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MONTANA FIRST JUDICIAL DISTRICT COURT, LEWIS AND CLARK COUNTY

<p>GRANITE PEAK HOLDINGS INC. d/b/a ELEVATED, a Montana Corporation, TSB MONTANA, LLC, a Montana Limited Liability Company, and MARIMINT, LLC, a Montana Limited Liability Company,</p> <p style="text-align: center;">Plaintiffs,</p> <p style="text-align: center;">v.</p> <p>STATE OF MONTANA,</p> <p style="text-align: center;">Defendant.</p>	<p>Cause No. DV-2023-570 Hon. Mike Menahan</p> <p style="text-align: center;">CONSENT JUDGMENT</p>
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COME NOW Granite Peak Holdings Inc., TSB Montana, LLC and MariMint, LLC, by and through their counsel, Angela LeDuc of Rocky Mountain Law Partners, PC and the State of Montana, by and through its counsel, Thane Johnson, Deputy Attorney General, and consent to the following:

FINDINGS OF FACT

1. Plaintiff Granite Peak Holdings Inc. (“Granite Peak”) is a Montana corporation. Granite Peak is in the business of cultivating, processing, and dispensing marijuana and marijuana infused products.

2. Plaintiff TSB Montana (“TSB”) is a limited liability company. TSB is in the business of cultivating, processing, and dispensing marijuana and marijuana infused products.

3. Plaintiff MariMint, LLC (“MariMint”) is a limited liability company. MariMint is in the business of cultivating, processing, and dispensing marijuana and marijuana infused products.

4. The Montana Legislature passed House Bill (“HB”) 903 (2023) which amended the Montana Marijuana Regulation and Taxation Act (“MMRTA”), Mont. Code. Ann. § 16-12-101, et. seq. HB 903 assesses a license fee of \$5,000.00 for each marijuana dispensary location, even if there are multiple dispensaries under the same license, codified as Mont. Code Ann. § 16-12-224(6). This license fee increases cumulatively for each location which means the first dispensary location renewal fee is \$5,000.00, the second dispensary location renewal fee is \$10,000.00, the third dispensary location renewal fee is \$15,000.00 and so on.

5. Granite Peak filed its initial Complaint on August 25, 2023 alleging that this provision of HB 903 is unconstitutional. On October 11, 2023, Plaintiffs filed an Amended Complaint adding two additional Plaintiffs, TSB and MariMint, and adding additional counts.

6. The Montana Department of Revenue (“Department”) is responsible for implementing and enforcing MMRTA.

7. Each new dispensary requires investigation and an in-person visit by staff of the Department. Each existing location requires an annual in-person visit by Department staff.

8. Prior to the passage of HB 903, the Department assessed a fee of \$5,000.00 for each location owned and operated by a marijuana licensee. This fee generated sufficient fees to cover the costs to the Department for implementing and enforcing the MMRTA.

9. Pursuant to the new cumulative assessment under Mont. Code. Ann. § 16-12-224(6), Granite Peak would be assessed a \$280,000.00 dispensary renewal fee instead of \$50,000.00 for its ten dispensary locations, plus an additional \$245,000.00 for the four newly-opened dispensary locations.

10. Under the new Mont. Code Ann § 16-12-224(6), TSB will be assessed a \$600,000.00 dispensary renewal fee instead of \$75,000.00 as in previous years.

11. Under the new Mont. Code Ann § 16-12-224(6), MariMint will be assessed a \$75,000.00 renewal fee instead of \$25,000.00 as in previous years.

From the foregoing Findings of Fact this Court enters the following:

CONCLUSIONS OF LAW

1. This Court has subject matter jurisdiction over this cause of action and personal jurisdiction over the foregoing parties.

2. Mont. Code Ann.§ 16-12-224(6) generates more fees than is necessary to cover the costs to the Department for implementing and enforcing the provisions of MMRTA.

From the foregoing Conclusions of Law, this Court enters the following:

ORDER

IT IS HEREBY ORDERED that the cumulative annual dispensary fee as provided in the current Mont. Code Ann. § 16-12-224(6) is permanently enjoined pursuant to Count I and Count VI of the Verified Second Amended Complaint. Plaintiffs are **GRANTED** a declaratory judgment

that the cumulative annual fee in the current Mont. Code Ann. § 16-12-224(6) exceeds the amount necessary to cover the costs to the Department of implementing and enforcing the MMRTA.

IT IS FURTHER ORDERED that the \$5,000.00 per dispensary fee assessment that existed prior to the passage of HB 903 (the former §16-12-224(6)) shall remain in full force and effect.

IT IS FURTHER ORDERED that any funds that any licensee has paid to the Department of Revenue as a result of the cumulative assessment that exceeded the annual fee assessment of \$5,000.00 per dispensary location shall be refunded to the paying party.

IT IS FURTHER ORDERED that all other changes to the MMRTA made by HB 903 shall remain in full force and effect pursuant to Section 13 of HB 903 (the severance clause).

IT IS FURTHER ORDERED that all remaining counts in the Verified Second Amended Complaint (Counts II, III, IV, V, and VII) are hereby dismissed with prejudice.

IT IS FURTHER ORDERED that each party shall be responsible for their respective attorneys' fees and costs.

DATED this 4th day of January, 2023.

ROCKY MOUNTAIN LAW PARTNERS, P.C.

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By: /s/ Angela M. LeDuc

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ELECTRONICALLY DATED AND SIGNED BELOW