

APPLICATION RESPONSE FORM COVER PAGE
Make this the first page of your response

92

Corporation

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

Website URL (if applicable): [n/a]

Address:

[366 Broadway]

[]

City: [Everett] State: [MA] Zip: [02149]

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

First Name: [Sean] Last Name: [Gabriel]

FEIN: [463398121]

Contact Person

First Name: [Sean] Last Name: [Gabriel]

Title: [Chief Executive Officer]

Telephone: (703) 626-5863 FAX: () - E-Mail: [baystatecare@yahoo.com]

Contact Person Address (if different):

[366 Broadway]

[]

City: [Everett] State: [MA] Zip: [02149]

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



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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:
Title:

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:
Title

11/12/13
Date

 ORIGINAL

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.

[Bay State Care Corp. ("BSC") - Incorporated in the Commonwealth of Massachusetts on August 13, 2013, filing number #201346828910]

1.2 Describe the organization's mission and vision.

[It is our mission and vision at Bay State Care to:

 ORIGINAL

i) Care for our registered patients by offering a natural alternative to help relieve suffering and improve patients' quality of life,

ii) Support our neighbors and communities by working with healthcare providers, the scientific researchers, lawmakers, regulators and law enforcement to research, educate, tax and engage in philanthropic giving,

iii) Respect our environment by utilizing proprietary, state-of-the-art green/environmentally efficient infrastructure and organic growth methods,

iv) Honor our role as one of the few companies entrusted by the Commonwealth to provide this critical service to our patients by setting the standard for compliance, compassion and quality.]

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.

[N/A]

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

 ORIGINAL

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.

[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.

[Our Executive Management Team has extensive experience in the non-profit sector. This includes service on the Board of Directors for two of the most successful non-profit Medical Marijuana dispensaries and cultivation facilities in highly-regulated medical markets. Beginning in March 2013, within three months of initiating the post provisional license notification project to operate the state-issued licenses, our team designed, constructed, staffed the dispensary and commenced full scale operations at both of ours. This process included many components, including:

- . a) Design, construction and build-out of the facilities (using primarily local tradesmen)
- . b) Hiring of 10 full-time and 7 part-time employees for each dispensary
- . c) Implementation of standardized inventory and accounting protocols, using the MJ FREEWAY management system
- . d) Successfully passing all of the reviews and inspections from a variety of state and local agencies, including Police, Environmental Protection, Narcotics Control, and Mechanical, with no deficiencies.
- . e) Implementing our comprehensive training program for all employees and managers, focusing on compliance, anti-diversion awareness, and product knowledge and patient- focused customer service.
- . f) Selecting and installing a company-provided health insurance program for all employees
- . g) Developing and implementing robust sales/marketing initiatives, including community outreach efforts and a discounted pricing program for low-income patients
- . h) Opening several months ahead of schedule and amongst the very first dispensaries in the state.

Our success has continued, and our dispensaries have thrived. We now treat over 175 patients per day between our two facilities, seven days a week. Within sixty days of our dispensary openings, both were cash flow positive. In fact, both the non-profits are generating average sales of several thousand dollars per day. The dispensaries are self- sustaining and excess revenue has been used to capitalize two affiliated, licensed cultivation grows, with 25,000 and 35,000 square foot facilities respectively.

Members of Executive Management Team have also served on the Board of Directors for the non-profit entity engaged by the State of Arizona to structure a Court Appointed Receivership. This was (and continues to be) the first and only Receivership of its kind (in the medical marijuana industry) in Arizona, and came about when a legal dispute between the owners jeopardized the viability of the enterprise's opening. The court assignment was successfully completed ahead of time and under budget, and the business was officially transitioned to the court's Receiver with a perfect score on its application and a license awarded by the State of Arizona. Even in one of the smallest markets in the state, the dispensary has a team of 8 full time employees and generates average sales of \$1,500 per day.

Sean Gabriel has Executive Management experience in the financial services industry, in which he has worked since 1993. He has worked with well-known companies such as Fidelity Investments, Goldman Sachs & Co., ING and currently Pacific Life Asset Management. He has served as a Regional Vice-President since

2000, and maintains a host of responsibilities, including oversight for sales/marketing, budgeting, business development and industry compliance.

Nate Nienhuis is a Mechanical Engineer and has developed several hundred thousand square feet of medical marijuana cultivation space. He and his team have designed and built all of the facilities for each of our affiliate companies, including two cultivation and one dispensary operation in Washington DC, as well as two cultivation and two dispensary facilities in Arizona. He has designed innovative, proprietary closed irrigation systems, which allows us to recapture and recycle 85% of the water we use. He has built a patented lighting system which reduces energy consumption through more efficient use of light, as well as through a significant reduction of our heating footprint. Nate vast experience in the medical marijuana industry ensures that our working capital will be used efficiently, thereby providing us with the ability to effectively control our costs, which is an essential part of any successful small business.

We believe that our collective experience in the medical marijuana industry in both Arizona and Washington DC (which will be described in section 2.4, as DC is a for-profit model), as well as the financial services and construction industries will position Bay State Care to ramp up quickly and successfully provide a consistently high-level of patient care in a very complicated business marketplace.]

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.

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

[In addition to his responsibilities on the Board of Directors for two non-profit medical marijuana organizations in Arizona (please see response 2.2 for detailed explanation of activity in Arizona), Sean Gabriel also serves on the Board of Directors, as well as the ownership team, for the first licensed medical marijuana dispensary and cultivation facilities in Washington, DC.

Sean was the founding investor in Center City Cultivation in July, 2011 and has been part of every stage of the company's planning, development, launch, and growth. He and his partners secured the additional funding necessary to complete the project and eventually be awarded licenses for both facilities in June, 2013. The program in Washington DC is among the strictest in the country, including only patients with HIV/ AIDS, Cancer, Glaucoma and certain spasticity disorders such a Multiple Sclerosis. Despite a relative small potential client base, Center City Cultivation has done an outstanding job providing the highest quality care and service to our patients. In fact, as a result of our performance and commitment to excellence, we have received extremely favorable media coverage from dozens of media outlets such as CNN, all local network affiliates in DC (NBC, CBS, ABC, FOX), the Washington Post, the Blade and the Huffington Post.

Sean has worked extensively with our sales and operational team, security contractors (Former Detectives assigned to the Metropolitan Police Department Narcotics Investigative Division), delivery team, cultivation specialists, as well as our patient counseling advocate, and has developed a thorough base of knowledge and experience in the medical marijuana industry. As a result of our drive to deliver the best client experience that we possibly can, the Center City Cultivation Dispensary maintains a 55% market share in the city.

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system which reduces energy consumption through more efficient use of light, as well as through a significant reduction of our heating footprint.

Nate has been responsible for the hiring, training and management of our entire cultivation team. He has outstanding communication skills and is an excellent motivator. Additionally, he has a vast knowledge of organic farming techniques and his commitment to producing the purest quality medical marijuana is second to none.

Because of this, Nate maintains oversight of our laboratory testing program. He is responsible for the procurement and operation of the equipment required to conduct our own in-house testing program, above and beyond the scope of what is required by local regulations.

]

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.

[Serving as an Executive in the financial services industry, Sean Gabriel has been responsible for managing his business unit's annual budget since 1999. These budgets have ranged from \$70,000 to \$250,000, depending on the health and profitability of the parent company. That budget is intended to be used principally for marketing/sales efforts, technology, local infrastructure and corporate travel, as well as community outreach and local charitable gifting initiatives. As in the case of most small businesses, the scope of expenses usually far outpaced his available resources, and that is how he quickly gained experience with effective cost management practices. For example, for the vast majority of his career, if he did go over budget, he was personally liable for the overage. It would literally be recaptured by the parent company from his paycheck, and there was a definitive corporate policy of non-forgiveness. As a result, he developed the discipline necessary to come in at or under budget for 13 out of 14 years. Sean will take principal responsibility for the financial management and oversight of the company.

Over the past twenty five years Nathan Nienhuis has pursued a diverse range of professional activities ranging from a licensed tradesman to starting several successful small businesses in the construction, engineering and R&D industries. Mr. Nienhuis began his career, after completing both a B.S. in engineering and an A.A. in fire management by successfully running several small businesses involved in contracting and pest control in California. Although a technically proficient engineer and a talented inventor of electrical supply components, developed a passion for working with his hands and outdoors during these years. His interest in horticulture developed from the engineering side of the equation when became aware of the traditional methods of indoor organic farming and began to work on solutions to reduce producers costs through proprietary electrical designs that reduce overall emissions and carbon footprints and creating better filtration systems to reduce the overall amounts of toxins circulating inside these indoor operations. This work led him to a position with Growlite where Mr. Nienhuis furthered is technical acumen with the development of lighting grids that greatly decreased the amount of time and energy necessary to produce organic crops indoors. In addition to holding 12 Underwriter Laboratories accredited patents, Mr. Niehuis is one of the most prolific inventors in the agricultural industry and based on his passion for ending suffering Nathan has focused his skills on developing infrastructure and genetics that maximize the medicinal benefit of Medical Marijuana.]

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.

[Sean Gabriel has served as an Executive in the Financial Services Industry for the last 14 years. He has worked for Goldman Sachs, ING Group and Pacific Life Asset Management. In his role as a Regional Vice-

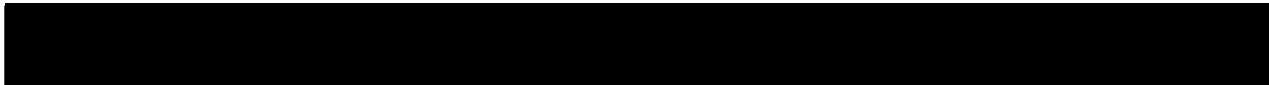
President, Sean has demonstrated proven success in such disciplines as marketing, compliance/ legal (FINRA and State oversight), personnel management, as well budgetary oversight. Sean also serves on the Board of Directors for a variety of for-profit and not-for-profit companies, including several in the medical marijuana industry. These include entities in both Washington, DC and Arizona, which are two of the most strictly regulated programs in the country.

In the medical marijuana industry in particular, a Board Member or Executive must be fully engaged in the supervisory process at all times. Any breach of established protocols must be self-policed and remediated immediately. An example of this commitment to this discipline can be seen in one of the municipalities in which we operate both a licensed RMD and a Cultivation Facility. A member of our staff, who was also one of the company's co-founders, committed a clear violation of the local regulations and, upon discovery of the violation, Bay State Care's CEO (who was serving as a board member of that company) and the rest of the Board quickly took action and terminated his relationship with the company. This violation also raised concerns about his access to and oversight of the company's financial accounts. An independent forensic audit was immediately commissioned and, within weeks, we discovered that he had embezzled over two hundred thousand dollars (through forgery and the use of fraudulent accounts) and misused the company expense account for another thirty thousand dollars. These violations were immediately turned over to the appropriate law enforcement authorities, who are currently in the process of preparing an indictment. The Board, our legal team and our new management team are working very closely with the Prosecutor's Office to ensure full transparency and cooperation with the investigation. Despite the loss of crucial operational capital, as well as countless hours of lost time, the project was still completed on schedule and successfully launched as both the first RMD and the first Cultivation facility in that jurisdiction, garnering highly favorable national and local media coverage.

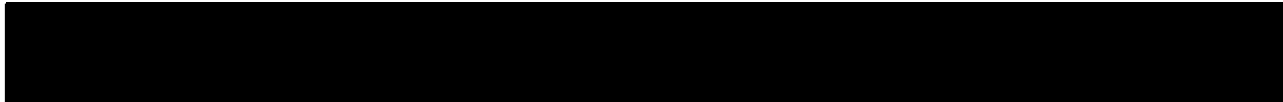
Nate Neinhuis' detail-oriented focus and extensive systems knowledge is directly responsible for preventing a case of diversion within one of our licensed cultivation facilities earlier this year. Nate's hourly review of our in-house accounting and inventory management system (MJ FREEWAY) raised a series of red- flags to him, to which he immediately responded and took corrective action. By utilizing our integrated security system (which he helped design), he was able to identify the specific segment of our video surveillance feed that confirmed that a violation had, in fact, occurred. Our system had categorically proven that the employee had attempted to divert a small quantity of medical marijuana out of the processing room and into a non-secured area of the facility, ultimately with the intention of removing it from the premises. If he had he been successful, the company's license could certainly have been compromised. Thanks to Nate's diligence, the incident was immediately reported using the irrefutable evidence that our system generated, our policies and procedures guidelines were amended to limit unsupervised access to any sensitive area, and the employee was terminated. We believe that this is an outstanding example of our team's commitment to self-policing.]

3. Applicant's Evidence of Suitability

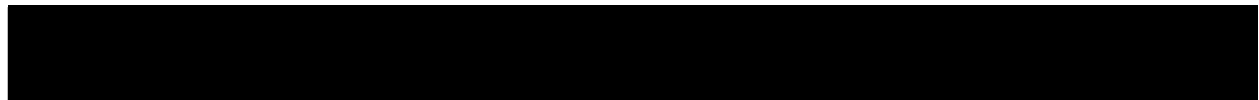
3.1 Indicate whether is/has been in compliance with all laws of the Commonwealth relating to taxes, child support, and workers' compensation with regard to any business in which the individual has been involved. In cases in which an Executive Management Team member is not in compliance with such a law, 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.



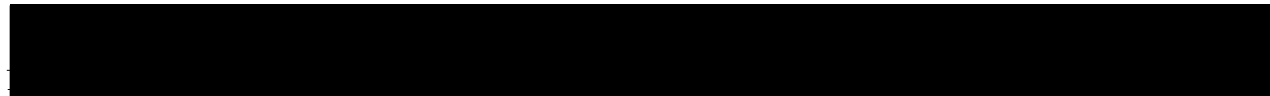
3.3 List and describe any civil or administrative action under the laws of the Commonwealth, another state, the United States, or a military, territorial, or Indian tribal authority against any member of the **Executive Management Team and Board of Directors, including Board Officers**, including but 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.

[The capital expenditure budget for BSC is estimated at \$1,199,200.00. We at BSC formed our company to provide all of the potential patients in Massachusetts with the best alternative and holistic treatment available. We believe that the way our company approaches Medical Marijuana - with a patient first mentality - is the only way to truly be a leader in the Commonwealth's dedicated not-for-profit program. We strive to produce the purest and most unadulterated product at the most affordable price. To become the MA Medical Marijuana industry leader we have crafted a lean but comprehensive operational and financial plan will allow us to accomplish all we have set out to do.

Our construction costs take into account a full renovation of our Worcester RMD. Fortunately, our cultivation facility requires far less work and outside of finishing touches and grow room construction we anticipate it to be 'plug and play'. To maintain compliance and safety of our patients and staff we have allocated \$145,000 to craft a complete security infrastructure. Additionally, we have budgeted \$20,000 for block beautification and clean-up of our Worcester RMD. Totaling \$185,000, the plan to construct an FDA commercial kitchen that we also plan to certify as Kosher, Ha'llal and vegan MIPs. In addition, we have designed, based on our 20 years of experience in cultivation, a proprietary, adjustable lighting grid that will allow us to streamline several cultivation processes and increase yield. We have currently budgeted funds to pay for the design, contractors, and materials necessary to create a safe, secure, and inviting facility that can easily manage over 100 patient visits a day. The 45,000 square foot facility will commence compliant operations within two months of breaking ground. The total anticipated cost for construction is \$571,500, including all construction, electrical upgrades, proprietary watering systems and environmental controls; however, because of our modular system we will be able to leverage our platform and increase our scope to meet any increases in market demand without interruption. It is important to recognize MA is a new market - there are no registered patients. Our affiliates have worked in similar developing markets, for example, Washington, DC, where the patient population growth required time and resources to develop. We are uniquely prepared operationally and financially to withstand the constrained market conditions until a sustainable market develops. Like any other healthcare business, we expect it will take time until we utilize our full capacity.

To insure we operate as green as possible, we have budgeted \$36,000 to implement our proprietary hydroponic redemption system that will allow us to reclaim approximately 80% of the water used in our facility. We have included two line items of \$50,000 to install state of the art fire suppression systems and advanced air filtration systems to maximize air purity and minimize product odors.

Although construction is our largest single capital expenditure we are equally sensitive to security needs at our facilities. Our security systems are all-inclusive, fully-integrated, and remotely accessible and have proven reliable and effective through rigorous, real-world operations at our affiliates in Washington, DC and AZ. We have allocated a total of \$160,000 between our two RMD facilities. Our security protocols, designed largely by our in-house security experts are inspired by the security measures utilized at American embassies abroad, and utilize the best available HD cameras to offer fully integrated, remotely accessible and high resolution imaging inside and out of our facilities. In addition to traditional security cameras and secured vault rooms (with TL-30 rated safes), all of our facilities rely on the use of biometric locks at all sensitive access points.

In order to best serve the patients of Massachusetts by producing the safest and highest quality unadulterated MIPs after we have completed and passed inspection, we have allocated \$55,000 to build a FDA compliant commercial kitchen. This segregated part of our cultivation facility will be able to process Medical

Marijuana flower, as well as the traditionally unusable products, through SC Fluid CO2 extraction – the only way to produce extracted Marijuana products safely and compliantly indoors as required by Chapter 369 of the Acts 105 CMR 725.000. This is expensive unit, at over \$50,000 per purchase, but it will insure that we are always able to produce a consistent and approvable MIP product line suitable for treatment.

We have selected MJ Freeway as our provider of point of sale and inventory tracking software. For accounting and financial records, we use QuickBooks which can be used in conjunction with MJ Freeway through modular plug-ins. Together, our IT platform is able to cover every aspect of our business from the moment we plant a seed to the time the final, refined product is sold to patients. These IT platforms form the backbone of our compliance and audit infrastructure and have both been tested in medical marijuana markets throughout the United States for many years. We anticipate our total IT infrastructure build to cost \$65,000.

Finally an overlooked aspect of our capital expenditure budget is our uniquely configured lighting and hydroponic systems that are adjustable to match an individual genetics specific growing needs. Our horticulturalist designed systems permit us to target specific growing conditions while reducing overall electric usage by 40% in the production of premium pharmaceutical-grade Marijuana.]

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.

[BSC anticipates that it will generate approximately \$2,391,034 in revenue in the first full year, produced by \$2,034,034 in flower, \$305,238 in MIPs, and \$50,873 in vaporizers to support alternative methods of ingestion. Based on a notification date of January 31, 2014, we intend to begin supplying our RMD with enough products by 8/15/2014 to the estimated 35,000 potential patients in the surrounding area. Using data from other States that have successful Medical Marijuana programs, as well as our own experience, we project only a percentage of the initial potential population will register for the program. We also believe that the quality of our facilities, compliant outreach, products and staff will enable us to become the preferred provider to a substantial percentage of these patients. In our experience, quality and value drive patient volume. Our licensed dispensaries boast commanding market shares in their respective areas because of the value and quality we provide. In our first year of MA operations, we anticipate a patient base of 417 patients, purchasing an average of two ounces a month, for a total of 300 pounds of Medical Marijuana sold in year one. We have considerable room to expand and but will only utilize a fraction of our production capability-we know through experience that the perceived 'green rush' is unrealistic and leads to undisciplined operations..

We anticipate our total year-one operational budget to be \$1,891,472. We currently assume that over two-thirds of our annual costs, an estimated at \$1,891,472, will go towards acquiring the best possible staff for our two facilities. This is a high percentage of cost, but we have learned from experience the absolute necessity of developing a knowledgeable, dedicated, professional team of employees. The production of safe, consistent, and pure products is labor intensive, and our approach, mandating multiple daily interactions with each individual plant, requires a large staff of professionals who treat these crucial daily processes with due care and precision.

BSC has learned that a highly trained staff leads to an informed and satisfied patient. Therefore, we seek to retain the best possible staff in our facilities. To attract high quality personnel, we will provide a full benefits plan to all full-time employees that will include a comprehensive health insurance plan for themselves and all of their dependents as well as a retirement plan. It is our responsibility to ensure diligence, continuity, dedication and the highest levels of compliance and customer care from our staff.

BSC allocates significant resources to training and continuing education. Every module is developed to prepare our personnel to interact professionally with patients in an informed manner. As important as the intended effects, understanding the chemistry and base input of the product is critical to establishing a high quality dialogue and level of understanding. There is no substitute for a well-trained and caring staff dedicated



to improving patient lives. In addition to the supervising staff we have built several layers of support ranging from compliance officers, research scientists and administrative staff, enhancing our operating to ensure compliance and stability to support our patient's needs.

BSC understands that all of our patients, even those with the same qualifying conditions, will have different needs and desired ways to utilize our product. Diversity is key to our approach, and we believe that offering a wide variety of products will set us apart and above other RMDs in our industry and in our State. We currently plan to offer a large selection of MIPs and alternative methods of ingesting Medical Marijuana. However, we recognize that continuous oversight and technology will be required to ensure that these products have the same level of quality and consistency as our Medical Marijuana. To accomplish this we have budgeted for the construction of a commercial grade kitchen, the purchase of a state-of-the-art C02 extractor, and an on-site testing facility. In addition we have budgeted \$100,000 to cover the cost of the highest quality ingredients (for a variety of different infused products that will be held up to the highest standards of Kosher, Ha'llal, and Veganism), and adequate resources to test the consistency of the final product. We are creating medical products for use in alleviating the symptoms and enhancing the quality of life of some of the Commonwealth's most vulnerable and chronically ill patients, and our patients will come to expect only the absolute highest medical quality product that is guaranteed to be safe, pure and unadulterated.

The remainder of our year one operating budget includes all of the ordinary expenses required to run a small business, and although these items are of "lesser" importance, they are essential to any successful operation. Overall, we anticipate that our annual supplies and support needs will equal approximately \$160,000; this is the area of our budget where we intend to exert inventory control and budget reconciliation to insure that patient dollars are not wasted. We truly believe in providing our patients with the best product at the best price and we will endeavor to make sure that our administrative costs are at a minimum to ensure that prices remain stable over time.]

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.

[Bay State Care's goal is to be the leading Medical Marijuana products and services provider for qualified patients in the Commonwealth of Massachusetts in compliance with Chapter 369 of the Acts and 105 CMR725.000. To achieve this, we will focus on delivering the highest quality and safest medical-grade product alongside industry-leading quality of care and education. We believe it is our responsibility to support our patients through therapeutic and compassionate care in the most professional and safe facilities while serving as an active leader in the communities we operate in. Community to us is not just a location, but actively engaging with organizations such as law enforcement, patient advocacy and health care communities.

Our Products

BSC will produce the highest quality, pharmaceutical-grade Medical Marijuana, a broad assortment of genetic strains, and extracted products. We will offer these products along a spectrum of price points, dosages and delivery forms. Our philosophy is not simply to produce Medical Marijuana, but products tailored to the specific conditions qualified by the State. From manufacturing to harvesting to testing to dispensing, our affiliate's experiences in other markets guide our operations and shape our broad assortment of products offered. Based on our experience treating patients with these symptoms we have tailored our product plan to offer an appropriate range of inhaled, ingested and topical products to allow patients, even those with the same qualifying conditions, different ways to approach their treatment.

Our aim is to accompany our products with a pricing structure and promotions that incentivize our patients to use a variety of treatment options at a competitive price. To discourage black market diversion, we

will price our products in parity to less regulated markets. We plan to offer our patients a loyalty program to incentivize their loyalty and intend to offer a discount based on the patient's purchasing activity. In addition, we intend to extend the compassionate need programs that have been successful in our other markets to ensure all patients needing access to the products their care requires can do so. From veterans to seniors to the terminally ill to those who demonstrate a financial hardship, BSC's pledge is to ensure all patients have access to the care they need.

We believe patients deserve to experience their care in facilities that promote safety, professionalism and foster an on-going relationship between our patients and our team. We have selected locations that reflect these principles and satisfy all zoning requirements. We believe our operation is an integral part of the community we operate and our continued involvement, respect and support of them is our duty. The communities we operate in have entrusted us and we take our responsibility to be a good neighbor very seriously.

Our Patients

We have learned that the two largest variables in terms of revenue drivers are the potential patient population in the State and the rate of adoption amongst doctors and patients (measured by patient registrations) to embrace the use of Medical Marijuana to treat the various qualifying conditions specified in Chapter 369 of the Acts and 105 CMR 725.000. BSC estimates that there are roughly 260,000 patients in the State suffering from one of the qualifying disease states. We performed this analysis by county and arrived at our estimates by using various sources for incidence and prevalence rates. In the experience of our affiliates in other highly regulated states, we have found that education, constant communications and transparency help promote awareness and acceptance by both doctors and patients. Our outreach and public service initiatives will encompass education for healthcare providers, patients and researchers. BSC will create awareness around the products and services offered by sharing information through digital, print and outreach efforts. There will be no direct advertisement of products but rather education and information around Medical Marijuana as a solution for qualified patients' needs. The value of the product that will be offered at our dispensary facility will be apparent in our ability to provide education, including optimal dosing for reproducible medicinal effects, and appropriate warnings about the safe and effective usage of the product, regardless of formulation.

Financial Outlook

As we have learned in the other jurisdictions where we operate, the potential patient population and the rate of adoption by physicians and patients constitute the two key elements of the business plan. We have aligned our operations accordingly and expect to experience negative cash flow in year one. We have conservatively allocated the entire cost of the cultivation facility to a single RMD though we know that if more than one application submitted is approved, we would expect breakeven in year one and to be cash flow positive starting in year 2.

Based on our experience in other market, we know that we should expect approximately 2.5% of the eligible patient population to obtain recommendations in year one and this grows to 4.5% by year 3. We expect multiple operations to be licensed and we understand that we will capture our share of the patient population proportionately. While we have successfully captured leading market shares in all the markets we operate, we have structured our company with the financial backing and support to withstand the infancy phase of the market. All revenue earned in excess of our initial capital investment and yearly-operating costs will be used to support ongoing research and development of Medical Marijuana products and outreach. We will reinvest within our community to benefit both our patients and the community as a whole and reasonable administrative costs necessary to support the RMDs.

The expenses included in our financial exhibits assume a full year of operating expenses; however these figures are likely overstated for year 1 because we have based our assumptions on hiring the full complement of staff on day one. In actuality, we will incrementally ramp up our staffing according to volume related needs. As a result, although revenue is projected to grow at a compound annual growth rate of 45% over the first 3 years of operations, operating expenses are expected to grow more slowly since the majority of projected annual cost increases are primarily based on variable costs of production (other than labor) and cost of living raises.]

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).

[BSC has contacted the liability insurance underwriters who currently provide coverage for its affiliates. BSC has been given assurances by the brokers and underwriter that these insurers are prepared to offer BSC insurance coverage in accordance with 105 CMR 725.105(Q). BSC will maintain general liability insurance coverage and product liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually. The deductible for such a liability policy shall be no higher than \$5,000 per occurrence. BSC intends to utilize insurance coverage providers with which it currently holds similar policies in other highly regulated, medically focused jurisdictions where its affiliates operate both RMDs and cultivation/production facilities.

We expect to be able to bind such an insurance policy with Lloyds of London immediately following the provisional acceptance of our application by the Commonwealth.

To the extent BSC is unable to bind such a policy, it is prepared to place \$250,000 in escrow to be expended for coverage of liabilities. This escrow account will be replenished within 10 business days of any expenditure in accordance with 105 CMR 725.105(Q)(2).

BSC will report and provide documentation confirming compliance with 105 CMR 725.105(Q) in a manner and form determined by the Department pursuant to 105 CMR 725.105(M).]

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.

[51 Harding Street, Worcester. 3,600 sf highly visible, convenient, safe location with ample parking, and handicap access. Easy access for patients across the economic spectrum from Worcester and Worcester County given proximity to Union Station and Rt 290. Union Station is the main hub for the Worcester Regional Transit Authority and is serviced by the MBTA rail line, and private bus lines. In addition, there is a 500 space parking garage right across the street. Located within zone specified by City of Worcester for RMD.]

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).

[4 Foundry Square, Lowell MA. 13,000 sf cultivating and processing facility located in warehouse in industrial zone in Lowell. Location is unobtrusive, non-descript, and will be easy to secure. Building has sufficient power and water. Facility capable of supporting anticipated volume from dispensary in Worcester and future growth beyond that. Easy access to the Lowell Connector and Rt 495 for product transport. Suitable labor pool exists in the immediate and surrounding communities to support our staffing needs. Facility is located in "by right" zone established by Lowell.]

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).

[4 Foundry Square, Lowell MA. 13,000 sq.ft. Cultivating and processing facility located in warehouse in industrial zone in Lowell. Location is unobtrusive, non-descript, and will be easy to secure. Building has sufficient power and water. Facility capable of supporting anticipated volume from dispensary in Worcester and future growth beyond that. Easy access to the Lowell Connector and Rt 495 for product transport. Suitable labor pool exists in the immediate and surrounding communities to support our staffing needs. Facility is located in "by right" zone established by Lowell.]

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.

[Bay State Care proposes to operate its dispensary facility in the City of Worcester and to operate its¹ cultivation and processing facility in the City of Lowell. As soon as Bay State Care received its approval to proceed to Phase 2, the company notified the Worcester City Manager, Chief of Police and Sheriff of Worcester County that it intended to open a Registered Marijuana Dispensary (RMD) in the City. The draft of the new zoning ordinance was approved by the Planning Board on September 4 and was referred to the City Council's Economic Development Committee on September 17. During this time, Bay State Care was able to find and secure a dispensary location it felt would exceed the needs of patients in Worcester and beyond. Despite several attempts to call the City Manager to set up a meeting to discuss its plans, Bay State Care was unable to arrange such a meeting. In early November, Bay State Care learned that the City was planning to provide all applicants with the same letter of non-opposition, which we have attached. The combination of appropriate zoning, lack of any sensitive use areas, and prevalence of industrial and broad non-opposition confirmation provided BSC affirms the suitability of

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.

this location. BSC intends to continue its outreach efforts to officials, law enforcement and local charities to maintain this favorable position.

In spite of having reached a tentative agreement on a suitable location, Bay State Care was left in a position where it was discovered earlier this week the initial location was within 500' of an adolescent mathematics tutoring facility with limited signage. After much internal discussion with counsel and our board, we concluded this was unacceptable and contrary to our business practices. In spite of the surveyor confirming that there were no sensitive use areas in proximity, we did not feel comfortable proceeding under those circumstances. Fortunately, due to the extensive search efforts, the company was able to secure a production facility in Lowell, situated in an industrial zone which is in line with the City's zoning ordinance. Other applicants have been granted approval in the park where our location is situated; therefore plenty of precedent exists for the City to support our company's efforts. Because this came too late for the company to arrange the typical meetings with the city to describe its operations and seek a letter of support, no letter is forthcoming. The City has indicated its willingness to provide letters of support and non-opposition to industry participants and we are committed to working with the town and community to ensure their comfort and support should be selected. We intend to reach out to the leadership of the communities in which we are seeking to operate since this is part and parcel of how we approach our business. Through affiliates in other markets we are committed to becoming part of the fabric of the communities in which we operate. We work in partnership with local leaders, law enforcement and community groups to ensure that we bring maximum benefit to the patients that need our help and give back to our community at the same time.]

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.

[BSC is committed to operating an RMD in compliance with local codes, ordinances and bylaws, as well as with chapter 369 of the Acts and 105 CMR 725.000.

The proposed RMD's dispensary operations are located in Worcester and we will cultivate and process in Lowell. Each facility is properly zoned and located more than 500 feet from any school, daycare center, or other facility in which children commonly congregate, as required by law. The cities do not require additional setbacks at this time. In addition, BSC went beyond required regulations and secured properties at least 1,000 feet from the nearest sensitive uses as complies with federal guidelines.

The RMD in Worcester conforms with all local zoning requirements, but the City has requested a site plan review, which we will provide subject to provisional approval of the application. No Special permits are required and the letter of non-opposition (referenced above in question 5.4) states the City's position.

The Cultivation and Production facility in Lowell is also fully approved from the City's perspective. The Town Administrator has provided us with a strong letter of support and no additional actions are required to proceed.

BSC has worked exhaustively with Worcester and Lowell town officials to gain support for the proposed RMD locations. In addition, we have both legal and compliance officer who help guide us to ensure our actions are always appropriate, responsive and thoughtful.

Throughout the lead up to the application and post selection, BSC and its team will continually work closely with municipal officials including elected officials, representatives of law enforcement, and city planners to ensure compliance with local requirements. Once operational, BSC will communicate regularly with the Department of Planning and Conservation and City Council. Additionally, in an effort to ensure our neighbors remain supportive of our RMD, we intend to hold quarterly public comment sessions at an off-site location. Attendees will have the opportunity to present questions, comments, and concerns associated with the RMD's presence.

Based on the efforts already made by BSC to engage local officials in gaining zoning compliance and community support, our RMD is poised to implement compliant Medical Marijuana operations in both of our facilities with the full support of the local community]

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.

[BSC believes that building and maintaining a positive relationship with our host communities must be grounded in trust and contribution. Trust is built by continuing engagement with local and State officials, community leaders, residents and patients. We pledge to be available and respond to the concerns of our neighbors. Contribution means participating in the community not merely as vendors but as members, supporting research and charitable efforts, lending our skills and resources to enhance the common good.

As a team comprised of MA residents, BSC is committed to serving our community. We pledge to be responsible corporate citizens, to support our communities and to follow regulations without deviation to ensure flawless execution of the program. We will abide by and support the regulators, politicians, communities and members of law enforcement who have trusted us as an RMD.

BSC's commitment is evidenced by its affiliates' ongoing community benefits plans and outreach efforts. In MA, we have offered to engage in Host Community and PILOT agreements in partnership with local authorities. Furthermore, it is corporate policy to donate up to 15% of profits to local charities and community support groups to ensure a meaningful local impact. We have already begun to develop and implement a MA philanthropy plan comprised of financial support, security partnerships with local law enforcement, sponsored research and community service projects. Some of the charitable organizations we intend to support are: New England Chapter of the National MS Society, The ALS Association Massachusetts Chapter, The Lasker Foundation.

The following is a list of research programs that we have agreed to assist and support in conjunction with another MA program applicant that BSC has forged a relationship since we met after moving forward from Phase 1, and with whom we share many ideological goals, aims, and values.

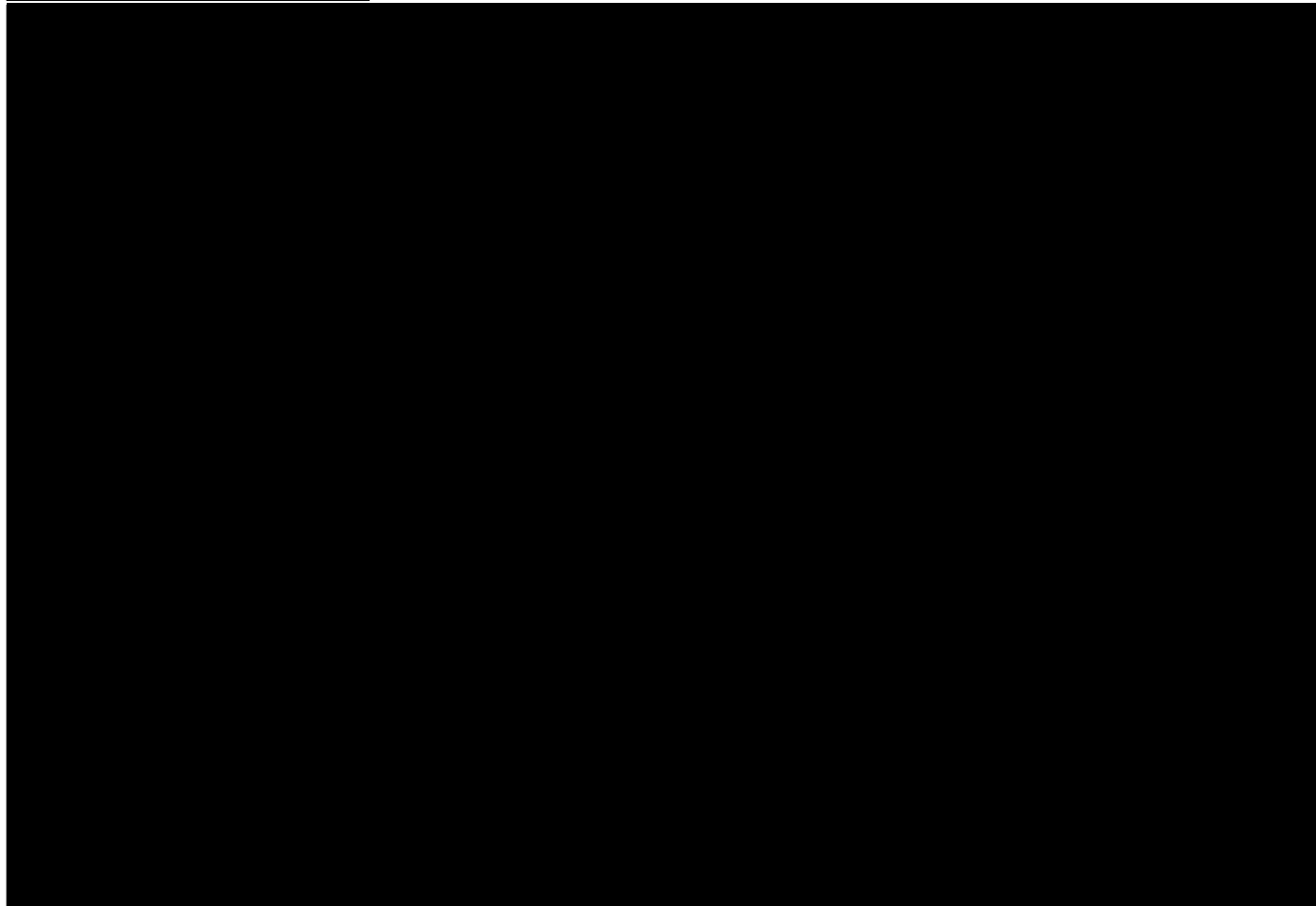
The UConn School of Pharmacy/Hartford Hospital Evidence Based Practice Center and the Health Outcomes Policy and Economics (HOPE) Collaborative Group- BSC is participating in a proprietary research project that will iterate over the coming years beginning with the formation of the Improvements in Patient Ability due to Cannabis Therapy (IMPACT) patient registry. This will be the first such research project in the US and provide the basis for leading clinical trials. This research will be made available to the public and serve as one of the major reference points for medical providers and researchers alike, not only locally but also nationwide.

Further conversation was held about meeting with local community health center leadership in various towns across Massachusetts. BSC fully intends to hold similar discussions with local community health leaders in Worcester. In all these meetings across the State, BSC intends to share its knowledge, its experience, and its commitment to participating in important medical research efforts.

By preemptively engaging with local officials, community groups, healthcare professionals, law enforcement and our neighbors, and maintaining open and current dialogue with regularly scheduled quarterly meetings in addition to providing outlets for direct contact (internet, emergency hotline, etc.), we are committed to developing and maintaining a positive relationship in each community where we locate our RMDs.

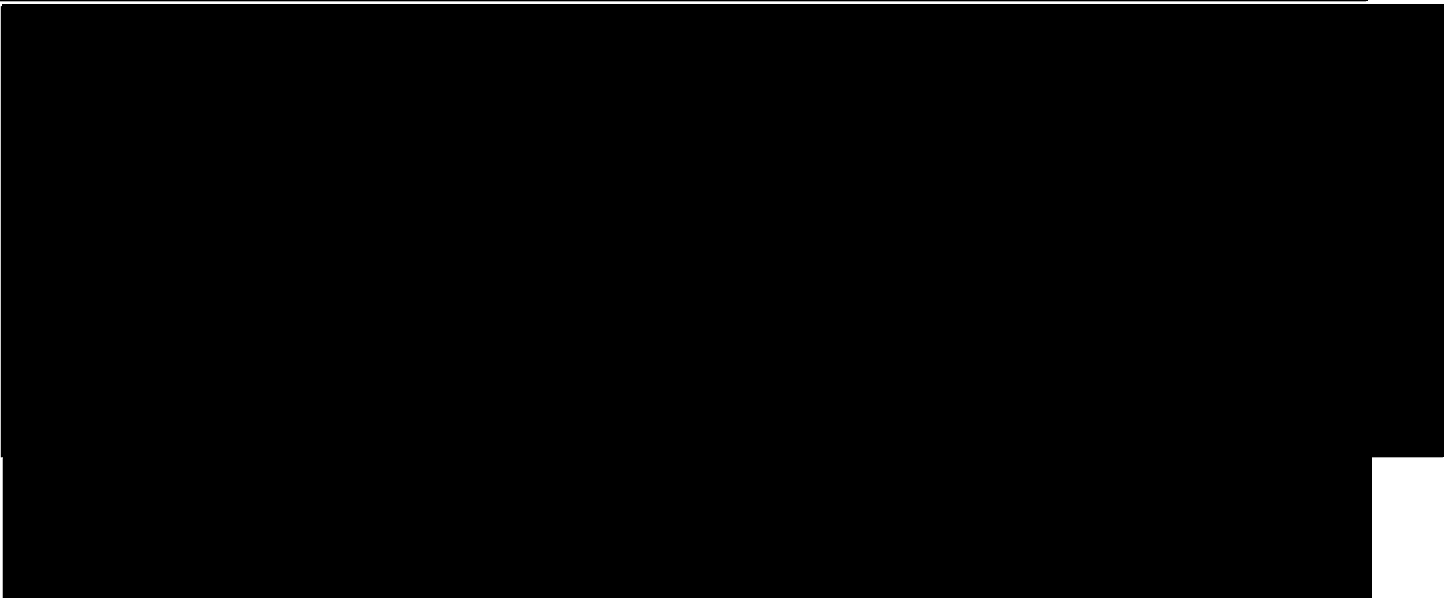
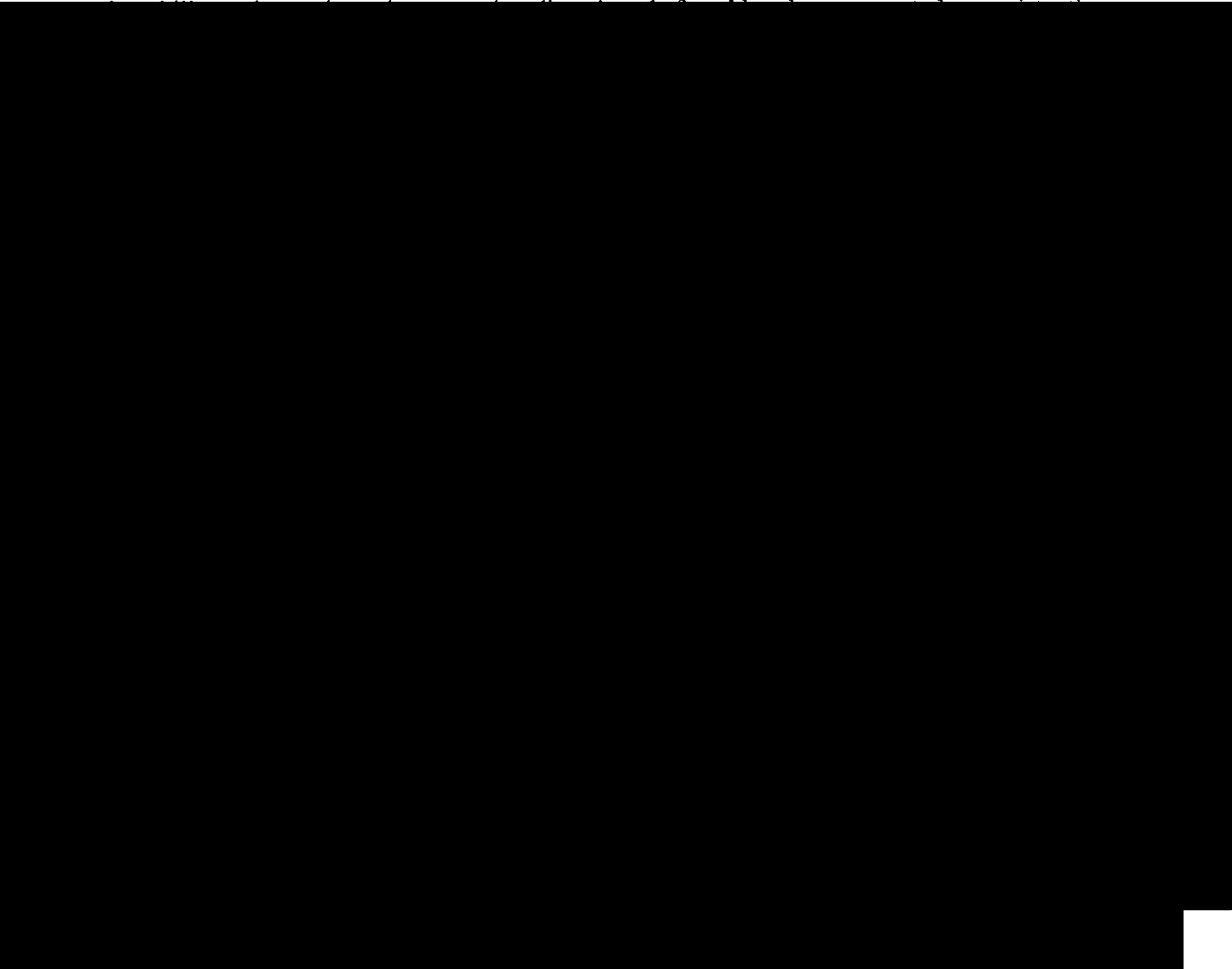
]

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 1.3, include the same organizational chart in exhibit 6.1.

[BSC staffs its facilities and teams primarily with full time employees who receive full benefits. Entry level-part time employees may participate in the company's benefit programs. All employees participate in the company incentive programs that are benchmarked against several objective measures such as patient satisfaction, compliance rates, financial targets and patient feedback. Although there are structural differences to the way RMD-dispensary and RMD-cultivation/processing are organized and staffed, the reporting structure is clearly set forth within the attached exhibit 6.1. In general, both facilities utilize a standard pyramid structure with the General Manger being at the top of the reporting and accountability chain.

The full-time General Manager ("GM"), who reports to the CEO/President, oversees the day-to-day operations of our facilities, managing the core department managers and overseeing all strategies and tasks related to facilities, accounting, sales and marketing, and public relations. The GM has financial responsibility for the P&L and is accountable to the corporate officers. The GM provides leadership throughout the RMD and keeps tight control of the senior management-approved budget. They are ultimately responsible for overall compliance, safety and security.

The full-time Dispensary Facility Manager ("DFM") reports to the GM and oversees the sales department. The DFM ensures quality patient service by providing medical-grade Marijuana, product knowledge, accuracy, and compliance in the sales process. The DFM is supported by up to six associates at any given time. It is each associate's responsibility to ensure products are sold only to current registered patients carrying a valid MA program Registration Card and that all sales are accurately tracked in the POS system. The sales department is responsible for educating patients on product details (strains, dosage, administration) as they relate to patient symptoms and conditions.

The full-time Senior Horticulturalist ("SH") reports to the GM and trains and oversees the cultivation team. The SH coordinates the activities of cultivation assistants and technicians in the propagating, cultivating, harvesting, and producing of Medical Marijuana to implement the supply plan and produce a steady, consistent product line. The cultivation team applies knowledge of environmental-control structures, systems, and techniques to ensure pure, consistent, unadulterated high-quality products free of mold, mildew and other contaminants. The cultivation team inspects the plants and the facility for signs of disrepair, infection, disease and other issues affecting sterility and ideal growing conditions.

The full-time Manufacturing Manager reports to the GM and oversees all manufacturing and processing activities at the facility and directs the manufacturing department in the safe and secure production of MIPs, the packaging and labeling of products, and the delivery of inventory to the dispensary operation. The Manufacturing Manager is also responsible for the maintenance of all facility records and reports required by the State.

The full-time dispensary associates are responsible for outstanding patient service by providing pharmaceutical-grade Medical Marijuana, product knowledge, accuracy and compliance in the sales process led by the GM. It is the responsibility of each dispensary associate to ensure Medical Marijuana products are sold only to current registered patients carrying a valid Registration ID card and that all sales are accurately and comprehensively tracked in the POS system. Additionally, the dispensary associates are responsible for

educating patients about available forms of medicine, counseling patients on the most appropriate type of medicine for their symptoms and medicating circumstances, and referring patients to other services if necessary.

The full-time production department reports to the Manufacturing Manager and is responsible for the actual day-to-day activities of manufacturing, packaging, labeling and storage of the RMD's inventory. Tasks range from producing MIPs in the commercial kitchen to processing extracts and concentrates from raw materials produced within the facility.

The full-time delivery staff reports to the Manufacturing Manager and is responsible for the safe and secure transportation of Medical Marijuana products to the dispensary operation. They are also responsible for the safe and secure home-delivery directly to pre-approved patients requiring such personalized services due to the circumstances of their qualifying condition. Delivery staff must assist in the planning and implementation of delivery routes to ensure the safety and security of the delivered goods]

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.

[At BSC we hire personnel from all backgrounds based on hiring needs and qualifications. Our recruitment policy is designed to engage veterans and foster racial, ethnic, and gender diversity. We seek to have a team that is as diverse as the communities we serve. Every applicant must provide a resume, a written expression of interest, at least three references from their previous employment, and pass a background check conducted by our Security Manager. All employees are also required to undergo a Criminal Offender Record Information check before commencing employment and also on an ongoing basis. Chief Security Advisor Thomas Fleming will conduct interviews and supplemental background checks when appropriate to ensure only candidates with the highest integrity and skill level are hired. Personnel are hired through a process that is compliant with 105 CMR 725.000.

BSC prefers to employ those from the local communities for a variety of reasons, including maintaining strong ties to the community, creating a rapport with our patients, and providing the local economy with increased opportunities. Of course, no matter the employee, they must be well-qualified and willing to undergo intense company training.

All dispensary management positions are required to have at least 5 years experience managing a retail store, pharmacy, or other highly regulated business. BSC prefers a health or medical background and candidates experienced with the proper handling of highly confidential information.

All cultivation/processing management positions are required to have at least 5 years experience managing an indoor cultivation/horticulture facility and/or food manufacturing business. Since it is unlikely that local Massachusetts residents may qualify for these positions, BSC will strongly consider hiring on a probationary basis while training such personnel one-on-one with one of our affiliates' highly experienced staff members.

Once management positions are filled, such managers will assist BSC in filling out the various roles within each RMD facility. All hired employees must have at least two years of relevant experience and must undergo intense orientation training, which includes group educational courses, quizzes, one-on-one training, and compliance training before commencing work for the company. All employees must also continue their training each year through at least 8 hours of supplemental training/education in an area relevant to their respective position.]

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.

[We are an equal opportunity employer who will provide a safe, healthy and economically beneficial working environment for all of our staff. The company has formulated plans to implement workplace safety and environmental standards, codes of conduct, healthcare benefits, educational benefits, retirement benefits, and fair wage standards.

INJURY & ILLNESS PREVENTION PROGRAM: The injury and illness prevention program is administered by the General Manager and department managers accordingly. The General Manager is responsible for the overall implementation and maintenance of the program, whereas each department manager is responsible for the implementation and maintenance within their department area. Manager duties include the following:

HAZARD ASSESSMENT CONTROL PROGRAM: In order to timely identify workplace hazards, our staff will be trained to spot facility issues, including unsafe conditions or other hazards, and immediately report them to the proper manager for remediation.

Once a facility hazard has been identified, the General Manager will arrange for the inspection and investigation of the issue. Appropriate staff members will be notified of the investigation so as to protect against potential injury before remediation completion. The General Manager will be responsible for documenting all unsafe conditions and other hazards and the corrective measures taken to address these issues.

All daily checklists are required to be completed by staff will be updated at least twice a year to accurately reflect any new or on-going safety issues.

COMPENSATION PROGRAM: We know our RMD and cultivation/processing employees are the backbone of the organization and play an important role in the company's ability to achieve its strategic goals. As such, the company will provide appropriate incentives for employees with competitive wages, merit based increases, and benefits programs. We believe strongly in treating our employees well by looking out for their health, safety and well-being through our attractive compensation program. All starting salaries are expected to meet or exceed market averages for comparable roles. For a detailed wage/salary data see the detailed financial model in exhibit 4.4.

We view team member base compensation as the basis for each team member's career with the company. Our decision to generally pay above market for personnel is based on our interest in hiring the most competitive candidates and retaining quality personnel over many years. Although not considered direct compensation, we invest approximately 100% of the annual salary for each incoming employee in registration fees and training to ensure their preparedness and satisfaction prior to their beginning work. Our continuing education programs (requiring a minimum of 8 hours of training per year) add to the investment made in each employee that we believe will yield higher levels of team member satisfaction, work quality and attention to detail.

OPPORTUNITIES FOR ADVANCEMENT/SALARY INCREASES: Employees have the opportunity to increase their wages based on overall job performance, particularly when they meet and exceed goals on a regular basis. Such increases will be at the discretion of management, but will be determined by how the employee performs in key indicators such as quality, efficiency, attitude, helpfulness, and willingness to take on more responsibilities.

Merit based raises also include year-end bonuses and discretionary bonuses and promotions that occur when a team member makes noteworthy contributions and demonstrates an interest in professional advancement. These could be payments or other gifts (dinners, travel vouchers, extra vacation days, etc.) based on workplace performance or good citizenship that reflects well upon the company and our team.

Year-end bonuses can take the form of either cash or equity in the company based on tenure and contribution.

BENEFITS PROGRAM: BSC intends to offer several benefit programs to employees, including but not limited to, paid time off, tuition reimbursement (high school equivalency, trade school, college and graduate level programs), life insurance, and retirement planning (including bonus plans, equity ownership plans and eventually, a 401K plan). Additionally, BSC is dedicated to providing comprehensive health insurance to its employees. Like we have done with our affiliates, we will provide all qualified employees a complete health insurance package, at no out-of-pocket cost, which includes medical, dental, and vision for themselves and all of their dependents.

The paid time off program allows employees to balance work and personal time by providing a specified number of paid days each year to use for scheduled or emergency unscheduled absences from work. Such paid time off will not be affected by company-observed holidays and provides flexibility in scheduling time off from work for reasons such as personal vacations, holidays and doctor appointments. Employees who work at least 24 hours a week will earn paid time off after 90 days of employment]

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.

[Every employment candidate will be required to complete our comprehensive training program as part of a three-month probationary phase. The program will include, but not be limited to, modules on the following topics:

A) Operational Management - Operational training is led by the General Manager. The module includes policies and procedures preventing the adulteration of products, proper clean-room policies, general business policies and procedures, conflict-resolution practices, and the handling of confidential information. Operational training will include at least one two-hour sessions.

B) Legal Issues - Legal training is led by our Chief Legal Officer who has significant domain expertise and developed a comprehensive legal training program covering Federal laws related to Marijuana, relevant case law, proper guidelines regarding patient confidentiality, and best-practices in production facility operations. Other topics will include the rules and regulations of the RMD, sexual harassment training, effective interaction with law enforcement personnel and the rights and responsibilities of Medical Marijuana program participants. Legal training will include at least one two-hour sessions. Additionally, supplemental legal training specific to MA law, in particular statutes, regulations, and case law as it relates to Medical Marijuana in the State, will be provided during orientation and on an ongoing basis as the law evolves.

C) Safety/Security - Safety and security training is led by the Thomas Fleming, Chief Security Advisor. Topics include acceptable currency identification and counterfeit detection, lock and alarm procedures, including particular focus on the panic and holdup alarms, entrance control, robbery response techniques, conflict resolution techniques, as well as diversion, theft and loss detection techniques. Safety and security training will include at least one three-session during orientation training. Additionally, several members of our security team are retired law enforcement officers, and they will be tasked with provide continuing education and situational awareness modules on an ongoing basis.

D) MMJ Product Training - This module will focus on and the various forms of Medical Marijuana products currently available. Cannabis genetics and the specific effects of medicinal strains, particularly those produced by the production facility will be emphasized. This will include at least three one-hour sessions during orientation training.

E) Inventory/Accounting Software - Employees will be trained in standard retail cash-handling procedures, tracking of daily reimbursements and expenses, and tracking inventory using GramTracker and MJ Freeway Software (a seed-to-sale inventory tracking system intended to be utilized by the dispensary facility).



We will also provide employment specific training. Ideally, all employees will be cross-trained in these various disciplines within 18 months of hire, but these units will be mandatory for new hires in these roles.

1) Production Training - employees will be trained in safe and effective extraction techniques, concentrate production, baked goods production, and alternative products production; safe and proper operation of all cultivation equipment, irrigation methods, measuring tools, plant growth cycles, organic cultivation methods, pest management and disease control, environmental and genetic issues, quarantine procedures, and general product and staff safety; company-specific cultivation techniques, seed germination, cloning, harvesting, trimming, and advanced curing and storage techniques; quarantine procedures, and general product and staff safety.

2) Transportation - Employees will be trained in the company protocols for loading and unloading products for delivery to RMDs, procedures for maintaining communication with the production facility during deliveries, as well as procedures taken in case of traffic accidents, robbery, and other emergencies. Training will also include the preparation of shipping manifests, the proper use of the locked, safe, [REDACTED], and the security protocol for loading and unloading products upon arrival to the RMD, [REDACTED]

3) Advanced Management Techniques - These will be required for the General Manager and Department Chiefs.

a) Introduction to Coaching: We will focus time and resources in developing our managers into coaches through a customized training program. Managers and supervisors become coaches when they use feedback on an on-going basis to both reinforce positive behavior and to counsel employees to correct actions that are not in line with the organization's vision or mission. This will benefit the organization by building trust, confidence, and open lines of communication within the company.

b) Introduction to Counseling - Counseling is a skill used to correct or prevent performance deficiencies and behavioral problems. It is designed to help an employee examine conditions, attitudes, feelings, perceptions and behavior patterns that may be a deficiency hindering effective on-the-job performance and/or causing problems for the employee.]

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.

[As is the case with any project, timelines and budgets are subject to unexpected and unpredictable circumstances. Our company policy is to create detailed checklists and timelines first with the items that are statutory or regulatory requirements. This creates the basic framework off of which everything else is based. In this case, our entire design and development plan must be compliant with the requirements of 105 CMR 725.000, in particular, Chapter 369 of the Acts and 105 CMR 725.100 up to and including 105 CMR 725.110, thereby ensuring the RMD is prepared for and compliant with 105 CMR 725.300 (final inspection).

For example, all RMD registered agents and recruitment efforts must be compliant with 105 CMR 725.030 (Dispensary Agent Requirements)

SUMMARY KEY BENCHMARK OVERVIEW:

Once that design framework is established, all design, development, staffing and operational steps are incorporated into the master timeline checklist. We assign individuals with the appropriate backgrounds and skills to their particular roles to ensure accountability and ownership for timelines and budgets. The Project

Manager assigns a 25% contingency. The Project Manager will also keep track of capital reserves and the necessary time to finish every task in the plan specifications.

Assuming that BSC is granted a provisional license by January 31, 2014, we intend to begin our retail operations by the beginning of August 15th 2014. Since our Phase II acceptance, we have been methodically preparing our budgets, architectural plans, and operating procedures to ensure that we will not be delayed if we were successful in the Phase II selection process. Our goal is to deliver our infrastructure and operating structure to the Department for review and fulfill the goal of the program by offering contaminant-free, medical-grade Marijuana to the patients of Massachusetts in a compliant, safe, secure and professional environment. Having significant experience completing these processes successfully in other stringent, State run Medical Marijuana programs for dispensaries and cultivation/processing facilities in other jurisdictions, we are fully prepared to deliver on our promises ahead of time, under budget and with a perfect score as we have done in every inspection in our affiliates' history.

If awarded a provisional license we will begin construction on our RMD facilities as soon as possible. Finalizing plan review with local officials will be expedited to the extent possible, and because we selected locations that are zoned 'by right' and have letters of non-opposition/support we were granted by the appropriate officials, we anticipate a reasonably efficient decision making process with the city. We have used the past few months to prepare a full set of architectural drawings and plans that will allow our local contractors to begin work as soon as we have city approval. Moreover, we have already designed the millwork and finishing's, and have started contacting Massachusetts vendors, with whom we have prior relationships, to secure the reclaimed wood and recycled products we plan to complete our interiors. While our general contractor works on our dispensary facility, construction will simultaneously begin on the first phase of our cultivation facility build-out. With an eye on completing construction as quickly and efficiently as possible, we have decided to use proprietary, modular interiors that will comprise the bloom, grow, cure, and processing rooms in our initial build out. This approach will enable us to complete any necessary leasehold improvements at our Lowell cultivation facility concurrent with the processing areas without losing time while we upgrade the facility infrastructure (power, water) to accommodate our needs. From the moment we first germinate our seeds, we will be prepared for sales to patients approximately three months thereafter and will then be capable of providing a consistent, safe, unadulterated, high quality, pure medical-grade product line perpetually.

Even though Exhibit 7.1 details the basic timelines, the detail underlying the planning process goes through several reviews that incorporate the requirements and oversight of the finance, construction, design and execution teams.

In MA, our first dispensary will be based on a design plan and build out schedule that has proven successful in highly regulated, State administered Medical Marijuana programs. Our team has completed the staffing, training, marketing, community outreach and regulatory inspections and reviews in desperate jurisdictions. We feel comfortable that we have been able to standardize our processes to the point where we are able to benefit from the economies of scale. All of the members of the management team are well versed in the project management of these facilities. The same can be said for the cultivation and processing facility to be located in Lowell. Members of our team have built over 30 cultivation facilities in various locations over the past two decades. Everything is based on habit (a local and State requirements). As usual, our facility design exceeds State minimum requirements.]

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.

[Based primarily on the experience of its affiliates in other Medical Marijuana jurisdictions, BSC anticipates modest yet steady growth over the first year of operations. Particularly given the fact that no Massachusetts patients have been registered at this time, the market is sure to present unique obstacles before

the program becomes self-sustaining. Fortunately, BSC is well prepared, both operationally and financially, as it has dealt with this identical scenario in Washington, DC where the company's affiliates were among the first licensed dispensaries and cultivation center in a nascent program without any patients to support the facilities. Over time, patients registered with the program and now BSC affiliates have substantial market share in the District because of the time and effort put forth in establishing a brand associated with health, wellness, caring, and a patient-first attitude.

Once fully licensed, first year operations will initially focus on the planning and construction of both the cultivation/processing facility and the dispensary facility. While we are anxious to get off the ground, BSC will take the time to ensure that the facility layouts are smart, efficient, and pragmatic and that security measures are integrated into the design. Once built, BSC will have reached its primary goal of commencing cultivation operations which then leads to commencement of dispensary operations approximately three months thereafter. Revenue in year one should prove to be humble, so BSC key indicators will not be based solely on financial factors. Patient feedback and overall satisfaction rates will be assessed and analyzed to determine areas of improvement. Once an area of operations has been designated as weak or unsatisfactory, the General Manager will be responsible for reconciliation and remediation efforts.

Five months after the commencement of operations, the cultivation facility is expected to be fully functional and operating at a production capacity correlating to the current market conditions. An internal review at that time will determine areas in need of improvement. Follow-up internal reviews will be conducted at the seventh and eleventh month marks unless circumstances dictate more regular reviews.

Two months after the dispensary facility opens, management will conduct an internal review of operations, taking into consideration patient feedback. Adjustments and improvements will be made when necessary to ensure a professional, clean, welcoming area focused on patient needs. Follow-up reviews will be conducted bi-monthly to ensure improvements are integrated and any new issues are addressed quickly and efficiently.

At the one year anniversary of both operations, an overall company audit and review will be used to assess the state of the business and make any necessary adjustments, whether minor or major. Patient satisfaction will drive our improvements in the dispensary, while the continued steady production of safe, pure, unadulterated, contaminant-free, medical-grade Marijuana products will drive our improvements in the cultivation/processing facility.]

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.

[Bay State Care LLC and its affiliates have built an experienced agricultural team with deep ties to the best and most innovative minds in the organic farming industry to supplement its own expertise in the Medical Marijuana cultivation industry. The company has assembled a uniquely experienced commercial cultivation and production team led by its Chief Horticultural Officer (CHO). As a mechanical engineer with over 25 years of experience in designing, building and managing Medical Marijuana cultivation facilities, our CHO currently oversees all production operations conducted by our. Upon licensure in Massachusetts, the CHO and his team of over 20 full-time-employees (including researchers, managers, compliance officers, technicians, security and trimmers with 250 years of collective experience) will execute the proposed design and operational plans, manage the construction of the production facility, implement the cultivation plan, and oversee the hiring and training of all facility staff. To date, every harvest in every jurisdiction in which we operate has passed each safety test performed by regulators and independent laboratories. These tests are designed to identify and measure the presence of any residual pesticides, mold, disease, heavy metals, or other contaminants. Additionally, we have never had a single incident of breach in internal security or compliance. This impeccable standard for performance will continue with Bay State Care in Massachusetts.

Our range of experience spans the gamut of growing environments from high quality, indoor organic hydroponic facilities that utilize highly specialized, proprietary designs to produce genetic replicas to larger (+35,000 sq. ft.) greenhouse operations that offer Dispensaries high quality, consistent products with a lower price point. Presently, we operate almost 85,000 square feet of cultivation space dedicated to the cultivation of pharmaceutical-grade Medical Marijuana. This cultivation footprint is spread out over several facilities in every imaginable climate (high/low altitude, dry/humid, desert/swamp conditions) in other jurisdictions. Having successfully adjusted to cultivating in these varied environments is what enables us to have the confidence to participate in Massachusetts' program as one of its trusted growers.

Our affiliates boast leading market shares in one of the nation's only for-profit markets and maintains an excellent record of compliance with Capitol regulations and policing authorities.

In Arizona, we operate SWC Tempe and 203 Organix (Prescott, AZ), which collectively consists of two RMDs and two registered cultivation/production facilities licensed by the Arizona Medical Marijuana program. Additionally, we were entrusted with and successfully completed a Court Appointed Receivership to open the facility in Surprise, AZ.]

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.

[Bay State Care believes that our most important responsibility is to produce products with the highest safety and purity standards possible. As such, we have consistently incorporated pharmaceutical- inspired elements into each of our State and Municipally Licensed Facilities.

Our cultivation platform was designed to manufacture products that are used specifically for medical purposes. Leveraging our in-house expertise in medicine, mechanical engineering, research and agriculture, we design everything from nutrients to engineering required for micro-climate controlled rooms. All of this is done to minimize the risk of patients being exposed to potentially lethal contaminants, while maximizing the effectiveness of the products we deliver. These self-imposed disciplines are more resource intensive than the industry standard but yield a consistent, containment-free product that will lead the market in quality, safety and efficacy.

In our production facility, Bay State Care has designed separate and distinct spaces for the cultivation of each distinct strain of medical marijuana, a commercial kitchen, as well as our drying/ curing, production/manufacturing, trimming, quarantine, and storage departments. In this unique design, each room has its own set of controls for temperature, humidity, simulated wind and other elements, allowing for maximum environmental control and limiting the spread of pests and other forms of contamination. Furthermore, each area is designed with environmental monitoring devices. Should changes occur in humidity or temperature, alarms will notify the monitoring staff, who in turn will notify the proper employees to commence remediation procedures.

Plant health will be consistently monitored and evaluated. Specifically, plants will be analyzed for macronutrients (e.g., nitrogen, phosphorus, potassium, magnesium, sulfur and calcium), trace levels of pesticides, the presence of pests (e.g., mites, spiders and insects), as well as mycotoxins, which are toxic metabolites produced by some molds. Measures will be taken to eliminate any contaminants and remedy — using products that carry the USDA National Organic Program seal—any nutritional deficiencies.

The company has also developed an SOP that specifies rigorous and routine analytical evaluation of the product. Standard analytical instrumentation (e.g., gas chromatography, high performance liquid chromatography, polymerase chain reaction, and enzyme-linked immunosorbent assay) will routinely analyze for the presence of microbes, pesticides, contaminants, macronutrients, specific contents of THC, CBD and CBN. These methods of analysis are used to evaluate 'consistency' between parent-daughter plants, inter-species plants, and "batches" of plants of the same species.]

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.

[Much like its affiliates, BSC will implement its standard damaged plant/product disposal procedure which is fully compliant with the guidelines set forth in 105 CMR 725.105(J). Safety and security are top priorities and waste management and disposal is no exception. Our Protocols call for the grinding and incorporation of the Medical Marijuana waste with solid wastes such that the resulting mixture renders the product unusable. Once rendered so, the facility will maintain the waste in either the quarantine room or another designated area within the facility (so as to prevent potential diversion beyond the walls of the premises) until a scheduled waste pick-up has been arranged with a local solid waste management facility holding a valid permit issued by the DEP (or the appropriate MA agency within the Commonwealth). Such pick-up shall be witnessed by two staff members.

When disposing of any waste containing Marijuana or by-products of Marijuana, authorized staff will adhere to all State regulations and create and maintain a signed written record of the date, type and quantity disposed as well as the manner of disposal in accordance with 105 CMR 725.105(J)(5). All disposals records will clearly state the persons present during the disposal. All such records will be kept onsite for no less than two and a half years and will be made available to State regulators upon request.

When applicable, our disposal team will adhere to the requirements for the disposal of liquid waste containing Marijuana or by-products of Marijuana by following the procedures set forth in 105 CMR 725.105(J)(2).

To ensure the safety of our employees and to discourage the potential diversion, theft or loss of our facility's Medical Marijuana, all disposal procedures, including the third-party waste pick-up shall take place within the view of surveillance cameras recording all activities. Any incidences shall be addressed and remedied immediately.

BSC will always accept and will never charge for disposal of excess or contaminated Marijuana from registered qualifying patients and personal caregivers. We will dispose the same by adhering to the same protocol and requirements as outlined above. We will provide complete, compliant and accurate documentation of this disposal process including the patients' or personal caregivers' name if applicable. All documentation will be made available to State regulators upon request.]

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.

[The Medical Marijuana program in Massachusetts is being implemented to provide relief to patients who suffer from a handful of qualifying conditions. Each condition has several debilitating symptoms, many of which may be alleviated by using Medical Marijuana or derivative products with unique delivery systems and pathways. We are committed to offering product lines that address every major delivery pathway and symptom for qualifying conditions.

BSC will offer an array of the highest quality, organic, pharmaceutical-grade Medical Marijuana products. The intended product line for the first year of operations includes the following:

- Raw Medical Cannabis flowers (i.e. dried Medical Marijuana "buds"), including at least 15 strains (Sativa, Indica and hybrid variants);
- Concentrated extracts (i.e. bubble hash, tinctures, vaporizer cartridges);
- Pre-rolls (i.e. grounded raw Medical Cannabis flowers prepared in ready-to-consume unbleached rolling papers);
- Medical Cannabis-infused olive oil and butter for home use; and

- Baked goods & edible products (i.e. cookies, brownies, popcorn/kettle corn, and other MIPs)
- Topical ointments and capsules (THC/CBD and CBD only)

TESTING, PREPARATION AND PACKAGING-BSC will test all of its products internally for quality control and externally in accordance with State Chapter 369 and 105 CMR 725.000 regulations (by a registered independent lab). Testing will determine the cannabinoid profile and will identify any contaminants, including but not limited to mold, mildew, heavy metals, plant-growth regulators, and the presence of non-organic pesticides. Products found to be contaminated shall be disposed of in a manner compliant with law and in accordance with BSC policies and procedures, which includes an assessment of the source of contamination and the destruction of the contaminated product.

Preparation of edibles will be conducted in compliance with the sanitation requirements of 105 CMR 500.000: Good Manufacturing Practices for Food and 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements.

All products will be packaged in opaque, tamper-proof, child-proof packaging made of shatter resistant, recyclable FDA-approved materials and will contain clearly indicated opening instructions in compliance with 105 CMR 725.105(E)3. Specifically, products will be packaged in unit sizes such that no single unit contains more than a month supply of Medical Marijuana. Labeling for all products shall contain all information required under sections 105 CMR 725.105(E)3.2 and 105 CMR 725.105(E)3.3.

PRODUCT DETAILS:

Aside from raw flower buds, BSC will offer at least 6 strains to be pre-packaged as pre-rolls (2 Indica, 2 Sativa, 2 hybrid). The pre-rolls will contain 0.5 grams of ground raw flowers and will be prepared in RAW brand natural, unbleached cone rolling papers or a similar product (beneficial for patients requiring hasty effects such as pain relief and appetite stimulation). Rolling papers come with pre-made tips for ease of handling and are chlorine free, 100% vegan, and less harsh than comparable products on the market.

BSC will offer infused olive oil and butter for home cooking (beneficial for patients with lung irritation complications). Such oil will consist of extracted Medical Marijuana and olive oil/butter only. Packaging will include cooking instructions so that patients may ingest their medicine in a number of ways that are suitable to their specific needs and tastes.

The company will offer at least four types of single-dose, single-use baked goods and edibles including mini chocolate chip cookies, bite-sized brownies, popcorn and kettle corn (beneficial for patients with lung irritation complications). Each product will only contain the basic ingredients of the edible foods itself and 60 mg of extracted Medical Marijuana-infused butter or oil. As an alternative to foods, we will offer two types of infused capsules for ingestion through the mouth, one with THC and one without, in order to balance both patients' active and sedative needs.

As a non-smoked alternative, we will offer at least two types of infused topical ointments. Infused topical ointments can be used to target specific areas where patients are experiencing pain and discomfort (beneficial for patients with MS, ALS, Parkinson's, spinal cord nervous tissue damage and acute pain). We plan on offering two types of topical ointments, one with THC and one without, in order to balance both patients' active and sedative needs.

For patients with more serious needs for all-day symptom relief via a small, concentrated dosage (beneficial for patients undergoing chemotherapy), we will offer at least one individual infused single use vaporizer cartridge. These cartridges can be used in commercially available vaporizers, and will be the equivalent of .5 grams of Medical Marijuana flower.

Finally, for patients who desire a more mild effect without smoking or vaporizing (beneficial for many patient types) will offer at least two types of glycerin-based tinctures (made without alcohol). We plan on offering two types of tinctures, one with THC and one without (i.e. CBD only) to balance both patients' active and sedative needs.]

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.

[BSC, as a result of its affiliates' experiences in other State licensed, highly regulated, medical markets, has partnered with a leading Medical Marijuana compliance, point-of-sale, CRM and inventory tracking software platform called MJ FREEWAY (www.MJ Freeway.biz). Over the past two years, we have worked in partnership with MJ FREEWAY to develop a platform that is able to accommodate and document each process, procedure and requirement of 105 CMR 725.000. The result of these efforts was our proprietary, integrated system that will perform all the functions required to maintain compliant inventory seed-to-sale tracking and related compliance activities (including chain of custody monitoring, plant, personnel and product movements through vegetation, growth, production, processing, packaging, storage, transport, and retail sale). While aspects of this system are available on the open market, our proprietary modifications have optimized the operating system and functionalities for highly regulated Medical Marijuana programs. It is vital to track all Medical Marijuana from the traditional standpoint of seed-to-sale; however, our systems, processes and procedures exceed the State's regulations. The first lines of defense against diversion and mishandling of inventory are our internal procedures that rely upon constant use of electronic recordkeeping, redundant paper copies of all interactions with Medical Marijuana and visual verification of handling protocols through 24/7 use of surveillance camera. We have had the opportunity to reassess the integrity of our processes in several environments and recognize that the regulations must be supplemented in order for us to meet the expectations of regulators and law enforcement.

Every plant grown in our RMD Cultivation/Processing center is assigned a barcode at its "birth." This unique ID becomes this plant's batch number and remains with the plant through its entire life cycle, including its conversion into Medical Marijuana flower, Infused Products and waste. Measured to 1/1000th of a gram, every plant, item in inventory and every aggregate batch of products are weighed, observed and, in many cases, photographed, during the daily review process. Each checklist and confirmation sheet must be signed by two employees to confirm the condition, weight, volume, location of Medical Marijuana and its derivative products. Every data point collected is recorded, stored and filed electronically and in paper form (with backup scans) and attached to the original bar-code identifier. As MJ FREEWAY tracks the development of each plant, it also records environmental conditions, nutrient mix and feeding schedules. The plant history logs detail all of the actions that occurred with the plant. Furthermore each team member has a unique user ID which enables us to match activity, timelines and personnel. Once a plant is harvested and moves from cure to processing (to become product) and packaging - all of the usable and waste material from the plant is tracked and recorded in our system to match refined product utilization amounts and waste material - the sum of the parts should equal the whole- which ensures confirmation of custody integrity.

All weights are confirmed by USB integrated scales that connect directly to MJ FREEWAY and record weights reducing the risk of human error. This rigorous tracking insures that we maintain accuracy in a searchable and accessible format for internal or external audit, legal confirmation or regulatory review.

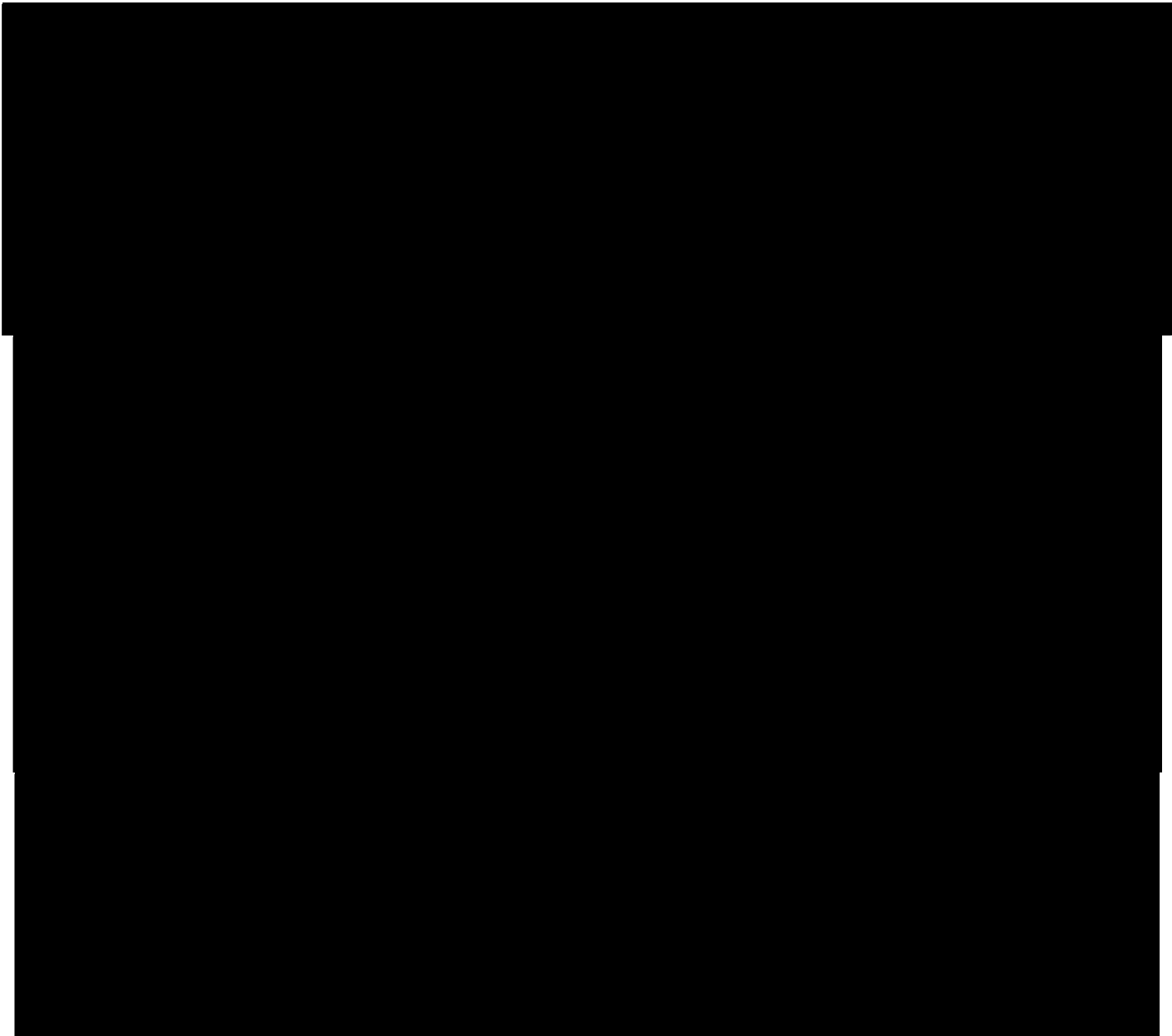
During cure, we store our product in sanitized glass containers that are bar-coded appropriately and placed in the secured cure room. Until the cured product is packaged for sale and delivery, it is placed in long-term storage (compliant with 105 CMR 725.105) in one pound nitrogen enveloped vacuumed sealed SmellyProof™ heavy duty plastic bags that protect the product from light and impact damage. [REDACTED]

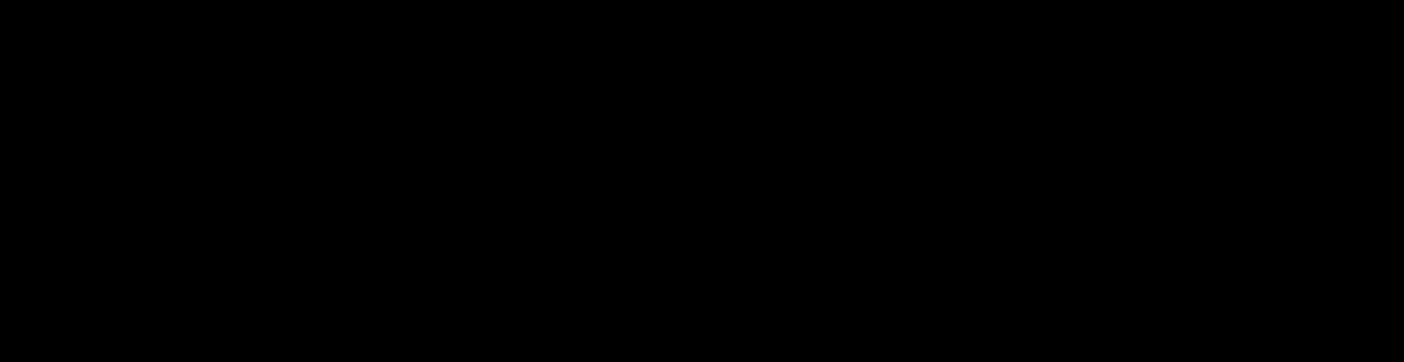
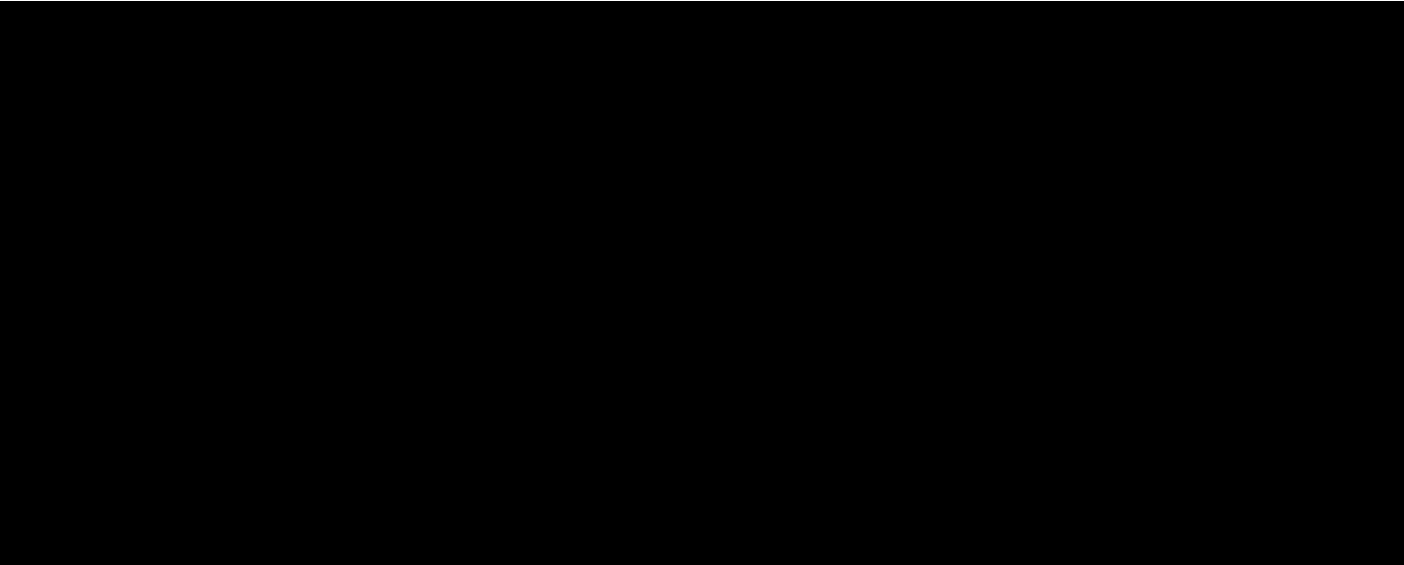
After cure, the bulk units are re-recorded, confirmed by two employees, re-logged into the system and moved into processing where they are re-weighed and packaged in child-proof, labeled packets based on the orders that have been placed by the RMD. All packaging, handling and processing are compliant with 105 CMR 725.000 and, in particular 105 CMR 725.105(A) Those packages are then weighed, recorded and kept in a secured storage container that is marked by the barcode and batch that were assigned at inception along with the

barcodes that are attached to each individual package. All of our plants, and the products that are derived from them, are from single batches to insure that we can accurately provide the full history of the product being sold.

All internal builds of raw bulk product into sellable packages are recorded, again, both in handwritten notes by the processing crew and into MJ FREEWAY to provide a dual audit system so that all bulk product is being properly accounted for. During packaging, any product that is too small to package, or any damaged product, is recorded and immediately and disposed of in accordance with 105 CMR 725.000-110, 314 CMR 3.00, 314 CMR 5.00, 314 CMR 7.00, 314 CMR 18.00, 310 CMR 16.02, 310 CMR 16.00 – if applicable.]

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.



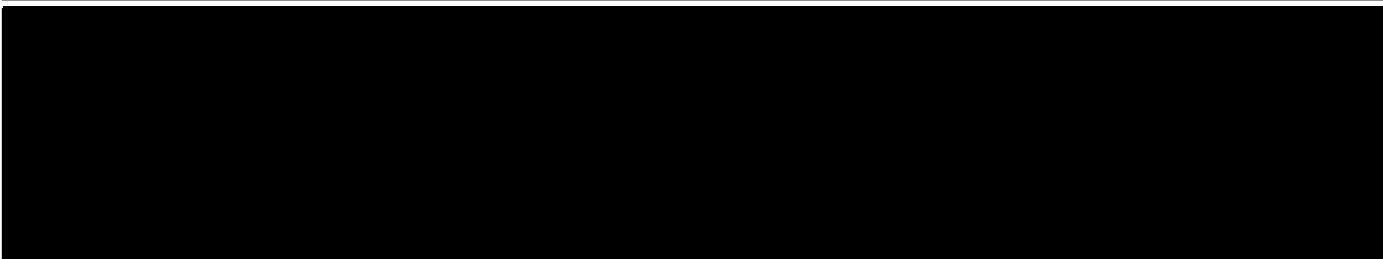
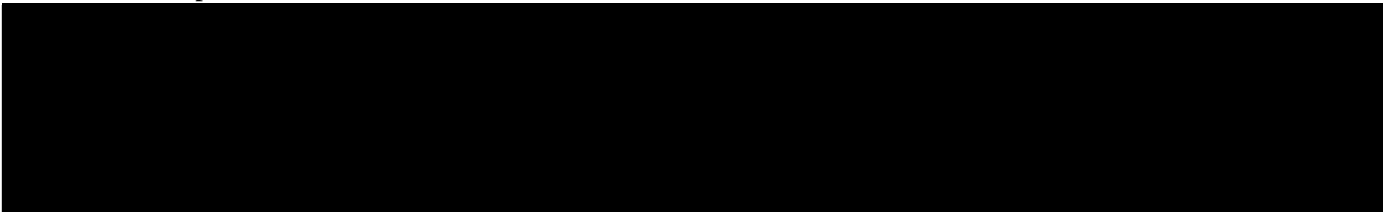
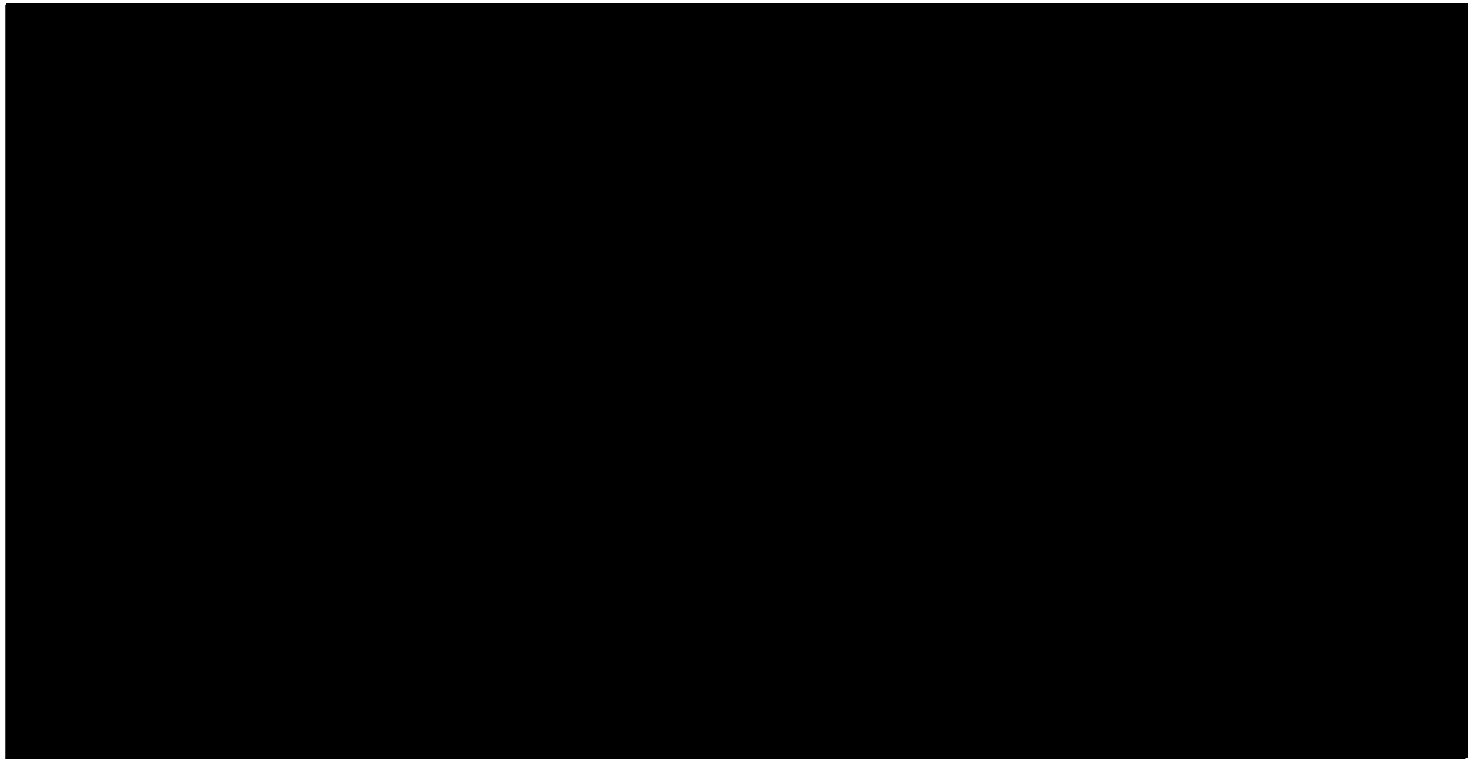


7.9 Define the applicant's service area and provide an analysis of the projected patient population and projected need in the service area of the proposed RMD, including the applicant's strategy for delivering culturally competent and linguistically appropriate services.

[BSC intends to service the patient population of Worcester County and surrounding areas. According to research conducted by our team, Worcester County's population is approximately 798,552, of which an estimated 30,480 people have qualifying conditions under Chapter 369 of the Act 105 CMR 725.000. BSC has been conservative in its market approach due to its affiliates' experiences in another nascent program where a new program was rolled out and has grown at a very moderate pace since its inception. That being said, BSC has prepared for the future potential by securing a lease in Lowell for a large scale cultivation/processing center capable of rapid expansion and immediate increase in output capacity; however, upon commencement of operations, BSC will purposefully use a scaled-down approach until the market becomes self-sustaining.

Once operating, our dispensary facility will cater to the local patient population which is comprised of a culturally and economically diverse spectrum of people including a significant Hispanic population. To accommodate our broad local market, BSC will offer educational materials, advertising, and services in multiple languages dependant on need. If necessary, we will retain the services of an interpreter and/or hire qualified multilingual employees who are otherwise highly qualified. Furthermore, BSC will offer educational materials and services for the hearing and visually impaired so that all patients are provided safe, reasonable and easy access to our medicinal products.]

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.

[BSC's patient record keeping system is based on two independent technology platforms working in concert. For internal compliance, inventory tracking, patient/employee activity, accounting, tax, financial reporting, EMR (Electronic Medical Record), and POS (Point of Sale), the company utilizes the fully-integrated, proprietary MJ FREEWAY system that we developed in partnership for use in highly regulated, state-licensed, Medical Marijuana programs. While MJ FREEWAY enables us to operate our internal compliance to 105 CMR 725.000 we also concurrently run the Department's Electronic Registration and Dispensing Tracking System (MA ELECTRONIC PATIENT DATABASE) at the facility registration/entry point and on the sales floor at each POS terminal.

The MA ELECTRONIC PATIENT DATABASE is used to register new patients or ensure only qualified registered patients are permitted in the facility. We also use the Department's system at the POS to (1) ensure qualifying patients are limited to their respective 60 day supply, and (2) to input the purchase data, including the product type and amount purchased, to ensure the State's system remains up to date and reconciles with all patient purchases. Such purchase limitations are subject to 105 CRM 725.010 (I).

BSC begins the registration process with traditional printed patient forms, all of which are stored electronically and in hardcopy. These forms are stored with the security and confidentiality required under HIPAA. We maintain our permanent, internal records through our fully compliant integrated HTTP Secured MJ FREEWAY database.

Prior to making any purchases or being given access to limited access areas, every new patient registers with our RMD Dispensary at reception. After confirming with the MA ELECTRONIC PATIENT DATABASE, we ask the patient to fill out forms while we complete a confirmatory review of their State-issued Medical Marijuana Patient Registration Card and another form of State-issued photo ID. These forms of identification and completed documents are scanned into our system along with our patient intake forms, which become the basis for the patient's permanent electronic medical record.

While the new patient is filling out the requisite facility registration paperwork, the employee will verify that the person is a qualified patient or designated caregiver by looking up their Registration Card information on the MA ELECTRONIC PATIENT DATABASE. The employee shall also verify that the individual has not met their purchasing limit set forth by Commonwealth law.

Following verification of the patient or designated caregiver, the receptionist will enter him or her into the "Queue" in the MJ FREEWAY system, which will ensure sales staff assists patrons on a first-come first-serve basis and also provide a synopsis of the patient's history and any notes that may help sales associates facilitate a positive interaction.

Every aspect of the patient interaction is recorded visually by the surveillance cameras, is time stamped as patient moves through the different areas of the facility and sales process, which is automatically tracked by MJ FREEWAY.

At the POS, the patient makes their selection and the items purchased are automatically logged into the system via the product's unique ID. Each team member has their own login and user ID with pre-set permissions. Because every asset in BSC is reflected in the MJ FREEWAY system and each action is tracked from seed-to-sale and linked directly to the accounting, inventory, medical record and compliance systems, there is very little opportunity for human error. Furthermore, the redundancy of two concurrent systems operating simultaneously (MJ FREEWAY and the MA ELECTRONIC PATIENT DATABASE) offers us an ideal system of checks and balances, however, technology and the requisite training on how to use these systems efficiently and effectively is a core competency that has been built over several years of operations in similar regulatory environme]

- 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.

[As a licensed dispensary operator for the State's Medical Marijuana program, one of BSC's primary responsibilities is to ensure that all patients have adequate access to the care, medicine, and health services they require. To meet this obligation, we will voluntarily implement several reduced cost pricing schedules for senior citizens, military veterans, the terminally ill and those who can demonstrate a financial need so that they will have subsidized (and in some cases free) access to Medical Marijuana, its derivative products and all related services.

COMPASSIONATE NEED PROGRAMS:

 ORIGINAL

•Senior Discount. A 12% discount on all purchases by senior citizens (65+)- Qualifies with valid Massachusetts issued ID

•Military Veteran Discount. A 15% discount on purchases- Qualifies with valid Massachusetts issued ID and a VA issued ID.

•Terminally Ill Discount. A 15% discount on purchases. In some cases, complimentary products- Qualifies with valid Massachusetts issued ID and signed note from treating physician.

•Low Income Discount. A 10-20% discount on purchases dependent on extent of need- Qualifies with valid Massachusetts issued ID and either Medicaid Card, SSI letter, or other proof of low-income status.

CRITERIA FOR FINANCIAL ASSISTANCE:

Qualifying patients must meet the following criteria to be eligible for low income discounts or to be eligible for increased discretionary discounts:

•Possess a valid and current Massachusetts-issued qualifying patient registration card

•Be an existing registered patient with BSC

•Be a minimum of 18 years of age

•Have exhausted all external subsidized funding sources first, which include but are not limited to:

1. Group or individual plans and health insurance

2. Medicare or Medicaid programs

3. Other Federal, State, or military programs

4. Worker's compensation programs

5. Health Reimbursement Accounts (HRAs)

6. Grant or other funds for which the patient may be eligible

BSC staff may require a patient to provide written proof that such patient is not eligible for external subsidized funding sources or has exhausted all external subsidized funding sources identified in the above list before providing assistance through the compassionate need program. Decisions are made without regard to age, race, sex, creed, ethnicity, religion or any other protected class. A letter will be sent to the patient within 7 days of applying notifying the patient whether they have been approved or denied (in other jurisdictions, we have 99% approval rates). The letter will define the time period for which the assistance will qualify. If the patient is denied, the letter will inform them as to the reason why and will contain information about appealing the decision to the facility. Patients will have 30 days from receipt of a denial letter to appeal and provide any additional information.]

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.

[BSC intends to offer its patients a wealth of educational resources related to responsible Medical Marijuana administration and its health effects, available in a several different languages as determined by the linguistic diversity of our patient pool. We have a network of experts representing all facets of Medical Marijuana treatment programs including agriculture/indoor horticulture, law enforcement, pharmacy, healthcare, law, research and development, information technology, and communications from which to draw our information.

Our team is equipped to provide patients access to the best resources related to safe and effective Medical Marijuana education, research and administration. BSC facilities are equipped with private rooms for 1-on-1 counseling and/or group sessions. Staff are all highly trained and available on site for patient care.

Through its affiliates, BSC operates best-in-class RMDs and has become the market share leaders by providing leading educational resources and treatment for their patients and by partnering with local leaders, neighboring communities, state regulators, law enforcement and healthcare professionals.

BSC expects to set the standards for others in the industry to protect the integrity of the products, education and service we provide. Through these efforts we will ensure that qualified patients have access to the information they need.

BSC will be a leading resource for education pertaining to Medical Marijuana and will leverage professional and compassionate interaction directly along with channels such as websites, forums, and community events to provide information for qualified patients to make informed decisions. The value of our services will be apparent in our ability to provide education (including optimal dosing for reproducible medical effects) and appropriate warnings about the safe and effective usage of all our products.

Dedicated private patient education areas will be imbedded in the RMD design to facilitate the integration of Medical Marijuana into traditional healthcare standards of care. BSC will offer several proprietary research programs, including the Integrated Medical Marijuana and Counseling (“IMMAC”) program designed and overseen by medical professionals and independent institutions to monitor patient compliance and track measured outcomes data for use in clinical study – with the goal of peer review and assessment.

Educational materials including books, newsletters, pamphlets, product comparison charts, patient testimonials and research studies will be available for patients as will electronic tablets providing access to current digital tools and content. Materials will be linguistically and culturally appropriate, and available in braille, and produced with a health literacy level appropriate to our patients. Specifically, these educational tools will include information to help patients through the selection process with details on strains, dosage and various means of administration. Materials will include warnings regarding associated health risks and will specify that Marijuana has not been approved by the FDA so there is limited medical information available at this time. They will state that products must be kept away from children and when under the influence, driving is prohibited. We will also foster discussion on tolerance, dependence and withdrawal when using our products and we will be versed in local substance abuse treatment program options for patients in need.

Additionally, our website will offer a variety of educational resources including patient and physician networking, access to research studies relating to responsible use of Medical Marijuana, news and information on events and focus groups as well as the ability to connect with a qualified caregiver 1-on-1 to inquire about the administration and side of effects of Medical Marijuana.

BSC will support patient advocacy by facilitating patients’ ability to share their experiences and educate other qualified patients. BSC will also give patients the ability to donate, anonymously, their usage/efficacy information so that research partners can use its patient database to screen for candidates to include in studies or trials. We will partner with leading doctors, clinics and case workers using a HIPAA compliant IT system.]

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.

[We will take a 360° approach to marketing in an effort to empower qualified patients to conveniently and securely access the education, services, products and resources their treatment requires. All marketing will be compliant with 105 CMR 725.105 (L).

BSC's logo, as seen on in the headers of the Exhibits attached hereto, will be clean and simple in nature with a circular, 2-color graphic with 13 stars. The logo accompanied by our name, “BSC” will serve as the company mark that will be included in all marketing materials including our website, brochures, signage, and any outreach efforts we put forth. External signage will act solely as wayfinding and will include the company logo.

Our marketing and communications plans will position us as the leading provider of Medical Marijuana services and products in Massachusetts. Additionally, the plan will position BSC as the following:

1. Leading resource for awareness and education around responsible use of Medical Marijuana

2. Responsible community member and contributing partner to relevant organizations including healthcare, law enforcement, and patient advocacy groups

3. Industry leader in compliance, safety, quality and professionalism

BSC will create awareness around the products and services offered by sharing information through digital, print and outreach efforts. There will be no direct advertisement but rather education and information around Medical Marijuana as a solution for qualified patients. Awareness will primarily happen naturally through the partnerships maintained with members of the local healthcare and advocacy groups.

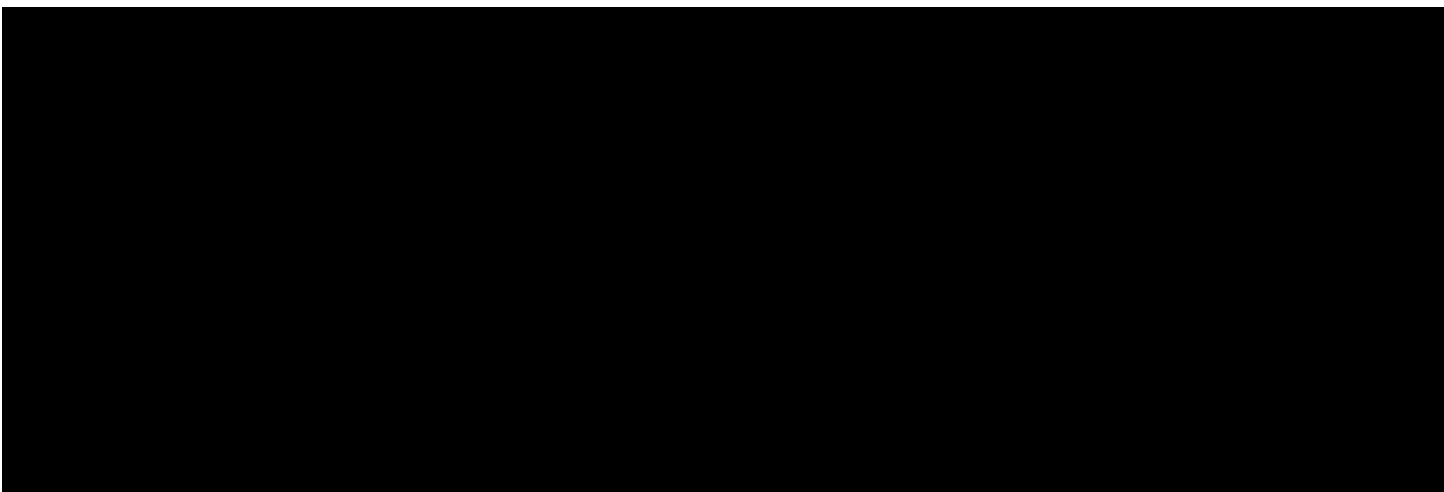
Based on the range of our product offering we will be able to consistently offer our patients a broad spectrum of pricing which will be communicated through our website and retail marketing materials. We will NOT advertise pricing or promotions in any traditional print advertising channels. Pricing, as done in our affiliates' markets, will approximate the local market rate for non-medicinal (illegal) Marijuana to discourage any incentive for black market diversion. We will offer our patients frequent promotions to help incentivize trial of new strains and product offerings. BSC will offer discounts to qualified patients in need including low income, senior citizens, terminally ill patients and veterans.

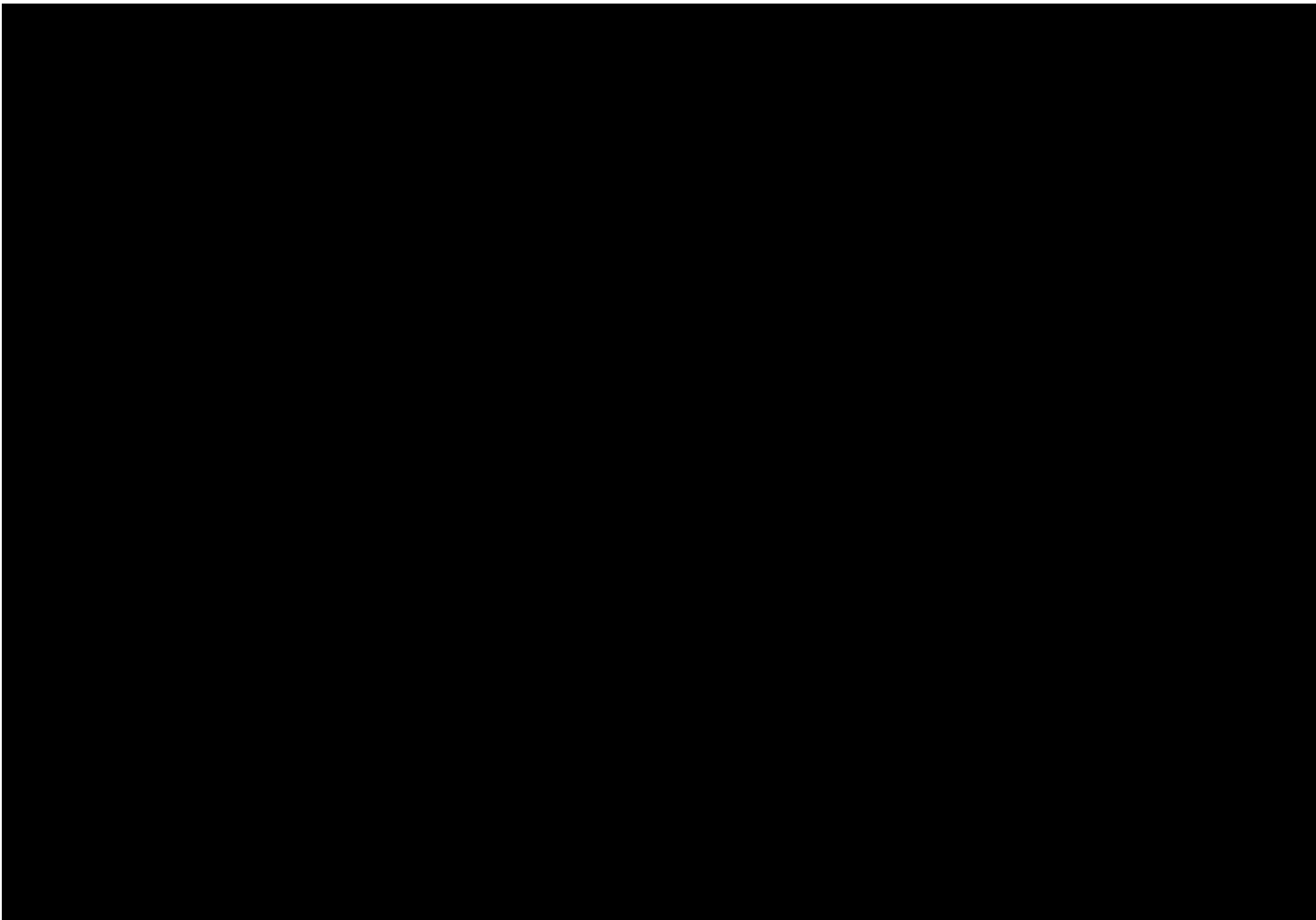
BSC will hire and train the most qualified dispensary facility staff to ensure the most comprehensive and highest quality one-on-one patient care and follow up. The initial patient consult will consist of a complete medication therapy management program looking to capture patients' medication history, problem history, allergies, primary care provider, etc. The follow-up consult will consist of documentation on past refill prescription strain and outcome. We will monitor for side effects from patients' medication list. We will also address concerns relating to costs of medications. Using RX software, we can price shop for patients to find cheapest prices on non-Marijuana medications. In addition to this 1-on-1 service, we will provide onsite tools for patients to access including product comparison charts, detailed product brochures, signs communicating news and events related to responsible use and networking, tablets for patient access.

We will foster an ongoing relationship with our patients in order to offer them continued education and resources around responsible use of Medical Marijuana throughout their treatment program. We will do this with tools such as email, direct mail, and ongoing outreach to ensure their patients and caregivers have the most secure and accurate information and resources available. We will also provide patients with a mobile application to enable the most convenient access to dispensary facility services.

]

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.

[BSC is committed to implementing a strict and confidential incident report policy which will ensure compliance with 105 CMR 725.110(F). Dispensary agents shall be required to make a written report of any of the following incidents to his or her manager, who will then be required to create a written report of the incident to the General Manager of BSC immediately: (a) discrepancies identified during inventory, diversion, theft, loss, and any criminal action involving the RMD or a dispensary agent; (b) any suspicious act involving the sale, cultivation, distribution, processing, or production of Marijuana by any person; (c) unauthorized destruction of Marijuana; (d) any loss or unauthorized alteration of records related to Marijuana, registered qualifying patients, personal caregivers, or dispensary agents; (e) an alarm activation or other event that requires response by public safety personnel; (f) the failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last longer; (g) any other breach of security.

The General Manager of BSC shall be required to immediately notify appropriate law enforcement authorities and the Department within 24 hours after discovering an incident involving any of the above circumstances. The General Manager, within ten (10) calendar days, shall also be required to file a written report to the Department of any incident described in 105 CMR 725.110(F)(1), by submitting an incident report in the form and manner determined by the Department which details the circumstances of the event, any corrective actions taken, and confirmation that the appropriate law enforcement authorities were notified.

All documentation related to an incident that is reportable pursuant to 105 CMR 725.110(F)(1) shall be maintained by BSC for at least two (2) years and will be made available to the Department and to law enforcement authorities acting within their lawful jurisdiction upon request.

Any other adverse incidents, consumer complaints, or operational concerns which are not required to be reported to law enforcement or the Department pursuant to the regulations which arise in the course of operating the RMD will be taken seriously and acted upon within an appropriate time frame under the circumstances. BSC recognizes that the health and safety of its employees and the public are of paramount concern. Any report of an adverse incident, consumer complaint, or operational concern which implicates the health and safety of either BSC's employees or the public will be acted upon immediately by the Executive Director.

Any dispensary agent or manager who fails to comply with the incident report policy will be subject to suspension of their duties without pay or termination of their employment with BSC.]

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: *Sean* | Last Name: *Gebhardt*

Title: *CEO*

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



ORIGINAL

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.



Bay State Care Corp, Exhibit B

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

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

Corporation Name: Bay State Care Corp

Application # (if more than one): 1

	Name	Role within the Corporation
1	Sean D. Gabriel	CEO, President, Treasurer, Clerk
2	Nate Nienhuis	Director



Bay State Care Corp, Exhibit 1.3

**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: Bay State Care Corp

Application # (if more than one): 1

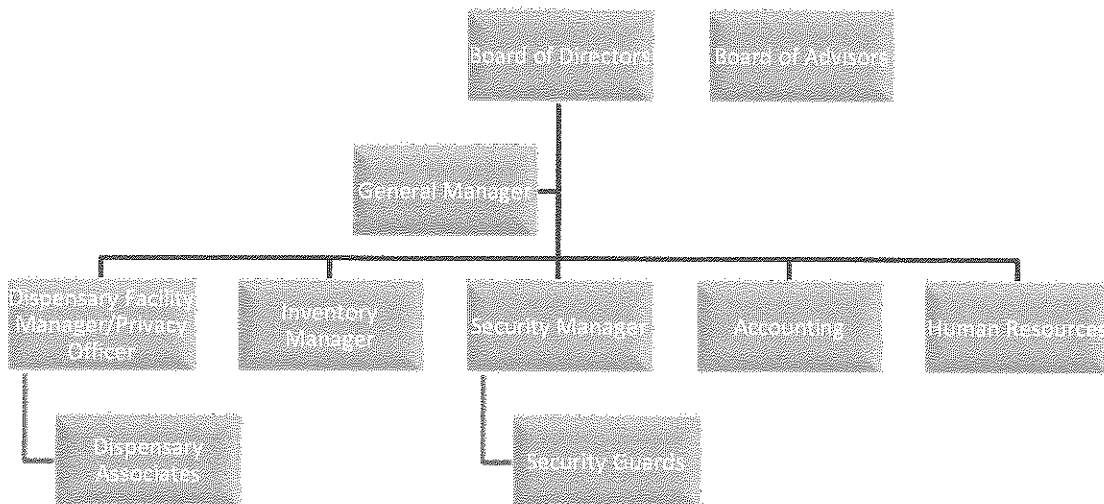
Attach organizational chart.



Bay State Care Corp. Exhibit 1.3

Bay State Corp plans to segregate its dispensary operations from its cultivation and processing operations by locating each in distinct facilities. Accordingly, each facility-type has its own organizational structure, as described below in greater detail.

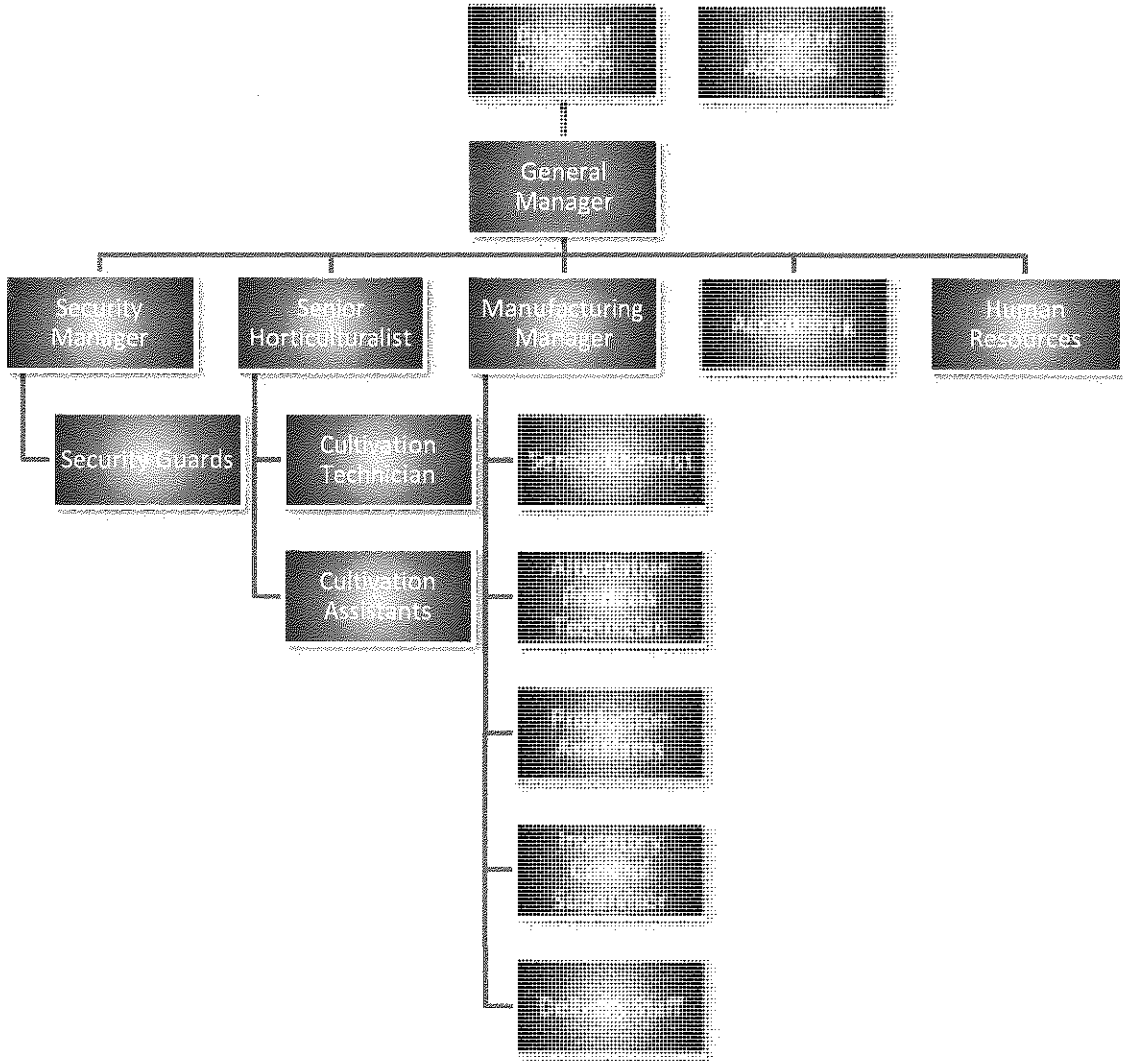
Bay State Corp RMD (dispensary operations) Organizational Chart





Bay State Care Corp, Exhibit 1.3

Bay State Corp RMD (cultivation/processing operations) Organizational Chart





Bay State Care Corp, Exhibit 1.3

POSITION DESCRIPTIONS

Board of Directors

Formulates and oversees the implementation of the strategic goals, vision and mission of Bay State Corp. Board Members generally govern the organization, ensure compliance with the company's bylaws, establish broad policies and objectives, ensure the availability of adequate financial resources, approve annual budgets, and set the compensation packages for the company's management.

Names & Positions

- Sean Gabriel – Chief Executive Officer, President, Treasurer, Clerk, Member
- Nate Nienhuis – Director Member

Board of Advisors

Provides advice and counsel to the Board of Directors with regards to the strategic goals, vision and mission of the organization. Board of Advisor Members, which includes the Scientific Advisory Board, offer opinions on the establishment of broad policies and objectives, and advise on the various transactions of the organization.

Names & Positions

- Thomas A. Fleming – Chief Security Advisor
- Seth Herring – Chief Horticulturalist

General Manager

Oversees both the dispensary operations and the cultivation/processing operations of the RMD. This position acts as a liaison between all staff and the Board of Directors, between the company and local law enforcement, between the company and the DPH, and between the company and the local community at large. This position also ensures overall compliance with Commonwealth law, rules and regulations governing the Medical Marijuana program. The General Manager is responsible for safely and securely maintaining all required records, as well as ensuring all employees are properly trained and educated. The General Manager reports directly to the Board of Directors. The initial proposed General Manager is:

- James Sinclair – General Manager



Bay State Care Corp. Exhibit 1.3

Dispensary Facility Manager

Oversees the entire dispensary operation and ensures that the RMD successfully delivers on its mission and business objectives. This position also oversees proper registration and training of all dispensary employees, oversees record management and retention, and maintains physical security of Medical Marijuana. The Dispensary Facility Manager reports directly to the General Manager.

Privacy Officer

HIPAA requires that every pharmacy, and likely the dispensary facility as well, appoint a Privacy Officer who must develop and regularly update the organization's privacy policies and procedures. At Bay State Corp, the Dispensary Facility Manager will serve as the Privacy Officer who will also be responsible for all information security requirements, including the requirement that patient information remain confidential. The Privacy Officer will draft and implement the appropriate policies and procedures, keep such documents on file, and collaborate with other personnel to ensure strict compliance. The Privacy Officer reports directly to the General Manager.

Dispensary Associates

Assists patients by dispensing the Medical Marijuana, facilitating the selection of the appropriate Medical Marijuana products from the available inventory, affixes compliant labels to containers, and provides instructions regarding the use of Medical Marijuana. The dispensary associates report directly to the Dispensary Facility Manager.

Inventory Manager

Oversees procurement and proper storage of medicinal products from the cultivation/processing operations and ensures all deliveries are accurate. The position will also oversee any changes to the product line to reflect patient demand. The Inventory Manager reports directly to the General Manager.

Senior Horticulturalist

Oversees all cultivation operations and activities from plant genetic selection to nutrient feeding schedule to the harvest and curing process. This position ensures the sterility of the facility and cleanroom cultivation process is implemented according to protocol, and free of any pests,



Bay State Care Corp, Exhibit 1.3

molds, mildews, disease, non-organic products and the like. The position necessitates an innate understanding of what a plant requires – whether it be nutrients, less/more light, or even sound and human connection – based on a plant’s then-current expression, posture, color, and scent.

The Senior Horticulturist will ensure that all RMD employees under his management will be properly trained and knowledgeable in Bay State Corp’s policies and procedures, advanced organic cultivation methods, and the Medical Marijuana production parameters set forth by Commonwealth law. This position reports directly to the General Manager. The initial proposed Senior Horticulturist is:

- Seth Herring – Chief Horticulturist

Cultivation Technicians

This position supports the activities of the Senior Horticulturist, particularly with activities related to maintaining a sterile working environment, a cleanroom cultivation process, and all measures to prevent the adulteration of products including keeping plants free of pests, mold, and other contaminants. This position also assists in the administration of the nutrient feeds, watering, pruning, and other hands-on cultivation procedures. The cultivation technicians report directly to the Senior Horticulturist.

Cultivation Assistants

Generally assists the Senior Horticulturist and Cultivation Technicians in all their activities. This position is also responsible for the intense labor related to the harvest and trimming of cultivated plants. The cultivation assistants report directly to the Senior Horticulturist.

Manufacturing Manager

Oversees the activities of the Senior Chemist, the Alternative Products Technicians, and the Inventory Control Supervisor, and ensures all final products are safe, secure and ready for sale to our patients. This position serves as the liaison to the General Manager. This position also oversees the maintenance and storage of all cultivation/processing RMD records, and oversees the staging and loading of delivery vehicles. The Manufacturing Manager reports directly to the General Manager.

Senior Chemist



Bay State Care Corp, Exhibit 1.3

Oversees all internal testing of raw flowers, concentrates and alternative Medical Marijuana products, and provides for the accuracy of all packaging and labels in conformance with Bay State Corp's quality assurance protocols and Commonwealth law. This position works closely with the Alternative Products Technician. The Senior Chemist reports directly to the Manufacturing Manager.

Alternative Products Technicians

Oversees all processing of concentrates and processing of all alternative Medical Marijuana products, including MIPs. This position is also oversees the safety and quality control of the kitchen and the manufacturing of these products, and assures these products are produced in accordance with the Medical Marijuana program's rules and regulations. The alternative products technicians report directly to the Manufacturing Manager.

Production Assistants

Generally assists the activities of the Alternative Products Technicians, including handling extractions, infusing butter and oil for the manufacturing of MIPs, cooking/baking, packaging and labeling, and proper storage. The production assistants report directly to the Manufacturing Manager.

Inventory Control Supervisor

Oversees the inventory, disposition and order fulfillment of our Medical Marijuana after harvest, and our MIPs, to ensure that all of our protocols for product safety, packaging, bulk storage, retail packaging, and labeling are being followed. Responsible for generating and auditing all inventory control data input and report generation. The Inventory Control Supervisor reports directly to the Manufacturing Manager.

Delivery Staff

Handles the transportation and delivery of all products to the dispensary arm of the RMD for sale to our patients. This position is responsible for the safe and secure transition of the products and must follow company protocol and Commonwealth law governing transportation. The delivery staff report directly to the Manufacturing Manager.



Bay State Care Corp, Exhibit 1.4

**BOARD OF DIRECTORS
(Exhibit 1.4)**

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

Corporation Name: Bay State Care Corp Application # (if more than one): 1

	Board Role	Name	Date of Birth	Business Email	Business Address
1	Clerk (Chief Executive Officer, President, Treasurer)	Sean D. Gabriel	[REDACTED]	BayStateCare@yahoo.com	366 Broadway Everett, MA 02149
2	Director	Nate Nienhuis	[REDACTED]	nate@growlite.com	1 Milkshake Lane Annapolis, MD 21403



Bay State Care Corp, Exhibit 1.5

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: Bay State Care Corp Application # (if more than one): 1

A. Member as Individuals

	Individual Name	Business Address	Type of Membership Rights
1	Sean D. Gabriel	366 Broadway Everett, MA 02149	90% membership rights with correlating membership voting rights
2	Nate Nienhuis	1 Milkshake Lane Annapolis, MD 21403	10% membership rights with correlating membership voting rights



Bay State Care Corp, Exhibit 1.6

**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: Bay State Care Corp

Application # (if more than one): 1

Attach bylaws.

BYLAWS OF BAY STATE CARE CORP

A Massachusetts Nonprofit Corporation

Article I. PURPOSE

Bay State Care Corp is a Massachusetts nonprofit corporation organized for any valid purpose for which a nonprofit corporation may be formed pursuant to Massachusetts General Laws Chapter 180, Section 4.

Article II. SEAL AND FISCAL YEAR

The seal shall be circular in form with the name of the corporation around the periphery and the year and state of the incorporation within. The fiscal year shall commence on the first day of January of each year or such other date as the directors may determine.

Article III. MEMBERSHIP

Section 1. Enumeration. The initial members of the corporation shall be Sean D. Gabriel and Nathan Nienhuis. Members shall thereafter be elected at the annual meeting of the members. The members may, by a majority vote of the interests held by its members, elect from time to time additional members of the corporation. Except as hereinafter provided, the members shall hold office until the next annual meeting of the members and until their respective successors are elected and qualified.

Section 2. Additional Members and Substitution. Bay State Care Corp. may issue additional Membership interests to, or admit any other Person as, a Member only upon a majority vote of the interests held by its members.

Section 3. Resignation. Any member may resign at any time by giving notice of his or her resignation in writing to any officer or director of the corporation.

Section 4. Removal. Members may be removed from membership at any time with or without cause by a majority vote of the interests held by its members.

Article IV. MEETINGS OF THE MEMBERS

Section 1. Place. All meetings of the members shall be held at such place within the United States of America as is named in the call.

Section 2. Annual Meeting. The annual meeting of the members shall be held on the 1st Monday in May and shall be called by the president, treasurer, clerk or any director. In the event the annual meeting is not held on such date, a special meeting in lieu of the annual meeting may be held with all the force and effect of an annual meeting.

Section 3. Special Meetings. Special meetings of the members may be called by the president and shall be called by the clerk, or in the case of the death, absence, incapacity or refusal of the clerk, by any other officer, upon written application of any member or members entitled to vote thereat.

ORIGINAL

Section 4. Notice. All meetings of the members shall be called by giving at least seven days notice to each member stating the place, day and hour for the meetings and the purpose thereof. Notices shall be mailed postpaid to, delivered at the address of the members as they appear on the books of the corporation, or sent by electronic mail. Whenever notice of a meeting is required to be given a member under applicable law, the articles of organization or these bylaws, a written waiver thereof, executed before or after the meeting by such member or his attorney thereunto authorized and filed with the records of the meeting, shall be deemed equivalent to such notice. Notwithstanding the foregoing, notice of any change of the date fixed in the bylaws for the annual meeting shall be given to all members at least twenty (20) days before the new date fixed for such meeting.

Section 5. Quorum. Members holding a majority membership interest 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.

Section 6. Membership Interests. Sean D. Gabriel shall have a ninety (90) percent membership interest and Nathan Nienhuis shall have a ten (10) percent membership interest.

Section 7. Voting. At all meetings of the members every member shall be entitled to one vote of his membership interest. When a quorum is present at any meeting, the vote of a majority of interests held by the members represented thereat shall, except where a larger vote may be required by law, the articles of organization or these bylaws, decide any question brought before the meeting. Members may vote by written proxy dated not more than six months before the meeting named therein, which shall be filed with the clerk of the meeting, or any adjournment thereof, before being voted.

Section 8. Action by Consent. Any action required or permitted to be taken at any meeting of the members may be taken without a meeting if all the members consent to the action in writing and the written consents are filed with the records of the meetings of the members. Such consents shall be treated for all purposes as a vote at a meeting.

Article V. OFFICERS AND DIRECTORS

Section 1. Enumeration. The corporation shall have a board consisting of directors who shall have the powers and duties of a board of directors under Massachusetts law. The officers of the corporation shall be a president, treasurer, clerk and such other officers as the board shall elect. The board of directors may designate persons or groups of persons as sponsors, benefactors, contributors, advisors or friends of the corporation or such other title as they deem appropriate.

Section 2. Qualifications. No officer need be a director or member. Two or more offices may be held by the same person. The clerk shall be a resident of Massachusetts unless a resident agent shall have been appointed pursuant to Massachusetts law.

Section 3. Directors. The initial directors shall be those persons named as directors in the articles of organization. Thereafter, the directors shall be elected biannually at the annual meeting of the members. The members may, by vote of a majority of the membership interests, elect from time to time additional directors of the corporation. Except as hereinafter provided, the directors shall hold office until the next biannual meeting of the members and until their respective successors are elected and qualified.

Section 4. Officers. The initial officers shall be those persons named as officers in the articles of organization. Biannually, the directors at their annual meeting shall elect a president, treasurer and clerk, who shall hold office until the date fixed by these bylaws for the next biannual meeting of directors and until their respective successors are elected and qualified. The directors also may at any time elect such other officers as they shall determine. Officers may be removed from their respective offices with or without cause by vote of a majority of the directors then in office.

Section 5. Sponsors, Benefactors, Contributors, Advisors, Friends of the Corporation. Persons or groups of persons designated by the board as sponsors, benefactors, contributors, advisors or friends of the corporation or such other title as the board deems appropriate shall, except as the board shall otherwise determine, serve in an honorary capacity. In such capacity they shall 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 6. Resignation. Any director or officer may resign at any time by giving his or her resignation in writing to the president, treasurer, clerk or any other officer or director of the corporation.

Section 7. Removal of Directors. Directors may be removed from office at any time with or without cause by a majority vote of the directors then in office or by a majority vote of the members.

Section 8. No Right to Compensation. Unless the directors in their discretion provide for compensation, no director or officer resigning, and (except where a right to receive compensation shall be expressly provided in a duly authorized written agreement with the corporation) no director or officer removed, shall have any right to any compensation as such director or officer for any period following his resignation or removal, or any right to damages on account of such removal, whether his compensation be by the month or by the year or otherwise.

Section 9. Vacancies. Continuing directors may act despite a vacancy or vacancies in the board and shall for this purpose be deemed to constitute the full board. Any vacancy in the board of directors, however occurring, including a vacancy resulting from the enlargement of the board, may be filled by the directors, unless previously filled by the members in the election of the directors. Vacancies in any office may be filled by the directors.

Article VI. MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Place. Meetings of the board of directors shall be held at such place within or without Massachusetts as may be named in the notice of such meeting.

Section 2. Annual and Regular Meetings. The annual meeting of the board of directors shall be held each year immediately after and at the place of the annual meeting of the members. In the event the annual meeting is not held on such date, a special meeting in lieu of the annual meeting may be held with all the force and effect of an annual meeting. Regular meetings may be held at such times as the directors may fix.

Section 3. Special Meetings. Special meetings of the board of directors may be called by the president at other times throughout the year.

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Section 4. Notice. No notice need be given for a regular or annual meeting. Forty-eight hours' notice by mail, telegraph, telephone or word of mouth shall be given for a special meeting unless shorter notice is adequate under the circumstances. A notice or waiver of notice need not specify the purpose of any special meeting. Notice of a meeting need not be given to any director if a written waiver of notice, executed by him before or after the meeting, is filed with the records of the meeting, or to any director who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him or her.

Section 5. Quorum. A majority of the directors then in office shall constitute a quorum, but a smaller number may adjourn finally or from time to time without further notice until a quorum is present. If a quorum is present, a majority of the directors present may take any action on behalf of the board except to the extent that a larger number is required by law, the articles or organization or these bylaws.

Section 6. Action by Consent; Telephone Conference Meetings. 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. Members of the board of directors of the corporation or any committee designated thereby may participate in a meeting of such board or committee 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.

Section 7. 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 director or directors have or may have interests therein that are or might be adverse to the interests of the corporation. No director 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 director or directors be accountable for any gains or profits to be realized thereon.

Notwithstanding the foregoing, nothing in this section shall require a director who is a member, stockholder, trustee, director, officer or employee of an affiliate of the corporation to disclose his or her relationship with such affiliate in connection with a discussion of, or vote on, any matter dealing with such affiliate and such relationship shall not be deemed a conflict of interest for any purpose, unless otherwise expressly determined by an affirmative vote of a majority of all the directors then in office. For purposes of this section, an affiliate shall mean any entity under the common control of the corporation.

Article VII. POWERS AND DUTIES OF DIRECTORS AND OFFICERS

Section 1. Directors. The directors shall be responsible for the general management and supervision of the business and affairs of the corporation except with respect to those powers reserved to the members by law, the articles of organization or these bylaws. The board of directors may from time to time, to the extent permitted by law, delegate any of its powers to managers or committees, subject to such limitations as the board of directors may impose.

Section 2. President. The initial president of the corporation is Sean D. Gabriel. The president shall be the chief executive officer of the corporation and as such shall have charge of the affairs of the corporation subject to the supervision of the board of directors and shall preside at all meetings at which he or she is present. The president shall also have such other powers and duties as customarily belong to the office of president or as may be designated from time to time by the board of directors.

Section 3. Treasurer. The initial treasurer of the corporation is Sean D. Gabriel. The treasurer shall also have such powers and duties as customarily belong to the office of treasurer or as may be designated from time to time by the president or the board of directors.

Section 4. Clerk. The initial clerk of the corporation is Sean D. Gabriel. The clerk shall record all proceedings of the member and directors in a book or books to be kept therefor and shall have custody of the seal of the corporation.

Section 5. Other Officers. Other officers shall have such powers as may be designated from time to time by the board of directors.

Article VIII. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The corporation shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as a 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 director, officer or director of, or in a similar capacity with, another organization, 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 he or she may become involved by reason of his or her 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; 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 article, 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 or her action was in the best interests of the corporation if he or she acted in good faith in the reasonable belief that his or her 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 or she 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 director of the corporation approves the payment of indemnification, such director 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, (2) by a majority vote of a committee of two or more directors who are not at that time parties to the proceedings and are selected for this purpose by the full board (in which selection directors who are parties may participate), or (3) by the members of the corporation if disinterested; 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), (2) or (3) of subparagraph (i); or
- (iii) the payment is approved by a court of competent jurisdiction; or
- (iv) the directors may have otherwise acted in accordance with the standard of conduct set forth in Chapter 180 of the Massachusetts General Laws.

Any indemnification or advance of expenses under this article 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 article shall be a contract right inuring to the benefit of the directors, officers and other persons entitled to be indemnified hereunder and no amendment or repeal of this article shall adversely affect any right of such 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 director, officer or other person entitled to indemnification hereunder. The in-

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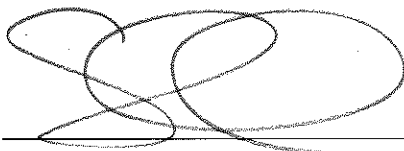
demnification provided hereunder may, to the extent authorized by the corporation, apply to the directors, officers and other persons associated with constituent corporations that have been merged into or consolidated with the corporation who would have been entitled to indemnification hereunder had they served in such capacity with or at the request of the corporation.

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

Article IX. AMENDMENT

These bylaws may be altered, amended or repealed, in whole or in part, by the affirmative majority vote of the interests held by its members present and voting at any meeting, the notice of which contains a statement of the proposed alteration or amendment. The directors may also make, amend or repeal these bylaws in whole or in part and shall give written notice of such action to the membership before the next meeting of members. Any such alteration, amendment or repeal by the directors may then be altered, amended or repealed, in whole or in part, by the affirmative vote of a majority of the membership entitled to vote thereon. Notwithstanding the above provisions of this Article IX, any amendment, alteration or repeal of a bylaw by the directors as provided for in this Article shall be valid and given full force and effect unless and until acted upon by the membership.

I hereby attest that the foregoing represents the bylaws of Bay State Care Corp and such bylaws were duly adopted by the Board of Directors on August 13, 2013.



Sean D. Gabriel, Clerk

Dated: August 13, 2013

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Bay State Care Corp, Exhibit 1.7

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: Bay State Care Corp

Application # (if more than one): 1

Please check box if articles have changed since Phase 1:

YES

NO



Bay State Care Corp, Exhibit 1.8

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

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

Corporation Name: Bay State Care Corp Application # (if more than one): 1

N/A



Bay State Care Corp. Exhibit 1.9

**REFERENCES
(Exhibit 1.9)**

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

Corporation Name: Bay State Care Corp. Application # (if more than one): 1

	Name of Reference	Business Phone & Email	Relationship to Applicant	Dates of Relationship
1	Timothy Hughes	(202) 487-0113 Timhughes2201@yahoo.com	Business Partner	6/2000 to present
2	Elizabeth Davenport	(202) 276-0868 DavenportL@advisory.com	Business Partner	1/2002 to present
3	Mark Johnson	(410) 218-5282 mjohnson@pacificlife.com	Supervisor	11/2010 to present



Bay State Care Corp. Exhibit 2.1

**EXECUTIVE MANAGEMENT TEAM
(Exhibit 2.1)**

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

Corporation Name: Bay State Care Corp Application # (if more than one): 1

	Management Role	Name	Date of Birth	Business Email and Phone Number	Business Address
1	Chief Executive Officer/President/Treasurer /Clerk	Sean D. Gabriel	[REDACTED]	(703) 626-5863 BayStateCare@yahoo.com	366 Broadway Everett, MA 02149
2	Director	Nate Nienhuis	[REDACTED]	(949) 463-1374 nate@growlite.com	1 Milkshake Lane Annapolis, MD 21403



Bay State Care Corp, Exhibit 2.2

**RESUMES FOR EXECUTIVE MANAGEMENT TEAM
(Exhibit 2.2)**

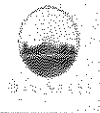
This exhibit must be completed and attached to the required documents and submitted as part of the application.

Corporation Name: Bay State Care Corp

Application # (if more than one): 1

List the résumés attached:

	Title	Name
1	Chief Executive Officer/President/Treasurer/Clerk	Sean D. Gabriel
2	Director	Nate Nienhuis



Sean Gabriel: CEO, President, Treasurer, Clerk

BAY STATE CARE, Exhibit 2.2

Sean Gabriel



PROFILE

Sean has established a proven track record of success over the last 20 years in the Financial Services Industry, as well as the Medical Marijuana Industry. His management style is driven by strict adherence to the principles of integrity, attention to detail, compliance and sound fiscal judgement.

FINANCIAL SERVICES EXPERIENCE

Pacific Life Asset Management, Regional Vice-President — 2010 to Present

Sean is responsible for business development, sales/marketing, legal and industry compliance, as well as maintaining budget accountability and oversight. He has consistently been among the company's elite performance leaders, and has spoken on many industry related panels.

ING, Regional Vice-President — 2000-2010

Sean was responsible for managing one ING's Retirement Solutions Division's most successful divisions for over a decade. He has consistently been among the company's leaders, and has served as a trusted resource for the company's highest levels of management.

Goldman, Sachs & Co., Analyst — 1999-2000

Sean was responsible for business development and sales/marketing efforts in GS's Asset Management Division, focusing on it's successful mutual fund and 401(k) retirement plan product lines.

Fidelity Investments, Associate — 1993-1999

Sean served in a variety of roles during his tenure at Fidelity. He was promoted within one year to one of the firm's satellite offices in the Washington, DC area, where he served as a Registered Principal.

FINANCIAL SERVICES EXPERIENCE

Capital City Care/Capital City Cultivation, Board of Directors, co-founder — July, 2011-Present

Sean is the co-founder/co-owner of the first licensed medical marijuana dispensary and cultivation facilities in Washington, DC. The company has received highly favorable national and local media coverage as a result of it's patient-driven customer service, reputation for cooperation with local and federal law enforcement officials, and dominate market share position (55%+).

SWC/Tempe, Board of Directors/co-owner — 2013-Present

Sean maintains oversight of all aspects of the business, located in Tempe, AZ, but is primarily focused on budgetary and compliance issues. This dispensary was licensed, opened and cash flow positive within 5 months of it's acquisition.

Organix 203, Board of Directors/co-owner — 2013-Present

Sean maintains strict oversight of all aspects of this non-profit entity, located in Prescott, AZ. This dispensary was licensed, opened and cash flow positive within 6 months.

All-Greens, Board of Directors — 2013

Sean served on the Board of Directors for the first and only Court Appointed Receivership in the Medical Marijuana industry in Arizona. His team successfully completed the license process (with no deficiencies), opened the dispensary and turned it back over to the Receiver ahead of schedule and under budget.

EDUCATION

Boston College, Newton, MA — B.S. in Accounting, 1994

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NATHAN NIENHUIS



BAY STATE CARE, Exhibit 2.2

Nate Nienhuis: Director

Profile

Veteran Horticulturist and Product Engineer, challenging and leading the industry with innovative product and building designs, leading cultivation and manufacturing processes and exceptional safety and security practices.

Areas of Expertise

- Innovative designs
 - Over 12 patented, UL approved designs
 - Training program implementation
 - Specialist in lighting, air purification, nutrient application, irrigation systems, environmental controls
 - Safety and security program implementation
 - Cultivation, manufacturing and product development
 - Renewable and alternative energy expert
-

Professional Experience

- Chief Horticulture Officer** **09/2012 to Current**
Holistic Remedies **Washington, DC**
-head of operations
-responsible for building design and facility infrastructure
-lead educator and enforcement officer in cultivation processes, manufacturing and product development
-meets and exceeds all industry standards for health, safety and security compliance
-partners with local health and law enforcement to assist in community safety and protection
- Chief Horticulture Officer** **09/2012 to Current**
Capital City Cultivation **Washington, DC**
-head of operations
-responsible for building design and facility infrastructure
-lead educator and enforcement officer in cultivation processes, manufacturing and product development
-meets and exceeds all industry standards for health, safety and security compliance
-partners with local health and law enforcement to assist in community safety and protection
- Chief Horticulture Officer** **09/2012 to Current**
SWC **Tempe, AZ**
-head of operations
-responsible for building design and facility infrastructure
-lead educator and enforcement officer in cultivation processes, manufacturing and product development
-meets and exceeds all industry standards for health, safety and security compliance
-partners with local health and law enforcement to assist in community safety and protection
- Chief Horticulture Officer** **09/2012 to Current**
203 Organix **Prescott, AZ**
-head of operations
-responsible for building design and facility infrastructure
-lead educator and enforcement officer in cultivation processes, manufacturing and product development
-meets and exceeds all industry standards for health, safety and security compliance
-partners with local health and law enforcement to assist in community safety and protection
- Head engineer** **03/2010 to 08/2012**
Growlite **Whittier, CA**
-designed first, patented and exclusive concealed airflow technology light fixture
-designed fixtures to incorporate both horizontal and vertical bulb placement and maximize all applicable HID bulb platforms available on the market

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-led a team with vision and innovation constantly challenging existing lighting technology and presenting new, innovative designs

Owner/Operator

05/1999 to 11/2009

Bug Masters

Mission Diejo, CA

-Licensed Branch 3 operator

-Owner and founder of premier choice of homeowners, property managers, and real estate agents for all wood destroying pests, organisms, fungus and mold control services.

-Knowledge of wood destroying pests' and organisms' biology and habitats

-Safe, organic and effective methods of pests' treatments

-Employee education and training

-Customer Satisfaction

-Warranties and guarantees that are among the best in the business.

Education

Bachelor of Science: Mechanical Engineering

1999

California State Fullerton

Fullerton, CA

Associate of Arts: Fire Technology

1998

Rancho Santiago

Santa Ana, CA

Nate Nienhuis: Director

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Bay State Care Corp, Exhibit 4.1

**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: Bay State Care Corp

Application # (if more than one): 1

Total Capital needed for this application: \$ 900,000 total

Attach one-page bank statement.

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: 11/16/2013

Name of the Corporation: Bay State Care Corp

Name of CEO/Executive Director of the Corporation: Sean Gabriel

Name of Account Holder: Sean Gabriel

This Letter of Commitment is to ensure access to the required liquid capital to support the operations of BAY STATE CARE CORP if so approved by the Department of Public Health. The total required capital needed for this application equals \$900,000.00.

As Chief Executive Officer/Executive Director or President of the Board of Directors of BAY STATE CARE CORP, I affirm that these funds will remain in **ACCOUNT #X38-057371** with **Fidelity Investments** 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:


Print Name Sean Gabriel

Date: 11/18/13

Notary Public

On this (18) day of (November), 2013 before me, the undersigned notary public, personally appeared SEAN GABRIEL, proved to me through satisfactory evidence of identification, which was a state issued DRIVER'S 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
NILDA M. SANTIAGO
NOTARY PUBLIC-STATE OF NEW YORK
No. 01SA6120435
Qualified in Bronx County
Commission Expires December 20, 2016

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FIDELITY PRIVATE
CLIENT GROUP

Envelope 136023719
SEAN D GABRIEL
Fidelity Investments



BAY STATE CARE Exhibit 4.1

Investment Report

October 1, 2013 - October 31, 2013

Online FASTstep-Automated Telephone Private Client Group Customer Service
Fidelity.com 800.544.5500
800.544.5704
800.544.6666

Your Portfolio Summary

Changes in Portfolio Value

[Redacted]
[Redacted]
[Redacted]

Value by Account

General Investment
 Fidelity AccountSM - Individual - TOD
 Fidelity AccountSM - Individual - TOD
 Personal Retirement
 Fidelity Rollover IRA
 Fidelity Roth IRA
 Fidelity Roth IRA
 Total Portfolio Value

Account Identifier	NM Value October 1, 2013	NM Value October 31, 2013
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
	\$1,690,793.36	\$3,653,324.60

0001 1310031 0001 136023719

04 19 000



BAY STATE CARE Exhibit 4.1

11/21/13

Portfolio Summary: Fidelity Investments

PORTFOLIO SUMMARY ORIGINAL ACCOUNT USE ONLY

Search by keyword

Quotes

Accounts & Trade	News & Analysis	Research	Performance & Performance	Investment Research
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Accounts & Trade

[Print](#) [Help/Glossary](#)

Portfolio Total: \$1,524,837.04*

Personal Rate of Return Details (as of 10/31/2013)

Summary	Portfolio Positions	Portfolio Research	Performance	Analysis	Statements
				Account Balance	Show Rate of Return in this column
Investment Accounts		Select Action ▼	\$910,233.88		See Rate of Return
		Select Action ▼	\$13,539.80		See Rate of Return
		Subtotal	\$923,773.69		
Retirement Accounts		Select Action ▼	\$0.00		1
		Select Action ▼	\$2,366.10		See Rate of Return
		Select Action ▼	\$567,360.95		See Rate of Return
		Select Action ▼	\$31,346.30		See Rate of Return
		Subtotal	\$601,053.35		
		PORTFOLIO TOTAL	\$1,524,837.04		See Rate of Return

Your Messages



Private Client Group

800-544-5704

[Send a Secure Message](#)

Employer Benefits

Health & Insurance

NetBenefitsSM

Market Update

DJIA	15,900.82	-66.21	-0.41%
NASDAQ	3,921.27	-10.28	-0.26%
S&P 500	1,781.37	-6.50	-0.36%

[Market News](#) [Watch List](#)

As of 11/20/2013, 4:20PM ET

Reenergize your retirement plan

Our guidance and tools can help you retire on your terms.

[See how](#)

Name accounts and customize display

Hide when Brokerage accounts are reported

Securities are priced real-time.

* A return could not be calculated for that time period or your account is being validated.

Remember that past performance is no guarantee of future results.

Performance calculations include accounts that have been removed from the system due to multiple years of zero balance and inactivity.

For details on how your personal rate of return is calculated, see [Performance Reporting](#).

Fidelity Brokerage Services LLC, Member NYSE, SIPC and/or Fidelity Insurance Agency, Inc., distribute fixed and variable insurance products issued by Fidelity Investments Life Insurance Company, Empire Fidelity Investments Life Insurance Company, New York, NY, and certain third party insurance companies, which are not affiliated with Fidelity Investments. The contract's financial guarantees are solely the responsibility of the issuing insurance company.

Brokerage services are provided by Fidelity Brokerage Services LLC, 900 Salem Street, Smithfield, RI 02917. Custody and other services provided by National Financial Services LLC. Both are Fidelity Investments companies and members SIPC, NYSE.



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COMMONWEALTH OF MASSACHUSETTS
 DEPARTMENT OF REVENUE

Bay State Care Corp. Exhibit 4.2

**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: Bay State Care Corp

Application # (if more than one): 1

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 Sean Gabriel	366 Broadway Everett, MA 02149	\$ 900,000 % 100	Cash	CEO, President, Treasurer, Clerk	\$900,000 was promised in the form of a business loan contingent upon Bay State Care Corp's award of an RMD Certificate of Registration from the DPH. The full loan plus an interest of 3% shall be repaid to Sean Gabriel. See Letter of Commitment submitted in Phase 1 for more details of agreement.

CAPITAL EXPENSES
(Exhibit 4.3)

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

Corporation Name: Bay State Care Corp

Application # (if more than one):

	Expense Type	Costs	Explanation of Expense
	Planning and Development		
1	Architect and design fees	\$6,500	Initial Design and Blueprints
2	Environmental survey	\$2,700	Site Survey of Worcester/Lowell
3	Permits and Fees	\$1,500	Local Filing & Permit Fees- projection
4	Security assessment	\$N/A	
5	Land/building cost	\$	
6	Site clean-up and preparation	\$5,000	Demolition & Carting costs
7	Other- describe	\$22,500	RMD Cultivation- Trench/Heavy up Power Enhancement
8	_____	\$	
9	_____	\$	
	Build-out Costs		
1	Construction expenses	\$539,000	3,600 sq. ft Full Renovation (building is a shell) + 13,000 sq. ft Cultivation Center
2	Painting and finishes	\$	
3	Security system	\$145,000	
4	Landscape work	\$20,000	Finishing Building/Sandblast/Block Beautification and trash removal.
5	Parking facility	\$	
6	Other- describe	\$	
7	_____	\$	
8	_____	\$	
9	_____	\$	
	Equipment Costs		
1	Vehicles and transportation	\$12,000	Transport Vehicle -- Disp. <> Cult. Product transport
2	Cultivation equipment	\$85,000	Adjustable light grid & Planting Bays (Pots/Medium/Tools)
3	Furniture and storage needs	\$15,000	
4	Computer equipment	\$65,000	POS Systems/MJ Freeway License and Equipment/Office Computers
5	HVAC	\$45,000	(2) 12 Ton AC Install/Oil to Gas Conversion
6	Kitchen/food prep equipment	\$100,000	Full MIP Commercial Kitchen Installation
7	Other- describe	\$	
8	_____ Scale	\$20,000	6 1/100 Integrated Scales – to work with POS/Compliance system
9	Misc Supplies	\$115,000	
	TOTAL	\$ 1,199,200	

RMD Phase 2 application- October 7, 2013

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Bay State Care Corp, Exhibit 4.4

YEAR-ONE OPERATING BUDGET (Exhibit 4.4)
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This exhibit must be completed and submitted as part of the application.

Corporation Name: Bay State Care Corp Application # (if more than one): 1
 Budget Period: Aug 2014 to Jul 2014
 Projected Number of Patients: 417 and Number of Visits: 10000

		Year ONE Budget	Budget Notes ¹
REVENUE			
1	Medical Marijuana sales (RMD)	\$ 1,891,472	313 Lbs @ 6.5K Per Lbs
2	Vaporizer Revenue	\$50,873	3% Gross Revenue.
3	Marijuana Infused Products (MIPs)	\$305,238	15% Gross Revenue
A	TOTAL REVENUE:	\$2,391,034	
PAYROLL EXPENSES			
	Personnel Category	# FTE	
1	Director – Bay State Care Corp	1	100,000
2	Chief Cultivation Officer	1	\$80,000
3	RMD General Manager	1	\$65,000
4	Cultivation Assistant Managers	2	\$110,000
5	RMD Assistant Managers	2	\$90,000
6	RMD Sales Associates	2	\$52,000
7	Manufacturing Manager	1	\$45,000
8	Cultivation Facility Administrator	1	\$38,500
9	RMD Security Officers	2	\$76,000
10	Kitchen Executive - MIPS	1	\$38,000
11	Comptroller	1	\$42,000
12	Front Desk Clerk - Dispensary	2	\$52,000
13	Part-Time Dispensary Staff		99,600
14	Kitchen Team - MIPS	4	\$62,400
15	Processing Staff		\$246,900
16	Flower Tech's		\$150,000
B	TOTAL SALARIES	21	\$1,197,400
C	Fringe Rate and Total	12%	\$143,688
D	TOTAL SALARIES PLUS FRINGE (B+C)		\$1,341,088
OTHER EXPENSES			
1	Consultants	\$12,000	Security consultants
2	Equipment	\$8,000	Misc. Equipment Upgrades and supplies

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Bay State Care Corp, Exhibit 4.4

3	Supplies	\$100,000	Kitchen Supplies & Kosher/Hallal/Vegan Certification & Oversight.
4	Office Expenses	\$10,000	Office supplies.
5	Utilities	\$97,000	Utilities Estimated (All-In).
6	Insurance	\$48,000	Liability & Business Interruption (RMD Dispensary/RMD Cultivation).
7	Interest	\$0	
8	Depreciation/Amortization	\$0	
9	Leasehold Expenses	\$102,384	Total rent and property tax Lowell, Worcester
10	Bad Debt	\$0	
11	Packaging Supplies/Adt. COGS	\$50,000	
12	HR Benefit Packages	\$149,675	
13	Compliance and POS system	\$9,000	
14	Advertising	\$24,000	
15	Outside Testing	\$15,000	Product Consistency & THC Testing
16	Plant Supplies	\$75,000	
E	TOTAL OTHER EXPENSES	\$550,384	
	<u>TOTAL EXPENSES: (D+E)</u>	<u>\$1,891,472</u>	
	DIFFERENCE	\$<499,562>	

ⁱ Enter short explanation of expenses

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Bay State Care Corp. Exhibit 4.5

**THREE-YEAR BUSINESS PLAN BUDGET PROJECTIONS
(Exhibit 4.5)**

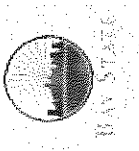
This exhibit must be completed and submitted as part of the application.

Corporation Name: Bay State Care Corp Application # (if more than one): 1

Fiscal Year Time Period: Aug 2014 Projected Start Date for the First Full Fiscal Year: Jul 2017

	FIRST FULL FISCAL YEAR PROJECTIONS 20__	SECOND FULL FISCAL YEAR PROJECTIONS 20__	THIRD FULL FISCAL YEAR PROJECTIONS 20__
Projected Revenue	\$2,391,34	\$3,337,750	\$4,921,969
Projected Expenses	1,891,472	\$2,175,193	\$2,392,712
TOTAL :	\$<449,582>	\$1,152,557	\$2,529,257
Number of Patients	417	554	783
Number of Patient Visits	10,018	13,305	18,784
Projected % of growth rate annually	0%	33%	41%
Total FTE in staffing	21 FTE	25 FTE	27 FTE
Projected Medical Marijuana Inventory	360Lbs.	478Lbs.	675Lbs.

ⁱ Enter appropriate fiscal year



Bay State Care Corp, Exhibit 5.1

**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: Bay State Care Corp Application # (if more than one): 1

Physical Address	County	Type of Evidence Attached
51 Harding Street Worcester, MA 01604	Worcester County	Executed Lease

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November 18, 2013

Neil Smith
Jennifer G. Smith
41 Barry Road
Worcester, MA 01609


To Bay State Care Corp, the Massachusetts Department of Public Health, and the Phase II Registered Marijuana Dispensary Application Review Committee:

We are the co-owners and landlord of the property located at 51 Harding Street, Worcester, Massachusetts 01604 (the "Premises"). As the co-owners and landlord of the Premises, we fully support Bay State Care Corp's business plan to operate, if licensed, a Massachusetts registered marijuana dispensary in full compliance with Massachusetts law, including Chapter 369 of the Acts of 2012, *An Act to Implement the Humanitarian Medical Use of Marijuana*, and 105 CMR 725.000 et seq.: *Implementation of an Act for the Humanitarian Medical Use of Marijuana* of the Code of Massachusetts Regulations.

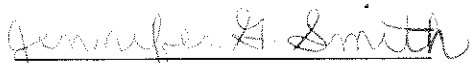
As co-owners and landlord of the Premises, we consent to Bay State Care Corp's use of the Premises to operate a dispensary facility upon the successful award of a registered marijuana dispensary license from the Department of Public Health.

Please contact us at your convenience with any questions or concerns.

Best regards,



Neil Smith



Jennifer G. Smith

Execution Copy

LEASE

THIS INDENTURE OF LEASE made as of the Execution Date as stated between the Landlord and the Tenant named in Section 1.

WITNESSETH:

That Landlord, for and in consideration of the Basic Rent, Basic Annual Rent, and any Additional Rent hereinafter reserved and payable by Tenant, and of the covenants, agreements and conditions to be performed and observed by Tenant, does hereby demise and lease to Tenant, and Tenant does hereby hire and take from Landlord the Demised Premises hereinafter described subject to mortgages and other matters of record and upon and subject to the covenants, agreements and conditions of this Lease for the term hereinafter stated:

1. REFERENCE DATA

Each reference in this Lease to any of the following terms and/or titles shall incorporate the data stated in this Section for that term or title.

- 1.1 Execution Date: _____, 2013
- 1.2 Landlord: Neil Smith and Jennifer G. Smith
- 1.3 Landlord's Address: 41 Barry Road, Worcester, Massachusetts 01609
- 1.4 Tenant: Bay State Care Corp., a Massachusetts nonprofit corporation
- 1.5 Tenant's Address: 366 Broadway, Everett, Massachusetts 02149
- 1.6 Demised Premises: The approximately 3,600 ft² building located at 51 Harding Street, Worcester, Massachusetts (the "Building") and that portion of the real property on which the building is located (the "Appurtenant Areas") including but not limited to the driveways, parking areas, and loading areas.
- 1.7 Lease Term: The period from the Commencement Date through the Termination Date.
- 1.8 Option Terms: Two (2) options at Five (5) years each
- 1.9 Commencement Date: The earlier of: (i) January 1, 2014 or (ii) when Tenant receives its Phase 2 license approval for the Permitted Use from the Commonwealth of Massachusetts (upon its submission of an application for such license on November 21, 2013 and for no other application submission.)

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1.10 Termination Date: The later of (i) Five (5) years and two (2) months from the Commencement Date, or (ii) the expiration of a properly exercised Option Term, unless earlier terminated as provided herein pursuant to the various rights of the parties, including Tenant's termination rights as provided in Section 27.9 herein, in which event that date of earlier termination shall be the Termination Date.

1.11 Basic Annual Rent:

For the period commencing with the Commencement Date and continuing for two (2) months thereafter, there shall be no Basic Annual Rent Due (the "Basic Annual Rent Free Period").

For the period commencing with the first month after the Basic Annual Rent Free Period (i.e. the third month of the Lease) and continuing for the one year period thereafter ("Year One"), Basic Annual Rent shall be \$18,000.00;

For the period commencing with the end of Year One and continuing for the two year period thereafter ("Years Two and Three"), Basic Annual Rent shall be \$28,800.00; and

For the period commencing with the end of Years Two and Three and continuing for the two year period thereafter ("Years Four and Five"), Basic Annual Rent shall be \$32,400.00.

During the First Option Term, the Basic Annual Rent will be:

For the period commencing from the end of Years Four and Five and continuing for the one year period thereafter ("First Option Year One"), Basic Annual Rent will be \$32,400.00;

For the period commencing from the end of First Option Year One and continuing for the one year period thereafter ("First Option Year Two"), Basic Annual Rent will be \$33,048.00;

For the period commencing from the end of First Option Year Two and continuing for the one year period thereafter ("First Option Year Three"), Basic Annual Rent will be \$33,708.96;

For the period commencing from the end of First Option Year Three and continuing for the one year period thereafter ("First Option Year Four"), Basic Annual Rent will be \$34,383.14; and

For the period commencing from the end of First Option Year Four and continuing for the one year period thereafter ("First Option Term End"), Basic Annual Rent will be \$35,070.80.

During the Second Option Term, the Basic Annual Rent will be:

For the period commencing one year from the end of the First Option Term End and continuing for the one year period thereafter ("Second Option Year One"), Basic Annual Rent will be \$36,000.00;

For the period commencing from the end of Second Option Year One and continuing for the one year period thereafter ("Second Option Year Two"), Basic Annual Rent will be \$36,720.00;

For the period commencing from the end of First Option Year Two and continuing for the one year period thereafter ("Second Option Year Three"), Basic Annual Rent will be \$37,454.40;

For the period commencing from the end of First Option Year Three and continuing for the one year period thereafter ("Second Option Year Four"), Basic Annual Rent will be \$38,203.49; and

For the period commencing from the end of First Option Year Four and continuing for the one year period thereafter ("Second Option Term End"), Basic Annual Rent will be \$38,967.56.

- 1.12 Security Deposit: \$2,700.00 (to be paid upon execution of this Lease).
- 1.13 Broker: Worcester Commercial Properties Real Estate, 475 Pleasant Street, Worcester, Massachusetts.

2. DEMISED PREMISES

2.1 Demised Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, subject to and with the benefit of the terms and provisions of this Lease, the Demised Premises described in Section 1.6.

2.2 Parking and Loading. Landlord has designated areas to be used by Tenant for access and/or loading and unloading purposes and for parking purposes and loading purposes, all of which shall be exclusive to the Tenant as to third parties but which shall be in common with the Landlord, its agents and invitees in the event Landlord is required to access the Demised Premises to comply with its obligations under this Lease. Landlord shall not be liable to Tenant if the foregoing access privileges are impaired by reason of any moratorium, regulation or other governmental decree or action. Any governmental charges or surcharges or other monetary obligations imposed relative to access or loading rights with respect to the Demised Premises shall be deemed to be real estate taxes.

3. TERM

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Tenant shall have and hold the Demised Premises for a term of years commencing on the Commencement Date and ending on the Termination Date as stated in Section 1.10 or on such earlier date upon which the Lease Term may expire or to be terminated pursuant to any conditions or other provisions of this Lease or pursuant to law. The "Commencement Date" shall be the date certain agreed upon by the parties at the time of execution of this Lease and set forth in Section 1.9.

4. **OPTION TERMS**

4.1 Exercise of Option. Provided Tenant shall not be in default hereunder, Tenant shall have the option to extend the Lease Term set forth in Section 1.7, commencing the day after the Termination Date, or in case of more than one Option Term, the first Option Term commencing the day after said Termination Date and each additional Option Term commencing the day after the prior Option Term. Tenant may exercise said option by giving Landlord written notice not less than nine (9) months prior to the Termination Date of the original Lease Term or the then current Option Term, as the case may be, and, notwithstanding anything to the contrary contained herein, the Tenant's right to extend any Term or Option Term hereunder shall expire on the date provided herein. Unless otherwise provided, the monthly installment of Basic Annual Rent during each year of the Option Term shall be 1/12th of the amount determined in accordance with Section 1.11.

4.2 Provisions of Lease for Option Term. Except for the provisions of this Section 4, all other provisions of this Lease shall apply to each and every Option Term and no further document need be executed.

5. **BASIC RENT**

5.1 General. All sums of money or charges required to be paid by Tenant under this Lease, whether or not the same are designated "Basic Rent", "Basic Annual Rent" or "Additional Rent" or otherwise shall for all purposes hereunder be deemed and shall be paid by Tenant as rent.

5.2 Basic Annual Rent. Tenant shall pay to Landlord or, if Landlord shall so direct in writing, to Landlord's agent or nominee throughout the Term at Landlord's address or at such place as Landlord may by notice in writing to Tenant from time to time direct Basic Annual Rent at the annual rate as specified in Section 1.11, payable without set-off or deduction, except only as may hereinafter be provided, in monthly installments in advance on the first day of each calendar month (and pro rata for any portion of a month at the commencement or termination of this Lease), subject to adjustment as hereinafter provided. One month's Basic Annual Rent (representing the first month after the Basic Annual Free Rent Period) shall be paid on the Commencement Date. However, if Tenant exercises any of its termination rights pursuant to Section 27.9 prior to the end of the Basic Annual Free Rent Period, Landlord shall return the amount paid pursuant to the preceding sentence to Tenant, provided Tenant shall have fully vacated the Demised Premises on or before the last day of the Basic Annual Free Rent Period.

5.3 Holding Period Payments. Commencing October 1, 2013, the Tenant's costs to "hold" the Demised Premises shall be \$1,300.00 per month until the Commencement Date (the "Holding Period"). The Holding Period shall not exceed three (3) months, as the same may be extended by agreement of the Landlord and Tenant.

6. ADDITIONAL RENT

6.1 Taxes.

6.1.1 Tax Payment. Tenant shall pay to the Landlord as Additional Rent the entire amount of Taxes upon the Demised Premises for any Tax Period during the Term or any Option Term of this Lease. The phrase "Tax Period" means the real estate tax period (now July 1 to June 30) from time to time in effect as applicable to the municipality in which the Demised Premises are located. Payments on account of Taxes as Additional Rent shall be made by Tenant to Landlord monthly on the days on which the Basic Annual Rent is payable, in amounts reasonably estimated by Landlord (or as otherwise billed by Landlord), so that Landlord shall have received from Tenant, at least one month prior to the due date of the same the entire amount of any installment of Taxes. When the actual amount of Taxes for a Tax Period is known, Landlord shall provide Tenant with a copy of the applicable tax bills for all such Taxes and Tenant shall pay the amount of any required excess within ten (10) days after Landlord's billing therefor, or Tenant shall be credited against Basic Annual Rent for any excess tax payments, as the case may be. No interest shall be payable to Tenant with respect to such periodic tax payments. The Tenant's obligation to pay Additional Rent shall commence on the Commencement Date notwithstanding the Basic Annual Rent Free Period.

6.1.2 Taxes Defined. The term "Taxes" means all real estate taxes; assessments; license fees; water assessments, rents and use charges; sewer assessments and use charges; vault rents or charges; and all other governmental charges and impositions of every kind or nature, general and special, ordinary and extraordinary, unforeseen as well as foreseen, including without limitation assessments for public improvements or benefits, which shall, with respect to the Term be laid, assessed, levied, confirmed or imposed upon or become due or payable or a lien upon the Demised Premises or any part thereof or the interest of either the Landlord or the Tenant in the Demised Premises, or any part thereof, or the business being conducted thereon, or the improvements or personal property or fixtures on the Demised Premises or on the owners or occupants thereof, including without limitation, Tenant's signs (but excluding income, estate and inheritance taxes). Without limiting the generality of the foregoing, if during the Term or Option Term the present system of taxation of real property is changed so that there is assessed on Landlord a capital levy or other tax on the gross rents received with respect to the Demised Premises or the Building, or however measured, or a governmental, or other local income, franchise, excise or similar tax, assessment, levy or charge (distinct from any now in effect) measured by or based, in whole or in part, upon any such gross rents, or however otherwise measured, or is a so-called sales or excise tax is payable on rentals, then all of such taxes, assessments, levies or charges shall be

deemed to be included within the term "Taxes". Tenant's liability with respect to Taxes shall apply to Taxes assessed or which become a lien upon the Demised Premises during the Term or Option Term, prorated for the Tax Period in which the Term or Option Term begins or expires. With respect to betterment assessments, Landlord shall be deemed to have elected to pay the same over the longest period permitted by law, and Tenant's obligation with regard to betterment assessments shall be based upon each such current installment of assessment during the Term and pro rata for the portion of a year, together with interest thereon charged by the municipality or other taxing authority.

6.1.3 Abatements. Tenant may, at its expense, apply for an abatement of any Taxes and retain any abatement received, and Landlord agrees to cooperate in the same.

6.2 Operating Costs.

6.2.1 Operating Costs Payment. Tenant shall pay to Landlord as Additional Rent Landlord's Operating Costs, as defined in Section 6.2.2 (or at Landlord's option Tenant shall pay any or all of said Operating Costs, directly, whether contracted for by Landlord or Tenant), during the Term or any Option Term of this Lease. The Tenant's obligation to pay Additional Rent shall commence on the Commencement Date notwithstanding the Basic Annual Rent Free Period.

6.2.2 Operating Costs Defined. As used herein, Operating costs shall mean all costs and expenses incurred by Landlord (and not assumed by Landlord herein) in connection with the operation, maintenance and management of the Demised Premises (not otherwise provided for herein), including, without limitation, repairs, replacements, maintenance, lighting, water, heat, maintenance of grounds, snow and ice removal from all areas including all parking areas and areas of access and egress, rubbish removal, landscaping, and other services; insurance with respect to the Demised Premises including but not limited to fire insurance, which may include "special coverage" or "all risk" endorsements (including with Tenant's consent "differences in condition", flood and earthquake coverage and "change in building code requirements" endorsements) in an amount not less than the full replacement cost thereof, sprinkler leakage insurance and such other insurance as is customarily carried on comparable types of property or may from time to time be required by lending institutions. Operating Costs shall not include maintenance or replacement of the roof or structural repairs to the Building.

6.2.3 Payments. Tenant shall pay all Operating Costs to Landlord within thirty (30) days after Landlord's billing therefore. In the case of Operating Costs paid directly by Tenant, Tenant shall pay the same on or before the due date thereof.

7. SERVICES AND UTILITIES

Commencing with the Commencement Date, Tenant shall, at its sole cost and expense, make all arrangements for and pay for all utilities and services furnished to the Demised Premises, whether or not used by Tenant, including without limitation, gas, electricity, telephone and similar services, and for all connection charges, and Tenant shall make its own arrangements for such utilities without obligation of Landlord to do so.

8. USE AND MAINTENANCE

8.1 Permitted Use. Tenant shall use the Demised Premises, pursuant to 105 CMR 725.000 *et seq.* and to the extent permitted by applicable state and local law, solely for the operation of a marijuana dispensary, including all of the services and functions incident thereto, including, but not limited to, a kitchen, laboratory, research or office area and such ancillary businesses which Tenant may license on the Demised Premises, all in accordance with applicable state and municipal laws, rules and regulations. Tenant shall provide full time responsible employees to supervise the conduct of Tenant's business.

8.2 Maintenance and Repair by Tenant. Tenant covenants throughout the term of this Lease, at Tenant's sole cost and expense, to maintain the Demised Premises in good clean order, repair and condition, including interior and exterior portions of the Building but excluding all structural portions of the building and the roof, and all appurtenances thereto. When used in this Article, the term "repairs" shall include replacements or renewals when necessary, and all such repairs made by the Tenant shall be at least equal in quality and class to the original work. Tenant shall also replace any glass which may be damaged or broken with glass of the same quality. Tenant acknowledges that Landlord shall have no maintenance, repair or service obligations of any kind with respect to the Demised Premises, except as provided in Section 8.3 and Section 12.1 below. Tenant shall store all trash and garbage in securely closed containers within the Demised Premises; and shall be responsible for the regular (and reasonably frequent) removal thereof. Tenant shall not burn any trash of any kind in or about the Demised Premises. Tenant shall take whatever measures are necessary to insure that floor load limitations are not exceeded in the Demised Premises. Proper placement of all machines and equipment in the Demised Premises and on the roof shall be Tenant's responsibility.

Notwithstanding the above, in the event the Tenant installs, stores or places any equipment, machinery or other items on the roof, the Tenant shall be solely responsible for the maintenance, repair, condition and replacement of the roof at Tenant's sole cost and expense.

8.3 Maintenance by Landlord. When notified by Tenant of need, Landlord shall repair the roof and, when necessary, replace the same. When notified by Tenant of

need, Landlord shall be responsible for structural repairs to the Building when and if reasonably necessary during the Term or any extended term of this Lease, except to the extent said structural defects were caused by the gross negligence, willful misconduct or omission of Tenant, its agents, representatives, employees, invitees or customers.

8.4 Interruption of Services. In no event shall Landlord be liable for any interruption of or failure in the supply of any utilities or services to the Demised Premises, nor shall any such interruption or failure entitle Tenant to an abatement of rent, reduction of any other payments hereunder or a right to terminate this Lease, unless such interruption is caused by the gross negligence of the Landlord, its agents, representatives, employees, invitees, servants or contractors.

8.5 Compliance with Laws. Tenant covenants throughout the Term, at Tenant's expense, to comply with, and cause the Demised Premises to be maintained and the Permitted Use of the Demised Premises to be and remain in conformity with, and not in violation of, all laws and ordinances and the orders, rules, regulations and requirements of the federal, state and local governments and appropriate departments, commissions, boards, bureaus, agencies and offices thereof, and the orders, rules, regulations and requirements of the water, sewer, electrical or other inspection departments of the municipality in which the Demised Premises are located, or the Board of Fire Underwriters (or any other body now or thereafter constituted exercising similar functions), excepting therefrom federal laws concerning marijuana enforcement including, but not limited to, the Controlled Substances Act, 21 U.S.C. §801 *et seq.* (the "CSA"). Tenant shall observe and comply with the requirements of all policies of public liability, fire and all other policies of insurance at any time enforced with reference to the Demised Premises. Without limiting the generality of the foregoing, Tenant shall make all repairs, alterations, additions or replacements to the Demised Premises required by any law or ordinance or any order or regulation of any public authority because of Tenant's use of the Demised Premises (the Permitted Use or otherwise), including but not limited to zoning, building safety, fire codes and architectural barriers, keep the Demised Premises equipped with all safety appliances so required because of such use; and pay all state, federal and local taxes assessed against the personal property of any kind owned by or placed in the Demised Premises by the Tenant. The Tenant, at its sole expense, shall obtain all licenses or permits which may be required for the conduct of the Permitted Use and any other business within the terms of this Lease, or for the making of repairs, alterations, improvements or additions, and the Landlord, where necessary, will join with the Tenant in applying for all such permits or licenses. The Tenant shall pay all costs, expenses, claims, fines, penalties, and damages that may be imposed because of its failure to comply with this section and shall indemnify the Landlord from all liability arising from each noncompliance. If Tenant receives notice of any violation of law, ordinance, order or regulation applicable to the Demised Premises, it shall give prompt notice thereof to the Landlord.

8.6 Hazardous Materials. Except in accordance with all applicable laws and regulations, Tenant shall not use, maintain, store, generate, allow or bring on the Demised Premises, or transport or dispose of on or from the Demised Premises (whether through

the septic, sewer or other waste disposal system serving the Demised Premises or into the ground by removal off-site or otherwise) any Hazardous Waste, Hazardous Material, Oil or radioactive material. Without limiting said obligations of Tenant, Tenant shall save the Landlord, and any successor, assign, representative, personal representative and heirs of Landlord, harmless and indemnified with respect to any loss, cost, damage or expense (including reasonable attorneys fees) arising from Tenant's failure to comply with said obligations during the Term or Option Term hereof and during any period when the Tenant or any of its assigns or sublessee or any of those claiming under it is occupying the Demised Premises or any part thereof, including without limitation the costs of all fines or penalties imposed by any governmental authority and the costs of any clean-up activities on the Demised Premises or the Demised Premises required by any governmental authority in connection therewith. The provisions of this Section shall survive any termination of this Lease. As used in this Section 8, the terms "Hazardous Waste", Hazardous Material" and "Oil" shall be defined as provided in Section 2 of Chapter 21C, Section 2 of Chapter 21D, and Section 2 of Chapter 21E of the General Laws of Massachusetts, and the regulations promulgated thereunder, as such laws and regulations may be amended from time to time. Landlord represents to the best of its knowledge that it has no knowledge of any Hazardous Material contained on or about the Demised Premises, and, if such Hazardous Material is later discovered to have existed prior to Tenant's occupation of the Demised Premises, Landlord agrees to bear all costs and expenses for removing and remediating such Hazardous Material in accordance with applicable law as well as indemnify and hold Tenant and its successors harmless from any and all claims, actions, or proceedings commenced against Tenant which arise from or relate to such Hazardous Material, including without limitation all awards of damages, fines or penalties.

8.7 Alteration or Additions. Except as permitted under Section 9.3, Tenant shall not make any structural alterations or additions on or to the Demised Premises (except only the installation of fixtures in the Building necessary for the conduct of its business) , the cost of which will exceed Ten Thousand Dollars (\$10,000.00) without on each occasion obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld and then only pursuant to plans and specifications approved by Landlord in advance. Tenant agrees that, at Landlord's election, all installations, alterations and additions shall be deemed to be part of the Demised Premises.

8.8 Nuisance; Waste or Overloading. Tenant shall not use nor suffer or permit the use of any person of the Demised Premises and its appurtenant rights for any purpose or in any manner, which may constitute a nuisance or be offensive or which could cause injury or damage to the Demised Premises. However, Tenant's Permitted Use of the Demised Premises pursuant to 105 CMR 725.000 *et seq.* and to the extent permitted by state and local applicable law, on its own, shall not be considered a violation of any of the obligations contained in this Section. Tenant agrees not to injure, overload, deface or otherwise harm the Demised Premises; not commit any nuisance; nor burn any trash or refuse within the Demised Premises nor make any use of the Demised Premises which is improper, offensive or contrary to any federal law (excepting the CSA and other similar federal laws concerning marijuana enforcement), nor any state or local law or ordinance

or which will invalidate or increase the cost of any of Landlord's (or Tenant's) insurance (Tenant to pay the cost of any such increased insurance premium); nor conduct any auction, fire, "going-out-of-business" or bankruptcy sales; nor discriminate upon the basis of race, color, religion, sex or national origin in the transfer, lease or rental (if permitted hereby) or in the use and occupancy of the Demised Premises; nor use any advertising medium that may constitute a nuisance, such as loud-speakers, sound amplifiers, phonographs or radio or television broadcasts in a manner to be heard outside the Building; nor sell or display merchandise on, or store or dispose of trash or refuse on, or solicit in or otherwise obstruct the driveways, walks, parking areas and other areas on the Demised Premises; nor make, allow or suffer any waste.

9. **CONDITION OF DEMISED PREMISES**

9.1 As Is. The Demised Premises are demised herewith "as is" in their condition as of the date of this Lease, without any representation or warranty of any kind or nature from Landlord to Tenant. Landlord shall deliver the Demised Premises in broom clean condition with all utilities fully functional.

9.2 Commencement Date Agreement. By occupying the Demised Premises, Tenant shall be deemed to accept the same. If the Commencement Date is other than as set forth in Section 1.9, Tenant agrees to execute in a form for recording a suitable instrument memorializing the Commencement Date.

9.3 Tenant's Work.

9.3.1 Standards. Any and all remodeling and installation work required by Tenant ("Tenant's Work"), shall be non-structural interior work and be undertaken and completed by Tenant at its own expense, but only in accordance with plans and specifications which have been approved in writing by Landlord, which approval shall not be unreasonably withheld. Subsequent to May 1, 2014, all interior remodeling or installations shall only require the approval of the Landlord if the cost of such work will exceed Ten Thousand Dollars (\$10,000.00). Tenant shall provide all necessary safety appliances in connection with Tenant's Work. All building materials installed by Tenant in the Demised Premises shall be new or otherwise of good quality and shall at Landlord's election be deemed a part of the Demised Premises. All trade fixtures installed in the Demised Premises by Tenant shall remain the property of Tenant. All of Tenant's Work shall be done only in accordance with all applicable municipal regulations and ordinances and such work shall not weaken the safety or structure of the Building. Tenant shall have the right, in its sole discretion, to install any and all security systems or devices deemed appropriate for Tenant's Permitted Use of the Demised Premises, provided that Tenant notify Landlord of the same prior to installation and further that Tenant allows access to Landlord for entry upon the Demises Premises as provided in this Lease. Tenant shall in no way restrict access to the fire hydrant servicing the Demised Premises.

9.3.2 Costs and Insurance. Tenant shall pay promptly when due the entire cost of any work to the Demised Premises undertaken by Tenant and to bond against or discharge any liens for labor or materials within fifteen (15) days after written request by Landlord; if Tenant fails to so discharge any lien and Landlord does so at its expense, Tenant shall reimburse Landlord for said expenses within fifteen (15) days after rendition of a bill therefor; to procure all necessary permits before undertaking such work; and to do all such work in a good and workmanlike manner, employing materials of good quality and complying with all governmental requirements; and to indemnify and hold harmless the Landlord from all injury, loss or damage to any person or property occasioned by or growing out of such work. Tenant shall require contractors employed by the Tenant to carry Workers' Compensation insurance in accordance with statutory requirements and comprehensive public liability insurance and property damage insurance covering such contractors on or about the Demises Premises in amounts in no event less than, with regard to public liability insurance, Two Million Dollars (\$2,000,000.00) and with regard to property damage insurance, Two Million Dollars (\$2,000,000.00) (all such insurance to insure Landlord and Tenant as well as contractors) and in such other reasonable amounts as Landlord shall require, and to submit certificates evidencing such coverage to Landlord prior to commencement of such work.

10. INDEMNIFICATION

10.1 Property At Tenant's Risk. Tenant agrees that all of the furnishings, fixtures, equipment, effects and property of Tenant and of all persons claiming by, through or under Tenant on the Demised Premises shall be at the sole risk and hazard of Tenant, and if the whole or any part thereof shall be destroyed or damaged by fire, water or otherwise, or by the leakage or bursting of water pipes, steam pipes, or other pipes, by theft or from any other cause, no part of said loss or damage is to be charged to or borne by Landlord, except if such destruction, damage or theft is caused by the gross negligence of the Landlord.

10.2 Indemnity and Insurance. Tenant shall save Landlord harmless, and will exonerate, defend and indemnify Landlord, from and against any and all claims, suits, damages, liabilities or penalties, including reasonable attorney's fees ("Losses") asserted by or on behalf of any person, firm, corporation or public authority except Losses caused by the negligence of Landlord or its agents or Losses waived pursuant to Section 10.3:

(a) On account of or based upon any injury to person, or loss of or damage to property, sustained or occurring on the Demised Premises on account of or based upon the act, omission, fault, negligence or misconduct of any person whomsoever;

(b) On account of or based upon (including monies due on account of) any work, except for Landlord's work in repairing or replacing the roof or structural repairs, whatsoever done on the Demised Premises during the Term of this Lease and during the period of time, if any, prior to the Commencement Date that Tenant may have been given access to the Demised Premises.

Tenant shall procure and maintain in responsible companies qualified to do business in Massachusetts and in good standing therein, insuring Landlord as well as Tenant, and covering the Demised Premises, comprehensive general liability and property damage insurance with limits of not less than Two Million Dollars (\$2,000,000.00) combined single limit, Workers' Compensation Insurance or insurance required by similar employee benefit acts as well as employer's liability insurance having a minimum per occurrence limit of One Million Dollars (\$1,000,000.00) against all claims which may be brought for personal injury or death of Tenant's employees, and fire and casualty insurance with extended coverage endorsements (including vandalism and malicious mischief) shall be procured on all of Tenant's equipment, fixtures and other property and Tenant shall deposit promptly with Landlord certificates for such insurance, and all renewals thereof, bearing the endorsement that the policies will not be cancelled or coverage reduced until after ten (10) days written notice to Landlord.

10.2.1 Landlord's Indemnification. Landlord will save Tenant harmless, and will exonerate, defend and indemnify Tenant, from and against any and all Losses arising out of any failure by Landlord to perform, fulfill, or observe any obligation or liability of Landlord set forth in this Lease, or any negligent act or omission by Landlord, or any condition of any kind, class, or description, however and whenever caused or occurring, in any portion of the Premises Landlord is obligated to construct, alter, improve, restore, repair, replace, or renovate, except for such Losses waived pursuant to Section 10.3.

10.3 Waiver of Subrogation. Landlord and Tenant hereby waive any and all rights of recovery which they might otherwise have against each other, their agents, employees, and other persons for whom Landlord and Tenant may be responsible for any loss or damage to Landlord's or Tenant's property or improvements in the Demised Premises which are covered by any policy of insurance maintained or required to be maintained by Landlord or Tenant (or, if Landlord or Tenant does not maintain insurance and is not required to maintain insurance, then from casualties covered by fire and broad form extended coverage, including vandalism and malicious mischief) even though the loss or damage results from the negligence, willful act or default under the terms of this Lease by the other party, its agents, employees, contractors, invitees or other persons for whom the other party may be responsible. Each policy of insurance maintained by Landlord or Tenant with respect to the Demised Premises or with respect to Landlord's or Tenant's property or improvements therein shall include provisions by which the insurance carrier(s) (a) waive(s) all the rights of subrogation against the other party (and against all those for whom the other party may be legally responsible) on account of any loss payable under the policy and (b) agree(s) that the policy will not be invalidated because the insured (in writing and prior the occurrence of any loss under the policy) has waived part or all of its right(s) of recovery against any party on account of any loss or damage covered by the policy. If Landlord or Tenant is unable to procure the including of either of the clauses described in the next preceding sentence, it shall name the other as an additional insurance in the policy.

10.4 Cost of Enforcement. Landlord and Tenant shall pay on demand each other's expenses, including attorneys' fees, incurred in successfully enforcing any

ORIGINAL

obligation under this Lease or in curing any default under this Lease, and if any payment of rent is made more than five (5) days after the date the same is due, Tenant shall pay interest thereon at the prime lending rate ("Default Interest") from the due date thereof, which interest shall be immediately due and payable as further Additional Rent.

11. ASSIGNMENTS; SUBLETTING

Tenant agrees, except as otherwise permitted herein, not to assign this Lease or sublet all or any part of the Demised Premises or permit occupation of the whole or any part thereof by another, without first notifying Landlord of all of the terms thereof and requesting Landlord's approval, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Tenant shall have the right to assign or sublet all or a portion of the Demised Premises to a subsidiary or affiliate of Tenant without the consent of the Landlord, provided however, Tenant must provide Landlord with prior written notice of such assignment or subletting. Tenant agrees to reimburse Landlord promptly for reasonable legal and other expenses incurred by Landlord in connection with any request by Tenant for consent to assignment or subletting. No permitted assignment shall in any event be effective unless such assignee shall agree, by written agreement directed to the Landlord, to assume and perform all the Tenant's obligations under this Lease in accordance with the terms hereof, and no sublease shall be effective until such sublessee shall agree, by written agreement directed to the Landlord, not to violate the terms of this Lease. Notwithstanding the foregoing, in the event the Landlord consents to any assignment of this Lease or a subletting of all or any part of the Demised Premises except a part described in the last sentence of this section, Tenant shall pay over to Landlord at Landlord's option, and the same shall be considered Additional Rent, the amount by which the Rent, Basic Annual Rent, Additional Rent, or other amounts payable to Tenant under the assignment or sublease (whether or not designated as Rent) exceeds Tenant's obligations to pay Rent, Basic Annual Rent, Additional Rent or other charges to Landlord under this Lease (computed on a pro-rata basis with respect to a sublease of less than all of the Demised Premises). Such Additional Rent payments shall be paid to Landlord in a lump sum if received by Tenant in a lump sum, or, if not, at the same time as Tenant is required to make its monthly installment of Basic Annual Rent. Landlord's consent to an assignment or sublease shall not be deemed a consent to any subsequent assignment or sublease. Notwithstanding any assignment or subletting, Tenant shall remain fully and primarily liable hereunder. Landlord's consent to an assignment or sublease shall not operate as a waiver in any subsequent instance.

12. CASUALTY AND TAKING

12.1 Casualty and Taking. If the Demised Premises are damaged by fire or other casualty or taken by eminent domain, Landlord shall put the Demised Premises, or in case of a taking, what may remain thereof into proper condition for use and occupancy, subject to applicable zoning and building laws or ordinances then in existence; provided that Landlord's obligation to restore shall be limited to an amount equal to the net proceeds of insurance recovered or damages awarded for such taking, destruction or damage ("net proceeds of insurance recovered or damages awarded" meaning for

purposes of this Section 12.1 the gross amount of such insurance or damages less the reasonable expenses of Landlord in connection with the collection of the same, including without limitation fees and expenses for legal and appraisal services) to the extent that such proceeds are made available to Landlord for purposes of restoration and are not applied by any holder of a mortgage affecting the Building in satisfaction of the indebtedness secured by such mortgage, and provided further that Landlord shall not be responsible for any delay in such repair or reconstruction which may result from any cause beyond its control. In addition to its right to seek compliance with the Landlord's obligation to restore, Tenant shall have the right to terminate this Lease if Landlord fails to commence to restore the structural portion of the Demised Premises within one hundred twenty (120) days following such fire, casualty or taking, and thereafter prosecute the same to completion with due diligence, such termination right to be exercised by written notice to Landlord within thirty (30) days after such right accrues. There shall be no abatement of rent payable during the time in which the Demised Premises are untenable and Tenant shall procure and maintain at its expense so-called "Business Interruption Insurance" in order to pay the rent in case of such a loss or damage to the Demised Premises. In case of a taking which permanently reduces the area of the Demised Premises, a just proportion of the Basic Annual Rent shall be abated for the remainder of the Term or Option Term. Tenant shall, at its own expense, repair or replace such of its fixtures, furniture, improvements and equipment as may be required as a result of such damage or taking. (As used herein "substantial portion" means in excess of twenty-five percent (25%) thereof).

12.2 Landlord Reserves Award. Landlord reserves and excepts all rights to awards for damages to the Demised Premises and the leasehold hereby created, or hereafter accruing by reason of any exercise of the right of eminent domain, or by reason of anything lawfully done in pursuance of any public or other authority. In order to confirm the same, Tenant grants to Landlord all of Tenant's rights to such awards and shall execute and deliver such further instruments of assignment thereof as Landlord may from time to time request. Notwithstanding the foregoing, Tenant reserves the right to any separate award, if any, payable directly to Tenant for Tenant's moving expenses and for damages to Tenant's trade fixtures, provided the same does not diminish Landlord's award.

13. **ACCESS TO LANDLORD**

Upon twenty four (24) hours notice and when accompanied by the Tenant or its authorized agents at a mutually agreeable time, the Landlord or its representatives may enter the Demised Premises during Tenant's usual business hours for purposes of inspecting the Demised Premises, performing any work which the Landlord elects to undertake or made necessary by reason of the Tenant's default under the terms of this Lease, exhibiting the leased premises for sale, lease, or mortgage financing, or posting notices of non-responsibility under any mechanic's lien laws. Landlord or Landlord's agents may in an emergency enter by a master key or may forcibly enter the same, without rendering Landlord or such agent liable therefore, if during such entry Landlord or Landlord's agents shall accord reasonable care to Tenant's property and without in any

manner affecting the obligations and covenants of this Lease. In the event of such emergency entry, Landlord understands the Demised Premises will be alarmed and Tenant indemnifies Landlord from any and all claims, damages, liabilities or penalties associated with Landlord's emergency. Notwithstanding the above, prior to such emergency entry, Landlord shall attempt to contact Tenant's facility manager at a phone number to be provided and updated as necessary.

14. COVENANT OF QUIET ENJOYMENT

The Tenant, upon the payment of the rent herein reserved and upon the performance of all the terms and conditions of this Lease, shall at all times during the Term or Option Term of this Lease peaceably enjoy the Demised Premises without interference from the Landlord or from any person claiming under Landlord, except for matters now of record and except for covenants, agreements, terms, provisions and conditions of this Lease.

15. DEFAULT

15.1 Events of Default.

15.1.1 In the event that (a) Tenant shall default in the payment of any installment of rent or other sum herein specified and such default shall continue for ten (10) days from the due date thereof; or (b) Tenant shall default in the observance or performance of any other of Tenant's covenants, agreements or obligations hereunder and such default shall not be corrected (or be actively in the process of being corrected), within ten (10) days of written notice thereof; or (c) a receiver, trustee, assignee or any other or similar officer or person shall be appointed to take charge of all or any part of the property of Tenant or the property of any guarantor hereunder; or (d) any assignment shall be made by Tenant or such guarantor for the benefit of Tenant's or such guarantor's creditors; or (e) if any dissolution, liquidation, composition, financial reorganization or recapitalization with creditors is proposed by Tenant; or (f) Tenant's leasehold interest shall be taken on execution or other process of law; or (g) a petition is filed by Tenant or such guarantor for an order for relief or for reorganization under any provision of the Bankruptcy Code as then in force and effect; or (h) an involuntary petition under any of the provisions of said Bankruptcy Code is filed against Tenant or any guarantor of Tenant and such involuntary petition is not dismissed within ninety (90) days thereafter; or (i) the Demised Premises are abandoned, then, and in any of such events, Landlord lawfully may, in addition to and not in derogation of any remedies for any preceding breach of covenant, immediately or at any time thereafter and without demand or notice and with or without process of law enter into and upon the Demised Premises or any part thereof in the name of the whole or mail a notice of termination addressed to Tenant and expel Tenant and those claiming through or under Tenant and remove its and their effects (forcibly, if necessary) without being deemed guilty of any manner of trespass, but subject to Tenant's obligations pursuant to 105 CMR 725.000 *et seq.* for the legal storage and transport of marijuana, and without prejudice to any remedies for arrears of rent or

any other preceding breach of covenant, and upon such entry or mailing as aforesaid this Lease shall terminate.

15.1.2 If there is more than one individual or entity named as Tenant, the word "Tenant" as used in this Section shall mean any of such individuals or entities.

15.2 Current Damages. No termination or repossession provided for in Section 15.1 shall relieve Tenant (or any guarantor of Tenant's obligations hereunder) of its liabilities and obligations hereunder or under any separate instrument of guarantee, all of which shall survive such termination or repossession. In the event of any such termination or repossession, Tenant shall pay Landlord, in advance, on the first day of each month (and pro rata for the fraction of any month) for what would have been the entire balance of the Term, one-twelfth of the Annual Rental (defined below) for the Demised Premises, less the proceeds (if any) or any reletting of the Demised Premises which remain after deducting Landlord's expenses in connection with such reletting. Such expenses shall include, without limitation, removal, storage and remodeling costs, the cost of painting, repairing and refurbishing the Demised Premises, and attorneys' and brokers' fees. The Annual Rental for the Demised Premises shall be the total of (i) the applicable Basic Annual Rent, (ii) the applicable Additional Rent (iii) any additional insurance coverage maintained with respect to the Demised Premises, while the Demised Premises remain vacant, if the increases are attributable to the vacancy of the Demised Premises, (iv) the cost of any repairs to the Demised Premises which become necessary during the vacancy of the Demised Premises and which would have been required of Tenant under this Lease if this Lease had not been terminated, (v) the cost of any repairs to the Demised Premises which, notwithstanding they become necessary because of the acts of some other person(s), would probably not have become necessary if the Demised Premises had not been vacant, and (vi) the value of all other obligations of Tenant hereunder not otherwise provided for herein.

15.3 Final Damages. At any time after any such termination or repossession, whether or not Landlord has collected any Current Damages, Landlord shall be entitled to recover from Tenant and Tenant shall pay to Landlord, on demand, as liquidated Final Damages in lieu of all accrued, unpaid Current Damages and all Current Damages accruing beyond the date of the demand (or, if earlier, the date to which Tenant shall have paid Current Damages) a sum equal to the amount by which the annual Rental (as defined in Section 15.2 above) payable from the date of such demand for what would have been the balance of the Term shall exceed the fair net rental value of the Demised Premises for the same period, determined as at the beginning of that period.

15.4 Remedies Cumulative. Any and all rights and remedies which Landlord may have under this Lease, and at law and equity, shall be cumulative and shall not be deemed inconsistent with each other, and any two or more or all such rights and remedies may be exercised at the same time insofar as permitted by law. In addition to the other remedies provided in this Lease, Landlord shall be entitled to the restraint by injunction of the violation or attempted or threatened violation of any of the covenants, conditions or provisions of this Lease, or to a decree compelling specific performance of any such

covenants, conditions or provisions. All money payments due from Tenant hereunder and not deemed to be Basic Annual Rent shall be deemed to be Additional Rent for all purposes of this Lease including without limitation this Section 15 and Section 16.1, and Landlord's right with respect to nonpayment of Additional Rent shall be the same as with respect to nonpayment of Basic Annual Rent. Tenant shall remain liable for its share of all expenses hereunder relating to the last calendar or fiscal year or part thereof notwithstanding that the Term has expired and Tenant has vacated the Demised Premises prior to the determination of the amount so payable.

15.5 Landlord's Right to Cure. Following thirty (30) days prior written notice to Tenant, Landlord shall have the right, but not the obligation, to cure any default by Tenant under this Lease, including the right to make any payment of money or perform any other act. Whenever Landlord so elects, all costs and expenses incurred by Landlord, including reasonable attorneys' fees, in curing a default shall be paid by Tenant to Landlord on demand together with Default Interest; provided however that no notice to Tenant shall be required in cases of emergency or to protect the real estate or Landlord's interest therein or prevent injury to persons or property. Landlord may exercise the foregoing rights without waiving any other of its rights or releasing Tenant from any of its obligations under this Lease.

15.6 Waivers of Breach. The failure of Landlord to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this Lease, shall not be deemed a waiver of such violation. No consent or waiver, express or implied, by Landlord to or of any breach of any agreement or duty shall be construed as a waiver of, or consent to any other breach of the same or any other agreement or duty. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing signed by Landlord.

15.7 Tenant's Right to Cure. Landlord shall not be in default unless it fails to perform the obligations required of Landlord by this Lease within thirty (30) days after written notice by Tenant to Landlord specifying which obligation(s) Landlord has failed to perform. Provided, however, that if the nature of the specified obligation(s) is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if it commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. If Landlord has not cured or commenced to cure the default set forth in said notice within said thirty (30) day period, Tenant may elect to cure such default and, if Tenant so elects, all costs and expenses incurred by Tenant in curing a default shall be paid by Landlord to Tenant on demand.

16. SURRENDER

16.1 Yield-up. Tenant shall at the expiration of the Term, Option Term or earlier termination of this Lease remove all trade fixtures and personal property and, if requested by Landlord, all partitions and improvements made or installed by Tenant, this covenant to survive the expiration or other termination of this Lease; repair any damage caused by such removal; and remove all Tenant's signs wherever located and to surrender

all keys to the Demised Premises and yield up the Demised Premises (except for such partitions and improvements as Landlord shall request Tenant to remove), broom-clean and in the same good order and repair in which Tenant is obligated to keep and maintain the Demised Premises by applicable provisions of this Lease. Any property not so removed shall be deemed abandoned and after ten (10) days notice to Tenant may be removed and disposed of by Landlord in such manner as Landlord shall determine, and Tenant shall pay Landlord the entire cost and expense incurred by Landlord in effecting such removal and disposition and in making any incidental repairs and replacements to the Demised Premises. Tenant shall further indemnify Landlord against all loss, cost and damage resulting from Tenant's failure and delay in surrendering the Demised Premises as above provided.

16.2 Surrender; Keys. No act or thing done by Landlord during the term hereby demised shall be deemed an acceptance of a surrender of the Demised Premises, and no agreement to accept such surrender shall be valid unless in writing signed by Landlord. No employee of Landlord or of Landlord's agents shall have any power to accept the keys of the Demised Premises prior to the termination of this Lease. The delivery of keys to any employee of Landlord or of Landlord's agents shall not operate as a termination of this Lease or a surrender of the Demised Premises.

16.3 Holdover. In the event that Tenant remains in occupancy of the Demised Premises after the expiration of the Term of this Lease, Tenant shall be a Tenant at sufferance bound by all terms and conditions of this Lease and shall be liable to Landlord for rent equal to 125% of the Basic Annual Rent in effect at the end of the Term during the period of holding over, and also for all damages sustained by Landlord on account of such holding over. The provisions of this Section shall not operate as a waiver of any right of re-entry provided for in this Lease.

17. NET LEASE

This Lease shall be deemed and construed to be "net lease" and Tenant shall pay to Landlord, absolutely net throughout the term of this Lease, the rent and all other charges described in this Lease, free of any charges, assessments, impositions or deductions of any kind and without abatement or set off and, except as Landlord has undertaken under this Lease, Tenant shall do and perform all things connected with this Lease or the Demised Premises or arising out of any occupation of the Demand Premises or any part thereof and under no circumstances or conditions, whether now existing or hereafter arising, or whether beyond the present contemplation of the parties, shall Landlord be expected or required to do or perform any act or any action or to make any payment of any kind whatsoever or be under any other obligation or liability hereunder except as herein otherwise expressly set forth, all so that this Lease shall yield completely net to Landlord (except for Landlord's mortgage payments) the rental herein specified in this Lease.

ORIGINAL

18. NOTICE OF LEASE

Landlord and Tenant agree that this Lease shall not be recorded, but at the request of either party, the parties will execute a statutory notice of lease setting forth the names of the parties, the description of the Demised Premises and a statement of the Term of this Lease.

19. ESTOPPEL CERTIFICATES

Tenant agrees from time to time, within five (5) days after written request by Landlord, to execute, acknowledge and deliver to Landlord and/or to any mortgagee or prospective purchaser a statement in writing certifying that this Lease is unmodified and in full force and effect (or, if there have been any modifications that the same is in full force and effect as modified and stating the modifications and, if there are any defenses, offsets or counterclaims, setting them forth in reasonable detail), and that Tenant has no defenses, offsets or counterclaims against its obligations to pay the Basic Annual Rent and any Additional Rent and to perform its other covenants under this Lease, and that there are no uncured defaults of Landlord or Tenant under this Lease, and the dates to which the Basic Annual Rent and any Additional Rent have been paid. Any such statement delivered pursuant to this Section may be relied upon by any prospective purchaser or mortgagee of the Demised Premises or any prospective assignee of any such mortgagee.

20. RIGHTS OF MORTGAGEE AND SUBORDINATION

This Lease shall, subject to the non-disturbance agreement referred to below, be subordinate to any mortgage (at the option of the holder of the applicable mortgage) placed upon the Demised Premises or any part thereof, regardless of the time when any such mortgage is placed.

No holder of a mortgage shall be liable either as mortgagee or as assignee to perform, or be liable in damages for failure to perform, any of the obligations of Landlord unless and until such holder shall have acquired indefeasible title to the Demised Premises and then only subject to and with the benefit of the provisions of Section 27.8 (the word "mortgage", as used herein, includes mortgages, deeds of trust and all similar instruments, and modifications, extensions, renewals and replacements thereof, and any and all assignments of the Landlord's interest in this Lease given as collateral security for any obligations of Landlord). If in connection with financing for the Demised Premises, a bank or other institutional lender shall request reasonable modifications in this Lease as a condition to such financing, Tenant will not unreasonably withhold, delay or condition its consent thereto, provided that such modifications do not increase the obligations of Tenant hereunder or adversely affect the leasehold interest hereby created. In the event Landlord requests Tenant to modify this Lease in connection with the above, Landlord shall reimburse Tenant for its reasonable legal expenses related thereto, not to exceed \$1,500. Notwithstanding the foregoing, Tenant shall, within ten (10) days after request of Landlord, execute such subordination or attornment and subordination agreements as

Landlord designates in confirmation of such subordination and in such form as may be required by Landlord or Landlord's mortgagee, however, the ten (10) day period shall be extended until such date that the form of such agreement is provided to Tenant.

Without limitation of any of the provisions of this Lease, if any mortgagee shall succeed to the interest of Landlord by reason of the exercise of its rights under such mortgage (or the acceptance of voluntary conveyance in lieu thereof) then such successor shall, consistent with the non-disturbance agreement referred to below, succeed to the interest of Landlord under this Lease; and in such event, the Tenant shall attorn to such successor and shall ipso facto be and become bound directly to such successor in interest to Landlord to perform and observe all the Tenant's obligations under this Lease without the necessity of the execution of any further instrument. Nevertheless, Tenant agrees at any time and from time to time during the term hereof to execute a suitable instrument in confirmation of Tenant's agreement to attorn, as aforesaid. Provided, however, that Tenant's agreement to subordinate to any mortgage except any existing mortgage is conditioned upon Landlord's obtaining from each mortgagee a "non disturbance" agreement which in substance shall provide that in the event the mortgagee were to acquire title to the Demised Premises, Tenant, on keeping and observing all of the terms and conditions of this Lease, would be entitled to continue to hold the Demised Premises and exercise all rights hereunder, including rights of first refusal and option to purchase, subject to the terms hereof. Any non-disturbance agreement must be in a form reasonably acceptable to Tenant and Landlord's mortgagee.

21. NOTICES

21.1 Landlord and Tenant. Any notice from Landlord to Tenant or from Tenant to Landlord shall be deemed duly served if actually delivered or if mailed by registered or certified mail, return receipt requested, addressed, if to Tenant, at the Demised Premises or such other address as Tenant shall have last designated by notice in writing to Landlord, and, if to Landlord, to Landlord's Address or to such other address as Landlord shall have last designated by notice in writing to Tenant. Notwithstanding the foregoing, notice to Tenant of default shall be deemed duly served in mailed as aforesaid, such service to be complete upon acceptance of said letter by Tenant or on the date the post office shows that the letter was refused by Tenant, or if served by a Constable or Deputy Sheriff in the same manner in which service of process is made. Until further notice to Tenant, rent payments hereunder shall be made at Landlord's Address.

21.2 Mortgagee. At any time after Landlord gives notice to Tenant of the imposition of this Section 21.2, no claim by Tenant of any default by Landlord hereunder shall be valid unless Tenant shall, simultaneously with notice to Landlord thereof, send a copy of such notice to Landlord's mortgagee and afford such mortgagee a reasonable opportunity to cure such alleged default (provided that Landlord shall have furnished Tenant with the name and address of Landlord's mortgagee), and Landlord shall never be deemed to be in default under this Lease unless Landlord fails to commence to cure a

claimed failure of performance within thirty (30) days after written notice from Tenant, setting forth the claimed failure of performance.

22. RIGHT OF FIRST REFUSAL TO PURCHASE

Provided Tenant is not in default under this Lease, Tenant shall have the right of first refusal to purchase the Demised Premises at the price and on the same terms and conditions upon which Landlord has a bona fide offer to purchase said Demised Premises. Landlord or Landlord's attorney shall notify Tenant in writing by delivering or mailing registered or certified mail, return receipt requested, addressed to the Tenant at the Demised Premises, notice of Landlord's offer including materials terms of such offer, and Tenant shall have twenty (20) days from the earlier of the date of delivery of such notification to the Tenant or, if notice is given by registered or certified mail and such registered or certified mail is returned by the Post Office to the sender, from the date of mailing of such notification, to inform Landlord in writing that Tenant wishes to purchase the Demised Premises at the stated price, terms and conditions. If Tenant does elect to so purchase the property, Tenant must enter into a real estate agreement within twenty (20) days of Tenant's giving of such notice. In the event the Landlord does not sell the Demised Premises upon the terms contained in the notice to Tenant within six (6) months of Landlord's notification to Tenant, the Tenant's right of first refusal shall be reinstated and Landlord shall not thereafter sell the Demised Premises without complying with the provisions hereof. An affidavit under the penalties of perjury recorded with the Worcester District Registry of Deeds by the Landlord or any person owning an interest in the Demised Premises or their attorney stating that the notice of offer to sell was made to Tenant, the date on which said notice was mailed or delivered, and further stating that the conveyance in connection with which the affidavit is recorded is made to the person identified in the notice given by Landlord or Landlord's attorney and is made upon the same terms and conditions as stated therein shall be conclusive evidence of the compliance with the requirements of this right of first refusal.

23. MECHANIC'S LIENS

Notice is hereby given that Landlord shall not be liable for any labor or materials furnished, or to be furnished, to the Tenant and that no mechanic's liens or other liens for any such labor or materials shall attach to or affect the reversionary or other estate or interest of Landlord in and to the Demised Premises. Tenant further agrees to indemnify and hold harmless Landlord against any and all costs it may suffer on account of the same.

24. RULES AND REGULATIONS

24.1 Tenant shall conform to all uniform rules and regulations which the Landlord may reasonably make in the management and use of the Demised Premises and which are not inconsistent with the rights granted to Tenant herein.

ORIGINAL

24.2 Tenant acknowledges that the Demised Premises, are non-smoking per local regulations and Landlord's rules and regulations. Any and all smoking must be conducted outside the building in the area to be designated as the "Smoking Area".

25. SIGNS

25.1 All interior and exterior signage will be the sole responsibility of the Tenant. No signs, billboards or posters of any type or description shall be erected or kept on or in the Demised Premises without the prior written consent and approval of Landlord which shall not be unreasonably withheld, provided, however, that the same conform with all applicable laws and regulations.

25.2 Any and all interior and exterior signage shall be completed by Tenant in accordance with Section 9.3 hereof and at Tenant's sole cost and expense, said expenses including but not limited to the permitting process, installation and maintenance costs.

25.3 Tenant shall remove all signs currently on or in the Building and the Demised Premises, including any and all references to "Goldstein Scrap Metal" and or "Goldstein" in accordance with Section 9.3 hereof at Tenant's sole cost and expense prior to the commencement of Tenant's Work on of the Demised Premises.

26. ASSENTS

No assent, express or implied, by one party to any breach of any covenant or condition herein contained on the part of the other to be performed or observed, and no waiver, express or implied, of or failure by one party to insist on the other's prompt performance or observance of any such covenant or condition, shall be deemed to be a waiver of or assent to any succeeding breach of the same, or any other covenant or condition, and, except as provided herein, any party may assert its rights and remedies hereunder without any prior or additional notice to the other that it proposes to do so. The payment by Tenant, and acceptance by Landlord of rent or other payment hereunder or silence by either party as to any breach shall not be construed as waiving any of such party's rights hereunder unless such waiver is in writing. No payment by Tenant or acceptance by Landlord of a lesser amount than shall be due Landlord from Tenant shall be deemed to be anything but payment on account, and the acceptance by Landlord of a check for a lesser amount with an endorsement or statement thereon or upon a letter accompanying said check shall not be deemed an accord and satisfaction, and Landlord may accept said check without prejudice to recover the balance due or pursue any other remedy which may be available to it.

27. MISCELLANEOUS PROVISIONS

27.1 No Accord and Satisfaction. No acceptance by Landlord of a less sum than the Basic Annual Rent, Additional Rent, or any other charge then due shall be deemed to be other than on account of the earliest installment of such rent or charge due, nor shall any endorsement or statement on any check or any letter accompanying any

ORIGINAL

check or payment as rent or other charge be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or pursue any other remedy in this Lease provided.

27.2 Brokerage. Tenant warrants that, except for the broker named in Section 1.13, it has had no dealings with any broker or agent in connection with this Lease. Landlord shall be responsible for any commissions or monetary obligations due any broker or agent in connection with this Lease.

27.3 Acts of God. In any case where either party hereto is required to do any act (other than Tenant's obligation to make money payments), delays caused by or resulting from Acts of God, war, civil commotion, fire or other casualty, labor difficulties, shortages of labor, materials or equipment, government regulations, or other causes beyond such party's reasonable control shall not be counted in determining the time during which such act shall be completed, whether such time be designated by a fixed date, a fixed time or a "reasonable time". Such time shall be deemed to be extended by the period of such delay.

27.4 Warranties. It is agreed that no warranties or representations, either express or implied in law or in fact, have been made by Landlord, except only as specifically herein stated.

27.5 Submission of Lease. The submission of this Lease or a summary of some or all of its provisions for examination does not constitute a reservation of or option for the Demised Premises, or an offer to lease, it being understood and agreed that this Lease shall not bind Landlord in any manner whatsoever until it has been delivered to and executed by Tenant and approved and executed by Landlord. Employees and agents of the Landlord have no authority to make or agree to make a lease or any other agreement in connection herewith.

27.6 Standard of Landlord's Consent. Wherever any consent of Landlord is required under this Lease, unless a different standard is specifically recited, such consent shall not be unreasonably withheld or delayed.

27.7 Bind and Inure; Limitation of Landlord's Liability. The obligations of this Lease shall run with the land, and this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns (but, with respect to Tenant, subject to applicable prohibition against assignment and subletting) except that only the original Landlord named herein shall be liable for any obligations (if any) accruing before the beginning of the Term. The following provisions shall apply to the original Landlord named herein and each successive owner of the Demised Premises: each shall be liable only for obligations accruing during the period of its ownership; each shall have the right to transfer any Security Deposit to its grantee or transferee, and upon any such transfer, the transferor shall be deemed released; the obligations of each shall be binding only upon the assets

which comprise the Demised Premises and not upon any other assets; none shall ever be personally liable for any claim, obligation or judgment or ever be liable for consequential or exemplary damages.

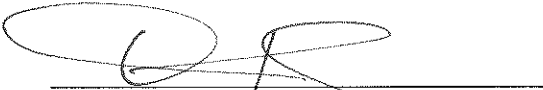
27.8 Applicable Law and Construction. This Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. If any term of this Lease, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such terms to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Lease shall be valid and enforceable to the fullest extent permitted by law. There are no oral or written agreements between Landlord and Tenant affecting this Lease. This Lease may be amended only by instruments in writing executed by Landlord and Tenant. This Lease supersedes any and all agreements, either oral or in writing, between the parties hereto with regard to the Demised Premises and contains all the covenants, agreements, other obligations between the said parties with regard to the Demised Premises. Landlord shall not be deemed, in any way or for any purpose, to have become, by the execution of this Lease or any action taken hereunder, a partner of Tenant in its business or otherwise a joint venturer or a member of any enterprise with Tenant. The titles of the Section contained herein are for convenience only and shall not be considered in construing this Lease. If there be more than one Tenant, the obligations imposed by this Lease upon Tenant shall be joint and several. This Lease shall not be construed against one party as having been prepared by such a party.

27.9 Tenant's Right to Terminate. Tenant shall have the right to terminate this Lease solely in the event that Tenant is unable to obtain its Phase 2 license from the Commonwealth of Massachusetts and all permits and approvals from the City of Worcester required for the Tenant's Permitted Use and operation of the Demised Premises. Tenant shall make best efforts to apply for and obtain any and all necessary licenses, permits and approvals from all governmental authorities and shall do so in a timely manner. In the event Tenant is unable obtain all permits and approvals required for the Tenant's Permitted Use and operation of the Demised Premises, Tenant shall provide Landlord with thirty (30) days prior written notice of the same and of Tenant's exercise of its right of termination pursuant to this Section 27.9. Upon termination of this Lease by Tenant pursuant to this Section 27.9, (i) the Lease shall terminate, the Security Deposit referenced in Section 1.12 shall be returned, provided, however, that Landlord may use the Security Deposit to repair or restore any alterations or damage to the Demised Premises caused by Tenant occurring during the Holding Period (as hereinafter defined) and from the Commencement Date through the date Tenant vacates the Demised Premises after termination pursuant to Section 27.9; (ii) the Right of First Refusal shall terminate and the Tenant shall execute a Termination of Right of First Refusal in recordable format; and (iii) the obligations of the Tenant and Landlord shall cease except for those that expressly survive termination of the Lease.

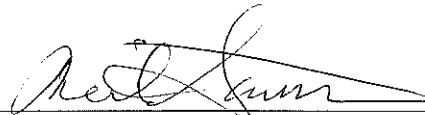
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WITNESS the execution hereof in two or more counterparts and under seal as of
the 18th day of November, 2013.


LANDLORD:



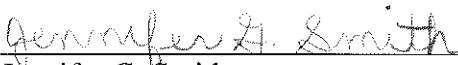
Witness



Neil Smith



Witness



Jennifer G. Smith

TENANT:

Bay State Care Corp

Witness

By: _____
Sean D. Gabriel, President and
Treasurer
Duly Authorized

WITNESS the execution hereof in two or more counterparts and under seal as of
the _____ day of _____, 2013.

LANDLORD:

Witness


Neil Smith

Witness


Jennifer G. Smith

TENANT:

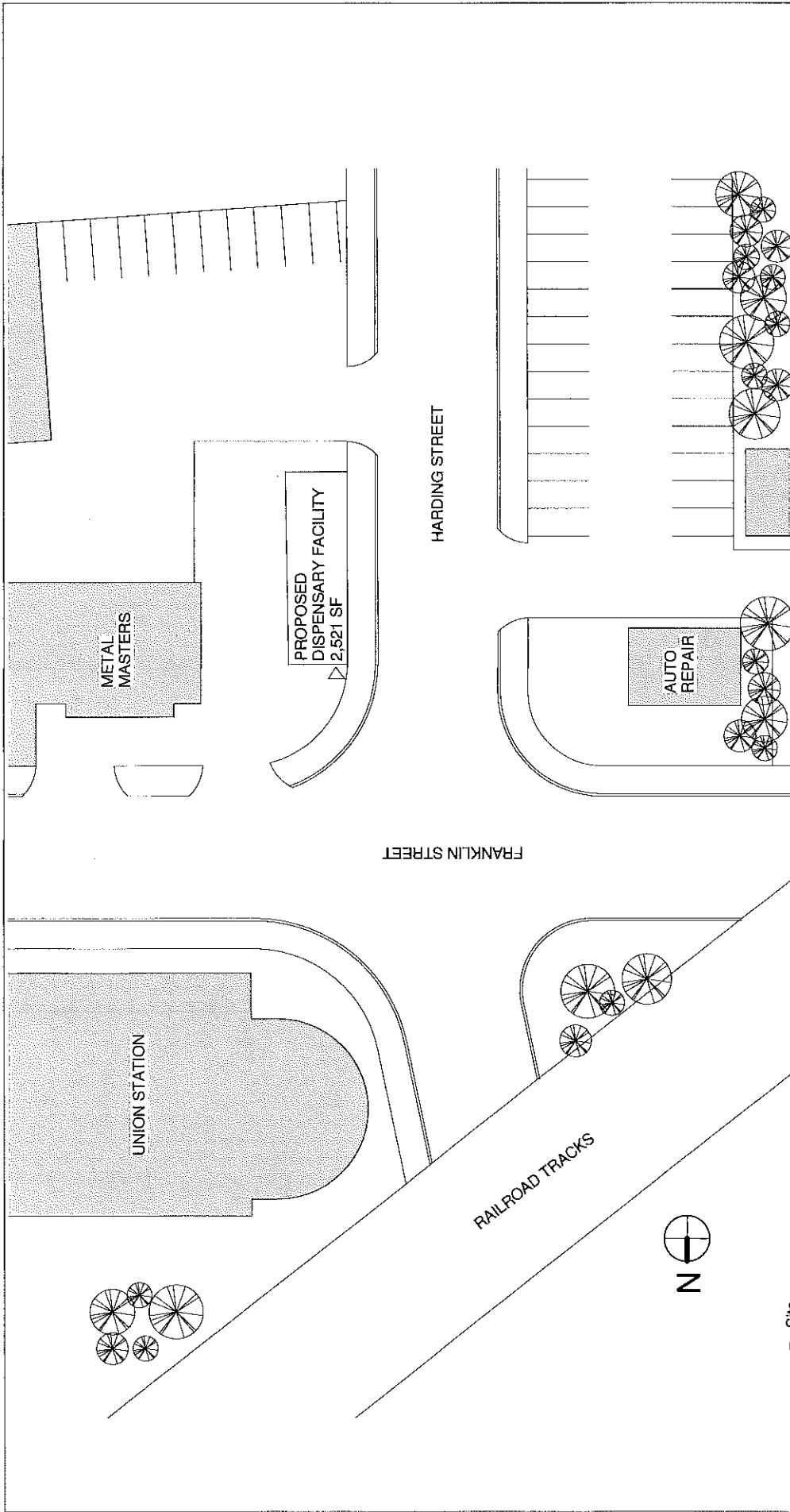
Bay State Care Corp



Witness


By: _____
Sean D. Gabriel, President and
Treasurer
Duly Authorized

ORIGINAL



Site Plan	
Project number	HARDING
Date	10.17.13
Drawn by	Melissa Piper
Checked by	Bruce Hampton
51-00	
Scale 1" = 30'-0"	

No.	Description	Date
	DRAFT	

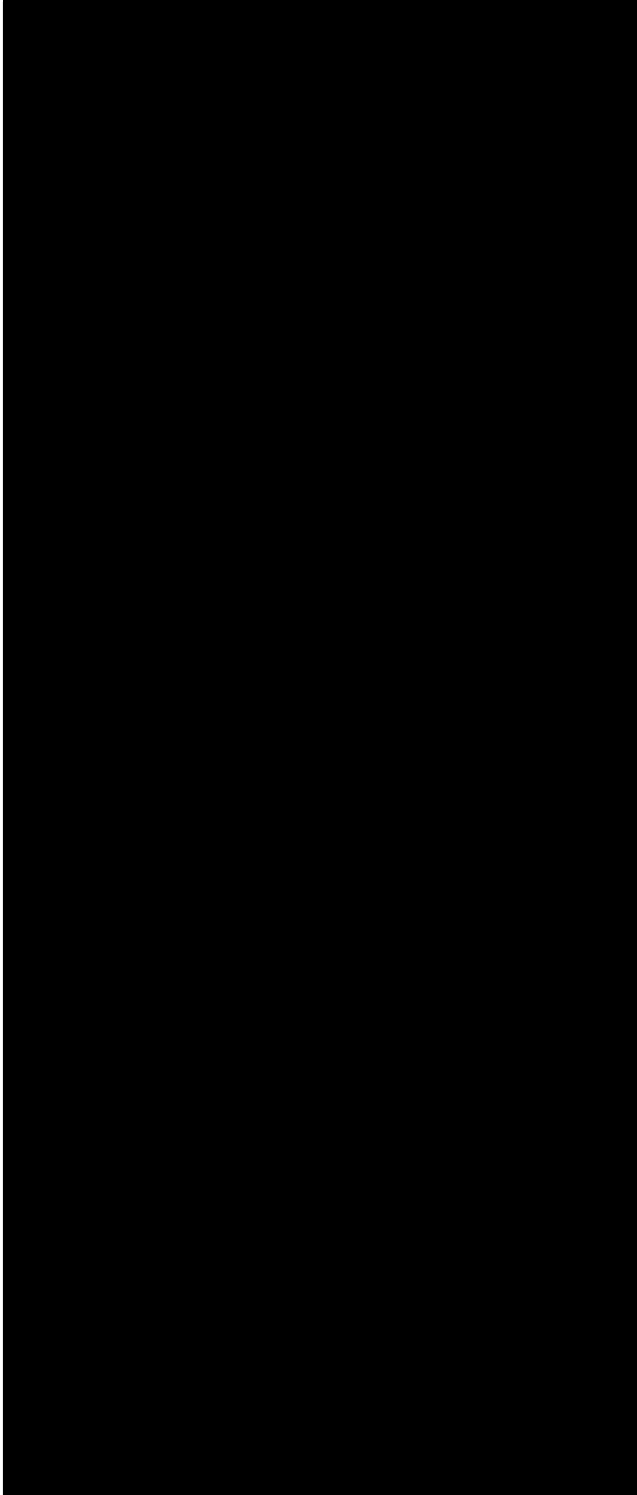
Bay State Care
 51 Harding Street
 Worcester, MA 01604

Elton + Hampton Architects
 103 Terrace Street,
 Roxbury, MA 02120
 (617) 708-1071

ORIGINAL

KEY	
Retail	435 SF
Non-Retail	2503 SF
Designated Spaces for Marijuana and Marijuana Products	585 SF
Total Proposed Facility: 2,521 SF	

Note: Plans do NOT reflect security plan requirements or layout - facility layout only



① Level 1
3/16" = 1'-0"

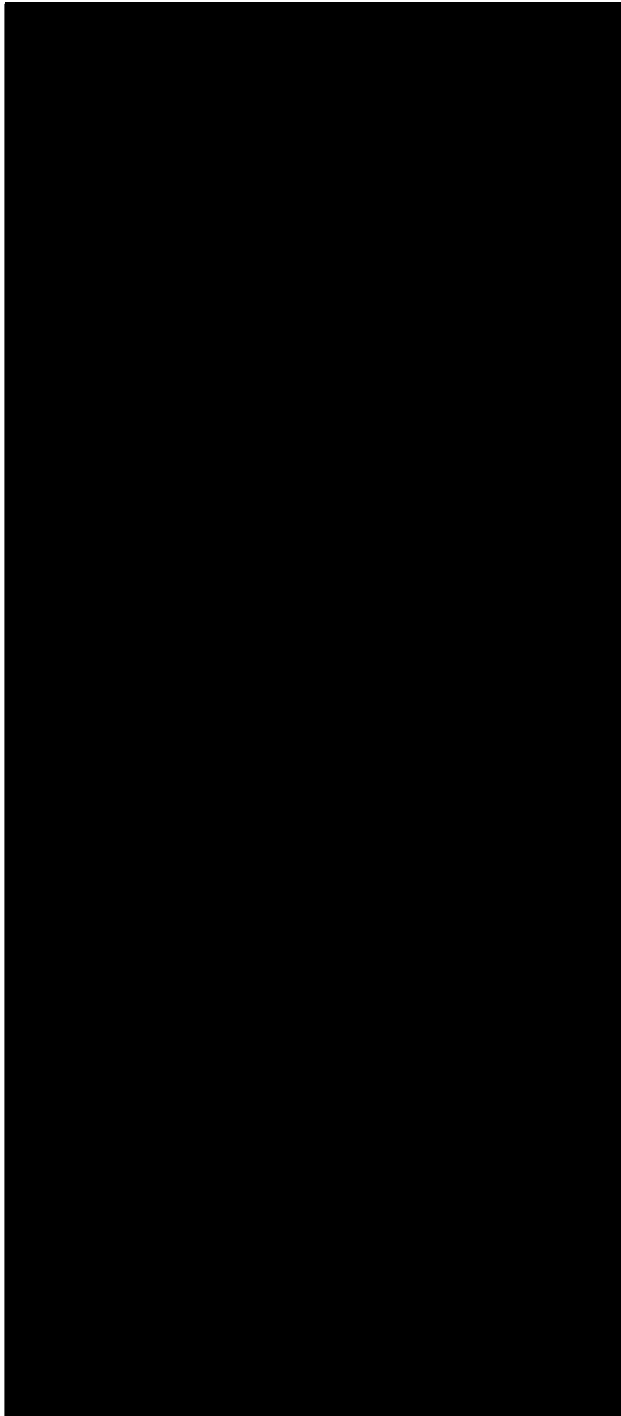
Proposed First Floor Plan	
Project number	HARDING
Date	10.17.13
Drawn by	Melissa Martinez
Checked by	Bruce Hampton
51-05	
Scale 3/16" = 1'-0"	

No.	Description	Date
	DRAFT	

Bay State Care
51 Harding Street
Worcester, MA 01604

Elton + Hampton Architects
103 Terrace Street,
Roxbury, MA 02120
(617) 708-1071


ORIGINAL



KEY
Second Floor Non-Retail 1,091 SF
Total Proposed Facility: 2,521 SF

Note: Plans do NOT reflect security plan requirements or layout - facility layout only

① Level 2
3/16" = 1'-0"

 Elton + Hampton Architects 103 Terrace Street, Roxbury, MA 02120 (617) 708-1071	Bay State Care 51 Harding Street Worcester, MA 01604		Proposed Second Floor Plan	
	Project number: HARDING Date: 10.17.13 Drawn by: Melissa Martinez Checked by: Bruce Hampton	No. Description Date		51-06

ORIGINAL



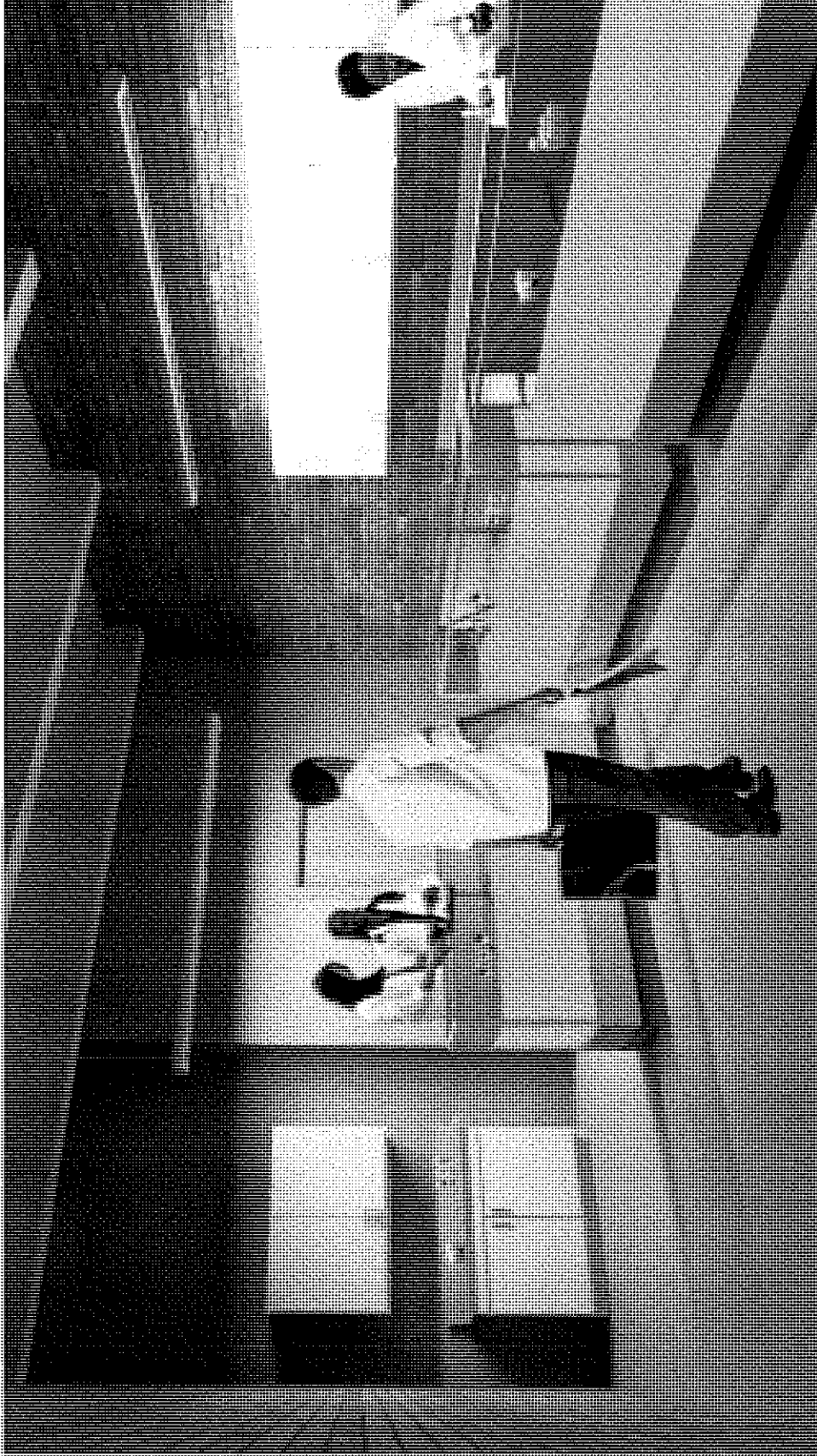
Proposed Waiting Area	
Project number	HARDING
Date	10.17.13
Drawn by	Melissa Piper
Checked by	Bruce Hampton
Scale	
51-08	

No.	Description	Date
	DRAFT	

Bay State Care
 51 Harding Street
 Worcester, MA 01604


Elton + Hampton Architects
 103 Terrace Street,
 Roxbury, MA 02120
 (617) 708-1071

ORIGINAL



Proposed Dispensary Department

Project number	HARDING
Date	10.17.13
Drawn by	Melissa Piper
Checked by	Bruce Hampton

51-09

Scale

No.	Description	Date
	DRAFT	

Bay State Care

51 Harding Street
Worcester, MA 01604

Elton + Hampton Architects

103 Terrace Street,
F Roxbury, MA 02120
(617) 708-1071



Bay State Care Corp, Exhibit 5.2

**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: Bay State Care Corp Application # (if more than one): 1

Physical Address	County	Type of Evidence Attached
4 Foundry Industrial Park Lowell, MA 01852	Middlesex County	Executed Lease

COMMERCIAL LEASE

1. PARTIES **FOUNDRY INDUSTRIAL PARK TRUST**, a Massachusetts trust established under declaration of Trust dated July 8, 1970 recorded in Middlesex North District of the Land Court in Book 90 page 199 LESSOR, which expression shall include his heirs, successors and assigns where the context so admits, does hereby lease to **Bay State Care Corp.**, A Massachusetts Non-Profit Corporation with a usual place of business at _____” LESSEE, which expression shall include his successors, executors, administrators, and assigns where the context so admits, and the LESSEE hereby leases the following described premises:
2. PREMISES Premises located in **Foundry Industrial Park, Foundry St. Lowell, MA** known as Space #1A a diagram of the premises marked as exhibit A attached and incorporated hereto.
3. TERM The term of this lease shall be for **Five Years** commencing on **February 1, 2014**, and ending on **January 30th 2019**.
LESSEE shall have the right to extend the Term for one additional term of five years to commence on the date following the Expiration Date upon the same terms and conditions as contained in the Lease. The terms shall automatically extend unless LESSEE gives Landlord written notice of its intention not to exercise its options no earlier than January 31, 2018 and no later than July 31, 2018. Time is of the essence with respect to such dates. In order for Lessee’s exercise of this option to be effective, at the time the extended term is to commence, this Lease must be in full force and effect. The Lease shall not be in default at either time of any of the terms, covenants or conditions of this Lease. Lessee shall have possession of the premises upon execution hereof.
4. RENT The LESSEE shall pay to the LESSOR rent at the rate of **Seventy Eight Thousand (\$78,000) Dollars** per year NNN payable in advance, (prior to the first day of the month) in monthly installments of **six thousand five hundred dollars (\$6,500.)** NNN.

In the event the LESSEE shall be late for the payment of any installment of rent, or other payment, not received by LESSOR within five (5) days of said due date, the LESSEE shall pay interest at the rate of eighteen (18%) per cent, per annum (1-1/2%/mo.) compounded until such time as said rent and charges due, plus interest have been paid in full.
5. SECURITY DEPOSIT Upon the execution of this lease, the LESSEE shall pay to the LESSOR the amount of **nine thousand seven hundred fifty dollars (\$9,750.00)** which shall be held as a security for the LESSEE’S performance as herein provided and refunded to the LESSEE at the end of this lease subject to the LESSEE’S satisfactory compliance with the conditions hereof.
6. RENT ADJUSTMENT The LESSEE shall pay to the LESSOR, as additional rent hereunder, when and as designated by notice in writing by LESSOR (**14%**) per cent of “Operating Expenses” incurred during its tenancy.

“Operating Expenses” are defined for the purpose of this Agreement as: Taxes and betterments assessed against the whole of the premises of which the leased premises are a part; hazard and liability insurance on the whole of the premises of which the leased premises are a part; water and sewer charges; scheduled maintenance charges, including, but not limited to removal of snow and ice, sanding, sweeping, re-stripping, lawn, shrub and tree care, common area lighting, parking lot lighting, and the like.

LESSEE agrees to pay its proportionate share of “Operating Expenses” above on a monthly basis, 1/12th of the annual charge for Insurance and Taxes to be paid together with the rent prior to the **first** day of each and every month.

LESSEE agrees that in the event the “Consumer Price Index for Urban Wage Earners and Clerical Workers U. S. City Average, all items (1967 = 100) (hereinafter referred to as the “Price Index”) published by the

[Handwritten signature]
4/29/13

Bureau of Labor Statistics of the United States Department of Labor, or any comparable successor or substitute index designated by the LESSOR appropriately adjusted, reflects an increase in the cost of living over and above the cost of living as reflected by the Price Index for the month of November, 2014 (hereinafter called the "Base Price Index"), the Basic Rent shall be adjusted in accordance with the following paragraph:

Commencing as of the first anniversary of the Term Commencement Date, there shall be an adjustment (hereinafter referred to as "Adjustment") in the Basic Rent calculated by multiplying the Basic Rent set forth in Article 4 of the lease by a fraction, the numerator of which shall be the Price Index for the month of November 2014, and subsequently November 2015, 2016, 2017 and the denominator of which (for each such fraction) shall be the Base Price Index;

PROVIDED, HOWEVER, NO adjustment shall reduce the Basic Rent as previously payable in accordance with the Article or in Article 4 of this lease. In the event the increase in the CPI in any year is less than 3%, the increase will be deemed to be 3% per annum.

7. UTILITIES

The LESSEE shall pay, as they become due, all separately metered bills for electricity, gas and other utilities (whether they are used for furnishing heat or other purposes) that are furnished to the leased premises. LESSEE shall maintain adequate heat, minimum of fifty degrees (50°) Fahrenheit to prevent pipes and equipment from freezing. LESSEE shall activate and maintain exterior lighting attached to the leased premises during hours of darkness.

LESSEE shall activate and maintain exterior lighting attached to the leased premises during hours of darkness.

LESSOR shall have no obligation to provide utilities or equipment other than the utilities and equipment within the premises as of the commencement date of this lease. In the event LESSEE requires additional utilities or equipment, the installation and maintenance thereof shall be the LESSEE'S sole obligation, provided that such installation shall be subject to the written consent to the LESSOR.

8. USE OF LEASED PREMISES

The LESSEE shall use the leased premises for the purpose of growing, cultivating, and harvesting and sale of marijuana for medical use.

9. COMPLIANCE WITH LAWS

The LESSEE acknowledges that no trade or occupation shall be conducted in the leased premises or use made thereof which will be unlawful, improper, noisy or offensive, or contrary to any law or any municipal by-law or ordinance in force in the city or town in which the premises are situated.

10. FIRE INSURANCE

The LESSEE shall not permit any use of the leased premises which will make voidable any insurance on the property of which the leased premises are a part, or on the contents of said property or which shall be contrary to any law or regulation from time to time established by the New England Fire Insurance Rating Association, or any similar body succeeding to its powers. The LESSEE shall on demand reimburse the LESSOR, and all other tenants, all extra insurance premiums caused by the LESSEE'S use of the premises.

11. MAINTENANCE

A. LESSEE'S OBLIGATIONS

The LESSEE agrees to maintain the leased premises in good condition, damage by fire and other casualty only excepted, and whenever necessary, to replace, repair and maintain heating, air conditioning, ventilating, plumbing and electrical systems, to replace plate glass and other glass therein, acknowledging that the leased premises are now in good order and the glass whole. The LESSEE shall not permit the leased premises to be overloaded, damaged, stripped, or defaced, nor suffer any waste. LESSEE shall obtain written consent of LESSOR before erecting any sign on the premises.

B. LESSOR'S OBLIGATIONS

The LESSOR agrees to maintain the structure of the building of which the leased premises are a part in the same condition as it is at the commencement of the term or as it may be put in during the term of this lease, reasonable wear and tear, damage by fire and other casualty only excepted, unless such maintenance is required because of the LESSEE or those for whose conduct the LESSEE is legally responsible.

12. ALTERATIONS ADDITIONS The LESSEE shall not make structural alterations or additions to the leased premises, but may make non-structural alterations provided the LESSOR consents thereto in writing, which consent shall not be unreasonably withheld or delayed. All such allowed alterations shall be at LESSEE'S expense and shall be in quality at least equal to the present construction. LESSEE shall not permit any mechanics' liens, or similar liens, to remain upon the leased premises for labor and material furnished to LESSEE or claimed to have been furnished to LESSEE in connection with work of any character performed or claimed to have been performed at the direction of LESSEE and shall cause any such lien to be released of record forthwith without cost to LESSOR. Any permitted alterations or improvements made to the physical structure of the building by the LESSEE shall become the property of the LESSOR at the termination of occupancy as provided herein.
13. ASSIGNMENT SUBLEASING The LESSEE shall not assign or sublet the whole or any part of the leased premises without LESSOR'S prior written consent which shall not be unreasonably withheld. Notwithstanding such consent, LESSEE shall remain liable to LESSOR for the payment of all rent and for the full performance of the covenants and conditions of this lease.
14. SUBORDINATION This lease shall be subject and subordinate to any and all mortgages, deeds of trust and other instruments in the nature of a mortgage, now or at any time hereafter, a lien or liens on the property of which the leased premises are a part and the LESSEE shall, when requested, promptly execute and deliver such written instruments as shall be necessary to show the subordination of this lease to said mortgages, deeds of trust or other such instruments in the nature of a mortgage so long as a non disturbance agreement is simultaneously executed by the mortgagee.
15. LESSOR'S ACCESS The LESSOR or agents of the LESSOR may, during normal business hours, and with prior notice to LESSEE, enter to view the leased premises and may remove placards and signs not approved and affixed as herein provided, and make repairs and alterations as LESSOR should elect to do, at LESSOR'S expense, and may show the leased premises to others, and at any time within three (3) months before the expiration of the term, may affix to any suitable part of the leased premises a notice for letting or selling the leased premises or property of which the leased premises are a part and keep the same so affixed without hindrance or molestation.
16. INDEMNIFICATION AND LIABILITY The LESSEE shall save the LESSOR harmless from all loss and damage occasioned by the use or escape of water or by the bursting of pipes, as well as from any claim or damage resulting from neglect in not removing snow and ice from the roof of the building or from the sidewalks bordering upon the premises so leased, or by any nuisance made or suffered on the leased premises, unless such loss is caused by the neglect of the LESSOR. The removal of snow and ice from the sidewalks bordering upon the leased premises shall be LESSEE'S responsibility, including approachways, and trash removal is LESSEE'S responsibility.
17. LESSEE'S LIABILITY INSURANCE The LESSEE shall maintain with respect to the leased premises and the property of which the leased premises are a part comprehensive public liability insurance in the amount of \$1,000,000/\$2,000,000 with property damage insurance in limits of \$500,000 in responsible companies qualified to do business in Massachusetts and in good standing therein insuring the LESSOR as well as the LESSEE against injury to persons or damage to property as provided. The LESSEE shall deposit with the LESSOR certificates for such insurance at or prior to the commencement of the term, and thereafter within thirty (30) days prior to the expiration of any such policies. All such insurance certificates shall provide that such policies shall not be canceled without at least ten (10) days prior written notice to each assured named therein.
18. FIRE CASUALTY- EMINENT DOMAIN Should a substantial portion of the leased premises, or of the property of which they are a part, be substantially damaged by fire or other casualty, or be taken by eminent domain, the LESSOR may elect to terminate this lease. When such fire, casualty, or taking renders the leased premises substantially unsuitable for their intended use, a just and proportionate abatement of rent shall be made, and the LESSEE may elect to terminate this lease if:
(a) The LESSOR fails to give written notice within thirty (30) days of intention to restore the leased premises, or

(b) The LESSOR fails to restore the leased premises to a condition substantially suitable for their intended use within ninety (90) days of said fire, casualty or taking.

The LESSOR reserves, and the LESSEE grants to the LESSOR, all rights which the LESSEE may have for damages or injury to the leased premises for any taking by eminent domain, except for damage to the LESSEE'S fixtures, property, or equipment.

19. DEFAULT AND
BANKRUPTCY

In the event that:

(a) The LESSEE shall default in the payment of any installment of rent or other sum herein specified and such default shall continue for ten (10) days after written notice thereof; or

(b) The LESSEE shall default in the observance or performance of any other of the LESSEE'S covenants, agreements, or obligations hereunder and such default shall not be corrected within thirty (30) days after written notice thereof; or

(c) The LESSEE shall be declared bankrupt or insolvent according to law, or, if any assignment shall be made of LESSEE'S property for the benefit of creditors,

then the LESSOR shall have the right thereafter, while such default continues, to reenter and take complete possession of the leased premises, to declare the term of this lease ended, and remove the LESSEE'S effects, without prejudice to any remedies which might be otherwise used for arrears of rent or other default. The LESSEE shall indemnify the LESSOR against all loss of rent and other payments which the LESSOR may incur by reason of such termination during the residue of the term. If the LESSEE shall default, after reasonable notice thereof, in the observance or performance of any conditions or covenants on LESSEE'S part to be observed or performed under or by virtue of any of the provisions in any article of this lease, the LESSOR, without being under any obligation to do so and without thereby waiving such default, may remedy such default for the account and at the expense of the LESSEE. If the LESSOR makes any expenditures or incurs any obligations for the payment of money in connection therewith, including but not

limited to, reasonable attorney's fees in instituting, prosecuting or defending any action or proceeding, such sums paid or obligations incurred, with interest at the rate of eighteen (18%) per cent per annum and costs, shall be paid to the LESSOR by the LESSEE as additional rent.

20. NOTICE

Any notice from the LESSOR to the LESSEE relating to the leased premises or to the occupancy thereof, shall be deemed duly served, if left at the leased premises addressed to the LESSEE, or if mailed to the leased premises, registered or certified mail, return receipt requested, postage prepaid, and addressed to the LESSEE. At _____ . Any notice from the LESSEE to the LESSOR relating to the leased premises or to the occupancy thereof, shall be deemed duly served, if mailed to the LESSOR by registered or certified mail, return receipt requested, postage prepaid, addressed to the LESSOR at such address as the LESSOR may from time to time advise in writing. All rent and notices shall be paid and sent to the LESSOR at LAA REALTY TRUST, C/o FRONTIER DEVELOPMENT CORP., FOUNDRY STREET, LOWELL, MA 01852.

21. SURRENDER

The LESSEE shall at the expiration or other termination of this lease remove all LESSEE'S goods and effects from the leased premises, (including, without hereby limiting the generality of the foregoing, all signs and lettering affixed or painted by the LESSEE, either inside or outside the leased premises). It is expressly understood that LESSEE shall not remove any electrical or mechanical equipment without LESSOR'S written permission; upon LESSOR'S direction, LESSEE shall properly remove specific electrical and mechanical items. LESSEE shall deliver to the LESSOR the leased premises and all keys, locks thereto, and other fixtures connected therewith and all alterations and additions made to or upon the leased premises, in good condition, damage by fire or other casualty only excepted. In the event of the LESSEE'S failure to remove any of LESSEE'S property from the premises, LESSOR is hereby authorized, without liability to LESSEE for loss or damage thereto, and at the sole risk of LESSEE, to remove and store any of the property at LESSEE'S expense, or to retain same under LESSOR'S control or to sell at public or private sale, without notice any or all of the property not so removed and to apply the net proceeds of such sale to the payment of any sum due hereunder, or to destroy such property.

22. HOLDING OVER

If LESSEE remains in possession of the Demised Premises after the expiration of the term of this lease, then all the provisions of this Lease that are applicable during the final year of the lease term will continue

to apply, except that Tenant will pay, as fixed rent, an amount equal to 200% of the monthly fixed rental payment due for the last month of the lease term immediately preceding the hold over and Landlord and Tenant will each have the right to terminate this Lease by giving written notice of termination. The effective date of termination will be 60 days after the termination notice is received by Landlord or Tenant, as applicable. Tenant will be in default if Tenant fails to vacate and surrender the Demised Premises to Landlord by the end of the 60th day after receiving Landlord's notice of termination. If Landlord desires that Tenant vacate the Demised Premises without holding over, Landlord may notify Tenant during the last year of the lease term (at least 60 days prior to the last day of the lease term) that no holding over will be permitted, and if after receiving that notice, Tenant fails to vacate the Demised Premises on or before the last day of the lease term, then Tenant will be in default. If Tenant is holding over and Tenant fails to vacate the Demised Premises within 60 days after Tenant's receipt of written notice to vacate from Landlord, then Tenant will pay, as liquidated damages, an amount equal to 200% of the monthly fixed rental payment due for the last month of the lease term immediately preceding the holding over, for as long as Tenant remains in possession of the Demised Premises.

23. OTHER
PROVISIONS

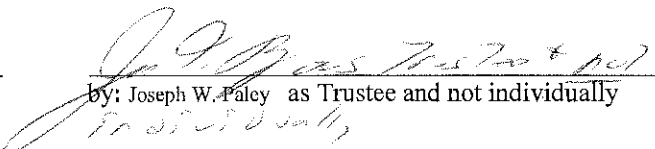
This lease is contingent upon the lessee receiving any and all necessary permits from the Commonwealth of Massachusetts and/or the City of Lowell for the operation of a Registered Marijuana Dispensary, including, but not limited to, a cultivation site. In the event that the lessee is unsuccessful in obtaining the necessary permits, then this lease is void and any and all deposits and/or pre-paid rent shall be refunded by the Lessor forthwith.

IN WITNESS WHEREOF, the said parties hereunto set their hands and seals this 20th day of November, 2013

LESSEE: Bay State Care Corp.

LESSOR: FOUNDRY INDUSTRIAL PARK TRUST

By: Sean Gabriel



by: Joseph W. Paley as Trustee and not individually

by:


11/20/13

to apply, except that Tenant will pay, as fixed rent, an amount equal to 200% of the monthly fixed rental payment due for the last month of the lease term immediately preceding the hold over and Landlord and Tenant will each have the right to terminate this Lease by giving written notice of termination. The effective date of termination will be 60 days after the termination notice is received by Landlord or Tenant, as applicable. Tenant will be in default if Tenant fails to vacate and surrender the Demised Premises to Landlord by the end of the 60th day after receiving Landlord's notice of termination. If Landlord desires that Tenant vacate the Demised Premises without holding over, Landlord may notify Tenant during the last year of the lease term (at least 60 days prior to the last day of the lease term) that no holding over will be permitted, and if after receiving that notice, Tenant fails to vacate the Demised Premises on or before the last day of the lease term, then Tenant will be in default. If Tenant is holding over and Tenant fails to vacate the Demised Premises within 60 days after Tenant's receipt of written notice to vacate from Landlord, then Tenant will pay, as liquidated damages, an amount equal to 200% of the monthly fixed rental payment due for the last month of the lease term immediately preceding the holding over, for as long as Tenant remains in possession of the Demised Premises.

23. OTHER
PROVISIONS

This lease is contingent upon the lessee receiving any and all necessary permits from the Commonwealth of Massachusetts and/or the City of Lowell for the operation of a Registered Marijuana Dispensary, including, but not limited to, a cultivation site. In the event that the lessee is unsuccessful in obtaining the necessary permits, then this lease is void and any and all deposits and/or pre-paid rent shall be refunded by the Lessor forthwith.

IN WITNESS WHEREOF, the said parties hereunto set their hands and seals this 20th day of November, 2013

LESSEE: Bay State Care Corp.

LESSOR: FOUNDRY INDUSTRIAL PARK TRUST

By: Sean Gabriel

by: Joseph W. Paley as Trustee and not individually

by:

11/20/13



Bay State Care Corp, Exhibit 5.3

**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: Bay State Care Corp Application # (if more than one): 1

Physical Address	County	Type of Evidence Attached
4 Foundry Industrial Park Lowell, MA 01852	Middlesex County	Executed Lease

ORIGINAL



COMMERCIAL LEASE

1. PARTIES

FOUNDRY INDUSTRIAL PARK TRUST, a Massachusetts trust established under declaration of Trust dated July 8, 1970 recorded in Middlesex North District of the Land Court in Book 90 page 199 LESSOR, which expression shall include his heirs, successors and assigns where the context so admits, does hereby lease to **Bay State Care Corp.**, A Massachusetts Non-Profit Corporation with a usual place of business at _____” LESSEE, which expression shall include his successors, executors, administrators, and assigns where the context so admits, and the LESSEE hereby leases the following described premises:

2. PREMISES

Premises located in **Foundry Industrial Park, Foundry St. Lowell, MA** known as Space #1A a diagram of the premises marked as exhibit A attached and incorporated hereto.

3. TERM

The term of this lease shall be for **Five Years** commencing on **February 1, 2014**, and ending on **January 30th 2019**.

LESSEE shall have the right to extend the Term for one additional term of five years to commence on the date following the Expiration Date upon the same terms and conditions as contained in the Lease. The terms shall automatically extend unless LESSEE gives Landlord written notice of its intention not to exercise its options no earlier than January 31, 2018 and no later than July 31, 2018. Time is of the essence with respect to such dates. In order for Lessee’s exercise of this option to be effective, at the time the extended term is to commence, this Lease must be in full force and effect. The Lease shall not be in default at either time of any of the terms, covenants or conditions of this Lease. Lessee shall have possession of the premises upon execution hereof.

4. RENT

The LESSEE shall pay to the LESSOR rent at the rate of **Seventy Eight Thousand (\$78,000) Dollars** per year NNN payable in advance, (prior to the first day of the month) in monthly installments of **six thousand five hundred dollars (\$6,500.)** NNN.

In the event the LESSEE shall be late for the payment of any installment of rent, or other payment, not received by LESSOR within five (5) days of said due date, the LESSEE shall pay interest at the rate of eighteen (18%) per cent, per annum (1-1/2%/mo.) compounded until such time as said rent and charges due, plus interest have been paid in full.

5. SECURITY DEPOSIT

Upon the execution of this lease, the LESSEE shall pay to the LESSOR the amount of **nine thousand seven hundred fifty dollars (\$9,750.00)** which shall be held as a security for the LESSEE’S performance as herein provided and refunded to the LESSEE at the end of this lease subject to the LESSEE’S satisfactory compliance with the conditions hereof.

6. RENT ADJUSTMENT

The LESSEE shall pay to the LESSOR, as additional rent hereunder, when and as designated by notice in writing by LESSOR (**14%**) per cent of “Operating Expenses” incurred during its tenancy.

“Operating Expenses” are defined for the purpose of this Agreement as: Taxes and betterments assessed against the whole of the premises of which the leased premises are a part; hazard and liability insurance on the whole of the premises of which the leased premises are a part; water and sewer charges; scheduled maintenance charges, including, but not limited to removal of snow and ice, sanding, sweeping, re-striping, lawn, shrub and tree care, common area lighting, parking lot lighting, and the like.

LESSEE agrees to pay its proportionate share of “Operating Expenses” above on a monthly basis, 1/12th of the annual charge for Insurance and Taxes to be paid together with the rent prior to the **first** day of each and every month.

LESSEE agrees that in the event the “Consumer Price Index for Urban Wage Earners and Clerical Workers U. S. City Average, all items (1967 = 100) (hereinafter referred to as the “Price Index”) published by the

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BAY STATE CARE, Exhibit 5.3

Bureau of Labor Statistics of the United States Department of Labor, or any comparable successor or substitute index designated by the LESSOR appropriately adjusted, reflects an increase in the cost of living over and above the cost of living as reflected by the Price Index for the month of November, 2014 (hereinafter called the "Base Price Index"), the Basic Rent shall be adjusted in accordance with the following paragraph:

Commencing as of the first anniversary of the Term Commencement Date, there shall be an adjustment (hereinafter referred to as "Adjustment") in the Basic Rent calculated by multiplying the Basic Rent set forth in Article 4 of the lease by a fraction, the numerator of which shall be the Price Index for the month of **November 2014**, and subsequently November 2015, 2016, 2017 and the denominator of which (for each such fraction) shall be the Base Price Index;

PROVIDED, HOWEVER, NO adjustment shall reduce the Basic Rent as previously payable in accordance with the Article or in Article 4 of this lease. In the event the increase in the CPI in any year is less than 3%, the increase will be deemed to be 3% per annum.

7. UTILITIES

The LESSEE shall pay, as they become due, all separately metered bills for electricity, gas and other utilities (whether they are used for furnishing heat or other purposes) that are furnished to the leased premises. LESSEE shall maintain adequate heat, minimum of fifty degrees (50°) Fahrenheit to prevent pipes and equipment from freezing. LESSEE shall activate and maintain exterior lighting attached to the leased premises during hours of darkness.

LESSEE shall activate and maintain exterior lighting attached to the leased premises during hours of darkness.

LESSOR shall have no obligation to provide utilities or equipment other than the utilities and equipment within the premises as of the commencement date of this lease. In the event LESSEE requires additional utilities or equipment, the installation and maintenance thereof shall be the LESSEE'S sole obligation, provided that such installation shall be subject to the written consent to the LESSOR.

8. USE OF LEASED PREMISES

The LESSEE shall use the leased premises for the purpose of growing, cultivating, and harvesting and sale of marijuana for medical use.

9. COMPLIANCE WITH LAWS

The LESSEE acknowledges that no trade or occupation shall be conducted in the leased premises or use made thereof which will be unlawful, improper, noisy or offensive, or contrary to any law or any municipal by-law or ordinance in force in the city or town in which the premises are situated.

10. FIRE INSURANCE

The LESSEE shall not permit any use of the leased premises which will make voidable any insurance on the property of which the leased premises are a part, or on the contents of said property or which shall be contrary to any law or regulation from time to time established by the New England Fire Insurance Rating Association, or any similar body succeeding to its powers. The LESSEE shall on demand reimburse the LESSOR, and all other tenants, all extra insurance premiums caused by the LESSEE'S use of the premises.

11. MAINTENANCE

A. LESSEE'S OBLIGATIONS

The LESSEE agrees to maintain the leased premises in good condition, damage by fire and other casualty only excepted, and whenever necessary, to replace, repair and maintain heating, air conditioning, ventilating, plumbing and electrical systems, to replace plate glass and other glass therein, acknowledging that the leased premises are now in good order and the glass whole. The LESSEE shall not permit the leased premises to be overloaded, damaged, stripped, or defaced, nor suffer any waste. LESSEE shall obtain written consent of LESSOR before erecting any sign on the premises.

B. LESSOR'S OBLIGATIONS

The LESSOR agrees to maintain the structure of the building of which the leased premises are a part in the same condition as it is at the commencement of the term or as it may be put in during the term of this lease, reasonable wear and tear, damage by fire and other casualty only excepted, unless such maintenance is required because of the LESSEE or those for whose conduct the LESSEE is legally responsible.

Lease Foundry bay state care corp 11 20 13

ORIGINAL



BAY STATE CARE, Exhibit 5.3

12. ALTERATIONS ADDITIONS The LESSEE shall not make structural alterations or additions to the leased premises, but may make non-structural alterations provided the LESSOR consents thereto in writing, which consent shall not be unreasonably withheld or delayed. All such allowed alterations shall be at LESSEE'S expense and shall be in quality at least equal to the present construction. LESSEE shall not permit any mechanics' liens, or similar liens, to remain upon the leased premises for labor and material furnished to LESSEE or claimed to have been furnished to LESSEE in connection with work of any character performed or claimed to have been performed at the direction of LESSEE and shall cause any such lien to be released of record forthwith without cost to LESSOR. Any permitted alterations or improvements made to the physical structure of the building by the LESSEE shall become the property of the LESSOR at the termination of occupancy as provided herein.
13. ASSIGNMENT SUBLEASING The LESSEE shall not assign or sublet the whole or any part of the leased premises without LESSOR'S prior written consent which shall not be unreasonably withheld. Notwithstanding such consent, LESSEE shall remain liable to LESSOR for the payment of all rent and for the full performance of the covenants and conditions of this lease.
14. SUBORDINATION This lease shall be subject and subordinate to any and all mortgages, deeds of trust and other instruments in the nature of a mortgage, now or at any time hereafter, a lien or liens on the property of which the leased premises are a part and the LESSEE shall, when requested, promptly execute and deliver such written instruments as shall be necessary to show the subordination of this lease to said mortgages, deeds of trust or other such instruments in the nature of a mortgage so long as a non disturbance agreement is simultaneously executed by the mortgagee.
15. LESSOR'S ACCESS The LESSOR or agents of the LESSOR may, during normal business hours, and with prior notice to LESSEE, enter to view the leased premises and may remove placards and signs not approved and affixed as herein provided, and make repairs and alterations as LESSOR should elect to do, at LESSOR'S expense, and may show the leased premises to others, and at any time within three (3) months before the expiration of the term, may affix to any suitable part of the leased premises a notice for letting or selling the leased premises or property of which the leased premises are a part and keep the same so affixed without hindrance or molestation.
16. INDEMNIFICATION AND LIABILITY The LESSEE shall save the LESSOR harmless from all loss and damage occasioned by the use or escape of water or by the bursting of pipes, as well as from any claim or damage resulting from neglect in not removing snow and ice from the roof of the building or from the sidewalks bordering upon the premises so leased, or by any nuisance made or suffered on the leased premises, unless such loss is caused by the neglect of the LESSOR. The removal of snow and ice from the sidewalks bordering upon the leased premises shall be LESSEE'S responsibility, including approachways, and trash removal is LESSEE'S responsibility.
17. LESSEE'S LIABILITY INSURANCE The LESSEE shall maintain with respect to the leased premises and the property of which the leased premises are a part comprehensive public liability insurance in the amount of \$1,000,000/\$2,000,000 with property damage insurance in limits of \$500,000 in responsible companies qualified to do business in Massachusetts and in good standing therein insuring the LESSOR as well as the LESSEE against injury to persons or damage to property as provided. The LESSEE shall deposit with the LESSOR certificates for such insurance at or prior to the commencement of the term, and thereafter within thirty (30) days prior to the expiration of any such policies. All such insurance certificates shall provide that such policies shall not be canceled without at least ten (10) days prior written notice to each assured named therein.
18. FIRE CASUALTY- EMINENT DOMAIN Should a substantial portion of the leased premises, or of the property of which they are a part, be substantially damaged by fire or other casualty, or be taken by eminent domain, the LESSOR may elect to terminate this lease. When such fire, casualty, or taking renders the leased premises substantially unsuitable for their intended use, a just and proportionate abatement of rent shall be made, and the LESSEE may elect to terminate this lease if:
(a) The LESSOR fails to give written notice within thirty (30) days of intention to restore the leased premises, or

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BAY STATE CARE, Exhibit 5.3

(b) The LESSOR fails to restore the leased premises to a condition substantially suitable for their intended use within ninety (90) days of said fire, casualty or taking.

The LESSOR reserves, and the LESSEE grants to the LESSOR, all rights which the LESSEE may have for damages or injury to the leased premises for any taking by eminent domain, except for damage to the LESSEE'S fixtures, property, or equipment.

19. DEFAULT AND BANKRUPTCY

In the event that:

(a) The LESSEE shall default in the payment of any installment of rent or other sum herein specified and such default shall continue for ten (10) days after written notice thereof; or

(b) The LESSEE shall default in the observance or performance of any other of the LESSEE'S covenants, agreements, or obligations hereunder and such default shall not be corrected within thirty (30) days after written notice thereof; or

(c) The LESSEE shall be declared bankrupt or insolvent according to law, or, if any assignment shall be made of LESSEE'S property for the benefit of creditors,

then the LESSOR shall have the right thereafter, while such default continues, to reenter and take complete possession of the leased premises, to declare the term of this lease ended, and remove the LESSEE'S effects, without prejudice to any remedies which might be otherwise used for arrears of rent or other default. The LESSEE shall indemnify the LESSOR against all loss of rent and other payments which the LESSOR may incur by reason of such termination during the residue of the term. If the LESSEE shall default, after reasonable notice thereof, in the observance or performance of any conditions or covenants on LESSEE'S part to be observed or performed under or by virtue of any of the provisions in any article of this lease, the LESSOR, without being under any obligation to do so and without thereby waiving such default, may remedy such default for the account and at the expense of the LESSEE. If the LESSOR makes any expenditures or incurs any obligations for the payment of money in connection therewith, including but not

limited to, reasonable attorney's fees in instituting, prosecuting or defending any action or proceeding, such sums paid or obligations incurred, with interest at the rate of eighteen (18%) per cent per annum and costs, shall be paid to the LESSOR by the LESSEE as additional rent.

20. NOTICE

Any notice from the LESSOR to the LESSEE relating to the leased premises or to the occupancy thereof, shall be deemed duly served, if left at the leased premises addressed to the LESSEE, or if mailed to the leased premises, registered or certified mail, return receipt requested, postage prepaid, and addressed to the LESSEE. At _____

Any notice from the LESSEE to the LESSOR relating to the leased premises or to the occupancy thereof, shall be deemed duly served, if mailed to the LESSOR by registered or certified mail, return receipt requested, postage prepaid, addressed to the LESSOR at such address as the LESSOR may from time to time advise in writing. All rent and notices shall be paid and sent to the LESSOR at LAA REALTY TRUST, C/o FRONTIER DEVELOPMENT CORP., FOUNDRY STREET, LOWELL, MA 01852.

21. SURRENDER

The LESSEE shall at the expiration or other termination of this lease remove all LESSEE'S goods and effects from the leased premises, (including, without hereby limiting the generality of the foregoing, all signs and lettering affixed or painted by the LESSEE, either inside or outside the leased premises). It is expressly understood that LESSEE shall not remove any electrical or mechanical equipment without LESSOR'S written permission; upon LESSOR'S direction, LESSEE shall properly remove specific electrical and mechanical items. LESSEE shall deliver to the LESSOR the leased premises and all keys, locks thereto, and other fixtures connected therewith and all alterations and additions made to or upon the leased premises, in good condition, damage by fire or other casualty only excepted. In the event of the LESSEE'S failure to remove any of LESSEE'S property from the premises, LESSOR is hereby authorized, without liability to LESSEE for loss or damage thereto, and at the sole risk of LESSEE, to remove and store any of the property at LESSEE'S expense, or to retain same under LESSOR'S control or to sell at public or private sale, without notice any or all of the property not so removed and to apply the net proceeds of such sale to the payment of any sum due hereunder, or to destroy such property.

22. HOLDING OVER

If LESSEE remains in possession of the Demised Premises after the expiration of the term of this lease, then all the provisions of this Lease that are applicable during the final year of the lease term will continue

ORIGINAL

P 11/29/13



BAY STATE CARE, Exhibit 5.3

to apply, except that Tenant will pay, as fixed rent, an amount equal to 200% of the monthly fixed rental payment due for the last month of the lease term immediately preceding the hold over and Landlord and Tenant will each have the right to terminate this Lease by giving written notice of termination. The effective date of termination will be 60 days after the termination notice is received by Landlord or Tenant, as applicable. Tenant will be in default if Tenant fails to vacate and surrender the Demised Premises to Landlord by the end of the 60th day after receiving Landlord's notice of termination. If Landlord desires that Tenant vacate the Demised Premises without holding over, Landlord may notify Tenant during the last year of the lease term (at least 60 days prior to the last day of the lease term) that no holding over will be permitted, and if after receiving that notice, Tenant fails to vacate the Demised Premises on or before the last day of the lease term, then Tenant will be in default. If Tenant is holding over and Tenant fails to vacate the Demised Premises within 60 days after Tenant's receipt of written notice to vacate from Landlord, then Tenant will pay, as liquidated damages, an amount equal to 200% of the monthly fixed rental payment due for the last month of the lease term immediately preceding the holding over, for as long as Tenant remains in possession of the Demised Premises.

23. OTHER PROVISIONS

This lease is contingent upon the lessee receiving any and all necessary permits from the Commonwealth of Massachusetts and/or the City of Lowell for the operation of a Registered Marijuana Dispensary, including, but not limited to, a cultivation site. In the event that the lessee is unsuccessful in obtaining the necessary permits, then this lease is void and any and all deposits and/or pre-paid rent shall be refunded by the Lessor forthwith.

IN WITNESS WHEREOF, the said parties herunto set their hands and seals this 20th day of November, 2013

LESSEE: Bay State Care Corp.

By: Sean Gabriel

by: _____

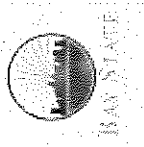
LESSOR: FOUNDRY INDUSTRIAL PARK TRUST

by: Joseph W. Paley as Trustee and not individually

Lease Foundry bay state care corp 11 20 13

ORIGINAL

Handwritten initials



Bay State Care Corp. Exhibit 5.4

**EVIDENCE OF LOCAL SUPPORT
(Exhibit 5.4)**

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

Corporation Name: Bay State Care Corp. Application # (if more than one): 1

Site	City/Town	County	Type of Support Attached
1	Worcester	Worcester County	Letter from City Manager indicating non-opposition
2	Lowell	Lowell County	n/a

ORIGINAL



Michael V. O'Brien
City Manager

CITY OF WORCESTER

November 12, 2013

Cheryl Bartlett, Commissioner
Commonwealth of Massachusetts
Department of Public Health
250 Washington Street
Boston, MA 02108

Re: Bay State Care LLC

Dear Commissioner Bartlett:

I write at the request of representatives of Bay State Care LLC, who have informed me that they are applying for a State license to operate a medical marijuana dispensary in Worcester.

In support of laws and regulations recently promulgated by the Commonwealth of Massachusetts, including Department of Public Health regulations found at 105 CMR 725.000, the City of Worcester is in the process of adopting certain zoning ordinance amendments to accommodate the siting of medical marijuana dispensaries and cultivation facilities within the city. These amendments would allow Registered Marijuana Dispensaries (RMDs) and related cultivation facilities to locate in most commercial, manufacturing, and institutional zones in Worcester, subject only to certain buffer requirements. We expect to complete this ordination process by January 2014. If licensed, we anticipate working with Bay State Care LLC, and any other interested RMDs and cultivation facilities, to identify appropriate sites within designated areas of the city and assist with local permitting.

We appreciate the efforts of you and your team to carefully review each application and consider local impacts as we welcome this new industry in Massachusetts.

Sincerely,

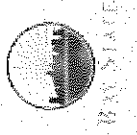
Michael V. O'Brien
City Manager



OFFICE OF THE CITY MANAGER, CITY HALL, WORCESTER, MA 01608
TELEPHONE (508) 799-1176 | FAX (508) 799-1208
EMAIL: citymanager@worcesterma.gov



ORIGINAL



Bay State Care Corp. Exhibit 5.5

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: Bay State Care Corp Application # (if more than one): 1

	Site	Full Address	Evidence of Interest Submitted	Evidence of Local Support
1	Dispensing	51 Harding Street Worcester, MA 01604	Executed Lease	Letter from the City Manager indicating non-opposition
2	Cultivation	4 Foundry Industrial Park Lowell, MA 01852	Executed Lease	n/a
3	Processing	4 Foundry Industrial Park Lowell, MA 01852	Executed Lease	n/a

ORIGINAL



Bay State Care Corp, Exhibit 6.1

**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: Bay State Care Corp

Application # (if more than one): 1

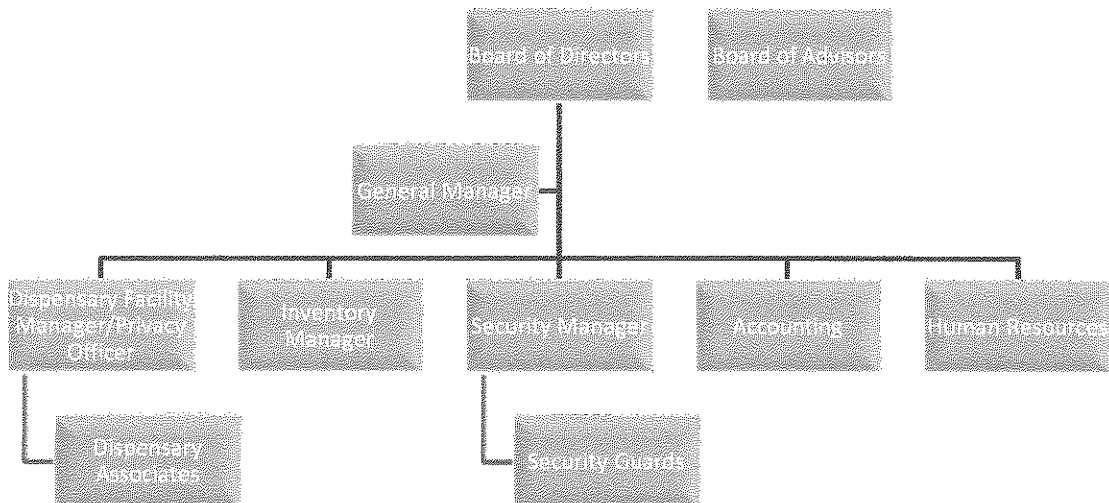
Attach organizational chart.



Bay State Care Corp, Exhibit 6.1

Bay State Corp plans to segregate its dispensary operations from its cultivation and processing operations by locating each in distinct facilities. Accordingly, each facility-type has its own organizational structure, as described below in greater detail.

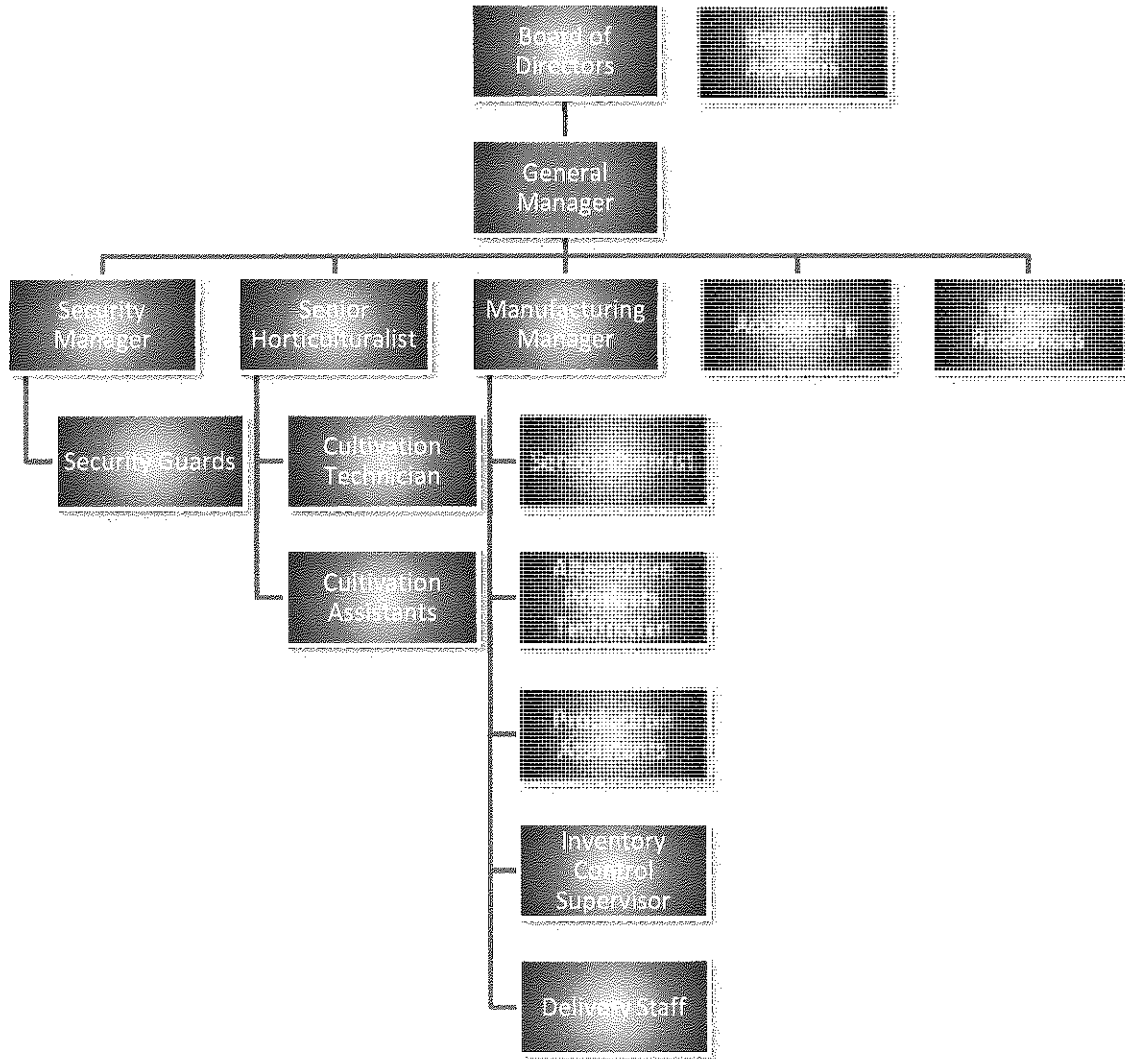
Bay State Corp RMD (*dispensary operations*) Organizational Chart





Bay State Care Corp. Exhibit 6.1

Bay State Corp RMD (cultivation/processing operations) Organizational Chart





Bay State Care Corp. Exhibit 6.1

POSITION DESCRIPTIONS

Board of Directors

Formulates and oversees the implementation of the strategic goals, vision and mission of Bay State Corp. Board Members generally govern the organization, ensure compliance with the company's bylaws, establish broad policies and objectives, ensure the availability of adequate financial resources, approve annual budgets, and set the compensation packages for the company's management.

Names & Positions

- Sean Gabriel – Chief Executive Officer, President, Treasurer, Clerk, Member
- Nate Nienhuis – Director Member

Board of Advisors

Provides advice and counsel to the Board of Directors with regards to the strategic goals, vision and mission of the organization. Board of Advisor Members, which includes the Scientific Advisory Board, offer opinions on the establishment of broad policies and objectives, and advise on the various transactions of the organization.

Names & Positions

- Thomas A. Fleming – Chief Security Advisor
- Seth Herring – Chief Horticulturalist

General Manager

Oversees both the dispensary operations and the cultivation/processing operations of the RMD. This position acts as a liaison between all staff and the Board of Directors, between the company and local law enforcement, between the company and the DPH, and between the company and the local community at large. This position also ensures overall compliance with Commonwealth law, rules and regulations governing the Medical Marijuana program. The General Manager is responsible for safely and securely maintaining all required records, as well as ensuring all employees are properly trained and educated. The General Manager reports directly to the Board of Directors. The initial proposed General Manager is:

- James Sinclair – General Manager



Bay State Care Corp, Exhibit 6.1

Dispensary Facility Manager

Oversees the entire dispensary operation and ensures that the RMD successfully delivers on its mission and business objectives. This position also oversees proper registration and training of all dispensary employees, oversees record management and retention, and maintains physical security of Medical Marijuana. The Dispensary Facility Manager reports directly to the General Manager.

Privacy Officer

HIPAA requires that every pharmacy, and likely the dispensary facility as well, appoint a Privacy Officer who must develop and regularly update the organization's privacy policies and procedures. At Bay State Corp, the Dispensary Facility Manager will serve as the Privacy Officer who will also be responsible for all information security requirements, including the requirement that patient information remain confidential. The Privacy Officer will draft and implement the appropriate policies and procedures, keep such documents on file, and collaborate with other personnel to ensure strict compliance. The Privacy Officer reports directly to the General Manager.

Dispensary Associates

Assists patients by dispensing the Medical Marijuana, facilitating the selection of the appropriate Medical Marijuana products from the available inventory, affixes compliant labels to containers, and provides instructions regarding the use of Medical Marijuana. The dispensary associates report directly to the Dispensary Facility Manager.

Inventory Manager

Oversees procurement and proper storage of medicinal products from the cultivation/processing operations and ensures all deliveries are accurate. The position will also oversee any changes to the product line to reflect patient demand. The Inventory Manager reports directly to the General Manager.

Senior Horticulturalist

Oversees all cultivation operations and activities from plant genetic selection to nutrient feeding schedule to the harvest and curing process. This position ensures the sterility of the facility and cleanroom cultivation process is implemented according to protocol, and free of any pests,



Bay State Care Corp. Exhibit 6.1

molds, mildews, disease, non-organic products and the like. The position necessitates an innate understanding of what a plant requires – whether it be nutrients, less/more light, or even sound and human connection – based on a plant’s then-current expression, posture, color, and scent.

The Senior Horticulturist will ensure that all RMD employees under his management will be properly trained and knowledgeable in Bay State Corp’s policies and procedures, advanced organic cultivation methods, and the Medical Marijuana production parameters set forth by Commonwealth law. This position reports directly to the General Manager. The initial proposed Senior Horticulturist is:

- Seth Herring – Chief Horticulturist

Cultivation Technicians

This position supports the activities of the Senior Horticulturist, particularly with activities related to maintaining a sterile working environment, a cleanroom cultivation process, and all measures to prevent the adulteration of products including keeping plants free of pests, mold, and other contaminants. This position also assists in the administration of the nutrient feeds, watering, pruning, and other hands-on cultivation procedures. The cultivation technicians report directly to the Senior Horticulturist.

Cultivation Assistants

Generally assists the Senior Horticulturist and Cultivation Technicians in all their activities. This position is also responsible for the intense labor related to the harvest and trimming of cultivated plants. The cultivation assistants report directly to the Senior Horticulturist.

Manufacturing Manager

Oversees the activities of the Senior Chemist, the Alternative Products Technicians, and the Inventory Control Supervisor, and ensures all final products are safe, secure and ready for sale to our patients. This position serves as the liaison to the General Manager. This position also oversees the maintenance and storage of all cultivation/processing RMD records, and oversees the staging and loading of delivery vehicles. The Manufacturing Manager reports directly to the General Manager.

Senior Chemist



Bay State Care Corp, Exhibit 6.1

Oversees all internal testing of raw flowers, concentrates and alternative Medical Marijuana products, and provides for the accuracy of all packaging and labels in conformance with Bay State Corp's quality assurance protocols and Commonwealth law. This position works closely with the Alternative Products Technician. The Senior Chemist reports directly to the Manufacturing Manager.

Alternative Products Technicians

Oversees all processing of concentrates and processing of all alternative Medical Marijuana products, including MIPs. This position is also oversees the safety and quality control of the kitchen and the manufacturing of these products, and assures these products are produced in accordance with the Medical Marijuana program's rules and regulations. The alternative products technicians report directly to the Manufacturing Manager.

Production Assistants

Generally assists the activities of the Alternative Products Technicians, including handling extractions, infusing butter and oil for the manufacturing of MIPs, cooking/baking, packaging and labeling, and proper storage. The production assistants report directly to the Manufacturing Manager.

Inventory Control Supervisor

Oversees the inventory, disposition and order fulfillment of our Medical Marijuana after harvest, and our MIPs, to ensure that all of our protocols for product safety, packaging, bulk storage, retail packaging, and labeling are being followed. Responsible for generating and auditing all inventory control data input and report generation. The Inventory Control Supervisor reports directly to the Manufacturing Manager.

Delivery Staff

Handles the transportation and delivery of all products to the dispensary arm of the RMD for sale to our patients. This position is responsible for the safe and secure transition of the products and must follow company protocol and Commonwealth law governing transportation. The delivery staff report directly to the Manufacturing Manager.



Bay State Care Corp, Exhibit 6.1

Security Manager

Oversees security guards and security operations of the respective facility. Monitors all areas of operations to ensure the safety of patients, plants, products, staff and neighbors, and compliance with all Commonwealth laws and regulations. Ensures the proper training of security staff and acts as liaison between the company and local law enforcement & the DPH. The Security Manager reports directly to the General Manager. The initial proposed Security Manager is:

- Thomas A. Fleming – Chief Security Advisor

Security Guards

Monitor all areas of operations to ensure the safety of patients, plants, products, staff and neighbors, and compliance with all Commonwealth laws and regulations. This position also ensures that only authorized patients, primary caregivers and staff members have access to the limited-access areas of the facility. The security guards report directly to the Security Manager. An initial proposed security team member is:

- Donald A. Lenzie – Security Team Member

Accountant

Oversees payroll matters, tax matters, and all banking matters for the dispensary facility. This position reports directly to the General Manager.

Human Resources

Oversees all hiring and training of RMD employees, addresses any patient complaints or issues, and addresses any staff issues that are not resolved by management directly. This position reports directly to the General Manager.



Bay State Care Corp, Exhibit 6.2

**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: Bay State Care Corp.

Application # (if more than one): 1

Attach evidence of enrollment.

ORIGINAL



Bay State Care Corp, Exhibit 6.2

Stack Login | Account Management | Account to Correlate | American Express Card | Account Management

Logged in as: baystatecare | Home | Help | Logout

DCJIS iCORI
Commonwealth of Massachusetts
Department of Criminal Justice Information Services

[Home](#) | [Add Request](#) | [View CORI Results](#) | [Manage Account](#) | [iCORI Cart \(0\)](#)

Bay State Care 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: 11/20/2013 Date Last Renewed:

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

Account Type(s): Employer
 Organization Name: Bay State Care [REDACTED]
 Address: 366 Broadway, Everett, MA 02149
 Phone No.: 617-307-1141
 Website: [REDACTED]

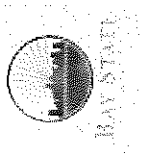


Bay State Care Corp. Exhibit 6.4

**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	Thomas A. Fleming	Chief Security Officer, Security Manager - Oversee RMD security team and ensure compliance with facility security plan and Commonwealth law, liaison with local law enforcement and DPH, and oversee proper training of security personnel.
2	Seth Herring	Chief Horticulturalist, Senior Horticulturalist - Oversee RMD cultivation plan and ensure the safe, sterile, consistent production of unadulterated medical-grade Marijuana, and oversee proper training of cultivation department personnel
3	James Sinclair	General Manager - Oversee RMD operations, ensure staff is properly trained, address and resolve all operational issues, report to Board of Directors, liaison with local law enforcement and DPH, ensure compliance with Commonwealth law, rules, regulations and guidelines, and oversee proper training of all RMD personnel
4	Donald A. Lenzie	Security Personnel - Assist Security Manager in security all security matters, ensure only authorized personnel have access to limited-access areas, ensure the procedures are followed by staff regarding the proper identification and verification of patients, address and remediate any security issues on site, monitor all areas of facility for suspicious activity



Bay State Care Corp, Exhibit 7.1

**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: Bay State Care Corp Application # (if more than one): 1

Key Benchmarks ¹	Due Dates	In Charge	Risk Level If Not Completed on Time	Date RMD Opens
Designs/Drawings for RMD and Cultivation	Done	Architect	N/A	08/15/14
Proximity Report RMD and Cultivation	Done	Architect	N/A	
Site Survey RMD and Cultivation	Done	Architect	N/A	
RMD plans to Worcester & Worcester County	2/3/14	Executives	Pending license grant, all documents are prepared and ready.	
Cultivation plans to South Hadley/Hampshire County	2/3/14	Executives	Pending license grant, all documents are prepared and ready.	
Approval City/County	02/17/14	Executives	Approval expected in 2 weeks	
Interview/Hire Cultivation Managers	03/01/14	Chief Horticultural Officer	High	
Interview/Hire Cultivation Staff	03/15/14/	Executives Chief Horticultural Officer	High	
RMD Construction & Security Systems done	03/21/14	General Contractor	Expect RMD completion ahead of first cultivation.	
CULT Construction & Security Systems	03/28/14	General Contractor	High - Depends on first day of cultivation	



Bay State Care Corp, Exhibit 7.1

State Building/ATO Inspection	04/04/14			
CULT Begin Seed Germination	04/05/14	Cultivation Team	High – Kickoff process of plant propagation and genetic identification.	
RMD Millwork & Finishing	04/18/14	General Contractor	Expect RMD completion ahead of first cultivation.	
Genetic Confirmation/Plant Culling	04/21/14	Cultivation Team	High	
Transfer Plants to Vegetative State	04/22/14	Cultivation Team	High	
Transfer Plants for Bloom Stage	04/28/14	Cultivation Team	High	
RMD Interview & Hire Management	05/16/14	Executives	Medium – Key managers on-ramp 6 weeks before opening. Candidates already identified.	
RMD Dispensary Staff Hired	06/01/14	Executives RMD Managers	Medium – We are giving ourselves extra time in order to secure the best team, but this date gives us ample time to train prior to opening.	
CULT Harvest & Cure	06/09/14	Cultivation Team	High	
RMD Staff Training	06/27/14	Executives RMD Managers	High -- 2Wk product, compliance, security, privacy training	
Product packaged & secured for transport	06/30/14	Cultivation Team	High	
RMD – Initial Product Delivery	8/1/14			

¹ Insert more rows if needed



Bay State Care Corp. Exhibit 7.12

**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: Bay State Care Corp.

Application # (if more than one): 1

Attach sliding price scale.



Bay State Care Corp. Exhibit 7.12

Eligible Group	Discount	Qualification
Senior Citizens	10%	65+, Valid State Issued ID
Military Veterans	10%	Valid State ID and VA issued ID
Terminally Ill	10%	Valid State ID and signed note from Doctor
Low Income	10-20%	Valid State ID and either Medicaid Card, SSI letter, or other proof of status
"Care Beyond"	Case by Case	Valid State ID and in discretion of team member

ORIGINAL