



ORIGINAL

7

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

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

Corporation Name: Bay State Relief, Inc.

Application # (if more than one): \_\_\_\_\_

|   | Name            | Role within the Corporation                            |
|---|-----------------|--|
| 1 | Armand Riendeau | Board Member/<br>Executive Director                    |
| 2 | Andrew Gold     | Board Treasurer/<br>Director of Cultivation Operations |
| 3 |                 |  |
| 4 |                 |  |
| 5 |                 |  |

**APPLICATION RESPONSE FORM COVER PAGE**

Make this the first page of your response

**Corporation**

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

Website URL (if applicable): [www.BayStateRelief.org]

**Address:**

[909 Beacon St]

[Unit 6]

City: [Boston] State: [MA] Zip: [02215]

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

First Name: [Armand] Last Name: [Riendeau]

FEIN: [462356346]

**Contact Person**

First Name: [Andrew] Last Name: [Gold]

Title: [Treasurer]

Telephone: (860) 944-6172 FAX: ( ) - E-Mail: [Andrew@BayStateRelief.Org]

**Contact Person Address (if different):**

[909 Beacon St]

[Unit 6]

City: [Boston] State: [MA] Zip: [02215]

**Authorized Signature**

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

**Background Check Authorization**

The Department will conduct a background check on:

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

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

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

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

**Application Fee**

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


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

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

**Required Signatures**


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

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

  
Name: ARMAND RIENDEAU  
Title: EXECUTIVE DIRECTOR

11/19/2013  
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: ARMAND RIENDEAU  
Title: EXECUTIVE DIRECTOR

11/19/2013  
Date

**APPLICATION RESPONSE FORM**

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

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

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

Enter text here: example text limit 1,250 characters

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

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

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

**Definitions**

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

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

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

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

**Questions**

**1. Applicant's Corporate Background**

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

[LEGAL NAME OF APPLICANT: Bay State Relief Inc.

DATE OF INCORPORATION: June 18, 2013, under the name Bay State Patients Group, Inc. On August 18, 2013, Articles of Amendment were filed changing the corporate name to Bay State Relief, Inc.

]

1.2 Describe the organization's mission and vision.

[MISSION

Our mission is provision of safe and legal access to quality medical cannabis with individualized care and attention to qualified patients.

VISION

BSRI has assembled a team of professionals who unite around a common belief that cannabis should be an available medical treatment option for individuals who benefit from its use. Our vision is to build an organization that excels at producing and providing high-quality medical cannabis to qualified patients in Massachusetts.

Our vision includes an honest and reliable relationship with municipal officials and the public in the communities we serve. Through sustained efforts we will listen, respond and adjust to local questions and concerns; participate in educational and public health efforts; and ensure our operations serve the narrow purposes of the Massachusetts statute.

We take seriously the statutory requirement that RMDs operate on a nonprofit basis. We constantly work to ensure our organizational practices further our nonprofit mission and avoid private inurement. We have adopted a range of board policies and procedures evidencing nonprofit governance best practices.

These statements have changed since our Phase 1 submission to accommodate space requirements.  
]

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 nonprofit 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.

[Since the Phase 1 submission, BSRI has filed a Certificate of Change of Directors or Officers, as the composition of our Directors and Officers has changed.

The following list details these changes:

1. Donald Robinson was elected to the Board of Directors and brings first-responder and municipal safety expertise to the organization.
2. Adam Jacknow was elected to the Board of Directors and brings business expertise to the organization.
3. Michael Dundas was elected to the Board of Directors and brings legal expertise to the organization.
4. Joseph Russo resigned from the Board of Directors due to health related concerns.
5. Carolyn Russo resigned from the Board of Directors due to Mr. Russo's health related concerns.
6. Maura Muldoon resigned from the Board of Directors for personal reasons.
7. Gerald Goldberg was elected President of the corporation. Mr. Goldberg brings financial and business expertise to the Board;
8. Armand Riendeau remains on the Board as a Director and is the ED/CEO of the corporation.
9. Melissa Dantz-Zerbel was elected to the office of Secretary/Clerk to fill the vacancy left by the departure of Maura Muldoon. Ms. Dantz-Zerbel is not a Director.

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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 nonprofit corporation, and explain the nature of each relationship.

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

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

List of references attached as exhibit 1.9

## 2. Applicant's Evidence of Business Management Experience

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

List of Executive Management Team attached as exhibit 2.1

2.2 Describe the **Executive Management Team's** experience with running a nonprofit 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.

[ARMAND REINDEAU R.N., R.R.T,  
EXECUTIVE DIRECTOR

Mr. Riendeau is a Registered Nurse and a Registered Respiratory Therapist with two decades of healthcare industry management experience, and four decades of healthcare experience. He served as the Director of Respiratory Care Services at several hospitals and rehabilitation centers in greater Boston from 1995 to 2009. In 2009 Mr. Riendeau founded Respiratory Care Consulting Inc. (RCCI), a management consulting firm specializing in improving delivery of services for hospital respiratory care departments and skilled nursing facilities. RCCI assists in development and implementation of policies and procedures, introducing new programs to improve communication among various departments, and implementing operational efficiencies to accomplish department missions in a safe manner without compromising patient care.

Mr. Riendeau assists healthcare organizations in developing training and education platforms, as well as policies and procedures to maintain regulatory compliance and implement industry best practices. Mr. Riendeau has managed numerous successful engagements, most recently, at New England Sinai Hospital in Stoughton where he instituted new department-wide systems and procedures, and at Glen Ridge Nursing Care in Medford, where he originated a Respiratory Care Department and Pulmonary Rehabilitation program.

Mr. Riendeau has expertise in management, leadership and fiscal oversight. He brings 40 years of experience in designing, implementing, and managing health care systems and processes. His leadership style is strong yet flexible, focusing on recognizing and leveraging strengths in others. As Executive Director, Mr. Riendeau will guide BSRI in fostering a compassionate patient focus, strict compliance with all DPH regulations, and developing systems aligned with best practices in health care delivery. His management experience will enable BSRI to quickly develop an executive culture focused on patient care and compassion.

AARON GOLDSTEIN  
CHIEF FINANCIAL OFFICER

Mr. Goldstein is a financial professional with experience as an Accountant and a Financial Controller. He is currently the Corporate Controller for a \$100 million dollar plastics manufacturing company. The company has 8 locations across the US. Mr. Goldstein's responsibilities include budget development and forecasting, closing books for each subsidiary company, consolidating those numbers into the parent company, and completing all reporting and analysis packages. In addition, Mr. Goldstein has developed item level costing, managed cost through the P/L and Balance Sheet, and applied it to customer pricing. He has led inventory counts, identified and analyzed variances, identified root causes, and implemented corrective actions.

Mr. Goldstein also volunteers his expertise to help with the finances of a small New Hampshire nonprofit corporation. As the only board member with formal accounting and finance training, Mr. Goldstein took the lead in developing the organization's budget and financial plan and works with banks and various state agencies to ensure the organization is financially transparent, and in compliance with all laws and regulations. He maintains the organization's financial records, presents financial reports at board meetings for review and discussion, maintains relationships with banks and financial vendors, and prepares the organization's annual regulatory financial filings. The organization has just finished its third year, has successfully paid off its startup loan, has maintained or increased its external donations each year, and has annually improved its cash position.

Mr. Goldstein's extensive experience in operational accounting and finance, in addition to his nonprofit experience, has, and will continue to serve BSRI well through all phases of our operations.

**TIMOTHY CRITES**  
**MASTER CULTIVATION ADVISER**

Timothy Crites is a licensed California attorney with extensive experience in the medical cannabis industry. He began his career volunteering for the nonprofit medical cannabis collective that would become the San Francisco Patient and Resource Center (SPARC), one of the premier medical cannabis dispensaries in California. As an attorney, Mr. Crites has more than four years of experience working closely with medical cannabis patients, collectives, and dispensaries in California, focusing on compliance and implementation of a wide cross section of business policies. He has worked with clients in the design, construction and operation of both cultivation and dispensary facilities that produce high-quality medical cannabis for distribution to qualified patients.

Mr. Crites' compliance-related expertise and inside industry knowledge serve as key assets in our continued effort to bring affordable high-grade medical cannabis to patients in Massachusetts. In addition to advising on the cultivation facility, Mr. Crites will lend his expertise to BSRI on all matters related to the medical cannabis business.

**ANDREW GOLD**  
**TREASURER AND DIRECTOR OF CULTIVATION OPERATIONS**

Mr. Gold is an original founder of BSRI and an entrepreneur with experience in building successful small businesses. Upon completion of his Bachelor's Degree in Applied Mathematics, Mr. Gold founded a math tutoring company, Math Minds LLC, which focused on providing individualized attention for mathematics students from grades 6-12. With proceeds from Math Minds LLC, Mr. Gold began investing in, and developing residential real estate properties in 2010. Mr. Gold currently oversees four small property management companies, each tied to an individual investment property. Mr. Gold retains responsibility for financial oversight, construction timelines, as well as maintenance and tenant relations for all properties.

Mr. Gold is at the beginning of his career and he holds an exemplary track record for a successful entrepreneur. All five of his companies are growing, in good standing, and financially solvent. He built each company through hard work and dedication to sound financial management principles. Mr. Gold's vision, determination and networking skills have contributed to BSRI's success in building an exceptional team both at the board and managerial levels. His dedication to continuous improvement will be essential to maintaining a successful, professional workplace.

**MELISSA DANTZ-ZERBEL**  
**HEAD OF DISPENSING OPERATIONS**

For over 20 years, Ms. Dantz-Zerbel has worked as an advertising and marketing professional. Her industry experience includes both agency and client-side positions, encompassing both B2B and B2C clients primarily in retail, consumer goods, and pharmaceuticals. Ms. Dantz-Zerbel is especially adept at helping start-ups and growing companies establish internal operating procedures and client-facing protocols. Ms. Dantz-Zerbel has built a reputation for leading cross-functional teams in the retail space to craft integrated strategies to successfully drive customer engagement and brand loyalty. Additionally, she has considerable budget management experience, including forecasting, allocations, and quarterly reporting. She received a BFA from Syracuse University, and an MBA in marketing and management from Northeastern University.

**ROBERT A. GOLDSTEIN,**  
**DIRECTOR OF PATIENT AND PUBLIC AFFAIRS**



In his current role as vice president of marketing, communications and development at the Amyotrophic Lateral Sclerosis Therapy Development Institute, Mr. Goldstein has been responsible for creating and implementing a strategic marketing, communication and development plan aimed at increasing revenue from \$10 million to \$15 million over 3 years. He has been with the Institute for nearly a decade and currently manages a team of 13 full-time employees. Mr. Goldstein is responsible for the hiring and training of all team members, and oversees the organization's largest revenue streams. He has been invited to present to various medical and patient care organizations both in the US and abroad and acts as the Institute's spokesman regarding the status of on-going laboratory-based and clinical research. He works closely with the Institute's board of directors and has experience reporting directly to large donors and other stakeholders on valuable achievements made.

Mr. Goldstein has a long-standing commitment to nonprofit accountability and transparency standards. Mr. Goldstein's experience in nonprofit management, has substantially contributed to BSRI's founding corporate culture. In his role with BSRI, Mr. Goldstein will bring a focus on strict adherence to our nonprofit purpose. He will also contribute institutional knowledge regarding nonprofit board procedure and functions. His experience as a patient advocate and in public relations will add to BSRI's success in its mission to serve the qualified patients of Massachusetts.

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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.

[ARMAND RIENDEAU, R.N., R.R.T.  
EXECUTIVE DIRECTOR

Mr. Riendeau is a Registered Nurse and a Registered Respiratory Therapist with 40 years of experience in the healthcare industry. Mr. Riendeau's clinical experience began during his service in the military. Mr. Riendeau served as a United States Navy Corpsman from 1967 to 1969. He first became a Hospital Corpsman, then transitioned into an operating room technician and went to field medical service school to prepare to be a combat corpsman in Vietnam. He received multiple awards and citations for his wartime accomplishments. Upon his return to the United States, Mr. Riendeau practiced in the following areas: community hospitals, oncology centers, large teaching hospitals, skilled nursing facilities, long term acute care centers, and inpatient rehabilitation facilities.

Mr. Riendeau served as a Respiratory Therapist at the Dana Farber Cancer Institute from 1989-1995, and as the Director of Respiratory Care and Ambulance Services for the Spaulding Rehabilitation Hospital from 1998-2009. He was awarded the "Respiratory Therapist of the Year" award from the Massachusetts Society for Respiratory Care in 2006. Mr. Riendeau was appointed by Governor Bill Weld to the Board of Registration and Licensure for Respiratory Care in Massachusetts where he sat as chair for eleven years. Mr. Riendeau developed the "Respiratory Acuity Scoring System" (RASS) which was the first such system developed for an LTAC setting. He also founded the Respiratory Therapy Program at Bunker Hill Community College in Charlestown, Massachusetts.

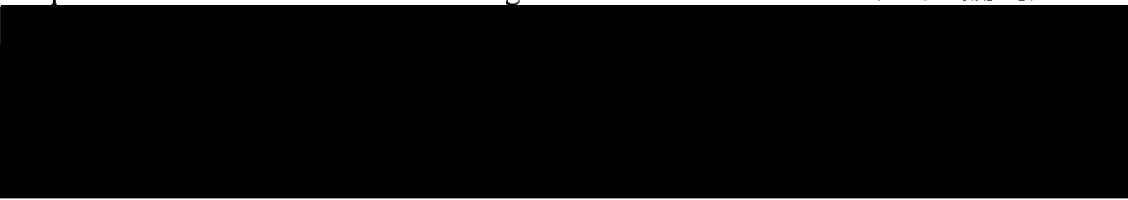
Mr. Riendeau's patient centered focus has, and will continue to exert a great influence on BSRI's corporate culture and orientation toward the needs of our patients. He intends to assist BSRI in developing thoughtful patient outreach programs and to be an innovator in this rapidly evolving industry. His expertise in respiratory care is of particular importance to BSRI in helping to improve medicinal delivery systems and create industry standards of care for patients.


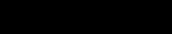
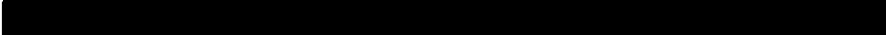
ROBERT A. GOLDSTEIN  
DIRECTOR OF PATIENT AND PUBLIC AFFAIRS

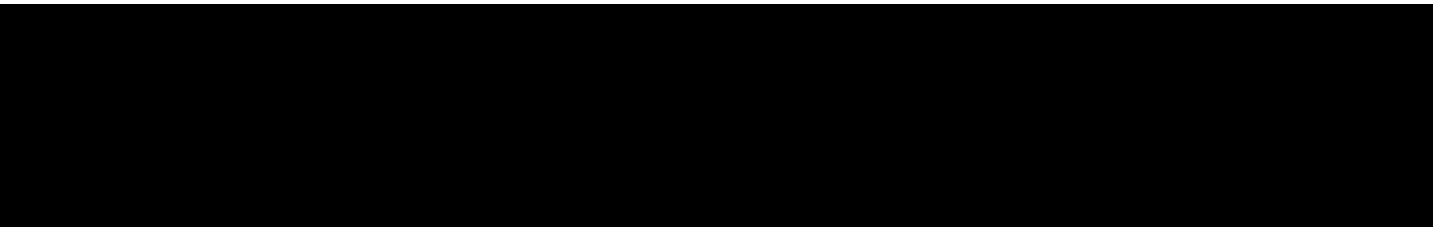

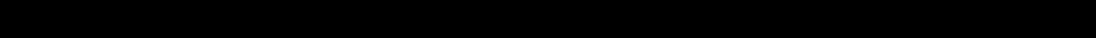
In his current role as VP of marketing, communications and development for the ALS Therapy Development Institute, Mr. Goldstein has worked with hundreds of patients in order to gain a comprehensive understanding of their needs and how best to address them. He travels globally speaking to patients, caregivers and healthcare providers on the latest treatment research for neurodegenerative diseases and has been the moderator of the largest online Amyotrophic Lateral Sclerosis / Motor Neurone Disease forum since 2009.

Mr. Goldstein has experience in coordinating health care service teams in support of individual patients and in patient communities in the United States. He has been recognized internationally for creating new health care service informational programs pertaining to access to potential treatments for neurodegenerative disease, participation in clinical research and accessing financial assistance programs. Mr. Goldstein is not a registered nurse, doctor or other credentialed medical professional.

MELISSA DANTZ-ZERBEL  
HEAD OF DISPENSING OPERATIONS

Ms. Dantz-Zerbel's passion and dedication to advocating for medical cannabis and safe access for patients began in 2011. 

Ms. Dantz-Zerbel heard that certain strains of cannabis could help with   
 As she began to read more about it, anecdotal evidence suggested that a certain strain could address the depression, nausea, and boost the appetite, which in turn would help with weakness and exhaustion.  


  
  
 As a result, Ms. Dantz-Zerbel has been a vocal member of her community in support of the Act for Humanitarian Use of Medical Marijuana in Massachusetts. Ms. Dantz-Zerbel is not a registered nurse, doctor or other credentialed medical professional.

ANDREW GOLD  
TREASURER AND DIRECTOR OF CULTIVATION OPERATIONS  
N/A

AARON GOLDSTEIN  
CHIEF FINANCIAL OFFICER  
N/A

]

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.

[ARMAND RIENDEAU, R.N., R.R.T

EXECUTIVE DIRECTOR

Mr. Riendeau has extensive experience in managing financially sound health care facilities. He has spent the majority of his career evaluating, proposing, and implementing structural and programmatic improvements for hospital departments and skilled nursing facilities.

Mr. Riendeau is currently in charge of the Department of Respiratory Care Services at New England Sinai Hospital in Stoughton. He manages the general operations of the department, has direct authority over 35 full-time-equivalent employees and oversees a budget of \$2.6 million dollars. During his tenure at New England Sinai, Mr. Riendeau instituted procedural and policy changes that materially improved the profitability of the department.

Mr. Riendeau was the Director of Emergency Medical Services at Spaulding Rehabilitation Facility, and oversaw a department that operated 13 ambulances and 50 full-time employees with a three million dollar budget. Under Mr. Riendeau's leadership, the department turned from a loss-making unit into a profit center. He started a sleep diagnostic center at Spaulding which also grew into a profit center, eventually generating over one million dollars per year. Some of the systems improvement methods he used include: meticulous budget planning, identifying and providing niche services, and creating an environment for process improvement by sharing information, knowledge and skills among all disciplines.

AARON GOLDSTEIN

CHIEF FINANCIAL OFFICER

RESPONSIBLE FOR BSRI FINANCIAL MANAGEMENT AND OVERSIGHT

Mr. Goldstein has direct experience as a financial controller for a 100 million dollar plastics manufacturing company. As the head of the accounting department, he was responsible for the design and implementation of controls and processes to collect and evaluate financial information. Throughout his career, Mr. Goldstein has worked on budgets from \$15k to \$100 million, ranging in complexity from 100 transactions to millions of transactions. He has designed and implemented accounting and database systems to drive operational efficiency. He has implemented new POS terminals and related software in a retail environment for 6 remote locations to upgrade inventory management and reporting. He has implemented employee reporting systems for payroll management, reporting and processing.

Mr. Goldstein has built a highly-granular financial model that has allowed BSRI to plan for and project our operational income and expenses to a level far surpassing that required by the Department. His model includes a statement of activities, cash flow and financial position statements, an inventory and production worksheet, a payroll worksheet, prepaids, a debt schedule, a CAPEX schedule, revenue and expense charts, as well as workbooks detailing all other company assets and expenditures.

ROBERT A GOLDSTEIN

DIRECTOR OF PATIENT AND PUBLIC AFFAIRS

As a senior member of the executive team at the Amyotrophic Lateral Sclerosis Therapy Development Institute in Cambridge, Mr. Goldstein has focused on upholding the highest finance related accountability and transparency standards. Further, Mr. Goldstein collaborates with other executive team members, specifically the CEO and CFO, as well as the board of directors of his Institute, to review the financial health of the Institute on a monthly basis and participates in creating the Institute's 10 million dollar annual budget. This includes experience creating and using various forecasting and accounting systems to predict revenues and expenses on a monthly basis (ie: Quicken, Salesforce, and custom applications in Excel).

Mr. Goldstein has experience in seeking and evaluating bids for services, planning for potential large scale capital outlays for equipment, new staff, changes to benefit and compensation packages, leases on machinery and facilities, and other financial strategies to ensure the long-term viability of the Institute in order to achieve its nonprofit mission. Mr. Goldstein has experience negotiating with vendors and leveraging nonprofit status to gain access to favorable pricing and/or in-kind donation of quality goods and services. Mr. Goldstein provides regular guidance to, and approves the expenses of, a dozen staff members.

ANDREW GOLD

TREASURER AND DIRECTOR OF CULTIVATION OPERATIONS

Mr. Gold founded a math tutoring company, Math Minds LLC, which focused on providing individualized attention for mathematics students from grades 6-12. With proceeds from Math Minds LLC, Mr. Gold began investing in, and developing residential real estate properties in 2010. Mr. Gold currently oversees four small property management companies, each tied to an individual investment property. Mr. Gold retains responsibility for financial oversight of budgets in excess of \$150k, construction timelines, as well maintenance and tenant relations for all properties.

Mr. Gold is at the beginning of his career and he holds an exemplary track record for an entrepreneur. All five of his companies are going concerns, in good standing, and financially solvent. He built each company through hard work and dedication to sound financial management principles. Mr. Gold's determination and networking skills have contributed to BSRI's success in building an exceptional team

both at the Board and Managerial levels. His dedication to continuous improvement will be essential to maintaining a successful, professional workplace.

MELISSA DANTZ-ZERBEL

HEAD OF DISPENSARY OPERATIONS

Throughout her career, Ms. Dantz-Zerbel has held positions with increasing budget management and financial responsibilities. In 1993 Ms. Dantz-Zerbel started a commercial photography studio with a business partner. As the co-owner, Ms. Dantz-Zerbel managed finances, including project estimates, invoices, accounts payable, accounts receivable, and quarterly tax payments. Two years later she sold her half of the business to her partner.

In subsequent positions, Ms. Dantz-Zerbel continued to carry responsibilities for estimating; budget planning, allocations, reporting; purchase orders; and invoicing. During her tenure as International Marketing Director with Rockport/Reebok (budget size \$850,000) and Triton Digital (\$250,000), she submitted budget proposals based on the projected advertising, general marketing and retail marketing needs of the individual international markets. These forecasts included evaluations of marketing, advertising and retail opportunities in the context of year-on-year sales goals for each region as set by the President of International Markets. Ms. Dantz-Zerbel was required to submit supporting narratives describing rationale and return on investments.

TIMOTHY CRITES

MASTER CULTIVATION ADVISER

N/A]

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.

[ARMAND RIENDEAU

EXECUTIVE DIRECTOR

Mr. Riendeau has made a career out of designing operational improvements as a response to underperformance of a given facility or department. Much of what he has accomplished in designing system improvements in healthcare facilities has had a direct impact on profitability and financial affairs. Mr. Riendeau currently manages the general operations of the Department of Respiratory Care Services at New England Sinai Hospital in Stoughton. During his tenure at New England Sinai, Mr. Riendeau instituted procedural and policy changes that materially improved the profitability of the department.

Mr. Riendeau was brought in to be the Director of Emergency Medical Services at Spaulding Rehabilitation Facility at a time when that department was losing money. He began his corrective action by conducting a staff assessment and determined that operational improvements could be gained by targeted staff training in areas where performance was poor. Mr. Riendeau concluded that the best way to improve performance and profitability of the department was to develop a consortium of emergency services companies in the area to bid for the largest statewide emergency services contract. He brought together two additional private ambulance companies, designed a merger of operations between Spaulding and these two other companies, and submitted a bid. The consortium beat out industry leader AMR in winning the

contract. Mr. Riendeau retrained his staff, grew his department from 8 to 13 ambulances, brought in additional expertise to inform process development, and turned the department from a loss-making unit into a profit center.

As another example, Mr. Riendeau was engaged by a critical access hospital in Michigan to lead operational improvements for the purpose of bringing down costs. Mr. Riendeau concluded that the facility was overstaffed and was mismanaging its disposables supply chain, among other problems. He instituted a comprehensive staff assessment that resulted in a retraining program to bring up competency levels. He initiated cross-training between departments in order to gain efficiencies where there had previously been redundancy of staff function. He also initiated a system to streamline procurement and use of disposable supplies. Each of these solutions contributed to improving the financial performance of the organization.

As a third example, when looking for ways to improve profitability at the Spaulding Rehabilitation Center, Mr. Riendeau developed a proposal to build a sleep laboratory in an underutilized area of the facility. He drafted a business plan, and made the proposal to the board of directors. After his proposal was approved, he assisted in the implementation of the construction of the lab, and guided the project to completion. The sleep lab exists today and generates over one million dollars a year in income for Spaulding.

AARON GOLDSTEIN

CHIEF FINANCIAL OFFICER

Mr. Goldstein's experience with financial corrective actions is extensive and diverse. As financial Controller for several mid to large sized companies, Mr. Goldstein has an appreciation for the value of an operational review to act as a catalyst to induce procedural changes to an organization's financial accounting and/or reporting structure that may otherwise be difficult to accomplish.

Mr. Goldstein has used operational reviews to identify strengths and weaknesses in all phases of the accounting cycle, and in companies of various size. For example, he used an operational review for a large retail HVAC parts supplier as the impetus to identify strengths and weaknesses in the weekly cycle counts. His efforts led to a reduction in variance swings from week to week, resulting in smoother ordering patterns and ultimately lower costs.

Mr. Goldstein is sensitive to the scope and nature of corrective action and is mindful to avoid unnecessary complexity in finding solutions. As an example of this: a process review during a month-end close at a smaller company he worked with, suggested that the close cycle could be improved upon. Mr. Goldstein designed a process, wrote the procedure, and trained staff on the use of the Purchase Order module within Quickbooks. That simple change reduced the close cycle by a full seven days.

Mr. Goldstein has initiated numerous operational reviews in the various departments he has headed. His experience will help to ensure that all phases of the BSRI financial and reporting cycles are reviewed on a regular basis so as to present the most accurate picture of the financial health of the organization's operations.

STATEMENT BY MR. GOLDSTEIN ON OPERATIONAL REVIEWS AND CORRECTIVE ACTIONS:

Operational reviews are a great opportunity for an organization to evaluate itself. An exhaustive review isn't always feasible, however targeted reviews can produce tangible results. The lowest hanging fruit in an

operational review are always the basics, specifically around process. From a financial control perspective, there is an abundance of literature around best practices and what it takes to be world class. What often gets lost in the cacophony however, is delivery of the basics. For example, the most basic accounting function is accounts payable. A key way to control cost in accounts payable is the use of a purchase order.

Years ago, when I started working at a particular company, it came to my attention that there were no formal purchase orders being used. As a simple, yet effective and almost zero-cost corrective action I designed a purchase order form within our accounting system. I then wrote the SOP on it with detailed instructions on how to use the system to create one. It is simple, yet powerful. The real meat of the control is around who approves the purchase order, what their spend limit is, and how we manage that. It was a rather flat organization, so I included the approval process I wrote around CAPEX that would eventually be used as a template for all purchase controls.

One early lesson every finance manager learns is that in a retail or commodity business, your greatest risk of loss is from employees, not customers. To identify the cause is almost impossible without strong controls, including cameras and daily employee activities that summarize and/or provide detail on all transactions. The control then becomes transaction-centric, to the point of making all movements of inventory readily accessible. The best controls are built on subjective processes, that have clear boundaries for human interpretation.

In the case of an RMD, each phase of operations, from cultivation, to packaging, to point-of-sale, have similar yet slightly different controls needed. The Department has promulgated stringent security and inventory controls, but ultimately the responsibility to control will rest with us.

MELISSA DANTZ-ZERBEL

Head of Dispensary Operations N/A

ROBERT GOLDSTEIN

Director of Patient and Public Affairs N/A

TIMOTHY CRITES

Master Cultivation Adviser N/A

ANDREW GOLD

Director of Cultivation Operations N/A

]

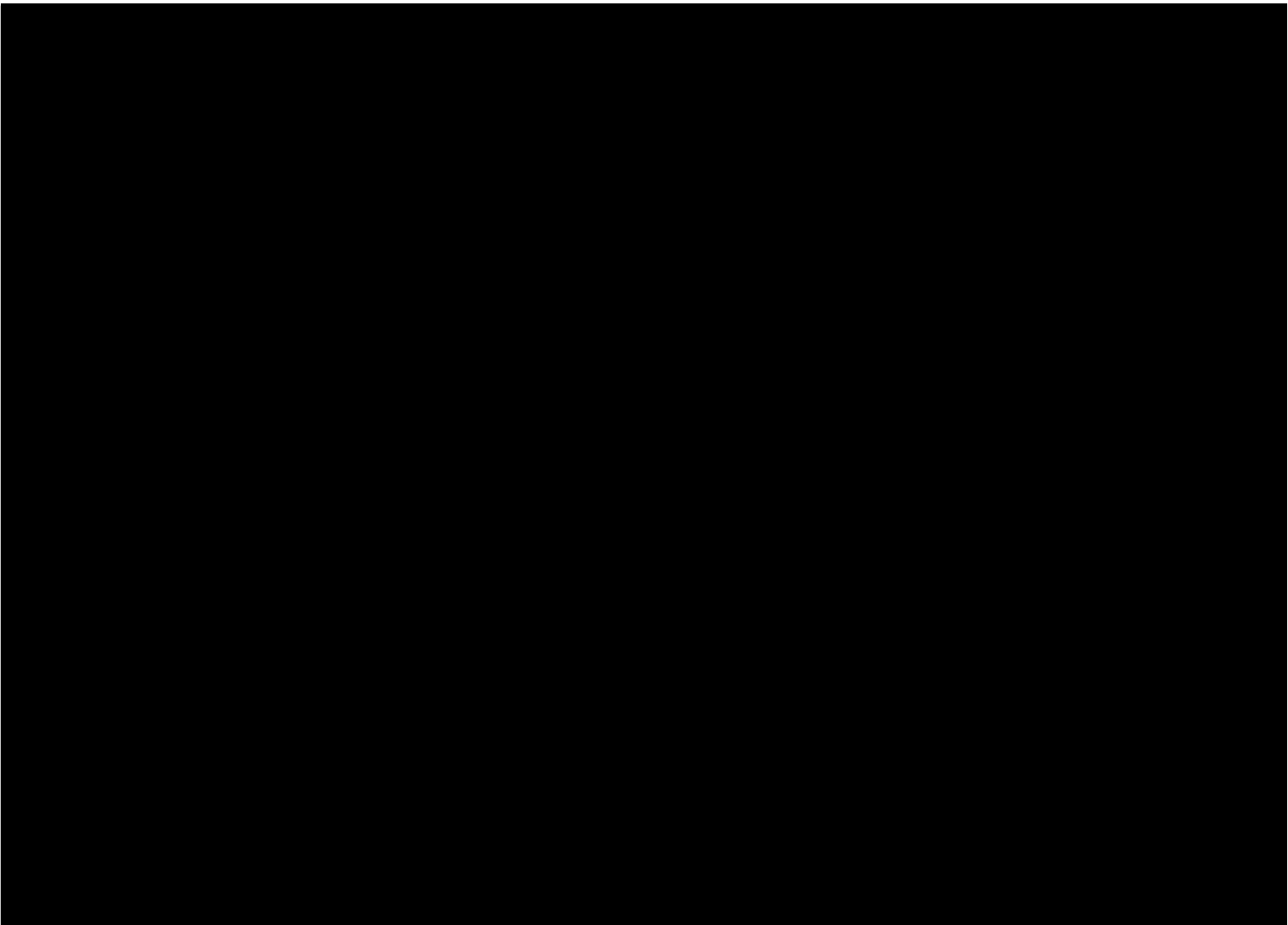
### 3. Applicant's Evidence of Suitability

- 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.



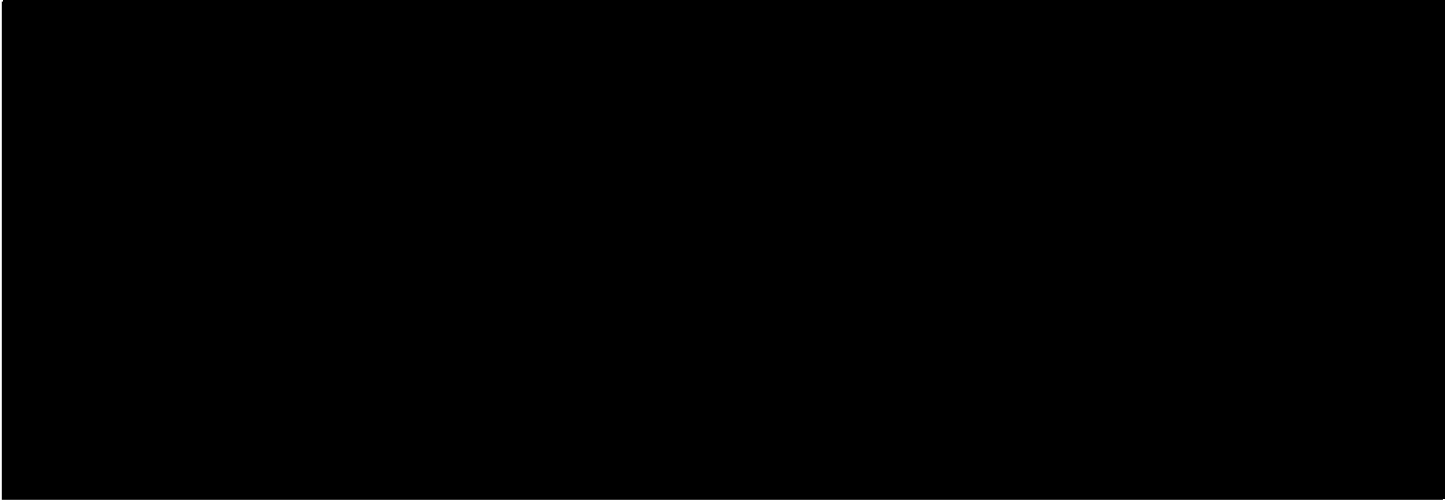


3.2 List and describe any criminal action under the laws of the Commonwealth, or another state, the United States, or a military, territorial, or Indian tribal authority, whether for a felony or misdemeanor, against any member of the **Executive Management Team and Board of Directors, including Board 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.

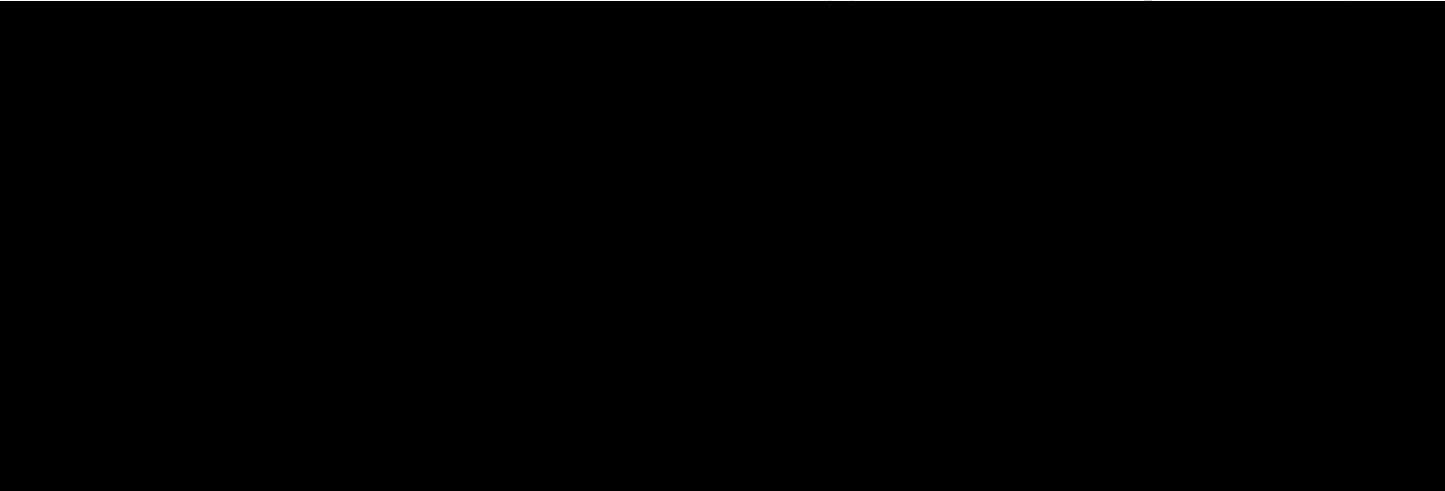




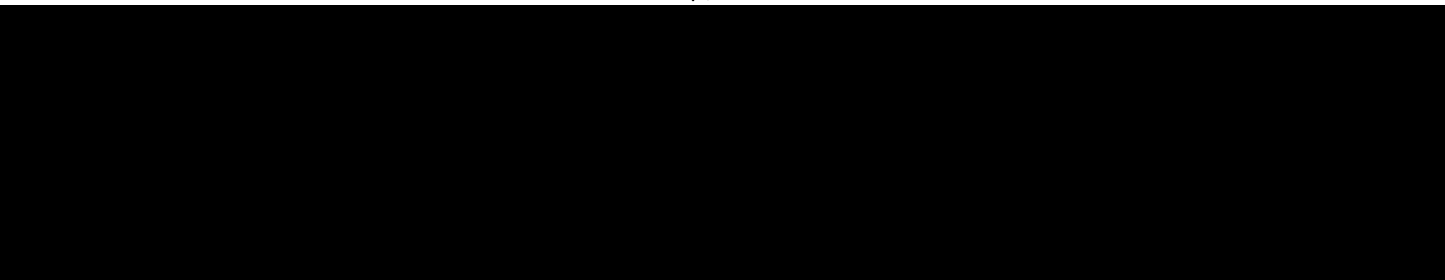
3.3 List and describe any civil or administrative action under the laws of the Commonwealth, another state, the United States, or a military, territorial, or Indian tribal authority against any member of the **Executive Management Team and Board of Directors, including Board Officers**, including but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

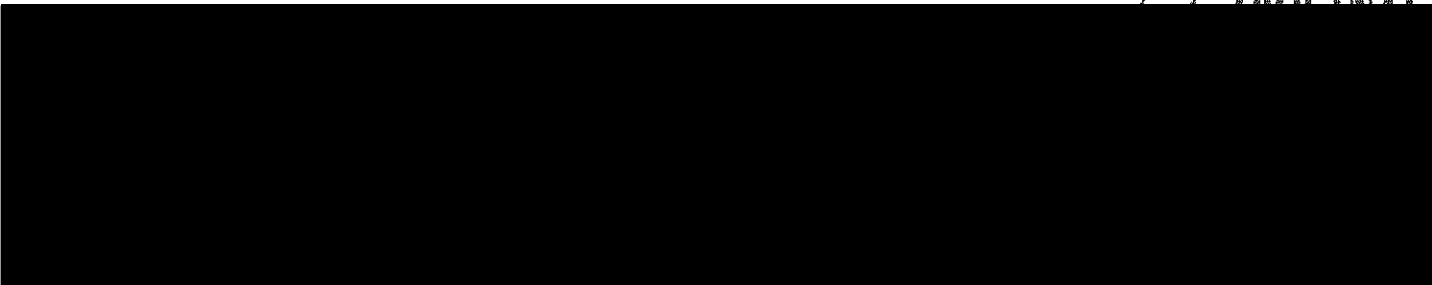


3.4 Indicate and describe whether any member of the **Executive Management Team or Board of Directors, including Board Officers**, has been the subject of any past discipline, or a pending disciplinary action or unresolved complaint, by the Commonwealth, or a like action or complaint by another state, 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 nonprofit 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.

[BSRI has secured a 24,920 square foot leased property located at 13 Commercial Way, Milford, of sufficient size and design to house our retail cannabis dispensary, cultivation facility, offices, and all other facility needs of our organization. This space already includes ADA compliant restrooms, a break room, offices and storage rooms. Construction will begin immediately upon receipt of a provisional Certificate of Registration. A licensed architectural firm has reviewed building floor plans and has produced a set of plans that provide the guidelines and structural components required to complete all aspects of the build out.

**RMD AND OFFICE SPACE**

The Registered Marijuana Dispensary and Office Space will be in the front portion of the proposed space. All major interior and exterior walls, doors and bathroom facilities are pre-existing. Some minor construction will be required, to create a greeting and waiting area which is separate from the actual dispensary area. We have obtained quotes and estimates of \$10,000 in construction capital costs, including paint, in this area. Our expense budget also includes \$7,000 for display cases and other necessary furnishings.

The front area of the building will also house BSRI's offices, a break room and ADA compliant bathrooms for patients and staff. We have planned for minor cosmetic work and furnishing in this area, including new furniture, computer equipment, phones, and multipurpose copiers.

Our budget for the office area includes installation of IT hardware infrastructure with sufficient capacity to serve the needs of the organization at full capacity. IT hardware development will require the purchase and installation of primary servers, backup systems, security systems (including cameras and recording equipment), computers, software, monitors, copiers, desk phones and all associated accessories. We have obtained quotes and expect to spend between \$40,000 and \$45,000 in capital for this aspect of the build out. Additional IT capital costs for staff computers and phones is estimated at \$10,000 of capital and will be incurred incrementally as we onboard our staff. We have budgeted another \$10,000 to furnish the office spaces.

#### CULTIVATION FACILITY

Build out of our cultivation facility will require extensive capital expenditure. We have hired a Master Cultivator to help us design this facility and develop required equipment lists. His specifications were incorporated into the plans developed by our licensed architectural firm. We took those plans to a number of general contractors for quotes and received a range of responses. We have budgeted based on a middle range estimate of \$172,000 for the labor and construction materials.

With this capital expenditure we will construct two rooms in which the grow cycle will be started (the "Vegetative Stage" rooms), six rooms for the flowering cycle (the "Flowering Stage" rooms), a processing room, a humidior and storage area, a commercial kitchen, and a locker area for all employees to change into required work attire. ADA compliant women's and men's bathrooms exist already in this area of the facility.

Our Master Cultivator has provided an exhaustive list of equipment and tools required to furnish the Vegetative Stage rooms ranging from CO2 controllers, to drain fittings on the growing tables. We anticipate \$20,000 in capital equipment expense to outfit each Vegetative Stage Room. Lighting fixtures represent a significant portion of this cost, as 24 lights are necessary in each room at a per light cost of \$550. Temperature and humidity must also be controlled to within very narrow tolerances, requiring each room to have its own environmental control systems, including air conditioners, vented domes, and air handlers.

The Flowering Stage room budget is \$22,000 per room. Lighting will be the largest expense item in these rooms. Temperature and humidity must also be controlled in these rooms to within very narrow tolerances. Accordingly, each room will have its own environmental control systems, including air conditioners, vented domes and air handlers. Flowering Stage Rooms will require larger, more precise dehumidifiers to help control against mold, mildew and rot, adding to the equipment cost.

We have also designed a Processing room and have included basic materials and labor in our master quote. We have budgeted \$2,000 to purchase tables and processing tools to furnish this room. At the recommendation of our Master Cultivator, a humidior and storage area with appropriate environmental controls will be installed in the Cultivation facility at an estimated cost of \$5,000. Humidors are necessary to provide for accurate humidity control during the curing period. Finally, a commercial kitchen will be installed in this area. We have budgeted \$12,000 for all required modifications and to purchase equipment and supplies to outfit this area.

#### CONCLUSION

BSRI plans to incur \$476,500 in first year capital expenditures related to our build out and initial operations. All contractors will ensure work is to code and appropriately inspected. We expect the build out will take approximately 6 weeks from the time a provisional Certificate of Registration is granted. The Department will be informed of each stage in our build out process. BSRI expects to open the doors to our RMD on September 1, 2014.

]

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.

[BSRI's intends to open its dispensary to registered qualifying patients on September 1, 2014. At that time the operating budget will have already incurred the bulk of expenses from starting up after receiving the provisional license on January 31, 2014. These costs include the \$50,000 fee for the provisional registration, and buildout costs for improvements to our facility to meet all DPH requirements, begin cultivation and prepare the dispensary to serve registered qualifying patients.

#### BUDGET ASSUMPTIONS

The BSRI year one operating budget makes the following assumptions: the average price of all strains is \$400.00 per ounce; average year-one production yield is 50-75 pounds per month; each week has same sales; 30% markup on administration products; acquire 56% of potential patient base by the end of year one; and production of 150-300 ounces per week will meet increasing demand during year one.

According to our analysis of population and demographic data, the projected number of qualified patients who we anticipate will become registered patients in our service area is approximately 2,300 people. Our goal is to serve 25-56%, or 600-1300 qualified patients in our service area over the first year of our operations. BSRI believes initial patient demand to be one ounce per month per patient of flower cannabis. We expect the average sale price of all cannabis flowers to be approximately \$400 per ounce.

We foresee matching production and inventory with our sales. Since our baseline assumes 600 customers each month, averaging one ounce each per month in sales, our demand equates to approximately 600 ounces per month. With guidance from our Master Cultivator we anticipate cultivation operations can easily meet this demand. Our first harvest will be in August. There will be some variation on harvest yields, which will differ with each biweekly harvest.

Going into 2015, our production will need to increase to match our growing patient base and demand. Starting in August 2015, the number of plants that are started in the growing process will be increased. We will increase production yield average to nearly 1,440 ounces to keep pace with the forecasted sales growth. We are planning slightly higher production to account for introduction of new strain offerings and to offset the potential of lost crops. The 1,440 ounce production level will continue through the end of 2015, when planning begins to track along a calendar year.

To make the most efficient use of our start up capital, we will implement a phased approach to staffing. We will create 6.25 full-time equivalent (FTE) positions to staff our cultivation and dispensing operations in the first seven months of operations (February - August, 2014). On September 1, 2014 we will phase in an additional 5.75 FTE positions, and on January 1, 2015 we will add 3.75 additional FTE employees.

#### LINE ITEM OPERATING EXPENSES

On the expense side, monthly operating expenses will be fairly consistent. The largest expenses will be taxes and payroll. The average total monthly expenses will be \$409,283 during the first twelve months of operations. Total payroll cost, including salary, fringe and related taxes will average 26% of that cost. Taxes will average 44% of total expense. Other line item operating expenses are comprised of Prepaids/Deposits, Direct Materials, Other COGS, Wages, and Selling, General and Administrative (SG&A).

Large expenses are incurred monthly for rent and related items such as property maintenance, property taxes and management fees. Utility bills will also be large as a result of the commercial lighting and HVAC needs for our cultivation operations. We have contacted several wholesale energy supply companies to assist us in making our supply and procurement chain as efficient as possible.

#### TAXATION ISSUES

Tax law is unsettled for the medical cannabis industry. IRS tax courts have passed on several issues regarding this industry and BSRI has incorporated these holdings into our financial planning. The appropriate line for tax purposes in the Statement of Activities is heavily disputed. Incorrect handling of this expense has driven many otherwise viable companies out of operation. We should expect to have total income taxes from both the State and Federal governments that total 40% of Total Revenue to be conservative. In discussions with our Board of Directors, we believe due to the unsettled nature of our industry's tax law it is most prudent to anticipate and accommodate the tax expense despite BSRI's nonprofit status.

#### PROJECTED REVENUES BY SALES TYPE

Year one revenue calculations predict earnings from Medical Cannabis to be approximately \$4,746,000 and ancillary sales of \$92,000. We predict MIPs and Delivery Services to be a small fraction of the revenue from the Medical Cannabis, and as such, those are rolled into the Medical Cannabis line item.

This one-year operating budget summary reflects what we believe to be a realistic prediction of BSRI's performance. If these estimates prove to be correct, during the first twelve months of operations we will be cash-flow positive, will have created 12 positions, and will be poised to begin funding our Charitable Giving Program.

]

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.

#### [INTRODUCTION

The following projections and estimates are based on a detailed financial model that BSRI will make available to the Department as part of the provisional review process. This discussion is in reference to the periods of time beginning when we open our RMD and the following 12, 24 and 36 months. Therefore, for this discussion and the related exhibit, Year 1 references the period September 1, 2014 through August 31, 2015; Year 2 references the period September 1, 2015 through August 31, 2016, and Year 3 references the period September 1, 2016 through August 31, 2017.

BSRI intends to use our cash and liquidity resources to fund the build out of the cultivation and retail spaces immediately upon selection by DPH as a potential RMD. Once the Department and all local inspectors have seen and approved the work, we expect to obtain a final CoR and to begin cultivation operations as soon thereafter as possible.

#### TAX TREATMENT

Unfortunately, tax treatment in the medical cannabis industry is unsettled. We are not expecting to obtain a federal tax-exemption based on 501(c)(3) status. Moreover, IRS tax court decisions indicate that we may not be able to take what would otherwise be routine business deductions. Our compliance team has done extensive research and identified this as a key strategic risk. Therefore, we have decided to account for and

accrue income tax expense on our gross receipts. From sales for the first 12 months alone, we will accrue a total of \$1,935,326 in corporate income taxes. We estimate accruing 40% of total sales with the expectation of either annual payment to the appropriate tax authority, or alternatively, setting these funds aside for eventual payment when and if such a tax bill comes due.

#### YEAR 1 OPERATIONS

As it is for all startup businesses, our first year will be extremely demanding on our staff and on our budget. We intend to build two distinct businesses from the ground up: a manufacturing operation, and a retail dispensing operation. Our primary business objectives in Year 1 are to get the cultivation operation up and running smoothly, and to acquire as many patients as our operations can reasonably accommodate.

#### EXPENSES

BSRI will incur large capital expenditures in the first several months as we build out our facility and ramp up production to meet expected demand levels. Over our first year of operations, our monthly expenses will average \$409,283. On average, we expect to have direct material costs of \$141,117, SG&A payroll of \$46,836, SG&A overhead of \$44,210, fixed asset depreciation of \$4,211, interest of \$11,631.64 and income taxes of \$161,277. The direct materials costs consist of the related payroll, rent, taxes, utilities and materials required to produce finished medical grade cannabis. The SG&A overhead consists of all other costs related to the office, ranging from office supplies, to ongoing telecom expenses, community outreach, professional fees (such as our Master Cultivator) and the amortization of prepaid expenses like insurance, permits and licenses.

#### STAFFING

We will implement a phased approach to staffing, creating 6.25 full-time equivalent (FTE) positions to staff our cultivation and dispensing operations in the first seven months of operations (February - August, 2014). On September 1, 2014 we will phase in an additional 5.75 FTE positions, and on January 1, 2015 we will add 3.75 additional FTE employees. We expect this staffing level to be sufficient to support operations through Year 1.

#### PRODUCTION

On the production side, operations will ramp up quickly. We will select robust and fast-growing cannabis strains for the first growing cycle in order to be ready for a September RMD opening. Once we have achieved our planned capacity for Year 1 we expect to generate an average yield of 64 pounds of finished medicine per month.

#### DEMAND

On the demand side, the total population in our service area is 230,000 people. We estimate our total addressable market over a three year period to be more than 15,000 patients. We estimate addressable market in temporal terms because we believe that the market will grow as potential patients become more familiar with the idea of using cannabis as a medicine. Of that addressable market, we expect to acquire roughly 600 patients by the time we open the RMD doors for operations in September 2014. Over Year 1 we expect to grow our patient base to approximately 1,200. (Please see Section 7.9 for more information about our service area and patient need).

#### YEAR 2 OPERATIONS

##### EXPENSES

As we enter Year 2, we expect continued incremental increases in production and revenues tied to continued growth in our patient base and sales. We expect most of our expenses to increase by 3% on a total basis, except those based on volume. We will offset this increase in costs through increased yields and efficiencies.

In Year 2 our monthly expenses will average \$556,044. We expect to have direct material costs of \$150,533, SG&A payroll of \$48,708, SG&A overhead of \$46,715, fixed asset depreciation of \$4,182, interest of \$7,763 and income taxes of \$298,142. Tax set-asides represent by far the largest share of our operating expense. We are hopeful that there will be federal reform on this issue, allowing us to free up most of these funds for use in our Charitable Giving Program, but until that occurs, we believe the prudent course of action is to continue to hold these funds in anticipation of a tax levy.

#### NEW INITIATIVES

In Year 2 we expect to grow our MIP products division to follow demand. We will actively survey our patient base to gain a better understanding of the demand for MIPs. Our expectation is that MIP demand will follow the curve seen in other medical cannabis states which is a slow but steady increase as patients become more familiar with this administration method. We would also like to introduce a line of concentrated cannabis products in Year 2. How and when we roll out a concentrates program will depend on feedback we receive from interested patients.

#### PRODUCTION AND DEMAND

In Year 2 we expect to have worked through any issues in cultivation operations, and be comfortably harvesting a new batch of medicine every two weeks. This will bring the production level to around 26 batches for the year. BSRI believes that demand will continue to grow into Year 2 as more patients become familiar with medical cannabis as a treatment option. We estimate that we will end Year 2 with 2210 unique patients.

#### OPERATIONAL REVIEW

After two full years of operations we expect to initiate a comprehensive operational review of all systems and processes. This will include cultivation and harvesting, processing and packaging, MIP production, inventory tracking and control systems, staff and executive management reviews.

#### YEAR 3 OPERATIONS

##### EXPENSE, PRODUCTION AND DEMAND

As in Year 2, we expect continued incremental increases in production and revenues tied to continued growth in our patient base and sales in Year 3. We expect most of our expenses to increase by 3% on a total basis, except those based on volume. We will offset this increase in costs through increased yields and efficiencies. In Year 3 our monthly expenses will average \$647,752. On average, we expect to have direct material costs of \$163,042, SG&A payroll of \$50,170, SG&A overhead of \$47,826, fixed asset depreciation of \$4,153, interest of \$7,563 and income taxes of \$374,998. In early Year 3 we expect to reach our production potential of just over 130 pounds of medicine per month. Production and sales will level out. In Year 3 we also achieve our maximum patient base of 2300 unique patients. We again expect minor cost increases of around 3%.

#### OPERATIONAL REVIEW

At the beginning of Year 3 we will initiate a comprehensive review of our third party partners. In launching our operations, BSRI will partner with industry leaders in the fields of cannabis cultivation and dispensing, security (including inventory tracking and control), quality control and testing, and merchant services. After two full years of operations, we anticipate finding efficiencies or redundancies in the services we receive from our partners. For example, BSRI management has built working relationships with industry professionals from Maine, Colorado, California and Michigan; we have likewise partnered with BioTrackTHC to provide our inventory control and tracking system, SNAP Security Solutions to provide security services, Guardian Data Systems for merchant services and MCR Labs for quality control and testing. Each of these relationships will be well developed and in need of evaluation in Year 3.

## CONCLUSION

Over the first three years of operations BSRI plans to continually refine our operations, learn from industry experts, and form strategic partnerships that will drive innovation and operational improvements. Our primary focus is on serving our patients, and we welcome the opportunity to develop into the premier RMD in Massachusetts.

]

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).

## [BACKGROUND

BSRI has been working closely with Foundation Insurance Agency LLC, and its owner Mr. Jeff Carpenter, based in Fall River. Mr. Carpenter has secured several quotes for BSRI in the areas of General and Products Liability (as required by required by 105 CMR 725.105(Q)), as well as additional coverage not required by the Department, including Directors and Officers coverage and Governmental Action coverage.

## GENERAL AND PRODUCTS LIABILITY COVERAGE

BSRI has secured a quote from GP Insurance Brokers LLC, using Lloyds of London as the underwriter. Coverage will include: (1) \$2,000,000 per occurrence up to \$5,000,000 general aggregate; (2) Products Completed Operations; (3) \$100,000 Damage to Premises; (4) and Medical Payments. The policy contains provisions for Governmental Action Reimbursement at \$5,000 Per Occurrence / \$10,000 Aggregate.

Additionally, the policy contains provisions for: Business Personal Property, Tenants Improvements and Betterments, Grow Equipment, Loss of Business Income, Stock/Inventory at Dispensaries, Sign Damage, Stock on Display at Dispensary Locations, Special Form Including Theft (Subject to maintenance of a Central Station Burglar Alarm & Safe), Water damage to include back-up of sewer & drains, Property of Others, Glass Coverage, Property Extension Endorsement, Money & Securities, Accounts Receivable, Valuable Papers and Equipment Breakdown.

## DIRECTORS AND OFFICERS COVERAGE

Mr. Carpenter has also obtained a quote from XS Brokers of Quincy, who will provide BSRI with Director and Officers liability coverage from the Evanston Insurance Company. The policy has a one year term and can be renewed upon application. Members of the BSRI Board of Directors and company Officers are covered up to \$1,000,000 per claim and in aggregate.

## HEALTH INSURANCE COVERAGE

BSRI is currently working with Marsh & McLennan Agency LLC of New England who will be developing three quotes for BSRI to obtain health insurance and worker's compensation for employees from three major providers; Tufts Medical, Harvard Pilgrim, and Blue Cross Blue Shield. BSRI has submitted a census survey to Marsh & McLennan and is awaiting policy quotes from providers.]

## 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.

[13 Commercial Way  
Milford MA, 01757

We wish to convey in the strongest terms, that we DO NOT want or intend to ever assign or transfer our Certificate of Registration (CoR). The lease contains a provision for the potential assignment of CoR if we default. It is stipulated in the Lease that both parties understand that Department approval is required for transfer of the CoR. We negotiated for extremely generous default terms so as to prevent such a potential assignment. The Lease and the Conditional Assignment are attached. We hope that the Department will appreciate that our intention is NOT to default on this lease.]

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).

[13 Commercial Way  
Milford MA, 01757

We wish to convey in the strongest terms, that we DO NOT want or intend to ever assign or transfer our Certificate of Registration (CoR). The lease contains a provision for the potential assignment of CoR if we default. It is stipulated in the Lease that both parties understand that Department approval is required for transfer of the CoR. We negotiated for extremely generous default terms so as to prevent such a potential assignment. The Lease and the Conditional Assignment are attached. We hope that the Department will appreciate that our intention is NOT to default on this lease.]

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).

[13 Commercial Way  
Milford MA, 01757

We wish to convey in the strongest terms, that we DO NOT want or intend to ever assign or transfer our Certificate of Registration (CoR). The lease contains a provision for the potential assignment of CoR if we default. It is stipulated in the Lease that both parties understand that Department approval is required for transfer of the CoR. We negotiated for extremely generous default terms so as to prevent such a potential assignment. The Lease and the Conditional Assignment are attached. We hope that the Department will appreciate that our intention is NOT to default on this lease.]

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;<sup>1</sup>
  - 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.

[Soon after Question 3 passed, the Milford Board of Selectmen drafted a zoning bylaw article to address the siting and zoning preferences for medical cannabis in the Town of Milford. After spirited debate, Milford Town Meeting passed that article on May 20, 2013, and it was approved by the Attorney General's office on August 19, 2013. Milford's willingness to address this controversial issue in such a timely manner, demonstrates general support on the part of both local officials, and the townspeople at large, to welcome a medical cannabis facility in Milford.

BSRI began its efforts to gain local support for our operations soon after the Attorney General approved the bylaw article. We began by seeking out property owners to determine whether or not a suitable property existed in Milford. Our approach was rooted in transparency. We told brokers and property owners about our organization and our plans, and we looked for those who were supportive of this fledgling industry. We found such an owner in Mr. David Pyne, an accomplished businessman who is well known in the community. Once he was convinced that our business plan was sound, Mr. Pyne agreed to lease us a commercial warehouse located at 13 Commercial Way in Milford and we began our efforts at introducing ourselves to local officials.

Per Department requirements, we sent out letters to Milford officials as soon as we were informed of our invitation to apply in Phase 2. On September 24, 2013 we sent letters to the Chairman of the Milford Board of Selectmen William Buckley, the Milford Town Administrator, Richard Villani, Worcester County Sheriff Lewis Evangelidis, and a courtesy letter to the Chief of the Milford Police Department Thomas O'Loughlin, informing them of our intent to apply for an RMD license. In those letters we also expressed our desire to open a dialogue with the community and to engage local officials regarding steps that we could take to let them know about our operations and assuage any concerns they may have had.

#### 100% LOCAL COMPLIANCE AND SPECIAL PERMIT

The Milford zoning bylaw article requires applicants to obtain a Special Permit from the Zoning Board of Appeals in order to operate an RMD in Milford. The article also requires that an RMD be situated at least 200 feet from a residential zone. This second requirement was a problem for us because the property we wanted to use was non-conforming. The back corner of the property incidentally abutts a residential zone. Accordingly, we filed an application for a variance from the article, along with our application for a Special Permit to operate an RMD. The variance application required a recommendation from the Planning Board, and both applications required approval from the Zoning Board of Appeals.

On October 1, 2013, the Milford Planning Board heard our variance application. BSRI demonstrated that our proposed use is in compliance with the intent of the bylaw article, and that with minor remedial

<sup>1</sup> 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.

measures, we could address all of the concerns that Town Meeting had expressed when they passed the bylaw. After a discussion, the Planning Board sent our application to the Zoning Board of Appeals.

On October 10, 2013 the Milford Zoning Board of Appeals heard our applications for both the variance and the Special Permit. Again BSRI presented our position regarding the variance and the Board unanimously approved it. The Board then turned to our Special Permit application. BSRI presented our plans for use of the property and gave a detailed summary of how we intend to accomplish our goals. Several members of the Board engaged in extensive questioning. After a full debate, the Board unanimously approved our Special Permit application, and wished us luck in our endeavors.

On November 6, 2013 the appeals period for our Special Permit expired without objection. On November 7, 2013 BSRI recorded the Special Permit with the Worcester District Registry of Deeds, thereby completing the process for obtaining the Special Permit to operate an RMD in the Town of Milford. Today, with the exception of building permits that are unobtainable until we undertake the build-out process, BSRI is in 100% compliance with all local codes and ordinances in the Town of Milford, and is ready to begin the build-out process immediately upon receipt of a provisional license from the Department.

#### COMPREHENSIVE ENGAGEMENT WITH LOCAL OFFICIALS

On October 15, BSRI representatives met with Milford Police Chief Thomas O'Loughlin to discuss any questions or concerns regarding our operations. We invited the Chief to tour our facility, and asked for his input on our security plan. The Chief expressed his appreciation for our conversation in a letter dated October 16, 2013 in which he stated:

“Please know that your candor, and that of your associates, in discussing these important matters was appreciated because it afforded me an opportunity to have an open and frank discussion on how we can work together to ensure the highest level of security and public safety at your facility. Additionally, in response to your invitation to do so, I look forward to communicating with your security providers, reviewing your security and safety plan and in touring the facility to review the actual physical security measures”

On October 25, 2013, BSRI representatives met with Milford Fire Chief John Touhey to present him with our operational plan and invite his input regarding the safety of our facility. Chief Touhey had many questions about the scope and nature of our operations. We discussed our needs for electric power, emergency preparedness and evacuation procedures, fire suppression systems and many other topics related to the safety of the facility. We agreed to stay in contact throughout the application process, and, if licensed, to work closely in developing a safety plan that surpasses local code and standards.

On October 25, 2013, BSRI representatives met with Town Administrator Richard Villani and Milford Town Planner Larry Dunkin. Again we introduced our organization and operational plan and sought input from them regarding how to best satisfy the needs of the town. Both Administrator Villani and Planner Dunkin were very interested in learning about our operational plan, and how the RMD will operate once open.

On November 18, 2013, BSRI gave a presentation on our planned operations to the Milford Board of Selectmen. The board engaged in an extensive question and answer session. After hearing about our plans and intentions for how we will operate in Milford, the Board of Selectmen voted unanimously to issue a letter of non-opposition to BSRI for filing with this application (please see attached exhibit).

Over the next months we will continue our efforts to engage the community in order to establish open channels of communication and understand any concerns the citizens of Milford may have. Should BSRI be awarded a registration to operate an RMD in Milford, we will propose to town leaders that a public forum be held at which our board members and executive management team will have an opportunity to answer questions about our intended operations and receive input from the public.  
]

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.

[BSRI takes very seriously all of the regulatory requirements that we operate under, both explicit and implicit. We have consulted legal counsel and accountants with depth of experience in the Massachusetts nonprofit sector to ensure our organizational practices further our nonprofit mission and avoid private inurement. We have spoken with criminal and land use attorneys, as well as experts in regulatory compliance. We have meticulously studied 105 CMR 725.000 et. seq. and federal guidance to ensure that our operations are in absolute compliance with all local and state requirements, and to the extent possible, with federal guidelines.

BSRI understands that strict compliance with DPH regulations and local codes, ordinances and bylaws, is an essential component to operating successfully in this complex industry. To this end, BSRI has opted to employ a full-time Director of Compliance who shall sit at the Executive Management Team level, report directly to both the Executive Director and the Board of Directors, and have access to all aspects of our operations to ensure compliance with any and all regulations that govern our activities.

It will be the role and responsibility of our Director of Compliance to ensure that our inventory tracking and control system is operating in compliance with Department regulations; to draft policies and procedures that allow for reporting of all relevant operational activity to the Department or other enforcement body in a timely manner; to be the liaison between BSRI and all regulatory authorities; and ensure that our operations are fully compliant with all state and local rules.

#### COMPLIANCE WITH LOCAL CODES, ORDINANCES, ZONING, AND BYLAWS

BSRI's RMD and cultivation facility will both be housed in a single 26,000 square foot warehouse located at 13 Commercial Way in Milford. The building is five years old, and is ideally suited for both uses. The building contains approximately 6,000 square feet of office space at the front end (3,000 of which will be used as our corporate offices and 3,000 of which will be used for the RMD), and approximately 20,000 square feet of secure warehouse space. The property is currently compliant with all state and local building codes.

On May 20, 2013, Milford Town Meeting passed a bylaw article regarding medical cannabis. The article was approved by the Attorney General's office on August 19, 2013. The bylaw article requires applicants to obtain a Special Permit from the Zoning Board of Appeals in order to operate an RMD in Milford. The article also requires that an RMD be situated at least 200 feet from a residential zone.

BSRI submitted concurrent applications for a variance from the 200 foot requirement, and a special permit to operate an RMD. On October 10, 2013 the Milford Zoning Board of Appeals unanimously approved our applications for both the variance and the Special Permit. On November 6, 2013 the appeals period for our Special Permit expired without objection, and on November 7, 2013 BSRI recorded the Special Permit with the Worcester District Registry of Deeds, thereby completing the process for obtaining the Special Permit to operate an RMD in the Town of Milford. Today, with the exception of building permits that are unobtainable until we undertake the build-out process, BSRI is in 100% compliance with all local codes and ordinances in the Town of Milford, and is ready to begin the build-out process immediately upon receipt of its Certificate of Registration from the Department.

BSRI has met with the Milford Fire Chief John Touhey, and welcomed his participation in assuring that our infrastructure, equipment, and safety procedures are compliant with all local codes and ordinances. We will continue to engage with Chief Touhey as well as Milford Building Commissioner John Erickson to ensure strict compliance with all building and safety codes as we commence the build out of our facility.

#### COMPLIANCE WITH STATE REQUIREMENTS FOR RMD AND CULTIVATION SITE

There are many state requirements provided for in the Department's regulations that relate to our RMD and cultivation facility location: internal and external security requirements; appropriateness of emergency response procedures to the property; storage and sanitary requirements, to name just a few. BSRI's Director of Compliance will conduct a thorough annual audit of all regulated aspects of our operations and prepare a report for the Board of Directors on any improvements that must be made. Additionally, our third party security contractor will continually monitor our security circumstances to ensure that our property is in compliance with all of the requirements as provided in 105 CMR 725.110.

Milford has adopted a zoning bylaw requiring an RMD to be situated no less than 200 feet from a school, park, playground, or youth center. BSRI is in compliance with such bylaw. Although not required under the regulations, our facility also conforms with the more restrictive state rule of 500 feet. BSRI has also carefully analyzed federal Department of Justice guidance (the so-called "Cole 2013 Memo" and other primary source materials). We believe that federal guidance implies a 1,000 foot radius from a place where children congregate. Our property is in compliance with these federal guidelines as well.

Additionally, federal guidance has set out eight enforcement priorities that the Department of Justice will look to in making enforcement judgments regarding participants in the medical cannabis industry. BSRI intends to closely follow such federal guidance, and ensure that all of our operations are in absolute compliance. This is an ever-changing area of law at both the state and federal level, and we therefore believe that the executive level compliance position is one of the most important positions in the organization. We welcome Department input on how we can best orient ourselves toward successful compliance with all local, state and federal legal requirements.]

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.

#### [INTRODUCTION

BSRI recognizes that despite our substantial effort in building this enterprise, we could not be successful without the support and encouragement of the local community in which we operate. BSRI's commitment to community support and involvement is evidenced in our corporate mission and vision where we state explicitly that "our vision includes an honest and reliable relationship with municipal officials and the public in the communities we serve. Through sustained efforts we will listen attentively, respond quickly and adjust

appropriately to local questions and concerns; participate in educational and public health efforts; and ensure our operations serve the narrow purposes of the Massachusetts statute.”

To this end, BSRI has developed genuine and transparent relationships in Milford, and has reached out to the Board of Selectmen, Town Administrator Richard Villani, Town Planner Larry Dunkin, Police Chief Thomas O’Loughlin, Fire Chief John Touhey, Health Officer Paul Mazzuchelli, the Planning Board, and the Zoning Board of Appeals. BSRI has expressed to each of these individuals and boards our intention to maintain complete transparency with town officials and establish and preserve open and ongoing lines of communication.

#### DEVELOPING A POSITIVE RELATIONSHIP WITH LOCAL OFFICIALS

BSRI will develop positive relationships with local officials in Milford and the communities within our service area. We will coordinate regularly with local officials and keep them abreast of our operations, growth and any significant changes in operations that could affect the community. As a local nonprofit and small business, we will attend and actively participate, when appropriate, in local Town Meetings and community gatherings.

BSRI will also continue to take an active engagement approach with Town and regional officials should we be issued a registration to operate an RMD. We have asked Milford Police Chief O’Loughlin to participate in the design of our security plan, and have engaged Milford Fire Chief Touhey to help us ensure that all of our safety practices meet or exceed local and state code requirements. BSRI has also actively participated in all local Milford hearings regarding the siting and permitting of our facility.

Should a Certificate of Registration be issued to BSRI, we have asked for help in the following ways from local officials during the planning and building phases:

1. Milford Police Chief O’Loughlin will inspect the security system equipment capabilities, review the Emergency Preparedness Guide, and advise in the development of personnel security policies and procedures.
2. Milford Fire Chief Touhey will inspect the architectural plans for buildout, review the design of the fire suppression system, and examine the Emergency Preparedness Guide.
3. Milford Health Officer Mazzuchelli will view the design drawings and specifications for the commercial kitchen used in MIP production, and have ample opportunity to inspect and make suggestions as needed.

Once the RMD is open for dispensing, these and other town officials will be invited to inspect the operations. We welcome input from these and other community stakeholders on how to further nurture the development of open communications between BSRI and the local communities we aim to serve.

#### DEVELOPING POSITIVE RELATIONSHIP WITH THE COMMUNITY

In order to continue this momentum, BSRI will make itself available to community groups that want more information about RMD operations and the DPH medical cannabis regulations. BSRI feels an obligation to be an advocate for all medical cannabis patients, and as such, it is our intent to work with groups within the community to facilitate, together with municipal officials and the public, an appropriate and ongoing forum for discussion. Over the next months we will continue our efforts to reach out to the citizens of Milford and understand any concerns the citizens of Milford may have and expect to introduce ourselves to the following town leaders:

Robert Lanzetta, Chairperson of the Milford School Committee

- Robert A. Tremblay, Superintendent, Milford Public Schools
- Milford Catholic Elementary School Parents' Guild
- Susan Clark, Senior Director of Milford Senior Center
- Al Holman, President Milford Rotary Club
- VFW Posts in Medway, Franklin, Upton, Holliston and Grafton

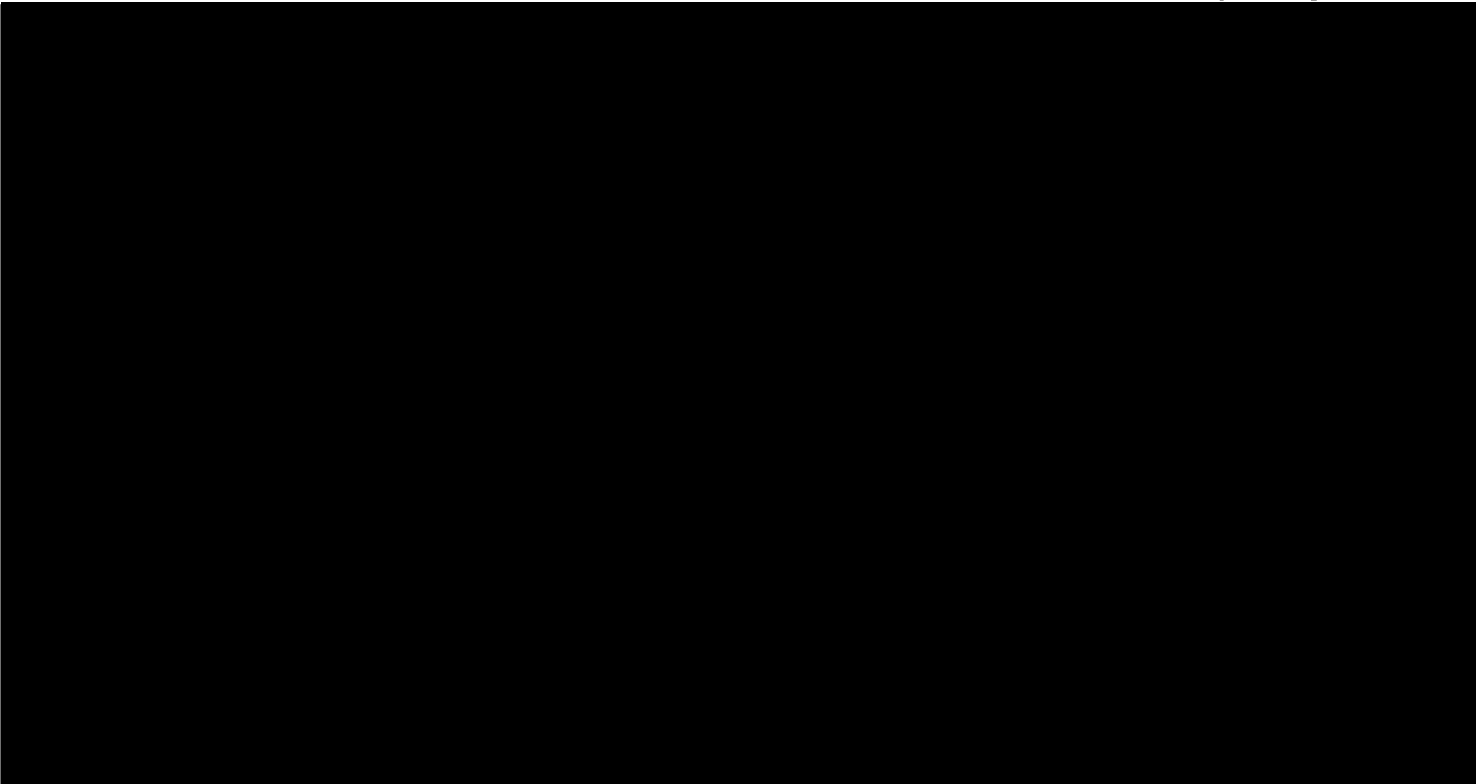
If BSRI is awarded a Certificate of Registration to operate an RMD in Milford, we will propose to town leaders that a public forum be held at which our board members and executive management team will have an opportunity to answer questions about our intended operations and receive input from the public. At no time will BSRI representatives solicit business, make a recommendation to use medical cannabis, make an explicit or implicit normative statement of the suitability of medical cannabis for a particular purpose. BSRI will reiterate its support for and compliance with all DPH regulations regarding the bona fide physician-patient relationship in determining what treatments are appropriate for a given condition.

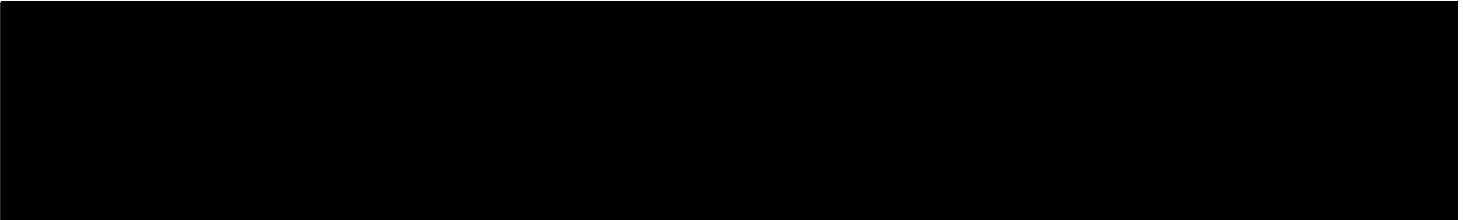
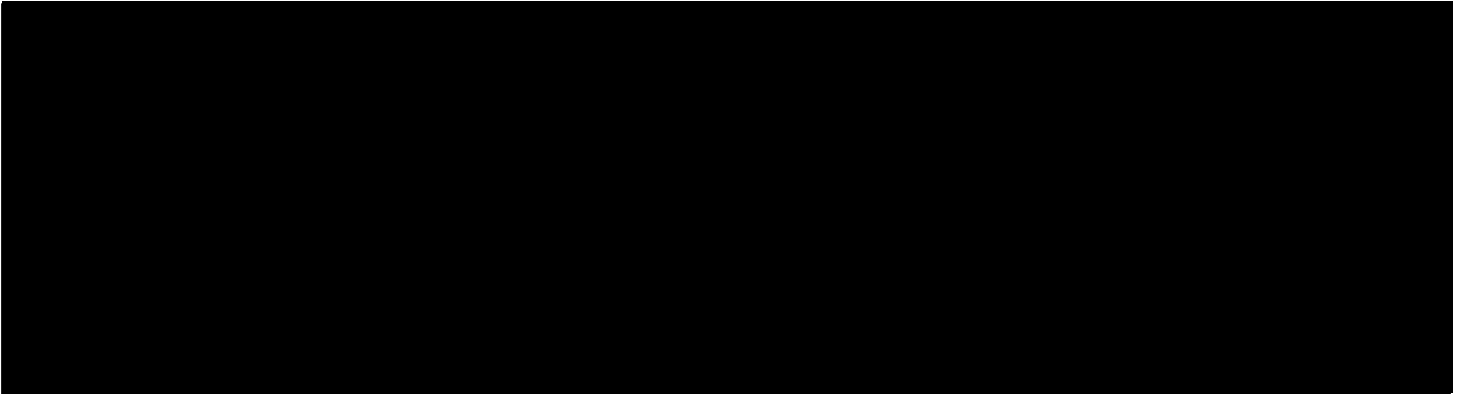
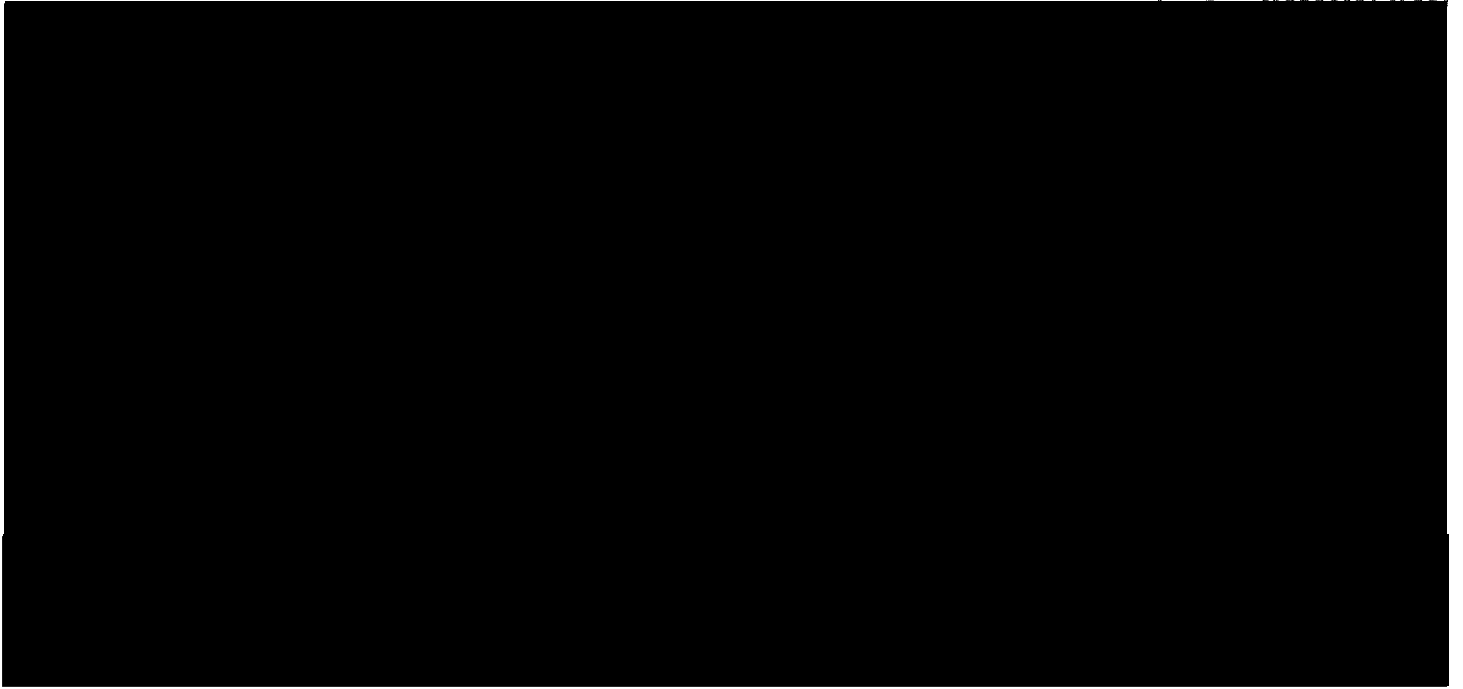
#### CHARITABLE GIVING PROGRAM

The unique nature of the medical cannabis industry presents potential opportunities for the communities that decide to embrace it. A survey of other states' experience indicates that nonprofit organizations such as ours often maintain an operating capital surplus. It is our intention to utilize such a surplus to fund our Charitable Giving Program and to contribute funds back into local communities. Once BSRI has established financial security, we will form a Charitable Giving subcommittee of the Board of Directors, and solicit participation on that subcommittee from a cross-section of community leaders in a variety of different fields. We hope to be able to contribute the majority of our revenues to causes that support our nonprofit purpose in and around the communities we serve.

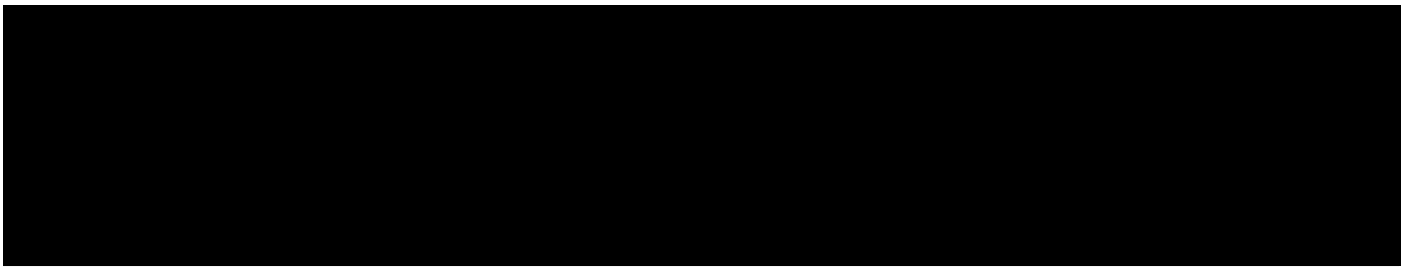
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- 5.8 Provide a description of the proposed enclosed, locked facility that would be used for the cultivation and/or processing of marijuana, including steps to ensure that marijuana production is not visible from the street or other public areas. Note 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.

### [INTRODUCTION

Our Staffing Plan is designed to maximize startup capital, and best utilize skills and expertise of the ED, EMT, and Managers. It allows incremental staff gains tied to need. Categories and narrative of phased plan follows with full-time employee status designations.

Employees organized into 4 categories:

1. CEO/Executive Director
2. Executive Management
  - a. Chief Financial Officer
  - b. Master Cultivation Consultant
  - c. Director of Cultivation Operations
  - d. Director of Compliance
3. Management
  - a. Head of Dispensary Operations
  - b. Head of MIP Development
  - c. Director of Patient & Public Affairs
  - d. Dispensary Manager
  - e. Facilities Supervisor
4. Associates
  - a. Dispensary Associate
  - b. Delivery Driver
  - c. Cultivation Associate

d. Curing & Packaging Associate

OPERATIONAL PHASES

Phase 1: 2/1/14 - 8/31/14: Buildout; Provisional inspection; Beginning of cultivation through first harvest.

Phase 2: 9/1/14 - 12/31/14: Launch and maintenance of dispensary operations.

Phase 3: 1/1/15 and Forward: Growth and Maintenance.

PHASE 1 STAFFING PLAN: 7 jobs with an average of 0.89 FTE

Executive Director (salary, 1 FTE, reports to BOD) Knowledge of medical cannabis industry, the ED has strategic and operational responsibility for business plans, expansion, and execution of BSRI's mission. Ensures ongoing and consistent quality of finance, administration, and process.

Chief Financial Officer (salary, 1 FTE, reports to ED) During Phase 1 & 2 CFO will manage all financial and budgetary activities. Responsibilities include defining process and implementing infrastructure/systems needed to support substantial near and long term growth. Involvement in strategic planning, evaluation, and professional development initiatives. The CFO will continue to build and manage effective and streamlined systems, including financial, accounting, legal, and physical infrastructure.

Director of Cultivation Operations (salary, 1 FTE, reports to ED) During Phase 1, the DCO will work with the MCC to manage building of cultivation areas, purchase and setup of equipment and cultivation operations. In Phases 2 & 3, the CCO will oversee all aspects of cultivation operations, train and supervise the Curing & Packaging Associates, and be responsible for daily cultivation operations.

Master Cultivation Adviser (Independent Contractor, reports to ED) An experienced and successful cultivation expert in growing medical cannabis in California. The MCC will aid in the design, build out and launch of BSRI's cultivation activities. The MCC is contracted to relocate to Massachusetts for a period of 18 months to mentor the CCO in all operational aspects of the medical cannabis growing process.

Director of Compliance (salary, 1 FTE, reports to ED and Board of Directors) Oversees the Corporate Compliance Program, functioning as an independent and objective office that reviews and evaluates compliance issues/concerns within the organization. The position ensures that the Board of Directors, management and employees are in compliance with the rules and regulations of regulatory agencies, that company policies and procedures are being followed, and that behavior in the organization meets the company's Standards of Conduct.

Head of Dispensary Operations (salary, 1 FTE, reports to DOC) will serve as Dispensary Manager for Phase 1&2. Responsibilities: oversight of daily dispensary operations, hiring DAs, inventory management, reconciling daily sales transactions, and marketing. During Phase 2 & 3 the HDO will oversee all operational aspects of RMD; hiring approval for Co-Managers, and Associates; patient experience and satisfaction; and inventory purchasing for ancillary products and packaging.

Director of Patient & Public Affairs (salary, .25 FTE, reports to DOC) The DPPA chairs BOD's Patient Education Committee, advocates for patients, ensures current educational materials and research findings are readily available, ensures that patients are well versed in the benefits and risks associated with cannabis, and that personal safety and diversion prevention methods are practiced. The DPPA will be the spokesperson of BSRI for media and community.

Facilities Supervisor (salary, 1 FTE, reports to DOC) The FS will oversee all aspects of smooth facilities functioning and necessary maintenance projects for the RMD. During Phase 1, the FS will also take on responsibilities of managing security compliance for all vendors entering and exiting BSRI premises.

PHASE 2 STAFFING PLAN: 6 employees with average of 0.96 FTE

Head of MIP Development (salary, 1 FTE, reports to DCO) At end of first harvest, the Head of MIP Development will start production of all edible and topical MIPs to be sold in the RMD.

Curing & Packaging Associate (hourly, 1 FTE, report to DCO) will process all plants in preparation for sale or use in MIPs.

Dispensary Associate (hourly, 3@ 1 FTE; report to Dispensary Manager) responsible for patient experience by demonstrating the utmost professionalism in all aspects of transactions.

Delivery Driver (hourly, .75 FTE, reports to Dispensary Manager) will be responsible for efficient routing and maintaining strict chain of ownership tracking while delivering medicine to patients.

PHASE 3 STAFFING PLAN: 4 employees with an average of 0.95 FTE

Curing & Packaging Associate (hourly, 2@ 1 FTE, report to DCO) will process all plants in preparation for sale or use in MIPs.

RMD Manager (hourly, 0.75 FTE, reports to HDO) will assume oversight of patient care, associate training, scheduling. Accountable for leading associates to execute job duties by creating a rewarding culture.

A/P Clerk (salary, 1 FTE, reports to CFO) will assume A/P responsibilities. Completes payments and controls expenses by receiving, processing, verifying, and reconciling invoices.

]

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.

#### [BSRI HIRING PLAN

This summary details steps and documents involved in our internal hiring process. When a new position is added, or an existing position is vacated, the EMT and ED will approve need, wage range and job description. The hiring process:

1. Job description
2. Vacancy announcement
3. Recruitment plan
4. Screening process
  - a. Resume, application and phone screening
  - b. First and second round interviews
  - c. Final selection
  - d. Check references
  - e. Run CORI report
5. Internal approval and official job offer

## RMD ROLES, JOB DESCRIPTIONS, APPROPRIATE QUALIFICATIONS & EXPERIENCE

Executive Director & CEO must have the ability to lead and direct the EMT. Desired qualifications: proven leadership, development, and relationship management skills; advanced degree, ideally MBA, with 10 years of senior management experience; track record of effectively running and growing a highly regulated organization.

CFO will have at least 5-8 years of professional experience creating and driving analytic framework for planning and managing organizational change in a highly entrepreneurial organization (preference given to nonprofit experience). Bachelor's degree (MA/MBA preferred) in Business, Management, or Finance.

Master Cultivation Adviser (Consultant) must be an expert in medical cannabis cultivation, with demonstrated skill producing consistent yield and strength, and quickly identifying and mitigating pests, rot, mildew and mold. Ideal candidate will have horticultural degree, or equivalent training.

Director of Cultivation Operations must have business management experience with strong interest in mastering all aspects of grow operation and managing a large team. Previous horticultural experience preferred. BA in business or finance.

Director of Compliance oversees Corporate Compliance Program, functioning as an independent and objective office that reviews and evaluates compliance issues/concerns within organization. Extensive knowledge of existing regulations in Massachusetts, and familiarity with local and national regulatory bodies. JD preferred.

Director of Patient & Public Affairs prior nonprofit communications experience necessary. Responsibilities include patient and medical cannabis advocacy, and public speaking. BA in marketing, communications or business; Massachusetts in nonprofit management or equivalent experience.

Head of Dispensary Operations previous business management experience including budget planning, allocations and forecasting, retail operations, customer service and management experience. BA required, MBA preferred.

Head of MIP Development Previous experience in MIP production preferred. Must have worked in a commercial kitchen, have culinary and food safety certifications as well as management experience.

Dispensary Manager candidates will be evaluated on previous experience including training and leading employees, maintaining schedules and conducting performance reviews. Must display willingness to enforce customer service, security, safety and code of conduct policies. Must have previous retail management experience and a high school diploma or equivalent.

Dispensary Associate as a patient facing position, candidates will be evaluated on previous customer service experience, professional demeanor, ability to connect with patients to build trusting relationships, ability to learn, retain and clearly articulate details of the medicine in each form, problem solving, and communications skills. Ability to understand POS software and conduct transactions. Physical skills require standing, lifting, bending. An Associate's degree is preferred. High school diploma or equivalent is required. Previous experience in a retail environment preferred.

Delivery Driver is a patient facing position, but also requires a clean driving record and good navigation skills for timely deliveries and efficient routing. A high school diploma or equivalent; reliable transportation; proof of auto insurance and valid MA driver's license.

Facilities Supervisor requires general knowledge of multiple disciplines including HVAC, plumbing, electrical, security and groundskeeping. Must be able to coordinate and negotiate with outside contractors for services. A high school diploma or equivalent required.

Curing and Packaging Associate must have above average hand-eye coordination and attention to fine detail. High school diploma or equivalent required.

AP Clerk Previous experience is a must, with a preference given to candidate with nonprofit background. Bachelor's in Accounting required, CPA preferred.

#### CRIMINAL RECORD OFFENDER CHECK

In compliance with Department regulations, BSRI will conduct mandatory CORI background checks for all final candidates being considered for employment. Any applicant found to have an arrest record, drug-related misdemeanors, suspended license, or felony convictions will not be considered. Additional CORI checks will occur randomly throughout one's employment with BSRI.

- HDO will conduct all CORI checks on applicants and employees; the CFO is the alternate in the event the CDO is unavailable.
- During a phone screen, all job candidates will be reminded of CORI and told the nature and extent of the mandatory background check. It will be made clear that an offer of employment is contingent upon a clean CORI report.
- If the applicant is to be offered a position, s/he will be asked to sign an authorization form, and it will be made explicitly clear that an offer of employment is contingent upon a clean CORI report.
- The applicant will be notified of the outcome, and either have a confirmed offer, or disqualified.

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.

#### [SUMMARY OF PERSONNEL POLICIES

BSRI has written a comprehensive Dispensary Agent Manual that will be given to each Dispensary Agent (DA) upon hiring. Some of the highlights of our policies are outlined below. Dispensary Agents must be registered with the DPH and issued a Dispensary Agent Registration Card ("DARC").

BSRI will strive to provide a safe and supportive working environment. We are committed to being an Equal Opportunity Employer. Dispensary Agents will be forbidden to engage or participate in any form of discrimination, harassment, offensive behavior or remarks, or sexual harassment. BSRI has a zero tolerance policy for any of these offenses. Dispensary Agents have an obligation to report the occurrence of prohibited behavior. BSRI prohibits retaliation against the Agent who reports an incident.

The use or possession of illegal drugs, related paraphernalia and alcohol on BSRI premises is strictly prohibited. Dispensary Agents are subject to a drug test every 12 months beginning one year after initial hire. Criminal drug convictions will result in immediate termination. Smoking of tobacco is not permitted in any BSRI facility.

Confidentiality is critical to maintaining successful and safe daily operations. BSRI has adopted Comprehensive Written Information Security Program (WISP) and is compliant with Massachusetts data security law, G.L. c. 93H, § 2 and the Massachusetts Office of Consumer Affairs and Business Regulation 201 C.M.R. 17.00.

The Code of Conduct outlines the standards of behavior and ethical conduct expected of Dispensary Agents. It includes dress code, Conflict of Interest, Social Media, Attendance, and Whistleblowing Policies.

#### COMPENSATION OF EXECUTIVE MANAGERS

BSRI has adopted a comprehensive executive compensation policy and procedure which will govern the Board of Directors' personnel relationship with the Executive Director. The Board of Directors is responsible for hiring the Executive Director and termination of employment, establishing the Executive Director's performance requirements, evaluating his/her performance, and awarding compensation.

The BSRI executive compensation policy and procedure is intended to avoid excessive compensation at the management level and comports with the IRS intermediate sanctions 'safe harbor' protocol. Under this protocol, review of external comparability data is required prior to establishing executive compensation and board deliberation and approval is required and documented.

BSRI has reviewed comparability data in projecting executive compensation for its entire executive management team and will continue this policy and procedure in order to avoid excessive compensation and ensure appropriate board oversight and approval in future operations.

#### WAGES

Hourly Dispensary Agents will earn between \$12 to \$15.00 per hour in direct compensation, based on the position and relevant experience. These non-exempt Dispensary Agents are eligible to receive overtime pay after 40 hours of work within a seven consecutive day period (for BSRI this is defined as Monday 12:00am - Sunday 11:59pm). Overtime shall be one and one-half times the employee's normal hourly wage. It is also paid for holidays on which the RMD is not closed for business. All Dispensary Agents will receive wages on regularly scheduled paydays: the 15th of the month and the last day of the month, or the preceding workday if either falls on a weekend or holiday.

#### OPPORTUNITIES FOR ADVANCEMENT

Our employees will have many development opportunities to expand their knowledge of the medical cannabis industry. As described in our response to Question 6.5, personal development plans are written by the employee and manager together. At that time the Dispensary Agent can indicate an interest in advancement or moving to another position within the RMD. Once the interest has been defined, benchmarks will be set and progress tracked. Employees will undergo an evaluation process at year end.

#### BENEFITS

Benefits are defined as indirect compensation to exempt and nonexempt Dispensary Agents. They include, but are not limited to: Health Insurance, a Flexible Spending Plan, Workers' Compensation, Short Term Disability, and Personal Days.

Paid vacation for regular full-time Dispensary Agents accrues as follows: 1 week during the first year of employment; 2 weeks during years two and three, and 3 weeks per year at the start of year four of employment. This is prorated accordingly for part time Dispensary Agents.

Regular full time Dispensary Agents accrue sick leave at the rate of 8 hours per month of service up to a maximum of 240 hours. The rate of sick leave accrual and maximum accrual amount of sick leave are prorated for regular part-time Dispensary Agents working 30 hours or more per week.

Leave policies cover sick leave longer than eight consecutive days, Maternity/Paternity, Military LOA, Jury Duty, Bereavement, and leave protected by the Federal Family and Medical Leave Act.

#### STATE AND FEDERAL EMPLOYEE RIGHTS

BSRI will adhere to all provisions of the US Department of Labor's Fair Labor Standards Act ("FLSA"), including Minimum Wage, Overtime for non-exempt employees (as mentioned above), Hours Worked, and Recordkeeping. All notices of the FLSA policies will be posted in a common area of our facility that is accessible to all employees.

The Massachusetts Department of Labor Standards promotes and protects workers' safety and health, and working conditions. A statement of employee rights protected by the DOL will also be displayed in a common area accessible to all employees. Massachusetts required policy notifications are: MA Wage & Hour Laws; Fair Employment Law; Maternity Leave Act; Sexual Harassment; Information on Employee's Unemployment Insurance Coverage; Notice to Employees (Department of Industrial Accidents); and Smoke Free Workplace Policy.

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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.

#### [STAFF DEVELOPMENT INTRODUCTION

BSRI will rely on Dispensary Agents to be engaged, compassionate, committed and collaborative. These attributes are part of our core values and BSRI will support professional growth through staff development. Dispensary Agents will be required to have the applicable skills to successfully carry out assigned duties and be prepared to respond appropriately to patient needs, and comply with operational protocols.

In addition to ongoing training and development within the RMD, all staff will be encouraged to keep abreast of industry news, and to take advantage of learning opportunities that can be shared with coworkers. BSRI will conduct routine development sessions to maintain current data about medical cannabis strains, security reviews, and patient care. These will take the form of monthly or ad-hoc company-wide staff meetings at the discretion of management.

Individual staff development needs will be assessed by management's observations of a Dispensary Agent's strengths and weaknesses. An individual's professional development plan will be outlined during annual performance reviews. Goals and measurable progress will be defined and agreed upon by both manager and employee. Whenever suitable, peer-to-peer mentoring will be utilized as a complement to an Agent's individual development plan.



## DESCRIPTION OF PROPOSED TRAININGS FOR DISPENSARY AGENTS

### ONBOARDING

Dispensary Agents will undergo an intensive orientation to introduce the Dispensary Agent Manual, Code of Conduct, Emergency Preparedness Guide, Incident Management Protocols and a review of the DPH regulations 105 CMR 725.000 et. seq. Employees will be cross-trained in functions within area(s) s/he is authorized to access according to the position s/he holds.

### SECURITY

RMD Security protocols and updates will be reviewed with all Dispensary Agents on a monthly basis to include patient, facility and personal safety as well as information security. Patient and individual security drills will be practiced at random intervals (when patients are not present) to aid in implementation of the security training and to improve reaction to a crisis.

### PATIENT CARE & CUSTOMER SERVICE

Treating patients with compassion and providing the highest level of customer care is a top priority. BSRI will teach the fundamentals of the unique customer service skills required to properly and safely dispense medicine to our patients. Specific training topics in this training module will include how to listen as a part of effective communication, how to speak with patients with disabilities for whom communication can be difficult, and recognizing signs of abuse/misuse and addiction.

### CANNABIS AS A MEDICINE

Dispensary Agents will be trained on the history of cannabis use for medicinal purposes, and the current state of the science regarding medical cannabis. Dispensary Agents will be required to master the attributes of each strain we offer. Associates will be trained as to various aspects of how to evaluate different strains, and how to assist patients in making educated decisions based on their specific needs. Patient-facing Associates will be expected to explain the differences between Indica and Sativa; Indica dominant strains; Sativa dominant strains, and all MIP products.

### ADMINISTRATION METHODS

Administration methods of medical cannabis can affect how quickly the medicine will bring about relief to a patient's particular ailment or symptom, as well as the type of effects induced. Associates will be fully versed in how to operate each of the devices we offer, as well as the benefits and potential effects of each device.

### ENTERPRISE MANAGEMENT SOFTWARE

BSRI will use the fully-integrated BioTrackTHC software package for our cultivation management, inventory management, patient management, and employee tracking functions, as well as for our Point-of-Sale system. It has multiple modules, and employees will have access to only those which are required as part of their daily functions. All employees will receive ongoing training until each has reached proficiency within the software module to which s/he has access. All employees will be trained on our tracking and security measures to protect patient information and prevent diversion.

### AMERICANS WITH DISABILITIES ACT COMPLIANCE

All Dispensary agents will be trained on the applicable elements of the Americans With Disabilities Act, and will be required to accommodate disabled patients when appropriate.

### CONFIDENTIALITY POLICIES

All BSRI records and information relating to BSRI or its affiliates are confidential, and Dispensary Agents must maintain this confidentiality. No BSRI or BSRI-related information, including without limitation, documents, notes, files, records, oral information, computer files or similar materials may be removed from BSRI's premises except in the ordinary course of performing duties on behalf of BSRI or with BSRI's permission.

#### OTHER POLICIES

Dispensary Agents will also be trained on a variety of other employment policies such as our: Social Media Policy, Cell Phone Policy, Discrimination and Harassment Policy, Copyright Policy, among others.

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### 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.

#### [FEBRUARY 1, 2014: RECEIPT OF PROVISIONAL CERTIFICATE

BSRI is projecting a start up period of approximately 7 months. Following issuance of the provisional Certificate of Registration our lease will be executed, construction and equipment orders will be submitted, and local building permits will be obtained. Cultivation equipment orders will be delivered by the end of February.

The construction of BSRI's cultivation and dispensary facilities will run concurrently in order for our security and IT vendors to perform their installations in the most efficient and cost effective manner. The first crop will be harvested, cured, packaged and ready to dispense in 4.5 - 5 months following final inspection from DPH. BSRI will be prepared to open the RMD doors for service to patients as close to September 1 as possible.

#### FEBRUARY 12, 2014: CONSTRUCTION (4-6 WEEKS)

BSRI intends embark on an aggressive construction schedule. The cultivation and dispensing facilities will be built concurrently by a licensed Massachusetts contractor. The Security Plan developed by SNAP Security Solutions will be installed by SNAP. BSRI intends to have all security systems installed prior to the final inspection. BSRI is working closely with the IT Group Akuity Technologies, to install our BioTrackTHC inventory tracking and control software and hardware package. All IT infrastructure will be fully installed prior to final inspection.

#### RMD CONSTRUCTION

The RMD buildout includes the construction of a patient waiting area, installation of display cases and sales counters, a secure fulfillment area where medicine will be packaged for each patient, and a patient consulting area. The proposed RMD space is currently equipped with ADA compliant entrances and restrooms, a break room, offices and storage rooms which will house a 2000 pound safe for storage of inventory.

#### CULTIVATION CONSTRUCTION

We begin by building two Vegetative Stage Rooms (VSRs) in the first two weeks of our construction phase. VSRs will contain mother plants, seedlings, clones, and plants at various stages of development. Once VSRs are complete, construction will commence on 6 identical Flowering Stage Rooms (FSRs), a processing room, humidior and commercial kitchen. All construction is anticipated to be complete within six weeks.

#### APRIL 1, 2014: REQUEST FOR FINAL INSPECTION

Two weeks before construction is complete, BSRI will request a date for final inspection by the Department.

#### APRIL 15, 2014: RECEIPT OF FINAL CERTIFICATE OF REGISTRATION

BSRI is hopeful that the Department will be able to complete its inspection of our facilities within two weeks of notice that we are ready.

#### APRIL 16, 2014: SEEDS AND GERMINATION (10-14 DAYS)

Upon receipt of a provisional Certificate of Registration, BSRI will procure high quality feminized seeds from a reputable seed bank. Seeds will be soaked in water for one day prior to being placed in small cups filled with organic soil. Ten days after the first round of seeds have been planted, a second round of seeds will be similarly prepared.

#### MAY 1, 2014: VEGETATIVE GROWTH STAGE (4-6 WEEKS)

Once the seedlings develop roots and grow to a height of 4", they will be transplanted into SmartPots® filled with a blend of organic material. All plants will be periodically inspected for signs of hermaphroditic, or male growth, and disposed of in compliance with 105CMR725.105(J). Cultivation staff will closely monitor the health of the plants, regularly checking for pests, root issues or nutrient deficiencies.

#### JUNE 1, 2014: FLOWERING STAGE (7-11 WEEKS)

Once the plants have reached the desired height, cultivation staff will move them into each FSR where they will spend the final 7 to 11 weeks of their life. Each plant will be pruned and checked closely for mold and mildew. Extra plants grown to offset potential vegetative phase losses will be used as mother plants or destroyed in compliance with 105CMR725.105(J).

#### AUGUST 1, 2014: HARVEST / DRYING FOR FIRST CYCLE (1 WEEK)

Upon determination by the Director of Cultivation Operations (DCO) in conjunction with our Master Grower, the plants will be harvested in the eighth to eleventh week of flowering. Cultivation staff will manicure each flower, removing excess leaves and stems while inspecting for signs of rot, mold and mildew. Medicine will be placed on bar-coded commercial-grade stainless steel screens stored on baker's racks in a locked humidor. A BioTrackTHC barcode will be generated for each batch of flower, fine trim, and waste and will be traceable back to original parent plant.

#### AUGUST 8-22, 2014: CURING (1-2 WEEKS)

The processed flowers will remain on the screen for up to 10 days. In accordance with BSRI testing protocols, a sample will be taken from each strain and sent to MCR Labs for testing. Positive test results must be obtained before any cannabis product is made available to patients. The final product will be placed into bar-coded security-sealed packages and stored in a secure location for transfer to the storefront RMD. The fine trim will remain in the trim-drying bins for up to 10 days then be placed in properly labeled and secured in sealed tamper-evident packages and stored in a secure location to await further processing.

#### SEPTEMBER 1, 2014: RMD OPENING

BSRI will hold its RMD opening for the qualified patients of Massachusetts.

#### RISK ASSESSMENT

Per Department request, on exhibit 7.1 we employ a risk level indicator of Low, Medium or High for each benchmark. We evaluate the "risk if not completed on time" in relation to the overall timeframe for the project, and our anticipated date of RMD opening. We expect to have a modest cash cushion in the event of unexpected delays, but we hasten to note that none of the benchmarks as indicated on Exhibit 7.1 fall into the "Low" risk category. "Low" represents more than one month of leeway. "Medium" represents +/- two weeks of leeway. "High" represents a significant risk of pushing back our timeline for RMD opening.]

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.

#### [INTRODUCTION

The first year of operations is the most critical time for any business, therefore we have selected a variety of key indicators that will help us to inform business practice improvements. BSRI will evaluate these indicators at the end of each quarter during year-one, and assess outcomes by which we will measure our progress toward operational efficiency and self-sustainability. BSRI intends to commence our year-one operations on September 1, 2014.

Our primary goal for year-one is to establish our organization as a leading provider of high quality medical cannabis in our service area. We expect to spend the first year of operations acquiring as many patients as our production schedule reasonably allows us to serve. Additionally, we expect to spend the first year fine-tuning our approach to the production cycle, inventory management system, and quality control systems on the cultivation side, as well as patient services, dispensing procedures, and sales performance on the RMD side.

#### SEPTEMBER 2014 - NOVEMBER 2014

In the the first quarter we will be looking to measure two key indicators: (1) production output from the cultivation operations; and (2) patient acquisition rate. Production output will first be measured on a macro level by raw output volume. Raw volume alone however is insufficient to accurately measure the overall value and quality of the medicine we produce. We will therefore look to additional metrics such as: (1) potency analysis; (2) yield per light; (3) loss percentage; (4) flower/trim ratio; (5) flower texture and overall quality. Each of these variables will be carefully evaluated in order to identify areas of improvement.

BSRI plans to begin acquiring patients immediately upon receipt of our Certificate of Registration, even though we will not be operational until nearly six months later. We anticipate that our patient base will be approximately 600 individuals when we open on September 1, 2014. Thereafter, our monthly patient acquisition rate will be approximately 70 patients per month.

#### DECEMBER 2014 - FEBRUARY 2015

During the second quarter we will continue to monitor production levels and patient acquisition rates, but will also evaluate our MIP program both in terms of it's production capacity, as well as our product line diversity, and the demand for these products. We expect our MIP product line to expand as we settle into the second full quarter of production. We will also be closely watching the demand for these products to inform our decisions on how to customize our product offerings to our patients. Additionally, we will solicit patient feedback on whether or not there is a demand for cannabis concentrate products.

#### MARCH 2015 - MAY 2015

In the third quarter, output and patient counts will again be primary, but we will also take a broader look at our patient base, looking for ways to improve our patient relationships by evaluating a variety of metrics involving patient interaction with the RMD, such as: (1) number of customers per day; (2) wait time from check in to walk out; and (3) total time each patient spends at a sales counter. We will encourage patients to give us feedback through our interactive website and use the data to inform business practice improvements.

#### JUNE 2015 - AUGUST 2015

In the final quarter of our first operating year we will conduct a comprehensive analysis of our: (1) pricing structure, including our Financial Hardship Program; (2) procedures and protocols; and (3) all third party partnerships. We will also take a close look at employee metrics such as overtime paid and other general labor cost management variables in order to adjust our second year operating budget.

We anticipate a dynamic and challenging first year of operations. The entire Executive Management team stands ready to meet these challenges head on, and looks forward to building the premier medical cannabis dispensary in Massachusetts.

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- 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.

#### [INTRODUCTION

BSRI's Executive Management Team has worked to educate themselves on modern medical cannabis cultivation methods. This has included attending seminars, making site visits to cultivation facilities and dispensaries in Maine, Colorado, Montana, Michigan and California, as well as exhaustive independent research. However, the driving force behind BSRI's cultivation facility design and implementation is our Master Cultivation Adviser, Timothy Crites. Mr. Crites has over six years of experience in medical cannabis production, and will relocate to Massachusetts for at least 18 months, to work exclusively for BSRI in the design, construction and day-to-day operation of our cultivation facility.

Mr. Crites first served as a volunteer at the cannabis collective that was the precursor to the San Francisco Patients Resource Center (SPARC), one of California's premier dispensaries. During this time Mr. Crites worked with master growers in the design, construction and operation of wholly organic medical cannabis production facilities. He was trained in the methods of producing medical-grade organic cannabis in a variety of cultivation contexts, including indoor, outdoor, soil-based, hydroponic, and mixed-media cultivation.

Mr. Crites is also a California attorney and has worked as a legal and business consultant for the medical cannabis industry for four years, advising patients, collectives, and dispensaries in best practices and compliance matters. In his role as an attorney he has inspected numerous cultivation sites, and has become familiar with a variety of methods to produce medical grade organic cannabis. Through this breadth of experience, Mr. Crites has become an expert in the critical components that ensure the production of a robust crop, including: (1) managing the environment of the cultivation site; (2) grow media and nutrient selection; (3) plant maintenance; and (4) problem area prevention and treatment strategies.

#### ENVIRONMENT OF THE CULTIVATION SITE

By effectively managing the environment, we are able to minimize potential problems such as pests, mold, rot, and mildew, and encourage rapid, healthy plant development. Sufficient air movement, optimal temperature, low humidity, and proper carbon dioxide levels are all necessary for producing high grade medical cannabis.

Deployment of strategically placed oscillating fans throughout the cultivation chamber provides the plants with sufficient levels of carbon dioxide for robust growth and also acts as a pest inhibitor by making it more difficult for pests to gain a foothold. Temperature and humidity must be considered when designing for various cannabis strains that develop differently under different temperature conditions. BSRI will install independent air conditioners in each cultivation chamber to maintain optimal temperatures for the selected strains. Maintaining a chamber at 35-40% humidity greatly reduces the probability of rot, mold, and mildew.

Carbon dioxide levels must be monitored to ensure that the cultivation chamber maintains 1200-1500 ppm to expedite plant growth and produce robust, healthy plants.

#### GROW MEDIA AND NUTRIENT SELECTION

Grow media and nutrient selection are fundamental to producing high grade organic medical cannabis. Mr. Crites is familiar with soil applications, soil and inert media blends, and wholly soilless applications where clay pellets, glass and lava rocks are substituted for soil. BSRI will use Smartpots®, (aeration containers that air prune and enhance each plant's root structure). The pots will be filled with a proprietary blend of organic soil and inert media that will promote a highly branched and fibrous root structure, making the plants more resistant to insects and disease.

BSRI will implement a top feeding nutrient delivery system, with multiple redundancies and the ability to isolate certain parts of the chamber in order to cater to similar groups of plants. Mr. Crites is familiar with a variety of organic nutrients including products certified by the Organic Materials Review Institute (OMRI). All BSRI cultivation will be consistent with USDA organic requirements.

#### PLANT MAINTENANCE

Plant maintenance and pruning is critical to the healthy development of a cannabis plant. By pruning, we are able to increase airflow through and around the plants as well as maximize the productive parts of the plant that have the best exposure to light. Proper pruning creates a high-grade finished product by allowing the plant to focus only on the parts that will produce medicine, as opposed to the under-layer that creates an environment for pests and molds to entrench themselves.

#### PROBLEM AREA PREVENTION AND TREATMENT

Mr. Crites has been trained by master growers on how to recognize signs that could indicate potential problems later in the plants' life cycle, and to design strategies to isolate, minimize, and contain any such problems. Mr. Crites has also mastered strategies to combat pests once they are introduced into the production facility. Mr. Crites also has extensive experience in identifying mold, rot, and mildew early on. Early identification is critical given that mold, rot and mildew all spread by microscopic spores that can devastate an otherwise healthy crop.

Mr. Crites is also skilled at identifying nutrient deficiencies or abundances by observing the posture and color of the plants. By closely watching these indicators, it is possible to determine when there is too much or too few fundamental nutrients. For example, cannabis plants that have soil containing too much nitrogen tend to burn at the tips of the leaves and resemble a human hand at rest where the fingers curl inward. Plants that are deficient in nitrogen, turn a lime green or yellow, signaling that the plant is starving for the nutrient. These conditions can be ameliorated by correcting to appropriate nutrient levels. Mr. Crites' will train a team of growers for BSRI during his tenure at the organization.

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- 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.

#### [INTRODUCTION

BSRI will produce and dispense high-quality, organic medical cannabis that is consistent in dose, and free from harmful contaminants such as pests, mold and mildew. We will accomplish this by (1) designing our facility to ensure optimum plant health; (2) keeping detailed, accurate records of each plant's life-cycle; and (3)

engaging a third-party testing laboratory to test and analyze our products for cannabinoid profile and a variety of contaminants.

#### OPERATIONAL STEPS TO ENSURE QUALITY

Our cultivation rooms are designed to create and maintain a clean and healthy environment for plants to thrive in. Maintaining proper airflow, adequate carbon dioxide levels, low humidity and optimal temperature are critical elements for healthy plant development. Designing with these elements in mind will ensure healthy growth throughout the life of the plant and help prevent contaminants from getting established. BSRI will use Smartpot® containers filled with a blend of organic soil and porous inert material in order to promote a highly branched fibrous root structure, an important component of producing a robust plant that is resistant to insects and disease.

Protocols will be implemented to avoid the introduction of pests into the cultivation facility. Organic pesticides will be applied to deter and prevent pests from getting established. Staff will be required to adhere to strict procedures when handling medical cannabis, such as changing into BSRI uniforms at the facility, using foot sanitizing baths, and wearing hair nets and non-latex gloves when working in the cultivation facility. Should pests take hold despite our prevention plan, BSRI cultivators will apply only organic pesticides on an as needed basis and destroy plants that hit a defined threshold of pest infestation. A daily physical inspection of every plant in the facility will help BSRI identify and address pest problems before they spread.

#### PLANT PROFILING AND RECORDKEEPING TO ENSURE QUALITY

BSRI will utilize the BioTrackTHC inventory tracking and control system to create a record of specific growth characteristics and strategies that should be applied for each genetic strain. Each barcoded plant will have an associated system file detailing all aspects of that plant throughout its life cycle, including strain information, nutrient timing and amounts, periodic health reports, stage transition information, harvest information, curing information, packaging information, and final sales data. This process will create a knowledge base that can be used to improve the quality of our final product and guarantee consistent production.

#### CANNABIS TESTING PROCESS

BSRI has signed a letter of intent to engage MCR Labs to conduct all testing and analysis of our medicine. A sample flower will be taken from every strain in every harvest, and sent to MCR Labs for testing. We will also test a sample of every batch of Cannabutter we produce, as well as a sample of every batch of MIPs we produce. BSRI will test for the following:

**Cannabinoid Profile:** using high performance liquid chromatography to quantify levels of THC, THCa, CBG, CBC, CBD, and CBN.

**Microbiological (mold and mildew):** using a combination of quantitative polymerase chain reaction (qPCR) and microscopic analysis to test for pesticides including mold, mildew, and bacteria (qPCR capabilities allow a level of detection down to a single organism.)

**Heavy Metals:** using Atomic Absorption Spectroscopy to detect trace levels of heavy metals including but not limited to Arsenic, Cadmium, Lead, Mercury, Chromium, and Nickel.

**Plant-Growth Regulators:** we will detect the plant growth regulators (PGRs) paclobutrazol and daminozide, two dangerous compounds most widely used in the MMJ industry in other states.

Non-organic pesticides: using liquid chromatography with tandem mass spectrometry, using state-of-the-art methods to detect hundreds of harmful pesticides at or below parts per billion (ppb).

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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.

[BSRI will accept unused, excess, or contaminated cannabis from registered qualifying patients or personal caregivers at no charge. We will also generate a certain amount of plant material waste due to damaged or contaminated plants from our production process. All waste, including waste composed of or containing finished cannabis and MIPs, shall be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations.

Liquid waste containing cannabis or by-products of cannabis processing shall be disposed of in compliance with Massachusetts requirements for discharge into surface water, groundwater, and sewers. All solid waste produced or received by BSRI containing finished cannabis and/or MIPs, shall be destroyed by means of incineration in a commercial or municipal waste combustor in Massachusetts holding a valid permit issued by the Department of Environmental Protection.

Our plan to dispose of excess or damaged plants or products will be to use the Bokashi Fermenting Process. This process is a method of rapidly metabolizing all organic waste with naturally occurring soil microbes. Bokashi is a Japanese term meaning 'fermented organic matter'. It is often referred to as a type of 'composting' but it is actually an anaerobic fermentation process, resulting in an end product that is very different from the end products produced via composting.

The first step in the fermenting process is to grind up all excess or damaged plants into a commercial open head poly drum. This will be done using a mechanical grinder to quickly, safely and effectively grind up the matter to increase its surface area. Once the matter is ground, a bokashi mix is added to the drum. This mixture consists of wheat bran inoculated and a special mixture of microorganisms. These micro-organisms break down the constituents of the cannabis plants and products until they are effectively pickled, rendering the medical cannabis waste unusable.

The system will then be closed off using an anaerobic lid with a band clamp to securely seal the drum, excluding all oxygen. For security reasons the band clamp will be padlocked to restrict access to authorized employees only. The drum will then be stored in a secure room and left for 7-10 days to complete the fermentation process. Because of the rapid decomposition, all noxious odors, putrefaction, and gases are eliminated in the process. Furthermore, no insects or rodents are attracted to the end product. The Bokashi fermenting process requires no turning, mixing or aerating to complete. Once the waste is properly fermented it can be removed from the drum and mixed with soil. Once rendered unusable it will be disposed of in a solid waste management facility or the mixture may be composted at a private or municipality owned composting site.

Diversion will be avoided by maintaining a secure storage area with additional layers of access required to gain admittance. During any disposal operation, two dispensary agents will witness the movement and destruction of the unused, excess, or contaminated cannabis material. These agents will keep a detailed record of disposal means and actions. The written record of disposal items will be kept on file for a minimum of two years from date of destruction. Records will include, at a minimum, the date of disposal, name of the supplying



registered qualifying patient or personal caregiver, reason for disposal, means of disposal and dispensary agents present.

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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.

#### [INTRODUCTION

BSRI intends to install a small commercial kitchen dedicated to the production of Marijuana Infused Products (MIPs) to be sold in the RMD. BSRI's Head of MIP Development will begin initial MIP production with CannaButter and edible MIPs made with CannaButter. All cannabis used in the production of MIPs will be tracked from seed to sale within our comprehensive Inventory Tracking and Control System.

#### TYPES OF MIPs BSRI INTENDS TO PRODUCE

BSRI intends to begin its MIP program by producing a cannabis infused butter known as CannaButter. CannaButter will be used by BSRI to produce traditional edible forms of cannabis medicine. These products will include pre-made and individually packaged cookies, bars, brownies, chocolates, and caramels. Any edible product that contains butter can be made with CannaButter as a substitute. All baked goods manufactured at the BSRI facility will consist of entirely organic ingredients.

We also intend to sell CannaButter as a stand-alone product for patients to cook with on their own. After we have established our production schedules and patient base, we hope to expand our MIP department to include production of lozenges, tinctures, salves, balms and concentrates.

#### METHODS OF MIP PRODUCTION

Using locally sourced USDA Certified Organic Salt Free butter and cannabis trim, BSRI will produce CannaButter in a manner consistent with medical cannabis industry practices. These practices generally include soaking cannabis flower trim material in melted butter over low heat for several hours. After straining out the trim material, the remaining mixture is CannaButter. This is a safe process, free from contaminants. Our testing partner MCR Labs will test a sample of each batch of CannaButter we produce to accurately measure for potency characteristics and contaminants. The CannaButter product will be packaged into half-cup sticks, and labeled in compliance with 105 CMR 725.105(E)(3) in preparation for sale to patients. Qualifying patients can utilize this product in various ways, from spreading it on breakfast toast, to including it as an ingredient in many traditional cooking recipes.

#### SANITATION AND FOOD PROTECTION PROCESSES

All BSRI edible MIPs will be prepared, handled, and stored in compliance with the sanitation requirements in 105 CMR 500.000: Good Manufacturing Practices for Food, with the requirements for food handlers specified in 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements, and any additional requirements of the Town of Milford Health Department. These regulations articulate all procedures relative to food protection, including cross contamination between food, and the prevention of foodborne disease transmission by employees.

The kitchen will be equipped with a six-burner stove top, convection oven, 10 quart mixer, ice machine, commercial grade microwave, baking scales, stand blender, immersion blender, food processor, stainless steel and maple top work benches and counters, dry storage, three compartment sink, and produce sink. The kitchen will be tied into the HVAC system for proper ventilation.

#### LABELING OF MIPs

All MIP products will be packaged in opaque, child-proof and tamper evident packaging, and labeled in compliance with 105 CMR 725.105(E)(3). Labels shall include the patient's name, BSRI's name, registration number, and contact information, the name of the product, the quantity of cannabis medicine contained within the product, a list of ingredients, the cannabinoid profile, the date of product creation, the recommended "use by" or expiration date, a bar-code that identifies the batch number, directions for use of the product, a statement that the product has been tested for contaminants and the date of testing, a warning if nuts or other known allergens are contained in the product, and the following statement: "This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Do not drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN."

#### STORING OF MIPs

Finished, packaged and labeled MIPs will be stored according to food safety protocols. MIPs that can be stored at room temperature will be housed in the vault in air-tight containers. MIPs requiring refrigeration will be kept in a small commercial cooler inside of the vault.

#### DISPOSING OF MIPs

BSRI will undertake steps to render any waste material unusable in compliance with DPH regulations. The amount of kitchen waste and outdated MIPs will be documented in the inventory management system. Please see section 7.5 of this Application Response Form for more information on our procedures for safely disposing of all waste containing unusable cannabis products, including MIPs.

#### DISPENSING OF MIPs

MIPs will be dispensed under the same procedures as all other cannabis medicine products. Please see section 7.10 of this Application Response Form for more information on our procedures for safely dispensing our medicine.

#### TRACKING OF MIPs

MIPs will be tracked using our comprehensive Inventory Tracking and Control System. Please see section 7.7 of this Application Response Form for more information regarding our Inventory Tracking and Management program.

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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.

#### [INTRODUCTION

BSRI will implement a comprehensive inventory control and tracking system to serve three primary purposes: (1) to prevent diversion of cannabis product, (2) to ensure transparency in our compliance with all Department regulations, and (3) to deter criminal activity and offer immediate awareness of inventory at any moment in time.

We will employ a single electronic system to capture everything that happens to an individual cannabis plant, from seed and cultivation, through growth, harvest and preparation of MIPs, to final sale of finished products. This system chronicles every step, ingredient, activity, and transaction. It logs the actions of every

Dispensary Agent, registered qualifying patient, and personal caregiver who handles, obtains or possesses the product.

### SEED-TO-SALE TRACKING PROCEDURES

BSRI has partnered with BioTrackTHC, the leading developer of biometric authentication database and tracking software for the medical cannabis industry. BSRI will utilize the fully-integrated BioTrackTHC package including cultivation management, inventory management, patient management, and employee tracking, as well as a Point-of-Sale system.

BioTrackTHC generates and assigns a unique, non-repeatable 16-digit barcode to every plant, and at each phase where cannabis must be separately identifiable from the original plant due to processing and packaging. These serial numbers, once generated and assigned, cannot be changed. Each barcoded plant will have an associated system file, detailing all aspects of that plant throughout its life cycle, including strain information, nutrient timing and amounts, periodic health reports, stage transition information, harvest information, curing information, packaging information, and final sales data.

This process logic creates an environment whereby both BSRI and the Department will be able to take a real-time snapshot of every cannabis product component, as it exists in the manufacturing process. It also creates an unbroken, traceable audit trail, enabling BSRI to trace all in-process products, as well as end-products and waste, back to the original plant. Each batch is automatically added to category specific inventory, and all inventory categories are traceable to physical locations within the cultivation facility. The chain of custody is recorded for every action and includes PIN authentication. In the event of a recall, a batch report can be created to track the disposition of every gram contained in the batch, including transaction and contact information for the patient(s) who purchased the product.

The BioTrackTHC system uses multiple layers of information security and tamper resistance. Secure Socket Layer (SSL) encryption technology is used throughout the system to ensure a secure operating environment. Every user is assigned unique login credentials and must provide a biometric scan to access the system. Every system event is logged with ID information of the current user. These logs are stored on redundant, backup servers creating a forensic audit trail in the unlikely event of a security breach. Moreover, unlike other software packages of this type, BioTrackTHC is not a cloud-based service. All data in the system is retained by BSRI on our own secure servers.

BSRI shall set a schedule for monthly, annual, and random production process and inventory audits. The record of each inventory shall include, the date of the inventory, a summary of the inventory findings, and the names, signatures, and titles of the individuals who conducted the inventory. Written records of all inventory audit findings, as well as our Inventory Control and Tracking System logs and records shall be available for inspection by the Department upon request.

### PREVENTION OF DIVERSION

BSRI will be vigilant in its efforts to prevent diversion of our products. However, we must accomplish this in an environment that simultaneously seeks to promote trust, care and compassion for both our employees and our patients. One of the most effective methods of deterring diversion is promoting the awareness of systems that operate to prevent it. All BSRI Dispensary Agents will be trained in various aspects of our Inventory Control and Tracking System as they apply to each employee's duties.

The system minimizes discretionary human interaction. For example, our inventory control system uses fully integrated scales that allow for auto-weighing at each stage within the software. Employees do not enter weights into the system manually. The integrated scales send weight data directly to the system and all actions

are tracked via PIN authentication, reducing the likelihood of manual data entry error as well as employee misconduct.

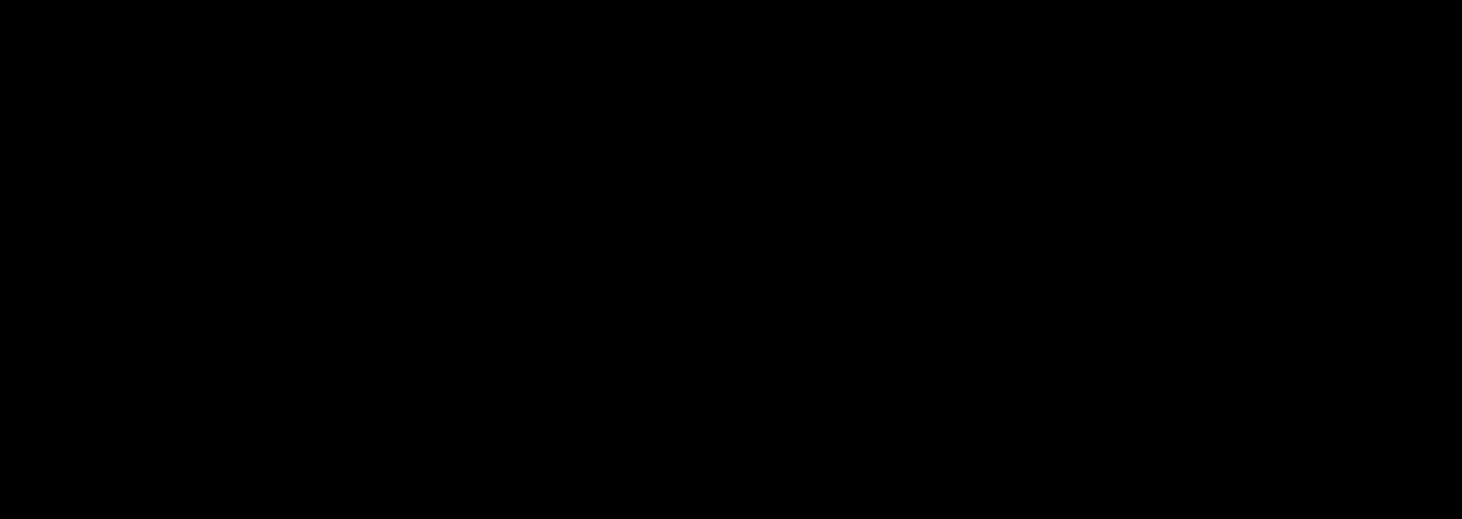
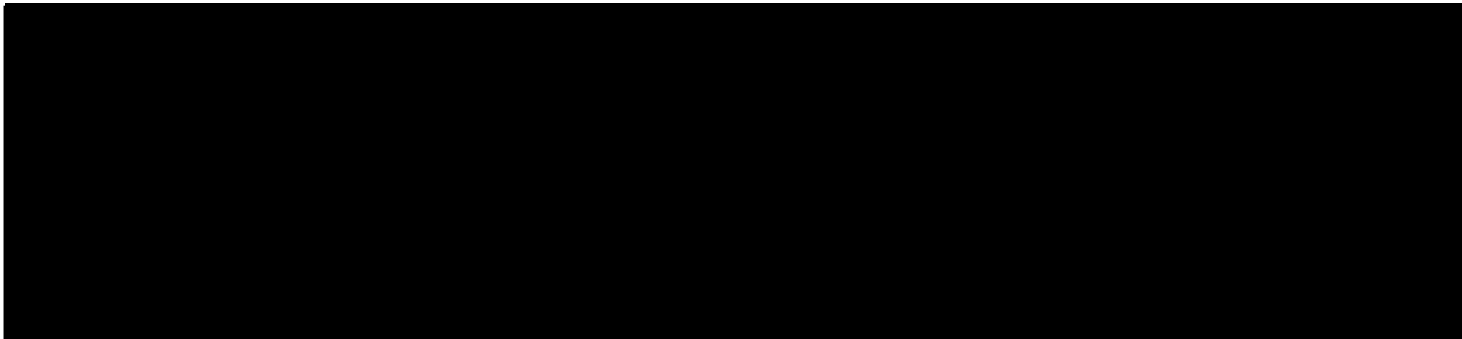


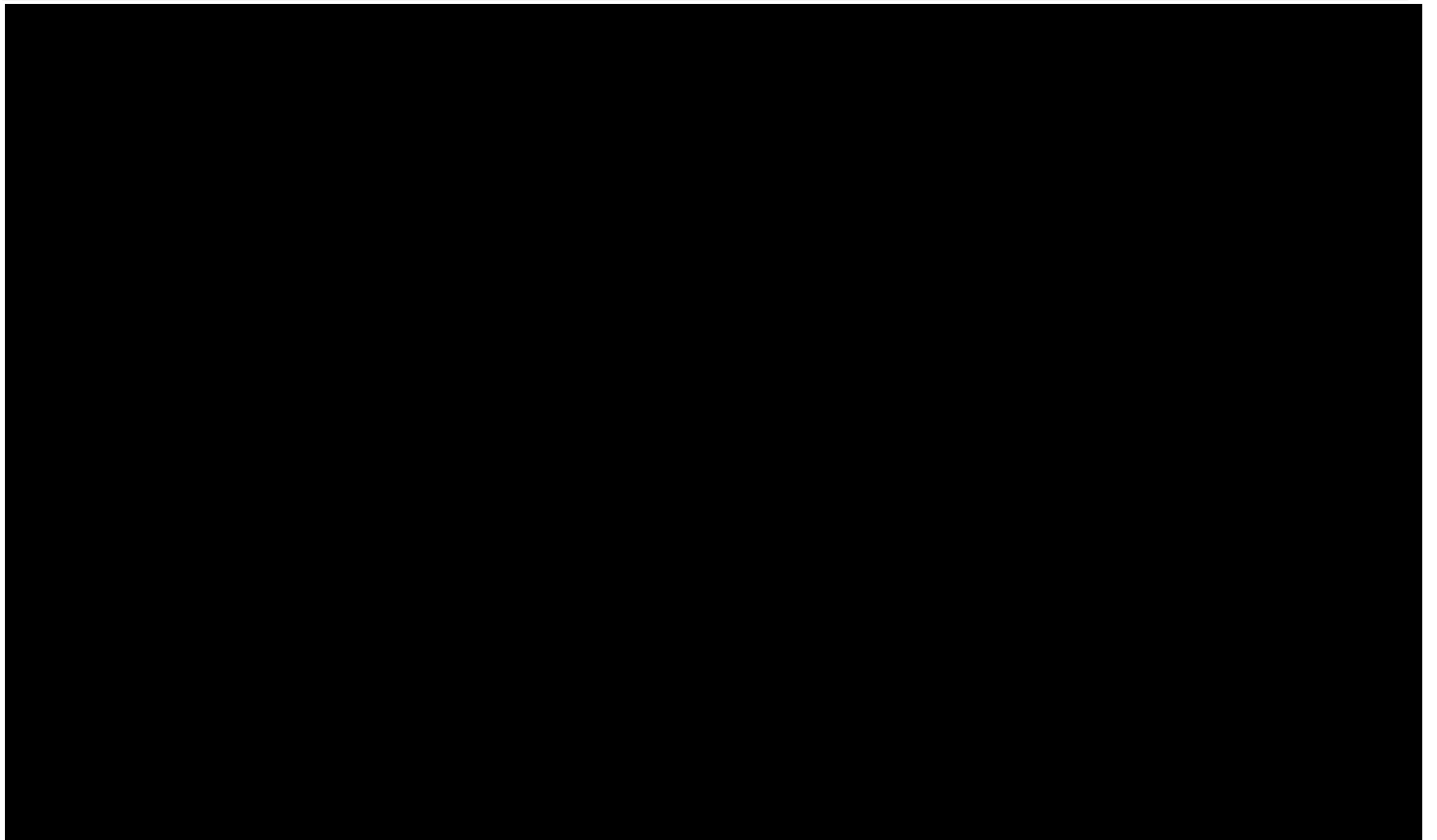
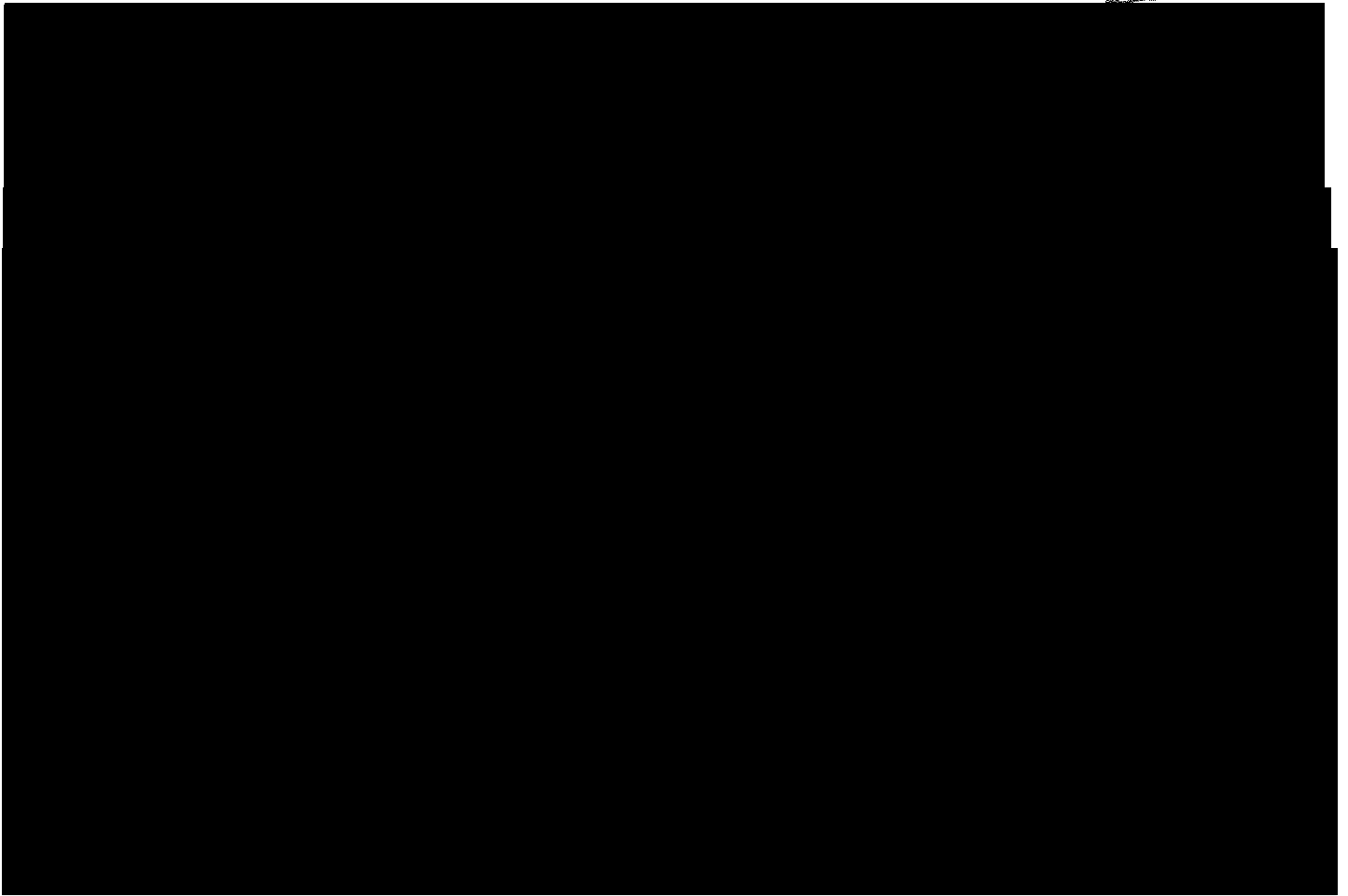
#### STORAGE OF CANNABIS PRODUCTS

BSRI's general liability insurance policy requires us to maintain a 2,000 pound safe on the premises for the storage of medical cannabis products in inventory. All safes and other areas used for the production, cultivation, harvesting, processing, or storage of cannabis and MIPs will remain securely locked and protected from entry, except for the actual time required to remove or replace cannabis product. Once medicine is transferred to the Dispensary, it will be stored in locked compartments in an enclosed, secured area of the Dispensary that is only accessible to authorized Dispensary Agents.

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- 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.

#### [SERVICE AREA

Utilizing patient population analysis techniques in other states with existing medical cannabis programs, BSRI has built a model to derive approximate patient counts in the first year of our operations. Various factors were considered when developing our projected service area, including:

- Location of BSRI's RMD
- Projected distribution of other RMDs
- Population density
- Demographic makeup of communities within our service area
- Health and welfare statistics for communities within our service area

BSRI approximates its immediate service area to be within a 10-mile radius centered on our RMD in Milford. This area encompasses or touches on 23 separate municipalities in three counties: Middlesex, Norfolk, and Worcester. The communities we will directly serve include: Ashland, Bellingham, Blackstone, Framingham, Franklin, Grafton, Holliston, Hopedale, Hopkinton, Medfield, Medway, Mendon, Milford, Millis, Millville, Norfolk, Northbridge, Sherborn, Southborough, Upton, Uxbridge, Westborough, and Wrentham. In addition to these communities, BSRI hopes to deploy a medicine delivery program in a later phase of our operations that will expand this service area.

#### PROJECTED PATIENT POPULATION

According to the 2010 US Census, the total population in our service area is 230,000 people. Based on an analysis of health data in our service area, we estimate our total addressable market over a three year period to be more than 15,000 patients. We estimate addressable market in temporal terms because we believe that the market will grow as potential patients become more familiar with the idea of using cannabis as a medicine. Of that addressable market, we expect to acquire roughly 600 patients by the time we open the RMD doors for operations in September 2014. Over Year 1 we expect to grow our patient base to approximately 1,200 individuals. By Year 3 we expect to have acquired one percent of the population in our service area, or 2,300 patients.

BSRI has inferred these numbers by carefully surveying patient populations in other medical cannabis states, as well as by looking at actual health data in our service area. The percentage of patients compared to overall population in medical cannabis states ranges from 0.12 (.0012)% in Nevada, to 2.1% (.021) in Colorado. The mean number of registered patients to overall population is 0.82% (.0082). We believe that because the Department's definition of Debilitating Medical Condition is open ended, the mean measure likely underestimates the total patient population. Therefore, BSRI has integrated local data for cancer, glaucoma, HIV/AIDS, hepatitis C, and multiple sclerosis rates into our model.

#### STRATEGY FOR DELIVERING CULTURALLY COMPETENT AND LINGUISTICALLY APPROPRIATE SERVICES

BSRI intends to establish a direct relationship with our non-English or limited English proficient patients through accurate and complete interpretation services. We are committed to the delivery of culturally competent care, and to take a leadership role in facilitating access to quality services for non-English or limited English proficient patients.

Within BSRI's service area, 81% of households speak English, 4% speak Spanish, and 1.4% speak Brazilian Portuguese. All patient educational materials will reflect the multicultural nature of the general population in Massachusetts and will be presented in English and Spanish. Patients with limited English proficiency and deaf and hard of hearing patients have the right to a medical interpreter at no cost to them. Materials for the visually impaired will be available. BSRI will deliver culturally competent and linguistically appropriate services with qualified medical interpreters with face to face, telephonic and audio/video encounters.

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- 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.

#### [PATIENT RECORD KEEPING SYSTEM

BSRI has partnered with BioTrackTHC, a leading developer of biometric authentication database and tracking software for the medical cannabis industry. BSRI's patient record keeping system will keep patient records strictly confidential and be fully HIPAA compliant. The BioTrackTHC system employs multiple layers of information security and tamper resistance.

When a qualified patient visits BSRI's RMD for the first time they will be given a brief counseling session and orientation to our facility. Patient records will be originated from a questionnaire that will include biographical and summary medical data, as well as a scanned copy of the patient's doctor certification and Department issued ID card. The system automatically generates a unique Customer ID for every patient record.

Each subsequent visit to the RMD will generate an entry in the patient's record indicating their access to the RMD, and if the patient makes a purchase of medicine, sales data such as type, quantity, batch and pricing



information. To fill a patient order, the system creates a new sales ticket and enters information that links a specific client record to specific product inventory. Upon completion of the order, the system updates the transaction record, the product inventory record, and the client record accordingly.

BioTrackTHC enables us to configure precise controls over what information is recorded in the system and which users may view it, thereby preventing unauthorized access and limiting confidential information to authorized personnel only. We also will implement an electronic patient access portal on our website that will allow patients to log in using a PIN and gain access to a range of product information including strain types, price lists and other patient-specific information.

#### USE OF TECHNOLOGY TO SUPPORT BUSINESS OPERATIONS

BSRI will employ technology to support business operations in several key areas:

**Patient Management:** As noted above, our patient management system will maintain secure, accurate records of all patient transactions, enabling the Department to easily access patient certification and possession eligibility information.

**Cultivation Management:** Our cultivation management system maintains a file on each plant detailing all aspects of that plant throughout its life cycle, including strain information, nutrient timing and amounts, periodic health reports, stage transition information, harvest information, curing information, packaging information, and final sales data.

**Inventory Management:** BSRI's inventory control system enables us to collect, store, and retrieve data on all activity with respect to inventory-tracking records, supplier records, sales/transaction records, and disposal records. (Please see answer to Question 7.7 for further details on our inventory management program).

**General Improvement of Business Processes:** Analysis of the data generated by the systems listed above will help BSRI to facilitate efficient cultivation processes, patient service improvements, employee recruiting and retention improvements, and organizational development strategies. BSRI will use data generated by our tracking system to assist us in making better patient care, planning, purchasing, and product development decisions.

#### USE OF THE DEPARTMENTS ELECTRONIC TRACKING SYSTEM

While precise implementation protocols for the Department's electronic registration and dispensing tracking system have yet to be announced, BSRI anticipates using the system in at least four ways: (1) to identify registered qualifying patients in order to grant access to the RMD; (2) to confirm patient certifications and possession criteria in order to determine the quantity of cannabis medicine each patient is authorized to obtain; (3) to report sales data to the Department in order to keep possession criteria for each patient current; and (4) to allow the Department to access BSRI inventory data on an as-needed basis.

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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.

#### [Financial Hardship Policy

BSRI recognizes that certain members of our patient community cannot afford to purchase their medicine at prevailing market prices. This summary of our Financial Hardship Policy outlines our procedures for providing medicine at low or no cost to patients who cannot afford it.

BSRI will grant an automatic 20% discount on all medical cannabis products to current MassHealth and SSI beneficiaries. In addition, BSRI will also make a Financial Hardship Policy Application Form available to any patient upon request. The form will solicit information and documentation supporting the patient's current income and ability to purchase their medicine. The completed form will then be evaluated by BSRI, and a decision will be made as to the patient's eligibility to receive discounted or free medicine. BSRI will designate a trained staff member to evaluate all such requests. The information contained in the form shall be kept strictly confidential and retained by BSRI's records department for a period of one year from the date that eligibility to participate in the program is determined.

#### Eligibility Criteria

**MassHealth and SSI Beneficiaries:** Any patient who is a current recipient of MassHealth or SSI benefits shall automatically qualify for a 20% discount on any purchase of medicine from BSRI with no further evaluation of the patient's income. Patients must present a valid MassHealth or SSI card in order to qualify for this discount. If such a patient elects to also submit a Financial Hardship Application Form, that patient may qualify for further discounts.

**Financial Hardship Based on Income:** BSRI will provide a discount to any patient who can document an income that does not exceed 300% the Federal Poverty Guidelines (adjusted for family size) as published on an annual basis by the U.S. Department of Health and Human Services. Discounts are granted according to the following table:

| Income Percentage of Federal Poverty Guidelines | Discount |
|---|----------|
| 201% - 300%                                     | 10%      |
| 100% - 200%                                     | 20%      |
| Income below U.S. Poverty Guidelines            | 30%      |

#### Required Information

BSRI requires independent documentation to support claims of financial hardship. Such information may include pay stubs (if no pay stubs are available, a letter from patient's employer stating rate of pay per hour and work hours per week), income tax forms from the immediately preceding filing period, banking information, and/or other asset information. If self employed, and no U.S. tax return has been filed, patients may submit an Accounting of Business Income and Expenses sheet for the last 12 months signed by an accountant (or by patient, if no accountant was used). Current business records showing other relevant documents may be submitted as acceptable proof of self-employment.

#### Evaluation and Processing Time

The information submitted will be evaluated by trained BSRI administrative staff according to the criteria listed above and will be kept strictly confidential.

All decisions will be made within 10 business days from the day that BSRI receives the completed Financial Hardship Policy Application Form and required documentation. Applicants will receive a notification letter stating whether or not the application has been approved. If participation in the Financial Hardship Program is denied, BSRI will provide the applicant with a written explanation of its decision, and an opportunity for the patient to explain why they believe that the decision is in error. BSRI retains final authority over the granting of Financial Hardship Benefits.

#### Duration of Eligibility

Patients who qualify for the Financial Hardship Program will remain eligible to receive medicine at discounted prices for one year, at which time they will be required to reapply to the program.

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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.

#### [PLANS TO PROVIDE COUNSELING TO QUALIFIED PATIENTS

When a qualified patient visits BSRI's RMD for the first time they will be given a brief counseling session and orientation to our facility by a trained Dispensary Agent (DA). The DA will verify that both patient and physician registrations are current. Patients and caregivers will be given information about cannabis strains available at BSRI. Each strain will be explained in detail for percentages of sativa or indica, cannabinoid profile, strength, symptoms alleviated, and guidance about identifying minimum effective dosage. Patients and caregivers will be given a chart on which to track usage, strains, administration methods and dosages. This information can be reviewed with the registered recommending physician to determine which strain(s) and minimum effective dosage are appropriate for the patient.

#### EDUCATIONAL MATERIALS

The DA will disclose and review warnings for medical cannabis users. These warnings encompass the following points: medical cannabis has not been analyzed or approved by the FDA; there is limited information on side effects of cannabis use; there may be health risks associated with using medical cannabis; driving is prohibited while under the influence of medical cannabis and operation of machinery is not recommended; cannabis should be kept away from children and may not be distributed to those not authorized to use it; unused, excess or contaminated product must be returned to BSRI. Patients will be asked to acknowledge that this information has been explained to them.

#### ADMINISTRATION METHODS

The DA will advise on administration methods, including a discussion of the benefits and hazards to be taken into consideration when making this choice. Edibles, vaporizing, tinctures and topicals each have a different mechanism of action, and as a result, different effects on the manner in which symptoms are alleviated. BSRI's educational material will go in depth into each administration method with particular attention to the length of time before the patient can expect to feel relief, length of time the medicine can be expected to effectively provide relief, and managing the patient's minimum effective dosage.

#### MINIMUM EFFECTIVE DOSE

The minimum effective dosage is a key benchmark for patients and caregivers to note. Any increase to the minimum effective dosage should always be discussed with the recommending physician. A need for a larger minimum effective dose can signal worsening of symptoms, or the possibility that the patient is developing an increased tolerance to the medicine. Instructions on how to differentiate between medical need and dependence will be featured prominently among the educational materials given to patients and caregivers. The materials on this subject will cover warning signs of tolerance, dependence, and withdrawal spelled out in the clearest and strongest possible language. Furthermore, patients will be made aware that BSRI Dispensary Associates will be trained to look for signs of these issues. Information will be made available regarding substance abuse signs and symptoms, as well as referral information for substance abuse treatment programs.

#### PREVENTION OF DIVERSION

Patients and caregivers will receive counsel about the role they play in preventing diversion. They must agree that they will not purchase medical cannabis in any form with the intent to distribute it to any other individual. Furthermore, patients will be instructed on how to safely store the medicine at home, and how to

keep it away from children. Diversion is best prevented by using a locked storage container, and patients will be advised to use such a container in their homes. Patients will be informed that when they no longer have need for medical cannabis, all unused, excess or contaminated medicine must be returned to BSRI for proper disposal.

After all necessary warnings and instructions have been given, patients and/or caregivers will be asked to sign forms acknowledging receipt of the educational materials and warnings, and to sign an agreement that they will not participate in, encourage or otherwise enable diversion.

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- 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.

### [INTRODUCTION

In keeping with the intent of the law and regulations BSRI will exercise caution in our marketing and advertising technique. Our strategy and initiatives will center on the needs of our patients, with a focus on education and safety. We believe that patient demand will be robust in the first several months of our operations. Retaining these patients and earning new ones will depend on positive interactions to encourage retention and word of mouth patient to patient referrals.

### LOGO

BSRI will create a logo to adequately represent the guiding principles, values and passion of our nonprofit organization. It will pay homage to Massachusetts and include the name of our company without any reference in color, shape, image or text to cannabis. The BSRI logo will convey a sense of professionalism and credibility.

### PRINTED MATERIALS

BSRI will develop pamphlets to educate patients we serve regarding medical cannabis usage, administration techniques, safe use, storage and other important topics. Content and disclaimers are outlined in section 7.13 of this application. These materials will be readily available within the RMD, and will be made available in English, Spanish, and other languages as needed. Infographic posters will be displayed in the dispensary, highlighting important educational information about different forms and types of medical cannabis available, safe use, storage techniques and other topics. MIP packaging labels will have only a small logo accompanied by the name of the MIP, nutritional information, ingredients and tracking barcode.

### EXTERNAL SIGNAGE

BSRI's proposed location in Milford will have a stand alone sign at the driveway entrance that is not visible from surrounding main roads. It can only be seen at the end of Commercial Way. The sign's lighting will be on a timer, which can be adjusted to operate within 30 minutes after sundown, and only if sundown occurs during normal business hours.

The patient entrance to the dispensary will have a BSRI logo on the exterior door, as a vinyl decal applied to the glass. Other than lighting required by building code for a covered entry, there will be no spotlight drawing attention to logo. The logo will not be applied elsewhere on exterior walls of the facility.

### ADVERTISING PRACTICES

BSRI will use small ads in industry publications and patient-centric publications. Our website will have very general information available and a password protected area for our patients. In this password-protected area only existing patients and caregivers will be able to view available strains, MIPs, administration devices,

and pricing. Access will be revoked upon expiration of the patient's registration card or if a patient violates the website's terms of use.

#### OUTREACH

Continuing a positive relationship with patients and the communities within our service area is a primary part of our marketing strategy. We will employ a staff member to assist in the development of outreach programs to the public and qualified medical cannabis patients. (Please also refer to section 5.7 of the application). We intend to use the resources we have on our EMT, BOD and Advisory Board as ambassadors, and advocates for all medical cannabis patients.

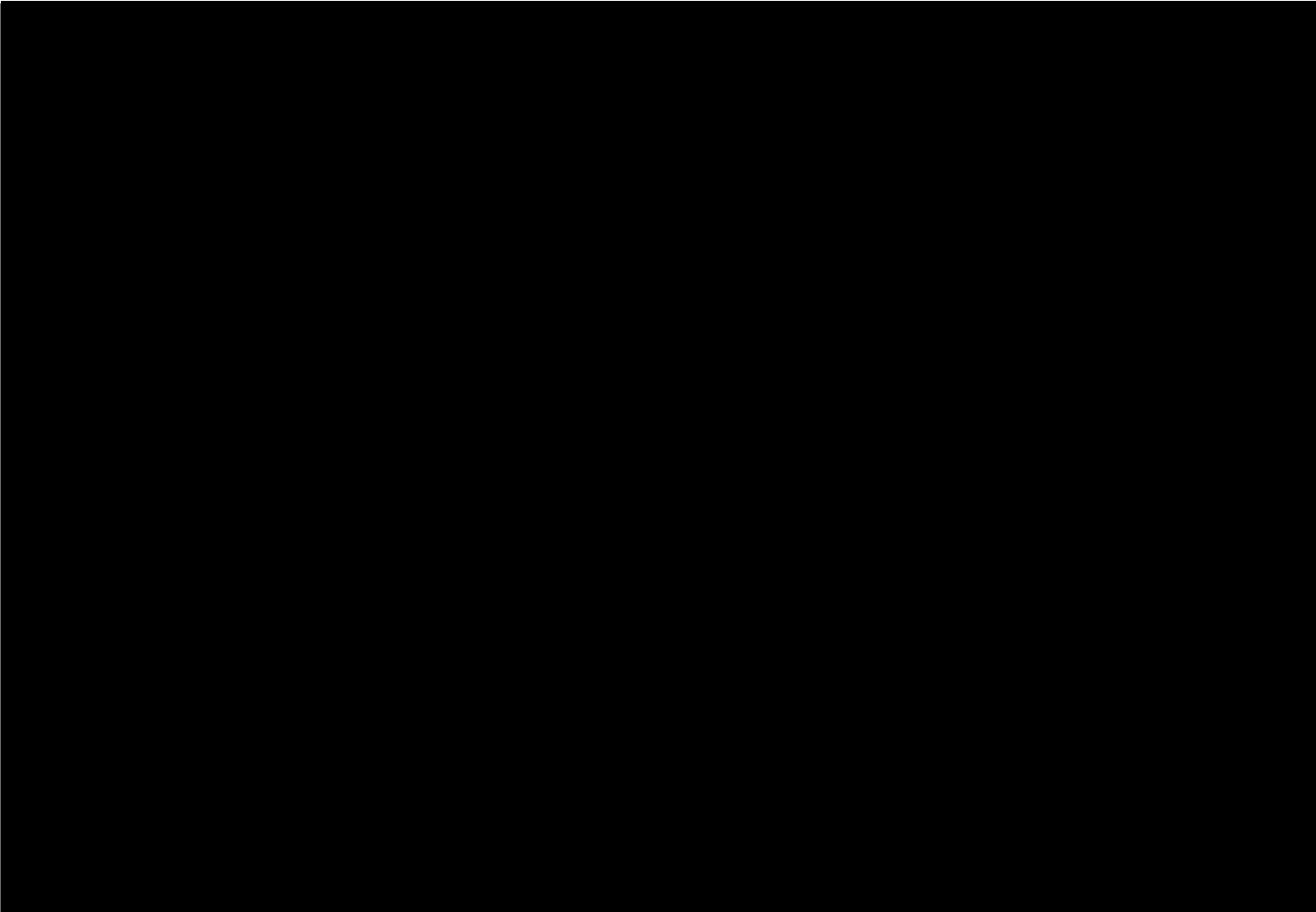
We will look for opportunities to speak to patient and caregiver groups to answer questions about the benefits of using medical cannabis, administration methods, and basic guidance about talking to one's physician to find out if medical cannabis is an appropriate treatment option.

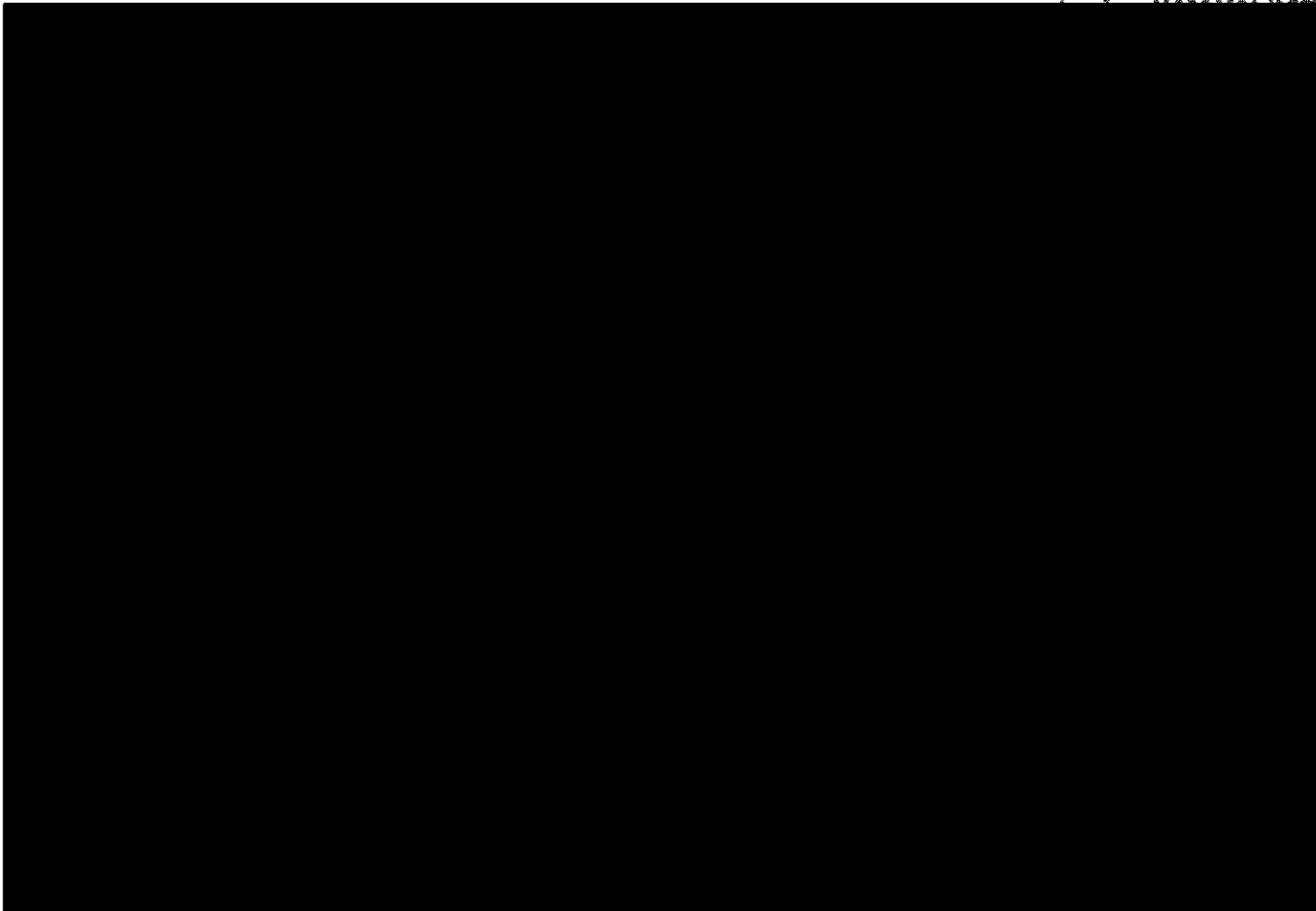
#### PROMOTIONAL MATERIALS

Pursuant to regulations, we will not produce any BSRI logo branded promotional or novelty items (i.e. pens, t-shirts, stickers, etc).

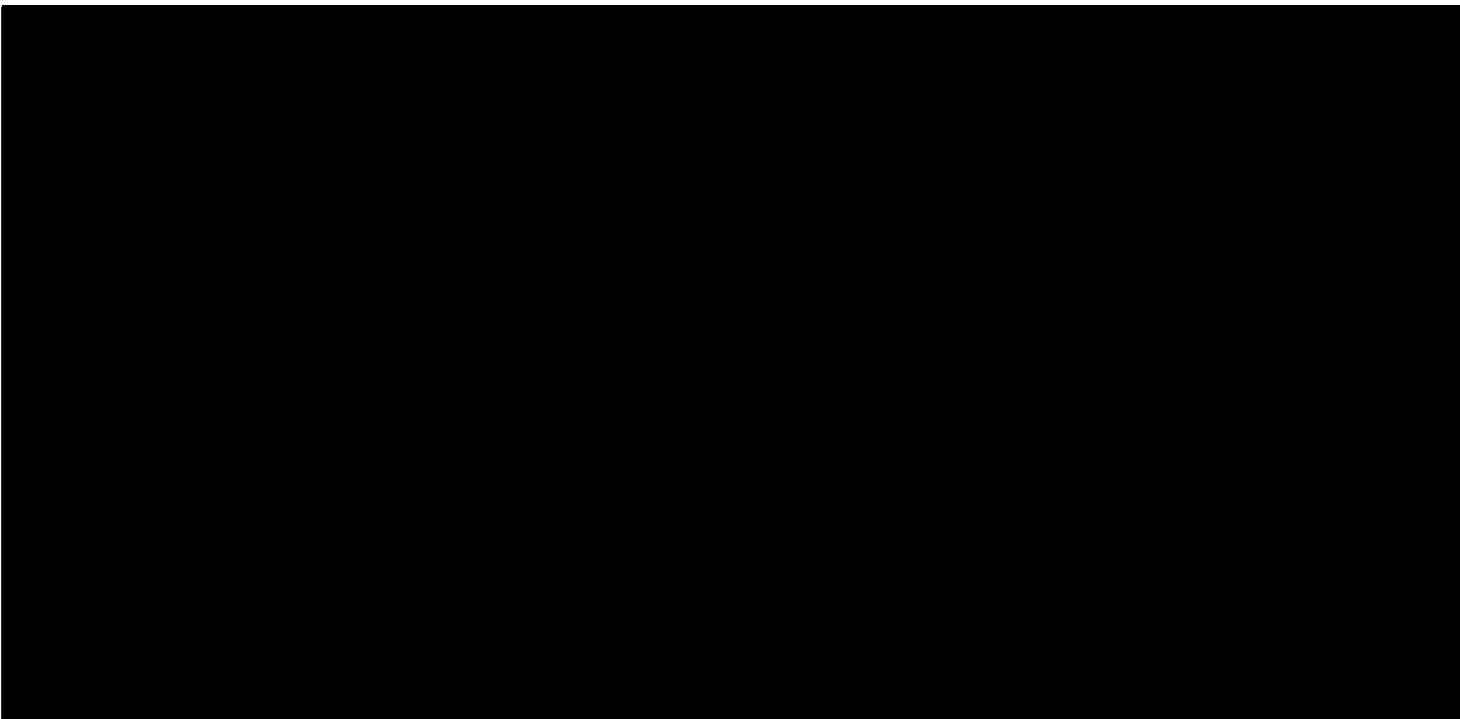
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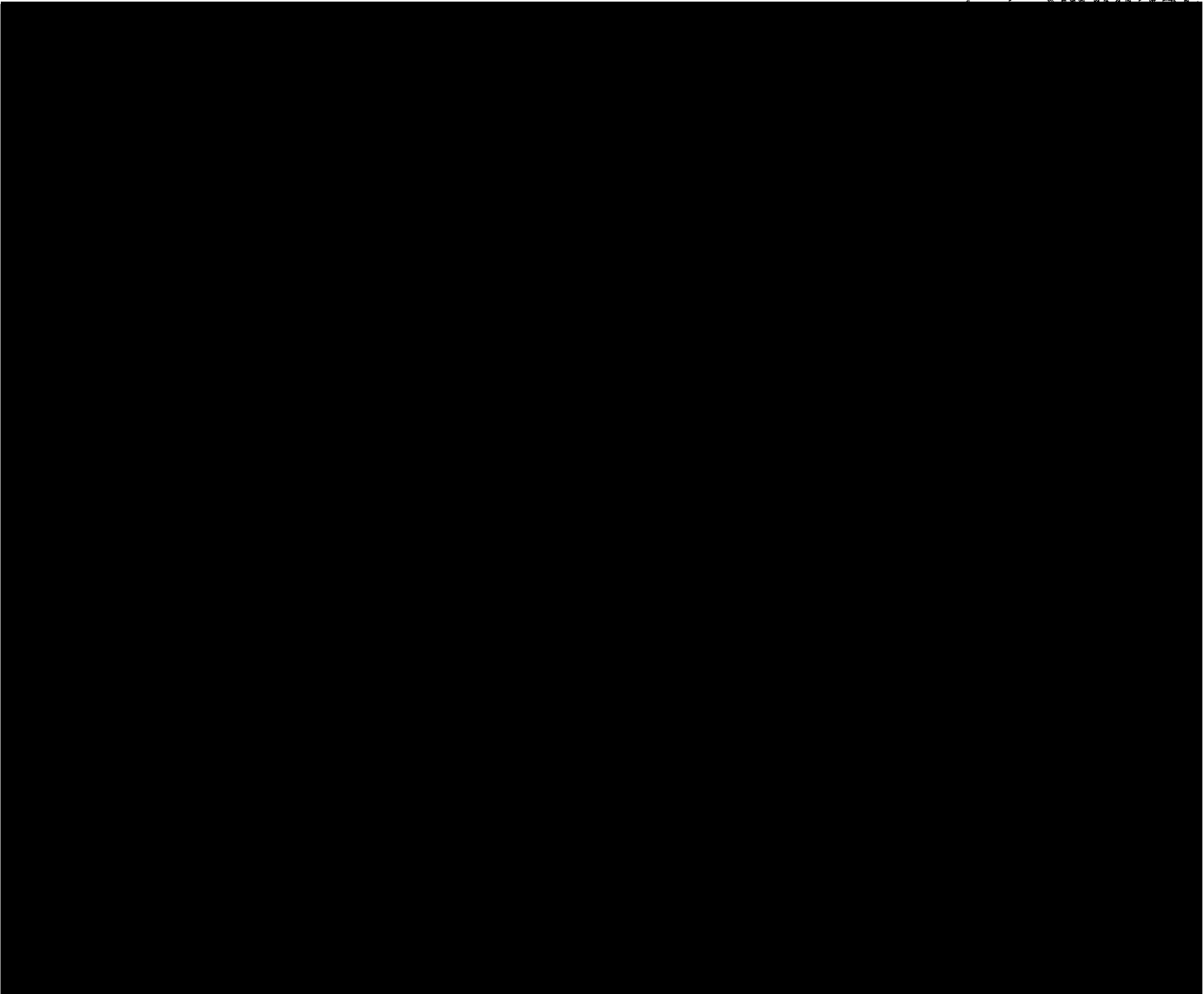
7.15 Describe the RMD's emergency preparedness procedures, including a disaster plan with procedures to be followed in case of fire or other emergency. Note that a copy of the safety and security procedures will be reviewed as a component of the provisional inspection process.





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.

**[INCIDENT MANAGEMENT PROGRAM**

BSRI's Incident Management and Reporting Program will encompass adverse incidents, consumer complaints, operational concerns and any matter that must be reported to law enforcement and/or DPH. Any violation of this corporate policy, unintentional or intentional, may result in disciplinary action, up to and including termination of employment/contract, and a report being filed with the appropriate authority. BSRI will strictly adhere the Department's mandates in 105 CMR 725.110(F). We will establish and maintain reliable and transparent communications with local and state law enforcement as well as with DPH.

**ADVERSE INCIDENTS**

Upon discovery of a reportable incident, the Director of Compliance (DOC) will initiate an investigation. Within 10 calendar days, a written report with a description of the incident, corrective actions

taken, and evidence that appropriate law enforcement was notified will be submitted to DPH. BSRI's investigation will also generate a report that addresses appropriate corrective actions that we may take in order to prevent such an incident from reoccurring. Staff training and frequent reviews will aid with ongoing evolution and improvements.

#### CONSUMER COMPLAINTS

Any complaint made by a registered patient, caregiver or family member will receive immediate attention from the RMD Manager. The RMD Manager will assist or assume responsibility for resolving the grievance to the patient's satisfaction. Serious allegations made against any Dispensary Agent will be escalated immediately to the EMT. Any criminal activity will be reported within 24 hours to DHP and local law enforcement. In the event of such a discovery, the Director of Compliance will conduct an investigation and issue a report of findings to the DPH in a timely manner.

A complaint stemming from contaminated or spoiled cannabis or MIPs, or a manufacturer's recall of an electronic or battery operated vaporizer or similar device may trigger a voluntary recall. Mandatory recalls prompted by DPH will be undertaken immediately, taking priority over all other matters. Our Inventory Control and Tracking System will allow us to reconstruct the chain of custody of any batch of medicine we dispense, including sales data. By using this information, we will be able to contact affected patients in the event of a recall. Guidelines will be written to establish the most expedient methods to collect all product in the event of a voluntary or mandatory recall. During either type of recall, BSRI will keep patients apprised of all necessary precautions to protect their health. When patients comply with a voluntary recall, the BSRI will replace any returned product with defect-free or substitute product.

#### OPERATIONAL CONCERNS

BSRI maintains a zero-tolerance policy for violation of operational concerns. Upon discovery of a discrepancy or violation, BSRI's Director of Compliance will immediately begin an internal investigation and notify the DPH and local law enforcement officials within 24 hours of discovering any of the incidents outlined in 105 CMR 725.110(F)(1). Operational concerns include, but are not limited to:

- Inventory discrepancies as a result of diversion, theft, loss, unauthorized destruction of cannabis or any other criminal action on the part of the RMD or a Dispensary Agent.
- Tampering with or unauthorized action within BioTrackTHC that causes alteration, loss, or compromise of registered qualifying patients', personal caregivers, or Dispensary Agents records.
- Suspicion of a Dispensary Agent or patient engaged in the unauthorized sale, cultivation, distribution, processing, or production of cannabis.
- Any breach of security including, but not limited to an alarm being triggered that requires a response from public safety personnel; the failure of a security alarm due to loss of electricity and/or mechanical failure lasting more than eight hours.

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**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.

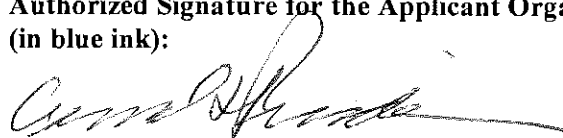
- I agree that the Applicant shall cooperate in any compliance review and shall provide reasonable access to the premises of all places of business and employment and to records, files, information, and employees therein for reviewing compliance with the ADA, the Massachusetts Constitution, other applicable 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: [Armand] Last Name: [Riendeau]

Title: [Executive Director]

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



**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 Relief, Inc.

Application # (if more than one): \_\_\_\_\_

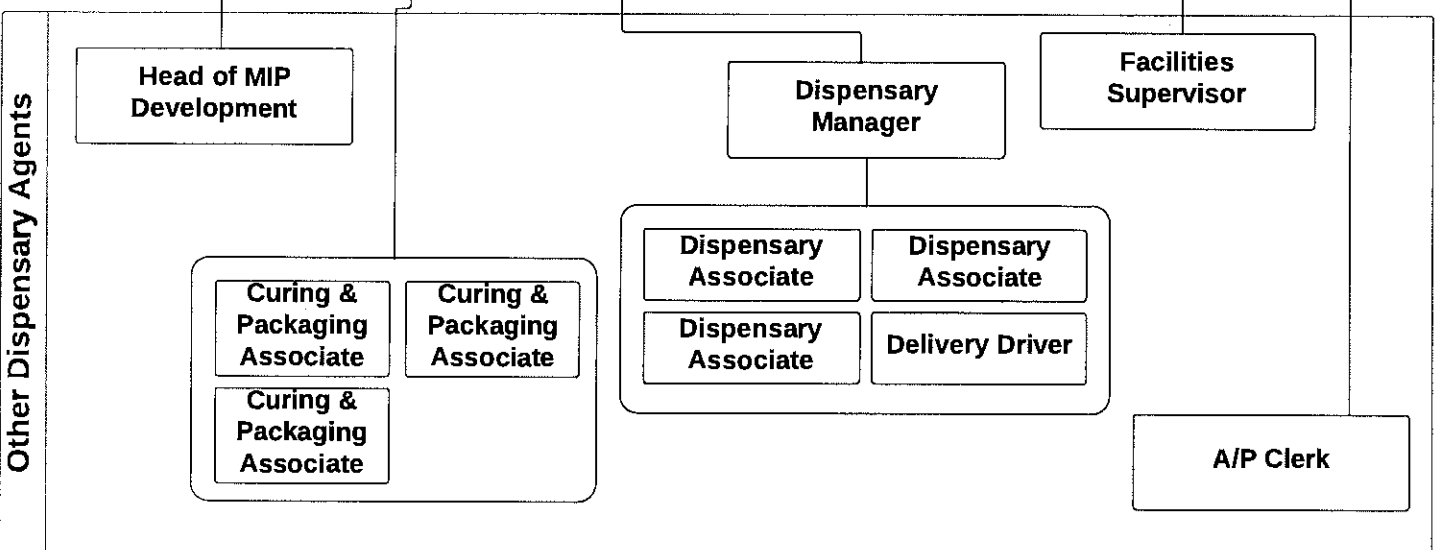
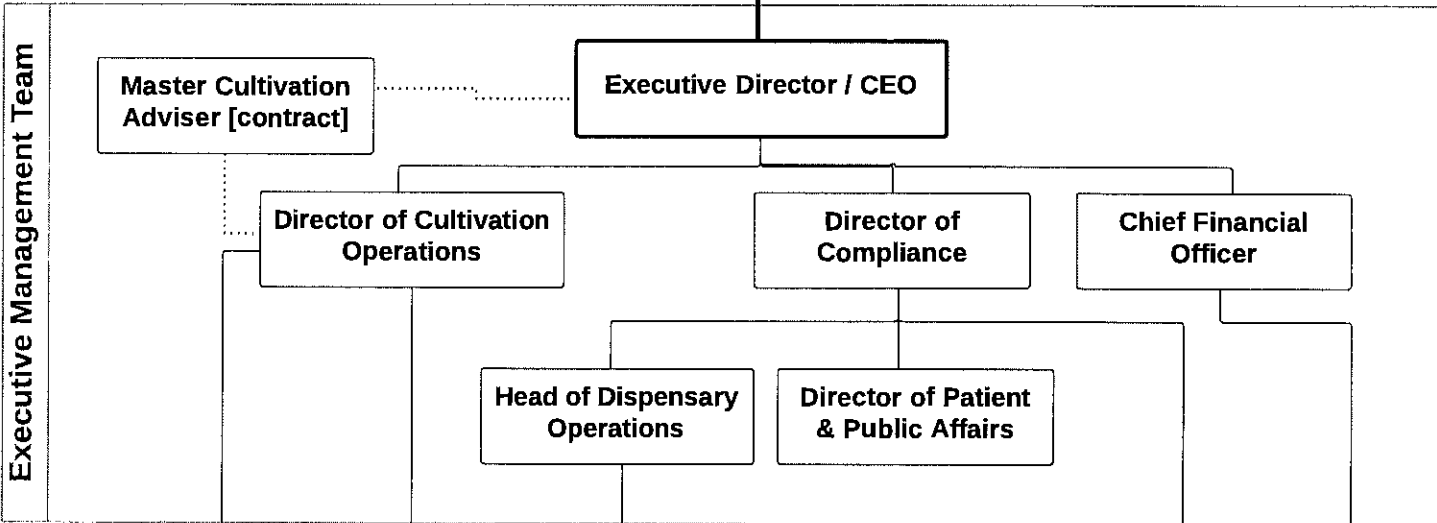
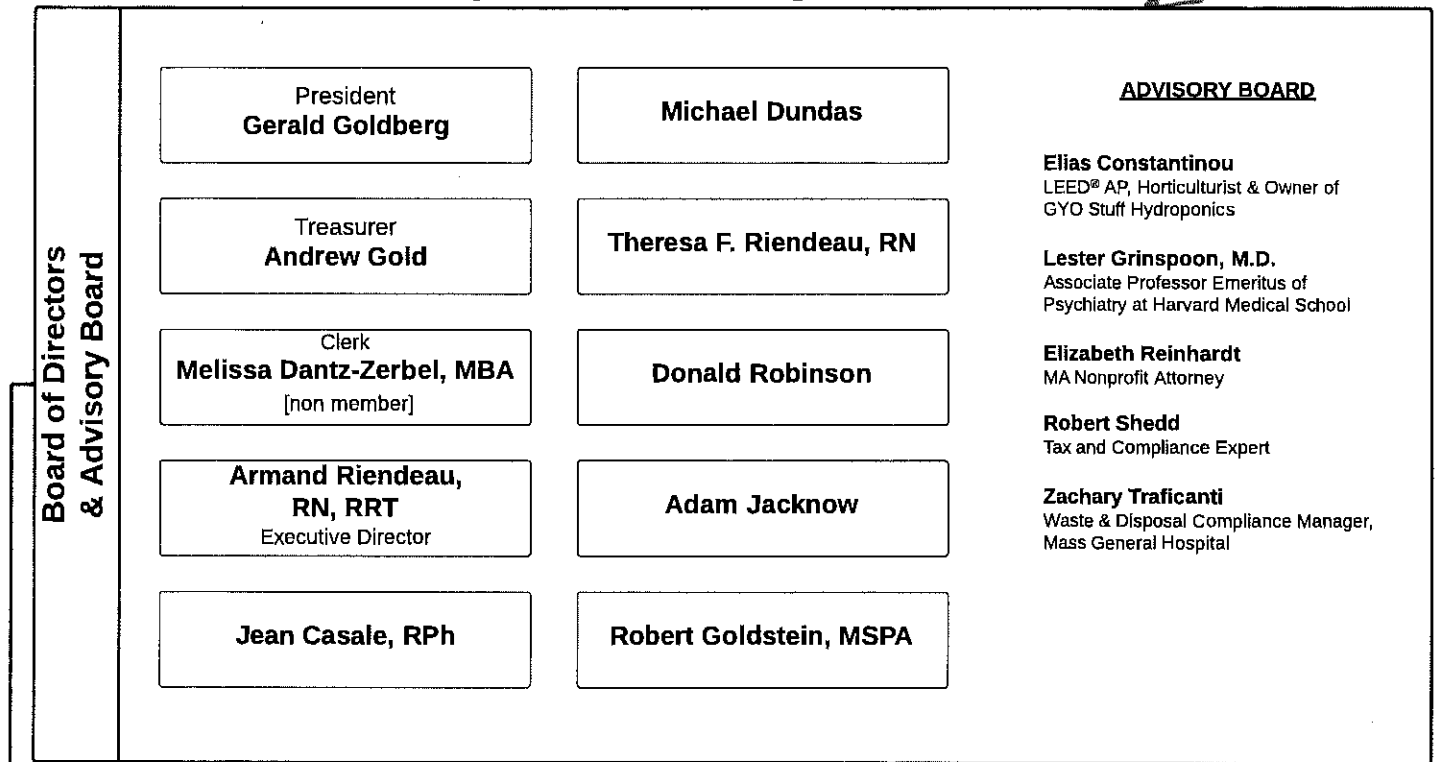
Attach organizational chart.

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# Bay State Relief, Inc. Organizational Chart



**ORIGINAL**



**BOARD OF DIRECTORS  
(Exhibit 1.4)**

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

Corporation Name: Bay State Relief, Inc.      Application # (if more than one): \_\_\_\_\_

|   | <b>Board Role</b>                 | <b>Name</b>          | <b>Date of Birth</b> | <b>Business Email</b>      | <b>Business Address</b>                     |
|---|-----------------------------------|----------------------|----------------------|----------------------------|---|
| 1 | President/Chair & Director        | Gerald Goldberg      |                      | Gerry@BayStateRelief.Org   | 19490 Bay View Rd<br>Boca Raton FL 33434    |
| 2 | Treasurer & Director              | Andrew Gold          |                      | Andrew@BayStateRelief.Org  | 909 Beacon St Unit 6<br>Boston MA 02215     |
| 3 | Clerk (Not on Board of Directors) | Melissa Dantz-Zerbel |                      | Melissa@BayStateRelief.Org | 616 Grove St<br>Framingham MA 01701         |
| 4 | Director                          | Armand Riendeau      |                      | Armand@BayStateRelief.Org  | 35 Wheeler St<br>Dracut MA 01826            |
| 5 | Director                          | Theresa F. Riendeau  |                      | Terri@BayStateRelief.Org   | 35 Wheeler St<br>Dracut MA 01826            |
| 6 | Director                          | Donald Robinson      |                      | Donny@BayStateRelief.Org   | 16 Brier Rd<br>West Roxbury MA 02132        |
| 7 | Director                          | Michael Dundas       |                      | Michael@BayStateRelief.Org | 1212 Broadway Suite 701<br>Oakland CA 94612 |
| 8 | Director                          | Robert Goldstein     |                      | Rob@BayStateRelief.Org     | 14 Wilbur St #3<br>Boston MA 02125          |

|    |          |              |            |  |                                      |
|----|----------|--------------|------------|--|--------------------------------------|
| 9  | Director | Jean Casale  | 07/12/1943 | <a href="mailto:Jean@BayStateRelief.Org">Jean@BayStateRelief.Org</a> | 179 Lewis Rd<br>Belmont MA 02478     |
| 10 | Director | Adam Jacknow | 05/10/1979 | <a href="mailto:Adam@BayStateRelief.Org">Adam@BayStateRelief.Org</a> | 30 Symphony Rd #4<br>Boston MA 02115 |

**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 Relief, inc. Application # (if more than one): \_\_\_\_\_

**A. Member as Individuals**

| Individual Name | Business Address             | Type of Membership Rights | If Member of Other RMD, Which One? |
|-----------------|------------------------------|---------------------------|------------------------------------|
| 1               | N/A                          | N/A                       | N/A                                |
| 2               |                              |                           |                                    |
| 3               | Add more rows as needed..... |                           |                                    |

**B. Member as Corporations**

| Corporate Name/<br>Business Address | Leadership  | Type of Membership Rights | If Member of Other RMD, Which One? |
|-------------------------------------|---|---------------------------|------------------------------------|
| 1                                   | CEO/ED: N/A<br>President/Chair:<br>Treasurer:<br>Clerk/Secretary: | N/A                       | N/A                                |
| 2                                   | CEO/ED:<br>President/Chair:<br>Treasurer:<br>Clerk/Secretary:     |                           |                                    |
| 3                                   | CEO/ED:<br>President/Chair:<br>Treasurer:<br>Clerk/Secretary:     |                           |                                    |



**ORIGINAL**

**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 Relief, Inc.

Application # (if more than one): \_\_\_\_\_

Attach bylaws.

Amended on: August 18, 2013

**By-laws**  
**Bay State Relief, Inc.**  
(formerly Bay State Patients Group, Inc.)

**ARTICLE I - NAME AND PRINCIPAL OFFICE**

The name of this corporation shall be Bay State Relief, Inc. (hereafter "BSR"). Its principal office shall be as specified in the Articles of Organization, or such other address as the Board of Directors shall from time to time select.

**ARTICLE II – CORPORATE MISSION AND GOALS**

The corporation's mission is to integrate ancient medicinal techniques and today's evidence based approach to treating all patients in a holistic way. The corporation will offer patient-centered therapies in the spirit of renewing the age-old concept that good physical health is intimately related to the body's connection to both the healthy mind and healthy soul.

**ARTICLE III - MEMBERS AND MEMBERSHIP**

BSR shall have no voting corporate members and any action or vote required or permitted by Massachusetts General Laws Chapter 180, as amended, or any other law, rule or regulation to be taken by corporate members shall be taken by action or vote of the same percentage of the Directors of BSR.

**ARTICLE IV - BOARD OF DIRECTORS**

1. Powers – The affairs of BSR shall be managed by a Board of Directors, who shall exercise all of the powers of the Corporation. In the event of a vacancy in the Board of Directors, the remaining Directors, except as otherwise provided by law, may exercise the powers of the full Board until the vacancy is filled.

2. Number and Election – The Board of Directors shall consist of no more than eleven members.

3. Qualification of Directors - Board members shall be chosen with a view toward maintaining a balanced Board of Directors having in aggregate the kinds of skills and experience which can contribute to the purposes and mission of BSR. These qualifications may include expertise in medicine, education, horticulture, business, law, finance, development, public relations and a cross section of the community served. Each Director must be in a position to attend Board of Director meetings regularly, to serve on committees, to devote a



substantial amount of time to the affairs of BSR, and to become and remain acquainted with current developments.

4. Nomination, Election and Term of Office of Directors – The initial Directors of BSR shall be those persons holding such offices on the date on which these bylaws were first amended. Those then holding office shall designate among themselves approximately one-third of their members as having a one (1) year term, approximately one-third as having a two (2) year term, and approximately one-third as having a three (3) year term. Thereafter, Directors shall be elected at the Annual Meeting of the Corporation. Each Director (other than the initial Directors) shall be elected for a term of three (3) years (or such lesser term as the Board shall determine at the time of his/her election) and shall hold office until a successor has been elected. No Director may serve for more than nine (9) consecutive years. A board member who serves three successive three-year terms, after a one year leave of absence, may again serve as a board member. Terms of Directors are to be staggered so that approximately one-third of the Directors are elected each year at the annual meeting.

5. Vacancies – Any vacancy in the Board of Directors, however occurring, may be filled by vote of a majority of the Directors then in office.

6. Resignation – Any Director may resign by delivering his or her written resignation to BSR at its principal office, or to the President or Secretary/Clerk. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event. Any Director, who fails to attend two consecutive meetings of the Board of Directors without adequate reason and approval of the President, shall be deemed to have delivered his or her resignation as a Director as of the close of business of the meeting of the Board at which such second consecutive failure to attend shall have occurred.

7. Removal – A Director may be removed from office with or without cause by vote of two-thirds (2/3) of the Directors then in office. A Director may be removed for cause only after reasonable notice and opportunity to be heard before the Board of Directors.

8. Annual Meeting of the Board of Directors – The Annual Meeting of the Board of Directors will be held in June of each year at such time and place as the Board shall determine. In addition to those prescribed by law, the Articles of Organization, or these By-laws, further purposes for which an Annual Meeting is to be held may be specified by the Board of Directors or by the President. If an Annual Meeting is not held in accordance with the foregoing provisions, a special meeting may be held in place thereof with all the force and effect of an Annual Meeting.

9. Other Meetings – Regular meetings of the Board of Directors shall be held without call or notice at such places and at such times as the Board of Directors may from time to time determine, provided that any Director who is absent when such determination is made shall be given notice of the determination. Special meetings of the Directors may be held upon the oral or written call by the President, or two or more Directors, designating the date, hour and place thereof.

10. Notice of Special Meetings – Notice of the date, hour and place of all special meetings of the Board of Directors shall be given to each Director by the Secretary/Clerk, or, in case of the death, absence, incapacity, or refusal of such person, by the President or one of the Directors calling the meeting. Notice shall be given to each Director either in person, by telephone, telecopier, e-mail, or by telegram sent to the Director's business or home address at least twenty-four hours in advance of the meeting, or by written notice mailed postage-prepaid to such business or home address at least seventy-two hours in advance of the meeting. Notice need not be given to a Director if a written waiver of notice is executed by such Director before or after a meeting and is filed with the records of the meeting, or to any Director who attends the meeting without protesting prior thereto or at its commencement of the lack of notice to such Director. A notice or waiver of notice of a meeting of the Board of Directors need not specify the purposes of the meeting.

11. Quorum – At any meeting of the Board of Directors, a majority of the Directors then in office shall constitute a quorum. Less than a quorum may adjourn any meeting from time to time, and the meeting may be held as adjourned without further notice. Unless otherwise provided by law or the Articles of Organization, Directors may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate with each other at the same time. Participation in a meeting pursuant to the foregoing sentence shall constitute presence in person at such meeting.

12. Action at Meeting – At any meeting of the Board of Directors at which a quorum is present, a majority of those present and voting shall decide any question, including election of officers, unless otherwise provided by law, the Articles of Organization, or these By-laws.

13. Action Without Meeting – Any action by the Board of Directors may be taken without a meeting if a written consent thereto is signed by all the Directors then in office and filed with the records of the meetings of the Board of Directors. Such consents shall be treated as a vote of the Board of Directors for all purposes.

14. Honorary Directors - The Board of Directors may designate persons and groups of persons as honorary Directors, advisors, sponsors, benefactors, contributors, advisors or friends of BSR (or such other title as it deems appropriate). In such capacity these persons and groups shall have no right to notice of, or vote at any meeting, shall not be considered for purposes of establishing a quorum, and shall have no fiduciary duties, other rights or responsibilities.

15. Committees – The Board of Directors may elect or appoint one or more committees as it sees fit and shall, by vote of a majority of the Directors then in office, elect as Standing Committees of the Board an Audit and Finance Committee, Executive Compensation and Evaluation Committee, and a Governance Committee. Unless otherwise specified below, the Chair of each committee shall be a Director. Each Committee shall have only such power and authority as the Board, in its discretion, shall choose to delegate, provided, however, that the Board shall not delegate its powers to any committee not solely comprised of Directors. Each Committee shall conduct its business as nearly as may be in the same manner as is provided by these By-laws for the Board of Directors.

16. Duties - A Director shall perform the duties of a Director, including duties as a member of any Board Committee on which the Director may serve, in good faith, in a manner such Director believes to be in the best interest of BSR, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared under the supervision of, or presented by: (1) one or more officers or employees of BSR whom the Director believes to be reliable and competent as to the matters presented; (2) counsel, independent accountants, or other person as to matters which the Director believes to be within such person's professional or expert competence; or (3) a Committee upon which the Director does not serve, as to matters within its designated authority, provided that the Director believes such committee merits confidence; so long as in each such case, the Director acts in good faith after reasonable inquiry when the need therefore is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except as provided in the Articles of Organization, a person who performs the duties of a Director in accordance with this Section shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a Director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or nonprofit purpose to which the corporation, or assets held by it, are dedicated.

17. Inspection. Every Director shall have the right upon reasonable notice and at any reasonable time to inspect all books, records, and documents, and to inspect the physical properties of BSR.

18. No Compensation. The Directors of BSR shall serve as such on a volunteer basis, without compensation. Directors may be reimbursed for reasonable expenses incurred in connection with their service on or to the Board. Nothing herein precludes payment of reasonable compensation to Directors for services rendered the corporation in another capacity.

#### ARTICLE V – OFFICERS

1. Enumeration – The Officers of BSR shall be a President, Vice President, Treasurer, and a Secretary/Clerk. The Officers of BSR may also include such other Officers as the Board of Directors may determine shall serve the best interests of the organization.

2. Election – The President, Vice President, Treasurer, and Secretary/Clerk shall be elected annually by the Board of Directors at the Annual Meeting of the Corporation. Other Officers may be chosen and their terms designated by the Board of Directors at such meeting or at any other meeting.

3. Qualification – An officer may be, but need not be a director. One person may hold more than one office, except no person may simultaneously hold the offices of President

and Treasurer. The Secretary/Clerk shall be a resident of Massachusetts, unless BSR has a resident agent appointed for the purpose of service of process.

4. Tenure – The President, Treasurer, Secretary/Clerk and any other Officers shall hold office until the next Annual Meeting of the Corporation and until their respective successors are chosen and qualified, unless a different term is specified in the vote choosing or appointing them.

5. Resignation - Any Officer may resign by delivering his or her written resignation to BSR at its principal office, or to the President or Secretary/Clerk and such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

6. Removal – The Board of Directors may remove any Officer with or without cause, upon a two thirds (2/3) vote of the directors then in office, provided that an Officer may be removed for cause only after reasonable notice and opportunity to be heard by the Board of directors.

7. Vacancies – Any vacancy, however arising, in any office, may be filled for the un-expired portion of the term thereof by the Board of Directors

8. President – The President shall preside at all meetings of the Board except as the directors shall otherwise determine. The President shall have any such other powers and duties as may be determined by the directors. Unless otherwise determined by the directors, the President shall be the chief executive officer of the corporation and, subject to the control of the directors, shall have general charge and supervision of the affairs of the corporation. The President shall have any such other powers as may be designated from time to time by the Board of Directors. The President may serve as a voting member of any committee of the Board to which he may be appointed or elected and shall serve as an ex officio (without vote) member of all other committees of BSR.

9. Treasurer – The Treasurer shall, subject to the direction of the Board of Directors, have general charge of the financial affairs of BSR and shall cause to be kept accurate books of account. The Treasurer shall chair the Audit and Finance Committee and shall have custody of all funds, securities, and valuable documents of BSR, except as the Board of Directors may otherwise provide. If BSR employs a CFO or other Senior Financial Manager, then the duties of the Treasurer shall be to work with such person in connection with the conduct and recording of the financial affairs of the corporation.

10. Secretary/Clerk – The Secretary/Clerk shall attend and shall cause to be kept a record of all of the meetings of the Board of Directors. In addition, the Secretary/Clerk shall perform such other duties and have such other powers as may be designated from time to time by the Board of Directors. The Secretary/Clerk shall keep or cause to be kept, the records of BSR.

11. Vice President - The Vice-President shall perform such duties and have such powers as may be designated from time to time by the Board of Directors. In the event that the President is absent, the Vice President shall preside over meetings of the Board of Directors.

12. Other Officers – Each other Officer that may be chosen by the Board of Directors shall perform such duties and have such powers as may be designated from time to time by the Board of Directors.

13. Other Powers and Duties – Each Officer shall, subject to these By-laws, and in addition to the duties and powers specifically set forth in these By-laws, have such duties and powers as are customarily incident to his or her office.

#### ARTICLE VI – CONFLICT OF INTEREST

The Board of Directors shall adopt a Conflict of Interest policy and procedures consistent with the requirements of state and federal law and best practices governing nonprofit corporations operating in Massachusetts.

#### ARTICLE VII - NO PERSONAL LIABILITY AND INDEMNIFICATION

1. No Personal Liability. The directors and officers of BSR shall not be personally liable for any debt, liability, or other obligation of BSR.

2. Indemnification

- a. BSR shall, to the extent legally permissible, indemnify any director or officer, or former director or officer, of BSR against all expenses and liabilities (including court costs, attorneys' fees, judgments, fines, excise taxes, penalties, and the amount of any judgment or reasonable settlement) reasonably incurred by such person in connection with any threatened, pending or completed action, suit or other proceeding, whether civil, criminal, administrative, or investigative, in which such person may become involved by reason of serving or having served in such capacity.
- b. This provision does not apply to a proceeding voluntarily initiated by such person unless he or she is successful on the merits and the proceeding was authorized in advance by BSR.
- c. No indemnification shall be provided with respect to any matter in which such person is finally adjudicated not to have acted in good faith in the reasonable belief that his or her action was in the best interests of the corporation; or, with respect to a claim of willful misconduct, default, or gross negligence in the conduct of the office of such director or officer, unless there be an adjudication of freedom there from.

- d. Indemnification and payment hereunder shall include payment of expenses incurred in defending a civil or criminal action, or proceeding in advance of the final disposition of such action or proceeding, upon receipt of an undertaking by the person indemnified to repay such payment if he or she shall be adjudicated to be not entitled to indemnification under this section, which undertaking may be accepted without regard to the financial ability of such person to make repayment.
- e. Any payment hereunder in connection with a matter disposed of by a compromise payment (pursuant to a consent decree or otherwise) shall have been approved by BSR in advance, which approval shall not be unreasonably withheld, or by a court of competent jurisdiction.
- f. The right of indemnification hereunder shall inure to the benefit of the heirs, executors or administrators of each such director or officer indemnified hereunder and shall be in addition to, and not exclusive of all, any other rights to which such persons might have. Nothing herein shall affect any other rights to indemnification which may be available by contract, or otherwise by law.
- g. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or other agent of the corporation, against any liability incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation might indemnify him against such liability. No vote of the directors to purchase or maintain any such insurance shall be invalid solely because any director participating therein is or may be a person insured by any such insurance.

#### ARTICLE VIII - MISCELLANEOUS PROVISIONS

1. Fiscal Year – Except as from time to time otherwise determined by the Board of directors, the fiscal year of BSR shall end on the last day of December in each year.
2. Seal – If the Board of Directors determines to adopt a seal of BSR, such seal shall, subject to alteration by the Board of directors, bear its name, the word “Massachusetts” and year of its incorporation.
3. Execution of Instruments – All deeds, leases, transfers, contracts, bonds, notes and other obligations authorized to be executed by an Officer of BSR in its behalf shall be signed by the President or the Treasurer except as the Board of directors may generally, or in particular cases, otherwise determine.
4. Corporate Records – The original, or attested copies, of the Articles of Organization, these By-laws, and records of all meetings of the directors, which shall contain the names and the record address of all directors and Officers, and any other legally required records shall be kept in Massachusetts at the principal office of BSR or at an office of its

Secretary/Clerk, or Resident Agent. Said copies and records need not all be kept in the same office.

5. Evidence of Authority – A certificate by the Secretary/Clerk as to any action taken by the directors or any Officer or representative of BSR shall, as to all who rely thereon in good faith, be conclusive evidence of such action.

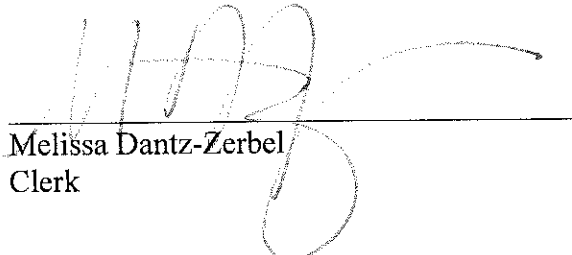
6. Ratification – Any action taken on behalf of BSR by a director or any Officer or representative of BSR, which requires authorization by the Board of directors, shall be deemed to have been duly authorized if subsequently ratified by the Board of directors, if action by it was necessary for authorization.

#### ARTICLE IX - AMENDMENTS

These bylaws may be altered, amended or repealed in whole or in part by vote of two thirds (2/3) of the directors then in office.

#### ARTICLE X - EFFECTIVE DATE

These By-laws were adopted on June 13, 2103, first amended on August 18, 2013, and shall remain in full force and effect, unless and until further amended by the Board of Directors as provided in ARTICLE IX above.



---

Melissa Dantz-Zerbel  
Clerk



ORIGINAL

**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 Relief, Inc.

Application # (if more than one): \_\_\_\_\_

Please check box if articles have changed since Phase 1:

YES

NO



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

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

Corporation Name: Bay State Relief, Inc. Application # (if more than one): \_\_\_\_\_

| Corporation Name | Chief Executive Officer | CEO Business Phone & Email | Corporation's Board Officers                       | Corporate Relationship to Applicant |
|------------------|-------------------------|----------------------------|--|-------------------------------------|
| 1 N/A            | N/A                     | N/A                        | President/Chair:<br>Treasurer:<br>Clerk/Secretary: | N/A                                 |
| 2                |                         |                            | President/Chair:<br>Treasurer:<br>Clerk/Secretary: |                                     |
| 3                |                         |                            | President/Chair:<br>Treasurer:<br>Clerk/Secretary: |                                     |
| 4                |                         |                            | President/Chair:<br>Treasurer:<br>Clerk/Secretary: |                                     |
| 5                |                         |                            | President/Chair:<br>Treasurer:<br>Clerk/Secretary: |                                     |

**REFERENCES  
(Exhibit 1.9)**

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

Corporation Name: Bay State Relief, Inc. Application # (if more than one): \_\_\_\_\_

|   | Name of Reference                    | Business Phone & Email   | Relationship to Applicant   | Dates of Relationship |
|---|--------------------------------------|--|---|-----------------------|
| 1 | Robert M. Kacmarek,<br>Ph.D, RRT     | 617-724-4480<br><a href="mailto:rkacmarek@partners.org">rkacmarek@partners.org</a>         | Direct Supervisor<br>Colleague  | 1997 - Present        |
| 2 | Mary Beth Urquhart,<br>RN, MBA, CPHQ | 781-344-0600<br><a href="mailto:mary.urquhart@steward.org">mary.urquhart@steward.org</a>   | Direct Supervisor<br>VP for Quality & Risk Management<br>Interim VP for Patient Care Services | 2012 - Present        |
| 3 | Heidi H. O'Connor,<br>MD, FCCP       | 781-297-1334<br><a href="mailto:heidi.o'connor@steward.org">heidi.o'connor@steward.org</a> | Direct Supervisor<br>Medical Director   | 2012 - Present        |



MASSACHUSETTS  
GENERAL HOSPITAL



ORIGINAL



HARVARD  
MEDICAL SCHOOL

Respiratory Care Services  
55 Fruit Street, Warren 1225  
Boston, Massachusetts 02114-2696  
Tel: 617 724-4480  
Fax: 617 724-4495  
rkacmarek@partners.org

**Robert M. Kacmarek, Ph.D, RRT**  
*Director of Respiratory Care Services  
Massachusetts General Hospital  
Professor of Anesthesia  
Harvard Medical School*

October 27<sup>th</sup>, 2013

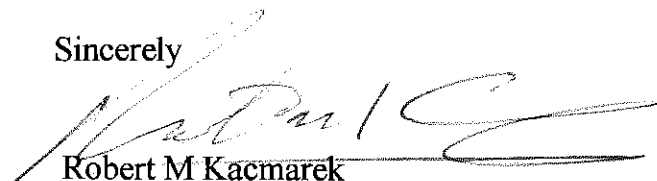
To Whom It May Concern:

This letter of reference is in relationship to Armand Riendeau RN, RRT. I have known and professionally been associated with Mr. Riendeau since 1997 when we hired Mr. Riendeau as the Director of the Respiratory Therapy Department at Spaulding Rehabilitation Hospital. At the time of his hire I was his direct supervisor in relationship to the clinical needs of the department. Over time this relations evolved and Mr. Riendeau became independent of my oversight although we continued to collaboratively work until he left Spaulding. I have remained a professional and personnel friend of Mr. Riendeau.

Throughout all of my interactions with Mr. Riendeau I have found him to be an exceptional manager and clinician. He is innovative and driven to improve the quality of patient care. While at Spaulding he expanded the services offered by the department essentially doubling the staff and opening a very successful sleep evaluation laboratory. Mr. Riendeau is an honest and straightforward person. He is not afraid to present the facts of a matter regardless of how bleak but always also has a solution to the problem even if it is difficult to implement. Staff generally liked Mr. Riendeau because of his honesty and his approach to management. He treated all staff fairly and equally, although he was always driven to improve quality.

I, without reservation, highly recommend Mr. Riendeau for any management position. He has the skills and the drive to be successful in any setting.

Sincerely



Robert M Kacmarek



A Teaching Affiliate  
of Harvard Medical School

PARTNERS  
HEALTHCARE

# Carney Hospital

A STEWARD FAMILY HOSPITAL

Steward



ORIGINAL

October 25, 2013

To whom it may concern:

I am writing a letter of recommendation on behalf of Armand Riendeau. We have worked together for several months at New England Sinai Hospital. Armand has been the interim Director of Respiratory Therapy and has done a fantastic job in leading the department. As the Medical Director of the Respiratory Department, I have been extremely impressed with his dedication and communication with myself and the senior leadership within the hospital. Through his leadership skills, he has promoted an environment of staff accountability and provision of compassionate care to our patients. He has encouraged staff to continue to advance their careers through additional certification. Armand spent a significant amount of time performing inventory on the current respiratory equipment in the department and then worked with administration to facilitate the purchase of updated ventilators. Armand strongly believes in staff education and held several training sessions for staff to familiarize themselves with the new equipment and coordinated a skills day session to ensure ongoing staff education and competency regarding procedures and policies. He not only is a strong manager, but takes additional time out of his day to meet with individual patients and work on relaxation techniques to improve their breathing and enhance their recovery. He has the highest level of standards and ethics and during staff meetings he will often reference examples of the importance of remembering that we are caring for patients during extremely difficult times in their lives. I have truly enjoyed working closely with Armand and know he will excel in any future endeavors.

Please do not hesitate to contact me with additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Heidi O'Connor'.

Heidi H. O'Connor, MD, FCCP  
New England Sinai Hospital  
Medical Director of Respiratory Therapy  
150 York Street  
Stoughton, MA 02072  
Tel: 781-297-1334  
Fax: 781-297-1632

 ORIGINAL

10/24/13

To Whom It May Concern:

Please accept this personal letter of recommendation for Armand Riendeau. Over the past several months, I have had the honor of working with Armand, in his capacity as Interim Director of Respiratory Care at New England Sinai Hospital. Armand brings to the Respiratory Care department a high level of professionalism, unwavering ethical standards, a culture of accountability, and years of managerial experience.

Armand possesses a rare and highly valued blend of clinical expertise, financial acumen, interpersonal skills and compassion. As both a Registered Nurse and a Registered Respiratory Therapist, Armand creatively plans for, and provides comprehensive care for our chronically, critically ill patients.

Through his clinical oversight, the Respiratory Care department has achieved outstanding patient outcomes in ventilator weaning and patient satisfaction. As a result of his thoughtful communications and teambuilding efforts, Armand has fostered critical partnerships between Respiratory Care employees, the Nursing team and our Medical staff.

Armand successfully manages 38 full time equivalents and is responsible for a budget that exceeds \$ 2.5 million dollars. He modified our staffing model to allow for flexibility in staffing during both peak and low census periods.

By maintaining a vast network of colleagues and community leaders, he has kept the department current with best practice and standards of care. He has guided our Respiratory Team through a series of organizational changes. Employing a transformational leadership style, Armand has enhanced the competency of the staff, fostered continuous process improvement, and emphasized the need to embrace change.

Armand's philosophical approach to life and his work enables him to ease the suffering of others and to remain true to our mission of providing the highest quality care and compassion and respect.

I highly recommend Armand for the position of Executive Director of your program. He will be a tremendous asset to your organization.

Sincerely,



Mary Beth Urquhart, RN, MBA, CPHQ  
Vice-President for Quality and Risk Management  
Interim Vice-President for Patient Care Services

 ORIGINAL

EXECUTIVE MANAGEMENT TEAM  
(Exhibit 2.1)

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

Corporation Name: Bay State Relief, Inc. Application # (if more than one): \_\_\_\_\_

|   | Management Role                             | Name                 | Date of Birth | Business Email and Phone Number                   | Business Address                              |
|---|---|----------------------|---------------|---|---|
| 1 | Chief Executive Officer/Executive Director  | Armand Riendeau      | [REDACTED]    | <u>Armand@BayStateRelief.Org</u><br>978-655-3820  | 35 Wheeler St<br>Dracut, MA 01826             |
| 2 | Chief Financial Officer/Director of Finance | Aaron Goldstein      | [REDACTED]    | <u>Aaron@BayStateRelief.Org</u><br>603-566-7865   | 22 Parker Dr<br>Merrimack, NH 03054           |
| 3 | Director Of Cultivation Operations          | Andrew Gold          | [REDACTED]    | <u>Andrew@BayStateRelief.Org</u><br>860-944-6172  | 909 Beacon St #6<br>Boston, MA 02215          |
| 4 | Master Cultivation Advisor                  | Timothy Crites       | [REDACTED]    | <u>Tim@BayStateRelief.Org</u><br>415-671-5862     | 556 Larkin St #203<br>San Francisco, CA 94102 |
| 5 | Director of Patient & Public Affairs        | Robert Goldstein     | [REDACTED]    | <u>Rob@BayStateRelief.Org</u><br>603-930-7052     | 14 Wilbur St #3<br>Boston, MA 02125           |
| 6 | Head of Dispensary Operations               | Melissa Dantz-Zerbel | [REDACTED]    | <u>Melissa@BayStateRelief.Org</u><br>508-788-9155 | 616 Grove St<br>Frammingham, MA 01701         |

**RESUMES FOR EXECUTIVE MANAGEMENT TEAM  
(Exhibit2.2)**

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

Corporation Name: Bay State Relief, Inc.

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

List the résumés attached:

|   | <b>Title</b>                         | <b>Name</b>          |
|---|--------------------------------------|----------------------|
| 1 | Executive Director                   | Armand Riendeau      |
| 2 | Chief Financial Officer              | Aaron Goldstein      |
| 3 | Director of Cultivation Operations   | Andrew Gold          |
| 4 | Master Cultivation Advisor           | Timothy Crites       |
| 5 | Director of Patient & Public Affairs | Robert Goldstein     |
| 6 | Head of Dispensing Operations        | Melissa Dantz-Zerbel |

**ARMAND D. RIENDEAU, RN, RRT**  
35 Wheeler Street  
Dracut, MA 01826



 ORIGINAL

## PROFESSIONAL SUMMARY

***Dynamic Healthcare Management Professional*** with extensive experience and a passion for Respiratory Therapy and Emergency Services. More than 20 dedicated years of experience in the delivery of high quality service and preparing departments to exceed Joint Commission Standards. Areas of expertise include:

**Management** – Development and implementation of policies and procedures. Introduced new programs to improve communication among other departments. Implemented operational efficiencies to accomplish department's mission in a safe manner without compromising patient care.

**Leadership** - Strong yet flexible style, recognizing and leveraging strengths in others. Exceptional capabilities in team building. Recognized by peers for outstanding dedication to Respiratory Care. Exceptional communication skills, unusual loyalty from staff.

**Fiscal Acumen** – Building profit centers. Created Sleep Lab; Positioned Ambulance Department to attain significant volume increase and increased net profit margin by 20%. Extensive expertise in operational and systems development. Sensitive to the critical need for budgetary compliance. Has been fiscally responsible for multiple departments with budgets over five million dollars.

**Clinical** - Sets high measurable clinical standards. Developed an acuity scoring system to measure outcomes and efficiently allocate resources. Excels in clinical assessment and critical thinking skills. Developed interdisciplinary Rapid Response Team. Experienced in critical care, emergency care, pediatrics, neonatal care and rehabilitation.

**Innovation** – Developed hospital-based Paramedic programs that have since been recognized as “best practice”. Championed first “Respiratory Therapy” program at Bunker Hill Community College.

**Problem Solving** - Unique ability to quickly identify problems within a department in clinical, fiscal and operational areas. Sees them as opportunities for improvement. Develops processes and systems to address issues for lasting results improving





ORIGINAL

ARMAND RIENDEAU EXECUTIVE DIRECTOR

## PROFESSIONAL EXPERIENCE

### **Respiratory Care Consulting Inc. *President and CEO***

**2009- Present**

RCCI provides consulting services and program development assistance for community hospitals, critical access hospitals and skilled nursing facilities. Services include assessing emergency preparedness and Blood Gas Lab and Respiratory Care clinical and fiscal operations. Services also include JACHO and DPH preparation and survey readiness. Most recently contracted with New England Sinai Hospital, Stoughton MA as Interim Director, Respiratory Care Services. February 22, 2013 to present.

### **SPAULDING REHABILITATION HOSPITAL**

**1998 - 2009**

#### ***Director of Respiratory Care and Ambulance Service (2006-2009)***

Led operations of the departments including policies and procedures, staffing and managing the Arterial Blood Gas Lab and Pulmonary Function Lab. Twenty-four hour responsibility for both departments and staff of 45 FTE's.

Identified niche services which added positively to overall hospital census.

Developed business plan and began sleep lab which very quickly showed a very profitable return on investment.

Instituted unique spinal cord weaning protocol. Unique approach significantly improved weaning outcomes.

Developed **Respiratory Acuity Scoring System**, (RASS) the first to be used in the rehabilitation setting. Published in *Respiratory Care*. Allowed for efficient resource allocation and patient care.

Instituted "Daily Huddle" which greatly improved communication, patient care and productivity by creating an environment for process improvement by sharing information knowledge and skills among all disciplines.

Revamped the operations of the Ambulance department to enhance productivity and capture increased volume.

Improved patient Care through new mandatory education

Increased overall volume from 150 calls per week to 250.

Developed a consortium of ambulance companies to obtain a high volume contract which was a new model for the industry. New system allowed for improved on time performance.

#### ***Director of Respiratory Care, Youville Hospital***

**(2005-2006)**

A one year concurrent assignment, while still at Spaulding Hospital, to evaluate and restructure the Respiratory Care department and Ventilator unit and prepare them for referrals from a key Acute Care facility.

Raised the standard of care for the respiratory therapists and required higher level of credentials.

Developed million dollar plan to improve safety and efficacy of respiratory equipment and cardiac and hemodynamic monitoring.

Actively lead and participated in revamping code response system and the development of a Rapid Response Team.

Lead in the restructuring of the admission criteria to decrease length of stay and make the unit more profitable.

Established ongoing relationships with referring hospitals to improve unit census. Grew unit census from 6 ventilator patients to 20.

Negotiated contracts with vendors to save significant dollars for supplies.



Improved outcomes and decreased length of stay for ventilator patients.

**GREENERY REHABILITATION CENTER, Boston, MA**

**1995 - 1998**

*Director of Respiratory Care and Director of Respiratory Care Unit*  
24 hour primary responsibility for RN and RT staff

**ADDITIONAL EXPERIENCE**

**Dana Farber Cancer Institute, Boston, MA**

*Staff Therapist*

Independently responsible for all areas of acute, critical and emergency care.

**Tufts New England Medical Center, Boston, MA**

*Staff Therapist*

Primary responsibilities in the Neonatal Intensive Care Unit.

**Bunker Hill Community College**

**2007-present**

*Guest Speaker and member of the Respiratory Care Advisory Board*  
Championed the development of the program.

**EDUCATION**

***Advanced Respiratory Therapy***, University of Chicago, Chicago, IL, BS

***A.S. in Nursing***, Middlesex Community College, Bedford, MA

*Seminars* in areas relating to Advances in Mechanical Ventilation and Management.  
Numerous management and motivational courses.

***Advanced Cardiac Life Support***, American Heart Association (current)

**ADDITIONAL LICENSES & AFFILIATIONS**

Licensed Respiratory Therapist #2001; Registered Nurse, Commonwealth of Mass. #124011;  
Ambassador, AARC

Registered Respiratory Therapist (National) #3799; Past President, Mass. Society for  
Respiratory Therapy, Boston Chapter.

Chairman, and member, Board of Registration, Respiratory Care.  
Commonwealth of Massachusetts

**1996 - 2013**

***"2006 Massachusetts Society for Respiratory Care "Therapist of the Year"***



**ORIGINAL**

**Aaron Goldstein**

**CHIEF FINANCIAL OFFICER**

22 Parker Drive, Merrimack, New Hampshire 03054  
603-566-7865 [REDACTED]

**Summary of Qualifications**

Strong knowledge of generally accepted accounting principles (GAAP) cost accounting and month end close process. Excellent communication skills. Intense focus on internal and external customer service. Strong modeling skills. High attention to detail and analytical aptitude.

**Work Experience**

**Corporate Controller** **Carr Management Inc.**, Nashua, NH 2012–Present  
\$100 million Plastic Bottle Blow Molding Manufacturer

Streamlined monthly close process. Prepared consolidated financial package and related analysis for five individual operating businesses. Developed Fixed Asset Analysis Board Package. Supervise Billing/Payables Clerk.

- Integrated back office systems for acquired company that doubled organizations size
- Led Payroll Processor conversion (from ADP to Paychex and back to ADP)
- Led Cloud system roll-out of systems and hardware

**Accounting Manager/Controller** **Cenveo Corp**, Merrimack, NH 2008–2012  
\$50 million Coated Paper and Toner Resin Manufacturing Business

Streamlined monthly close process. Prepared consolidated financial package and related analysis for two divisions. Analyzed/Reported manufacturing cost variances. Prepared weekly operations report and financial forecast. Prepared margin analysis for prospective customers. Supervised Accounting Clerk. Maintained all raw and labor costs.

- Designed Sarbanes Oxley cost variance test procedure (eventually adopted at all locations)
- Designed manufacturing metrics and all comparative analytics for two divisions
- Reduced over 60 days aged receivables by 80%

**Staff Accountant** **Trane**, Woburn, MA 2006-2008  
\$100 million HVAC Parts, Equipment, Service and Contracting Business

Analyzed two of the four business streams' financial statements. Performed vertical market analysis for Boston district. Analyzed standard costing process to ensure accurate margin reporting.

- Tested purchase to pay cycle & judgments/estimates for Sarbanes Oxley compliance
- Dramatically improved monthly use tax reporting process

**Various Staff and Clerk Positions** **Various Locations in NH and MA** 2003-2006

**Education**

B.S. in Accounting **Plymouth State Univ.**, Plymouth, New Hampshire 5/03  
Masters in Business Administration **Plymouth State Univ.**, Plymouth, New Hampshire 5/13

**Computer Skills**

Highly proficient in use of Excel, Access, Word, PeopleSoft, Great Plains, JD Edwards, Quickbooks & AS400 software as well as various other programs both Windows and Mac based.

**Other Interests**

**Treasurer** **Do It For Donna**, Manchester, NH 04/11–present  
Non-Profit Organization

Responsible for all accounting and finance activities and oversight. Provided initial 3 year rolling/comparative forecast for 501c3 application. Provided analysis and recommendations on which online payment service to include on website. Assisted in choosing which bank to use and negotiated fees. Responsible for all related financial statements and presentations to Board of Directors. Responsible for all bank and cash activity. Designed retention policy for all paperwork.



Andrew H. Gold

909 Beacon St Unit 6 Boston, MA 02215 • (860) 944-6172

Dynamic entrepreneurial real estate investor who utilizes creativity and leadership to identify opportunities. Effective communicator with business and financial management expertise.

BA, Applied Mathematics, Computer Science Minor, Drew University, Madison, NJ

ADDITIONAL AREAS OF EXPERTISE

Investment and Asset Management, Real Estate Management, Negotiation, Project Management, Financial Analysis, Operations Management, Marketing, Relationship Management

ACCOMPLISHMENTS

- Founded The Elias Fund, was developed to enable children of the Chiredzi tribe in Zimbabwe, Africa to have the opportunity of being educated in the United States.
• Launched five Limited Liability Corporations, all five still active and profitable.
• Analyzed five years of daily data records for approximately 500 closed end mutual funds to developed two software programs for a local Hedge Fund in Madison, NJ.
• Developed a website using PHP coding language to facilitate access to information from our network about specific closed end funds during a specified period of time.
• Developed a user friendly, Microsoft assisted program using C# coding language that was designed to take in real time Bloomberg updates and interpret its data according to our established criteria, which in turn would determine whether or not it was the proper time to Buy/Sell shares of the particular fund.

EXPERIENCE

Math Minds LLC

Owner / Manager

Boston, Massachusetts

July 2007 - Present

Provide private instruction to individual or small groups of students to improve academic performance, increase occupational skills, or prepare for academic or occupational tests. Teach students study skills, critical thinking, analytical skills, note-taking skills, and test-taking strategies.

- Assess students' individual needs, learning style and progress to tailor most effective lesson plans
• Manage scheduling, invoicing, accounts receivable, payroll, and business tax payments.

Property Management LLCs

Co-Owner / Manager

39 New Britain Ave LLC, Bristol, CT

February 2013 - Present

92 Lincoln Street LLC, Bristol, CT

February 2012 - Present

628 South Main Street LLC, Bristol, CT

February 2011 - Present

Gold & Goldberg Properties LLC, Boca Raton, FL

August 2011 - Present

- Analyze information on property values, taxes, zoning, population growth, and traffic volume and patterns to determine if properties should be acquired.
• Negotiate the sale, lease, or development of property
• Manage and oversee operations, maintenance, administration, and improvement of commercial, industrial, and residential properties.
• Collection of monthly assessments, rental fees, and deposits and payment of insurance premiums, mortgage, taxes, and incurred operating expenses.
• Prepare detailed annual budgets and monthly financial reports for properties.
• Market vacancies to prospective tenants
• Maintain records of sales, rental or usage activity, special permits issued, maintenance and operating costs, and property availability.
• Meet with prospective tenants to show properties, explain terms of occupancy
• Screen applicants for suitability; conduct background and credit checks

 ORIGINAL

PHONE: (415) 671-5862 • [REDACTED]

**TIMOTHY C. CRITES**

**EDUCATION**

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**American University, Washington College of Law, Washington, D.C.**

Juris Doctor, May 2007

Study Abroad: **City University of Hong Kong School of Law**, Hong Kong SAR, January – May 2006

Activities: International Law Society, Intramural Soccer

**University of Michigan, Ann Arbor, Michigan**

Bachelor of Arts, May 2003, History, Philosophy, and Asian Studies

Study Abroad: **Peking University**, Beijing, People's Republic of China, September 2002 – April 2003

Activities: Inter Cooperative Council Member and Officer, Chinese Language Research Assistant

**WORK EXPERIENCE**

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**Solo Practitioner, San Francisco, California**

*Attorney at Law*, 2009 – present

Advise clients on a variety of issues, including: California medical marijuana compliance, health insurance, employment, real property, contracts, and business entity formation and licensing.

*Real Estate Broker*, February 2013 – present

Advise on and broker residential real estate transactions. Duties include: negotiating contracts, ensuring compliance with local, state and federal real estate regulations.

**City of San Francisco, Department of Elections, San Francisco, California**

*Clerk*, November 2007

Participated in election canvass. Processed vote-by-mail ballots. Duties included: applying California election rules during the review of ballots for write-in candidate selections; canvassing; sorting, remaking, and hand counting ballots.

**United States Securities and Exchange Commission, Division of Enforcement, Washington, D.C.**

*Intern*, January – May 2007

Assisted staff attorneys in investigations. Duties included: preparing memoranda or parts thereof for review by the Commission and staff attorneys; attending court and Commission meetings.

**Baker & McKenzie, Hong Kong SAR; Beijing, People's Republic of China**

*Law Clerk*, May – July 2006

Translated and summarized PRC Trademark Office decisions, utilized the PRC automated trademark search system; organized market survey data; conducted legal research and prepared memoranda related to PRC trademark and domain name registration, trademark infringement, anti-counterfeiting, and cyber-squatting.

**VOLUNTEER EXPERIENCE**

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**San Francisco Patient and Resource Center, Ukiah, California**

*Volunteer*, May – September 2008

Assisted in the design, construction and operation of an organic medical cannabis facility.

**PROFESSIONAL LICENSES**

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**State Bar of California** – Admitted in 2009

**California Real Estate Broker** – Admitted in 2013



**Robert A. Goldstein**

14 Wilbur Street, Unit 3, Dorchester, MA 02125  
[REDACTED] 603-930-7035 (cell)

DIRECTOR OF PATIENT  
AND PUBLIC AFFAIRS

**Vice President, Marketing, Communications & Development**

*ALS Therapy Development Institute, Cambridge, MA, [www.als.net](http://www.als.net)*

September 2013 - present

- Create and lead an integrated, strategic MarComm and Development plan designed to position the Institute as a world leader in applying a translational research model and raise funds to develop treatments for ALS/MND. Annual fundraising budget goal of \$9.5mm.
- Created national PR and social media campaigns for; 4♦ALS with MLB, Young Faces of ALS, Ales for ALS™. Coverage included *Nightly News, Today Show, Boston Globe & New York Times*.
- Increased corporate profile in industry: Partnering for Cures, TEDMED, NEALS, Alzheimer's Drug Development Symposium, Phacilitate, BIO Convention, BIO CEO & Investor Conference, International Alliance of MND/ALS Orgs., etc.
- Networked extensively with venture capital and others and assisted in the creation of a wholly owned subsidiary (Anelexis Therapeutics, Inc.) designed to leverage angel and venture funding to advance treatments.
- Lead enhancement of the Institute's website, including the selection of a content management system, development of an online social networking platform, and improvement of online user-driven forum.
- Oversee content and marketing (seminars, webinars, podcasts, symposia, e-marketing, newsletters, appeals, donor stewardship, annual reports, etc) and act as Institute's spokesperson
- Collaborate with executive team on strategic planning and Board management.
- Manage a staff of 13 professionals and multiple fundraising and marketing contractors
- Advanced in position annually. VP of MarComm 2011-2013, Director of MarComm. 2007-2011, appointed current role in September 2013.

**Brand Manager and Special Assistant to the Founder – Driving 4 Life**

*ALS Therapy Development Institute, Cambridge, MA, [www.als.net](http://www.als.net) and [www.driving4life.org](http://www.driving4life.org)*

June 2004 – April 2007

- Played key role in the development of and securing sponsors for two national fundraising programs; Driving 4 Life Signature Series (corporate-centered giving) and Driving 4 Life Challenge (grassroots fundraising). Campaign raised \$1mm annually by end of my term with it.
- Gained exposure for major campaign event and its founders in national media outlets including *Boston Globe, Star Ledger, Los Angeles Times, The Golf Channel and USA Today*.
- Created brand synergies between stewardship, sponsorship and other collateral and websites for Driving 4 Life and ALS TDI.
- Worked closely with FRONTLINE/PBS to gain online exposure for the Institute's founder's documentary "So Much So Fast," a Sundance Film Festival selection
- Recruited and supervised volunteers and event steering committee members.

**Sous Chef and Various Positions**

*Lakeview Restaurant, Point Sebago Golf & Beach Resort, [www.pointsebago.com](http://www.pointsebago.com)*

1995- 2003 (summers)

- Designed menu in collaboration with Executive Chef. Scheduled and managed a staff of more the 20 people. Placed orders, set prices, negotiated contacts and mentors/disciplined staff.
- Began as dishwasher in 1995 and worked my way up.

**Education:**

**University of Massachusetts, Boston, MA**

M.S. Public Affairs, 2008

- Capstone: *Immigration & Political Incorporation*
- *Thomas Murray Cohort Award*

**University of Maine, Orono, ME**

B.A. Mass Communications, 2004

Minor in Public Relations, 2004

- *Student Radio (WMEB 91.9) 1999, 2000 & 2003*
- *TV Production Internship (WMUR-TV) 2004*

**Activities:**

- *Co-chair, Mass Bio Marketing & Communication Working Group (2012-2014 term)*
- *Chair, Global Innovations & Markets Track Planning Committee, 2012 BIO International Convention*
- *Member, Board Appointed Strategic Review Committee, International Alliance of ALS/MND Organizations*
- *Blogger, "ALS Today" Online Magazine, MassBio and MNDA ReCCOB*
- *Big Brother, Massachusetts Bay Big Brothers, Big Sisters (2011)*

**MELISSA DANTZ-ZERBEL**Summary

Marketing manager with MBA and significant experience in developing and implementing high-impact integrated marketing initiatives to drive brand awareness, message management, customer intimacy, and revenue generation. Industry experience includes Retail, Tech, Software as a Service, and Consumer Goods.

Core Competencies

- Marketing
- Public Relations
- Budget planning and Management
- Retail Marketing
- Brand Management
- Customer Retention
- Project Management
- Creative Problem Solver
- Content Marketing
- Writing

Professional Experience

**MARKETING CONSULTANT, Framingham, MA** 2012 – present

Independent Marketing Consultant

- Sophelle (a retail IT consultancy) - Lead generation; email marketing, event management.
- All News Retail (curated retail industry news feed) - Social media marketing, lead generation.

**TRITON DIGITAL, Boston, MA** 2011 – 2012

International Marketing Director, Streaming Division

- Work closely with international sales team to support them and develop brand strategy to build brand awareness in EU, MEA, APAC and LATAM regions.
- Work closely with product development team to coordinate internal and external communication of features and benefits of each product version release.
- Localize tactics for implementation based on market maturity and optimal messaging channels.
- Write content for case studies, white paper, technical articles, presentations.
- Manage marketing budget including planning and allocation of funds.

**THE TJX COMPANIES, Framingham, MA** 2010-2012

Marketing Project Management, Corporate and HomeGoods

**INDEPENDENT MARKETING CONSULTANT** 2008-2010

- The TJX Companies, Senior Print Marketing Planner
- Bank of America, Columbia Management, Marketing Project Management
- Threadsmith, Marketing Research and SEO Marketing

**THE ROCKPORT COMPANY, Canton, MA** 2005-2008

International Marketing Manager (2007-2008)

- Responsible for the communication of all marketing, advertising, public relations, and sales-driven initiatives to subsidiaries and distributors outside of the United States: daily oversight of markets in Latin America, Canada, Europe, Russia and Israel.
- Developed relationships with market leaders and teams to foster trust and collaboration, resulting in enhanced credibility and increased sales. For example after implementing a program across 10 retail stores, sales increased 54% within 48 hours.
- Led retail merchandising design team to create window displays, product feature displays; bespoke shop-in-shop fixtures.
- Developed and implemented communication strategies to facilitate constant flow of two-way information; created hub of information to be shared across regions to learn from each country's successes and challenges.

Public Relations Consultant (2006)

- Created strategic public relations plans to build brand awareness, leverage budget, and reach targeted trend/fashion leaders and consumers.
- Wrote and edited all press releases and corporate communications; developed speaking points for all interviews, ghost wrote texts as needed.
- Initiated global public relations strategy with key markets.

Advertising Manager Consultant (2005-2006)

- Maintained brand identity and direction by managing advertising and media agencies.
- Evaluated added value opportunities to build brand awareness.
- Gathered and managed distillation of input, stakeholder and legal approvals to agencies.

**CRAMER PRODUCTIONS, Norwood, MA**

**2004-2005**

Marketing Project Manager

- Dedicated project manager to Serono account, concentrating on pharmaceutical collateral for patient and physician outreach as well as patient-centered educational events.
- Maintained regulatory and legal compliance of all new and updated materials pertaining to Multiple Sclerosis drug therapies.

**MDG, Inc., Holliston, MA**

**2003-2004**

Marketing Project and Production Manager

- Managed execution of projects for consumer goods and hospitality clients.
- Established process and work flow to leverage existing staff. Improved performance which allowed agency to accept additional clients and hire creative staff.

**p11CREATIVE, Santa Ana Heights, CA**

**2001-2003**

Print Production Manager

- Managed all aspects of marketing projects for high-tech and homebuilding clients.
- Established agency workflow process and protocols to ensure internal stakeholder approvals and increase quality of creative delivered to client.

Software

Salesforce, Word, PowerPoint, Excel, Acrobat, InDesign, Photoshop and Illustrator.

Education

**MBA, Northeastern University, Boston, MA**

Concentrations; Marketing & International Business

*European Business and Global Strategies Certificate Program, EMLyon, Lyon, France*

**BFA, Visual Arts, Syracuse University, NY**

*Semester Abroad Program, Central Saint Martins, London, England*





ORIGINAL

**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 Relief, Inc.

Application # (if more than one): \_\_\_\_\_

Total Capital needed for this application: \$ 500,000.00

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: 11/14/2013

ORIGINAL

Name of the Corporation: Bay State Relief, Inc.

Name of CEO/Executive Director of the Corporation: Armand Riendeau

Name of Account Holder: Gerald S Goldberg

This Letter of Commitment is to ensure access to the required liquid capital to support the operations of Bay State Relief, Inc. if so approved by the Department of Public Health. The total required capital needed for this application equals \$ 500,000.00 .

As Chief Executive Officer/Executive Director or President of the Board of Directors of Bay State Relief, Inc., I affirm that these funds will remain in # [redacted] with Wells Fargo 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:

Gerald S Goldberg

Print Name Gerald S. Goldberg

Date: Nov 14, 2013

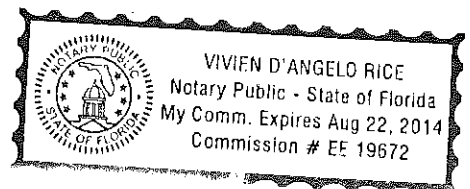
Notary Public State of Florida, Palm Beach Cty

On this (14th) day of (November), 2013, before me, the undersigned notary public, personally appeared (Gerald S Goldberg), proved to me through satisfactory evidence of identification, which were (FLORIDA DLIC), 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.

If applicable, add:

- (as partner for (insert name of partnership), a partnership)
(as (title) for (name of corporation), a corporation)
(as attorney in fact for (name of principal), the principal)
(as (title) for (name of entity/person), (a) (the) (type/description)


Vivien D'Angelo Rice
Signature of Notary Public





Date: November 14, 2013

To: Bay State Relief Inc

 ORIGINAL

Regarding Customer:  
Gerald S. Goldberg

To Whom It May Concern:

This letter is verification that the customer named above has an account with Wells Fargo. This account number ending in [REDACTED] was opened [REDACTED] and has a current balance of \$513,557.51.

If you need deposit information, refer to the customer named above. The account holder can provide deposit information from their monthly statements.

If you have any questions please call us at 1-800-TO-WELLS (1-800-869-3557). Phone Bankers are available to assist you 24 hours a day, 7 days a week.

Sincerely,

Vivien D'Angelo Rice  
Personal Banker  
561-241-8066

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

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

 ORIGINAL

Corporation Name: Bay State Relief, Inc. Application # (if more than one): \_\_\_\_\_

|   | 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 | Gerald S Goldberg     | 19490 Bay View Rd<br>Boca Raton FL 33434 | \$ 400,000.00<br>% 26.66667                 | Cash   | Chairman of Board of Directors | 18% APR for 15 YR Term      |
| 2 | Ann & Donald Robinson | 16 Brier Rd<br>West Roxbury MA 02132     | \$ 100,000.00<br>% 6.66667                  | Cash   | Board of Director              | 18% APR for 15 YR Term      |

|   | Entity Name/<br>Business Address | Leadership Names   | \$ amount and % of Initial Capital Provided | Type of Contribution (cash, land, building, in-kind) | Role in Dispensary Operations | Terms of Agreement (if any)     |
|---|----------------------------------|--|---|--|-------------------------------|---------------------------------|
| 1 | North Shore Funding LLC          | CEO/ED: Julius Sokol<br>President/Chair:<br>Treasurer:<br>Clerk/Secretary: | \$ 1,000,000.00<br>% 66.666667              | Line of Credit                                       | N/A                           | Revolving Credit Line at 10%APR |

**CAPITAL EXPENSES**  
**(Exhibit 4.3)**

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

Corporation Name: Bay State Relief, Inc. Application # (if more than one): \_\_\_\_\_

|   | Expense Type                    | Costs               | Explanation of Expense                                   |
|---|---------------------------------|---------------------|--|
|   | <b>Planning and Development</b> |                     |  |
| 1 | Architectural Fees              | \$ 1500             | DPH Review Cost  |
| 2 | Architectural Plans             | \$ N/A              | All Plans Pre-Paid                                       |
| 3 | Permits and Fees                | \$ N/A              | Included in Construction Costs                           |
| 4 | Security assessment             | \$ N/A              | All Included with Monthly Security Cost                  |
| 5 | Land/building cost              | \$ N/A              | Included in Construction Expenses                        |
| 6 | Site clean-up and preparation   | \$ N/A              | Building Less Than Ten Years Old                         |
| 7 | Other- describe                 | \$                  |  |
| 8 |                                 | \$                  |  |
| 9 |                                 | \$                  |  |
|   | <b>Build-out Costs</b>          |                     |  |
| 1 | Construction expenses           | \$158,000.00        | Materials & Labor to Build & Prepare Building            |
| 2 | Painting and finishes           | \$ 14,000.00        | Labor & Materials  |
| 3 | Security system                 | \$                  |  |
| 4 | Landscape work                  | \$                  |  |
| 5 | Parking facility                | \$                  |  |
| 6 | HVAC                            | \$ 48,500.00        | Ducting, Room Environment Control, Labor                 |
| 7 |                                 | \$                  |  |
| 8 |                                 | \$                  |  |
| 9 |                                 | \$                  |  |
|   | <b>Equipment Costs</b>          |                     |  |
| 1 | Vehicles and transportation     | \$                  |  |
| 2 | Cultivation equipment           | \$154,000.00        | \$20K per Veg \$22K Flower                               |
| 3 | Furniture and storage needs     | \$ 7,000.00         | Display Cases & Dispensary Furniture                     |
| 4 | Computer equipment              | \$ 51,500.00        | Servers, Computers, Software, Copiers                    |
| 5 | HVAC                            | \$ 13,000.00        | Grow Room A/C Units                                      |
| 6 | Kitchen/food prep equipment     | \$ 12,000.00        | Ovens, Refrigerator, Freezers, Washing Machine, Utensils |
| 7 | Office Furniture                | \$ 10,000.00        | Desks, Chairs, Filing Cabnets                            |
| 8 | Processing Room                 | \$ 2,000.00         | Stainless Steel Tables, Tools                            |
| 9 | Humidor                         | \$ 5,000.00         | Shelving, Cases, Environmental Control                   |
|   |                                 |                     |  |
|   | <b>TOTAL</b>                    | <b>\$476,500.00</b> |  |

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

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

Corporation Name: Bay State Relief, Inc. Application # (if more than one): \_\_\_\_\_  
 Budget Period: 09/01/2014 to 08/31/2015  
 Projected Number of Patients: 600-1200 and Number of Visits: 1

|                         |   | Year ONE Budget        | Budget Notes <sup>1</sup>                        |
|-------------------------|---|------------------------|--|
| <b>REVENUE</b>          |   |                        |  |
| 1                       | Medical Marijuana sales                 | \$4,746,065.93         |  |
| 2                       | Other supplies sold                     | \$ 92,248.19           |  |
| 3                       | Other revenue sources                   | \$ 0                   |  |
| A                       | <b>TOTAL REVENUE:</b>                   | <b>\$ 4,838,314</b>    |  |
| <b>PAYROLL EXPENSES</b> |   |                        |  |
|                         | <b>Personnel Category</b>               | <b># FTE</b>           |  |
| 1                       | Executive                               | 2                      | Executive Director, CFO                          |
| 2                       | Senior Management                       | 2.25                   | Directors of Compliance, Pat Aff, Cultivation    |
| 3                       | General Management                      | 3                      | Head of MIP, Head of Dispensing, Facilities Mgr  |
| 4                       | Hourly Staff                            | 7.25                   | Culti & Disp Associates, Drivers, A/P Clerk      |
| B                       | <b>TOTAL SALARIES</b>                   | <b>\$ 977,313.72</b>   |  |
| C                       | Fringe Rate and Total                   | <b>% 27.08</b>         | \$ 264,664.00 Medical Related Benefits           |
| D                       | <b>TOTAL SALARIES PLUS FRINGE (B+C)</b> | <b>\$ 1,241,977.72</b> |  |
| <b>OTHER EXPENSES</b>   |   |                        |  |
| 1                       | Consultants                             | \$ 159,080.49          | 1 Cultivation Expert, Security, Other            |
| 2                       | Equipment                               | \$ 12,073.87           | General Repair and Maintenance                   |
| 3                       | Supplies                                | \$ 220,819.86          | Cultivation Supplies, Packaging, Sales Supplies  |
| 4                       | Office Expenses                         | \$ 24,087.37           | Supplies, Web Hosting, POS Service Fees          |
| 5                       | Utilities                               | \$ 203,282.60          | All Power & Heat, All IT related, Waste Disposal |
| 6                       | Insurance                               | \$ 31,796.24           | Exclusive of Medical Benefits Above              |
| 7                       | Interest                                | \$ 139,529.66          | Three Notes Payable                              |
| 8                       | Depreciation/Amortization               | \$ 90,027.21           | Depreciation, DPH Permits, Prepaid Expenses      |
| 9                       | Leasehold Expenses                      | \$ 357,473.07          | Rent & Related, Delivery Truck                   |
| 10                      | Bad Debt                                | \$ 0                   | BSRI Will not sell on credit                     |
| 11                      | Taxes                                   | \$ 2,130,788.39        | All Employer Payroll Tax, Estimated Income Tax   |
| 12                      | Community Outreach                      | \$ 12,073.87           | Material and T&E for Community Presence          |
| 13                      | Absorbed Costs Into Inventory           | \$ (1,524,894.29)      | Net Standard Costs Absorbed Into Inventory       |

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|    |                              |                 |  |
|----|------------------------------|-----------------|--|
| 14 | Cost of Goods Sold           | \$ 1,813,227.38 |  |
| E  | <b>TOTAL OTHER EXPENSES</b>  | \$ 3,669,415.74 |  |
|    | <b>TOTAL EXPENSES: (D+E)</b> | \$ 4,911,393.46 |  |
|    | <b>DIFFERENCE</b>            | \$ (-73,079.33) |  |

Enter short explanation of expenses

**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 Relief, Inc. Application # (if more than one): \_\_\_\_\_

Fiscal Year Time Period: September 1<sup>st</sup>, 2014 – August 31<sup>st</sup>, 2015  
 Projected Start Date for the First Full Fiscal Year: 09/01/2014

|                                       | FIRST FULL FISCAL YEAR PROJECTIONS 2014 | SECOND FULL FISCAL YEAR PROJECTIONS 2015 | THIRD FULL FISCAL YEAR PROJECTIONS 2016 |
|---------------------------------------|---|--|---|
| Projected Revenue                     | \$ 4,838,314                            | \$ 8,944,271                             | \$ 11,249,939                           |
| Projected Expenses                    | \$ 4,911,393                            | \$ 6,672,524                             | \$ 7,773,026                            |
| TOTAL :                               | \$ (-73,079)                            | \$ 2,271,748                             | \$ 3,476,913                            |
| Number of Patients                    | 1300                                    | 2210                                     | 2300                                    |
| Number of Patient Visits              | 10288                                   | 21441                                    | 27498                                   |
| Projected % of growth rate annually   | 117%                                    | 70%                                      | 4%                                      |
| Total FTE in staffing                 | 11.75 FTE                               | 14.5 FTE                                 | 14.5 FTE                                |
| Projected Medical Marijuana Inventory | 123 Lbs.                                | 145 Lbs.                                 | 73 Lbs.                                 |





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**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 Relief, Inc. Application # (if more than one): \_\_\_\_\_

| Physical Address                      | County           | Type of Evidence Attached |
|---------------------------------------|------------------|---------------------------|
| 13 Commercial Way<br>Milford MA 01757 | Worcester County | Signed Lease Agreement    |
|                                       |                  |                           |

LEASE

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This Indenture made this 15<sup>th</sup> day of November, 2013, by and between CORNER BROOK, LLC, a Massachusetts limited liability company established under the laws of the Commonwealth of Massachusetts and having its usual place of business at 11 Commercial Way, Milford, County of Worcester, Massachusetts 01757 (hereinafter with its successors and assigns called the "Lessor") and BAY STATE RELIEF INC. a Massachusetts non-profit corporation having its usual place of business at 435 Worcester Road, Framingham, Massachusetts (hereinafter with their successors and assigns called the "Lessee").

WITNESSETH

In consideration of the rents and covenants herein contained on the part of the Lessee to be paid, performed and observed, the Lessor hereby leases to the Lessee and the Lessee hereby leases from the Lessor, subject to the terms and provisions hereinafter set forth, certain premises defined as the "Demised Premises", located at 13 Commercial Way, Milford, Worcester County, Massachusetts.

ARTICLE I

Reference Data: Demised Premises

Section 1. Definitions. Each reference in this Lease to any of the terms and titles contained or defined in this Article shall be deemed and construed to incorporate the matters set forth following such term or title in this Article unless the context clearly indicates otherwise:

Term

Definition

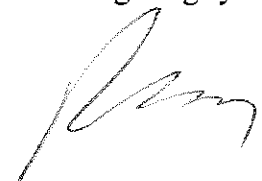
(a) Common Areas:

Those portions of the Property, as they may from time to time exist, which are open generally to the public or to the tenants thereof, including without limitation, sidewalks, parking areas, driveways, service areas, malls, landscaped areas and the like. No representation is hereby made concerning the existence or continuance of any Common Area, all of which the Lessor reserves the right to alter, modify, enlarge, decrease or discontinue, as Lessor, in its sole judgment, shall deem necessary or desirable, provided such changes do not prohibit or materially interfere with Lessee's use of the Demised Premises as provided herein.

(b) Common Facilities:

All of Lessor's equipment (except such equipment used exclusively by a tenant in the Building), systems and facilities within, or used in connection with the operation of the Property, or any part or parts thereof, including without limitation, all building exterior walls, roofs and other structural elements of the Building or buildings upon the Property from time to time, all pipes, wires, conduits, sanitary sewer, storm drains, generators, air conditioning and heating equipment and lighting system,

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including without limitation all of the same within the Demised Premises or upon the roof of the Demised Premises.

(c) Default Interest Rate:

If any payment of Minimum Rent, Additional Rent or other sum due under this Lease is not paid when due (i) such overdue amount shall thereafter bear interest until paid in full at a rate per annum equal to four (4%) above the prime rate announced from time to time by the Wall Street Journal, or if there is no such newspaper, then such other nationally recognized business newspaper selected by Lessor, but not in excess of the highest legal rate.

(d) The Demised Premises, the Building and the Property:

The "Demised Premises" is all of the floor area (approximately 24,920 square feet) located within the building (the "Building"). The Building, the Common Areas and the Common Facilities are situated on a parcel of land, shown as Lot 24 on Exhibit A attached hereto, all of which are collectively referred to herein as the "Property".

(e) Hazardous Materials:

"Oil", "hazardous materials", "hazardous waste", or "hazardous substances", as such terms are defined under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq., as amended, the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §6901 et seq., as amended, and the regulations promulgated thereunder, and all applicable federal, state and local laws, rules and regulations, including, without limitation, Massachusetts General Laws, Chapters 21C and 21E (the "Superfund and Hazardous Waste Laws").

(f) Late Payment Charge:

If any payment of Minimum Rent, Additional Rent or other sum due under this Lease is not paid when due, Lessee shall pay Lessor twenty (\$20.00) dollars per day accruing from the due date of such payment to the date of actual receipt of such payment.

(g) Lease Commencement Date:

The Lease Commencement Date is the date that this Lease is executed by and delivered to Lessor and Lessee. Lessee's obligations under the Lease do not vest, however, and shall not be binding on Lessee, unless and until Lessee is issued a final registration to operate a Registered Marijuana Dispensary by the Massachusetts Department of Public Health (MDPH). If the Lease has not become binding by May 1, 2014, upon written notice to Lessee, Lessor may terminate the Lease without recourse to either party. If Lessee is advised in writing that it is not granted a registration to operate a Registered Marijuana Dispensary by the MDPH or that its

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*[Signature]*

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application for a Certificate of Registration has been denied, Lessee shall promptly give Lessor written notice thereof. Such notice shall automatically terminate the Lease, without recourse to either party.

(h) Lease Year:

Each period of twelve (12) consecutive calendar months during the Lease Term starting on the Rent Commencement Date, except that if the Rent Commencement Date is not on the first day of a month, the first Lease Year shall begin on the first day of the calendar month next following the Rent Commencement Date.

(i) Lessee's Initial Monthly Payments on Account of Lessor's Property & Building CAM Costs & on Account of Real Estate Taxes:

\$4,360.00 per month, subject to adjustment as provided in Article V, Section 3, for Lessor's CAM Costs; and Article III, Section 2, for real estate taxes

(j) Lessee's Percentage Share of Property and Building CAM Costs and Real Estate Taxes:

As Lessee is leasing the entire Building, Lessee is responsible for 100% of the Property and Building common area maintenance charges and real estate taxes for any Lease Year or Tax Year.

(k) Minimum Rent:

| <u>Period Covered</u>   | <u>Minimum Annual Rent</u> | <u>Minimum Monthly Rent</u>            |
|---|----------------------------|--|
| From the Rent Commencement date until the start of the First Lease Year | \$186,900.00               | \$15,575.00 prorated for partial month |
| Year 1  | \$186,900.00               | \$15,575.00                            |
| Year 2  | \$236,740.00               | \$19,728.33                            |
| Years 3-12  | \$299,040.00               | \$24,920.00                            |

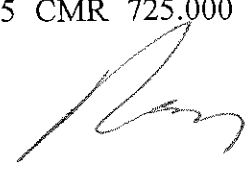
(l) Mortgage & Mortgagee:

For purposes hereof, the term Mortgage shall mean any real estate mortgage, ground lease, deed of trust or any other security agreement or indenture affecting the Property or the Premises; the term Mortgagee shall mean the holder of any such real estate mortgage, any ground lessor or any trustee or holder of any such deed of trust, security agreement or indenture.

(m) Permitted Use:

Lessee shall use and occupy the Premises for the cultivation, processing, storage, packaging, and/or sale of cannabis in accordance with an Act for the Humanitarian Medical Use of Marijuana (MA S.L. Ch. 369), and Massachusetts Department of Public Health ("MDPH") Regulations (105 CMR 725.000 et seq.)

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subject, however, to zoning and other regulatory requirements and to the limitation set forth in Article VII herein.

(n) Rent Commencement Date: 30 days after Lessee receives a final registration to operate a Registered Marijuana Dispensary (RMD) from the MDPH, or March 1, 2014, whichever is earlier except that if Lessee has been selected to receive a registration and has paid the \$50,000.00 registration fee but has not yet received a final Certificate of Registration, the March 1, 2014 date shall automatically be extended until May 1, 2014 for purposes of payment of rent. The March 1, 2014 date shall still remain in effect as the start of the 1<sup>st</sup> Lease Year, however, as Lessee shall be obliged to pay March rent no later than October 1, 2014 and April rent no later than November 1, 2014. Such rent will not be due and payable if the Lease is terminated prior to May 1, 2014 due to Lessee not receiving its final Certificate of Registration by such date.

(o) Tax Year: "Tax Year" means each twelve (12) month period (deemed, for the purposes of this Lessor, to have 365 days) established as the real estate tax year by the taxing authorities having lawful jurisdiction over the Property. At present, the Tax Year is July 1 through June 30.

(p) Term: From the Lease Commencement Date until twelve (12) years after the start of the first Lease Year. If any extension to the Lease is agreed to in writing, the Term shall end at midnight on the last day of any such extension.

(q) Termination Date: Twelve (12) years from the commencement of the First Lease Year, unless the Term of this Lease is extended in writing or earlier terminated pursuant to the provisions of this Lease, in which case the Termination Date shall be the date on which such earlier termination occurs, or such extension expires, as the case may be.

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*ask*  
Section 2. Common Area and Common Facilities Rights. The Demised Premises are leased together with the non-exclusive right to use, in common with others lawfully entitled thereto, for access and egress and parking, the mall area (if any), sidewalks, parking areas, driveways, loading and service areas and other Common Areas of the Property, as the same may exist from time to time, expressly reserving to the Lessor the right to install, maintain, use, repair, replace, alter, change, relocate and remove such Common Areas and Facilities from time to time, and including the right to change the size, type, location, nature and shape of the Common Areas and Facilities, the Property and the Building including any elevators, stairways, access ways and loading docks located in the Building, provided such changes do not unreasonably interfere with the visibility, adequate parking or permanent access to an entrance to the Demised Premises. Lessor also reserves

the right (without thereby assuming the obligation) to install, maintain, use, repair and replace all pipes, ducts, wires, meters, utility lines and other equipment or materials which now are or hereafter may be, in the judgment of the Lessor, desired or required to be in the Demised Premises provided such changes do not unreasonably interfere with the visibility, adequate parking or permanent access to an entrance to the Demised Premises. The Demised Premises are leased subject to the mortgages and other existing encumbrances of record, if any.

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**ARTICLE II**  
**Term and Commencement**

Section 1. Term. To have and to hold the Demised Premises for the Term beginning on the Lease Commencement Date and ending on the Termination Date unless extended by written agreement or unless sooner terminated as hereinafter provided.

Section 2. Recording. Lessor agrees upon request of the Lessee to execute and deliver to Lessee a notice of lease or short form of lease suitable for recording and setting forth the name of the Lessor and the Lessee, the term of this Lease, an appropriate description of the Demised Premises, and such other information as is required by law for a notice of lease. A copy of this Lease shall not be recorded in any Registry of Deeds or Land Court Registry.

**ARTICLE III**  
**Rent**

Section 1. Minimum Rent Yielding and paying the Minimum Rent during the Term hereof, all such rent to be payable in equal monthly installments in advance beginning on the Rent Commencement Date, and thereafter on the first day of each calendar month during the Term without offset or deduction and without previous demand therefore.

Section 2. Taxes

- (a) Beginning on the Rent Commencement Date, the Lessee shall pay Lessor, as Additional Rent hereunder, for each Tax Year during the term hereof, an amount equal to the real estate taxes and other ad valorem taxes, including, without limitation, betterments or other assessments imposed, assessed or levied upon the land and buildings and improvements comprising the Property ("Real Estate Taxes"). For purposes of this paragraph, Lessee's Percentage Share shall be calculated as set forth in Article I. Real Estate Taxes shall also include all costs, including but not limited to attorney's fees, appraiser's fees and Lessor's reasonable administrative costs, for any contest or appeal pursued by Lessor in an effort to reduce the tax or assessment on which any tax or other imposition provided for in this Section is based. As long as Lessee is current on all of its payment and other obligations, Lessor shall not contest or appeal any tax, assessment or imposition, except upon Lessee's request.



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- (b) The payment on account of Real Estate Taxes required hereunder shall be paid by Lessee in equal monthly installments in such amounts as are estimated and billed for each Tax Year by Lessor, at the Rent Commencement Date and thereafter at the beginning of each successive calendar year during the term hereof, the first installment being due on the Rent Commencement Date and subsequent installments being due on the first day of each month thereafter.
- (c) Within ninety (90) days after Lessor's receipt of the first non-estimated tax bill for each Tax Year, Lessor will certify to Lessee the total amount of Real Estate Taxes as specified above.

Lessee's Percentage Share paid or payable for each Tax Year shall be adjusted between Lessor and Lessee, with payment to or payment by Lessor, as the case may require, within thirty (30) days of the aforesaid certification to Lessee, such amount as is necessary to effect such adjustment. Further adjustments shall be made, as necessary, if subsequent tax bills during any Tax Year are adjusted by the taxing authority.

The failure of Lessor to provide such certification within the time prescribed above shall not relieve Lessee of its obligations under this Section 2 or for the specific Tax Year in which any such failure occurs.

For the Tax Years in which the Rent Commencement Date and the Termination Date occur, the provisions of this Section shall apply, but Lessee's liability for Lessee's Percentage Share of any taxes for such year shall be subject to a pro rata adjustment based upon the number of days of such Tax Year falling within the period on and after the Rent Commencement Date or on or before the Termination Date during which the Demised Premises are leased to Lessee pursuant to this Lease.

- (d) Lessee agrees to pay, prior to delinquency, any and all taxes and assessments levied, assessed or imposed during the Term hereof upon or against:
- (i) All furniture, fixtures, signs and equipment and any other personal property installed or located within the Demised Premises;
  - (ii) All alterations, additions, betterments or improvements of whatsoever kind or nature made by or on behalf of Lessee to the Demised Premises, as the same may be separately levied, taxed and assessed against or imposed directly upon Lessee by the taxing authorities.

- (e) The provisions of Article III, Section 2, are predicated upon the present system of taxation in the Commonwealth of Massachusetts. If taxes upon rentals or otherwise pertaining to the Demised Premises shall be substituted, in whole or in part, for the present ad valorem real estate taxes or assessed in addition thereto, then Lessee's obligation to pay such taxes shall be based upon such substituted taxes, to the extent to which the same

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shall be a substitute for present ad valorem real estate taxes, together with such additional taxes. Nothing herein contained shall be construed to require Lessee to reimburse Lessor for any penalties or interest which may be imposed upon Lessor's delinquent payment of taxes.

Section 3. Late Payment Charges Any payment of Minimum Rent, Additional Rent or other sums due under this Lease, received by Lessor more than five (5) business days after its due date, shall be subject to the Late Payment Charge accruing from the due date of such payment to the date of actual receipt of such payment by Lessor.

Section 4. Payment of Rent All payments of Minimum Rent, Additional Rent or other sums due under this Lease shall be made payable to Lessor, and sent to the address to which notices hereunder to the Lessor are to be delivered or to such other payee or at such other address as Lessor may designate in writing from time to time.

**ARTICLE IV**  
**Condition of the Premises**

Section 1. Lessor's Work Lessor shall take such steps, if any, as are necessary to put the existing HVAC, electrical and plumbing systems in good working condition prior to occupancy. Lessor is not responsible for making any changes needed to make any of such systems compatible with Lessee's use of the Premises.

Lessee's Work Lessee will, at its own expense and in accordance with the plans and specifications, or such other documentation as may be reasonably satisfactory to Lessor, complete the Buildout of the Premises as necessary and otherwise prepare the Premises for occupancy (Lessee's Work). Lessee shall commence work promptly after Lessor has given Lessee written approval of Lessee's Work and contractor and shall work diligently and continuously to complete Lessee's Work, and shall open for business as soon thereafter as possible. Lessor shall not unreasonably withhold written approval of Lessee's Work and contractor. All Lessee's construction shall be performed in conformity with all rules, regulations and requirements of governmental authorities having jurisdiction. Upon completion of Lessee's Work, and prior to occupancy, Lessee shall furnish evidence, reasonably satisfactory to Lessor, that all labor and materials contracted for by Lessee in and about the Demised Premises have been paid in full.

In the event that any party claiming to have supplied labor and/or materials to the Demised Premises at Lessee's (or Lessee's agents') request shall file a mechanic's lien or other claim, Lessee shall promptly take such steps as may be required to have the mechanic's lien released or the claim resolved. Lessee shall indemnify, defend and hold Lessor harmless against any and all payments, costs or expenses, including but not limited to legal fees, which may be made or incurred by Lessor as a result of Lessee's failure to promptly cause any such lien to be removed or claim resolved. This provision shall be applicable in all circumstances, whether pursuant to Lessee's Work or otherwise.

All improvements made pursuant to Lessor's Work or Lessee's Work shall become part of the Demised Premises and title thereto shall vest in Lessor upon installation. It is provided further, however, that Lessee's trade fixtures may be removed

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by the Lessee, provided that all damage resulting from said removal is promptly repaired and the Demised Premises promptly restored by Lessee at Lessee's expense.

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ARTICLE V  
Common Area Maintenance

Section 1. (a) Lessor's Work Lessor shall make all reasonable or necessary repairs and replacements to the Common Area and Common Facilities except for the work described below as Lessee's work.

(b) Lessee's Work Lessee shall keep the Common Areas reasonably free of snow and ice and in a reasonably clean and neat condition.

Section 2. (a) Lessee's Payments In addition to all other payments herein provided to be made by Lessee to Lessor, commencing on the Rent Commencement Date, Lessee shall also pay to Lessor, as additional rent ("Additional Rent" an amount equal to the costs and expenses incurred or accrued by, or on behalf of Lessor in operating, maintaining, and repairing the Common Areas and Common Facilities of the Property and the Building ("Lessor's Costs").

(b) Lessor's Costs include, but are not limited to, all costs and expenses of every kind and nature paid, by Lessor in operating, managing, equipping and policing, the Property; heating and air conditioning Common Areas within the Building; lighting, repairing, striping, maintaining and replacing all parking areas, driveways, mall areas, service and loading areas; landscaping and gardening Common Areas; water and sewer charges; roof repairs and replacements; premiums for liability, property damage, fire, workmen's compensation, and other insurance on the Common Areas and Common Facilities and all other insurance, hazard and otherwise, carried by Lessor on all structures on the Property; wages, unemployment taxes, social security taxes, personal property taxes and assessments; fees for required licenses and permits; supplies and reasonable depreciation of equipment used in the operation of the Common Areas; and administrative costs equal to fifteen percent (15%) of the total of Lessor's Costs. The only exception is that Lessee shall not be responsible for any costs or expenses related to the solar panels situated on the roof of the Premises, except to the extent that such costs or expenses are necessitated by the action or inaction of Lessee.

Section 3. Payment Schedule. Lessee's Percentage Share of Lessor's Costs shall be paid in monthly installments, in advance, in the amount estimated by Lessor, starting on the Rent Commencement Date and continuing on the first day of each and every calendar month, thereafter. Within ninety (90) days after the end of each Lease Year during the Term hereof, Lessor shall furnish to Lessee a statement in reasonable detail setting forth the Lessor's Costs; thereupon there shall be a prompt adjustment between Lessor and Lessee, with payment to, or repayment by, Lessor, as the case may require, to the end that Lessor shall receive the entire amount of Lessor's Costs, and no more or less. Lessee shall have the right during normal business hours at a time convenient to Lessor, upon prior written request and at its own expense to inspect Lessor's records of Lessor's Costs (at Lessor's or its management agent's office), such inspection to be done not more frequently than once per Lease Year. Lessor shall maintain its record of Lessor's Costs for a period of three (3) years after the end of the year to which Lessor's Costs relate. In the event that any such inspection results in Lessor and Lessee agreeing that Lessee's payments have been

incorrect, Lessor or Lessee shall promptly reimburse the other in the amount necessary so that Lessee's payments are consistent with the requirements of this Lease.

Section 4. Required Improvements. If Lessor shall be obligated by reason of any law, regulation or rule now in effect or hereafter adopted by any governmental authority having jurisdiction over the Property, to make any capital improvement to the Common Areas or Common Facilities for any reason, the cost of such capital improvement pro rated over a reasonable time period determined by Lessor, together with the yearly cost to Lessor to finance the same, shall be included within Lessor's Costs.

ARTICLE VI  
Covenants

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Lessee covenants and agrees as follows:

- (a) To pay, when due, the Minimum Rent and Additional Rent at the times and in the manner set forth herein;
- (b) To procure any licenses and permits required for any use to be made of the Demised Premises by Lessee;
- (c) To pay promptly when due the entire cost of any work to the Demised Premises undertaken by Lessee so that the Demised Premises shall, at all times, be free of liens for labor and materials; to procure all necessary permits before undertaking such work; to do all of such work in a good and workmanlike manner, employing materials of good quality and complying with all governmental requirements; and to save Lessor harmless and indemnified from all injury, loss, claims or damage to any person or property occasioned by or growing out of such work including, without limitation, reasonable attorneys' fees. Upon receipt of notice from Lessor, Lessee shall take over Lessor's defense in any action related to work undertaken by Lessee on the Demised Premises.
- (d) Subject to MDPH requirements, to permit Lessor and Lessor's agents to examine the Demised Premises during normal business hours upon prior notice (except in the case of an emergency for which there are no notice or timing requirements) and to show the Demised Premises to prospective lenders, purchasers or tenants, but Lessor shall not show the Demised Premises to prospective tenants until the last twelve (12) months of the Lease Term; to permit Lessor to enter the Demised Premises (upon prior notice to Lessee except in the case of an emergency for which there are no notice or timing requirements) to make such repairs, improvements, alterations or additions thereto as may be required in order to comply with the requirements of any public authority having jurisdiction over the Demised Premises, or as may be desired by Lessor or required of Lessor under the terms of this Lease. Lessor shall use reasonable precautions so as not to unnecessarily interfere with Lessee's use and enjoyment of the Demised Premises in the exercise of the Lessor's rights hereunder.

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- (e) To pay, when due, any and all State, Federal or local taxes based upon Lessee's use or occupation of the Demised Premises or pertaining to Lessee's personal property or resulting from any alterations, additions or improvements made on Lessee's behalf or by Lessee to the Demised Premises.
- (f) To comply with all laws, orders, and regulations of any governmental authorities pertaining to Lessee's use and occupation of the Demised Premises.
- (g) To refrain from doing anything, taking any action or failing to act in such a manner that will cause any increase in the fire insurance rates pertaining to the Demised Premises or the Building and to comply with any rules, regulations or recommendations of the National Board of Fire Underwriters, any rating bureau, or any similar association performing such function and failing same, to pay to Lessor any increase in premiums resulting therefrom.
- (h) To keep the Demised Premises adequately heated for the protection of the plumbing therein.
- (i) To permit no waste with respect to the Demised Premises.

**ARTICLE VII**  
**Use of Demised Premises**

Section 1. Permitted Use Only The Lessee shall have the right to use the Demised Premises for the Permitted Use and for no other purposes whatsoever without the Lessor's prior written permission.

Section 2. Lessee acknowledges that no trade or occupation shall be conducted in the Demised Premises or use made thereof which will be unlawful, improper, excessively noisy or offensive, or contrary to any law or any municipal by-law or ordinance in force in the state, city, or town in which the Demised Premises are situated.

(a) Lessee shall give prompt written notice to the Lessor of any written notice it receives of the violation of any law or requirement of public authority, and at its own expense shall comply with all laws and requirements of authorities which shall, with respect to the Demised Premises or Lessee's use and occupation thereof, or the abatement of any nuisance, impose any obligation, order, or duty on Lessor or Lessee arising from (i) Lessee's use of the Demised Premises, (ii) the manner of conduct of Lessee's business or operation of its installations, equipment, or other property, (iii) any cause or condition created by or on behalf of Lessee or (iv) breach of obligations of Lessee under this Lease.

Section 3. Use Restrictions Lessee further agrees to conform to the following provisions during the entire Term of this Lease:

- (a) Lessee shall follow all applicable town and state laws;

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- (b) Lessee shall always conduct its operations in the Demised Premises under the Lessee's name as set forth herein, or as it may be legally changed or altered;
- (c) Lessee shall not use the sidewalks, mall area, parking areas, driveways or other Common Area of the Property, for advertising or business purposes without the prior written consent of the Lessor;
- (d) Lessee shall, at its own cost and expense, be responsible for the prompt removal of all trash, refuse and the like, from the Demised Premises and shall insure that same be kept in covered containers at all times and that no trash will be kept in the halls; and
- (e) Lessee shall take whatever measures are necessary to insure that floor load limitations are not exceeded in the Demised Premises.
- (f) Lessee shall keep the display windows, if any, of the Demised Premises clean and free of signs and adequately lighted during such nighttime hours as Lessor shall designate from time to time;
- (g) Lessee shall receive and deliver goods and merchandise only in the manner, at such times, and in such areas, as may be designated by Lessor;
- (h) Lessee shall not use the Demised Premises for any unethical or unfair method of business operation, advertising or interior display nor perform any act or carry on any practice which may injure the Demised Premises or any other part of the Property;
- (i) Lessee shall not permit nor cause any offensive odors or loud noise (including, but without limitation, the use of loudspeakers) to emanate from the Demised Premises;
- (j) Lessee shall not use any portion of the Demised Premises for storage or other services, except as required for its operations in the Demised Premises;
- (k) Lessee shall comply with such other reasonable rules and regulations as Lessor may promulgate during the Term hereof; and
- (l) Lessee shall not permit employees, agents or servants to block or park their vehicles on any Common Area of the Property, except in such areas designated for employee parking and, on request of the Lessor, Lessee agrees to furnish Lessor with the license plate numbers of all such vehicles.
- (m) Lessee shall not permit employees, agents or servants to smoke in the Building.

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ARTICLE VIII  
Repairs and Alterations

Section 1. Lessee's Work The Lessee shall keep and maintain the Demised Premises, and all facilities and systems outside the Demised Premises but solely serving the Demised Premises, in a neat, clean, sanitary condition and in good working order and repair, and in compliance with all laws, ordinances or regulations of any public authorities having jurisdiction, including, without limitation, all electrical, plumbing, gas, heating, air-conditioning and sewage facilities within or serving the Demised Premises, sprinklers, fixtures and interior walls, floors, ceilings, signs (including exterior signs where permitted) and all interior building appliances and similar equipment and the exterior and interior portions of all windows, window frames, doors, door frames, and all other glass or plate glass thereon, and shall make all repairs and replacements and do all other work necessary for the foregoing, and, in furtherance hereof; provided, however, that subject to the provisions of Article XVII and Article XVIII below, damage to the Demised Premises and common areas caused by fire or other casualty covered by policies of fire insurance carried by the Lessor as provided in Article XI hereof, or caused by action of public authorities in connection with a taking by eminent domain, shall be repaired by the Lessor at Lessor's own cost and expense. Promptly after notice from the Lessor, Lessee shall repair, at its own expense, any damage to the roof, foundation, structural columns or exterior walls of the Demised Premised caused by any act or negligence by the Lessee, its employees, agents, licensees, suppliers, contractors or guests. All such work shall be performed by contractors acceptable to Lessor.

Section 2. Lessor's Work The Lessor shall promptly, after receipt of written notice from the Lessee, make any necessary repairs to the roof, foundation, structural columns and exterior walls of the Demised Premises only (exclusive of glass, window frames, windows, doors, door frames, and signs, which repairs shall be made by the Lessee), except where such repairs are required by reason of any act or negligence by the Lessee, its employees, agents, licensees, suppliers, contractors or guests. The Lessee shall promptly, after notice from the Lessor, repair, at its own expense, any damage to the roof, foundation, structural columns or exterior walls of the Demised Premised caused by any act or negligence by the Lessee, its employees, agents, licensees, suppliers, contractors or guests.

Section 3. Surrender of Premises The Lessee shall at the expiration or earlier termination of this Lease remove its goods and effects and peaceably yield up the Demised Premises, clean and in good working order, repair and condition, reasonable wear and tear excepted, with any injury done to the Demised Premises or the Property by the installation or removal of the Lessee's fixtures or other property, being repaired in a good and workmanlike manner.

All additions or other improvements placed in or on the Demised Premises by the Lessor during the term of this Lease, including without limitation any made as part of Lessor's Work pursuant to Article IV hereof, shall remain on and shall not be removed from the Demised Premises. At the expiration of this Lease, all such additions and improvements shall be the property of the Lessor. Any additions or other improvements placed in or on the Demised Premises by the Lessee, including without limitation all trade fixtures, shall be considered as personal property and shall remain the property of the Lessee, who shall have the right to remove such property from the Demised Premises at

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the expiration of this Lease, provided that the Lessee, at the Lessee's expense, promptly repairs any damage to the Demised Premises resulting from the installation and/or removal of such property.

Notwithstanding anything to the contrary herein, any business or trade fixtures, lighting, furniture, machinery and equipment "Personal Property" installed by the Lessee which may be removed from the Demised Premises without injury thereto, shall remain the property of the Lessee and shall be removed by the Lessee from the Demised Premises prior to the expiration or earlier termination of this Lease; provided that if the Lessee is then in default hereunder, such Personal Property insofar as the Lessor shall so direct, shall remain in the Demised Premises and become the property of Lessor or, at Lessor's election, be stored by Lessor for the account of the Lessee and Lessee shall be liable for any costs or expenses incurred by Lessor in connection therewith, and shall pay Lessor for such costs and expenses prior to their release from storage, or such personal property shall be deemed abandoned and may be disposed of by Lessor in any way Lessor sees fit, at Lessee's expense, all without any responsibility by Lessor to Lessee for any loss or damage.

Section 4. Alterations The Lessee shall obtain Lessor's prior written consent for any alterations, improvements or additions to the Demised Premises or to the exterior of the Demised Premises, which consent in the case of interior non-structural work, shall not be unreasonably withheld. All such work shall be performed in accordance with all applicable laws, rules and regulations and in a good and workmanlike manner and shall not impair the safety or the structure of the Building, nor diminish the value of the Building as then constituted.

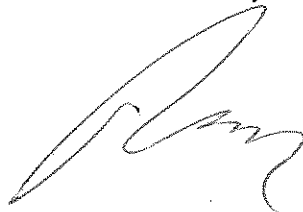
ARTICLE IX  
Utilities

The Lessee shall pay for all utility services provided to the Demised Premises, including, without limitation, electricity, gas, water, telephone, heat and sewage charges. The Lessor shall not be liable for any interruption of electricity, gas, water, telephone, sewage, heat or other utility service supplied to the Demised Premises, except where such interruption is caused by any negligence of the Lessor, its employees, agents, licensees, suppliers, contractors, or guests. The Lessee shall pay, on being billed therefore, any water and/or sewer use tax imposed by any governmental authority, which is directly or indirectly applicable to the Demised Premises.

ARTICLE X  
Liability

Section 1. Indemnity Lessee shall save the Lessor harmless and indemnified from all injury, loss, claims or damage of whatever nature to any person or property in the Demised Premises or about the Property arising from any act or omission of Lessor, or the employees, agents, contractors, suppliers, licensees or invitees of any of the foregoing, except as set forth below.

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Section 2. Lessor's Non-Liability Neither the Lessor nor any agent or employee of the Lessor shall be liable for any damage to the person or property of the Lessee, or of any subtenant, or concessionaire, or of any employee, customer, licensee, invitee, contractor or supplier, or guest of any of the foregoing, except where such damage is attributable to the gross negligence of the Lessor, or Lessor's agents or employees, in the performance or failure to perform any of the obligations of the Lessor under and pursuant to the terms and provisions of this Lease. Without in any way limiting the generality of the foregoing, Lessor, Lessor's agents or employees, shall not be liable, in any event, for any such damage resulting from (a) the interruption to business or damage to property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or snow or leaks from any part of said Demised Premises or the Building, or from the pipes, appliances or plumbing or from dampness or any other cause, or (b) any hidden defect on the Demised Premises or the Building.

**ARTICLE XI**  
**Insurance**

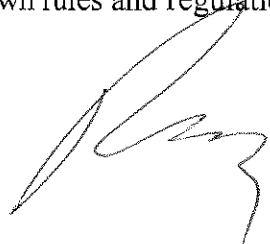
Section 1. Lessor's Casualty and Liability Insurance. The Lessor shall maintain, at all times during the term of this Lease, with respect to the Building, insurance against loss or damage by fire, the so-called extended coverage casualties, coverage for loss of rentals (due to fire or other casualty), and insurance with respect to such other casualties for an amount of not less than one hundred percent (100%) of the full replacement cost and public liability with inclusive limits of not less than Two Million Dollars (\$2,000,000.00) per occurrence in the event of bodily injury or death.

Section 2. Lessee's Insurance The Lessee shall, at its own expense, maintain workman's compensation insurance, and fire and comprehensive casualty insurance of adequate amounts with respect to its own fixtures, merchandise, equipment and other property contained in the Demised Premises. Lessee shall also maintain, during the term of this Lease, at its own expense, comprehensive public liability insurance with responsible companies qualified to do business in Massachusetts which shall insure the Lessor (as a named, insured party), and all persons claiming under the Lessor, as well as the Lessee, against all claims for injuries to persons (including death) and against claims for damages or loss of property occurring in or about the Demised Premises in the amount of at least Two Million Dollars (\$2,000,000.00) per occurrence. The Lessee shall furnish the Lessor with certificates for such insurance prior to the commencement of Lessee's Work as described in Article IV and at least ten (10) days prior to the expiration date of any of such policies. Each policy shall be non-cancelable with respect to the Lessor's interest without at least thirty (30) days prior written notice to the Lessor from the insurer.

**ARTICLE XII**  
**Signs**

Lessee may, at Lessee's expense, attach a sign to the front of the Premises. The sign is subject to Lessor's approval and applicable town rules and regulations.

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ARTICLE XIII  
Assignment or Subletting

The Lessee shall neither assign nor permit any assignment by operation of law or otherwise of this Lease, nor sublet any portion of the Demised Premises or permit occupation of the whole or any part thereof by another by license or otherwise without, on each occasion, first obtaining the Lessor's written consent, in writing and paying any reasonable attorney's fees incurred by Lessor in connection with such assignment, sublet or permitted occupation. Lessor may withhold its consent for any or no reason. If consent is given, Assignee and Lessee shall promptly execute, acknowledge and deliver to Lessor an agreement in form and substance satisfactory to Lessor whereby Assignee shall agree to be bound by and upon all the covenants, obligations, agreements, terms, provisions and conditions set forth in this Lease on the part of Lessee to be performed, and whereby Assignee shall expressly agree that the provisions of this Article XIII shall, notwithstanding such assignment or transfer, continue to be binding upon it with respect to all future assignments and transfers, and in any such event, Lessee shall remain liable for all obligations of Lessee hereunder.

Should Lessee desire to sublet or assign the Premises, Lessee will deliver the name and address of the proposed assignee or subtenant to Lessor, together with such assignee's or subtenant's complete commercially reasonable financial statement, at the time Lessee so requests Lessor's consent. Notwithstanding anything contained herein to the contrary, in the event that Lessee assigns this Lease or sublets the Premises, fifty percent of the Rent and other compensation payable by the assignee or subtenant over and above Lessee's rent (including, but not limited to, Minimum Rent and all other obligations hereunder) under the terms of this Lease, shall be paid to Lessor within 10 days after Lessee receives each such payment from such subtenant or assignee. Any unauthorized attempted transfer, subletting, assignment, license to use, hypothecation or other alienation of this Lease shall be void and shall confer no rights thereto.

No consent by the Lessor to an assignment or sublease shall be deemed to constitute any consent to any further assignment or sublease, or relieve the Lessee from its obligations under this Lease, and Lessee hereby guarantees the prompt and timely payment of all rent, Additional Rent and other charges hereunder. No indulgence or favor at any time granted by the Lessor to Lessee or to anyone claiming under the Lessee, nor acceptance of rent from, or other dealing with, anyone claiming under the Lessee, shall be deemed to be an assignment, sublease or otherwise. The Lessee and all persons claiming under the Lessee shall be deemed to have waived any and all suretyship defenses. Lessor may require as a condition of any assignment or subletting, that the Assignee or sublessee execute an agreement directly with Lessor agreeing to perform and observe all of the obligations of Lessee hereunder and to secure or guarantee such obligations in a manner acceptable to Lessor.

ARTICLE XIV  
Subordination

Section 1. Subordination by Lessee The Lessee shall, from time to time, upon request of the Lessor, subordinate this Lease to any existing and /or future Mortgage, as hereinafter defined, heretofore or hereafter placed upon the Property any part thereof, to

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any renewal, modification, replacement or extension of such Mortgage, and to any and all advances made or to be made thereunder, provided that in the instrument of subordination the Mortgagee agrees, for itself and its successors and assigns, that so long as the Lessee shall not be in default under this Lease, the Mortgagee and its successors and assigns will not disturb the peaceful, quiet enjoyment of the Demised Premises by the Lessee.

Section 2. Estoppels and Notices Lessee will, upon request by Lessor or any Mortgagee, execute and deliver to such party (a) an Estoppel Letter in form satisfactory to such party and (b) a copy of any notice of default delivered by Lessee to Lessor at the same time and in the same manner as to Lessor.

Section 3. Mortgagee Not Liable With reference to any assignment by Lessor of Lessor's interest in this Lease, or the rents and other sums payable hereunder, conditional in nature or otherwise, which assignment is made to a Mortgagee, Lessee agrees that the execution thereof by Lessor, and the acceptance thereof by such Mortgagee, shall not be treated as an assumption by such Mortgagee of any of the obligations of Lessor hereunder, unless such Mortgagee shall, by notice sent to Lessee, specifically otherwise elect. Absent such an election, Lessor shall retain its obligations herein. Nevertheless, Lessee shall, upon receipt of written notice from Lessor and any such Mortgagee to whom Lessor may from time to time assign the rents or other sums due hereunder, make payment of such rents or other sums to such Mortgagee, and the Lessor agrees to credit the Lessee for all of such payments made, unless and until Lessee receives a subsequent written notice to the contrary.

**ARTICLE XV**  
**Self-Help**

If the Lessee shall default in the performance or observance of any agreement or condition in this Lease contained on its part to be performed or observed other than a payment obligation, and shall not cure such default within thirty (30) days after written notice from Lessor specifying the default, Lessor may at any time thereafter, at its option and without waiving any claim for breach of agreement, cure such default for the account of Lessee and make all necessary payments in connection therewith. Any amount paid by Lessor in so doing shall be deemed paid for the account of Lessee and Lessee agrees to promptly reimburse Lessor therefore such sums as Additional Rent; provided that Lessor may cure any such default as aforesaid prior to the expiration of said waiting period but after written notice to Lessee, if the curing of such default prior to the expiration of said waiting period is reasonably necessary to protect the Building or the Property or Lessor's interest therein, or to prevent injury or damage to persons or property.

**ARTICLE XVI**  
**Waiver of Subrogation**

Lessee hereby releases Lessor from any and all liability or responsibility to Lessee (or anyone claiming through or under Lessee by way of subrogation or otherwise) for any loss or damage to property caused by fire or any of the extended coverage or supplementary contract casualties, even if such fire or other casualty shall have been caused by the fault or negligence of Lessor, or anyone for whom Lessor may be

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responsible, and Lessee hereby agrees that it shall cause such a clause or endorsement to be included in its policies.

**ARTICLE XVII**  
**Damage by Fire, Etc.**

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Section 1. Restoration by Lessor If the Demised Premises or the Building shall be damaged or destroyed by fire, windstorm, or other casualty covered by the Lessor's fire insurance policies required to be carried pursuant to the provisions of Article XI hereof, the Lessee shall immediately give notice thereof to the Lessor, and unless this Lease is terminated as hereinafter provided, the Lessor at its own expense shall reasonably promptly repair or rebuild the same so as to restore the Demised Premises to substantially the same condition they were in as of the Rent Commencement Date (excluding any alterations, additions or improvements made by Lessee), subject, however, to zoning and building laws then in existence, provided that the Lessor shall not be responsible for any delay in such repair or reconstruction which may result from any cause beyond its reasonable control and provided further that in no event shall Lessor be obligated to expend for such repair or reconstruction more than the amount of the insurance proceeds (net of all costs and fees incurred by Lessor in collecting the same) received by Lessor on account thereof. In that event, until the Demised Premises are restored by Lessor, the payment of Minimum Rent and Additional Rent and other charges shall cease or be fairly apportioned according to whether the destruction to the Demised Premises or the Building is entire or partial.

Section 2. Termination Rights If either the Demised Premises or the Building shall be damaged or destroyed by fire or other casualty to the extent of twenty percent (20%) or more of the sound insurable value thereof, or if any part of the Demised Premises or the Building shall be damaged by an uninsured casualty by any cause to the extent of twenty percent (20%) or more of its sound insurable value, the Lessor may elect by written notice to the Lessee either to terminate this Lease or to repair or rebuild on the conditions set forth in Article XVII Section 1 above by written notice given within forty five (45) days after such damage or destruction. Notwithstanding anything herein to the contrary, if Lessor elects to repair or rebuild the Demised Premises or the Building, Lessor shall proceed with due diligence; if at any point Lessee concludes that Lessor is not performing as required herein, Lessee may give Lessor written notice thereof, which notice shall be specific with regard to Lessor's perceived failure to perform. Within fourteen (14) days after receipt of Lessee's notice Lessor shall respond to Lessee's concerns in writing. If Lessor's response does not satisfy Lessee that Lessor is using the required diligent efforts, Lessee may send Lessor written notice requesting arbitration (as described in Article XIX below) to determine if Lessor is in default.

Section 3. Lessee's Restoration In the event that the Demised Premises or the Building are damaged or destroyed by any cause described above, then, unless this Lease is terminated as above provided, the Lessee, at its own expense and proceeding with all reasonable dispatch, after receipt of notice from the Lessor that it has elected to repair and rebuild and has, in fact, commenced same, shall repair or replace suitably all alterations, additions, improvements, trade fixtures, equipment, signs or other property installed by or belonging to the Lessee, which shall be damaged or destroyed, in or serving the Demised

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Premises. All such work shall be performed by contractors acceptable to Lessor. However, Lessor shall not unreasonably withhold approval of Lessee's Work and contractor.

Section 4. Cooperation Lessor and Lessee agree to cooperate with each other to enable the prompt repair or replacement of the Demised Premises and the Building arising from any insured loss. Failure by either party to fulfill its obligations hereunder shall be a default under the terms of this Lease. In no event shall Lessee or any person or corporation claiming an interest in the Demised Premises by, through, or under Lessee claim, maintain, or prosecute any action or suit at law or in equity against the Lessor for any loss, cost or damage caused by or resulting from fire or other risk or casualty in the Demised Premises or any part thereof for which Lessee is, may or should be insured under any insurance policy required by the Lease.

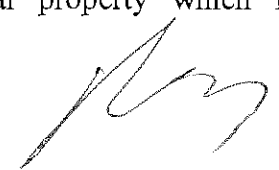
**ARTICLE XVIII**  
**Eminent Domain, Condemnation**

Section 1. Lessor and Lessee Right of Termination. If as a result of any taking by eminent domain which shall be deemed to include a voluntary conveyance in lieu of a taking, the total floor area remaining in the Demised Premises shall be reduced to less than seventy five percent (75%) of the total floor area in the Demised Premises at the Rent Commencement Date, or the Demised Premises shall be permanently deprived of access by motor vehicle to and from a public street or private way, then, at the election of the Lessor or the Lessee, exercisable by written notice given to the other within ninety (90) days after the date of the filing of the notice of such taking, this Lease may be terminated as of the date when the Lessee is required to vacate the Demised Premises or the portion thereof is so taken, or access is so taken, notwithstanding that the entire interest of the party exercising such option may have been divested by such taking. In the event Lessor or Lessee terminate the Lease pursuant to this Section 1, Lessee shall only make such payments for rent or other payments as are due related to periods until and including the date when the Lessee is required to vacate the Demised Premises or the portion thereof is so taken or access is so taken. If, following any such taking, neither the Lessee nor the Lessor terminate this Lease, then the Lessor, at the Lessor's expense, but only to the extent of the award for any such taking, and proceeding with all reasonable dispatch, subject to delays beyond its reasonable control, shall do such work as may be required to put what may remain of the Demised Premises in proper condition for the conduct of the Lessee's business, or to provide alternative access, as the case may be, and the Lessee, at the Lessee's expense and proceeding with all reasonable dispatch, shall make such alterations, repairs and replacements of the alterations, additions, improvements, trade fixtures, equipment, signs or other property installed by or on behalf of or belonging to the Lessee as may be necessary to put the remainder of the Demised Premises in proper condition for the Lessee's business. In that event, the Minimum Rent shall be fairly abated according to the nature, extent, and affect of the taking.

Section 2. Damages. The Lessor reserves all rights to damages to the Building, Property, the Demised Premises and the leasehold hereby created, or awards with respect thereto, then or thereafter accruing, by reason of any taking by eminent domain or by reason of anything lawfully done or required by any public authority, and the Lessee grants to the Lessor all the Lessee's rights, if any, to such damages, except with respect to relocation expenses and the value of Lessee's personal property which may be

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compensated by separate award and shall execute and deliver to the Lessor such further instruments of assignment thereof as the Lessor may from time to time request.

ARTICLE XIX  
Default

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Section 1: Events of Default. The occurrence of any one or more of the following occurrences are Events of Default.

(a) Lessee's failure to make any payment of any installment of Minimum Rent, Additional Rent or other sum herein specified, within eight (8) months after such payment is due during the 1<sup>st</sup> Lease year, four (4) months or more after such payment is due during the 2<sup>nd</sup> Lease year, three (3) months or more after such payment is due during the 3<sup>rd</sup> Lease year, and two (2) months or more after such payment is due during the remainder of the Lease term;

(b) Lessee's failure to observe or perform of any other of the Lessee's covenants, agreements or obligations hereunder, if such failure shall not be corrected within ten (10) days after written notice thereof, or, if Lessee diligently and continuously pursues such cure, but such cure cannot reasonably be cured within ten (10) days, such additional period of time as is reasonably necessary to cure such default;

(c) If any proceedings seeking protection from creditors are instituted by the Lessee or any Guarantor herein, under the Bankruptcy Code or any laws amendatory thereof or supplemental thereto;

(d) If any other proceedings are instituted against the Lessee or any Guarantor under the Bankruptcy Code or any insolvency law and not dismissed within thirty (30) days;

(e) If Lessee or any Guarantor shall execute an assignment of his property for the benefit of his creditors; or

(f) If a receiver or other similar officer for Lessee or any Guarantor shall be appointed and not be discharged within thirty (30) days,

Lessor shall have the right after any Event of Default, to re-enter and take complete possession of the Leased Premises, to terminate this Lease, and remove the Lessee's effects, without prejudice to any remedies which might be otherwise used for arrears of rent or other default.

Section 2: Remedies Upon Default. In the event that this Lease is terminated pursuant to any of the provisions described in Article XIX, Section 1 above or for breach of any obligation of the Lessee, Lessor shall be entitled to immediately exercise all of the rights set forth in the Conditional Assignment of Permits, Licenses and Approvals attached hereto as Exhibit B. Lessor shall also be entitled to the immediate receipt of any and all payments which have been made into the Legal Defense and Default Fund described in Article XXIII. Once the assignment has been completed and Lessor has received the entirety of the Legal Defense and Default Fund (or such portion as has been paid by Lessee immediately prior to

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default), this Lease shall be null and void and with no recourse by either party against the other, except as otherwise specifically set forth herein.

Section 3. Cumulative Remedies All rights and remedies, which the Lessor may have under this Lease, shall be cumulative and shall not be deemed inconsistent with each other, and any two or more of such rights and remedies may otherwise be exercised at the same time insofar as permitted by law. Nothing herein contained shall be construed as limiting or precluding the recovery of Lessor against Lessee of any sums or damages to which, in addition to the damages particularly provided above, Lessor may lawfully be entitled by reason of any default hereunder on the part of Lessee.

Section 4. Lessor's Right to Remedy Lessee's Default If the Lessee shall default 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 Default Interest Rate and costs, shall be paid to the Lessor by the Lessee as Additional Rent.

**ARTICLE XX**  
**Notices**

Any notice or other communication relating to this Lease shall be deemed to be duly given if in writing and sent by registered or certified mail, postage prepaid, return receipt requested, addressed to the party for whom it is intended at such place as shall have been last designated by such party, either in this Article or in a notice given as herein provided as its address for receiving notices hereunder. Until further notice, the Lessor designates David Pyne, 11 Commercial Way, Milford, MA 01757, with a copy to Steven Greenwald, Esquire, Greenwald & Greenwald LLP, 409 Fortune Boulevard, Milford, MA 01757 for such purpose, and the Lessee designates Executive Director, Bay State Relief Inc. 13 Commercial Way, Milford, MA 01757, as its address for such purpose, but the foregoing shall not be deemed to preclude the giving of written notice hereunder in any other manner, in which case the notice shall have been deemed to have been given when actually received by the party for whom designated. Any such notice or communication shall also be deemed properly given when deposited in any post office regularly maintained by the United States Postal Authority.

**ARTICLE XXI**  
**Hazardous Materials**

Lessee shall not use any portion of the Demised Premises for the use, generation, treatment, storage or disposal of Hazardous Material without the express written prior consent of Lessor and, if required, its Mortgagees, and then only to the extent that the presence of the Hazardous Materials is (i) properly licensed and approved by all appropriate governmental officials and in accordance with all applicable laws and

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regulations and (ii) in compliance with any terms and conditions stated in said prior written approvals by the Lessor or its Mortgagees. Lessee shall promptly provide Lessor with copies of all notices received by it, including, without limitation, any notice of violations, notice of responsibility or demand for action from any federal, state or local authority or official in connection with the presence of Hazardous Materials in or about the Demised Premises. In the event of any release of Hazardous Materials by Lessee or its agents, employees or contractors, Lessee shall promptly remedy the problem in accordance with all applicable laws and requirements and shall indemnify and hold the Lessor and its Mortgagees harmless from and against all loss, costs, liability and damage, including attorney's fees and the cost of litigation arising from the presence or release of any Hazardous Materials in or on the Demised Premises, the Common Area, or Common Facilities. The obligations of Lessee under this Article XXI shall survive expiration or termination of this Lease.

**ARTICLE XXII**  
**Cease and Desist Orders**

If either Lessor or Lessee receives a "cease and desist" order or other similar written communication from any state or federal law enforcement agency relating to Lessee's business or use of the property, alleging the illegal production, sale or distribution of marijuana under Massachusetts or United States law, or if Lessee's business is closed, on what is intended by the law enforcement entity responsible for such closure to be a permanent basis, as a result of any federal or state law enforcement action based on an allegation of illegal production, sale or distribution of marijuana under Massachusetts or United States law, at Lessor's option, Lessee shall be deemed to be in default, Lessor shall be entitled to all of the remedies available to Lessor in the event of Lessee's default and the Lease shall be immediately terminated and except as described in Article XIX, Lessee shall have no further liability under the terms of the Lease. Lessor shall not be obligated to go through supplementary process in order to have Lessee and its property removed from the Building.

In such case, Lessee shall have 30 days from the date of written notice from the Lessor, or such lesser amount of time as may be demanded in such a cease and desist or similar communication, to remove all its personal property then situated on the premises, including but not limited to plants, plant growing apparatus or any other fixtures, equipment, seeds or other items involved in the process of planting, growing, harvesting, packaging or selling marijuana. If Lessee has not done so on its own, Lessor may dispose of such items, without having any liability to Lessee. Lessee willingly waives their supplementary process rights in order to allow Lessor the best opportunity to avoid legal or financial problems as a result of Lessee's activities.

**ARTICLE XXIII**  
**Default and Legal Defense Fund**

Within two (2) years after the Rent Commencement Date, Lessee shall deposit \$50,000.00 with Lessor to be forfeited to Lessor pursuant to Article XIX in the event of Lessee's default, to pay for Lessor's legal defense and other expenses incurred by Lessor in the event any potential criminal or civil issues affecting Lessor arise related to Lessee's

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ORIGINAL

use of the Building and to pay or reimburse Lessor for any loss or expense incurred by Lessor as a result of Lessee's failure to perform any of its obligations under this Lease (the "Default and Legal Defense Fund"). Within three (3) years after the Rent Commencement Date, Lessee shall deposit an additional \$150,000.00 for the same purpose. Within four (4) years after the Rent Commencement Date, Lessee shall deposit an additional \$200,000.00 for the same purpose and within five (5) years after the Rent Commencement Date, Lessee shall deposit an additional \$200,000.00 for the same purpose, creating a total fund of \$600,000.00. The funds shall be delivered to Lessor, with all interest earned on such funds being retained by Lessor. Such interest shall not be a credit against any of Lessee's obligations herein. If requested by Lessor, Lessee shall cooperate with Lessor's legal representative(s) in any such legal defense.

The timing of the payments set forth above are only intended to define the latest date by which such payments must be made. Lessee is free to make any or all of such payments more quickly than required.

The Default and Legal Defense Fund, to the extent not used by Lessor for the reasons described above shall be returned to Lessee without interest after Lessee has vacated the Premises in compliance with all requirements herein.

**ARTICLE XXIV**  
**Security**

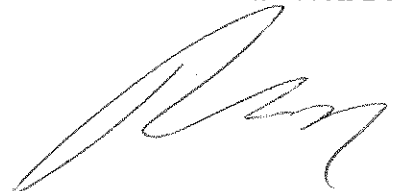
At the time of execution of this Lease, Lessor shall conditionally assign its Certificate of Registration (and any other permits, approvals or other permissive documents as are needed to operate Lessee's business) as security for the performance of its obligations under the Lease. Such assignment shall be in the form attached hereto as Exhibit B. In the event of a default, Lessee shall cooperate in any way needed to effectuate a smooth transfer of the Certificate of Registration (and such other permits, approvals and permissive documents). Upon delivery by Lessee to Lessor of the final installment of the \$600,000 Default and Legal Defense Fund as described in Article XXIII above, the conditional assignment of Lessee's Certificate of Registration shall be returned to Lessee and shall immediately become null, void, and unenforceable.

**ARTICLE XXV**  
**Option**

Provided the Lease is still in effect and Lessee is current on all of its obligations to Lessor, upon written notice to Lessor given by Lessee at least fifteen (15) months prior to the end of the Lease Term, Lessee may advise Lessor that it wishes to extend the Lease Term for five (5) years. If within three (3) months of such notice the parties are able to agree, in writing, on the Minimum Rent for the five year extension, the Lease shall be extended for five (5) years upon all of the terms, conditions and covenants and subject to the same restrictions and exceptions as are set forth in the Lease, except for the change in the Minimum Rent and there shall be no further option to extend. If the parties are unable to agree on the Minimum Rent within said three (3) month period, this option shall be null and void and the Lease shall automatically terminate on the Termination Date.

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ARTICLE XXVI  
Miscellaneous Provisions

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Section 1. No consent or waiver, express or implied, by Lessor to or of any breach in the performance by the Lessee, of its agreements hereunder shall be construed as a consent or waiver to or of any other breach in the performance by the Lessee of the same or any other covenant or agreement. No acceptance by the Lessor of any rent or other payment hereunder, even with the knowledge of any such breach, shall be deemed a waiver thereof nor shall any acceptance of rent or other such payment in a lesser amount than is herein required to be paid by the Lessee, regardless of any endorsement on any check or any statement in any letter accompanying the payment of the same, be construed as an accord and satisfaction or in any manner other than as a payment on account by the Lessee, unless otherwise agreed to in writing. No reference in this Lease to any sublessee, licensee or concessionaire, or acceptance by the Lessor of any payment due hereunder from other than the Lessee shall be construed as a consent by the Lessor to any assignment or subletting by the Lessee, or give to the Lessee any right to permit another to occupy any portion of the Demised Premises except as herein expressly provided. No waiver by the Lessor in respect of any one tenant shall constitute a waiver with respect to any other tenant. Failure on the part of the Lessor to complain of any action or non-action on the part of the Lessee or to declare the Lessee in default, no matter how long such failure may continue, shall not be deemed to be waiver by the Lessor of any of its rights hereunder.

Section 2. In no case shall mention of specific instances under a more general provision be construed to limit the generality of said provisions.

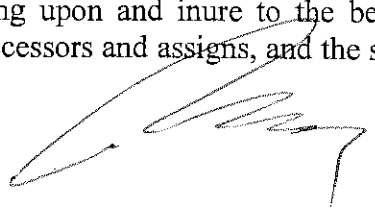
Section 3. If the Lessee continues to occupy the Demised Premises after the expiration or earlier termination hereof, it shall have no more rights than a tenant at sufferance, but shall be liable for one and one half (1 ½) times the aggregate rental then payable under this Lease for the period of such occupancy, and shall be liable for any loss or expense incurred by Lessor due to such holding over. Nothing in this section shall be construed to permit such holding over.

Section 4. If any provision of this Lease or the application thereof to any person or circumstance shall be to any extent invalid or unenforceable, the remainder of this Lease and its application to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 5. Lessor agrees that upon Lessee's paying the rent and performing and observing the agreements, conditions and other provisions on its part to be performed and observed, Lessee shall and may peaceably and quietly have, hold and enjoy the Demised Premises and the appurtenant rights thereto as set forth in this Lease during the term of this Lease without any manner of hindrance or molestation from Lessor or anyone claiming under Lessor, subject, however, to the rights of holders of present and future Mortgages, and to the terms and provisions of the Lease.

Section 6. The conditions and agreements in this Lease contained to be kept and performed by the parties hereto shall be binding upon and inure to the benefit of said respective parties, their legal representatives, successors and assigns, and the same shall be

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construed as covenants running with the land. Wherever in this Lease reference is made to either of the parties, it shall be held to include and apply to the successors and assigns of such party as if in each case so expressed, unless the context requires otherwise and regardless of the number or gender of such party.


  
ORIGINAL

Section 7. This Lease shall constitute the only agreement between the parties relative to the Demised Premises and no oral statements and no prior written matter not specifically incorporated herein shall be of any force or effect. In entering into this Lease, the Lessee relies solely upon the representations and agreements contained herein. This agreement shall not be modified except by a writing executed by both parties.

Section 8. The section and article headings throughout this instrument are for convenience and reference only and the words contained therein shall in no way be held to limit, define or describe the scope or intent of this Lease or in any way affect this Lease.

Section 9. The Lessor shall not be liable for a delay or failure in the commencement, performance or completion of any of its obligations hereunder where such delay or failure is attributable to strikes or other labor conditions, inability or difficulty in obtaining materials or services, wars, delays due to weather, or other cause beyond the reasonable control of the Lessor and in no event shall the Lessor be liable for incidental or consequential damages.

Section 10. If the Lessor shall at any time be an individual, joint venture, tenancy in common, firm or partnership (general or limited), or a trust or trustees of a trust, it is specifically understood and agreed that there shall be no personal liability of the Lessor or any joint venture, tenant, partner, trustee, shareholder, beneficiary or holder of a beneficial interest thereof under any of the provisions hereof or arising out of the use or occupation of the Demised Premises by Lessee. In the event of a breach or default by Lessor of any of its obligations hereunder, Lessee shall look solely to Lessor's casualty and liability insurance for the satisfaction of Lessee's remedies, and it is expressly understood and agreed that Lessor's liability under the terms, covenants, conditions, warranties and obligations of this Lease shall in no event exceed the insurance proceeds which may be available. It is further understood and agreed that the liability of any party who is a Lessor (whether the original Lessor or any successor Lessor) shall be limited to defaults occurring or arising during the period for which such party shall have been a Lessor, and such party shall not be liable for defaults occurring or arising at any time before such party obtained its interest as Lessor or after such party disposed of its interest as Lessor.

 Section 11. Lessee warrants and represents that, other than David Consigli (who is to be paid \$52,955.00 only if and when: 1) the parties are able to come to terms on a Lease and 2) Lessee receives its Certificate of Registration), no brokers have either shown or referred Lessee to the Premises, and Lessee will indemnify, defend and save Lessor harmless from all claims for commission or other expenses related to such a claim, including but not limited to attorney fees, made by any other broker who alleges he/she showed or referred Lessee to the Premises. Lessor will be responsible for making the above payment to David Consigli and Lessee shall reimburse Lessor for the full amount (\$52,955.00) on or before November 1, 2015.

Section 12. Employees or agents of Lessor have no authority to make or agree to make a Lease or any other agreement or undertaking in connection herewith. The

submission of this document for examination and negotiation does not constitute an offer to Lease, or a reservation of, or option for, the Demised Premises, and this document shall become effective and binding only upon the execution and delivery hereof by both Lessor and Lessee.

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Section 13. On the Rent Commencement Date, Lessee shall prepay the first three (3) months of rent (Minimum Rent, CAM charges and real estate taxes).

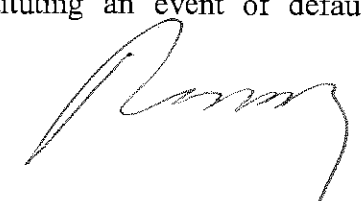
Section 14. The Lessee shall at all times maintain a contract, with a company acceptable to Lessor, to provide for the normal and routine maintenance and service of the heating and air conditioning facilities serving the Demised Premises. Such maintenance shall take place no less frequently than once every six months. Lessee shall also have such company make all necessary repairs and replacements to said heating and air conditioning facilities. Promptly upon the completion of any and all such work, Lessee shall provide Lessor with evidence thereof by delivering to Lessor a copy of the paid invoice for such work. Lessee shall also send Lessor a copy of each new maintenance contract (and evidence of payment for such contract) prior to the expiration of the then current contract. All of the above shall be at Lessee's expense.

Section 15. If Lessor makes any expenditures, including but not limited to architectural, engineering or attorney's fees or incurs any obligations for the payment of money in connection with any proposed assignment or subletting (whether the assignment or subletting is approved or not), or for any other matter for which Lessor's approval or permission is sought, or if Lessor incurs any loss or expense performing Lessee's obligations which Lessee fails to timely perform (such as those set forth in Article XXVI, Section 14), which Lessor is hereby permitted to do prior to or after a default, or if Lessor incurs attorneys fees in attempts to enforce Lessee's obligations under this Lease or if Lessor incurs any expenses by virtue of giving Lessee written notice of or taking subsequent action regarding Lessee's failure to observe or perform any of Lessee's covenants, agreements or obligations hereunder, which failure would become a default if not timely cured, such sums paid or costs or obligations incurred, including but not limited to attorney's fees, with interest at the Default Interest Rate, shall be paid to Lessor by Lessee as Additional Rent immediately upon demand therefore.

Section 16. All claims or disputes between Lessee and Lessor arising out of or related to this agreement shall be adjudicated in accordance with the rules of the American Arbitration Association ("AAA") then in effect, except in the case of a conflict between said rules and this agreement, in which case this agreement shall control. There will be one arbitrator, with a background consistent with the nature of the dispute, who will be selected by agreement of the parties from a list provided by AAA. Failing such agreement, AAA will select the arbitrator with the qualifications set forth herein. The parties shall split all costs of arbitration equally, including initiation and administration fees and the fee of the arbitrator. Each party shall pay its own attorney's fees in connection with the dispute. The decision of the arbitrator shall be binding on both parties.

Section 17. If, during the first Lease Year, any payment of Minimum Rent is not received by Lessor within ten (10) days after it is due, Lessee shall present a current statement of Lessee's business line of credit ("Credit Line") to Lessor within said ten (10) day period. If the amount of available credit on the Credit Line is more than three hundred thousand dollars (\$300,000.00), the time period constituting an event of default as

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provided in Article XIX(1)(a) herein, shall be reduced from eight (8) months to four (4) months. Lessee represents that one million dollars (\$1,000,000.00) is available through the Credit Line.

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**ARTICLE XXVII**  
**Exhibits**

Exhibits A and B attached hereto, are incorporated herein by reference.


- A - Plan (the Building and the Property)
- B - Conditional Assignment of Permits, Licenses and Approvals


IN WITNESS WHEREOF, the parties hereto have executed this Lease under seal on the day and year first above written.

CORNER BROOK, LLC

  
BY: David Pyne, Manager (LESSOR)

BAY STATE RELIEF INC.

  
BY: Armand Riendeau, President (LESSEE)

  
BY: Andrew Gold, Treasurer (LESSEE)

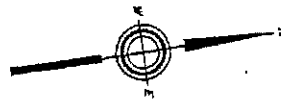
# Exhibit "A"

SUBDIVISION PLAN OF LAND IN MILFORD

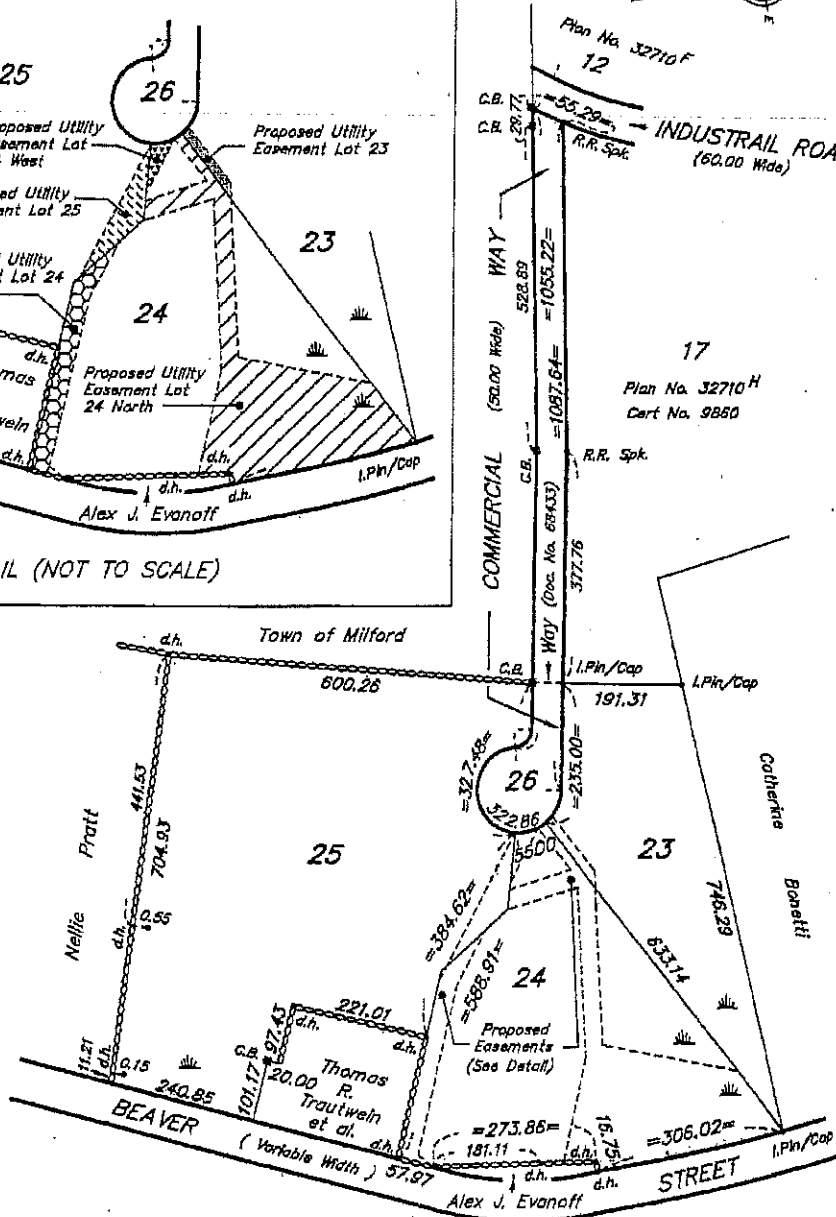
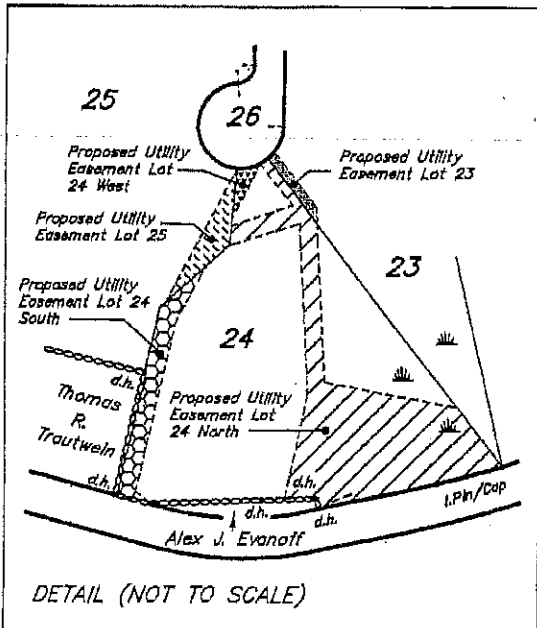
Guerriere & Halmon, Inc., Surveyors

November 18, 2003

32710 J



ORIGINAL



Subdivision of Lots 18, 19, 20, 21 and 22  
Shown on Plan 32710-I  
Filed with Cert. of Title No. ....  
Worcester Registry District of Worcester County

Separate certificates of title may be issued for land  
shown hereon as Lots 23, 24, 25 and 26  
By the Court.

*Deborah J. Patterson*  
Recorder

October 27, 2004

ST-080W

WORCESTER REGISTRY  
DISTRICT  
RECEIVED FOR REGISTRATION

NOV 16 2004

*B. O'Clock*  
Noted on Certificate No. 17663  
Registration Book 24

Abutters are shown as  
on original decree plan.

Copy of part of plan  
filed in  
**LAND REGISTRATION OFFICE**  
Sept. 16, 2004

Scale of this plan 200 feet to an inch  
G.T. Capellanis, Engineer for Court

*mf*

*AG*

*[Handwritten signature]*

**EXHIBIT B**

**CONDITIONAL ASSIGNMENT OF PERMITS, LICENSES AND APPROVALS**

1. Definitions:

The terms used below shall have the meaning there indicated. All other terms are defined in the Lease, dated the date hereof, between Corner Brook, LLC and Bay State Relief Inc. for the property located at 13 Commercial Way, Milford, Worcester County, Massachusetts (the "Lease"), unless otherwise defined in this Assignment.

Date: \_\_\_\_\_, 2013

Assignor: Bay State Relief Inc.

Assignee: Corner Brook, LLC

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Permits, Licenses  
and Approvals:

All Permits, Licenses and Approvals (including but not limited to Lessee's Registered Marijuana Dispensary Certificate of Registration) in any way related to the property located at 13 Commercial Way, Milford, Worcester County, Massachusetts.

2. Conditional Assignment.

In consideration of and as an inducement to Assignee entering into the Lease with Assignor, and for other good valuable consideration, the receipt and sufficiency of which Assignor acknowledges, Assignor agrees that upon an Event of Default as defined in the Lease, Assignor shall immediately inform the Massachusetts Department of Public Health ("MDPH") that Assignor intends to assign and transfer to Assignee all of its rights in the Permits, Licenses and Approvals as they now exist or as they may hereafter be issued or amended, and intends to assign all rights Assignor may have against any local, state or federal board, agency or authority with reference to that certain parcel of land with the building thereon known as 13 Commercial Way, Milford, Worcester County, Massachusetts, and shown as Lot 24 on Exhibit A attached hereto and hereby made a part hereof ("Premises"). Assignor shall immediately take any and all steps to initiate any process required by the MDPH to effectuate an assignment and transfer of its Permits, Licenses and Approvals, and Assignee shall fulfill any and all requirements to insure a timely and complete transfer of all Permits, Licenses and Approvals to Assignee. Both Parties represent and warrant that they understand and agree that an assignment of registration to operate a Registered Marijuana Dispensary is dependent upon approval by the MDPH.

3. Obligations Secured.

This Conditional Assignment is made to secure the payment and performance of all of Assignor's obligations pursuant to the Lease (the "Obligations").

4. Termination of Assignment.

This Conditional Assignment shall terminate upon the expiration of the Lease and performance of all of the Obligations or upon receipt by Assignee of the full amount of funds to be used for a security deposit as described in Article XXIV of the Lease.

*AM*

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5. Representations, Warranties, and Agreements.

Assignor represents, warrants and agrees that:

- a. Permits, Licenses and Approvals are in full force and effect and have not been amended or modified or are in the process of being approved;
- b. There are no defaults under the Permits, Licenses and Approvals by any party thereto;
- c. Assignor has not assigned or pledged the Permits, Licenses and Approvals and will not do so without Lender's prior written consent;
- d. Assignor will not amend or terminate the Permits, Licenses or Approvals;
- e. Assignor will perform all of its obligations under the Permits, Licenses and Approvals in a timely manner; and
- f. Assignor will immediately give Assignee copies of any notices of default which Assignor receives from local, state or federal Boards, Agencies or other authorities.

6. Defaults.

The occurrence of any one or more of the following shall be an "Event of Default":

- a. The occurrence of an Event of Default under the Lease;
- b. Any of the representations or warranties of Assignor in this Agreement are found to have been untrue when made;
- c. Assignor fails to perform any of its obligations under this Assignment.

7. Assignee's Rights on Default.

- a. At any time after the occurrence of an Event of Default, Assignee at its option may:
  - (1) exercise all rights under the Permits, Licenses and Approvals which Assignor could exercise, such exercise to be unaffected by defaults of Assignor under the Permits, Licenses and Approvals to the extent permitted by law;
  - (2) amend, terminate and otherwise deal with the Permits, Licenses and Approvals;
  - (3) cure any default of Assignor under the Permits, Licenses and Approvals.
- b. Assignee shall have no obligation under the Permits, Licenses and Approvals until, and only so long as, Assignee elects to assume obligations thereunder. Assignee shall have no obligation to continue to exercise any rights under the Permits, Licenses and Approvals.
- c. Assignee may exercise its rights in its own name, in the name of another entity or in the name of Assignor as it deems necessary.

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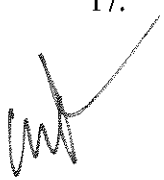
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*[Signature]*

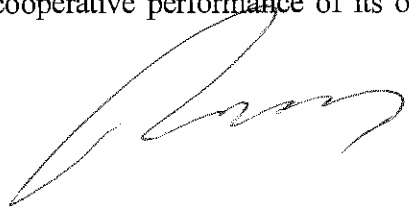
8. Cooperation.  
Assignor shall fully cooperate with Assignee to the extent needed to effectuate a smooth and efficient transfer of the Permits, Licenses and Approvals.
9. Captions.  
Captions are used for convenience of reference only and not to be construed as part of the terms of this Assignment.

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10. Severability.  
The invalidity of any provision of this Assignment shall in no way effect the validity of any other provision.
11. Singular and Plural.  
Where required by the context the singular shall include the plural and the plural shall mean the singular.
12. Gender.  
The masculine, feminine and neuter forms shall be interpreted interchangeably wherever the context requires.
13. Successors and Assigns.  
This Assignment is binding upon and shall inure to the benefit of the parties hereto and their heirs, successors, personal representatives and assigns.
14. Notices.  
All notices given hereunder shall be in writing and shall be deemed received at the earlier of when delivered in hand or seventy-two hours after the same have been deposited in the United States mails, return receipt requested, addressed to the parties at their addresses appearing on the first page hereof, or to such other address or addresses as the parties may from time to time specify by notice so given.
15. Governing Law.  
This Assignment shall be interpreted in accordance with and governed by the law of the Commonwealth of Massachusetts.
16. Changes in Writing.  
This Assignment may not be changed, waived, or terminated except in a writing signed by the party against whom enforcement of the change, waiver, or termination is sought.
17. Costs and Attorney's Fees.  
To the extent permitted by law, if Assignee retains an attorney to enforce any of the provisions hereof, Assignor agrees to pay Assignee, on demand, all costs and expenses in connection therewith including all court costs and reasonable attorney's fees whether or not suit is brought or prosecuted to completion. This provision shall not apply, however, to costs or expenses incurred pursuant to Assignor's cooperative performance of its obligations as described herein.



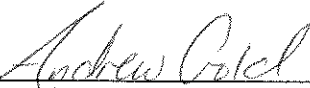
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EXECUTED AS A SEALED INSTRUMENT THE DATE AND YEAR FIRST ABOVE WRITTEN.

BAY STATE RELIEF INC.

  
BY: Armand Riendeau, President (Assignor)

  
BY: Andrew Gold, Treasurer (Assignor)

COMMONWEALTH OF MASSACHUSETTS

WORCESTER, ss.

On this \_\_\_\_ day of \_\_\_\_\_, 2013, before me, the undersigned notary public, personally appeared and proved to me through satisfactory evidence of identification, which was personal knowledge, to be the person whose name is signed above and acknowledged to me that he signed it voluntarily for its stated purpose as.

\_\_\_\_\_  
- Notary Public  
*MY COMMISSION EXPIRES:*

COMMONWEALTH OF MASSACHUSETTS

WORCESTER, ss.

On this \_\_\_\_ day of \_\_\_\_\_, 2013, before me, the undersigned notary public, personally appeared and proved to me through satisfactory evidence of identification, which was personal knowledge, to be the person whose name is signed above and acknowledged to me that he signed it voluntarily for its stated purpose as .

\_\_\_\_\_  
- Notary Public  
*MY COMMISSION EXPIRES:*

AG  




# Exhibit "A"

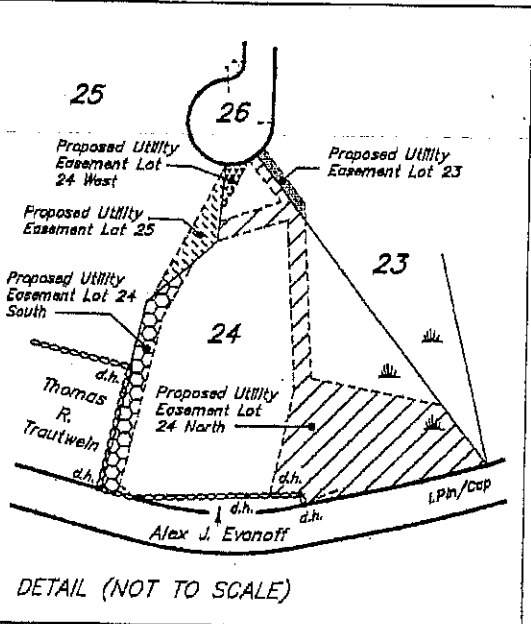
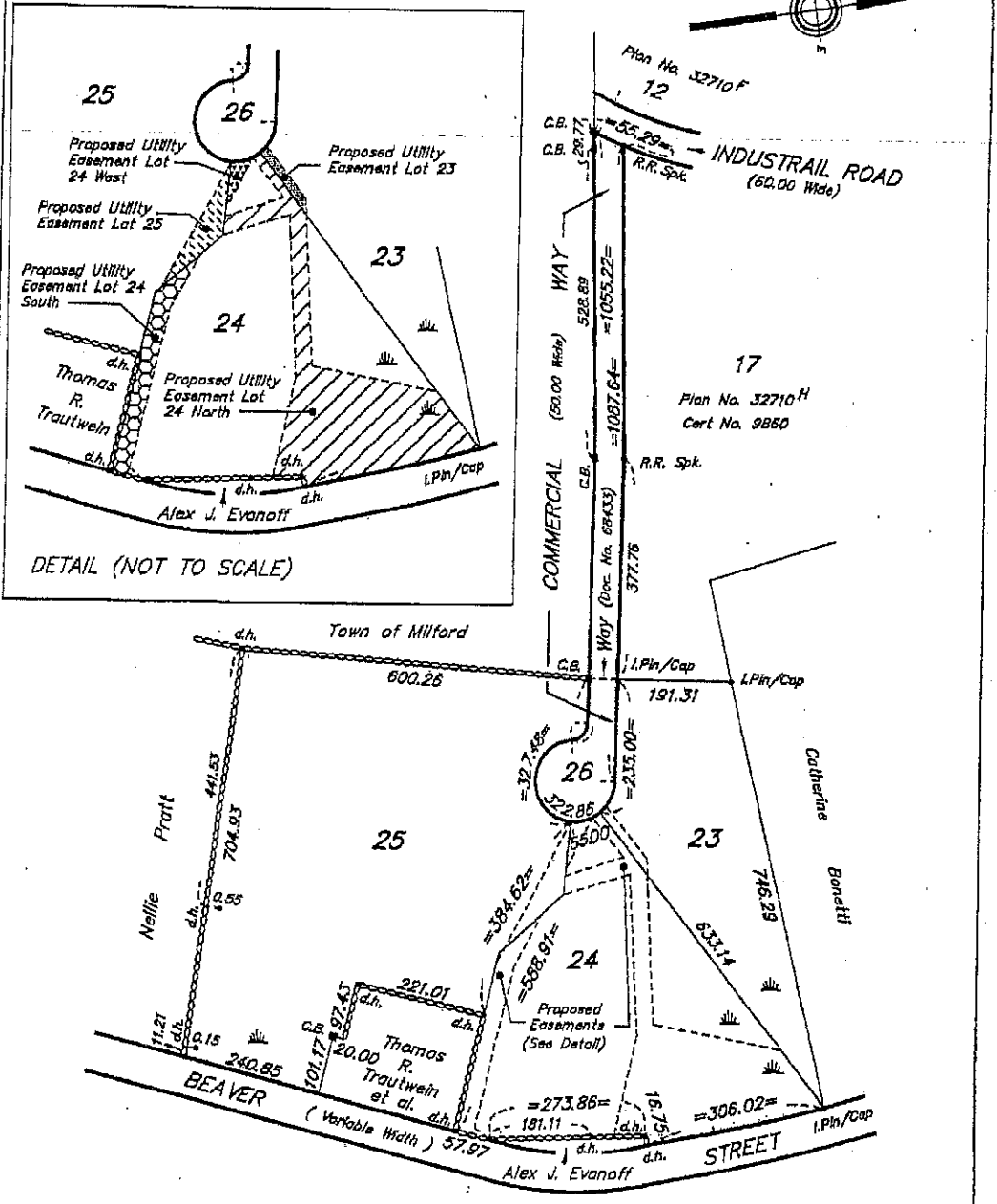
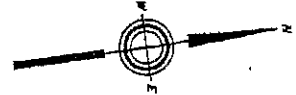
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## SUBDIVISION PLAN OF LAND IN MILFORD

Guerriere & Hainon, Inc., Surveyors

November 18, 2003

32710 J



DETAIL (NOT TO SCALE)

Subdivision of Lots 18, 19, 20, 21 and 22  
Shown on Plan 32710-I  
Filed with Cert. of Title No. ....  
Worcester Registry District of Worcester County

Separate certificates of title may be issued for land shown hereon as Lots 23, 24, 25 and 26  
By the Court.

*Deborah J. Patterson*  
Recorder

October 27, 2004  
ST-060W

WORCESTER REGISTRY  
DISTRICT  
RECEIVED FOR REGISTRATION

NOV 16 2004

*3 09:00 PM*  
Noted on Certificate No. 12673  
Registration Book 74

Abutters are shown as  
on original decree plan.

Copy of part of plan  
filed in  
**LAND REGISTRATION OFFICE**  
Sept. 16, 2004  
Scale of this plan 200 feet to an inch  
G.T. Copelants, Engineer for Court

AG

*[Handwritten signature]*

5. Representations, Warranties, and Agreements.

Assignor represents, warrants and agrees that:

- a. Permits, Licenses and Approvals are in full force and effect and have not been amended or modified or are in the process of being approved;
- b. There are no defaults under the Permits, Licenses and Approvals by any party thereto;
- c. Assignor has not assigned or pledged the Permits, Licenses and Approvals and will not do so without Lender's prior written consent;
- d. Assignor will not amend or terminate the Permits, Licenses or Approvals;
- e. Assignor will perform all of its obligations under the Permits, Licenses and Approvals in a timely manner; and
- f. Assignor will immediately give Assignee copies of any notices of default which Assignor receives from local, state or federal Boards, Agencies or other authorities.

6. Defaults.

The occurrence of any one or more of the following shall be an "Event of Default":

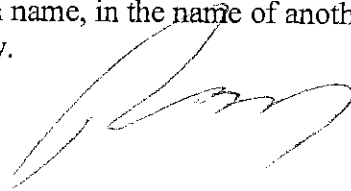
- a. The occurrence of an Event of Default under the Lease;
- b. Any of the representations or warranties of Assignor in this Agreement are found to have been untrue when made;
- c. Assignor fails to perform any of its obligations under this Assignment.

7. Assignee's Rights on Default.

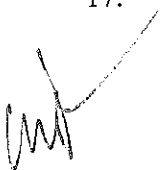
- a. At any time after the occurrence of an Event of Default, Assignee at its option may:
  - (1) exercise all rights under the Permits, Licenses and Approvals which Assignor could exercise, such exercise to be unaffected by defaults of Assignor under the Permits, Licenses and Approvals to the extent permitted by law;
  - (2) amend, terminate and otherwise deal with the Permits, Licenses and Approvals;
  - (3) cure any default of Assignor under the Permits, Licenses and Approvals.
- b. Assignee shall have no obligation under the Permits, Licenses and Approvals until, and only so long as, Assignee elects to assume obligations thereunder. Assignee shall have no obligation to continue to exercise any rights under the Permits, Licenses and Approvals.
- c. Assignee may exercise its rights in its own name, in the name of another entity or in the name of Assignor as it deems necessary.

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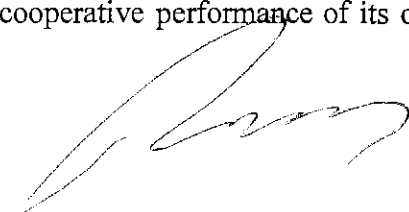
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8. Cooperation.  
Assignor shall fully cooperate with Assignee to the extent needed to effectuate a smooth and efficient transfer of the Permits, Licenses and Approvals.
9. Captions.  
Captions are used for convenience of reference only and not to be construed as part of the terms of this Assignment.
10. Severability.  
The invalidity of any provision of this Assignment shall in no way effect the validity of any other provision.
11. Singular and Plural.  
Where required by the context the singular shall include the plural and the plural shall mean the singular.
12. Gender.  
The masculine, feminine and neuter forms shall be interpreted interchangeably wherever the context requires.
13. Successors and Assigns.  
This Assignment is binding upon and shall inure to the benefit of the parties hereto and their heirs, successors, personal representatives and assigns.
14. Notices.  
All notices given hereunder shall be in writing and shall be deemed received at the earlier of when delivered in hand or seventy-two hours after the same have been deposited in the United States mails, return receipt requested, addressed to the parties at their addresses appearing on the first page hereof, or to such other address or addresses as the parties may from time to time specify by notice so given.
15. Governing Law.  
This Assignment shall be interpreted in accordance with and governed by the law of the Commonwealth of Massachusetts.
16. Changes in Writing.  
This Assignment may not be changed, waived, or terminated except in a writing signed by the party against whom enforcement of the change, waiver, or termination is sought.
17. Costs and Attorney's Fees.  
To the extent permitted by law, if Assignee retains an attorney to enforce any of the provisions hereof, Assignor agrees to pay Assignee, on demand, all costs and expenses in connection therewith including all court costs and reasonable attorney's fees whether or not suit is brought or prosecuted to completion. This provision shall not apply, however, to costs or expenses incurred pursuant to Assignor's cooperative performance of its obligations as described herein.






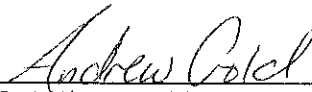


EXECUTED AS A SEALED INSTRUMENT THE DATE AND YEAR FIRST ABOVE WRITTEN.

BAY STATE RELIEF INC.

  
BY: Armand Riendeau, President (Assignor)

 ORIGINAL

  
BY: Andrew Gold, Treasurer (Assignor)

COMMONWEALTH OF MASSACHUSETTS

WORCESTER, ss.

On this \_\_\_\_ day of \_\_\_\_\_, 2013, before me, the undersigned notary public, personally appeared and proved to me through satisfactory evidence of identification, which was personal knowledge, to be the person whose name is signed above and acknowledged to me that he signed it voluntarily for its stated purpose as.

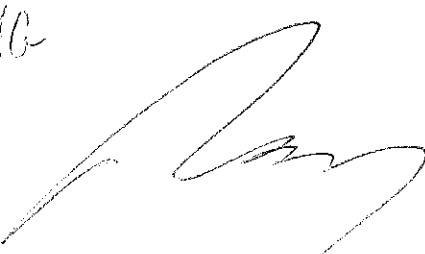
\_\_\_\_\_  
- Notary Public  
MY COMMISSION EXPIRES:

COMMONWEALTH OF MASSACHUSETTS

WORCESTER, ss.

On this \_\_\_\_ day of \_\_\_\_\_, 2013, before me, the undersigned notary public, personally appeared and proved to me through satisfactory evidence of identification, which was personal knowledge, to be the person whose name is signed above and acknowledged to me that he signed it voluntarily for its stated purpose as .

\_\_\_\_\_  
- Notary Public  
MY COMMISSION EXPIRES:

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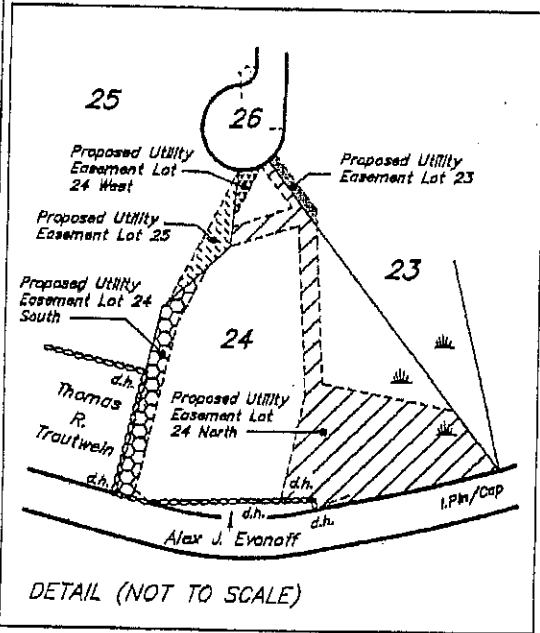
# Exhibit "A"

SUBDIVISION PLAN OF LAND IN MILFORD

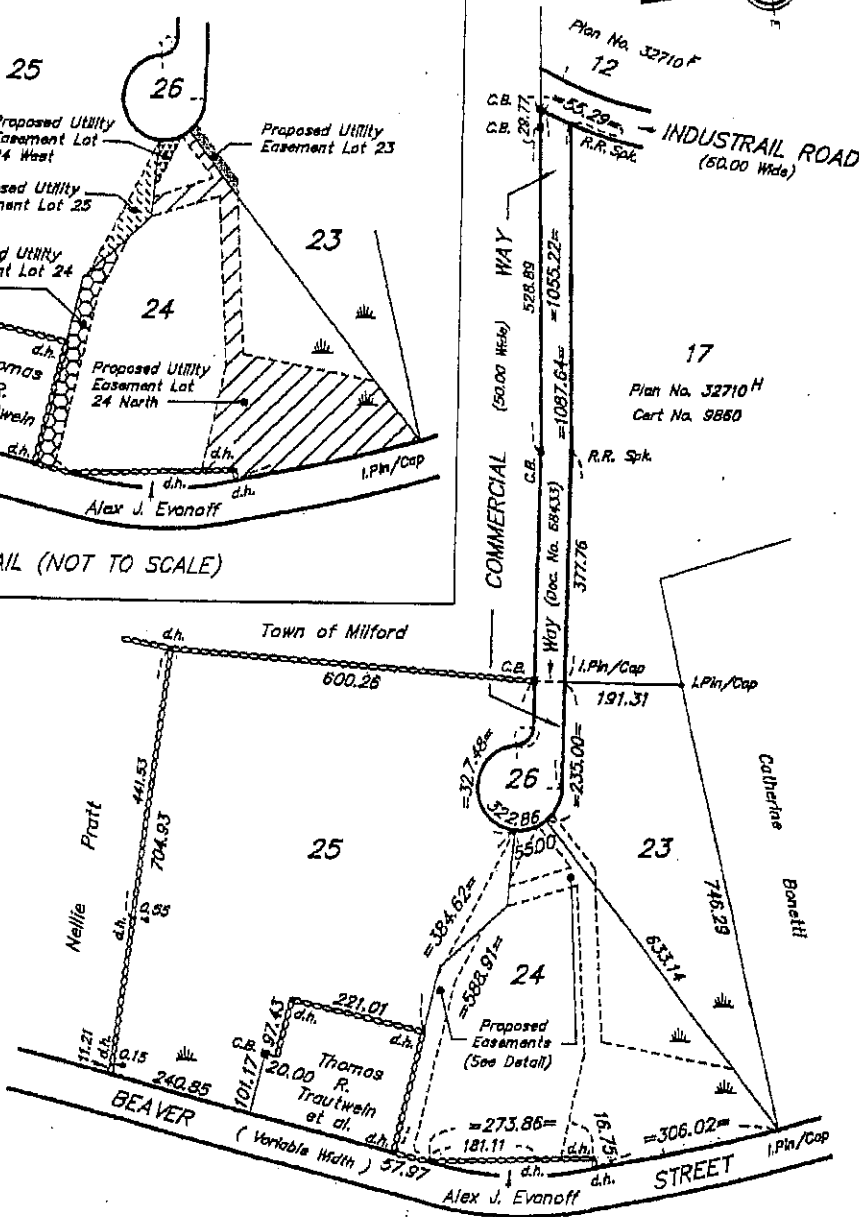
Guerriere & Halnon, Inc., Surveyors

November 18, 2003

32710 J



DETAIL (NOT TO SCALE)



ORIGINAL

Subdivision of Lots 18, 19, 20, 21 and 22  
Shown on Plan 32710- I  
Filed with Cert. of Title No. . . . .  
Worcester Registry District of Worcester County

Separate certificates of title may be issued for land  
shown hereon as Lots 23, 24, 25 and 26  
By the Court

*Deborah J. Patterson*  
Recorder

October 27, 2004

ST-050W

WORCESTER REGISTRY  
DISTRICT  
RECEIVED FOR REGISTRATION

NOV 16 2004

3 O'CLOCK P.M.  
Noted on Certificate No. 15673  
Registration Book 74

Abutters are shown as  
on original decree plan.

Copy of part of plan  
filed in  
LAND REGISTRATION OFFICE  
Sept. 18, 2004

Scale of this plan 200 feet to an inch  
G.T. Capellanis, Engineer for Court

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*[Handwritten signature]*



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**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 Relief, Inc. Application # (if more than one): \_\_\_\_\_

| Physical Address                      | County    | Type of Evidence Attached |
|---------------------------------------|-----------|---------------------------|
| 13 Commercial Way<br>Milford MA 01757 | Worcester | Signed Lease Agreement    |
|                                       |           |                           |

LEASE

This Indenture made this 15<sup>th</sup> day of November, 2013, by and between CORNER BROOK, LLC, a Massachusetts limited liability company established under the laws of the Commonwealth of Massachusetts and having its usual place of business at 11 Commercial Way, Milford, County of Worcester, Massachusetts 01757 (hereinafter with its successors and assigns called the "Lessor") and BAY STATE RELIEF INC. a Massachusetts non-profit corporation having its usual place of business at 435 Worcester Road, Framingham, Massachusetts (hereinafter with their successors and assigns called the "Lessee").

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WITNESSETH

In consideration of the rents and covenants herein contained on the part of the Lessee to be paid, performed and observed, the Lessor hereby leases to the Lessee and the Lessee hereby leases from the Lessor, subject to the terms and provisions hereinafter set forth, certain premises defined as the "Demised Premises", located at 13 Commercial Way, Milford, Worcester County, Massachusetts.

ARTICLE I

Reference Data: Demised Premises

Section 1. Definitions. Each reference in this Lease to any of the terms and titles contained or defined in this Article shall be deemed and construed to incorporate the matters set forth following such term or title in this Article unless the context clearly indicates otherwise:

Term

Definition

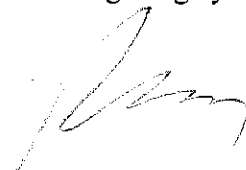
(a) Common Areas:

Those portions of the Property, as they may from time to time exist, which are open generally to the public or to the tenants thereof, including without limitation, sidewalks, parking areas, driveways, service areas, malls, landscaped areas and the like. No representation is hereby made concerning the existence or continuance of any Common Area, all of which the Lessor reserves the right to alter, modify, enlarge, decrease or discontinue, as Lessor, in its sole judgment, shall deem necessary or desirable, provided such changes do not prohibit or materially interfere with Lessee's use of the Demised Premises as provided herein.

(b) Common Facilities:

All of Lessor's equipment (except such equipment used exclusively by a tenant in the Building), systems and facilities within, or used in connection with the operation of the Property, or any part or parts thereof, including without limitation, all building exterior walls, roofs and other structural elements of the Building or buildings upon the Property from time to time, all pipes, wires, conduits, sanitary sewer, storm drains, generators, air conditioning and heating equipment and lighting system,

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including without limitation all of the same within the Demised Premises or upon the roof of the Demised Premises.



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- (c) Default Interest Rate: If any payment of Minimum Rent, Additional Rent or other sum due under this Lease is not paid when due (i) such overdue amount shall thereafter bear interest until paid in full at a rate per annum equal to four (4%) above the prime rate announced from time to time by the Wall Street Journal, or if there is no such newspaper, then such other nationally recognized business newspaper selected by Lessor, but not in excess of the highest legal rate.
- (d) The Demised Premises, the Building and the Property: The "Demised Premises" is all of the floor area (approximately 24,920 square feet) located within the building (the "Building"). The Building, the Common Areas and the Common Facilities are situated on a parcel of land, shown as Lot 24 on Exhibit A attached hereto, all of which are collectively referred to herein as the "Property".
- (e) Hazardous Materials: "Oil", "hazardous materials", "hazardous waste", or "hazardous substances", as such terms are defined under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq., as amended, the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §6901 et seq., as amended, and the regulations promulgated thereunder, and all applicable federal, state and local laws, rules and regulations, including, without limitation, Massachusetts General Laws, Chapters 21C and 21E (the "Superfund and Hazardous Waste Laws").
- (f) Late Payment Charge: If any payment of Minimum Rent, Additional Rent or other sum due under this Lease is not paid when due, Lessee shall pay Lessor twenty (\$20.00) dollars per day accruing from the due date of such payment to the date of actual receipt of such payment.
- (g) Lease Commencement Date: The Lease Commencement Date is the date that this Lease is executed by and delivered to Lessor and Lessee. Lessee's obligations under the Lease do not vest, however, and shall not be binding on Lessee, unless and until Lessee is issued a final registration to operate a Registered Marijuana Dispensary by the Massachusetts Department of Public Health (MDPH). If the Lease has not become binding by May 1, 2014, upon written notice to Lessee, Lessor may terminate the Lease without recourse to either party. If Lessee is advised in writing that it is not granted a registration to operate a Registered Marijuana Dispensary by the MDPH or that its

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*[Handwritten signature]*



application for a Certificate of Registration has been denied, Lessee shall promptly give Lessor written notice thereof. Such notice shall automatically terminate the Lease, without recourse to either party.

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(h) Lease Year:

Each period of twelve (12) consecutive calendar months during the Lease Term starting on the Rent Commencement Date, except that if the Rent Commencement Date is not on the first day of a month, the first Lease Year shall begin on the first day of the calendar month next following the Rent Commencement Date.

(i) Lessee's Initial Monthly Payments on Account of Lessor's Property & Building CAM Costs & on Account of Real Estate Taxes:

\$4,360.00 per month, subject to adjustment as provided in Article V, Section 3, for Lessor's CAM Costs; and Article III, Section 2, for real estate taxes

(j) Lessee's Percentage Share of Property and Building CAM Costs and Real Estate Taxes:

As Lessee is leasing the entire Building, Lessee is responsible for 100% of the Property and Building common area maintenance charges and real estate taxes for any Lease Year or Tax Year.

(k) Minimum Rent:

| <u>Period Covered</u>   | <u>Minimum Annual Rent</u> | <u>Minimum Monthly Rent</u>               |
|---|----------------------------|---|
| From the Rent Commencement date until the start of the First Lease Year | \$186,900.00               | \$15,575.00<br>prorated for partial month |
| Year 1  | \$186,900.00               | \$15,575.00                               |
| Year 2  | \$236,740.00               | \$19,728.33                               |
| Years 3-12  | \$299,040.00               | \$24,920.00                               |

(l) Mortgage & Mortgagee:

For purposes hereof, the term Mortgage shall mean any real estate mortgage, ground lease, deed of trust or any other security agreement or indenture affecting the Property or the Premises; the term Mortgagee shall mean the holder of any such real estate mortgage, any ground lessor or any trustee or holder of any such deed of trust, security agreement or indenture.

(m) Permitted Use:

Lessee shall use and occupy the Premises for the cultivation, processing, storage, packaging, and/or sale of cannabis in accordance with an Act for the Humanitarian Medical Use of Marijuana (MA S.L. Ch. 369), and Massachusetts Department of Public Health ("MDPH") Regulations (105 CMR 725.000 et seq.)

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subject, however, to zoning and other regulatory requirements and to the limitation set forth in Article VII herein.

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(n) Rent Commencement Date: 30 days after Lessee receives a final registration to operate a Registered Marijuana Dispensary (RMD) from the MDPH, or March 1, 2014, whichever is earlier except that if Lessee has been selected to receive a registration and has paid the \$50,000.00 registration fee but has not yet received a final Certificate of Registration, the March 1, 2014 date shall automatically be extended until May 1, 2014 for purposes of payment of rent. The March 1, 2014 date shall still remain in effect as the start of the 1<sup>st</sup> Lease Year, however, as Lessee shall be obliged to pay March rent no later than October 1, 2014 and April rent no later than November 1, 2014. Such rent will not be due and payable if the Lease is terminated prior to May 1, 2014 due to Lessee not receiving its final Certificate of Registration by such date.

(o) Tax Year: "Tax Year" means each twelve (12) month period (deemed, for the purposes of this Lessor, to have 365 days) established as the real estate tax year by the taxing authorities having lawful jurisdiction over the Property. At present, the Tax Year is July 1 through June 30.

(p) Term: From the Lease Commencement Date until twelve (12) years after the start of the first Lease Year. If any extension to the Lease is agreed to in writing, the Term shall end at midnight on the last day of any such extension.

(q) Termination Date: Twelve (12) years from the commencement of the First Lease Year, unless the Term of this Lease is extended in writing or earlier terminated pursuant to the provisions of this Lease, in which case the Termination Date shall be the date on which such earlier termination occurs, or such extension expires, as the case may be.

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Section 2. Common Area and Common Facilities Rights. The Demised Premises are leased together with the non-exclusive right to use, in common with others lawfully entitled thereto, for access and egress and parking, the mall area (if any), sidewalks, parking areas, driveways, loading and service areas and other Common Areas of the Property, as the same may exist from time to time, expressly reserving to the Lessor the right to install, maintain, use, repair, replace, alter, change, relocate and remove such Common Areas and Facilities from time to time, and including the right to change the size, type, location, nature and shape of the Common Areas and Facilities, the Property and the Building including any elevators, stairways, access ways and loading docks located in the Building, provided such changes do not unreasonably interfere with the visibility, adequate parking or permanent access to an entrance to the Demised Premises. Lessor also reserves

the right (without thereby assuming the obligation) to install, maintain, use, repair and replace all pipes, ducts, wires, meters, utility lines and other equipment or materials which now are or hereafter may be, in the judgment of the Lessor, desired or required to be in the Demised Premises provided such changes do not unreasonably interfere with the visibility, adequate parking or permanent access to an entrance to the Demised Premises. The Demised Premises are leased subject to the mortgages and other existing encumbrances of record, if any.

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**ARTICLE II**  
**Term and Commencement**

Section 1. Term. To have and to hold the Demised Premises for the Term beginning on the Lease Commencement Date and ending on the Termination Date unless extended by written agreement or unless sooner terminated as hereinafter provided.

Section 2. Recording. Lessor agrees upon request of the Lessee to execute and deliver to Lessee a notice of lease or short form of lease suitable for recording and setting forth the name of the Lessor and the Lessee, the term of this Lease, an appropriate description of the Demised Premises, and such other information as is required by law for a notice of lease. A copy of this Lease shall not be recorded in any Registry of Deeds or Land Court Registry.

**ARTICLE III**  
**Rent**

Section 1. Minimum Rent Yielding and paying the Minimum Rent during the Term hereof, all such rent to be payable in equal monthly installments in advance beginning on the Rent Commencement Date, and thereafter on the first day of each calendar month during the Term without offset or deduction and without previous demand therefore.

Section 2. Taxes

(a) Beginning on the Rent Commencement Date, the Lessee shall pay Lessor, as Additional Rent hereunder, for each Tax Year during the term hereof, an amount equal to the real estate taxes and other ad valorem taxes, including, without limitation, betterments or other assessments imposed, assessed or levied upon the land and buildings and improvements comprising the Property ("Real Estate Taxes"). For purposes of this paragraph, Lessee's Percentage Share shall be calculated as set forth in Article I. Real Estate Taxes shall also include all costs, including but not limited to attorney's fees, appraiser's fees and Lessor's reasonable administrative costs, for any contest or appeal pursued by Lessor in an effort to reduce the tax or assessment on which any tax or other imposition provided for in this Section is based. As long as Lessee is current on all of its payment and other obligations, Lessor shall not contest or appeal any tax, assessment or imposition, except upon Lessee's request.

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ORIGINAL

- (b) The payment on account of Real Estate Taxes required hereunder shall be paid by Lessee in equal monthly installments in such amounts as are estimated and billed for each Tax Year by Lessor, at the Rent Commencement Date and thereafter at the beginning of each successive calendar year during the term hereof, the first installment being due on the Rent Commencement Date and subsequent installments being due on the first day of each month thereafter.
- (c) Within ninety (90) days after Lessor's receipt of the first non-estimated tax bill for each Tax Year, Lessor will certify to Lessee the total amount of Real Estate Taxes as specified above.

Lessee's Percentage Share paid or payable for each Tax Year shall be adjusted between Lessor and Lessee, with payment to or payment by Lessor, as the case may require, within thirty (30) days of the aforesaid certification to Lessee, such amount as is necessary to effect such adjustment. Further adjustments shall be made, as necessary, if subsequent tax bills during any Tax Year are adjusted by the taxing authority.

The failure of Lessor to provide such certification within the time prescribed above shall not relieve Lessee of its obligations under this Section 2 or for the specific Tax Year in which any such failure occurs.

For the Tax Years in which the Rent Commencement Date and the Termination Date occur, the provisions of this Section shall apply, but Lessee's liability for Lessee's Percentage Share of any taxes for such year shall be subject to a pro rata adjustment based upon the number of days of such Tax Year falling within the period on and after the Rent Commencement Date or on or before the Termination Date during which the Demised Premises are leased to Lessee pursuant to this Lease.

- (d) Lessee agrees to pay, prior to delinquency, any and all taxes and assessments levied, assessed or imposed during the Term hereof upon or against:
  - (i) All furniture, fixtures, signs and equipment and any other personal property installed or located within the Demised Premises;
  - (ii) All alterations, additions, betterments or improvements of whatsoever kind or nature made by or on behalf of Lessee to the Demised Premises, as the same may be separately levied, taxed and assessed against or imposed directly upon Lessee by the taxing authorities.

(e) The provisions of Article III, Section 2, are predicated upon the present system of taxation in the Commonwealth of Massachusetts. If taxes upon rentals or otherwise pertaining to the Demised Premises shall be substituted, in whole or in part, for the present ad valorem real estate taxes or assessed in addition thereto, then Lessee's obligation to pay such taxes shall be based upon such substituted taxes, to the extent to which the same

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*[Signature]*

shall be a substitute for present ad valorem real estate taxes, together with such additional taxes. Nothing herein contained shall be construed to require Lessee to reimburse Lessor for any penalties or interest which may be imposed upon Lessor's delinquent payment of taxes.

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Section 3. Late Payment Charges Any payment of Minimum Rent, Additional Rent or other sums due under this Lease, received by Lessor more than five (5) business days after its due date, shall be subject to the Late Payment Charge accruing from the due date of such payment to the date of actual receipt of such payment by Lessor.

Section 4. Payment of Rent. All payments of Minimum Rent, Additional Rent or other sums due under this Lease shall be made payable to Lessor, and sent to the address to which notices hereunder to the Lessor are to be delivered or to such other payee or at such other address as Lessor may designate in writing from time to time.

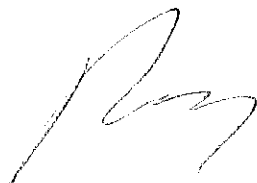
**ARTICLE IV**  
**Condition of the Premises**

Section 1. Lessor's Work. Lessor shall take such steps, if any, as are necessary to put the existing HVAC, electrical and plumbing systems in good working condition prior to occupancy. Lessor is not responsible for making any changes needed to make any of such systems compatible with Lessee's use of the Premises.

Lessee's Work. Lessee will, at its own expense and in accordance with the plans and specifications, or such other documentation as may be reasonably satisfactory to Lessor, complete the Buildout of the Premises as necessary and otherwise prepare the Premises for occupancy (Lessee's Work). Lessee shall commence work promptly after Lessor has given Lessee written approval of Lessee's Work and contractor and shall work diligently and continuously to complete Lessee's Work, and shall open for business as soon thereafter as possible. Lessor shall not unreasonably withhold written approval of Lessee's Work and contractor. All Lessee's construction shall be performed in conformity with all rules, regulations and requirements of governmental authorities having jurisdiction. Upon completion of Lessee's Work, and prior to occupancy, Lessee shall furnish evidence, reasonably satisfactory to Lessor, that all labor and materials contracted for by Lessee in and about the Demised Premises have been paid in full.

In the event that any party claiming to have supplied labor and/or materials to the Demised Premises at Lessee's (or Lessee's agents') request shall file a mechanic's lien or other claim, Lessee shall promptly take such steps as may be required to have the mechanic's lien released or the claim resolved. Lessee shall indemnify, defend and hold Lessor harmless against any and all payments, costs or expenses, including but not limited to legal fees, which may be made or incurred by Lessor as a result of Lessee's failure to promptly cause any such lien to be removed or claim resolved. This provision shall be applicable in all circumstances, whether pursuant to Lessee's Work or otherwise.

All improvements made pursuant to Lessor's Work or Lessee's Work shall become part of the Demised Premises and title thereto shall vest in Lessor upon installation. It is provided further, however, that Lessee's trade fixtures may be removed



by the Lessee, provided that all damage resulting from said removal is promptly repaired and the Demised Premises promptly restored by Lessee at Lessee's expense.



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**ARTICLE V**  
**Common Area Maintenance**

Section 1. (a) Lessor's Work Lessor shall make all reasonable or necessary repairs and replacements to the Common Area and Common Facilities except for the work described below as Lessee's work.

(b) Lessee's Work Lessee shall keep the Common Areas reasonably free of snow and ice and in a reasonably clean and neat condition.

Section 2. (a) Lessee's Payments In addition to all other payments herein provided to be made by Lessee to Lessor, commencing on the Rent Commencement Date, Lessee shall also pay to Lessor, as additional rent ("Additional Rent" an amount equal to the costs and expenses incurred or accrued by, or on behalf of Lessor in operating, maintaining, and repairing the Common Areas and Common Facilities of the Property and the Building ("Lessor's Costs").

(b) Lessor's Costs include, but are not limited to, all costs and expenses of every kind and nature paid, by Lessor in operating, managing, equipping and policing, the Property; heating and air conditioning Common Areas within the Building; lighting, repairing, striping, maintaining and replacing all parking areas, driveways, mall areas, service and loading areas; landscaping and gardening Common Areas; water and sewer charges; roof repairs and replacements; premiums for liability, property damage, fire, workmen's compensation, and other insurance on the Common Areas and Common Facilities and all other insurance, hazard and otherwise, carried by Lessor on all structures on the Property; wages, unemployment taxes, social security taxes, personal property taxes and assessments; fees for required licenses and permits; supplies and reasonable depreciation of equipment used in the operation of the Common Areas; and administrative costs equal to fifteen percent (15%) of the total of Lessor's Costs. The only exception is that Lessee shall not be responsible for any costs or expenses related to the solar panels situated on the roof of the Premises, except to the extent that such costs or expenses are necessitated by the action or inaction of Lessee.

Section 3. Payment Schedule. Lessee's Percentage Share of Lessor's Costs shall be paid in monthly installments, in advance, in the amount estimated by Lessor, starting on the Rent Commencement Date and continuing on the first day of each and every calendar month, thereafter. Within ninety (90) days after the end of each Lease Year during the Term hereof, Lessor shall furnish to Lessee a statement in reasonable detail setting forth the Lessor's Costs; thereupon there shall be a prompt adjustment between Lessor and Lessee, with payment to, or repayment by, Lessor, as the case may require, to the end that Lessor shall receive the entire amount of Lessor's Costs, and no more or less. Lessee shall have the right during normal business hours at a time convenient to Lessor, upon prior written request and at its own expense to inspect Lessor's records of Lessor's Costs (at Lessor's or its management agent's office), such inspection to be done not more frequently than once per Lease Year. Lessor shall maintain its record of Lessor's Costs for a period of three (3) years after the end of the year to which Lessor's Costs relate. In the event that any such inspection results in Lessor and Lessee agreeing that Lessee's payments have been

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incorrect, Lessor or Lessee shall promptly reimburse the other in the amount necessary so that Lessee's payments are consistent with the requirements of this Lease.

Section 4. Required Improvements. If Lessor shall be obligated by reason of any law, regulation or rule now in effect or hereafter adopted by any governmental authority having jurisdiction over the Property, to make any capital improvement to the Common Areas or Common Facilities for any reason, the cost of such capital improvement pro rated over a reasonable time period determined by Lessor, together with the yearly cost to Lessor to finance the same, shall be included within Lessor's Costs.

ORIGINAL

**ARTICLE VI**  
**Covenants**

Lessee covenants and agrees as follows:

- (a) To pay, when due, the Minimum Rent and Additional Rent at the times and in the manner set forth herein;
- (b) To procure any licenses and permits required for any use to be made of the Demised Premises by Lessee;
- (c) To pay promptly when due the entire cost of any work to the Demised Premises undertaken by Lessee so that the Demised Premises shall, at all times, be free of liens for labor and materials; to procure all necessary permits before undertaking such work; to do all of such work in a good and workmanlike manner, employing materials of good quality and complying with all governmental requirements; and to save Lessor harmless and indemnified from all injury, loss, claims or damage to any person or property occasioned by or growing out of such work including, without limitation, reasonable attorneys' fees. Upon receipt of notice from Lessor, Lessee shall take over Lessor's defense in any action related to work undertaken by Lessee on the Demised Premises.
- (d) Subject to MDPH requirements, to permit Lessor and Lessor's agents to examine the Demised Premises during normal business hours upon prior notice (except in the case of an emergency for which there are no notice or timing requirements) and to show the Demised Premises to prospective lenders, purchasers or tenants, but Lessor shall not show the Demised Premises to prospective tenants until the last twelve (12) months of the Lease Term; to permit Lessor to enter the Demised Premises (upon prior notice to Lessee except in the case of an emergency for which there are no notice or timing requirements) to make such repairs, improvements, alterations or additions thereto as may be required in order to comply with the requirements of any public authority having jurisdiction over the Demised Premises, or as may be desired by Lessor or required of Lessor under the terms of this Lease. Lessor shall use reasonable precautions so as not to unnecessarily interfere with Lessee's use and enjoyment of the Demised Premises in the exercise of the Lessor's rights hereunder.

- (e) To pay, when due, any and all State, Federal or local taxes based upon Lessee's use or occupation of the Demised Premises or pertaining to Lessee's personal property or resulting from any alterations, additions or improvements made on Lessee's behalf or by Lessee to the Demised Premises.
- (f) To comply with all laws, orders, and regulations of any governmental authorities pertaining to Lessee's use and occupation of the Demised Premises.
- (g) To refrain from doing anything, taking any action or failing to act in such a manner that will cause any increase in the fire insurance rates pertaining to the Demised Premises or the Building and to comply with any rules, regulations or recommendations of the National Board of Fire Underwriters, any rating bureau, or any similar association performing such function and failing same, to pay to Lessor any increase in premiums resulting therefrom.
- (h) To keep the Demised Premises adequately heated for the protection of the plumbing therein.
- (i) To permit no waste with respect to the Demised Premises.

**ARTICLE VII**  
**Use of Demised Premises**

Section 1. Permitted Use Only The Lessee shall have the right to use the Demised Premises for the Permitted Use and for no other purposes whatsoever without the Lessor's prior written permission.

Section 2. Lessee acknowledges that no trade or occupation shall be conducted in the Demised Premises or use made thereof which will be unlawful, improper, excessively noisy or offensive, or contrary to any law or any municipal by-law or ordinance in force in the state, city, or town in which the Demised Premises are situated.

(a) Lessee shall give prompt written notice to the Lessor of any written notice it receives of the violation of any law or requirement of public authority, and at its own expense shall comply with all laws and requirements of authorities which shall, with respect to the Demised Premises or Lessee's use and occupation thereof, or the abatement of any nuisance, impose any obligation, order, or duty on Lessor or Lessee arising from (i) Lessee's use of the Demised Premises, (ii) the manner of conduct of Lessee's business or operation of its installations, equipment, or other property, (iii) any cause or condition created by or on behalf of Lessee or (iv) breach of obligations of Lessee under this Lease.

Section 3. Use Restrictions Lessee further agrees to conform to the following provisions during the entire Term of this Lease:

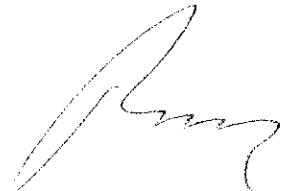
- (a) Lessee shall follow all applicable town and state laws;



- (b) Lessee shall always conduct its operations in the Demised Premises under the Lessee's name as set forth herein, or as it may be legally changed or altered;
- (c) Lessee shall not use the sidewalks, mall area, parking areas, driveways or other Common Area of the Property, for advertising or business purposes without the prior written consent of the Lessor;
- (d) Lessee shall, at its own cost and expense, be responsible for the prompt removal of all trash, refuse and the like, from the Demised Premises and shall insure that same be kept in covered containers at all times and that no trash will be kept in the halls; and
- (e) Lessee shall take whatever measures are necessary to insure that floor load limitations are not exceeded in the Demised Premises.
- (f) Lessee shall keep the display windows, if any, of the Demised Premises clean and free of signs and adequately lighted during such nighttime hours as Lessor shall designate from time to time;
- (g) Lessee shall receive and deliver goods and merchandise only in the manner, at such times, and in such areas, as may be designated by Lessor;
- (h) Lessee shall not use the Demised Premises for any unethical or unfair method of business operation, advertising or interior display nor perform any act or carry on any practice which may injure the Demised Premises or any other part of the Property;
- (i) Lessee shall not permit nor cause any offensive odors or loud noise (including, but without limitation, the use of loudspeakers) to emanate from the Demised Premises;
- (j) Lessee shall not use any portion of the Demised Premises for storage or other services, except as required for its operations in the Demised Premises;
- (k) Lessee shall comply with such other reasonable rules and regulations as Lessor may promulgate during the Term hereof; and
- (l) Lessee shall not permit employees, agents or servants to block or park their vehicles on any Common Area of the Property, except in such areas designated for employee parking and, on request of the Lessor, Lessee agrees to furnish Lessor with the license plate numbers of all such vehicles.
- (m) Lessee shall not permit employees, agents or servants to smoke in the Building.

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ARTICLE VIII  
Repairs and Alterations



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Section 1. Lessee's Work The Lessee shall keep and maintain the Demised Premises, and all facilities and systems outside the Demised Premises but solely serving the Demised Premises, in a neat, clean, sanitary condition and in good working order and repair, and in compliance with all laws, ordinances or regulations of any public authorities having jurisdiction, including, without limitation, all electrical, plumbing, gas, heating, air-conditioning and sewage facilities within or serving the Demised Premises, sprinklers, fixtures and interior walls, floors, ceilings, signs (including exterior signs where permitted) and all interior building appliances and similar equipment and the exterior and interior portions of all windows, window frames, doors, door frames, and all other glass or plate glass thereon, and shall make all repairs and replacements and do all other work necessary for the foregoing, and, in furtherance hereof; provided, however, that subject to the provisions of Article XVII and Article XVIII below, damage to the Demised Premises and common areas caused by fire or other casualty covered by policies of fire insurance carried by the Lessor as provided in Article XI hereof, or caused by action of public authorities in connection with a taking by eminent domain, shall be repaired by the Lessor at Lessor's own cost and expense. Promptly after notice from the Lessor, Lessee shall repair, at its own expense, any damage to the roof, foundation, structural columns or exterior walls of the Demised Premised caused by any act or negligence by the Lessee, its employees, agents, licensees, suppliers, contractors or guests. All such work shall be performed by contractors acceptable to Lessor.

Section 2. Lessor's Work The Lessor shall promptly, after receipt of written notice from the Lessee, make any necessary repairs to the roof, foundation, structural columns and exterior walls of the Demised Premises only (exclusive of glass, window frames, windows, doors, door frames, and signs, which repairs shall be made by the Lessee), except where such repairs are required by reason of any act or negligence by the Lessee, its employees, agents, licensees, suppliers, contractors or guests. The Lessee shall promptly, after notice from the Lessor, repair, at its own expense, any damage to the roof, foundation, structural columns or exterior walls of the Demised Premised caused by any act or negligence by the Lessee, its employees, agents, licensees, suppliers, contractors or guests.

Section 3. Surrender of Premises The Lessee shall at the expiration or earlier termination of this Lease remove its goods and effects and peaceably yield up the Demised Premises, clean and in good working order, repair and condition, reasonable wear and tear excepted, with any injury done to the Demised Premises or the Property by the installation or removal of the Lessee's fixtures or other property, being repaired in a good and workmanlike manner.

All additions or other improvements placed in or on the Demised Premises by the Lessor during the term of this Lease, including without limitation any made as part of Lessor's Work pursuant to Article IV hereof, shall remain on and shall not be removed from the Demised Premises. At the expiration of this Lease, all such additions and improvements shall be the property of the Lessor. Any additions or other improvements placed in or on the Demised Premises by the Lessee, including without limitation all trade fixtures, shall be considered as personal property and shall remain the property of the Lessee, who shall have the right to remove such property from the Demised Premises at

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the expiration of this Lease, provided that the Lessee, at the Lessee's expense, promptly repairs any damage to the Demised Premises resulting from the installation and/or removal of such property.

Notwithstanding anything to the contrary herein, any business or trade fixtures, lighting, furniture, machinery and equipment "Personal Property" installed by the Lessee which may be removed from the Demised Premises without injury thereto, shall remain the property of the Lessee and shall be removed by the Lessee from the Demised Premises prior to the expiration or earlier termination of this Lease; provided that if the Lessee is then in default hereunder, such Personal Property insofar as the Lessor shall so direct, shall remain in the Demised Premises and become the property of Lessor or, at Lessor's election, be stored by Lessor for the account of the Lessee and Lessee shall be liable for any costs or expenses incurred by Lessor in connection therewith, and shall pay Lessor for such costs and expenses prior to their release from storage, or such personal property shall be deemed abandoned and may be disposed of by Lessor in any way Lessor sees fit, at Lessee's expense, all without any responsibility by Lessor to Lessee for any loss or damage.

Section 4. Alterations The Lessee shall obtain Lessor's prior written consent for any alterations, improvements or additions to the Demised Premises or to the exterior of the Demised Premises, which consent in the case of interior non-structural work, shall not be unreasonably withheld. All such work shall be performed in accordance with all applicable laws, rules and regulations and in a good and workmanlike manner and shall not impair the safety or the structure of the Building, nor diminish the value of the Building as then constituted.

**ARTICLE IX**  
**Utilities**

The Lessee shall pay for all utility services provided to the Demised Premises, including, without limitation, electricity, gas, water, telephone, heat and sewage charges. The Lessor shall not be liable for any interruption of electricity, gas, water, telephone, sewage, heat or other utility service supplied to the Demised Premises, except where such interruption is caused by any negligence of the Lessor, its employees, agents, licensees, suppliers, contractors, or guests. The Lessee shall pay, on being billed therefore, any water and/or sewer use tax imposed by any governmental authority, which is directly or indirectly applicable to the Demised Premises.

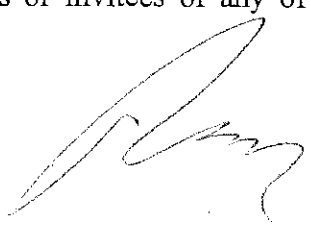
**ARTICLE X**  
**Liability**

Section 1. Indemnity Lessee shall save the Lessor harmless and indemnified from all injury, loss, claims or damage of whatever nature to any person or property in the Demised Premises or about the Property arising from any act or omission of Lessor, or the employees, agents, contractors, suppliers, licensees or invitees of any of the foregoing, except as set forth below.

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Section 2. Lessor's Non-Liability Neither the Lessor nor any agent or employee of the Lessor shall be liable for any damage to the person or property of the Lessee, or of any subtenant, or concessionaire, or of any employee, customer, licensee, invitee, contractor or supplier, or guest of any of the foregoing, except where such damage is attributable to the gross negligence of the Lessor, or Lessor's agents or employees, in the performance or failure to perform any of the obligations of the Lessor under and pursuant to the terms and provisions of this Lease. Without in any way limiting the generality of the foregoing, Lessor, Lessor's agents or employees, shall not be liable, in any event, for any such damage resulting from (a) the interruption to business or damage to property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or snow or leaks from any part of said Demised Premises or the Building, or from the pipes, appliances or plumbing or from dampness or any other cause, or (b) any hidden defect on the Demised Premises or the Building.

**ARTICLE XI**  
**Insurance**

Section 1. Lessor's Casualty and Liability Insurance. The Lessor shall maintain, at all times during the term of this Lease, with respect to the Building, insurance against loss or damage by fire, the so-called extended coverage casualties, coverage for loss of rentals (due to fire or other casualty), and insurance with respect to such other casualties for an amount of not less than one hundred percent (100%) of the full replacement cost and public liability with inclusive limits of not less than Two Million Dollars (\$2,000,000.00) per occurrence in the event of bodily injury or death.

Section 2. Lessee's Insurance The Lessee shall, at its own expense, maintain workman's compensation insurance, and fire and comprehensive casualty insurance of adequate amounts with respect to its own fixtures, merchandise, equipment and other property contained in the Demised Premises. Lessee shall also maintain, during the term of this Lease, at its own expense, comprehensive public liability insurance with responsible companies qualified to do business in Massachusetts which shall insure the Lessor (as a named, insured party), and all persons claiming under the Lessor, as well as the Lessee, against all claims for injuries to persons (including death) and against claims for damages or loss of property occurring in or about the Demised Premises in the amount of at least Two Million Dollars (\$2,000,000.00) per occurrence. The Lessee shall furnish the Lessor with certificates for such insurance prior to the commencement of Lessee's Work as described in Article IV and at least ten (10) days prior to the expiration date of any of such policies. Each policy shall be non-cancelable with respect to the Lessor's interest without at least thirty (30) days prior written notice to the Lessor from the insurer.

**ARTICLE XII**  
**Signs**

Lessee may, at Lessee's expense, attach a sign to the front of the Premises. The sign is subject to Lessor's approval and applicable town rules and regulations.

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**ARTICLE XIII**  
**Assignment or Subletting**

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The Lessee shall neither assign nor permit any assignment by operation of law or otherwise of this Lease, nor sublet any portion of the Demised Premises or permit occupation of the whole or any part thereof by another by license or otherwise without, on each occasion, first obtaining the Lessor's written consent, in writing and paying any reasonable attorney's fees incurred by Lessor in connection with such assignment, sublet or permitted occupation. Lessor may withhold its consent for any or no reason. If consent is given, Assignee and Lessee shall promptly execute, acknowledge and deliver to Lessor an agreement in form and substance satisfactory to Lessor whereby Assignee shall agree to be bound by and upon all the covenants, obligations, agreements, terms, provisions and conditions set forth in this Lease on the part of Lessee to be performed, and whereby Assignee shall expressly agree that the provisions of this Article XIII shall, notwithstanding such assignment or transfer, continue to be binding upon it with respect to all future assignments and transfers, and in any such event, Lessee shall remain liable for all obligations of Lessee hereunder.

Should Lessee desire to sublet or assign the Premises, Lessee will deliver the name and address of the proposed assignee or subtenant to Lessor, together with such assignee's or subtenant's complete commercially reasonable financial statement, at the time Lessee so requests Lessor's consent. Notwithstanding anything contained herein to the contrary, in the event that Lessee assigns this Lease or sublets the Premises, fifty percent of the Rent and other compensation payable by the assignee or subtenant over and above Lessee's rent (including, but not limited to, Minimum Rent and all other obligations hereunder) under the terms of this Lease, shall be paid to Lessor within 10 days after Lessee receives each such payment from such subtenant or assignee. Any unauthorized attempted transfer, subletting, assignment, license to use, hypothecation or other alienation of this Lease shall be void and shall confer no rights thereto.

No consent by the Lessor to an assignment or sublease shall be deemed to constitute any consent to any further assignment or sublease, or relieve the Lessee from its obligations under this Lease, and Lessee hereby guarantees the prompt and timely payment of all rent, Additional Rent and other charges hereunder. No indulgence or favor at any time granted by the Lessor to Lessee or to anyone claiming under the Lessee, nor acceptance of rent from, or other dealing with, anyone claiming under the Lessee, shall be deemed to be an assignment, sublease or otherwise. The Lessee and all persons claiming under the Lessee shall be deemed to have waived any and all suretyship defenses. Lessor may require as a condition of any assignment or subletting, that the Assignee or sublessee execute an agreement directly with Lessor agreeing to perform and observe all of the obligations of Lessee hereunder and to secure or guarantee such obligations in a manner acceptable to Lessor.

**ARTICLE XIV**  
**Subordination**

Section 1. Subordination by Lessee The Lessee shall, from time to time, upon request of the Lessor, subordinate this Lease to any existing and /or future Mortgage, as hereinafter defined, heretofore or hereafter placed upon the Property any part thereof, to



any renewal, modification, replacement or extension of such Mortgage, and to any and all advances made or to be made thereunder, provided that in the instrument of subordination the Mortgagee agrees, for itself and its successors and assigns, that so long as the Lessee shall not be in default under this Lease, the Mortgagee and its successors and assigns will not disturb the peaceful, quiet enjoyment of the Demised Premises by the Lessee.

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Section 2. Estoppels and Notices Lessee will, upon request by Lessor or any Mortgagee, execute and deliver to such party (a) an Estoppel Letter in form satisfactory to such party and (b) a copy of any notice of default delivered by Lessee to Lessor at the same time and in the same manner as to Lessor.

Section 3. Mortgagee Not Liable With reference to any assignment by Lessor of Lessor's interest in this Lease, or the rents and other sums payable hereunder, conditional in nature or otherwise, which assignment is made to a Mortgagee, Lessee agrees that the execution thereof by Lessor, and the acceptance thereof by such Mortgagee, shall not be treated as an assumption by such Mortgagee of any of the obligations of Lessor hereunder, unless such Mortgagee shall, by notice sent to Lessee, specifically otherwise elect. Absent such an election, Lessor shall retain its obligations herein. Nevertheless, Lessee shall, upon receipt of written notice from Lessor and any such Mortgagee to whom Lessor may from time to time assign the rents or other sums due hereunder, make payment of such rents or other sums to such Mortgagee, and the Lessor agrees to credit the Lessee for all of such payments made, unless and until Lessee receives a subsequent written notice to the contrary.

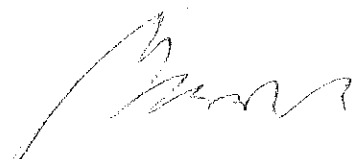
**ARTICLE XV**  
**Self-Help**

If the Lessee shall default in the performance or observance of any agreement or condition in this Lease contained on its part to be performed or observed other than a payment obligation, and shall not cure such default within thirty (30) days after written notice from Lessor specifying the default, Lessor may at any time thereafter, at its option and without waiving any claim for breach of agreement, cure such default for the account of Lessee and make all necessary payments in connection therewith. Any amount paid by Lessor in so doing shall be deemed paid for the account of Lessee and Lessee agrees to promptly reimburse Lessor therefore such sums as Additional Rent; provided that Lessor may cure any such default as aforesaid prior to the expiration of said waiting period but after written notice to Lessee, if the curing of such default prior to the expiration of said waiting period is reasonably necessary to protect the Building or the Property or Lessor's interest therein, or to prevent injury or damage to persons or property.

**ARTICLE XVI**  
**Waiver of Subrogation**

Lessee hereby releases Lessor from any and all liability or responsibility to Lessee (or anyone claiming through or under Lessee by way of subrogation or otherwise) for any loss or damage to property caused by fire or any of the extended coverage or supplementary contract casualties, even if such fire or other casualty shall have been caused by the fault or negligence of Lessor, or anyone for whom Lessor may be

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responsible, and Lessee hereby agrees that it shall cause such a clause or endorsement to be included in its policies.

**ARTICLE XVII**  
**Damage by Fire, Etc.**

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Section 1. Restoration by Lessor If the Demised Premises or the Building shall be damaged or destroyed by fire, windstorm, or other casualty covered by the Lessor's fire insurance policies required to be carried pursuant to the provisions of Article XI hereof, the Lessee shall immediately give notice thereof to the Lessor, and unless this Lease is terminated as hereinafter provided, the Lessor at its own expense shall reasonably promptly repair or rebuild the same so as to restore the Demised Premises to substantially the same condition they were in as of the Rent Commencement Date (excluding any alterations, additions or improvements made by Lessee), subject, however, to zoning and building laws then in existence, provided that the Lessor shall not be responsible for any delay in such repair or reconstruction which may result from any cause beyond its reasonable control and provided further that in no event shall Lessor be obligated to expend for such repair or reconstruction more than the amount of the insurance proceeds (net of all costs and fees incurred by Lessor in collecting the same) received by Lessor on account thereof. In that event, until the Demised Premises are restored by Lessor, the payment of Minimum Rent and Additional Rent and other charges shall cease or be fairly apportioned according to whether the destruction to the Demised Premises or the Building is entire or partial.

Section 2. Termination Rights If either the Demised Premises or the Building shall be damaged or destroyed by fire or other casualty to the extent of twenty percent (20%) or more of the sound insurable value thereof, or if any part of the Demised Premises or the Building shall be damaged by an uninsured casualty by any cause to the extent of twenty percent (20%) or more of its sound insurable value, the Lessor may elect by written notice to the Lessee either to terminate this Lease or to repair or rebuild on the conditions set forth in Article XVII Section 1 above by written notice given within forty five (45) days after such damage or destruction. Notwithstanding anything herein to the contrary, if Lessor elects to repair or rebuild the Demised Premises or the Building, Lessor shall proceed with due diligence; if at any point Lessee concludes that Lessor is not performing as required herein, Lessee may give Lessor written notice thereof, which notice shall be specific with regard to Lessor's perceived failure to perform. Within fourteen (14) days after receipt of Lessee's notice Lessor shall respond to Lessee's concerns in writing. If Lessor's response does not satisfy Lessee that Lessor is using the required diligent efforts, Lessee may send Lessor written notice requesting arbitration (as described in Article XIX below) to determine if Lessor is in default.

Section 3. Lessee's Restoration In the event that the Demised Premises or the Building are damaged or destroyed by any cause described above, then, unless this Lease is terminated as above provided, the Lessee, at its own expense and proceeding with all reasonable dispatch, after receipt of notice from the Lessor that it has elected to repair and rebuild and has, in fact, commenced same, shall repair or replace suitably all alterations, additions, improvements, trade fixtures, equipment, signs or other property installed by or belonging to the Lessee, which shall be damaged or destroyed, in or serving the Demised

Premises. All such work shall be performed by contractors acceptable to Lessor. However, Lessor shall not unreasonably withhold approval of Lessee's Work and contractor.

Section 4. Cooperation Lessor and Lessee agree to cooperate with each other to enable the prompt repair or replacement of the Demised Premises and the Building arising from any insured loss. Failure by either party to fulfill its obligations hereunder shall be a default under the terms of this Lease. In no event shall Lessee or any person or corporation claiming an interest in the Demised Premises by, through, or under Lessee claim, maintain, or prosecute any action or suit at law or in equity against the Lessor for any loss, cost or damage caused by or resulting from fire or other risk or casualty in the Demised Premises or any part thereof for which Lessee is, may or should be insured under any insurance policy required by the Lease.

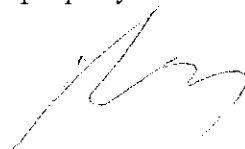
**ARTICLE XVIII**  
**Eminent Domain, Condemnation**

Section 1. Lessor and Lessee Right of Termination. If as a result of any taking by eminent domain which shall be deemed to include a voluntary conveyance in lieu of a taking, the total floor area remaining in the Demised Premises shall be reduced to less than seventy five percent (75%) of the total floor area in the Demised Premises at the Rent Commencement Date, or the Demised Premises shall be permanently deprived of access by motor vehicle to and from a public street or private way, then, at the election of the Lessor or the Lessee, exercisable by written notice given to the other within ninety (90) days after the date of the filing of the notice of such taking, this Lease may be terminated as of the date when the Lessee is required to vacate the Demised Premises or the portion thereof is so taken, or access is so taken, notwithstanding that the entire interest of the party exercising such option may have been divested by such taking. In the event Lessor or Lessee terminate the Lease pursuant to this Section 1, Lessee shall only make such payments for rent or other payments as are due related to periods until and including the date when the Lessee is required to vacate the Demised Premises or the portion thereof is so taken or access is so taken. If, following any such taking, neither the Lessee nor the Lessor terminate this Lease, then the Lessor, at the Lessor's expense, but only to the extent of the award for any such taking, and proceeding with all reasonable dispatch, subject to delays beyond its reasonable control, shall do such work as may be required to put what may remain of the Demised Premises in proper condition for the conduct of the Lessee's business, or to provide alternative access, as the case may be, and the Lessee, at the Lessee's expense and proceeding with all reasonable dispatch, shall make such alterations, repairs and replacements of the alterations, additions, improvements, trade fixtures, equipment, signs or other property installed by or on behalf of or belonging to the Lessee as may be necessary to put the remainder of the Demised Premises in proper condition for the Lessee's business. In that event, the Minimum Rent shall be fairly abated according to the nature, extent, and affect of the taking.

Section 2. Damages. The Lessor reserves all rights to damages to the Building, Property, the Demised Premises and the leasehold hereby created, or awards with respect thereto, then or thereafter accruing, by reason of any taking by eminent domain or by reason of anything lawfully done or required by any public authority, and the Lessee grants to the Lessor all the Lessee's rights, if any, to such damages, except with respect to relocation expenses and the value of Lessee's personal property which may be

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compensated by separate award and shall execute and deliver to the Lessor such further instruments of assignment thereof as the Lessor may from time to time request.

**ARTICLE XIX**  
**Default**

Section 1: Events of Default. The occurrence of any one or more of the following occurrences are Events of Default.

(a) Lessee's failure to make any payment of any installment of Minimum Rent, Additional Rent or other sum herein specified, within eight (8) months after such payment is due during the 1<sup>st</sup> Lease year, four (4) months or more after such payment is due during the 2<sup>nd</sup> Lease year, three (3) months or more after such payment is due during the 3<sup>rd</sup> Lease year, and two (2) months or more after such payment is due during the remainder of the Lease term;

(b) Lessee's failure to observe or perform of any other of the Lessee's covenants, agreements or obligations hereunder, if such failure shall not be corrected within ten (10) days after written notice thereof, or, if Lessee diligently and continuously pursues such cure, but such cure cannot reasonably be cured within ten (10) days, such additional period of time as is reasonably necessary to cure such default;

(c) If any proceedings seeking protection from creditors are instituted by the Lessee or any Guarantor herein, under the Bankruptcy Code or any laws amendatory thereof or supplemental thereto;

(d) If any other proceedings are instituted against the Lessee or any Guarantor under the Bankruptcy Code or any insolvency law and not dismissed within thirty (30) days;

(e) If Lessee or any Guarantor shall execute an assignment of his property for the benefit of his creditors; or

(f) If a receiver or other similar officer for Lessee or any Guarantor shall be appointed and not be discharged within thirty (30) days,

Lessor shall have the right after any Event of Default, to re-enter and take complete possession of the Leased Premises, to terminate this Lease, and remove the Lessee's effects, without prejudice to any remedies which might be otherwise used for arrears of rent or other default.

Section 2: Remedies Upon Default. In the event that this Lease is terminated pursuant to any of the provisions described in Article XIX, Section 1 above or for breach of any obligation of the Lessee, Lessor shall be entitled to immediately exercise all of the rights set forth in the Conditional Assignment of Permits, Licenses and Approvals attached hereto as Exhibit B. Lessor shall also be entitled to the immediate receipt of any and all payments which have been made into the Legal Defense and Default Fund described in Article XXIII. Once the assignment has been completed and Lessor has received the entirety of the Legal Defense and Default Fund (or such portion as has been paid by Lessee immediately prior to

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default), this Lease shall be null and void and with no recourse by either party against the other, except as otherwise specifically set forth herein.

Section 3. Cumulative Remedies All rights and remedies, which the Lessor may have under this Lease, shall be cumulative and shall not be deemed inconsistent with each other, and any two or more of such rights and remedies may otherwise be exercised at the same time insofar as permitted by law. Nothing herein contained shall be construed as limiting or precluding the recovery of Lessor against Lessee of any sums or damages to which, in addition to the damages particularly provided above, Lessor may lawfully be entitled by reason of any default hereunder on the part of Lessee.

Section 4. Lessor's Right to Remedy Lessee's Default If the Lessee shall default 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 Default Interest Rate and costs, shall be paid to the Lessor by the Lessee as Additional Rent.

**ARTICLE XX**  
**Notices**

Any notice or other communication relating to this Lease shall be deemed to be duly given if in writing and sent by registered or certified mail, postage prepaid, return receipt requested, addressed to the party for whom it is intended at such place as shall have been last designated by such party, either in this Article or in a notice given as herein provided as its address for receiving notices hereunder. Until further notice, the Lessor designates David Pyne, 11 Commercial Way, Milford, MA 01757, with a copy to Steven Greenwald, Esquire, Greenwald & Greenwald LLP, 409 Fortune Boulevard, Milford, MA 01757 for such purpose, and the Lessee designates Executive Director, Bay State Relief Inc. 13 Commercial Way, Milford, MA 01757, as its address for such purpose, but the foregoing shall not be deemed to preclude the giving of written notice hereunder in any other manner, in which case the notice shall have been deemed to have been given when actually received by the party for whom designated. Any such notice or communication shall also be deemed properly given when deposited in any post office regularly maintained by the United States Postal Authority.

**ARTICLE XXI**  
**Hazardous Materials**

Lessee shall not use any portion of the Demised Premises for the use, generation, treatment, storage or disposal of Hazardous Material without the express written prior consent of Lessor and, if required, its Mortgagees, and then only to the extent that the presence of the Hazardous Materials is (i) properly licensed and approved by all appropriate governmental officials and in accordance with all applicable laws and

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regulations and (ii) in compliance with any terms and conditions stated in said prior written approvals by the Lessor or its Mortgagees. Lessee shall promptly provide Lessor with copies of all notices received by it, including, without limitation, any notice of violations, notice of responsibility or demand for action from any federal, state or local authority or official in connection with the presence of Hazardous Materials in or about the Demised Premises. In the event of any release of Hazardous Materials by Lessee or its agents, employees or contractors, Lessee shall promptly remedy the problem in accordance with all applicable laws and requirements and shall indemnify and hold the Lessor and its Mortgagees harmless from and against all loss, costs, liability and damage, including attorney's fees and the cost of litigation arising from the presence or release of any Hazardous Materials in or on the Demised Premises, the Common Area, or Common Facilities. The obligations of Lessee under this Article XXI shall survive expiration or termination of this Lease.

**ARTICLE XXII**  
**Cease and Desist Orders**

If either Lessor or Lessee receives a "cease and desist" order or other similar written communication from any state or federal law enforcement agency relating to Lessee's business or use of the property, alleging the illegal production, sale or distribution of marijuana under Massachusetts or United States law, or if Lessee's business is closed, on what is intended by the law enforcement entity responsible for such closure to be a permanent basis, as a result of any federal or state law enforcement action based on an allegation of illegal production, sale or distribution of marijuana under Massachusetts or United States law, at Lessor's option, Lessee shall be deemed to be in default, Lessor shall be entitled to all of the remedies available to Lessor in the event of Lessee's default and the Lease shall be immediately terminated and except as described in Article XIX, Lessee shall have no further liability under the terms of the Lease. Lessor shall not be obligated to go through supplementary process in order to have Lessee and its property removed from the Building.

In such case, Lessee shall have 30 days from the date of written notice from the Lessor, or such lesser amount of time as may be demanded in such a cease and desist or similar communication, to remove all its personal property then situated on the premises, including but not limited to plants, plant growing apparatus or any other fixtures, equipment, seeds or other items involved in the process of planting, growing, harvesting, packaging or selling marijuana. If Lessee has not done so on its own, Lessor may dispose of such items, without having any liability to Lessee. Lessee willingly waives their supplementary process rights in order to allow Lessor the best opportunity to avoid legal or financial problems as a result of Lessee's activities.

**ARTICLE XXIII**  
**Default and Legal Defense Fund**

Within two (2) years after the Rent Commencement Date, Lessee shall deposit \$50,000.00 with Lessor to be forfeited to Lessor pursuant to Article XIX in the event of Lessee's default, to pay for Lessor's legal defense and other expenses incurred by Lessor in the event any potential criminal or civil issues affecting Lessor arise related to Lessee's

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use of the Building and to pay or reimburse Lessor for any loss or expense incurred by Lessor as a result of Lessee's failure to perform any of its obligations under this Lease (the "Default and Legal Defense Fund"). Within three (3) years after the Rent Commencement Date, Lessee shall deposit an additional \$150,000.00 for the same purpose. Within four (4) years after the Rent Commencement Date, Lessee shall deposit an additional \$200,000.00 for the same purpose and within five (5) years after the Rent Commencement Date, Lessee shall deposit an additional \$200,000.00 for the same purpose, creating a total fund of \$600,000.00. The funds shall be delivered to Lessor, with all interest earned on such funds being retained by Lessor. Such interest shall not be a credit against any of Lessee's obligations herein. If requested by Lessor, Lessee shall cooperate with Lessor's legal representative(s) in any such legal defense.

The timing of the payments set forth above are only intended to define the latest date by which such payments must be made. Lessee is free to make any or all of such payments more quickly than required.

The Default and Legal Defense Fund, to the extent not used by Lessor for the reasons described above shall be returned to Lessee without interest after Lessee has vacated the Premises in compliance with all requirements herein.

**ARTICLE XXIV**  
**Security**

At the time of execution of this Lease, Lessor shall conditionally assign its Certificate of Registration (and any other permits, approvals or other permissive documents as are needed to operate Lessee's business) as security for the performance of its obligations under the Lease. Such assignment shall be in the form attached hereto as Exhibit B. In the event of a default, Lessee shall cooperate in any way needed to effectuate a smooth transfer of the Certificate of Registration (and such other permits, approvals and permissive documents). Upon delivery by Lessee to Lessor of the final installment of the \$600,000 Default and Legal Defense Fund as described in Article XXIII above, the conditional assignment of Lessee's Certificate of Registration shall be returned to Lessee and shall immediately become null, void, and unenforceable.

**ARTICLE XXV**  
**Option**

Provided the Lease is still in effect and Lessee is current on all of its obligations to Lessor, upon written notice to Lessor given by Lessee at least fifteen (15) months prior to the end of the Lease Term, Lessee may advise Lessor that it wishes to extend the Lease Term for five (5) years. If within three (3) months of such notice the parties are able to agree, in writing, on the Minimum Rent for the five year extension, the Lease shall be extended for five (5) years upon all of the terms, conditions and covenants and subject to the same restrictions and exceptions as are set forth in the Lease, except for the change in the Minimum Rent and there shall be no further option to extend. If the parties are unable to agree on the Minimum Rent within said three (3) month period, this option shall be null and void and the Lease shall automatically terminate on the Termination Date.

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ARTICLE XXVI  
Miscellaneous Provisions

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Section 1. No consent or waiver, express or implied, by Lessor to or of any breach in the performance by the Lessee, of its agreements hereunder shall be construed as a consent or waiver to or of any other breach in the performance by the Lessee of the same or any other covenant or agreement. No acceptance by the Lessor of any rent or other payment hereunder, even with the knowledge of any such breach, shall be deemed a waiver thereof nor shall any acceptance of rent or other such payment in a lesser amount than is herein required to be paid by the Lessee, regardless of any endorsement on any check or any statement in any letter accompanying the payment of the same, be construed as an accord and satisfaction or in any manner other than as a payment on account by the Lessee, unless otherwise agreed to in writing. No reference in this Lease to any sublessee, licensee or concessionaire, or acceptance by the Lessor of any payment due hereunder from other than the Lessee shall be construed as a consent by the Lessor to any assignment or subletting by the Lessee, or give to the Lessee any right to permit another to occupy any portion of the Demised Premises except as herein expressly provided. No waiver by the Lessor in respect of any one tenant shall constitute a waiver with respect to any other tenant. Failure on the part of the Lessor to complain of any action or non-action on the part of the Lessee or to declare the Lessee in default, no matter how long such failure may continue, shall not be deemed to be waiver by the Lessor of any of its rights hereunder.

Section 2. In no case shall mention of specific instances under a more general provision be construed to limit the generality of said provisions.

Section 3. If the Lessee continues to occupy the Demised Premises after the expiration or earlier termination hereof, it shall have no more rights than a tenant at sufferance, but shall be liable for one and one half (1 ½) times the aggregate rental then payable under this Lease for the period of such occupancy, and shall be liable for any loss or expense incurred by Lessor due to such holding over. Nothing in this section shall be construed to permit such holding over.

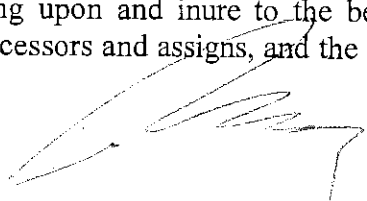
Section 4. If any provision of this Lease or the application thereof to any person or circumstance shall be to any extent invalid or unenforceable, the remainder of this Lease and its application to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 5. Lessor agrees that upon Lessee's paying the rent and performing and observing the agreements, conditions and other provisions on its part to be performed and observed, Lessee shall and may peaceably and quietly have, hold and enjoy the Demised Premises and the appurtenant rights thereto as set forth in this Lease during the term of this Lease without any manner of hindrance or molestation from Lessor or anyone claiming under Lessor, subject, however, to the rights of holders of present and future Mortgages, and to the terms and provisions of the Lease.

Section 6. The conditions and agreements in this Lease contained to be kept and performed by the parties hereto shall be binding upon and inure to the benefit of said respective parties, their legal representatives, successors and assigns, and the same shall be

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construed as covenants running with the land. Wherever in this Lease reference is made to either of the parties, it shall be held to include and apply to the successors and assigns of such party as if in each case so expressed, unless the context requires otherwise and regardless of the number or gender of such party.

Section 7. This Lease shall constitute the only agreement between the parties relative to the Demised Premises and no oral statements and no prior written matter not specifically incorporated herein shall be of any force or effect. In entering into this Lease, the Lessee relies solely upon the representations and agreements contained herein. This agreement shall not be modified except by a writing executed by both parties.

Section 8. The section and article headings throughout this instrument are for convenience and reference only and the words contained therein shall in no way be held to limit, define or describe the scope or intent of this Lease or in any way affect this Lease.

Section 9. The Lessor shall not be liable for a delay or failure in the commencement, performance or completion of any of its obligations hereunder where such delay or failure is attributable to strikes or other labor conditions, inability or difficulty in obtaining materials or services, wars, delays due to weather, or other cause beyond the reasonable control of the Lessor and in no event shall the Lessor be liable for incidental or consequential damages.

Section 10. If the Lessor shall at any time be an individual, joint venture, tenancy in common, firm or partnership (general or limited), or a trust or trustees of a trust, it is specifically understood and agreed that there shall be no personal liability of the Lessor or any joint venture, tenant, partner, trustee, shareholder, beneficiary or holder of a beneficial interest thereof under any of the provisions hereof or arising out of the use or occupation of the Demised Premises by Lessee. In the event of a breach or default by Lessor of any of its obligations hereunder, Lessee shall look solely to Lessor's casualty and liability insurance for the satisfaction of Lessee's remedies, and it is expressly understood and agreed that Lessor's liability under the terms, covenants, conditions, warranties and obligations of this Lease shall in no event exceed the insurance proceeds which may be available. It is further understood and agreed that the liability of any party who is a Lessor (whether the original Lessor or any successor Lessor) shall be limited to defaults occurring or arising during the period for which such party shall have been a Lessor, and such party shall not be liable for defaults occurring or arising at any time before such party obtained its interest as Lessor or after such party disposed of its interest as Lessor.

Section 11. Lessee warrants and represents that, other than David Consigli (who is to be paid \$52,955.00 only if and when: 1) the parties are able to come to terms on a Lease and 2) Lessee receives its Certificate of Registration), no brokers have either shown or referred Lessee to the Premises, and Lessee will indemnify, defend and save Lessor harmless from all claims for commission or other expenses related to such a claim, including but not limited to attorney fees, made by any other broker who alleges he/she showed or referred Lessee to the Premises. Lessor will be responsible for making the above payment to David Consigli and Lessee shall reimburse Lessor for the full amount (\$52,955.00) on or before November 1, 2015.

Section 12. Employees or agents of Lessor have no authority to make or agree to make a Lease or any other agreement or undertaking in connection herewith. The



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submission of this document for examination and negotiation does not constitute an offer to Lease, or a reservation of, or option for, the Demised Premises, and this document shall become effective and binding only upon the execution and delivery hereof by both Lessor and Lessee.



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Section 13. On the Rent Commencement Date, Lessee shall prepay the first three (3) months of rent (Minimum Rent, CAM charges and real estate taxes).

Section 14. The Lessee shall at all times maintain a contract, with a company acceptable to Lessor, to provide for the normal and routine maintenance and service of the heating and air conditioning facilities serving the Demised Premises. Such maintenance shall take place no less frequently than once every six months. Lessee shall also have such company make all necessary repairs and replacements to said heating and air conditioning facilities. Promptly upon the completion of any and all such work, Lessee shall provide Lessor with evidence thereof by delivering to Lessor a copy of the paid invoice for such work. Lessee shall also send Lessor a copy of each new maintenance contract (and evidence of payment for such contract) prior to the expiration of the then current contract. All of the above shall be at Lessee's expense.

Section 15. If Lessor makes any expenditures, including but not limited to architectural, engineering or attorney's fees or incurs any obligations for the payment of money in connection with any proposed assignment or subletting (whether the assignment or subletting is approved or not), or for any other matter for which Lessor's approval or permission is sought, or if Lessor incurs any loss or expense performing Lessee's obligations which Lessee fails to timely perform (such as those set forth in Article XXVI, Section 14), which Lessor is hereby permitted to do prior to or after a default, or if Lessor incurs attorneys fees in attempts to enforce Lessee's obligations under this Lease or if Lessor incurs any expenses by virtue of giving Lessee written notice of or taking subsequent action regarding Lessee's failure to observe or perform any of Lessee's covenants, agreements or obligations hereunder, which failure would become a default if not timely cured, such sums paid or costs or obligations incurred, including but not limited to attorney's fees, with interest at the Default Interest Rate, shall be paid to Lessor by Lessee as Additional Rent immediately upon demand therefore.

Section 16. All claims or disputes between Lessee and Lessor arising out of or related to this agreement shall be adjudicated in accordance with the rules of the American Arbitration Association ("AAA") then in effect, except in the case of a conflict between said rules and this agreement, in which case this agreement shall control. There will be one arbitrator, with a background consistent with the nature of the dispute, who will be selected by agreement of the parties from a list provided by AAA. Failing such agreement, AAA will select the arbitrator with the qualifications set forth herein. The parties shall split all costs of arbitration equally, including initiation and administration fees and the fee of the arbitrator. Each party shall pay its own attorney's fees in connection with the dispute. The decision of the arbitrator shall be binding on both parties.

Section 17. If, during the first Lease Year, any payment of Minimum Rent is not received by Lessor within ten (10) days after it is due, Lessee shall present a current statement of Lessee's business line of credit ("Credit Line") to Lessor within said ten (10) day period. If the amount of available credit on the Credit Line is more than three hundred thousand dollars (\$300,000.00), the time period constituting an event of default as

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provided in Article XIX(1)(a) herein, shall be reduced from eight (8) months to four (4) months. Lessee represents that one million dollars (\$1,000,000.00) is available through the Credit Line.

**ARTICLE XXVII**

**Exhibits**

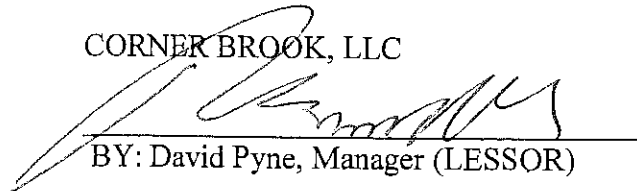
Exhibits A and B attached hereto, are incorporated herein by reference.

A - Plan (the Building and the Property)

B - Conditional Assignment of Permits, Licenses and Approvals


IN WITNESS WHEREOF, the parties hereto have executed this Lease under seal on the day and year first above written.


CORNER BROOK, LLC

  
BY: David Pyne, Manager (LESSOR)

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BAY STATE RELIEF INC.

  
BY: Armand Riendeau, President (LESSEE)

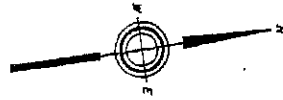
  
BY: Andrew Gold, Treasurer (LESSEE)



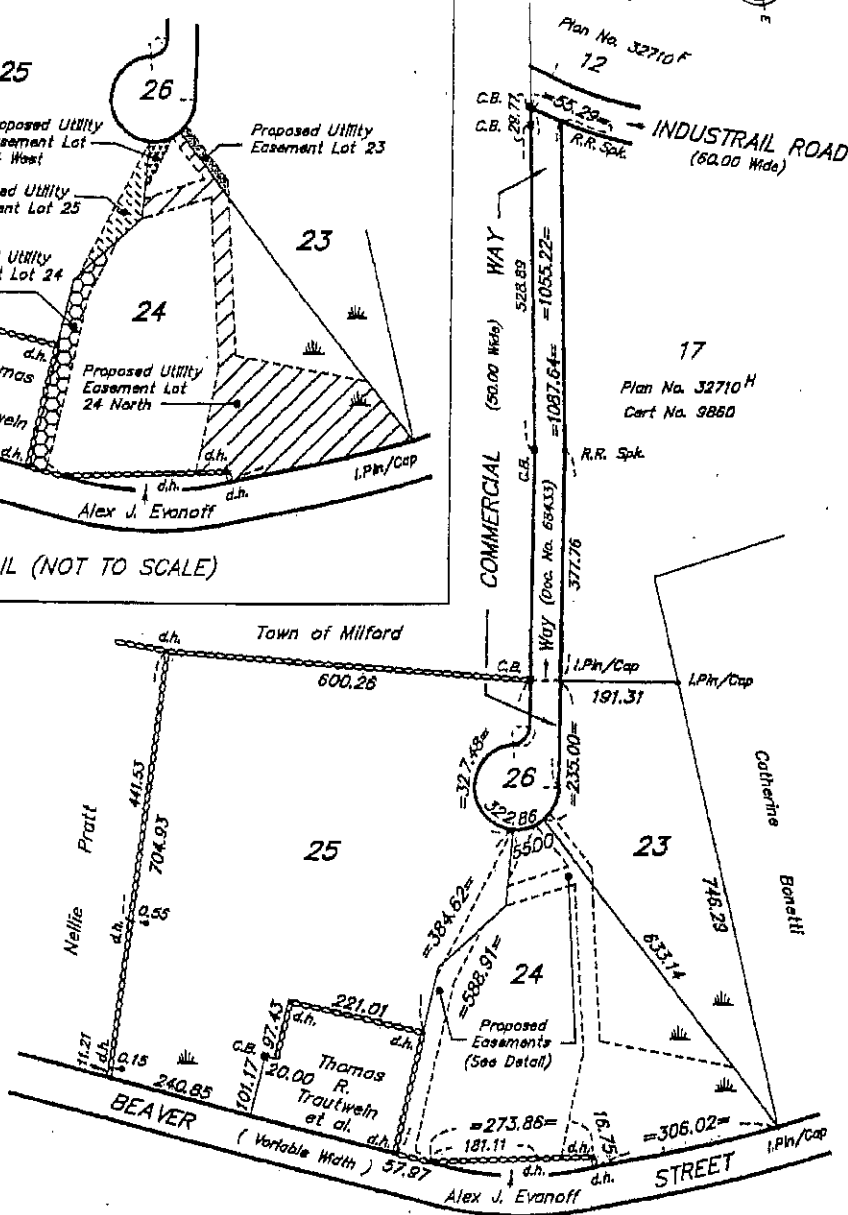
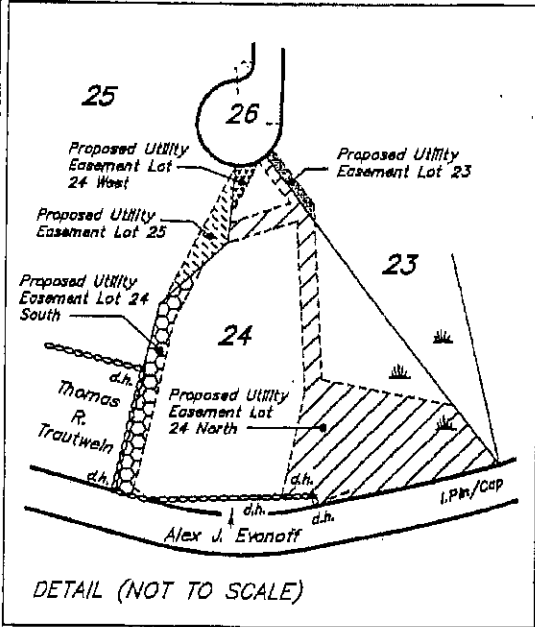
# Exhibit "A"

SUBDIVISION PLAN OF LAND IN MILFORD  
 Guerriere & Halnon, Inc., Surveyors  
 November 18, 2003

32710 J



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Subdivision of Lots 18, 19, 20, 21 and 22  
 Shown on Plan 32710-I  
 Filed with Cert. of Title No. . . . .  
 Worcester Registry District of Worcester County

Separate certificates of title may be issued for land  
 shown hereon as Lots 23, 24, 25 and 26  
 By the Court

*Deborah J. Patterson*  
 Recorder

October 27, 2004  
 ST-060W

WORCESTER REGISTRY  
 DISTRICT  
 RECEIVED FOR REGISTRATION

NOV 16 2012

3 O'CLOCK 00 P.M.  
 Noted on Certificate No. 14663  
 Registration Book 24

Abutters are shown as  
 on original decree plan.

Copy of part of plan  
 filed in  
**LAND REGISTRATION OFFICE**  
 Sept. 16, 2004  
 Scale of this plan 200 feet to an inch  
 G.T. Capelloni, Engineer for Court

*Handwritten initials*

*Handwritten initials*

*Large handwritten signature*

**EXHIBIT B**

**CONDITIONAL ASSIGNMENT OF PERMITS, LICENSES AND APPROVALS**

1. Definitions:

The terms used below shall have the meaning there indicated. All other terms are defined in the Lease, dated the date hereof, between Corner Brook, LLC and Bay State Relief Inc. for the property located at 13 Commercial Way, Milford, Worcester County, Massachusetts (the "Lease"), unless otherwise defined in this Assignment.

Date: \_\_\_\_\_, 2013

Assignor: Bay State Relief Inc.

Assignee: Corner Brook, LLC

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Permits, Licenses  
and Approvals:

All Permits, Licenses and Approvals (including but not limited to Lessee's Registered Marijuana Dispensary Certificate of Registration) in any way related to the property located at 13 Commercial Way, Milford, Worcester County, Massachusetts.

2. Conditional Assignment.

In consideration of and as an inducement to Assignee entering into the Lease with Assignor, and for other good valuable consideration, the receipt and sufficiency of which Assignor acknowledges, Assignor agrees that upon an Event of Default as defined in the Lease, Assignor shall immediately inform the Massachusetts Department of Public Health ("MDPH") that Assignor intends to assign and transfer to Assignee all of its rights in the Permits, Licenses and Approvals as they now exist or as they may hereafter be issued or amended, and intends to assign all rights Assignor may have against any local, state or federal board, agency or authority with reference to that certain parcel of land with the building thereon known as 13 Commercial Way, Milford, Worcester County, Massachusetts, and shown as Lot 24 on Exhibit A attached hereto and hereby made a part hereof ("Premises"). Assignor shall immediately take any and all steps to initiate any process required by the MDPH to effectuate an assignment and transfer of its Permits, Licenses and Approvals, and Assignee shall fulfill any and all requirements to insure a timely and complete transfer of all Permits, Licenses and Approvals to Assignee. Both Parties represent and warrant that they understand and agree that an assignment of registration to operate a Registered Marijuana Dispensary is dependent upon approval by the MDPH.

3. Obligations Secured.

This Conditional Assignment is made to secure the payment and performance of all of Assignor's obligations pursuant to the Lease (the "Obligations").

4. Termination of Assignment.

This Conditional Assignment shall terminate upon the expiration of the Lease and performance of all of the Obligations or upon receipt by Assignee of the full amount of funds to be used for a security deposit as described in Article XXIV of the Lease.

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5. Representations, Warranties, and Agreements.

Assignor represents, warrants and agrees that:

- a. Permits, Licenses and Approvals are in full force and effect and have not been amended or modified or are in the process of being approved;
- b. There are no defaults under the Permits, Licenses and Approvals by any party thereto;
- c. Assignor has not assigned or pledged the Permits, Licenses and Approvals and will not do so without Lender's prior written consent;
- d. Assignor will not amend or terminate the Permits, Licenses or Approvals;
- e. Assignor will perform all of its obligations under the Permits, Licenses and Approvals in a timely manner; and
- f. Assignor will immediately give Assignee copies of any notices of default which Assignor receives from local, state or federal Boards, Agencies or other authorities.

6. Defaults.

The occurrence of any one or more of the following shall be an "Event of Default":

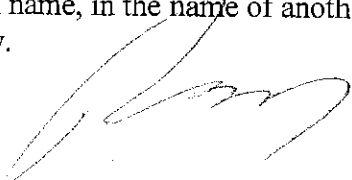
- a. The occurrence of an Event of Default under the Lease;
- b. Any of the representations or warranties of Assignor in this Agreement are found to have been untrue when made;
- c. Assignor fails to perform any of its obligations under this Assignment.

7. Assignee's Rights on Default.

- a. At any time after the occurrence of an Event of Default, Assignee at its option may:
  - (1) exercise all rights under the Permits, Licenses and Approvals which Assignor could exercise, such exercise to be unaffected by defaults of Assignor under the Permits, Licenses and Approvals to the extent permitted by law;
  - (2) amend, terminate and otherwise deal with the Permits, Licenses and Approvals;
  - (3) cure any default of Assignor under the Permits, Licenses and Approvals.
- b. Assignee shall have no obligation under the Permits, Licenses and Approvals until, and only so long as, Assignee elects to assume obligations thereunder. Assignee shall have no obligation to continue to exercise any rights under the Permits, Licenses and Approvals.
- c. Assignee may exercise its rights in its own name, in the name of another entity or in the name of Assignor as it deems necessary.

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*AB*



8. Cooperation.  
Assignor shall fully cooperate with Assignee to the extent needed to effectuate a smooth and efficient transfer of the Permits, Licenses and Approvals.

9. Captions.  
Captions are used for convenience of reference only and not to be construed as part of the terms of this Assignment.

10. Severability.  
The invalidity of any provision of this Assignment shall in no way effect the validity of any other provision.

11. Singular and Plural.  
Where required by the context the singular shall include the plural and the plural shall mean the singular.

12. Gender.  
The masculine, feminine and neuter forms shall be interpreted interchangeably wherever the context requires.

13. Successors and Assigns.  
This Assignment is binding upon and shall inure to the benefit of the parties hereto and their heirs, successors, personal representatives and assigns.

14. Notices.  
All notices given hereunder shall be in writing and shall be deemed received at the earlier of when delivered in hand or seventy-two hours after the same have been deposited in the United States mails, return receipt requested, addressed to the parties at their addresses appearing on the first page hereof, or to such other address or addresses as the parties may from time to time specify by notice so given.

15. Governing Law.  
This Assignment shall be interpreted in accordance with and governed by the law of the Commonwealth of Massachusetts.


16. Changes in Writing.  
This Assignment may not be changed, waived, or terminated except in a writing signed by the party against whom enforcement of the change, waiver, or termination is sought.


17. Costs and Attorney's Fees.  
To the extent permitted by law, if Assignee retains an attorney to enforce any of the provisions hereof, Assignor agrees to pay Assignee, on demand, all costs and expenses in connection therewith including all court costs and reasonable attorney's fees whether or not suit is brought or prosecuted to completion. This provision shall not apply, however, to costs or expenses incurred pursuant to Assignor's cooperative performance of its obligations as described herein.

EXECUTED AS A SEALED INSTRUMENT THE DATE AND YEAR FIRST ABOVE WRITTEN.

BAY STATE RELIEF INC.

  
BY: Armand Riendeau, President (Assignor)

 ORIGINAL

  
BY: Andrew Gold, Treasurer (Assignor)

COMMONWEALTH OF MASSACHUSETTS

WORCESTER, ss.

On this \_\_\_\_ day of \_\_\_\_\_, 2013, before me, the undersigned notary public, personally appeared and proved to me through satisfactory evidence of identification, which was personal knowledge, to be the person whose name is signed above and acknowledged to me that he signed it voluntarily for its stated purpose as.

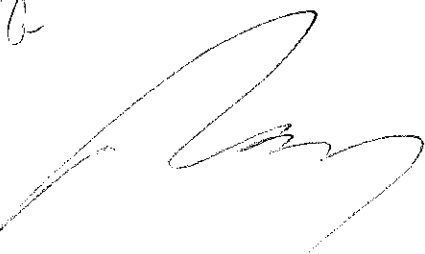
\_\_\_\_\_  
- Notary Public  
MY COMMISSION EXPIRES:

COMMONWEALTH OF MASSACHUSETTS

WORCESTER, ss.

On this \_\_\_\_ day of \_\_\_\_\_, 2013, before me, the undersigned notary public, personally appeared and proved to me through satisfactory evidence of identification, which was personal knowledge, to be the person whose name is signed above and acknowledged to me that he signed it voluntarily for its stated purpose as .

\_\_\_\_\_  
- Notary Public  
MY COMMISSION EXPIRES:

AG  


# Exhibit "A"

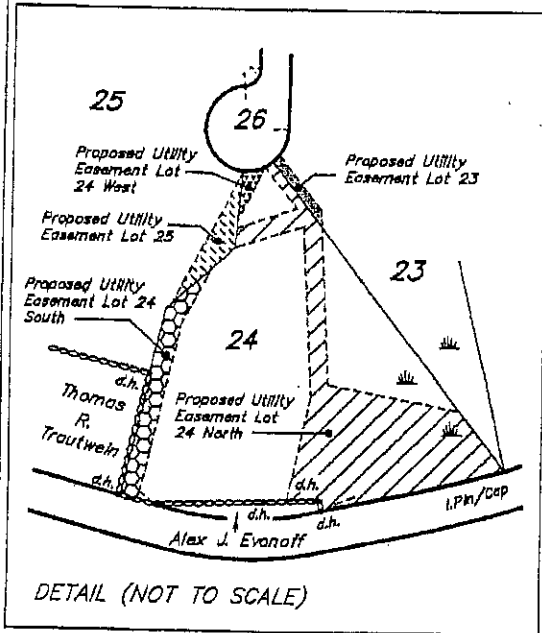
SUBDIVISION PLAN OF LAND IN MILFORD

Guerriere & Halnon, Inc., Surveyors

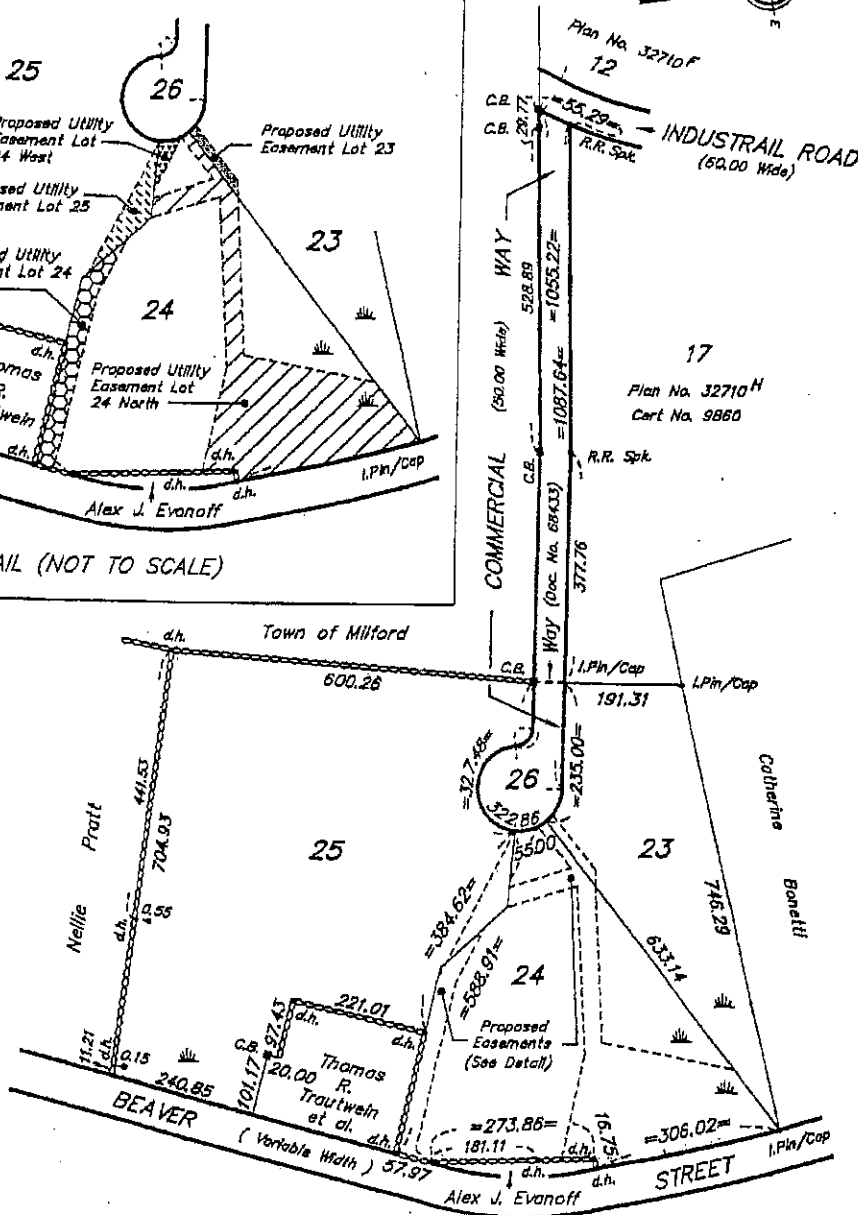
November 18, 2003

32710 J

ORIGINAL



DETAIL (NOT TO SCALE)



Subdivision of Lots 18, 19, 20, 21 and 22  
Shown on Plan 32710-I  
Filed with Cert. of Title No. ....  
Worcester Registry District of Worcester County

Separate certificates of title may be issued for land  
shown hereon as Lots 23, 24, 25 and 26  
By the Court.

*Deborah J. Patterson*  
Recorder

October 27, 2004

ST-060W

WORCESTER REGISTRY  
DISTRICT  
RECEIVED FOR REGISTRATION

NOV 16 2004

3 O'CLOCK P.M.  
Noted on Certificate No. 14623  
Registration Book 27

Abutters are shown as  
on original decree plan.

Copy of part of plan  
filed at

LAND REGISTRATION OFFICE

Sept. 16, 2004

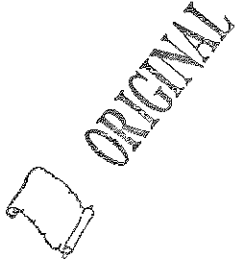
Scale of this plan 200 feet to an inch  
G.T. Capellanis, Engineer for Court

AB

**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 Relief, Inc. Application # (if more than one): \_\_\_\_\_



| Physical Address                      | County    | Type of Evidence Attached |
|---------------------------------------|-----------|---------------------------|
| 13 Commercial Way<br>Milford MA 01757 | Worcester | Signed Lease Agreement    |
|                                       |           |                           |

LEASE

This Indenture made this 15<sup>th</sup> day of November, 2013, by and between CORNER BROOK, LLC, a Massachusetts limited liability company established under the laws of the Commonwealth of Massachusetts and having its usual place of business at 11 Commercial Way, Milford, County of Worcester, Massachusetts 01757 (hereinafter with its successors and assigns called the "Lessor") and BAY STATE RELIEF INC. a Massachusetts non-profit corporation having its usual place of business at 435 Worcester Road, Framingham, Massachusetts (hereinafter with their successors and assigns called the "Lessee").

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WITNESSETH

In consideration of the rents and covenants herein contained on the part of the Lessee to be paid, performed and observed, the Lessor hereby leases to the Lessee and the Lessee hereby leases from the Lessor, subject to the terms and provisions hereinafter set forth, certain premises defined as the "Demised Premises", located at 13 Commercial Way, Milford, Worcester County, Massachusetts.

ARTICLE I

Reference Data: Demised Premises

Section 1. Definitions. Each reference in this Lease to any of the terms and titles contained or defined in this Article shall be deemed and construed to incorporate the matters set forth following such term or title in this Article unless the context clearly indicates otherwise:

Term


Definition

(a) Common Areas:

Those portions of the Property, as they may from time to time exist, which are open generally to the public or to the tenants thereof, including without limitation, sidewalks, parking areas, driveways, service areas, malls, landscaped areas and the like. No representation is hereby made concerning the existence or continuance of any Common Area, all of which the Lessor reserves the right to alter, modify, enlarge, decrease or discontinue, as Lessor, in its sole judgment, shall deem necessary or desirable, provided such changes do not prohibit or materially interfere with Lessee's use of the Demised Premises as provided herein.

(b) Common Facilities:

All of Lessor's equipment (except such equipment used exclusively by a tenant in the Building), systems and facilities within, or used in connection with the operation of the Property, or any part or parts thereof, including without limitation, all building exterior walls, roofs and other structural elements of the Building or buildings upon the Property from time to time, all pipes, wires, conduits, sanitary sewer, storm drains, generators, air conditioning and heating equipment and lighting system,

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including without limitation all of the same within the Demised Premises or upon the roof of the Demised Premises.



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- (c) Default Interest Rate: If any payment of Minimum Rent, Additional Rent or other sum due under this Lease is not paid when due (i) such overdue amount shall thereafter bear interest until paid in full at a rate per annum equal to four (4%) above the prime rate announced from time to time by the Wall Street Journal, or if there is no such newspaper, then such other nationally recognized business newspaper selected by Lessor, but not in excess of the highest legal rate.
- (d) The Demised Premises, the Building and the Property: The "Demised Premises" is all of the floor area (approximately 24,920 square feet) located within the building (the "Building"). The Building, the Common Areas and the Common Facilities are situated on a parcel of land, shown as Lot 24 on Exhibit A attached hereto, all of which are collectively referred to herein as the "Property".
- (e) Hazardous Materials: "Oil", "hazardous materials", "hazardous waste", or "hazardous substances", as such terms are defined under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq., as amended, the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §6901 et seq., as amended, and the regulations promulgated thereunder, and all applicable federal, state and local laws, rules and regulations, including, without limitation, Massachusetts General Laws, Chapters 21C and 21E (the "Superfund and Hazardous Waste Laws").
- (f) Late Payment Charge: If any payment of Minimum Rent, Additional Rent or other sum due under this Lease is not paid when due, Lessee shall pay Lessor twenty (\$20.00) dollars per day accruing from the due date of such payment to the date of actual receipt of such payment.
- (g) Lease Commencement Date: The Lease Commencement Date is the date that this Lease is executed by and delivered to Lessor and Lessee. Lessee's obligations under the Lease do not vest, however, and shall not be binding on Lessee, unless and until Lessee is issued a final registration to operate a Registered Marijuana Dispensary by the Massachusetts Department of Public Health (MDPH). If the Lease has not become binding by May 1, 2014, upon written notice to Lessee, Lessor may terminate the Lease without recourse to either party. If Lessee is advised in writing that it is not granted a registration to operate a Registered Marijuana Dispensary by the MDPH or that its

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application for a Certificate of Registration has been denied, Lessee shall promptly give Lessor written notice thereof. Such notice shall automatically terminate the Lease, without recourse to either party.

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(h) Lease Year:

Each period of twelve (12) consecutive calendar months during the Lease Term starting on the Rent Commencement Date, except that if the Rent Commencement Date is not on the first day of a month, the first Lease Year shall begin on the first day of the calendar month next following the Rent Commencement Date.

(i) Lessee's Initial Monthly Payments on Account of Lessor's Property & Building CAM Costs & on Account of Real Estate Taxes:

\$4,360.00 per month, subject to adjustment as provided in Article V, Section 3, for Lessor's CAM Costs; and Article III, Section 2, for real estate taxes

(j) Lessee's Percentage Share of Property and Building CAM Costs and Real Estate Taxes:

As Lessee is leasing the entire Building, Lessee is responsible for 100% of the Property and Building common area maintenance charges and real estate taxes for any Lease Year or Tax Year.

(k) Minimum Rent:

| <u>Period Covered</u>   | <u>Minimum Annual Rent</u> | <u>Minimum Monthly Rent</u>            |
|---|----------------------------|--|
| From the Rent Commencement date until the start of the First Lease Year | \$186,900.00               | \$15,575.00 prorated for partial month |
| Year 1  | \$186,900.00               | \$15,575.00                            |
| Year 2  | \$236,740.00               | \$19,728.33                            |
| Years 3-12  | \$299,040.00               | \$24,920.00                            |

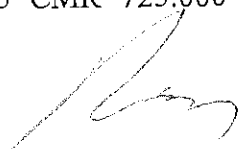
(l) Mortgage & Mortgagee:

For purposes hereof, the term Mortgage shall mean any real estate mortgage, ground lease, deed of trust or any other security agreement or indenture affecting the Property or the Premises; the term Mortgagee shall mean the holder of any such real estate mortgage, any ground lessor or any trustee or holder of any such deed of trust, security agreement or indenture.

(m) Permitted Use:

Lessee shall use and occupy the Premises for the cultivation, processing, storage, packaging, and/or sale of cannabis in accordance with an Act for the Humanitarian Medical Use of Marijuana (MA S.L. Ch. 369), and Massachusetts Department of Public Health ("MDPH") Regulations (105 CMR 725.000 et seq.)

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subject, however, to zoning and other regulatory requirements and to the limitation set forth in Article VII herein.



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(n) Rent Commencement Date: 30 days after Lessee receives a final registration to operate a Registered Marijuana Dispensary (RMD) from the MDPH, or March 1, 2014, whichever is earlier except that if Lessee has been selected to receive a registration and has paid the \$50,000.00 registration fee but has not yet received a final Certificate of Registration, the March 1, 2014 date shall automatically be extended until May 1, 2014 for purposes of payment of rent. The March 1, 2014 date shall still remain in effect as the start of the 1<sup>st</sup> Lease Year, however, as Lessee shall be obliged to pay March rent no later than October 1, 2014 and April rent no later than November 1, 2014. Such rent will not be due and payable if the Lease is terminated prior to May 1, 2014 due to Lessee not receiving its final Certificate of Registration by such date.

(o) Tax Year: "Tax Year" means each twelve (12) month period (deemed, for the purposes of this Lessor, to have 365 days) established as the real estate tax year by the taxing authorities having lawful jurisdiction over the Property. At present, the Tax Year is July 1 through June 30.

(p) Term: From the Lease Commencement Date until twelve (12) years after the start of the first Lease Year. If any extension to the Lease is agreed to in writing, the Term shall end at midnight on the last day of any such extension.

(q) Termination Date: Twelve (12) years from the commencement of the First Lease Year, unless the Term of this Lease is extended in writing or earlier terminated pursuant to the provisions of this Lease, in which case the Termination Date shall be the date on which such earlier termination occurs, or such extension expires, as the case may be.

Section 2. Common Area and Common Facilities Rights. The Demised Premises are leased together with the non-exclusive right to use, in common with others lawfully entitled thereto, for access and egress and parking, the mall area (if any), sidewalks, parking areas, driveways, loading and service areas and other Common Areas of the Property, as the same may exist from time to time, expressly reserving to the Lessor the right to install, maintain, use, repair, replace, alter, change, relocate and remove such Common Areas and Facilities from time to time, and including the right to change the size, type, location, nature and shape of the Common Areas and Facilities, the Property and the Building including any elevators, stairways, access ways and loading docks located in the Building, provided such changes do not unreasonably interfere with the visibility, adequate parking or permanent access to an entrance to the Demised Premises. Lessor also reserves

the right (without thereby assuming the obligation) to install, maintain, use, repair and replace all pipes, ducts, wires, meters, utility lines and other equipment or materials which now are or hereafter may be, in the judgment of the Lessor, desired or required to be in the Demised Premises provided such changes do not unreasonably interfere with the visibility, adequate parking or permanent access to an entrance to the Demised Premises. The Demised Premises are leased subject to the mortgages and other existing encumbrances of record, if any.

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**ARTICLE II**  
**Term and Commencement**

Section 1. Term. To have and to hold the Demised Premises for the Term beginning on the Lease Commencement Date and ending on the Termination Date unless extended by written agreement or unless sooner terminated as hereinafter provided.

Section 2. Recording. Lessor agrees upon request of the Lessee to execute and deliver to Lessee a notice of lease or short form of lease suitable for recording and setting forth the name of the Lessor and the Lessee, the term of this Lease, an appropriate description of the Demised Premises, and such other information as is required by law for a notice of lease. A copy of this Lease shall not be recorded in any Registry of Deeds or Land Court Registry.

**ARTICLE III**  
**Rent**

Section 1. Minimum Rent Yielding and paying the Minimum Rent during the Term hereof, all such rent to be payable in equal monthly installments in advance beginning on the Rent Commencement Date, and thereafter on the first day of each calendar month during the Term without offset or deduction and without previous demand therefore.

Section 2. Taxes

(a) Beginning on the Rent Commencement Date, the Lessee shall pay Lessor, as Additional Rent hereunder, for each Tax Year during the term hereof, an amount equal to the real estate taxes and other ad valorem taxes, including, without limitation, betterments or other assessments imposed, assessed or levied upon the land and buildings and improvements comprising the Property ("Real Estate Taxes"). For purposes of this paragraph, Lessee's Percentage Share shall be calculated as set forth in Article I. Real Estate Taxes shall also include all costs, including but not limited to attorney's fees, appraiser's fees and Lessor's reasonable administrative costs, for any contest or appeal pursued by Lessor in an effort to reduce the tax or assessment on which any tax or other imposition provided for in this Section is based. As long as Lessee is current on all of its payment and other obligations, Lessor shall not contest or appeal any tax, assessment or imposition, except upon Lessee's request.

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- (b) The payment on account of Real Estate Taxes required hereunder shall be paid by Lessee in equal monthly installments in such amounts as are estimated and billed for each Tax Year by Lessor, at the Rent Commencement Date and thereafter at the beginning of each successive calendar year during the term hereof, the first installment being due on the Rent Commencement Date and subsequent installments being due on the first day of each month thereafter.
- (c) Within ninety (90) days after Lessor's receipt of the first non-estimated tax bill for each Tax Year, Lessor will certify to Lessee the total amount of Real Estate Taxes as specified above.

Lessee's Percentage Share paid or payable for each Tax Year shall be adjusted between Lessor and Lessee, with payment to or payment by Lessor, as the case may require, within thirty (30) days of the aforesaid certification to Lessee, such amount as is necessary to effect such adjustment. Further adjustments shall be made, as necessary, if subsequent tax bills during any Tax Year are adjusted by the taxing authority.

The failure of Lessor to provide such certification within the time prescribed above shall not relieve Lessee of its obligations under this Section 2 or for the specific Tax Year in which any such failure occurs.

For the Tax Years in which the Rent Commencement Date and the Termination Date occur, the provisions of this Section shall apply, but Lessee's liability for Lessee's Percentage Share of any taxes for such year shall be subject to a pro rata adjustment based upon the number of days of such Tax Year falling within the period on and after the Rent Commencement Date or on or before the Termination Date during which the Demised Premises are leased to Lessee pursuant to this Lease.

- (d) Lessee agrees to pay, prior to delinquency, any and all taxes and assessments levied, assessed or imposed during the Term hereof upon or against:
  - (i) All furniture, fixtures, signs and equipment and any other personal property installed or located within the Demised Premises;
  - (ii) All alterations, additions, betterments or improvements of whatsoever kind or nature made by or on behalf of Lessee to the Demised Premises, as the same may be separately levied, taxed and assessed against or imposed directly upon Lessee by the taxing authorities.

(e) The provisions of Article III, Section 2, are predicated upon the present system of taxation in the Commonwealth of Massachusetts. If taxes upon rentals or otherwise pertaining to the Demised Premises shall be substituted, in whole or in part, for the present ad valorem real estate taxes or assessed in addition thereto, then Lessee's obligation to pay such taxes shall be based upon such substituted taxes, to the extent to which the same

*and*

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*[Signature]*

shall be a substitute for present ad valorem real estate taxes, together with such additional taxes. Nothing herein contained shall be construed to require Lessee to reimburse Lessor for any penalties or interest which may be imposed upon Lessor's delinquent payment of taxes.

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Section 3. Late Payment Charges Any payment of Minimum Rent, Additional Rent or other sums due under this Lease, received by Lessor more than five (5) business days after its due date, shall be subject to the Late Payment Charge accruing from the due date of such payment to the date of actual receipt of such payment by Lessor.

Section 4. Payment of Rent. All payments of Minimum Rent, Additional Rent or other sums due under this Lease shall be made payable to Lessor, and sent to the address to which notices hereunder to the Lessor are to be delivered or to such other payee or at such other address as Lessor may designate in writing from time to time.

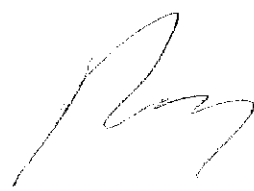
#### ARTICLE IV Condition of the Premises

Section 1. Lessor's Work. Lessor shall take such steps, if any, as are necessary to put the existing HVAC, electrical and plumbing systems in good working condition prior to occupancy. Lessor is not responsible for making any changes needed to make any of such systems compatible with Lessee's use of the Premises.

Lessee's Work. Lessee will, at its own expense and in accordance with the plans and specifications, or such other documentation as may be reasonably satisfactory to Lessor, complete the Buildout of the Premises as necessary and otherwise prepare the Premises for occupancy (Lessee's Work). Lessee shall commence work promptly after Lessor has given Lessee written approval of Lessee's Work and contractor and shall work diligently and continuously to complete Lessee's Work, and shall open for business as soon thereafter as possible. Lessor shall not unreasonably withhold written approval of Lessee's Work and contractor. All Lessee's construction shall be performed in conformity with all rules, regulations and requirements of governmental authorities having jurisdiction. Upon completion of Lessee's Work, and prior to occupancy, Lessee shall furnish evidence, reasonably satisfactory to Lessor, that all labor and materials contracted for by Lessee in and about the Demised Premises have been paid in full.

In the event that any party claiming to have supplied labor and/or materials to the Demised Premises at Lessee's (or Lessee's agents') request shall file a mechanic's lien or other claim, Lessee shall promptly take such steps as may be required to have the mechanic's lien released or the claim resolved. Lessee shall indemnify, defend and hold Lessor harmless against any and all payments, costs or expenses, including but not limited to legal fees, which may be made or incurred by Lessor as a result of Lessee's failure to promptly cause any such lien to be removed or claim resolved. This provision shall be applicable in all circumstances, whether pursuant to Lessee's Work or otherwise.

All improvements made pursuant to Lessor's Work or Lessee's Work shall become part of the Demised Premises and title thereto shall vest in Lessor upon installation. It is provided further, however, that Lessee's trade fixtures may be removed



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by the Lessee, provided that all damage resulting from said removal is promptly repaired and the Demised Premises promptly restored by Lessee at Lessee's expense.

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**ARTICLE V**  
**Common Area Maintenance**

Section 1. (a) Lessor's Work Lessor shall make all reasonable or necessary repairs and replacements to the Common Area and Common Facilities except for the work described below as Lessee's work.

(b) Lessee's Work Lessee shall keep the Common Areas reasonably free of snow and ice and in a reasonably clean and neat condition.

Section 2. (a) Lessee's Payments In addition to all other payments herein provided to be made by Lessee to Lessor, commencing on the Rent Commencement Date, Lessee shall also pay to Lessor, as additional rent ("Additional Rent" an amount equal to the costs and expenses incurred or accrued by, or on behalf of Lessor in operating, maintaining, and repairing the Common Areas and Common Facilities of the Property and the Building ("Lessor's Costs").

(b) Lessor's Costs include, but are not limited to, all costs and expenses of every kind and nature paid, by Lessor in operating, managing, equipping and policing, the Property; heating and air conditioning Common Areas within the Building; lighting, repairing, striping, maintaining and replacing all parking areas, driveways, mall areas, service and loading areas; landscaping and gardening Common Areas; water and sewer charges; roof repairs and replacements; premiums for liability, property damage, fire, workmen's compensation, and other insurance on the Common Areas and Common Facilities and all other insurance, hazard and otherwise, carried by Lessor on all structures on the Property; wages, unemployment taxes, social security taxes, personal property taxes and assessments; fees for required licenses and permits; supplies and reasonable depreciation of equipment used in the operation of the Common Areas; and administrative costs equal to fifteen percent (15%) of the total of Lessor's Costs. The only exception is that Lessee shall not be responsible for any costs or expenses related to the solar panels situated on the roof of the Premises, except to the extent that such costs or expenses are necessitated by the action or inaction of Lessee.

Section 3. Payment Schedule. Lessee's Percentage Share of Lessor's Costs shall be paid in monthly installments, in advance, in the amount estimated by Lessor, starting on the Rent Commencement Date and continuing on the first day of each and every calendar month, thereafter. Within ninety (90) days after the end of each Lease Year during the Term hereof, Lessor shall furnish to Lessee a statement in reasonable detail setting forth the Lessor's Costs; thereupon there shall be a prompt adjustment between Lessor and Lessee, with payment to, or repayment by, Lessor, as the case may require, to the end that Lessor shall receive the entire amount of Lessor's Costs, and no more or less. Lessee shall have the right during normal business hours at a time convenient to Lessor, upon prior written request and at its own expense to inspect Lessor's records of Lessor's Costs (at Lessor's or its management agent's office), such inspection to be done not more frequently than once per Lease Year. Lessor shall maintain its record of Lessor's Costs for a period of three (3) years after the end of the year to which Lessor's Costs relate. In the event that any such inspection results in Lessor and Lessee agreeing that Lessee's payments have been

incorrect, Lessor or Lessee shall promptly reimburse the other in the amount necessary so that Lessee's payments are consistent with the requirements of this Lease.

Section 4. Required Improvements. If Lessor shall be obligated by reason of any law, regulation or rule now in effect or hereafter adopted by any governmental authority having jurisdiction over the Property, to make any capital improvement to the Common Areas or Common Facilities for any reason, the cost of such capital improvement pro rated over a reasonable time period determined by Lessor, together with the yearly cost to Lessor to finance the same, shall be included within Lessor's Costs.

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**ARTICLE VI**  
**Covenants**

Lessee covenants and agrees as follows:

- (a) To pay, when due, the Minimum Rent and Additional Rent at the times and in the manner set forth herein;
- (b) To procure any licenses and permits required for any use to be made of the Demised Premises by Lessee;
- (c) To pay promptly when due the entire cost of any work to the Demised Premises undertaken by Lessee so that the Demised Premises shall, at all times, be free of liens for labor and materials; to procure all necessary permits before undertaking such work; to do all of such work in a good and workmanlike manner, employing materials of good quality and complying with all governmental requirements; and to save Lessor harmless and indemnified from all injury, loss, claims or damage to any person or property occasioned by or growing out of such work including, without limitation, reasonable attorneys' fees. Upon receipt of notice from Lessor, Lessee shall take over Lessor's defense in any action related to work undertaken by Lessee on the Demised Premises.
- (d) Subject to MDPH requirements, to permit Lessor and Lessor's agents to examine the Demised Premises during normal business hours upon prior notice (except in the case of an emergency for which there are no notice or timing requirements) and to show the Demised Premises to prospective lenders, purchasers or tenants, but Lessor shall not show the Demised Premises to prospective tenants until the last twelve (12) months of the Lease Term; to permit Lessor to enter the Demised Premises (upon prior notice to Lessee except in the case of an emergency for which there are no notice or timing requirements) to make such repairs, improvements, alterations or additions thereto as may be required in order to comply with the requirements of any public authority having jurisdiction over the Demised Premises, or as may be desired by Lessor or required of Lessor under the terms of this Lease. Lessor shall use reasonable precautions so as not to unnecessarily interfere with Lessee's use and enjoyment of the Demised Premises in the exercise of the Lessor's rights hereunder.

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- (e) To pay, when due, any and all State, Federal or local taxes based upon Lessee's use or occupation of the Demised Premises or pertaining to Lessee's personal property or resulting from any alterations, additions or improvements made on Lessee's behalf or by Lessee to the Demised Premises.
- (f) To comply with all laws, orders, and regulations of any governmental authorities pertaining to Lessee's use and occupation of the Demised Premises.
- (g) To refrain from doing anything, taking any action or failing to act in such a manner that will cause any increase in the fire insurance rates pertaining to the Demised Premises or the Building and to comply with any rules, regulations or recommendations of the National Board of Fire Underwriters, any rating bureau, or any similar association performing such function and failing same, to pay to Lessor any increase in premiums resulting therefrom.
- (h) To keep the Demised Premises adequately heated for the protection of the plumbing therein.
- (i) To permit no waste with respect to the Demised Premises.

**ARTICLE VII**  
**Use of Demised Premises**

Section 1. Permitted Use Only The Lessee shall have the right to use the Demised Premises for the Permitted Use and for no other purposes whatsoever without the Lessor's prior written permission.

Section 2. Lessee acknowledges that no trade or occupation shall be conducted in the Demised Premises or use made thereof which will be unlawful, improper, excessively noisy or offensive, or contrary to any law or any municipal by-law or ordinance in force in the state, city, or town in which the Demised Premises are situated.

(a) Lessee shall give prompt written notice to the Lessor of any written notice it receives of the violation of any law or requirement of public authority, and at its own expense shall comply with all laws and requirements of authorities which shall, with respect to the Demised Premises or Lessee's use and occupation thereof, or the abatement of any nuisance, impose any obligation, order, or duty on Lessor or Lessee arising from (i) Lessee's use of the Demised Premises, (ii) the manner of conduct of Lessee's business or operation of its installations, equipment, or other property, (iii) any cause or condition created by or on behalf of Lessee or (iv) breach of obligations of Lessee under this Lease.

Section 3. Use Restrictions Lessee further agrees to conform to the following provisions during the entire Term of this Lease:

- (a) Lessee shall follow all applicable town and state laws;

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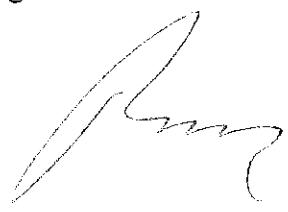
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- (b) Lessee shall always conduct its operations in the Demised Premises under the Lessee's name as set forth herein, or as it may be legally changed or altered;
- (c) Lessee shall not use the sidewalks, mall area, parking areas, driveways or other Common Area of the Property, for advertising or business purposes without the prior written consent of the Lessor;
- (d) Lessee shall, at its own cost and expense, be responsible for the prompt removal of all trash, refuse and the like, from the Demised Premises and shall insure that same be kept in covered containers at all times and that no trash will be kept in the halls; and
- (e) Lessee shall take whatever measures are necessary to insure that floor load limitations are not exceeded in the Demised Premises.
- (f) Lessee shall keep the display windows, if any, of the Demised Premises clean and free of signs and adequately lighted during such nighttime hours as Lessor shall designate from time to time;
- (g) Lessee shall receive and deliver goods and merchandise only in the manner, at such times, and in such areas, as may be designated by Lessor;
- (h) Lessee shall not use the Demised Premises for any unethical or unfair method of business operation, advertising or interior display nor perform any act or carry on any practice which may injure the Demised Premises or any other part of the Property;
- (i) Lessee shall not permit nor cause any offensive odors or loud noise (including, but without limitation, the use of loudspeakers) to emanate from the Demised Premises;
- (j) Lessee shall not use any portion of the Demised Premises for storage or other services, except as required for its operations in the Demised Premises;
- (k) Lessee shall comply with such other reasonable rules and regulations as Lessor may promulgate during the Term hereof; and
- (l) Lessee shall not permit employees, agents or servants to block or park their vehicles on any Common Area of the Property, except in such areas designated for employee parking and, on request of the Lessor, Lessee agrees to furnish Lessor with the license plate numbers of all such vehicles.
- (m) Lessee shall not permit employees, agents or servants to smoke in the Building.

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ARTICLE VIII  
Repairs and Alterations

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Section 1. Lessee's Work The Lessee shall keep and maintain the Demised Premises, and all facilities and systems outside the Demised Premises but solely serving the Demised Premises, in a neat, clean, sanitary condition and in good working order and repair, and in compliance with all laws, ordinances or regulations of any public authorities having jurisdiction, including, without limitation, all electrical, plumbing, gas, heating, air-conditioning and sewage facilities within or serving the Demised Premises, sprinklers, fixtures and interior walls, floors, ceilings, signs (including exterior signs where permitted) and all interior building appliances and similar equipment and the exterior and interior portions of all windows, window frames, doors, door frames, and all other glass or plate glass thereon, and shall make all repairs and replacements and do all other work necessary for the foregoing, and, in furtherance hereof; provided, however, that subject to the provisions of Article XVII and Article XVIII below, damage to the Demised Premises and common areas caused by fire or other casualty covered by policies of fire insurance carried by the Lessor as provided in Article XI hereof, or caused by action of public authorities in connection with a taking by eminent domain, shall be repaired by the Lessor at Lessor's own cost and expense. Promptly after notice from the Lessor, Lessee shall repair, at its own expense, any damage to the roof, foundation, structural columns or exterior walls of the Demised Premised caused by any act or negligence by the Lessee, its employees, agents, licensees, suppliers, contractors or guests. All such work shall be performed by contractors acceptable to Lessor.

Section 2. Lessor's Work The Lessor shall promptly, after receipt of written notice from the Lessee, make any necessary repairs to the roof, foundation, structural columns and exterior walls of the Demised Premises only (exclusive of glass, window frames, windows, doors, door frames, and signs, which repairs shall be made by the Lessee), except where such repairs are required by reason of any act or negligence by the Lessee, its employees, agents, licensees, suppliers, contractors or guests. The Lessee shall promptly, after notice from the Lessor, repair, at its own expense, any damage to the roof, foundation, structural columns or exterior walls of the Demised Premised caused by any act or negligence by the Lessee, its employees, agents, licensees, suppliers, contractors or guests.

Section 3. Surrender of Premises The Lessee shall at the expiration or earlier termination of this Lease remove its goods and effects and peaceably yield up the Demised Premises, clean and in good working order, repair and condition, reasonable wear and tear excepted, with any injury done to the Demised Premises or the Property by the installation or removal of the Lessee's fixtures or other property, being repaired in a good and workmanlike manner.

All additions or other improvements placed in or on the Demised Premises by the Lessor during the term of this Lease, including without limitation any made as part of Lessor's Work pursuant to Article IV hereof, shall remain on and shall not be removed from the Demised Premises. At the expiration of this Lease, all such additions and improvements shall be the property of the Lessor. Any additions or other improvements placed in or on the Demised Premises by the Lessee, including without limitation all trade fixtures, shall be considered as personal property and shall remain the property of the Lessee, who shall have the right to remove such property from the Demised Premises at

the expiration of this Lease, provided that the Lessee, at the Lessee's expense, promptly repairs any damage to the Demised Premises resulting from the installation and/or removal of such property.

Notwithstanding anything to the contrary herein, any business or trade fixtures, lighting, furniture, machinery and equipment "Personal Property" installed by the Lessee which may be removed from the Demised Premises without injury thereto, shall remain the property of the Lessee and shall be removed by the Lessee from the Demised Premises prior to the expiration or earlier termination of this Lease; provided that if the Lessee is then in default hereunder, such Personal Property insofar as the Lessor shall so direct, shall remain in the Demised Premises and become the property of Lessor or, at Lessor's election, be stored by Lessor for the account of the Lessee and Lessee shall be liable for any costs or expenses incurred by Lessor in connection therewith, and shall pay Lessor for such costs and expenses prior to their release from storage, or such personal property shall be deemed abandoned and may be disposed of by Lessor in any way Lessor sees fit, at Lessee's expense, all without any responsibility by Lessor to Lessee for any loss or damage.

Section 4. Alterations The Lessee shall obtain Lessor's prior written consent for any alterations, improvements or additions to the Demised Premises or to the exterior of the Demised Premises, which consent in the case of interior non-structural work, shall not be unreasonably withheld. All such work shall be performed in accordance with all applicable laws, rules and regulations and in a good and workmanlike manner and shall not impair the safety or the structure of the Building, nor diminish the value of the Building as then constituted.

**ARTICLE IX**  
**Utilities**

The Lessee shall pay for all utility services provided to the Demised Premises, including, without limitation, electricity, gas, water, telephone, heat and sewage charges. The Lessor shall not be liable for any interruption of electricity, gas, water, telephone, sewage, heat or other utility service supplied to the Demised Premises, except where such interruption is caused by any negligence of the Lessor, its employees, agents, licensees, suppliers, contractors, or guests. The Lessee shall pay, on being billed therefore, any water and/or sewer use tax imposed by any governmental authority, which is directly or indirectly applicable to the Demised Premises.

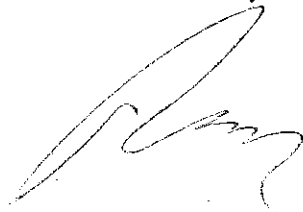
**ARTICLE X**  
**Liability**

Section 1. Indemnity Lessee shall save the Lessor harmless and indemnified from all injury, loss, claims or damage of whatever nature to any person or property in the Demised Premises or about the Property arising from any act or omission of Lessor, or the employees, agents, contractors, suppliers, licensees or invitees of any of the foregoing, except as set forth below.

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Section 2. Lessor's Non-Liability Neither the Lessor nor any agent or employee of the Lessor shall be liable for any damage to the person or property of the Lessee, or of any subtenant, or concessionaire, or of any employee, customer, licensee, invitee, contractor or supplier, or guest of any of the foregoing, except where such damage is attributable to the gross negligence of the Lessor, or Lessor's agents or employees, in the performance or failure to perform any of the obligations of the Lessor under and pursuant to the terms and provisions of this Lease. Without in any way limiting the generality of the foregoing, Lessor, Lessor's agents or employees, shall not be liable, in any event, for any such damage resulting from (a) the interruption to business or damage to property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or snow or leaks from any part of said Demised Premises or the Building, or from the pipes, appliances or plumbing or from dampness or any other cause, or (b) any hidden defect on the Demised Premises or the Building.

**ARTICLE XI**  
**Insurance**

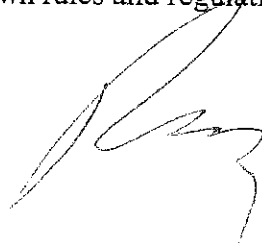
Section 1. Lessor's Casualty and Liability Insurance. The Lessor shall maintain, at all times during the term of this Lease, with respect to the Building, insurance against loss or damage by fire, the so-called extended coverage casualties, coverage for loss of rentals (due to fire or other casualty), and insurance with respect to such other casualties for an amount of not less than one hundred percent (100%) of the full replacement cost and public liability with inclusive limits of not less than Two Million Dollars (\$2,000,000.00) per occurrence in the event of bodily injury or death.

Section 2. Lessee's Insurance The Lessee shall, at its own expense, maintain workman's compensation insurance, and fire and comprehensive casualty insurance of adequate amounts with respect to its own fixtures, merchandise, equipment and other property contained in the Demised Premises. Lessee shall also maintain, during the term of this Lease, at its own expense, comprehensive public liability insurance with responsible companies qualified to do business in Massachusetts which shall insure the Lessor (as a named, insured party), and all persons claiming under the Lessor, as well as the Lessee, against all claims for injuries to persons (including death) and against claims for damages or loss of property occurring in or about the Demised Premises in the amount of at least Two Million Dollars (\$2,000,000.00) per occurrence. The Lessee shall furnish the Lessor with certificates for such insurance prior to the commencement of Lessee's Work as described in Article IV and at least ten (10) days prior to the expiration date of any of such policies. Each policy shall be non-cancelable with respect to the Lessor's interest without at least thirty (30) days prior written notice to the Lessor from the insurer.

**ARTICLE XII**  
**Signs**

Lessee may, at Lessee's expense, attach a sign to the front of the Premises. The sign is subject to Lessor's approval and applicable town rules and regulations.

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**ARTICLE XIII**  
**Assignment or Subletting**

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The Lessee shall neither assign nor permit any assignment by operation of law or otherwise of this Lease, nor sublet any portion of the Demised Premises or permit occupation of the whole or any part thereof by another by license or otherwise without, on each occasion, first obtaining the Lessor's written consent, in writing and paying any reasonable attorney's fees incurred by Lessor in connection with such assignment, sublet or permitted occupation. Lessor may withhold its consent for any or no reason. If consent is given, Assignee and Lessee shall promptly execute, acknowledge and deliver to Lessor an agreement in form and substance satisfactory to Lessor whereby Assignee shall agree to be bound by and upon all the covenants, obligations, agreements, terms, provisions and conditions set forth in this Lease on the part of Lessee to be performed, and whereby Assignee shall expressly agree that the provisions of this Article XIII shall, notwithstanding such assignment or transfer, continue to be binding upon it with respect to all future assignments and transfers, and in any such event, Lessee shall remain liable for all obligations of Lessee hereunder.

Should Lessee desire to sublet or assign the Premises, Lessee will deliver the name and address of the proposed assignee or subtenant to Lessor, together with such assignee's or subtenant's complete commercially reasonable financial statement, at the time Lessee so requests Lessor's consent. Notwithstanding anything contained herein to the contrary, in the event that Lessee assigns this Lease or sublets the Premises, fifty percent of the Rent and other compensation payable by the assignee or subtenant over and above Lessee's rent (including, but not limited to, Minimum Rent and all other obligations hereunder) under the terms of this Lease, shall be paid to Lessor within 10 days after Lessee receives each such payment from such subtenant or assignee. Any unauthorized attempted transfer, subletting, assignment, license to use, hypothecation or other alienation of this Lease shall be void and shall confer no rights thereto.

No consent by the Lessor to an assignment or sublease shall be deemed to constitute any consent to any further assignment or sublease, or relieve the Lessee from its obligations under this Lease, and Lessee hereby guarantees the prompt and timely payment of all rent, Additional Rent and other charges hereunder. No indulgence or favor at any time granted by the Lessor to Lessee or to anyone claiming under the Lessee, nor acceptance of rent from, or other dealing with, anyone claiming under the Lessee, shall be deemed to be an assignment, sublease or otherwise. The Lessee and all persons claiming under the Lessee shall be deemed to have waived any and all suretyship defenses. Lessor may require as a condition of any assignment or subletting, that the Assignee or sublessee execute an agreement directly with Lessor agreeing to perform and observe all of the obligations of Lessee hereunder and to secure or guarantee such obligations in a manner acceptable to Lessor.

**ARTICLE XIV**  
**Subordination**

Section 1. Subordination by Lessee The Lessee shall, from time to time, upon request of the Lessor, subordinate this Lease to any existing and /or future Mortgage, as hereinafter defined, heretofore or hereafter placed upon the Property any part thereof, to



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any renewal, modification, replacement or extension of such Mortgage, and to any and all advances made or to be made thereunder, provided that in the instrument of subordination the Mortgagee agrees, for itself and its successors and assigns, that so long as the Lessee shall not be in default under this Lease, the Mortgagee and its successors and assigns will not disturb the peaceful, quiet enjoyment of the Demised Premises by the Lessee.

Section 2. Estoppels and Notices Lessee will, upon request by Lessor or any Mortgagee, execute and deliver to such party (a) an Estoppel Letter in form satisfactory to such party and (b) a copy of any notice of default delivered by Lessee to Lessor at the same time and in the same manner as to Lessor.

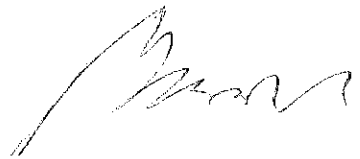
Section 3. Mortgagee Not Liable With reference to any assignment by Lessor of Lessor's interest in this Lease, or the rents and other sums payable hereunder, conditional in nature or otherwise, which assignment is made to a Mortgagee, Lessee agrees that the execution thereof by Lessor, and the acceptance thereof by such Mortgagee, shall not be treated as an assumption by such Mortgagee of any of the obligations of Lessor hereunder, unless such Mortgagee shall, by notice sent to Lessee, specifically otherwise elect. Absent such an election, Lessor shall retain its obligations herein. Nevertheless, Lessee shall, upon receipt of written notice from Lessor and any such Mortgagee to whom Lessor may from time to time assign the rents or other sums due hereunder, make payment of such rents or other sums to such Mortgagee, and the Lessor agrees to credit the Lessee for all of such payments made, unless and until Lessee receives a subsequent written notice to the contrary.

**ARTICLE XV**  
**Self-Help**

If the Lessee shall default in the performance or observance of any agreement or condition in this Lease contained on its part to be performed or observed other than a payment obligation, and shall not cure such default within thirty (30) days after written notice from Lessor specifying the default, Lessor may at any time thereafter, at its option and without waiving any claim for breach of agreement, cure such default for the account of Lessee and make all necessary payments in connection therewith. Any amount paid by Lessor in so doing shall be deemed paid for the account of Lessee and Lessee agrees to promptly reimburse Lessor therefore such sums as Additional Rent; provided that Lessor may cure any such default as aforesaid prior to the expiration of said waiting period but after written notice to Lessee, if the curing of such default prior to the expiration of said waiting period is reasonably necessary to protect the Building or the Property or Lessor's interest therein, or to prevent injury or damage to persons or property.

**ARTICLE XVI**  
**Waiver of Subrogation**

Lessee hereby releases Lessor from any and all liability or responsibility to Lessee (or anyone claiming through or under Lessee by way of subrogation or otherwise) for any loss or damage to property caused by fire or any of the extended coverage or supplementary contract casualties, even if such fire or other casualty shall have been caused by the fault or negligence of Lessor, or anyone for whom Lessor may be



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responsible, and Lessee hereby agrees that it shall cause such a clause or endorsement to be included in its policies.

**ARTICLE XVII**  
**Damage by Fire, Etc.**

Section 1. Restoration by Lessor If the Demised Premises or the Building shall be damaged or destroyed by fire, windstorm, or other casualty covered by the Lessor's fire insurance policies required to be carried pursuant to the provisions of Article XI hereof, the Lessee shall immediately give notice thereof to the Lessor, and unless this Lease is terminated as hereinafter provided, the Lessor at its own expense shall reasonably promptly repair or rebuild the same so as to restore the Demised Premises to substantially the same condition they were in as of the Rent Commencement Date (excluding any alterations, additions or improvements made by Lessee), subject, however, to zoning and building laws then in existence, provided that the Lessor shall not be responsible for any delay in such repair or reconstruction which may result from any cause beyond its reasonable control and provided further that in no event shall Lessor be obligated to expend for such repair or reconstruction more than the amount of the insurance proceeds (net of all costs and fees incurred by Lessor in collecting the same) received by Lessor on account thereof. In that event, until the Demised Premises are restored by Lessor, the payment of Minimum Rent and Additional Rent and other charges shall cease or be fairly apportioned according to whether the destruction to the Demised Premises or the Building is entire or partial.

Section 2. Termination Rights If either the Demised Premises or the Building shall be damaged or destroyed by fire or other casualty to the extent of twenty percent (20%) or more of the sound insurable value thereof, or if any part of the Demised Premises or the Building shall be damaged by an uninsured casualty by any cause to the extent of twenty percent (20%) or more of its sound insurable value, the Lessor may elect by written notice to the Lessee either to terminate this Lease or to repair or rebuild on the conditions set forth in Article XVII Section 1 above by written notice given within forty five (45) days after such damage or destruction. Notwithstanding anything herein to the contrary, if Lessor elects to repair or rebuild the Demised Premises or the Building, Lessor shall proceed with due diligence; if at any point Lessee concludes that Lessor is not performing as required herein, Lessee may give Lessor written notice thereof, which notice shall be specific with regard to Lessor's perceived failure to perform. Within fourteen (14) days after receipt of Lessee's notice Lessor shall respond to Lessee's concerns in writing. If Lessor's response does not satisfy Lessee that Lessor is using the required diligent efforts, Lessee may send Lessor written notice requesting arbitration (as described in Article XIX below) to determine if Lessor is in default.

Section 3. Lessee's Restoration In the event that the Demised Premises or the Building are damaged or destroyed by any cause described above, then, unless this Lease is terminated as above provided, the Lessee, at its own expense and proceeding with all reasonable dispatch, after receipt of notice from the Lessor that it has elected to repair and rebuild and has, in fact, commenced same, shall repair or replace suitably all alterations, additions, improvements, trade fixtures, equipment, signs or other property installed by or belonging to the Lessee, which shall be damaged or destroyed, in or serving the Demised

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Premises. All such work shall be performed by contractors acceptable to Lessor. However, Lessor shall not unreasonably withhold approval of Lessee's Work and contractor.

Section 4. Cooperation Lessor and Lessee agree to cooperate with each other to enable the prompt repair or replacement of the Demised Premises and the Building arising from any insured loss. Failure by either party to fulfill its obligations hereunder shall be a default under the terms of this Lease. In no event shall Lessee or any person or corporation claiming an interest in the Demised Premises by, through, or under Lessee claim, maintain, or prosecute any action or suit at law or in equity against the Lessor for any loss, cost or damage caused by or resulting from fire or other risk or casualty in the Demised Premises or any part thereof for which Lessee is, may or should be insured under any insurance policy required by the Lease.

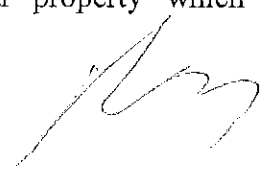
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**ARTICLE XVIII**  
**Eminent Domain, Condemnation**

Section 1. Lessor and Lessee Right of Termination. If as a result of any taking by eminent domain which shall be deemed to include a voluntary conveyance in lieu of a taking, the total floor area remaining in the Demised Premises shall be reduced to less than seventy five percent (75%) of the total floor area in the Demised Premises at the Rent Commencement Date, or the Demised Premises shall be permanently deprived of access by motor vehicle to and from a public street or private way, then, at the election of the Lessor or the Lessee, exercisable by written notice given to the other within ninety (90) days after the date of the filing of the notice of such taking, this Lease may be terminated as of the date when the Lessee is required to vacate the Demised Premises or the portion thereof is so taken, or access is so taken, notwithstanding that the entire interest of the party exercising such option may have been divested by such taking. In the event Lessor or Lessee terminate the Lease pursuant to this Section 1, Lessee shall only make such payments for rent or other payments as are due related to periods until and including the date when the Lessee is required to vacate the Demised Premises or the portion thereof is so taken or access is so taken. If, following any such taking, neither the Lessee nor the Lessor terminate this Lease, then the Lessor, at the Lessor's expense, but only to the extent of the award for any such taking, and proceeding with all reasonable dispatch, subject to delays beyond its reasonable control, shall do such work as may be required to put what may remain of the Demised Premises in proper condition for the conduct of the Lessee's business, or to provide alternative access, as the case may be, and the Lessee, at the Lessee's expense and proceeding with all reasonable dispatch, shall make such alterations, repairs and replacements of the alterations, additions, improvements, trade fixtures, equipment, signs or other property installed by or on behalf of or belonging to the Lessee as may be necessary to put the remainder of the Demised Premises in proper condition for the Lessee's business. In that event, the Minimum Rent shall be fairly abated according to the nature, extent, and affect of the taking.

Section 2. Damages. The Lessor reserves all rights to damages to the Building, Property, the Demised Premises and the leasehold hereby created, or awards with respect thereto, then or thereafter accruing, by reason of any taking by eminent domain or by reason of anything lawfully done or required by any public authority, and the Lessee grants to the Lessor all the Lessee's rights, if any, to such damages, except with respect to relocation expenses and the value of Lessee's personal property which may be

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compensated by separate award and shall execute and deliver to the Lessor such further instruments of assignment thereof as the Lessor may from time to time request.

**ARTICLE XIX**  
**Default**

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Section 1: Events of Default. The occurrence of any one or more of the following occurrences are Events of Default.

(a) Lessee's failure to make any payment of any installment of Minimum Rent, Additional Rent or other sum herein specified, within eight (8) months after such payment is due during the 1<sup>st</sup> Lease year, four (4) months or more after such payment is due during the 2<sup>nd</sup> Lease year, three (3) months or more after such payment is due during the 3<sup>rd</sup> Lease year, and two (2) months or more after such payment is due during the remainder of the Lease term;

(b) Lessee's failure to observe or perform of any other of the Lessee's covenants, agreements or obligations hereunder, if such failure shall not be corrected within ten (10) days after written notice thereof, or, if Lessee diligently and continuously pursues such cure, but such cure cannot reasonably be cured within ten (10) days, such additional period of time as is reasonably necessary to cure such default;

(c) If any proceedings seeking protection from creditors are instituted by the Lessee or any Guarantor herein, under the Bankruptcy Code or any laws amendatory thereof or supplemental thereto;

(d) If any other proceedings are instituted against the Lessee or any Guarantor under the Bankruptcy Code or any insolvency law and not dismissed within thirty (30) days;

(e) If Lessee or any Guarantor shall execute an assignment of his property for the benefit of his creditors; or

(f) If a receiver or other similar officer for Lessee or any Guarantor shall be appointed and not be discharged within thirty (30) days,

Lessor shall have the right after any Event of Default, to re-enter and take complete possession of the Leased Premises, to terminate this Lease, and remove the Lessee's effects, without prejudice to any remedies which might be otherwise used for arrears of rent or other default.

Section 2: Remedies Upon Default. In the event that this Lease is terminated pursuant to any of the provisions described in Article XIX, Section 1 above or for breach of any obligation of the Lessee, Lessor shall be entitled to immediately exercise all of the rights set forth in the Conditional Assignment of Permits, Licenses and Approvals attached hereto as Exhibit B. Lessor shall also be entitled to the immediate receipt of any and all payments which have been made into the Legal Defense and Default Fund described in Article XXIII. Once the assignment has been completed and Lessor has received the entirety of the Legal Defense and Default Fund (or such portion as has been paid by Lessee immediately prior to

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default), this Lease shall be null and void and with no recourse by either party against the other, except as otherwise specifically set forth herein.

Section 3. Cumulative Remedies All rights and remedies, which the Lessor may have under this Lease, shall be cumulative and shall not be deemed inconsistent with each other, and any two or more of such rights and remedies may otherwise be exercised at the same time insofar as permitted by law. Nothing herein contained shall be construed as limiting or precluding the recovery of Lessor against Lessee of any sums or damages to which, in addition to the damages particularly provided above, Lessor may lawfully be entitled by reason of any default hereunder on the part of Lessee.

Section 4. Lessor's Right to Remedy Lessee's Default If the Lessee shall default 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 Default Interest Rate and costs, shall be paid to the Lessor by the Lessee as Additional Rent.

## ARTICLE XX

### Notices

Any notice or other communication relating to this Lease shall be deemed to be duly given if in writing and sent by registered or certified mail, postage prepaid, return receipt requested, addressed to the party for whom it is intended at such place as shall have been last designated by such party, either in this Article or in a notice given as herein provided as its address for receiving notices hereunder. Until further notice, the Lessor designates David Pyne, 11 Commercial Way, Milford, MA 01757, with a copy to Steven Greenwald, Esquire, Greenwald & Greenwald LLP, 409 Fortune Boulevard, Milford, MA 01757 for such purpose, and the Lessee designates Executive Director, Bay State Relief Inc. 13 Commercial Way, Milford, MA 01757, as its address for such purpose, but the foregoing shall not be deemed to preclude the giving of written notice hereunder in any other manner, in which case the notice shall have been deemed to have been given when actually received by the party for whom designated. Any such notice or communication shall also be deemed properly given when deposited in any post office regularly maintained by the United States Postal Authority.

## ARTICLE XXI

### Hazardous Materials

Lessee shall not use any portion of the Demised Premises for the use, generation, treatment, storage or disposal of Hazardous Material without the express written prior consent of Lessor and, if required, its Mortgagees, and then only to the extent that the presence of the Hazardous Materials is (i) properly licensed and approved by all appropriate governmental officials and in accordance with all applicable laws and

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regulations and (ii) in compliance with any terms and conditions stated in said prior written approvals by the Lessor or its Mortgagees. Lessee shall promptly provide Lessor with copies of all notices received by it, including, without limitation, any notice of violations, notice of responsibility or demand for action from any federal, state or local authority or official in connection with the presence of Hazardous Materials in or about the Demised Premises. In the event of any release of Hazardous Materials by Lessee or its agents, employees or contractors, Lessee shall promptly remedy the problem in accordance with all applicable laws and requirements and shall indemnify and hold the Lessor and its Mortgagees harmless from and against all loss, costs, liability and damage, including attorney's fees and the cost of litigation arising from the presence or release of any Hazardous Materials in or on the Demised Premises, the Common Area, or Common Facilities. The obligations of Lessee under this Article XXI shall survive expiration or termination of this Lease.

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**ARTICLE XXII**  
**Cease and Desist Orders**

If either Lessor or Lessee receives a "cease and desist" order or other similar written communication from any state or federal law enforcement agency relating to Lessee's business or use of the property, alleging the illegal production, sale or distribution of marijuana under Massachusetts or United States law, or if Lessee's business is closed, on what is intended by the law enforcement entity responsible for such closure to be a permanent basis, as a result of any federal or state law enforcement action based on an allegation of illegal production, sale or distribution of marijuana under Massachusetts or United States law, at Lessor's option, Lessee shall be deemed to be in default, Lessor shall be entitled to all of the remedies available to Lessor in the event of Lessee's default and the Lease shall be immediately terminated and except as described in Article XIX, Lessee shall have no further liability under the terms of the Lease. Lessor shall not be obligated to go through supplementary process in order to have Lessee and its property removed from the Building.

In such case, Lessee shall have 30 days from the date of written notice from the Lessor, or such lesser amount of time as may be demanded in such a cease and desist or similar communication, to remove all its personal property then situated on the premises, including but not limited to plants, plant growing apparatus or any other fixtures, equipment, seeds or other items involved in the process of planting, growing, harvesting, packaging or selling marijuana. If Lessee has not done so on its own, Lessor may dispose of such items, without having any liability to Lessee. Lessee willingly waives their supplementary process rights in order to allow Lessor the best opportunity to avoid legal or financial problems as a result of Lessee's activities.

**ARTICLE XXIII**  
**Default and Legal Defense Fund**

Within two (2) years after the Rent Commencement Date, Lessee shall deposit \$50,000.00 with Lessor to be forfeited to Lessor pursuant to Article XIX in the event of Lessee's default, to pay for Lessor's legal defense and other expenses incurred by Lessor in the event any potential criminal or civil issues affecting Lessor arise related to Lessee's

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use of the Building and to pay or reimburse Lessor for any loss or expense incurred by Lessor as a result of Lessee's failure to perform any of its obligations under this Lease (the "Default and Legal Defense Fund"). Within three (3) years after the Rent Commencement Date, Lessee shall deposit an additional \$150,000.00 for the same purpose. Within four (4) years after the Rent Commencement Date, Lessee shall deposit an additional \$200,000.00 for the same purpose and within five (5) years after the Rent Commencement Date, Lessee shall deposit an additional \$200,000.00 for the same purpose, creating a total fund of \$600,000.00. The funds shall be delivered to Lessor, with all interest earned on such funds being retained by Lessor. Such interest shall not be a credit against any of Lessee's obligations herein. If requested by Lessor, Lessee shall cooperate with Lessor's legal representative(s) in any such legal defense.

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The timing of the payments set forth above are only intended to define the latest date by which such payments must be made. Lessee is free to make any or all of such payments more quickly than required.

The Default and Legal Defense Fund, to the extent not used by Lessor for the reasons described above shall be returned to Lessee without interest after Lessee has vacated the Premises in compliance with all requirements herein.

**ARTICLE XXIV**  
**Security**

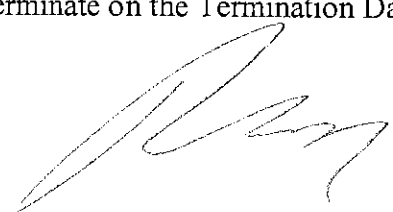
At the time of execution of this Lease, Lessor shall conditionally assign its Certificate of Registration (and any other permits, approvals or other permissive documents as are needed to operate Lessee's business) as security for the performance of its obligations under the Lease. Such assignment shall be in the form attached hereto as Exhibit B. In the event of a default, Lessee shall cooperate in any way needed to effectuate a smooth transfer of the Certificate of Registration (and such other permits, approvals and permissive documents). Upon delivery by Lessee to Lessor of the final installment of the \$600,000 Default and Legal Defense Fund as described in Article XXIII above, the conditional assignment of Lessee's Certificate of Registration shall be returned to Lessee and shall immediately become null, void, and unenforceable.

**ARTICLE XXV**  
**Option**

Provided the Lease is still in effect and Lessee is current on all of its obligations to Lessor, upon written notice to Lessor given by Lessee at least fifteen (15) months prior to the end of the Lease Term, Lessee may advise Lessor that it wishes to extend the Lease Term for five (5) years. If within three (3) months of such notice the parties are able to agree, in writing, on the Minimum Rent for the five year extension, the Lease shall be extended for five (5) years upon all of the terms, conditions and covenants and subject to the same restrictions and exceptions as are set forth in the Lease, except for the change in the Minimum Rent and there shall be no further option to extend. If the parties are unable to agree on the Minimum Rent within said three (3) month period, this option shall be null and void and the Lease shall automatically terminate on the Termination Date.

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**ARTICLE XXVI**  
**Miscellaneous Provisions**

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Section 1. No consent or waiver, express or implied, by Lessor to or of any breach in the performance by the Lessee, of its agreements hereunder shall be construed as a consent or waiver to or of any other breach in the performance by the Lessee of the same or any other covenant or agreement. No acceptance by the Lessor of any rent or other payment hereunder, even with the knowledge of any such breach, shall be deemed a waiver thereof nor shall any acceptance of rent or other such payment in a lesser amount than is herein required to be paid by the Lessee, regardless of any endorsement on any check or any statement in any letter accompanying the payment of the same, be construed as an accord and satisfaction or in any manner other than as a payment on account by the Lessee, unless otherwise agreed to in writing. No reference in this Lease to any sublessee, licensee or concessionaire, or acceptance by the Lessor of any payment due hereunder from other than the Lessee shall be construed as a consent by the Lessor to any assignment or subletting by the Lessee, or give to the Lessee any right to permit another to occupy any portion of the Demised Premises except as herein expressly provided. No waiver by the Lessor in respect of any one tenant shall constitute a waiver with respect to any other tenant. Failure on the part of the Lessor to complain of any action or non-action on the part of the Lessee or to declare the Lessee in default, no matter how long such failure may continue, shall not be deemed to be waiver by the Lessor of any of its rights hereunder.

Section 2. In no case shall mention of specific instances under a more general provision be construed to limit the generality of said provisions.

Section 3. If the Lessee continues to occupy the Demised Premises after the expiration or earlier termination hereof, it shall have no more rights than a tenant at sufferance, but shall be liable for one and one half (1 ½) times the aggregate rental then payable under this Lease for the period of such occupancy, and shall be liable for any loss or expense incurred by Lessor due to such holding over. Nothing in this section shall be construed to permit such holding over.

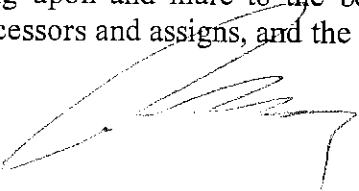
Section 4. If any provision of this Lease or the application thereof to any person or circumstance shall be to any extent invalid or unenforceable, the remainder of this Lease and its application to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 5. Lessor agrees that upon Lessee's paying the rent and performing and observing the agreements, conditions and other provisions on its part to be performed and observed, Lessee shall and may peaceably and quietly have, hold and enjoy the Demised Premises and the appurtenant rights thereto as set forth in this Lease during the term of this Lease without any manner of hindrance or molestation from Lessor or anyone claiming under Lessor, subject, however, to the rights of holders of present and future Mortgages, and to the terms and provisions of the Lease.

Section 6. The conditions and agreements in this Lease contained to be kept and performed by the parties hereto shall be binding upon and inure to the benefit of said respective parties, their legal representatives, successors and assigns, and the same shall be

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construed as covenants running with the land. Wherever in this Lease reference is made to either of the parties, it shall be held to include and apply to the successors and assigns of such party as if in each case so expressed, unless the context requires otherwise and regardless of the number or gender of such party.

Section 7. This Lease shall constitute the only agreement between the parties relative to the Demised Premises and no oral statements and no prior written matter not specifically incorporated herein shall be of any force or effect. In entering into this Lease, the Lessee relies solely upon the representations and agreements contained herein. This agreement shall not be modified except by a writing executed by both parties.

Section 8. The section and article headings throughout this instrument are for convenience and reference only and the words contained therein shall in no way be held to limit, define or describe the scope or intent of this Lease or in any way affect this Lease.

Section 9. The Lessor shall not be liable for a delay or failure in the commencement, performance or completion of any of its obligations hereunder where such delay or failure is attributable to strikes or other labor conditions, inability or difficulty in obtaining materials or services, wars, delays due to weather, or other cause beyond the reasonable control of the Lessor and in no event shall the Lessor be liable for incidental or consequential damages.

Section 10. If the Lessor shall at any time be an individual, joint venture, tenancy in common, firm or partnership (general or limited), or a trust or trustees of a trust, it is specifically understood and agreed that there shall be no personal liability of the Lessor or any joint venture, tenant, partner, trustee, shareholder, beneficiary or holder of a beneficial interest thereof under any of the provisions hereof or arising out of the use or occupation of the Demised Premises by Lessee. In the event of a breach or default by Lessor of any of its obligations hereunder, Lessee shall look solely to Lessor's casualty and liability insurance for the satisfaction of Lessee's remedies, and it is expressly understood and agreed that Lessor's liability under the terms, covenants, conditions, warranties and obligations of this Lease shall in no event exceed the insurance proceeds which may be available. It is further understood and agreed that the liability of any party who is a Lessor (whether the original Lessor or any successor Lessor) shall be limited to defaults occurring or arising during the period for which such party shall have been a Lessor, and such party shall not be liable for defaults occurring or arising at any time before such party obtained its interest as Lessor or after such party disposed of its interest as Lessor.

Section 11. Lessee warrants and represents that, other than David Consigli (who is to be paid \$52,955.00 only if and when: 1) the parties are able to come to terms on a Lease and 2) Lessee receives its Certificate of Registration), no brokers have either shown or referred Lessee to the Premises, and Lessee will indemnify, defend and save Lessor harmless from all claims for commission or other expenses related to such a claim, including but not limited to attorney fees, made by any other broker who alleges he/she showed or referred Lessee to the Premises. Lessor will be responsible for making the above payment to David Consigli and Lessee shall reimburse Lessor for the full amount (\$52,955.00) on or before November 1, 2015.

Section 12. Employees or agents of Lessor have no authority to make or agree to make a Lease or any other agreement or undertaking in connection herewith. The



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Handwritten signature.

submission of this document for examination and negotiation does not constitute an offer to Lease, or a reservation of, or option for, the Demised Premises, and this document shall become effective and binding only upon the execution and delivery hereof by both Lessor and Lessee.

ORIGINAL

Section 13. On the Rent Commencement Date, Lessee shall prepay the first three (3) months of rent (Minimum Rent, CAM charges and real estate taxes).

Section 14. The Lessee shall at all times maintain a contract, with a company acceptable to Lessor, to provide for the normal and routine maintenance and service of the heating and air conditioning facilities serving the Demised Premises. Such maintenance shall take place no less frequently than once every six months. Lessee shall also have such company make all necessary repairs and replacements to said heating and air conditioning facilities. Promptly upon the completion of any and all such work, Lessee shall provide Lessor with evidence thereof by delivering to Lessor a copy of the paid invoice for such work. Lessee shall also send Lessor a copy of each new maintenance contract (and evidence of payment for such contract) prior to the expiration of the then current contract. All of the above shall be at Lessee's expense.

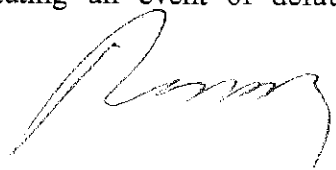
Section 15. If Lessor makes any expenditures, including but not limited to architectural, engineering or attorney's fees or incurs any obligations for the payment of money in connection with any proposed assignment or subletting (whether the assignment or subletting is approved or not), or for any other matter for which Lessor's approval or permission is sought, or if Lessor incurs any loss or expense performing Lessee's obligations which Lessee fails to timely perform (such as those set forth in Article XXVI, Section 14), which Lessor is hereby permitted to do prior to or after a default, or if Lessor incurs attorneys fees in attempts to enforce Lessee's obligations under this Lease or if Lessor incurs any expenses by virtue of giving Lessee written notice of or taking subsequent action regarding Lessee's failure to observe or perform any of Lessee's covenants, agreements or obligations hereunder, which failure would become a default if not timely cured, such sums paid or costs or obligations incurred, including but not limited to attorney's fees, with interest at the Default Interest Rate, shall be paid to Lessor by Lessee as Additional Rent immediately upon demand therefore.

Section 16. All claims or disputes between Lessee and Lessor arising out of or related to this agreement shall be adjudicated in accordance with the rules of the American Arbitration Association ("AAA") then in effect, except in the case of a conflict between said rules and this agreement, in which case this agreement shall control. There will be one arbitrator, with a background consistent with the nature of the dispute, who will be selected by agreement of the parties from a list provided by AAA. Failing such agreement, AAA will select the arbitrator with the qualifications set forth herein. The parties shall split all costs of arbitration equally, including initiation and administration fees and the fee of the arbitrator. Each party shall pay its own attorney's fees in connection with the dispute. The decision of the arbitrator shall be binding on both parties.

Section 17. If, during the first Lease Year, any payment of Minimum Rent is not received by Lessor within ten (10) days after it is due, Lessee shall present a current statement of Lessee's business line of credit ("Credit Line") to Lessor within said ten (10) day period. If the amount of available credit on the Credit Line is more than three hundred thousand dollars (\$300,000.00), the time period constituting an event of default as

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provided in Article XIX(1)(a) herein, shall be reduced from eight (8) months to four (4) months. Lessee represents that one million dollars (\$1,000,000.00) is available through the Credit Line.


**ARTICLE XXVII**

**Exhibits**

Exhibits A and B attached hereto, are incorporated herein by reference.

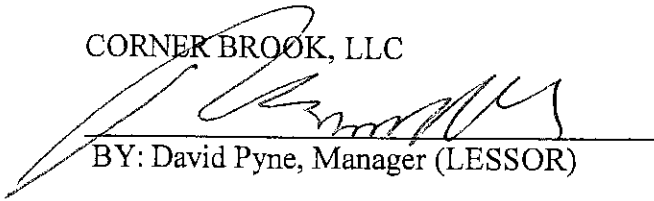
A - Plan (the Building and the Property)

B - Conditional Assignment of Permits, Licenses and Approvals

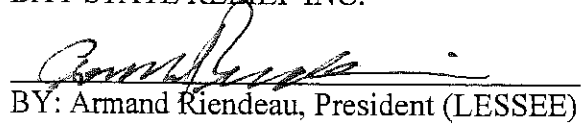
 ORIGINAL

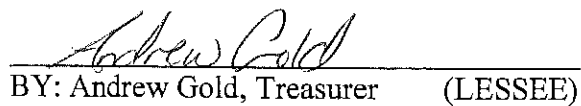
IN WITNESS WHEREOF, the parties hereto have executed this Lease under seal on the day and year first above written.

CORNER BROOK, LLC

  
BY: David Pyne, Manager (LESSOR)

BAY STATE RELIEF INC.

  
BY: Armand Riendeau, President (LESSEE)

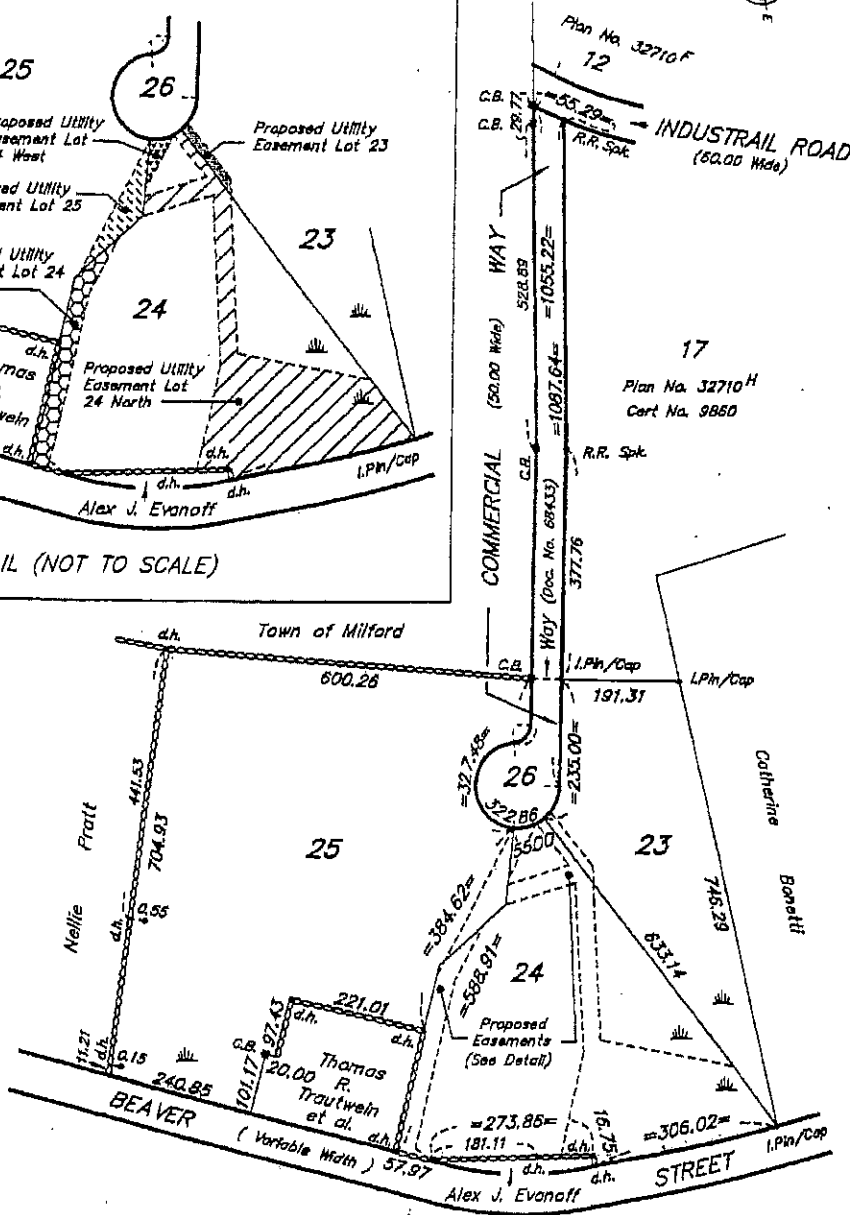
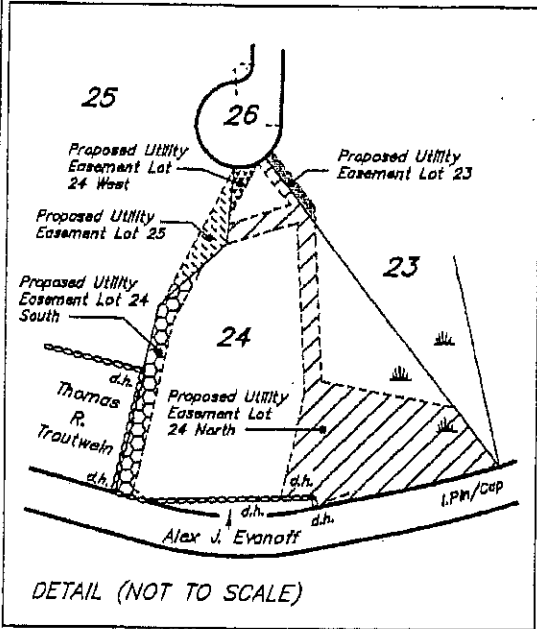
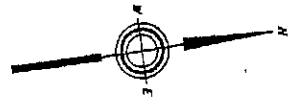
  
BY: Andrew Gold, Treasurer (LESSEE)

# Exhibit "A"

SUBDIVISION PLAN OF LAND IN MILFORD  
Guerriere & Halnon, Inc., Surveyors  
November 18, 2003

# 32710 J

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Subdivision of Lots 18, 19, 20, 21 and 22  
Shown on Plan 32710-I  
Filed with Cert. of Title No. . . . .  
Worcester Registry District of Worcester County

Separate certificates of title may be issued for land  
shown hereon as Lots 23, 24, 25 and 26  
By the Court.

*Deborah J. Patterson*  
Recorder

October 27, 2004

ST-0601W

WORCESTER REGISTRY  
DISTRICT  
RECEIVED FOR REGISTRATION

NOV 16 2012

3 O'CLOCK 00 P.M.  
Noted on Certificate No. 146623  
Registration Book 24

Abutters are shown as  
on original decree plan.

Copy of part of plan  
filed in

LAND REGISTRATION OFFICE  
Sept. 16, 2004

Scale of this plan 200 feet to an inch  
G.T. Capelloni, Engineer for Court

*Handwritten initials*

*Handwritten initials*

*Large handwritten signature*

EXHIBIT B

CONDITIONAL ASSIGNMENT OF PERMITS, LICENSES AND APPROVALS

1. Definitions:

The terms used below shall have the meaning there indicated. All other terms are defined in the Lease, dated the date hereof, between Corner Brook, LLC and Bay State Relief Inc. for the property located at 13 Commercial Way, Milford, Worcester County, Massachusetts (the "Lease"), unless otherwise defined in this Assignment.

Date: \_\_\_\_\_, 2013

Assignor: Bay State Relief Inc.

Assignee: Corner Brook, LLC

 ORIGINAL

Permits, Licenses  
and Approvals:

All Permits, Licenses and Approvals (including but not limited to Lessee's Registered Marijuana Dispensary Certificate of Registration) in any way related to the property located at 13 Commercial Way, Milford, Worcester County, Massachusetts.

2. Conditional Assignment.

In consideration of and as an inducement to Assignee entering into the Lease with Assignor, and for other good valuable consideration, the receipt and sufficiency of which Assignor acknowledges, Assignor agrees that upon an Event of Default as defined in the Lease, Assignor shall immediately inform the Massachusetts Department of Public Health ("MDPH") that Assignor intends to assign and transfer to Assignee all of its rights in the Permits, Licenses and Approvals as they now exist or as they may hereafter be issued or amended, and intends to assign all rights Assignor may have against any local, state or federal board, agency or authority with reference to that certain parcel of land with the building thereon known as 13 Commercial Way, Milford, Worcester County, Massachusetts, and shown as Lot 24 on Exhibit A attached hereto and hereby made a part hereof ("Premises"). Assignor shall immediately take any and all steps to initiate any process required by the MDPH to effectuate an assignment and transfer of its Permits, Licenses and Approvals, and Assignee shall fulfill any and all requirements to insure a timely and complete transfer of all Permits, Licenses and Approvals to Assignee. Both Parties represent and warrant that they understand and agree that an assignment of registration to operate a Registered Marijuana Dispensary is dependent upon approval by the MDPH.

3. Obligations Secured.

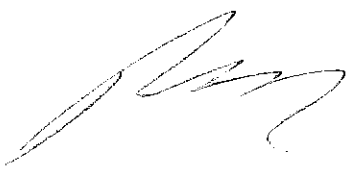
This Conditional Assignment is made to secure the payment and performance of all of Assignor's obligations pursuant to the Lease (the "Obligations").

4. Termination of Assignment.

This Conditional Assignment shall terminate upon the expiration of the Lease and performance of all of the Obligations or upon receipt by Assignee of the full amount of funds to be used for a security deposit as described in Article XXIV of the Lease.

*AM*

*AG*



 ORIGINAL

**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 Relief, Inc. Application # (if more than one): \_\_\_\_\_

| Site | City/Town | County    | Type of Support Attached                         |
|------|-----------|-----------|--|
| 1    | Milford   | Worcester | Letter of Non-Opposition from Board of Selectmen |
| 2    |           |           |  |



# MILFORD BOARD OF SELECTMEN

Room 11, Town Hall, 52 Main St. (Route 16), Milford, Massachusetts 01757-2679  
508-634-2303 Fax 508-634-2324

William D. Buckley, Chairman  
Dino B. DeBartolomeis  
Brian W. Murray, Esq. November 19, 2013

Richard A. Villani  
Town Administrator

Department of Public Health  
Executive Office of Health and Human Services  
250 Washington Street  
Boston, MA 02108

 ORIGINAL

RE: APPLICATION FOR MEDICAL MARIJUANA DISPENSARY  
BAY STATE RELIEF, INC.

Dear Sir/Madam:

I write on behalf of the Town of Milford Board of Selectmen to express its non-opposition to Bay State Relief Inc.'s application to obtain a registration to operate a Medical Marijuana Dispensary in the Town of Milford.

On November 18<sup>th</sup>, Bay State Relief gave a presentation to the Board regarding its plans to operate in Milford. They presented a plan considered to be appropriate under the laws of the Commonwealth and Town of Milford regulations.

Milford has enacted a Medical Marijuana zoning by-law provision requiring a special permit for such use. On October 16, 2013 the Zoning Board of Appeals granted Bay State Relief as special permit to operate a Medical Marijuana Dispensary plus a necessary Variance. A 20-day appeals period expired on November 6 without objection, and Bay State Relief is now in compliance with our bylaw.

Bay State Relief has met with Milford Chief of Police O'Loughlin, and asked for his input in making sure that its security plan is in alignment with the interests of his department, and adequately addresses the security concerns of the people of Milford. Bay State Relief has also met with the Milford Fire Chief Touhey to discuss safety and emergency preparedness procedures for its facility.

Based on the information provided to the Board, the Board is satisfied that Bay State Relief Inc. has taken requisite steps. The Board therefore indicated its non-opposition to Bay State Relief's application to open such a facility in the Town of Milford.

Very truly yours,



Richard A. Villani  
Town Administrator

cc: Board of Selectmen  
Bay State Relief Inc.  
Town Counsel  
Files

 ORIGINAL

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

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

Corporation Name: Bay State Relief, Inc. Application # (if more than one): \_\_\_\_\_

|          | Site               | Full Address                          | Evidence of Interest Submitted | Evidence of Local Support                           |
|----------|--------------------|---------------------------------------|--------------------------------|---|
| <b>1</b> | <b>Dispensing</b>  | 13 Commercial Way<br>Milford MA 01757 | Signed Lease Agreement         | Letter of Non-Opposition<br>from Board of Selectmen |
| <b>2</b> | <b>Cultivation</b> | 13 Commercial Way<br>Milford MA 01757 | Signed Lease Agreement         | Letter of Non-Opposition<br>from Board of Selectmen |
| <b>3</b> | <b>Processing</b>  | 13 Commercial Way<br>Milford MA 01757 | Signed Lease Agreement         | Letter of Non-Opposition<br>from Board of Selectmen |

**RMD ORGANIZATIONAL CHART**  
**(Exhibit 6.1)**

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

Corporation Name: Bay State Relief, Inc.

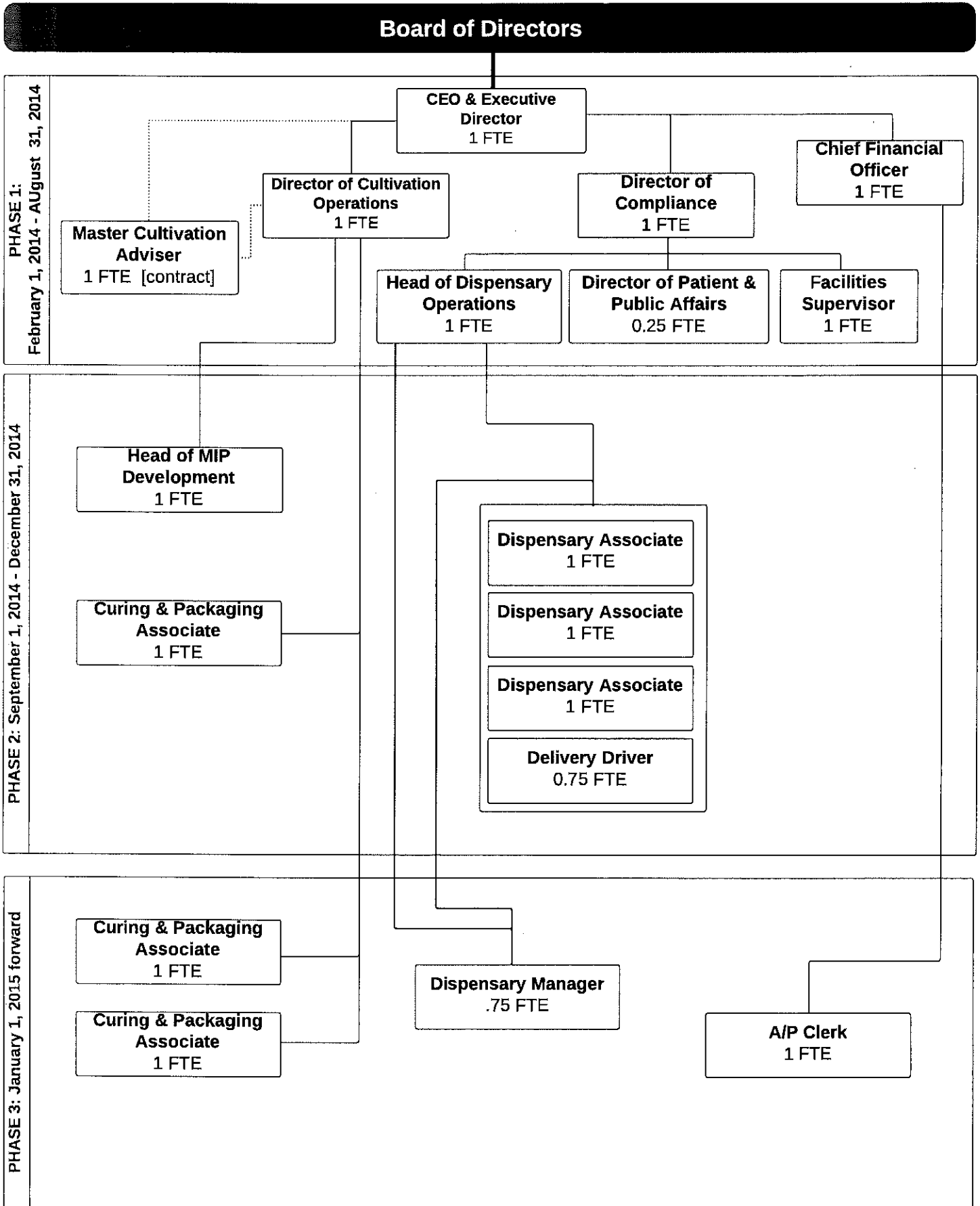


Application # (if more than one): \_\_\_\_\_

Attach organizational chart.

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# Bay State Relief, Inc. Three Phase Staffing Plan





**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 Relief, Inc.



**ORIGINAL**

Application # (if more than one): \_\_\_\_\_

Attach evidence of enrollment.



**iCORI**

Commonwealth of Massachusetts  
Department of Criminal Justice Information Services



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[Home](#)

[Add Request](#)

[View CORI Results](#)

[Manage Account](#)

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

### Bay State Relief Inc RMD

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: **09/30/2013**  
Date Last Renewed:

#### Organization Details

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

Account Type(s): **Employer**  
Organization Name: **Bay State Relief Inc RMD**  
Address: **435 Worcester Road, Framingham, MA 01701**  
Phone No.: **617-564-1941**  
Website: **www.baystaterelief.org**



ORIGINAL



**iCORI**

Commonwealth of Massachusetts  
Department of Criminal Justice Information Services

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

[Home](#)

[Add Request](#)

[View CORI Results](#)

[Manage Account](#)

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

### Bay State Relief Inc RMD

Status: Active

Account Type(s): Employer

#### Account

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

### Manage CORI Representative Accounts

Listed below are the CORI Representative(s) for this account. CORI Representatives are the primary point of contact for an organization and have the ability to manage all account information. **Please Note:** there can only be two active CORI Representatives for an account at any given time.

#### Active Representative(s)

[\[Add Representative\]](#)

| Row | Username                       | Name                  | Account Email           | Phone No.    | Status | Last Updated By            |
|-----|--------------------------------|-----------------------|-------------------------|--------------|--------|----------------------------|
| 1   | <a href="#">Baystaterelief</a> | Dantz-Zerbel, Melissa | info@baystaterelief.org | 508-308-6010 | Active | Baystaterelief, 10/22/2013 |

#### Non Active Representative(s)

| Row               | Username | Name | Account Email | Phone No. | Status | Last Updated By |
|-------------------|----------|------|---------------|-----------|--------|-----------------|
| No inactive users |          |      |               |           |        |                 |



ORIGINAL

**RMD STAFF  
(Exhibit 6.4)**

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

Corporation Name: Bay State Relief, Inc.

Application # (if more than one): \_\_\_\_\_

|   | Name | Role/Title                    |
|---|------|-------------------------------|
| 1 | N/A  | Facilities Supervisor         |
| 2 | N/A  | Head of MIP Development       |
| 3 | N/A  | Curing & Packaging Associates |
| 4 | N/A  | Dispensary Manager            |
| 5 | N/A  | Dispensary Associates         |
| 6 | N/A  | A/P Clerk                     |

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**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 Relief, Inc. Application # (if more than one): \_\_\_\_\_

| Key Benchmarks <sup>1</sup>   | Due Dates | Person Responsible               | Risk Level If Not Completed on Time | Date RMD Opens |
|---|-----------|----------------------------------|-------------------------------------|----------------|
| Pay non-refundable registration fee of \$50,000.00 for provisional registration | 2/7/2014  | Armand Riendeau/<br>Andrew Gold  | Medium                              | 9/1/2014       |
| Order Building Supplies & Growing Equipment                                     | 2/7/2014  | Timothy Crites &<br>Andrew Gold  | Medium                              |                |
| Request Building Permits & Obtain Inspection Reports                            | 2/10/2014 | Timothy Crites &<br>Andrew Gold  | Medium                              |                |
| Commence Management Engineering Plan Upon Receipt of Building Permits           | 2/12/2014 | Timothy Crites &<br>Andrew Gold  | Medium                              |                |
| Growing Supplies Received   | 2/28/2014 | Timothy Crites                   | Medium                              |                |
| Security/IT/BioTrackTHC Installation  | 3/26/2014 | Andrew Gold                      | Medium                              |                |
| Request for Final Inspection from the Department & Local Inspections            | 4/01/2014 | Armand Riendeau &<br>Andrew Gold | High                                |                |
| Final Registration Granted  | 4/15/2014 | Armand Riendeau &<br>Andrew Gold | High                                |                |
| Growing Process Commences using Inventory Control Procedures                    | 4/16/2014 | Timothy Crites &<br>Andrew Gold  | Medium                              |                |
| Plant Second Harvest Cycle  | 5/1/2014  | Timothy Crites &<br>Andrew Gold  | Medium                              |                |
| Plant Third Harvest Cycle   | 5/15/2014 | Timothy Crites &<br>Andrew Gold  | Medium                              |                |
| Plant Fourth Harvest Cycle  | 6/1/2014  | Timothy Crites &<br>Andrew Gold  | Medium                              |                |
| Harvest First Cycle   | 8/14/2014 | Timothy Crites &<br>Andrew Gold  | High                                |                |

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|                      |           |                                 |        |  |
|----------------------|-----------|---------------------------------|--------|--|
| Harvest Second Cycle | 8/28/2014 | Timothy Crites &<br>Andrew Gold | Medium |  |
| RMD Doors open       | 9/1/2014  | BSRI TEAM                       |        |  |
|                      |           |                                 |        |  |
|                      |           |                                 |        |  |
|                      |           |                                 |        |  |
|                      |           |                                 |        |  |

\_\_\_\_\_ Insert more rows if needed

**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 Relief, Inc.

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



Attach sliding price scale.

| <b>Discount Criteria</b>                  | <b>Discount</b> |
|---|-----------------|
| MassHealth Recipient                      | 20%             |
| SSI Beneficiaries                         | 20%             |
| 201% - 300% of Federal Poverty Guidelines | 10%             |
| 100% - 200% of Federal Poverty Guidelines | 20%             |
| Income below U.S. Poverty Guidelines      | Free            |