



## Massachusetts Cannabis Control Commission

### Marijuana Cultivator

#### General Information:

License Number: MC282761  
Original Issued Date: 03/23/2022  
Issued Date: 03/23/2022  
Expiration Date: 03/23/2023

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Coastal Healing

Phone Number: 401-297-9113  
Email Address: acoaxetpolo@verizon.net

Business Address 1: 248 State road  
Business City: Westport  
Business State: MA  
Business Zip Code: 02970  
Business Address 2:  
Mailing Address 1: 1942 crandall road  
Mailing City: tiverton  
Mailing State: RI  
Mailing Zip Code: 02878  
Mailing Address 2:

### CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

### PRIORITY APPLICANT

Priority Applicant: no  
Priority Applicant Type: RMD Priority  
Economic Empowerment Applicant Certification Number:  
RMD Priority Certification Number:

### RMD INFORMATION

Name of RMD: Coastal Healing  
Department of Public Health RMD Registration Number: RMD-1529  
Operational and Registration Status: Obtained Provisional Certificate of Registration only  
To your knowledge, is the existing RMD certificate of registration in good standing?: yes  
If no, describe the circumstances below:

### PERSONS WITH DIRECT OR INDIRECT AUTHORITY

#### Person with Direct or Indirect Authority 1

Percentage Of Ownership: 31  
Role: Owner / Partner  
Percentage Of Control: 50  
Other Role:

First Name: David Last Name: Bullis Suffix:

Gender: Male User Defined Gender:

What is this person's race or ethnicity?: White (German, Irish, English, Italian, Polish, French)

Specify Race or Ethnicity:

#### Person with Direct or Indirect Authority 2

Percentage Of Ownership: 31 Percentage Of Control: 50

Role: Owner / Partner Other Role:

First Name: Diego Last Name: Bernal Suffix:

Gender: Male User Defined Gender:

What is this person's race or ethnicity?: Hispanic, Latino, or Spanish (Mexican or Mexican American, Puerto Rican, Cuban, Salvadoran, Dominican, Colombian)

Specify Race or Ethnicity:

#### ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

No records found

#### CLOSE ASSOCIATES AND MEMBERS

No records found

#### CAPITAL RESOURCES - INDIVIDUALS

No records found

#### CAPITAL RESOURCES - ENTITIES

No records found

#### BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

#### DISCLOSURE OF INDIVIDUAL INTERESTS

No records found

#### MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 248 State Road

Establishment Address 2:

Establishment City: Westport Establishment Zip Code: 02790

Approximate square footage of the Establishment: 14000 How many abutters does this property have?: 2

Have all property abutters have been notified of the intent to open a Marijuana Establishment at this address?: Yes

Cultivation Tier: Cultivation Environment:

#### FEE QUESTIONS

Cultivation Tier: Tier 03: 10,001 to 20,000 sq. ft Cultivation Environment: Indoor

#### HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Certification of Host	host community cert form.pdf	pdf	6148d9bfc4d84107a3220d55	09/20/2021
Community Agreement				

Plan to Remain Compliant with Local Zoning	Coastal Healing_Plan to Remain Compliant with Local Bylaws (Westport).pdf	pdf	6148db9c189f3a07c686282c	09/20/2021
Community Outreach Meeting Documentation	COMMUNITY OUTREACH COMBINED.pdf	pdf	619526dc6155aa37c4259ae7	11/17/2021

Total amount of financial benefits accruing to the municipality as a result of the host community agreement. If the total amount is zero, please enter zero and provide documentation explaining this number.: \$

#### PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	Positive Impact Plan.pdf	pdf	619528383982c731eb1cb8df	11/17/2021
Plan for Positive Impact	POSITIVE IMPACT PLAN CLARIFICATION.pdf	pdf	61a12d1efc14e507dc47dcb1	11/26/2021

#### ADDITIONAL INFORMATION NOTIFICATION

Notification:

#### INDIVIDUAL BACKGROUND INFORMATION

##### Individual Background Information 1

Role: Owner / Partner      Other Role:  
 First Name: David      Last Name: Bullis      Suffix:  
 RMD Association: RMD Owner  
 Background Question: no

##### Individual Background Information 2

Role: Owner / Partner      Other Role:  
 First Name: Diego      Last Name: Bernal      Suffix:  
 RMD Association: RMD Owner  
 Background Question: no

#### ENTITY BACKGROUND CHECK INFORMATION

No records found

#### MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Department of Revenue - Certificate of Good standing	cert of good standing tax.pdf	pdf	6148e8a6179a26079c9e5657	09/20/2021
Secretary of Commonwealth - Certificate of Good Standing	cert of good standing.pdf	pdf	6148e8d4ed983707e971cc48	09/20/2021
Articles of Organization	Coastal Healing - Exhibit C to Amended SPA (Restated Charter) (2).pdf	pdf	6148ea17f6892707b40e012b	09/20/2021
Bylaws	Coastal Healing - By laws.pdf	pdf	6148ee3e7ced707aacb0ffa	09/20/2021
Department of Revenue - Certificate of Good standing	ATTACHMENT G unemployment assist.pdf	pdf	61952b555ca77d31bb6b7a8b	11/17/2021

No documents uploaded

Massachusetts Business Identification Number: 001395628

Doing-Business-As Name: Coastal Healing

DBA Registration City: Westport

#### BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Business Plan	CH BUSINESS PLAN 7-1-20 small.pdf	pdf	6149e08fc4d84107a3221160	09/21/2021
Plan for Liability Insurance	PLAN FOR OBTAINING LIABILITY INSURANCE.pdf	pdf	61952ed86155aa37c4259b9e	11/17/2021
Proposed Timeline	Cultivator TIMELINE Revised 2.pdf	pdf	61a7f152c812363cbf801963	12/01/2021

#### OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Separating recreational from medical operations, if applicable	Plan for Separating Recreational from Medical Operations.pdf	pdf	614b287f7ced707aacb1b7a	09/22/2021
Restricting Access to age 21 and older	Restricting Access to Age 21 and Older.pdf	pdf	614b28a57736bf07c42f649e	09/22/2021
Security plan	Security Plan.pdf	pdf	614b296af6892707b40e0caa	09/22/2021
Prevention of diversion	Prevention of Diversion.pdf	pdf	614b29a819da0307d355a284	09/22/2021
Storage of marijuana	Storage of Marijuana.pdf	pdf	614b2a1619da0307d355a28a	09/22/2021
Transportation of marijuana	Transportation of Marijuana.pdf	pdf	614b2a89f076f507dc7e0c4d	09/22/2021
Inventory procedures	Inventory Procedures.pdf	pdf	614b2b65f6892707b40e0cbb	09/22/2021
Quality control and testing	Quality Control and Testing.pdf	pdf	614b2c2119da0307d355a2a0	09/22/2021
Personnel policies including background checks	Personnel Policies Including Background Checks.pdf	pdf	614b31778b811c07bff6fd45	09/22/2021
Record Keeping procedures	Recordkeeping Procedures.pdf	pdf	614b333ac12c6607a11af847	09/22/2021
Maintaining of financial records	Maintaining of Financial Records.pdf	pdf	614b354d604619079ab7a1b2	09/22/2021
Qualifications and training	Qualifications and Training.pdf	pdf	614b3618604619079ab7a1bb	09/22/2021
Energy Compliance Plan	Energy Compliance Plan cultivation.pdf	pdf	614b3af63e5df507d5e58706	09/22/2021
Policies and Procedures for cultivating.	Policies and Procedures for Cultivating.pdf	pdf	614b4b8c10e8450793e1ab80	09/22/2021
Diversity plan	DIVERSITY POLICY.pdf	pdf	61953997084df83201bfe913	11/17/2021
Diversity plan	DIVERSITY PLAN CLARIFICATION.pdf	pdf	61a12e0cfc3fe607a90a327d	11/26/2021

#### ATTESTATIONS

I certify that no additional entities or individuals meeting the requirement set forth in 935 CMR 500.101(1)(b)(1) or 935 CMR 500.101(2)(c)(1) have been omitted by the applicant from any marijuana establishment application(s) for licensure submitted to the Cannabis Control Commission.: I Agree



I understand that the regulations stated above require an applicant for licensure to list all executives, managers, persons or entities having direct or indirect authority over the management, policies, security operations or cultivation operations of the Marijuana Establishment; close associates and members of the applicant, if any; and a list of all persons or entities contributing 10% or more of the initial capital to operate the Marijuana Establishment including capital that is in the form of land or buildings.: I Agree

I certify that any entities who are required to be listed by the regulations above do not include any omitted individuals, who by themselves, would be required to be listed individually in any marijuana establishment application(s) for licensure submitted to the Cannabis Control Commission.:

I Agree

Notification:

I certify that any changes in ownership or control, location, or name will be made pursuant to a separate process, as required under 935 CMR 500.104(1), and none of those changes have occurred in this application.:

I certify that to the best knowledge of any of the individuals listed within this application, there are no background events that have arisen since the issuance of the establishment's final license that would raise suitability issues in accordance with 935 CMR 500.801.:

I certify that all information contained within this renewal application is complete and true.:

#### ADDITIONAL INFORMATION NOTIFICATION

Notification:

#### COMPLIANCE WITH POSITIVE IMPACT PLAN

No records found

#### COMPLIANCE WITH DIVERSITY PLAN

No records found

#### HOURS OF OPERATION

Monday From: 9:00 AM	Monday To: 8:00 PM
Tuesday From: 9:00 AM	Tuesday To: 8:00 PM
Wednesday From: 9:00 AM	Wednesday To: 8:00 PM
Thursday From: 9:00 AM	Thursday To: 8:00 PM
Friday From: 9:00 AM	Friday To: 8:00 PM
Saturday From: 9:00 AM	Saturday To: 8:00 PM
Sunday From: 9:00 AM	Sunday To: 8:00 PM

## Host Community Agreement Certification Form

### Instructions

Certification of a host community agreement is a requirement of the application to become a Marijuana Establishment (ME) and Medical Marijuana Treatment Center (MTC). Applicants must complete items 1-3. The contracting authority for the municipality must complete items 4-8. Failure to complete a section will result in the application not being deemed complete. This form should be completed and uploaded into your application. Please note that submission of information that is "misleading, incorrect, false, or fraudulent" is grounds for denial of an application for a license pursuant to 935 CMR 500.400(2) and 501.400(2).

### Certification

The parties listed below do certify that the applicant and municipality have executed a host community agreement on the specified date below pursuant to G.L. c. 94G § 3(d):

1. Name of applicant:

Coastal Healing, Inc.

2. Name of applicant's authorized representative:

Dr. Diego Bernal

3. Signature of applicant's authorized representative:

*Diego Bernal*

4. Name of municipality:

Town of Westport


5. Name of municipality's contracting authority or authorized representative:

*Shana M Shufelt*


6. Signature of municipality's contracting authority or authorized representative:



7. Email address of contracting authority or authorized representative of the municipality (*this email address may be used to send municipal notices pursuant to 935 CMR 500.102(1) and 501.102(1).*):



8. Host community agreement execution date:





### **PLAN TO REMAIN COMPLIANT WITH LOCAL BYLAWS**

Coastal Healing will remain compliant at all times with the local requirements applicable to marijuana businesses set forth in the Town of Westport's Bylaws. In accordance with the Zoning Bylaws, Coastal Healing's proposed marijuana establishment located at 248 State Road is in the Overlay District designated for marijuana establishments. In compliance with 935 CMR 500.110(3), the property is not located within 500 feet of a pre-existing public or private school providing education in kindergarten or any of grades 1 through 12.

As required by the Bylaws, Coastal Healing has obtained a Special Permit and Site Plan Approval from the Planning Board. The Special Permit will lapse within three (3) years from the grant thereof unless substantial use has been commenced, except for good cause. The Special Permit is also limited to the duration of the licensee's interest in the premises

Coastal Healing obtained a Building Permit from the Building Department prior to commencing construction and will obtain a Certificate of Occupancy prior to commencing operations. Coastal Healing will comply with all conditions and standards set forth in any local permit or approval required to operate the facility at the proposed location.

Coastal Healing has attended regular meetings with various municipal officials and boards, including the Board of Selectmen, Planning Board, Board of Health, and the Building Inspector, to discuss Coastal Healing's plans for a marijuana establishment. Coastal Healing also has executed a Host Community Agreement with the Town. Coastal Healing will continue to work cooperatively with municipal departments, boards, and officials to ensure that Coastal Healing's marijuana establishment remains compliant with all local laws, regulations, rules, and codes with respect to design, construction, operation, and security.

## Community Outreach Meeting Attestation Form

### Instructions

Community Outreach Meeting(s) are a requirement of the application to become a Marijuana Establishment (ME) and Medical Marijuana Treatment Center (MTC). 935 CMR 500.101(1), 500.101(2), 501.101(1), and 501.101(2). The applicant must complete each section of this form and attach all required documents as a single PDF document before uploading it into the application. If your application is for a license that will be located at more than one (1) location, and in different municipalities, applicants must complete two (2) attestation forms – one for each municipality. Failure to complete a section will result in the application not being deemed complete. Please note that submission of information that is “misleading, incorrect, false, or fraudulent” is grounds for denial of an application for a license pursuant to 935 CMR 500.400(2) and 501.400(2).

### Attestation

I, the below indicated authorized representative of that the applicant, attest that the applicant has complied with the Community Outreach Meeting requirements of 935 CMR 500.101 and/or 935 CMR 501.101 as outlined below:

1. The Community Outreach Meeting was held on the following date(s): 8/22/2021
2. At least one (1) meeting was held within the municipality where the ME is proposed to be located.
3. At least one (1) meeting was held after normal business hours (this requirement can be satisfied along with requirement #2 if the meeting was held within the municipality and after normal business hours).



4. A copy of the community outreach notice containing the time, place, and subject matter of the meeting, including the proposed address of the ME or MTC was published in a newspaper of general circulation in the municipality at least 14 calendar days prior to the meeting. A copy of this publication notice is labeled and attached as "Attachment A."

a. Date of publication: 8/6/21

b. Name of publication: Standard times

5. A copy of the community outreach notice containing the time, place, and subject matter of the meeting, including the proposed address of the ME or MTC was filed with clerk of the municipality. A copy of this filed notice is labeled and attached as "Attachment B."

a. Date notice filed: 8/5/21

6. A copy of the community outreach notice containing the time, place, and subject matter of the meeting, including the proposed address of the ME or MTC was mailed at least seven (7) calendar days prior to the community outreach meeting to abutters of the proposed address, and residents within 300 feet of the property line of the applicant's proposed location as they appear on the most recent applicable tax list, notwithstanding that the land of the abutter or resident is located in another municipality. A copy of this mailed notice is labeled and attached as "Attachment C." Please redact the name of any abutter or resident in this notice.

a. Date notice(s) mailed: 8/5/21

7. The applicant presented information at the Community Outreach Meeting, which at a minimum included the following:
- The type(s) of ME or MTC to be located at the proposed address;
  - Information adequate to demonstrate that the location will be maintained securely;
  - Steps to be taken by the ME or MTC to prevent diversion to minors;
  - A plan by the ME or MTC to positively impact the community; and
  - Information adequate to demonstrate that the location will not constitute a nuisance as defined by law.
8. Community members were permitted to ask questions and receive answers from representatives of the ME or MTC.





Name of applicant:

Coastal Healing

Name of applicant's authorized representative:

David Bullis

Signature of applicant's authorized representative:

David Bullis

**Community Outreach  
Meeting: Coastal Healing**  
Notice is hereby given that a community outreach meeting for a proposed Marijuana establishment, **Coastal Healing, is scheduled for Sunday, August 22nd at 9am at 248 State Road in Westport.** The proposed medical and recreational facility will be able to grow, process and sell at its location, **248 State Road in Westport, Mass.** There will be an opportunity for the public to ask questions.  
Aug. 6



Community Outreach Meeting: Coastal Healing

Notice is hereby given that a community outreach meeting for a proposed Marijuana establishment, Coastal Healing, is scheduled for Sunday, August 22nd at 9am at 248 State Road in Westport. The proposed medical and recreational facility will be able to grow, process and sell at its location, 248 State Road in Westport, mass. There will be an opportunity for the public to ask questions.

08/03/21

Dear Neighbor,

Coastal Healing is a new business at 248 State Road that will be opening this Fall. We will be having a community outreach meeting for our proposed Marijuana establishment on Sunday, August 22nd at 9am at 248 State Road in Westport. You are invited. The proposed medical and recreational facility will be able to grow, process and sell at its location, 248 State Road in Westport, mass. There will be an opportunity for the public to ask questions.

Sincerely,

David Bullis, CFO



The Standard-Times

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## Legals

Commonwealth of Massachusetts  
The Trial Court  
Bristol Probate and Family Court  
Office of Registrar Suite 240  
40 Broadway  
Taunton, MA 02780  
Docket No. BR18P031260  
CITATION GIVING  
NOTICE OF PETITION TO  
EXPAND THE POWERS OF  
A GUARDIAN  
In the interests of:  
**Tracy Morsia**  
of New Bedford, MA  
RESPONDENT  
Incapacitated Person/  
Protected Person/  
To the named Respondent  
and all other interested persons, a petition has been filed by Department of Mental Health (Taunton State Hospital) of Taunton, MA in the above captioned matter, requesting that the court expand the powers of a Guardian of the Respondent. The petition asks the court to make a determination that the powers of the Guardian and/or Conservator should be expanded, modified or limited since the time of the appointment. The original petition is on file with the court.

You have the right to object to this proceeding. If you wish to do so, you or your attorney must file a written appearance at this court on or before 10:00 A.M. on the return date of 09/10/2021. This day is NOT a hearing date, but a deadline date by which you have to file the written appearance. If you fail to file the written appearance by the return date, action may be taken in this matter without further notice to you. In addition to filing the written appearance, you or your attorney must file a written affidavit stating the specific facts and grounds of your objection within 30 days after the return date.

**IMPORTANT NOTICE**  
The outcome of this proceeding may limit or completely take away the above-named person's right to make decisions about personal affairs or financial affairs or both. The above-named person has the right to ask for a lawyer. Anyone may make this request on behalf of the above-named person. If the above-named person cannot afford a lawyer, one may be appointed at state expense.

Witness: Hon. Katherine A. Field, First Justice of this Court.  
Date: July 12, 2021  
Thomas C. Hoyer, Jr.  
Registrar of Probate

**Aug. 6**  
Trial Court of Massachusetts  
Superior Court  
Marjorie J. Santos,  
Clerk of Court  
Bristol County Superior Court  
Taunton - Room 13  
Taunton, MA 02780  
DOCKET NUMBER  
2173CV00050  
ORDER OF NOTICE  
BY PUBLICATION  
CASE NAME:  
**Raposo, Jose**  
vs.  
**New Century Mortgage Corporation**  
RE: New Century Mortgage Corporation  
WHEREAS a civil action has been begun against you in our Superior Court by Jose Raposo wherein it is seeking to:

discharge a 2002 mortgage for the amount of \$75,000.00. We **COMMAND YOU** if you intend to make any defense, that on 09/07/2021 or within such further time as the law allows you do cause to be filed in the office of the Clerk of Court named above, in said Commonwealth, and further that you defend against said suit according to law. If you intend any defense, and that you do and receive what the Court shall order and adjudge therein.

Hereof fail not, or your peril, or as otherwise said suit may be adjudged and orders entered in your absence. It is ORDERED that notice of this suit be given to them by publishing, once a week for three successive weeks, the last publication to be at least 20 days, before said return day in the:

Newspaper: Standard Times  
City/Town/City of New Bedford  
DATE ISSUED: 07/20/2021  
CLERK OF COURTS/  
ASST. CLERK  
Jennifer Sullivan  
July 30, Aug. 6 & 13

**Community Outreach Meeting: Coastal Healing**  
Notice is hereby given that a community outreach meeting for a proposed Marijuana establishment, Coastal Healing, is scheduled for Sunday, August 22nd at 9am at 248 State Road in Westport, Mass. There will be medical and recreational facility will be able to grow, process and sell at its location, 248 State Road in Westport, Mass. There will be an opportunity for the public to ask questions.  
Aug. 6

**Announcements**  
Thank You St. Jude for Answering My Prayers.  
ES  
THANK YOU ST. JUDE FOR ANSWERING MY PRAYERS! -MAM  
General Help Wanted

**Project Manager**  
Running structural steel and misc. iron. Must be experienced with fabrication and steel erection. Competitive salary & benefits. Capco Steel Erection Co. Providence, RI  
info@capcoconnectors.com

**Get a service to sell?**  
The Standard-Times • SouthCoastToday.com  
800-445-7482

## Legals

The Commonwealth of Massachusetts  
DEPARTMENT OF PUBLIC UTILITIES  
NOTICE OF PUBLIC HEARING  
AND REQUEST FOR COMMENTS  
D.P.U. 21-90  
Petition of NSTAR Electric Company d/b/a Eversource Energy for approval of its Phase II Electric Vehicle Infrastructure Program and Electric Vehicle Demand Charge Alternative Proposal

On July 14, 2021, NSTAR Electric Company d/b/a Eversource Energy ("Company") filed with the Department of Public Utilities ("Department") a petition for approval of its Phase II electric vehicle infrastructure program ("Phase II EV program") and electric vehicle demand charge alternative proposal. The Company filed its Phase II EV program and electric vehicle demand charge alternative proposals pursuant to Grid Modernization-Phase II, D.P.U. 20-69-A (May 21, 2020). The Department docketed this matter as D.P.U. 21-90.

In D.P.U. 20-69-A, the Department directed the Company to file an electric vehicle proposal consisting of: (1) any new or expanded electric vehicle charging infrastructure proposals; and (2) a commercial electric vehicle rate design proposal addressing alternatives to demand charges as required by Section 23 of Chapter 383 of the Acts of 2020. An Act Authorizing and Regulating Transportation Investment ("Transportation Act"). D.P.U. 20-69-A at 40-41. 49. The Department will review the Company's filing to determine, among other things, whether the proposals are consistent with D.P.U. 20-69-A and the Transportation Act.

In its filing, the Company proposes a four-year Phase II EV program with associated costs of approximately \$191.9 million. The proposed Phase II EV program includes: (1) a public and workplace offering (\$100.1 million); (2) a residential offering (\$52.7 million); (3) a fleet offering (\$2.0 million); and (4) other supporting program elements (\$28.2 million), including two pilot programs to increase electric mobility access in environmental justice communities; workforce development and electrician training; company staffing; marketing and outreach; information technology and back-office system costs; and program evaluation. The Company proposes to recover its Phase II EV program costs through its existing Grid Modernization Factor ("GMF") with expenditures for customer-side make-ready infrastructure deferred to a regulatory asset and recovered through the GMF over a five-year period. Moreover, as part of its demand charge alternative proposal, the Company proposes to offer a ten-year period two new rate schedules, Rates EV-1 and EV-2, to all separately-metered electric vehicle charging customers. The Company submitted exemplar tariffs for the proposed Rates EV-1 and EV-2.

Further, the Company proposes certain revisions to its approved GMF cost recovery tariff (M.D.P.U. No. 738 (proposed)) for effect January 1, 2022. The Company also proposes seven statewide performance metrics, five company-specific performance metrics, and a performance incentive mechanism comprised of two independent metrics, a Level 2 electric vehicle supply equipment cost containment metric and a direct current fast charging cost containment metric.

**Due to certain ongoing safety measures and precautions relating to in-person events as a result of the COVID-19 pandemic, the Department will conduct a virtual public hearing to receive comments on the Company's filing.** The Department will conduct the hearing using Zoom videoconferencing on **Tuesday, September 14, 2021**, beginning at 2:00 p.m. Attendees can join by entering the link, <https://zoom.us/j/9346979923>, from a computer, smartphone, or tablet. No prior software download is required. For audio-only access to the hearing, attendees can dial in at (312) 626-6799 (not toll free) and then enter the Meeting ID 934 697 9923. If you anticipate providing comments via Zoom during the public hearing, please send an email by **Thursday, September 9, 2021**, to Scott.Spruce@mass.gov with your name, email address, and mailing address. If you anticipate commenting by telephone, please leave a voicemail message by **Thursday, September 9, 2021**, at (617) 305-3771 with your name, telephone number, and mailing address.

Any person interested in commenting on the Company's filing may also submit written comments to the Department no later than the close of business (5:00 p.m.) on **Tuesday, September 14, 2021**. At this time, all filings will be submitted only in electronic format consistent with the Commission's June 15, 2021 directive related to modified filing requirements. Accordingly, all parties wishing to file comments must submit them in electronic format. The electronic file name should identify the document but should not exceed 50 characters in length. Importantly, all large files submitted must be broken down into electronic files that do not exceed 20 MB. All documents submitted electronically must be submitted to the Department's website through our online File Room as soon as practicable (enter "21-90") at: <https://eeonline.eea.state.ma.us/DPU/FileManager/dockets/bynumber>. In addition, one copy of all written comments and petitions to intervene should be emailed to the Company's attorneys, Ashley Marten, Esq. at [amarten@keeganwerlin.com](mailto:amarten@keeganwerlin.com), and Matthew Stern, Esq. at [At this time, a paper copy of the filing will not be available for public viewing at the Company's offices or the Department due to certain ongoing safety measures and precautions relating to in-person events as a result of the COVID-19 pandemic. The filing and all subsequent related documents, pleadings and/or filings submitted to the Department and/or issued by the Department will be available on the Department's website as referenced above as soon as is practicable. To the extent a person or entity wishes to submit comments or intervene in accordance with this Notice, electronic submission, as detailed above, is sufficient. To request materials in accessible formats for people with disabilities \(Braille, large print, electronic files, audio format\), contact the Department's ADA coordinator at \[DPUADACoordinator@mass.gov\]\(mailto:DPUADACoordinator@mass.gov\).](mailto:mstern@keeganwerlin.com</a>.</p>
</div>
<div data-bbox=)

For further information regarding the Company's filing, please contact the Company's attorneys, identified above. For further information regarding this Notice, please contact Department of Public Utilities Hearing Officer Scott Seigal (Scott.Seigal@mass.gov).

**General Help Wanted**  
**FALMOUTH LUMBER**  
670 Teatituck Hwy.  
E. Falmouth, MA 02536  
(508) 548-6868  
(508) 457-0649 / FAX  
CAREER OPPORTUNITIES  
OFFICE CLERK, FT  
BOOKKEEPER, FT  
GATE CHECK, FT & PT  
YARD STAFF, FT & PT  
INSIDE SALES, FT & PT  
DRIVERS, FT & PT - CDL  
Preferred but not required  
FT, 401K Seeking motivated, hardworking persons interested in the building industry. Mail resume to: [hrdept@falmouthlumber.com](mailto:hrdept@falmouthlumber.com)

## Legals

The Commonwealth of Massachusetts  
DEPARTMENT OF PUBLIC UTILITIES  
NOTICE OF PUBLIC HEARING  
AND REQUEST FOR COMMENTS  
D.P.U. 21-90  
Petition of NSTAR Electric Company d/b/a Eversource Energy for approval of its Grid Modernization Plan for calendar years 2022 to 2025.

On July 1, 2021, NSTAR Electric Company d/b/a Eversource Energy ("Company" or "Eversource") filed with the Department of Public Utilities ("Department") a petition for approval of its 2022-2025 Grid Modernization Plan. The Company filed its 2022-2025 Grid Modernization Plan pursuant to Grid Modernization - Phase II, D.P.U. 20-69-A (May 21, 2020). The Department docketed this matter as D.P.U. 21-80.

In D.P.U. 20-69-A at 38-39, the Department established the form and content of the 2022-2025 Grid Modernization Plan filings and directed the Company to file a separate four-year short-term investment plans for grid-facing and customer-facing investments; (2) a composite business case in support of both short-term investment plans; and (3) a five-year strategic plan that includes proposals for full deployment of advanced metering functionality. The Department will review the Company's 2022-2025 Grid Modernization Plan in order to determine, among other things, whether the proposed grid-facing and customer-facing investments are eligible for prorationization. Grid Modernization, D.P.U. 15-1270 D.P.U. 15-1270 D.P.U. 15-122, at 115 (2018).

As part of its 2022-2025 Grid Modernization Plan, Eversource proposes an estimated \$198.8 million in grid-facing investments in the following categories: (1) advanced distribution management system (\$17.0 million); (2) communications (\$38.0 million); (3) monitoring and control (\$85.8 million); (4) Volt/Volt-ampere reactive optimization (\$40.0 million); (5) measurement, verification, and support (\$8.0 million); (6) advanced load flow (\$10.0 million); (7) distributed energy resource management system (\$16.0 million); and (8) investments associated with FERC Order No. 2222 (4.0 million).

Further, the Company proposes certain revisions to its approved grid modernization factor cost recovery tariff (i.e., M.D.P.U. No. 738 (proposed)) for effect January 1, 2022. In addition, the Company proposes to change its existing grid modernization performance metrics, including the addition of two statewide and two company-specific performance metrics for new investments. As part of its five-year strategic plan, Eversource proposes to achieve advanced metering functionality through a full-scale deployment of advanced metering infrastructure ("AMI") from 2023 to 2028. The Company's proposed AMI implementation plan has an associated preliminary cost estimate of \$620 million in investments in the following categories: (1) AMI meters and communications (\$273 million); (2) service company information technology (\$172 million); (3) other capital expenses (\$133 million); and (4) program operating costs (\$42 million). Eversource's filing includes: (1) a business case analysis to support its proposed AMI implementation plan; (2) a customer engagement plan; and (3) a cybersecurity plan.

Further, Eversource proposes a model tariff to establish an annual reconciling mechanism to recover costs associated with its AMI implementation plan. Finally, the Company proposes a model AMI opt-out tariff (i.e., M.D.P.U. No. 77 (proposed)).

The Attorney General of the Commonwealth of Massachusetts ("Attorney General") filed a notice to intervene in this matter pursuant to G.L. c. 12, § 11E(a). Further, pursuant to G.L. c. 12, § 11E(b), the Attorney General filed a notice to intervene to retain experts and consultants to assist her in her evaluation of the Company's filing and has requested Department approval to spend up to \$150,000 in this regard. Pursuant to G.L. c. 12, § 11E(b), the costs incurred by the Attorney General relative to her retention of experts and consultants may be recovered in the Company's rates. Any consultants may be retained by the Company's rates. Any consultants may be retained by the Company's rates. Any consultants may be retained by the Company's rates.

**General Help Wanted**  
**FAIRHAVEN PUBLIC SCHOOLS**  
Jr. Night Custodian  
2:00 PM - 10:00 PM  
\$19.50 Per Hour  
Any interested candidates should send a  
Letter of interest and resume to:  
Mrs. Tara Kohler  
Superintendent of Schools  
128 Washington Street  
Fairhaven, MA 02719  
Application Deadline: August 13, 2021

**Items For Sale**  
**COMIC BOOKS WANTED**  
I will pay you a fair price for your comics, very old or very new. Call my cell anytime  
508-789-1466

**Garage/Yard Sales**  
**Estate Sale Sat. Aug 7th**  
8am-3pm. Rain date Sun. Aug 8th. 143 Dufferin St. New Bedford. Miscellaneous personal dining room table, chairs, hutch, kitchen table, chairs; full bedroom set, end tables, 2 dressers, pottery, artistic vases, misc. dishes & tableware, microwave, mixers, statues, garden tools, & many other items!

## Legals

NOTICE OF MORTGAGEE'S SALE OF REAL ESTATE  
Premises:  
275 Hillman Street,  
New Bedford,  
Massachusetts  
By virtue and in execution of the Power of Sale contained in a certain mortgage given by Susan E. Ferrino to Trustee, successor in interest to Bank of America, National Association, as Trustee, successor by merger to LaSalle Bank National Association, as Trustee for Merrill Lynch Mortgage Investors Trust, Mortgage Loan Asset-Backed Certificates, Series 2006-MLN1, said mortgage dated May 19, 2008, and recorded in the Bristol County (Southern District) Registry of Deeds, in Book 8144 at Page 83, as affected by an Assignment of Mortgage dated April 21, 2008, and recorded in said Deeds in Book 9021 at Page 259, as affected by a Gap Assignment of Mortgage dated May 11, 2015, and recorded with said Deeds in Book 11370 at Page 39, as affected by an Assignment of Mortgage dated September 10, 2015, and recorded with said Deeds in Book 11506 at Page 270, of which mortgage the undersigned is the present holder, I, the undersigned, do hereby give notice of foreclosure of the same to be sold at Public Auction on **August 13, 2021, at 10:00 AM Local Time** upon the premises, and singularly the premises described in said mortgage, to wit:

The land in New Bedford bounded and described as follows:  
SOUTHERLY by the northerly line of Hillman Street forty (40);  
WESTERLY by Lot #37 on plan of land hereinafter mentioned, sixty-six (66) feet;

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New Bedford, MA 02740 Sunday, August 8, 2021 7:00AM - 3:00PM Garage "Moving" Sale - Packing to move, everything must go! Many miscellaneous items. CASH ONLY. See you there! 53 Eastland Terrace, New Bedford, MA 02740  
Fairhaven August 7 and 8, 9-4 NEIGHBORHOOD YARDSALE, furniture and much much more! 16-5 Raymond Street

**Commercial Property for Rent**  
**ACUSHNET**  
Store front, 480 sq. ft. Former Hair Salon, \$750 mo.  
508-728-9942  
**Autos for Sale**  
TOYOTA COROLLA 2019 LE LOW MILES-45,843 RED, CLEAN CLEAN VEHICLE. CALL DISCOUNT AUTO INC 508-295-0200. \$18,900 WE FINANCE  
**Antique/Classic Cars**  
Corvette 1976 Stingray For Sale, Runs Great, Good condition! Many extras.  
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"Insured"  
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Coastal Healing  
Community Outreach Meeting  
248 State Rd.  
Westport, MA 02790

251 State Rd

251 State Rd.  
Westport, MA 02790

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Coastal Healing  
Community Outreach Meeting  
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Westport, MA 02790

245 State Rd

245 State Rd.  
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Coastal Healing  
Community Outreach Meeting  
248 State Rd.  
Westport, MA 02790

235-237 State Rd

657 Pleasant St.  
Fall River, MA 02721

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Coastal Healing  
Community Outreach Meeting  
248 State Rd.  
Westport, MA 02790

236 State Rd

P.O Box 428  
Somerset, MA 02726

Coastal Healing  
Community Outreach Meeting  
248 State Rd.  
Westport, MA 02790

231 State Rd

231 State RD LLC  
17 Ivy Meadows Ln.  
Westport, MA 02790

Coastal Healing  
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248 State Rd.  
Westport, MA 02790

277 State Rd

101 State Rd.  
Westport, MA 02790

Coastal Healing  
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248 State Rd.  
Westport, MA 02790

PO Box 503  
Osterville, MA 02655

Coastal Healing  
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248 State Rd.  
Westport, MA 02790

PO Box 4014.  
Westport, MA 02790

280 State Rd

Coastal Healing  
Community Outreach Meeting  
248 State Rd.  
Westport, MA 02790

PO Box 820  
Westport, MA 02790

275 State Rd.



## Positive Impact Plan

Coastal Healing's operations are located in Westport, Massachusetts. Our Neighboring city is Fall River, Mass which is a "geographic area of disproportionate impact" as identified by the Cannabis Control Commission. Our positive impact plan involves a cannabis internship where we can facilitate training of interested Fall River residents in the business of growing and selling marijuana.

### Goals

1. Provide cannabis related training to Fall River residents via a paid internship program. Coastal Healing will accept no fewer than 2 Fall River residents per year for our internship program.
2. Transition at least one intern per year to a full time position at Coastal Healing.

### Programs

1. Advertise internship opportunities in the Fall River Herald; Advertisements will be placed at least once annually.
2. Implement our paid internship program for no fewer than 2 residents per year.
  - a. Application for the internship program will require proof of Fall River residency.
  - b. Each internship will be 3 months long and each intern will be partnered with the heads of each department at Coastal Healing for a period of 1-4 weeks.
  - c. Training modules for the internship will involve all aspects of the business including growing, selling, manufacturing, security and compliance.
  - d. There will be an opportunity for the intern to focus in an area of their choosing to become a "specialist" in that area.
3. Upon successful completion of an internship, the intern will be referred to open full time employment opportunities at Coastal Healing and encouraged to apply.

### Measurements:

Coastal Healing's manager will evaluate this positive impact plan quarterly and the progress or success will be documented annually upon license renewal with the commission. Measurement outcomes include the following:

1. Documentation of any and all advertisements placed in the Fall River Herald for the internship program.
2. Documentation of internship applications received from Fall River residents.
3. Records of accepted applicants and documentation of training given.
4. The number of interns transitioned to full time employment.
5. A staffing analysis that measures the percentage of full time staff that are Fall River Residents.

Coastal Healing will adhere to the requirements set forth in 935CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing and sponsorship practices of every marijuana establishment. Any action taken or programs instituted by Coastal Healing will not violate the Commissions regulations with respect to limitations on ownership or control or other applicable state laws.

## POSITIVE IMPACT PLAN CLARIFICATION

Coastal Healing's Positive Impact Plan has 2 goals. Our first goal is to provide education and mentoring to disproportionately impacted people. We hope to provide internships to at least 2 individuals each year thereby reducing barriers to entry into this business. These individuals upon graduation will have the experience, training and connections to get jobs in the marijuana industry. Our second goal is to transition at least one individual annually to a position at Coastal Healing. By creating jobs for disproportionately impacted people we will be affecting this group in a positive fashion as intended by the CCC.



Commonwealth of Massachusetts  
Department of Revenue  
Geoffrey E. Snyder, Commissioner

mass.gov/dor

Letter ID: L1404470464  
Notice Date: August 27, 2021  
Case ID: 0-001-257-062



ATTACHMENT F

## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



COASTAL HEALING INC  
39 GLEN RD  
WESTPORT MA 02790-1379

### ***Why did I receive this notice?***

The Commissioner of Revenue certifies that, as of the date of this certificate, COASTAL HEALING INC is in compliance with its tax obligations under Chapter 62C of the Massachusetts General Laws.

This certificate doesn't certify that the taxpayer is compliant in taxes such as unemployment insurance administered by agencies other than the Department of Revenue, or taxes under any other provisions of law.

**This is not a waiver of lien issued under Chapter 62C, section 52 of the Massachusetts General Laws.**

### ***What if I have questions?***

If you have questions, call us at (617) 887-6400 or toll-free in Massachusetts at (800) 392-6089, Monday through Friday, 9:00 a.m. to 4:00 p.m..

### ***Visit us online!***

Visit [mass.gov/dor](http://mass.gov/dor) to learn more about Massachusetts tax laws and DOR policies and procedures, including your Taxpayer Bill of Rights, and MassTaxConnect for easy access to your account:

- Review or update your account
- Contact us using e-message
- Sign up for e-billing to save paper
- Make payments or set up autopay

Edward W. Coyle, Jr., Chief  
Collections Bureau



William Francis Galvin  
Secretary of the  
Commonwealth

*The Commonwealth of Massachusetts*  
*Secretary of the Commonwealth*  
*State House, Boston, Massachusetts 02133*

August 26, 2021

TO WHOM IT MAY CONCERN:

I hereby certify that according to the records of this office,

**COASTAL HEALING, INC.**

is a domestic corporation organized on **August 1, 2019**, under the General Laws of the Commonwealth of Massachusetts.

I further certify that there are no proceedings presently pending under the Massachusetts General Laws Chapter 156D section 14.21 for said corporation's dissolution; that articles of dissolution have not been filed by said corporation; that, said corporation has filed all annual reports, and paid all fees with respect to such reports, and so far as appears of record said corporation has legal existence and is in good standing with this office.



In testimony of which,  
I have hereunto affixed the  
Great Seal of the Commonwealth  
on the date first above written.

*William Francis Galvin*

Secretary of the Commonwealth

D  
PC

**The Commonwealth of Massachusetts**  
William Francis Galvin  
Secretary of the Commonwealth  
One Ashburton Place, Boston, Massachusetts 02108-1512

FORM MUST BE TYPED

**Restated Articles of Organization**  
(General Laws Chapter 156D, Section 10.07; 950 CMR 113.35)

FORM MUST BE TYPED

(1) Exact name of corporation: Coastal Healing, Inc.

(2) Registered office address: 39 Glen Road, Westport, MA 02790  
(number, street, city or town, state, zip code)

(3) Date adopted: January 14, 2020  
(month, day, year)

(4) Approved by:

(check appropriate box)

☐ the directors without shareholder approval and shareholder approval was not required;

OR

☒ the board of directors and the shareholders in the manner required by G.L. Chapter 156D and the corporation's articles of organization.

(5) The following information is required to be included in the articles of organization pursuant to G.L. Chapter 156D, Section 2.02 except that the supplemental information provided for in Article VIII is not required:\*

**ARTICLE I**

The exact name of the corporation is:

Coastal Healing, Inc.

**ARTICLE II**

Unless the articles of organization otherwise provide, all corporations formed pursuant to G.L. Chapter 156D have the purpose of engaging in any lawful business. Please specify if you want a more limited purpose:\*\*

Applying for a Final Certificate of Registration from the Cannabis Control Commission and any other lawful purpose under the laws of the Commonwealth of Massachusetts.

\* Changes to Article VIII must be made by filing a statement of change of supplemental information form.

\*\* Professional corporations governed by G.L. Chapter 156A and must specify the professional activities of the corporation.

### ARTICLE III

State the total number of shares and par value, \* if any, of each class of stock that the corporation is authorized to issue. All corporations must authorize stock. If only one class or series is authorized, it is not necessary to specify any particular designation.

WITHOUT PAR VALUE		WITH PAR VALUE		
TYPE	NUMBER OF SHARES	TYPE	NUMBER OF SHARES	PAR VALUE
Common	160,000			
Preferred	52,000			

### ARTICLE IV

Prior to the issuance of shares of any class or series, the articles of organization must set forth the preferences, limitations and relative rights of that class or series. The articles may also limit the type or specify the minimum amount of consideration for which shares of any class or series may be issued. Please set forth the preferences, limitations and relative rights of each class or series and, if desired, the required type and minimum amount of consideration to be received.

See Article IV Addendum

### ARTICLE V

The restrictions, if any, imposed by the articles or organization upon the transfer of shares of any class or series of stock are:

### ARTICLE VI

Other lawful provisions, and if there are no such provisions, this article may be left blank.

See Article VI Addendum

*Note: The preceding six (6) articles are considered to be permanent and may be changed only by filing appropriate articles of amendment.*

*\*G.L. Chapter 156D eliminates the concept of par value, however a corporation may specify par value in Article III. See G.L. Chapter 156D, Section 6.21, and the comments relative thereto.*

#### ARTICLE VII

The effective date of organization of the corporation is the date and time the articles were received for filing if the articles are not rejected within the time prescribed by law. If a later effective date is desired, specify such date, which may not be later than the 90th day after the articles are received for filing:

It is hereby certified that these restated articles of organization consolidate all amendments into a single document. If a new amendment authorizes an exchange, or effects a reclassification or cancellation, of issued shares, provisions for implementing that action are set forth in these restated articles unless contained in the text of the amendment.

Specify the number(s) of the article(s) being amended: Articles III, IV, & VI

Signed by: \_\_\_\_\_,  
(signature of authorized individual)

- ☐ Chairman of the board of directors,
- ☒ President,
- ☐ Other officer,
- ☐ Court-appointed fiduciary,

on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.



## ARTICLE IV CONTINUATION SHEET

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

### A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. Voting. The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings).

### B. PREFERRED STOCK

Fifty-two thousand (52,000) shares of the authorized and unissued Preferred Stock of the Corporation are hereby designated "Series A Preferred Stock" with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "sections" or "subsections" in this Part B of this Article 0 refer to sections and subsections of Part B of this Article 0.

#### 1. Dividends.

The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in this Amended and Restated Articles of Organization) the holders of the Series A Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series A Preferred Stock in an amount at least equal to that dividend per share of Series A Preferred Stock as would equal the product of (A) the dividend payable on each share of Common Stock, as if all shares had been converted into Common Stock and (B) the number of shares of Common Stock issuable upon conversion of a share of Series A Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend. Unless otherwise determine by the unanimous consent of the Board of Directors, the Corporation shall declare, annually, dividends equal to, in the aggregate, at least fifty percent (50%) of the net-profits of the Corporation, as determined in the sole discretion of the Board of Directors.

#### 2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Preferential Payments to Holders of Series A Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders or, in the case of a Deemed Liquidation Event (as defined below), out of the consideration payable to stockholders in

such Deemed Liquidation Event or the Available Proceeds (as defined below), before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to one (1) time the Series A Original Issue Price, plus any dividends declared but unpaid thereon. If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series A Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1, the holders of shares of Series A Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full. The “Series A Original Issue Price” shall mean \$96.154 USD per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock.

2.2 Distribution of Remaining Assets. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment in full of all Series A Liquidation Amounts required to be paid to the holders of shares of Series A Preferred Stock the remaining assets of the Corporation available for distribution to its stockholders or, in the case of a Deemed Liquidation Event, the consideration not payable to the holders of shares of Series A Preferred Stock pursuant to Section 2.1 or the remaining Available Proceeds, as the case may be, shall be distributed among the holders of the shares of Series A Preferred Stock and Common Stock, pro rata based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to Common Stock pursuant to the terms of this Amended and Restated Articles of Organization immediately prior to such liquidation, dissolution or winding up of the Corporation. The aggregate amount which a holder of a share of Series A Preferred Stock is entitled to receive under Subsections 2.1 and 2.2 is hereinafter referred to as the “Series A Liquidation Amount.”

## 2.3 Deemed Liquidation Events.

2.3.1 Definition. Each of the following events shall be considered a “Deemed Liquidation Event” unless the holders of at least a fifty percent (50%) of the outstanding shares of Series A Preferred Stock (the “Requisite Holders”) elect otherwise by written notice sent to the Corporation at least thirty (30) days prior to the effective date of any such event:

- (a) a merger, share exchange, or consolidation in which
  - (i) the Corporation is a constituent party or
  - (ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation,

except any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation; or (2) if the surviving or

resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or

(b) (1) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole or (2) the sale or disposition (whether by merger, consolidation or otherwise, and whether in a single transaction or a series of related transactions) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

### 2.3.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Section 2.3.1(a)(i) unless the agreement or plan of merger, share exchange, or consolidation for such transaction (the “Merger Agreement”) provides that the consideration payable to the stockholders of the Corporation in such Deemed Liquidation Event shall be paid to the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2.

(b) In the event of a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(ii) or 2.3.1(b), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within ninety (90) days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Series A Preferred Stock no later than the ninetieth (90<sup>th</sup>) day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause; (ii) to require the redemption of such shares of Series A Preferred Stock, and (iii) if the holders of at least fifty percent (50%) of the then outstanding shares of Series A Preferred Stock so request in a written instrument delivered to the Corporation not later than one hundred twenty (120) days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or intellectual property licensed, as determined in good faith by the Board of Directors of the Corporation), together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by Massachusetts law governing distributions to stockholders (the “Available Proceeds”), on the one hundred fiftieth (150<sup>th</sup>) day after such Deemed Liquidation Event, to redeem all outstanding shares of Series A Preferred Stock at a price per share equal to the Series A Liquidation Amount. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Series A Preferred Stock, the Corporation shall redeem a pro rata portion of each holder’s shares of Series A Preferred Stock to the fullest extent of such Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the Available Proceeds were sufficient to redeem all such shares, and shall redeem the remaining shares as soon as it may lawfully do so under Massachusetts law governing distributions to stockholders. Prior to the distribution or redemption provided for in this Subsection 2.3.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to

discharge expenses incurred in connection with such Deemed Liquidation Event or in the ordinary course of business.

2.3.3 Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such merger, share exchange, consolidation, sale, transfer, exclusive license, other disposition or redemption shall be the cash or the value of the property, rights or securities to be paid or distributed to such holders pursuant to such Deemed Liquidation Event. The value of such property, rights or securities shall be determined in good faith by the Board of Directors of the Corporation.

2.3.4 Allocation of Escrow and Contingent Consideration. In the event of a Deemed Liquidation Event pursuant to Subsection 2.3.1(a)(i), if any portion of the consideration payable to the stockholders of the Corporation is payable only upon satisfaction of contingencies (the “Additional Consideration”), the Merger Agreement shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the “Initial Consideration”) shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event; and (b) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Subsection 2.3.4, consideration placed into escrow or retained as a holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Initial Consideration.

### 3. Voting.

3.1 General. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Series A Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Series A Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of this Amended and Restated Articles of Organization, holders of Series A Preferred Stock shall vote together with the holders of Common Stock as a single class and on an as-converted to Common Stock basis.

3.2 Election of Directors. The holders of record of the shares of Series A Preferred Stock, exclusively and as a separate class, shall be entitled to elect one (1) director of the Corporation (the “Series A Director”) and the holders of record of the shares of Common Stock, exclusively and as a separate class, shall be entitled to elect two (2) directors of the Corporation. Any director elected as provided in the preceding sentence may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Series A Preferred Stock or Common Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate class, pursuant to the first sentence of this Subsection 3.2, then any

directorship not so filled shall remain vacant until such time as the holders of the Series A Preferred Stock or Common Stock, as the case may be, elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Subsection 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Subsection 3.2. The rights of the holders of the Series A Preferred Stock and the rights of the holders of the Common Stock under the first sentence of this Subsection 3.2 shall terminate on the first date following the Series A Original Issue Date (as defined below) on which there are issued and outstanding less than ten thousand (10,000) shares of Series A Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination, or other similar recapitalization with respect to the Series A Preferred Stock).

#### 4. Optional Conversion.

The holders of the Series A Preferred Stock shall have conversion rights as follows (the “Conversion Rights”):

##### 4.1 Right to Convert.

4.1.1 Conversion Ratio. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Series A Original Issue Price by the Series A Conversion Price (as defined below) in effect at the time of conversion. The “Series A Conversion Price” shall initially be equal to \$96.154 USD. Such initial Series A Conversion Price, and the rate at which shares of Series A Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.1.2 Termination of Conversion Rights. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Series A Preferred Stock.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Series A Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors of the Corporation. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Series A Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

#### 4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Series A Preferred Stock to voluntarily convert shares of Series A Preferred Stock into shares of Common Stock, such holder shall (a) provide written notice to the Corporation's transfer agent at the office of the transfer agent for the Series A Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent) that such holder elects to convert all or any number of such holder's shares of Series A Preferred Stock and, if applicable, any event on which such conversion is contingent and (b), if such holder's shares are certificated, surrender the certificate or certificates for such shares of Series A Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Series A Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent). Such notice shall state such holder's name or the names of the nominees in which such holder wishes the shares of Common Stock to be issued. If required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such notice and, if applicable, certificates (or lost certificate affidavit and agreement) shall be the time of conversion (the "Conversion Time"), and the shares of Common Stock issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date.

4.3.2 Reservation of Shares. The Corporation shall at all times when the Series A Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Series A Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series A Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Amended and Restated Articles of Organization. Before taking any action which would cause an adjustment reducing the Series A Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Series A Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and non-assessable shares of Common Stock at such adjusted Series A Conversion Price.

4.3.3 Effect of Conversion. All shares of Series A Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Subsection 4.2 and to receive payment of any dividends

declared but unpaid thereon. Any shares of Series A Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Stock accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Series A Conversion Price shall be made for any declared but unpaid dividends on the Series A Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Series A Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Series A Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

#### 4.4 Adjustments to Series A Conversion Price for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Article 0, the following definitions shall apply:

(a) “Option” shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(b) “Series A Original Issue Date” shall mean the date on which the first share of Series A Preferred Stock was issued.

(c) “Convertible Securities” shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock but excluding Options.

(d) “Additional Shares of Common Stock” shall mean all shares of Common Stock issued (or, pursuant to Subsection 4.4.3 below, deemed to be issued) by the Corporation after the Series A Original Issue Date, other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, “Exempted Securities”):

- (i) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Series A Preferred Stock;
- (ii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other

distribution on shares of Common Stock that is covered by Subsection 4.5 or 4.6;

- (iii) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board of Directors of the Corporation;
- (iv) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;
- (v) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board of Directors of the Corporation;
- (vi) shares of Common Stock, Options or Convertible Securities issued to suppliers or third party service providers in connection with the provision of goods or services pursuant to transactions approved by the Board of Directors of the Corporation;
- (vii) shares of Common Stock, Options or Convertible Securities issued as acquisition consideration pursuant to the acquisition of another corporation by the Corporation by merger, purchase of substantially all of the assets or other reorganization or to a joint venture agreement, provided that such issuances are approved by the Board of Directors of the Corporation; or
- (viii) shares of Common Stock, Options or Convertible Securities issued in connection with strategic partnerships approved by the Board of Directors of the Corporation.



4.4.2 No Adjustment of Series A Conversion Price. No adjustment in the Series A Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the Requisite Holders agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3 Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the Series A Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Series A Conversion Price pursuant to the terms of Subsection 4.4.4, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Series A Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Series A Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of increasing the Series A Conversion Price to an amount which exceeds the lower of (i) the Series A Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the Series A Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Series A Conversion Price pursuant to the terms of Subsection 4.4.4 (either because the consideration per share (determined pursuant to Subsection 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than the Series A Conversion Price then in effect, or because such Option or Convertible Security was issued before the Series A Original Issue Date), are revised after the Series A Original

Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Subsection 4.4.3(a)) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Series A Conversion Price pursuant to the terms of Subsection 4.4.4, the Series A Conversion Price shall be readjusted to such Series A Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Series A Conversion Price provided for in this Subsection 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Subsection 4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Series A Conversion Price that would result under the terms of this Subsection 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Series A Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Series A Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time after the Series A Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4.4.3), without consideration or for a consideration per share less than the Series A Conversion Price in effect immediately prior to such issuance or deemed issuance, then the Series A Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest tenth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1 * (A + B) \div (A + C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) “CP<sub>2</sub>” shall mean the Series A Conversion Price in effect immediately after such issuance or deemed issuance of Additional Shares of Common Stock

(b) “CP<sub>1</sub>” shall mean the Series A Conversion Price in effect immediately prior to such issuance or deemed issuance of Additional Shares of Common Stock;

(c) “A” shall mean the number of shares of Common Stock outstanding immediately prior to such issuance or deemed issuance of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock reserved in connection with an incentive equity plan of the Corporation, whether or not subject to outstanding Options, immediately prior to such issuance or deemed issuance or upon conversion, and shares of Common Stock issuable upon exchange of Convertible Securities (including the Series A Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(d) “B” shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued or deemed issued at a price per share equal to CP<sub>1</sub> (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP<sub>1</sub>); and

(e) “C” shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5 Determination of Consideration. For purposes of this Subsection 4.4, the consideration received by the Corporation for the issuance or deemed issuance of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

- (i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;
- (ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors of the Corporation; and
- (iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors of the Corporation.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing:

- (i) The total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by
- (ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Series A Conversion Price pursuant to the terms of Subsection 4.4.4 then, upon the final such issuance, the Series A Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

4.5 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Series A Original Issue Date effect a subdivision of the outstanding Common Stock, the Series A Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any

time or from time to time after the Series A Original Issue Date combine the outstanding shares of Common Stock, the Series A Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 Adjustment for Merger or Reorganization, etc. Subject to the provisions of Subsection 2.3, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Series A Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsection 4.4), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Series A Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of Series A Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Series A Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Series A Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Series A Preferred Stock.

4.7 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Series A Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Series A Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Series A Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Series A Preferred Stock, furnish or cause to be furnished to such holder a certificate setting forth (i) the Series A Conversion Price then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of Series A Preferred Stock.

## 5. Mandatory Conversion.

5.1 Trigger Events. Upon either (a) the closing of the sale of shares of Common Stock to the public at a price of at least \$115.38 USD per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Common Stock), in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least \$30,700,000.00 USD of gross proceeds to the Corporation and in connection with such offering the Common Stock is listed for trading on the Nasdaq Stock

Market's National Market, the New York Stock Exchange or another exchange or marketplace approved the Board of Directors or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the Requisite Holders (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "Mandatory Conversion Time"), then (i) all outstanding shares of Series A Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate as calculated pursuant to Subsection 4.1.1, and (ii) such shares may not be reissued by the Corporation.

5.2 Procedural Requirements. All holders of record of shares of Series A Preferred Stock shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Series A Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Series A Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Series A Preferred Stock converted pursuant to Subsection 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 5.2. Such converted Series A Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Stock accordingly.

6. Waiver. Any of the rights, powers, preferences and other terms of the Series A Preferred Stock set forth herein may be waived on behalf of all holders of Series A Preferred Stock by the affirmative written consent or vote of the holders of at least fifty percent (50%) of the shares of Series A Preferred Stock then outstanding.

7. Notices. Any notice required or permitted by the provisions of this Article Fourth to be given to a holder of shares of Series A Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

## ARTICLE VI CONTINUATION SHEET

1. Subject to any additional vote required by these Amended and Restated Articles of Organization, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation. Each director shall be entitled to one vote on each matter presented to the Board of Directors.

2. Subject to any additional vote required by this Amended and Restated Articles of Organization or Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

3. Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

4. Meetings of stockholders may be held within or without the Commonwealth of Massachusetts, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the Commonwealth of Massachusetts at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

5. Any action that may be taken at a meeting of the shareholders may be taken without a meeting and without prior notice if a consent in writing, setting forth the action so taken, shall be signed by the holders of the outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares are entitled to vote thereon were present and voted; *provided, however*, that unless the consents of all shareholders entitled to vote have been solicited in writing, notice shall be given (in the same manner as notice of meetings is to be given), and within the time limits prescribed by law, of such action to all shareholders entitled to vote who did not consent in writing to such action.

6. To the fullest extent permitted by law, no Director of the corporation shall have any personal liability to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director. The preceding sentence shall not eliminate or limit the liability of a Director for any act or omission occurring prior to the date upon which such provision becomes effective. Any repeal or modification of the foregoing provisions of this Article Ninth by the stockholders of the Corporation shall not adversely affect any right or protection of a Director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such Director occurring prior to, such repeal or modification.

7. The following indemnification provisions shall apply to the persons enumerated below

7.1 Right to Indemnification of Directors and Officers. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "Indemnified Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that such person, or a person for whom such person is the legal representative, is or was a director or officer

of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnified Person in such Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 7.3 of this Article Sixth the Corporation shall be required to indemnify an Indemnified Person in connection with a Proceeding (or part thereof) commenced by such Indemnified Person only if the commencement of such Proceeding (or part thereof) by the Indemnified Person was authorized in advance by the Board of Directors.

7.2 Prepayment of Expenses of Directors and Officers. The Corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnified Person in defending any Proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Indemnified Person to repay all amounts advanced if it should be ultimately determined that the Indemnified Person is not entitled to be indemnified under this Section 7 or otherwise.

7.3 Claims by Directors and Officers. If a claim for indemnification or advancement of expenses under this Section 7 is not paid in full within thirty (30) days after a written claim therefor by the Indemnified Person has been received by the Corporation, the Indemnified Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Indemnified Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

7.4 Indemnification of Employees and Agents. The Corporation may indemnify and advance expenses to any person who was or is made or is threatened to be made or is otherwise involved in any Proceeding by reason of the fact that such person, or a person for whom such person is the legal representative, is or was an employee or agent of the Corporation or, while an employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such person in connection with such Proceeding. The ultimate determination of entitlement to indemnification of persons who are non-director or officer employees, or agents shall be made in such manner as is determined by the Board of Directors in its sole discretion. Notwithstanding the foregoing sentence, the Corporation shall not be required to indemnify a person in connection with a Proceeding initiated by such person if the Proceeding was not authorized in advance by the Board of Directors.

7.5 Advancement of Expenses of Employees and Agents. The Corporation may pay the expenses (including attorneys' fees) incurred by an employee or agent in defending any Proceeding in advance of its final disposition on such terms and conditions as may be determined by the Board of Directors.

7.6 Non-Exclusivity of Rights. The rights conferred on any person by this Section 7 shall not be exclusive of any other rights which such person may have or hereafter



acquire under any statute, provision of this Amended and Restated Articles of Organization, the Bylaws of the Corporation, or any agreement, or pursuant to any vote of stockholders or disinterested directors or otherwise.

7.7 Other Indemnification. The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer or employee of another Corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise shall be reduced by any amount such person may collect as indemnification from such other Corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise.

7.8 Insurance. The Board of Directors may, to the full extent permitted by applicable law as it presently exists, or may hereafter be amended from time to time, authorize an appropriate officer or officers to purchase and maintain at the Corporation's expense insurance: (a) to indemnify the Corporation for any obligation which it incurs as a result of the indemnification of directors, officers and employees under the provisions of this Section 7; and (b) to indemnify or insure directors, officers and employees against liability in instances in which they may not otherwise be indemnified by the Corporation under the provisions of this Section 7.

7.9 Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Section 7 shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification. The rights provided hereunder shall inure to the benefit of any Indemnified Person and such person's heirs, executors and administrators.

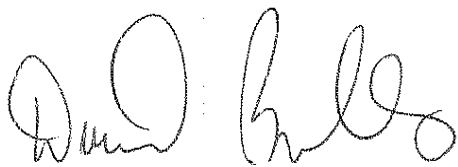
ARTICLE VII

The effective date of organization of the corporation is the date and time the articles were received for filing if the articles are not rejected within the time prescribed by law. If a later effective date is desired, specify such date, which may not be later than the 90th day after the articles are received for filing:

It is hereby certified that these restated articles of organization consolidate all amendments into a single document. If a new amendment authorizes an exchange, or effects a reclassification or cancellation, of issued shares, provisions for implementing that action are set forth in these restated articles unless contained in the text of the amendment.

Specify the number(s) of the article(s) being amended: Articles III, IV, & VI

Signed by:



(signature of authorized individual)

- ☐ Chairman of the board of directors,
- ☒ President,
- ☒ Other officer, CFO
- ☐ Court-appointed fiduciary,

on this

27<sup>th</sup>

day of

January

2020

THE COMMONWEALTH OF MASSACHUSETTS

I hereby certify that, upon examination of this document, duly submitted to me, it appears that the provisions of the General Laws relative to corporations have been complied with, and I hereby approve said articles; and the filing fee having been paid, said articles are deemed to have been filed with me on:

January 29, 2020 10:03 AM

A handwritten signature in black ink, reading "William Francis Galvin". The signature is written in a cursive style with a large, stylized 'G' at the end.

WILLIAM FRANCIS GALVIN

*Secretary of the Commonwealth*

# **BYLAWS OF COASTAL HEALING, INC.**

## **ARTICLE I: GENERAL**

**Section 1.01 Name and Purposes.** The name of the Corporation is **COASTAL HEALING, INC.** (the “Corporation”). The purpose of the Corporation shall be as set forth in the Corporation’s Articles of Entity Conversion as adopted and filed with the Office of the Secretary of State of the Commonwealth of Massachusetts (as now in effect or as hereafter amended or restated from time to time, the “Articles of Entity Conversion”) pursuant to Chapter 156D of the Massachusetts General Laws, as now in effect and as hereafter amended, or the corresponding provision(s) of any future Massachusetts General Law (“Chapter 156D”).

**Section 1.02 Articles of Entity Conversion.** These Bylaws (“Bylaws”), the powers of the Corporation and its shareholders and Board of Directors, and all matters concerning the conduct and regulation of the business of the Corporation, shall be subject to the provisions in regard thereto that may be set forth in the Articles of Entity Conversion. In the event of any conflict or inconsistency between the Articles of Entity Conversion and these Bylaws, the Articles of Entity Conversion shall control.

**Section 1.03 Corporate Seal.** The Board of Directors may adopt and alter the seal of the Corporation. The seal of the Corporation, if any, shall, subject to alteration by the Board of Directors, bear its name, the word “Massachusetts” and the year of its incorporation.

**Section 1.04 Fiscal Year.** The fiscal year of the Corporation shall commence on January 1, and end on the following December 31 of each year, unless otherwise determined by the Board of Directors.

**Section 1.05 Location of Principal Office of the Corporation.** The principal office of the Corporation shall be located at such place within the Commonwealth of Massachusetts as shall be fixed from time to time by the Board of Directors, and if no place is fixed by the Board of Directors, such place as shall be fixed by the President.

## **ARTICLE II: SHAREHOLDERS**

**Section 2.01 Place of Meeting.** Meetings of the shareholders shall be held at any place within or without the Commonwealth of Massachusetts that may be designated by the Board of Directors. Absent such designation, meetings shall be held at the principal office. The Board of Directors may, in its discretion, determine that the meeting may be held solely by means of remote electronic communication. If authorized by the Board of Directors, and subject to any guidelines and procedures adopted by the Board of Directors, shareholders not physically present at a meeting of shareholders, may participate in a meeting of shareholders by means of electronic transmission by and to the Corporation or electronic video screen communication; and, may be considered present in person and may vote at a meeting of shareholders, whether held at a designated place or held solely by means of electronic transmission by and to the Corporation or electronic video screen communication, subject to the conditions imposed by applicable law.

**Section 2.02 Annual Meeting.** The annual meeting of shareholders of this Corporation shall be held on such date and at such time as may be designated from time to time by the Board

of Directors. At the annual meeting, Directors shall be elected, and any other business may be transacted that is within the power of the shareholders and allowed by law; *provided, however*, that unless the notice of meeting, or the waiver of notice of such meeting, sets forth the general nature of any proposal to (i) approve or ratify a contract or transaction with a Director or with a corporation, firm or association in which a Director has an interest; (ii) amend the Articles of Entity Conversion of this Corporation; (iii) approve a reorganization or merger involving this Corporation; (iv) elect to wind up and dissolve this Corporation; or (v) effect a plan of distribution upon liquidation otherwise than in accordance with the liquidation preferences of outstanding shares with liquidation preferences, no such proposal may be approved at an annual meeting.

**Section 2.03 Special Shareholders' Meetings.** Special meetings of the shareholders, for any purpose whatsoever, may be called at any time by the President, the Board of Directors or by shareholders entitled to cast not less than ten percent (10%) of the corporation's voting power. Any person entitled to call a special meeting of shareholders (other than the Board of Directors) may make a written request to the Chair of the Board (if any), President, Vice President (if any) or Secretary, specifying the general purpose of such meeting and the date, time and place of the meeting, which date shall be not less than fifteen (15) days nor more than sixty (60) days after the receipt by such officer of the request. Within twenty (20) days after receipt of the request, the officer receiving such request forthwith shall cause notice to be given to the shareholders entitled to vote at such meeting, stating that a meeting will be held on the date and at the time and place requested by the person or persons requesting a meeting and stating the general purpose of the meeting. If such notice is not given twenty (20) days after receipt by the officer of the request, the person or persons requesting the meeting may give such notice. No business shall be transacted at a special meeting unless its general nature shall have been specified in the notice of such meeting; *provided, however*, that any business may be validly transacted if the requirements for such validity, as provided in Section 2.10 of these Bylaws, are met.

**Section 2.04 Shareholder Nominations and Proposals.** For business (including, but not limited to Director nominations) to be properly brought before an annual or special meeting by a shareholder, the shareholder or shareholders of record intending to propose the business (the "Proposing Shareholder") must have given written notice of the Proposing Shareholder's nomination or proposal, either by personal delivery or by the United States mail to the Secretary of the Corporation. In the case of an annual meeting, the Proposing Shareholder must give such notice to the Secretary of the Corporation no earlier than one hundred and twenty (120) calendar days and no later than ninety (90) calendar days before the date such annual meeting is to be held. If the current year's meeting is called for a date that is not within thirty (30) days of the anniversary of the previous year's annual meeting, notice must be received not later than ten (10) calendar days following the day on which public announcement of the date of the annual meeting is first made. In no event will an adjournment or postponement of an annual meeting of shareholders begin a new time period for giving a Proposing Shareholder's notice as provided above.

For business to be properly brought before a special meeting of shareholders, the notice of meeting sent by or at the direction of the person calling the meeting must set forth the nature of the business to be considered. A shareholder or shareholders who have made a written request for a special meeting pursuant to Section 2.03 of these Bylaws may provide the information required for notice of a shareholder proposal under this Section 2.04 simultaneously with the written request for the

meeting submitted to the Secretary or within ten (10) calendar days after delivery of the written request for the meeting to the Secretary.

A Proposing Shareholder's notice shall include as to each matter the Proposing Shareholder proposes to bring before either an annual or special meeting:

- (a) The name(s) and address(es) of the Proposing Shareholder(s).
- (b) The classes and number of shares of capital stock of the Corporation held by the Proposing Shareholder.
- (c) If the notice regards the nomination of a candidate for election as Director:
  - (i) The name, age, business and residence address of the candidate;
  - (ii) The principal occupation or employment of the candidate; and
  - (iii) The class and number of shares of the Corporation beneficially owned by the candidate.
- (d) If the notice is in regard to a proposal other than a nomination of a candidate for election as Director, a brief description of the business desired to be brought before the meeting and the material interest of the Proposing Shareholder of such proposal.

**Section 2.05 Notice of Shareholders' Meeting.** Except as otherwise provided by law, written notice stating the place, day and hour of the meeting, and, in case of a special meeting, the nature of the business to be transacted at the meeting, shall be given at least ten (10) days and not more than sixty (60) days before the meeting. In the case of an annual meeting, notice will include matters the Corporation's Board of Directors intends, at the time of the giving of the first of such notices, to present to the shareholders for action, and in the case of a meeting at which Directors are to be elected, the names of nominees that the Board of Directors, at the time of the giving of the first of such notices, intends to present to the shareholders for election. Proof that notice was given shall be made by affidavit of the Secretary, assistant Secretary, transfer agent or Director, or of the person acting under the direction of any of the foregoing, who gives such notice, and such proof of notice shall be made part of the minutes of the meeting. Such affidavit shall be prima facie evidence of the giving of such notice. It shall not be necessary to state in a notice of any meeting of shareholders as a purpose thereof any matter relating to the procedural aspects of the conduct of such meeting.

Notice shall be given personally, by electronic transmission or by mail, by or at the direction of the Secretary, or the officer or person calling the meeting, to each shareholder entitled to vote at the meeting. If remote participation in the meeting has been authorized by the Board of Directors, the notice shall also provide a description of the means of any electronic transmission by and to the Corporation or electronic video screen communication by which shareholders may be considered present and may vote and otherwise participate at the meeting.

If mailed, the notice shall be deemed to be given when deposited in the United States mail addressed to the shareholder at the shareholder's address as it appears on the share transfer records

of the Corporation, with postage thereon prepaid. Notice may be given to the shareholder by electronic transmission. Notice by electronic transmission is deemed given when the notice satisfies any of the following requirements:

- (a) Transmitted to a facsimile number provided by the shareholder for the purpose of receiving notice.
- (b) Transmitted to an electronic mail address provided by the shareholder for the purpose of receiving notice.
- (c) Posted on an electronic network, with a separate notice sent to the shareholder at the address provided by the shareholder for the purpose of alerting the shareholder of a posting.
- (d) Communicated to the shareholder by any other form of electronic transmission consented to by the shareholder.

Notice shall not be given by electronic transmission to a shareholder after either (i) the Corporation is unable to deliver two (2) consecutive notices to such shareholder by such means or (ii) the inability to deliver such notices to such shareholder becomes known to any person responsible for giving such notices. Any person entitled to notice of a meeting may file a written waiver of notice with the Secretary either before or after the time of the meeting. The participation or attendance at a meeting of a person entitled to notice constitutes waiver of notice, except where the person objects, at the beginning of the meeting, to the lawfulness of the convening of the meeting and except that attendance is not a waiver of any right to object to conducting business at a meeting that is required to be included in the notice of the meeting, but not so included.

**Section 2.06 Fixing the Record Date.** For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, the record date shall be the date specified by the Board of Directors in the notice of the meeting. If no date is specified by the Board of Directors, the record date shall be the close of business on the day before the notice of the meeting is mailed to shareholders. If no notice is sent, the record date shall be the date set by the law applying to the type of action to be taken for which a record date must be set.

In the case of action by written consent of the shareholders without a meeting, the record date shall be (a) the date fixed by the board of directors or (b) the date that the first shareholder signs the written consent if no date has been fixed by the board.

A record date fixed under this Section may not be more than seventy (70) days before the meeting or action requiring a determination of shareholders. A determination of shareholders entitled to notice of or to vote at a shareholders' meeting is effective for any adjournment of the meeting unless the Board of Directors fixes a new record date.

**Section 2.07 Quorum of and Action by Shareholders.** A quorum shall be present for action on any matter at a shareholder meeting if a majority of the votes entitled to be cast on the matter by a voting group is represented at the meeting in person or by proxy. A voting group includes all shares of one (1) or more classes or series that are entitled, by law or the Articles of

Entity Conversion, to vote and to be counted together collectively on a matter at a meeting of shareholders.

Once a quorum for a voting group has been established at a meeting, the shareholders in that voting group represented in person or by proxy at the meeting are deemed present for quorum purposes for the remainder of the meeting and for any adjournment unless:

- a. The shareholder attends the meeting solely to object to defective notice or the conduct of the meeting on other grounds and does not vote the shares or take any other action at the meeting.
- b. The meeting is adjourned and a new record date is set for the adjourned meeting.

The shareholders in a voting group represented in person or by proxy at a meeting of shareholders, even if not comprising a quorum, may adjourn the meeting as to the voting group until a time and place as may be determined by a vote of the holders of a majority of the shares of the voting group represented in person or by proxy at that meeting. If the meeting is adjourned for more than one hundred and twenty (120) days after the date fixed for the original meeting, a new record date must be fixed by the Board of Directors; notice of the meeting must be given to the shareholders who are members of the voting group as of the new record date, and a new quorum for the meeting must be established.

**Section 2.08 Conduct of Meetings.** The Board of Directors may adopt by resolution rules and regulations for the conduct of meetings of the shareholders as it shall deem appropriate. At every meeting of the shareholders, the President, or in his or her absence or inability to act, a Director or officer designated by the Board of Directors, shall serve as the presiding officer. The Secretary or, in his or her absence or inability to act, the person whom the presiding officer of the meeting shall appoint secretary of the meeting, shall act as secretary of the meeting and keep the minutes thereof.

The presiding officer shall determine the order of business and, in the absence of a rule adopted by the Board of Directors, shall establish rules for the conduct of the meeting. The presiding officer shall announce the close of the polls for each matter voted upon at the meeting, after which no ballots, proxies, votes, changes or revocations will be accepted. Polls for all matters before the meeting will be deemed to be closed upon final adjournment of the meeting.

**Section 2.09 Voting of Shares.** Unless otherwise provided by law or in the Articles of Entity Conversion, each shareholder entitled to vote is entitled to one (1) vote for each share of common stock. Any holder of shares entitled to vote on any matter may vote part of such shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal. If a shareholder fails to specify the number of shares such shareholder is voting affirmatively, it will be conclusively presumed that the shareholder's approving vote is with respect to all shares such shareholder is entitled to vote.

**Section 2.10 Consent of Absentees.** The transactions of any meeting of shareholders, however called or noticed, are as valid as though had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of



notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. The waiver notice, or consent need not specify the business transacted or purpose of the meeting, except as required by Chapter 156D. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

**Section 2.11 Voting by Proxy or Nominee.** Every person entitled to vote or execute consents may do so either in person or by one (1) or more agents authorized by a written proxy executed by the person or such person's duly authorized agent and filed with the Secretary of the Corporation. A proxy is not valid after the expiration of eleven (11) months from the date of its execution, unless the person executing it specifies therein the length of time for which it is to continue in force. Except as set forth below, any proxy duly executed is not revoked, and continues in full force and effect, until an instrument revoking it, or a duly executed proxy bearing a later date, executed by the person executing the prior proxy and presented to the meeting, is filed with the Secretary of the Corporation, or unless the person giving the proxy attends the meeting and votes in person, or unless written notice of the death or incapacity of the person executing the proxy is received by the Corporation before the vote by such proxy is counted. A proxy that states on its face that it is irrevocable will be irrevocable for the period of time specified in the proxy, if held by a person (or nominee of a person) specified by law to have sufficient interest to make such proxy irrevocable and only so long as he shall have such interest, subject to Chapter 156D, § 7.22.

**Section 2.12 Action by Shareholders Without a Meeting.** Any action, that, under any provision of Chapter 156D may be taken at a meeting of the shareholders, may be taken without a meeting and without prior notice if a consent in writing, setting forth the action so taken, shall be signed by the holders of the outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares are entitled to vote thereon were present and voted; *provided, however*, that unless the consents of all shareholders entitled to vote have been solicited in writing, notice shall be given (in the same manner as notice of meetings is to be given), and within the time limits prescribed by law, of such action to all shareholders entitled to vote who did not consent in writing to such action; and *provided, further*, that Directors may be elected by written consent only if such consent is unanimously given by all shareholders entitled to vote, except that action taken by shareholders to fill one (1) or more vacancies on the Board other than a vacancy created by the removal of a Director, may be taken by written consent of a majority of the outstanding shares entitled to vote.

**Section 2.13 Automatic Divestiture.** If, during anytime while the Corporation holds a local or state marijuana business license, any of the following occur to a shareholder or to a member of an entity that is a shareholder of the Corporation, all interests of that shareholder in the Corporation (the "Affected Shareholder") will automatically and immediately terminate, and the Affected Shareholder will cease to be a shareholder:

- (a) The Affected Shareholder is charged with or convicted of any criminal offense, if a conviction of the offense in question would, pursuant to the applicable laws and regulations, disqualify the Affected Shareholder from having an ownership interest in a marijuana business; *however*, where an Affected Shareholder is only charged with a criminal offense and not convicted, and where the applicable cannabis regulatory body and any other local or state licensing authority upon request have agreed to defer pursuing any action against the Corporation's marijuana business license(s) based upon such charges, or

where any such actions of the applicable cannabis regulatory body and local licensing authorities are subject to a stay order, then the Affected Shareholder's shares shall not be subject to divestiture under this Section 2.13;

(b) The Affected Shareholder or any entity that it owns or controls incurs a revocation of any Massachusetts marijuana business license, and it is determined by the Board that such revocation has a material adverse effect upon the issuance or continued good standing of the Corporation's marijuana business license;

(c) The applicable cannabis regulatory body or local licensing authority issues a formal recommendation stating that the Affected Shareholder is unfit to have an ownership or economic interest in a marijuana business;

(d) The applicable cannabis regulatory body or local licensing authority issues a formal recommendation against the issuance to the Corporation of a marijuana business license or revokes a marijuana business license, which recommendation cites the participation of the Affected Shareholder as a material factor in the decision, or the applicable cannabis regulatory body or local licensing authority conditions the issuance of a marijuana business license on the Corporation removing the Affected Shareholder in the Corporation;

(e) The applicable cannabis regulatory body or local licensing authority advises the Corporation in writing, or it is otherwise determined by court order, that a decision on the Corporation's marijuana business license is being delayed beyond one (1) year following the filing of the Corporation's application for a marijuana business license, and the Corporation is advised before or after said date that the sole reason for such delay is the participation of or concerns about the Affected Shareholder;

(f) The Affected Shareholder demonstrates a repeated failure to attend meetings with the applicable cannabis regulatory body or any local licensing authority as required for Corporation business to be conducted. As used herein, repeated failure to attend shall be demonstrated by failure to attend any meeting without good cause, or any two (2) meetings with any licensing authority.

(g) The Affected Shareholder fails to provide information to the applicable cannabis regulatory body which is requested by or required by the applicable cannabis regulatory body.

(h) If the Affected Shareholder is a partnership or other business entity and not a natural person, a member of the Affected Shareholder is disqualified from obtaining an ownership interest in a licensed marijuana business by final written determination of the applicable cannabis regulatory body, unless, unless such member is divested from the Affected Shareholder in a timely manner.

#### **Section 2.14 Redemption of Shares Following Automatic Divestiture.**

(a) The Corporation shall continue in existence notwithstanding the automatic termination of any Affected Shareholder pursuant to Section 2.13 above. Notwithstanding

any provision of this Agreement to the contrary, if the Affected Shareholder is a corporate entity and the occurrence of any of the events enumerated in Section 2.13, above, is due to a member, shareholder, manager, director or officer of the Affected Shareholder, the Affected Shareholder shall have an option to reclaim its shares and shall be restored to its ownership position before the divestiture events occurred if the Board, a court of law or the applicable cannabis regulatory body provides a written assurance or order that Affected Shareholder has removed the member, shareholder, manager, director or officer that caused any of the events enumerated in Section 2.13, above, pursuant to the terms of the Affected Shareholder's governing documents.

(b) The Corporation shall be liable for the terminated ownership interest of the Affected Shareholder as follows:

(i) The Corporation and the Affected Shareholder shall determine the fair market value of the Affected Shareholder's shares by a mutually agreed upon third party appraisal.

(ii) If the Affected Shareholder and the Corporation cannot agree on a third-party appraisal, they shall both individually choose and pay for their own appraisal and the differences, if any, between the two valuations of the Affected Shareholder's shares shall be averaged and used for calculating the Payoff Note (as defined herein).

(iii) Once the value of the Affected Shareholder's shares is determined in relation to the Corporation's fair market value, the Corporation shall deliver a note (the "Payoff Note") to the Affected Shareholder for [fifty percent (50%)] of the asset value of Affected Shareholder's shares. The Payoff Note may be payable over a five (5) year period and may bear interest at a rate equal to the prime rate of interest as announced from time to time by the Wall Street Journal or may be discounted (using the same rate) to present value if an earlier payoff is required under the applicable laws and regulations. The terms of the Payoff Note may include equal monthly payments and shall be reasonable and customary for a transaction of this type. The Corporation may sell the Affected Shareholder's shares, in accordance with the terms of these Bylaws, to finance the Payoff Note or for any other lawful reason.

### **ARTICLE III: DIRECTORS**

**Section 3.01 Number of Directors.** The authorized number of Directors of the Corporation shall be not less than one (1) and not more than nine (9) until changed by an amendment to these Bylaws duly adopted in accordance with these Bylaws by the vote or written consent of a majority of the outstanding shares entitled to vote. Within the limits specified herein, the number of Directors of the Corporation shall be determined solely in the discretion of the Board of Directors. Directors need not be residents of the Commonwealth of Massachusetts or shareholders of the Corporation

**Section 3.02 Powers.** All corporate power shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors, except such powers expressly conferred upon or reserved to the shareholders, and subject to any limitations set forth by law, by the Articles of Entity Conversion or by these Bylaws.

**Section 3.03 Term of Office.** Directors shall hold office until the next annual meeting of shareholders and until their successors are elected.

**Section 3.04 Vacancies and Newly Created Directorships.** Vacancies and newly created directorships, whether resulting from an increase in the size of the Board of Directors, from the death, resignation, disqualification, or removal of a Director, or otherwise, may be filled solely by the affirmative vote of a majority of the remaining Directors then in office, even though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

**Section 3.05 Removal.** The Board of Directors may declare vacant the office of a Director who has been declared of unsound mind by an order of the court or convicted of a felony, or who has been barred from ownership of a marijuana business by a final decision of an applicable state or local licensing authority, or otherwise in a manner provided by law.

Any or all of the Directors may be removed from office at any duly called meeting without cause by a vote of the shareholders entitled to elect them. If one (1) or more Directors are so removed at a meeting of shareholders, the shareholders may elect new Directors at the same meeting.

**Section 3.06 Resignation.** A Director may resign effective on giving written notice to the President, unless the notice specifies a later effective date.

**Section 3.07 Meetings of Directors.**

(a) **Regular Meetings.** A regular annual meeting of the Board shall be held immediately after, and at the same place as, the annual meeting of shareholders for the purpose of electing officers and transacting any other business. The Board may provide for other regular meetings from time to time by resolution.

(b) **Special Meetings.** Special meetings of the Board for any purpose or purposes may be called at any time by the President, Vice President (if any), Chairman of the Board, the Secretary, by any two (2) Directors or by one (1) Director in the event that there is only one (1) Director. Notice of the time and place of special meetings shall be delivered by mail, electronic delivery or orally. If notice is mailed, it shall be deposited in the United States mail at least two (2) days before the time of the meeting. In the case the notice is delivered either orally or by electronic delivery shall be delivered at least forty-eight (48) hours before the time of the meeting. Any oral notice given personally or by telephone may be communicated either to the Director or to a person at the office of the Director whom the person giving notice has reason to believe will promptly communicate it to the Director. The notice need not specify the purpose of the meeting nor the place if it is to be held at the principal office of the Corporation.

(c) **Place of Meetings.** Meetings of the Board may be held at any place within or without the Commonwealth of Massachusetts that has been designated in the notice. If a place has not been stated in the notice or there is no notice, meetings shall be held at the principal office of the Corporation unless another place has been designated by a resolution duly adopted by the Board.

**Section 3.08 Electronic Participation.** Members of the Board may participate in a meeting through conference telephone, electronic video screen communication or other electronic transmission by and to the Corporation. Participation in a meeting by conference telephone or electronic video screen communication constitutes presence in person as long as all Directors participating can hear one another. Participation by other electronic transmission by and to the Corporation (other than conference telephone or electronic video screen communication) constitutes presence in person at the meeting as long as participating Directors can communicate with other participants concurrently, each Director has the means to participate in all matters before the Board, including the ability to propose or object to a specific corporate action, and the Corporation implements some means of verifying that each person participating is entitled to participate and all votes or other actions are taken by persons entitled to participate.

**Section 3.09 Quorum of and Action by Directors.** A majority of the authorized number of Directors constitutes a quorum of the Board for the transaction of business. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless Chapter 156D or the Articles of Entity Conversion require a greater number. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action is approved by at least a majority of the Directors who constitute the required quorum for such meeting. A quorum of the Directors may adjourn any Directors' meeting to meet again at a stated time and place. In the absence of quorum, a majority of the Directors present may adjourn from time to time. Notice of the time and place of a meeting that has been adjourned for more than twenty-four (24) hours shall be given to the Directors not present at the time of the adjournment.

**Section 3.10 Compensation.** Directors may receive compensation for their services, and the Board of Directors may authorize payment of a fixed fee and expenses of attendance, if any, for attendance at any meeting of the Board of Directors or committee thereof. A Director shall not be precluded from serving the Corporation in any other capacity and receiving compensation for services in that capacity. The Directors may, from time to time, establish compensation policies of the Corporation consistent with this Section 3.10.

**Section 3.11 Action by Directors Without a Meeting.** Any action required or permitted to be taken by the Board of Directors or any committee thereof under Chapter 156D may be taken without a meeting if, prior or subsequent to the action, a consent or consents thereto by all of the Directors in office, or all the committee members then appointed, is filed with the Secretary to be filed with the minutes of the proceedings of the Board of Directors. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors.

**Section 3.12 Committees of the Board of Directors.** The Board of Directors, by resolution adopted by a majority of authorized Directors, may designate one (1) or more committees, each consisting of two (2) or more Directors, to serve at the pleasure of the Board and

to exercise the authority of the Board of Directors to the extent provided in the resolution establishing the committee and permitted by law. The Board of Directors may adopt governance rules for any committee consistent with these Bylaws. The provisions of these Bylaws applicable to meetings and actions of the Board of Directors shall govern meetings and actions of each committee, with the necessary changes made to substitute the committee and its members for the Board of Directors and its members.

A committee of the Board of Directors does not have the authority to:

- (a) Approve actions that require approval of the shareholders or the outstanding shares.
- (b) Fill vacancies on the Board or in any committee.
- (c) Amend or repeal bylaws or adopt new bylaws.
- (d) Amend or repeal any resolution of the Board of Directors that by its terms is not so amendable or repealable.
- (e) Make a distribution to shareholders, except at a rate, in a periodic amount or within a price range set forth in the Articles of Entity Conversion or determined by the Board.

The Board of Directors, by resolution adopted by the majority of authorized Directors, may designate one (1) or more Directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee or for the purposes of any written action by the committee.

The designation of a committee of the Board of Directors and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

#### **ARTICLE IV: OFFICERS**

**Section 4.01 Positions and Election.** The officers of the Corporation shall be elected by the Board of Directors and shall be a President, a Secretary, a Treasurer and all other officers as may from time to time be determined by the Board of Directors. At the discretion of the Board of Directors, the Corporation may also have other officers, including but not limited to one (1) or more Vice Presidents or assistant Vice Presidents, one (1) or more assistant Secretaries, a Chief Financial Officer and a Chief Operations Officer, as may be appointed by the Board of Directors, with such authority as may be specifically delegated to such officers by the Board of Directors. Any two (2) or more offices may be held by the same person.

Each officer shall serve until a successor is elected and qualified or until the earlier death, resignation or removal of that officer. Vacancies or new offices shall be filled at the next regular or special meeting of the Board of Directors.

**Section 4.02 Removal and Resignation.** Any officer elected or appointed by the Board of Directors may be removed with or without cause by the affirmative vote of the majority of the Board of Directors. Removal shall be without prejudice to the contract rights, if any, of the officer so removed.

Any officer chosen by the Board of Directors may resign at any time by giving written notice to the Corporation. Unless a different time is specified in the notice, the resignation shall be effective upon its receipt by the President, the Secretary or the Board.

**Section 4.03 Powers and Duties of Officers.** The powers and duties of the officers of the Corporation shall be as provided from time to time by resolution of the Board of Directors or by direction of an officer authorized by the Board of Directors to prescribe the duties of other officers. In the absence of such resolution, the respective officers shall have the powers and shall discharge the duties customarily and usually held and performed by like officers of corporations similar in organization and business purposes to the Corporation subject to the control of the Board of Directors.

## **ARTICLE V: INDEMNIFICATION OF DIRECTORS AND OFFICERS**

**Section 5.01 Indemnification of Officers or Directors.** The Corporation shall, to the extent permitted by Chapter 156D, indemnify all persons who have served or may serve at any time as officers or Directors of the Corporation and their heirs, executors, administrators, successors and assigns, from and against any and all loss and expense, including amounts paid in settlement before or after suit is commenced, and reasonable attorney's fees, actually and necessarily incurred as a result of any claim, demand, action, proceeding or judgment that may have been asserted against any such persons, or in which these persons are made parties by reason of their being or having been officers or Directors of the Corporation. This right of indemnification shall not exist in relation to matters as to which it is adjudged in any action, suit or proceeding that these persons are liable for negligence or misconduct in the performance of duty.

**Section 5.02 Non-Exclusivity of Indemnification Rights and Authority to Insure.** The foregoing rights of indemnification and advancement of expenses shall be in addition to and not exclusive of any other rights to which any person may be entitled pursuant to any agreement with the Corporation, or under any statute, provision of the Articles of Entity Conversion or any action taken by the Directors or shareholders of the Corporation.

The Corporation may buy and maintain insurance to protect itself and any agent against any expense asserted against them or incurred by an agent, whether or not the Corporation could indemnify the agent against the expense under applicable law or the provisions of this Article V.

## **ARTICLE VI: SHARE CERTIFICATES AND TRANSFER**

**Section 6.01 Share Certificates.** Shares of the Corporation may, but need not, be represented by certificates. Each certificate issued shall bear all statements or legends required by law to be affixed thereto. For all shares issued or transferred without certificates, the Corporation shall within a reasonable time after such issuance or transfer send the shareholder a written statement of the information required on share certificates pursuant to Chapter 156D, § 6.25(b) & (c) and § 6.27. Shareholders can request and obtain a statement of rights, restrictions, preferences and

privileges regarding classified shares or a class of shares with two (2) or more series, if any, from the Corporation's principal office. Each certificate issued shall bear all statements or legends required by law to be affixed thereto.

Every certificate for shares shall be signed by (i), the President, or a Vice President and (ii) the Chief Financial Officer, an assistant Treasurer, the Secretary or any assistant Secretary.

**Section 6.02 Transfers of Shares.** No shares of Common Stock of the Corporation may be subject to Transfer (as defined herein) without the approval of no less than [unanimous consent] of the Board. Notwithstanding any other provision of these Bylaws, each shareholder agrees that it will not, directly or indirectly, Transfer any of its shares or share equivalents, and the Corporation agrees that it shall not issue any shares or share equivalents if such Transfer would cause the Corporation to be unfit for licensure by the applicable cannabis regulatory body or otherwise subject to the applicable cannabis regulatory body for disciplinary action. In any event, the Board may refuse the Transfer of shares to any person if such Transfer would have a material adverse effect on the Corporation as a result of any regulatory or other restrictions imposed by any governmental authority.

Transfer of shares of the Corporation shall be made only on the books of the Corporation by the registered holder thereof or by such other person as may under law be authorized to endorse such shares for Transfer, or by such shareholder's attorney thereunto authorized by power of attorney duly executed and filed with the Secretary or transfer agent of the Corporation. Except as otherwise provided by law, upon surrender to the Corporation or its Transfer agent of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to Transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

**"Transfer"** means to, directly or indirectly, sell, transfer, assign, pledge, encumber, hypothecate or similarly dispose of, either voluntarily or involuntarily, by operation of law or otherwise, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance, hypothecation or similar disposition of, any shares owned by a person or any interest (including a beneficial interest) in any shares or share equivalents owned by a person.

**Section 6.03 Registered Shareholders.** The Corporation may treat the holder of record of any shares issued by the Corporation as the holder in fact thereof, for purposes of voting those shares, receiving distributions thereon or notices in respect thereof, transferring those shares, exercising rights of dissent with respect to those shares, exercising or waiving any preemptive right with respect to those shares, entering into agreements with respect to those shares in accordance with the laws of the Commonwealth of Massachusetts or giving proxies with respect to those shares.

**Section 6.04 Lost, Stolen, or Destroyed Certificates.** The Board of Directors may issue a new share certificate in place of any certificate it previously issued that the shareholder alleges to have been lost, stolen or destroyed provided that the shareholder or the shareholder's legal representative of the lost, stolen or destroyed certificate shall give the Corporation a bond or other adequate security sufficient to indemnify the Corporation against any potential claim against the



Corporation because of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

## **ARTICLE VII: CORPORATE RECORDS AND INSPECTION**

**Section 7.01 Records.** The Corporation shall maintain adequate and correct books and records of account, minutes of the proceedings of the shareholders, Board of Directors and committees of the Board of Directors, and a record of its shareholders, including names and addresses of all shareholders and the number and class of shares held, along with any other records required by law. The Corporation shall keep such record of its shareholders at its principal office, as fixed by the Board of Directors from time to time, or at the office of its transfer agent or registrar. The Corporation shall keep its books and records of account and minutes of the proceedings of the shareholders, Board of Directors and committees of the Board of Directors at its principal office, or such other location as shall be designated by the Board of Directors from time to time.

**Section 7.02 Inspection of Books and Records.** The Corporation's accounting books and records and minutes of proceedings of the shareholders, Board of Directors and committees of the Board of Directors shall, to the extent provided by law, be open to inspection of Directors, shareholders and voting trust certificate holders, in the manner provided by law.

**Section 7.03 Certification and Inspection of Bylaws.** The Corporation shall keep in its principal office the original or a copy of these Bylaws as amended or otherwise altered to date, which shall be open to inspection by the shareholders at all reasonable times during office hours.

## **ARTICLE VIII: MISCELLANEOUS**

**Section 8.01 Checks, Drafts, Etc.** All checks, drafts or other instruments for payment of money or notes of the Corporation shall be signed by an officer or officers or any other person or persons as shall be determined from time to time by resolution of the Board of Directors.

**Section 8.02 Conflict with Applicable Law or Articles of Entity Conversion.** Unless the context requires otherwise, the general provisions, rules of construction and the definitions of Chapter 156D shall govern the construction of these Bylaws. These Bylaws are adopted subject to any applicable law and the Articles of Entity Conversion. Whenever these Bylaws may conflict with any applicable law or the Articles of Entity Conversion, such conflict shall be resolved in favor of such law or the Articles of Entity Conversion.

**Section 8.03 Invalid Provisions.** If any one (1) or more of the provisions of these Bylaws, or the applicability of any provision to a specific situation, shall be held invalid or unenforceable, the provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of these Bylaws and all other applications of any provision shall not be affected thereby.

**Section 8.04 Emergency Management of the Corporation.** In anticipation of or during an emergency, as defined in Chapter 156D, § 3.03(d), the Board, in order to conduct the ordinary business affairs of the Corporation, shall modify procedures, including, but not limited to, calling a board meeting, quorum requirements for such board meeting and designation of additional or

substitute Directors; *provided*, that such modifications may not conflict with the Articles of Entity Conversion.

In anticipation of or during an emergency, the Corporation shall be able to take any and all of the following actions to conduct the Corporation's ordinary business affairs and operations:

- (a) Modify lines of succession to accommodate the incapacity of any Director, officer, employee or agent resulting from the emergency.
- (b) Relocate the principal office or designate alternative principal offices or regional offices.
- (c) Give notice to Directors in any practicable matter under the circumstances, including but not limited to publication and radio, when notice of a board meeting cannot be given in a manner prescribed by these Bylaws.
- (d) Deem that one (1) or more officers present at a board meeting is a Director as necessary to achieve a quorum for that meeting.

**Section 8.05 Reports.** The Corporation shall provide all shareholders with notice of the availability of annual financial reports of the Corporation before the earlier of the annual meeting of the shareholders or one hundred and twenty (120) days after the close of the fiscal year. Such financial reports shall be prepared and provided to the shareholders upon request in compliance with Chapter 156D, § 16.20.

**Section 8.06 Advisement of Counsel.** THE CULTIVATION, PRODUCTION AND SALE OF CANNABIS IS ILLEGAL UNDER FEDERAL LAW. NEITHER PARTY, NOR ATTORNEYS FOR COMPANY, HAVE MADE ANY REPRESENTATION TO THE CONTRARY.

## **ARTICLE IX: AMENDMENT OF BYLAWS**

**Section 9.01 Amendment by Shareholders.** Shareholders may adopt, amend or repeal these Bylaws by the vote or written consent of the holders of a majority of the outstanding shares entitled to vote, except as otherwise provided by law, these Bylaws or the Articles of Entity Conversion.

**Section 9.02 Amendment by Directors.** Subject to the rights of shareholders as provided in Article IX, and the statutory limitations of Chapter 156D, the Board of Directors may adopt, amend or repeal these Bylaws.



THE COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT  
DEPARTMENT OF UNEMPLOYMENT ASSISTANCE

Charles D. Baker  
GOVERNOR  
  
Karyn E. Polito  
LT. GOVERNOR



Rosalin Acosta  
SECRETARY  
  
Richard A. Jeffers  
DIRECTOR

ATTACHMENT G

Coastal Healing inc  
1942 CRANDALL RD  
TIVERTON, RI 02878-2751

EAN: 00188551  
September 13, 2021

Certificate Id:51390

The Department of Unemployment Assistance certifies that as of 9/13/2021 Coastal Healing inc is current in all its obligations relating to contributions, payments in lieu of contributions, and the employer medical assistance contribution established in G.L.c.149. §189.

This certificate expires in 30 days from the date of issuance.

Richard A. Jeffers, Director

Department of Unemployment Assistance

**Coastal Healing, Inc.**

**Dispensing, Cultivating, and Processing Marijuana for Medical and Recreational Use**

**Business Plan**

*Ver: 07-01-2020*

## Outline

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- 1) Executive Summary
- 2) Our Products
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- 7) Our Target Market
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- 9) Marketing
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- 13) Summary
- 14) Appendix 1. Growing Operations output and profit/loss estimates (Full capacity)
- 15) Appendix 2. Growing Operations output and profit/loss estimates (Phased in capacity)

### 1) Executive Summary

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Coastal Healing Inc. will be located at 248 State Rd. in Westport, MA. We have secured a long-term lease from Double DB LLC for this commercially-zoned property. Our lease contract is in place for the next 15 years with the option of acquiring the property within the next 2 years.

Coastal Healing, Inc. received (December of 2018) its Provisional Certificate of Registration (PCR) from the Massachusetts Cannabis Control Commission (CCC) to open a Registered Medical Marijuana Dispensary (RMD). Coastal Healing, Inc. is the only approved RMD in the town of Westport and will serve as vertically integrated (i.e., cultivating, processing, and dispensing) facility. The proposed building structure for the Coastal Healing, Inc. will be built to suit the exact needs of this RMD.

Coastal Healing, Inc. is an RMD business to retail medical and recreational marijuana as permitted by Massachusetts law. We are currently in the process of submitting our paperwork to the CCC in order to expand our business into the recreational market. We will strive to provide our customers with the best product at competitive prices. We will be involved in the growing, processing, and

retailing of medical and recreational marijuana, marijuana derivatives (e.g., edibles, tinctures, oils), and other related products.

## **2) Our Products**

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Medical Marijuana can be used to in the treatment of symptoms for a number of ailments including seizure disorders, chronic pain, glaucoma, HIV, nausea, insomnia, anxiety, Parkinson's syndrome, and arthritis. Coastal Healing, Inc. intends to grow approximately 10 different strains of Cannabis (e.g., *C. indica*, *C. sativa*, and hybrids) that encompass a wide genetic variability resulting in a diversity of active medicinal compounds (e.g., CBD, THC) that are best suited for specific medical needs of the patients. Coastal Healing, Inc. will offer the highest quality and consistency of active cannabis-based medicinal compounds and will increase the diversity of plant strains and genetics over time based upon patient needs. Because the genetic makeup of seeds are, by nature, not identical, growing from seeds will inevitably result in varied cannabinoid and terpene profiles. For this reason, we will introduce a multitude of clones with a known genetic makeup while experimenting with additional seed-grown plants from each strain of cannabis to select the desired plant chemistry. These desired plants would then serve as mother plants (genetic providers) for future cloning.

Coastal Healing, Inc. will manufacture a wide variety of pharmaceutical-grade Marijuana Infused Products (MIPs), such as ingestible capsules, lozenges, baked goods, topical lotions and balms all of which will be packaged in pre-assigned dosages of THC and CBD (e.g., 10, 20, and 50 mg per dose). Coastal Healing, Inc. will also produce Marijuana Concentrate (MC) of between 70 to 90% purity. We will offer MC in the form of vaporizing cartridges (according to state law) and in the form of orally ingested MIPs. We will provide our customers with a mechanism that delivers controlled dosages that are safe, fast or slow acting, that yield a product of consistent quality, and offer an alternative to vaporizing.

Recreational customers will be able to benefit from our medical business, as the exact same, high quality and diverse products will be available to them as well.

### **3) Our Vision Statement**

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Our vision is to become one of the most sought after RMDs in MA and to be considered a leader and innovator in the cannabis industry in the United States of America.

### **4) Our Mission Statement**

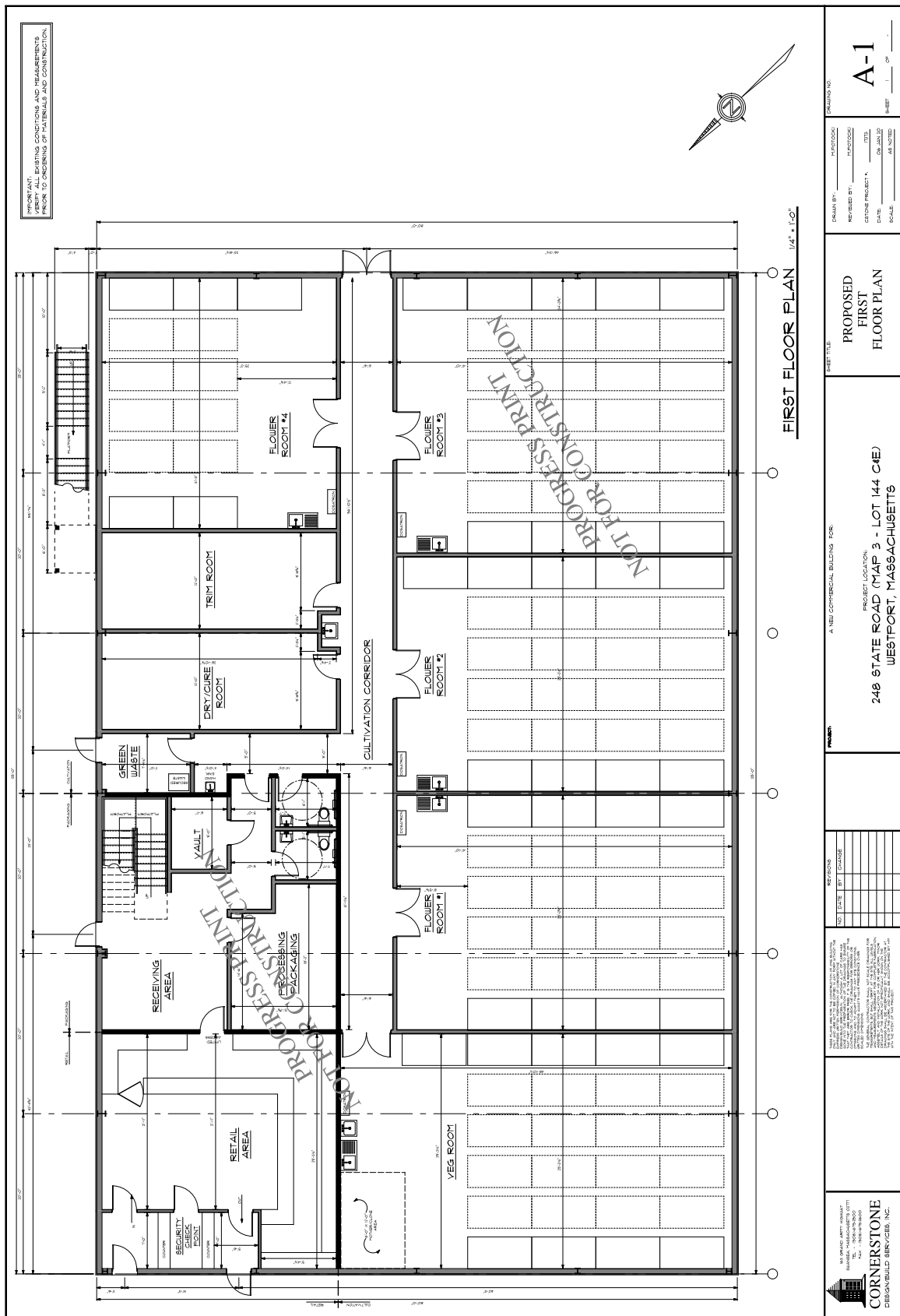
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Our mission is to establish a first class medical and recreational RMD that will not only retail marijuana in the flower form but also make available a wide range of ingestible and topical Marijuana Infused Products that serve the needs of our customers in Westport and in other cities and towns in Massachusetts.

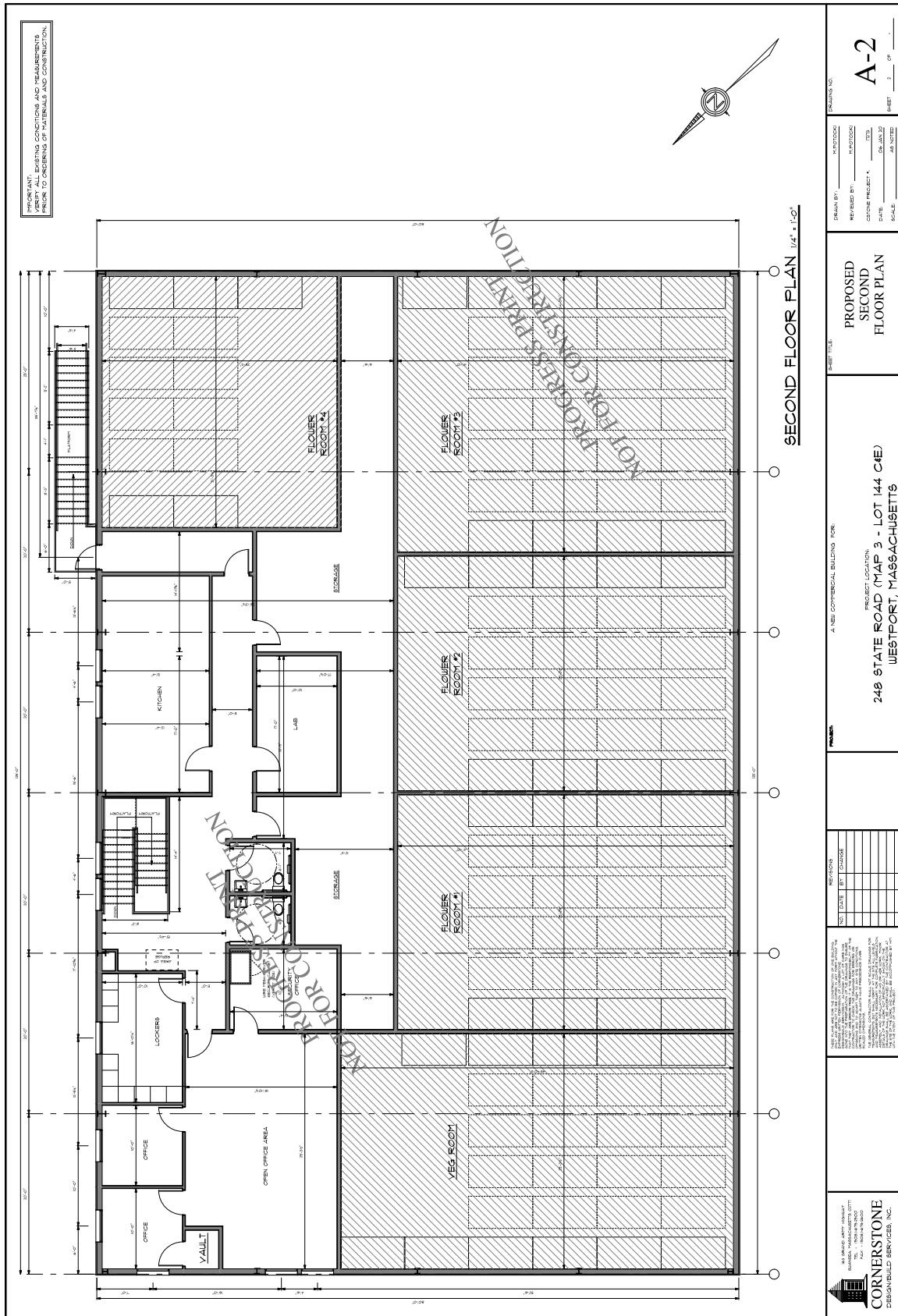
### **5) Our Facility**

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The Main Building will be a 10,000 ft<sup>2</sup> (~14,000 ft<sup>2</sup> total working area) state-of-the-art facility with ~900 ft<sup>2</sup> dedicated to the retail selling area (see Figures 1 and 2). Our facility will be divided into 5 sealed growing rooms (1 Vegetative Room and 4 Flowering Rooms; Figure 1, Table 1) rather than a single large unit. Each grow room will be independently climate controlled for individual plant biological cycles, thus allowing for a more precise control of environmental conditions and decreasing the likelihood of disease outbreaks. The Vegetative Room will house the plants for the first 3-4 weeks after which time the maturing plants will be transferred to one of the Flowering Rooms for the next 2-3 months to allow for full flower development. Each grow room will have a mobile rack system providing 3-4 layers (levels) of working area to grow plants (Figure 3).







Coastal Healing, Inc. will predominantly grow using state-of-the-art hydroponic-based techniques with a combination of fully automated systems (e.g. Dosatron system, BIO-TRACKTCH) that monitor, control, and record biotic and abiotic data that maximizes plant health and growth. Hydroponic

techniques minimize the introduction of foreign soil-related pathogens and eliminate the need for any chemical based pesticides. Our facility will have an airtight enclosure (i.e., insulated and sealed walls and ceiling), with the exception of necessary HVAC ducting, fitted with HEPA and U.V. filters and all outside materials will undergo decontamination (UV light, ozone). We will cultivate using the sea of green, aisle cultivation method (see Figure 3), as it is best suited for organically growing cannabis and produces large plant biomass (2-3 sqft. canopy per plant in the flowering stage of growth) that allows adequate pruning of lower vegetation, while increasing airflow and decreasing humidity buildup.

Coastal Healing, Inc. will follow a comprehensive sterilization protocol (staff will wear proper biosafety attire and pass through a “clean room” before entering the growing chambers, rooms will be steamed cleaned and sterilized after each harvest) and implement pest and disease management plan that mitigates any disease or pest outbreaks.

**Table 1.** Main Building growing rooms specs.

	Tables	Plants	LED lights	Total Watts
<b>Vegetative Room 1 (1400 sqft)</b>	78	936	156	~70,000
<b>Flowering Room 2 (1215 sqft)</b>	75	900	150	150,000
<b>Flowering Room 3 (1215 sqft)</b>	75	900	150	150,000
<b>Flowering Room 4 (1428 sqft)</b>	99	1,118	198	198,000
<b>Flowering Room 5 (930 sqft)</b>	39	468	78	78,000
<b>Total (Flowering Rooms)</b>	<b>288</b>	<b>3,386</b>	<b>576</b>	<b>576,000</b>



**Figure 3.** Example multilevel, mobile racking system in a commercial grow.

We will utilize a Coco Coir based system and use water-soluble organic nutrients and use state of the art LED lighting systems (Figure 4). Our growing rooms will use HEPA and carbon-based air filters to clean the air and decrease odors and inject a controlled level of CO<sub>2</sub> to help maximize the

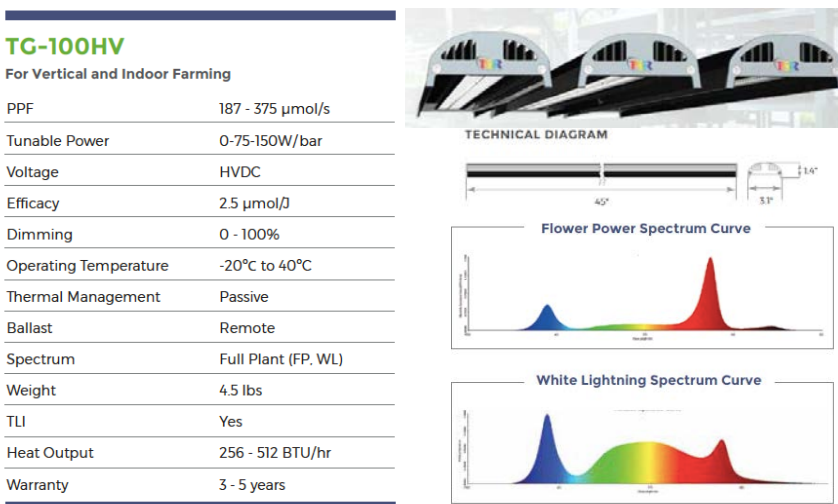
biomass per unit of light energy and increase our volumetric efficiency. Ducting, fitted with HEPA and UV filters and all outside materials will undergo decontamination

Other rooms in the facility will include processing rooms, a kitchen to make edible's, a laboratory and two rooms, each with a safe, for storage of product and money. There will be some office space upstairs as well.

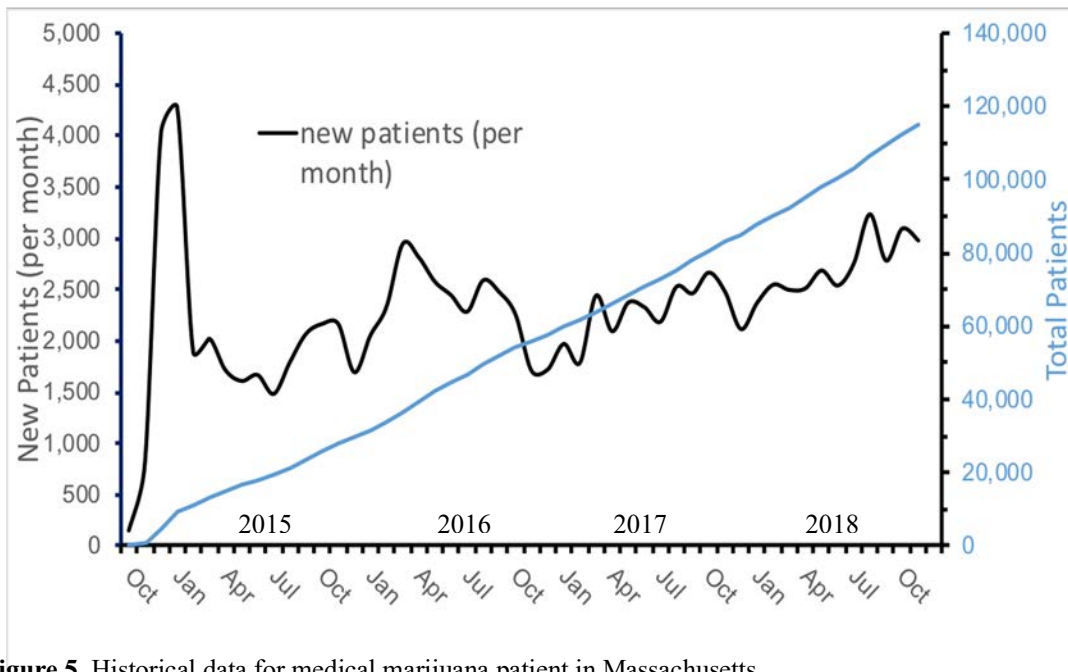
## 6) Market Analysis

### Market Trends

The Marijuana business in the United States and more specifically in the State of Massachusetts is in its infancy. Laws and regulations have been continuously changing. Medical Marijuana is now legal in more than 34 states with Massachusetts legalizing medical marijuana in 2012. Six years later (2018) recreational marijuana was legalized in Massachusetts. At this time only 11 states allow recreational marijuana sales and every year more states are opting in. This trend reflects the changing public perception of marijuana and how the opinions concerning it are softening and becoming more tolerant and even welcoming. It should be noted that the federal government is not evolving as fast as the states, and federally it is not yet considered legal, although changes are expected in the near future.



**Figure 4.** Example of high efficiency LED lights used in commercial grows.



**Figure 5.** Historical data for medical marijuana patient in Massachusetts.

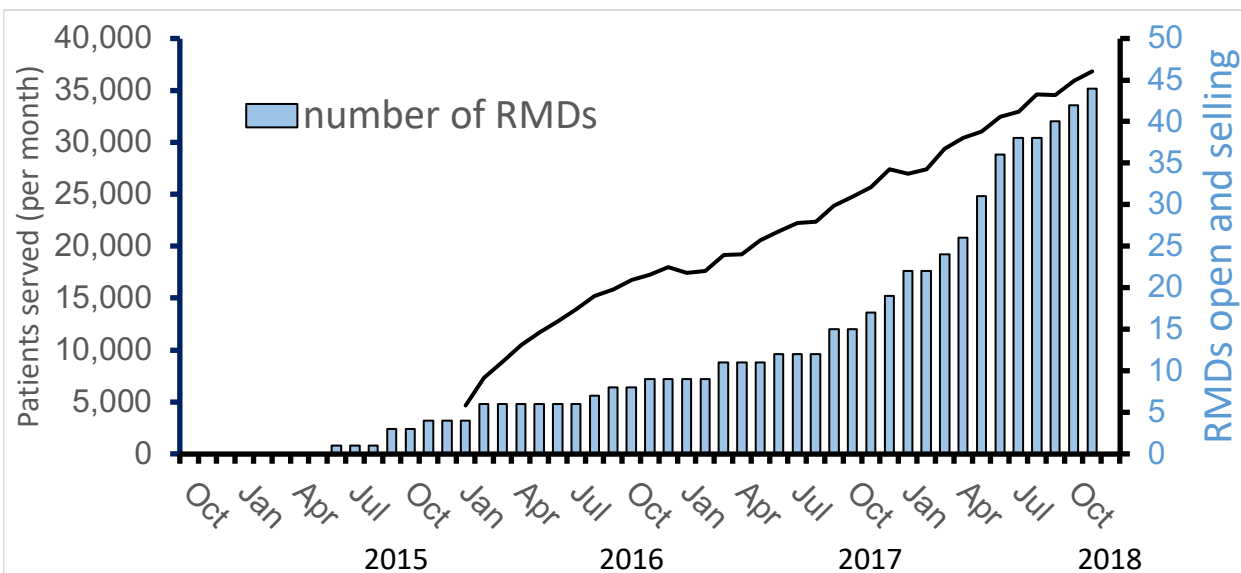
The number of Medical Marijuana patients in Massachusetts is increasing on a daily basis. Figure 5 shows the steady growth of about 2,500 new patients acquired per month between 2015 and 2017. This growth has continued despite the onset of legalized recreational marijuana in 2018. There are now over 57 medical RMD's in the state with over 110,000 patients with an average of roughly 2,000 patients per RMD and approximately 36,000 patients served by medical dispensaries per month (Figure 6). If each patient consumes 1oz of medicinal product per month (i.e., 12 oz per year) that would require each RMD to produce approximately 24,000 oz per year, not taking into account any new growth in the number of patients state-wide.

Although recreational Marijuana became legal during the summer of 2018, there are still only 40 recreational dispensaries open in the entire state and the demand for this can only be described as “extremely high”. As an example, during the month of January 2019, Massachusetts residents spent \$3,400,000 a week on recreational marijuana, and this trend shows no signs of slowing down. As of March 2020, retailers in Massachusetts are selling \$8,760,000 worth of product weekly. In the first days after the opening of these recreational dispensaries it was not uncommon for lines of

customers to wrap around buildings and to have traffic jams, a scenario that was leading to town councils having emergency meetings to deal with the crowds. In the past year and a half, the number of facilities has increased from 4 to 40. This has reduced the enormous crowds at most retail sites to a more manageable size. Our closest competitor in Fall River, however, still has lines out the door and routinely needs police to help manage the traffic.

The market trends and the sales of both medicinal and recreational marijuana show that Coastal Healing, Inc. will be well positioned to profit from both of these emerging markets, beginning with the medicinal products and quickly expanding to the recreational market.

In Summary, there is a high and increasing demand for Marijuana in Massachusetts.



**Figure 6.** Historical data for the number of medical marijuana patients served in Massachusetts and the number of Registered Marijuana Dispensaries (RMDs).

## 7) Our Target Market

Coastal Healing is a company that was started as a medical marijuana company prior to the legalization of recreational marijuana. During the process of obtaining our state license, recreational marijuana was legalized. While we are fully committed to manufacturing marijuana for our medical patients, we do not feel that it would be wise to ignore the recreational users which

constitute by far the majority of potential customers. Therefore, we are in the process of obtaining a recreational license and hope to have it prior to, or soon after, opening our facility. As a medical license holder, the recreational license will be fast-tracked at the state level. Future growth plans also include opening other dispensaries in other towns.

## **8) Organization & Management**

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The following personnel will comprise Coastal Healing, Inc.;

**CEO:** Diego Bernal is a founding member of Coastal Healing Inc. He is a research scientist in the field of Biology with over 20 years of experience. During his career in research he has received and managed numerous federal, state, and local grants for basic and applied scientific exploration. Dr. Bernal's scientific work in a laboratory setting relies on strict quality control measures and abides by federal and state statutes for the use of controlled chemicals. He has a very clear management philosophy driven by a dedication to openness, transparency, and quality care for patients in need of health care services.

**CFO and COO:** David Bullis is a founding member of Coastal Healing Inc. He has been a practicing orthopedic surgeon in Fall River for 24 years. In 1994 he joined Coastal Orthopedics. This organization had over 50 employees with 8 surgeons. He was a member of the board of directors helping to manage the corporation until the corporation closed in March of 2015. Dr. Bullis founded Bullis Orthopedics and Sports Medicine at that time. This company is solely run by him and has over 15 employees. He has a very clear management philosophy driven by a dedication to openness, transparency, and quality care for patients in need of health care services. He has been providing health care to patients during that entire time.

**Head Grower:** Dylan Morin has over a decade of horticultural experience including large-scale hydroponics while working at Sterling Hydro, an organic pesticide and herbicide, fungicide free, recirculating hydroponics facility that produces quality vegetables for large companies. During that time Dylan found his passion for growing plants and his experience allowed him to be in

charge of product control, crop planning and management, pest/insect management, and nutrient feedings. Dylan obtained his RI medical marijuana patient license (2014) and noticed the lack of clean, consistent, and good quality medicinal product. He then acquired a Masters of Marijuana Certificate from CTU online and began to cultivate medical marijuana for personal use, soon after becoming a consultant for other medical patients. During the last decade Dylan has expanded his growing capacities to include a broad range of growing and cultivating techniques, nutrient lines, genetic selection, and extraction methods gaining knowledge in the prevention, identification, and solving of numerous issues (e.g., mold, pests) involved in a warehouse type growing facility.

**Head Security Officer:** Kevin J. Butler is retired Major from the Massachusetts State Police (2014). As a Trooper (1984) and Sergeant (2000) he was assigned to the Bristol County District Attorney's Office and was responsible for the investigation of homicides, suspicious deaths, and major crimes, and was the supervisor of the homicide unit (1995-2000), and worked closely with local police departments. As a Lieutenant (2000-2004), he was assigned to the Internal Affairs Section where he conducted administrative and criminal personnel investigations. As a Captain (2004-2006) he was the commander of the State Office of Investigations in Boston conducting background investigations of governmental employees and judicial nominees. As a Detective Captain (2006- 2011) he was the supervisor of numerous plain-clothes investigative units within the Division of Investigative Services, including the Diversion Investigation Unit, which investigated the illegal diversion of prescription medications, and the Statewide Narcotics Section that investigated illegal street narcotics. As a Major (2011- 2014), he supervised the State Police Academy and several specialized units within the Division of Standards and Training, including the Narcotics Inspection Unit, which was responsible for the care and custody and eventual destruction of all narcotics evidence in the possession of the State Police.

In addition, to the above personnel, Coastal Healing, Inc. will hire additional support staff to assist in the growing, managing, marketing, and sales. These will consist of an office manager, technician/sales agents, assistant growers, office support, marketing specialists, and janitorial services.

## **9) Marketing**

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The marketing and sales strategy of Coastal Healing will be based on generating long-term personalized relationships with customers. In order to achieve that, we will ensure that we offer medications and recreational products at lower prices compared to what is obtainable in other parts of Massachusetts and have a wide range of product supplies in stock. We will brand ourselves as having the best quality and most consistent product.

All of our employees will be well trained and equipped to provide excellent and knowledgeable customer service. We know that if we are consistent with offering both high quality medical and recreational marijuana and excellent customer service at a reasonable price, we will gradually, but continuously, increase the number of our customers.

### **Publicity and Advertising Strategy**

Marketing is going to be important for optimum growth of the business. Our marketing efforts will encompass multiple venues including signage on our property on State road, billboards in strategic locations (i.e. on adjacent route 88 that runs to the state beach), using the internet via Facebook, Twitter, Instagram and Google, printed advertisements and possibly other media services.

## **10) General Summary of Production Capacity and Sales**

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In general, the estimated result of usable biomass is a product of the number and lights and their respective wattage. A conservative rule of thumb is that every watt (w) of light will produce 1 gram of flower per grow cycle (approximately 3-4 months per grow cycle). For example, a single 1,000 W fixture will produce around 1,000 grams of product per grow cycle. The large energy demand of the lighting systems in our industry has led Massachusetts to implement a mandatory use of LED lights. These new-generation of LED lights (Figure 4) not only use less power than



traditional HPS lights but are able to produce higher biomass outputs, with yields between 1 and 2 grams per watt. In addition, LED lights decrease the HVAC load due to their lower heat output. However, using the conservative estimate of 1 gram per watt and using 1000w HPS equivalent LED lights (which consume 660w; Figure 4) we can estimate multiple scenarios based on the number of grow rooms utilized (see Appendix 1 for details).

At **full capacity**, for example, each grow room has approximately 25 tables. Each table has potentially 3 different vertical levels and each table level has 2 lights to service 12 plants. That means maximum production in each room will require approximately 150 LED lights (see Table 1). Thus, the maximum production per grow cycle per room may be around 150,000 grams. Because there are at least 3 grow periods per year (i.e., 450,000 g per 3 grow cycles) and we will have 4 Flowering Rooms running, we should be able to produce an annual total of approximately 1,800,000 grams (63,493 oz).

### **10.1 Medical Sales**

A recent survey of medical marijuana sale prices in Massachusetts shows that the price per ounce ranges from \$300 to \$400. (A recent review, 3/13/20, of a competitor in a neighboring town showed medical retail prices around \$396/oz).

Based on sales data obtained from a local medical dispensary we expect to see between 30 and 50 medical patients per day. The average transaction for each medical customer is between \$80 and \$100 (approximately 1/4 oz). Thus, assuming a selling price of \$350/oz, the daily medical sales are expected to range between \$2,625 (7.5 oz) and \$4,375 (12.5 oz) with yearly sales ranging between \$945,000 (2,700 oz) and \$1,575,000 (4,500 oz).

### **10.2 Recreational Sales**

A recent survey of recreational marijuana sale prices in Massachusetts shows that the price per ounce ranges from \$350 to \$450. (A recent review, 3/13/20, of a competitor in a neighboring town showed recreational retail prices around \$440/oz).

Based on sales data obtained from a local recreational dispensary we expect to see between 200 and 250 recreational customers per day. The average transaction for each customer is \$65 (approximately 1/7 oz). Thus, assuming a selling price of \$400/oz, the daily recreational sales are expected to range between \$11,600 (29 oz) and \$14,400 (36 oz) with yearly sales ranging between \$4,176,000 (10,440 oz) and \$5,184,000 (12,960 oz).

### **10.3 Total Sales:**

*10.3.1. Local market demand.* Under a scenario in which we only grow to meet the projected needs of our local market demand and assuming the lower estimates (total=13,130 oz/year: 2,700 oz medical, 10,440 oz recreational, see sections 10.1 and 10.2) we would only need to utilize Flower Room 2 (Flower Room 2 capacity 21,164 oz/year; see Appendix 1). The yearly sales at our dispensary that meet the local market demand would be \$5,121,000 and we would have 8,034 oz that could be sold to other dispensaries at a wholesale price. The current market value for wholesale product is \$250/oz and if we consider a conservative value of \$200/oz, our remaining inventory could be sold for \$1,606,800. Thus, the potential yearly total gross sales under this local market demand scenario are \$6,727,800 (retail \$5,121,000 and wholesale \$1,606,800) and considering the operating costs (see Table 2) our yearly net sales would be \$4,380,208.

*10.3.2. Full capacity.* Under a scenario in which we grow to the maximal capacity of our facility (Flower Rooms 2,3,4, and 5) we would be able to produce 63,493 oz/year. The yearly production at our dispensary to meet the local market demand would be 13,130 oz (\$5,121,000) and we would have 50,309 oz that could be sold to other dispensaries at a wholesale price. The current market value for wholesale product is \$250/oz and if we consider a conservative value of \$200/oz, our remaining inventory could be sold for \$10,065,800. Thus, the potential yearly total gross sales under this full capacity scenario are \$15,186,800 (retail \$5,121,000 and wholesale \$10,065,800) and considering the operating costs (see Table 2) our yearly net sales would be \$12,839,248.

*10.3.3. Concentrates.* The remnants of the plants can also be converted to marijuana concentrate (MC) via a high-pressure CO<sub>2</sub> system. The resulting MC is commonly used in vapor machines and as base for other Marijuana Infused Products (MIPs) (e.g., ingestible capsules, lozenges, baked goods, topical lotions and balms) that have various levels and types of CBDs. In general, another

20% of total plant product biomass can be extracted as MC, which sells at up to 200-300% of flower price (approximately \$500/oz). This leads to a potential additional yearly revenue of \$6,349,000.

Thus, under a scenario in which we meet the projected needs of our local retail market demand (see section 10.3.1), have our facility run at full capacity (i.e., 4 Flowering Rooms; see section 10.3.2) and include a 20% biomass conversion ratio for MC extraction to produce MIPs (see section 10.3.3), the total net annual sales for Coastal Healing, Inc. would be \$19,188,248.

Appendix 1 shows additional comparisons for flower only scenarios (i.e., no MC or MIPs) where retail prices range very conservatively from \$150/oz to \$250/oz.

Appendix 2 shows additional comparisons for flower only scenarios (i.e., no MC or MIPs) where prices range from \$300/oz for wholesale to \$400/oz for retail. In addition, we limit the number of retail customers to 30 per day (medical) purchasing 1/4 oz and 200 per day (recreational) (purchasing 1/7 oz) (see section 10 above).

## 11) Operating Expenses

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The projected annual operating expenses for Coastal Healing, Inc. can be divided into four major categories, 1) property related, 2) retail sales related, 3) growing related, and 4) salaries. Please refer to Table 2 for details on the operating cost which outlines our expected expenses. In summary, the projected total annual expenses for the first year of operation are \$2,347,592 and \$2,327,592 in subsequent years.

**Table 2.** Operating Costs (full facility: 1 veg room + 4 flower rooms; 18,564 sqft; 732 lights)

	Year 1	Year 2 onwards
<b>Property Related</b>		
Lease (includes outside maintenance)	\$120,000	\$120,000
State license renewal	\$50,000	\$50,000
Town Fees	\$50,000	\$50,000
Insurance	\$100,000	\$100,000
Company vehicle	\$30,000	
<b>subtotal</b>	<b>\$350,000</b>	<b>\$320,000</b>
<b>Retail Sales Related</b>		
Marketing	\$50,000	\$50,000
Office Supplies	\$15,000	\$15,000
Accounting	\$30,000	\$30,000
Legal Counsel	\$30,000	\$30,000
Computer compliance system fees	\$20,000	\$20,000
Packaging Supplies	\$50,000	\$50,000
<b>subtotal</b>	<b>\$195,000</b>	<b>\$195,000</b>
<b>Growing operations</b>		
Electric Bills (lights)	\$368,000	\$368,000
Electric Bills (HVAC)	\$184,000	\$184,000
Veg Room 1	\$50,000	\$50,000
Flowering Room 2	\$28,800	\$28,800

Flowering Room 3	\$28,800	\$28,800
Flowering Room 4	\$38,016	\$38,016
Flowering Room 5	\$14,976	\$14,976
General Growing Supplies	\$40,000	\$40,000
<b>subtotal</b>	<b>\$752,592</b>	<b>\$752,592</b>
<b>Salaries</b>		
Chief Grower	\$80,000	\$80,000
Assistant Growers (4 at \$40,000)	\$160,000	\$160,000
Chief of Security	\$80,000	\$80,000
Security officers (4 at \$50,000)	\$200,000	\$200,000
Inventory and compliance assistance	\$50,000	\$50,000
Retail sales clerks (4 at 40,000)	\$160,000	\$160,000
Office Manager	\$80,000	\$80,000
Janitorial services	\$40,000	\$40,000
CEO	\$100,000	\$100,000
CFO	\$100,000	\$100,000
<b>subtotal</b>	<b>\$1,050,000</b>	<b>\$1,050,000</b>
<b>Total</b>	<b>\$2,347,592</b>	<b>\$2,317,592</b>

## 12) Build-out Costs

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### Building Expenses

The building expenses are all outlined in Table 3. The basic core of the Main Building with additional Mechanical Building will cost \$2,115,000. Each grow room can be outfitted for an additional \$285,000 to \$570,000 (see Tables 4-8).

For Phase 1 we assume a retail demand for marijuana of 13,130 oz per year (2,700 oz medical, 10,440 oz recreational) and need to have 2 growing rooms fully operational (Vegetative Room and Flower Room 2, see Appendix 2). This results in a build out cost for Phase 1 of approximately \$3,041,750. However, from an operational perspective it is more practical to not run Flower Room 2 at 100% capacity but to share the growing demands with Flower Room 3. By splitting the production capacity between Flower Room 2 and Flower Room 3 (each at 50% capacity) we minimize potential problems during the grow cycles and protect our plants. This, however, requires the buildout of Grow Room 3, elevating the Phase 1 build out costs to \$3,498,000.

**Table 3: Facility Build out Cost Summary.**

Lot improvements	\$105,000
Site Planning	\$245,000
Main Building	\$230,000
Mechanical Building	\$220,000
Solar Power systems	\$410,000
Water Filtration Systems	\$205,000
Facility Exterior	\$150,000
Main Building Interior	\$510,000
Building Safety	\$180,000
<b>Total</b>	<b>\$2,115,000</b>

For a buildout that requires the full capacity of the facility (Vegetative Room, Flower Rooms 2,3,4, and 5, see Appendix 2) total construction will be approximately \$4,353,750. However, from an operational perspective it is more practical not to start at full capacity but rather to initiate operations with Phase 1 and move to build out to full capacity within the following 18 months after the facility is operating under Phase 1 conditions.

## Facility Overview

We are building a growing facility with a footprint of 10,000 sqft, which is the maximum size allowed by the Town of Westport bylaws (Figure 7). Our facility will be a completely vertically integrated, which will



**Figure 7.** Proposed Elevation of Main Building.

allow us to grow, process, store, and sell medicinal cannabis products. Our custom-built, state-of-the-art facility will comprise of two structures the “Main Building” which will have five grow rooms and dedicated space for drying, processing, storing, quality assurance, kitchen, administrative offices, and a dispensary, and a “Mechanical Building” which will house the HVAC, electrical, solar, and water storage and filtration systems. We have designed, and are building our facility considering all possible methods to minimize our impact on local water and power resources while having a comprehensive security system to ensure employee and customer safety.

## Location.

Our facility is being built at 248 State Rd in Westport, MA. We have secured a long term (15 year) lease for this property which has direct access to MA State Road 6 (aka Route 6) (Figure 8). This property is zoned commercial and meets all of the special requirements imposed by the



**Figure 8.** Location for Coastal Healing, Inc.

Town of Westport. This location has already been approved by both the Town of Westport and the State of Massachusetts and is part of the “Host- agreement” which is linked to our State License. We are in the process of finalizing our Site Plan Review Special Permit with the town.

### **Lot improvements.**

Several major improvements to the property have begun in order to successfully obtain a building permit from the Town of Westport and the State of Massachusetts and to continue building our facility.

In general, the property has been cleaned of old debris, numerous trees have been removed, and the grade is being updated. There was a dilapidated 2 story structure on the site that has been demolished and removed. Fortunately, this property already has an existing fresh water well and a septic system, which has been recently updated and is adequate for the needs of both the office and dispensary. We have provided the Town of Westport with a comprehensive water management plan that describes how our new facility will prevent any negative impact due to rain water runoff and the waste water generated by our growing process.

In order to successfully obtain our building permits we need pay all the building permitting fees and provide a complete water, power, and security management plan to Town of Westport and the State (most have already been submitted). To achieve this we have hired a surveying and engineering firm, an architect, and local counsel. In addition, have completed our demolition and clean-up which allows us to proceed to “Site Preparation”.

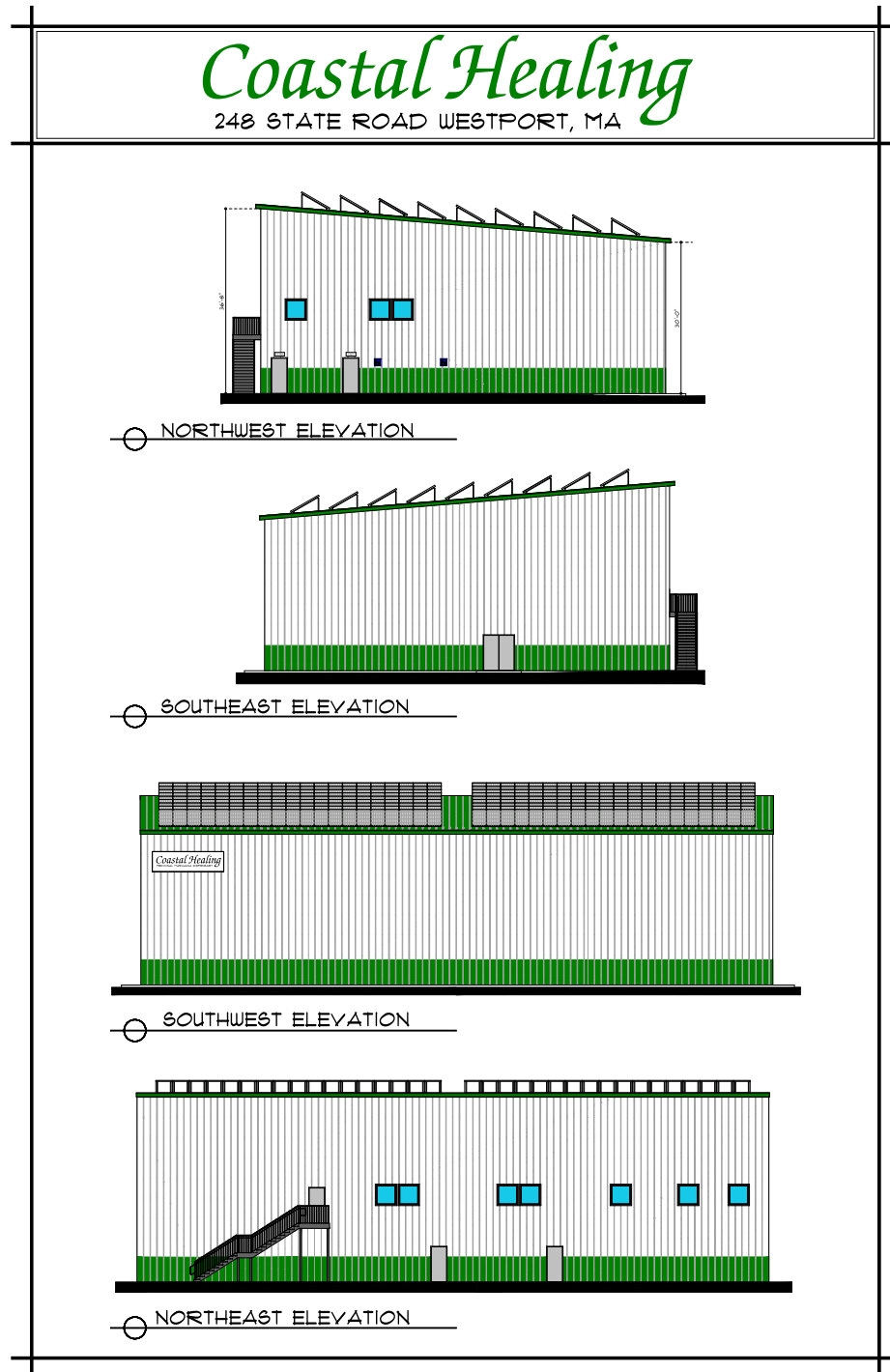
### **Site Preparation.**

Site preparation will be needed to prepare the property to receive the Main Building and the Mechanical Building. These include all pertinent excavation related to the new foundation for the Main Building and the final grading for both Buildings. Additional work is needed to excavate and extend public utilities (i.e., high capacity power lines, natural gas, and potable water) from the street to the Mechanical Building. The concrete slab of the Main Building will be fitted with below-grade rough plumbing (sewage, waste water). Finally, a 6 to 8 inch thick concrete slab will be poured to serve as the floor of the Main Building.



### Main Building.

The overall dimensions of the Main building are 125 ft by 80 ft (10,000 sqft) and 30-38 ft in height. The building will be fitted with a mono-pitch roof to maximize the coverage of roof-mounted solar panels (Figure 9). The prefabricated steel building will have 10 inches of insulation in the roof and 6 inches of insulation in the walls and be delivered to the site for assembly.



**Figure 9.** Example of prefabricated steel structure for Main Building.

### Mechanical Building.

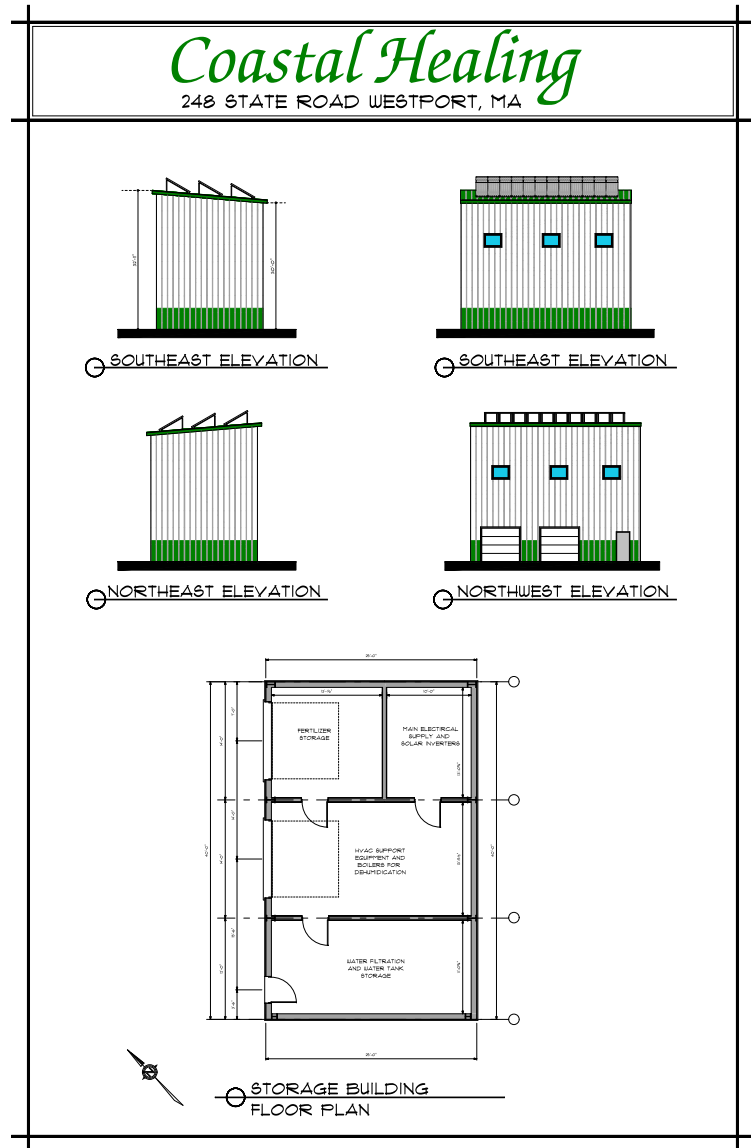
The Mechanical Building will house the HVAC, electrical, solar, water storage and filtration systems, backup generators and other components to run the growing operation be fitted with a mono-pitch roof to maximize the coverage of roof-mounted solar panels (Figure 10). The prefabricated steel building will have 10 inches of insulation in the roof and 6 inches of insulation in the walls and be delivered to the site for assembly.

The Mechanical Building will be divided into 4 main areas, 1) dry area for electrical systems, 2) dry area for HVAC systems, 3) dry storage area for parts and supplies, and 4) wet area for water storage and filtration systems. There will be a dedicated HVAC system for the Mechanical Building to control temperature and humidity.

### Solar Power System.

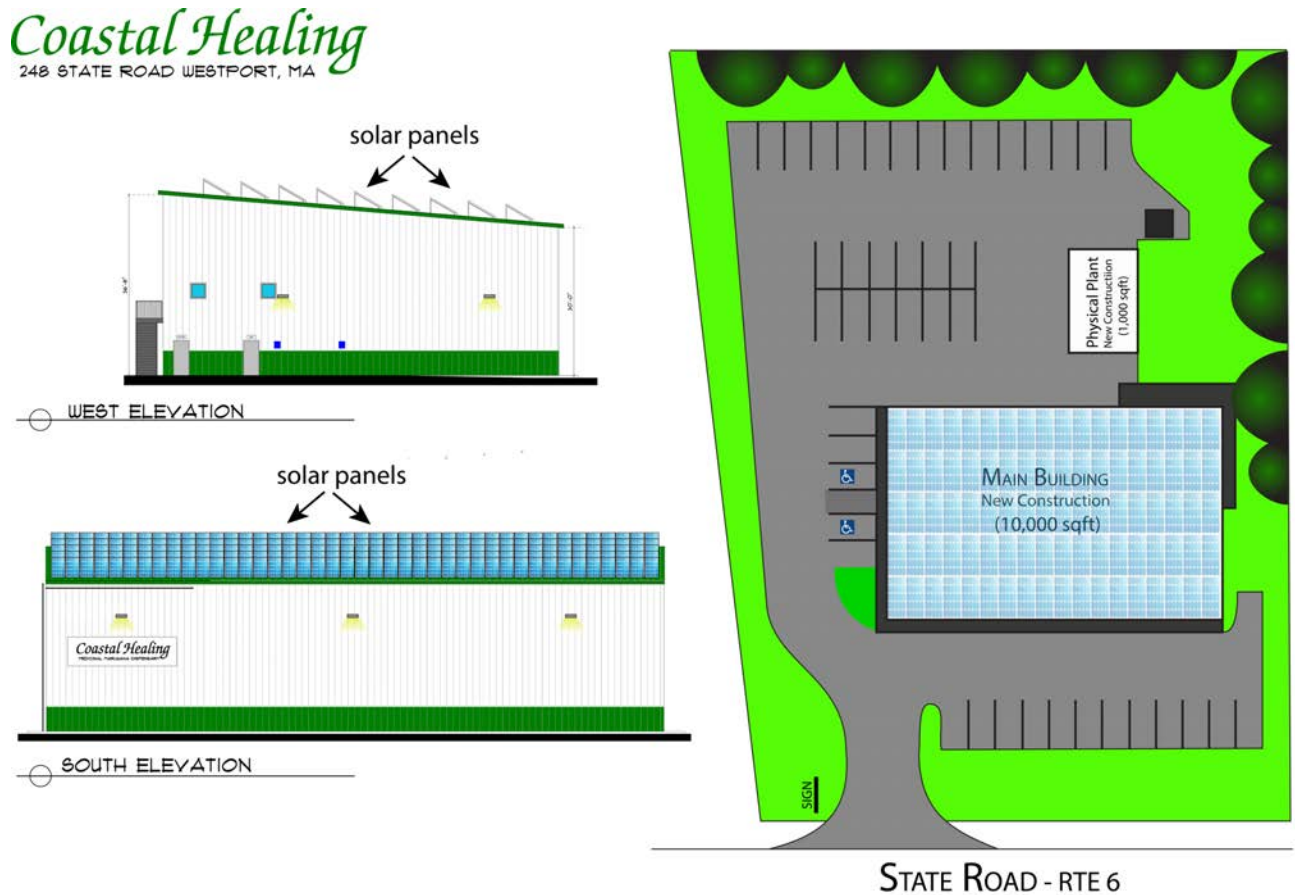
We will install solar panels on all available rooftops (Figure 11) in both the Main building and the Mechanical Building. We will design our rooflines to be south facing and have a single pitch (mono-pitch) in order to accommodate the mounting of panels at an angle of 32 degrees, the most efficient for solar power generation. The footprint of the

Main Building will be able to accommodate approximately 500 panels (9,000 sq ft) and generate



**Figure 10.** Example of prefabricated steel structure for Main Building.

270,000 kwh per year. The footprint of the Mechanical Building will be able to accommodate approximately 53 panels (1,000 sq ft) and generate 30,000 kwh per year. Thus, the total solar capacity will be approximately 300,000 kwh per year.



**Figure 11.** Site layout with example of solar panel design.

### **Water Filtration and Storage system.**

There is a need to have high quality water filtration systems (i.e., water conditioners, carbon filters, and reverse osmosis) that insure a consistent supply of the best possible quality water for the growing operations (Figure 12). Three systems will need to be installed, the first will treat all incoming city/well water, the second will treat all waste water from the grow rooms, and the third will treat the reclaimed water from the HVAC system.

### Facility Exterior.

Security lights will be placed around the perimeter of the both buildings to have a well illuminated area at all times. Any green areas around the facility will be landscaped to beautify the property. We will pave an access road for vehicular traffic from the street to the main dispensary parking area which will have a 43 car capacity parking. Additional pavement will be installed in the loading docks of the Main Building and the Mechanical Building.

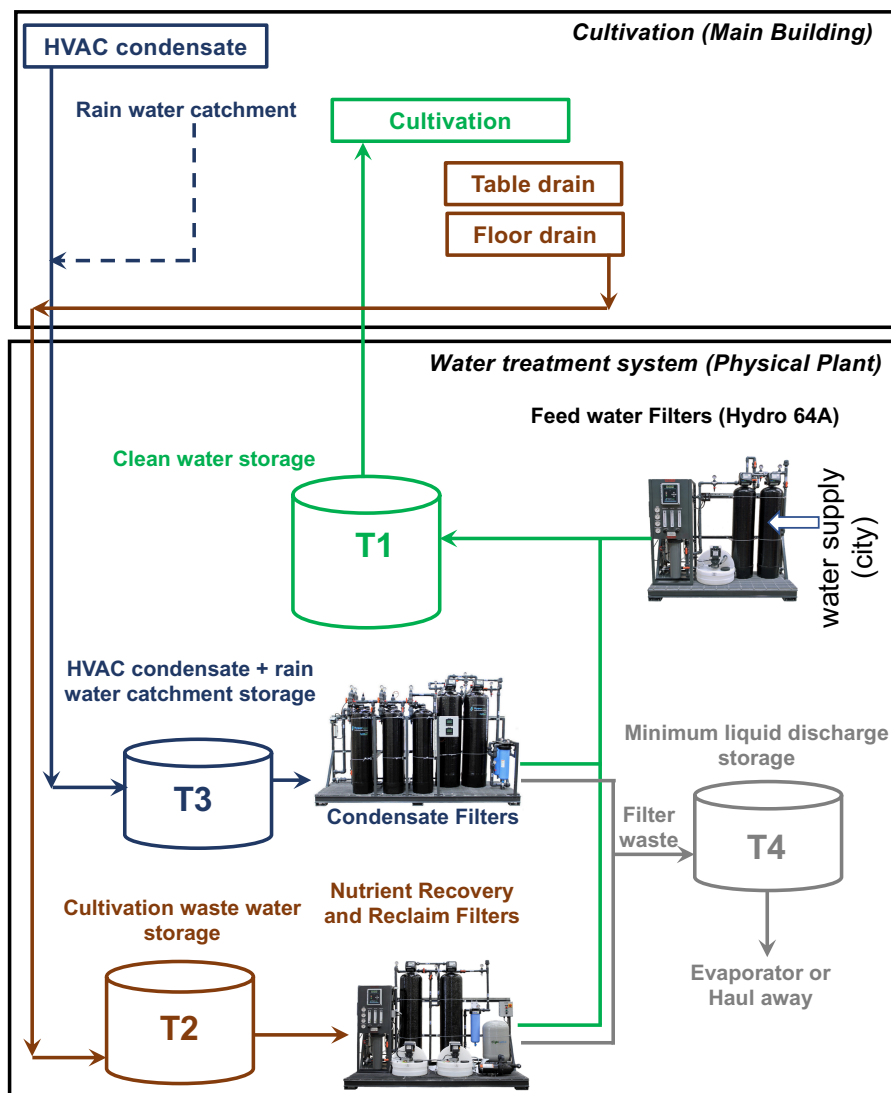


Figure 12. Representative water filtration design for indoor cultivation.

### Main Building Interior.

The inside of the Main Building will consist of dedicated space for drying (264 sqft), processing (264 sqft), storing (800 sqft), quality assurance (120 sqft), kitchen (225 sqft), administrative offices (900 sqft), and a dispensary (900 sqft) (Figure 1 and 2). These spaces will have an HVAC system that is independent of the growing rooms to maintain a comfortable working environment and to insure proper drying of the flowers and storage of processed products. The dispensary will have a small consulting area that will allow patient privacy and have ample counter space for product showcasing with at least 4 points of sale terminals.

### **Building Safety.**

A state-of-the-art security system has been designed following state code and will include camera systems, a dedicated security room to monitor and store information, outside lights, keypads, scanners, and real-time monitoring from 2 remote locations offsite. In addition our security system will be linked to police and monitored 24/7.

### **Grow Rooms Overview.**

Our Main Building will be divided into 5 sealed rooms (1 Vegetative Room and 4 Flowering Rooms) rather than a large unit (Figure 1). Each grow room will be independently climate controlled for individual plant biological cycles, thus allowing for a more precise control of environmental conditions and an increased efficacy for any needed quarantine. The Vegetative Room will house the plants for the first 4 weeks after which time they maturing plants will be transferred to one of the Flowering Rooms for the next 2-3 months to allow for full flower development. Each grow room will have a rack system that provides for at least 3 layers of plants (Figure 3).

We will predominantly grow using state-of-the-art hydroponic-based techniques with a combination of fully automated systems that monitor, control, and record biotic and abiotic data that maximize plant health and growth. Our facility will have an airtight enclosure fitted with HVAC ducting with HEPA and UV filters.

**Table 4: Grow Rooms Cost Summary.**

<b>Vegetative Room 1 (1400 sqft; 156 lights)</b>	
Rolling, multi-level	\$85,800
LED Grow lights	\$234,000
HVAC and fans	\$107,800
Irrigation	\$23,400
CO2 system	\$30,000
Building supplies	\$19,500
<b>Total</b>	<b>\$470,500</b>

We will utilize a Coco Coir based system and use water-soluble organic nutrients and use LED state of the art LED lighting systems (Figure 4). Our growing rooms will use HEPA air filters and inject a controlled level of CO<sub>2</sub> to help maximize the biomass per light and increase our volumetric efficiency.

**Table 5: Grow Rooms Cost Summary.**

<b>Flowering Room 2 (1215 sqft; 150 lights)</b>	
Rolling, multi-level	\$82,500
LED Grow lights	\$225,000
HVAC and fans	\$107,800
Irrigation	\$22,500
CO2 system	\$30,000
Building supplies	\$18,750
<b>Total</b>	<b>\$456,250</b>

**Table 6: Grow Rooms Cost Summary.**

<b>Flowering Room 3 (1215 sqft; 150 lights)</b>	
Rolling, multi-level	\$82,500
LED Grow lights	\$225,000
HVAC and fans	\$107,800
Irrigation	\$22,500
CO2 system	\$30,000
Building supplies	\$18,750
<b>Total</b>	<b>\$456,250</b>

**Table 7: Grow Rooms Cost Summary.**

<b>Flowering Room 4 (1428 sqft; 198 lights)</b>	
Rolling, multi-level	\$108,900
LED Grow lights	\$297,000
HVAC and fans	\$109,900
Irrigation	\$29,700
CO2 system	\$30,000
Building supplies	\$24,750
<b>Total</b>	<b>\$570,500</b>

**Table 8: Grow Rooms Cost Summary.**

<b>Flowering Room 5 (930 sqft; 78 lights)</b>	
Rolling, multi-level	\$42,900
LED Grow lights	\$117,000
HVAC and fans	\$103,900
Irrigation	\$11,700
CO2 system	\$30,000
Building supplies	\$9,750
<b>Total</b>	<b>\$285,250</b>

### 13) Summary

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These are exciting times for the Marijuana business in Massachusetts and across the United States. Many in our industry find the legal and social acceptance of our products to be analogous to alcoholic beverages during the times of prohibition. A great number of people in the US have tried Marijuana (recreationally and/or medically) in the past, but most have avoided it due to its illegal status. Well, times are changing, Marijuana is no longer illegal in many states, its use for medical purposes has grown dramatically, and there are a growing number of states that now allow its recreational use. This has led to a scenario in which the demand is outpacing the supply. Taken together, we believe that this is the perfect time to get into this business. There are many signs that the Federal Government will soon follow the trends led by States, and legalize Marijuana. The future changes in the Federal laws regulating Marijuana will potentially open up interstate commerce and even export to other countries.

We have spent the better part of the last 2.5 years putting this project together, securing the property, successfully getting town approval, and obtaining a Massachusetts license. The hard part is over and it is now time to execute the plan. We are looking for a business partner who we can trust and who we can work with on this venture. While we have already attracted multiple investors that allow us to build our facility at a Phase 1 scenario, we are now looking for several individuals or groups of investors that can provide the capital required (~\$3 million) to build out the facility to its full capacity, start growing at full capacity, and operate the facility for one year at full capacity. We believe that our future business will have a relatively quick return on investment. We hope that you will join us.

David Bullis, M.D.

Diego Bernal, PhD

#### 14) Appendix 1.

##### **Growing Operations output and profit estimates (Full Capacity) at different price points.**

In general, the estimated usable biomass is a product of the number of lights and their respective wattage. A conservative rule of thumb is that every watt of light will produce 1 gram of flower per grow cycle (approximately 3-4 months per grow cycle). For example, a single 1,000 W fixture will produce around 1,000 grams of product per grow cycle. The large energy demand of the lighting systems in our industry has led Massachusetts to implement a mandatory power maximum and hence the use of LED lights. These new-generation of LED lights (Figure 4) not only use less power than traditional HPS lights but are able to produce higher biomass outputs, with yields between 1 and 2 grams per watt. This results in a 660w LED light having the same light output as a 1000w HPS light. In addition, LED lights decrease the HVAC load due to their lower heat output. However, using the conservative estimate of 1 gram per watt and using 1000w HPS equivalent LED lights (which consume 660w Figure 4) we can estimate the biomass output for our 4 Flowering Rooms.

##### **General Facility Specifications**

	<b>No. Tables</b>	<b>No. LED lights</b>	<b>Total Watts</b>
<b>Flowering Room 2 (1215 sqft)</b>	75	150	150,000
<b>Flowering Room 3 (1215 sqft)</b>	75	150	150,000
<b>Flowering Room 4 (1428 sqft)</b>	99	198	198,000
<b>Flowering Room 5 (930 sqft)</b>	39	78	78,000
<b>Total</b>	<b>288</b>	<b>576</b>	<b>576,000</b>

<b>Per grow cycle (3 months)</b>	<b>Total Watts</b>	<b>Total grams</b>	<b>Total Ounces</b>
<b>Flowering Room 2</b>	150,000	150,000	5,291
<b>Flowering Room 3</b>	150,000	150,000	5,291
<b>Flowering Room 4</b>	198,000	198,000	6,984
<b>Flowering Room 5</b>	78,000	78,000	2,751
<b>Total</b>	<b>576,000</b>	<b>576,000</b>	<b>20,318</b>



<b>Per year (3 grow cycles)</b>	<b>Total ounces</b>
<b>Flowering Room 2</b>	15,873
<b>Flowering Room 3</b>	15,873
<b>Flowering Room 4</b>	20,953
<b>Flowering Room 5</b>	8,254
<b>Total</b>	<b>60,954</b>

If we assume the retail price of marijuana will stabilize between \$150 and \$250 per ounce (it is currently around \$450 per ounce) then our full facility output would be:

<b>Sales (per year)</b>	<b>Price per ounce</b>		
	<b>\$150</b>	<b>\$200</b>	<b>\$250</b>
<b>Flowering Room 2</b>	\$2,380,994	\$3,174,659	\$3,968,324
<b>Flowering Room 3</b>	\$2,380,994	\$3,174,659	\$3,968,324
<b>Flowering Room 4</b>	\$3,142,913	\$4,190,550	\$5,238,188
<b>Flowering Room 5</b>	\$1,238,117	\$1,650,823	\$2,063,528
<b>Total</b>	<b>\$9,143,018</b>	<b>\$12,190,691</b>	<b>\$15,238,364</b>

If we incorporate the predicted operating costs (from Table 2), the estimated profits for the full facility selling 100% of the flower product will be:

		<b>Net Profit (per year)</b>		
	<b>Operating Costs</b>	<b>\$150/oz</b>	<b>\$200/oz</b>	<b>\$250/oz</b>
<b>Year 1</b>	\$2,347,592	\$6,795,426	\$9,843,099	\$12,890,772
<b>Year 2 and beyond</b>	\$2,317,592	\$6,825,426	\$9,873,099	\$12,920,772

15) Appendix 2.

**Growing Operations output and profit estimates (Full Capacity) with dispensary sales forecasted at 21.5% of total production.**

Here we assume the sale of retail product (\$400/oz) to meet our local medical and recreational demand (13,130 oz/year: 2,700 oz medical, 10,440 oz recreational, see Section 10). Specifically, we expect to see 30 medical customers per day (each consuming 1/4oz of product) and 200 recreational costumers per day (each consuming 1/7 oz of product). With a total production at full capacity of 60,954 oz (see Appendix 1), 47,824 oz will be sold wholesale (\$200/oz).

**General Facility Specifications**

	No. Tables	No. LED lights	Total Watts
Flowering Room 2 (1215 sqft)	75	150	150,000
Flowering Room 3 (1215 sqft)	75	150	150,000
Flowering Room 4 (1428 sqft)	99	198	198,000
Flowering Room 5 (930 sqft)	39	78	78,000
<b>Total</b>	<b>288</b>	<b>576</b>	<b>576,000</b>

Per grow cycle (3 months)	Total Watts	Total grams	Total Ounces
Flowering Room 2	150,000	150,000	5,291
Flowering Room 3	150,000	150,000	5,291
Flowering Room 4	198,000	198,000	6,984
Flowering Room 5	78,000	78,000	2,751
<b>Total</b>	<b>576,000</b>	<b>576,000</b>	<b>20,318</b>

Per year (3 grow cycles)	Total ounces
Flowering Room 2	15,873
Flowering Room 3	15,873
Flowering Room 4	20,953
Flowering Room 5	8,254
<b>Total</b>	<b>60,954</b>

		<b>Net Profit (per year)</b>		
	<b>Operating Costs</b>	<b>Retail (\$400/oz)</b>	<b>Wholesale (\$200/oz)</b>	<b>Net sales</b>
<b>Full capacity Biomass (oz)</b>		13,130	47,824	
<b>Year 1</b>	\$2,347,592	\$5,252,000	\$9,564,691	\$12,469,099
<b>Year 2 and beyond</b>	\$2,317,592	\$5,252,000	\$9,564,691	\$12,499,099

#### PLAN FOR OBTAINING LIABILITY INSURANCE

We have been working with Mark Sawyer from Cannasure for our insurance needs. He has presented options for both general liability and product liability. We intend to carry both prior to opening. We presently have general liability at \$1,000,000/\$2,000,000 in effect now, but will have product liability at the same limits when we open.

Coastal Healing, Inc. ("Coastal Healing") will contract with an insurance provider to maintain general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate annually and product liability coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate annually. The policy deductible will be no higher than \$5,000 per occurrence. Coastal Healing will consider additional coverage based on availability and cost-benefit analysis.

If adequate coverage is unavailable at a reasonable rate, Coastal Healing will place in escrow at least \$250,000 to be expended for liabilities coverage (or such other amount approved by the Commission). Any withdrawal from such escrow will be replenished within 10 business days of any expenditure. Coastal Healing will keep reports documenting compliance with 935 CMR 500.105(10): *Liability Insurance Coverage or Maintenance of Escrow* in a manner and form determined by the Commission pursuant to 935 CMR 500.000.

## **PLAN FOR SEPARATING RECREATIONAL FROM MEDICAL OPERATIONS**

Coastal Healing, Inc. (“Coastal Healing”) has developed plans and procedures to ensure virtual and physical separation between medical and adult use marijuana operations in accordance with the requirements of 935 CMR 500.000 and 935 CMR 501.000.

Coastal Healing will virtually separate medical and adult-use marijuana and Marijuana Products in its cultivation operations by using separate medical and adult-use plant and/or package tags in Metrc.

Prior to the point of sale or at the point of sale, Coastal Healing will designate whether marijuana and/or Marijuana Products are intended for sale for adult use or medical use through Metrc. All marijuana and Marijuana Products will be transferred to the appropriate license within Metrc prior to sale. After the point of sale, Coastal Healing will reconcile that inventory in Metrc.

Coastal Healing will ensure that registered patients have access to a sufficient quantity and variety of medical marijuana and marijuana products. For the first six (6) months of operations, 35% of Coastal Healing’s marijuana product inventory will be marked for medical use and reserved for registered patients. Thereafter, Coastal Healing will maintain a quantity and variety of medical marijuana products for registered patients that is sufficient to meet the demand indicated by an analysis of sales data collected during the preceding six (6) months. Marijuana products reserved for patient supply will, unless unreasonably impracticable, reflect the actual types and strains of marijuana products documented during the previous six (6) months. If a substitution must be made, the substitution will reflect the type and strain no longer available as closely as possible.

On a quarterly basis, Coastal Healing will submit to the Commission an inventory plan to reserve a sufficient quantity and variety of medical marijuana and marijuana products for registered patients, based on reasonably anticipated patient needs as documented by sales records over the preceding six (6) months. On each occasion that the supply of any product within the reserved patient supply is exhausted and a reasonable substitution cannot be made, Coastal Healing will submit a report to the Commission. Marijuana products reserved for patient supply will be either: (1) maintained on-site at Coastal Healing’s retailer or easily accessible at another Coastal Healing location and transferable to the retailer location within 48 hours of notification that the on-site supply has been exhausted. Coastal Healing will perform audits of patient supply available on a weekly basis and retain those records for a period of six (6) months. Coastal Healing may transfer marijuana products reserved for medical-use to adult-use within a reasonable period of time prior to the date of expiration provided that the product does not pose a risk to health or safety.

In addition to virtual separation, Coastal Healing will provide for physical separation between the medical and adult use sales areas. A temporary or semi-permanent physical barrier, such as a stanchion or other divider, will be installed to create separate, clearly marked lines for patients/caregivers and adult-use consumers. Trained marijuana establishment agents will verify the age of all individuals, as well as the validity of any Medical Use of Marijuana Program ID Cards, upon entry to the facility and direct them to the appropriate queue. Coastal Healing’s

agents will prioritize patient and caregiver identification verification and physical entry into the retail area.

Access to the adult-use marijuana queue will be limited to individuals 21 years of age or older, regardless of if the individual is registered as a patient/caregiver. Registered patients under the age of 21 will only have access to the medical marijuana queue. A registered patient/caregiver 21 years of age or older will be permitted to access either queue and will not be limited only to the medical marijuana queue, so long as the transaction can be recorded in accordance with 935 CMR 501.105.

Coastal Healing will also provide an enclosed patient consultation area that is separate from the sales floor to allow privacy and for confidential visual and auditory consultation. The patient consultation area will have signage stating "Consultation Area" and will be accessible by patients and caregivers without having to traverse a Limited Access area.

Coastal Healing will also maintain separate financial records for adult-use products and medical products to ensure compliance with the applicable tax laws.

### RESTRICTING ACCESS TO AGE 21 AND OLDER

Pursuant to 935 CMR 500.050(8)(b), Coastal Healing, Inc. (“Coastal Healing”) will only be accessible to individuals, visitors, and agents who are 21 years of age or older with a verified and valid government-issued photo ID. At Coastal Healing’s co-located retail operations, for any individual who is younger than 21 years old but 18 years of age or older, they shall not be admitted unless they produce an active medical registration card issued by the Medical Use of Marijuana Program. If the individual is younger than 18 years old, he or she shall not be admitted unless they produce an active medical registration card and they are accompanied by a personal caregiver with an active medical registration card. In addition to the medical registration card, registered qualifying patients 18 years of age and older and personal caregivers must also produce proof of identification. Upon entry into the premises of the marijuana establishment by an individual, visitor, or agent, a Coastal Healing agent will immediately inspect the person’s proof of identification and determine the person’s age, in accordance with 935 CMR 500.140(2).

In the event Coastal Healing discovers any of its agents intentionally or negligently sold marijuana to an individual under the age of 21, the agent will be immediately terminated, and the Commission will be promptly notified, pursuant to 935 CMR 500.105(1)(m). Coastal Healing will not hire any individuals who are under the age of 21 or who have been convicted of distribution of controlled substances to minors in the Commonwealth or a like violation of the laws in other jurisdictions, pursuant to 935 CMR 500.030(1).

Pursuant to 935 CMR 500.105(4), Coastal Healing will not engage in any advertising practices that are targeted to, deemed to appeal to or portray minors under the age of 21. Coastal Healing will not engage in any advertising by means of television, radio, internet, mobile applications, social media, or other electronic communication, billboard or other outdoor advertising, including sponsorship of charitable, sporting or similar events, unless at least 85% of the audience is reasonably expected to be 21 years of age or older as determined by reliable and current audience composition data. Coastal Healing will not manufacture or sell any edible products that resemble a realistic or fictional human, animal, fruit, or sporting-equipment item including artistic, caricature or cartoon renderings, pursuant to 935 CMR 500.150(1)(b). In accordance with 935 CMR 500.105(4)(a)(5), any advertising created for public viewing will include a warning stating, **“For use only by adults 21 years of age or older. Keep out of the reach of children. Marijuana can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of marijuana. Please Consume Responsibly.”** Pursuant to 935 CMR 500.105(6)(b), Coastal Healing packaging for any marijuana or marijuana products will not use bright colors, defined as colors that are “neon” in appearance, resemble existing branded products, feature cartoons, a design, brand or name that resembles a non-cannabis consumer or celebrities commonly used to market products to minors, feature images of minors or other words that refer to products commonly associated with minors or otherwise be marketed to minors. Coastal Healing’s website will require all online visitors to verify they are 21 years of age or older prior to accessing the website, in accordance with 935 CMR 500.105(4)(b)(13).

## **QUALITY CONTROL AND TESTING**

### **Quality Control**

Coastal Healing, Inc. ("Coastal Healing") will comply with the following sanitary requirements:

1. Any Coastal Healing agent whose job includes contact with marijuana or nonedible marijuana products, including cultivation, production, or packaging, is subject to the requirements for food handlers specified in 105 CMR 300.000, and all edible marijuana products will be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 590.000, and with the requirements for food handlers specified in 105 CMR 300.000.
2. Any Coastal Healing agent working in direct contact with preparation of marijuana or nonedible marijuana products will conform to sanitary practices while on duty, including:
  - a. Maintaining adequate personal cleanliness; and
  - b. Washing hands thoroughly in an adequate hand-washing area before starting work, and at any other time when hands may have become soiled or contaminated.
3. Coastal Healing's hand-washing facilities will be adequate and convenient and will be furnished with running water at a suitable temperature. Hand-washing facilities will be located in Coastal Healing's production areas and where good sanitary practices require employees to wash and sanitize their hands, and will provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices;
4. Coastal Healing's facility will have sufficient space for placement of equipment and storage of materials as is necessary for the maintenance of sanitary operations;
5. Coastal Healing will ensure that litter and waste is properly removed and disposed of so as to minimize the development of odor and minimize the potential for the waste attracting and harboring pests. The operating systems for waste disposal will be maintained in an adequate manner pursuant to 935 CMR 500.105(12);
6. Coastal Healing's floors, walls, and ceilings will be constructed in such a manner that they may be adequately kept clean and in good repair;
7. Coastal Healing's facility will have adequate safety lighting in all processing and storage areas, as well as areas where equipment or utensils are cleaned;
8. Coastal Healing's buildings, fixtures, and other physical facilities will be maintained in a sanitary condition;
9. Coastal Healing will ensure that all contact surfaces, including utensils and equipment, will be maintained in a clean and sanitary condition. Such surfaces will be cleaned and sanitized as frequently as necessary to protect against contamination, using a sanitizing agent registered by the US Environmental Protection Agency (EPA), in accordance with labeled instructions. Equipment and utensils will be so designed and of such material and workmanship as to be adequately cleanable;
10. All toxic items will be identified, held, and stored in a manner that protects against contamination of marijuana products. Toxic items will not be stored in an area containing products used in the cultivation of marijuana. Coastal Healing acknowledges and understands that the Commission may require Coastal Healing to demonstrate the intended and actual use of any toxic items found on Coastal Healing's premises;



11. Coastal Healing will ensure that its water supply is sufficient for necessary operations, and that any private water source will be capable of providing a safe, potable, and adequate supply of water to meet Coastal Healing's needs;
12. Coastal Healing's plumbing will be of adequate size and design, and adequately installed and maintained to carry sufficient quantities of water to required locations throughout the marijuana establishment. Plumbing will properly convey sewage and liquid disposable waste from the marijuana establishment. There will be no cross-connections between the potable and wastewater lines;
13. Coastal Healing will provide its employees with adequate, readily accessible toilet facilities that are maintained in a sanitary condition and in good repair;
14. Coastal Healing will hold all products that can support the rapid growth of undesirable microorganisms in a manner that prevents the growth of these microorganisms; and
15. Coastal Healing will store and transport finished products under conditions that will protect them against physical, chemical, and microbial contamination, as well as against deterioration of finished products or their containers.

Coastal Healing's vehicles and transportation equipment used in the transportation of marijuana products or edibles requiring temperature control for safety will be designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the marijuana products or edibles from becoming unsafe during transportation, consistent with applicable requirements pursuant to 21 CFR 1.908(c).

Coastal Healing will ensure that Coastal Healing's facility is always maintained in a sanitary fashion and will comply with all applicable sanitary requirements.

Coastal Healing will follow established policies and procedures for handling voluntary and mandatory recalls of marijuana products. Such procedures are sufficient to deal with recalls due to any action initiated at the request or order of the Commission, and any voluntary action by Coastal Healing to remove defective or potentially defective marijuana products from the market, as well as any action undertaken to promote public health and safety.

Any inventory that becomes outdated, spoiled, damaged, deteriorated, mislabeled, or contaminated will be disposed of in accordance with the provisions of 935 CMR 500.105(12), and any such waste will be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations.

#### Testing

Coastal Healing will not sell or otherwise market marijuana or marijuana products that are not capable of being tested by Independent Testing Laboratories, except as allowed under 935 CMR 500.000. No marijuana product will be sold or otherwise marketed for adult use that has not first been tested by an Independent Testing Laboratory and deemed to comply with the standards required under 935 CMR 500.160.

Any Independent Testing Laboratory relied upon by Coastal Healing for testing will be licensed or registered by the Commission and (i) currently and validly licensed under 935 CMR 500.101: *Application Requirements*, or formerly and validly registered by the Commission; (ii) accredited

to ISO 17025:2017 or the most current International Organization for Standardization 17025 by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the Commission; (iii) independent financially from any Medical Marijuana Treatment Center, Marijuana Establishment or Licensee; and (iv) qualified to test marijuana and marijuana products, including marijuana-infused products, in compliance with M.G.L. c. 94C, § 34; M.G.L. c. 94G, § 15; 935 CMR 500.000: *Adult Use of Marijuana*; 935 CMR 501.000: *Medical Use of Marijuana*; and Commission protocol(s).

Testing of Coastal Healing's marijuana products will be performed by an Independent Testing Laboratory in compliance with a protocol(s) established in accordance with M.G.L. c. 94G, § 15 and in a form and manner determined by the Commission, including but not limited to, the *Protocol for Sampling and Analysis of Finished Medical Marijuana Products and Marijuana-infused Products*. Testing of Coastal Healing's environmental media will be performed in compliance with the *Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana Dispensaries* published by the Commission.

Coastal Healing's marijuana will be tested for the cannabinoid profile and for contaminants as specified by the Commission including, but not limited to, mold, mildew, heavy metals, plant-growth regulators, and the presence of pesticides. In addition to these contaminant tests, final ready-to-sell Marijuana Vaporizer Products shall be screened for heavy metals and Vitamin E Acetate (VEA) in accordance with the relevant provisions of the *Protocol for Sampling and Analysis of Finished Marijuana and Marijuana Products for Marijuana Establishments, Medical Marijuana Treatment Centers and Colocated Marijuana Operations*. Coastal Healing acknowledges and understands that the Commission may require additional testing.

Coastal Healing's policy of responding to laboratory results that indicate contaminant levels are above acceptable limits established in the protocols identified in 935 CMR 500.160(1) will include notifying the Commission (i) within 72 hours of any laboratory testing results indicating that the contamination cannot be remediated and disposing of the production batch and (ii) of any information regarding contamination as specified by the Commission immediately upon request by the Commission. Such notification will be from both Coastal Healing and the Independent Testing Laboratory, separately and directly, and will describe a proposed plan of action for both the destruction of the contaminated product and the assessment of the source of contamination.

Coastal Healing will maintain testing results in compliance with 935 CMR 500.000 *et seq* and the record keeping policies described herein and will maintain the results of all testing for no less than one year. Coastal Healing acknowledges and understands that testing results will be valid for a period of one year, and that marijuana or marijuana products with testing dates in excess of one year shall be deemed expired and may not be dispensed, sold, transferred or otherwise conveyed until retested.

All transportation of marijuana to and from Independent Testing Laboratories providing marijuana testing services will comply with 935 CMR 500.105(13). All storage of Coastal Healing's marijuana at a laboratory providing marijuana testing services will comply with 935

CMR 500.105(11). All excess marijuana will be disposed in compliance with 935 CMR 500.105(12), either by the Independent Testing Laboratory returning excess marijuana to Coastal Healing for disposal or by the Independent Testing Laboratory disposing of it directly. All Single-servings of marijuana products will be tested for potency in accordance with 935 CMR 500.150(4)(a) and subject to a potency variance of no greater than plus/minus ten percent (+/- 10%).

Any marijuana or marijuana products that fail any test for contaminants must either be reanalyzed without remediation, remediated or disposed of. In the event marijuana or marijuana products are reanalyzed, a sample from the same batch shall be submitted for reanalysis at the ITL that provided the original failed result. If the sample passes all previously failed tests at the initial ITL, an additional sample from the same batch previously tested shall be submitted to a second ITL other than the initial ITL for a Second Confirmatory Test. To be considered passing and therefore safe for sale, the sample must have passed the Second Confirmatory Test at a second ITL. Any Marijuana or Marijuana Product that fails the Second Confirmatory Test will not be sold, transferred or otherwise dispensed to Consumers, Patients or Licensees without first being remediated. Otherwise, any such product shall be destroyed in compliance with 935 CMR 500.105(12): *Waste Disposal*.

If marijuana or marijuana products are destined for remediation, a new test sample will be submitted to a licensed ITL, which may include the initial ITL for a full-panel test. Any failing Marijuana or Marijuana Product may be remediated a maximum of two times. Any Marijuana or Marijuana Product that fails any test after the second remediation attempt will not be sold, transferred or otherwise dispensed to Consumers, Patients or Licensees and will be destroyed in compliance with 935 CMR 500.105(12): *Waste Disposal*.

#### Quality Control Samples

Coastal Healing may create sample of Marijuana flower or Marijuana Product ("Marijuana") to be provided internally to employees for purposes of ensuring product quality and making determinations about whether to sell the Marijuana. Quality Control Samples and employee feedback regarding such samples will allow Coastal Healing to produce the highest quality Marijuana Products for distribution on the adult use market.

Quality Control Samples provided to employees may not be consumed on Coastal Healing's Premises nor may they be sold to another licensee or Consumer. Quality Control Samples will be tested in accordance with 935 CMR 500.160: Testing of Marijuana and Marijuana Products. Coastal Healing will limit the Quality Control Samples provided to all employees in a calendar month period to the following aggregate amounts:

1. Five grams of Marijuana concentrate or extract, including but not limited to tinctures;
2. Five hundred milligrams of Edibles whereby the serving size of each individual sample does not exceed five milligrams and otherwise satisfies the potency levels set forth in 935 CMR 500.150(4): Dosing Limitations; and
3. Five units of sale per Cannabis product line and no more than six individual Cannabis product lines. For purposes of 935 CMR 500.130(8): Vendor Samples, a Cannabis product line shall mean items bearing the same Stock Keeping Unit Number.

If Quality Control Samples are provided as Vendor Samples pursuant to 935 CMR 500.130(8), they will be assigned a unique, sequential alphanumeric identifier and entered into the Seed-to-sale SOR in a form and manner to be determined by the Commission, and further, shall be designated as “Quality Control Sample.”

Quality Control Samples will have a legible, firmly affixed label on which the wording is no less than 1/16 inch in size containing at minimum the following information:

1. A statement that reads: “QUALITY CONTROL SAMPLE NOT FOR RESALE”;
2. The name and registration number of the Marijuana Product Manufacturer;
3. The quantity, net weight, and type of Marijuana flower contained within the package; and
4. A unique sequential, alphanumeric identifier assigned to the Production Batch associated with the Quality Control Sample that is traceable in the Seed-to-sale SOR.

Upon providing a Quality Control Sample to an employee, Coastal Healing will record:

1. The reduction in quantity of the total weight or item count under the unique alphanumeric identifier associated with the Quality Control Sample;
2. The date and time the Quality Control Sample was provided to the employee;
3. The agent registration number of the employee receiving the Quality Control Sample; and
4. The name of the employee as it appears on their agent registration card.

## **PERSONNEL POLICIES INCLUDING BACKGROUND CHECKS**

### **Overview**

Coastal Healing, Inc. (“Coastal Healing”) will securely maintain personnel records, including registration status and background check records. Coastal Healing will keep, at a minimum, the following personnel records:

- Job descriptions for each employee and volunteer position, as well as organizational charts consistent with the job descriptions;
- A personnel record for each marijuana establishment agent;
- A staffing plan that will demonstrate accessible business hours and safe operating conditions;
- Personnel policies and procedures; and
- All background check reports obtained in accordance with 935 CMR 500.030.

### **Agent Personnel Records**

In compliance with 935 CMR 500.105(9), personnel records for each agent will be maintained for at least twelve (12) months after termination of the agent’s affiliation with Coastal Healing and will include, at a minimum, the following:

- All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
- Documentation of verification of references;
- The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;
- Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;
- Documentation of periodic performance evaluations;
- A record of any disciplinary action taken;
- Notice of completed responsible vendor and eight-hour related duty training; and
- Results of initial background investigation, including CORI reports.

Personnel records will be kept in a secure location to maintain confidentiality and be only accessible to the agent’s manager or members of the executive management team.

### **Agent Background Checks**

- In addition to completing the Commission’s agent registration process, all agents hired to work for Coastal Healing will undergo a detailed background investigation prior to being granted access to a Coastal Healing facility or beginning work duties.
- Background checks will be conducted on all agents in their capacity as employees or volunteers for Coastal Healing pursuant to 935 CMR 500.030 and will be used by the Director of Security, who will be registered with the Department of Criminal Justice Information Systems pursuant to 803 CMR 2.04: iCORI Registration and the Commission for purposes of determining the suitability of individuals for registration as a marijuana establishment agent with the licensee.
- For purposes of determining suitability based on background checks performed in accordance with 935 CMR 500.030, Coastal Healing will consider:

- a. All conditions, offenses, and violations are construed to include Massachusetts law or like or similar law(s) of another state, the United States or foreign jurisdiction, a military, territorial or Native American tribal authority, or any other jurisdiction.
- b. All criminal disqualifying conditions, offenses, and violations include the crimes of attempt, accessory, conspiracy, and solicitation. Juvenile dispositions will not be considered as a factor for determining suitability.
- c. Where applicable, all look-back periods for criminal conditions, offenses, and violations included in 935 CMR 500.802 commence upon the date of disposition; provided, however, that if disposition results in incarceration in any institution, the look-back period will commence upon release from incarceration.
- Suitability determinations will be made in accordance with the procedures set forth in 935 CMR 500.800. In addition to the requirements established in 935 CMR 500.800, Coastal Healing will:
  - a. Comply with all guidance provided by the Commission and 935 CMR 500.802: Tables B through D to determine if the results of the background are grounds for Mandatory Disqualification or Presumptive Negative Suitability Determination.
  - b. Consider whether offense(s) or information that would result in a Presumptive Negative Suitability Determination under 935 CMR 500.802. In the event a Presumptive Negative Suitability Determination is made, Coastal Healing will consider the following factors:
    - i. Time since the offense or incident;
    - ii. Age of the subject at the time of the offense or incident;
    - iii. Nature and specific circumstances of the offense or incident;
    - iv. Sentence imposed and length, if any, of incarceration, if criminal;
    - v. Penalty or discipline imposed, including damages awarded, if civil or administrative;
    - vi. Relationship of offense or incident to nature of work to be performed;
    - vii. Number of offenses or incidents;
    - viii. Whether offenses or incidents were committed in association with dependence on drugs or alcohol from which the subject has since recovered;
    - ix. If criminal, any relevant evidence of rehabilitation or lack thereof, such as information about compliance with conditions of parole or probation, including orders of no contact with victims and witnesses, and the subject's conduct and experience since the time of the offense including, but not limited to, professional or educational certifications obtained; and
    - x. Any other relevant information, including information submitted by the subject.
  - c. Consider appeals of determinations of unsuitability based on claims of erroneous information received as part of the background check during the application process in accordance with 803 CMR 2.17: Requirement to Maintain a Secondary Dissemination Log and 2.18: Adverse Employment Decision Based on CORI or

Other Types of Criminal History Information Received from a Source Other than the DCJIS.

- All suitability determinations will be documented in compliance with all requirements set forth in 935 CMR 500 et seq. and guidance provided by the Commission.
- Background screening will be conducted by an investigative firm holding the National Association of Professional Background Screeners (NAPBS®) Background Screening Credentialing Council (BSCC) accreditation and capable of performing the searches required by the regulations and guidance provided by the Commission.
- References provided by the agent will be verified at the time of hire.
- As a condition of their continued employment, agents, volunteers, contractors, and subcontractors are required to renew their Program ID cards annually and submit to other background screening as may be required by Coastal Healing or the Commission.

Personnel Policies and Training

As outlined in Coastal Healing's Record Keeping Procedures, a staffing plan and staffing records will be maintained in compliance with 935 CMR 500.105(9) and will be made available to the Commission, upon request. All Coastal Healing agents are required to complete training as detailed in Coastal Healing's Qualifications and Training plan which includes but is not limited to Coastal Healing's strict alcohol, smoke and drug-free workplace policy, job specific training, Responsible Vendor Training Program, confidentiality training including how confidential information is maintained at the marijuana establishment and a comprehensive discussion regarding the marijuana establishment's policy for immediate dismissal. All training will be documented in accordance with 935 CMR 105(9)(d)(2)(d).

Coastal Healing will have a policy for the immediate dismissal of any dispensary agent who has:

- Diverted marijuana, which will be reported the Police Department and to the Commission;
- Engaged in unsafe practices with regard to Coastal Healing operations, which will be reported to the Commission; or
- Been convicted or entered a guilty plea, plea of *nolo contendere*, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority.

## **RECORDKEEPING PROCEDURES**

### **General Overview**

Coastal Healing, Inc. (“Coastal Healing”) has established policies regarding recordkeeping and record-retention in order to ensure the maintenance, safe keeping, and accessibility of critical documents. Electronic and wet signatures are accepted forms of execution of Coastal Healing documents. Records will be stored at Coastal Healing in a locked room designated for record retention. All written records will be available for inspection by the Commission upon request.

### **Recordkeeping**

To ensure that Coastal Healing is keeping and retaining all records as noted in this policy, reviewing Corporate Records, Business Records, and Personnel Records to ensure completeness, accuracy, and timeliness of such documents will occur as part of Coastal Healing’s quarter-end closing procedures. In addition, Coastal Healing’s operating procedures will be updated on an ongoing basis as needed and undergo a review by the executive management team on an annual basis.

- **Corporate Records**

Corporate Records are defined as those records that require, at a minimum, annual reviews, updates, and renewals, including:

- Insurance Coverage:
  - Directors & Officers Policy
  - Product Liability Policy
  - General Liability Policy
  - Umbrella Policy
  - Workers Compensation Policy
  - Employer Professional Liability Policy
- Third-Party Laboratory Contracts
- Commission Requirements:
  - Annual Agent Registration
  - Annual Marijuana Establishment Registration
- Local Compliance:
  - Certificate of Occupancy
  - Special Permits
  - Variances
  - Site Plan Approvals
  - As-Built Drawings
- Corporate Governance:
  - Annual Report
  - Secretary of Commonwealth Filings

- **Business Records**

Business Records require ongoing maintenance and updates. These records can be electronic or hard copy (preferably electronic) and at minimum include:

- Assets and liabilities;
- Monetary transactions;
- Books of accounts, which will include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;



- Sales records including the quantity, form, and cost of marijuana products;
- Salary and wages paid to each employee, or stipend, executive compensation, bonus, benefit, or item of value paid to any persons having direct or indirect control over Coastal Healing.
- Personnel Records

At a minimum, Personnel Records will include:

  - Job descriptions for each agent and volunteer position, as well as organizational charts consistent with the job descriptions;
  - A personnel record for each marijuana establishment agent. Such records will be maintained for at least twelve (12) months after termination of the agent's affiliation with Coastal Healing and will include, at a minimum, the following:
    - All materials submitted to the Commission pursuant to 935 CMR 500.030(2);
    - Documentation of verification of references;
    - The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision;
    - Documentation of all required training, including training regarding privacy and confidentiality requirements, and the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters;
    - Documentation of periodic performance evaluations; and
    - A record of any disciplinary action taken.
    - Notice of completed responsible vendor and eight-hour related duty training.
  - A staffing plan that will demonstrate accessible business hours and safe operating conditions;
  - Personnel policies and procedures; and
  - All background check reports obtained in accordance with 935 CMR 500.030: Registration of Marijuana Establishment Agents 803 CMR 2.00: Criminal Offender Record Information (CORI).
- Handling and Testing of Marijuana Records
  - Coastal Healing will maintain the results of all testing for a minimum of one (1) year.
- Inventory Records
  - The record of each inventory will include, at a minimum, the date of the inventory, a summary of the inventory findings, and the names, signatures, and titles of the agents who conducted the inventory.
- Seed-to-Sale Tracking Records
  - Coastal Healing will use Metrc as the seed-to-sale tracking software to maintain real-time inventory. The seed-to-sale tracking software inventory reporting will meet the requirements specified by the Commission and 935 CMR 500.105(8)(e), including, at a minimum, an inventory of marijuana plants; marijuana plant-seeds and clones in any phase of development such as propagation, vegetation, flowering; marijuana ready for dispensing; all marijuana products; and all

damaged, defective, expired, or contaminated marijuana and marijuana products awaiting disposal.

- Sales Records for Marijuana Retailer
  - Coastal Healing will maintain records that it has performed a monthly analysis of its equipment and sales data to determine that no software has been installed that could be utilized to manipulate or alter sales data and that no other methodology has been employed to manipulate the sales data and produce such records on request to the Commission.
- Incident Reporting Records
  - Within ten (10) calendar days, Coastal Healing will provide notice to the Commission of any incident described in 935 CMR 500.110(9)(a), by submitting an incident report in the form and manner determined by the Commission which details the circumstances of the event, any corrective action taken, and confirmation that the appropriate law enforcement authorities were notified within twenty-four (24) hours of discovering the breach or incident .
  - All documentation related to an incident that is reportable pursuant to 935 CMR 500.110(9)(a) will be maintained by Coastal Healing for no less than one year or the duration of an open investigation, whichever is longer, and made available to the Commission and law enforcement authorities within Coastal Healing's jurisdiction on request.
- Visitor Records
  - A visitor sign-in and sign-out log will be maintained at the security office. The log will include the visitor's name, address, organization or firm, date, time in and out, and the name of the authorized agent who will be escorting the visitor.
- Waste Disposal Records
  - When marijuana or marijuana products are disposed of, Coastal Healing will create and maintain an electronic record of the date, the type and quantity disposed of or handled, the manner of disposal or other handling, the location of disposal or other handling, and the names of the two Coastal Healing agents present during the disposal or other handling, with their signatures. Coastal Healing will keep disposal records for at least three (3) years. This period will automatically be extended for the duration of any enforcement action and may be extended by an order of the Commission.
- Security Records
  - A current list of authorized agents and service personnel that have access to the surveillance room will be available to the Commission upon request.
  - Recordings from all video cameras which shall be enabled to record twenty-four (24) hours each day shall be available for immediate viewing by the Commission on request for at least the preceding ninety (90) calendar days or the duration of a request to preserve the recordings for a specified period of time made by the Commission, whichever is longer.
  - Recordings shall not be destroyed or altered and shall be retained as long as necessary if Coastal Healing is aware of pending criminal, civil or administrative investigation or legal proceeding for which the recording may contain relevant information.
- Transportation Records

- Coastal Healing will retain all transportation manifests for a minimum of one (1) year and make them available to the Commission upon request.
- Vehicle Records (as applicable)
  - Records that any and all of Coastal Healing's vehicles are properly registered, inspected, and insured in the Commonwealth and shall be made available to the Commission on request.
- Agent Training Records
  - Documentation of all required training, including training regarding privacy and confidentiality requirements, and a signed statement of the individual indicating the date, time, and place he or she received the training, the topics discussed and the name and title of the presenter(s).
- Responsible Vendor Training
  - Coastal Healing shall maintain records of Responsible Vendor Training Program compliance for four (4) years and make them available to inspection by the Commission and any other applicable licensing authority on request during normal business hours.
- Closure
  - In the event Coastal Healing closes, all records will be kept for at least two (2) years at Coastal Healing's expense in a form (electronic, hard copies, etc.) and location acceptable to the Commission. In addition, Coastal Healing will communicate with the Commission during the closure process and accommodate any additional requests the Commission or other agencies may have.
- Written Operating Policies and Procedures

Policies and Procedures related to Coastal Healing's operations will be updated on an ongoing basis as needed and undergo a review by the executive management team on an annual basis. Policies and Procedures will include the following:

  - Security measures in compliance with 935 CMR 500.110;
  - Employee security policies, including personal safety and crime prevention techniques;
  - A description of Coastal Healing's hours of operation and after-hours contact information, which will be provided to the Commission, made available to law enforcement officials upon request, and updated pursuant to 935 CMR 500.000.
  - Storage of marijuana in compliance with 935 CMR 500.105(11);
  - Description of the various strains of marijuana to be cultivated, processed or sold, as applicable, and the form(s) in which marijuana will be sold;
  - Price list for Marijuana and Marijuana Products, and alternate price lists for patients with documented Verified Financial Hardship as defined in 501.002: *Definitions*, as required by 935 CMR 501.100(1)(f);
  - Procedures to ensure accurate recordkeeping, including inventory protocols in compliance with 935 CMR 500.105(8) and (9);
  - Plans for quality control, including product testing for contaminants in compliance with 935 CMR 500.160;
  - A staffing plan and staffing records in compliance with 935 CMR 500.105(9)(d);
  - Emergency procedures, including a disaster plan with procedures to be followed in case of fire or other emergencies;
  - Alcohol, smoke, and drug-free workplace policies;

- A plan describing how confidential information will be maintained;
- Policy for the immediate dismissal of any dispensary agent who has:
  - Diverted marijuana, which will be reported to Law Enforcement Authorities and to the Commission;
  - Engaged in unsafe practices with regard to Coastal Healing operations, which will be reported to the Commission; or
  - Been convicted or entered a guilty plea, plea of *nolo contendere*, or admission to sufficient facts of a felony drug offense involving distribution to a minor in the Commonwealth, or a like violation of the laws of another state, the United States or a foreign jurisdiction, or a military, territorial, or Native American tribal authority.
- A list of all board of directors, members, and executives of Coastal Healing, and members, if any, of the licensee must be made available upon request by any individual. This requirement may be fulfilled by placing this information on Coastal Healing's website.
- Policies and procedures for the handling of cash on Coastal Healing premises including but not limited to storage, collection frequency and transport to financial institution(s), to be available upon inspection.
- Policies and procedures to prevent the diversion of marijuana to individuals younger than 21 years old.
- Policies and procedures for energy efficiency and conservation that will include:
  - Identification of potential energy use reduction opportunities (including but not limited to natural lighting, heat recovery ventilation and energy efficiency measures), and a plan for implementation of such opportunities;
  - Consideration of opportunities for renewable energy generation, including, where applicable, submission of building plans showing where energy generators could be placed on site, and an explanation of why the identified opportunities were not pursued, if applicable;
  - Strategies to reduce electric demand (such as lighting schedules, active load management and energy storage); and
  - Engagement with energy efficiency programs offered pursuant to M.G.L. c. 25 § 21, or through municipal lighting plants.
- Policies and procedures to promote workplace safety consistent with applicable standards set by the Occupational Safety and Health Administration, including plans to identify and address any biological, chemical or physical hazards. Such policies and procedures shall include, at a minimum, a hazard communication plan, personal protective equipment assessment, a fire protection plan, and an emergency action plan.
- License Renewal Records
  - Coastal Healing shall keep and submit as a component of the renewal application documentation that the establishment requested from its Host Community the records of any cost to a city or town reasonably related to the operation of the establishment, which would include the city's or town's anticipated and actual expenses resulting from the operation of the establishment in its community. The applicant shall provide a copy of the electronic or written request, which should include the date of the request, and either the substantive response(s) received or

an attestation that no response was received from the city or town. The request should state that, in accordance with M.G.L. c. 94G, § 3(d), any cost to a city or town imposed by the operation of a Marijuana Establishment or MTC shall be documented and considered a public record as defined by M.G.L. c. 4, § 7, cl. 26.

Record-Retention

Coastal Healing will meet Commission recordkeeping requirements and retain a copy of all records for two (2) years, unless otherwise specified in the regulations.

## **MAINTAINING OF FINANCIAL RECORDS**

Coastal Healing, Inc.'s ("Coastal Healing") operating policies and procedures ensure financial records are accurate and maintained in compliance with the Commission's Adult Use of Marijuana regulations (935 CMR 500). Financial records maintenance measures include policies and procedures requiring that:

- Confidential information will be maintained in a secure location, kept separate from all other records, and will not be disclosed without the written consent of the individual to whom the information applies, or as required under law or pursuant to an order from a court of competent jurisdiction; provided however, the Commission may access this information to carry out its official duties.
- All recordkeeping requirements under 935 CMR 500.105(9) are followed, including:
  - Keeping written business records, available for inspection, and in accordance with generally accepted accounting principles, which will include manual or computerized records of:
    - Assets and liabilities;
    - Monetary transactions;
    - Books of accounts, which will include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
    - Sales records including the quantity, form, and cost of marijuana products; and
    - Salary and wages paid to each employee, or stipend, executive compensation, bonus, benefit, or item of value paid to any persons having direct or indirect control over Coastal Healing.
- All sales recording requirements under 935 CMR 500.140(5) are followed, including:
  - Utilizing a point-of-sale (POS) system approved by the Commission, in consultation with the DOR, and a sales recording module approved by DOR;
  - Prohibiting the use of software or other methods to manipulate or alter sales data;
  - Conducting a monthly analysis of its equipment and sales data, and maintaining records, available to the Commission upon request, that the monthly analysis has been performed;
    - If Coastal Healing determines that software has been installed for the purpose of manipulation or alteration of sales data or other methods have been utilized to manipulate or alter sales data: 1. it shall immediately disclose the information to the Commission; 2. it shall cooperate with the Commission in any investigation regarding manipulation or alteration of sales data; and 3. take such other action directed by the Commission to comply with 935 CMR 500.105.
  - Complying with 830 CMR 62C.25.1: *Record Retention* and DOR Directive 16-1 regarding recordkeeping requirements;
  - Adopting separate accounting practices at the point-of-sale for marijuana and marijuana product sales, and non-marijuana sales;
  - Maintaining such records that would allow for the Commission and the DOR to audit and examine the point-of-sale system used in order to ensure compliance with Massachusetts tax laws and 935 CMR 500; and

- If co-located with a medical marijuana treatment center, maintaining and providing the Commission on a biannual basis accurate sales data collected by the licensee during the six (6) months immediately preceding this application for the purpose of ensuring an adequate supply of marijuana and marijuana products under 935 CMR 500.140(15).
- Additional written business records will be kept, including, but not limited to, records of:
  - Compliance with liability insurance coverage or maintenance of escrow requirements under 935 CMR 500.105(10) and all bond or escrow requirements under 935 CMR 500.105(16);
  - Fees paid under 935 CMR 500.005 or any other section of the Commission's regulations; and
  - Fines or penalties, if any, paid under 935 CMR 500.360 or any other section of the Commission's regulations.
- License Renewal Records
  - Coastal Healing shall keep and submit as a component of the renewal application documentation that the establishment requested from its Host Community the records of any cost to a city or town reasonably related to the operation of the establishment, which would include the city's or town's anticipated and actual expenses resulting from the operation of the establishment in its community. The applicant shall provide a copy of the electronic or written request, which should include the date of the request, and either the substantive response(s) received or an attestation that no response was received from the city or town. The request should state that, in accordance with M.G.L. c. 94G, § 3(d), any cost to a city or town imposed by the operation of a Marijuana Establishment or MTC shall be documented and considered a public record as defined by M.G.L. c. 4, § 7, cl. 26.

## QUALIFICATIONS AND TRAINING

Coastal Healing, Inc. (“Coastal Healing”) will ensure that all employees hired to work at a Coastal Healing facility will be qualified to work as a marijuana establishment agent and properly trained to serve in their respective roles in a compliant manner.

### Qualifications

In accordance with 935 CMR 500.030, a candidate for employment as a marijuana establishment agent must be 21 years of age or older. In addition, the candidate cannot have been convicted of a criminal offense in the Commonwealth involving the distribution of controlled substances to minors, or a like violation of the laws of another state, the United States, or foreign jurisdiction, or a military, territorial, or Native American tribal authority.

Coastal Healing will also ensure that its employees are suitable for registration consistent with the provisions of 935 CMR 500.802. In the event that Coastal Healing discovers any of its agents are not suitable for registration as a marijuana establishment agent, the agent’s employment will be terminated, and Coastal Healing will notify the Commission within one (1) business day that the agent is no longer associated with the establishment.

### Training

As required by 935 CMR 500.105(2), and prior to performing job functions, each of Coastal Healing’s agents will successfully complete a comprehensive training program that is tailored to the roles and responsibilities of the agent’s job function. A Coastal Healing Agent will receive a total of eight (8) hours of training annually. A minimum of four (4) hours of training will be from Responsible Vendor Training Program (“RVT”) courses established under 935 CMR 500.105(2)(b). Any additional RVT over four (4) hours may count towards the required eight (8) hours of training.

Non-RVT may be conducted in-house by Coastal Healing or by a third-party vendor engaged by the Coastal Healing. Basic on-the-job training in the ordinary course of business may also be counted towards the required eight (8) hour training.

All Coastal Healing Agents that are involved in the handling or sale of marijuana at the time of licensure or renewal of licensure will have attended and successfully completed the mandatory Responsible Vendor Training Program operated by an education provider accredited by the Commission.

### *Basic Core Curriculum*

Coastal Healing Agents must first take the Basic Core Curriculum within 90 days of hire, which includes the following subject matter:

- Marijuana's effect on the human body, including:
  - Scientifically based evidence on the physical and mental health effects based on the type of Marijuana Product;
  - The amount of time to feel impairment;
  - Visible signs of impairment; and
  - Recognizing the signs of impairment.



- Diversion prevention and prevention of sales to minors, including best practices.
- Compliance with all tracking requirements.
- Acceptable forms of identification. Training must include:
  - How to check identification;
  - Spotting and confiscating fraudulent identification;
  - Common mistakes made in identification verification.
  - Prohibited purchases and practices, including purchases by persons under the age of 21 in violation of M.G.L. c. 94G, § 13.
- Other key state laws and rules affecting Coastal Healing Agents which shall include:
  - Conduct of Coastal Healing Agents;
  - Permitting inspections by state and local licensing and enforcement authorities;
  - Local and state licensing and enforcement, including registration and license sanctions;
  - Incident and notification requirements;
  - Administrative, civil, and criminal liability;
  - Health and safety standards, including waste disposal;
  - Patrons prohibited from bringing marijuana and marijuana products onto licensed premises;
  - Permitted hours of sale;
  - Licensee responsibilities for activities occurring within licensed premises; xix. Maintenance of records, including confidentiality and privacy; and
  - Such other areas of training determined by the Commission to be included in a Responsible Vendor Training Program.

Coastal Healing will encourage administrative employees who do not handle or sell marijuana to take the “Responsible Vendor” program on a voluntary basis to help ensure compliance. Coastal Healing’s records of Responsible Vendor Training Program compliance will be maintained for at least four (4) years and made available during normal business hours for inspection by the Commission and any other applicable licensing authority on request.

After successful completion of the Basic Core Curriculum, each Coastal Healing Agent involved in the handling or sale of marijuana will fulfill the four-hour RVT requirement every year thereafter for Coastal Healing to maintain designation as a Responsible Vendor. Once the Coastal Healing Agent has completed the Basic Core Curriculum, the Agent is eligible to take the Advanced Core Curriculum. Failure to maintain Responsible Vendor status is grounds for action by the Commission.

## **ENERGY COMPLIANCE PLAN (CULTIVATOR)**

Coastal Healing, Inc. (“Coastal Healing”) has developed the following Energy Compliance Plan to ensure that its proposed Cultivation facility remains in compliance with the energy efficiency and conservation regulations codified in 935 CMR 500.103(1)(b), 500.105(1)(q), 500.105(15) and 500.120(11). Coastal Healing will update this plan as necessary and will further provide relevant documentation to the Commission during Architectural Review and during inspections processes.

### **Energy Efficiency and Equipment Standards**

Coastal Healing will maintain compliance at all times with the Commission’s minimum energy efficiency and equipment standards and meet all applicable environmental laws, regulations, permits and other applicable approvals including, but not limited to, those related to water quality and quantity, wastewater, solid and hazardous waste management, and air pollution control, including prevention of odor and noise pursuant to 310 CMR 7.00: Air Pollution Control. Coastal Healing will adopt and use additional best management practices as determined by the Commission to reduce energy.

### **Building Envelope**

The building envelope for Coastal Healing’s cultivation facility will meet minimum Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR: State Building Code), International Energy Conservation Code (IECC) Section C402 or The American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE) Chapters 5.4 and 5.5 as applied or incorporated by reference in 780 CMR: State Building Code.

### **Lighting**

Coastal Healing’s lighting at the facility will meet the following compliance requirements:

1. Horticulture Lighting Power Density will not exceed 50watts per square foot tier 1 and 2 or 36 watts for tiers 3 and above or
2. All horticultural lighting used in the facility will be listed on the current Design Lights Consortium Solid-state Horticultural Lighting Qualified Products List ("Horticultural QPL") or other similar list approved by the Commission and lighting Photosynthetic Photon Efficacy (PPE) is at least 15% above the minimum Horticultural QPL threshold rounded up to the nearest 0.1  $\mu\text{mol/J}$  (micromoles per joule).

In the event that Coastal Healing seeks to use horticultural lighting not included on the Horticultural QPL or other similar list approved by the Commission, Coastal Healing will seek a waiver pursuant to 935 CMR 500.850 and provide documentation of third-party certification of the energy efficiency features of the proposed lighting.

Coastal Healing will establish and document safety protocols to protect workers (e.g., eye protection near operating Horticultural Lighting Equipment).

### **Strategies to Reduce Electric Demand**

Coastal Healing is pursuing the following strategies to reduce electric demand. Coastal Healing will work with contractors to create an energy efficient lighting plan and plans on implementing

low amperage/wattage LED lighting wherever possible. Programs may include lighting schedules, active load management, and energy storage programs.

As the need and opportunity for facility upgrades and maintenance arise in the future, Coastal Healing will continue to evaluate strategies to reduce electric demand.

#### Opportunities for Engagement with Energy Efficiency Programs

Coastal Healing also plans on engaging with energy efficiency programs offered by Mass Save and the Massachusetts Clean Energy Center and will coordinate with municipal officials to identify other potential energy saving programs and initiatives. Coastal Healing will also coordinate with its utility companies to explore any energy efficiency options available to Coastal Healing.

#### HVAC and Dehumidification

Coastal Healing's Heating Ventilation and Air Condition (HVAC) and dehumidification systems will meet Massachusetts Building Code requirements and all Massachusetts amendments (780 CMR State Building Code), IECC Section C403 or ASHRAE Chapter 6 as applied or incorporated by reference in (780 CMR: State Building Code). As part of the documentation required under 935 CMR 500.120(11)(b), Coastal Healing will provide a certification from a Massachusetts Licensed Mechanical Engineer that the HVAC and dehumidification systems meet Massachusetts building code as specified in 935 CMR 500.120(11)(c) and that such systems have been evaluated and sized for the anticipated loads of the facility.



## DIVERSITY POLICY

Coastal Healing is dedicated to promoting diversity in its workforce. It is our belief that diverse individuals bring an expanded collection of personnel experiences and different ideas to contribute to our company to allow us to excel. We wish to generate an environment that is safe, respecting, and appreciative of all of our employees. The purpose of this policy is to provide a mechanism by which Coastal Healing can achieve these goals.

### GOALS

1. Coastal Healing is dedicated to creating a diverse and effective team. Our goal is to have 50% of our workforce from diverse groups including; 10 % minorities, 20% women, 10%veterans, 5-10% people with disabilities and 5-10% members of the LGBTQ community.
2. Our second goal is to extend our buying preferences to vendors with companies that are owned or managed by one of the five diversity groups or companies that share our policy to have 50% of their workforce made up of these diverse groups. We expect to see at least 15% of our vendors fulfill this requirement. Of that 15%, 5% will be women owned or managed, 5% will be minority owned or managed, 1-2% will be veteran owned or managed, 1-2% will be from the LGBTQ community and 1-2% will be owned or managed by people with disabilities.
3. Our third goal is to provide a work environment that is accepting, respectful and supportive of all employees such that we achieve 100% employee satisfaction.

### PROGRAMS

In order to achieve these goals, Coastal Healing will utilize multiple programs to gain access to talented and diverse individuals. While our town of Westport is reportedly 98% white, we do have a fair share of veterans and our neighboring city of Fall River is fairly diverse. We intend to utilize three main venues for employment at Coastal Healing. These venues will be utilized as positions become available but not less than annually.

1. We will advertise at the local American Legion Post to entice interested veterans.
2. We will partner with the Fall River Recruitment Center to maximize our options for employees from other diversity areas.
3. We will count on referrals from current employees who have knowledge of talented friends who need or wish employment.
4. We will utilize diversity focused job listing sites such as Diversity jobs.com.

Coastal Healing will document any such advertisement, solicitation or referral for employment and include it with our annual license renewal.

When starting a business relationship with a new vendor we will inquire about their diversity views and status. Coastal Healing will use this information to help determine which vendors Coastal Healing will ultimately work with. The manager will evaluate our vendor diversity status quarterly. If we fall below our goals, we will utilize the Massachusetts supplier diversity business directory to obtain future vendors to fulfill our needs. Other more specific organizations that we expect to be able to help us include; The National Veteran Owned Business Assoc., The Massachusetts LGBT Chamber of Commerce, The Center for Woman and Enterprise, and The Greater New England Minority Supplier Development Council. The results of our vendor diversity efforts will be documented and be able to be presented annually.

Coastal Healing wishes to have a safe, respectful, supportive and equitable work environment for all employees. In order to provide this we will increase staff awareness of the importance of diversity and equity to our company. This will be achieved by;

1. Monthly team meetings for the sharing of ideas, concerns or ways for Coastal Healing to improve its diversity and equity efforts.
2. A private suggestion box for employees to voice opinions
3. Exit interviews with employees who decide to leave the company.
4. Coastal Healing has 8,000 shares of corporate stock which was earmarked for employees. Partial ownership of your place of business is another way to generate a sense of inclusion among employees.

#### MEASUREMENTS

Annually, the Coastal Healing manager will evaluate the following to see if our practices on hiring and retaining staff are effective or need to be modified. We will also quantify the number of vendors from our vendor list that fulfill our diversity requirements.

1. The numbers of employees hired from diverse backgrounds. This number will be divided by the total number of employees hired to give us a percentage. This will be compared to the preceding year or years.
2. The number of individuals retained.
3. The number of individuals promoted or “expanded” with a lateral move in the company.
4. Annual anonymous employee surveys to quantitate employee satisfaction.
5. The number of vendors fulfilling our diversity criteria in each category divided by our total vendor pool.
6. Documentation of any and all advertisements, solicitations or referrals for employment with respect to our diversity plan efforts.

Coastal Healing acknowledges that the progress or success of it’s diversity plan efforts must be documented upon renewal ( one year from provisional licensure and each year thereafter).

#### Acknowledgements

- Coastal Healing will adhere to the requirements set forth in 935 CMR 500.105(4) which provides the permitted and prohibited advertising, branding, marketing, and sponsorship practices of every Marijuana Establishment.
- Any actions taken, or programs instituted, by Coastal Healing will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.

In summary, Coastal Healing is dedicated to diversity and equity in its workforce and generating a safe, supportive and respectful environment. We believe that our policy will allow our goals in this area to be fulfilled.

#### DIVERSITY PLAN CLARIFICATION

Our diversity plan has 3 distinct goals. None of these goals includes donating time, goods, services or monies to any organization.