

**LIST OF AUTHORIZED SIGNATORIES
(EXHIBIT B)**

36

This exhibit must be completed and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc.

Application # (if more than one): n/a

	Name	Role within the Corporation
1	Kenneth Housman	President



APPLICATION RESPONSE FORM COVER PAGE

Make this the first page of your response

36

Corporation

The applicant corporation's legal name, trade name, and any other name under which the bidding entity does business (if any): [ARL Healthcare, Inc.]

Website URL (if applicable): [www.arlhealthcare.com]

Address:

[193 Oak Street]

[#507]

City: [Newton] State: [MA] Zip: [02464-1453]

CEO (Chief Executive Officer)/Executive Director (ED)

First Name: [Kenneth] Last Name: [Housman]

FEIN: [463459666]

Contact Person

First Name: [Kenneth] Last Name: [Housman]

Title: [President]

Telephone: (617) 413-3500 FAX: (781) 559-8811 E-Mail: [khousman@arlhealthcare.com]

Contact Person Address (if different):

[]

[]

City: [] State: [] Zip: []

Authorized Signature

This application must be signed by an authorized signatory of the non-profit corporation who is listed on the corporation's list of authorized signatories (complete and attach exhibit B). The original application must have an original or "wet" signature in blue ink.

Background Check Authorization

The Department will conduct a background check on:

1. Each member of the applicant's **Executive Management Team** (those persons listed in exhibit 2.1);
2. Each member of the **Board of Directors** (those persons listed in exhibit 1.4);



3. Each **Member** of the corporation. In the event a **Member** of the corporation is an organization, the CEO/ED and Board Officers of that entity will be checked (those persons listed in exhibit 1.5);
4. The CEO/ED and Board Officers of any parent corporation, partially or wholly owned subsidiaries, or related organizations (those persons listed in exhibit 1.8);
5. And each person contributing 5% or more of the initial capital to operate the proposed RMD. In the event that a contributor is an entity, the CEO/ED and **Board Officers** of that entity will be checked (those persons listed in exhibit 4.2).

Each required individual must complete and sign the attached authorization forms (exhibits A1-A4), with a wet signature in blue ink.

Submit all original signed authorizations (no copies) and list of authorizations (exhibit A5) in one sealed envelope marked "authorization forms" and name of corporation? and include it with the original application.

Application Fee

Enclose a bank/cashier's check or money order made payable to the Commonwealth of Massachusetts in the amount of \$30,000. Personal checks will not be accepted. Failure to include a bank/cashier's check or money order will result in disqualification of the application.


\$30,000 bank/cashier's check attached.

A selection committee established by the Department shall evaluate and score applications for the purpose of granting registrations. Decisions will be based on the thoroughness and quality of the applicants' responses to the required criteria, and the applicants' ability to meet the overall health needs of registered qualifying patients and the safety of the public.

Required Signatures

Failure to provide original "wet" signatures in blue ink will result in disqualification of the application.

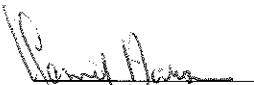
Signed under the pains and penalties of perjury, the authorized signatory (as designated in exhibit B) agrees that all information included in this application is complete and accurate. The hard original application must have an original wet signature in blue ink.



Name: Kenneth Housman
Title: President

11/19/13
Date

I hereby attest that if the corporation is approved for a provisional RMD certificate of registration, the corporation is prepared to pay a non-refundable registration fee of \$50,000, as specified in 105 CMR 725.000, within two weeks of being notified that the RMD has been selected for a provisional registration. The hard original application must have an original wet signature in blue ink.



Name: Kenneth Housman
Title: President

11/19/13
Date

APPLICATION RESPONSE FORM

Enter your response in the gray shaded areas using Microsoft Word.

A note about the text boxes: Type or paste text into the gray areas. Text input is limited to a maximum number of characters. MS Word will not allow more than this limit. Spaces, commas, line breaks, etc. are counted as characters. The spell-check feature does not work in a text box.

Example: text input limit 625 characters, 100 words, 1 paragraph
limit 1,250 characters, approximately 200 words, 2 paragraphs
limit 2,500 characters, approximately 400 words, 4 paragraphs
limit 6,000 characters, approximately 1,000 words, one page

Enter text here: example text limit 1,250 characters

If a question includes a text box, a narrative response in the text box is required.

When a question indicates that an exhibit must be included, the response must be included as an attachment, as instructed. The provided exhibit forms are not optional and must not be left blank.

It is the applicant's responsibility to ensure that all responses are consistent with the requirements of 105 CMR 725.000.

Definitions

EXECUTIVE MANAGEMENT TEAM means the individuals who are responsible for the day-to-day operations of the RMD, including the chief executive officer (CEO) or executive director (ED), chief operations officer (COO) or director of operations, chief financial officer (CFO) or director of finance, director of human resources, chief medical officer and any other individuals involved in the oversight and business management of the RMD operations.

BOARD OF DIRECTORS means the directors of a corporation, including persons and officers having the powers of directors, with fiduciary responsibility for the RMD.

BOARD OFFICERS means the board president/chair, vice president/vice chair, treasurer, and clerk/secretary.

MEMBER means an individual having membership rights, whether or not designated as a member, in a corporation in accordance with the provisions of its articles of organization or bylaws.

Questions

1. Applicant's Corporate Background

1.1 Provide the legal name of the applicant's non-profit corporation/organization and date of incorporation.

[ARL Healthcare, Inc. The organization was incorporated on August 20, 2013.]

1.2 Describe the organization's mission and vision.

[The mission of ARL Healthcare, Inc. ("ARL") is to relieve the suffering and improve the health status of licensed patients throughout Massachusetts with high quality, affordably priced medicine. ARL has a

vision to be a key contributor to a coordinated system of care for patients throughout MA that seek relief from medical cannabis. The mission and vision of the organization are achieved through strong executive leadership with deep experience in sound fiscal management, health care, and regulatory compliance. ARL is also committed to working with industry leading professionals that understand the compassionate provision of cannabis for licensed patients. A final component of the mission and vision of ARL includes a productive, contributing relationship with its host community of Newton to ensure operational success.]

1.3 Provide an organizational chart that clearly demonstrates the roles, responsibilities, and relationships of individuals within the organization. Clearly identify the **Executive Management Team** and any management consultants or contractors for the provision of services, and include title, name (if known at the time of submission), and function for each position.

Organizational chart attached as exhibit 1.3

1.4 Provide the name and contact information of each individual on the applicant's **Board of Directors**.

List of Board of Directors attached as exhibit 1.4

1.5 Provide the names and contact information for each **Member** having membership rights in the applicant corporation. In the event a **Member** of the corporation is an organization, provide the names and contact information of the CEO/ED and Board Officers of that entity. If there are no **Members** of the non-profit corporation, indicate N/A on the exhibit.

List of members of the applicant corporation attached as exhibit 1.5

1.6 Attach the corporation's bylaws.

Bylaws attached as exhibit 1.6

1.7 Attach any amendments to the corporation's articles of organization made since August 22, 2013, and explain in the text box the reason(s) for the amendments. If the articles have not been amended, indicate N/A in the text box and on the exhibit.

[There were no amendments to the articles of organization for ARL Healthcare, Inc. ("ARL") since August 22, 2013. ARL added two new members to its board of directors and removed another. These changes were made electronically through the Secretary of State's office. The changes are not deemed by that office to constitute an amendment to the articles of organization.

The first new member of the ARL board of directors is Dewitt C. Parsons, III of Medfield. Mr. Parsons has enjoyed a distinguished career, including operation of a wide variety of businesses. He is most noteworthy for owning and operating a licensed and regulated liquor store, Downtown Wine & Spirits in Somerville. In this capacity he is intimately familiar with licensure and regulation requirements of a heavily regulated industry. This perspective, along with his business acumen, will be a benefit to the ARL board. The other new member of the ARL board of directors is Ellen Sue Porter. Ms. Porter currently works as the controller of chain of local pizzerias called Sweet Tomatoes Pizza, with locations in Newton Center, West Newton, Needham, and Northeastern University. She was formerly a manager at Toscano's, a fine dining restaurant in Boston. Ms. Porter brings a wealth of financial and management experience to the ARL board. Working in her currently job, she is also extremely familiar with the business community in Newton, the proposed site of ARL. Along with her business activities, Ms. Porter is an engaged civic leader who volunteers regularly with elderly support organizations.

Jon Levine of Canton resigned as a member of the ARL board of directors following submission of the Phase 1 application.]

Amended articles of organization attached as exhibit 1.7

1.8 Provide a list of the names and addresses of any parent corporation, any partially or wholly owned subsidiaries, and any other organizations related to the applicant non-profit corporation, and explain the nature of each relationship.

List of parent corporation, partially or wholly owned subsidiaries, or related organizations attached as exhibit 1.8 (if not applicable indicate N/A on the exhibit)

1.9 Provide three professional references from among those entities with which the applicant's CEO/ED has had business or employment experience within the last three years. DPH may contact these references and any other individual or organization, whether or not identified by the applicant.

List of references attached as exhibit 1.9

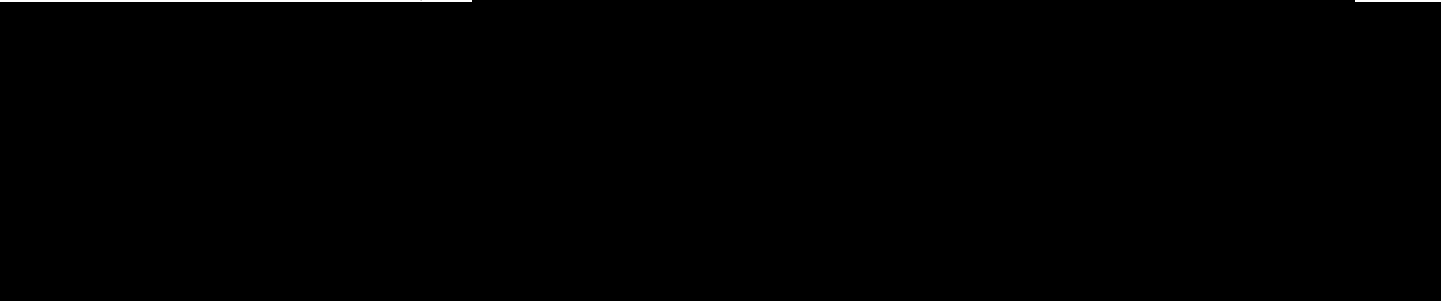
2. Applicant's Evidence of Business Management Experience

2.1 Provide a list of the applicant's **Executive Management Team** (as defined above) including each person's name, business address, email, and role within the organization.

List of Executive Management Team attached as exhibit 2.1

2.2 Describe the **Executive Management Team's** experience with running a non-profit organization or other business, including the type of business and its performance. Please indicate how this experience will ensure the success of the proposed registered marijuana dispensary. Attach each Executive Team Member's current résumé.

[ARL Healthcare, Inc. ("ARL") was founded by lifelong Newton resident and businessman Kenneth Housman. Mr. Housman developed an interest in opening a registered marijuana dispensary ("RMD")



Mr. Housman's personal crusade to provide a safe and regulated facility for medical cannabis is driven [REDACTED] The ability to develop the project, however, lies in his distinguished career as a business leader. He currently serves as a division president of his family's 93 year old business, Armatron International. Armatron began as a manufacturer of entertainment audio systems, most notably car radios. At its peak in the early 1980s, the company employed over 1,000 employees with revenues of over \$30 million. The company consistently appeared in the "Boston Globe" top 10 list of MA companies for profitability. Mr. Housman ran the radio division of the company with responsibility for the company's P&L. Armatron stock was traded on the New York Stock Exchange, and Mr. Housman enjoyed great success managing the company's growth.

Like most U.S. based manufacturers, Armatron faced significant challenges from overseas competition. Mr. Housman recognized the threats facing his company and worked to reinvent it from an automobile radio company to a diversified company focusing on other markets. The company now manufactures outdoor products as well as automotive safety products. At present, he is the division president of Echovision, a business unit that produces backup collision warning systems. Echovision is a \$10 million unit that sells to every major bus manufacturer in the country.

Mr. Housman's financial and executive management skills are the reason Armatron remains a viable, profitable business today. He oversees a workforce that ranges between 60 and 100 workers at the company's Malden location. The experience running a successful manufacturing company will be replicated at the proposed ARL Healthcare in Newton. Mr. Housman's experience in budgets, personnel, finance, human resources, marketing, sales, and compliance are all pertinent to a new RMD. He is committed to being a responsible business owner in his hometown of Newton, where he, his brother, and his late mother all call home. Together with his team of professionals, ARL will serve as a true resource for patients in Newton and Middlesex County.

To successfully open his RMD, Mr. Housman has recruited a seasoned health care executive to serve as the organization's Chief Operating Officer. Brian Oates of South Easton will fill the role of COO at ARL. Mr. Oates has over 25 years of experience in the health care profession. He is especially experienced in building, strengthening and maintaining compliance and regulatory programs in a variety of settings. Recognizing the strong regulatory framework with RMDs in MA, Mr. Housman sought a COO with deep experience in this arena.

Mr. Oates currently works as a principal consultant with Sierra Consulting. The company provides regulatory/compliance consulting support and training for health care companies including skilled nursing facilities and hospice providers. He evaluates and maintains compliance programs and HIPAA guidance for a host of non-profit clients. Prior to working at Sierra, Mr. Oates was the Director of Regulatory Compliance at Wingate Healthcare in Needham, a health care company with 4,000 employees and 21 facilities in MA and NY. While with Wingate, he enforced organization-wide adherence and compliance with all state and federal regulatory issues. He has held other compliance management roles at Epoch Senior Living in Waltham and Oasis Healthcare in Chestnut Hill. Early in his career, Mr. Oates worked at the MA Department of Public Health as a Suitability Review Coordinator. He coordinated the MA Nurse Aide Registry & Training Program.

Mr. Oates has extensive management experience in health care and non-profit settings. Along with this experience, he has compassion and understanding for patients suffering from chronic, debilitating medical conditions. He will meld his personal compassion and belief in the value of medical cannabis with his compliance and management background, all to benefit the patients served by ARL.

Along with Mr. Oates, Mr. Housman has recruited Laura Laliberte of Bridgewater to serve as Director of Patient Care Services. In this role, Ms. Laliberte will manage functions of ARL that deal directly with patients. These areas include patient intake/registration, sales, and regulatory compliance. Ms. Laliberte is well positioned to assume this executive management role because of her extensive organizational skills. She currently works in human resources with Princess House, Inc., performing an array of professional level human resources activities. Prior to this job, she was the business office/HR manger at Guardian Hospice & Palliative Care in Stoughton. While there she managed the business office for three locations, dealing with outside vendors and contracts. She handled payroll, benefits, interviewing, and background checks. Working in a hospice setting gave Ms. Laliberte a unique perspective on end-of-life care issues. She saw the challenges many patients and family members faced in the final days of life. This perspective forms the basis of her support for the medical use of cannabis, which can provide enhanced wellness and significant pain relief for all types of

people. Her tremendous organizational skills will be utilized to ensure all patients at ARL receive exceptional, compassionate care.

With two strong leaders recruited for his management team, Mr. Housman recognized the need to work with experienced professionals in the medical cannabis field. He has retained the services of Sigal Consulting, a MA-based consulting firm that specializes in developing state-licensed, non-profit medical cannabis dispensaries. Sigal Consulting developed the highly regarded Thomas C. Slater Compassion Center of Providence, RI, that state's first licensed dispensary which serves over 2,000 registered patients. Sigal developed the Slater Center project providing financing support, construction management, departmental protocols, and financial oversight of the facility. Together, the professionals from Sigal Consulting and the Slater Center will be utilized by Mr. Housman to ensure a smooth implementation of the proposed project.

Sigal Consulting and the Slater Center have been retained to provide oversight of the cultivation and infused product production at ARL. The team has extensive experience in indoor organic medical cannabis cultivation along with production of cannabis infused products. They have perfected protocols for inventory controls, monitoring, and quality assurance that will be replicated at ARL. They will work with Mr. Housman to recruit a full-time director of cultivation who will serve on the organization's executive management team.

Mr. Housman will also utilize the resources of Sigal Consulting to oversee implementation of security protocols at his facility. He recognizes the premium placed on providing unmatched safety and security for the patients of the facility, that works collaboratively with the host communities of Newton and Holbrook. Sigal Consulting's security operations are overseen by Raymond S. White, retired Lt. Col./Deputy Superintendent of the Rhode Island State Police. Mr. White currently serves as the COO of the Slater Center in Providence, having developed all security protocols and procedures at the facility. He has first-hand experience in providing comprehensive security services at a nearby dispensary. As part of the Sigal team, he will replicate these industry-leading measures at ARL. He will work with Mr. Housman to recruit and hire a full-time director of security at the center who will serve on the executive management team.]

Current résumé of each Executive Management Team member attached as exhibit 2.2--clearly labeled on each page with the individual's name and title within the applicant's organization

2.3 Describe the **Executive Management Team's** experience, by team member, with providing health care services or services providing marijuana for medical use.

[Mr. Housman's work experience is solely focused on running a major manufacturer with millions of dollars per year in sales. While he is adept at running a financially sound organization, he has no formal experience in a health care setting. Because of this, he has recruited an executive management team and retained industry consultants that are particularly strong in health care and the provision of medical cannabis.

The leading health care executive at ARL is COO Brian Oates. Mr. Oates has over 25 years of experience in the health care profession. He is well versed in helping to build, strengthen, and maintain compliance and regulatory programs in a variety of settings. He was Director of Regulatory Compliance for Wingate Healthcare, Inc. prior to being appointed their Compliance Officer. He has a comprehensive knowledge of compliance matter, including policies, procedures, and associated training. He understands federal and state requirements and processes as well. In his career he was responsible for overseeing the due diligence process and financial review and analysis for over 35 successful health care acquisitions and licensures.

Prior to joining Wingate Healthcare, Mr. Oates was recruited by Epoch Senior Living as Assistant Director of Acquisitions and Development. He was a key member of the executive team that helped purchase a local long term care provider with multiple facilities throughout MA.

Mr. Oates began his career with the MA DPH in the Licensing and Enforcement division. While there, he oversaw licensing and suitability reviews. He also supervised the newly formed Nurse Aide Registry for the state.

Each of Mr. Oates's experiences in the health care setting provides value to the role of COO at ARL. His experience in compliance and regulatory oversight is unmatched. This is an important competency, particularly in light of the strong regulations that are in place for RMDs. Mr. Housman is firmly committed to operating a facility that strictly adheres to all state guidelines, and Mr. Oates is prepared to fulfill this directive. Mr. Oates has also worked in health care settings including nursing homes and assisted living facilities. Working in these venues has provided him with a deep understanding of issues that patients face, particularly those with serious health conditions. This understanding will translate well in his role as COO of ARL, where the organization's mission of compassionate care services is paramount.

Director of Patient Care Services Laura Laliberte has also enjoyed experience in the health care setting. She worked as a business officer/HR manager at Guardian Hospice and Palliative Care. While her role at this organization was more operational than patient-care, she had daily interaction with staff members, patients, and families of the hospice. Having a daily perspective on end of life care has given Ms. Laliberte a heightened appreciation for pain relief and compassionate care. At ARL, she will fully utilize this appreciation for patients seeking medical relief from cannabis.

Finally, Mr. Housman has retained the services of Sigal Consulting, developers of the Thomas S. Slater Compassion Center of Providence. The professionals at Sigal and Slater have extensive experience with the provision of medical cannabis for licensed patients. The Slater Center currently serves over 2,000 state-licensed patients. Working with Sigal, Slater has developed the best protocols for security, inventory control, financial control, cultivation, point-of-sale, patient registration, and quality of products. The Center offers an array of cannabis products and extensive guidance from its highly trained staff of experts. The procedures, protocols, and expertise at Slater will be provided to the team at ARL, creating a facility that upholds the highest standards for compliance in a compassionate and caring setting.]

2.4 Describe the **Executive Management Team's** experience, by each individual team member, with running a financially sound organization/business (including budget size) and indicate which member of the team will be responsible for the financial management and oversight of the organization.

[Financial management and oversight of ARL is the responsibility of Mr. Housman. His experience as a business owner and manager leaves him perfectly suited to run a financially sound RMD.

Mr. Housman currently works as a Division President of Armatron International, his family's 93-year-old manufacturing business based in Malden. When he began working at Armatron in the 1970s, Mr. Housman headed a company division that manufactured automobile radios. The division was responsible for over \$30 million in sales per year. Mr. Housman had full oversight and responsibility for the division, including all financial management functions. The company's stock was listed on the New York Stock Exchange, which gave Mr. Housman the added responsibility of complying with all regulatory filings and oversight as a publicly traded company.

The business model at Armatron has changed considerably over its 93 years of operation. At present, Mr. Housman is the division president of Echovision, a boutique manufacturing business unit that produces



automotive safety products. He has full financial management and oversight of the \$10 million unit that produces backup collision warning systems. The company's products are sold in all 50 states. Every major bus manufacturer in the country purchases from Echovision. Under Mr. Housman's direction, the business unit is profitable.

The financial success of Armatron is particularly noteworthy given the tremendous pressures facing manufacturers based in the United States. Competition from low-cost overseas countries has placed tremendous strains on companies like Armatron. Through Mr. Housman's leadership, however, the company has navigated the challenges posed by its competitors and remains a vibrant part of the manufacturing base in MA. The company has between 60 and 100 employees at any time in its Malden headquarters. As Division President, Mr. Housman has utilized his management skills and financial acumen to ensure the company continues to thrive after 93 years of business.

COO Brian Oates has enjoyed extensive experience in management roles at health care organizations in MA. While not specifically responsible for day-to-day financial management of an entire operation, he has played significant roles in major financial matters. While working at Wingate Healthcare Inc. in Needham, he was charged with leading the strategic acquisition of long-term care facilities for the company. He utilized his finance skills to conduct diligence on a major acquisition of a long-term care facility for the company. His experience has provided him a thorough understanding of financial management and oversight procedures. While not specifically charged with financial oversight of ARL, Mr. Oates will serve as a trusted resource for Mr. Housman on all financial matters.

Along with Mr. Oates, Mr. Housman can rely on his consulting partners to assist with his financial oversight of ARL. Sigal Consulting has developed all finance protocols for the Slater Compassion Center of Providence. Sigal oversees accounting, P&L, and financial controls for the non-profit medical cannabis dispensary. Sigal has deep understanding of the financial nuances presented by a medical cannabis dispensary, and will share the best practices and financial controls to ensure the fiscal success of ARL.]

2.5 Describe the **Executive Management Team's** experience, by team member, with managing financial corrective action measures that they had to undertake as the result of an operational review.

[Managing financial corrective actions at ARL will be the ultimate responsibility of its President, Kenneth Housman. He has enjoyed a long and distinguished career running a 93-year-old family-owned manufacturing business in MA. His extensive business experience has provided a number of opportunities for managing financial corrective actions that resulted from an operational review. Listed below is a sampling of Mr. Housman's financial corrective actions.

The most significant example of a financial corrective action taken by Mr. Housman involved a total reinvention of his company. For many years, Armatron International was a manufacturer of audio equipment in automobiles. Over time, automobile manufacturers sought drastic changes in the types of audio equipment placed in cars, while also seeking less expensive foreign makers for the supply. Mr. Housman was careful to recognize the change that began in the 1980s and into the 1990s regarding the radio division of his company. The threat from overseas competitors and the evolving technology sought by automakers posed a significant threat to Armatron's profitability. Mr. Housman recognized through a review of his operations that the company needed to change in order to survive. The financial viability of the company depended on his taking action.

Mr. Housman led the reinvention of Armatron from an audio systems manufacturer to one that was focused on outdoor supplies and safety equipment. The change in focus was a major undertaking for Mr. Housman and his company. The results, however, ensured that Armatron remained profitable and operating

in MA. Mr. Housman's corrective action resulted in the focus away from radio to outdoor supplies and automotive safety products. The automotive safety products division that he heads produces backup collision warning systems used throughout the country on buses and other commercial vehicles. The focus on safety equipment created a new \$10 million business unit that is profitable. Without the corrective action, Armatron's fate as a manufacturer would have been in serious peril.

Another financial corrective action measure instituted by Mr. Housman involved the company's change in status from publicly traded to private. For many years, Armatron stock was traded on the New York Stock Exchange. Being a publicly traded company presented challenges to company management, including Mr. Housman. The litany of regulatory filings and expenses was a growing challenge for the business. Recognizing the growing liability the company faced by remaining a public company, he made the decision to initiate a buy-back of the company's stock and return it to private ownership. The buy-back, which occurred over a decade ago, freed the company from onerous filing and regulatory expenses. The resulting change in status had a positive impact on the company's bottom line, ensuring that it remained profitable.

As a seasoned business executive, Mr. Housman has faced a number of other business challenges that have required financial corrective actions. His experience, in fact, has seen him on all sides of the manufacturing spectrum, leaving him incredibly suited to oversee a new RMD. As President of his company, Mr. Housman is always looking to contain cost by negotiating discounts with suppliers. The supply-side cost containment measures are essential to the profitability of his company. Conversely, Mr. Housman is also charged with selling his manufactured products to suppliers, many of which are seeking similar reductions in cost. In this role, Mr. Housman must utilize his skills to achieve price increases on sales. His success in sales directly correlates to the company's positive bottom line.

Every day, Mr. Housman is presented with business challenges that result in his review of operations. As an effective leader, he constantly monitors business performance to see where efficiencies can be achieved and profitability can be maximized. The notion of running a RMD is a bit different as the non-profit mission is focused on the provision of compassionate care. He recognizes, though, that ARL must be run with the same financial principles and practices of his existing business to ensure its sustainability and survival. He looks forward to running the business in this fashion if selected for operation by the DPH.]

3. Applicant's Evidence of Suitability

3.1 Indicate whether is/has been in compliance with all laws of the Commonwealth relating to taxes, child support, and workers' compensation with regard to any business in which the individual has been involved. In cases in which an Executive Management Team member is not in compliance with such a law, indicate which team member is non-compliant and describe the circumstances surrounding that situation. Indicate N/A for each individual with no history of non-compliance.

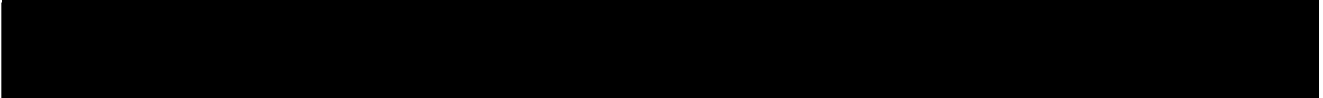
3.2 List and describe any criminal action under the laws of the Commonwealth, or another state, the United States, or a military, territorial, or Indian tribal authority, whether for a felony or misdemeanor, against any member of the **Executive Management Team and Board of Directors, including Board Officers**, including but not limited to action against any health care facility or facility for providing marijuana for medical purposes in which those individuals either owned shares of stock or served as executives, and which resulted in conviction, guilty plea, plea of nolo contendere, or admission of sufficient facts. If no history of such criminal action, indicate N/A.



3.3 List and describe any civil or administrative action under the laws of the Commonwealth, another state, the United States, or a military, territorial, or Indian tribal authority against any member of the **Executive Management Team and Board of Directors, including Board Officers**, including but not limited to actions related to fraudulent billing practices and any attempt to obtain a registration, license, or approval to operate a business by fraud, misrepresentation, or submission of false information. If no history of such civil or administrative action, indicate N/A.



3.4 Indicate and describe whether any member of the **Executive Management Team or Board of Directors, including Board Officers**, has been the subject of any past discipline, or a pending disciplinary action or unresolved complaint, by the Commonwealth, or a like action or complaint by another state, the United States, or a military, territorial, or Indian tribal authority, with regard to any professional license or registration.



3.5 Indicate and describe whether any member of the **Executive Management Team or Board of Directors, including Board Officers**, with respect to any business, has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. If no such history, indicate N/A.



4. Applicant's Evidence of Financial Condition

4.1 Provide a one-page statement in the name of the applicant's non-profit corporation, or in the name of the Corporation's CEO/Executive Director or President of the Board of Directors, from an insured financial institution documenting the available liquid cash balance in a single account (\$500,000 for the first application and \$400,000 for each subsequent application, if invited to submit more than one), dated no earlier than 14 days prior to the response deadline (November 7, 2013). If the Corporation has the required funds in an individual account in the name of the Corporation's CEO/Executive Director or President of the Board of Directors, said individual must provide a completed and signed a notarized Letter of Commitment (in exhibit 4.1).

Proof of liquid funds in an account in the name of the corporation or, if applicable, in an account in the name of the Corporation's CEO/Executive Director or President of the Board of Directors, plus the Letter of Commitment attached as exhibit 4.1

4.2 If applicable, provide the names and addresses of all persons or entities contributing 5% or more of the initial capital to operate the proposed RMD, by application, and specify the actual percentage contributed by each person or entity. Indicate whether the contribution is cash, in-kind, or land or building. When the contributor is an entity include the names and addresses of its CEO/ED and **Board Officers**.

List of persons/entities/creditors contributing more than 5% and what form that capital takes attached as exhibit 4.2

4.3 Provide a narrative summary of projected capital expenses to build out both the proposed dispensary and cultivation or processing facilities, and attach a copy of the proposed capital budget.

[ARL Healthcare, Inc. ("ARL") will serve patients and dispense medicine at its dispensary located at 1207 Washington Street, Newton, MA. ARL will cultivate its medical marijuana and produce MIPs at another site located at 5 High Street, Building #3, Holbrook, MA. If granted provisional approval by the DPH, ARL will



go forward with the necessary renovations at each site facility. The total capital expenditure necessary for both facilities to become operational is budgeted at \$1,498,361

ARL's capital expenditure budget includes \$114,500 for planning and development. These costs will cover construction permits, architectural and design fees, environmental surveys, supervisory fees for the general contractor, security plan design and layout fees, and demolition and disposal costs.

ARL has budgeted \$600,645 in its capital expenditure budget to cover the costs of building out both the dispensary and cultivation site. Build out costs primarily include expenditures for construction, including drywall, flooring, ceilings, plumbing, windows, sprinkler systems, and [REDACTED]. In addition, the build out budget for both facilities includes costs for security systems ([REDACTED]), landscaping, temporary fencing around the facilities, parking renovations, and [REDACTED]

Both facilities require a combined investment of \$783,216 to purchase all equipment necessary to cultivate high quality medical cannabis while complying with all security and safety regulations issued by the state. Professional quality lights, vents, tables, and growing supplies are required to produce cannabis indoors. ARL has also budgeted for an industry-grade HVAC system to prevent crop failure from mold and other airborne contaminants. Each cultivation room will utilize individual split systems to minimize the possibility of crop loss in the event of equipment failure. The equipment budget also covers other costs, such as computer hardware and software, furniture, storage equipment, delivery vehicle deposits, MIP production equipment, counters, and display cases. Our planning team has also included a small contingency fund in the equipment budget to allow for some flexibility.

ARL will work closely with its team of operational consultants from Sigal Consulting and the Thomas C. Slater Compassion Center in Providence to ensure that the capital expenditure plan is seen through. Having overseen and managed the build out of the Slater Center in a timetable similar to the project schedule for ARL, these experienced cannabis industry professionals have the knowledge and understanding necessary to build out both the ARL dispensary and cultivation facility in a timely manner while strictly adhering to capital expenditure budget projections.]

Capital expenses attached as exhibit 4.3

4.4 Provide a narrative summary of the proposed year-one RMD operating budget, including projected revenues by sales type, line item operating expenses, and budget assumptions, and include the budget as an attachment.

[Utilizing demographic information and medical cannabis industry research, ARL Healthcare, Inc. ("ARL") has created a thorough year-one operating budget that incorporates projected revenues, expenses, and all relevant budget assumptions. Based on comprehensive demographic research and population statistics, ARL has developed estimates of the potential medical cannabis patient population within the proposed service area. Projections for revenues and expenses utilize these patient population estimates to generate a reasonable set of expectations. Combined with research on existing medical cannabis dispensaries, ARL is able to project the number of patients that will utilize its services, how often, and what products will be purchased.

By analyzing national and state prevalence rates for health conditions that our most likely to qualify for medical cannabis under MA guidelines, ARL is able to estimate that roughly 77,428 patients in Newton's service area that may potentially enter the medical marijuana program and utilize services. This estimate is based on national and state prevalence rates for cancer, HIV/AIDS, hepatitis C, multiple sclerosis, epilepsy, Crohn's disease/irritable bowel disorder, fibromyalgia, glaucoma, and chronic pain. Assuming that more than

one RMD will receive a license to operate in Middlesex County, it anticipates that 2,204 medical marijuana patients will choose to designate ARL as their dispensary in the first fiscal year of our facility's operation, which begins on August 1, 2014 and ends on July 31, 2015. ARL expects to be fully open and operational on August 13, 2014 and have approximately 675 patients in its first month.

Using these projections of potential medical marijuana patients and expected patient volume, ARL expects total sales to reach \$1,930,984 for all medical marijuana products (flowers, oils, tinctures, and MIPs) in the first fiscal year. Additionally, we anticipate another \$32,500 in revenue from selling vaporizing devices. These projections are based on an assumption that patients will, on average, visit ARL twice a month with an average purchase of \$65 per visit. Combining the projected patient population with an assumption that each patient will visit ARL twice a month, we anticipate 2,204 patient visits during the initial fiscal year. ARL is committed to offering free and discounted medical marijuana products to patients with hardship, defined by the DPH as an individual whose annual income is at or below 300% of the Federal Poverty Level. We expect to provide \$40,066 worth of discounted or free medical cannabis products to patients with financial hardship during the first fiscal year.

First fiscal year operating expenses, which includes payroll for all ARL staff, are budgeted at \$1,193,045. We anticipate that 27 full-time equivalents are required to operate ARL at maximum efficiency. Payroll, which will cover both salary and benefits for all employees, includes management, administrative, dispensary, security, and cultivation staff. Additional expenditures for initial year operations include cultivation consultants, sales consultants, cultivation supplies, packaging supplies, licensing fees and permits, insurance (including property, general liability, and product liability) rent, utilities for the dispensary and cultivation facility, legal fees, accounting fees, and third-party security and monitoring. These additional expenses reach a total of \$1,328,660.

All budget projections and assumptions are based on reliable data and research from national health organizations, the 2010 Census, and state of the art medical cannabis industry research. ARL's first year operating budget is therefore reasonable and well-grounded. ARL will serve patients living in Newton as well as those residing within a five-mile radius of the dispensary facility. Our service area is home to more than 70,000 patients who have severe, debilitating medical conditions for which medical cannabis may be an appropriate treatment. Research regarding the average number of visits, average purchase per visit, and all expenditures are reasonable and confirmed by hard data and the experiences of senior managers at the Thomas C. Slater Compassion Center in Providence.]

Year-one operating budget attached as exhibit 4.4

4.5 Provide a detailed summary of a three-year business plan for the proposed RMD, including strategic planning assumptions, utilization projections, growth projections, and projected revenue and expenses. Note that the complete business plan will be reviewed as a component of the provisional inspection process. Include projected revenue and expenses as an attachment.

[ARL Healthcare's ("ARL") central mission and business plan is to 1) provide severely ill patients with the highest quality medical cannabis in safe and dignified environment; 2) create a fiscally sound management plan that ensures the long-term sustainability of ARL; and 3) establish strong personal relationships with the residents of Newton and Holbrook and remain a respected and reputable community partner in these localities. To fulfill this mission, ARL is guided by a set of five core values and practices:

- Offering culturally competent compassion – ARL will provide a warm and welcoming space in which patients interact with trained professionals who are sensitive to a wide array of medical, cultural, and socio-economic needs and are passionate about helping severely ill patients.



- Ensuring transparency – Our facility will strictly adhere to all state regulations and ensure that all operations are performed in conformance and coordination with our regulators and law enforcement officials. All records and internal operations will be made available to any public official or regulator who seeks them.
- Providing quality medicine – ARL committed to improving the wellness and quality of life for all its patients by consistently providing the highest quality medical cannabis products.
- Empowering patients – ARL seeks to empower patients with knowledge about medical cannabis and all its forms so that they are in a position to make an informed decision about what treatment options are most appropriate for their conditions.
- Building strong relationships with the local community – ARL will go out of its way to promote positive connections within the local community of Newton by actively seeking input from residents and key stakeholders and remaining responsive to the specific needs of the local constituency.

Our goal from the first day forward is to consistently provide high quality medical cannabis products and promote the overall health and wellness of our patients. Our facility exists to serve the patients, and their well being is the most important priority. We seek to create an environment where patients are empowered by knowledge, empowered by a medicine that relieves their suffering, and empowered by a community of ARL staff members that make patients' health a top concern.

ARL's staff is the central point of interaction with patients and is therefore an integral component of our facility's success. All staff will be thoroughly trained to understand the diverse cultural and medical needs of our patients. Prospective employees must be passionate about medical cannabis and helping severely ill patients use the medicine in a way that is most appropriate for the patient's specific needs. Any staff member that does not uphold the core values of our facility will be immediately disciplined or have their employment terminated.

ARL will develop a cultivation team that specializes in growing strains of medical cannabis that are best suited for relieving pain and treating symptoms associated with qualifying medical conditions such as nausea, muscle spasms, and seizures. Rather than solely focusing on high THC strains that can induce a psychoactive effect that some patients find undesirable, our cultivators will endeavor to produce varieties of medical cannabis that provide patients what they need to alleviate their suffering while not creating undesirable side effects. Because our facility will incorporate the most exacting standards of organic cultivation into our growing processes, our patients will be assured that their medicine never contains any harmful contaminants such as pesticides, molds, or other impurities. While always offering a diverse array of flower products that a patient may choose to smoke or vaporize, ARL will educate patients about the harmfulness of smoking and encourage patients to use alternative forms of medical cannabis that do not require smoking. Vaporizers will be readily available at an affordable cost.

ARL strongly believes that inability to pay should not prevent a severely ill patient from accessing a medicine that may drastically improve the patient's quality of life. ARL has developed a very generous sliding scale program to provide free or discounted medical cannabis products to any registered patient whose income is at or below 300% of the Federal Poverty Level.

Having established and operated the most successful medical marijuana dispensary and cultivation facility on the East Coast, our team of operational consultants has the experience and know-how to guide our management team in their mission to provide patients with excellent service. Using the best protocols, policies, and procedures that have been developed in a neighboring state, ARL has a significant advantage over other

RMDs that lack the experience and know-how that Sigal Consulting and the Slater Center bring to the table. By working with ARL on financial aspects of the RMD, cultivation, real estate development, operational support, departmental management, fiscal oversight, and security planning, Sigal Consulting and the experts at the Slater Center will help ensure that ARL becomes a sustainable business that patients can depend on.

Security for both the dispensary in Newton and the cultivation facility in Holbrook is particularly important. The security consulting services provided by Sigal and the Slater Center are unrivaled in their sophistication and will ensure that ARL has the highest level of safety and minimizes the possibility of theft or diversion. ARL's security operations protocols will be overseen and managed by Raymond S. White, a retired Lieutenant Colonel of the Rhode Island State Police and current Chief Operating Officer at the Slater Compassion Center in Providence. Having many years of experience working in law enforcement, Mr. White has a deep understanding of how important it is to work collaboratively with local law enforcement officials in Newton and Holbrook to swiftly address any potential security concerns.

Strategic Planning Assumptions

With the help of our partners at Sigal Consulting, our team has utilized data and market research from the Slater Compassion Center in Providence to guide our assumptions about patient interest and patient purchasing habits. Based on that information, as well as thorough demographic research regarding the potential patient population in and around ARL's service area, we predict there will be ample interest in our facility among the patient community in and around Newton to sustain our business in the long term.

Registered medical marijuana patients in ARL's service area, which encompasses a five-mile radius around our dispensary site in Newton, will be able to easily access our dispensary facility. ARL's dispensary facility is in an ideal location to serve this suburban community in southern Middlesex County, which, in addition to Newton, also includes the population centers of Wellesley, Watertown, Needham, Brookline, and Waltham.

Utilization Projections & Growth

Our team of market and population researchers estimates that 77,428 residents in the aforementioned service area are potential candidates for the medical marijuana program. This estimate is generated by applying state and national prevalence rates for cancer, HIV/AIDS, hepatitis C, multiple sclerosis, epilepsy, Crohn's Disease/irritable bowel disorder, fibromyalgia, glaucoma, and chronic pain to the total population within ARL's defined service area, which is 385,407. Based on data collected from RI and other states with medical marijuana programs, we project that 3,824 of these patients will become registered medical marijuana patients and designate our facility within the first three fiscal years of the facility's operation. This number represents approximately 5% of all patients in our service area who have been diagnosed with an accepted health condition.

Projected Revenue and Expenses

Having established reasonable estimates for utilization, we can make reasonable projections regarding annual revenue. Based on the experiences of our consultants with the Slater Center in Providence, we are confidently predict that patients will visit our facility two times per month, on average, and purchase about \$65 worth of medical marijuana products at each visit to the facility. This allows us to anticipate revenues of \$1.9 million for year one, \$4.2 million for year two, and \$5.5 million for year three. Expenditures are estimated at \$2.5 million for year one, \$4.1 million for year two, and \$5.2 million for year three.]

Three-year projections attached as exhibit 4.5

4.6 Provide a description of the proposed RMD's plan to obtain a liability insurance policy or otherwise meet the requirements of 105 CMR 725.105(Q).

[Adhering to the requirements of 105 CMR 725.105 (Q), ARL Healthcare has included general liability and product liability insurance as an integral component of our organization's business plan. Both policies will be underwritten by Nautilus Insurance Group.

The general liability insurance policy will provide coverage for \$1 million per occurrence and \$2 million in aggregate annually. The product liability policy will provide coverage for \$1 million per occurrence and \$2 million in aggregate annually. The deductible for each policy is \$500 per occurrence.]

5. Location and Physical Structure

5.1 Provide the physical address of the proposed RMD dispensary site if a location has been secured. If a location has not been secured, indicate N/A in the text box and exhibit. Attach supporting documents as evidence of interest in the property by location. Interest may be demonstrated by (a) a clear legal title to the proposed site; (b) an option to purchase the proposed site; (c) a lease; (d) a legally enforceable agreement to give such title under (a) or (b), or such lease under (c), in the event the Department determines that the applicant qualifies for registration as a RMD; or (e) evidence of binding permission to use the premises.

[The proposed dispensary site for the ARL Healthcare, Inc. is located at 1207 Washington Street, Newton, MA 02465. Note, in the Phase 1 application, initial planning called for a location in the city of Malden in Middlesex County.]

Evidence of interest attached as exhibit 5.1

5.2 Provide the physical address of the proposed RMD cultivation site if a location has been secured (the response must be the same as the location indicated in the response to 5.1 or 5.3). If a location has not been secured, indicate N/A in the text box and exhibit. Attach supporting documents as evidence of interest in the property by location (see examples of evidence in 5.1).

[The proposed cultivation site for ARL Healthcare Inc. is at 5 High Street, Building #3, Holbrook, MA 02343. Note, in the Phase 1 application, initial planning called for a location in the city of Malden in Middlesex County.]

Evidence of interest attached as exhibit 5.2

5.3 Provide the physical address of the proposed RMD processing site if a location has been secured (the response must be the same as the location indicated in the response to 5.1 or 5.2). If a location has not been secured, indicate N/A in the text box and exhibit. Attach supporting documents as evidence of interest in the property by location (see examples of evidence in 5.1).

[The proposed processing site for ARL Healthcare Inc. is at 5 High Street, Building #3, Holbrook, MA 02343. Note, in the Phase 1 application, initial planning called for a location in the city of Malden in Middlesex County.]

Evidence of interest attached as exhibit 5.3

5.4 Describe efforts to obtain assurances of support or non-opposition from the local municipality(ies) in which the applicant intends to locate a dispensary, cultivation site, and/or processing site and indicate whether the municipality expressed any opposition. If the sites are in different municipalities, provide information related to



each community. If available, include a demonstration of support or non-opposition furnished by the local municipality, by attaching one or more of the following:

- A letter from the Chief Administrative Officer, as appropriate, for the desired municipality, indicating support or non-opposition;¹
- A letter indicating support or non-opposition by the City Council, Board of Aldermen, or Board of Selectmen for the desired municipality; or
- A letter indicating support or non-opposition by the Board of Health in the desired municipality.

[Gaining support or non-opposition for ARL Healthcare's ("ARL") project has been ongoing for several weeks. Led by President Ken Housman, the organization has been engaged in active talk and discussion with municipal leaders in the City of Newton and Town of Holbrook. ARL has planned its dispensary at 1207 Washington Street in Newton and 5 High Street Building #3 in Holbrook.

The decision to locate in Newton was a natural fit for Mr. Housman. He is a lifelong resident of the city with deep family ties in the community. Along with his representatives, a dialogue began on hosting a RMD in Newton several weeks ago. Discussions were held with the mayor's office, the city's public health commissioner, and other interested parties. Newton had undergone a thoughtful local debate on the presence of RMDs in the city. A determination was made locally to create a permitted use in the zoning bylaws for RMDs within a specific zone. ARL's proposed address at 1207 Washington Street was shared with all parties in Newton and deemed to be an acceptable location. Newton's Commissioner of Health and Human Services, Dr. Dori Zaleznik, provided a very strong letter of support to ARL for its proposed dispensary activities. She indicated that the city would be completed with all RMD zoning issues on December 2, 2013. Her letter noted that Newton, which voted to support the medical marijuana referendum at a higher level than the overall state support, is well-suited for both highway and public transportation access. She further noted that Newton is an excellent site for a RMD with patients within the city in need of this type of treatment.

Representatives from ARL had positive discussions with leaders in Holbrook – site of the proposed cultivation/processing facility at 50 High Street Building #3. A meeting and discussions with Town Manger William Phelan about plans for a cultivation facility took place in early November. ARL's only plans in Holbrook involve using a building as a location for cultivation of medicine and production of infused products. Because the facility is not a dispensary, the impact on traffic and town services is minimal. An overview of the cultivation and production plans at ARL was well received. The town provided correspondence with this application to support the plans for the High Street location.

With evidence of local support in hand for both the Newton and Holbrook locations, ARL is assured that its project meets all local standards for zoning and compliance.]

Letter(s), if any, attached as exhibit 5.4

5.5 Provide a summary chart reflecting answers to questions 5.1 -5.4 indicating evidence of local support or non-opposition for cultivation, processing or dispensing activities of the proposed RMD.

Summary chart attached as exhibit 5.5

5.6 Provide a description of the applicant's plans to ensure that the proposed RMD is or will be compliant with local codes, ordinances, zoning, and bylaws, as well as state requirements for the physical address of the proposed RMD dispensing site and for the physical address of the additional location, if any, where marijuana will be cultivated or processed.

¹ Chief Administrative Officer is the Mayor, Town Manager, Town Administrator, or other municipal office designated to be the chief administrative officer under the provisions of a local charter.

[When selecting a community for operation of a RMD, ARL Healthcare (“ARL”) wanted to be located in a place that was accessible for patients but also welcoming to this type of business. With its dispensary planned in Newton and its cultivation/processing planned in Holbrook, ARL has found two communities that are open to its operation.

Both the dispensary site at 1207 Washington Street in Newton and the cultivation location at 5 High Street Building #3 in Holbrook are not within 500 feet of a school, daycare center, or any facility in which children commonly congregate. Both locations have been shared with local leadership, and supportive letters have been provided in each community.

The Town of Holbrook does not have any restrictions on zoning for RMDs. The correspondence received by ARL from Timothy Gordon, Chair of the Board of Selectman, indicates approval for plans to cultivate medical marijuana in the town.

Newton has created a specific zone for a dispensary. The city’s Zoning and Planning Committee has been working with a draft ordinance prepared by an internal work group. ARL has been assured by city officials that its location is in an approved zone. The city intends to finalize all zoning matters on December 2, 2013. ARL representatives have met with the City’s public health commissioner who is aware and supportive of the location and supportive of the location. In Holbrook, ARL representatives have met with town administrator William Phelan and had similar positive feedback.

ARL has selected two communities that welcome the proposed RMD activities. The letters from Newton and Holbrook are evidence that the proposed activities are allowed and in compliance with all local codes, ordinances, zoning, and bylaws.]

5.7 Describe the applicant’s plan to continue to develop and maintain a positive relationship in each community in which the RMD is/will be located.

[The founder of ARL Healthcare (“ARL”) Kenneth Housman is dedicated to developing and maintaining positive relationships with residents, key stakeholders, and local officials in the communities of Newton and Holbrook. These connections are vital to ARL’s success. The executive management team will actively foster strong ties to the communities in both Newton and Holbrook by 1) seeking and integrating input from local constituents into the executive decision-making process; 2) prioritizing the security and safety of our facilities and the neighboring areas; and 3) creating collaborative partnerships with local organizations to promote public health in the community.

In the dispensary’s host community of Newton, Mr. Housman is immediately able to foster open and effective communications with residents and city leaders. He is a lifelong resident of the Newton. His relationships with many in the community date back to his days in Newton public schools. He is involved in local civic and religious groups – affiliations he will utilize to promote the vision and plans for ARL. Mr. Housman and his team are also familiar with local elected leadership in Newton, so an ongoing dialogue will always continue on the operations of the facility. Along with communications, Mr. Housman believes in supporting local charitable organization and causes. As a not-for-profit, ARL will give back any excess revenue over expense to local charities or patients groups, with attention given to the host communities. This is a commitment that Mr. Housman believes is essential to the operation’s success.

While ARL’s dispensary facility will be located in Newton, employees will cultivate medical cannabis at another site in Holbrook. Because security and safety are paramount at both the cultivation facility in

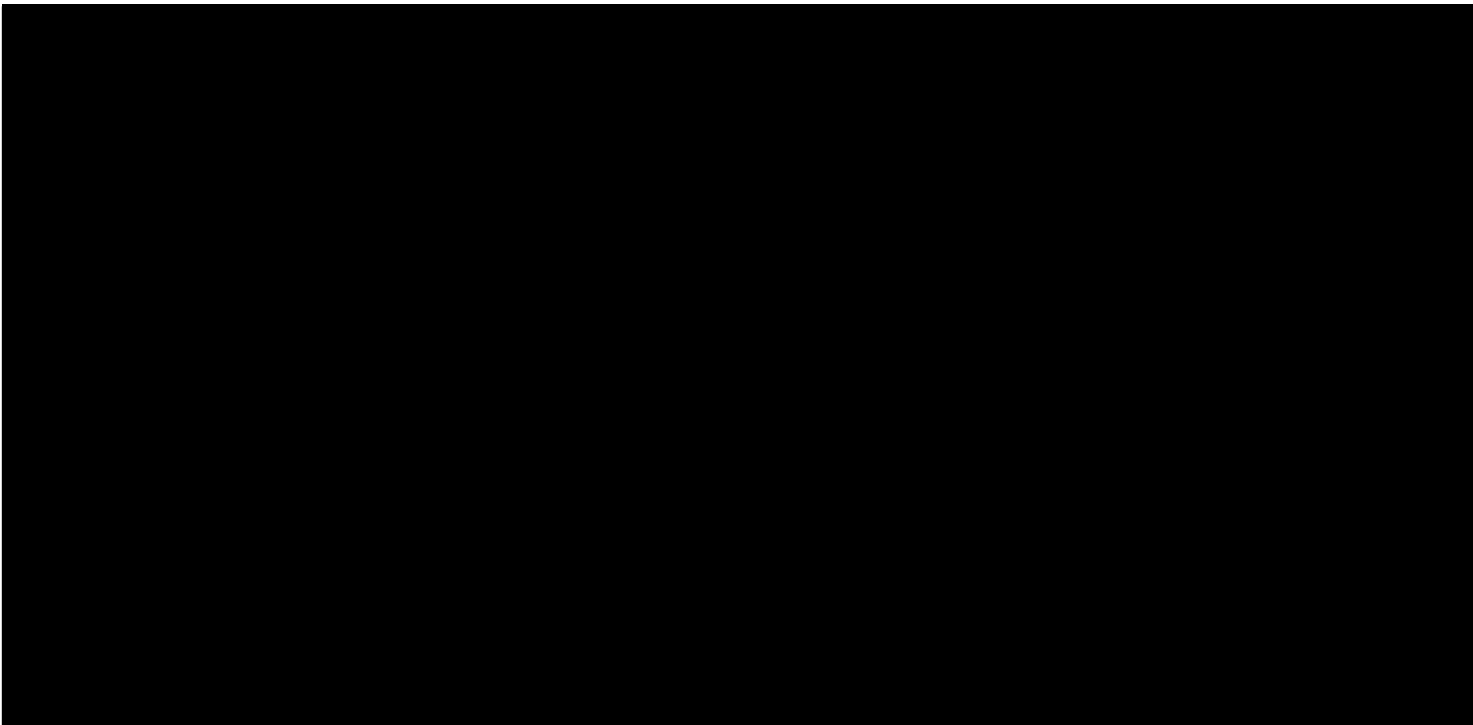
Holbrook and the dispensary in Newton, the security protocols, overseen by retired Lt. Colonel of the Rhode Island State Police Raymond S. White, will call for collaborative relationships with local law enforcement authorities in both communities. Top management personnel will make themselves available and responsive to the Newton and Holbrook police at all times. The executive management team will promptly resolve any security or safety issues. ARL representatives will also seek input from residents living near the facilities in order to address any concerns. Mr. Housman is personally acquainted with a number of active police officers in Newton. He will utilize these relationships to foster a spirit of cooperation with his organization. Safety and security are paramount concerns of ARL, and the leadership of the organization will make sure all efforts are done in deep collaboration with local law enforcement and the public.

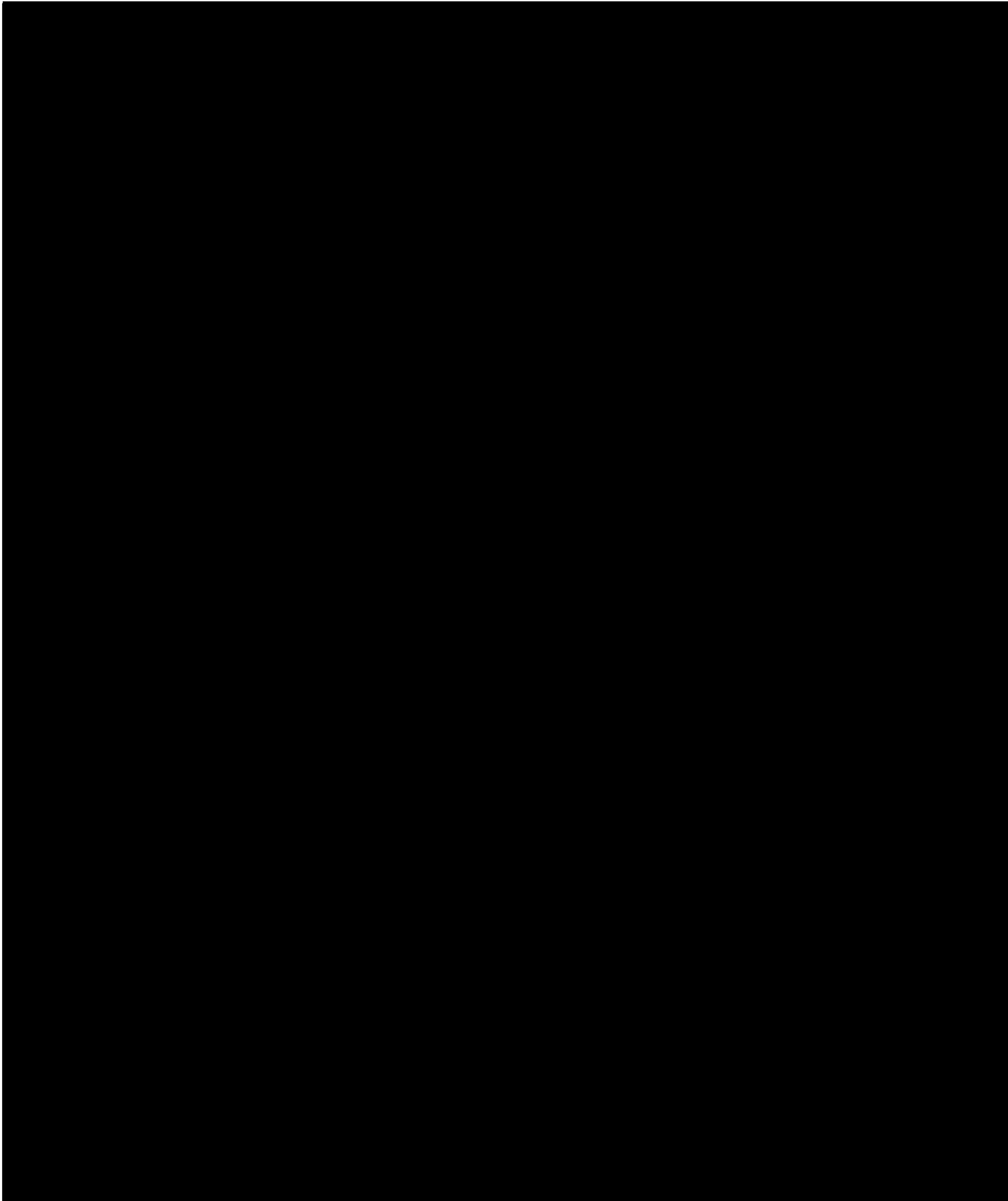
ARL will also be creating a number of new jobs. Hiring for positions will focus on qualified candidates, with preference given to those living in the host communities of Newton and Holbrook. A job fair and announcements in local press will seek out these local candidates. ARL believes one of the best ways to maintain positive relationships in its host communities is to create new jobs and help the local economy.

The facilities in Newton and Holbrook will pay 100% of the property taxes on each building. There will be no request for relief or abatement even though ARL is a not-for-profit. Mr. Housman believes payments of these local taxes and fees are an important way to maintain positive relations with each community.

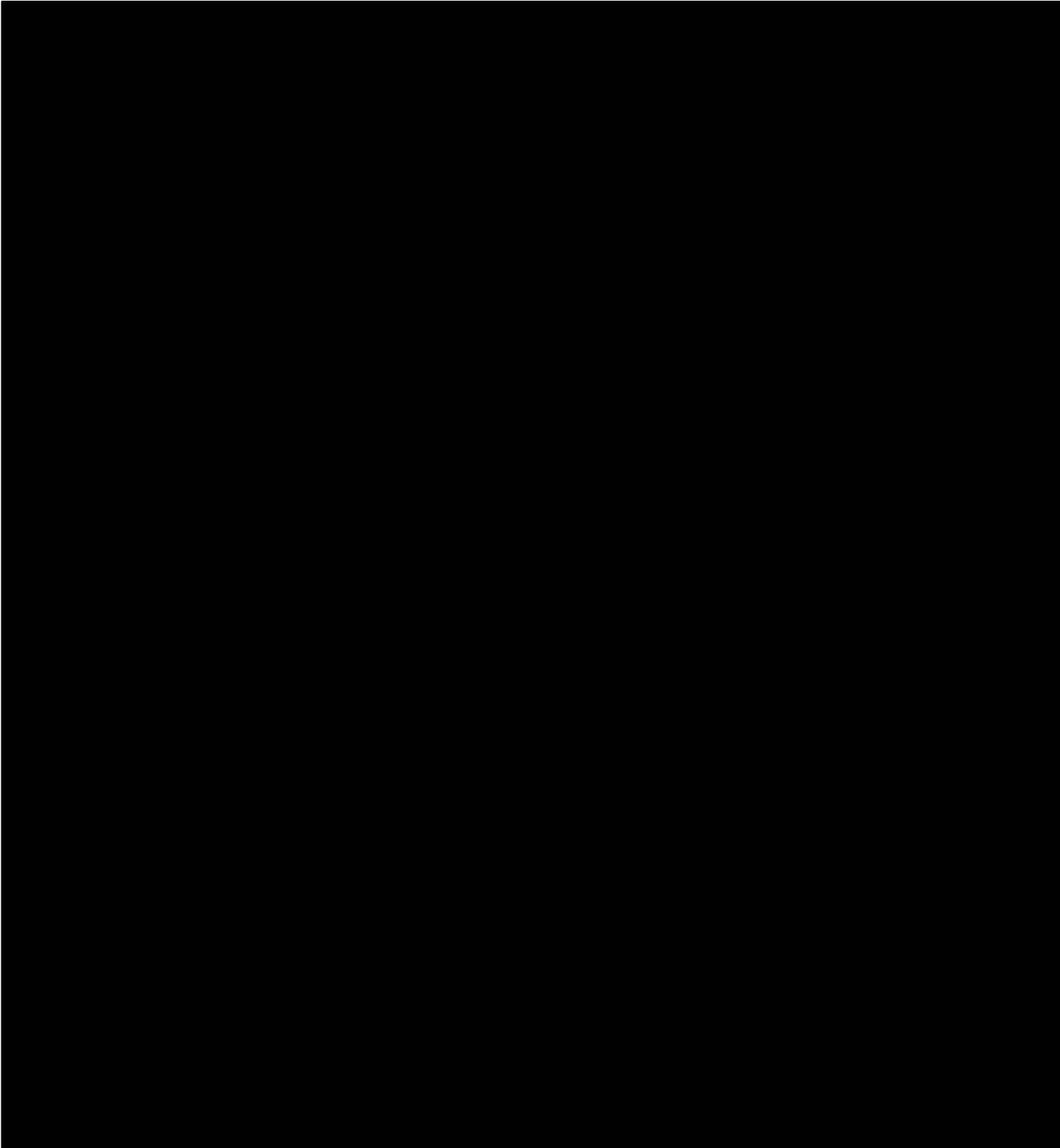
A final way ARL will maintain positive relations is support programs and education for potential patients in the area. The organization will embark on regular outreach efforts to inform prospective patients of the medical options offered at its facility. ARL will work with local doctors and other health professionals to let them know of this new resource in Newton. Outreach to potential patients is especially important given the many unknowns that exist regarding cannabis as medicine. ARL will place a premium on educating the public on its services.]

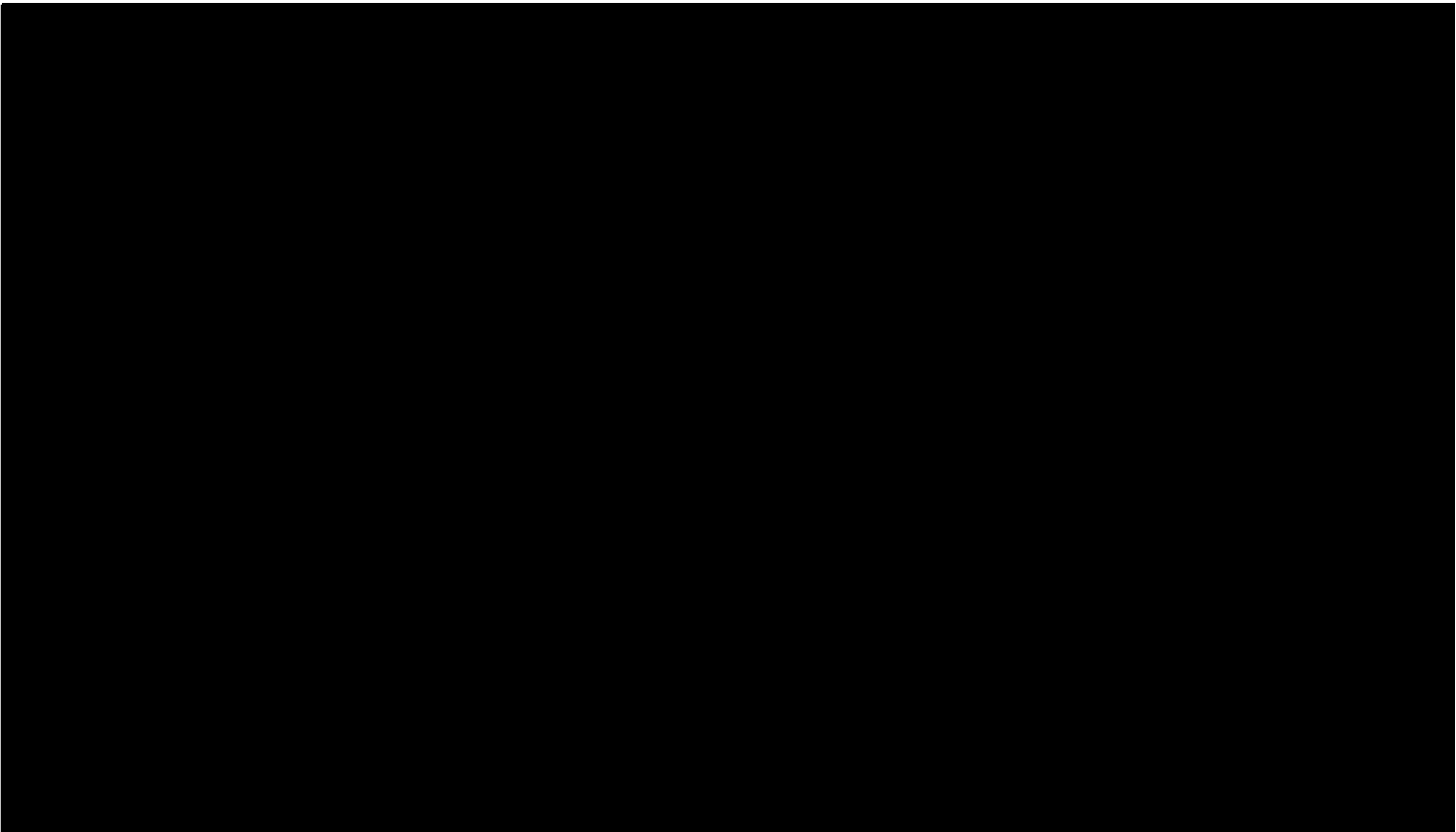
5.8 Provide a description of the proposed enclosed, locked facility that would be used for the cultivation and/or processing of marijuana, including steps to ensure that marijuana production is not visible from the street or other public areas. Note that the security plan will be reviewed as a component of the provisional inspection process.





5.9 Describe how the facility's security plan will help deter and prevent unauthorized entrance into areas containing marijuana and/or MIPs and theft of marijuana and/or MIPs at the proposed RMD and the alternate location, if any. Note that the security plan will be reviewed as a component of the provisional inspection process.





6. Staffing Plan and Development

6.1 Provide a narrative description of the proposed RMD staffing plan including position description, full time equivalency, and reporting structure. Attach an organizational chart in which you identify all staff and all reporting relationships. If this level of detail is already included in exhibit 1.1, include the same organizational chart in exhibit 6.1.

[ARL Healthcare's ("ARL") employees are the heart and soul of the organization. As representatives of our facility, employees will be expected to live up to the highest standards of competency, trustworthiness, and compassion for our patients. Seeking workers from a range of diverse cultural and ethnic backgrounds, the initial staffing plan calls for 27 employees to staff departments throughout the facility in the first fiscal year, growing to 45 full time equivalents by the end of the third full fiscal year. Listed below is an outline of the reporting structure and job descriptions.

President: Kenneth Housman will serve as the President of the organization with responsibility for all facets of ARL's operation. He is the leader of the executive management team with responsibility for managing all senior managers at the organization. The President is responsible for all departments including all dispensary and cultivation activities. The President also has direct oversight of all finance department, including budget, accounting, IT, and human resources. The position also requires significant interaction with the board of directors and all outside groups including state regulators, local government officials, and community groups.

COO: Brian Oates will serve as Chief Operating Officer of ARL. The COO has direct oversight and management responsibilities for the following departments: Cultivation, Patient Registration, Sales, Inventory, QA/QC, Trimming & Packing, MIP Production, and Regulatory Compliance. All managers in these

departments will report directly to the COO and participate in regular staff meetings to discuss operational issues. The COO reports directly to the President.

Director of Security: The Director of Security reports directly to the President and is responsible for all security procedures and staffing at both the dispensary location and the cultivation site. The position requires interaction and constant communication with state and local law enforcement officials as well as strict adherence to incident reporting requirements if they arise. Sigal Consulting will initially oversee Security operations and planning.

Director of Patient Care Services: Laura Laliberte will serve as Director of Patient Care Services. The position manages all departments that deal directly with patients. These departments include Patient Intake/Registration, Sales, and Regulatory Compliance.

Non-management positions are as follows:

Cultivators – Cultivators report to the Director of Cultivation and are responsible for all growing techniques at ARL Healthcare. The position requires a deep understanding of organic farming and indoor cultivation. Initially, there will be 6 full time equivalent cultivators on staff.

Patient Advisors – Patient advisors work directly with all patients or registered caregivers that are purchasing medicine at the facility. These individuals are highly skilled on all aspects of medical cannabis and the appropriate ingestion methods. There will be 5 full time equivalent patient advisors on staff at the facility.

Processing Associates – Processing associates work in the Trimming and Packaging Department to prepare medicine for packaging. The associates must understand how to weigh various quantities of products and package according to all regulations. There is a team leader that oversees the associates and is responsible for entry of all items into the inventory control system at the facility. There will be 5 processing associates at ARL Healthcare and one team leader.

Registration/Patient Intake Associates – These individuals are trained to follow all regulations for allowing entry into the facility, verification procedures in the organization's patient database, and answering general questions or concerns of licensed patients. There will be 2 full time equivalent intake associates at the facility.

MIP Production Associates – MIP production associates are trained to follow all state guidelines for production of MIPs in concert with proper food safety and handling regulations. Workers in these positions are skilled at production of edible or basted products that are infused with cannabis. The center will employ 3 full time equivalents at MIP production associates.

Security Officers – Security officers report directly to the Director of Security. They are responsible for safety and security of patients, agents, and employees of the facility. This position requires work coverage 24 hours per day, seven days per week. ARL Healthcare will contract with an outside security company for security officer staffing. There are 18 full time equivalent positions for security officers. ARL Healthcare will directly employ 2 security team leaders.]

Organizational chart attached as exhibit 6.1

6.2 Explain the hiring plan for the RMD staff by role, including qualifications and experience by position description. Include a description of the applicant's process to complete a Criminal Offender Record Information (CORI) check on each staff member working at the RMD at hire and on an ongoing basis.

[Smart hiring decisions are crucial to ARL Healthcare's ("ARL") success. Staff employees will be responsible for performing the day-to-day functions of the organization and ensuring that patients receive the highest level of care. Our executive management team will work together to hire the most competent, trustworthy, and compassionate candidates. Brian Oates, Chief Operating Officer, will be responsible for overseeing this crucial process.

The hiring process will begin with a call for all interested prospective employees to forward resumes to ARL. Recruitment will take place through the organization's website, social media pages, and announcements in local publications in and around Newton and Holbrook. ARL is committed to hiring qualified individuals to staff the facility, with a goal of having as diverse an employee roster as possible. The leadership of the organization will make it a priority to find qualified candidates from its host communities.

The positions that require immediate staffing involve those working in the cultivation facility. ARL will hire experienced cultivators to work in the facility. Qualifications for the position require an understanding of organic farming and organic growing techniques, knowledge of indoor cultivation, awareness of different growing modalities for achieving maximum plant yields, and a scientific understanding of all factors that contribute to plant growth. Cultivators will be expected to tend to all plants from the moment of germination through the entire life cycle. They will be involved in providing nutrients and hydration for the plants along with making all adjustments to ensure maximum quality and yield. Candidates with a horticultural background, especially those with a deep understanding of medical cannabis cultivation, are preferred for these positions.

Staffers who work at the retail counter of the facility are called patient advocates. They will be recruited throughout the build-out process and hired four weeks prior to the facility's opening. Extensive training on inventory tracking systems, different types of medicine, patient privacy, cash management, and customer service will take place prior to opening. Qualified applicants for these positions will have an understanding of the cannabis plant and its medical applications. The successful applicants will have a pleasant demeanor that puts the needs of patients first. Prior experience in a customer service or retail setting is preferred but not required.

Prospective employees that work in the facility's trimming, packaging, and processing department are called processing associates. ARL will seek out candidates that are knowledgeable about medical cannabis and its applications. Training will be provided on the use of scales for all packaging as well as on the facility's inventory control software system. Processing associates must be able to handle medical cannabis in all forms in preparation for packaging and labeling. They must utilize specific protocols for safe handling of all medicine. Ideal candidates will have an understanding of weights and measures, the ability to use a computer, and skills required to cut and trim cannabis flowers.

Individuals that work at the reception or registration desk are the initial point of contact for all patients. Candidates seeking work as patient intake advisors must have a friendly demeanor and the ability to positively interact with the public. Phone etiquette and excellent communications skills are required for this position. ARL will train all successful candidates on the use of the facility's patient registration/point of sale software system. Additional training on patient privacy and HIPAA compliance is a vital component of this position. Ideal candidates will have prior experience in customer service preferably in a health care setting. Strong computer skills and an understanding of medical marijuana and its applications are also strongly preferred.

ARL will also be hiring staffers to work as production associates to produce marijuana infused products (MIPs). These positions require an understanding of medical marijuana extraction techniques along with the ability to produce a wide array of infused products. The facility will provide extensive training to MIP production associates on following established recipes and protocols for extraction. These employees will also adhere to strict guidelines for cleanliness, safe food handling practices, and all regulation established by the DPH for MIP production. Ideal candidates will have an understanding of cannabis and its medical applications along with experience as a chef or baker.

Security officers will also be hired to work at the dispensary and cultivation facilities of ARL. The organization's security advisors will select candidates that understand security protocols, customer service, and following protocols for all types of situations. Extensive training will be provided to all security officers. Ideal candidates will be those with a law enforcement or security background, preferably retired law enforcement officers.

Before being hired all employees of ARL must pass a CORI check. The organization will also perform its own second layer of background checks prior to any offer of employment. This check will be done by a third party vendor and include an NCIC III review. Raymond S. White, retired Lieutenant Colonel of the Rhode Island State Police and a security advisor to ARL, will oversee the second layer of review.]

Proof of enrollment with Department of Criminal Justice Information Systems (DCJIS) to complete CORI checks attached as exhibit 6.2

6.3 Provide a detailed summary of the RMD's personnel policies, including proposed wages, opportunities for advancement, the benefits package, and any employment provision required by law that will be offered to employees. Note that the Department will review the RMD's personnel policies as a component of the provisional inspection process.

[Working closely with our operational consultants from Sigal Consulting and the Thomas C. Slater Center in Providence, ARL Healthcare ("ARL") has developed a set of employee handbooks with personnel policies and protocols for the organization. Every employee will receive an employee handbook when hired. Additionally, the contents of all employment policies, including wages, benefits, and work rules, will be explained to every employee during their mandatory employee orientation.

Personnel policies at ARL begin with an overview in the employee handbook on the way the organization works. Topics covered in this section include a statement that the facility is an equal opportunity employer, an overview of the Americans with Disabilities Act, and a statement that harassment and sexual harassment are not tolerated under any circumstance. Definitions of employment terms including categories of employment (full-time, part time, hourly, exempt status) and contact information for all personnel requests is provided.

The personnel policy requires all employees to accurately report their hours worked on the time clock. Time must be recorded immediately before the start of each shift and immediately after finishing work. Employees will be paid on every other Friday. In the event that a payday is a holiday, employees will be paid on the day prior to the holiday. Direct deposit of pay is available for employees upon request. Performance reviews for each employee will be scheduled annually and conducted by the direct manager of the employee. Job descriptions are written for every position at ARL and are provided to employees when they are hired and retained in their personnel file.

The organization has developed a comprehensive employee benefits program to supplement regular wages. Recognized holidays include New Years Day, Thanksgiving, and Christmas Day as days off. ARL also

recognizes that some employees may need certain religious and cultural holidays off. The organization's management will administer these requests. Employees who are required to fulfill military obligations will be given the necessary time off and be reinstated upon completion of their duty. Bereavement leave and leaves of absence under special circumstances are allowed and overseen by the organization's management. Health insurance benefits will be available for all full-time employees within 30 days of employment. The employer contribution to the health insurance coverage will be at least 70% of the cost of the coverage. ARL encourages its employees to grow professionally, offering opportunities for advancement throughout the organization. Training programs, mentoring, and education will be utilized to promote the advancement agenda of its existing employees.

Employees at ARL are expected to be punctual and arrive at work on time. Meal times and breaks are provided in 30-minute periods for all employees. Ten-minute breaks are also offered for every four hours worked. Employees are expected to maintain proper standards of conduct at all times so that no behavior interferes with the orderly operation of their department. Disciplinary actions including verbal warnings, written warnings, suspension, or termination are established policies of the organization in the event that standards of conduct are not upheld.

Personnel policies require all employees to take responsibility for safety throughout the workplace. Safety can only be achieved through teamwork in the organization. Each employee must practice safety awareness by thinking defensively, anticipating unsafe situations, and reporting unsafe conditions immediately. The following safety precautions are in place:

1. Employees must notify managers of any emergency situation
2. The use of alcoholic beverages and illegal substances during working hours is strictly prohibited
3. Use of all machines and equipment is only allowed if employees are properly trained and qualified
4. Proper lifting procedures must be followed
5. Awareness of locations, contents, and use of first aid and firefighting equipment is required
6. Compliance with all OSHA standards and other job safety standards is required.

Proposed wages within the organization vary depending on job category and employment status. Non executive management positions are structured as follows: Patients advocates are compensated at an hourly rate averaging between \$10 - \$14 per hour depending on experience and skills. Processing associates are compensated at an hourly rate averaging \$12 per hour. Cultivators are compensated at an hourly rate averaging \$10 - \$14 per hour. MIP production associates are compensated at an hourly rate averaging \$12 per hour. Security officers are selected and trained by ARL but compensated by a third-party private security firm. Registration/patient intake associates are compensated at an hourly rate averaging \$10 - \$14 per hour. Compensation for managers and team leaders varies by position and level of responsibility. ARL is committed to hiring qualified personnel with appropriate skills to help the organization succeed. Managers and team leaders are compensated at an average hourly rate of \$18 per hour depending on skill and level of responsibility. Compensation for executive managers will vary widely depending on positions and level of responsibility. ARL plans to provide compensation to these executives in line with average salaries of existing not-for-profit organizations of similar size in Massachusetts.]

6.4 If known at the time of submission, provide the name and the role/title of each dispensary agent that the proposed RMD intends to employ. If the identity of dispensary agents is unknown at the time of application, indicate N/A.

Completed list of known RMD staff attached as exhibit 6.4

6.5 Describe the applicant's staff development plan, including a detailed description of all proposed training(s) for dispensary agents.

[In order to operate a facility in a manner that is efficient, safe, compassionate, and compliant with all rules and regulations, it is essential that all staff members be thoroughly trained. Working closely with our operational consultants at Sigal Consulting and the Thomas C. Slater Center in Providence, ARL Healthcare ("ARL") has designed a curriculum that will prepare every employee to fulfill his or her job role and ensure a productive, respectful, and secure work environment.

The most important training that all employees and agents must complete involves the issue of privacy. Because ARL will provide medicine to licensed patients with an array of health conditions, it is important that all staff members understand provisions for maintaining patient confidentiality and protecting patient health information. Once hired, all employees and agents will be given an overview presentation on the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") that focuses specifically on the Act's Privacy Rule. Employees will gain a deep understanding of the Privacy Rule and what is considered to be Protected Health Information. The training regarding HIPAA compliance is fulfilled by each employee completing a mandatory multiple-choice test on all issues related to patient privacy. Because privacy is an ongoing concern, an annual in-service training on HIPAA compliance will be required for all employees.

Trainings for dispensary agents will be available for each department throughout the facility. ARL will encourage employees from different departments to learn and be trained on policies and procedures for other departments. The trainings include the following:

Inventory Operations

Employees will be provided an operations manual on all aspects of the Inventory Department. Trainers from ARL will assist trainees with coaching and direction on departmental issues. Each employee will receive a workbook that includes a departmental overview, departmental codes and forms, information on grades, packaging, racks, disposal, radio procedures, opening duties, and closing duties. The training will culminate in a quiz on all inventory department issues that will be scored and retained in each employee's employment file.

Members Services Operations

Employees will be provided an operations manual on all aspects of the Member Services Department. Trainers from ARL will assist trainees with coaching and direction on departmental issues. Each employee will receive a workbook that includes a departmental overview, reception procedures, dissemination of information, telephone etiquette, check-in procedures, point-of-sale system training, and closing duties. The training will culminate in a quiz on all member services department issues that will be scored and retained in each employee's employment file.

Sales Department Operations

Employees will be provided an operations manual on all aspects of the Sales Department. Trainers from ARL will assist trainees with coaching and direction on departmental issues. Each employee will receive a workbook that includes a departmental overview, product knowledge, workstation observation, point of sale system training, five steps of a sale training, sales floor procedures, opening procedures, and closing procedures. The training will culminate in a quiz on all sales department issues that will be scored and retained in each employee's employment file.

Processing Operations

Employees will be provided an operations manual on all aspects of the Processing Department. Trainers from ARL will assist trainees with coaching and direction on departmental issues. Each employee will receive a

workbook that includes a departmental overview, bulk handling procedures, labeling, point of sale system training, packaging, bar-code scans, and closing duties. The training will culminate in a quiz on all processing department issues that will be scored and retained in each employee's employment file.

Security & Safety Operations

Employees will be provided an operations manual on all aspects of the Safety & Security Department. Trainers from ARL will assist trainees with coaching and direction on departmental issues. Each employee will receive a workbook that includes a departmental overview, parking lot observations, rover observations, sales floor observations, control center protocols, radio procedures, and opening and closing duties. The training will culminate in a quiz on all safety and security department issues that will be scored and retained in each employee's employment file.

Cultivation Operations

Employees will be provided an operations manual on all aspects of the Cultivation Department. Trainers from ARL will assist trainees with coaching and direction on departmental issues. Each employee will receive a workbook that includes a departmental overview, organic growing procedures, nutrients, watering, harvesting, drying and curing, and opening and closing procedures. The training will culminate in a quiz on all cultivation department issues that will be scored and retained in each employee's employment file.

Staff development is a top priority for the leadership and board at ARL. The organization believes that a strong correlation exists between a well-trained staff that receives ongoing training and opportunities for advancement and a satisfied patient base. The departmental trainings listed above along with a strong emphasis on protecting patient privacy will foster an environment of excellence that licensed patients will appreciate.]

7. Operations and Programmatic Response Requirements

- 7.1 Explain the RMD start-up timeline, including evidence that the RMD will be ready to dispense within that proposed timeline if the RMD receives a provisional certificate of registration by the Department. The timeline must detail, by location, the start up period, including key benchmarks, leading up to the Department's final inspection.

[Considering all relevant logistical needed to kick start and operate ARL Healthcare's ("ARL") dispensary and cultivation facilities, our executive management team has worked in coordination with operational consultants at Sigal Consulting and the Thomas C. Slater Compassion Center to create a start-up timeline that puts ARL on track to open on August 13, 2014. The timeline is based on the DPH's current review schedule for Phase 2 applicants and also mirrors a similar start-up timeline that was implemented in Providence during the establishment of the Slater Compassion Center. Encompassing build-out, initial cultivation, and employee training phases, the start-up timeline presented here is thorough and will provide our executive management team with important benchmarks to ensure that ARL is making appropriate progress and establishing a strong foundation for the business's future operation.

Our start-up timeline anticipates that the DPH will announce that ARL application for operation of a RMD is approved on January 31, 2014. Once this designation is received, an implementation team will immediately commence the build-out processes for both the cultivation and dispensary sites. Initial planning and design work on both facilities will be presented to the DPH for approval. Contractors and sub-contractors have already been approved and are prepared to begin construction. Building permits in each community will be sought and demolition work will begin in early February 2014. With permits in hand, rough electrical plumbing, HVAC, framing, security systems, and installation of data and voice systems will begin at both buildings. Construction will continue through early April 2014 with all final work completed on the dispensary building

and the cultivation location. Final inspections and approval for a provisional certificate of registration will be sought by April 25, 2014.

Key benchmarks in the construction process include timely approval of architectural plans for the cultivation and dispensary sites by the DPH and the City of Newton and Town of Holbrook. These approvals are anticipated in early February 2014. Starting the rough electrical and plumbing for the security command center at the cultivation center in mid March 2014 is another key benchmark in the construction schedule. Full-time security personnel will be at the cultivation center once provisional certification is awarded by the DPH. It is important to have the facility finalized without delay. To meet construction deadlines, another key benchmark involves the beginning of rough framing within the dispensary building. This is scheduled for March 17, 2014. Commencement of rough framing will dictate the ultimate completion date of the construction project. Completion of electrical and plumbing in the security control center of the cultivation is a key benchmark scheduled for the end of March 2014. It is imperative that the security facility be fully prepared before cultivation activities begin. The final key benchmarks in the construction timetable are set for April 25, 2014. This is the date when construction will be completed at both buildings and ready for provisional certification approval by the DPH. ARL has provided a risk level of "high" to these benchmarks as the completion of these tasks is essential to the project's on-time completion.

With provisional certification in hand, ARL will immediately begin the cultivation of medicine. The initial crop is scheduled for harvest on August 1, 2014. A detailed overview of the full cultivation schedule is included in exhibit 7.1. Key benchmarks of the cultivation schedule include germination of seeds on April 29nd, the start of the flowering phase of growth for the initial crop on June 16th, harvesting of the initial crop on August 1st, laboratory testing of the initial crop on August 11th, and commencement of packaging/labeling of medicine on August 9th. ARL will hire its cultivation team in advance of the initial crop, with initial recruitment taking place in early April 2014.

All computer systems, inventory control software, point-of-sale software, computer terminals, barcode scanners, and data servers will be installed and ready for operation by July 12th. One month prior to opening, ARL will offer employment to non-management staff working the retail counter, registration desk, security, trimming and packing department, and the MIP production center. Staff training, privacy training and HIPAA compliance training will be completed one week prior to the facility opening. Outreach to potential patients and coordination with the DPH will continue throughout the entire start-up timeline to ensure the project's viability.]

Start-up timeline with clear benchmarks and dates attached as exhibit 7.1

7.2 Provide a detailed summary of the year-one operating plan, including key business check-in points over the year that will inform business practice improvements.

[ARL Healthcare ("ARL") will progress through three key phases during the first year of operation. The first involves ensuring ongoing cultivation cycles after the initial start-up. The second phase will be an analysis of patient and product flow to determine if growth projections are being met. The third phase is an evaluative phase in which all aspects of the organization are analyzed to determine where improvements can be made.

ARL is planning to open to licensed registered patients on August 13, 2014. To meet this goal, the facility has developed a rigorous and comprehensive start-up plan for construction of its cultivation and dispensary sites. The first-year operating plan, however, is focused on business operations after the August 13th opening date.



The key component of the first year operating plan involves cultivation of medicine. It is essential that all cultivation and processing work be as efficient as possible. ARL has developed projections for the amount of medicine that must be grown to meet the anticipated patient demand. Key check-in points of the cultivation activities involve assurance of the first crop of medicine just prior to the facility's opening. Additionally, the organization has developed a cultivation plan for a perpetual harvest, meaning that plants are constantly being harvested every week. If an anticipated harvest is missed or an unforeseen issue like mold or pest outbreaks damages a crop, corrective action measures will be employed. The organization has developed protections for the crops to isolate problem areas and prevent widespread damage.

The second focal point of the first year operating plan involves patient growth. ARL has established a reasonable and well-researched projection of the anticipated patient volume at its Newton facility. Any deviation from the projected patient totals will have an impact on the organization's revenues and production schedules. Key check-in points on patient growth will occur monthly, starting in August 2014. The leadership of ARL will compare actual patient registration, frequency of visitation, and purchase amounts with projections. The total anticipated first-year patient count is 2,204 patients. If the numbers are off, corrective actions like expanded outreach activities and targeted marketing will be implemented.

The third focal point of the first year operating plan will orient management staff towards an analysis of all organization operations with the purpose of identifying possible improvements. The facility will strive to provide the highest quality care to patients at an affordable price and ensure their interactions with the facility are pleasant. This will be achieved by having a staff at ARL that is keenly focused on operational excellence. Leadership will hold weekly meetings overseen by members of the executive management team with each business unit, including employees from cultivation, packaging, security, merchandising, and sales. Team leaders and managers will be set and those managers will also meet weekly to review all aspects of the operations, patient satisfaction, regulatory compliance, and law enforcement issues.

All the data and reporting will be reviewed daily by management and weekly by experienced operational consultants and advisors. Key data points, targets, and thresholds will be developed as a base or norm. Any deviation off of norm will be earmarked and reviewed immediately. Any serious issue with operations or security will be immediately brought to the Board of Directors for action.

The experience and best practices learned by our team's consultants at the Thomas C. Slater Compassion Center will help guide ARL. The team will meet every two months to review the facility's performance in all aspects of its operations. Improvements will be a constant agenda item. Operational excellence and security will remain the two top priorities for ARL as it provides the best possible care for its patients.]

7.3 Describe the applicant's knowledge of (and experience with) growing methods to be used in the cultivation of medical marijuana. Note that a copy of the marijuana cultivation and management plan will be reviewed as a component of the provisional inspection process.

[ARL Healthcare, Inc. ("ARL") will utilize the expertise of growers and consultants from Sigal Consulting and the Thomas C. Slater Compassion Center who have significant experience with indoor medical cannabis cultivation. With over 50 years of combined experience in cannabis cultivation, these growers understand various methods, including soil-grown, hydroponic, aeroponic, and hydro-organic cultivation, as well as how to produce a variety of medicinal strains. Using cutting-edge technology and proven techniques, ARL's cultivation team will use quality, safety, and efficiency as guiding principles as they develop varieties of medical cannabis that are best suited to the needs of the patients.



Through its consulting partners, ARL has access to a wealth of knowledge regarding design, build-out, and management of high yield indoor gardens. The implementation of best practices coupled with high efficiency growing techniques will result in maximum yield per plant, reducing the need for excessive plant counts and the consumption of resources and manpower associated with traditional large scale cultivation. Reducing the organization's carbon footprint, waste of resources, and additional labor costs associated with typical large-scale cultivation translates into better efficiency and more affordable medicine for patients. Yields as high as one gram per watt of light are currently being achieved at the Slater Compassion Center, resulting in more medicine from fewer plants. This, in turn, reduces the space needed for cultivation, producing savings on labor and utilities. Ultimately, this leads to more efficient cultivation.

All medicine grown at ARL will be grown utilizing organic fertilizers and pest control products. No toxic pesticides will ever be introduced to plants at the facility. Instead, OMRI certified, plant-based products will be used to prevent crop failure due to the presence of garden pests such as spider mites, aphids, white flies, and fungus gnats. Pest control will be achieved by weekly application of OMRI certified, non-toxic plant-based products. Prevention of mold and other biological contaminants will be achieved through proper environmental control of the grow rooms, including air filtration and air movement.

The grow rooms at ARL will utilize T-5 florescent, High Intensity Metal Halide and High Pressure Sodium lighting to replicate the natural light of the sun. Carbon dioxide enrichment will be employed to increase photosynthesis and improve yield. HEPA filtration in the rooms will eliminate mold spores, preventing mold growth on plants. Air-cooled lights will help keep temperatures in the optimal range to ensure an ideal environment for marijuana to grow. Environmental control is paramount to achieving the highest quality medicine. Temperature, humidity and carbon dioxide levels will be constantly monitored and controlled in real time. This guarantees the plants are grown from clone to harvest in ideal surroundings for cannabis. This translates to improved yield per plant, quality, and potency of the finished medicine.

All air exhausted from the building will be carbon filtered and/or treated with ozone to eliminate any telltale odors from escaping the building. This is done so as to not draw unwelcome attention to the facility, and in the spirit of being a responsible neighbor to the community. The facility will strive to be as discrete as possible to avoid cultivation activities being discovered by the public.

The cultivation facility will meet projected patient needs at opening, and be scalable so as to meet the growing need for medicine as number of registered patients increases. Quality, safety and efficiency will always be paramount for producing medicine. All medicine cultivated at the facility will be thoroughly vetted both in-house and through third party lab analysis before being dispensed to patients. Strains with the greatest medicinal benefit will be grown utilizing best practices to ensure the highest quality is produced. Proven, real world techniques honed in cutting-edge grow rooms will be employed to maximize efficiency and guarantee timely harvests. These methodologies learned and perfected by the cultivation experts at the Slater Center will be put into practice by the cultivation department of ARL.

Cultivation will be done in a "perpetual" harvest, ensuring a steady, manageable supply of medicine for our registered patients. Limiting the amount of plants grown per week will also enhance flexibility in strain selection, meaning strains can be more easily added or deleted depending on patient demand. This increases genetic variety available to patients, and reduces the attenuation of effectiveness sometimes seen in patients using the same strains of medical marijuana for extended periods of time. Through its consultants, ARL Healthcare will also have access to a knowledge base of strains and the symptoms/illnesses they effectively treat. This will eliminate the "trial and error" many patients must experience before finding the best strain to treat their particular conditions.



ARL believes that the knowledge and experience of its cultivation consultants will allow for the production of fully organic, safe, and effective medicine for patients. Best practices employed from clone to harvest will dramatically increase the quality and medical effectiveness of the medical marijuana, while eliminating the possibility of crop failure.]

7.4 Describe steps that will be taken to ensure the quality of the medical marijuana, including purity and consistency of dose and the presence of potential contaminants. Include a description of the testing process and frequency, quality standards, and plans to engage with a lab to conduct the testing. Note that a copy of the RMD's quality control plan will be reviewed as a component of the provisional inspection process.

[ARL Healthcare, Inc. ("ARL") will have the very serious responsibility of providing severely ill patients with a medicine that must be consistent, pure, and tested for quality. Our facility will take every possible step to ensure that patients receive only the best possible product. ARL's cultivation consultants have extensive experience growing indoor medical cannabis strains at the Thomas C. Slater Compassion Center in Providence and will help our cultivation team design a system to reliably produce the cleanest, purest medicine for our severely ill patients.

Quality control is of utmost importance for all medical cannabis produced at our facility. Testing each crop of harvested medicine for potency as well as biological and chemical contaminants ensures that the medicine dispensed to registered patients is safe and medically effective. The testing process that will be utilized is scientifically legitimate and valid.

Utilizing proven cultivation techniques is the most important factor to ensure the quality and safety of medicine. Cannabis can be a suitable host for mold growth if grown in an environment that is conducive for mold to thrive. All cultivation rooms at ARL will be climate controlled to prevent relative humidity from rising above 50%. Air conditioning and dehumidification will keep humidity levels stable at 50%. HEPA filters will be employed to remove airborne mold spores that could contact growing cannabis flowers and amplify through the ambient moisture in the air. These measures will prohibit mold growth on all growing plants.

Once plants are harvested, they will be transported to climate controlled drying and curing rooms. Here too, environmental control is paramount to eliminate the possibility of microbial growth. Once the drying and curing process is complete, visual inspection will be performed by ARL staff under a microscope at 150x magnification to ensure finished flowers are free of biological contaminants. Once the medicine has passed this initial inspection, samples of each strain will be packaged for gas chromatography testing by an ISO certified laboratory for a second microbiological screening and potency testing. Potency testing includes identifying the percentage of tetrahydrocannabinol (THC) and cannabidiol (CBD), two important components of medical marijuana. ARL Healthcare plans to utilize the third-party testing services of Know Your Grow Laboratories, a testing laboratory located in MA.

Medical marijuana concentrates will be tested for potency, as well as volatile organic compounds (VOCs). VOCs could have a negative impact on the health of patients who ingest them. Edible cannabis products will also be tested for potency and any biological contaminants. The independent laboratory will use high-pressure liquid chromatography (HPLC) rather than gas chromatography to analyze all marijuana infused products. HPLC is a methodology that allows for greater insight into the chemical makeup of edible medicines.

Know Your Grow Laboratories will provide reports to ARL on its analysis of all tested materials. The reports will outline whether the medicine or products are safe for patient use. Any medicine that is deemed unsafe due to biological or chemical contamination will be destroyed by the ARL Healthcare in a manner

compliance with CMR 725.105(J). All medicine deemed safe for consumption by licensed patients will be packaged with potency information clearly labeled on each package.

Potency information is imperative to aid patients in selecting strains and forms of medicine that best suit their needs. The staff at ARL will recommend the proper ingestion method and dose that is most suitable for a patient's condition. The extensive quality assurance and quality control steps listed above will ensure that the quality, purity, and consistency of medicine at ARL are at the highest possible levels.]

7.5 Describe the applicant's plan to dispose of excess or damaged plants or products, including security and plans to avoid diversion. Note that a copy of the RMD's marijuana disposal plan will be reviewed as a component of the provisional inspection process.

[Preventing diversion of marijuana into the wrong hands is a crucial objective for ARL Healthcare, Inc. ("ARL"). Our security team, lead by Raymond S. White of Sigal Consulting, a retired Lieutenant Colonel of the Rhode Island State Police, has developed protocols for ARL to ensure that all excess or damaged cannabis plants or products are properly disposed of in a manner compliant with DPH guidelines.

All waste, including waste composed of or containing finished marijuana and MIPs, will be stored, secured, managed, and disposed of in accordance with CMR 725.105(J) as well as all other state and local statutes, ordinances, and regulations. Liquid waste containing marijuana or by-products of marijuana processing will be diluted with water and disposed of in a designated sink within the facility. None of the material disposed of in such a manner will contain any toxic pollutants, including those listed in 314 CMR 3.17. Solid waste material containing marijuana or by-products of marijuana processing will be ground and incorporated with organic materials as defined in 310 CMR 16.02, including but not limited to food material, soil, and biodegradable paper, in such a way that the resulting mixture renders the marijuana waste unusable. Less than 50% of the resulting mixture will be medical marijuana or by-products of marijuana processing. The resulting mixture will then be either composted at the facility in a manner that is compliant with the requirements of 310 CMR 16.00 or disposed of in a solid waste management facility that holds a valid permit issued by the Department of Environmental Protection. When marijuana or MIPs are disposed of, ARL will create and maintain a written record of the date, the type and the quantity disposed of, the manner of disposal, and the persons present during the disposal, with their signatures. The disposal records will be kept for at least two years. ARL will also accept at no charge unused, excess, or contaminated marijuana from any registered qualifying patient or personal caregiver. It will then destroy the medical marijuana in the manner described above and will maintain a written record of such disposal, which will include the name of the supplying registered qualifying patient or personal caregiver if applicable.]

7.6 If the proposed RMD intends to produce MIPs, describe the types and forms of MIPs that the RMD intends to produce, the methods of production (including sanitation and food protection processes), and procedures for labeling, storing, disposing, dispensing, and tracking MIPs. Note that a copy of the MIPs production plan will be reviewed as a component of the provisional inspection process. If the RMD does not plan to produce MIPs, indicate N/A.

[Many medical cannabis patients find that alternatives to smoking are a healthier and more effective treatment option. For this reason, ARL Healthcare, Inc. ("ARL") will use some of its medical cannabis supply to create marijuana infused products (MIPs) for the benefit of those registered patients who prefer alternatives to smoking and vaporizing. Once produced all MIPs will be labeled, stored, dispensed, tracked, and disposed of in a manner that complies with all regulations for MIP production as described in 105 CMR 725.105(C). ARL Healthcare's MIP production team plans to develop a variety of types of MIPs, including:

Topical ointments (salves, balms, lotions):

These products are effective for direct application of medical marijuana to sore parts of the body. Usage of topical medical marijuana ointments can also have anti-inflammatory, anti-bacterial, and anti-spasm benefits for patients. Topical products are produced by infusing a carrier oil (typically coconut, Shea butter, or olive oil), cannabis essential oil, and other organic and natural herb based essential oil products such as Tocopherol (vitamin E) or Myrrh Resin. Produced in sanitized, stainless steel production pots under thermostatic control, topical products will undergo strict qualitative guidelines for homogeneity and absorbency ability.

Oral/sub-lingual tinctures:

Tinctures are generally glycerin- or ethanol-based medicines, which use the liquid as a carrier of the beneficial compounds found in medical marijuana. These can be of varying strengths and ratios of THC/CBD, allowing the tincture to be tailored for specific uses. The infusions are produced in autoclave sterilized glass containers, using varying amounts of cannabis compounds either in flower or concentrate form in conjunction with heat, agitation or pressure to emulsify the compounds with the carrier solution. Varying vessels of delivery include syringes and amber dropper bottles, all which meet USP standard for protection of light-sensitive liquids.

Baked edible goods:

Medical marijuana in edible form such as a cookie, cake, or cough drop allows patients to ingest specific dosages of THC/CBD while also consuming items typically familiar and pleasant in taste. Prepared by Food Safe certified bakers, the process involves infusing fats, usually butters or oils, that absorb the beneficial compounds of medical marijuana and using traditional culinary techniques to make the final product. This allows patients an inconspicuous way of relieving problematic symptoms and offers long lasting effects.

All MIPs will be produced in a kitchen that will maintain strict adherence to all sanitary and food safety regulations. All edible MIPs will be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 500.000: "Good Manufacturing Practices for Food" and with the requirements for food handlers specified in 105 CMR 300.000: "Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements". Staff members who produce MIPs will possess a valid food handler's certificate. They will be required to wear gloves and proper attire (such as hair nets and aprons) when entering the production kitchen. To maintain freshness, most MIPs (excluding topical products) will be made in small batches and heat sealed immediately to prevent perishability. All products will be properly stored in a locked vault. Perishable items that require refrigeration will be kept refrigerated until the point of sale. All MIPs that have a shelf life will be disposed of 7-10 days after the born on date, a week before expiration can occur, in a manner described in our response to question 7.5. All batches of MIPs will be tested for purity and potency by an independent laboratory prior to sale.

ARL has developed procedures for packaging and labeling MIPs to minimize the possibility of diversion of medicine. Cannabis infused products will be heat-sealed (ensuring they are tamper proof), constantly accounted for by ARL's inventory tracking software, and placed in opaque packaging. Labeling of all MIPs will follow the guidelines set forth in 105 CMR 725.105(E)3, with prominent placement on the label for the following warning: "This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Do not drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN." All labels will also include a bar code specifically assigned by ARL Healthcare's inventory tracking/point of sale software. All items will be scanned and accounted for in the inventory control system and tracked from the moment of production until the moment of sale.]

7.7 Describe the applicant's inventory management program, including seed-to-sale tracking procedures, prevention of diversion, and storage of marijuana products. Note that a copy of the inventory management program policies and procedures will be reviewed as a component of the provisional inspection process.

[As medical marijuana programs have been implemented across the country, computer software companies have developed customizable inventory tracking and point of sale programs designed exclusively for medical cannabis dispensaries. ARL Healthcare's ("ARL") operational consultants have done extensive research on the available products and have determined that MJ Freeway best suits the needs of ARL. The software allows employees to manage cultivation, inventory, sales, and seed-to-sale tracking to prevent diversion and create an efficient system for storing and accounting for medical cannabis products at all times.

MJ Freeway is a powerful business platform that will be utilized in two specific areas at ARL. The "GramTacker" system will follow every gram of medicine from seed to sale, including shake, evaporated product, wet weights, and even spillage. Because the system thoroughly tracks all inventory, managers will be able to quickly and easily detect instances of theft or shrinkage. Along with the "GramTracker" system, ARL will utilize MJ Freeway's "GrowTracker," a system that allows for the management of all cultivation operations. "GrowTracker" maintains oversight of all plant ingredients, harvest scheduling, strain performance, and THC/CBD ratios.

The point of sale system from MJ Freeway allows ARL to create a thorough inventory management environment. The system records all inventory to the fraction of a gram. There are unlimited inventory categories, allowing for quick and easy addition of new items and product lines. All marijuana will initially be recorded in bulk quantities and then converted into individual items like specific quantities of medicine or infused products. The system allows the facility to follow and sort products by customized product categories, ensuring that every single item and quantity is accounted.

Once bulk items and individual items are included in the inventory control system, bar codes will be generated with appropriate labels. The labels will comply with all state regulations and include appropriate information on the type of medical marijuana, quantity, laboratory test results, and space for the name of the registered patient to whom the medicine is sold. The inventory control system includes data fields for ARL staff to record the name of the product, description, cost, retail price, expiration date, image, attributes specific to the product, barcodes, notes, and quality/condition.

Administration of the inventory control system is streamlined with MJ Freeway. Every transaction has a virtual paper trail, allowing ARL to see the time and date for every transaction as well as which staff member performed it. User levels are built into the system as a security measure to limit access to the system's full capabilities. Reports covering sales, inventory, and patient transactions are readily available to the staff as well as any regulator upon request. Backup data servers will be in place to ensure that records are always maintained.

Diversions Prevention:

ARL recognizes that diversion of medical marijuana outside of the registered patient realm is a major concern. The most effective way to prevent diversion of medicine involves strict inventory controls and tracking. Utilizing the MJ Freeway system, ARL can ensure that no patient will access more medicine than allowed by that patient's physician's recommendation. The system will track how much medical marijuana has been purchased according to a patient's limits, and no medicine will be sold to anyone that has reached their limit.

Looking at patient limits is just one step, however, in preventing diversion. ARL will also track and monitor all purchase patterns of its patients and determine if a pattern is cause for suspicion of diversion. If a

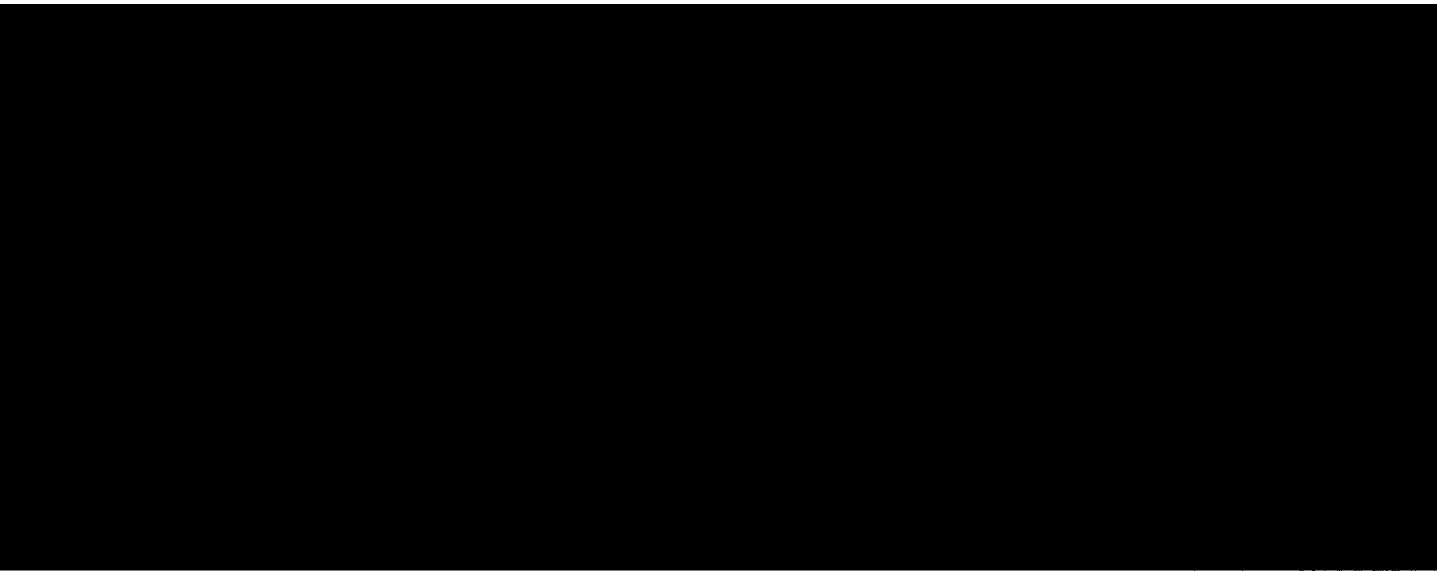
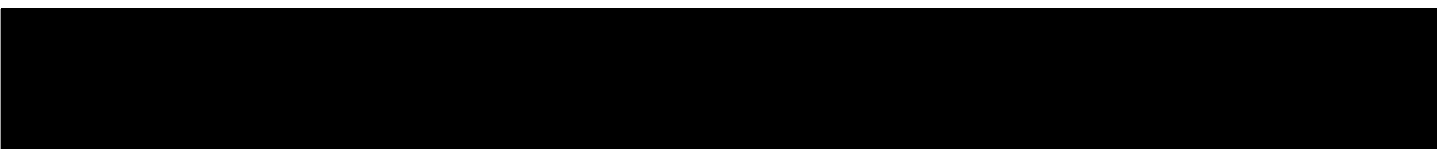
situation arises where a buying pattern is out of the ordinary, management staff from the facility will initiate an immediate interaction with the patient. Because ARL is working with Sigal Consulting and the Slater Compassion Center, it will have access information on traditional buying patterns for patients with certain conditions. The Slater Center serves over 2,000 licensed patients in RI. Its staff has deep knowledge of the type and amount of medicine that is appropriate for a wide array of conditions. This aggregate information will be shared with employees at ARL and will be part of the ongoing training of all team members. Based on the experience at the Slater Center, ARL will have immediate understanding of potential red flags that may occur on the issue of unusual buying patterns and the potential for diversion of medicine.

Diversion prevention efforts also extend to the policies and procedures enforced at the facility. Each patient that receives medicine at ARL will complete a code of conduct form that warns patients about the serious consequences for any diversion activities or consumption of medicine in or around the building. Failure to adhere to the code of conduct will result in the immediate termination of a patient's ability to utilize the facility. ARL will also document and report any instance of a violation with the DPH as well as state and local law enforcement.

Storage of medical marijuana products:



7.8 Describe how the applicant will transport marijuana, whether between the cultivation and dispensing site or between the dispensing site and a patient's home, including provisions for preventing diversion and tracking inventory during transport. Include a description of the RMD's proposed home delivery protocol, including an identification check of the registered patient or registered personal caregiver and record keeping. Note that a copy of the transportation program policies and procedures will be reviewed as a component of the provisional inspection process.



7.9 Define the applicant's service area and provide an analysis of the projected patient population and projected need in the service area of the proposed RMD, including the applicant's strategy for delivering culturally competent and linguistically appropriate services.

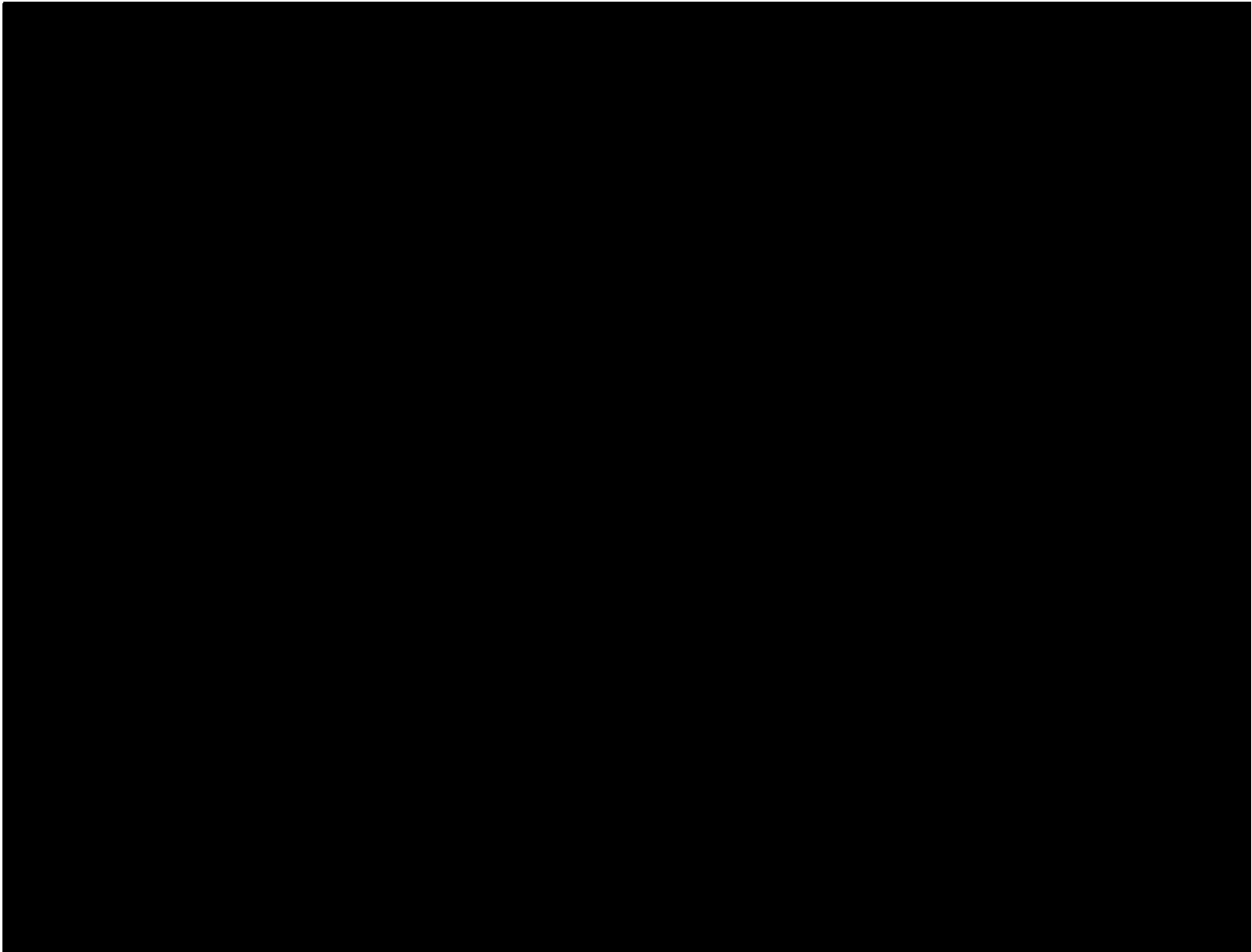
[ARL Healthcare, Inc.'s ("ARL") service area encompasses a five-mile radius around the dispensary site in Newton. Registered medical marijuana patients within this area will be able to easily access our dispensary facility. Located strategically in Middlesex County and near Boston, the facility is fully accessible by bus and light rail. ARL's dispensary facility is in an ideal location to serve the suburban community in southern Middlesex County, which, in addition to Newton, also includes the population centers of Wellesley, Needham, Brighton, and Waltham.

According to 2010 U.S. Census data, there are approximately 385,407 residents in the defined service area. Of those, we project that 77,428 residents suffer from health conditions that may be effectively treated with medical marijuana. This estimate is based on state and national prevalence rates for cancer, HIV/AIDS, hepatitis C, multiple sclerosis, epilepsy, Crohn's disease/irritable bowel disorder, fibromyalgia, glaucoma, and chronic pain. We expect that approximately 3,824 (about 5%) of these patients will become registered medical marijuana patients within the first three years of operation.

According to 2010 Census data, ARL is well situated to serve some of the estimated 95,581 residents aged 55 or older within the facility's service area. Many elderly patients suffer from debilitating conditions that may be effectively treated with medical marijuana. AARP states that 4 in 5 adults over 50 suffer from at least one chronic condition. Cancer and back pain are two conditions that disproportionately affect older adults.

ARL seeks to reduce disparities in access to and quality of its services by designing its facility and training its employees in a manner that satisfies high standards of cultural competence. This means 1) ensuring a diversity of cultural and racial perspectives on its staff and 2) taking steps to improve communications between ARL representatives and patients of different racial, ethnic, and cultural backgrounds. Because a significant number of residents in ARL's service area speak Spanish, French, or Polish as a first language, our facility will have on-call translation services readily available and important information and signage will be posted in Spanish, French, and Polish, in addition to English.]

7.10 Describe the RMD's procedures for safely dispensing medical marijuana to registered qualifying patients or their registered personal caregiver, including a process for identifying patients/caregivers, ensuring their safety, and protecting their privacy.



7.11 Describe the RMD's patient record keeping system and planned use of technology to support business operations, including use of the Department's electronic registration and dispensing tracking system. Note that a copy of the patient record keeping policies and procedures will be reviewed as a component of the provisional inspection process.

[The cornerstone of ARL Healthcare Inc.'s ("ARL") patient database and record keeping system is a software suite designed specifically for medical marijuana dispensaries called MJ Freeway. This inventory tracking, patient database, and point of sale system is currently used by numerous medical marijuana dispensaries in other states, including the Thomas C. Slater Compassion Center in Providence, RI. MJ Freeway has developed industry-specific solutions for medical marijuana dispensaries to maintain records on licensed patients, track their purchasing limits, and ensure that all transactions are done in full compliance with state law and regulations. The software also controls all inventory in the facility, monitoring all marijuana from seed to sale as well as all infused products and other inventory items. The software tracks all inventory through bar coded labels to limit the potential for loss or shrinkage. In doing so, ARL can produce reports in real-time on all of its inventory, sales, and patient data. The software is highly secure and will be housed on ARL's servers. The data is protected with adequate firewalls with built-in redundancy to ensure no loss of information. Our consulting team's familiarity and understanding of all functionality of the software and record keeping technologies will greatly assist in a smooth implementation.

The patient record keeping functions and inventory controls that will be in use are crucial components of ARL's business operations. The technology will allow employees to create reports and easily generate data on business performance. The software will also assist in forecasting future demand for medicine and show trends that can help management make sensible business decisions. The technology will demonstrate which particular types of medicine or ingestion options are favored by patients with specific medical conditions. This information will be passed on to new and existing patients so they are empowered by the knowledge of what has helped other patients. This information will also be utilized in executive management decisions about what strains and MIPs to produce. From a compliance perspective, the software and technology ensures the facility is compliant with all regulations on the dispensing of medicine, and the integration of sales information with accounting software greatly assists in the preparation of state and federal tax returns.

A final aspect of ARL's record keeping strategy is a plan to fully integrate with the DPH's proposed electronic registration and dispensing tracking system. Our administration team envisions the ability to link in real time with DPH records on licensed patients to ensure no one gains entry to the facility without proper credentials. Because the DPH is planning on using a web-based system, integration will be seamless. ARL will also ensure that patients do not exceed their possession limits, as purchasing history information will be securely shared among RMDs. The DPH's plan to create a tracking system is a tremendous opportunity for RMDs like ARL to enhance its level of compliance, and our organization looks forward to the opportunity to utilize this proposed resource.]

7.12 Provide a detailed summary of the proposed RMD's policies and procedures for the provision of marijuana to registered qualifying patients with verified financial hardship at no cost or reduced cost, including a sliding fee scale. Note that a copy of these policies and procedures will be reviewed as a component of the provisional inspection process.

[Many severely ill patients who may qualify and register for the medical marijuana program will be unable to afford medicine at normal retail price because of their current financial hardship. The founders of ARL Healthcare ("ARL") firmly believe that a patient's inability to pay should not prevent that individual from accessing medicine that can significantly improve the patient's quality of life. Our executive management team has developed a generous policy for providing care to patients faced with financial hardship that will serve as the focal point of our commitment to the larger community of licensed patients. ARL will use a sliding fee scale based on Federal Poverty Guidelines to assist patients that are recipients of MassHealth or Supplemental Security Income, or if the individual's income does not exceed 300% of the federal poverty level, adjusted for family size. Patients who earn or receive 100% or less of the federal poverty level will qualify for a free eighth of an ounce of medical marijuana per week. Any amount acquired above the eighth of an ounce during a given week can be purchased at a 50% discount. Patients whose annual income falls in the range of 101%-200% of the federal poverty level will qualify for a 75% discount on an eighth of an ounce of medicine per week. Any amount acquired above the eighth of an ounce during a given week can be purchased at a 50% discount. Patients whose annual income falls in the range of 201%-300% will qualify for a 50% discount on an eighth of an ounce of medicine per week. Any amount acquired above the eighth of an ounce during a given week can be purchased at a 25% discount.

The sliding fee scale will be evenly and uniformly applied to all patients, without discrimination of any kind. Notification about the sliding fee scale for patients with financial hardship will be posted in English and Spanish in a location that is clearly visible in the patient reception room and on the ARL website.

When a patient registers at the facility, he or she will have the opportunity to complete an application that asks for the number of related persons living in his or her household and the annual, monthly, or bi-weekly income for the patient, his or her spouse, and any dependent children under age 18 to determine household income. ARL will require a copy of a patient's proof of identification and income verification, including but not limited to a driver's license, state identification card, birth certificate, or social security card, and the patient's prior year tax return. This application will be reevaluated on an annual basis to adjust for updated federal poverty guidelines and any changes to a patient's household income. ARL will retain copies of a patient's proof of identification and income along with their financial hardship application in the facility's HIPAA-compliant record system. Records of all patient visits and purchases will be recorded.

The threshold amount for free medicine was established as a balance between compassionate use and diversion prevention. If the organization were to provide larger quantities of medicine for free, the potential for abuse, specifically with patients diverting quantities of medicine to an illicit market for compensation is heightened. In the interest of maintaining the lowest possible threshold for diversion and abuse, ARL believes the provision for free weekly medicine of an eighth of an ounce is entirely appropriate. The organization projects that over \$40,000 of free or reduced priced medicine will be provided to patients in the first fiscal year alone.]

Proposed sliding price scale attached as exhibit 7.12

7.13 Describe the proposed plans to provide counseling and educational materials to registered qualifying patients and their personal caregivers related to methods of marijuana administration and information about the health effects of marijuana use.

[Part of ARL Healthcare Inc.'s ("ARL") core mission is to empower patients with knowledge about medical cannabis and enable them to make informed decisions about their treatment options. Counseling for first time patients is an integral part of achieving that goal. During their initial visit to ARL, each registered patient will receive counseling to assist in making appropriate decisions regarding the patient's use of medical marijuana. A thoroughly trained patient intake advisor will meet privately with a patient to provide information regarding the safe use of medical marijuana, how to choose a strain and form of medical marijuana, how to recognize signs of substance abuse, and an overview of their rights and responsibilities as a registered medical marijuana patient. The advisor will also answer any questions the patient may have about these topics. Hearing impaired patients will be given written materials containing the educational information described above and will have the opportunity to ask questions in writing or by typing on a computer screen. Educational materials will also be available in English and Spanish to meet the linguistic needs of the community. Patients with vision impairments will be provided either a set of large-print educational materials or a CD that contains an audio version of all printed educational materials.

In addition, ARL will provide all registered patients and personal caregivers with written educational materials that are required by and comply with 105 CMR 725.105(K). When a new patient or personal caregiver checks in at the front desk, the individual will be given a packet with these documents. Additional copies of these materials will also be available in the patient reception room and upon request at all times. The informational packet will include:

- A warning that marijuana has not been analyzed or approved by the FDA, that there is limited information on side effects, that there may be health risks associated with using marijuana, and that it should be kept away from children;
- A warning that when under the influence of marijuana, driving is prohibited by M.G.L. c. 90, s. 24, and machinery should not be operated;
- A patient guide based on publications from Americans for Safe Access and the Thomas C. Slater Compassion Center designed to assist in the selection of medical marijuana, describing the potential differing effects of various strains of medical marijuana as well as various forms and routes of administration, including smoking, vaporization, topical application, and oral ingestion;
- A medical marijuana strain log form that enables patients and personal caregivers to track strains used and their associated effects;
- A medical marijuana dosage guide based on publications from Americans for Safe Access and the Thomas C. Slater Compassion Center that 1) emphasizes using the smallest amount possible to achieve the desired effect, 2) encourages responsible use, and 3) explains the impact and importance of understanding potency;
- A document based on information from SAMHSA, NIDA and DSM-5 that discusses tolerance, dependence, and withdrawal;
- A document based on publications from SAMHSA, NIDA, and DSM-5 that educates patients and personal caregivers about signs and symptoms of substance abuse and includes referral information for local substance abuse treatment programs;
- A statement that registered qualifying patients may not distribute marijuana to any other individual, and that they must return unused, excess, or contaminated product to ARL for disposal;
- And any other information that may be required by the DPH.]

7.14 Describe the RMD's proposed marketing and advertising plan, including the company logo, printed materials and flyers, external signage, advertising practices, and outreach and promotional materials. Note that a copy of the marketing and advertising plan will be reviewed as a component of the provisional inspection process. Do not include reproductions or representations of the logo, printed materials, or flyers.

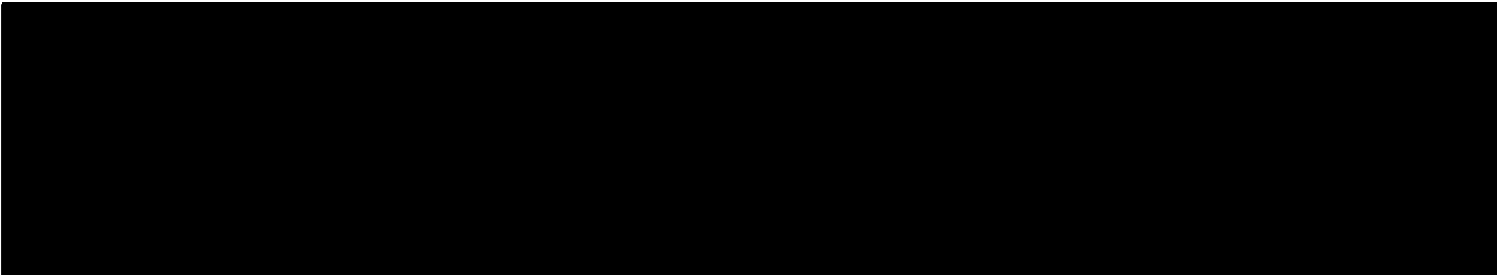
[Using the model of the Thomas C. Slater Compassion Center in Providence as a guide, ARL Healthcare (“ARL”) has developed a minimal advertising and marketing plan that does not include in overt promotions to the general public but instead relies on direct outreach to existing patients and those who are eligible to use our facility’s services.

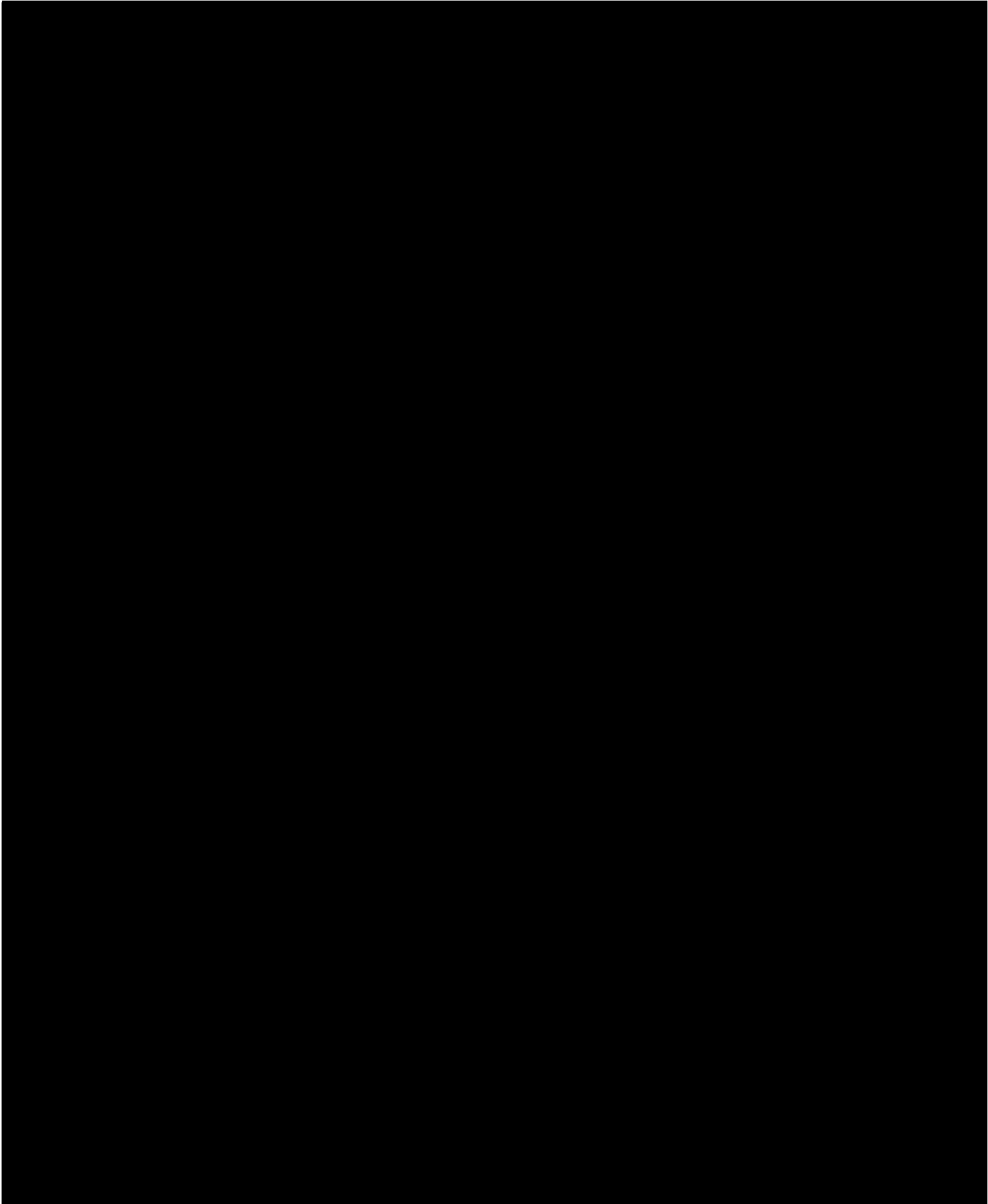
ARL will abide by all rules and regulations relevant to advertising described in 105 CMR 725.105(L). The organization’s logo does not use any medical symbols, images of marijuana, images of marijuana paraphernalia, or colloquial references to marijuana. ARL Healthcare will not use neon signage, and no external signage will be illuminated except for a period of 30 minutes before sundown until closing. ARL will also comply with all local requirements in Newton regarding signage. It will not display on the exterior of its facility any advertisements for marijuana or any brand name. The building will only be identified by ARL’s name. It will not utilize graphics related to marijuana or paraphernalia on the exterior of the facility building. It will not advertise the price marijuana, except that it shall provide a catalogue or a printed list of the prices and strains of marijuana available to registered qualifying patients and personal caregivers upon request. Marijuana, MIPs, and associated products will not be displayed or clearly visible to a person from the exterior of the building. ARL will not produce any items for sale or promotional gifts, such as T-shirts or novelty items, bearing a symbol of or references to marijuana or MIPs, including the ARL logo.

While restrictions will be in place for a majority of marketing and outreach efforts, ARL will engage in some activities to speak directly to licensed patients in its service area. The marketing and advertising plan will focus solely on direct contact through social media outlets like Facebook and Twitter. The organization’s website will also be utilized to post important information for patients about services, medicine, and education programs. The website will be a platform to acquire email addresses, which will help disseminate updated information and newsletters to the appropriate audience. All marketing efforts will conform with the requirements specified in 105 CMR 725.105(L)(8). No advertising materials or materials produced by ARL will contain any statement, design, representation, picture, or illustration that encourages or represents the use of marijuana for any purpose other than to treat a debilitating medical condition or related symptoms. No advertising materials or any materials produced by ARL will contain any statement, design, representation, picture, or illustration that encourages or represents the recreational use of marijuana. No advertising materials or materials produced by ARL will contain any statement, design, representation, picture, or illustration related to the safety or efficacy of marijuana unless supported by substantial evidence or substantial clinical data with reasonable scientific rigor. No advertising materials or materials produced by ARL will contain any statement, design, representation, picture, or illustration portraying anyone under 18 years of age.

ARL understands that the inception of RMDs in the Commonwealth is a new endeavor that will receive a great deal of public scrutiny. The organization is committed to refraining from any marketing or advertising activities that will reach anyone outside of the population of patients or potential patients in its service area.]

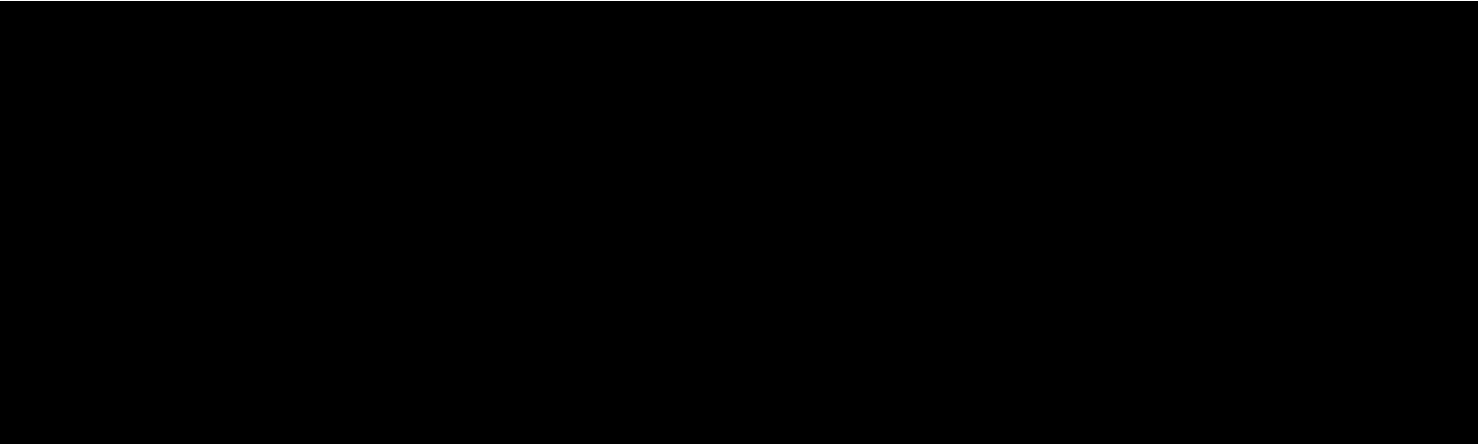
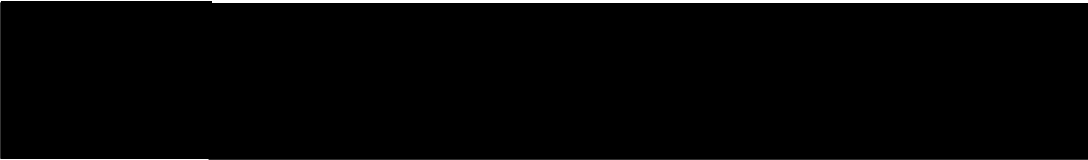
7.15 Describe the RMD’s emergency preparedness procedures, including a disaster plan with procedures to be followed in case of fire or other emergency. Note that a copy of the safety and security procedures will be reviewed as a component of the provisional inspection process.







7.16 Describe the RMD's employee security policies, such as an employee ID/badge system and personal safety. Note that a copy of employee security policies will be reviewed as a component of the provisional inspection process.



7.17 Describe the RMD's incident management program, including policies and procedures to document, report, and manage adverse incidents, consumer complaints, operational concerns, and issues that will be reported to law enforcement and/or the Department. Note that a copy of the incident management program policies will be reviewed as a component of the provisional inspection process.

[Every successful business must have a system in place to document, report, and manage events that expose shortcomings or problems that may arise within the organization. ARL Healthcare's ("ARL") incident management program, which is encompassed in the security management plan, will allow our organization to deal with and respond appropriately to adverse incidents, consumer complaints, operational concerns and issues that will be reported to law enforcement officials or regulators at the DPH.

ARL will have written policies and procedures providing guidelines for employees working in all areas of the RMD. Employees will receive the proper training for the area in which they work and all other areas within the facility. These policies, procedures, and subsequent trainings all employees will receive specifically address how to properly document, report, and manage adverse incidents, consumer complaints, operational concerns, and issues that will be reported to the DPH and/or law enforcement.

The incident management reporting requirements include, but are not limited to, the following for all employees:

- Theft, loss, and vandalism of property located on the facility premises.
- Malicious or unauthorized use of company equipment or facilities.
- Allegations of employee misconduct.
- Bomb threats to company facilities.
- Assaults, attacks, molestation, or threats upon either patients or employees while on company property or while employees are working.

Reasons For Reporting Incidents

Security incidents will be reported in order to:

- Provide information to management for decision-making purposes.
- Recover lost or stolen property.
- Obtain restitution for losses.
- Aid in the formulation of risk reduction practices, policies, and procedures.

Condition Report Classifications

The following will be reported during an employee's work shift unless supervisors deem it necessary to report more expeditiously. Non-incident situations will generally be reported on a Security Condition Report, which will be classified by one of the following:

- Any situation which may lead to litigation
- Conditions which threaten safety of building or personnel (life-safety)
- Computer Viruses
- Environmental conditions threatening property
- Information threatening the reputation of the company
- Labor disputes
- Natural disasters
- Potential fire hazards
- Open Doors and Windows
- Strange Odors
- Unlock Request
- Unsafe Condition
- Other incidents

All security incidents listed above will be reported to the facility supervisor. Follow-up reports should be submitted concerning any significant developments relating to the incident. All incidents will be formally closed.

Reporting to the Authorities

In a non-emergency incident or when life/safety is not a concern, security personnel are required to work with the COO or facility supervisor to report a security incident to the police.

External Reporting

Information which discloses security/investigative procedures or operations shall never be released. When disclosure is compulsory, for example in the course of an official investigation, approval must be obtained in advance from COO or facility manager.

Reporting of Serialized Equipment Theft

To assist with investigative efforts in the recovery of stolen equipment, and to provide a basis for prosecution, all serialized equipment reported as stolen, i.e., lap top or desk top computers, monitors, electronic equipment, etc., is to be reported to the appropriate law enforcement agency for input to their computerized tracking systems, i.e., National Criminal Information Center (NCIC) index computer.

Confidential Information

- All management and employees will comply fully with the Health Insurance Portability and Accountability Act as it relates to patient information
- Security personnel are restricted from giving out any confidential information. Confidential means secret or private.



- Documents that may not be given out include incident reports, daily activity reports, and condition reports.
- Respecting confidentiality is very important. What is overheard, seen or directly mentioned must not be told to others unless it is an issue that must be relayed to a superior.]



APPLICATION RESPONSE FORM SUBMISSION PAGE

**CERTIFICATION OF ASSURANCE OF COMPLIANCE:
ADA and NON-DISCRIMINATION BASED ON DISABILITY**

Applicants must certify that they will comply with all state and federal requirements regarding equal employment opportunity, nondiscrimination, and civil rights for persons with disabilities. The Applicant must complete a Certification of Assurance of Compliance: ADA and Non-Discrimination based on Disability. By signing, the Applicant formally notifies the Department that the Applicant is in compliance and shall maintain compliance with all applicable requirements.

- I certify, that the Applicant is in compliance and shall maintain compliance with all applicable federal and state laws protecting the rights of persons with disabilities, including but not limited to the Americans with Disabilities Act ("ADA"), 42 U.S.C. §§ 12131-12134; Article CXIV of the Massachusetts Constitution; and; Chapter 93, § 103; Chapter 151B; and Chapter 272, §§ 98 and 98A of the Massachusetts General Laws.
- I understand that federal and state laws prohibit discrimination in public accommodations and employment based solely on disability. I recognize that to make goods, services, facilities, privileges, advantages, or accommodations readily accessible to and usable by persons with disabilities, the Applicant, under the ADA, must:
 - remove architectural and communication barriers in existing facilities, when readily achievable and, if not readily achievable, must use alternative methods;
 - purchase accessible equipment or modify equipment;
 - modify policies and practices; and
 - furnish appropriate auxiliary aids and services where necessary to ensure effective communication.

I understand that reasonable accommodation is required in both program services and employment, except where to do so would cause an undue hardship or burden. I also understand that the Massachusetts Constitution Article CXIV provides that no otherwise qualified individual shall, solely by reason of disability, be excluded from the participation in, denied the benefits of, or be subject to discrimination under any program or activity within the Commonwealth.

- I agree that the Applicant shall cooperate in any compliance review and shall provide reasonable access to the premises of all places of business and employment and to records, files, information, and employees therein for reviewing compliance with the ADA, the Massachusetts Constitution, other applicable state and federal laws, and this Contractual Agreement.
- I agree that any violation of the specific provisions and terms of this Assurance or of the ADA, and/or of any Corrective Action Plan shall be deemed a breach of a material provision of the Registered Facility registration between DPH and the Registered Facility. Such a breach shall be grounds for cancellation, termination, or suspension, in whole or in part, of the registration by the Department.

I affirm that I will comply with the requirements of this proposal.

Authorized Signatory (as designated in exhibit B):
First Name: [Kenneth] Last Name: [Housman]

Title: [President]

**Authorized Signature for the Applicant Organization
(in blue ink):**



CHECKLIST OF REQUIRED DOCUMENTS FOR SUBMISSION IN PHASE 2

Assemble the required items for each individual application in the following order. If an exhibit is not applicable, indicate N/A on the exhibit form and submit it in order.

- Package Label (attached to the front or side of banker's box) – exhibit C
- Package Label (with original only) – exhibit C
- Bank/cashier's check for \$30,000 (with original only)
- 2 CDs (with original only)
- Sealed envelope with signed background check authorization forms and list—exhibits A1-A5 (with original only)
- List of authorized signatories—exhibit B
- Application Response Form (cover page on top)—original signed in blue ink by authorized signatory
- Organizational chart—exhibit 1.3
- List of Board of Directors (as defined on the Application Response Form)—exhibit 1.4
- List of Members of the corporation (as defined on the Application Response Form), if any—exhibit 1.5
- Corporation bylaws—exhibit 1.6
- Amended articles of organization (if applicable)—exhibit 1.7
- List of parent or subsidiary corporations, if any—exhibit 1.8
- List of references—exhibit 1.9
- List of Executive Management Team (as defined on the Application Response Form)—exhibit 2.1
- Resumes for Executive Management Team—exhibit 2.2
- One-page statement demonstrating liquid funds in an account in the name of the corporation; or in an account in the name of the Corporation's CEO/Executive Director or President of the Board of Directors, with Letter of Commitment —exhibit 4.1
- List of individuals/entities contributing 5% or more of the RMD's initial capital—exhibit 4.2
- Capital expenses—exhibit 4.3
- Year-one operating budget—exhibit 4.4
- 3-year budget projections—exhibit 4.5



- Evidence of interest in dispensary site—exhibit 5.1
- Evidence of interest in cultivation site—exhibit 5.2
- Evidence of interest in processing site—exhibit 5.3
- Evidence of local support or non-opposition—exhibit 5.4
- Summary chart of responses to questions 5.1 to 5.4—exhibit 5.5
- RMD organizational chart—exhibit 6.1
- Proof of enrollment with the Department of Criminal Justice Information Services (DCJIS)—exhibit 6.2
- List of RMD staff, if known—exhibit 6.4
- RMD start-up timeline—exhibit 7.1
- Proposed sliding price scale—exhibit 7.12
- Certification of Assurance of Compliance: ADA and Non-Discrimination Based on Disability (original signed in blue ink)—part of Application Response Form

Addendums or attachments not specifically requested in this document or on Comm-PASS will not be reviewed.

ORGANIZATIONAL CHART
(Exhibit 1.3)

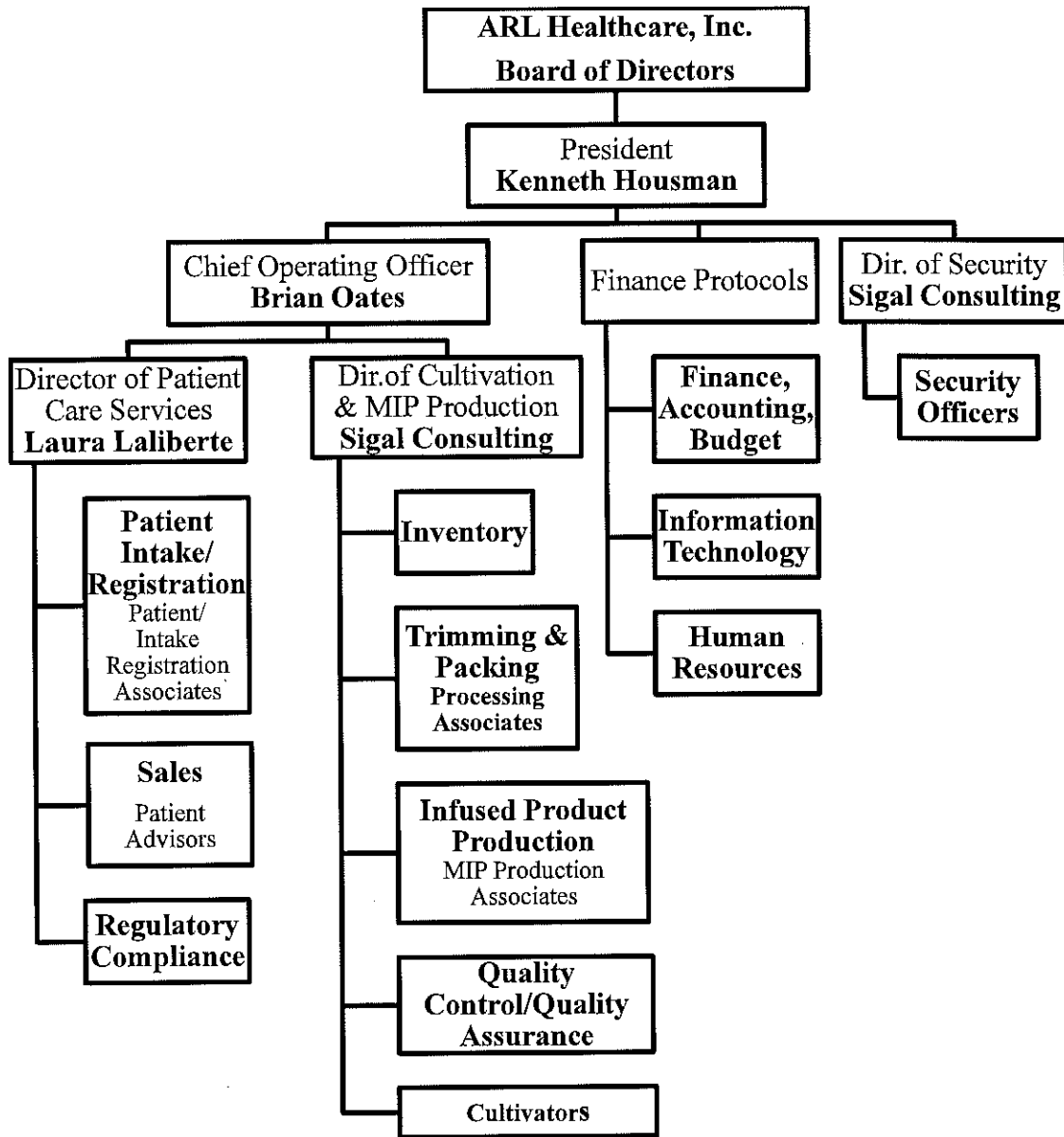
This exhibit must be completed and attached to a required document and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc.

Application # (if more than one): N/A

Attach organizational chart.





**BOARD OF DIRECTORS
(Exhibit 1.4)**

This exhibit must be completed and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc. Application # (if more than one): N/A

Board Role	Name	Date of Birth	Business Email	Business Address
1 President/Chair	Kenneth Housman	[REDACTED]	khusman@armatronintl.com	15 Highland Avenue, Malden, MA 02148
2 Treasurer	Kenneth Housman	[REDACTED]	khusman@armatronintl.com	15 Highland Avenue, Malden, MA 02148
3 Clerk/Secretary	Kenneth Housman	[REDACTED]	khusman@armatronintl.com	15 Highland Avenue, Malden, MA 02148
4 Director	Dewitt C. Parsons, III	[REDACTED]	dewey@stasafesantizer.com	225 Elm Street, Somerville, MA 02144
5 Director	Ellen Sue Porter	[REDACTED]	esfireman@aol.com	47 Langley Road, Newton Center, MA 02359



ORIGINAL

**MEMBERS OF THE CORPORATION
(Exhibit 1.5)**

This exhibit must be completed or marked N/A and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc. Application # (if more than one): N/A

A. Member as Individuals

Individual Name	Business Address	Type of Membership Rights	If Member of Other RMD, Which One?
1 N/A	N/A	N/A	N/A

B. Member as Corporations

Corporate Name/ Business Address	Leadership	Type of Membership Rights	If Member of Other RMD, Which One?
1 N/A	CEO/ED: N/A President/Chair: N/A Treasurer: N/A Clerk/Secretary: N/A	N/A	N/A



CORPORATE BYLAWS
(Exhibit 1.6)

This exhibit must be completed and attached to a required document and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc.

Application # (if more than one): N/A

Attach bylaws.



BYLAWS
of
ARL HEALTHCARE INC.

Section 1. MEMBERS

The corporation shall have no members. Any action or vote required or permitted by law to be taken by members of the corporation shall be taken by action or vote of the same percentage of the Directors.

Section 2. BOARD OF DIRECTORS

2.1 Powers.

The affairs of the corporation shall be managed by the Directors who may exercise all the powers of the corporation.

2.2 Number and Election.

The corporation shall have a board of up to *five* Directors, the *initial members of which shall be the incorporators*. A vacancy in the office of director shall be filled as provided in Section 5.3 below.

2.3 Duties. It shall be the duty of the directors to:

- a. Perform any and all duties imposed on them collectively or individually by law, by the articles of organization, or by these bylaws;
- b. Appoint and remove, employ and discharge, and, except as otherwise provided in these bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents, and employees of the corporation;
- c. Supervise all officers, agents, and employees of the corporation to assure that their duties are performed properly;
- d. Meet at such times and places as required by these bylaws;
- e. Register their addresses with the secretary of the corporation, and notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof.

2.4 Committees.

The Directors may elect or appoint one or more committees and may delegate to any such committee or committees any or all of their powers, provided that any committee to which the powers of the Directors are delegated shall consist solely of Directors. Unless the Directors otherwise determine, committees shall conduct their affairs in the same manner as is provided in these bylaws for the Directors. The members of any committee shall remain in office at the pleasure of the Directors.

2.5 Annual Meeting.

The annual meeting of Directors shall be held within **six months** after the end of the fiscal year of the corporation on such date and at such hour and place as the Directors or an officer designated by the Directors shall determine. In the event that no date for the annual meeting is established or such meeting has not been held on the date so determined, a special meeting in lieu of the annual meeting may be held with all of the force and effect of an annual meeting.

2.6 Regular and Special Meetings.

Regular meetings of the Directors may be held at such places and at such times as the Directors may determine. Special meetings of the Directors may be held at any time and at any place when called by the chairman of the board of Directors, if any, the president or a majority of the Directors.

2.7 Notice of Meetings.

Forty-eight hours' notice by mail, fax, email, telephone or word of mouth shall be given for an annual or special meeting unless shorter notice is adequate under the circumstances. No notice need be given for a regular meeting. Whenever notice of a meeting is required, such notice need not be given to any trustee if a written waiver of notice, executed before or after the meeting, is filed with the records of the meeting, or to any trustee who attends the meeting without protesting prior thereto or at its commencement the lack of notice to such trustee. Neither such notice nor waiver of notice need specify the purposes of the meeting, unless otherwise required by law, the articles of organization or the bylaws.

2.8 Quorum.

A majority of the Directors in person or by proxy shall constitute a quorum, but a smaller number may adjourn from time to time without further notice until a quorum is present.

2.9 Action by Vote.

When a quorum is present at any meeting, a majority of the Directors present and voting shall decide any question, including election of officers, unless otherwise provided by law, the articles of organization or the bylaws.

2.10 Action by Writing.

Any action required or permitted to be taken at any meeting of the Directors may be taken without a meeting if all the Directors consent to the action in writing and the written consents are filed with the records of the meetings of the Directors. Such consents shall be treated for all purposes as a vote at a meeting.

2.11 Presence Through Communications Equipment.

Unless otherwise provided by law or the articles of organization, Directors may participate in a meeting of the board of Directors by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

2.12 Vote of Interested Directors.

A Director who is a member, stockholder, trustee, director, officer or employee of any firm, corporation or association with which the corporation contemplates contracting or transacting business shall disclose his or her relationship or interest to the other Directors acting upon or in reference to such contract or transaction. No Director so interested shall vote on such contract or transaction, but he or she may be counted for purpose of determining a quorum. The affirmative vote of a majority of the disinterested Directors shall be required before the corporation may enter into such contract or transaction.

In case the corporation enters into a contract or transacts business with any firm, corporation or association of which one or more of its Directors is a member, stockholder, trustee, director, officer, or employee, such contract or transaction shall not be invalidated or in any way affected by the fact that such trustee or Directors have or may have interests therein which are or might be adverse to the interests of the corporation. No trustee or Directors having disclosed such adverse interest shall be liable to the corporation or to any creditor of the corporation or to any other person for any loss incurred by it under or by reason of any such contract or transaction, nor shall any such trustee or Directors be accountable for any gains or profits to be realized thereon.

2.13 Director's Inspection Rights.

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation, and shall have such other rights to inspect the books, records, and properties of this corporation as may be required under the articles of organization, other provisions of these bylaws, and provisions of law.

2.14 Periodic Report.

The board shall cause any annual or periodic report of this corporation, required under law to be prepared and delivered to a Massachusetts agency office, to be so prepared and delivered within the time limits set by law.

Section 3. OFFICERS AND AGENTS

3.1 Number and Qualification.

The officers of the corporation shall be a president, treasurer, clerk and such other officers, if any, as the Directors may determine. An officer may but need not be a trustee. The clerk shall be a resident of Massachusetts unless the corporation has a resident agent duly appointed for the purpose of service of process. A person may hold more than one office at the same time.

3.2 Election.

The president, treasurer and clerk shall be elected annually by the Directors at the annual meeting. Other officers, if any, may be elected by the Directors at any time.



3.3 Tenure.

The president, treasurer and clerk shall each hold office until the next annual meeting of the Directors and until a successor is elected and qualified, and other officers shall serve at the pleasure of the Directors.

3.4 Chairman of the Board of Directors.

If a chairman of the board of Directors is elected, he or she shall preside at all meetings of the Directors except as the Directors shall otherwise determine, and shall have such other powers and duties as may be determined by the Directors.

3.5 President.

Unless otherwise determined by the Directors, the president shall be the chief executive officer of the corporation and, subject to the control of the Directors, shall have general charge and supervision of the affairs of the corporation. If no chairman of the board of Directors is elected, the president shall preside at all meetings of the Directors, except as the Directors otherwise determine. The president shall have such other duties and powers as the Directors shall determine.

3.4 Treasurer.

The treasurer shall be the chief financial officer of the corporation. He or she shall be in charge of its financial affairs, funds, securities and valuable papers and shall keep full and accurate records thereof. He or she shall have such other duties and powers as designated by the Directors or the president.

3.5 Clerk.

The clerk shall record and maintain records of all proceedings of the Directors in a book or books kept for that purpose and shall have custody of the seal of the corporation. If the clerk is absent from any meeting of Directors, a temporary clerk chosen at the meeting shall exercise the duties of the clerk at the meeting.

3.6 Other Officers.

Other officers shall have such duties and powers as may be designated from time to time by the Directors.

Section 4. SPONSORS, BENEFACTORS, CONTRIBUTORS, ADVISORS, FRIENDS OF THE CORPORATION

Without conferring or recognizing any legal authority, the Directors may designate persons or groups of persons as sponsors, benefactors, members, contributors, advisors or friends of the corporation or similar title. Such persons shall serve in an honorary capacity and, except as the Directors shall otherwise designate, shall in such capacity have no right to notice of or to vote at any meeting, shall not be considered for purposes of establishing a quorum and shall have no other rights or responsibilities.

Section 5. RESIGNATION, REMOVAL AND VACANCIES

5.1 Resignation.

Any trustee or officer may resign at any time by delivering his resignation in writing to the chairman of the board, if any, the president or the clerk or to the corporation at its principal office. Such resignation shall be effective upon receipt unless specified to be effective at some other time.

5.2 Removal.

A trustee may be removed with cause at any time, or in the case of the third trustee referred to in Section 2.2 without cause, by the vote of a majority of the Directors then in office. Any officer may be removed with or without cause at any time by the vote of a majority of the Directors then in office.

5.3 Vacancies.

Any vacancy in the board of Directors may be filled by vote of a majority of the Directors then in office. The Directors may exercise all their powers notwithstanding the existence of one or more vacancies in the board. Vacancies in any office may be filled by the Directors.

Section 6. INDEMNIFICATION

The corporation shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as a trustee, director or officer of the corporation or of any of its subsidiaries, or who at the request of the corporation may serve or at any time has served as a trustee, director or officer of, or in a similar capacity with, another organization or an employee benefit plan, against all expenses and liabilities (including counsel fees, judgments, fines, excise taxes, penalties and amounts payable in settlements) reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or other proceeding, whether civil, criminal, administrative or investigative, in which such person may become involved by reason of serving or having served in such capacity (other than a proceeding voluntarily initiated by such person unless he or she is successful on the merits, the proceeding was authorized by the corporation or the proceeding seeks a declaratory judgment regarding his or her own conduct); 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 his or her action was in the best interests of the corporation or, to the extent such matter relates to service with respect to any employee benefit plan, in the best interests of the participants or beneficiaries of such employee benefit plan; and provided, further, that as to any matter disposed of by a compromise payment by such person, pursuant to a consent decree or otherwise, the payment and indemnification thereof have been approved by the corporation, which approval shall not unreasonably be withheld, or by a court of competent jurisdiction. Such indemnification shall include payment by the corporation of expenses incurred in defending a civil or criminal action or proceeding in advance of the final disposition of such action or proceeding, upon receipt of an undertaking by the person indemnified to repay such payment if he or she shall be adjudicated to be not entitled to indemnification under this section, which undertaking may be accepted without regard to the financial ability of such person to make repayment.



A person entitled to indemnification hereunder whose duties include service or responsibilities as a fiduciary with respect to a subsidiary or other organization shall be deemed to have acted in good faith in the reasonable belief that his action was in the best interests of the corporation if he acted in good faith in the reasonable belief that his action was in the best interests of such subsidiary or organization or of the participants or beneficiaries of, or other persons with interests in, such subsidiary or organization to whom he had a fiduciary duty.

Where indemnification hereunder requires authorization or approval by the corporation, such authorization or approval shall be conclusively deemed to have been obtained, and in any case where a trustee of the corporation approves the payment of indemnification, such trustee shall be wholly protected, if:

- (i) the payment has been approved or ratified (1) by a majority vote of a quorum of the Directors consisting of persons who are not at that time parties to the proceeding, or (2) by a majority vote of a committee of one or more Directors who are not at that time parties to the proceeding and are selected for this purpose by the full board (in which selection Directors who are parties may participate); or
- (ii) the action is taken in reliance upon the opinion of independent legal counsel (who may be counsel to the corporation) appointed for the purpose by vote of the Directors or in the manner specified in clauses (1) or (2) of subparagraph (i); or
- (iii) the payment is approved by a court of competent jurisdiction; or
- (iv) the Directors have otherwise acted in accordance with the applicable legal standard of conduct.

Any indemnification or advance of expenses under this section shall be paid promptly, and in any event within 30 days, after the receipt by the corporation of a written request therefor from the person to be indemnified, unless with respect to a claim for indemnification the corporation shall have determined that the person is not entitled to indemnification. If the corporation denies the request or if payment is not made within such 30-day period, the person seeking to be indemnified may at any time thereafter seek to enforce his or her rights hereunder in a court of competent jurisdiction and, if successful in whole or in part, he or she shall be entitled also to indemnification for the expenses of prosecuting such action. Unless otherwise provided by law, the burden of proving that the person is not entitled to indemnification shall be on the corporation.

The right of indemnification under this section shall be a contract right inuring to the benefit of the Directors, directors, officers and other persons entitled to be indemnified hereunder and no amendment or repeal of this section shall adversely affect any right of such trustee, director, officer or other person existing at the time of such amendment or repeal.

The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of a trustee, director, officer or other person entitled to indemnification hereunder. The indemnification provided hereunder may, to the extent authorized by the corporation, apply to the Directors, directors, officers and other persons associated with constituent corporations that have been merged into or consolidated with the corporation who would have been entitled to indemnification hereunder had they served in such capacity with or at the request of the corporation.



The right of indemnification under this section shall be in addition to and not exclusive of all other rights to which such trustee, director, officer or other persons may be entitled. Nothing contained in this section shall affect any rights to indemnification to which corporation employees or agents, other than Directors, directors, officers and other persons entitled to indemnification hereunder, may be entitled by contract or otherwise by law.

Section 7. SEALAND FISCAL YEAR

7.1 Corporate Seal.

The seal of the corporation shall be circular in form with the name of the corporation around the periphery and the year and state of incorporation within or such other form as the Directors may determine.

7.2 Fiscal Year.

The fiscal year of the corporation shall end on **December 31** in each year or such other date as the Directors may determine.

Section 8. AMENDMENT

These bylaws may be amended or repealed, in whole or in part, by vote of a majority of the Directors then in office at any meeting of the Directors.

Section 9. EXECUTION OF PAPERS

Except as provided by law or in the Articles of Organization or as the directors may generally or in particular cases authorize the execution thereof in some other manner, all deeds, leases, transfers, contracts, bonds, notes, releases, checks, drafts, and other documents or instruments to be executed on behalf of the corporation may be signed by the president, by any vice president, or by the treasurer. Any recordable instrument purporting to affect an interest in real estate, executed in the name of the corporation by two of its officers, of whom one is the president or a vice president and the other of whom is the treasurer or an assistant treasurer, shall be binding on the corporation in favor of a purchaser or other person relying in good faith on such instrument notwithstanding any inconsistent provisions of the Articles of Organization, these bylaws, or resolutions or votes of the corporation.

Section 10. COMPENSATION

Unless otherwise provided by law, the Articles of Organization, or these bylaws, a director shall be entitled to receive for such director's services such reasonable amounts, if any, as the directors may determine, which may include expenses of attendance at meetings. A director shall not be precluded from serving the corporation in any other capacity and receiving reasonable compensation for any such services.

Section 11. DEPOSITS

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.



Section 12. CONSTRUCTION AND TERMS

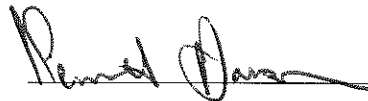
(i) If there is any conflict between the provisions of these bylaws and the articles of organization of this corporation, the provisions of the articles of organization shall govern.

(ii) Should any of the provisions or portions of these bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these bylaws shall be unaffected by such holding.

(iii) All references in these bylaws to the articles of organization shall be to the articles of organization, certificate of incorporation, corporate charter, or other founding document of this corporation filed with an office of Massachusetts Secretary of State and used to establish the legal existence of this corporation.

(iv) All references in these bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

APPROVED AND ADOPTED by the Chairman of the Board of Directors this 20th day of August, 2013.



Kenneth Housman, Chairman



AMENDED ARTICLES OF ORGANIZATION
(Exhibit 1.7)

This exhibit must be completed and attached to a required document (if applicable) and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc.

Application # (if more than one): N/A

Please check box if articles have changed since Phase 1:

YES

NO



**PARENT OR SUBSIDIARY CORPORATIONS
(Exhibit 1.8)**

This exhibit must be completed and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc. Application # (if more than one): N/A

Corporation Name	Chief Executive Officer	CEO Business Phone & Email	Corporation's Board Officers	Corporate Relationship to Applicant
1 N/A	N/A	N/A	President/Chair: N/A Treasurer: N/A Clerk/Secretary: N/A	N/A



ORIGINAL

**REFERENCES
(Exhibit 1.9)**

This exhibit must be completed and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc. Application # (if more than one): N/A

	Name of Reference	Business Phone & Email	Relationship to Applicant	Dates of Relationship
1	Tim Donovan	248-514-5140 Tdonovan1@gmail.com	Business Associate	1988 - Present
2	Neal Dietz	978-225-8386 Neal.dietz@dietzandlynch.com	Financial Advisor	1989 – Present
3	Marybeth Breed	877-227-0847 mbreed@bostonhilladvisors.com	Financial Planner	1999 - Present

ORIGINAL

**EXECUTIVE MANAGEMENT TEAM
(Exhibit 2.1)**

This exhibit must be completed and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc.

Application # (if more than one): N/A

	Management Role	Name	Date of Birth	Business Email and Phone Number	Business Address
1	President	Kenneth Housman	[REDACTED]	khusman@armatronintl.com 617-413-3500	15 Highland Avenue, Malden, MA 02148
2	Chief Operating Officer	Brian Oates	[REDACTED]	brian.oates@comcast.net 508-238-9248	15 Sierra Drive, South Easton, MA 02375
3	Director of Patient Care Services	Laura Laliberte	[REDACTED]	rlaliberte@comcast.net 508-846-3555	470 Myles Standish Blvd., Taunton, MA 02780



ORIGINAL

RESUMES FOR EXECUTIVE MANAGEMENT TEAM
(Exhibit2.2)

This exhibit must be completed and attached to the required documents and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc.

Application # (if more than one): N/A

List the résumés attached:

	Title	Name
1	President	Kenneth Housman
2	Chief Operating Officer	Brian Oates
3	Director of Patient Care Services	Laura Laliberte

KENNETH HOUSMAN
Newton, Massachusetts

Phone: 617.413.3500

Email: 

PROFESSIONAL EXPERIENCE:

1992 – Present

PRESIDENT - Echovision – Malden, MA

1988 - 1992

DIVISION PRESIDENT – Automatic Radio – Boston, MA

1985 - 1988

VICE PRESIDENT SALES – Automatic Radio – Boston, MA

1978 - 1985

SALES MANAGER – Automatic Radio – Boston, MA

PROFESSIONAL HIGHLIGHTS:

- Sold multiple products to OEM's such as Jeep, Chrysler and American Motors.
- Division President for boutique manufacturing unit that produces automotive safety equipment
- Oversees sales in all 50 states and to every major bus manufacturer in the country
- Led transformation efforts to reinvent business model for 93 year old manufacturing company

EDUCATION:

University of Massachusetts
B.S. 1977

FOR DPH – Kenneth Housman, President, ARL Healthcare Inc.



ORIGINAL

Brian G. Oates

15 Sierra Dr. | South Easton, MA 02375 | H: 508.238.9248 | [REDACTED] | brian.oates@comcast.net

Healthcare Compliance and Regulatory Affairs

Experienced in building, strengthening, and maintaining compliance and regulatory programs in a variety of settings. Acquired comprehensive knowledge of compliance matters, including policies, procedures, and associated training, as well as State requirements and processes, through over ten years of experience as Director of Regulatory Compliance, combined with prior experience with the MA Department of Public Health. Background also includes due diligence, financial review and analysis and compliance work for over 35 successful healthcare facility acquisitions. Collaborative yet stringent in compliance matters with the highest ethical standards.

Well-versed in:

- Building and implementing compliance and regulatory programs and departments and integrating existing programs for corporations, individual facilities, and new acquisitions.
- Maintaining meticulous compliance with the myriad of State and Federal reporting requirements; skilled in navigating State and Federal agencies and bureaucracy.
- Leading acquisition transactions from due diligence through successful closing and post-close affairs, including thorough financial analysis.
- Loan document preparation for HUD and conventional mortgage facility financing.
- Understanding and staying current with healthcare laws, regulations, and standards; proficient with Medicare/Medicaid/DME/Hospice/Pharmacy regulations, HIPAA, HUD, DPH, MassHealth, EOEA, CMS, OIG, Interpretive Guidelines, and MA Written Information Security Program (WISP).
- Managing multiple priorities and projects and working under pressure to meet strict deadlines.
- Handling confidential information and training others on privacy matters.

Professional Experience

Principal Consultant

2011 to Present

Sierra Consulting, South Easton, MA - *Regulatory and healthcare compliance consulting.*

Provide regulatory/compliance consulting support and training for healthcare companies including skilled nursing home, assisted living and hospice providers. Services include regulatory/compliance program assessment, audit, program development, implementation and oversight, state licensing, recertification, and staff training. Current and past assignments include:

- Evaluated and implemented Compliance Program and HIPAA guidance for a not-for-profit corporation.
- Prepared and secured Determination of Need approval for a skilled nursing facility located in MA.
- Provided compliance program in-service to local Hospice company employees.
- State licensing review and program management for a nationally operated company with over 100 skilled, assisted, and independent living facilities located in more than 25 states.
- Conducted compliance awareness and training for Southeast United States-based hospice and skilled nursing home corporation.

Director of Regulatory Compliance

2005 to 2011

Wingate Healthcare, Inc., Needham, MA - *Wingate is a family-owned healthcare company with 4,000 employees and 21 facilities in Massachusetts and New York providing skilled nursing, sub-acute care, rehabilitation, Alzheimer's care, brain injury care, assisted living, independent living, and pharmacy services.*

Appointed Compliance Officer and promoted to strengthen, manage, and maintain the Regulatory Compliance function for the corporation and its operations in Massachusetts and New York.

- Enforced organization-wide adherence and compliance with all State and Federal regulatory requirements and identified ways to mitigate risk exposure to the organization. Developed compliance communications, awareness, and training campaigns to drive adoption of process improvements and push facilities into high levels of compliance.
- Provided lead support for all HUD and conventional mortgage financing of facility loan portfolio.
- Conducted due diligence and financial analysis for smooth acquisition of 12 long term care facilities.

FOR DPH - Brian Oates, COO, ARL Healthcare, Inc.

ORIGINAL

- Monitored State and Federal legislative proposals and maintained close contact with the Office of Inspector General to obtain and implement updated requirements. Interacted with Department of Public Health on healthcare and licensure issues; with the Division of Health Care Policy & Finance on reimbursement issues; with local HUD office on HUD financing issues; with Centers for Medicare Services on Medicare related issues and MassHealth for Medicaid issues.
- Prepared and submitted licensing documentation, Determination of Need Application for Capital Expenditures, renewal of Assisted Living sponsorship with EOEA and MassHealth Requests for Application (RFAs).
- Managed all compliance matters, including regulatory filings and compliance program set up, for complex start-up of a hospice company.
- Successfully secured Medicare accreditation for a DME supply subsidiary under a very short "drop dead" cut-off date, allowing company to continue to bill for all Medicare services rendered.

Assistant Director of Acquisitions & Development **2000 to 2005**
Wingate Healthcare, Inc., Needham, MA

Hired to lead strategic acquisition of long-term care facilities. Conducted thorough due diligence and made recommendations based on findings from financial reviews, physical plant inspections, market studies, and patient care history reviews. Led acquisition and post-closure integration processes, including Change of Ownership, regulatory filings, HUD financing, insurance, and compliance program integration.

- **Within nine months of hire, closed acquisition of company's first facility** that was exiting bankruptcy.
 - Member of team that brought company into compliance with new, more stringent Medicare/Medicaid mandates by establishing a corporate compliance program and rolling program out to each facility.
- Promoted to Director of Regulatory Compliance based on work on this project.**

Assistant Director Acquisitions / Regulatory Affairs **1998 to 2000**
Epoch Senior Living, Waltham, MA

Conducted due diligence on potential acquisitions and established the Regulatory department for this start-up senior living and healthcare company. Scope of due diligence included reviews of financial statements and physical plant reports. Ensured compliance with all state licensing and regulatory requirements and filings.

Consultant **1996 to 1997**
Oasis Healthcare, Chestnut Hill, MA

Provided vital regulatory and compliance expertise to this start-up assisted living and nursing home company.

Director of Planning **1995 to 1996**
Frontier Group, Inc., Boston, MA

Brought on board to help this nursing home company acquire facilities in MA and other states. Educated, coordinated, and led executive team through the acquisition process for 10 acquisitions. Interacted with multiple state and local agencies, attorneys, municipal leaders, and attended Zoning/Planning Board meetings.

Suitability Review Coordinator **1984 to 1995**
Massachusetts Department of Public Health, Division of Healthcare Quality, Boston, MA

Managed the suitability review and certification process for all healthcare providers licensed by DPH. Coordinated the MA Nurse Aide Registry & Training Program. Integral part of the enforcement and complaint unit charged with investigating and resolving complaints regarding all healthcare facilities.

- Implemented new suitability review and financial review program for all healthcare license applications.

Education / Additional

Bachelor of Science, Criminal Justice: Northeastern University, Boston, MA

Proficient in: Word, Excel, PowerPoint

Community: Certified Youth Soccer Coach

Member: Health Care Compliance Association (HCCA)

 ORIGINAL

Laura Laliberte
Bridgewater, MA
508-846-3555
ridclaliberte@comcast.net

Summary of Skills: Business Office Management, Executive Administrative Support, Benefit and Payroll Administration, Billing, Exceptional Customer Service, Organizational Skills and Calendar Management.

Work Experience:

HR Generalist

Princess House, Inc.
May 2013 – Present

Perform professional level Human Resources activities in areas such as employment, policy administration and employment safety. Assist supervisors and managers in interpreting and applying company personnel policies. Administer the performance appraisal process and review non-exempt performance reviews. Organize all company events including Wellness Fair and the United Campaign. Administer and track all STD/FMLA leaves.

Business Office /HR Manager, Executive Assistant

Guardian Hospice and Palliative Care
August 2010 – November 2012

Assistant to Vice President/Executive Director by maintaining busy calendar, set appointments with C suite executives, travel and all document editing and filing, along with maintaining and securing all signature authority filings
Business office management for 3 office locations which includes dealing with outside vendors and contracts
Prepare and process payroll on bi-weekly basis
Track and administer dental, health, Life, AD&D and STD benefits
Maintain employee records, process new hire/exit paperwork, perform new hire orientation/exit interviews and process all background checks
Manage multiple responsibilities with minimal supervision in a fast paced environment

Executive Assistant /Human Resources Administrator

Commonwealth Wine & Spirits, LLC
October 2006 – July 2009

Executive Administrative Assistant to CFO

Administer benefits for employee dental, health, disability and 401k plans

Track and report vacation, sick, LOA and FMLA leaves

Filings for company retirement plan, OSHA and EEO compliance along with monthly personnel and I-9 audits

Process and maintain various monthly reports including payroll accruals, employee loan analysis and staffing analysis



Maintain employee records, process new hire/transfer/promotion paperwork, perform new hire orientations/exit interviews, schedule initial physical/drug screening, and process background checks

Administer and track performance appraisal process including PIP program

Prepare, process and maintain payroll by utilizing ADP payroll software. Including time card processing and sales commission calculations

Capable of completing multiple responsibilities with minimal supervision

Executive Assistant

Creative Homes, Inc.

May 2003 – October 2006

Provide administrative support to the Vice President and back up support to the President

Responsible for extensive scheduling and appointment setting on Outlook, and Excel

Responsible for the coordination and scheduling subcontractors, preparing and maintaining documentation in conjunction with all administrative paperwork

Provide extensive customer service for past, current and future clients maintaining lists and follow up calls on Outlook

Ability to handle multiple tasks in a fast paced environment

Corporate Assistant to VP of Human Resources

Boston Biomedica, Inc.

January 2000 – January 2003

Provided pro-active administrative & organizational support to the Vice President of Human Resources

Performed recruitment, compensation and benefit administration tasks for company that includes 401(k), group health insurance, Life/ADD and LTD and Flexible Spending Accounts

Conducted new hire orientations and exit interviews

Preparation and coordination of all in-house training programs

Created monthly reports and billing. Updated and maintained all data for EEO & OSHA compliance. Create and maintain procedures for the department. Maintain and update job descriptions for the company. Ceridian 500 Payroll/HRIS coordinator.

Sr. Human Resources Executive Assistant

Reebok International, Ltd

January 1996 – January 2000

Provided administrative support to the Vice President of Human Resources and one Director

Responsibilities include all administrative functions, travel arrangements, administer bonus/group review plans, maintain an effective business partnership with the management team of assigned clients, conducted exit interviews

Trained new department administrative assistants on company policies and procedures and effectively manage multiple tasks, projects, changing priorities and deadlines simultaneously in a fast paced environment.

Education

Bentley University

Certificate – Human Resources

Curry College

Human Resources Management

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EVIDENCE OF CAPITAL
(Exhibit4.1)

This exhibit must be completed and attached to a required document and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc.

Application # (if more than one): N/A

Total Capital needed for this application: \$ 500,000

Attach one-page bank statement.





Assets Profile Transactions Executions Transfers Customer ID Related Documents

Account Transactions

View recent account transactions, go to a selected activity, or execute a new search.

Search Results

Reps Included: All Reps
Closed Accounts: Not Included
Today's Activity: Included
LPL Account Number: (starts with) 42913478
Transaction Types: All Transaction Types
Transaction Dates: Between 11/14/2013 and 11/20/2013

Select Account Class:
-- All Account Classes --
LPL Account Number:
[REDACTED]
Account Name: SSN/Tax ID:
 Existing Accounts Outgoing Transfers Incoming Transfers

Search [Q]
New Search [Q]
Export [B]
Clear [C]
Search Tips [?]

Account - Summary Including Today's Activity

ACCOUNT: [REDACTED]
Account Class: [REDACTED]
Investment Obj: [REDACTED]
SSN/Tax ID: [REDACTED]
Rep: [REDACTED]
Home Phone: [REDACTED]
Business Phone: [REDACTED]
Mobile Phone: [REDACTED]
Email Address: [REDACTED]
Open Notifications: None
RAR Status: [REDACTED]
Suitability Status: [REDACTED]
Groups: HOUSMAN FUND TRUST

Go To: -- Select an Activity --

Total Account Value at LPL: 5,444.26
Cash and Equivalents: 503,498.85 CR
Funds Available: 503,498.85
Accrued Risk Sweep Int: 0.00
Accrued IH Dividend: 0.00
Total Securities at LPL: 1,784.11
Total Outside Investments: 0.00
YTD Realized G/L: 0.00
Previous Yr. Realized G/L: 0.00

Account Transactions

Select Days or Date Range: Include Today's Activity
All 1 Day 7 Days 30 Days 90 Days YTD Last Year
Start Date: 11/14/2013
End Date: 11/20/2013

Activity Type: All Transaction Types
Get Transactions [B]
Symbol: CUSIP:

Today's Account Transactions

Date	Activity	Quantity	Description	Security ID	Price	Amount	AcctType
11/21/2013	JOURNAL		[REDACTED]			238,747	24CR CASH
11/21/2013	JOURNAL		[REDACTED]			1.26	CR CASH
11/21/2013	JOURNAL		[REDACTED]			261,251	50CR CASH

Account Transactions - Between 11/14/2013 and 11/20/2013

No transactions were found for this account and filtering criteria.

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ORIGINAL

Letter of Commitment

This letter must be completed when the Corporation has its liquid operating capital in an individual account in the name of the Corporation's CEO/Executive Director or President of the Board of Directors instead of in the name of the Corporation. If this letter is not applicable, indicate N/A.

Date: November 19, 2013

Name of the Corporation: ARL Healthcare, Inc.

Name of CEO/Executive Director of the Corporation: Kenneth Housman

Name of Account Holder: Kenneth Housman

This Letter of Commitment is to ensure access to the required liquid capital to support the operations of ARL Healthcare, Inc. if so approved by the Department of Public Health. The total required capital needed for this application equals \$500,000.

As President of ARL Healthcare, Inc., I affirm that these funds will remain in ACCOUNT # [REDACTED] with LPL Financial for the sole purpose of supporting the operations of the Corporation. Exhibit 4.1 of this application includes a one-page copy of the bank statement referenced here.

Signature of CEO/Executive Director or President of the Board of Directors: *Kenneth Housman*

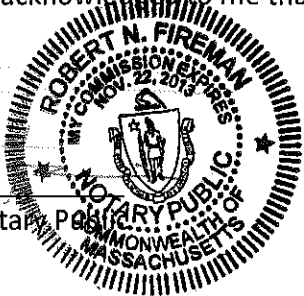
Print Name Kenneth Housman

Date: 11/20/13

Notary Public

On this 20th day of November, 2013, before me, the undersigned notary public, personally appeared Kenneth Housman, proved to me through satisfactory evidence of identification, which were MA Driver License, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose.

Signature of Notary Public *Robert N. Fireman*



ORIGINAL

**INDIVIDUALS/ENTITIES CONTRIBUTING 5% OR MORE OF INITIAL CAPITAL
(Exhibit 4.2)**

This exhibit must be completed and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc.

Application # (if more than one): N/A

Individual Name	Business Address	\$ amount and % of Initial Capital Provided	Type of Contribution (cash, land, building, in-kind)	Role in Dispensary Operations	Terms of Agreement (if any)
1 Kenneth Housman	15 Highland Avenue, Malden, MA 02148	\$ 500,000 % 100	Cash	President	N/A

Entity Name/ Business Address	Leadership Names	\$ amount and % of Initial Capital Provided	Type of Contribution (cash, land, building, in-kind)	Role in Dispensary Operations	Terms of Agreement (if any)
1 N/A	CEO/ED: N/A President/Chair: N/A Treasurer: N/A Clerk/Secretary: N/A	\$ N/a % N/A	N/A	N/A	N/a



ORIGINAL

CAPITAL EXPENSES
(Exhibit 4.3)

This exhibit must be completed and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc.

Application # (if more than one): N/A

	Expense Type	Costs	Explanation of Expense
	Planning and Development		
1	Architect and design fees	\$20,000	Architect and floor plan stamped plans
2	Environmental survey	\$12,500	Environmental review and if needed a Phase I
3	Permits and Fees	\$12,000	Constructions permits
4	Security assessment	\$2,500	Security plan design and layout
5	Land/building cost	\$0	Leasing
6	Site clean-up and preparation	\$0	
7	Other- describe	\$	
8	GC Supervision	\$32,500	General Contractor Forman fee
9	Demolition/Disposal	\$35,000	Demolition of walls and windows not needed, Dumpsters
	Build-out Costs		
1	Construction expenses	\$298,420	Drywall/Flooring/Ceilings/New Windows/Plumbing/Sprinkler system where needed/Grow Room walls and ceilings/Durock/Bullet resistant Wall board
2	Painting and finishes	\$130,725	Painting Interior and Exterior/Vinyl base/Flooring
3	Security system	\$90,000	
4	Landscape work	\$9,500	Add shrubs in front of dispensary
5	Parking facility	\$45,000	Seal coat driveway and expanded parking at dispensary
6	Other- describe	\$	
7	Night Time Security	\$22,000	During construction and until security systems are all up and running will have night time security to avoid break-ins through areas that may not be able to be fully secured.
8	Temporary Fence	\$5,000	All constructions site require a fence so that people don't just walk through a construction area.
9		\$	
	Equipment Costs		
1	Vehicles and transportation	\$20,000	Security deposits and first payments on delivery vehicles
2	Cultivation equipment	\$384,316	Lights/vents/supplies/seeds/tables
3	Furniture and storage needs	\$33,000	Secured cabinets for vault and tables for trimming and packaging
4	Computer equipment	\$38,900	Full server and terminals for all offices, sales stations; grow rooms, trimming and packaging, as well as kitchen so that we can track all movement of the medicines.
5	HVAC	\$140,000	Each grow room will have individual split systems, existing

			HVAC units will be tested and repaired for dispensary and offices
6	Kitchen/food prep equipment	\$50,000	Fully equipped kitchen for preparation and production of edibles and oils
7	Other- describe	\$	
8	Dispensary Equipment and Counters	\$95,000	Counter, Display cases, Stools, Lockers for employees and patients, refrigeration units for edible storage and display
9	Contingency	\$22,000	
	TOTAL	<u>\$1,498,361</u>	



**YEAR-ONE OPERATING BUDGET
(Exhibit 4.4)**

This exhibit must be completed and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc.

Application # (if more than one): n/a

Budget Period: August 1, 2014 - July 31, 2015

Projected Number of Patients: 2,204 and Number of Visits: 30,820

		Year ONE Budget	Budget Notes ¹
REVENUE			
1	Medical Marijuana sales	\$1,930,984	Patient count at opening is 675 and grows to 2,204 patients by the end of the year. Sales are estimated that each patient will visit the dispensary 2 times a month and spend \$65 per visit. By the end of the year we are estimating that the dispensary will have been visited 30,820. The first five months are used for construction and growing, then packaging the finished product for sale. The gross revenues are net of \$40,066 in hardship discounts and free medicines.
2	Other supplies sold	\$0	
3	Other revenue sources	\$32,250	Vaporizer sales
A	TOTAL REVENUE:	\$1,963,234	
PAYROLL EXPENSES			
	Personnel Category	# FTE	
1	Cultivation Personnel	11	\$386,082
2	Dispensary Personnel	8	\$336,266
3	Office and Security Personnel	3	\$134,182
4	Executive Personnel	5	\$190,000
B	TOTAL SALARIES		\$1,046,530
C	Fringe Rate and Total	14%	\$146,514
D	TOTAL SALARIES PLUS FRINGE (B+C)		\$1,193,045
OTHER EXPENSES			
1	Consultants	\$41,000	Grow and Sales consultants
2	Equipment	\$	
3	Supplies	\$283,452	These are cultivation supplies and packaging supplies
4	Office Expenses	\$50,450	This includes office supplies which will be greater than most years with the start up
5	Utilities	\$261,404	This is Gas and Electric for both Dispensary and Cultivation
6	Insurance	\$48,000	This insurance is Building, GL, Umbrella and WC
7	Interest	\$0	
8	Depreciation/Amortization	\$	
9	Leasehold Expenses	\$8,333	

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10	Bad Debt	\$0	Cash or Credit Card Sales Only
11	Licensing Fees and Permits	\$60,000	Annual licensing fee to state and software licensing fees
12	Rent and CAM	\$498,871	Rent is for two locations and all expenses related to the location estimated at 1.50 per foot
13	Professional Fees	\$22,000	These are outside legal and accounting costs
14	Outside Security & Monitoring	\$55,150	Will be using an outside security company to be supplying additional personnel to work with our in-house security staff for dispensary and grow facility presence
E	TOTAL OTHER EXPENSES	\$1,328,660	
F	TOTAL EXPENSES: (D+E)	<u>\$2,521,705</u>	
	DIFFERENCE (A-F)	(\$558,471)	

Enter short explanation of expenses



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THREE-YEAR BUSINESS PLAN BUDGET PROJECTIONS
(Exhibit 4.5)

This exhibit must be completed and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc.

Application # (if more than one): n/a

Fiscal Year Time Period: August 1, 2014 – July 31, 2015 Projected Start Date for the First Full Fiscal Year: August 1, 2014

	FIRST FULL FISCAL YEAR PROJECTIONS 2015	SECOND FULL FISCAL YEAR PROJECTIONS 2016	THIRD FULL FISCAL YEAR PROJECTIONS 2017
Projected Revenue	\$1,963,234	\$4,273,277	\$5,485,728
Projected Expenses	\$2,521,705	\$4,178,100	\$5,236,827
TOTAL :	(\$558,471)	\$95,177	\$248,901
Number of Patients	2,204	3,374	3,824
Number of Patient Visits	30,820	67,776	87,006
Projected % of growth rate annually	100%	53.1%	13.35%
Total FTE in staffing	27 FTE	38 FTE	45 FTE
Projected Medical Marijuana Inventory	13 Lbs.	35 Lbs.	45 Lbs.



ORIGINAL

**EVIDENCE OF INTEREST IN DISPENSARY SITE
(Exhibit 5.1)**

This exhibit must be completed or marked N/A and attached to required documents and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc. Application # (if more than one): N/A

Physical Address	County	Type of Evidence Attached
1207 Washington Street, Newton, MA 02465	Middlesex	Binding agreement to lease the premises for a 5 year term with additional options for extensions

ORIGINAL

RMD Phase 2 application- October 7, 2013



November 18, 2013

Ken Housman, President
ARL Healthcare, Inc
193 Oak St #507
Newton, MA 02464

Re: Commitment for tenancy at 1207 Washington St. Newton, MA

Dear Ken;

Let this letter confirm BKR Management ("Landlord") commitment to lease to ARL Healthcare, Inc. ("Tenant") a Massachusetts Non Profit Corporation organized under Massachusetts General Laws Chapter 180 the property located at 1207 Washington St, Newton, MA

LANDLORD: BKR Management
705 Dutton St
Lowell, MA 02184

UNIT SIZE: 2,600 RSF

LEASE TERM: Two (3) Years

LEASE COMMENCEMENT: Upon approval for RMD license by DPH of Massachusetts. Rent will commence will start 30 days from issuance of license.

Tenant: ARL Healthcare, Inc
193 Oak St #507
Newton, MA 02464

Use: RMD Dispensary Facility

Base Rent: Years 1-3 \$25.00 RSF



ORIGINAL



This letter agreement is binding between parties who agree to execute a standard form formal lease.

Agreed to and Accepted By:

Landlord: BKR Management

A handwritten signature in black ink, appearing to be "Ken Housman", written over a horizontal line.

Dated: 11-18-13

Tenant: ARL Healthcare, Inc

A handwritten signature in black ink, clearly legible as "Ken Housman", written over a horizontal line.

Dated: 11/20/13

Ken Housman, President

ORIGINAL

**EVIDENCE OF INTEREST IN CULTIVATION SITE
(Exhibit 5.2)**

This exhibit must be completed or marked N/A and attached to required documents and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc. Application # (if more than one): N/A

Physical Address	County	Type of Evidence Attached
5 High Street, Building #3, Holbrook, MA 02343	Norfolk	Binding agreement to lease the premises for a 5 year term with additional options for extensions



ORIGINAL

MIA Development LLC

November 18, 2013

Ken Housman, President
ARL Healthcare, Inc
193 Oak St #507
Newton, MA 02464

RE: COMMITMENT FOR TENANCY AT 50 HIGH ST BLD # 3 HOLBROOK , MA

Dear Mr. Housman;

Let this letter confirm MIA Development LLC ("Landlord") commitment to lease to ARL Healthcare, Inc. ("Tenant") a Massachusetts Non Profit Corporation organized under Massachusetts General Laws Chapter 180 the property located at 50 High St, Building 3, Holbrook, MA

LANDLORD: MIA Development LLC
26 Ossipee Rd
Newton, MA 02464

BUILDING SIZE: 25,000 RSF

LEASE TERM: Five (5) Years and (3) Five year option

LEASE COMMENCEMENT: Upon approval for RMD license by DPH of Massachusetts. Rent will commence will start 30 days from issuance of license.

Tenant: ARL Healthcare, Inc
193 Oak St #507
Newton, MA 02464

Use: Cultivation and Processing facility

Rent: Base rent is \$5.50 sq. ft. NNN. In addition, the rent will be adjusted based upon tenant improvements and capital expenditures.

Parking: Tenant will have 50 parking spots available



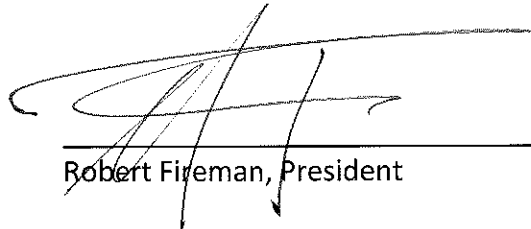
MIA Development LLC

Operating Expenses:

This is a triple net lease and the tenant is responsible for their pro-rata share of the property operating expenses including but not limited to RE tax, Insurance, Repairs and Maintenance, Snow Removal, Landscaping and Utilities.

This letter agreement is binding between parties who agree to execute a standard form formal lease within 60 days.

Landlord: MIA Development LLC

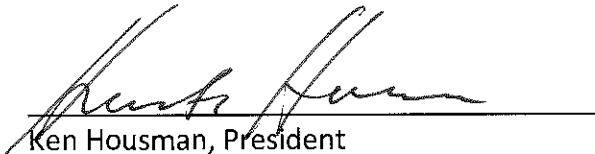


Robert Fireman, President

Dated: 11/18/13

Agreed to and Accepted By:

Tenant: ARL Healthcare, Inc



Ken Housman, President

Dated: 11/18/13

**EVIDENCE OF INTEREST IN PROCESSING SITE
(Exhibit 5.3)**

This exhibit must be completed or marked N/A and attached to required documents and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc. Application # (if more than one): N/A

Physical Address	County	Type of Evidence Attached
5 High Street, Building #3, Holbrook, MA 02343	Norfolk	Binding agreement to lease the premises for a 5 year term with additional options for extensions



ORIGINAL

MIA Development LLC

November 18, 2013

Ken Housman, President
ARL Healthcare, Inc
193 Oak St #507
Newton, MA 02464

RE: COMMITMENT FOR TENANCY AT 50 HIGH ST BLD # 3 HOLBROOK, MA

Dear Mr. Housman;

Let this letter confirm MIA Development LLC ("Landlord") commitment to lease to ARL Healthcare, Inc. ("Tenant") a Massachusetts Non Profit Corporation organized under Massachusetts General Laws Chapter 180 the property located at 50 High St, Building 3, Holbrook, MA

LANDLORD: MIA Development LLC
26 Ossipee Rd
Newton, MA 02464

BUILDING SIZE: 25,000 RSF

LEASE TERM: Five (5) Years and (3) Five year option

LEASE COMMENCEMENT: Upon approval for RMD license by DPH of Massachusetts. Rent will commence will start 30 days from issuance of license.

Tenant: ARL Healthcare, Inc
193 Oak St #507
Newton, MA 02464

Use: Cultivation and Processing facility

Rent: Base rent is \$5.50 sq. ft. NNN. In addition, the rent will be adjusted based upon tenant improvements and capital expenditures.

Parking: Tenant will have 50 parking spots available

 ORIGINAL

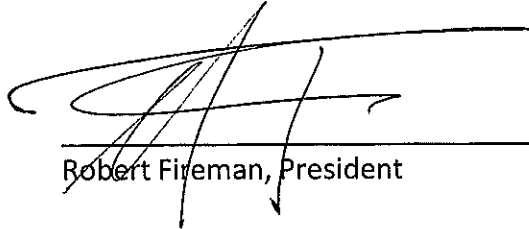
MIA Development LLC

Operating Expenses:

This is a triple net lease and the tenant is responsible for their pro-rata share of the property operating expenses including but not limited to RE tax, Insurance, Repairs and Maintenance, Snow Removal, Landscaping and Utilities.

This letter agreement is binding between parties who agree to execute a standard form formal lease within 60 days.

Landlord: MIA Development LLC

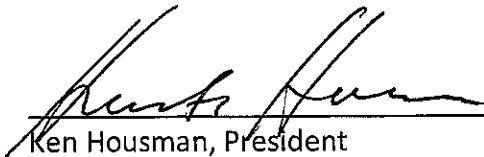


Robert Fireman, President

Dated: 11/18/13

Agreed to and Accepted By:

Tenant: ARL Healthcare, Inc



Ken Housman, President

Dated: 11/18/13

 ORIGINAL

**EVIDENCE OF LOCAL SUPPORT
(Exhibit5.4)**

This exhibit must be completed or marked N/A and attached to required documents and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc. Application # (if more than one): N/A

Site	City/Town	County	Type of Support Attached
1	Newton	Middlesex	Letter of support, Dori Zaleznik, MD, City of Newton Commissioner of Health & Human Services
2	Holbrook	Norfolk	Letter of support, Holbrook Board of Selectmen



ORIGINAL

City of Newton



Setti D. Warren
Mayor

HEALTH AND HUMAN SERVICES DEPARTMENT

Dori Zaleznik, MD., Commissioner
1000 Commonwealth Ave.
Newton, MA 02459-1544



Public Health
Prevent. Promote. Protect.

Telephone 617.796.1420 Fax 617.552.7063

November 14, 2013

Kenneth Housman
ARL Healthcare Inc.
193 Oak Street, No. 507
Newton, MA 02464

Dear Mr. Housman:

I am the Newton Commissioner of Health and Human Services and an Infectious Diseases physician. I write to provide local support in favor of siting a Registered Marijuana Dispensary (RMD) in the City of Newton. As Newton does not have a Board of Health, I am considered the equivalent as Commissioner.

I have followed the literature on the medical uses and benefits of marijuana as well as the progress in Massachusetts through the referendum vote and the Department of Public Health (DPH) regulations issued in May 2013. I have spoken at a number of public meetings in our city about the value of marijuana for medicinal use. In some clinical situations, this drug is the best available treatment option. In other clinical conditions, marijuana is equally as effective as other agents, such as narcotics, but with far fewer adverse effects.

My belief is that this community, which voted to support the referendum at a higher level than the overall state support and is well-situated for both highway and public transportation access, is an excellent site for an RMD. We have patients within our City in need of this treatment. Most of the public comment during several public hearings has been in favor of medical marijuana.

Newton organized a working group to develop zoning recommendations, which I headed. The group consisted of representatives from the Law Department, Planning Department, Police Department, Health Department and two members of the Board of Aldermen (BOA) – one from the Zoning and Planning Committee and one Alderman who is both a physician and a lawyer. The group met through the summer and presented a draft zoning ordinance in late September. The BOA passed a limited moratorium in October, 2013 to expire on December 31, 2013 unless a zoning ordinance passed earlier than that date. The Zoning and Planning Committee has been working with the draft ordinance prepared by the working group and is prepared to vote on November 25, 2013 with the possibility of sending the ordinance to the full board on December 2, 2013.



ORIGINAL

Email: dzaleznik@newtonma.gov

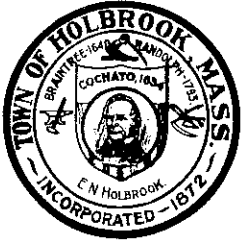
I hope this letter provides some insight as to where Newton seems to be in the acceptance of RMDs. Thank you for your consideration.

Sincerely,



Dori Zaleznik, MD
Commissioner





Town of Holbrook

50 North Franklin Street, Holbrook, MA 02343
Tel: (781) 767-4312 Fax: (781) 767-3143
selectmen@holbrookmassachusetts.us
holbrookma.gov

BOARD OF SELECTMEN
Board of Public Works

November 17, 2013

Mr. Kenneth Housman
President
ARL Healthcare, Inc
193 Oak St. # 507
Newton, MA 02464

Dear Mr. Housman:

Subject to a license being issued by the Department of Health of the Commonwealth of Massachusetts let this letter confirm our support and approval for your company to cultivate medical marijuana in our town. You may conduct this activity at 50 High St. Building 3, a location situated in an industrial zone away from residential dwellings.

In the event that you receive your license, Holbrook will work with your company to ensure that your proposed practices, security protocols, strict inventory management, diversion protection, are maintained. Let this letter further confirm your commitment to work out a reasonable and mutually acceptable contribution program, consistent with your agent's representations, for Holbrook.

Sincerely,

Timothy Gordon,
Chairman, Board of Selectmen



ORIGINAL

**SUMMARY CHART OF LOCATIONS AND LOCAL SUPPORT
(Exhibit 5.5)**

This exhibit must be completed or marked N/A and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc.

Application # (if more than one): N/A

	Site	Full Address	Evidence of Interest Submitted	Evidence of Local Support
1	Dispensing	127 Washington Street, Newton, MA 02465	Binding agreement to lease the premises for a 5 year term with additional options for extensions	Letter of support, Dori Zaleznik, MD, City of Newton Commissioner of Health & Human Services
2	Cultivation	5 High Street, Building #3, Holbrook, MA 02343	Binding agreement to lease the premises for a 5 year term with additional options for extensions	Letter of support, Holbrook Board of Selectmen
	Processing	5 High Street, Building #3, Holbrook, MA 02343	Binding agreement to lease the premises for a 5 year term with additional options for extensions	Letter of support, Holbrook Board of Selectmen

RMD ORGANIZATIONAL CHART
(Exhibit 6.1)

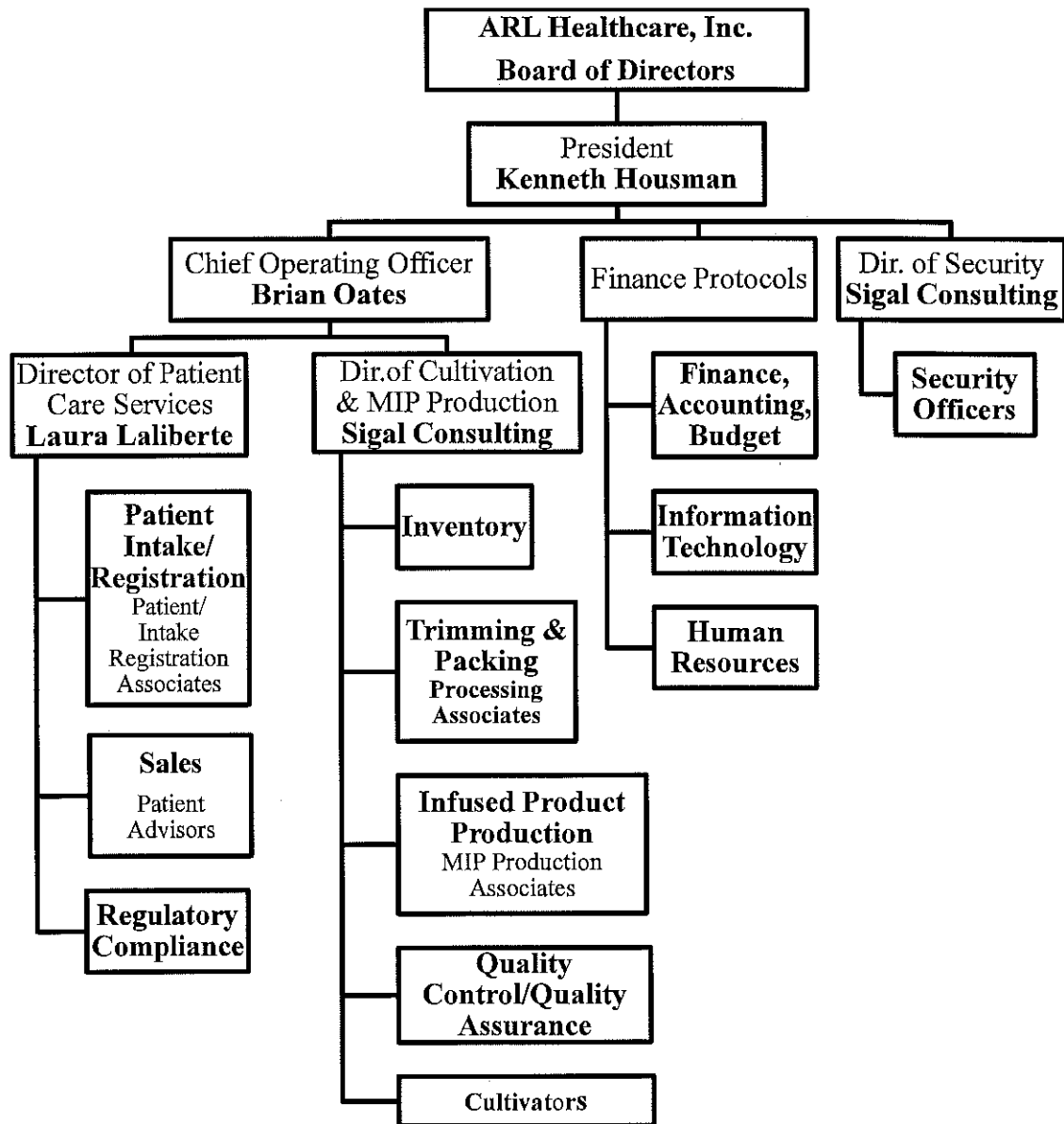
This exhibit must be completed and attached to a required document and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc.

Application # (if more than one): N/A

Attach organizational chart.





ORIGINAL

**EVIDENCE OF ENROLLMENT WITH DEPARTMENT OF CRIMINAL JUSTICE
INFORMATION SERVICES (DCJIS)
(Exhibit 6.2)**

This exhibit must be completed and attached to a required document and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc.

Application # (if more than one): N/A

Attach evidence of enrollment.



ORIGINAL



iCORI

Commonwealth of Massachusetts
Department of Criminal Justice Information Services

Logged in as: khousman | [Home](#) | [Help](#) | [Logout](#)

[Home](#)

[Add Request](#)

[View CORI Results](#)

[Manage Account](#)

[iCORI Cart \(0\)](#)

ARL Healthare, Inc.

Status: **Active**
Account Type(s): **Employer**

Account

[Account Details](#) | [Representatives](#) | [Users](#) | [Authorized Consumer Reporting Agencies](#)

Account Details

[\[Cancel Account\]](#)

Account Status

Account Status: **Active**
Date First Registered: **11/19/2013** Date Last Renewed:

Organization Details

[\[Edit\]](#) [\[Change Org Name\]](#) [\[View Org Name History\]](#)

Account Type(s): **Employer**
Organization Name: **ARL Healthare, Inc.** [REDACTED]
Address: **193 Oak Street #507, Newton, MA 02464-1453**
Phone No.: **617-413-3500**
Website:
[REDACTED]



ORIGINAL

**RMD STAFF
(Exhibit 6.4)**

This exhibit must be completed or marked N/A and submitted as part of the application.

	Name	Role/Title
1	N/A	N/A



ORIGINAL

**RMD START-UP TIMELINE
(Exhibit 7.1)**

This exhibit must be completed and submitted as part of the application. Include benchmarks for ALL RMD sites.

Corporation Name: ARL Healthcare, Inc. Application # (if more than one):n/a

Key Benchmarks ⁱ	Due Dates	Person Responsible	Risk Level If Not Completed on Time	Date RMD Opens
Submit cultivation plans to D.P.H & town	2/3/14	General contractor	High	August 13, 2014
Submit dispensary plans to D.P.H & city	2/3/14	General contractor	High	
Apply for cultivation demo permits with town	2/3/14	General contractor	High	
Apply for dispensary demo permits with city	2/3/14	General contractor	High	
Demo work at cultivation building	2/3/14	General contractor	High	
Demo work at dispensary building	2/3/14	General contractor	High	
Rough electrical & plumbing in general areas at the dispensary building	2/28/14	Electrical & Plumbing contractor	Medium to High	
Rough electrical & Plumbing in general areas at the cultivation building	2/28/14	Electrical & Plumbing contractor	Medium to High	
Rough framing of veg. room at cultivation building	3/4/14	General contractor	Medium to High	
Rough Electrical and Plumbing in veg. room at cultivation building	3/6/14	Electrical & Plumbing contractor	Medium to High	
Rough framing of floor room 1 in cultivation building	3/6/14	General contractor	Medium to High	
Rough framing of security command center at the cultivation building	3/6/14	General contractor	Medium to High	
Rough framing of kitchen in cultivation building	3/6/14	General contractor	Medium	
Sheet rock veg. room in cultivation building	3/10/14	General contractor	Medium to High	

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Rough Electrical and Plumbing in flower room 1 (cultivation building)	3/10/14	Electrical & Plumbing contractor	Medium	
Rough framing in flower room 2 (cultivation building)	3/10/14	General contractor	Medium	
Rough framing in trimming & packing room (cultivation building)	3/10/14	General contractor	Medium	
Rough framing in concentrate room (cultivation building)	3/10/14	General contractor	Medium	
Sheet rock flower room 1 (cultivation building)	3/11/14	General contractor	Medium	
Rough Electrical and Plumbing in flower room 2 (cultivation building)	3/11/14	Electrical & Plumbing contractor	Medium	
Rough framing in curing and drying room (cultivation building)	3/11/14	General contractor	Medium	
Rough Electrical and Plumbing in kitchen (cultivation building)	3/11/14	Electrical & Plumbing contractor	Medium	
Joint compound and tape in veg. room (cultivation building)	3/12/14	General contractor	Medium	
Rough framing in flower room 3 (cultivation building)	3/12/14	General contractor	Medium	
Rough Electrical and Plumbing in security command center (cultivation building)	3/12/14	Electrical & Plumbing contractor	High	
Sheet rock flower room 2 (cultivation building)	3/13/14	General contractor	Medium	
Rough Electrical and Plumbing flower room 3 (cultivation building)	3/13/14	Electrical & Plumbing contractor	Medium	
Rough framing of storage room (cultivation building)	3/13/14	General contractor	Medium	
Sheet rock kitchen (cultivation building)	3/13/14	General contractor	Medium	
Paint veg. room (cultivation building)	3/14/14	General contractor	Medium	
Joint compound and tape in flower room 1 (cultivation building)	3/14/14	General contractor	Medium	
Sheet rock security command center (cultivation building)	3/14/14	General contractor	Medium	
Rough Electrical and Plumbing in	3/14/14	General contractor	Medium	

ORIGINAL

concentrate room (cultivation building)					
Joint compound and tape flower room 2 (cultivation building)	3/15/14	General contractor	Medium		
Sheet rock flower room 3 (cultivation building)	3/15/14	General contractor	Medium		
Joint compound and tape in kitchen (cultivation building)	3/15/14	General contractor	Medium		
Paint flower room 1 (cultivation building)	3/16/14	General contractor	Medium		
Joint compound and tape security command center (cultivation building)	3/16/14	General contractor	Medium		
Sheet rock concentrate room (cultivation building)	3/16/14	General contractor	Medium		
Joint compound and tape flower room 3 (cultivation building)	3/17/14	General contractor	Medium		
Rough framing in flower room 4 (cultivation building)	3/17/14	General contractor	Medium		
Rough Electrical and Plumbing in flower room 4 (cultivation building)	3/17/14	General contractor	Medium		
Sheet rock flower room 4 (cultivation building)	3/17/14	General contractor	Medium		
Rough Electrical and Plumbing trimming and packing (cultivation building)	3/17/14	General contractor	Medium		
Paint kitchen (cultivation building)	3/17/14	General contractor	Medium		
Joint compound and tape concentrate room (cultivation building)	3/17/14	General contractor	Medium		
Rough framing of the Dispensary Building	3/17/14	General contractor	High		
Paint flower room 2 (cultivation building)	3/18/14	General contractor	Medium		
Joint compound and tape flower room 4 (cultivation building)	3/18/14	General contractor	Medium		
Paint security command center (cultivation building)	3/18/14	General contractor	Medium		
Rough Electrical and Plumbing in curing and drying room (cultivation building)	3/18/14	General contractor	Medium		
Finish Electrical and Plumbing in veg. room (cultivation building)	3/19/14	Electrical & Plumbing contractor	Medium to High		

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Rough framing in flower room 5 (cultivation building)	3/19/14	General contractor	Medium	
Rough Electrical and Plumbing in flower room 5 (cultivation building)	3/19/14	Electrical & Plumbing contractor	Medium	
Sheet rock trimming and packing room (cultivation building)	3/19/14	General contractor	Medium	
Paint concentrate room (cultivation building)	3/19/14	General contractor	Medium	
Rough Electrical and Plumbing in Dispensary Building	3/19/14	Electrical and Plumbing contractor	Medium to High	
Install HVAC system in veg. room (cultivation building)	3/19/14	HVAC contractor	Medium to High	
Paint flower room 3 (cultivation building)	3/20/14	General contractor	Medium	
Rough Electrical and Plumbing in storage room (cultivation building)	3/20/14	Electrical & Plumbing contractor	Medium	
Sheet rock flower room 5 (cultivation building)	3/21/14	General contractor	Medium	
Rough Electrical and Plumbing in flower room 6 (cultivation building)	3/21/14	Electrical & Plumbing contractor	Medium	
Joint compound and tape trimming and packing room (cultivation building)	3/21/14	General contractor	Medium	
Sheet rock curing room (cultivation building)	3/21/14	General contractor	Medium	
Paint flower room 4 (cultivation building)	3/22/14	General contractor	Medium	
Install HVAC system in security command center (cultivation building)	3/22/14	HVAC CONTRACTOR	Medium	
Joint compound and tape flower room 5 (cultivation building)	3/23/14	General contractor	Medium	
Sheet rock flower room 6 (cultivation building)	3/23/24	General contractor	Medium	
Paint trimming and packing room (cultivation building)	3/23/14	General contractor	Medium	
Joint compound and tape curing room (cultivation building)	3/23/14	General contractor	Medium	
Sheet rock storage room (cultivation building)	3/23/14	General contractor	Medium	



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building)					
Install grow equipment in veg. room (cultivation building)	3/24/14	Electrical Contractor	High to Medium		
Finish Electrical and Plumbing in flower room 1 (cultivation building)	3/24/14	Electrical & Plumbing contractor	Medium		
Install HVAC system in flower room 1 (cultivation building)	3/24/14	HVAC CONTRACTOR	Medium		
Paint flower room 5 (cultivation building)	3/24/24	General contractor	Medium		
Rough framing in flower room 6 (cultivation building)	3/24/24	General contractor	Medium		
Sheet rock Dispensary	3/24/14	General contractor	Medium to High		
Joint compound and tape Dispensary	3/24/14	General contractor	Medium		
Joint compound and tape flower room 6 (cultivation building)	3/25/14	General contractor	Medium		
Paint curing and drying room (cultivation building)	3/25/14	General contractor	Medium		
Joint compound and tape storage room (cultivation building)	3/25/14	General contractor	Medium		
Install grow equipment in flower room 1 (cultivation building)	3/26/14	Electrical Contractors	Medium		
Install HVAC system in trimming and packing (cultivation building)	3/26/14	HVAC CONTRACTOR	Medium		
Paint flower room 6 (cultivation building)	3/27/14	General contractor	Medium		
Paint storage room (cultivation building)	3/27/14	General contractor	Medium		
Finish Electrical and Plumbing in flower room 2 (cultivation building)	3/28/14	Electrical and Plumbing contractor	Medium		
Install HVAC system in flower room 2 (cultivation building)	3/28/14	HVAC CONTRACTOR	Medium		
Finish Electrical and Plumbing in security command center (cultivation building)	3/29/14	Electrical and Plumbing contractor	High		
Install HVAC system (cultivation building)	3/31/14	HVAC CONTRACTOR	Medium		
Install grow equipment flower room 2 (cultivation building)	3/31/14	Electrical Contractors	Medium		
Begin recruitment process of cultivation staff	4/1/14	COO	Medium		



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Install HVAC system flower room 3 (cultivation building)	4/1/14	HVAC contractor	Medium	
Finish Electrical and Plumbing in flower room 3 (cultivation building)	4/2/14	Electrical and Plumbing contractor	Medium	
Install HVAC system in flower room 3 (cultivation building)	4/2/14	HVAC CONTRACTOR	Medium	
Finish Electrical and Plumbing in trimming and packing (cultivation building)	4/2/14	Electrical and Plumbing contractor	Medium	
Install grow equipment in flower room 3 (cultivation building)	4/3/14	Electrical Contractors	Medium	
Install HVAC system in kitchen (cultivation building)	4/3/14	HVAC CONTRACTOR	Medium	
Finish Electrical and Plumbing in curing and drying room (cultivation building)	4/5/14	Electrical and Plumbing Contractors	Medium	
Install HVAC system in concentrate room (cultivation building)	4/5/14	HVAC CONTRACTOR	Medium	
Finish carpentry in Dispensary Building	4/5/14	General contractor	Medium	
Finish Electrical and Plumbing in flower room 4 (cultivation building)	4/7/14	Electrical and Plumbing contractor	Medium	
Install HVAC system in flower room 4 (cultivation building)	4/7/14	HVAC CONTRACTOR	Medium	
Install grow equipment in flower room 4 (cultivation building)	4/7/14	Electrical Contractors	Medium	
Finish Electrical and Plumbing in storage room (cultivation building)	4/8/14	Electrical and Plumbing contractors	Medium	
Finish Electrical and Plumbing in flower room 5 (cultivation building)	4/11/14	Electrical and Plumbing Contractors	Medium	
Install HVAC system in flower room 5 (cultivation building)	4/11/14	HVAC CONTRACTOR	Medium	
Install grow equipment in flower room 5 (cultivation building)	4/12/14	Electrical Contractors	Medium	
Finish Electrical and Plumbing in kitchen (cultivation building)	4/14/14	Electrical and Plumbing contractors	Medium	
Install flooring in Dispensary Building	4/14/14	General contractor	Medium	
Finish paint in Dispensary Building	4/14/14	General contractor	Medium	



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Finish Electrical and Plumbing in flower room 6 (cultivation building)	4/16/14	Electrical and Plumbing contractor	Medium	
Install HVAC system in flower room 6 (cultivation building)	4/16/14	HVAC contractor	Medium	
Finish Electrical and Plumbing in concentrate room (cultivation building)	4/16/14	Electrical and Plumbing contractor	Medium	
Install grow equipment in flower room 6 (cultivation building)	4/17/14	Electrical contractor	Medium	
Install HVAC system in Dispensary Building	4/19/14	HVAC Contractor	Medium	
Finish Electrical and Plumbing in Dispensary Building	4/19/14	Electrical and Plumbing contractors	Medium	
Punch list in cultivation building	4/21/14	General contractor	Medium	
Hire cultivation staff	4/21/14	COO	High	
Punch list in Dispensary building	4/21/14	General contractor	Medium	
Final walk through in cultivation building	4/24/14	General contractor	Medium	
Final walk through in Dispensary Building	4/24/14	General contractor	Medium	
Final inspections in cultivation building	4/25/14	DPH & Town	High	
Final inspections in Dispensary building	4/25/14	DPH & City	High	
Seed germination	4/29/14	Cultivation team	High	
Trait and gender selection	5/2/14	Cultivation team	High	
Rooting of female clones from donor plants	5/20/14	Cultivation team	High	
Transplant rooted cuttings	5/30/14	Cultivation team	High	
Rooting of female clones from donor plants (round 2)	5/30/14	Cultivation team	High	
Flowering phase	6/6/14	Cultivation team	High	
Transplant rooted cuttings (round 2)	6/9/14	Cultivation team	High	
Rooting of female clones from donor plants (round 3)	6/9/14	Cultivation team	High	
Flowering phase (round 2)	6/16/14	Cultivation team	High	
Transplant rooted cuttings (round 3)	6/19/14	Cultivation team	High	
Rooting of female clones from donor plants (round 4)	6/19/14	Cultivation team	High	
Flowering phase (round 3)	6/26/14	Cultivation team	High	
Transplant rooted cuttings (round 4)	6/29/14	Cultivation team	High	
Rooting of female clones from donor plants	6/29/14	Cultivation team	High	



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(round 5)					
Transplant rooted cuttings (round 5)	7/2/14	Cultivation team	High		
Rooting of female clones from donor plants (round 6)	7/2/14	Cultivation team	High		
Flowering phase (round 4)	7/6/14	Cultivation team	High		
Flowering phase (round 5)	7/9/14	Cultivation team	High		
Transplant rooted cuttings (round 6)	7/12/14	Cultivation team	High		
Provide employment offers to all departmental (non-management) staff, begin training	7/12/14	COO	High		
Complete installation of all IT systems, software, hardware, telephone systems	7/12/14	COO	High		
Flowering phase (round 6)	7/19/14	Cultivation team	High		
Complete all employee trainings, HIPAA compliance	8/1/14	COO	High		
Harvest and dry	8/1/14	Cultivation team	High		
Package (ready for opening)	8/9/14	Trimming and packing	High		
Testing	8/11/14	Lab	High		
Harvest and dry (round 2)	8/11/14	Cultivation team	High		
OPENING DAY	8/13/14	Entire Team	High		
Testing (round 2)	8/21/14	Lab	High		
Harvest and dry (round 3)	8/21/14	Cultivation team	High		
Package (round 2)	8/25/14	Trimming and packing	High		
Harvest and dry (round 4)	8/31/14	Cultivation team	High		
Testing (round 3)	9/1/14	Lab	High		
Package (round 3)	9/3/14	Trimming and packing	High		
Testing (round 4)	9/3/14	Lab	High		
Harvest and dry (round 5)	9/3/14	Cultivation team	High		
Package (round 4)	9/5/14	Trimming and packing	High		
Testing (round 5)	9/13/14	Lab	High		
Harvest and dry (round 6)	9/13/14	Cultivation team	High		
Package (round 5)	9/15/14	Trimming and packing	High		
Testing (round 6)	9/23/14	Lab	High		
Package (round 6)	9/26/14	Trimming and packing	High		

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PROPOSED SLIDING PRICE SCALE
(Exhibit 7.12)

This exhibit must be completed and attached to a required document and submitted as part of the application.

Corporation Name: ARL Healthcare, Inc.

Application # (if more than one): n/a

Attach sliding price scale.



ARL Healthcare Inc.
SLIDING PRICE SCALE

Income Guideline	Medicine Allowance	Additional Medicine Allowance
0 – 100% of Federal Poverty Level	1/8 of an ounce of medicine per week FREE	50% discount on all medicine over 1/8 of an ounce per week
101 – 200% of Federal Poverty Level	75% discount on 1/8 of medicine per week	50% discount on all medicine over 1/8 of an ounce per week
201 – 300% of Federal Poverty Level	50% discount on 1/8 of medicine per week	25% discount on all medicine over 1/8 of an ounce per week

