Fish's operations and even though he did not receive any income distributions from Big Fish at all. Wright paid these income taxes and suffered these damages as a proximate result of Defendants' malpractice, including their breaches of the duties of loyalty and professional standard of care.

87. In 2022, Landers paid $133,923.00 in federal and state income taxes related to Big Fish's operations and even though he did not receive any income distributions from Big Fish at all. Landers paid these income taxes and suffered these damages as a proximate result of Defendants' malpractice, including their breaches of the duties of loyalty and professional standard of care.

88. In 2022, Wright paid $74,844.00 in federal and state income taxes and related to Big Fish's operations and even though he did not receive any income distributions from Big Fish at all. Wright paid these income taxes and suffered these damages as a proximate result of Defendants' malpractice, including their breaches of the duties of loyalty and professional standard of care.

89. In 2023, based upon the substantial revenues of Big Fish in 2022, Landers and Wright expect to pay, once again, hundreds of thousands of dollars in federal income taxes and state income taxes. Landers has received a K-1 from Revolution exceeding $378,000.00 in income he did not receive, and Wright has received a K-1 from Revolution

exceeding $287,450.00 in income he did not receive. Such additional damages are the proximate result of Defendants' malpractice, including their breaches of the duties of loyalty and professional standard of care.

90. Accordingly, in explicit derogation of their representations to Plaintiffs and their fiduciary duty to them as their attorneys, Wright and Landers became personally and individually liable for hundreds of thousands of dollars of federal and state income taxes on Big Fish's 2020, 2021, and 2022 taxable income (as hugely inflated to the detriment of Plaintiffs because of the federal tax treatment of marijuana related entities) due to Defendants' breaches of the duties of loyalty and care they owed to the Plaintiffs.

91. As documented above, Plaintiffs only agreed to Defendants' solicitation to represent them as prospective dispensary applicants, and to use Plaintiffs' professional and reputational capital as the basis for Defendants to secure them, because of two representations by Defendants: 1) Wright and Landers would under no circumstances be required to commit their own personal finances to the operations or liabilities of the prospective dispensary, and 2) that if awarded a license Wright and Landers would have the right to sell it. As described above, Defendants not only misrepresented both of the forgoing in order to secure Plaintiffs as clients and secure dispensary licenses from the State, but they also actually went to great lengths to make sure, on behalf of their other, and more preferred clients, that both would be impossible.

92. As documented above, Defendants ensured, in direct derogation of both their representations to Plaintiffs as well as their fiduciary duty of loyalty and care as their attorneys, that Plaintiffs would *never* have the functional ability to relinquish

ownership of the Dispensary (about which they had been made into unwitting "tax mules" by Defendants) or realize any benefit from their enterprise. In fact, upon information and belief, the "end game" of Defendants' true clients, and the only possible outcome of the "no win" structure into which Defendants placed Plaintiffs, was to put Plaintiffs so deep into tax debt from the ongoing Dispensary operations that they would have no choice but to ultimately freely give the Dispensary to the management company.

93. As a direct result, Plaintiffs appear destined to be deprived of the enterprise value of the Dispensary and license - the very basis upon which they were solicited by Defendants as clients. Absent the poison pill provisions inserted by Defendants into both the Dispensary's internal Operating Agreement and the unauthorized February 2020 Management Agreement to ensure the management company's complete and perpetual control of the enterprise, the actual value of the Plaintiffs' dispensary license several millions of dollars. But of course, Defendants' breaches of the standard of care and loyalty owed to Plaintiffs, the dispensary has no value and is unsellable.

COUNT I

LEGAL MALPRACTICE

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94. Plaintiffs repeat and reallege each of the allegations above.

95. Defendants owed duties of care and loyalty to each Plaintiff as their clients.

96. Defendants breached these duties.

97. As a proximate cause of such breaches, each Plaintiff has suffered and continues to suffer damages as alleged above.

COUNT II

FRAUD

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98. Plaintiffs repeat and reallege each of the allegations above.

99. Defendants made certain false and misleading representations to Plaintiffs, which Plaintiffs relied upon to their detriment.

100. As a proximate cause of Defendants' false and misleading statements of material facts, Plaintiffs have suffered and continue to suffer damages as alleged above.

COUNT III

CONSTRUCTIVE FRAUD

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101. Plaintiffs repeat and reallege each of the allegations above.

102. Defendants had a duty to provide all material facts to Plaintiffs known or that should have been known to them due to the professional relationships that existed between Plaintiffs and Defendants.

103. Defendants, however, misled the Plaintiffs by omitting to provide Plaintiffs with all material facts during the scope of Defendants' representation of the Plaintiffs.

104. Defendants' actions amount to constructive fraud, which have proximately caused each Plaintiff to suffer and continue to suffer damages as alleged above.

JURY DEMAND

Plaintiffs hereby demand a jury of twelve on all issues so triable.

PRAYER OF RELIEF

WHEREFORE, Plaintiffs reserve their rights to amend this pleading and pray for this Court to enter Judgment in their favor on all Counts asserted, and further, to award them compensatory, special, punitive, and all other measure of damages for which they are entitled, and to also award them their attorneys' fees, costs, and all other relief that is fair, just, and appropriate.

DATE: September 13, 2023

Respectfully,

____

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CERTIFICATE OF SERVICE

I certify that on this 13th day of September 2023, I electronically filed the foregoing in the Court's system which will automatically serve all Counsel of Record.

____
Scott Poynter, AR Bar No. 90077

EXHIBIT A

OPERATING AGREEMENT

OF

BIG FISH OF NORTH CENTRAL ARKANSAS, LLC

OPERATING AGREEMENT

of

BIG FISH OF NORTH CENTRAL ARKANSAS, LLC

This Operating Agreement (this "Agreement") of Big Fish of North Central Arkansas, LLC, an Arkansas limited liability company (the "Company"), is adopted under the "Small Business Entity Tax Pass Through Act," 1993 Act No. 1003 of the Arkansas 79th General Assembly, Regular Session, and entered into effective the 23rd day of January, 2019, by and among Regina Thurman, Josh Landers, Marshall Wright and Edward Garcia (the "Members") and the Company.

ARTICLE ONE

DEFINITIONS

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

1.1 "Act" means the "Small Business Entity Tax Pass Through Act," 1993 Act No. 1003 of the Arkansas 79th General Assembly, Regular Session, as amended from time to time.

1.2 "Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant fiscal year or other period after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts that such Member is obligated to restore pursuant to any provision of this Agreement or is deemed obligated to restore pursuant to the next to the last sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

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

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

1.3 "Affiliate" of a Person means: (i) a Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the first Person; (ii) any spouse or child of a Person described in (i); and (iii) any trust or other entity established for the

benefit of any of the Persons described in (i) or (ii). "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of voting securities, by contract, as trustee, executor, or otherwise.

1.4 "Agreement" means this Limited Liability Company Agreement, as amended, modified or supplemented from time to time.

1.5 "Certificate of Formation" means the Certificate of Formation of the Company, as amended in accordance with the Act.

1.6 "Capital Account," as of any given date shall mean the account calculated and maintained by the Company for each Member as specified in Section 7.2.

1.7 "Capital Contribution" shall mean the amount of cash or property contributed to the Company by a Member from time to time.

1.8 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, or corresponding provisions of subsequent superseding federal revenue laws.

1.9 "Company" means Big Fish of North Central Arkansas, LLC, an Arkansas limited liability company.

1.10 "Depreciation" means, for each fiscal year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization, or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Management Company.

1.11 "Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and the Management Company;

(ii) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Management Company, as of the following

times: (A) the acquisition of an additional interest in the Company following its initial capitalization by any new or existing Member in exchange for more than a de minimus Capital Contribution or in exchange for services; (B) the distribution by the Company to a Member of more than a de minimus amount of Company property as consideration for an interest in the Company; and (C) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that the adjustments pursuant to clauses (A) and (B) above shall be made only if the Management Company reasonably determine that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(iii) The Gross Asset Value of any Company asset distributed to any Member shall be adjusted to equal the gross fair market value of such asset on the date of distribution as determined by such Member and the Management Company; and

(iv) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and subparagraph (iv) of the definition of Profits and Losses; provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (iv) to the extent the Management Company determines that an adjustment pursuant to subparagraph (ii) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraphs (i), (ii), or (iv) hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

1.12 "Manager" has the meaning set forth in Section 4.1.

1.13 "Management Company" shall mean Pure Health Products, LLC, a Delaware limited liability company.

1.14 "Member" means the undersigned and any other Person who hereafter becomes an additional or substituted Member of the Company, for as long as each such Person continues to be a Member of the Company, and "Members" means the Persons who are at any one time Members of the Company.

1.15 "Membership Interest" or "Interest" means the ownership interest of a Member in the Company at any particular time, expressed as a percentage, including the right of such Member to any and all of the benefits to which such Member may be entitled as provided in this Agreement and in the Act, together with the obligations of such Member to comply with all the provisions of this Agreement and of the Act. Initially, the Membership Interest of each Member shall be the Membership Interest set forth on Schedule A. Any changes in the Membership Interests of the Members shall be evidenced by an amendment to Schedule A.

1.16 "Net Cash Flow" for a fiscal year or other period of the Company shall mean (i) all cash receipts as shown on the books of the Company (excluding, however, Capital Contributions from Members, net proceeds to the Company from financings or refinancings secured by the assets of the Company, and proceeds from the sale or the disposition of substantially all of the Company assets or from the winding up of the Company), reduced by (A) cash disbursements for Company purposes, including interest and principal on loans (including loans from Members), and (B) all cash reserves as reasonably determined by the Management Company; plus (ii) any other funds, including amounts previously set aside for reserves now reasonably deemed available as Net Cash Flow as determined by the Management Company.

1.17 "Person" means an individual, a general partnership, a limited partnership, a limited liability partnership, a trust, an estate, an association, a corporation, a limited liability company, or any other legal or commercial entity.

1.18 "Profits" and "Losses" means, for each fiscal year, an amount equal to the Company's taxable income or loss for such fiscal year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition of Profits and Losses shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing Profits or Losses pursuant to this definition of Profits and Losses shall be subtracted from such taxable income or loss;

(iii) In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraphs (ii) or (iii) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

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

(v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year, computed in accordance with the definition of Depreciation;

(vi) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in complete liquidation of a Member's Membership Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(vii) Notwithstanding any other provision of this definition of Profits and Losses, any items that are specially allocated pursuant to Section 8.2 or Section 8.3 shall not be taken into account in computing Profits or Losses.

The amounts of the items of Company income, gain, loss, or deduction available to be specially allocated pursuant to Sections 8.2 and 8.3 shall be determined by applying rules analogous to those set forth in subparagraphs (i) through (vi) above.

1.19 "Regulations" means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

ARTICLE TWO

FORMATION

2.1 Name: The name of the limited liability company under which it was formed is Big Fish of North Central Arkansas, LLC.

2.2 Registered Office; Registered Agent: The name of the registered agent for service of process on the Company in the State of Arkansas is Josh Landers. The address of the registered agent and the address of the registered office of the Company in the State of Arkansas is 2316 Byron Drive, Bryant, AR 72022. The phone number is (501) 773-9895.

2.3 Ownership of Property: All Company property, whether real or personal, tangible or intangible, shall be owned by the Company. No Member shall have any interest, other than through his or her Membership interest or a security interest pursuant to an approved loan agreement, in any specific Company property.

ARTICLE THREE

TERM

3.1 The Company shall dissolve and its affairs shall be wound up upon the happening of the first to occur of the following:

a) The occurrence of an event specified in this Agreement.

b) The written consent of all Member(s) and the Management Company.

c) Entry of a decree of judicial dissolution under Ark. Code Ann. § 4-32-902.

If none of these events occur, the latest date upon which the limited liability company is to dissolve is December 31, 2110.

ARTICLE FOUR

MANAGEMENT

4.1 Management of the Company is vested in the Members. Each Member shall have voting units equal to their ownership percentage as reflected in the attached Schedule A. The Members will manage the Company in accordance with the Act and shall have the power to do

any and all acts necessary or convenient to or for the furtherance of the purposes of the Company set forth in this Agreement, including all powers of Members under the Act. Provided, however, the Members hereby elect Regina Thurman, or his successor in-interest, as the Manager to act on behalf of the Company for ministerial duties such as execution of income tax returns and checks.

4.2 The Members herein agree that the Company's daily operations and affairs relating to any marijuana dispensary activities allowed by the state of Arkansas shall be managed by Pure Health Products, LLC ("Management Company"). The Members hereby authorize the Manager to execute the Management Agreement between the Company and Pure Health Products, LLC (the "Management Agreement") and agree to the terms contained herein.

4.3 Unless otherwise specified, all decisions of the company shall be by a vote of the majority in interest of the Members. In the event the Members are deadlocked on a decision involving the management of the Company, then the Members seeking to break the deadlock may request in writing to arbitrate the dispute. Upon a written request for arbitration, the Members shall select within 24 hours a mutually agreed-upon third party to arbitrate the dispute or cast a tie-breaking vote. If within 24 hours, the Members are unable to select a mutually agreed-upon third party, then each shall select a licensed CPA or attorney to mutually develop a tie-breaking vote. If these selected CPAs/attorneys cannot reach a conclusion within forty-eight (48) hours, they shall submit the matter to a third party who, in the CPA/attorneys' sole judgment, has the expertise to decide the matter. That third party shall render a final decision on the matter within twenty-four (24) hours of being consulted and informed on the dispute. All expenses and fees incurred in resolving the Members' voting dispute shall be borne by the Company.

4.4 Provided, however, the following matters shall require the approval of all the Members and the Management Company:

(a) A sale, exchange or other disposition of any of the Company's assets;

(b) The termination of the Management Agreement;

(c) A merger with any other business; or

(d) The dissolution or liquidation of the Company.

4.5 Action by Members. Any action to be taken by the Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by the Members holding the requisite Membership Interests for such an action.

4.6 Liability of Members. The Members shall have no individual liability whatsoever, whether to the Company, to any of the other Members or to the creditors of the Company, for the debts of the Company or any of its losses or liabilities.

ARTICLE FIVE

PURPOSE

The purpose of the Company is to engage in any lawful act or activity for which limited liability companies may be formed under the Act and to engage in any and all activities necessary or incidental to these acts.

ARTICLE SIX

MEMBERS

The names and the business, residence, or mailing address of the Members are as follows:

DR. REGINA THURMAN	1708 E. Joyce Blvd., Fayetteville, AR 72703
JOSH LANDERS	2316 Byron Drive. Bryant, AR 72022
MARSHALL WRIGHT	523 Front St., Forrest City, AR 72335
EDWARD GARCIA	3333 Virginia Beach Blvd, Ste 24. Virginia Beach. VA 23452

ARTICLE SEVEN

CAPITAL CONTRIBUTIONS

7.1 At the time of execution of this Agreement, the Member(s) have contributed an amount to the Company shown in Exhibit "A" attached hereto.

7.2 A separate Capital Account will be maintained for each Member in accordance with Section 704(b) of the Code and Treasury Regulations Section 1.704-1(b)(2)(iv). Without limiting the foregoing, each Member's Capital Account will be *increased* by (1) the amount of money contributed by the Member to the Company, (2) the Gross Asset Value of property contributed by the Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Section 752 of the Code), and (3) allocations to the Member of Profits (or items of gross income) pursuant to Article Eight, and each Member's Capital Account will be *decreased* by (1) the amount of money distributed to the Member by the Company, (2) the Gross Asset Value of property distributed to the Member by the Company (net of liabilities secured by such distributed property that the Member is considered to assume or take subject to under Section 752 of the Code), and (3) allocations to the Member of Losses (or items of loss or deduction), including allocations to the Member of expenditures described in Section 705(a)(2)(B) of the Code, pursuant to Section 8.1.

On a permitted sale or exchange of a Member's Interest in the Company, the Capital Account of the Assignor shall become the Capital Account of the Assignee to the extent it relates to the transferred Interest.

7.3 There shall be no additional Capital calls. No Member may request additional capital from any other member. **No Member may assume any debt for the Company or use the assets or licenses of the company to obtain personal debt.**

ARTICLE EIGHT
ALLOCATION OF PROFITS AND LOSSES

8.1 Allocations Generally. After giving effect to the special allocations set forth in Sections 8.2 and 8.3 hereof, Profits or Losses for any fiscal year shall be allocated in the following order and priority:

(a) Except as provided in Section 8.1(b) below, Profits and Losses shall be allocated to and among the Members in proportion to the Membership Interest held by each Member.

(b) In the event that the allocation of Losses pursuant to Section 8.1(a) above would result in a Member having an Adjusted Capital Account Deficit at the end of any fiscal year and at such time there are other Members who will not, as a result of such allocation, have an Adjusted Capital Account Deficit, then all Losses in excess of the amount which can be allocated until the foregoing circumstance occurs shall be allocated among the Members who do not have Adjusted Capital Account Deficits on a proportionate basis according to their Membership Interests until each such Member would similarly be caused to have an Adjusted Capital Account Deficit. At such time as a further allocation of Losses cannot be made without causing some Member to have an Adjusted Capital Account Deficit, then all remaining Losses for such fiscal year shall be allocated in accordance with the ratio described in Section 8.1(a) above.

8.2 Special Allocations. For the purposes of this Agreement and the allocations of Profits and Losses and items of income, gain, loss, deduction and expense, this Agreement shall be deemed to include a "minimum gain chargeback" as provided for in Regulations Section 1.704-2(f), a "partner nonrecourse debt minimum gain chargeback" as provided for in Regulations Section 1.704-2(i), and a "qualified income offset" as provided for in Regulation Sections 1.704-2(b)(ii)(d). "Nonrecourse deductions," as defined in Regulations Section 1.704-2(b), shall be allocated to and among the Members in proportion to the Membership Interest held by each Member. "Partner nonrecourse deductions," as defined in Regulations Section 1.704-2(i), shall be allocated as required pursuant to such Section. In the event of any election to adjust the tax basis of any property of the Company

pursuant to Code Section 732, 734 or 743, allocations shall be made as required to make the Capital Account adjustments provided for in Regulations Section 1.704-1(b)(2)(iv)(m).

8.3 Curative Allocations. The allocations set forth in Sections 8.1(b) (first sentence) and 8.2 hereof (the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 8.3. Therefore, notwithstanding any other provision of this Article Eight (other than the Regulatory Allocations), the Company shall make such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner determined by the Management Company to be appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of the Agreement and all Company items were allocated pursuant to the Sections of this Agreement other than the Regulatory Allocations and this Section. In exercising their discretion under this Section, the Management Company shall take into account future Regulatory Allocations that, although not yet made are likely to offset other Regulatory Allocations previously made.

8.4 Other Allocation Rules.

(a) For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Management Company using any permissible method under Code Section 706 and the Regulations thereunder.

(b) Except as otherwise provided in this Agreement, all items of Company income, gain, loss, deduction, and any other allocations not otherwise provided for shall be divided among the Members, in the same proportions as they share Profits or Losses, as the case may be, for the year.

(c) The Members are aware of the income tax consequences of the allocations made by this Article Eight and hereby agree to be bound by the provisions of this Article Eight in reporting their shares of Company income and loss for income tax purposes.

8.5 Tax Allocations: Code Section 704(c). In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal

income tax purposes and its initial Gross Asset Value (computed in accordance with subparagraph (i) of the definition of Gross Asset Value in Section 1.11 hereof).

In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraph (ii) of the definition of Gross Asset Value in Section 1.11 hereof, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

Any elections or other decisions relating to such allocations shall be made by the Management Company in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 8.5 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, other items, or distributions pursuant to any provisions of this Agreement.

8.6 Allocation of Recapture. For purposes of determining the character (as ordinary income or capital gain) of any taxable income or gain of the Company allocated to the Members pursuant to this Article Eight, such portion of the taxable income or gain of the Company allocated pursuant to this Article Eight which is treated as ordinary income attributable to the recapture of depreciation shall, to the extent possible, be allocated among the Members in the proportion which (a) the amount of depreciation previously allocated to each Member bears to (b) the total of such depreciation allocated to all Members. This Section shall not alter the amount of allocations among the Members pursuant to Article Eight but merely the character of the income so allocated.

8.7 Returns and Other Elections. The Management Company shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. The Manager is hereby authorized to execute all tax returns on behalf of the Company. Copies of such returns, or pertinent information therefrom, shall be furnished to any Member within a reasonable time upon written request by such Member.

ARTICLE NINE

DISTRIBUTIONS

9.1 Distributions. Subject to available Net Cash Flow, the Company shall distribute an amount of cash no more frequently than quarterly, or at such intervals as the Management Company shall determine, to each Member on a pro rata basis in accordance with their respective Membership Interests on the record date of such distribution.

9.2 Restrictions on Distributions. Notwithstanding anything to the contrary in Article Nine, no distribution shall be made if, after giving effect to the distribution: (i) the Company would not be able to pay its debts as they become due in the ordinary course of business; or (ii) the fair market value of the Company's total assets would be less than the sum of its total liabilities.

ARTICLE TEN

ACCOUNTING AND BANK ACCOUNTS

10.1 Tax Returns. The Management Company shall cause to be prepared all tax returns and statements, if any, which must be filed on behalf of the Company with all federal, state and local taxing authorities.

10.2 Fiscal Year. The fiscal year of the Company shall be the calendar year.

10.3 Account(s). All funds of the Company shall be deposited in the name of the Company in such bank or banks, credit unions or other financial institutions as may be deemed prudent by the Management Company and checks drawn on such account(s) shall require the signature of the any individual authorized by the Management Company.

10.4 Tax Matters Member.

(a) Initially, Regina Thurman, or his successor-in-interest, is designated as the Tax Matters Member who shall serve as the "tax matters partner" within the meaning of Section 6231(a)(7)(A) of the Code (the "Tax Matters Member"), and in such capacity may represent the Company and its Members in an IRS audit of its income tax return. Furthermore, the Tax Matters Member is authorized and entitled to negotiate, settle and make agreements and adjustments with respect to the Company's income tax return, binding on the Company and the Members with the advice of the legal counsel to the Company or the accountants servicing the books and records of the Company; however, the Tax Matters Member will not have the authority to determine the tax policy,

taxable status or tax treatment of the Company's assets, income and expenses. All such matters shall be determined by the Members.

(b) The provisions of this Section 10.4(b) shall apply as of the effective date of the Bipartisan Budget Act of 2015, with the Management Company then serving as the Tax Matters Member and acting as the "representative" of the Company under Section 6223(a) of the Code (as enacted by the Bipartisan Budget Act of 2015). The Tax Matters Member, the Management Company, and the Company shall make all necessary elections to the extent possible to avoid, or to the maximum extent possible reduce, any taxes imposed on the Company under Section 6225 of the Code (as enacted by the Bipartisan Budget Act of 2015) (including making an election under Section 6226 of the Code (as enacted by the Bipartisan Budget Act of 2015), if possible). All Members (and former Members) agree to cooperate with, and to take all reasonable actions requested by the Tax Matters Member, the Management Company and the Company, to avoid or reduce any tax imposed under Section 6225 of the Code (as enacted by the Bipartisan Budget Act of 2015), including cooperating with any election under Section 6226 of the Code (as enacted by the Bipartisan Budget act of 2015), or to otherwise allow the Company and the Tax Matters Member to comply with the Bipartisan Budget Act of 2015 (and any elections or decisions made thereunder). All Members shall cooperate in good faith to amend this Section 10.4(b) or other provisions of this Agreement as necessary to reflect any statutory amendments or the promulgation of Treasury Regulations or other administrative authority promulgated under the Bipartisan Budget Act of 2015 so, to the extent possible, preserve the relative rights, duties, and obligations of the Members hereunder. The obligations of a Member under this Section 10.4(b) shall survive a Member's sale or other disposition of its interests in the Company and the termination, dissolution, liquidation, or winding up of the Company.

Except as provided by applicable law, if the Company incurs any liability for taxes, penalties or interest under the provisions of the Bipartisan Budget Act of 2015, such taxes, penalties and interest shall be allocated to the Member or Members to whom such liability relates. The Tax Matters Member shall not elect into the provisions of the Bipartisan Budget Act of 2015 before their effective date.

ARTICLE ELEVEN
RESTRICTIONS ON TRANSFER OF MEMBERSHIP INTERESTS

11.1 Voluntary Withdrawal. A Member may not voluntarily withdraw from the Company prior to the dissolution and winding up of the Company without the consent of the remaining Members and the Management Company.

11.2 Transfer Restrictions.

(a) Except as provided in this Agreement, a Member may not, in whole or in part, sell, create a security interest, pledge, assign or otherwise transfer his or her membership interest in the Company. Any Member desiring to sell his or her interest in the Company (the "Disposing Member") must first offer to sell his or her interest to Edward S. Garcia, or his successor-in-interest by tendering to Edward S. Garcia, or his successor-in-interest, the other Members (the "Remaining Members") and the Company, a written purchase and sale agreement (the "Notice of Sale"), signed by the third party offering to purchase the Disposing Member's interest. Upon receipt of the Notice of Sale, Edward S. Garcia, or his successor-in-interest, shall have ninety (90) days to purchase the Disposing Member's interest in the Company. Upon the lapse of Edward S. Garcia's, or his successor-in-interest, right of first refusal or upon Edward S. Garcia's, or his successor-in-interest, prior written consent to the Remaining Members and the Company of his intent not to exercise the option, the Remaining Members, on a pro-rata basis, shall have an initial option for fifteen (15) days, beginning on the date that Edward S. Garcia's, or his successor-in-interest, option lapsed or the date that the Company and the Remaining Members received notice of Edward S. Garcia's, or his successor-in-interest, intent not to exercise its option, to purchase the Disposing Member's interest on the same terms and conditions as stated in the Notice of Sale. The Disposing Member shall not be entitled to vote in connection with the Remaining Member(s)' decision to exercise or not exercise its option to purchase. If any Remaining Member chooses to exercise his or her option, the Remaining Member shall purchase the Member's interest on the same terms and conditions as stated in the Notice of Sale. **Provided, however, no transfer of membership interest, other than the purchase by Edward S. Garcia, or his successor-in-interest, can occur without the prior written consent from the Management Company.**

(b) Upon the lapse of the Remaining Member(s)' right of first refusal or upon any Remaining Member(s)' prior written notice to the Disposing Member and all of the Remaining Members of its intent not to exercise the option, the Company, shall have an initial option for fifteen (15) days, beginning on the date that all Remaining Member(s)' options lapsed or the date that the Company received notice of a Member's intent not to exercise its option, to purchase the

Disposing Member's interest on the same terms and conditions as stated in the Notice of Sale. Upon the expiration of the fifteen (15) day period or the earlier delivery of written notice by the Company of its intent not to exercise its option, the Disposing Member may seek to sell all, but not less than all of his or her interest in the Company for a price pursuant to the Notice of Sale. Unless otherwise noted herein, any attempted transfer in violation of the provisions of this Article Eleven without the prior written approval and waiver by the Members and the Management Company shall be void and of no effect.

(c) Any Person to whom an interest in the Company is transferred in any manner, including but not limited to transfer by divorce, execution by a judgment creditor, court order, or upon death, may become a new Member solely upon the unanimous written approval or vote of the Remaining Members, excluding the Disposing Member, existing at the time of transfer and the prior written consent of the Management Company. In the absence of such approval, such transferee shall be considered an assignee of the Member pursuant to the Act, but not a Member. Unless and until an assignee has been admitted as a Member, such assignee shall have no management or voting rights in the company. Provided, however, upon any transfer to Edward S. Garcia, or his successor-in-interest, then Edward S. Garcia, or his successor-in-interest shall automatically become a Member without any approval from the Remaining Members or the Management Company.

11.3 Option to Purchase in the Event of Dissociation. In the event of the dissociation of a Member (the "Disassociated Member") as provided herein, Edward S. Garcia, or his successor in interest, shall have an option for ninety (90) days from the date of the occurrence of any of the events described in Article 11.4 to purchase the Dissociated Member's interest in the Company for the price determined in this Article 11.3. If Edward S. Garcia, or his successor-in-interest, fails to exercise such option, then the Remaining Members shall have a fifteen (15) day option to purchase, on a pro-rata basis, the Dissociated Member's interest in the Company in equal portions for the price determined in this Article 11.3. If any of the Remaining Members fail to exercise such option, the Company, shall have a fifteen (15) day option, determined from the date of expiration of the Remaining Members' option or the Company's receipt of written notice from a Remaining Member of their decision not to exercise such option, to purchase such Dissociated Member's membership interest in the Company for the price determined in this Article 11.3. The closing of any transfer hereunder shall occur within sixty (60) days of the applicable party

exercising its option. The purchase price for the Dissociated Member's interest in the Company shall be determined as follows:

(a) The Company's regularly employed certified public accountant ("CPA") shall determine the Company's earnings before interest, taxes, depreciation, and amortization ("EBITDA") for the tax year prior to the Member's dissociation. The determination of the CPA shall be binding upon the Company and the dissociated Member.

(b) The purchase price shall be the percentage of EBITDA equivalent to the dissociated Member's ownership percentage interest. By way of example only, if the dissociated Member has a 25% ownership interest in the Company, and the Company's CPA determines that EBITDA for the previous tax year is $500,000, the purchase price for the dissociated Member's interest would be $125,000 (i.e., purchase price = ($500,000 x .25)).

(c) Payment of the purchase price shall be made in cash at closing or by execution of a promissory note secured by all the membership units being transferred, in the sole discretion of Edward S. Garcia, or his successor-in-interest, or the Remaining Member(s) or the Company. The promissory note shall bear interest at a rate of the prime interest rate as reported in the *Wall Street Journal* as of the day of closing, or the highest rate allowed by Arkansas law, whichever is less, and shall require payment in full within five (5) years of the closing date.

11.4 Events of Dissociation. A Person shall cease to be a Member upon the happening of any of the following Events of Dissociation and a vote of the Member(s):

(a) A Member's disposition of all of its ownership interest in the Company;

(b) Any Member (1) making an assignment for the benefit of creditors, (2) filing a voluntary petition in bankruptcy, (3) being adjudicated a bankrupt or insolvent, (4) filing a petition or answer seeking for the Member any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law, or regulation (or filing any answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Member in any such proceeding), (5) or seeking, consenting to or acquiescing in the appointment of a receiver or liquidator of the Member or of all or any substantial part of the Member's properties;

(c) In the case of a Member who is a natural person, the filing of a petition for divorce by the Member or the Member's spouse without the parties to the divorce reaching an agreement within thirty (30) days of filing that the Member shall retain all rights associated with the membership interest;

(d) In the case of a Member who is a trust or is acting as a Member by virtue of being a trustee of a trust, the termination of the trust (but not merely the substitution of a new trustee); provided, however, this shall not apply to any trust in which Edward S. Garcia is a grantor, any transfers from any such trust(s) to any beneficiaries of such trust(s), outright, or to subsequent trust(s) for the benefit of any such beneficiaries shall not constitute an event of dissolution;

(e) In the case of a Member that is a separate partnership, limited partnership, limited liability company or other organization other than a corporation, the dissolution and commencement of winding up of the separate entity or organization;

(f) In the case of a Member that is a corporation, the filing of a certificate of dissolution, or its equivalent, for the corporation or the revocation of its charter and the lapse of ninety (90) days after notice to the corporation without reinstatement of its charter;

(g) In the case of an estate, the distribution by the fiduciary of the estate's entire interest in the Company; provided, however, this shall not apply to the estate of Edward S. Garcia and a distribution by the fiduciary of the estate of Edward S. Garcia's interest in the company shall not constitute an event of dissolution;

(h) Breach of this Agreement; or

(i) **The Member's actions would result in the Company being in violation of the minimum qualifications set forth by the Arkansas Medical Marijuana laws (i.e. moving out of the state of Arkansas, being convicted of a felony offense, owing the State of Arkansas taxes, or any other action putting the marijuana license in jeopardy).**

11.5 Purchase Upon Death or Disability of a Member.

(a) Upon the death or disability of a Member (other than Edward S. Garcia), Edward S. Garcia, or his successor in-interest, shall have the option for sixty (60) days to purchase the deceased or disabled Member's interest based on the percentage of EBITDA equivalent to the

deceased or disabled Member's ownership percentage interest. If Edward S. Garcia, or his successor-in-interest, fails to exercise his option to purchase, then the Company shall have the option for fifteen (15) days to purchase the deceased or disabled Member's interest based on the percentage of EBITDA equivalent to the deceased or disabled Member's ownership interest.

(b) The Company may maintain individual life insurance policies for the payment of any deceased Member's membership interest. The sole beneficiary of the policies shall be the Company. The Company shall apply the proceeds to the purchase of the deceased Member's membership interest.

(c) In the event of death, the closing for any purchase made hereunder shall be held sixty (60) days after Edward S. Garcia, or his successor-in-interest, or if he does not exercise the option, the Company, provides notice to the Member's personal representative of the deceased Member's estate of its option to purchase, unless otherwise mutually agreed in writing by Edward S. Garcia, or his successor-in-interest, or if he does not exercise the option, the Company, the deceased Member's personal representative and the Management Company. Payment of the purchase price shall be made in cash at closing or by execution of a promissory note secured by all the membership units being transferred, in the sole discretion of Edward S. Garcia, or his successor-in-interest, or the Company, as the case may be. The promissory note shall bear interest at a rate of the prime interest rate as reported in the *Wall Street Journal* as of the day of closing, or the highest rate allowed by Arkansas law, whichever is less, and shall require payment in full within five (5) years of the closing date.

(d) In the event of the disability of a Member (other than Edward S. Garcia), Edward S. Garcia, or his successor-in-interest, or if he does not exercise the option, the Company, shall purchase the disabled Member's membership interest in five (5) equal annual payments, including interest at a rate of the prime interest rate as reported in the *Wall Street Journal* as of the day of closing, or the highest rate allowed by Arkansas law, whichever is less. For purposes of this Agreement, "disability" shall be defined as the Member's disability through physical or mental illness or other cause sufficient to permit the Member to obtain long-term disability benefits under any policy of insurance then in effect covering the Member, or in the absence of such a policy, the inability through physical or mental illness or other cause to perform his or her ordinary and customary duties and functions for the period of one hundred seventy (170) days out of one hundred eighty (180) consecutive days. The value and purchase price of the disabled Member's

membership interest shall be determined by the Member's interest based on the percentage of EBITDA equivalent to the disabled Member's ownership percentage interest.

(e) The provisions of this Section 11.5 shall not apply to Edward S. Garcia.

11.6 Securities Laws. In addition to the other restrictions on transfer of interests in this Agreement, all sales or other transfers of interests must fully comply with all federal and state securities laws. In connection with the transfer of any interest in the Company, except in a public offering registered under the Securities Act of 1933, as amended (the "Securities Act") or Rule 144 promulgated thereunder (or any similar rule then in effect), the Disposing Member or substitute Member shall deliver to the Company an opinion of counsel which (to the Company's reasonable satisfaction) is knowledgeable in securities law matters to the effect that such transfer may be effected without registration under the Securities Act and applicable state securities laws.

11.7 Permitted Transfer. The Members hereby consent to the transfer by Edward S. Garcia of any of his membership interests to any one or more trusts, revocable or irrevocable, and such trust(s) shall automatically become a substituted Member of the Company upon the transfer by Edward S. Garcia. Upon the transfer, such trust(s) shall become Edward S. Garcia's successor-in-interest. In the event of Edward S. Garcia's death, the Members hereby consent to the transfer of his Membership Interests to his estate, and then to the beneficiary(ies) of his estate, which may include any trusts created by him during lifetime. The estate of Edward S. Garcia and the beneficiaries of the estate, which may include any trusts, shall automatically become a substituted Member of the Company upon receipt of any of Edward S. Garcia's, or his successor-in-interests, Membership Interests.

ARTICLE TWELVE

COVENANT NOT TO COMPETE/PERMISSIBLE CONFLICTS OF INTEREST

12.1 Covenant Not to Compete. The Members agree and acknowledge that their roles as Members of the Company are necessary and integral to the success of the Company and its individual Members. Therefore, in consideration of the continued business relationship between the Members and in order to induce each other to enter into this Agreement, the Members agree that they will not at any time in which they are Members of the Company and for two (2) years thereafter.

(a) Directly or Indirectly, solicit, perform services, enter into a sales agreement with, or provide software or materials for or to any Customers or Potential Customers of the Company with respect to the Restricted Business; or

(b) attempt to cause, either Directly or Indirectly, any employee of the Company, to terminate his or her employment with the Company.

(c) attempt to cause, either directly or indirectly, any agent associated with the Company to terminate any agreement with the Company.

12.2 Definitions For purposes of this Agreement, the following definitions shall apply:

(a) "Directly or Indirectly" includes, but is not limited to, acting through any spouse, children, parents, siblings, or any other relatives, friends, trustees, employees, agents, or associates.

(b) "Restricted Business" shall mean any service that is offered or provided by the Company or the Management Company.

(c) "Customer(s)" shall mean any person or entity that is or was under an agreement with the Company at any time prior to or during the time in which the Member had a membership interest in the Company or to whom the Company has sold a product or service of the Restricted Business during the time in which the Member in question was a Member of the Company and for two years thereafter.

(d) "Potential Customers(s)" shall mean any person or entity that the Company may have an agreement with or may have solicited for a potential sale during the time in which the Member had a membership interest in the Company. Potential Customer(s) also includes any person or entity that the Company or an agent of the Company has contacted, whether orally or in writing, regarding the products and services of the Restricted Business during the time in which the Member in question was a Member of the Company and for two years thereafter.

12.3 Specific Performance. The Members agree that the Company's right to specific performance of this Agreement is essential to protect its rights and interests. Accordingly, in addition to any other remedies that the Company may have at law or in equity, the Company will have the right to have any part of this Article Twelve specifically performed by the Member(s).

Further, the Company will have the right to obtain a preliminary and/or permanent injunction to ensure specific performance and to prevent breach of this Article Twelve.

12.4 The Member(s) acknowledge and agree that the precise amount of damages incurred by the Company for a loss of a customer or employee, although real and detrimental to the Company, is difficult to calculate. The Company and the Members therefore agree that a reasonable estimate of the damages suffered by the Company for

(a) a customer lost due to a breach of this Article Twelve shall be equal to the income received directly from the relationship with the customer during the two (2) years prior to the Member's breach or the total income received directly from the relationship with customer after breach of this Agreement, whichever is greater;

(b) an employee lost due to a breach of this Article Twelve shall be equal to that two (2) times the employee's salary during his/her last full year of employment.

12.5 Permitted Conflicts. It is understood and agreed to by the Members and the Company that certain Members are currently involved in business activities outside of the Company. A majority of votes by the Members with written approval from the Management Company may permit participation in activities that could be in a conflict of interest with the Company. The Member's participation in these permitted activities shall not be construed as a violation of the fiduciary duty the Members owe to each other or the Company. The Members hereby agree that the Company's business is to hold a license for a marijuana dispensary allowed by the state of Arkansas. A membership interest in a limited liability company that holds a license for marijuana cultivation allowed by the state of Arkansas shall be permitted as long as the other limited liability company has a management agreement with the Management Company and ownership of such membership interest by the Member is allowed by the state of Arkansas. The Members hereby also agree that a Member may own membership interests in the Management Company.

ARTICLE THIRTEEN

ADMISSION OF ADDITIONAL MEMBERS

One or more additional Members of the Company may be admitted to the Company with the unanimous written consent of the Members and written approval of the Management Company. Any additional Members to the Company shall be subject to all provisions of this Agreement. The Company may require new Members to execute any necessary documents to evidence these obligations.

ARTICLE FOURTEEN

LIABILITY OF MEMBERS

The Members do not have any liability for the obligations or liabilities of the Company, except to the extent provided in the Act and any liabilities each Member willingly assumes to secure financing.

ARTICLE FIFTEEN

EXCULPATION OF MEMBER-MANAGERS

A Member exercising management powers or responsibilities for or on behalf of the Company will not have personal liability to the Company or its Members for damages for any breach of duty in that capacity, provided that nothing in this Article shall eliminate or limit the liability of any Member-Manager if a judgment or other final adjudication adverse to him or her establishes that his or her acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled, or that, with respect to a distribution to Members, his or her acts were not performed in accordance with the Act.

ARTICLE SIXTEEN

GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Arkansas, all rights and remedies being governed by those laws. Terms used in this Agreement, which are not otherwise defined, shall have the respective meanings given those terms in the Act. Venue shall be in Washington County, Arkansas.

ARTICLE SEVENTEEN

INDEMNIFICATION

Pursuant to the agreement with the Management Company, to the fullest extent permitted by law, the Management Company shall indemnify and hold harmless, and may advance expenses to, any Member, manager, or other person, or any testator or intestate of such Member, manager or other person (collectively, the "Indemnitees"), from and against any and all claims and demands whatsoever; provided, however, that no indemnification may be made to or on behalf of any Indemnitee if a judgment or other final adjudication adverse to such Indemnitee establishes: (i) that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated; or (ii) that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled. The provisions of this section shall continue to afford protection to each Indemnitee regardless of whether he or she remains a Member, manager, employee or agent of the Company.

ARTICLE EIGHTEEN

AMENDMENTS

This Agreement may only be amended with written approval by all Members and written approval by the Management Company.

ARTICLE NINETEEN

DISSOLUTION OF THE COMPANY

19.1 No occurrence shall cause the Company to dissolve except any event pursuant to Article Three or a determination to dissolve by all Members not then in default.

19.2 Upon the dissolution of the Company, the manager shall file Articles of Dissolution pursuant to §4-32-906 and shall proceed with the liquidation and termination of the Company in a prompt and reasonable businesslike manner so as not to cause undue sacrifice of Company assets.

19.3 All assets shall be first offered for purchase based on fifty percent (50%) of the fair market value to the Management Company or a designee of the Management Company.

19.4 Distributions in Liquidation.

(a) On the dissolution and winding up of the affairs of the Company, the proceeds of liquidation shall be applied and distributed in the following order of priority:

(i) to the payment of all amounts due to the Management Company;

(ii) to the payment of all expenses of the dissolution, winding up and liquidation;

(iii) to the payment of all debts and liabilities of the Company or to which the Company assets are subject in the order of priority as provided by law;

(iv) to the creation of such cash reserves as the Management Company reasonably may deem necessary for any contingencies or any unforeseen liabilities of the Company; and

(v) to the Members, in proportion to and up to the positive balance in their respective Capital Accounts after giving effect to all contributions, distributions, and allocations for all periods.

Any cash reserves established pursuant to Section 19.4(a)(iv) shall be deposited in an appropriate account for such purposes, and when the Management Company determines that all contingent or unforeseen liabilities have been paid or otherwise satisfied the balance of such reserve shall be distributed in accordance with the provisions of Section 19.4(a)(v).

(b) If there is not a pro rata distribution of each asset, asset distributions in kind shall be appraised, if necessary, so that each Member receives its proportionate share of the value of the Company's net assets, based on the Members' respective Membership Interests. It shall not be a requirement that each Member receive its proportionate share of each asset available for distribution to the Members on dissolution. If valuation of the assets of the Company cannot be agreed on, such assets shall be valued at their fair market value as determined by an independent appraiser. The Management Company shall be required to retain such appraiser and other consultants as may be

necessary and advisable, all at the expense of the Company, to advise it of their determinations of such fair market values, which determinations shall be binding on all parties to such winding-up. No Member shall have any right to demand or receive property other than cash on dissolution and termination of the Company.

(c) A reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the discharge of liabilities as to creditors.

(d) Each Member shall look solely to the assets of the Company for all distributions with respect to the Company and any return of his or her Capital Contributions thereto and share of Profits or Losses thereof, and shall have no recourse therefore (on dissolution or otherwise) against any other Member.

ARTICLE TWENTY
MISCELLANEOUS

20.1 Notice. All notices and other communications required or permitted under this Agreement shall be in writing and may be sent by certified U.S. mail, return receipt requested, postage prepaid, overnight air courier, facsimile, or personal delivery to the Members at their addresses as shown from time to time on the records of the Company. Any Member may specify a different address by notifying the Company in writing of such different address. Such notices shall be deemed given (i) three days after mailing, (ii) the day after deposit with an overnight air courier, or (iii) when delivered in person or transmitted by fax machine (confirmation of transmission received), as the case may be.

20.2 Inurement. This Agreement shall be binding on, and inure to the benefit of, all parties hereto, their successors and assigns to the extent, but only to the extent, that assignment is made in accordance with, and permitted by, the provisions of this Agreement.

20.3 Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to the subject matter hereof. It supersedes any prior agreement or understandings between any of them relating to the subject matter hereof.

20.4 Number and Gender. Whenever the singular number is used in this agreement and when required by the context, the same will include the plural; and the masculine gender will include the feminine and neuter genders.

20.5 Captions. Captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit or extend the scope or intent of this Agreement or any provision thereof.

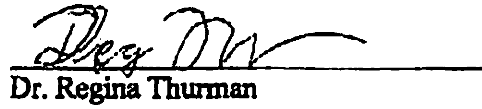
20.6 Severability. If any provision of this Agreement, or the application of such provision to any person or circumstances shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected hereby.

20.7 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. Any signature delivered by facsimile or other electronic transmission will be deemed to be an original signature to this Agreement.

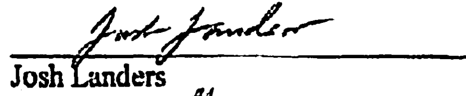
20.8 Waiver. No consent or waiver, express or implied, by any Member to or of any breach or default by the other in the performance of obligations hereunder shall be deemed or construed to be a consent or waiver of any other obligations of such Member hereunder. Failure on the part of any Member to complain of any act or failure to act of any other Member or to declare any other Member in default, irrespective of how long such failure continues, shall not constitute a waiver by such Member, of its rights hereunder.

20.9 Equitable Remedies. The rights and remedies of the Members hereunder shall not be mutually exclusive, *i.e.*, the exercise of rights granted under any provisions hereof shall not preclude the exercise of any other provisions hereof. The Members confirm that damages at law may be an inadequate remedy for a breach or threatened breach of this Agreement and agree that, in the event of a breach or threatened breach of any provision hereof, the respective rights and obligations hereunder shall be enforceable by specific performance, injunction or other equitable remedy, but nothing herein contained is intended to, nor shall it, limit or affect any rights at law or by statute or otherwise of any party aggrieved as against the other for a breach or threatened breach of any provision hereof, it being the intention by this subsection to make clear the agreement of the Members that the respective rights and obligations of the Members hereunder shall be enforceable in equity as well as at law or otherwise.

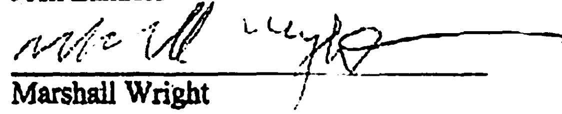
IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.



Dr. Regina Thurman



Josh Landers



Marshall Wright

Edward Garcia

SCHEDULE A

TO OPERATING AGREEMENT OF

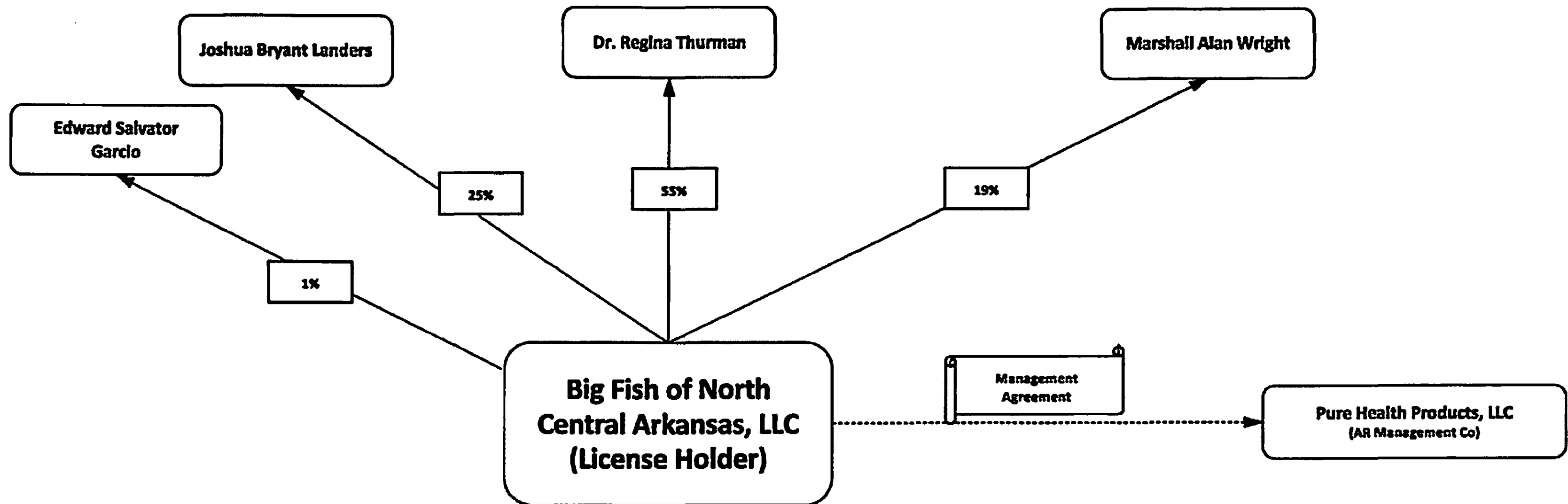
BIG FISH OF NORTH CENTRAL ARKANSAS, LLC

an Arkansas Limited Liability Company

Name, address, cash, property, and/or agreed value of service contributed.

MEMBER NAME	MEMBERSHIP UNITS/PERCENTAGE OWNERSHIP
Dr. Regina Thurman Josh Landers	55% 25%
Marshall Wright Eddie Garcia	19% 1%

Big Fish of North Central Arkansas Chart*



* Management is vested in Members – no Board

EXHIBIT B

MANAGEMENT AGREEMENT

This Management Agreement (this "**Agreement**") is made and entered into as of the 3rd day of February, 2020 ("**Effective Date**") by and between Pure Health Products, LLC ("**Manager**"), a Delaware limited liability company, and Big Fish of North Central Arkansas, LLC ("**Dispensary Partner**"), an Arkansas limited liability company. Manager and the Dispensary Partner may be referred to herein as a "Party," and collectively as the "Parties."

WITNESSETH:

WHEREAS, Manager is engaged in the business of consulting for and managing medical marijuana dispensary facilities; and

WHEREAS, Dispensary Partner holds a license issued by the Arkansas Medical Marijuana Commission (the "**MMC**") and will be engaged in the dispensing of medical marijuana in Heber Springs, Cleburne County, Arkansas; and

WHEREAS, Manager has agreed to provide and make available to the Dispensary Partner the services of its personnel and other resources as described herein, and the Dispensary Partner desires to use such personnel, services and resources to assist in the operation of its business; and

WHEREAS, Manager has further agreed to provide and undertake substantial obligations and duties set forth herein, fully understanding the risks that these obligations and duties entail. The compensation and rights of the Manager set forth herein are a representation of the Manager's risks and expertise.

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

1. Term.

(a) The initial term of this Agreement shall be for a period of twenty (20) years commencing on the Effective Date (the "**Initial Term**"). This Agreement shall automatically renew for successive 1-year terms (each a "**Renewal Term**") unless notice is provided from either Manager or Dispensary Partner to the other of non-renewal not less than six (6) months and not more than nine (9) months prior to the expiration of the Initial Term or any Renewal Term (collectively, the "**Term**"), or unless otherwise terminated in accordance with this Agreement.

(b) Notwithstanding subsection (a) above, Manager shall have the right to cancel this Agreement at any time for any or no reason upon six (6) months' written notice by Manager to Dispensary Partner. In such event, Dispensary Partner will owe no Cancellation Fee (as defined below) but will continue to pay Manager through the effective date of termination.

(c) Dispensary Partner has the right to terminate this Agreement early for "**Cause**", which is defined as: (i) Manager engages in willful misconduct against the Dispensary Partner or the Business that results in material financial harm thereto, as determined in binding arbitration under Section 10; or (ii) Manager engages in fraudulent criminal activity (except for

federal prosecution of activities specifically allowed by the state). In the event the Dispensary Partner seeks to terminate Manager and this Agreement for Cause, Dispensary Partner shall provide Manager with written notice within ten (10) business days of discovery of the conduct giving rise to the allegations and an explanation thereof. Upon receipt of such written notice from Dispensary Partner, Manager shall have ten (10) business days to respond. If the conduct, in the Manager's reasonable view, does not rise to Cause or is curable, then the Parties shall follow the dispute resolution provisions in Section 10 and this Agreement shall remain in effecting pending resolution of such dispute. Failure by Dispensary Partner to timely notify Manager will result in a loss of termination rights related to that conduct or event.

(d) If the Dispensary Partner elects to terminate this Agreement (that is not considered a non-renewal) prior to the expiration of the Initial Term *without* Cause, then Dispensary Partner shall pay Manager a cancellation fee (the "**Cancellation Fee**") equal to:

(i) during years zero (0) through ten (10) of the Initial Term, the greater of (x) $5,000,000 (plus any outstanding amounts due and owing) or (y) four (4) times annualized gross revenue (using last three month average);

(ii) during years eleven (11) through thirteen (13), the greater of (x) $4,500,000 (plus any outstanding amounts due and owing) or (y) four (4) times annualized gross revenue (using last three month average);

(iii) during years fourteen (14) through sixteen (16), the greater of (x) $4,000,000 (plus any outstanding amounts due and owing) or (y) four (4) times annualized gross revenue (using last three month average);

(iv) during years seventeen (17) through nineteen (19), the greater of (x) $3,500,000 (plus any outstanding amounts due and owing) or (y) four (4) times annualized gross revenue (using last three month average); and

(v) during year twenty (20), the greater of (x) $2,500,000 (plus any outstanding amounts due and owing) or (y) four (4) times annualized gross revenue (using last three month average).

Payment of Cancellation Fee will be paid to Manager within ten (10) business days after termination of this Agreement.

(e) This Agreement shall terminate and Dispensary Partner shall pay the Cancellation Fee to Manager should (i) Dispensary Partner, or any of its Members, by or through their action or inaction, cause the Dispensary license to be suspended or revoked by the MMC or other state agency or regulatory bodies, or (ii) the Dispensary Partner or any of its Members engage in activities against Manager or the Business that would be deemed Cause. In the event the Manager seeks to terminate Dispensary Partner for either (i) or (ii) above, Manager shall provide Dispensary Partner with written notice within ten (10) business days of discovery of the conduct giving rise to termination and an explanation thereof. Upon receipt of such written notice from Manager, the Dispensary Partner shall have ten (10) business days to respond. If the conduct, in the Dispensary Partner's reasonable view, does not provide grounds to Manager to terminate this Agreement or is curable, then the Parties shall follow the dispute resolution and binding arbitration

provisions in Section 10 and this Agreement shall remain in effecting pending resolution of such dispute. Failure by Manager to timely notify Dispensary Partner will result in a loss of termination rights related to that conduct or event.

(f) Dispensary Partner hereby unconditionally guarantees the prompt and full payment of any Cancellation Fee upon the termination of this Agreement under Section 1(d) and/or 1(e). This is a guaranty of payment and not a guaranty of collection; this is and shall be a continuing guaranty.

(g) This Agreement shall be freely assignable by Manager with reasonable and timely consent of Dispensary Partner, which shall not be unreasonably withheld, conditioned or delayed. Dispensary Partner may not assign its interest in this Agreement without the prior written consent of Manager, which consent shall not be unreasonably withheld, conditioned or delayed, and any consent shall not relieve Dispensary Partner of any of its obligations hereunder. Notwithstanding the foregoing, the guaranty of Dispensary Partner under Section 1(f) may not be assigned or transferred without the consent of Manager, which consent may be granted or withheld in Manager's sole discretion.

2. Services. Manager will provide advice and resources to Dispensary Partner for the operation of the Business including, without limitation, advice and resources with respect to facilities, equipment and services of personnel as Dispensary Partner may reasonably require in connection with its business and as agreed upon by Manager. Such facilities and equipment shall include, but not be limited to, telephones, copiers, scanners, printers, personal computers, all network and work station hardware and software, supplies, office furniture, fixtures and the like, and any other equipment needed to operate a medical marijuana Dispensary facility in Arkansas. Such services shall include, but not be limited to, clerical and administrative services, management information systems support personnel, security, accounting, financial control and payroll assistance, collections of fees for services, and management of vendors, independent contractors, law firms providing services to Dispensary Partner, pharmacist(s), and any other personnel needed to operate a medical marijuana Dispensary facility in Arkansas. The facilities, equipment and services provided or rendered under this Agreement shall be done in a professional manner, subject to the applicable laws of the State of Arkansas. Dispensary Partner shall be responsible for applicable U.S. Federal income taxes, as well as any applicable penalties and interest due thereon, and shall be responsible for filing, or having a third party file, income tax returns on behalf of Dispensary Partner and issuing IRS tax forms to each Member of the Dispensary Partner; provided, however, that any such filings shall be provided to Manager at least ten (10) business days prior to the filing thereof and Dispensary Partner shall consider in good faith any comments thereon made by Manager.

3. Accounts. The Dispensary Partner, with assistance as needed from Manager, will be responsible for maintaining the necessary accounts and appropriate reserves to pay Manager fees for its services. The Dispensary Partner, with assistance as needed from Manager, will maintain account balances sufficient to meet operating costs and expenses as advised by Manager, including any licensing fees and costs. The office manager employed by the Dispensary Partner will maintain ongoing cash flow requirement schedules, which will include, but not be limited to, all outstanding vendor and local bills payable, wages and salaries, anticipated fee receipts and

other operating or cash flow requirements. Distributions and deposits will be handled based upon prescribed policies executed by the officers of the Dispensing Partner.

4. Authority. Dispensary Partner shall maintain final authority and control over operations and management of the dispensary, subject to the advice and assistance of Manager. Dispensary Partner shall cooperate with Manager in all respects to ensure that operations and management of the dispensary is conducted in full compliance with state law.

5. Transfers. If Dispensary Partner deems it advisable and in the best interest of the Dispensary Partner to sell the Dispensary license awarded by the MMC to a third party, or if the members of the Dispensary Partner wish to sell, directly or indirectly (including, without limitation, through merger or reorganization), a majority of their membership interests in the Dispensary Partner to a third party (in each case, a "**Transfer**") then it shall give Manager written notice of the terms of such sale. Manager shall have the right of first refusal to purchase the Dispensary license awarded by the MMC, or the membership interests themselves, for an amount equal to twenty-five percent (25%) of the Transfer price proposed to be paid to Dispensary Partner or its Members (the "**Exercise Fee**"). Manager shall have ten (10) business days from the date Dispensary Partner notifies Manager of its intent to sell the license or the membership interest to exercise its right of first refusal and thirty (30) business days thereafter to provide definitive documents to Dispensary Partner for such purchase of the license, contingent on regulatory approval. In the event that Manager exercises its right of first refusal, the parties agree and acknowledge that the terms of this Agreement, including payment terms, remain in full force and effect until the definitive documents are fully executed by both Parties and any regulatory approvals have been received. If Manager does not provide written notice of its intent to exercise its right of first refusal as provided for herein, then Dispensary Partner may proceed with the sale on terms no less favorable to Dispensary Party than set forth in the notice to Manager, with the proceeds of such sale divided as follows: seventy-five percent (75%) to the Manager and twenty-five percent (25%) to the Dispensary Partner. In the event such transaction is not consummated by Dispensary Party within thirty (30) business days of the date Manager rejects the offer or fails to respond, the provisions of this Section 5 shall apply to such transaction or any subsequent transaction. For the avoidance of doubt, this Agreement shall remain in effect in the event the Transfer is consummated and Manager does not exercise its right of first refusal hereunder.

6. Non-Exclusive; Other Products and Services. Dispensary Partner and Manager agree that Manager's services to Dispensary Partner under this Agreement are not exclusive and that Manager shall be free to render similar services to others, including other dispensaries. Further, Manager or its affiliates shall be entitled to license its intellectual property to the Business and to other dispensaries and act as a wholesaler to the Business and sell other affiliated branded products, goods and services. However, Dispensary Partner and Manager agree that while this Agreement is in effect, Manager shall be the exclusive provider of the services described herein to Dispensary Partner and the Business, and Dispensary Partner shall not enter into any agreement with any other party to provide Dispensary Partner with the services provided by Manager hereunder.

7. Management Fee. Manager will be compensated for its services to be rendered hereunder in accordance with the provisions of Exhibit "A" attached hereto.

8. [Intentionally Omitted]

9. Records. Manager shall maintain and preserve the necessary records relating to this Agreement, complete accounting data and information necessary for the Dispensary Partner to produce its cash flow schedules, statistical records, customer records, expense and cost allocation records, in a manner mutually agreed upon between Manager and Dispensary Partner. Such records shall he maintained at the offices of Manager, or as otherwise designated by Manager with notification and copy to the Dispensary Partner for purposes of audit and inspection. Manager is responsible for maintaining its records in the manner required by law and making such records available as necessary and appropriate to the MMC, the Internal Revenue Service or any other governmental agency or body, as necessary.

10. Indemnification; Arbitration. The Parties hereby agrees to indemnify and hold each other harmless from any loss occasioned by the misfeasance, violation of applicable law (outside of Federal law related to cannabis), bad faith, reckless disregard or negligent acts or omissions of either Party as related to the services and obligations of both Parties under this Agreement. Any disputes arising out of the interpretation or implementation of the terms and conditions of this Agreement shall be submitted to binding arbitration in accordance with the rules then in effect of the American Arbitration Association. Any arbitration proceeding shall take place in Little Rock, Arkansas. Awards rendered by arbitrators, if not complied with within the timeframes agreed to in arbitration, may be enforced in any court of competent jurisdiction.

11. Notices. All notices required or permitted hereunder shall be given in writing by actual delivery or by nationally recognized overnight courier service, or electronic mail (email). Notice shall be deemed given upon delivery of email, or if given by mail, upon receipt or if sent by next day delivery by a nationally recognized overnight courier service, on the next business day. Notice shall be delivered or mailed to the parties at the following addresses or at such other places as a party shall designate in writing:

If to Manager:

Pure Health Products, LLC

____
____
____

Attn:
Email:

If to Dispensary Partner:

Big Fish of North Central Arkansas, LLC
Attn: Josh Landers
2316 Byron Dr.
Bryant, AR 72022
Email: joshlanders@sbcglobal.net

12. Bond. Dispensary Partner shall obtain a bond, at Dispensary Partner's sole expense, for the minimum amount required by Arkansas law for a medical marijuana Dispensary.

13. Insurance. Manager shall maintain, at Manager's sole expense, professional liability insurance in the amount of two million dollars ($2,000,000.00) for Manager, Dispensary Partner, Dispensary Partner's officers and directors, and all other persons employed or supervised by Manager (as related to its services hereunder) and Dispensary Partner. Dispensary Partner shall also maintain, at Dispensary Partner's sole expense, all other insurance coverage as is customary for medical marijuana Dispensary facilities. Dispensary Partner shall name Manager as an additional insured on all such insurance policies. Dispensary Partner shall provide Manager with proof of all such insurance policies as soon as reasonably practicable after the effective date of this Agreement.

14. Force Majeure. Notwithstanding anything to the contrary contained herein, in the event Manager is unable to provide the facilities, equipment and services due to a Force Majeure Event, Manager will provide Dispensary Partner with written notice of such Force Majeure Event and any other information Manager may have regarding the expected length of time and ad how Manager intends to address the disruptions caused by the Force Majeure Event, to the extent it is reasonably able to do. Following the occurrence of a Force Majeure Event, and for so long as such event or its repercussions are ongoing, neither party may terminate this Agreement for any reason, Cause or no Cause. For purposes of this Agreement, a "**Force Majeure Event**" means any act, event or occurrence that delays the affected Party's performance of its obligations (other than any obligation to pay money) in accordance with the terms of this Agreement, which are beyond the reasonable control of the affected Party, including without limitation, the following: (i) strikes, lockouts or other labor disputes or actions; (ii) governmental action or inaction; (iii) failure of any utility company to act in a timely manner; (iv) unavailability of labor, feedstocks or materials generally; (v) adverse weather conditions; (vi) fire, windstorm or other casualties resulting from natural causes, including pandemics and other virus or health outbreaks; (vii) changes, modifications or delays mandated by applicable Laws; (viii) acts of terrorism or other regional or national conditions of a similar nature; and (ix) delays caused by the default of or which are otherwise the fault of the other party.

15. Prevailing Party. If it is determined that either Party has breached this Agreement, the prevailing party will be entitled to all expenses incurred in connection with the litigation or other proceeding, including without limitation court costs, filing fees, and fees and expenses of attorneys, expert witnesses, Managers, court reporters, process servers and other professionals and vendors reasonably engaged. The Parties shall petition the court or other arbiter for a determination of which Party substantially prevailed. The remedies in this Paragraph shall be in addition to any other remedies available to the Parties under this Agreement.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Arkansas.

17. Amendments. Any amendment to this Agreement shall be in writing and signed by all Parties.

18. Binding Nature. This Agreement, and all the terms and provisions hereof, shall be binding upon and shall inure to the benefit of the Parties and their respective legal representatives, heirs, successors and assigns.

19. Language. Whenever required by the context, as used in this Agreement, the singular number shall include the plural, and the masculine gender shall include the feminine or the neuter. The word "including" shall mean including without limitation, and the word "include" shall mean include without limitation.

20. Separability; Savings. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations of the jurisdictions in which the Parties do business. If any provision of this Agreement, or the application thereof to any Party, shall, for any reason and to any extent, be invalid or unenforceable, including any provisions deemed contrary to law or the MMC, the remainder of this Agreement and the application of such provision to other parties or circumstances shall not be affected thereby, and those provisions may be modified for compliance purposes. The remainder shall be enforced to the greatest extent permitted by law.

21. Entire Agreement. This Agreement constitutes the entire understanding and agreement among the Parties with respect to the subject matter hereof, and there are no agreements, understandings, restrictions, representations or warranties among the Parties other than those set forth herein or herein provided.

22. Joint Drafting. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Agreement was prepared by or at the request of a particular Party or its counsel. The Parties intend that each representation, warranty, and covenant contained herein shall have independent significance. If any Party has breached any representation, warranty, or covenant contained herein in any respect, the fact that there exists another representation, warranty, or covenant relating to the same subject matter which the Party has not breached shall not detract from or mitigate the fact that the Party is in breach of the first representation, warranty, or covenant.

23. Incorporation. Every exhibit, schedule and other appendix attached to this Agreement and referred to herein is hereby incorporated in this Agreement by reference.

24. Further Assurances. Each Party agrees to perform all further acts and execute, acknowledge and deliver any documents which may he reasonably necessary, appropriate or desirable to carry out the provisions of this Agreement.

25. Counterparts. This Agreement may be executed in two or more counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one counterpart.

26. No Beneficiaries. Nothing in this Agreement shall confer any rights or remedies under or by reason of this Agreement on any persons or entities other than the Parties and their

respective successors and assigns, nor shall anything in this Agreement relieve or discharge the obligation or liability of any third person to any Party to this Agreement, nor shall any provision give any third person any right of subrogation or action over or against any Party.

27. Post-Termination. In the event of the termination of this Agreement: (a) all records in Manager's possession pertaining to the operation of Dispensary Partner, together with any other Dispensary Partner property in its possession, shall promptly be delivered to Dispensary Partner or its representative authorized to receive the same, it being understood by Dispensary Partner that Manager may retain copies of any documents or information necessary for Manager to fulfill its own legal obligations with respect to Dispensary Partner; (b) Manager's right to compensation shall immediately cease, except for (i) any payments, or pro rata portions thereof, which are due on the date of termination; and (ii) services which must be provided in order to wind up any ongoing matters. During and after termination of this Agreement, neither Party shall disparage the other in public, in private or to third parties including the MMC.

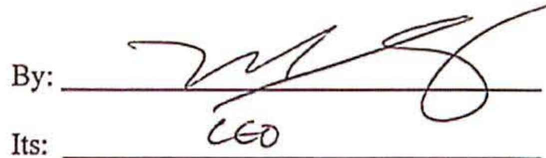
28. No Ownership. This Agreement does not convey or transfer any ownership interest in the Dispensary Partner to Manager.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have caused this Management Agreement to be duly executed, on the day and year first above written.

MANAGER:

Pure Health Products, LLC

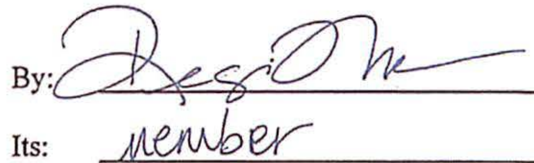


By: ______________________

Its: CEO

DISPENSARY PARTNER:

Big Fish of North Central Arkansas, LLC



By: ______________________

Its: member

EXHIBIT A

MANAGEMENT FEE

In light of the Business having no financial, operational or profit history, Manager will be compensated for its services as follows:

(i) A fixed monthly Management Fee of $10,000, accruing as of the date hereof and payable in full following the first three (3) months of Business operations (and paid on the 15th of each month thereafter), plus

(ii) forty percent (40%) of the accrual basis net cash flow from operations of the Business or sale of the Business or rights associated therewith, less any monthly management fees paid.

Net cash flow will be calculated on a quarterly basis with quarters beginning January 1, April 1, July 1 and October 1, and will be reconciled and distributed within 30 days of the end of each quarter, and pro-rated for any quarter.

Notwithstanding the foregoing, Manager and the Dispensary Partner will negotiate in good faith to set Consultant's fee for the fourth year and thereafter, with consideration given to the economic performance of the Business in the first three years of operation and the value of Consultant's services to Dispensary Partner.