



## Massachusetts Cannabis Control Commission

### Marijuana Retailer

#### General Information:

License Number: MR283323  
Original Issued Date: 09/18/2020  
Issued Date: 08/12/2021  
Expiration Date: 09/18/2022

### ABOUT THE MARIJUANA ESTABLISHMENT

Business Legal Name: Heal Sturbridge, Inc.

Phone Number: 617-930-5304  
Email Address: tf@healmj.com

Business Address 1: 4 Irving Road  
Business City: Weston  
Business State: MA  
Business Zip Code: 02493  
Business Address 2:  
Mailing Address 1: 4 Irving Road  
Mailing City: Weston  
Mailing State: MA  
Mailing Zip Code: 02493  
Mailing Address 2:

### CERTIFIED DISADVANTAGED BUSINESS ENTERPRISES (DBES)

Certified Disadvantaged Business Enterprises (DBEs): Not a DBE

### PRIORITY APPLICANT

Priority Applicant: no  
Priority Applicant Type: Not a Priority Applicant  
Economic Empowerment Applicant Certification Number:  
RMD Priority Certification Number:

### RMD INFORMATION

Name of RMD: Heal, Inc.  
Department of Public Health RMD Registration Number:  
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: Percentage Of Control:  
Role: Manager Other Role:  
First Name: Patricia Last Name: Faass Suffix:

Gender: Female	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:	Percentage Of Control:
Role: Owner / Partner	Other Role:
First Name: Alexander	Last Name: Oliphant      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 3

Percentage Of Ownership:	Percentage Of Control:
Role: Owner / Partner	Other Role:
First Name: James	Last Name: Bonaccorsi      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:	

### ENTITIES WITH DIRECT OR INDIRECT AUTHORITY

#### Entity with Direct or Indirect Authority 1

Percentage of Control: 100	Percentage of Ownership: 100	
Entity Legal Name: TAJ Green, LLC	Entity DBA:	DBA City:
Entity Description: management company		
Foreign Subsidiary Narrative:		
Entity Phone:	Entity Email:	Entity Website:
Entity Address 1:		Entity Address 2:
Entity City:	Entity State:	Entity Zip Code:
Entity Mailing Address 1:		Entity Mailing Address 2:
Entity Mailing City:	Entity Mailing State:	Entity Mailing Zip Code:
Relationship Description: TAJ Green, LLC owns 100% of Heal Sturbridge, Inc. TAJ is a management company which also owns the following entities: Heal, Inc. (medical licenses in Warren, Sturbridge and Provincetown), Heal Provincetown, Inc. (Adult-use retail) and Heal Cultivation, LLC (Adult-use cultivation)		

### CLOSE ASSOCIATES AND MEMBERS

No records found

### CAPITAL RESOURCES - INDIVIDUALS

No records found

### CAPITAL RESOURCES - ENTITIES

#### Entity Contributing Capital 1

Entity Legal Name: TAJ Green, LLC	Entity DBA:
Email: tfaass@gmail.com	Phone: 617-930-5304
Address 1: 4 Irving Road	Address 2:

City: Weston State: MA Zip Code: 02493  
Types of Capital: Monetary/Equity Other Type of Capital: Total Value of Capital Provided: \$522739.43 Percentage of Initial Capital: 100  
Capital Attestation: Yes

#### BUSINESS INTERESTS IN OTHER STATES OR COUNTRIES

No records found

#### DISCLOSURE OF INDIVIDUAL INTERESTS

No records found

#### MARIJUANA ESTABLISHMENT PROPERTY DETAILS

Establishment Address 1: 660 Main Street

Establishment Address 2:

Establishment City: Sturbridge

Establishment Zip Code: 01566

Approximate square footage of the establishment: 1696

How many abutters does this property have?: 46

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

#### HOST COMMUNITY INFORMATION

Host Community Documentation:

Document Category	Document Name	Type	ID	Upload Date
Community Outreach Meeting Documentation	Heal_Sturbridge_Community_Outreach.pdf	pdf	5e6bdac9482e703583b77259	03/13/2020
Certification of Host Community Agreement	HSI_HCA_Certification.pdf	pdf	5e7013afbddd0438d21d89a7	03/16/2020
Plan to Remain Compliant with Local Zoning	HSI Plan to Remain Compliant with Local Zoning.pdf	pdf	5ec46fa90f96d32d20670cec	05/19/2020

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.: \$1722.65

#### PLAN FOR POSITIVE IMPACT

Plan to Positively Impact Areas of Disproportionate Impact:

Document Category	Document Name	Type	ID	Upload Date
Plan for Positive Impact	MA Community Impact Plan Sturbridge.pdf	pdf	5e6a5e51d2a4e4440583ab10	03/12/2020
Other	Center of Hope Letter.pdf	pdf	5e6a625fb56dea46718f3a48	03/12/2020
Other	HEAL, INC_Nick_Perry.pdf	pdf	5e6a626773b705467fecb1dd	03/12/2020
Other	Southbridge Food Share.pdf	pdf	5e72490b81ed8a355b8d5091	03/18/2020

#### ADDITIONAL INFORMATION NOTIFICATION

Notification:

#### INDIVIDUAL BACKGROUND INFORMATION

Individual Background Information 1

Role:

Other Role:

First Name: Patricia

Last Name: Faass Suffix:

RMD Association: RMD Owner

Background Question: no

#### Individual Background Information 2

Role: Other Role:

First Name: Alexander Last Name: Oliphant Suffix:

RMD Association: RMD Owner

Background Question: no

#### Individual Background Information 3

Role: Other Role:

First Name: James Last Name: Bonaccorsi Suffix:

RMD Association: RMD Owner

Background Question: no

#### ENTITY BACKGROUND CHECK INFORMATION

##### Entity Background Check Information 1

Role: Parent Company Other Role:

Entity Legal Name: TAJ Green, LLC Entity DBA:

Entity Description: Management Company

Phone: 617-930-5304 Email: tfaass@gmail.com

Primary Business Address 1: 4 Irving Road Primary Business Address 2:

Primary Business City: Weston Primary Business State: MA Principal Business Zip Code: 02493

Additional Information:

#### MASSACHUSETTS BUSINESS REGISTRATION

Required Business Documentation:

Document Category	Document Name	Type	ID	Upload Date
Articles of Organization	Articles_of_Organization_09102019.pdf	pdf	5e6a81bed2a4e4440583ac27	03/12/2020
Bylaws	Heal Sturbridge Inc_Bylaws.pdf	pdf	5e7014a1b3c49635509e6e6a	03/16/2020
Secretary of Commonwealth - Certificate of Good Standing	Certificate of Good Standing 4.29.20.pdf	pdf	5ea9dd7e0f96d32d2066dee7	04/29/2020
Department of Revenue - Certificate of Good standing	HSI Certificate of Good Standing DOR.pdf	pdf	5eaae2365c6c422d41af9a26	04/30/2020
Secretary of Commonwealth - Certificate of Good Standing	Dept of Unemployment Attestation 4302020.pdf	pdf	5eaae4b95fa02a2d3651b633	04/30/2020
Articles of Organization	HSI_Board of Directors.pdf	pdf	5ec4700a7dc041349281779f	05/19/2020

Certificates of Good Standing:

Document Category	Document Name	Type	ID	Upload Date
Department of Unemployment Assistance - Certificate of Good standing	DUA Cert of Good Standing.pdf	pdf	60e33a68aa87100331f62d7b	07/05/2021
Secretary of Commonwealth - Certificate of Good Standing	HSI_Cert_Good_Standing_Commonwealth.pdf	pdf	60e4f2a87a4b3b034a67f9e4	07/06/2021



Department of Revenue - Certificate of Good standing	HSI_Cert_of_Good_Standing_DOR.pdf	pdf	60ead43dfb983a0274aad4b8	07/11/2021
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Massachusetts Business Identification Number: 001401270

Doing-Business-As Name:

DBA Registration City:

#### BUSINESS PLAN

Business Plan Documentation:

Document Category	Document Name	Type	ID	Upload Date
Business Plan	Heal Business Plan Sturbridge.pdf	pdf	5e6a854ef63398441bbc0fcc	03/12/2020
Plan for Liability Insurance	Endorsement for Heal, Inc. Eff. 4.27.21 Adding BPP and Increase PL.pdf	pdf	60e33cb2308c7a02a1ffd574	07/05/2021

#### OPERATING POLICIES AND PROCEDURES

Policies and Procedures Documentation:

Document Category	Document Name	Type	ID	Upload Date
Plan for obtaining marijuana or marijuana products	HSI Plan to Obtain MJ.pdf	pdf	5e724a489a385038d9d870a9	03/18/2020
Restricting Access to age 21 and older	HSI Plan for Restricting Access to Ages 21 and Older.pdf	pdf	5e724a5a2eba6d38ef161e01	03/18/2020
Storage of marijuana	HSI Storage of Marijuana.pdf	pdf	5e724a805f1da0353e2af7cb	03/18/2020
Transportation of marijuana	HSI Transportation.pdf	pdf	5e724a8f482e703583b77d28	03/18/2020
Inventory procedures	HSI Inventory Procedures.pdf	pdf	5e724a9af0445c357cb03cab	03/18/2020
Dispensing procedures	HSI Dispensing.pdf	pdf	5e724ab0bddf0438d21d8e84	03/18/2020
Record Keeping procedures	HSI Recordkeeping Plan.pdf	pdf	5e724ac62eba6d38ef161e05	03/18/2020
Maintaining of financial records	HSI Maintaining of Financial Records.pdf	pdf	5e724ad4961ad539052ba8c7	03/18/2020
Qualifications and training	HSI Qualifications and Training.pdf	pdf	5e724ae0f0445c357cb03caf	03/18/2020
Security plan	HSI Security Plan.pdf	pdf	5ec46d250f96d32d20670ce7	05/19/2020
Separating recreational from medical operations, if applicable	HSI Plan for Separating Adult Use from Medical Operations.pdf	pdf	5ec46d4c0f6f0d34840b4639	05/19/2020
Quality control and testing	HSI Quality Control and Testing.pdf	pdf	5ec46d990f6f0d34840b463d	05/19/2020
Security plan	HSI Limited Access.pdf	pdf	5ec46e4d7d78332d19fc8ac8	05/19/2020
Transportation of marijuana	HEAL DISP-I-009 Receiving Deliveries.docx.pdf	pdf	60eae0d223f3f9033f37617a	07/11/2021
Personnel policies including background checks	HEAL DISP-I-020 Personnel Policies & Background Checks.pdf	pdf	60eae0f0aa87100331f645e9	07/11/2021
Energy Compliance Plan	HEAL DISP-A-015 Energy Savings Plan.pdf	pdf	60eae0fe7a4b3b034a680bda	07/11/2021
Qualifications and training	HSI Qualifications & Training.pdf	pdf	60eae10f74b6080359f70a81	07/11/2021
Prevention of diversion	HEAL DISP-S-020 Prevention of	pdf	60eae177629ad9037af1fe69	07/11/2021

Diversion_v2.pdf				
Diversity plan	Sturbridge Diversity Plan 100720.pdf	pdf	60eefd88ddf0e402a870f7da	07/14/2021

### MARIJUANA RETAILER SPECIFIC REQUIREMENTS

Adequate Patient Supply Documentation:

Document Category	Document Name	Type	ID	Upload Date
	HSI Plan for Separating Adult Use from Medical Operations.pdf	pdf	60e344ca23f3f9033f37491e	07/05/2021

Reasonable Substitutions of Marijuana Types and Strains Documentation:

Document Category	Document Name	Type	ID	Upload Date
	HSI Plan for Separating Adult Use from Medical Operations.pdf	pdf	60e344ce1159b60338d4ca78	07/05/2021

### 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 Agree

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 Agree

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

### ADDITIONAL INFORMATION NOTIFICATION

Notification:

### COMPLIANCE WITH POSITIVE IMPACT PLAN

Progress or Success Goal 1

Description of Progress or Success: Positive Impact Plan Results

Heal Sturbridge, Inc. began operations on 5/21/2021. Our store manager has reached out to the 3 organizations identified in our Positive Impact Plan to identify potential service day opportunities for our staff and donations:

- Southbridge Food Share, Inc.
- Center of Hope Foundation, Inc.

- Nick Perry Memorial Foundation

Our store manager is also working with our staff to identify additional organizations within the town of Southbridge that we may work with to offer service days and / or donations.

In addition, 4 of our staff, including our store manager, presently reside in Southbridge. I have attached some statistics that we have assembled around hiring employees from Southbridge.

## COMPLIANCE WITH DIVERSITY PLAN

### Diversity Progress or Success 1

#### Description of Progress or Success: Diversity Plan Results

Heal Sturbridge, Inc. began retail operations on 5/21/2021. We have achieved our diversity goals of hiring 40% of our workforce from the groups of minorities, women, veterans, people with disabilities and people who identify as LGBT. We have not yet had the opportunity to provide promotions to any of our staff but our preference is to promote from within the organization first rather than looking outside to fill these positions.

We have attached our Diversity Plan statistics where from our total of 17 employees:

- 23.5% of our staff are from minority groups
- 47% of our staff are female
- 23.5% of our staff identify as LGBT
- 11.7% of our staff identify as disabled

We held job fairs on 5/7/21 and 5/8/21 and advertised through Centro of Worcester, the local Chamber of Commerce (public bulletin board, email newsletter and local signage in the community), social media (Facebook and Instagram), and our website. There were 4 attendees, all were offered positions and 1 accepted a position.

## HOURS OF OPERATION

<b>Monday From: 10:00 AM</b>	<b>Monday To: 7:00 PM</b>
<b>Tuesday From: 10:00 AM</b>	<b>Tuesday To: 7:00 PM</b>
<b>Wednesday From: 10:00 AM</b>	<b>Wednesday To: 7:00 PM</b>
<b>Thursday From: 10:00 AM</b>	<b>Thursday To: 7:00 PM</b>
<b>Friday From: 10:00 AM</b>	<b>Friday To: 9:00 PM</b>
<b>Saturday From: 10:00 AM</b>	<b>Saturday To: 9:00 PM</b>
<b>Sunday From: 12:00 PM</b>	<b>Sunday To: 6:00 PM</b>

## Community Outreach Meeting Attestation Form

The applicant must complete each section of this form and initial each page before uploading it to the application. Failure to complete a section will result in the application being deemed incomplete. Instructions to the applicant appear in italics. 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(1).

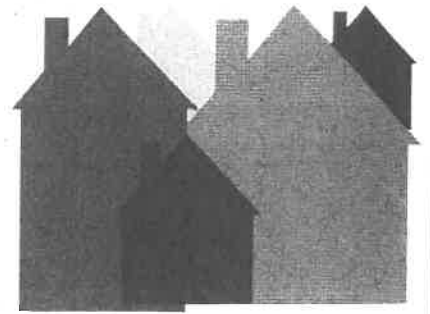
I, Patricia Faass, (insert name) attest as an authorized representative of Heal Sturbridge, Inc (insert name of applicant) that the applicant has complied with the requirements of 935 CMR 500 and the guidance for licensed applicants on community outreach, as detailed below.

1. The Community Outreach Meeting was held on January 7, 2020 (insert date).
2. A copy of a notice of the time, place, and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was published in a newspaper of general circulation in the city or town on December 20, 2019 (insert date), which was at least seven calendar days prior to the meeting. A copy of the newspaper notice is attached as Attachment A (*please clearly label the newspaper notice in the upper right hand corner as Attachment A and upload it as part of this document*).
3. A copy of the meeting notice was also filed on December 20, 2019 (insert date) with the city or town clerk, the planning board, the contracting authority for the municipality, and local licensing authority for the adult use of marijuana, if applicable. A copy of the municipal notice is attached as Attachment B (*please clearly label the municipal notice in the upper right-hand corner as Attachment B and upload it as part of this document*).
4. Notice of the time, place and subject matter of the meeting, including the proposed address of the Marijuana Establishment, was mailed on December 20, 2019 (insert date), which was at least seven calendar days prior to the community outreach meeting to abutters of the proposed address of the Marijuana Establishment, and residents within 300 feet of the property line of the petitioner as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town. A copy of one of the notices sent to abutters and parties of interest as described in this section is attached as Attachment C (*please clearly label the municipal notice in the upper right hand corner as Attachment C and upload it as part of this document; please only include a copy of one notice and please black out the name and the address of the addressee*).

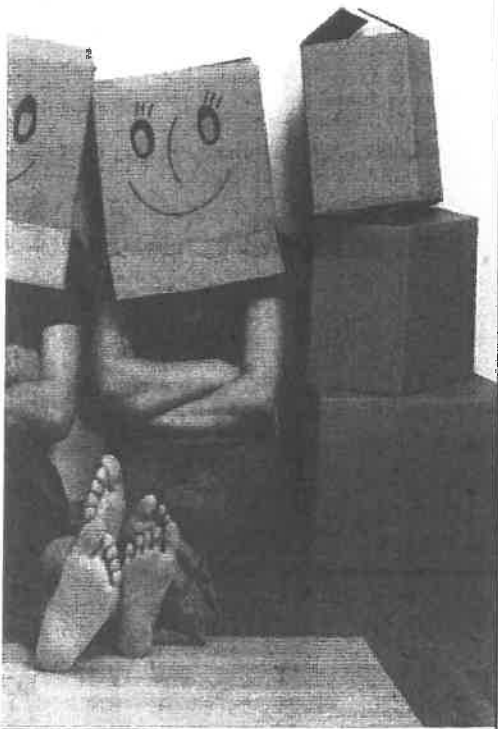
5. Information was presented at the community outreach meeting including:
  - a. The type(s) of Marijuana Establishment to be located at the proposed address;
  - b. Information adequate to demonstrate that the location will be maintained securely;
  - c. Steps to be taken by the Marijuana Establishment to prevent diversion to minors;
  - d. A plan by the Marijuana Establishment to positively impact the community; and
  - e. Information adequate to demonstrate that the location will not constitute a nuisance as defined by law.
6. Community members were permitted to ask questions and receive answers from representatives of the Marijuana Establishment.

NGS  
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## FREE OPEN HOUSE LISTINGS when you advertise in this section



**the move!**  
*of your neighborhood*



## LEGALS

### NOTICE OF COMMUNITY OUTREACH MEETING REGARDING PROPOSAL OF HEAL STURBRIDGE, INC. TO OPERATE ADULT-USE MARIJUANA ESTABLISHMENT AT 660 MAIN STREET, FISKDALE (STURBRIDGE), MA

Heal Sturbridge, Inc. ("Heal") will be hosting a Community Outreach Meeting ("the Meeting") on **January 7, 2020 at 660 Main Street, Fiskdale (Sturbridge), Massachusetts (the "Property")**, at 6:00 p.m. Members of the public are encouraged to attend the Meeting, at which Heal will outline its proposal to apply for a Marijuana Retail license at the Property pursuant to M.G.L. Chapter 94G and Chapter 55 of the Acts of 2017, and other applicable laws and regulations promulgated thereunder, including those promulgated by the Massachusetts Cannabis Control Commission. Please note that the information provided at this meeting will be similar to that provided at Heal's previously noticed outreach meeting on May 30, 2019.

Information presented at the Community Outreach Meeting will include, but not be limited to, the following:

1. The type of Adult-Use Marijuana Establishment to be located at the Property.
2. Information adequate to demonstrate that the Adult-Use Marijuana Establishment location will be maintained securely.
3. Steps to be taken by the Adult-Use Marijuana Establishment to prevent diversion to minors.
4. A plan by the Adult-Use Marijuana Establishment to positively impact the community.
5. Information adequate to demonstrate that the location will not constitute a nuisance to the community by noise, odor, dust, glare, fumes, vibration, heat, or other conditions likely to cause nuisance.

Members of the Sturbridge communi-

ty will be encouraged to ask questions and to engage in discussions with representatives of Heal.

A copy of this notice is on file with the offices of the Town Clerk and the Town Administrator, along with the offices of the Board of Selectmen and the Planning Board, Sturbridge Town Hall, 308 Main Street, Sturbridge, Massachusetts. A copy of this notice was mailed at least seven calendar days prior to the Community Outreach Meeting to abutters of the Property, abutters to abutters within three hundred feet of the Property, and the owners of land directly opposite the Property on any public or private street or way, all as they appear on the most recent applicable tax list, notwithstanding that the land of any such owner is located in another city or town.

December 19, 2019

### Public Hearing Notice

In accordance with the provisions of Chapter 40A, Section 11, M.G.L. the Brimfield Planning Board will hold a public hearing, on the following:

The Brimfield Planning Board will be holding a Site Plan Review

Public Hearing for Sunpin Solar Development, LLC for the proposed project of a Gravel access drive and utility connections for a solar project located in the Town of Warren which is located at Brookfield Road (parcel id: Map #4B Block# A, Lot 18) on January 8, 2020 at the Brimfield Town Hall (21 Main Street) at 7:30pm.

Anyone interested in more information or wishing to be heard on the application can contact the Brimfield Planning Board or appear at the time and place designated above. A copy of the application may be inspected at the Planning Board Office in the Town Hall, please call 413-245-4100 x1153 or email [planning@brimfieldma.org](mailto:planning@brimfieldma.org).

December 13, 2019

December 20, 2019

**NOTICE OF COMMUNITY OUTREACH MEETING  
REGARDING PROPOSAL OF HEAL STURBRIDGE, INC.  
TO OPERATE ADULT-USE MARIJUANA ESTABLISHMENT  
AT 660 MAIN STREET, FISKDALE (STURBRIDGE), MA**

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Members of the Sturbridge community will be encouraged to ask questions and to engage in discussions with representatives of Heal.

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**NOTICE OF COMMUNITY OUTREACH MEETING  
REGARDING PROPOSAL OF HEAL STURBRIDGE, INC.  
TO OPERATE ADULT-USE MARIJUANA ESTABLISHMENT  
AT 660 MAIN STREET, FISKDALE (STURBRIDGE), MA**

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## Host Community Agreement Certification Form

The applicant and contracting authority for the host community must complete each section of this form before uploading it to the application. Failure to complete a section will result in the application being deemed incomplete. Instructions to the applicant and/or municipality appear in italics. 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(1).

### Applicant

I, Patricia Faass, (insert name) certify as an authorized representative of Heal, Sturbridge, Inc. (insert name of applicant) that the applicant has executed a host community agreement with the Town of Sturbridge, MA pursuant to G.L.c. 94G § 3(d) on March 16, 2020.

  
Signature of Authorized Representative of Applicant

### Host Community

I, Mary Dowling, Vice-Chair of the Board of Selectmen, certify that I am the contracting authority or have been duly authorized by the contracting authority for Town of Sturbridge, MA to certify that the applicant and Town of Sturbridge, MA has executed a host community agreement pursuant to G.L.c. 94G § 3(d) on March 16, 2020.

  
Mary Dowling  
Vice-Chair, Sturbridge Board of Selectmen

## Heal Sturbridge, Inc. Plan to Remain Compliant with Local Zoning

660 Main Street, Sturbridge is in the General Industrial Zoning District, as well as the Medical Marijuana Overlay District, where the use of Adult Use Marijuana Establishment is allowed by special permit and site plan approval pursuant to Chapter 31 of the Zoning Bylaw. Heal Sturbridge, Inc. executed a Host Community Agreement with the Sturbridge Board of Selectmen on March 16, 2020. The HCA entitled Heal Sturbridge, Inc. to file a special permit and site plan review application with the Town, which it did on March 17, 2020.

660 Main Street complies with local zoning for an Adult Use Marijuana Establishment in all respects. Accordingly, the Sturbridge Planning Board issued a Special Permit and Site Plan Approval to Heal Sturbridge, Inc. on April 14, 2020. Heal Sturbridge, Inc. has retained the law firm of Schlesinger and Buchbinder to ensure ongoing compliance with all local codes and by-laws. If the special permit and site plan approval are not exercised within one year of their issuance they must be renewed.

**From:** tfaass@gmail.com <tfaass@gmail.com>  
**Sent:** Sunday, July 11, 2021 7:41 AM  
**To:** 'Jeff Bridges' <jbridges@sturbridge.gov>  
**Subject:** Heal Sturbridge, Inc. Request for Documentation

Jeff -

As part of the renewal of our Marijuana Establishment ('ME') license for Heal Sturbridge, Inc. with the state, we are required to provide the following with our renewal application (935 CMR 500.103(4)(f)):

A Marijuana Establishment shall 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.

Please consider this email to be Heal Sturbridge, Inc.'s request for any actual or anticipated expenses resulting from our operation within Sturbridge.

Thank you,

Trish Faass  
CEO, Heal Sturbridge, Inc.  
[tfaass@gmail.com](mailto:tfaass@gmail.com)  
617-930-5304 cell

## PLAN TO POSITIVELY IMPACT AREAS OF DISPROPORTIONATE IMPACT

### Overview

Heal is dedicated to serving and supporting the areas around it, including Southbridge, which was classified as an area of disproportionate impact in the Commission's *Guidance for Identifying Areas of Disproportionate Impact*. Marijuana businesses have an obligation to support the health and well-being of their customers as well as the communities that have had historically high rates of arrest, conviction, and incarceration related to marijuana crimes. It is Heal's intention to be a contributing, positive force in areas of disproportionate impact and to assist in changing the perception of these areas.

### Communities for Planned Positive Impact and Plan Goals

In compliance with the Commission's interpretation of 935 CMR 500.101(1)(a), Heal's plan will positively impact residents of communities of Southbridge, which has been designated among the "areas disproportionate impact," as designated by the Commission. Specifically, Heal's goals will be to

- Foster positive relationships with our communities of impact by having 80% of our employees working at least 30 hours per week participate in one paid day off service day per year at at least three organizations that address the collateral consequences of disproportionate enforcement, such as malnutrition, poverty, access to educational programs, and substance abuse, in Southbridge:
- Donate a minimum of \$1000.00 on an annual basis to at least three organizations that address the collateral consequences of disproportionate enforcement, such as malnutrition, poverty, access to educational programs, and substance abuse, in Southbridge:

### Positive Impact Plan Programs

The Dispensary Manager ("DM") will administer the Plan to Positively Impact Areas of Disproportionate Impact (the "Plan"). The DM will be responsible for ensuring that Heal continues to meet its commitment to provide support and make positive contributions to areas of disproportionate impact. The DM will explore opportunities to form philanthropic partnerships in the community to implement and enhance the Plan.

Heal will look to build relationships in areas of disproportionate impact by working with nonprofit organizations that are located in these communities. The closest area of disproportionate impact to Heal's Sturbridge location is Southbridge (4 miles).

Heal will foster relationships with communities of impact through providing time off to employees who participate in service days in impacted communities. Employees working at least 30 hours per week will be given 1 paid day off each year to participate in a service day in a community of impact.

At least once per quarter, the DM will make available a list of potential service days to eligible employees. Heal's DM has identified and established a relationship to meet its goals with the following organization in Southbridge working to address collateral consequences of disproportionate impact, such as malnutrition, poverty, access to educational programs, and substance abuse.

- Southbridge Food Share, Inc.
- Center of Hope Foundation, Inc.
- Nick Perry Memorial Foundation

To find new and innovative ways to help areas of disproportionate impact, Heal will also provide its customers opportunities to suggest charities or other service organizations in Southbridge that Heal could potentially assist in future service days.

### **Measurement and Accountability**

In order to ensure that Heal is both meeting its community impact goals and ascertaining that the goals are having the desired impact, the company will take the following measurement and accountability steps:

- Management will meet at least once annually (first meeting no later than one-year after provisional licensing) to assess community impact goals of donations and service days and document in an annual report
- In assessing the goals and their impact, the following data will be collected
  - The number of additional organizations Heal contacted for donations service days
  - The responses from each organization
  - Service days
    - A list of all potential service days from each organization collected by the DM that were made available to employees
    - The number of employees who participated in each specific day of service at the organizations
    - The percentage of eligible employees who took part in a day of service with the goal of 80% employee participation
  - Donations
    - Annual amount donated and organizations that received the donations with a goal of \$1000.00 annual minimum to a minimum of 3 Southbridge organizations, not limited to, but including:
      - Southbridge Food Share, Inc.
      - Center of Hope Foundation, Inc.
      - Nick Perry Memorial Foundation

Heal Sturbridge, Inc.

Upon review of the annual data, management may make recommendations to modify the Plan in order to improve Heal's ability to assist areas of disproportionate impact.

### **Acknowledgments**

Heal 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 Heal will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.



## The Commonwealth of Massachusetts William Francis Galvin

Minimum Fee: \$250.00

Secretary of the Commonwealth, Corporations Division  
One Ashburton Place, 17th floor  
Boston, MA 02108-1512  
Telephone: (617) 727-9640

### Articles of Organization

(General Laws, Chapter 156D, Section 2.02; 950 CMR 113.16)

Identification Number: 001401270

#### ARTICLE I

The exact name of the corporation is:

HEAL STURBRIDGE, INC.

#### ARTICLE II

Unless the articles of organization otherwise provide, all corporations formed pursuant to G.L. C156D have the purpose of engaging in any lawful business. Please specify if you want a more limited purpose:

#### 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.

Class of Stock	Par Value Per Share Enter 0 if no Par	Total Authorized by Articles of Organization or Amendments		Total Issued and Outstanding
		<i>Num of Shares</i>	<i>Total Par Value</i>	
CNP	\$0.00000	275,000	\$0.00	1,000

G.L. C156D eliminates the concept of par value, however a corporation may specify par value in Article III. See G.L. C156D Section 6.21 and the comments thereto.

#### ARTICLE IV

If more than one class of stock is authorized, state a distinguishing designation for each class. Prior to the issuance of any shares of a class, if shares of another class are outstanding, the Business Entity must provide a description of the preferences, voting powers, qualifications, and special or relative rights or privileges of that class and of each other class of which shares are outstanding and of each series then established within any class.

#### ARTICLE V

The restrictions, if any, imposed by the Articles of Organization upon the transfer of shares of stock of any class are:

#### ARTICLE VI

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

1. AUTHORITY OF DIRECTORS TO CREATE NEW CLASSES AND SERIES OF SHARES. THE BOARD OF DIRECTORS, ACTING WITHOUT THE SHAREHOLDERS, MAY (A) RECLASSIFY ANY UNISSUED SHARES OF ANY AUTHORIZED CLASS TO SERIES INTO ONE OR MORE EXISTING OR NEW CLASSES OR SERIES, AND (B) CREATE ONE OR MORE NEW CLASSES OR SERIES OF SHARES, SPECIFYING THE NUMBER OF SHARES TO BE INCLUDED THEREIN, THE DISTINGUISHING DESIGNATION THEREOF AND THE PREFERENCES, LIMITATIONS AND RELATIVE RIGHTS APPLICABLE THERETO, PROVIDED THAT THE BOARD OF DIRECTORS MAY NOT APPROVE AN AGGREGATE NUMBER OF AUTHORIZED SHARES OF ALL CLASSES AND SERIES WHICH EXCEEDS THE TOTAL NUMBER OF AUTHORIZED SHARES SPECIFIED IN THE ARTICLES OF ORGANIZATION APPROVED BY THE SHAREHOLDERS. 2. MINIMUM NUMBER OF DIRECTORS. THE BOARD OF DIRECTORS MAY CONSIST OF ONE OR MORE INDIVIDUALS, NOTWITHSTANDING THE NUMBER OF SHAREHOLDERS. 3. PERSONAL LIABILITY OF DIRECTORS TO CORPORATION. NO DIRECTOR SHALL HAVE PERSONAL LIABILITY TO THE CORPORATION FOR MONETARY DAMAGES FOR BREACH OF HIS OR HER FIDUCIARY DUTY AS A DIRECTOR NOTWITHSTANDING ANY PROVISION OF LAW IMPOSING SUCH LIABILITY, PROVIDED THAT THIS PROVISION SHALL NOT ELIMINATE OR LIMIT THE LIABILITY OF A DIRECTOR (A) FOR ANY BREACH OF THE DIRECTOR'S DUTY OF LOYALTY TO THE CORPORATION OR ITS SHAREHOLDERS, (B) FOR ACTS OR OMISSIONS NOT IN GOOD FAITH OR WHICH INVOLVE INTENTIONAL MISCONDUCT OR A KNOWING VIOLATION OF LAW, (C) FOR IMPROPER DISTRIBUTIONS UNDER SECTION 6.40 OF CHAPTER 156D OF THE GENERAL LAWS OF MASSACHUSETTS, OR (D) FOR ANY TRANSACTION FROM WHICH THE DIRECTOR DERIVED AN IMPROPER PERSONAL BENEFIT. 4. SHAREHOLDER VOTE REQUIRED TO APPROVE MATTERS ACTED ON BY SHAREHOLDERS. THE AFFIRMATIVE VOTE OF A MAJORITY OF ALL THE SHARES IN A VOTING GROUP ELIGIBLE TO VOTE ON A MATTER SHALL BE SUFFICIENT FOR THE APPROVAL OF THE MATTER, NOTWITHSTANDING ANY GREATER VOTE ON THE MATTER OTHERWISE REQUIRED BY ANY PROVISION OF CHAPTER 156D OF THE GENERAL LAWS OF MASSACHUSETTS. 5. SHAREHOLDER ACTION WITHOUT A MEETING BY LESS THAN UNANIMOUS CONSENT. ACTION REQUIRED OR PERMITTED BY CHAPTER 156D OF THE GENERAL LAWS OF MASSACHUSETTS TO BE TAKEN AT A SHAREHOLDERS' MEETING MAY BE TAKEN WITHOUT A MEETING BY SHAREHOLDERS HAVING NOT LESS THAN THE MINIMUM NUMBER OF VOTES NECESSARY TO TAKE THE ACTION AT A MEETING AT WHICH ALL SHAREHOLDERS ENTITLED TO VOTE ON THE ACTION ARE PRESENT AND VOTING. 6. AUTHORIZATION OF DIRECTORS TO MAKE, AMEND OR REPEAL BYLAWS. THE BOARD OF DIRECTORS MAY MAKE, AMEND OR REPEAL THE BYLAWS IN WHOLE OR IN PART, EXCEPT WITH RESPECT TO ANY PROVISION THEREOF WHICH BY VIRTUE OF AN EXPRESS PROVISION IN CHAPTER 156D OF THE GENERAL LAWS OF MASSACHUSETTS, THE ARTICLES OF ORGANIZATION OR THE BYLAWS REQUIRED ACTION BY THE SHAREHOLDERS. 7. THE CORPORATION SHALL, TO THE EXTENT LEGALLY PERMISSIBLE, INDEMNIFY EACH PERSON WHO MAY SERVE OR WHO HAS SERVED AT ANY TIME AS AN OFFICER, OR DIRECTOR, OF THE CORPORATION AGAINST ALL EXPENSES AND LIABILITIES, INCLUDING, WITHOUT LIMITATION, COUNSEL FEES, JUDGMENTS, FINES, EXCISE TAXES, PENALTIES AND SETTLEMENT PAYMENTS, REASONABLY INCURRED BY OR IMPOSED UPON SUCH PERSON IN CONNECTION WITH ANY THREATENED, PENDING OR COMPLETED ACTION, SUIT OR PROCEEDING IN WHICH HE OR SHE MAY BECOME INVOLVED BY REASON OF HIS OR HER SERVICE IN SUCH CAPACITY; PROVIDED THAT NO INDEMNIFICATION SHALL BE PROVIDED FOR ANY SUCH PERSON WITH RESPECT TO ANY MATTER AS TO WHICH HE OR SHE SHALL HAVE BEEN FINALLY ADJUDICATED IN ANY PROCEEDING NOT TO HAVE ACTED IN GOOD FAITH IN THE REASONABLE BELIEF THAT SUCH ACTION WAS IN THE BEST INTERESTS OF THE CORPORATION; AND FURTHER PROVIDED THAT ANY COMPROMISE OR SETTLEMENT PAYMENT SHALL BE APPROVED BY A MAJORITY VOTE OF A QUORUM OF DIRECTORS WHO ARE NOT AT THAT TIME PARTIES TO THE PROCEEDING.



## ARTICLE VII

The effective date of organization 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.

Later Effective Date: Time:

## ARTICLE VIII

The information contained in Article VIII is not a permanent part of the Articles of Organization.

**a,b. The street address of the initial registered office of the corporation in the commonwealth and the name of the initial registered agent at the registered office:**

Name: PATRICIA FAASS  
No. and Street: 4 IRVING ROAD  
City or Town: WESTON State: MA Zip: 02493 Country: USA

**c. The names and street addresses of the individuals who will serve as the initial directors, president, treasurer and secretary of the corporation (an address need not be specified if the business address of the officer or director is the same as the principal office location):**

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
PRESIDENT	PATRICIA FAASS	4 IRVING ROAD WESTON, MA 02493 USA
TREASURER	JAMES BONACCORSI	4 IRVING ROAD WESTON, MA 02493 USA
SECRETARY	ALEXANDER OLIPHANT	4 IRVING ROAD WESTON, MA 02493 USA
DIRECTOR	PATRICIA FAASS	4 IRVING ROAD WESTON, MA 02493 USA
DIRECTOR	JAMES BONACCORSI	4 IRVING ROAD WESTON, MA 02493 USA
DIRECTOR	GARY EINSIDLER	4 IRVING ROAD WESTON, MA 02493 USA
DIRECTOR	TED KARWOSKI	4 IRVING ROAD WESTON, MA 02493 USA
DIRECTOR	W. THOMAS GUTOWSKI	4 IRVING ROAD WESTON, MA 02493 USA

**d. The fiscal year end (i.e., tax year) of the corporation:**  
December

**e. A brief description of the type of business in which the corporation intends to engage:**

OBTAINING LICENSE TO DISTRIBUTE CANNABIS.

**f. The street address (post office boxes are not acceptable) of the principal office of the corporation:**

No. and Street: 4 IRVING ROAD  
City or Town: WESTON State: MA Zip: 02493 Country: USA

**g. Street address where the records of the corporation required to be kept in the Commonwealth are located (*post office boxes are not acceptable*):**

No. and Street: 4 IRVING ROAD

City or Town: WESTON

State: MA

Zip: 02493

Country: USA

**which is**

☒ its principal office

☐ an office of its transfer agent

☐ an office of its secretary/assistant secretary

☐ its registered office

**Signed this 10 Day of September, 2019 at 1:28:59 PM by the incorporator(s).** (*If an existing corporation is acting as incorporator, type in the exact name of the business entity, the state or other jurisdiction where it was incorporated, the name of the person signing on behalf of said business entity and the title he/she holds or other authority by which such action is taken.*)

CHRISTOPHER P. CONSOLETTI, ESQ.

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:

September 10, 2019 01:28 PM

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*

**BY-LAWS**  
**OF**  
**HEALSTURBRIDGE, INC.**

**ADOPTED \_\_\_\_, 2019**

# HEAL STURBRIDGE, INC.

## By-Laws

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**BY-LAWS  
OF  
HEAL STURBRIDGE, INC.**

**ARTICLE I  
SHAREHOLDERS**

*Section 1. Annual Meeting.* The Corporation shall hold an annual meeting of shareholders at a time fixed by the Directors. The purposes for which the annual meeting is to be held, in addition to those prescribed by the Articles of Organization, shall be for electing directors and for such other purposes as shall be specified in the notice for the meeting, and only business within such purposes may be conducted at the meeting. In the event an annual meeting is not held at the time fixed in accordance with these Bylaws or the time for an annual meeting is not fixed in accordance with these Bylaws to be held within 13 months after the last annual meeting was held, the Corporation may designate a special meeting held thereafter as a special meeting in lieu of the annual meeting, and the meeting shall have all of the effect of an annual meeting.

*Section 2. Special Meetings.* Special meetings of the shareholders may be called by the President or by the Directors, and shall be called by the Secretary, or in case of the death, absence, incapacity or refusal of the Secretary, by another officer, if the holders of at least 10 per cent, or such lesser percentage as the Articles of Organization permit, of all the votes entitled to be cast on any issue to be considered at the proposed special meeting sign, date, and deliver to the Secretary one or more written demands for the meeting describing the purpose for which it is to be held. Only business within the purpose or purposes described in the meeting notice may be conducted at a special shareholders' meeting.

*Section 3. Place of Meetings.* All meetings of shareholders shall be held at the principal office of the Corporation unless a different place is specified in the notice of the meeting or the meeting is held solely by means of remote communication in accordance with Section 11 of this Article.

*Section 4. Requirement of Notice.* A written notice of the date, time, and place of each annual and special shareholders' meeting describing the purposes of the meeting shall be given to shareholders entitled to vote at the meeting (and, to the extent required by law or the Articles of Organization, to shareholders not entitled to vote at the meeting) no fewer than seven nor more than 60 days before the meeting date. If an annual or special meeting of shareholders is adjourned to a different date, time or place, notice need not be given of the new date, time or place if the new date, time or place, if any, is announced at the meeting before adjournment. If a new record date for the adjourned meeting is fixed, however, notice of the adjourned meeting shall be given under this Section to persons who are shareholders as of the new record date. All notices to shareholders shall conform to the requirements of Article III.

*Section 5. Waiver of Notice.* A shareholder may waive any notice required by law, the Articles of Organization or these Bylaws before or after the date and time stated in the notice. The waiver shall be in writing, be signed by the shareholder entitled to the notice, and be delivered to the Corporation for inclusion with the records of the meeting. A shareholder's attendance at a meeting: (a) waives objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and (b) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

*Section 6. Quorum.*

(a) Unless otherwise provided by law, or in the Articles of Organization, these Bylaws or a resolution of the Directors requiring satisfaction of a greater quorum requirement for any voting

group, a majority of the votes entitled to be cast on the matter by a voting group constitutes a quorum of that voting group for action on that matter. As used in these Bylaws, a voting group includes all shares of one or more classes or series that, under the Articles of Organization or the Massachusetts Business Corporation Act, as in effect from time to time (the "MBCA"), are entitled to vote and to be counted together collectively on a matter at a meeting of shareholders.

(b) A share once represented for any purpose at a meeting is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless (1) the shareholder attends solely to object to lack of notice, defective notice or the conduct of the meeting on other grounds and does not vote the shares or otherwise consent that they are to be deemed present, or (2) in the case of an adjournment, a new record date is or shall be set for that adjourned meeting.

**Section 7. Voting and Proxies.** Unless the Articles of Organization provide otherwise, each outstanding share, regardless of class, is entitled to one vote on each matter voted on at a shareholders' meeting. A shareholder may vote his or her shares in person or may appoint a proxy to vote or otherwise act for him or her by signing an appointment form, either personally or by his or her attorney-in-fact. An appointment of a proxy is effective when received by the Secretary or other officer or agent authorized to tabulate votes. Unless otherwise provided in the appointment form, an appointment is valid for a period of 11 months from the date the shareholder signed the form or, if it is undated, from the date of its receipt by the officer or agent. An appointment of a proxy is revocable by the shareholder unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest, as defined in the MBCA. An appointment made irrevocable is revoked when the interest with which it is coupled is extinguished. The death or incapacity of the shareholder appointing a proxy shall not affect the right of the Corporation to accept the proxy's authority unless notice of the death or incapacity is received by the Secretary or other officer or agent authorized to tabulate votes before the proxy exercises his or her authority under the appointment. A transferee for value of shares subject to an irrevocable appointment may revoke the appointment if he or she did not know of its existence when he or she acquired the shares and the existence of the irrevocable appointment was not noted conspicuously on the certificate representing the shares or on the information statement for shares without certificates. Subject to the provisions of Section 7.24 of the MBCA and to any express limitation on the proxy's authority appearing on the face of the appointment form, the Corporation is entitled to accept the proxy's vote or other action as that of the shareholder making the appointment.

**Section 8. Action at Meeting.** If a quorum of a voting group exists, favorable action on a matter, other than the election of Directors, is taken by a voting group if the votes cast within the group favoring the action exceed the votes cast opposing the action, unless a greater number of affirmative votes is required by law, or the Articles of Organization, these Bylaws or a resolution of the Board of Directors requiring receipt of a greater affirmative vote of the shareholders, including more separate voting groups. Directors are elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present. No ballot shall be required for such election unless requested by a shareholder present or represented at the meeting and entitled to vote in the election.

**Section 9. Action without Meeting by Written Consent.**

(a) Action taken at a shareholders' meeting may be taken without a meeting if the action is taken by all shareholders entitled to vote on the action; or to the extent permitted by the Articles of Organization, by shareholders having not less than the minimum number of votes necessary to take the action at a meeting at which all shareholders entitled to vote on the action are present and voting. The action shall be evidenced by one or more written consents that describe the action taken, are signed by shareholders having the requisite votes, bear the date of the signatures of such shareholders, and are delivered to the Corporation for inclusion with the records of meetings within 60 days of the earliest dated consent delivered to the Corporation as required by this Section. A consent signed under this Section has the effect of a vote at a meeting.



(b) If action is to be taken pursuant to the consent of voting shareholders without a meeting, the Corporation, at least seven days before the action pursuant to the consent is taken, shall give notice, which complies in form with the requirements of Article III, of the action (1) to nonvoting shareholders in any case where such notice would be required by law if the action were to be taken pursuant to a vote by voting shareholders at a meeting, and (2) if the action is to be taken pursuant to the consent of less than all the shareholders entitled to vote on the matter, to all shareholders entitled to vote who did not consent to the action. The notice shall contain, or be accompanied by, the same material that would have been required by law to be sent to shareholders in or with the notice of a meeting at which the action would have been submitted to the shareholders for approval.

**Section 10. Record Date.** The Directors may fix the record date in order to determine the shareholders entitled to notice of a shareholders' meeting, to demand a special meeting, to vote, or to take any other action. If a record date for a specific action is not fixed by the Board of Directors, and is not supplied by law, the record date shall be the close of business either on the day before the first notice is sent to shareholders, or, if no notice is sent, on the day before the meeting or, in the case of action without a meeting by written consent, the date the first shareholder signs the consent. A record date fixed under this Section may not be more than 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, which it shall do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

**Section 11. Meetings by Remote Communications.** If authorized by the Directors: any annual or special meeting of shareholders need not be held at any place but may instead be held solely by means of remote communication; and subject to such guidelines and procedures as the Board of Directors may adopt, shareholders and proxyholders not physically present at a meeting of shareholders may, by means of remote communications: (a) participate in a meeting of shareholders; and (b) be deemed present in person and vote at a meeting of shareholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that: (1) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a shareholder or proxyholder; (2) the Corporation shall implement reasonable measures to provide such shareholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the shareholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and (3) if any shareholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

**Section 12. Form of Shareholder Action.**

(a) Any vote, consent, waiver, proxy appointment or other action by a shareholder or by the proxy or other agent of any shareholder shall be considered given in writing, dated and signed, if, in lieu of any other means permitted by law, it consists of an electronic transmission that sets forth or is delivered with information from which the Corporation can determine (i) that the electronic transmission was transmitted by the shareholder, proxy or agent or by a person authorized to act for the shareholder, proxy or agent; and (ii) the date on which such shareholder, proxy, agent or authorized person transmitted the electronic transmission. The date on which the electronic transmission is transmitted shall be considered to be the date on which it was signed. The electronic transmission shall be considered received by the Corporation if it has been sent to any address specified by the Corporation for the purpose or, if no address has been specified, to the principal office of the Corporation, addressed to the Secretary or other officer or agent having custody of the records of proceedings of shareholders.

(b) Any copy, facsimile or other reliable reproduction of a vote, consent, waiver, proxy appointment or other action by a shareholder or by the proxy or other agent of any shareholder may be substituted or used in lieu of the original writing for any purpose for which the original writing

could be used, but the copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

***Section 13. Shareholders List for Meeting.***

(a) After fixing a record date for a shareholders' meeting, the Corporation shall prepare an alphabetical list of the names of all its shareholders who are entitled to notice of the meeting. The list shall be arranged by voting group, and within each voting group by class or series of shares, and show the address of and number of shares held by each shareholder, but need not include an electronic mail address or other electronic contact information for any shareholder.

(b) The shareholders list shall be available for inspection by any shareholder, beginning two business days after notice is given of the meeting for which the list was prepared and continuing through the meeting: (1) at the Corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held; or (2) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting. If the meeting is to be held solely by means of remote communication, the list shall be made available on an electronic network.

(c) A shareholder, his or her agent or attorney is entitled on written demand to inspect and, subject to the requirements of Section 2(c) of Article VI of these Bylaws, to copy the list, during regular business hours and at his or her expense, during the period it is available for inspection.

(d) The Corporation shall make the shareholders list available at the meeting, and any shareholder or his or her agent or attorney is entitled to inspect the list at any time during the meeting or any adjournment.

**ARTICLE II  
DIRECTORS**

***Section 1. 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, its Board of Directors.

***Section 2. Number and Election.***

(a) The Board of Directors shall consist of one or more individuals, with the number fixed by the shareholders at the annual meeting but, unless otherwise provided in the Articles of Organization, if the Corporation has more than one shareholder, the number of Directors shall not be less than three, except that whenever there shall be only two shareholders, the number of Directors shall not be less than two. Except as otherwise provided in these Bylaws or the Articles of Organization, the Directors shall be elected by the shareholders at the annual meeting.

(b) At any meeting of the Stockholders called for such purpose the number of the Board of Directors may be increased by the affirmative vote of two-thirds of all the shares of stock outstanding and entitled to vote, and by like vote the additional Directors may be chosen at such meeting to hold office until the next annual election and until their successors are elected and qualify. In the case of a reduction, the particular directorships which shall terminate shall be terminated by the Stockholders, in such case by the affirmative vote of eighty (80%) percent of all of the shares of stock outstanding and entitled to vote thereon.

***Section 3. Vacancies.*** If a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of Directors: (a) the shareholders may fill the vacancy; (b) the Board of Directors may fill the vacancy; or (c) if the Directors remaining in office constitute fewer than a quorum of the Board, they may fill the vacancy by the affirmative vote of a majority of all the Directors remaining in office. A

vacancy that will occur at a specific later date may be filled before the vacancy occurs but the new Director may not take office until the vacancy occurs.

**Section 4. *Change in Size of the Board of Directors.*** The number of Directors may be fixed or changed from time to time by the shareholders or the Board of Directors, and the Board of Directors may increase or decrease the number of Directors last approved by the shareholders.

**Section 5. *Tenure.*** The terms of all Directors shall expire at the next annual shareholders' meeting following their election. A decrease in the number of Directors does not shorten an incumbent Director's term. The term of a Director elected to fill a vacancy shall expire at the next shareholders' meeting at which Directors are elected. Despite the expiration of a Director's term, he or she shall continue to serve until his or her successor is elected and qualified or until there is a decrease in the number of Directors.

**Section 6. *Resignation.*** A Director may resign at any time by delivering written notice of resignation to the Board of Directors, its chairman, or to the Corporation. A resignation is effective when the notice is delivered unless the notice specifies a later effective date.

**Section 7. *Removal.*** The shareholders may remove one or more Directors with or without cause by the affirmative vote of two-thirds of all the shares of stock outstanding and entitled to vote. A Director may be removed for cause by the Directors by vote of a majority of the Directors then in office. A Director may be removed by the shareholders or the Directors only at a meeting called for the purpose of removing him or her, and the meeting notice must state that the purpose, or one of the purposes, of the meeting is removal of the Director.

**Section 8. *Regular Meetings.*** Regular meetings of the Board of Directors may be held at such times and places as shall from time to time be fixed by the Board of Directors without notice of the date, time, place or purpose of the meeting.

**Section 9. *Special Meetings.*** Special meetings of the Board of Directors may be called by the President, by the Secretary, by any two Directors, or by one Director in the event that there is only one Director.

**Section 10. *Notice.*** Special meetings of the Board must be preceded by at least two days' notice of the date, time and place of the meeting. The notice need not describe the purpose of the special meeting. All notices to directors shall conform to the requirements of Article III.

**Section 11. *Waiver of Notice.*** A Director may waive any notice before or after the date and time of the meeting. The waiver shall be in writing, signed by the Director entitled to the notice, or in the form of an electronic transmission by the Director to the Corporation, and filed with the minutes or corporate records. A Director's attendance at or participation in a meeting waives any required notice to him or her of the meeting unless the Director at the beginning of the meeting, or promptly upon his or her arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

**Section 12. *Quorum.*** A quorum of the Board of Directors consists of a majority of the Directors then in office, provided always that any number of Directors (whether one or more and whether or not constituting a quorum) constituting a majority of Directors present at any meeting or at any adjourned meeting may make any reasonable adjournment thereof.

**Section 13. *Action at Meeting.*** If a quorum is present when a vote is taken, the affirmative vote of a majority of Directors present is the act of the Board of Directors. A Director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is considered to have assented to the action taken unless: (a) he or she objects at the beginning of the meeting, or promptly upon his or her arrival, to holding it or transacting business at the meeting; (b) his or her dissent or abstention from the action taken is entered in the minutes of the meeting; or (c) he or she delivers written notice of his or her dissent or abstention to the presiding officer of the meeting before its adjournment or to

the Corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a Director who votes in favor of the action taken.

**Section 14. Action Without Meeting.** Any action required or permitted to be taken by the Directors may be taken without a meeting if the action is taken by the unanimous consent of the members of the Board of Directors. The action must be evidenced by one or more consents describing the action taken, in writing, signed by each Director, or delivered to the Corporation by electronic transmission, to the address specified by the Corporation for the purpose or, if no address has been specified, to the principal office of the Corporation, addressed to the Secretary or other officer or agent having custody of the records of proceedings of Directors, and included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this Section is effective when the last Director signs or delivers the consent, unless the consent specifies a different effective date. A consent signed or delivered under this Section has the effect of a meeting vote and may be described as such in any document.

**Section 15. Telephone Conference Meetings.** The Board of Directors may permit any or all Directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means is considered to be present in person at the meeting.

**Section 16. Committees.** The Board of Directors may create one or more committees and appoint members of the Board of Directors to serve on them. Each committee may have one or more members, who serve at the pleasure of the Board of Directors. The creation of a committee and appointment of members to it must be approved by a majority of all the Directors in office when the action is taken. Article III and Sections 10 through 15 of this Article shall apply to committees and their members. To the extent specified by the Board of Directors, each committee may exercise the authority of the Board of Directors. A committee may not, however: (a) authorize distributions; (b) approve or propose to shareholders action that the MBCA requires be approved by shareholders; (c) change the number of the Board of Directors, remove Directors from office or fill vacancies on the Board of Directors; (d) amend the Articles of Organization; (e) adopt, amend or repeal Bylaws; or (f) authorize or approve reacquisition of shares, except according to a formula or method prescribed by the Board of Directors. The creation of, delegation of authority to, or action by a committee does not alone constitute compliance by a Director with the standards of conduct described in Section 18 of this Article.

**Section 17. Compensation.** The Board of Directors may fix the compensation of Directors.

**Section 18. Standard of Conduct for Directors.**

(a) A Director shall discharge his or her duties as a Director, including his or her duties as a member of a committee: (1) in good faith; (2) with the care that a person in a like position would reasonably believe appropriate under similar circumstances; and (3) in a manner the Director reasonably believes to be in the best interests of the Corporation. In determining what the Director reasonably believes to be in the best interests of the Corporation, a Director may consider the interests of the Corporation's employees, suppliers, creditors and customers, the economy of the state, the region and the nation, community and societal considerations, and the long-term and short-term interests of the Corporation and its shareholders, including the possibility that these interests may be best served by the continued independence of the Corporation.

(b) In discharging his or her duties, a Director who does not have knowledge that makes reliance unwarranted is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by: (1) one or more officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent with respect to the information, opinions, reports or statements presented; (2) legal counsel, public accountants, or other persons retained by the Corporation, as to matters involving skills or expertise the Director reasonably believes are matters (i) within the particular person's professional or expert competence or (ii) as to which the particular person merits confidence; or (3) a committee of the

Board of Directors of which the Director is not a member if the Director reasonably believes the committee merits confidence.

(c) A Director is not liable for any action taken as a Director, or any failure to take any action, if he or she performed the duties of his or her office in compliance with this Section.

**Section 19. Conflict of Interest.**

(a) A conflict of interest transaction is a transaction with the Corporation in which a Director of the Corporation has a material direct or indirect interest. A conflict of interest transaction is not voidable by the Corporation solely because of the Director's interest in the transaction if any one of the following is true:

(1) the material facts of the transaction and the Director's interest were disclosed or known to the Board of Directors or a committee of the Board of Directors and the Board of Directors or committee authorized, approved, or ratified the transaction;

(2) the material facts of the transaction and the Director's interest were disclosed or known to the shareholders entitled to vote and they authorized, approved, or ratified the transaction; or

(3) the transaction was fair to the Corporation.

(b) For purposes of this Section, and without limiting the interests that may create conflict of interest transactions, a Director of the Corporation has an indirect interest in a transaction if: (1) another entity in which he or she has a material financial interest or in which he or she is a general partner is a party to the transaction; or (2) another entity of which he or she is a director, officer, or trustee or in which he or she holds another position is a party to the transaction and the transaction is or should be considered by the Board of Directors of the Corporation.

(c) For purposes of clause (1) of subsection (a), a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the Directors on the Board of Directors (or on the committee) who have no direct or indirect interest in the transaction, but a transaction may not be authorized, approved, or ratified under this Section by a single Director. If a majority of the Directors who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this Section. The presence of, or a vote cast by, a Director with a direct or indirect interest in the transaction does not affect the validity of any action taken under clause (1) of subsection (a) if the transaction is otherwise authorized, approved, or ratified as provided in that subsection.

(d) For purposes of clause (2) of subsection (a), a conflict of interest transaction is authorized, approved or ratified if it receives the vote of a majority of the shares entitled to be counted under this subsection. Shares owned by or voted under the control of a Director who has a direct or indirect interest in the transaction, and shares owned by or voted under the control of an entity described in clause (1) of subsection (b), may not be counted in a vote of shareholders to determine whether to authorize, approve, or ratify a conflict of interest transaction under clause (2) of subsection (a). The vote of those shares, however, is counted in determining whether the transaction is approved under other Sections of these Bylaws. A majority of the shares, whether or not present, that are entitled to be counted in a vote on the transaction under this subsection constitutes a quorum for the purpose of taking action under this Section.

**Section 20. Loans to Directors.** The Corporation may not lend money to, or guarantee the obligation of a Director of, the Corporation unless: (a) the specific loan or guarantee is approved by a majority of the votes represented by the outstanding voting shares of all classes, voting as a single voting group, except the votes of shares owned by or voted under the control of the benefited Director; or (b) the Corporation's Board of Directors determines that the loan or guarantee benefits the Corporation and either approves the specific

loan or guarantee or a general plan authorizing loans and guarantees. The fact that a loan or guarantee is made in violation of this Section shall not affect the borrower's liability on the loan.

### **ARTICLE III MANNER OF NOTICE**

**Section 1. Notices.** All notices hereunder shall conform to the following requirements:

(a) Notice shall be in writing unless oral notice is reasonable under the circumstances. Notice by electronic transmission is written notice.

(b) Notice may be communicated in person; by telephone, voice mail, telegraph, electronic transmission or other electronic means; by mail; or by messenger or delivery service. If these forms of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where published; or by radio, television, or other form of public broadcast communication.

(c) Written notice, other than notice by electronic transmission, if in a comprehensible form, is effective upon deposit in the United States mail, if mailed postpaid and correctly addressed to the shareholder's address shown in the Corporation's current record of shareholders.

(d) Written notice by electronic transmission, if in comprehensible form, is effective: (1) if by facsimile telecommunication, when directed to a number furnished by the shareholder for the purpose; (2) if by electronic mail, when directed to an electronic mail address furnished by the shareholder for the purpose; (3) if by a posting on an electronic network together with separate notice to the shareholder of such specific posting, directed to an electronic mail address furnished by the shareholder for the purpose, upon the later of (i) such posting and (ii) the giving of such separate notice; and (4) if by any other form of electronic transmission, when directed to the shareholder in such manner as the shareholder shall have specified to the Corporation. An affidavit of the Secretary or an Assistant Secretary of the Corporation, the transfer agent or other agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

(e) Except as provided in subsection (c), written notice, other than notice by electronic transmission, if in a comprehensible form, is effective at the earliest of the following: (1) when received; (2) five days after its deposit in the United States mail, if mailed postpaid and correctly addressed; (3) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested; or if sent by messenger or delivery service, on the date shown on the return receipt signed by or on behalf of the addressee; or (4) on the date of publication if notice by publication is permitted.

(f) Oral notice is effective when communicated if communicated in a comprehensible manner.

### **ARTICLE IV OFFICERS**

**Section 1. Enumeration.** The Corporation shall have a President, a Treasurer, a Secretary and such other officers as may be appointed by the Board of Directors from time to time in accordance with these Bylaws. The Board may appoint one of its members to the office of Chairman of the Board and from time to time define the powers and duties of that office notwithstanding any other provisions of these Bylaws.

**Section 2. Appointment.** The officers shall be appointed by the Board of Directors. A duly appointed officer may appoint one or more officers or assistant officers if authorized by the Board of Directors. Each officer has the authority and shall perform the duties set forth in these Bylaws or, to the extent consistent with these Bylaws, the duties prescribed by the Board of Directors or by direction of an officer authorized by the Board of Directors to prescribe the duties of other officers.

**Section 3. Qualification.** The same individual may simultaneously hold more than one office in the Corporation.

**Section 4. Tenure.** Officers shall hold office until the first meeting of the Directors following the next annual meeting of shareholders after their appointment and until their respective successors are duly appointed, unless a shorter or longer term is specified in the vote appointing them.

**Section 5. Resignation.** An officer may resign at any time by delivering notice of the resignation to the Corporation. A resignation is effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Corporation accepts the future effective date, the Board of Directors may fill the pending vacancy before the effective date if the Board of Directors provides that the successor shall not take office until the effective date. An officer's resignation shall not affect the Corporation's contract rights, if any, with the officer.

**Section 6. Removal.** The Board of Directors may remove any officer at any time with or without cause. The appointment of an officer shall not itself create contract rights. An officer's removal shall not affect the officer's contract rights, if any, with the Corporation.

**Section 7. President.** The President when present shall preside at all meetings of the shareholders and, if there is no Chairman of the Board of Directors, of the Directors. He or she shall be the chief executive officer of the Corporation except as the Board of Directors may otherwise provide. The President shall perform such duties and have such powers additional to the foregoing as the Directors shall designate.

**Section 8. Treasurer.** The Treasurer shall, subject to the direction of the Directors, have general charge of the financial affairs of the Corporation and shall cause to be kept accurate books of accounts. He or she shall have custody of all funds, securities, and valuable documents of the Corporation, except as the Directors may otherwise provide. The Treasurer shall perform such duties and have such powers additional to the foregoing as the Directors may designate.

**Section 9. Secretary.** The Secretary shall have responsibility for preparing minutes of the Directors' and shareholders' meetings and for authenticating records of the Corporation. The Secretary shall perform such duties and have such powers additional to the foregoing as the Directors shall designate.

**Section 10. Standards Of Conduct For Officers.** An officer shall discharge his or her duties: (a) in good faith; (b) with the care that a person in a like position would reasonably exercise under similar circumstances; and (c) in a manner the officer reasonably believes to be in the best interests of the Corporation. In discharging his or her duties, an officer, who does not have knowledge that makes reliance unwarranted, is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by: (1) one or more officers or employees of the Corporation whom the officer reasonably believes to be reliable and competent with respect to the information, opinions, reports or statements presented; or (2) legal counsel, public accountants, or other persons retained by the Corporation as to matters involving skills or expertise the officer reasonably believes are matters (i) within the particular person's professional or expert competence or (ii) as to which the particular person merits confidence. An officer shall not be liable to the Corporation or its shareholders for any decision to take or not to take any action taken, or any failure to take any action, as an officer, if the duties of the officer are performed in compliance with this Section.

## **ARTICLE V**

### **PROVISIONS RELATING TO SHARES**

**Section 1. Issuance and Consideration.** The Board of Directors may issue the number of shares of each class or series authorized by the Articles of Organization. The Board of Directors may authorize shares to be issued for consideration consisting of any tangible or intangible property or benefit to the Corporation, including cash, promissory notes, services performed, contracts for services to be performed, or other securities of the Corporation. Before the Corporation issues shares, the Board of Directors shall determine that the consideration received or to be received for shares to be issued is adequate. The Board of Directors shall determine the terms upon which the rights, options or warrants for the purchase of shares or other securities of the Corporation are issued and the terms, including the consideration, for which the shares or other securities are to be issued.

**Section 2. Share Certificates.** If shares are represented by certificates, at a minimum each share certificate shall state on its face: (a) the name of the Corporation and that it is organized under the laws of The Commonwealth of Massachusetts; (b) the name of the person to whom issued; and (c) the number and class of shares and the designation of the series, if any, the certificate represents. If different classes of shares or different series within a class are authorized, then the variations in rights, preferences and limitations applicable to each class and series, and the authority of the Board of Directors to determine variations for any future class or series, must be summarized on the front or back of each certificate. Alternatively, each certificate may state conspicuously on its front or back that the Corporation will furnish the shareholder this information on request in writing and without charge. Each share certificate shall be signed, either manually or in facsimile, by the President or a Vice President and by the Treasurer or an Assistant Treasurer, or any two officers designated by the Board of Directors, and shall bear the corporate seal or its facsimile. If the person who signed, either manually or in facsimile, a share certificate no longer holds office when the certificate is issued, the certificate shall be nevertheless valid.

**Section 3. Uncertificated Shares.** The Board of Directors may authorize the issue of some or all of the shares of any or all of the Corporation's classes or series without certificates. The authorization shall not affect shares already represented by certificates until they are surrendered to the Corporation. Within a reasonable time after the issue or transfer of shares without certificates, the Corporation shall send the shareholder a written statement of the information required by the MBCA to be on certificates.

**Section 4. Record and Beneficial Owners.** The Corporation shall be entitled to treat as the shareholder the person in whose name shares are registered in the records of the Corporation or, if the Board of Directors has established a procedure by which the beneficial owner of shares that are registered in the name of a nominee will be recognized by the Corporation as a shareholder, the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with the Corporation.

**Section 5. Lost or Destroyed Certificates.** The Board of Directors of the Corporation may, subject to Massachusetts General Laws, Chapter 106, Section 8-405, determine the conditions upon which a new share certificate may be issued in place of any certificate alleged to have been lost, destroyed or wrongfully taken. The Board of Directors may, in its discretion, require the owner of such share certificate, or his or her legal representative, to give a bond, sufficient in its opinion, with or without surety, to indemnify the Corporation against any loss or claim which may arise by reason of the issue of the new certificate.

## **ARTICLE VI**

### **CORPORATE RECORDS**

**Section 1. Records to be Kept.**

(a) The Corporation shall keep as permanent records minutes of all meetings of its shareholders and Board of Directors, a record of all actions taken by the shareholders or Board of Directors without a meeting, and a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Corporation. The Corporation shall



maintain appropriate accounting records. The Corporation or its agent shall maintain a record of its shareholders, in a form that permits preparation of a list of the names and addresses of all shareholders, in alphabetical order by class of shares showing the number and class of shares held by each. The Corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

(b) The Corporation shall keep within The Commonwealth of Massachusetts a copy of the following records at its principal office or an office of its transfer agent or of its Secretary or Assistant Secretary or of its registered agent:

- (1) its Articles or Restated Articles of Organization and all amendments to them currently in effect;
- (2) its Bylaws or restated Bylaws and all amendments to them currently in effect;
- (3) resolutions adopted by its Board of Directors creating one or more classes or series of shares, and fixing their relative rights, preferences, and limitations, if shares issued pursuant to those resolutions are outstanding;
- (4) the minutes of all shareholders' meetings, and records of all action taken by shareholders without a meeting, for the past three years;
- (5) all written communications to shareholders generally within the past three years, including the financial statements furnished under Section 16.20 of the MBCA for the past three years;
- (6) a list of the names and business addresses of its current Directors and officers; and
- (7) its most recent annual report delivered to the Massachusetts Secretary of State.

*Section 2. Inspection of Records by Shareholders.*

(a) A shareholder is entitled to inspect and copy, during regular business hours at the office where they are maintained pursuant to Section 1(b) of this Article, copies of any of the records of the Corporation described in said Section if he or she gives the Corporation written notice of his or her demand at least five business days before the date on which he or she wishes to inspect and copy.

(b) A shareholder is entitled to inspect and copy, during regular business hours at a reasonable location specified by the Corporation, any of the following records of the Corporation if the shareholder meets the requirements of subsection (c) and gives the Corporation written notice of his or her demand at least five business days before the date on which he or she wishes to inspect and copy:

- (1) excerpts from minutes reflecting action taken at any meeting of the Board of Directors, records of any action of a committee of the Board of Directors while acting in place of the Board of Directors on behalf of the Corporation, minutes of any meeting of the shareholders, and records of action taken by the shareholders or Board of Directors without a meeting, to the extent not subject to inspection under subsection (a) of this Section;
- (2) accounting records of the Corporation, but if the financial statements of the Corporation are audited by a certified public accountant, inspection shall be limited to the financial statements and the supporting schedules reasonably necessary to verify any line item on those statements; and
- (3) the record of shareholders described in Section 1(a) of this Article.

- (c) A shareholder may inspect and copy the records described in subsection (b) only if:
  - (1) his or her demand is made in good faith and for a proper purpose;
  - (2) he or she describes with reasonable particularity his or her purpose and the records he or she desires to inspect;
  - (3) the records are directly connected with his or her purpose; and
  - (4) the Corporation shall not have determined in good faith that disclosure of the records sought would adversely affect the Corporation in the conduct of its business.
- (d) For purposes of this Section, "shareholder" includes a beneficial owner whose shares are held in a voting trust or by a nominee on his or her behalf.

*Section 3. Scope of Inspection Right.*

- (a) A shareholder's agent or attorney has the same inspection and copying rights as the shareholder represented.
- (b) The Corporation may, if reasonable, satisfy the right of a shareholder to copy records under Section 2 of this Article by furnishing to the shareholder copies by photocopy or other means chosen by the Corporation including copies furnished through an electronic transmission.
- (c) The Corporation may impose a reasonable charge, covering the costs of labor, material, transmission and delivery, for copies of any documents provided to the shareholder. The charge may not exceed the estimated cost of production, reproduction, transmission or delivery of the records.
- (d) The Corporation may comply at its expense, with a shareholder's demand to inspect the record of shareholders under Section 2(b)(3) of this Article by providing the shareholder with a list of shareholders that was compiled no earlier than the date of the shareholder's demand.
- (e) The Corporation may impose reasonable restrictions on the use or distribution of records by the demanding shareholder.

*Section 4. Inspection of Records by Directors.* A Director is entitled to inspect and copy the books, records and documents of the Corporation at any reasonable time to the extent reasonably related to the performance of the Director's duties as a Director, including duties as a member of a committee, but not for any other purpose or in any manner that would violate any duty to the Corporation.

## **ARTICLE VII INDEMNIFICATION**

*Section 1. Definitions.* In this Article the following words shall have the following meanings unless the context requires otherwise:

"Corporation", includes any domestic or foreign predecessor entity of the Corporation in a merger.

"Director" or "officer", an individual who is, was or has agreed to become, a Director or officer, respectively, of the Corporation or who, while a Director or officer of the Corporation, is or was serving at the Corporation's request as a director, officer, partner, trustee, employee, or agent of another domestic or foreign corporation, partnership, joint venture, trust, employee benefit plan, or other entity. A Director or officer is considered to be serving an employee benefit plan at the

Corporation's request if his or her duties to the Corporation impose duties on, or otherwise involve services by, him or her to the plan or to participants in or beneficiaries of the plan. "Director" or "officer" includes, unless the context requires otherwise, the estate or personal representative of a Director or officer.

*"Disinterested Director"*, a Director who, at the time of a vote or selection referred to in Section 4 of this Article, is not (i) a party to the proceeding, or (ii) an individual having a familial, financial, professional, or employment relationship with the Director whose indemnification or advance for expenses is the subject of the decision being made, which relationship would, in the circumstances, reasonably be expected to exert an influence on the Director's judgment when voting on the decision being made.

*"Expenses"*, includes all reasonable out of pocket costs, including but not limited to the fees of counsel and other professionals.

*"Liability"*, the obligation to pay a judgment, settlement, penalty, or fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses incurred with respect to a Proceeding.

*"MBCA"*. Chapter 156D of the Massachusetts General Laws, as amended from time to time,

*"Party"*, an individual who was, is, or is threatened to be made, a defendant or respondent in a Proceeding.

*"Proceeding"*, any threatened, pending, or completed action, suit, proceeding, or investigation, whether civil, criminal, administrative, arbitral, or investigative and whether formal or informal.

*"Qualified Party"* means a Director or Officer who is a Party to a Proceeding because he or she is a Director or Officer or by reason of any action alleged to have been taken or omitted in such capacity.

**Section 2. Indemnification of Directors and Officers.** To the fullest extent permitted by these Articles and applicable provisions of the MBCA, the Corporation shall indemnify each Qualified Party who was or is a Party to any Proceeding against all Liability and Expenses incurred by or on behalf of the Qualified Party in connection with such Proceeding and any appeal therefrom:

(a) The Corporation shall indemnify fully each Qualified Person who is wholly successful, on the merits or otherwise, in the defense of any Proceeding against Expenses incurred by him or her in connection with the Proceeding.

(b) Except as otherwise provided in this Section, the Corporation shall indemnify to the fullest extent permitted by law a Qualified Party against Expenses and Liabilities incurred in a Proceeding if:

(1) (i) he or she conducted himself or herself in good faith; and (ii) he or she reasonably believed that his or her conduct was in the best interests of the Corporation or that his or her conduct was at least not opposed to the best interests of the Corporation; and (iii) in the case of any criminal proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful; or

(2) he or she engaged in conduct for which he or she shall not be liable under a provision of the Articles of Organization authorized by Section 2.02(b)(4) of the MBCA or any successor provision to such Section.

Clause (2) of subsection (a) shall apply to an officer who is also a Director if the basis on which he is made a party to the proceeding is an act or omission solely as an officer. If the Qualified Party is an officer but not a Director, and if the basis on which he is made a party to the Proceeding is an act or omission solely as an officer, the Corporation shall indemnify to such Qualified Party to such further extent as may be provided by these Articles of Organization, the bylaws, a resolution of the board of directors, or contract except for liability arising out of acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law.

(c) A Director's or officer's conduct with respect to an employee benefit plan for a purpose he or she reasonably believed to be in the interests of the participants in, and the beneficiaries of, the plan is conduct that satisfies the requirement that his or her conduct was at least not opposed to the best interests of the Corporation.

(d) The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, is not, of itself, determinative that the Director or officer did not meet the relevant standard of conduct described in this Section.

(e) Unless ordered by a court, the Corporation may not indemnify a Director or officer under this Section if his or her conduct did not satisfy the standards set forth in subsection (b) or subsection (c).

**Section 3. Advance for Expenses.** The Corporation shall, before final disposition of a proceeding, advance funds to pay for or reimburse the reasonable expenses incurred by a Director or officer who is a party to a proceeding because he or she is a Director or officer if he or she delivers to the Corporation:

(a) a written affirmation of his or her good faith belief that he or she has met the relevant standard of conduct described in Section 2 of this Article or that the proceeding involves conduct for which liability has been eliminated under a provision of the Articles of Organization as authorized by Section 2.02(b)(4) of the MBCA or any successor provision to such Section; and

(b) his or her written undertaking to repay any funds advanced if he or she is not wholly successful, on the merits or otherwise, in the defense of such proceeding and it is ultimately determined pursuant to Section 4 of this Article or by a court of competent jurisdiction that he or she has not met the relevant standard of conduct described in Section 2 of this Article. Such undertaking must be an unlimited general obligation of the Director or officer but need not be secured and shall be accepted without reference to the financial ability of the Director or officer to make repayment.

**Section 4. Determination of Indemnification.** The determination of whether a Director or officer has met the relevant standard of conduct set forth in Section 2 shall be made:

(a) if there are two or more Disinterested Directors, by the Board of Directors by a majority vote of all the Disinterested Directors, a majority of whom shall for such purpose constitute a quorum, or by a majority of the members of a committee of two or more Disinterested Directors appointed by vote;

(b) by a majority vote of a quorum of the outstanding shares of stock of all classes entitled to vote for directors voting as a single class, but shares owned by or voted under the control of a Director who at the time does not qualify as a disinterested Director may not be voted on the determination,

(c) by independent legal counsel (who may, to the extent permitted by law, be regular legal counsel to the Corporation) 1) selected in the manner prescribed in clause (a); or (2) if there are fewer than two Disinterested Directors, selected by the Board of Directors, in which selection Directors who do not qualify as Disinterested Directors may participate, or

(d) by a court of competent jurisdiction.

***Section 5. Notification and Defense of Claim; Settlements.***

(a) In addition to and without limiting the foregoing provisions of this Article and except to the extent otherwise required by law, it shall be a condition of the Corporation's obligation to indemnify under Section 2 of this Article (in addition to any other condition provided in the by-laws or by law) that the Qualified Person asserting, or proposing to assert, the right to be indemnified, must notify the Corporation in writing as soon as practicable of any action, suit, proceeding or investigation involving such Qualified Person for which indemnity will or could be sought, but the failure to so notify shall not affect the Corporation's objection to indemnify except to the extent the Corporation is adversely affected thereby.

(b) With respect to any Proceeding of which the Corporation is so notified, the Corporation will be entitled to participate therein at its own expense and/or to assume the defense thereof at its own expense, with legal counsel reasonably acceptable to such Qualified Person. After notice from the Corporation to such Qualified Person of its election so to assume such defense, the Corporation shall not be liable to such Qualified Person for any legal or other expenses subsequently incurred by such Qualified Person in connection with such Proceeding other than as provided below in this subsection (b). Such Qualified Person shall have the right to employ his or her own counsel in connection with such action, suit, proceeding or investigation, but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of such Qualified Person unless (1) the employment of counsel by such Qualified Person has been authorized by the Corporation, (2) counsel to such Qualified Person shall have reasonably concluded that there may be a conflict of interest or position on any significant issue between the Corporation and such Qualified Person in the conduct of the defense of such action, suit, proceeding or investigation or (3) the Corporation shall not in fact have employed counsel to assume the defense of such Proceeding, in which case the Expenses of counsel for such Qualified Person shall be at the expense of the Corporation, except as otherwise expressly provided by this Article. The Corporation shall not be entitled, without the consent of such Qualified Person, to assume the defense of any claim brought by or in the right of the Corporation or as to which counsel for such Qualified Person shall have reasonably made the conclusion provided for in clause (2) above.

(c) ***Settlements.*** The Corporation shall not be required to indemnify a Qualified Person under this Article for any amounts paid in settlement of any Proceeding unless authorized in the same manner as the determination that indemnification is permissible under Section 4 of this Article, except that if there are fewer than two Disinterested Directors, authorization of indemnification shall be made by the Board of Directors, in which authorization Directors who do not qualify as Disinterested Directors may participate. The Corporation shall not settle any Proceeding in any manner which would impose any penalty or limitation on such Qualified Person without such Qualified Person's written consent. Neither the Corporation nor such Qualified Person will unreasonably withhold their consent to any proposed settlement.

***Section 6. Insurance.*** The Corporation may purchase and maintain insurance on behalf of a Director or officer against Expenses and Liabilities asserted against or incurred by him or her in that capacity or arising from his or her status as a Director or officer, whether or not the Corporation would have power to indemnify or advance expenses to him or her against the same liability under this Article. The Corporation shall not indemnify any such Qualified Person to the extent such Qualified Person is reimbursed from the proceeds of insurance, and, in the event the corporation makes any indemnification payments to any such Qualified Person and such Qualified Person is subsequently reimbursed from the proceeds of insurance, such Qualified Person shall promptly refund such indemnification payments to the corporation to the extent of such insurance reimbursement.

#### ***Section 7. Further Limitations***

(a) The Corporation shall not indemnify a Qualified Person seeking indemnification in connection with a Proceeding (or part thereof) initiated by such Qualified Person unless the initiation thereof was approved by the Board of Directors of the Corporation.

(b) If Qualified Person is entitled to indemnification by the corporation for some or a portion of the Liabilities or Expenses actually and reasonably incurred by him or on his behalf, but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify such Qualified Person for the portion of Liabilities or Expenses to which Qualified Person is entitled.

#### ***Section 8. Application of this Article.***

(a) The Corporation shall not be obligated to indemnify or advance expenses to a Director or officer of a predecessor of the Corporation, pertaining to conduct with respect to the predecessor, unless otherwise specifically provided.

(b) This Article shall not limit the Corporation's power to (1) pay or reimburse expenses incurred by a Director or an officer in connection with his or her appearance as a witness in a proceeding at a time when he or she is not a party or (2) indemnify, advance expenses to or provide or maintain insurance on behalf of an employee or agent of the corporation or other persons serving the corporation and such rights may be equivalent to, or greater or less than, those set forth in this Article. The corporation may, to the extent authorized from time to time by its Board of Directors, grant indemnification rights to other employees or agents

(c) The indemnification and advancement of expenses provided by, or granted pursuant to, this Article shall not be considered exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any law, agreement or vote of stockholders or directors or otherwise, and (ii) shall inure to the benefit of the heirs, executors and administrators of such Qualified Persons.

(d) Each person who is or becomes a Director or officer shall be deemed to have served or to have continued to serve in such capacity in reliance upon the indemnity provided for in this Article. All rights to indemnification under this Article shall be deemed to be provided by a contract between the Corporation and the person who serves as a Director or officer of the Corporation at any time while this Article and the relevant provisions of the MBCA are in effect. Any repeal or modification thereof shall not affect any rights or obligations then existing.

(e) If the laws of the Commonwealth of Massachusetts are hereafter amended from time to time to increase the scope of permitted indemnification, indemnification hereunder shall be provided to the fullest extent permitted or required by any such amendment.

### **ARTICLE VIII FISCAL YEAR**

The fiscal year of the Corporation shall be the year ending with January 31 in each year.

### **ARTICLE IX AMENDMENTS**

(a) The power to make, amend or repeal these Bylaws shall be in the shareholders. If authorized by the Articles of Organization, the Board of Directors may also make, amend or repeal these Bylaws in whole or in part, except with respect to any provision thereof which by virtue of an

express provision in the MBCA, the Articles of Organization, or these Bylaws, requires action by the shareholders.

(b) Not later than the time of giving notice of the meeting of shareholders next following the making, amending or repealing by the Board of Directors of any By-Law, notice stating the substance of the action taken by the Board of Directors shall be given to all shareholders entitled to vote on amending the Bylaws. Any action taken by the Board of Directors with respect to the Bylaws may be amended or repealed by the shareholders.

(c) Approval of an amendment to the Bylaws that changes or deletes a quorum or voting requirement for action by shareholders must satisfy both the applicable quorum and voting requirements for action by shareholders with respect to amendment of these Bylaws and also the particular quorum and voting requirements sought to be changed or deleted.

(d) A By-Law dealing with quorum or voting requirements for shareholders, including additional voting groups, may not be adopted, amended or repealed by the Board of Directors.

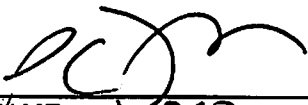
(e) A By-Law that fixes a greater or lesser quorum requirement for action by the Board of Directors, or a greater voting requirement, than provided for by the MBCA may be amended or repealed by the shareholders, or by the Board of Directors if authorized pursuant to subsection (a).

(f) If the Board of Directors is authorized to amend the Bylaws, approval by the Board of Directors of an amendment to the Bylaws that changes or deletes a quorum or voting requirement for action by the Board of Directors must satisfy both the applicable quorum and voting requirements for action by the Board of Directors with respect to amendment of the Bylaws, and also the particular quorum and voting requirements sought to be changed or deleted.

\*\*\*\*\*

ADOPTED on SEP 10, 2019:

ATTEST:

  
NAME: PATRICIA A. FAASS  
TITLE: PRESIDENT & CEO



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

William Francis Galvin  
Secretary of the  
Commonwealth

Date: April 28, 2020

To Whom It May Concern :

I hereby certify that according to the records of this office,  
**HEAL STURBRIDGE, INC.**

is a domestic corporation organized on **September 10, 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

Certificate Number: 20040550310

Verify this Certificate at: <http://corp.sec.state.ma.us/CorpWeb/Certificates/Verify.aspx>

Processed by: tad





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

mass.gov/dor

Letter ID: L0511251008  
Notice Date: April 7, 2020  
Case ID: 0-000-957-013



## CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE



HEAL STURBRIDGE INC  
4 IRVING RD  
WESTON MA 02493-1122

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

The Commissioner of Revenue certifies that, as of the date of this certificate, HEAL STURBRIDGE 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, 8:30 a.m. to 4:30 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

Heal Sturbridge, Inc  
4 Irving Road  
Weston, MA 02493

April 29, 2020

Massachusetts Cannabis Control Commission  
Union Station  
2 Washington Square  
Worcester, MA 01604

Dear Commission,

I am submitting this attestation that Heal Sturbridge, Inc. is unable to register with the Department of Unemployment Assistance until we commence the hiring of employees.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Faass', with a stylized flourish extending to the right.

Patricia Faass  
CEO, Heal Sturbridge, Inc.

## **Heal Sturbridge, Inc. Board of Directors**

The Heal Sturbridge, Inc. Board of Directors is composed of the following members:

- Patricia Faass
- Gary Einsidler
- James Bonaccorsi
- Ted Karwoski
- W. Thomas Gutowski

**Heal Sturbridge, Inc.**

Business Plan

## About Us

### Mission Statement

Heal Sturbridge, Inc. is committed to creating a professional legal cannabis company with a clear orientation toward providing adult-use services. Our policies and procedures for cultivating, processing, and dispensing marijuana and providing personalized consumer retail experiences ensure safe products and a secure, warm environment to meet the unique needs of patients and consumers. Our Standard Operating Procedures have been reviewed by Americans for Safe Access (ASA) and are compliant with their industry standard for Patient Focused Certification (PFC). We will add value to our community through acts of service, educational offerings, charitable donations, and active civic participation.

### Company Goals and Objectives

Heal Sturbridge, Inc is committed to:

- ❖ best-in-class standard operating procedures (SOPs) focused on patient and consumer retail access and safety that are compliant with the industry standard for Patient Focused Certification (PFC) through Americans for Safe Access,
- ❖ prudent financial planning and adequate capital resources based upon significant experience and analysis of existing regulated marijuana markets,
- ❖ unparalleled patient forward and consumer retail service, safety and community building to the patients and surrounding community of our center,
- ❖ industry-leading, battle-tested HR policies to optimize operational efficiency and performance, and
- ❖ a highly competent management team and group of advisors with significant marijuana, security, retail, and general business experience.

As outlined in this business plan, Heal Sturbridge, Inc. is committed to maximizing the likelihood of our success. Based upon significant investment in upfront diligence and planning, we are confident in the merits of our strategy and our capabilities to execute our plan. We have successfully executed similar plans and have a comprehensive understanding of what it takes to provide a safe and secure environment for patients, retail consumers and the community.

The hours of operation for Heal Sturbridge Inc.'s retail stores will be:

- 10:00 a.m. until 7:00 p.m. Monday – Thursday,
- 10:00 a.m. until 9:00 p.m. Friday – Saturday, and
- 12:00 p.m. until 6:00 p.m. Sunday,

### Personnel

We understand the important role a robust Human Resources platform plays in achieving success. Staffing our facility with the right people provides the greatest opportunity to prevent theft and diversion and provide the highest level of products and services to our guests and safety for the guests and to the community.

We are committed to providing the best possible climate for maximum development and goal achievement for all employees. Our practice is to treat each employee as an individual. We seek to develop a spirit of teamwork: individuals working together to attain a common goal.

In order to maintain an atmosphere where these goals can be accomplished, we provide a comfortable and progressive workplace. Most importantly, we have a workplace where communication is open and problems can be discussed and resolved in a mutually respectful atmosphere. We take into account individual circumstances and the individual employee.

We have a comprehensive staffing plan in place to guide the recruitment, hiring, training and management of our employees. Highlights of the plan feature:

Precise definitions of responsibility, including job descriptions and employment contracts;

Clearly understood chains of authority, including an organizational chart and supervisory duties (specified in our job descriptions);

Well-paid, well-qualified and well-trained personnel;

Professional recruiting practices;

Thorough training of new hires;

A strong commitment to employee safety and wellness;

A robust and highly documented performance management system, including systematic performance reviews and resolution of performance issues up to and including termination.

Staffing schedules will be based around the needs of our organization and our clients, with attention paid to creating positive working conditions for our employees. Staffing schedules, combined with installed security systems and facility design, will provide a safe and secure environment.

As stated in our Employee Handbook, feedback on job performance is expected to occur regularly. Once each year, an employee's department manager will formally review an employee's job progress within the organization and help set new job performance plans which will be reviewed with the employees, and the employees will acknowledge receipt.

We firmly believe that with direct communication, we can continue to resolve any difficulties that may arise and develop a mutually beneficial relationship. Especially critical to this philosophy is our use of counseling and progressive discipline for employee performance improvement.

We will hire local members of the community to work within our facility. We will provide a living wage as well as a quality benefits package for our workers. Being a responsible employer will help ensure good community relations.

All full time employees will receive medical, vision, and dental insurance coverage in accordance with applicable laws from a reputable carrier that we have selected. We have selected a plan that will afford the most coverage to our employees while also complying with the Affordable Healthcare Act.

We also will put in place a retirement program consisting of a 401(k) savings plan available to all regular employees who have completed six months of employment. We also will offer Workers Compensation coverage for our employees, based on conversations with local insurance providers.

We will employ stringent human resources (HR) compliance practices and documentation relating to our operations and training. With the aid of HR legal counsel, we have developed customized tools and processes to ensure effective hiring, interviewing, managing human resource files and confidentiality, orientation training, completing new hire paperwork, and ensuring understanding of company policies and procedures.

All agents will be hired on a ninety-day probationary status. During this period, they will participate in a rigorous training process, and be evaluated for suitability in a restricted-access medical and adult-use environment. As referenced earlier, we have engaged the services of 4Front Advisors to help build our company compliance and training platform.

All training will be documented and filed in each employee's human resource file securely located in the management office. It is the responsibility of our General Manager to ensure that all necessary employee training is conducted and appropriately memorialized in our system of record. It is the further responsibility of our General Manager to ensure that any necessary remedial training is conducted and recorded. All training records will be internally reviewed and audited at least once a year, but can be as needed.

## Market Analysis

The Heal family of cannabis companies are owned by TAJ Green, LLC. Collectively, the goal is to establish quality medical and adult-use cannabis brands. We are targeting the boutique end of the market and want to establish ourselves as growing the best medical and adult-use cannabis in the state and New England area. We are dedicated to providing true medical cannabis to patients that need it and adult-use cannabis to patrons choose it. We believe the medical market in this state has yet to have been tapped in any way and the adult-use market is just starting out.

The adult-use Sturbridge location is held under Heal Sturbridge, Inc., while Sturbridge medical is held under Heal, Inc. Our co-located 52,000 sf cultivation and manufacturing facility will be in Warren, MA, under Heal Cultivation, LLC. We plan to establish our Sturbridge retail dispensary location as the go-to for medical cannabis patients, under Heal, Inc. for medical and Heal Sturbridge, Inc. for adult use. Sturbridge lies within an hour drive of the 5 most populated cities in the state and our location is a short drive off the major interstate highways I-90 and I-84. Our co-located Provincetown dispensary will provide a booming seasonal retail outlet for adult use cannabis and a steady, year-round retail outlet for medical cannabis. Heal Provincetown, Inc., Heal Cultivation, LLC, Heal Sturbridge, Inc., and Heal, Inc. are all owned by TAJ Green, LLC. We believe we are well positioned to establish Heal Sturbridge, Inc. as the leader in the cannabis market.

## Regulatory Context Fees

### Retail (Sturbridge location)

- Retail Application Fee: \$300
- Annual License Fee: \$5,000

### Cultivation (Warren location)

- Tier 2 Cultivation (Indoor) Application: \$400
- Annual License Fee: \$2,500

### Manufacturing (Warren location)

- Manufacturing Application: \$300
- Annual License Fee: \$5,000

# Financial Projections

## *Key Assumptions*

### Operations

- We assume Heal Sturbridge Inc.'s cultivation and manufacturing facility in Warren will be ready to open in November, 2020 with:
  - One (1) 52,000 ft<sup>2</sup> cultivation and processing facility
  - Flowering Canopy Capacity: 20,800 ft<sup>2</sup>
  - 31,200 ft<sup>2</sup> reserved for offices, processing, packaging, etc.
- Heal Sturbridge Inc.'s Warren cultivation and manufacturing facility be able to produce a wide range of products, including: dried and cured flower, concentrates, vape pen cartridges, and infused edible products.
  - Flower wholesale pricing: \$3,000 per pound (decreases by \$200 per pound annually)
  - Oil/concentrate wholesale price: \$40,000 per pound (decreases by 6.67% annually)

### Capital Expenditures

- Tenant Improvements (Warren): \$8,000,000
- We are leasing the building in Sturbridge for \$132,000 per year (3200 sf for unit, \$41.25 per sf annually)
- Pre-Opening Expenses: \$200,000
- Contingency: \$400,000
- Opening Cash Balance: \$50,000
- Retail (Sturbridge location)
  - Retail Application Fee: \$300
  - Annual License Fee: \$5,000
- Cultivation (Warren location)
  - Tier 2 or 3 Cultivation (Indoor) Application: \$400
  - Annual License Fee: \$2,500
- Manufacturing (Warren location)
  - Manufacturing Application: \$300
  - Annual License Fee: \$5,000

### Lease Rates

- Cultivation and manufacturing: 52,000 ft<sup>2</sup> total leased @\$3.46 ft<sup>2</sup> annually

### Financing

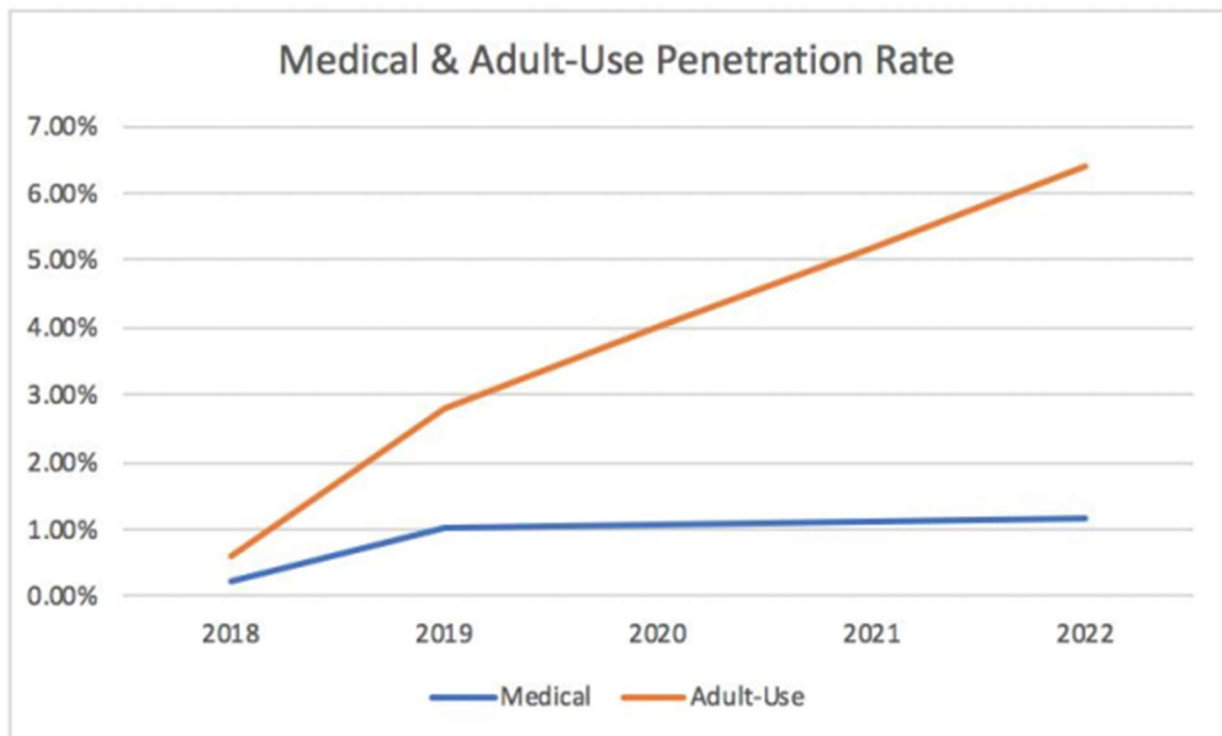
- Capital expenditures are assumed to be 100% equity financed
- Total equity contribution
  - \$8,650,000 (Warren)



- Lease
- A small portion of working capital may be provided as a loan from members of the ownership group

### Penetration Rates

- We have used publicly available data from other legal markets in order to estimate the penetration rate for both medical and adult use marijuana based on similar programs in other states.



### Retail Competition

- Assumes three competitors to start and an additional competitor every eighteen months. All competitors receive equal market share of medical and adult use customers.

### Annual Forecast

*Sturbridge Retail*

Income Statement	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Revenues					
Medical Retail Sales	\$204,566	\$391,984	\$476,160	\$476,160	\$476,160
Adult-Use Retail Sales	<u>\$961,600</u>	<u>\$1,347,840</u>	<u>\$1,600,320</u>	<u>\$1,689,600</u>	<u>\$1,689,600</u>
Total Revenues	1,166,166	1,739,824	2,076,480	2,165,760	2,165,760
COGS	<u>583,083</u>	<u>869,912</u>	<u>1,038,240</u>	<u>1,082,880</u>	<u>1,082,880</u>
<b>Gross Profit</b>	<b>583,083</b>	<b>869,912</b>	<b>1,038,240</b>	<b>1,082,880</b>	<b>1,082,880</b>
Gross margin	50%	50%	50%	50%	50%
Rent	20,000	20,600	21,218	21,855	22,510
Staffing	292,650	308,500	308,500	308,500	308,500
Additional SG&A	120,000	120,000	120,000	120,000	120,000
SG&A (Operating	<u>432,650</u>	<u>449,100</u>	<u>449,718</u>	<u>450,355</u>	<u>451,010</u>
SG&A margin	37%	26%	22%	21%	21%
<b>EBITDA</b>	<b>150,433</b>	<b>420,812</b>	<b>588,522</b>	<b>632,525</b>	<b>631,870</b>
EBITDA margin	13%	24%	28%	29%	29%
D&A	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Operating Income (EBIT)	100,433	370,812	538,522	582,525	581,870
Interest Expense	<u>97,419</u>	<u>93,128</u>	<u>56,688</u>	<u>7,261</u>	<u>0</u>
<b>Pre-Tax Income</b>	<b>3,014</b>	<b>277,684</b>	<b>481,834</b>	<b>575,265</b>	<b>581,870</b>
Reserve for Taxes (280e)	122,447	182,682	218,030	227,405	227,405
<b>Net Income</b>	<b>-\$119,433</b>	<b>\$95,002</b>	<b>\$263,803</b>	<b>\$347,860</b>	<b>\$354,465</b>

*Warren Cultivation and Manufacturing*

Income Statement	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Revenues					
Flower Revenue	\$21,623,118	\$39,378,687	\$36,622,179	\$34,058,626	\$31,674,522
Oil Revenue	\$28,830,824	\$52,504,447	\$48,829,136	\$45,411,096	\$42,232,319
Total Revenues	50,453,942	91,883,134	85,451,314	79,469,722	73,906,842
COGS	<u>18,061,750</u>	<u>29,182,420</u>	<u>29,182,420</u>	<u>29,182,420</u>	<u>29,182,420</u>
<b>Gross Profit</b>	<b>32,392,193</b>	<b>62,700,714</b>	<b>56,268,895</b>	<b>50,287,303</b>	<b>44,724,422</b>
Gross margin	150%	159%	154%	148%	141%
SG&A margin	15%	13%	11%	11%	11%
SG&A (Operating Expenses)	<u>7,568,091</u>	<u>11,944,807</u>	<u>9,399,645</u>	<u>8,741,669</u>	<u>8,129,753</u>
<b>EBITDA</b>	<b>24,824,101</b>	<b>50,755,907</b>	<b>46,869,250</b>	<b>41,545,633</b>	<b>36,594,669</b>
EBITDA margin	49%	55%	55%	52%	50%
D&A	(853,333)	(853,333)	(853,333)	(853,333)	(853,333)
Operating Income (EBIT)	23,970,768	49,902,573	46,015,917	40,692,300	35,741,336
Interest Expense	<u>172,735</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Pre-Tax Income</b>	<b>23,798,033</b>	<b>49,902,573</b>	<b>46,015,917</b>	<b>40,692,300</b>	<b>35,741,336</b>
Reserve for Taxes (280e)	6,802,360	13,167,150	11,816,468	10,560,334	9,392,129
<b>Net Income</b>	<b>\$16,995,672</b>	<b>\$36,735,423</b>	<b>\$34,199,449</b>	<b>\$30,131,966</b>	<b>\$26,349,207</b>



The Roots Insurance  
2769 Coolidge Hwy  
Berkley, MI 48072  
(248) 671-4676 Office  
[www.therootsins.com](http://www.therootsins.com)  
[www.therootscannabis.com](http://www.therootscannabis.com)

April 28, 2021

Heal, Inc.  
4 Irving Rd.  
Weston, MA 02493

Dear Trish Faass,

Enclosed please find the insurance policy for Heal, Inc. written with Conifer.

It is important that you take the time to read this policy to ensure your understanding of the limits and coverages. If there are any questions or you wish to make any changes to this policy, please contact our agency promptly.

The limits of insurance have been selected by you and we can't guarantee that the limits selected will be sufficient in the event of a major loss. Higher limits may be available upon your request.

Thank you for your confidence in our agency. We greatly appreciate your business.

*Amanda Kugler*

Amanda Kugler  
The Roots Insurance

AMANDA KUGLER  
THE ROOTS INSURANCE AGENCY  
2769 COOLIDGE HWY.  
BERKLEY MI 48072

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Conifer  
Insurance  
Company

Policy Number  
**CICP024031**

## COMMERCIAL LINES POLICY COMMON POLICY DECLARATIONS

**Named Insured and Mailing Address:**

Heal, Inc.

4 Irving Road  
Weston, MA 02493

THIS INSURANCE IS ISSUED PURSUANT TO THE MASSACHUSETTS SURPLUS LINES LAW. PERSONS INSURED BY SURPLUS LINES CARRIERS DO NOT HAVE THE PROTECTION OF THE MASSACHUSETTS INSURANCE GUARANTY ACT TO THE EXTENT OF ANY RIGHT OF RECOVERY FOR THE OBLIGATION OF AN INSOLVENT UNLICENSED INSURER. SURPLUS LINES INSURERS' POLICY RATES AND FORMS ARE NOT APPROVED BY ANY MASSACHUSETTS REGULATORY AGENCY.

POLICY PERIOD: From 9/24/2020 to 9/24/2021 12:01 Standard Time at your mailing address above.  
Change Effective: 4/27/2021

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

**INSURED TYPE:** Corporation

**THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.**

COVERAGE PARTS	PREMIUM
Commercial Property Coverage Part	\$358.00
Commercial General Liability Coverage Part	\$1,789.00
Commercial Liquor Liability Coverage Part	Not Applicable
Commercial Medical Malpractice Coverage Part	Not Applicable
Commercial Auto Coverage Part	Not Applicable
Commercial Inland Marine Coverage Part	Not Applicable
Director and Officers Liability Coverage Part	Not Applicable
Commercial Product Liability Coverage Part	\$10,000.00
Glass	Not Applicable
Management Protection Liability Coverage Part	Not Applicable
Surplus Lines Tax	\$234.00

**Servicing Agent:**

Amanda Kugler (000775A)  
2769 Coolidge Hwy.  
Berkley, MI 48072

**Responsible Agent of Record:**

Amanda Kugler  
The Roots Insurance Agency (000775)  
2769 Coolidge Hwy.  
Berkley, MI 48072



Conifer  
Insurance  
Company

Surplus Lines Fee	\$0.00
Policy Fee	\$250.00
<b>TOTAL POLICY PREMIUM</b>	<b>\$12,631.00</b>

## TAXES AND FEES

FEE NAME	CHARGE
Policy Fee	\$250.00
MA Surplus Tax	\$234.00
<b>TOTAL</b>	<b>\$484.00</b>



Conifer  
Insurance  
Company

**Forms and Endorsements made part of this policy at time of issue:**

**Premium**

CICS0S (06-14) Service of Suit  
CICPRIV01 (10-15) Privacy Policy  
IL0003 (07-02) Calculation of Premium  
IL0017 (11-98) Common Policy Conditions  
IL1201 (11-85) Policy Changes  
IL1201 (11-85) Policy Changes  
Marijuana Risk Warranty

This policy is exempt from the filing requirements of section 2236 of the insurance code of 1956, 1956 PA 218, MCL 500.2236.

This insurance has been placed with an insurer that is not licensed by the state of Massachusetts. In case of insolvency, payment of claims may not be guaranteed.

**A. The surplus lines insurer with whom the insurance was placed is not licensed in Massachusetts and is not subject to Massachusetts regulations; and B. In the event of the insolvency of the surplus lines insurer, losses will not be paid by the state insurance guaranty fund.**

**COUNTERSIGNED:** 9/24/2020  
DATE

**BY:**   
AUTHORIZED REPRESENTATIVE

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



Secretary



President

**THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORM(S) AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.**




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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **POLICY CHANGES**

POLICY NUMBER CICP024031	POLICY CHANGES EFFECTIVE 2/21/2021	COMPANY Conifer Insurance Company
NAMED INSURED Heal, Inc.		AUTHORIZED REPRESENTATIVE Amanda Kugler
COVERAGE PARTS AFFECTED Commercial Property & Liability		
<p style="text-align: center;">CHANGES</p> <p>It is hereby understood and agreed the following location has been added:</p> <p>70 Pulaski St, Building #14, West Warren, MA 01092</p> <p>Bpp-\$5,000</p> <p>Adding the following as additional insured:</p> <p>West Warren Complex, LLC, 9 Old Derry Road, Hudson, NH 03051</p>		



Authorized Representative Signature

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **POLICY CHANGES**

POLICY NUMBER CICP024031	POLICY CHANGES EFFECTIVE 4/27/2021	COMPANY Conifer Insurance Company
NAMED INSURED Heal, Inc.		AUTHORIZED REPRESENTATIVE Amanda Kugler
COVERAGE PARTS AFFECTED Commercial Property & Products Liability		
<p style="text-align: center;">CHANGES</p> <p>It is hereby understood and agreed Bpp has been added to 660 Main St, Sturbridge, MA 01566- \$50,000</p> <p>Products Liability now reads \$1,000,000/\$2,000,000</p>		



Authorized Representative Signature

Conifer Insurance  
550 W. Merrill Street  
Suite 200  
Birmingham, MI 48009  
Phone 248-559-0840 / Fax 248-559-0870  
[underwriting@coniferinsurance.com](mailto:underwriting@coniferinsurance.com)

The Roots Insurance Agency  
2769 Coolidge Hwy.  
Berkley, MI 48072  
(248) 671-4676

DBA:

Change Effective: 4/27/2021 ☐ Checked If Supplemental Declarations Is Attached

## DESCRIPTION OF PREMISES

<b>Prem. No.</b>	<b>Bldg. No.</b>	<b>Location</b>	<b>Construction</b>	<b>Occupancy</b>
1	1	70 Pulaski St Building #14 West Warren, MA 01092	Masonry	0567 - Mercantile Sole Occupancy Only – Not Otherwise Classified – Moderate Susceptibility
2	1	660 Main Street Sturbridge, MA 01566	Frame	0567 - Mercantile Sole Occupancy Only – Not Otherwise Classified – Moderate Susceptibility

**Insurance At The Described Premises Applies Only For Coverages For Which A Limit Of Insurance is Shown**

Prem. No.	Bldg. No.	Coverage	Limit of Insurance	Covered Causes Of Loss	Coinsurance*	Premium	Deductible
1	1	Personal Property	\$5,000	Special Form	80%	\$0	\$2,500
		Finished Stock	Excluded			Excluded	Excluded
		Crop Coverage	Excluded			Excluded	Excluded

2	1	Personal Property	\$50,000	Special Form	80%	\$0	\$2,500
		Finished Stock	Excluded			Excluded	Excluded
		Crop Coverage	Excluded			Excluded	Excluded

**Windstorm or Hail Percentage Deductible applies - see form CP 03 21 06 95**

**\*If Extra Expense Coverage, Limits On Loss Payment**

OPTIONAL COVERAGES					Applicable Only When Entries Are Made In The Schedule Below		
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Prem. No.	Bldg. No.	Agreed Value			Replacement Cost (X)		
		Exp. Date	Cov.	Amount	Building	Pers. Prop.	Incl. "Stock"
2	1					X	X

Inflation Guard (%)		**Monthly Limit Of		Maximum Period	**Extended Period
Bldg.	Pers. Prop.	Indemnity (Fraction)		Of Indemnity (X)	Of Indemnity (Days)
		N/A			

Prem. No.	Bldg. No.	Agreed Value			Replacement Cost (X)		
		Exp. Date	Cov.	Amount	Building	Pers. Prop.	Incl. "Stock"
1	1					X	X

Inflation Guard (%)		**Monthly Limit Of		Maximum Period	**Extended Period
Bldg.	Pers. Prop.	Indemnity (Fraction)		Of Indemnity (X)	Of Indemnity (Days)
		N/A			

Prem. No.	Bldg. No.	Agreed Value			Replacement Cost (X)		
		Exp. Date	Cov.	Amount	Building	Pers. Prop.	Incl. "Stock"

Inflation Guard (%)		**Monthly Limit Of		Maximum Period	**Extended Period
Bldg.	Pers. Prop.	Indemnity (Fraction)		Of Indemnity (X)	Of Indemnity (Days)

Prem. No.	Bldg. No.	Agreed Value			Replacement Cost (X)		
		Exp. Date	Cov.	Amount	Building	Pers. Prop.	Incl. "Stock"

Inflation Guard (%)		**Monthly Limit Of		Maximum Period	**Extended Period
Bldg.	Pers. Prop.	Indemnity (Fraction)		Of Indemnity (X)	Of Indemnity (Days)

\*\*Applies to Business Income Only

MORTGAGEHOLDERS

Prem. No.	Bldg. No.	Mortgageholder Name And Mailing Address
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**FORMS APPLICABLE**

Forms and Endorsements made part of this policy at time of issue:

<u>Prem No.</u>	<u>Bldg No.</u>	<u>Description</u>	<u>Premium</u>
All	All	CP0010 (06-07) Building and Personal Property Coverage Form	
All	All	CP0090 (07-88) Commercial Property Conditions	
All	All	CP0140 (07-06) Exclusion of Loss due to Virus or Bacteria	
All	All	CP1032 (08-08) Water Exclusion Endorsement	
All	All	IL0031 (01-06) Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism	
All	All	IL0935 (07-02) Exclusion of Certain Computer Related Losses	
All	All	IL0953 (01-15) Exclusion of Certified Acts of Terrorism	
1	All	CICP07 (05-16) Non-Structural Hail Loss Limitation Endorsement	
1	1	CP0321 (06-95) Windstorm or Hail Percentage Deductible	
1	1	CP1030 (06-07) Causes of Loss - Special Form	
1	1	CP1211 (10-00) Burglary and Robbery Protective Systems	
1	1	IL0415 (04-98) Protective Safeguards Endorsement	
2	All	CICP07 (05-16) Non-Structural Hail Loss Limitation Endorsement	
2	1	CP0321 (06-95) Windstorm or Hail Percentage Deductible	
2	1	CP1030 (06-07) Causes of Loss - Special Form	
2	1	CP1211 (10-00) Burglary and Robbery Protective Systems	
2	1	IL0415 (04-98) Protective Safeguards Endorsement	

**THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.**

## NON-STRUCTURAL HAIL LOSS LIMITATION ENDORSEMENT

**THIS ENDORSEMENT CHANGES THE COMMERCIAL PROPERTY POLICY, BUILDING AND PERSONAL PROPERTY COVERAGE FORM. PLEASE READ IT CAREFULLY.**

### Under – E. LOSS CONDITIONS

#### 4. Loss Payment

The following paragraphs are added:

#### Non-Structural Hail Loss to Building (Excluding Roofing System)

- h. When damage from Hail consists of dents, scratches, impressions, indentations, marks, or nicks on the exterior surface of the **Building(s)** that do not compromise the structural integrity of your **Building(s)** we will pay the lowest of the following amounts:

- (1) The cost of repairing or replacing the damaged portion of the property; or
- (2) 2% of the amount of insurance provided under Coverage A (**Building**).

#### Non-Structural Hail Loss to Roofing System

- i. We do not provide coverage for dents, scratches, impressions, indentations, marks, nicks, or granule loss to the **Roofing System** of the **Building(s)** caused by Hail unless the Hail compromises the structural integrity of the **Roofing System(s)** and results in “immediate roofing system failure”.

#### Endorsement Definitions

For purposes of this endorsement, **Roofing System** is defined as the exterior surface and its supporting structures on the top of a building. **Roofing System** also includes the following:

1. Chimney flashing and flue liners;
2. Roof vents;
3. Heating, Ventilation, and Air Conditioning units;
4. Fascia;
5. Eaves;
6. Gutters, gutter screens, and downspouts

For purposes of this endorsement, “immediate **Roofing System** failure” is defined as an immediate reduction in the **Roofing Systems**’ water shedding capacity due to the peril of Hail that allows water to enter the interior of the building or other structure through an opening in the roofing system.

#### Hail Loss Payment Conditions

We do not provide coverage for Hail damage as described herein unless all of the following conditions precedent are met:

- a. The Hail damage occurs within the applicable policy period;
- b. We are provided the opportunity to inspect the hail damage before any repairs to the **Building** or **Roofing System** are effectuated;
- c. Upon our request, you submit proof of hail damage. Specifically, we would require documentation supported by a certified roofing engineer licensed in the state of the loss location.



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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 BUILDERS RISK COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 STANDARD PROPERTY POLICY  
 TOBACCO SALES WAREHOUSES COVERAGE FORM

**SCHEDULE\***

<b>Premises No.</b>	<b>Bldg. No.</b>	<b>Windstorm or Hail Deductible Percentage (enter 1%, 2% or 5%)</b>
1	1	2%
2	1	2%

The Windstorm or Hail Deductible, as shown in the Schedule, applies to loss or damage to Covered Property caused directly or indirectly by Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage. If loss or damage from a covered weather condition other than Windstorm or Hail occurs, and that loss or damage would not have occurred but for the Windstorm or Hail, such loss or damage shall be considered to be caused by Windstorm or Hail and therefore part of the Windstorm or Hail occurrence.

With respect to Covered Property at a location identified in the Schedule, no other deductible applies to Windstorm or Hail.

The Windstorm or Hail Deductible applies whenever there is an occurrence of Windstorm or Hail.

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) of Insurance are shown in the Declarations.

**WINDSTORM OR HAIL DEDUCTIBLE CLAUSE****A. All Policies**

1. A Deductible is calculated separately for, and applies separately to:
  - a. Each building, if two or more buildings sustain loss or damage;
  - b. The building and to personal property in that building, if both sustain loss or damage;
  - c. Personal property at each building, if personal property at two or more buildings sustains loss or damage;
  - d. Personal property in the open.
2. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition, Agreed Value Optional Coverage, Additional Condition – Need for Adequate Insurance or Additional Condition – Need for Full Reports.

\* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

3. When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Schedule for any described premises.
- B. Calculation of the Deductible – Specific Insurance Other than Builders Risk**
1. **Property Not Subject to Value Reporting Forms**  
In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.
  2. **Property Subject to Value Reporting Forms**  
In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are the latest value(s) shown in the most recent Report of Values on file with us.  
However:
    - a. If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.
    - b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.
- C. Calculation of the Deductible – Blanket Insurance Other than Builders Risk**
1. **Property Not Subject to Value Reporting Forms**  
In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are those shown in the most recent Statement of Values on file with us.
  2. **Property Subject to Value Reporting Forms**  
In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of that property as of the time of loss or damage.
- D. Calculation of the Deductible – Builders Risk Insurance**
1. **Builders Risk Other than Reporting Form**  
In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the actual cash value(s) of that property as of the time of loss or damage.
  2. **Builders Risk Reporting Form**  
In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are the actual cash value(s) shown in the most recent Report of Values on file with us.  
However:
    - a. If the most recent Report of Values shows less than the actual cash value(s) of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value(s) as of the report date.
    - b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value(s) of the property as of the time of loss or damage.

#### **EXAMPLES – APPLICATION OF DEDUCTIBLE:**

##### **Example #1 – Specific Insurance (B.1.)**

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the coinsurance requirement is \$80,000 (80% of \$100,000).

The **actual** Limit of Insurance on the damaged building is \$70,000.

The Deductible is 1%.

Step (1) :  $\$70,000 \div \$80,000 = .875$

Step (2) :  $\$60,000 \times .875 = \$52,500$

Step (3) :  $\$70,000 \times 1\% = \$700$

Step (4) :  $\$52,500 - \$700 = \$51,800$

The most we will pay is \$51,800. The remainder of the loss, \$8,200, is not covered due to the Coinsurance penalty for inadequate insurance (steps (1) and (2)) and the application of the Deductible (steps (3) and (4)).

#### **Example #2 – Specific Insurance (B.1.)**

The amounts of loss to the damaged property are \$60,000 (building) and \$40,000 (business personal property in building).

The value of the damaged building at time of loss is \$100,000. The value of the business personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are \$80,000 (80% of \$100,000) for the building and \$64,000 (80% of \$80,000) for the business personal property.

The **actual** Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the business personal property (therefore no Coinsurance penalty).

The Deductible is 2%.

##### **Building**

Step (1) :  $\$80,000 \times 2\% = \$1,600$

Step (2) :  $\$60,000 - \$1,600 = \$58,400$

##### **Business Personal Property**

Step (1) :  $\$64,000 \times 2\% = \$1,280$

Step (2) :  $\$40,000 - \$1,280 = \$38,720$

The most we will pay is \$97,120. That portion of the total loss not covered due to application of the Deductible is \$2,880.

#### **Example #3 – Blanket Insurance (C.1.)**

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000) and Building #3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,800,000 (90% of \$2,000,000).

The **actual** Blanket Limit of Insurance covering Buildings #1, #2, and #3, shown in the Declarations, is \$1,800,000 (therefore no Coinsurance penalty).

Buildings #1 and #2 have sustained damage; the amounts of loss to these buildings are \$40,000 (Building #1) and \$20,000 (Building #2).

The Deductible is 2%.

##### **Building #1**

Step (1) :  $\$500,000 \times 2\% = \$10,000$

Step (2) :  $\$40,000 - \$10,000 = \$30,000$

##### **Building #2**

Step (1) :  $\$500,000 \times 2\% = \$10,000$

Step (2) :  $\$20,000 - \$10,000 = \$10,000$

The most we will pay is \$40,000. That portion of the total loss not covered due to application of the Deductible is \$20,000.

#### **Example #4 – Blanket Insurance (C.1.)**

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000), Business Personal Property at Building #1 (\$250,000) and Business Personal Property at Building #2 (\$250,000), as shown in the most recent Statement of Values on file with us, is \$1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,350,000 (90% of \$1,500,000).

The **actual** Blanket Limit of Insurance covering Buildings #1 and #2 and Business Personal Property at Buildings #1 and #2, shown in the Declarations, is \$1,350,000. Therefore there is no Coinsurance penalty.

Building #1 and Business Personal Property at Building #1 have sustained damage; the amounts of loss are \$95,000 (Building) and \$5,000 (Business Personal Property).

The Deductible is 5%.

##### **Building**

Step (1) :  $\$500,000 \times 5\% = \$25,000$

Step (2) :  $\$95,000 - \$25,000 = \$70,000$

##### **Business Personal Property**

Step (1) :  $\$250,000 \times 5\% = \$12,500$

The loss, \$5,000, does not exceed the deductible.

The most we will pay is \$70,000. The remainder of the building loss, \$25,000, is not covered due to application of the Deductible. There is no loss payment for the business personal property.

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## CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G.**, Definitions.

### A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section **B.**, Exclusions; or
2. Limited in Section **C.**, Limitations; that follow.

### B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

#### a. Ordinance Or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

#### b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

#### c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

**d. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

**e. Utility Services**

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

**f. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.

But if Water, as described in **g.(1)** through **g.(4)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

**h. "Fungus", Wet Rot, Dry Rot And Bacteria**

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:
  - a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
    - (1) Electrical or electronic wire, device, appliance, system or network; or
    - (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or micro-waves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or
  - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
  - (1) Acting alone or in collusion with others; or
  - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.



- k. Collapse, including any of the following conditions of property or any part of the property:

- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, k., does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage – Collapse; or
- (b) To collapse caused by one or more of the following:
  - (i) The "specified causes of loss";
  - (ii) Breakage of building glass;
  - (iii) Weight of rain that collects on a roof; or
  - (iv) Weight of people or personal property.

- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.

- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

- c. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

of part or all of any property on or off the described premises.

#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

**a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form**

We will not pay for:

- (1) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.

(4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

(5) Any other consequential loss.

**b. Leasehold Interest Coverage Form**

(1) Paragraph **B.1.a.**, Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

- (a) Your cancelling the lease;
- (b) The suspension, lapse or cancellation of any license; or
- (c) Any other consequential loss.

**c. Legal Liability Coverage Form**

(1) The following exclusions do not apply to insurance under this Coverage Form:

- (a) Paragraph **B.1.a.**, Ordinance Or Law;
- (b) Paragraph **B.1.c.**, Governmental Action;
- (c) Paragraph **B.1.d.**, Nuclear Hazard;
- (d) Paragraph **B.1.e.**, Utility Services; and
- (e) Paragraph **B.1.f.**, War And Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

**(a) Contractual Liability**

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

**(b) Nuclear Hazard**

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

**5. Additional Exclusion**

The following provisions apply only to the specified property.

**LOSS OR DAMAGE TO PRODUCTS**

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

## C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
  - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
  - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
    - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
    - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
  - d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

    - (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
    - (2) Business Income Coverage or Extra Expense Coverage.
  - e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
  - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
  - a. Animals, and then only if they are killed or their destruction is made necessary.
  - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
    - (1) Glass; or
    - (2) Containers of property held for sale.
  - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

    - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
    - (2) To Business Income Coverage or to Extra Expense Coverage.
3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
  - a. \$2,500 for furs, fur garments and garments trimmed with fur.
  - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
  - c. \$2,500 for patterns, dies, molds and forms.
  - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

#### **D. Additional Coverage – Collapse**

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

- 1. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- 2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
  - a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
  - d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
    - (1) A cause of loss listed in **2.a.** or **2.b.**;
    - (2) One or more of the "specified causes of loss";
    - (3) Breakage of building glass;
    - (4) Weight of people or personal property; or
    - (5) Weight of rain that collects on a roof.

3. This **Additional Coverage –Collapse** does **not** apply to:

- a. A building or any part of a building that is in danger of falling down or caving in;
- b. A part of a building that is standing, even if it has separated from another part of the building; or
- c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
  - b. Awnings, gutters and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
    - i. Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:
- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
  - (2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
- b. The personal property which collapses is inside a building; and
- c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage – Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
7. This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in **D.1.** through **D.7.**

**E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
  - a. A "specified cause of loss" other than fire or lightning; or
  - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
  - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage – Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.

- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

## **F. Additional Coverage Extensions**

### **1. Property In Transit**

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
  - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
  - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
  - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

### **2. Water Damage, Other Liquids, Powder Or Molten Material Damage**

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

### **3. Glass**

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, **F.3.**, does not increase the Limit of Insurance.

## **G. Definitions**

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.

- b. Falling objects does not include loss or damage to:
  - (1) Personal property in the open; or
  - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## BURGLARY AND ROBBERY PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

### SCHEDULE\*

Premises No.	Building No.	Protective Safeguards Symbols Applicable
1	1	BR-1
2	1	BR-1
Describe any "BR-4":		
*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.		

**A. The following is added to the Commercial Property Conditions:**

**BURGLARY AND ROBBERY PROTECTIVE SAFEGUARDS**

1. As a condition of this insurance, you are required to maintain the protective devices and/or services listed in the Schedule above.
2. The protective safeguard(s) to which this endorsement applies are identified by the following symbols:
  - a. "BR-1" Automatic Burglary Alarm, protecting the entire building, that signals to:
    - (1) An outside central station; or
    - (2) A police station.
  - b. "BR-2" Automatic Burglary Alarm, protecting the entire building, that has a loud sounding gong or siren on the outside of the building.

- c. "BR-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

- d. "BR-4" The protective safeguard described in the Schedule.

**B. The following is added to the Exclusions section of the Causes Of Loss – Special Form:**

**BURGLARY AND ROBBERY PROTECTIVE SAFEGUARDS**

We will not pay for loss or damage caused by or resulting from theft if, prior to the theft, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.



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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
FARM COVERAGE PART

### SCHEDULE\*

Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
1	1	P-9
2	1	P-9
Describe any "P-9": Premises #1 : Fire Extinguishers, Premises #2 : Fire Extinguishers		
* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.		

**A.** The following is added to the:

Commercial Property Conditions  
General Conditions in the  
Farm Property – Other Farm  
Provisions Form – Additional Coverages,  
Conditions, Definitions  
General Conditions in the Mobile Agricultural  
Machinery and Equipment Coverage Form  
General Conditions in the Livestock Coverage  
Form

### PROTECTIVE SAFEGUARDS

- As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- The protective safeguards to which this endorsement applies are identified by the following symbols:

**"P-1" Automatic Sprinkler System**, including related supervisory services.

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected:
  - Sprinklers and discharge nozzles;
  - Ducts, pipes, valves and fittings;

**(3)** Tanks, their component parts and supports; and

**(4)** Pumps and private fire protection mains.

**b.** When supplied from an automatic fire protective system:

**(1)** Non-automatic fire protective systems; and

**(2)** Hydrants, standpipes and outlets.

**"P-2" Automatic Fire Alarm**, protecting the entire building, that is:

- Connected to a central station; or
- Reporting to a public or private fire alarm station.

**"P-3" Security Service**, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

**"P-4" Service Contract** with a privately owned fire department providing fire protection service to the described premises.

**"P-9"** The protective system described in the Schedule.

**B.** The following is added to the EXCLUSIONS section of:

CAUSES OF LOSS – BASIC FORM  
CAUSES OF LOSS – BROAD FORM  
CAUSES OF LOSS – SPECIAL FORM  
MORTGAGE HOLDERS ERRORS AND  
OMISSIONS COVERAGE FORM  
STANDARD PROPERTY POLICY  
CAUSES OF LOSS FORM – FARM  
PROPERTY  
MOBILE AGRICULTURAL MACHINERY AND  
EQUIPMENT COVERAGE FORM  
LIVESTOCK COVERAGE FORM

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

**COMMERCIAL GENERAL LIABILITY DECLARATION**

Conifer Insurance 550 W. Merrill Street Suite 200 Birmingham, MI 48009 Phone 248-559-0840 / Fax 248-559-0870 underwriting@coniferinsurance.com	The Roots Insurance Agency 2769 Coolidge Hwy. Berkley, MI 48072 (248) 671-4676
Named Insured:        Heal, Inc.  DBA:  Mailing Address:        4 Irving Road Weston, MA 02493  Policy Period:            9/24/2020 to 9/24/2021 at 12:01 A.M. Standard Time at your mailing address above. Change Effective:        4/27/2021	

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

**LIMITS OF INSURANCE**

Each Occurrence Limit \$1,000,000  
 General Aggregate Limit \$2,000,000  
 Personal & Advertising Injury Limit \$1,000,000 Any one person or organization  
 Damage to Premises \$100,000 Any one premises  
 Products/Completed Operations Aggregate Limit Excluded  
 Medical Expense Limit \$1,000 Any one person  
 Hired and Non-Owned Auto Liability Limit \$1,000,000

**DESCRIPTION OF BUSINESS**

FORM OF BUSINESS:

☐ Individual    ☐ Partnership    ☒ Corporation    ☐ LLC    ☐ Joint Venture    ☐ Other

**ALL PREMISES YOU OWN, RENT OR OCCUPY**

Loc #	DBA	Address
1		660 Main Street Sturbridge, MA 01566
2		70 Pulaski St Building #14 West Warren, MA 01092

**CLASSIFICATION AND PREMIUM**

Loc #	Item #	Class Code	Premium
1	1	13720 - Health or Natural Food Stores	Included
2	1	61226 - Buildings or Premises – office – Other than Not-For-Profit	Included



<b>ENDORSEMENTS</b>
---------------------

Forms and Endorsements made part of this policy at time of issue:

<u>Prem No.</u>	<u>Description</u>	<u>Premium</u>
All	CG0001 (04-13) Commercial General Liability Form	
All	CG0068 (05-09) Recording and Distribution of Material or Information In Violation of Law Exclusion	
All	CG2101 (11-85) Exclusion - Athletics or Sports Participants	
All	CG2106 (05-14) Exclusion - Access or Disclosure of Confidential or Personal Information and Data - Related Liability - with Limited Bodily Injury Exception	
All	CG2109 (06-15) Exclusion - Unmanned Aircraft	
All	CG2132 (05-09) Communicable Disease Exclusion	
All	CG2139 (10-93) Contractual Liability Limitation	
All	CG2146 (07-98) Abuse or Molestation Exclusion	
All	CG2147 (12-07) Employment-Related Practices Exclusion	
All	CG2149 (09-99) Total Pollution Exclusion	
All	CG2166 (06-15) Exclusion - Volunteer Workers	
All	CG2167 (12-04) Fungi and Bacteria Exclusion	
All	CG2173 (01-15) Exclusion of Certified Acts of Terrorism	
All	CG2175 (01-15) Exclusion of Certified Acts of Terrorism and Exclusion Of Other Acts of Terrorism Committed Outside The United States	
All	CG2176 (01-15) Exclusion of Punitive Damages as a Result of Certified Acts of Terrorism	
All	CG2186 (12-04) Exclusion - Exterior Insulation and Finish Systems	
All	CG2196 (03-05) Silica or Silica-Related Dust Exclusion	
All	CG2404 (05-09) Waiver of Transfer of Rights of Recovery Against Others to Us	
All	CIGL 84 Hired Auto and Non-Owned Auto Liability	\$150
All	CIGL01 (04-10) Exclusion - Lead Paint	
All	CIGL02 (04-10) Exclusion - Asbestos	
All	CIGL05 (05-17) Animals Exclusion	
All	CIGL21 (04-19) Cross Suits Exclusion	
All	CIGL32 (01-14) Minimum Earned Premium Endorsement	
All	CIGL34 (08-14) Firearms Exclusion	
All	CIHC01 (10-15) Biological or Chemical Materials Exclusion	
All	CIHC02 (08-15) Seepage And/Or Pollution And/Or Contamination Exclusion	
All	IL0021 (09-08) Nuclear Energy Liability Exclusion Endorsement	
1	CG2011 (04-13) Additional Insured - Managers or Lessors	\$50
1	CG2104 (11-85) Products/Completed Operations Hazard Exclusion	
1	CG2116 (07-98) Exclusion-Designated Professional Services	

- |   |   |      |
|---|---|------|
| 1 | CG2144 (07-98) Limitation of Coverage to Designated Premises  |      |
| 1 | CIGL03 (09-10) Exclusion - Assault & Battery                  |      |
| 2 | CG2011 (04-13) Additional Insured - Managers or Lessors       | \$50 |
| 2 | CG2104 (11-85) Products/Completed Operations Hazard Exclusion |      |
| 2 | CG2116 (07-98) Exclusion-Designated Professional Services     |      |
| 2 | CG2144 (07-98) Limitation of Coverage to Designated Premises  |      |
| 2 | CIGL03 (09-10) Exclusion - Assault & Battery                  |      |
| 2 | IL0286 (09-08) Michigan Changes Cancellation and NonRenewal   |      |

**THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.**

**COMMERCIAL PRODUCT LIABILITY DECLARATION**

Conifer Insurance 550 W. Merrill Street Suite 200 Birmingham, MI 48009 Phone 248-559-0840 / Fax 248-559-0870 underwriting@coniferinsurance.com	The Roots Insurance Agency 2769 Coolidge Hwy. Berkley, MI 48072 (248) 671-4676
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Named Insured: Heal, Inc.

DBA:

Mailing Address: 4 Irving Road  
Weston, MA 02493

Policy Period: 9/24/2020 to 9/24/2021 at 12:01 A.M. Standard Time at your mailing address above.

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE STATED IN THIS POLICY.**

**LIMITS OF INSURANCE**

Each Occurrence Limit \$1,000,000

General Aggregate Limit \$2,000,000

**DESCRIPTION OF BUSINESS**

FORM OF BUSINESS:

☐ Individual ☐ Partnership ☒ Corporation ☐ LLC ☐ Joint Venture ☐ Other**ALL PREMISES YOU OWN, RENT OR OCCUPY**

Loc #	DBA	Address	Occurrence Limit	Aggregate Limit
1		660 Main Street Sturbridge, MA 01566		
2		70 Pulaski St Building #14 West Warren, MA 01092		



**COMMERCIAL PRODUCT LIABILITY DECLARATION****ENDORSEMENTS**

Forms and Endorsements made part of this policy at time of issue:

<b><u>Prem No.</u></b>	<b><u>Description</u></b>	<b><u>Premium</u></b>
All	CIHC05 (06-18) Massachusetts Cannabis Operations Products-Completed Operations Liability Policy	\$10,000

## Massachusetts Cannabis Operations Products-Completed Operations Liability Policy Claims-Made and Reported Coverage

**NOTICE: THIS POLICY IS WRITTEN ON A CLAIMS-MADE AND REPORTED BASIS AND PROVIDES COVERAGE ONLY FOR THOSE CLAIMS WHICH ARE FIRST MADE AND REPORTED TO US IN WRITING DURING THE POLICY PERIOD.**

**PLEASE READ THIS POLICY IN ITS ENTIRETY. SOME OF THE PROVISIONS CONTAINED IN THIS POLICY RESTRICT COVERAGE, SPECIFY WHAT IS AND IS NOT COVERED AND DESIGNATE RIGHTS AND DUTIES. DEFENSE COSTS ARE SUBJECT TO AND WILL REDUCE THE LIMITS OF INSURANCE.**

THIS POLICY FORM ENDORSEMENT PROVIDES FOR PRODUCTS-COMPLETED OPERATIONS HAZARD AS SET FORTH HEREIN UP TO THE MAXIMUM AMOUNT SHOWN IN THE SCHEDULE BELOW.

Schedule of Limits of Insurance Products-Completed Operations		
	Location(s)	Limit(s)
Products-Completed Operations Aggregate Limit:	ALL	\$ 2,000,000
Products-Completed Operations Limit:	ALL	\$ 1,000,000

Words and phrases that appear in quotation marks have special meanings. Refer to Section IV, Definitions.

In consideration of the payment of the Premium and in reliance upon the information and statements provided in the Application and "submission materials", which are made a part of, deemed attached to, and incorporated into this Policy, and subject to all of the terms and conditions of this Policy, including without limitation, the Limits of Insurance and Exclusions, "we" agree to provide "you" with the insurance coverage described herein.

### I. INSURING AGREEMENT

**A)** We will pay on behalf of the "insured" those sums that the "insured" becomes legally obligated to pay as "damages" because of "bodily injury" included within the "products-completed operations hazard" to which this insurance applies for:

1. "bodily injury" that arises out of the lawful and licensed cultivation, processing, manufacture, testing, handling, distribution, wholesale, retail sales, or disposal of "marijuana", "medical marijuana", "cannabis", "hemp" or "products containing cannabis" (collectively referred to as "cannabis products").

**B)** This insurance applies to "bodily injury" only if:

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1. The “bodily injury” is caused by an “occurrence” that takes place in the “coverage territory”;
  2. The “bodily injury” did not occur before the Retroactive Date shown in the Declarations or after the end of the Policy Period;
  3. A “claim” for “damages” because of the “bodily injury” is first:
    - a) made against any “insured” during the Policy Period; and
    - b) reported to “us” in writing during the Policy Period, or within 15 days thereafter in the event of renewal with “us” or any Extended Reporting Period provided under Section VII, Extended Reporting Periods.
- C)** A “claim” by a person or organization seeking “damages” will be deemed to have been made when notice of such “claim” is received and recorded by any “insured” or by “us”, whichever comes first.

All “claims” for “damages” because of “bodily injury” to the same person, including “damages” claimed by any person or organization for care, loss of services or death resulting at any time from “bodily injury”, will be deemed to have been made at the time written notice of the first of those “claims” is received by “us”.

#### **D) Defense and Settlement**

“We” will have the right and duty to defend any “suit” seeking “damages” to which this insurance applies. “We” will pay “defense costs” incurred whenever “we” defend those “suits”. However, “we” will have no duty to defend the “insured” against any “suit” seeking “damages” for “bodily injury” to which this insurance does not apply. “We” may also at “our” discretion investigate any “occurrence” and settle any “claim” or “suit” that may result. The amount “we” will pay for the sum of “damages” and “defense costs” is limited as described in Section III, Limits of Insurance. “Our” right and duty to defend ends after the applicable limit of insurance has been exhausted by the payment of judgments, settlements and/or “defense costs”.

## **II. WHO IS AN INSURED**

- A.** If “you” are designated in the Declarations or in an endorsement to this Policy as:
1. An individual, “you” and “your” spouse are “insureds”, but only with respect to the conduct of a business of which “you” are the sole owner.
  2. A partnership or joint venture, “you” are an “insured”. “Your” partners or members are also “insureds”, but only with respect to the conduct of “your” business.
  3. A limited liability company, “you” are an “insured”. “Your” members are also “insureds”, but only with respect to the conduct of “your” business. “Your” managers are “insureds”, but only with respect to their duties as “your” managers.

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4. An organization other than a partnership, joint venture or limited liability company, “you” are an “insured”. “Your” officers and directors are “insured’s”, but only with respect to their duties as “your” officers and directors. “Your” stockholders are “insureds”, but only with respect to their liability as “your” stockholders.

**B.** Each of the following is also an “insured”:

1. “Your” “employees”, other than either “your” officers (if “you” are an organization other than a partnership, joint venture or limited liability company) or “your” managers (if “you” are a limited liability company), but only for acts within the scope of their employment by “you” or while performing duties related to the conduct of “your” business. However, the insurance afforded to such “employee” does not apply to:
  - a) “Bodily injury” to:
    - 1) A co-“employee” of the “insured” arising out of or in the course of his or her employment or performing duties related to the conduct of “your” business; or
    - 2) To “you”, “your” partners or members (if “you” are a partnership or joint venture) or to members (if “you” are a limited liability company).
2. “Your” “volunteer workers”, but solely while performing duties or services on “your” behalf and within the scope of his or her volunteer duties to “you”;
3. Any natural person or entity who is a vendor of “your” “cannabis products” if “you” are required, pursuant to a written contract or agreement to provide such person or entity with such coverage, but only to the extent of such vendor’s liability for “damages” resulting from the distribution or sale of “your” “cannabis products” in the ordinary course of such vendor’s business; provided however, no such natural person or organization is an “insured” with respect to the following activities:
  - a. Such vendor’s rendering or failure to render professional services or “medical professional services”;
  - b. Failure to make such inspections, adjustments, tests or servicing that the vendor has agreed to make or normally undertakes to make in the usual and ordinary course of its business operations in connection with the distribution or sale of “your” “cannabis products”;
  - c. Any physical or chemical change in “your” “cannabis product” made intentionally by the vendor;

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- d. Any repackaging of “your” “cannabis product”, unless unpacked solely for the purpose of inspection, demonstration, or testing, or the substitution of parts under the instruction of the manufacturer and then repackaged in the original container;
- e. Any assumption of liability by the vendor in any contract or agreement, provided however, this provision shall not apply to any liability for “damages” that such vendor would have in the absence of such contract or agreement;
- f. Any warranty made by the vendor without “your” authorization
- g. “Cannabis products” which, after distribution or sale by “you”, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
- h. An “occurrence” which is the result of the vendor’s, its employee’s or any one acting on its behalf’s sole negligence.

However, no coverage is provided hereunder for any person or organization from whom “you” have acquired “your” “marijuana and/or cannabis products” or any ingredient, part or container entering into, accompanying or containing “your” “marijuana and/or cannabis products”.

- 5. If there is no other insurance available, any “subsidiary” that the “first named insured” newly acquires or forms during the Policy Period will qualify as a “named insured”, however, coverage for such “subsidiary”:
  - a) Is only afforded until the 90th day after the “first named insured” acquires or forms the “subsidiary” or the end of the Policy Period, whichever is earlier; and
  - b) Does not apply to “bodily injury” that occurred, in whole or in part, before the “first named insured” acquired or formed the “subsidiary”.

In order for coverage for such “subsidiary” to continue beyond the 90 day period, “we” must agree in writing to add such “subsidiary” as a “named insured” which will be evidenced by an endorsement to this policy setting forth the terms and conditions for coverage.

No person or organization is an “insured” with respect to the conduct of any current or past partnership, joint venture, or limited liability company that is not a “named insured” under this Policy.

### **III. LIMITS OF INSURANCE**

- A.** The Limits of Insurance shown in the Declarations and the rules below fix the most “we” will pay regardless of the number of:

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1. "Insureds";
  2. "Claims" made or "suits" brought; or
  3. Persons or organizations making "claims" or bringing "suits".
- B.** The Limit of Insurance specified in the Declarations as the Aggregate Limit of Insurance is the most "we" will pay for the sum of all "damages" and "defense costs" because of "bodily injury" included within the "products-completed operations hazard".
- C.** Subject to subsection B above, the Each Occurrence Limit is the most "we" will pay for the sum of all "damages" and "defense costs" because of all "bodily injury" arising out of any one "occurrence". It is agreed that all "damages" arising out of one lot of goods or "marijuana and/or cannabis products" manufactured or distributed by "you" shall be considered as arising out of one "occurrence".
- D.** The Limits of Insurance apply separately to each consecutive annual period and any remaining period of less than 12 months, starting with the beginning of the Policy Period shown in the Declarations, unless the Policy Period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the limit of insurance.

#### **IV. DEFINITIONS**

- A.** "Adulterated", "cannabis products" shall mean "cannabis products" containing any unintended substance, chemical or biological matter other than "marijuana" or "cannabis" that causes adverse reaction from ingestion or consumption.
- B.** "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death, resulting from consumption or ingestion, including smoking, all of "adulterated" "cannabis", "marijuana" or "products containing cannabis". "Bodily injury" shall not include either (1) expected or intended effects of smoking, ingestion or consumption of "marijuana", "cannabis" or "products containing cannabis" or (2) long-term adverse effects of the smoking, ingestion or consumption of "marijuana", "cannabis" or "products containing cannabis".
- C.** "Cannabis" "marijuana" and "products containing cannabis" all mean that part of the marijuana plant used in its natural form or processed for any kind of ingestion, absorption or consumption, including but not limited to smoking or vaping.
- D.** "Claim" means a "suit" or other written demand for "damages" because of alleged "bodily injury" to which this insurance applies.

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- E.** "Coverage territory" means "bodily injury" occurring in the state of Massachusetts and arising solely from the lawfully licensed sale of "cannabis products" in the state of Massachusetts.
- F.** "Damages" means any compensatory amount which the "insured" becomes legally obligated to pay on account of a "claim", including judgments, awards, settlements and any award of prejudgment and post judgment interest on that part of any judgment paid under the Policy. "Damages" shall not include:
1. any amounts for which the "insured" is not financially liable or legally obligated to pay;
  2. taxes, fines, sanctions, forfeitures or penalties;
  3. matters uninsurable under the law pursuant to which this Policy is construed;
  4. disgorgement of profits by an "insured";
  5. costs of an "insured's" corrections; fees, commissions, expense or costs paid to or charged by an "insured"; or
  6. the multiplied portion of any multiple damage award; or
  7. the costs to comply with any injunctive or other non-monetary or declaratory relief, including specific performance, or any agreement to provide such relief.
  8. Punitive or exemplary damages.

"Damages" shall not include punitive or exemplary damages.

- G.** "Defense costs" means all expenses incurred in the investigation, negotiation, arbitration or defense of any "suit" whether paid by "us" or by "you" with "our" written consent and subject to the limitations stated in Section I, Insuring Agreement, D, Defense and Settlement, including:
1. Legal fees, investigative fees and costs incurred by "us" in the defense of a "suit" or in the investigation of a "claim", all costs taxed against "you" in any "suit" "we" defend and all interest on that portion of any judgment for which "we" are liable that accrues after the entry of the judgment and before "we" have paid or tendered or deposited in court that part of the judgment that does not exceed "our" Limits of Insurance. "Defense costs", however, shall not include salaries or any other form of compensation paid to officers or other persons "we" employ;
  2. Premiums on appeal bonds required in any such "suit" or premiums on bonds to release attachments in any such "suit" for an amount not in excess of the applicable Limits of Insurance of this Policy, but "we" will have no obligation to apply for or furnish any such
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bonds; and

3. All reasonable expenses, other than loss of earnings, incurred by “you” at “our” request, excluding salaries or other forms of compensation paid to partners, directors or officers or other persons “you” employ.

All “defense costs” are included within, and not in addition to, the Limits of Insurance.

- H. “Employee” means any person who receives remuneration directly from “you” and whose work is controlled and directed by “you”. “Employee” includes a “leased worker”, but does not include a “temporary worker”.
- I. “First named insured” means the Named Insured first listed as such in the Declarations and shall not include any named insured added as such by endorsement.
- J. “Hemp” means that variety of the Cannabis sativa plant species that is grown specifically for industrial uses in products to include but not limited to usable fiber for paper, textiles, clothing; and products such as biodegradable plastics, paint, insulations, biofuel, food, animal feed and any other industrial product.
- K. “Insured” means any “named insured” and any individual or organization qualifying as an “insured” under Section II, Who Is An Insured.
- L. “Insured contract” means that part of any written and signed contract or agreement pertaining to “your” business under which “you” assume the tort liability of another party to pay for “bodily injury” or “property damage” to a third person or organization. Tort liability means liability that would be imposed by law in the absence of any contract or agreement.
- M. “Leased worker” means a person leased to “you” by a labor leasing firm under an agreement between “you” and the labor leasing firm to perform duties related to the conduct of “your” business. “Leased worker” does not include a “temporary worker”.
- N. “Marijuana Hemp and/or Cannabis products” means any product containing any part of the plant genus Cannabis; the seeds thereof; the resin extracted from any part of the plant, including hashish and hash oil; any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. “Medical Marijuana” is defined as the use of cannabis or marijuana products, including constituents of cannabis, tetrahydrocannabinol (THC) and other cannabinoids (CBD), as a physician-recommended form of medicine or herbal therapy.
- O. “Occurrence” means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

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**P.** “Pollutants” means solids, liquids, gaseous or thermal irritants, contaminants, smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**Q.** “Products-completed operations hazard”:

1. Includes all “bodily injury” occurring away from premises “you” own or rent and arising out of “your” “cannabis products” except:
  - a. “cannabis products” that are still in “your” physical possession; or
  - b. Work that has not yet been completed or abandoned. However, “your work” will be deemed completed at the earliest of the following times:
    1. When all of the work called for in “your” contract has been completed;
    2. When all of the work to be done at the job site has been completed if “your” contract calls for work at more than one job site; or
    3. When that part of the work done at a job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project. Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
2. Does not include “bodily injury” arising out of:
  - a. The transportation of property, unless the “bodily injury” arises out of a condition in or on a vehicle not owned or operated by “you”, and that condition was created by the loading or unloading of that vehicle by any “insured”; or
  - b. The existence of tools, uninstalled equipment or abandoned or unused materials.

**R.** “Property damage” means:

1. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
2. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the “occurrence” that caused it.

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- S.** “Submission materials” means any materials provided by “you” or on “your” or any other “insureds” behalf at our request in connection with the application process for this insurance.
- T.** “Subsidiary” means any entity that is not formed as a joint venture or partnership, in which the “first named insured”:
1. own interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of the board of directors if such entity is a corporation or the members of the management board if such entity is a limited liability company; or
  2. have the right, pursuant to written contract or the “first named insured’s” by-laws, charter, operating agreement or similar documents to elect, appoint or designate a majority of the board of directors if such entity is a corporation or the members of the management board if such entity is a limited liability company,
- either directly or indirectly, in any combination, by one or more other “subsidiaries”.
- U.** “Suit” means a civil proceeding in which “damages” because of “bodily injury” to which this insurance applies are alleged. “Suit” includes:
1. An arbitration proceeding in which such “damages” are claimed and to which the “insured” must submit or does submit with “our” prior written consent; or
  2. Any other alternative dispute resolution proceeding in which such “damages” are claimed and to which the “insured” submits with “our” prior written consent.
- V.** “Temporary worker” means a person who is furnished to “you” to substitute for a permanent “employee” on leave or to meet seasonal or short-term workload conditions.
- W.** “Volunteer worker” means a person who is not “your” “employee”, donates his or her work and acts at the direction of and within the scope of duties determined by “you”, and is not paid a fee, salary or other compensation by “you” or anyone else for their work performed by “you”.
- X.** “You”, “Your” or the “Named insured” means the “first named insured” and any other person or organization added as a named insured by endorsement to this Policy.
- Y.** “We”, “Us” and “Our” mean the Company providing this insurance.

## **V. EXCLUSIONS**

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This insurance does not apply to any “claim” alleging, based upon, arising out of or attributable to:

**A. Abuse or Molestation**

Actual, alleged attempted, proposed or threatened sexual, physical or psychological abuse or molestation, including assault and battery, whether or not intended or expected from the standpoint of any “insured”, any perpetrator of the abuse or molestation or any other person or organization.

This exclusion applies, but is not limited to, any “claim” alleging that the abuse or molestation was contributed by the “insured’s” negligent or intentional:

1. Employment of;
2. Investigation of or failure to investigate;
3. Supervision of;
4. Reporting or failing to report, to the proper authorities;
5. Retention of; or
6. Any other failure to prevent abuse or molestation by;

any person or organization whose conduct is alleged to have caused or contributed to the abuse or molestation.

**B. Anti-trust**

Any actual or alleged:

1. Antitrust law violation;
2. Unfair competition of any kind;
3. Price fixing; or
4. Agreement or conspiracy to restrain trade.

**C. Asbestos**

Manufacturing, mining, use, sale, installation, removal, distribution, testing of or exposure to asbestos, materials or products containing asbestos or asbestos fibers or dust.

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**D. Contractual Liability**

Bodily injury” for which “you” are obligated to pay “damages” by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for “damages”:

1. Assumed in a contract or agreement that is an “insured contract” provided the “bodily injury” or “property damage” occurs subsequent to the signing of the contract or agreement; or
2. That “you” would have in the absence of the contract or agreement.

**E. Criminal Acts**

Any actual or alleged act, by the “insured” or with the “insured’s” consent, in violation of any state law or regulation imposing criminal penalties or liability.

**F. Cross Claims**

Any "claim" brought or maintained by or on behalf of any current or former "insured" in any capacity against another current or former "insured".

**G. Damage to Your Cannabis Product**

“Property damage” to your “cannabis product” arising out of your “cannabis product” or any part of it.

**H. Discrimination**

Discrimination, humiliation or harassment of an individual on any basis, including but not limited to, race, creed, color, age, gender, national origin, religion, disability, marital status, sexual identification, sexual orientation or any other similar classification protected by law; or alleging, based upon, arising out of or attributable to any failure to comply with the Americans With Disabilities Act or any similar law.

**I. Employer’s Liability**

1. “Bodily Injury” to:
  - a. An “employee” arising out of and in the course of:
    - 1) Employment by ”you”; or
    - 2) Performing duties related to the conduct of “your” business; or

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- b. The spouse, child, parent, brother or sister of that “employee” as a consequence of paragraph (A) above.

2. This exclusion applies:

- a. Whether “you” may be liable as an employer or any other capacity; and
- b. To any obligation to share “damages” with or repay someone else who must pay “damages” because of the injury.

This exclusion does not apply to liability assumed by “you” under an “insured contract”.

**J. Expected or Intended Injury**

“Bodily injury” expected or intended from the standpoint of the “insured”.

**K. Infringement**

Infringement of copyright, patent, trademark, trade secret or other intellectual property rights, including infringement of trade dress or slogan; and any “claim” alleging, based upon, arising out of or attributable to false or misleading advertising.

**L. Motor Vehicle, Aircraft or Watercraft**

“Bodily injury” arising out of the ownership, maintenance, use or entrustment of any motor vehicle, aircraft or watercraft.

**M. Pollution**

1. “Bodily injury” which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured against. The term “any kind of seepage or any kind of pollution and/or contamination” as used in this section includes but is not limited to seepage of, or pollution and/or contamination by, anything, including but not limited to any material designated as a “hazardous material” by the United States Department of Transportation, or defined as a “toxic substance” by the Canadian Environmental Protection Act for the purposes of Part II of that Act, or any substance designated or defined as toxic or dangerous or hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal, or other law, ordinance or regulation; and the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment ; or
2. Or constituting any loss, cost or expense based upon, arising out of or attributable to any:

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- a. Request, demand or order that an “insured” or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effects of “pollutants”; or
- b. Claim or suit by or on behalf of a governmental authority for “damages” because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing or in any way responding to or assessing the effects of “pollutants”.

#### **N. Prior or Pending Litigation**

Any prior or pending litigation or administrative or regulatory action or proceeding for the same or substantially the same “occurrence”, fact, circumstance or situation underlying or alleged therein, which was filed on or before the effective date of this Policy or an similar policy which was issued to the “first named insured” by “us” or any of our “affiliates” and continuously renewed and maintained.

#### **O. Prior Notice**

Any “occurrence”, claim or suit that has been the subject of any written notice given to a prior insurer on or before the Effective Date of this Policy.

#### **P. Products**

Manufacturing, handling, distribution, advertising, labeling, sale, application, ingestion, absorption, consumption, testing, exposure to or any use of any product or substance known as, made of or containing any one or more of the following products:

1. All weight management drugs including, but not limited to: Fenfluramine, Phentermine, Sibutramine, or Dexfenfluramine;
2. Diethylstilbestrol, DES or any other product or substance which has the same chemical formulary, is a stilbene derivative or has similar formulation, structure or function by whatever name manufactured, grown or marketed;
3. Phenylpropanolamine (PPA); or
4. Ephedra, Ma huang, Ephedra sinica, Chinese Ephedra, ephedrine, pseudoephedrine, norpseudoephedrine or any other product or substance having similar formulation, structure or function by whatever name manufactured , grown or marketed.
5. “Cannabis products” intentionally altered with any chemical, contaminate or pathogenic or poisonous biological or chemical materials that enhances or alters the effect of naturally produced “cannabis products” or is otherwise harmful to humans by way of any kind of ingestion, absorption or consumption.

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**Q. Property Damage****R. Recall of Products, Work or Impaired Property**

Loss of use, withdrawal, inspection, repair, replacement, recall, adjustment, removal or disposal of:

1. Your “marijuana and/or cannabis product”;
2. “Your work”; or
3. “Impaired property”

if such products, work or property are withdrawn or recalled from the market or from use because of any known or suspected defect, deficiency, inadequacy or dangerous conditions therein.

**S. War**

1. War, including undeclared or civil war; or
2. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
3. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

**T. Willful and Intentional Non-Compliance**

Any “insured’s” willful and intentional act of non-compliance with any rule or regulation promulgated by the State of Massachusetts or by any other corresponding regulatory body.

**U. Workers Compensation and Similar Laws**

Any obligation of the “insured” under any workers compensation, unemployment compensation, disability benefits or any other similar law.

**V. Unlicensed Activities**

Any unlicensed manufacturing, handling, distribution, advertising, sale, or testing of “cannabis products”.

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## **VI. CONDITIONS**

### **A. Annual Rating**

If this Policy is issued for a period in excess of one year, the Premium may be revised on each annual anniversary in accordance with “our” rates and rules at the time.

### **B. Bankruptcy**

Bankruptcy or insolvency of the “insured” or of the “insured’s” estate will not relieve “us” of “our” obligations under this Policy.

### **C. Cancellation**

1. The “first named insured” may cancel this Policy by mailing or delivering to “us” written notice stating when the cancellation will be effective.
2. “We” may cancel this Policy by mailing or delivering to the “first named insured”, at its last known address, written notice of cancellation at least:
  - a. 10 days thereafter, if “we” cancel for nonpayment of any unpaid portion of Premium; or
  - b. 90 days thereafter, if “we” cancel for any other reason.

The effective date and hour of cancellation stated in the notice will be the end of the Policy Period. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. If “we” cancel, earned Premium will be computed pro-rata. If the “first named insured” cancels, any refund due may be less than pro-rata. Premium adjustment may be made at the time cancellation becomes effective. “Our” check or the check of “our” representative mailed to the “first named insured” will be sufficient proof of any refund of Premium due.

### **D. Changes**

This Policy’s terms and conditions may be changed only by endorsement issued by “us” to form a part of this Policy.

### **E. Duties In The Event Of An Occurrence, Claim Or Suit**

1. If “you” are aware of an event and/or occurrence that may give rise to a claim or an actual claim or suit is received by “you” or “your” “employee(s)”, “you” must immediately:
  - a. Notify “us” in writing;

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- b. Record the specifics of the “claim” and the date received; and
  - c. Immediately send “us” copies of any demands, notices, summonses or legal papers received in connection with the “claim” or “suit”.
- 2. You must also:
  - a. Authorize “us” to obtain records and other information;
  - b. Cooperate with “us” in the investigation, defense or settlement of any “claim”, “suit” or “occurrence”; and
  - c. Assist “us”, upon “our” request, in the enforcement of any right against any person or organization which may be liable to the “insured” because of injury or damage to which this insurance may also apply.
- 3. No “insured” will, except at that “insured’s” own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid, without “our” prior written consent.
- 4. All notices to “us”, including without limitation the reporting of “claims”, are to be sent to “us” in accordance with the instructions in and at the address shown in the Declarations.

#### **F. Examination Of The Insured’s Books And Records**

“We” may examine and audit the “insured’s” books and records as they relate to this Policy at any time during the Policy Period, or any extensions, and up to three years afterward.

#### **G. Inspections and Surveys**

- 1. “You” will permit “us” to:
  - a. Make inspections and surveys at any time;
  - b. Give “you” reports on the conditions “we” find; and
  - c. Recommend changes.
- 2. “We” are not obligated to make any of these inspections, surveys, reports or recommendations and “our” right to do so does not constitute any undertaking on behalf of, or for the benefit of any “insured” or others, to determine that “your” property or operations are safe.

#### **H. Legal Action Against Us**

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No person or organization has a right under this Policy:

1. To join “us” as party or otherwise bring “us” into a “suit” against any “insured”; or
2. To sue “us” in connection with this insurance unless all of the Policy terms have been fully complied with.

A person or organization may sue “us” to recover after an agreed settlement or on a final judgment against an “insured”. However, “we” will not be liable for “damages” that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by “us”, the “insured” and the claimant or the claimant's legal representative.

#### **I. Other Insurance**

If any “damages” or “defense costs” covered under this Policy are covered under any other valid and collectible insurance, then this Policy shall cover such “damages” or “defense costs”, subject to this Policy’s terms and conditions, only to the extent the amount of such “damages” and “defense costs” are in excess of the amount of such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided by this Policy. If any “damages” or “defense costs” covered under this Policy are covered under any other valid and collectible insurance available to a vendor, then in that event, the limits of insurance available to the vendor shall be deducted by amounts available to the vendor under such other coverage.

#### **J. Premium Audit**

1. “We” will compute all Premiums for this Policy in accordance with “our” rules and rates.
2. If the Premium in the Declarations is shown as flat, the Premium for this Policy may be subject to adjustment.
3. If the Premium is shown in the Declarations as an advance Premium, then at the close of each audit period “we” will compute the earned Premium for that period. Audit Premiums are due and payable on notice to the “first named insured”.
4. The “first named insured” must keep records of the information “we” need for Premium computation and send “us” copies at such times as “we” request.

#### **K. Representations**

By accepting this Policy, “you” agree that:

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1. The statements in the Declarations, Application and “submission materials” for this Policy are accurate and complete;
2. Those statements are based upon representations “you” made to the “us”; and
3. This Policy has been issued in reliance upon “your” representations.

#### **L. Subrogation**

In the event of any payment under this Policy, “we” shall be subrogated to the extent of such payment to all the “insureds” rights of recovery. The “insureds” shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable “us” effectively to bring suit or otherwise pursue subrogation rights in the name of the “insureds”. The “insureds” shall do nothing to prejudice “our” subrogation rights.

#### **M. Transfer Of Your Rights And Duties Under This Policy**

Neither “you” nor any other “insured” under this Policy can assign or transfer any interest in the Policy or any of the rights and duties thereunder without “our” prior written consent. This includes any “claim” or cause of action against “us”, whether in contract, tort or otherwise, that relates to or arises in connection with this Policy, including any “claim” or cause of action for bad faith.

If “you” die, “your” rights and duties will be transferred to “your” legal representative, but only while acting within the scope of duties as “your” legal representative. Until “your” legal representative is appointed, anyone having proper temporary custody of “your” property will have “your” rights and duties but only with respect to that property.

#### **N. When We Do Not Renew**

If “we” decide not to renew this Policy, “we” will mail or deliver to the “first named insured” written notice of the non-renewal not less than 30 days before the expiration date of this Policy.

If notice is mailed, proof of mailing will be sufficient proof of notice.

#### **O. Sole Agent**

By accepting this Policy, all “insureds”:

1. Authorize the “first named insured” to act on its own behalf and that of all other “named insureds” with respect to:
  - a. The giving and receipt of notice of cancellation or non-renewal; and

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- b. The receipt of any return Premium that may become payable under this Policy;
- 2. Authorize “us” to accept payment of any Premium, at “our” discretion, only from the “first named insured”; and
- 3. Agree that:
  - a. All “named insureds” are jointly and severally responsible for the payment of all Premium; and
  - b. “Our” acceptance of payment of Premium only from the “first named insured” does not relieve any other “named insured” from responsibility for any payment of Premium the “first named insured” fails to make.

**P. Trade or Economic Sanctions**

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit “us” from providing insurance, including, but not limited to, the payment of “claims”.

**Q. Conformance to Statute**

To the extent that this Policy conflicts with any applicable law, statute or regulation, this policy shall conform to the minimum requirements of that law, statute or regulation.

**VII. EXTENDED REPORTING PERIODS**

**A.** “We” may provide one or more Extended Reporting Periods, as described below, if:

- 1. This Policy is cancelled or not renewed; or
- 2. “We” renew or replace this Policy with insurance that:
  - a. Has a Retroactive Date later than the date shown in the Declarations of this Policy; or
  - b. Does not apply to “bodily injury” included in the “products-completed operations hazard” on a claims-made basis.

**B.** Extended Reporting Periods do not extend the Policy Period or change the scope of coverage provided. Extended Reporting Periods will not reinstate or increase the Limits of Insurance specified in the Declarations. They apply only to “claims” for “bodily injury” that occurs before the end of the policy period but not before the Retroactive Date, if any, shown

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in the Declarations. Once in effect, Extended Reporting Periods may not be cancelled.

- C.** An Automatic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the Policy Period and lasts for 60 days. The Automatic Extended Reporting Period does not apply to “claims” that are covered under any subsequent insurance “you” purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such “claims”.
- D.** A Supplemental Extended Reporting Period of up to five years may be available, but only by an endorsement and for an extra charge. This supplemental period starts at the end of the 60 day Automatic Extended Reporting Period described in paragraph C above and applies solely to “claims” first made during the Supplemental Extended Reporting Period.

The “first named insured” must give “us” a written request for the endorsement within 60 days after the end of the Policy Period. If the “first named insured” does not provide such notice within the sixty day period, the Supplemental Extended Reporting Period may not be purchased after such sixty day period. The Supplemental Extended Reporting Period will not go into effect unless the “first named insured” pays the additional premium promptly when due. Once in effect, the Supplemental Extended Reporting Period may not be cancelled and the premium shall be fully earned.

“We” will determine the additional premium in accordance with “our” rules and rates. In doing so, “we” may take into account the following:

1. The exposures insured;
2. Previous types and amounts of insurance;
3. Limits of Insurance available under this Policy for future payment of “damages”; and
4. Other related factors.

This endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for “claims” first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period starts.

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## Plan for Restricting Access to Ages 21 and Older

Pursuant to 935 CMR 500.050(5)(b), Heal Sturbridge, Inc. ("Heal") will only be accessible to consumers 21 years of age or older with a verified and valid, government-issued photo ID or in possession of a Program ID Card demonstrating the individual is a registered and active qualifying patient with the Medical Use of Marijuana Program.

All Heal employees and registered agents will be 21 years of age or older, per 935 CMR 500.029. Additionally all visitors must be 21 years of age or older, per 935 CMR 500.002.

Upon entry into the premises of the marijuana establishment by an individual, a Heal registered agent will immediately inspect the individual's proof of identification and determine the individual's age, in accordance with 935 CMR 500.140(2).

In the event Heal learns of its agents intentionally or negligently sold marijuana to an individual under the age of 21, the agent will be immediately terminated and Heal will be promptly notified, pursuant to 935 CMR 500.105(1)(I). Heal will not hire any individuals who are under the age of 21 or who have been convicted of distribution of controlled substances to minors, pursuant to 935 CMR 500.030(1).

In accordance with 935 CMR 500.105(4)(b)(13), the website for Heal will require all online visitors to verify they are 21 years of age or older prior to accessing the page.

Pursuant to 935 CMR 500.105(4), Heal will not engage in any marketing, advertising, or branding practices that are targeted to, deemed to appeal to or portray minors under the age of 21. Heal will also ensure that, pursuant to 935 CMR 500.150(1)(b), no edible products that are manufactured or sold will feature realistic or fictional human, animal, or fruit, including artistic, caricature or cartoon renderings, and that all packaging for any marijuana or marijuana products will not use bright colors, resemble existing branded products, feature cartoons 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 attractive to minors.

## Recordkeeping

To ensure that Heal Sturbridge, Inc. (“Heal”) 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 Heal’s quarter-end closing procedures. In addition, Heal’s operating procedures will be updated on an ongoing basis as needed and will undergo a review by the executive management team on an annual basis. Heal will report to the Commission and law enforcement any loss or unauthorized alteration of records related to marijuana. All records will be made available to the Commission upon request.

### **Corporate Records**

Heal will maintain records regarding the corporation, its structure, contracts, and licenses. These records will include, at a minimum:

- Insurance and Liability Coverage
- Third Party Laboratory Contracts
- Commission requirements, including Annual Agent/Establishment Registration
- Local Compliance (Certificate of Occupancy, Special Permits, etc..,)
- Annual Report
- Secretary of State Filings

### **Business Records**

Heal will maintain records of all business transactions and activity. These records will include, at a minimum:

- 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;
- Vehicle inspection records
- Records of monthly analysis of equipment and sales data, in accordance with 935 CMR 500.140(6)(d)
- Salary and wages paid to each agent, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with Heal, including members, if any

## Personnel/Training Records

Heal will maintain personnel files for all its employees. These files at a minimum 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 Heal 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 cultivation conditions;
- Personnel policies and procedures; and
- All background check reports obtained in accordance with 935 CMR 500.030.
- Vendor training compliance records in accordance with 935 CMR 500.105.(2)(b)5.

Heal will also maintain documentation of all required employee 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).



## **Marijuana/Marijuana Product Testing Result Records**

Heal will maintain the test results for all marijuana and marijuana products for a minimum of one year. These records will be available to the Commission upon request.

## **Inventory Records**

Heal will use seed-to-sale tracking software (in conjunction with Metrc) to maintain real-time inventory. The tracking software inventory reporting will meet the requirements specified by the Commission and 935 CMR 500.105(8)(c) and (d), 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. Inventory records will include, at a minimum, the date of the inventory, a summary of the inventory findings, and the names, signatures, and titles of the individuals who conducted the inventory.

Heal will maintain records of all marijuana products that are reserved for medical patients. Heal will perform audits of patient supply available on a weekly basis and retain those records for a period of six months.

## **Incident Reporting**

Within ten (10) calendar days, Heal will provide written notice to the Commission of any incident described in 935 CMR 500.110(7)(a), by submitting an incident report, detailing the incident, the investigation, the findings, resolution (if any), confirmation that the Police Department and Commission were notified within twenty-four (24) hours of discovering the breach, and any other relevant information. Reports and supporting documents, including photos and surveillance video related to a reportable incident, will be maintained by Heal 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 upon request.

## **Visitor Records**

A visitor sign-in and sign-out record will be maintained at the security office. The record 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**

When marijuana or marijuana products are disposed of, Heal will create and maintain a written 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 Heal agents present during the disposal or handling, with their signatures. Heal 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. Twenty-four (24) hour recordings from all video cameras will also be available for immediate viewing by the Commission upon request and will be retained for at least ninety (90) calendar days.

## **Transportation Manifests**

Heal will retain all shipping manifests for a minimum of one (1) year and make them available to the Commission upon request.

## **Policies and Procedures**

Policies and Procedures related to Heal'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;

- Agent security policies, including personal safety and crime prevention techniques;
- A description of Heal'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 dispensed;
- Procedures to ensure accurate recordkeeping, including inventory protocols in compliance with 935 CMR 500.160;
- 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);
- 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 the Police Department and to the Commission;
  - Engaged in unsafe practices with regard to Heal 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 executives of Heal, and members, if any, of the licensee must be made available upon request by any individual. (935 CMR 500.105(1)(m) requirement may be fulfilled by placing this information on Heal's website.)
- Policies and procedures for the handling of cash on Heal premises including but not limited to storage, collection frequency and transport to financial institution(s).
- 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.

## **Record Retention and Closure**

Heal will meet Commission recordkeeping requirements and retain a copy of all records for two years, unless otherwise specified in the regulations.

In the event Heal closes, all records will be kept for at least two years at Heal's expense in a form (electronic, hard copies, etc.) and location acceptable to the Commission. In addition, Heal will communicate with the Commission during the closure process and accommodate any additional requests the Commission or other state agencies may have.



## Maintaining of Financial Records

Heal Sturbridge, Inc.'s ("Heal") 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 and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with a marijuana establishment, including members, if any.
- All sales recording requirements under 935 CMR 500.140(6) 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;
  - 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;
  - 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 months immediately preceding this application for the purpose of ensuring an adequate supply of marijuana and marijuana products under 935 CMR 500.140(10).

- 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 500.550 or any other section of the Commission's regulations.

## Qualifications and Training

### **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.

Heal Sturbridge, Inc. ("Heal") will also ensure that its employees are suitable for registration consistent with the provisions of 935 CMR 500.802. In the event that Heal discovers any of its agents are not suitable for registration as a marijuana establishment agent, the agent's employment will be terminated, and Heal 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 Heal's agents will successfully complete a comprehensive training program that is tailored to the roles and responsibilities of the agent's job function. Agent training will at least include the Responsible Vendor Program and eight (8) hours of on-going training annually. On or after July 1, 2019, all of Heal's current owners, managers, and employees will have attended and successfully completed a Responsible Vendor Program operated by an education provider accredited by the Commission to provide the annual minimum of two hours of responsible vendor training to marijuana establishment agents. Heal's new, non-administrative employees will complete the Responsible Vendor Program within 90 days of the date they are hired. Heal's owners, managers, and employees will then successfully complete the program once every year thereafter. Heal will also encourage administrative employees who do not handle or sell marijuana to take the responsible vendor program on a voluntary basis to help ensure compliance. Heal'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 state licensing authority upon request.

As part of the Responsible Vendor program, Heal's agents will receive training on a variety of topics relevant to marijuana establishment operations, including but not limited to the following:

1. Marijuana's effect on the human body, including physical effects based on different types of marijuana products and methods of administration, and recognizing the visible signs of impairment;



2. Best practices for diversion prevention and prevention of sales to minors;
3. Compliance with tracking requirements;
4. Acceptable forms of identification, including verification of valid photo identification and medical marijuana registration and confiscation of fraudulent identifications;
5. Such other areas of training determined by the Commission to be included; and
6. Other significant state laws and rules affecting operators, such as:
  - a. Local and state licensing and enforcement;
  - b. Incident and notification requirements;
  - c. Administrative and criminal liability and license sanctions and court sanctions;
  - d. Waste disposal and health and safety standards;
  - e. Patrons prohibited from bringing marijuana onto licensed premises;
  - f. Permitted hours of sale and conduct of establishment;
  - g. Permitting inspections by state and local licensing and enforcement authorities;
  - h. Licensee responsibilities for activities occurring within licensed premises;
  - i. Maintenance of records and privacy issues; and
  - j. Prohibited purchases and practices.

In addition to the training requirements mandated by 935 CMR 500.105(2), all Heal Agents will take part in Heal's 40 hour training program. This program is one of the few in the nation that is fully compliant with Americans for Safe Access' industry standard for Patient Focused Certification. The topics covered in this program will include, but are not limited, to:

#### Day 1: Intros and tools

- The trainer's mindset
- Framing the dialogue
- History
- Culture
- Today's legal landscape
- Document/SOP review
- Daily recap

#### Day 2: Leading a world class team

- HR and Employment Law
- Training your team
- Coaching and Development
- Heal Statement/ 10pt checklist
- Collecting and using data
- Daily recap

### Day 3: Training operations

- Getting to know the plant and cultivation
- Medical benefits
- State compliance
- Getting help
- Intro to Patient Services
- Intro to Safety and Security
- Intro to Inventory
- Daily recap

### Day 4: Data, drills and opening

- Member Services walk through/role play
- Patient Services walk through/role play
- Inventory walk through/role play
- Opening / Closing the Dispensary
- Program recap

## Plan for Separating Adult Use from Medical Operations

Heal Sturbridge, Inc. ("Heal") has developed comprehensive plans to ensure virtual and physical separation between medical and adult use operations, in accordance with 935 CMR.500.101(2)(e)(4).

Heal will utilize its Point of Sale (POS) software to virtually separate medical and adult-use operations by designating at the point of sale whether a particular marijuana product is intended for sale as a medical product or as an adult use product.

In order to ensure compliance with 935 CMR 500.140(10), Heal will ensure that registered patients have access to a sufficient quantity and variety of marijuana and marijuana products to meet their medical needs. Heal will maintain and provide biannual basis accurate sales data collected by the licensee during the six months immediately preceding this application for the purpose of ensuring an adequate supply of marijuana and marijuana products under 935 CMR 500.140(10).

Marijuana products reserved for patient supply shall, unless unreasonably impracticable, reflect the actual types and strains of marijuana products documented during the previous six months. In the event that a substitution must be made, Heal will ensure that the substitution shall reflect the type and strain no longer available as closely as possible. Quarterly, Heal shall submit to the Commission an inventory plan to reserve a sufficient quantity and variety of marijuana for registered patients. On each occasion that the reserved patient supply is exhausted, and a reasonable substitution cannot be made, the retailer shall submit a report to the Commission. Heal shall perform an audit of the patient supply available at the establishment on a weekly basis and retain those records for a period of six months.

For the first six months of operations, 35% of Heal's inventory will be marked for medical use and reserved for our registered patients. Following this six month period, a quantity and variety of marijuana products for patients that is sufficient to meet the demand indicated by an analysis of sales data collected during the preceding six months will be marked and reserved for registered patients. Products reserved for registered patients will be kept either on site or at another Heal location from which it can be transferred from within 48 hours. Heal may transfer products reserved for medical-use to adult-use within a reasonable time period prior to the expiration date provided that the product does not pose a risk to health or safety.

Heal will provide physical separation between the area designated for sales of medical marijuana products to patients/caregivers and the area designated for sales of adult-use marijuana products to individuals 21 years of age or older. This separation will take the form of divider which creates a separate dedicated queue for medical transactions. The line will be reserved only for patients with a valid Medical Use of Marijuana Program ID Card. While this queue will be reserved for medical purchases, patients are free to utilize any queue while making purchases, and are not only restricted to the medical purchase queue. Heal will also prioritize patient and caregiver identification verification and entry into the retail area.

There shall be separate lines for Heal's sales of adult-use and medical marijuana; however, patients may use either line. Additionally, Heal's retail facility will feature a private area separate from the sales floor where medical patients can receive consultation regarding medical marijuana use and our available medical cannabis products.

## Quality Control and Testing

Heal Sturbridge, Inc. will make every effort to ensure product quality and safety for all marijuana and marijuana-infused products (MIPs). All products will be thoroughly inspected before being placed on our shelves. If any concerns are raised, the product will be removed from the shelves until it passes further inspection. Any products that do not meet our strict quality standards will not be made available to consumers. Any product that exhibits a probability that the product might cause adverse health consequences will be recalled and disposed of in accordance with 935 CMR 500.105(12).

Heal will ensure that for the marijuana it sells, only the leaves and flowers of the female marijuana plant are processed accordingly in a safe and sanitary manner as prescribed below:

- Well cured and generally free of seeds and stems;
- Free of dirt, sand, debris, and other foreign matter;
- Free of contamination by mold, rot, other fungus, and bacterial diseases;
- Prepared and handled on food-grade stainless steel tables; and
- Packaged in a secure area.

Any Heal agent whose job includes contact with marijuana is subject to the requirements for food handlers specified in 105 CMR 300.000. Additionally, agents who work in direct contact with marijuana shall conform to sanitary practices while on duty that including, at a minimum, maintaining adequate personal cleanliness and washing hands appropriately. Hand-washing facilities shall be located in production areas and where good sanitary practices require employees to wash and sanitize their hands.

Plumbing at Heal's facility will be of adequate size and design and maintained to carry sufficient quantities of water to required locations throughout the establishment and water supply shall be sufficient for all operations, in compliance with 935 CMR 500.105(3). Heal will provide and maintain adequate and readily accessible toilet facilities for its employees.

Floors, walls, and ceilings will be constructed such that may be adequately kept clean and in good repair. Heal will establish and maintain sufficient space for placement of equipment and storage of materials that are necessary for the maintenance of sanitary operations. All toxic items shall be identified, held, and stored in a manner that protects against contamination of marijuana, per 935 CMR 500.105(3).

Litter and waste shall be properly removed as to minimize development of odor and the potential for the waste to attract and harbor pests. All contact surfaces will be maintenance, cleaned, and sanitized as frequently as necessary to prevent against contamination, in compliance with 935 CMR 500.105(3).

Heal will ensure that storage and transportation of finished products shall be under conditions that protect against physical, chemical, and microbial contamination, as required by 935 CMR 500.105(3).

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. Testing of marijuana products will be performed by an Independent Testing Laboratory.

Heal have a written policy for responding to laboratory results that indicate contaminant levels are above acceptable limits established in the CCC protocols identified above. Any such policy will include:

- Notifying the Commission within 72 hours of any laboratory testing results indicating that the contamination cannot be remediated and disposing of the production batch; and
- The notification must be from both this Marijuana Establishment and the Independent Testing Laboratory, separately and directly; and
- The notification from this Marijuana Establishment must describe a proposed plan of action for both the destruction of the contaminated product and the assessment of the source of contamination.

All transportation of marijuana to and from Independent Testing Laboratories providing marijuana testing services will comply with 935 CMR 500.105(13), and all storage and transportation of marijuana and MIPs will be under conditions that will protect against deterioration and physical, chemical, and microbial contamination.

All storage of marijuana at a laboratory providing marijuana testing services will comply with 935 CMR 500.105(11).

Testing of environmental media (e.g., soils, solid growing media, and water) will be performed in compliance with the Protocol for Sampling and Analysis of Environmental Media for Massachusetts Registered Medical Marijuana Dispensaries published by the DPH.

All excess marijuana must be disposed of in compliance with 935 CMR 500.105(12), either by the Independent Testing Laboratory returning excess marijuana to the source Marijuana Establishment for disposal or by the Independent Testing Laboratory disposing of it directly.

For any recalled products, we will immediately notify the Marijuana Cultivator or Marijuana Product Manufacturer from whom the product was purchased that the product is defective so they make take the proper remedial action. Heal will maintain the results of all testing for no less than one year.

### Personnel Policies including Background Checks

Heal Sturbridge, Inc. ("HSI") is an equal opportunity employer and all qualified applicants will receive consideration for employment without regard to race, color, religion, gender, sexual orientation, gender identity, or national origin, age, disability status, Family & Medical Leave, protected veteran status, or any other characteristic protected by law.

Management is primarily responsible for seeing that equal employment opportunity policies are implemented, but all members of the staff share the responsibility for ensuring that, by their personal actions, the policies are effective and apply uniformly to everyone. Any employee, including managers, determined by HSI to be involved in discriminatory practices are subject to disciplinary action and may be terminated. HSI strives to maintain a work environment that is free from discrimination, intimidation, hostility, or other offenses that might interfere with work performance. In keeping with this desire, we will not tolerate any unlawful harassment, victimization, and discrimination of employees by anyone, including any manager, co-worker, vendor or clients.


HIS will maintain personnel records as a separate category of records due to the sensitivity and importance of information concerning agents, including registration status and background check records. Heal 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 conditions;
- Personnel policies and procedures; and
- All background check reports obtained in accordance with 935 CMR 500.030.
- A personnel file, maintained for at least 12 months after termination of the individual's affiliation with the Marijuana Establishment and including all required documents in accordance with 935 CMR 500.105(9)(d)2.

All HSI policies will include a staffing plan and corresponding records in compliance with 935 CMR 500.105(1)(i) and ensure that all employees are aware of the alcohol, smoke, and drug-free workplace policies in accordance with 935 CMR 500.105(1)(k). HSI will implement policies to ensure the maintenance of confidential information pursuant to 935 CMR 500.105(1)(l). HSI will enforce a policy for the dismissal of agents for prohibited offenses according to 935 CMR 105(1)(m).

HSI will also implement policies for the immediate dismissal of any agent who has diverted marijuana, engaged in unsafe practices, or been convicted or entered a guilty plea for a felony charge of distribution of a drug to a minor according to 935 CMR 500.105(1).



	<p style="text-align: center;"><b>Heal, Inc.</b></p> <p style="text-align: center;"><b>Energy Efficiency and Conservation Plan</b></p>	<p>Version: 1.0</p> <p>Approved: 3/01/2021</p>
<p>Procedure No. PPE required for this task: <b>N/A</b>  <b>DISP-A-015</b> Safety Notes – <b>Risk Assessment</b></p>		

## I. Introduction

Heal, Inc has implemented a number of policies and incorporated design elements geared toward an overall energy savings plan for the retail store that is specifically focused on energy efficiency and environmental best practices whenever and wherever possible; including internal annual reviews in a continuous effort to be stewards of conservation and to comply with state laws and regulations. This procedure and process applies to all departments. The CEO and General Manager (GM) will provide continual oversight of this process. The facility has been designed to be energy efficient and the company's SOP's are designed to maintain that status.

## II. Energy Conservation: Procedures and Policies

### A. Newly Constructed Building (2019)

1. Energy efficient insulation to the 2019 code set
2. Energy efficient systems to the 2019 code set

### B. Retail Store Lighting

1. All lights bulbs (where applicable) have been installed as LED fixtures and are set on timers to turn off after a set period
2. A motion sensor system has been installed to turn lights on/off in the main dispensary area and every room in the facility, including the bathrooms.
3. All lighting will be programmed to turn on/off based on hours of operation
4. The facility is designed to have natural light that flows through a cupola and small windows (south and west facing) over the dispensary floor and POS register area.
5. The facility vestibule is a glass enclosure providing substantial natural light.

### C. Water Conservation/Waste Mitigation and Energy Efficient Equipment

1. Bathroom sinks are motion sensor operated to reduce water use and waste
2. New water heater is energy efficient and has manual settings to adjust temperature based on time of year. Including the ability to turn off the heating completely.

3. In-line heating so no running of water for 'hot' water to wash hands
4. Toilets in the bathrooms are low flush to MA code of no more than 1.3l per flush.

#### D. Heating and Cooling System

1. New energy efficient HVAC system installed during construction.
2. Heating is propane.
3. Thermostats are programmable to allow the facility temperature to be adjusted based upon operating hours, closed hours, winter, summer, etc. The thermostats are set to run at a set temperature during hours of operation and then turn down the heating/cooling and energy usage when the building is unoccupied.
4. The LX Series split system AC unit has a SEER rating of 13.0.
5. The TM9V model two stage variable speed ECM gas furnace as a AFUE rating of 96% (Annual Fuel Utilization Efficiency).

#### E. Energy consumption monitoring

1. Monthly review of electric and gas usage and cost to identify any significant usage deviations which could be indicative of problems with proper functioning of the system or the use of it by employees
2. Quarterly inspection of all energy saving equipment including lighting, heating, cooling and water usage. Heal has contracted with an independent HVAC firm to perform periodic and scheduled maintenance on the system.

#### F. Future improvements

1. Heal has requested a small business energy assessment from MassSave (on 3/1/21) and will review the result for any substantial additional energy savings opportunities. Prior to making any significant changes to its energy utilization systems in the future, Heal will consult with MassSave representatives to identify any issues and additional or alternative energy saving/usage considerations.
2. Heal anticipates finishing the lower level of the facility and will be incorporating the same or better energy efficiency measures as implemented for the main floor.
3. In the event of equipment failure, Heal will evaluate any opportunities to replace or supplement the failed equipment to further improve the ME's energy efficiency. Any change in existing equipment will be approved by the Heal CEO.
4. Heal will continuously evaluate new energy saving/demand management programs, as well as alternative energy sources as they become available. At the end of every calendar quarter, the CEO and General Manager shall submit a report to the Heal Board of Directors information on any new programs which have become available and the potential benefit to the community and Heal. Participation in such programs will be made by the Heal Board of Directors.

### **III. Opportunities for renewable energy generation**

- The facility is not large enough and does not use enough power to currently support any substantial or efficient renewable energy generation.

#### **IV. Notes/Observations**

This SOP references:

#### **V. Revision History**

<i>Revision</i>	<i>Date</i>	<i>Description of changes</i>	<i>Requested By</i>
1.0	3/01/2021	Initial Release	
2.0			

## Qualifications and Training

### **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.

Heal Sturbridge, Inc. ("Heal") will also ensure that its employees are suitable for registration consistent with the provisions of 935 CMR 500.802. In the event that Heal discovers any of its agents are not suitable for registration as a marijuana establishment agent, the agent's employment will be terminated, and Heal 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 Heal's agents will successfully complete a comprehensive training program that is tailored to the roles and responsibilities of the agent's job function. Agent training will at least include the Responsible Vendor Program and eight (8) hours of on-going training annually. On or after July 1, 2019, all of Heal's current owners, managers, and employees will have attended and successfully completed a Responsible Vendor Program operated by an education provider accredited by the Commission to provide the annual minimum of four hours of responsible vendor training to marijuana establishment agents. Heal's new, non-administrative employees will complete the Responsible Vendor Program within 90 days of the date they are hired. Heal's owners, managers, and employees will then successfully complete the program once every year thereafter. Heal will also encourage administrative employees who do not handle or sell marijuana to take the responsible vendor program on a voluntary basis to help ensure compliance. Heal'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 state licensing authority upon request.

As part of the Responsible Vendor program, Heal's agents will receive training on a variety of topics relevant to marijuana establishment operations, including but not limited to the following:

1. Marijuana's effect on the human body, including physical effects based on different types of marijuana products and methods of administration, and recognizing the visible signs of impairment;

2. Best practices for diversion prevention and prevention of sales to minors;
3. Compliance with tracking requirements;
4. Acceptable forms of identification, including verification of valid photo identification and medical marijuana registration and confiscation of fraudulent identifications;
5. Such other areas of training determined by the Commission to be included; and
6. Other significant state laws and rules affecting operators, such as:
  - a. Local and state licensing and enforcement;
  - b. Incident and notification requirements;
  - c. Administrative and criminal liability and license sanctions and court sanctions;
  - d. Waste disposal and health and safety standards;
  - e. Patrons prohibited from bringing marijuana onto licensed premises;
  - f. Permitted hours of sale and conduct of establishment;
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- Daily recap

#### Day 2: Leading a world class team

- HR and Employment Law
- Training your team
- Coaching and Development
- Heal Statement/ 10pt checklist
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### Day 3: Training operations

- Getting to know the plant and cultivation
- Medical benefits
- State compliance
- Getting help
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### Day 4: Data, drills and opening

- Member Services walk through/role play
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- Program recap

## **DIVERSITY PLAN - STURBRIDGE**

Heal Sturbridge, Inc. (“Heal”) believes in creating and sustaining a robust policy of inclusivity and diversity. Heal recognizes that diversity in the workforce is key to the integrity of a company’s commitment to its community. Heal is dedicated to creating a diverse culture with a commitment to equal employment opportunity for all individuals. Heal’s diversity plan is designed to promote equity among minorities, women, veterans, people with disabilities, and people of all gender identities and sexual orientations. Heal will make every effort to employ and advance in employment qualified and diverse people at all levels within the company.

### **Goals and Program**

Heal aims to create an environment where personal identities including race, military service, sexual orientation, and heritage are utilized, celebrated, and valued. Heal’s diversity initiatives and strategies are designed to attract, develop, and advance the most talented individuals regardless of their race, sexual orientation, religion, age, gender, disability status, or any other dimension of diversity. Heal’s goals are to:

- Hire and maintain the number of minorities, women, veterans, people with disabilities, and people who identify as LGBT working in the establishment at the rate of 40% of our workforce; and
- Ensure the success of minorities, women, veterans, people with disabilities, and people who identify as LGBT by providing the necessary tools in order for such individuals to be promoted within the organization at a rate of 20%. Heal’s diversity program includes the Diversity Recruitment and Sourcing and Employee Retention, Training, and Development sections described below.

### **Diversity Recruitment and Sourcing**

Heal will establish and maintain an inclusive and diverse workforce to serve its customers through innovative corporate recruitment of underrepresented and minority communities. Heal will develop strategic corporate initiatives to ensure a diverse and qualified staff stands ready to serve Heal customers’ needs. These strategic corporate initiatives may include, but are not limited to:

- Participating in career fairs in underrepresented and minority communities, particularly those in commuting proximity to Sturbridge at least twice per year;
- Providing cultural training on cultural sensitivity and recognizing unconscious

- bias at least once per year; and
- Using suppliers who are also committed to diversity and inclusion.

Heal's recruitment efforts are designed to maintain a steady flow of qualified diverse applicants, and may include taking the following steps:

- Developing relationships with groups serving minorities, women, people of all gender identities and sexual orientations, veterans, and persons with disabilities for employment referrals;
- Work with online recruitment sources concerning current and future job openings;
- Encouraging employees from diverse groups to refer applicants for employment;
- Establishing recruitment efforts at higher learning institutions, and institutions with special programs that reach diverse people;
- Ensuring that job openings are sent to community partners; and
- Utilizing Zip Recruiter to reach over 100 online job websites, plus social media.

## **Employee Retention, Training, and Development**

Heal will offer opportunities for promotions, career counseling, and training to all employees in order to promote growth and minimize turnover. Heal will ensure that all employees are given equal opportunities for professional development by communicating promotion opportunities and training programs, and by creating clearly-defined job descriptions. Heal will ensure that all employees receive career counseling, including counseling related to advancement opportunities and training programs that can assist them in career development. Heal will instruct managers and supervisors to refer employees seeking career counseling to the Human Resources Manager.

Heal's diversity awareness training emphasizes its commitment to its zero-tolerance harassment and discrimination policy. Heal will strictly adhere to and enforce the policy by taking corrective action should any issues, concerns, or complaints arise. All Heal employees will be required to complete the diversity awareness training program during employee orientation. All new employees will be required to participate in an orientation program upon hiring that will introduce and stress the importance of the Diversity Plan. Ongoing diversity training will be required annually.

## **Measuring Progress**

Heal will establish a Diversity Committee (the "Committee") with a minimum of three members to assist the executive management team with the implementation and growth of the Diversity Plan. The initial members of the Committee will be selected based on their diverse status and their personal commitments to diversity. Additional members of



the Committee may be added at the discretion of Heal's executive management team. The Committee will meet at least twice per year and will be responsible for:

- Reviewing the effectiveness of each career fair towards meeting the goals of the diversity plan and consider the following:
  - Number of hires from the above-referenced demographic groups who were hired and retained after the issuance of a license to be 40% of all hires made;
  - Number of promotions for people falling into the above-listed demographics since initial licensure to be 20% of all promotions made;
- Assessing whether cultural sensitivity trainings have been effective;
- Assisting management in arriving at effective solutions to problems regarding issues of diversity and inclusion;
- Auditing Heal's internal and external job postings to ensure the information is in compliance with Heal's diversity policies and procedures.

The Human Resource Manager at Heal will be responsible for auditing the Diversity Plan annually and creating an annual audit report. This report, which will analyze the Company's performance in fulfilling the goals of the Diversity Plan, will contain the following information:

- Diversity Plan goal measurements and if they were met,
- Employment data, including information on minority, women, disabled, and veteran representation all job classifications; average salary ranges; recruitment and training information (all job categories); and retention and outreach efforts;
- A description of efforts made by Heal to monitor and enforce the Diversity Plan and goals;
- Information on diverse group investment, equity ownership, and other ownership or employment opportunities initiated or promoted by Heal; and
- When available, a workforce utilization report including the following information for each job category at Heal:
  - The total number of persons employed;
  - The total number of men employed;
  - The total number of women employed;
  - The total number of veterans employed;
  - The total number of service-disabled veterans employed;
  - The total number of members of each racial minority employed;
  - The total number of individuals of all genders and sexual orientation.

## **Acknowledgements**

Heal 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 Heal will not violate the Commission's regulations with respect to limitations on ownership or control or other applicable state laws.