



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

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

Corporation Name: BAYSTATE WELLNESS CENTER

Application # (if more than one): _____

	Name	Role within the Corporation
1	DONALD T. MACPHAIL	PRESIDENT/COO
2	ROBERT NEILAN	CLERK/CEO
3	EDWARD J. HIGGINSON	TREASURER/CFO
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): [BAYSTATE WELLNESS CENTER]

Website URL (if applicable): []

Address:

[210]

[SCADDING STREET]

City: [TAUNTON] State: [MA] Zip: [02780]

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

First Name: [ROBERT] Last Name: [NEILAN]

FEIN: [46-3448965]

Contact Person

First Name: [DONALD] Last Name: [MACPHAIL]

Title: [PRESIDENT]

Telephone: (508) 509 - 4748 FAX: (508) 588 - 6958 E-Mail: [deltatagoip@gmail.com]

Contact Person Address (if different):

[PO BOX]

[223]

City: [RAYNHAM CENTER] State: [MA] Zip: [02768]

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: Donald T. MacPhail
Title: President

11/21/13
Date: 11/21/13

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: Donald T. MacPhail
Title: President

11/21/13
Date: 11/21/13

APPLICATION RESPONSE FORM

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

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

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

Enter text here: example text limit 1,250 characters

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

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

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

Definitions

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

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

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

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

Questions**1. Applicant's Corporate Background**

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

[BayState Wellness Center, Incorporated August 12th 2013]

1.2 Describe the organization's mission and vision.

[CHANGE: The mission of BayState Wellness Center is to operate a pharmacist-supervised dispensary on a patient-centered care model, collaborating with its community to provide quality and affordable relief to qualifying patients; and to be an innovator in research and development of cannabis products.

Our key objectives are to: (1) provide safe, legal access to cannabis therapies for qualified patients regardless of ability to pay; (2) improve access to medical cannabis and promote its benefits; (3) revitalize our neighborhood and contribute to the Commonwealth's wider economic development through job creation, increased tax base, and philanthropy.

Our vision is to provide patients with safe products that are professionally packaged, and presented by well-trained staff in a state of the art, service-focused, wellness-promoting setting. We will provide wellness and support services including education on available therapies, transportation support, and multi-lingual care advocates. Our plan is to manage through a flexible three-member, shared vision leadership group experienced in management and healthcare, and to delegate via consultants, an advisory board, and a well-trained staff to provide superior patient service.]

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

Organizational chart attached as exhibit 1.3

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

List of Board of Directors attached as exhibit 1.4

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

List of members of the applicant corporation attached as exhibit 1.5

1.6 Attach the corporation's bylaws.

Bylaws attached as exhibit 1.6

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

[N/A]

Amended articles of organization attached as exhibit 1.7

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

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

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

List of references attached as exhibit 1.9

2. Applicant's Evidence of Business Management Experience

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

List of Executive Management Team attached as exhibit 2.1

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

[EDWARD HIGGINSON (CFO): I have run three businesses within Massachusetts since I started working after my education. All three businesses have evolved around Real Estate. The first involved residential property and historic renovations. The second was as a Licensed Mortgage Broker. The third and current is as the owner and operator Rezendes Real Estate (Rezendes) in the Assonet area of Freetown, MA. I started working there in 1995 and acquired the business in 1996.

Rezendes main business is selling residential, land, and commercial property. We have specialized in helping developers acquiring land and assisting them through the permitting process prior to selling the homes to buyers. The towns we have the most influence in are Freetown and Berkley, which are located in Bristol County and in close proximity to Taunton, our preferred location. Today, Rezendes typically consists of four or more Sales/Broker Associates, an in-house full time attorney, and a full time support staff. I pride myself in the long term work relationships that I have established. The in-house attorney has been with me since 1996. Three Brokers which have worked with me stayed ten years or more. My current full time assistant has been working for me for nine years.

After purchasing Rezendes, I steadily increased the number of transactions closed each year to four times the volume it was producing prior to the purchase. To date, we have sold over one hundred and forty one million dollars (\$141,000,000.00) of Real Estate in Freetown and Berkley alone. We have sold almost four times more Real Estate than are next competitor in these two towns.

We have obtained the success we have had ultimately through dealing with people professionally and honestly. As everyone knows, the buying and selling of Real Estate is one of the biggest investments people make in their lifetimes. We have concentrated on making the transactions as pleasurable as possible with also adhering to all rules and regulations.

I see the transition from by business ownership experiences to the proposed Registered Marijuana Dispensary as an exciting, challenging, and very accomplishable goal. By following our business plan, and by providing my experience, time and effort, we will work with people who share are vision to succeed in a professional manner in providing superior products to registered patients in our community.

Bay State's management team will initially consist of three members. We have made this decision so that we can get up and running in a timely fashion. We believe that business decisions can be made by a small flexible management team in a much more efficient manner, allowing us to focus on creating high quality products and superior customer care. We intend to do this by hiring and consulting with the best people in the field. Different consultants from all of the various segments of the business will be utilized to assure the best results for our patients. The large investment of time and money will be the foundation of our success.

By starting with a small management team, we can streamline the decision-making process and effectively utilize an open door policy with our staff to provide us with their input on our day-to-day operations and aid our team in responding quickly to issues as they arise.

ROBERT NEILAN(CEO)- I am the sole owner of Tech Mechanical Systems Inc. located in West Bridgewater, Ma. I Started in April of 1992 with 2 employees to grow my business to currently over 50 employees with sales of over 12 million dollars. I believe that I am very capable of running Bay State Wellness Center and believe that my 20 yrs of executive experience will ensure the success of our proposed RMD. Our management team has a shared vision of starting out with a small, flexible management team easily adaptable to adjusting its expectations to changing circumstances in a new industry like the medical marijuana business. I believe that an overly cumbersome management team impedes progress and is not well adapted to responding effectively and quickly to the vertical flow of information generated from valuable staff input and/or patient concerns. We believe that a hands-on approach in dealing with patient issues promotes superior customer service, improves proper product selection for our patients, and will keep us tuned in to our customer base and its needs.

Similarly, we think initially that a small but knowledgeable cultivation team well-informed by an experienced outside consulting firm well versed in commercial grows is all that is necessary and will get our company off to an excellent start with a superior product for our patients.

My experience has taught me to start your business from a small, manageable force and grow into your industry as the circumstances dictate. That philosophy has served me well in my current business and I believe it will prove equally successful in the medical marijuana industry.

DONALD MACPHAIL(COO)- I have no experience running a company.]

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.

[DONALD MACPHAIL(COO)- Pharmacists have historically been at the forefront of medication dispensing in the health care industry. I have been a registered pharmacist in MA with over 20 years experience in dispensing medications in the community setting. I have years of experience in compounding, preparing, and dispensing medications to patients throughout Bristol County and the surrounding communities. Our strategy is to use the traditional pharmacy model that has been so successful in providing patients with their medication in a safe, informed, and courteous manner. We believe that a pharmacist well versed in the daily operation and management of a pharmacy gives us a distinct advantage over other potential RMD operators. Pharmacists have extensive knowledge regarding drug interactions, pharmacology, pharmacokinetics, and therapeutics. Pharmacists have experience handling, storing, and inventorying controlled substances and routinely work with law enforcement on diversion issues.

Pharmacists are very familiar with HIPPA requirements, patient counseling, preparing and maintaining medical records, as well as implementing policies and procedures regarding the storage of controlled substances, security issues, and staff security and safety.

Pharmacists are accustomed to working in a highly regulated industry and will quickly adapt to the rules and regulations governing the storage, monitoring, handling and dispensing of medical marijuana.

I personally have an extensive network of pharmacy technicians of whom I know very well, which BayState can draw from for our dispensary sales staff. We will have an extensive training program to ensure a smooth transition for selected candidates from their extensive experience of customer service in the pharmacy

setting to a thorough knowledge of our strain and product line and our operational activities by the time we open our doors to patients.

I have spent a lot of time familiarizing myself with the known medicinal properties of marijuana and look forward to working with consultants from GreenRush Consulting Group; an experienced company with vast experience working with commercial cultivation and dispensary sites to assist us in ensuring our cultivation site is a state-of-the-art facility. I also look forward to working with them in strain selection, production and processing technologies, to ensure that all aspects of our company is likewise state of the art.

ROBERT NEILAN(CEO)- I am an owner of NorthStar Care Services a Florida Company that provides the following health services at our Westchester Ohio facility for adults with developmental disabilities and elderly individuals:

- a) Health care;
- b) Medication management;
- c) Therapeutic activities;
- d) Horticulture Therapy;
- e) Nursing services;
- f) Caregiver support, and ;
- g) Health monitoring.

North Star Care services also provides

- A) 24 hour in house nursing care to individuals with developmental disabilities;
- B) Transportation services.

I believe that my experience in this industry, where we use a compassionate approach to the care of individuals with developmental disabilities coupled with a wellness philosophy that believes our patients can lead a high quality of life despite their challenges, will serve me well in the medical marijuana industry. Our management team for BayState shares this vision, and it will be my mission to ensure that all patients are treated with dignity, respect, and courtesy by the Bay State staff.

EDWARD HIGGINSON (CFO): I have no experience with providing health care services.]

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.

[ROBERT NEILAN(CEO)- I am the sole owner of Tech Mechanical Systems Inc. located in West Bridgewater, Ma. I Started in April of 1992 with 2 employees to now over 50 employees with sales of over 12 million dollars. I will be responsible for overseeing all aspects of the business including the financial management.

EDWARD HIGGINSON (CFO): I have run several financially sound businesses. The most current is Rezendes Real Estate in Freetown, MA which I acquired in 1996. We sell residential, land, and commercial property mainly in the greater Taunton and Fall River area. Over the last sixteen years my company has averaged over ten million dollars in sales each year.

We have been able to handle the all of the financial management decisions and functions in house. We are one hundred percent computer driven. The only out sourcing we do is for a Certified Public Accountant to handle the corporate tax returns. We also use the same accountant for consulting from time to time.

As CFO I will ultimately be responsible for fiscal management and oversight of the accountant consultants that we will employ for our proposed organization. My Bachelor of Science in Business Administration Degree from Northeastern University concentrated in Finance and Accounting. I am financially literate, financially interested, and financially responsible. I will lead our company and will envision, engage, and execute as I have done with my current business. I will strive forward on a common mission and deliver results that exceed rather than meet expectations. I will set goals and objectives and lead our Wellness Center to obtain those goals. I will respond quickly and appropriately to the rapidly changing environment and at the same time address new realities in internal operations.

I understand that the financial performance must be sufficient to meet the cash flow requirements of the strategic plan and, at the same time, maintain or improve the financial integrity of our organization within an appropriate credit and risk content. I will use this principle to guide our decision making and measure our success. Our goal will be to ensure that our Wellness Center financial condition at the end of each fiscal year is at least as good as and better than it was at the beginning of the year. Every financial decision will be made with this principal in mind.

DONALD MACPHAIL (COO)-I have no experience running an organization.]

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.

[ROBERT NEILAN(CEO)- I have had to make many corrective measures in my business over the years due to unforeseen economic changes. I have hired consultants over the years to provide an operational review of my business and have worked with my accounting team to take adequate financial corrective action measures in response to such reviews to ensure that we stayed and continue to stay profitable.

DONALD MACPHAIL (COO) - I have no experience with financial corrective action measures.
EDWARD HIGGINSON (CFO) - I have no experience with financial corrective action measures.]

3. Applicant's Evidence of Suitability

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

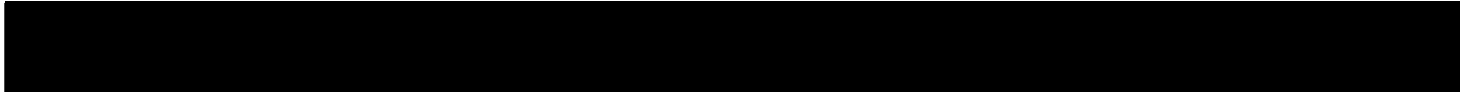


3.2 List and describe any criminal action under the laws of the Commonwealth, or another state, the United States, or a military, territorial, or Indian tribal authority, whether for a felony or misdemeanor, against any member of the **Executive Management Team and Board of Directors, including Board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



3.3 List and describe any civil or administrative action under the laws of the Commonwealth, another state, the United States, or a military, territorial, or Indian tribal authority against any member of the **Executive Management Team and Board of Directors, including Board Officers**, including but not limited to actions related to

fraudulent billing practices and any attempt to obtain a registration, license, or approval to operate a business by fraud, misrepresentation, or submission of false information. If no history of such civil or administrative action, indicate N/A.



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



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



4. Applicant's Evidence of Financial Condition

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

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

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

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

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

[BayState has sufficient capital in place to build, secure and start up the proposed facility. Such costs incorporate the state's permit fee. BayState believes that \$500, 00.00 is more than sufficient capital to cover estimated costs of build, operation, compensation of employees with fringe benefits, equipment costs, utility costs, legal compliance, and other O&M as needed. The funds for this project are readily available and have

been set aside for our project, pending approval of our permit. Additional sums remain available, if necessary, to fund BayState's longer term financing needs until BayState becomes self-sustaining.

After extensive review of other established facilities and established dispensary collectives, we have developed a comprehensive three (3) year financial Performa for the anticipated results of establishing and operating our proposed facility. Our financial Performa shows the immediate and long-term financial feasibility of our proposed plan. Specifically our Performa demonstrates how BayState plans to maintain our not-for-profit status. We have given particular emphasis to the projected cash flows and opportunities for revenue redistribution through taxation, job creation, patient services and community benefits. We have a three (3) year Performa and proof of capitalization available for review.

BayState has based the projected capital needs on maintaining a reserve of cash that is never less than \$500,000. However, if there is a need for additional capital, additional funds will be made available at that time.

The following start-up expenses are anticipated for the build out of both the proposed dispensary and cultivation processing facilities:

- Permit Fees – State fees and municipal special permit fees – \$70,000.
- Design Fees – Soft costs of hiring consultants ranging from design, architecture, engineering, HVAC design, surveys, etc. – \$30,000
- Building Improvements – Real property improvements made to the cultivation facility and dispensary including security, fire, HVAC, etc. These costs will incur one-time and will not be re-occurring. Does not include personal property such as hydroponics equipment. – \$150,000
- Lease - Monthly rent – \$11,000
- Hydroponics Equipment – Capital expenses anticipated for growing equipment. This does not include building improvements such as electrical, HVAC, plumbing or other upgrades that are made to the building. This includes growing mediums, irrigation equipment, reservoirs, nutrients, grow lights, digital ballasts, etc. – \$150,000
- Office Equipment, Furnishings & Furniture – Capital expenses anticipated for supplies to run our office such as pens, paper, printers, computers, desks, jewel cases, televisions, etc. - \$35,000.

Additional documents available upon request include:

- Three year Performa Income Statement
- Three year Performa Balance Sheet
- Three year Performa Cash Flow Statements
- Three year Performa Production Schedule
- Three year Performa Salary Schedule
- Summary of Assumptions used for the Performa Statements]

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.

[After extensive review of other established facilities and established dispensary collectives, we have developed a comprehensive 3 year financial pro forma for the anticipated results of establishing and operating our proposed facility. Our financial projections show the immediate and long-term financial feasibility of our proposed plan. Specifically our Pro forma demonstrates how we plan to maintain our not-for-profit status. We have given particular emphasis to the projected cash flows and opportunities for revenue redistribution through taxation, job creation, patient services and community benefits.

The proposed year-one RMD revenue by sales type is listed below:

- Cannabis sales – Finished dried cannabis flowers (Based on 1,000 patients per month purchasing 1 ounce/month)– \$5,940,000

- Edible & Concentrate Sales - [insert description of edibles & concentrates you anticipate selling]
– \$250,000

- Other Sales – (Vaporizers, etc.) – \$20,000

The proposed year-one line item operating expenses include:

- Clean-Up – \$10,000
- Fire and Security 3rd Part Costs – \$8,000
- Insurance – \$60,000
- Lab Testing Fees – \$30,000
- Legal Fees – \$20,000
- Maintenance – \$15,000
- Meals and Entertainment – \$50,000
- Miscellaneous – \$250,000
- Nutrients, Mediums and Other Growing Supplies – \$100,000
- Office Supplies – \$25,000
- Other Licenses – \$10,000
- Packaging and Supplies – \$20,000
- Permit Fees – \$75,000
- Professional Fees – \$50,000
- Rent – 135,000
- Real Estate Tax – \$25,000
- Repairs and Maintenance – \$25,000
- Software and Inventory Control – \$10,000
- Telephone – \$5,000
- Home Delivery expenses - \$40,000
- Transportation Expense – \$15,000
- Travel – \$20,000
- Utilities – \$150,000

The proposed year-one line item staffing expenses include:

- Board Members – NO COMPENSATION for year 1
- Chief Executive Officer – NO COMPENSATION for year 1
- Chief Financial Officer – NO COMPENSATION for year 1
- Chief Operations Officer/Medical Director/Manager – \$300,000
- Director of Security – \$50,000
- Clerical Staff – \$65,000
- Sales Staff – \$50,000
- Horticulturalists/Growers – \$125,000
- Trimmers – \$125,000
- MIP staff - \$75,000
- Staff Security – \$25,000
- Annual Raises – \$70,000
- Employee Benefits-\$125,000
- Payroll Taxes – \$140,000
- Workman's Compensation – \$112,000

BayState anticipates by the end of year 1 having gross sales in the amount of \$6,169,163. The gross sales include discounting for qualifying patients with financial hardships. After deducting our cost of sales from our gross sales our gross profit is estimated to be \$ 5,744,343 at the end of year 1. After deducting the total reoccurring expenses as described above, we are left with a total net income before tax of \$2,142,797. Income tax is calculated based on gross profit, and we anticipate paying \$2,010,520 in federal income taxes and \$120,631 in state income taxes, leaving a projected net tax of \$2,131,151 at the end of year 1.

As a not-for-profit, we intend to give away what would ordinarily be considered profit for our operation. We intend to accomplish this by re-investing money into philanthropy, patient services, research & development, community improvements and medicinal discounts. Medicinal discounts are factored into a reduction in cannabis sales while all other categories are fixed line items. To comply with our not-for-profit requirements, we intend to distribute our would-be profit according to the following scale:

- Research & Development – 35%
- Patient services – 35 %
- Community Improvements – 15%
- Philanthropy/Grants/Scholarships, etc. – 15%

After redistributing revenue to these areas we intend to have a break-even net income after tax.]

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.

[BayState has sufficient capital in place to build, secure, and start up the proposed facility. Such costs incorporate the state's permit fee as well as anticipated municipal fees. BayState believes that \$500,000 is more than sufficient capital to cover estimated costs of build, operation, compensation of employees with fringe benefits, equipment costs, utility costs, legal compliance, and other O&M as needed. The funds for this project are readily available and have been set aside for our project, pending approval of our permit.

Additional sums remain available, if necessary, to fund BayState's longer term financing needs until it becomes self-sustaining.

After extensive review of other established facilities and established dispensary collectives, we have developed a comprehensive 3 year financial pro forma for the anticipated results of establishing and operating our proposed facility. Our financial projections show the immediate and long-term financial feasibility of our proposed plan. Specifically our pro forma demonstrates how BayState plans to maintain our not-for-profit status. We have given particular emphasis to the projected cash flows and opportunities for revenue redistribution through taxation, job creation, patient services and community benefits. We have a 3 year pro forma and proof of capitalization available for review.

Our strategic planning assumptions include an initial base of 1,000 patients for the 1st year with a growth projection for our RMD of 15-25% over the first 3-5 years. We are using a conservative estimate for sales: one ounce per patient per month at 12 visits a year. We believe that sets reasonable 1st year expectations but we are also very capable of, and prepared to ramp up production as circumstances dictate.

Projected revenue and expenses for the first 3 years of our RMD operations are summarized in exhibit 4.5.

We expect that our state of the art hydroponic cultivation site will grow from a 1st year start of 5-8,000 square feet to over 10,000 square feet by the 2nd or 3rd year. Our initial build-out will prepare a 10,000 square foot operational space and start out with 5-8,000 square feet to meet our initial projected patient demand. We will then make quarterly reviews and adjust crop production accordingly.

An additional 27,000 square feet is available at our proposed RMD site which will allow us to grow all phases of our business plan at one location as circumstances dictate.

We expect similar 15-25% growth rates for our MIP production as well.

Our strategic planning also includes improving all aspects of patient access and developing superior products over our first 3 years by implementing certain key initiatives including:

- Building an extensive, safe, and secure home-delivery service over the first 3 years to accommodate our patients' needs
- Working with the city to construct a weather-shielded bus stop near the dispensary

- Working to ensure single-level access in all patient-accessible areas
- Hiring multi-lingual staff and providing other appropriate services to enhance communication with our patients
- Developing web-based tools to promote easier patient access to services/information
- Working with city officials, other non-profits, and community liaisons to improve our in-house and outreach services
- Developing in-house Research and Development programs as well as reaching out and working with the broader statewide R&D community production techniques and product efficacy
- Working with consultants nationwide to assist us in constantly improving our products and services
- Developing programs designed to promote patient awareness and feedback and improve customer service and better targeted product selection

BayState has based the projected capital needs on maintaining a reserve of cash that is never less than \$500,000. However, if there is a need for additional capital, additional funds will be made available at that time.

The following documents are available upon request:

- 3 year pro forma Income Statement
- 3 year pro forma Balance Sheet
- 3 year pro forma Cash Flow Statements
- 3 year pro forma Production Schedule
- 3 year pro forma Salary Schedule
- 3 year pro forma of Revenues
- Summary of Assumptions used for the pro forma Statements]

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).

[BayState has reached out to Statewide Insurance Services MMD Insurance Group. Statewide Insurance Services MMD Insurance Group leads the way in setting underwriting standards for the medical cannabis industry. They have insurance licenses in states permitting dispensaries, collectives or cooperatives and provide insurance coverage for commercial operations in the medical cannabis industry. Coverage in the medical cannabis industry includes:

- General Liability
- Workers Compensation
- Commercial Building Coverage
- Builders Risk
- Business Personal Property
- Employment Practices Liability
- Live Plant Coverage

BayState has completed an insurance application and has asked Statewide to review our application with underwriters for insurance coverage. We have received an APPROVAL for the coverage's requested as listed below. If we are approved to operate a RMD, BayState will meet the requirements of 105 CMR 25.105(Q) either:

- Obtaining and maintaining a general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, and product liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, except as provided in 105 CMR 725.105(Q)(2). Our deductible for such a liability policy shall be no higher than \$5,000 per occurrence.

- Placing in escrow a sum of no less than \$250,000, to be expended for coverage of liabilities. Any funds will be replenished within 10 business days of any expenditure.

BayState will report and document insurance compliance in a manner and form pursuant to 105 CMR 725.105(M), in a form and manner determined by the Department.]

5. Location and Physical Structure

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

[The physical address of our preferred dispensary site is 988 Crane Avenue South, Taunton, MA., BayState would consider relocating only the dispensary site if DPH deems it necessary for diversity.]

Evidence of interest attached as exhibit 5.1

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

[The physical address of our proposed cultivation site is 988 Crane Avenue South, Taunton, MA]

Evidence of interest attached as exhibit 5.2

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

[The physical address of our proposed processing site is 988 Crane Avenue South, Taunton, MA]

Evidence of interest attached as exhibit 5.3

5.4 Describe efforts to obtain assurances of support or non-opposition from the local municipality(ies) in which the applicant intends to locate a dispensary, cultivation site, and/or processing site and indicate whether the municipality expressed any opposition. If the sites are in different municipalities, provide information related to each community. If available, include a demonstration of support or non-opposition furnished by the local municipality, by attaching one or more of the following:

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

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

[BayState's primary focus and preferred location for operating a RMD is Bristol County. More particularly, the city of Taunton is a desirable location. Notice letters were sent via priority mail (with online delivery tracking) and delivered to the Mayor's Office, The County Sheriff, and the Taunton Police Chief.

Taunton is our preferred location for a number of reasons:

- 1) We have secured a Letter of Intent to lease a site in an industrial zone in Taunton that is over 15,000 square feet, but with an option to lease an additional 27,000 square feet.
- 2) The site allows to preferentially operate all three aspects of our operation at one site;
- 3) Industrial zones are currently the only areas in Taunton that have been identified by the city as acceptable areas to locate an RMD via a special permit process.
- 4) Our CEO is a resident of Taunton;
- 5) Our COO is a former resident and works regularly as a pharmacist in the community and is familiar with the city's medical community and patient population;
- 6) Our CFO is a real estate agent with extensive ties to Taunton and the surrounding communities;
- 7) Our site is accessible by Taunton's public bus system; while the bus route passes by our location, we intend to have a formal bus stop placed out front of our location for easier patient access;
- 8) Our site is easily accessed via interstates 495, 95 as well as routes 140 and 24; most of which have exits that are less than a mile from our location;
- 9) Our site has at least 40 parking stalls, including handicap stalls, already located at the facility;
- 10) It is a single level structure, easily accessible and without stairways;
- 11) In order to meet DPH's mandate regarding diversity of dispensaries throughout the state, our location would allow us to operate a sufficiently large enough cultivation and processing site in Taunton while still being able to re-locate our dispensary to whatever location DPH deems necessary to meet patient need. Our security plans provide for the use of a delivery service between our cultivation site and a remote dispensary site should the need arise.

We have attended various fund-raising events for elected officials and have spoken with city officials regarding areas of need in the community and how we could assist the city in various financial and philanthropic ways if we are successful in obtaining a permit to operate an RMD.

For example, in our conversations with Mayor Hoye, we were able to identify the city school system and its financial underfunding as an area of need. We expressed a willingness to work with his office and the school committee to direct a percentage of revenue generated from the RMD into the school system. We have also reached out to local charities and other non-profits to identify areas of need within their respective organizations. This will better assist us in setting up effective philanthropic ties to the community.

Our intention is to house all three aspects of our business operations within a single building, i.e. our dispensary, processing, and cultivation sites. During our meeting with Mr. Kevin Scanlon, the city's Director/Planner, we were told that BayState would need to obtain a special permit from the Municipal Council and prepare a Site Plan Review filing with the Planning Board in order to operate an RMD in Taunton.

To that end, BayState filed for and obtained a zoning determination from Taunton's Department of Planning and Conservation that indicated our proposed site had no pending zoning violations on file. In addition to the attached exhibit letter from the Mayor Hoye of Taunton, other letters of support/non-opposition include available upon request include:

- 1) Taunton Chamber of Commerce;
- 2) Rens Hayes, owner of the property for our proposed RMD site;
- 3) Letters from neighbors of the proposed RMD;
- 4) James O'Hara, a Former DEA agent and security consultant;
- 5) Letter from the Arch Diocese;
- 6) Kids Kickin' Cancer, a non-profit organization

7) Girls Inc., a non-profit organization.

As previously stated, Taunton is BayState's preferred location. However, if DPH deems BayState's application meritorious for a permit but has concerns regarding diversity, BayState would be willing to retain its cultivation and processing sites at our proposed location and consider any options proposed by DPH to move our dispensary site to another area of need.]

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.

[Our proposed RMD 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 any additional locations where marijuana will be cultivated or processed.

Our RMD will not be sited within a radius of five hundred feet of a school, daycare center, or any facility in which children commonly congregate. We understand that the five hundred feet distance under this section is measured in a straight line from the nearest point of the facility in question to the nearest point of our proposed RMD. Our proposed RMD is currently sited:

- More than 500 from any school;
- More than 500 feet from any daycare center; and at least
- More than 500 feet from any facility in which children commonly congregate.

To understand and budget for any unforeseeable issues with our facility, we took the initiative of requesting a Zoning Determination for this property. Our team worked with the City's Department of Planning and Conservation to research outstanding code violations, abatements, permits and any other documents and project specific information related to the history of this site. By requesting these public documents, we were able to ensure that all current building code standards are being met, and we also were able to investigate any prior or existing code compliance violations or any outstanding infractions pending abatement.]

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.

[BayState believes that by having a combination of nuisance mitigation and community building we can develop a strong relationship with our neighbors. We have a unique opportunity as a not-for-profit to make a tremendous change within our local surroundings.

Community building efforts will first be pursued by reaching out to neighboring businesses and residential communities directly. Collaboration is the first step towards creating positive change. The ultimate direction of collaborative efforts will be a function of neighboring interests and actual needs that are difficult to assess unilaterally. However, thoughts for initial efforts include establishing or engaging an existing neighborhood watch group. BayState also has an interest in helping to revitalize surrounding areas. We will focus our positive community building efforts through:

- Appointing a neighborhood liaison – A neighborhood liaison within our organization will be responsible for reaching out to neighbors and dealing with community concerns. We understand that the government has limited resources and we would like to address community issues proactively. To make sure neighbors have an additional resolution outlet and to conserve our public sector’s limited resources, we will place signage on the exterior of the building with the name and contact information of our on-site liaison so that we can respond to community concerns proactively. Our neighborhood liaison will be able to communicate with community stakeholders and work to build a strong relationship with our neighbors.

- Investing in public improvements – We will work to improve our surroundings by re-investing earnings in transportation improvements, landscape beautification projects, sidewalk maintenance, lighting improvements, code compliance and neighborhood security measures.

Philanthropy and giving back to the community – We will implement a community benefits program to provide grants to local nonprofit organizations. Our grant funding process will be established to ensure grants are awarded in an objective and fair manner that gives each local group a chance to participate and compete. Our community benefits program includes: Establishing grant making priorities, establishing enrichment program areas, outreaching to potential grantees to apply, reviewing grant applications, awarding grants, measuring grantee progress, and adjusting our grant making strategy.

Together with pursuing community outreach we will work to minimize the nuisances caused by our operation. Some of the areas that we will work to mitigate potential negative effects include:

- Noise Mitigation - We will comply with all state and local regulations governing noise standards. We have identified two primary areas of noise mitigation- operations and facility design. Operational noise mitigation entails how we will reduce noise in our day-to-day business operations; and facility design entails how our facility is designed and constructed to reduce noise.

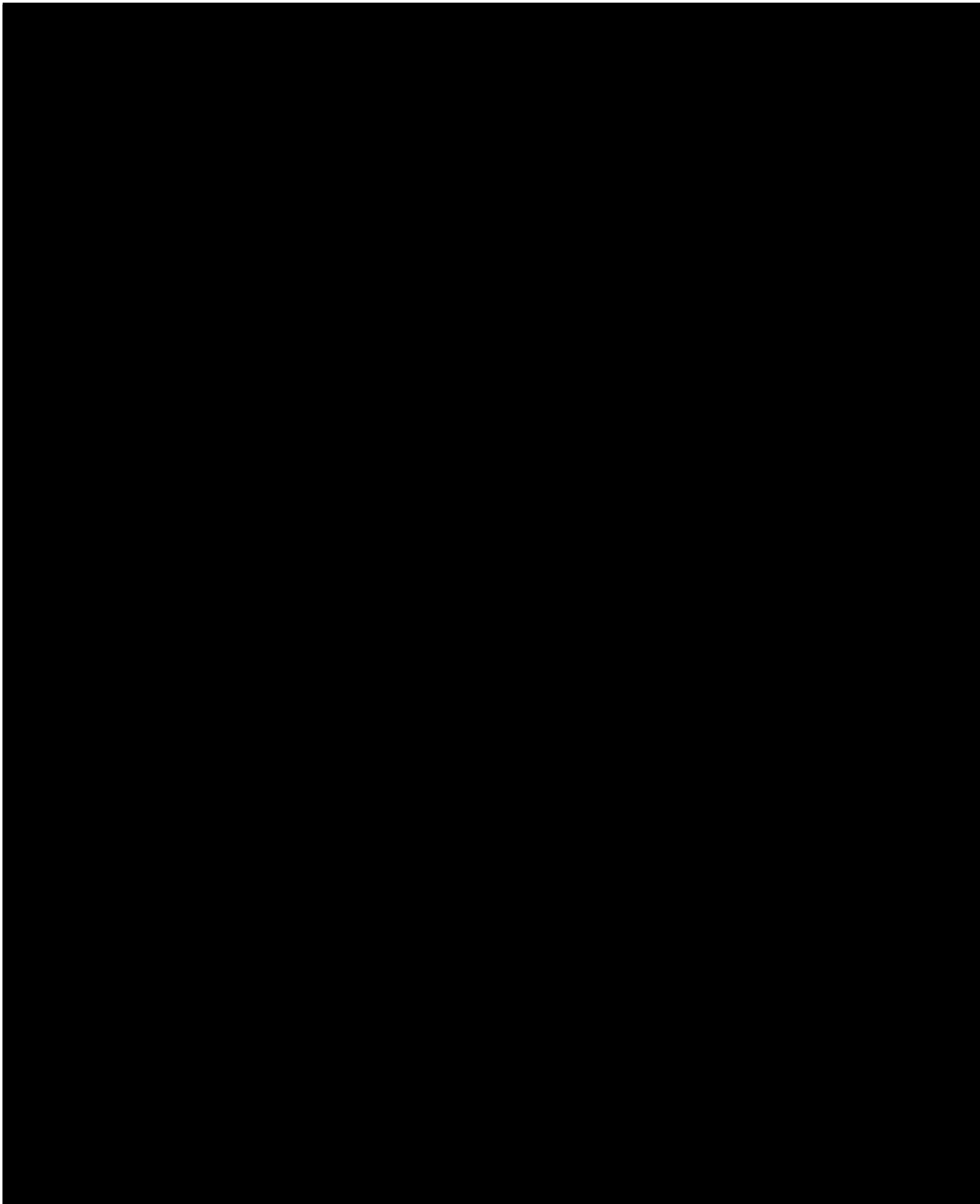
- Odor Mitigation - Controlling odor is an essential part of our operation to remain discreet and to minimize the nuisance on our neighbors. Cannabis produces heavy odors due to evaporation of volatile terpenoids. If not handled properly, these odors could be dispersed and draw unwanted attention to our operations. We will utilize what we believe to be the two most effective odor mitigation methods. First we will operate a closed grow environment and second by using activated carbon filters.

- Limiting Foot & Vehicular Traffic - We will minimize traffic flow interference by designating employee parking, restricting facility access and implementing a traffic control plan.

- Limiting Waste & Water Production - Bulk trash will not be placed on the sidewalk for pickup earlier than forty-eight (48) hours before the start of scheduled bulk trash collection. Our solid waste carts and recycling containers will be placed at the locations designated before 7:00 a.m. and removed immediately following collection.

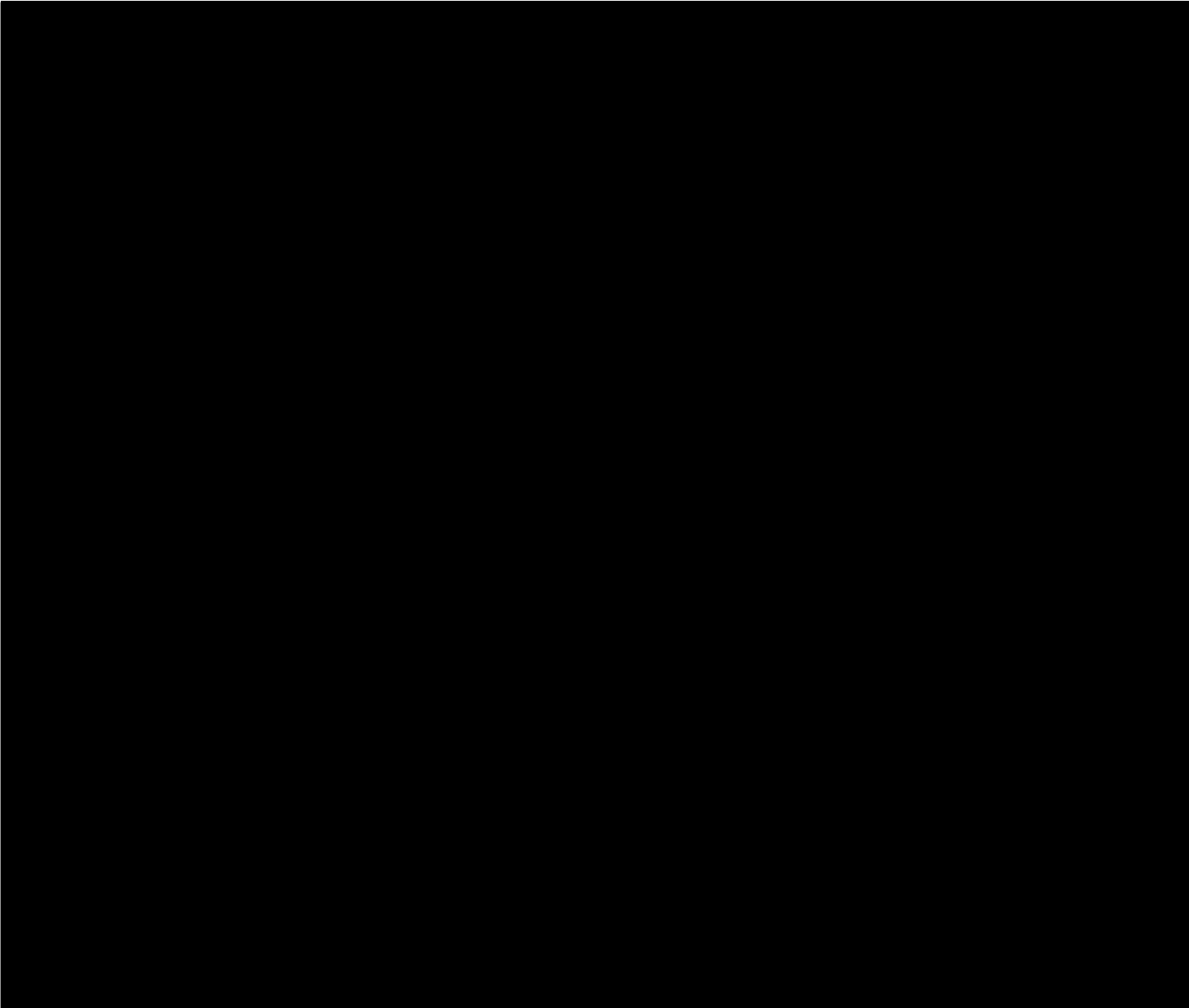
Addressing Safety Related Concerns – We plan to develop and operate according to a site safety and support matrix to accelerate the rapid response for any emergency or activity that our employees deem as a hazard to staff or the surrounding community]

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.

[BayState believes having a skilled, knowledgeable and well-trained staff is paramount to a successful business operation. An integral part of our implementation strategy is to have a comprehensive staff selection process, employing a knowledgeable staff team and focusing on employee training and development. Our staff will be responsible for important health and safety measures such as cultivating medical marijuana, advising patients on effects and side effects of various strains and delivery methods and working with the DPH for oversight of the medical marijuana program.

To operate our RMD, the anticipated key directors and staff members of our organization include:

- Board of Directors – The Board of Directors are the persons responsible for governing the RMD.

All board members jointly oversee the activities of the RMD.

- Chief Executive Officer - Provides leadership and management to ensure that the mission and core values of the company are put into practice. Chief Financial Officer - Responsible for directing the fiscal functions of the corporation and will oversee our accountant who has extensive experience in working with non-profits in accordance with generally accepted accounting principles issued by the Financial Accounting Standards Board, the Securities and Exchange Commission, as well as other regulatory and advisory organizations and in accordance with DPH rules and regulations. The CFO furnishes reports for the Board of Directors to review.

- Chief Operations Officer/Medical Director - Drives the advancement of patient safety by applying his medical expertise and pharmacy experience and will oversee, inform, and influence healthy growing practices, lead strategic research activities on cannabis, research and develop new strains and ensure patient's overall health goals are achieved. He will work closely with hired consultants and in-house cultivators to ensure quality and diversity.

- Cultivation Director – Responsible for the day-to-day operations of the cultivation facility. The cultivation director oversees the processes for planting, growing, transplanting, harvesting, manicuring and packaging medicinal plants. He or she oversees all horticulturalists, makes decisions about hydroponic growing techniques, manages inventory control, oversees security functions, ensures product safety standards are being met and mitigates risks to employees and the environment.

- Dispensary Manager – Is an experienced pharmacist who will be responsible for overseeing the day-to-day operations of the dispensary. Responsibilities include hiring and training dispensary staff members, inventory control, dispensary security, overseeing dispensary staff performing the responsibilities assigned by the Board of Directors, and ensuring a professional, friendly, respectful and hospitable dispensary environment is provided for patients.

- Horticulturalists and Trimmers – The horticulturalists are growers that tend to cannabis plants. They are responsible for planting, growing, transplanting, harvesting, manicuring and packaging medicinal plants. All nursery workers must carefully care for the plants and the cultivation facility to ensure highest health and safety conditions are being met. Trimmers manicure dried cannabis flowers to prepare them for curing and packaging.

- Budtenders – Responsible for assisting patients to advise them on medicinal strains, health effects and absorption methods. Budtenders handle medical cannabis and deal with operational responsibilities such as weighing, packaging and dispensing to patients.

- Security – Responsible for monitoring the surveillance of the facilities, guarding our buildings and ensuring the overall safety of employees, products and patients.

- Receptionists/Cashiers – Responsibilities include answering phone calls, ringing out customers, bookkeeping, filing, assisting the executive team, etc.

BayState will have three Board of Directors who will initially serve in the roles of Chief Executives, and will open with 10-12 staff members. Past experience has demonstrated to us that slower growth over time as the patient population in Massachusetts increases is a prudent strategy. For our first year, we anticipate our full-time staff members to include: The medical director/dispensary manager, cultivation director/support staff, budtenders, security, and receptionists. Any possible part time staff members would include: cashiers/seasonal help. Over time we hope to create more full-time and part time jobs. BayState intends to have an organized corporate governance and reporting structure to efficiently operate. The Board of Directors will monitor the executives as managers, set company-wide goals and benchmarks and ensure patients' and community stakeholder's interests are well served. The Board will have a chair that is responsible for running the Board. The term limits, powers and responsibilities of the chair may change from time to time.

The key executives that report to the Board of Directors include the Chief Executive Officer, the Chief Financial Officer, the Cultivation Director and the Dispensary Manager. Initially, these executives may or may not be, with the DPH's consent, board members from time to time. Another name for the executives is the Management Team. Over time, we may expand our Management Team and include a separate Chief Operations Officer to work with the Cultivation Director and Dispensary Manager as the organization grows. The remaining staff members include horticulturalists, budtenders, receptionists, administrative staff and security staff. As the organization grows, additional staff may be added over time. Staff members receive instructions from the management team.]

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.

[BayState shall have a comprehensive plan in place for hiring the best possible candidates possible for employment while maintaining a diverse and competent workforce. We have developed a staffing plan that is available to the Department upon request which includes an outline of the hiring process. Below are its key elements:

- The Management Team must obtain authority from the Board of Directors to fill a position.
- Job descriptions will be created for each position and updated as necessary.
- Selection criteria will be determined based on requisite qualifications.
- Want ads will be published to attract applicants and present equal employment opportunities.
- An interview committee will be established to review applications and employ standard

interview questions.

- Top candidates will be identified.
- Once a determination has been made, references will be checked. If an existing employee is interviewing for a new position, the employee's personnel file shall be reviewed.
- Once a finalist is selected, the Management Team will obtain salary approval from the Board of Directors.
- A letter is sent to applicant confirming an employment offer.
- An RMD executive registered with the Department of Criminal Justice Information Systems pursuant to 105 CMR 725.100(A)(7) submits to CORI the report obtained from the prospective employee within 30 days prior to submission.
- If the prospect is approved by the Department, they will be hired. All other candidates are notified they were not selected.
- Any changes to the status of employment will be immediately notified to the Department.
- BayState will collect a copy of the employee's identifying documents as required, which will be kept in the employee's confidential file.

BayState has developed a plan for RMD operations and drafted a qualifications and experience list by position. The qualifications and experience requirements for initial staff members are summarized below:

- Chief Executive Officer – Strong problem solving and communication skills, and an ability to identify and solve problems. Leadership skills and experience in decision-making, process improvements, effective delegation and performance review. Ability to train and develop skills of subordinates. Record of sound and accurate judgment. Previous experience of five years as a CEO or general manager. Education requirement includes an MBA, equivalent or ten+ related experience and/or training.
- Chief Financial Officer – Ability to plan, implement, direct and evaluate the organization's fiscal operations. Record of participation in the development of corporate plans and programs. Strong ability to produce accurate analyses of budgets, financial reports and financial trends in order to assist the CEO and Board in performing their duties. Able to provide financial input for use in decision-making. Ability to advise on contracts and help oversee maintenance of the not-for-profit status. Must have ten+ years of recent controllership experience. Education requirement includes a BS in accounting or finance, MBA and/or CPA designation.
- Medical Director – Research and provide information on medical cannabis. Work with lab representatives to ensure efficacy of cannabis through development of clinical studies. Qualified to review patient files and communicate with dispensary manager. Serve as key medical advisor to RMD management. Provides insight to new products and delivery methods. Educate employees and patients on cannabis use. Experience requirements include 3+ years of clinical experience with direct patient care and clinical trials. Education requirement includes a medical degree, residency training and board certification.

- Cultivation Director – Must have knowledge and skills for cannabis cultivation. Ability to maintain grow facility and perform pest control measures to meet Department standards. Ability to collect, compile and analyze data and deliver findings. Strong management ability to oversee horticulturalists, evaluate worker performance and identify inefficiencies in production. Ability to respond to the needs and demands of the RMD management. Experience requirement includes 5+ years growing plants indoors. Education requirement includes a degree in horticulture.

- Dispensary Manager – Management skills adequate to operate a small-to-medium size business. Ability to provide excellent customer service and build rapport with patients. Extensive knowledge of medical cannabis including strains, genetics, modes of administration, selection of strains for ailments. Ability to produce sales reports, identify market trends and provide analysis. Commitment to accountability. Ability to respond to the Board of Directors and higher-level executives while maintaining the workplace and effectively managing staff. Experience requirement includes 5+ years as a manager dealing with training and sales. Education requirement includes a Bachelor's Degree or equivalent experience.

- BayState has prepared qualifications and experience requirements for other positions including horticulturalists, budtenders, security, reception and administrative staff. Due to character limits this information is available upon request.

We have registered our COO, Donald MacPhail, with the Department of Criminal Justice Information Systems. Pursuant to 105 CMR 725.100(A)(7), we will submit to the Department a Criminal Offender Record Information (CORI) a request for everyone we seek to obtain a dispensary agent registration for. After CORI requests are submitted, we will be able to login to our iCORI account and view the results. These results will be communicated and utilized as deemed appropriate by the Department. We will work with the Department to comply with all rules, as may be amended, regarding CORI procedures.]

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.

[BayState is committed to providing our workforce with competitive wages, opportunities for advancement, comprehensive employee benefits and compliance with all applicable employment provisions under the law. We will offer advanced employee training and education to ensure our staff has all the skills to successfully serve our patients.

The goal of our competitive wage philosophy is to attract, retain, and motivate employees. If we take care of our employees, they will in turn take care of our patients. We plan to competitively compensate our employees and allow for annual raises of at least 5 % each fiscal year. Our proposed wages our first year of operation is as follows:

- Board of Directors: NO COMPENSATION FOR YEAR ONE
- Chief Executive Officer: NO COMPENSATION FOR YEAR ONE
- Chief Financial Officer: NO COMPENSATION FOR YEAR ONE
- COO/Medical Director/Dispensary Manager: 50 hours/week; \$25,000/month.
- Cultivation Director: 40 hours/week; \$6,000/month; one position
- Horticulturalist: 40 hours/week; \$4,300/month; one position.
- Trimmers: 40 hours/week; \$3,500/month x 3 positions
- Cashiers/Budtenders/MIP production: 40 hours/week; \$2,000/month x 4 positions
- Security: 40 hours/week; \$2000/month x 1 position
- Receptionist: 40 hours/week; \$2000/month x 1 position
- Bookkeeper: 30 hours/week; \$2100/month x 1 position

Our philosophy is that more important than a competitive wage policy are opportunities for advancement. Research has shown that opportunity for advancement is the number one priority of employees. Advancement opportunities are central to strong job performance, as it incentivizes employees to perform.

When the time comes to promote an employee, we will evaluate each candidate by assessing their skills, effectiveness in their current position and future potential. The following steps will be taken for considering employee advancement:

- Step 1 – Develop checklist with criteria for advancement
- Step 2 – Compare the employee's performance, skills, and adherence to company policy against the checklist
- Step 3 – Interview eligible employees as potential candidates for open positions
- Step 4 – Promote from within whenever possible to fill positions before seeking outside candidates
- Step 5 – Talk to employees who are denied a promotion about their evaluation

There may be times when promotions are not feasible, however, on-the-job-training will always be encouraged. When possible, employees' tasks will be rotated, thereby increasing skill sets and strengths among staff. Keeping employees engaged and growing their skills will be an emphasis of our operations to prepare employees for promotion when possible.

Benefits are also important to employees. For that reason, we will provide our employees with a comprehensive benefits plan. There are two types of employee benefits that we will provide: benefits that are required by law and those that we offer as an option to compensate our employees. Examples of required benefits include:

- Social Security – Funds applied toward retirement benefits.
- Unemployment Taxes – Government program that gives temporary cash payments to workers who have lost their jobs through no fault of their own. All Massachusetts employers who hire one or more employees must register with the Massachusetts Department of Unemployment Assistance.
- Workers' Compensation – Commonly known as 'disability benefits', compensate workers disabled by occupational illness or injury.
- Overtime Compensation – Even if not required we will compensate non-administrative employees with time and a half when working over 40 hours a week.
- Voter Participation Incentive – We will provide at least two hours for employees to vote in elections.

Example of optional benefits we will offer our employees include:

- Leave Benefits - These leave benefits include holiday/vacation, jury duty, personal and sick leave and funeral/bereavement leave. We will offer our employees a minimum of 12 days of leave benefits annually.
- Health Benefits – These health benefits include vision, dental, prescription and disability options. As a hopeful member of the healthcare industry we know that keeping employees healthy is important to our operations. We want to provide several options based on coverage and expense. We will be offering HMO and PPO options from multiple providers.
- Retirement Savings - A retirement savings plan (commonly known as a 401k) allows a worker to save for retirement, and have the savings invested while deferring current income taxes on the saved money and earnings until withdrawal. We will match the funds of whatever an employee contributes from each of his or her paychecks, and provide options for how to invest including stocks, bonds, mutual funds or other securities

The cost of providing optional benefits will vary due to multiple-plan variables. We estimate providing 15-20% of an employee's salary in benefit compensation (i.e. if employee is paid \$48,000/year, we estimate \$7,200-\$9,600 paid in benefits for that employee).

We have prepared a comprehensive staff development plan that enumerates our plans in greater detail. Other provisions include paying a livable wage, never under Massachusetts' minimum wage, conducting salary surveys to provide comparable earning information, and compensating all employees according to equal

opportunity and non-discrimination policies. We will comply with the Americans with Disabilities Act and adopt policies, practices and procedures that ensure non-discrimination and equal access to our facility. Our employee development plan is available for review upon request by the Department.]

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.

[BayState believes staff development is a critical component of success. Staff development includes activities and programs that we will employ to help staff members learn their responsibilities, develop required skills and competencies, and grow personally and professionally. Because job descriptions and organization goals may change from time to time, our staff development plan will be reviewed regularly. Our executives will work to make changes to our staff development plan as needed.

The goals of our staff development policy include the following objectives:

- Define expectations for continued professional education of employees
- Outline options available for staff improvement
- Communicate the connection between continuous professional development and organizational rewards
- Ensure adequate funding for staff development activities
- Learn from patient and community input and implement these concerns into our staff development program

Staff development activities can include orientation, seminars, conferences, on-the-job training, workshops and other programs. All members of our RMD will participate in an ongoing process of staff development. All dispensary agents shall complete training prior to performing duties. Training shall be tailored to the roles and responsibilities of each dispensary agent. At minimum, staff shall receive 8 hours of on-going training annually.

Specific training programs we have already developed for include:

- Legal Training – This will cover Massachusetts and Federal law relating to cannabis, patient rights, health information privacy laws to protect the privacy of patients (HIPAA), sexual harassment, laws surrounding operations of the RMD, and interaction with law enforcement. Confidentiality of patient records will be emphasized.
- Medical Training – This will involve procedures for responding to medical emergencies, disability sensitivity, blood borne pathogens, ADA compliance, and effective communication with medical patients. Our Medical Director will oversee and improve our medical training protocols. Employees will also be briefed in the various medicinal properties of cannabis and the strains available.
- Customer Service and Sales Training – Each employee will be educated in health science, methods of ingestion, medical cannabis varieties, cannabinoid profiles, and understanding patient needs. Sales training will emphasize product knowledge and how to communicate with patients. Staff will be taught to encourage patients to purchase the smallest amount possible, and only increase quantities over time if necessary.
- Product Safety Training – This will include pertinent aspects of product safety so health threats can be detected and eliminated early on. This training will be designed specifically to enable employees to recognize superficial indicators of health and safety risks. This program will be emphasized with those that manage the production process.
- Security Training and Security Drills – Employees will be trained on site in the proper procedures in case of an emergency and receive basic training on personal safety/security. All new employees will be required to attend off-site safety/security trainings that must be completed during the early stages of

employment. All employees will be trained to use the [REDACTED] in the facility. Only the appropriate personnel will be trained on other aspects of security such as [REDACTED]. We will work with the local police to develop appropriate ongoing training for all employees.

- Fire Safety and Training Drills – Employees will receive continuous training on fire prevention. Employees will be trained generally on fire hazards, with an emphasis on department specific hazards. For example cultivation areas will have different and arguably greater risks than the administrative department, thus employees in cultivation areas will receive fire prevention training specific to wiring, amperage, and voltage.
- Hazardous Materials Training - It is expected that every person working in the cultivation facility will be knowledgeable in handling hazardous materials and be capable of an appropriate response in case of emergency. Employees will be taught correct protocols in handling these types of situations including basic hazard and risk assessment, how to select and use protective equipment, basic hazardous materials terms, how to perform basic control and containment operations, and basic decontamination procedures.
- Emergency Preparedness – Employees will be trained to identify and properly respond to the most common types of emergencies, including fire and explosions, hazardous materials release, suspicious packages, earthquakes, utility outage, gunfire, death or serious injury, workplace violence, hostage situations, and health complications experienced by patients.

BayState has prepared additional staff training programs including employee safety training, delivery truck training, critical situation training, environmental mitigation training, electrical training and patient care and services. Due to character limits this information is available upon request. We will develop additional training on topics as specified by the Department.]

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.

[The planned startup timeline for our cultivation and dispensary facility is summarized in exhibit 7.1 showing the dates of the most significant construction and horticultural milestones. Upon issuance of our RMD, we are prepared to immediately begin construction planning and we expect to have construction complete by 5/15/2014. The General Contractor will complete the primary growing areas first, so that horticultural activities can begin while construction in other areas is ongoing. We will start growing in the facility on 4/15/2014, we expect first harvest on 6/15/2014, and product will be available for sale shortly thereafter. The dates shown here are subject to change based on factors such as unexpected shortages of construction materials, permitting and zoning delays.

We have already assembled a highly qualified design and construction team. Our design and construction team includes:

- Ackland International Architects and Engineering
- B.E.R. Mechanical Engineers
- North Point Construction Company
- Tech Mechanical Inc.
- Robert Neilan, General Contractor, Project Manager
- GreenRush Consulting Group

The initial focus of construction will be to complete all cultivation areas. In order to open our RMD as quickly as possible and to have a steady supply of medical marijuana, we will construct our propagation area first in the cultivation area so that we can begin raising mother plants for vegetation. As soon as permissible by the Department and other regulatory agencies, we will plant inside the propagation room to give us a head start

on raising our mother plants. Once the propagation room is complete, we will focus on developing our vegetation area so that cuttings from our mother plants can be vegetated and prepared for flowering.

After the vegetation room is complete we will develop our flowering area so that once our plants finish their vegetation stage, we can immediately move them into our flowering room. Flowering is the longest process of the plant cycle, so following flowering we will complete our harvesting, drying, trimming, curing and packaging areas.

Our contractor will ensure construction does not negatively impact any live vegetation and that each construction area is sealed from adjacent rooms. This will help prevent construction debris, pests, contamination and other harmful bodies from interacting with our plants.

The proposed dates for each stage of our cultivation facility and dispensary build-out are as follows:

- 1/31/14 – Provisional certificate of registration by the Department.
- 2/01/14 – Design team commences: design, floor plan, hydroponic system design, development of construction drawings, submission of drawings, approvals, etc.
- 3/1/14 – Construction commences: mobilization of construction crews, tools, machinery, equipment, review and finalization of specifications and prints.
- 3/3/14 – Begin building preparation: obtain construction permits; order and release of specified construction materials and equipment.
- 3/15/14 – Begin build out of propagation and vegetation rooms including wall and ceiling panels, electrical work, mechanical work, sprinkler system, and doors. Layout of wall panel system, electrical work and mechanical work. Installation of security system.
- 3/15/14 - Begin build out flowering rooms including wall and ceiling panels, electrical work, mechanical work, sprinkler system, and doors. Begin build out of non-growing room process areas, exterior doors, docks, drying room, trimming room, packaging room, etc. Begin build out of office (employee) areas.
- 4/1/14 - Propagation and vegetation room's wall and ceiling panels complete. Flowering room's wall and ceiling panels complete
- 4/15/14 – Horticultural milestone: Begin propagating and vegetating first batch of plants
- 4/30/14 –. Electrical and mechanical to work in conjunction with same time schedule. Concrete floor finishing, installation of bumper, pipe guards and racks. Regulatory inspection sign offs. Installation of growing equipment.
- 5/15/14 – Horticultural milestone: Begin flowering first batch of plants.
- 5/15/14 - Completion of build out in all areas, final touch up
- 6/15/14 – Horticultural milestone: Harvesting first batch of plants.
- 6/30/14 - Regulatory inspection final sign offs.
- 7/1/14 – Horticultural milestone: First product available for sale.

In an effort to expedite the opening of our RMD, the design team will begin immediately working on our dispensary facility design once construction commences on the cultivation area. All designs, construction drawings, permits and contractors should be in place prior to completing all construction work in our cultivation areas. Start-up timeline with clear benchmarks and dates attached as exhibit 7.1]

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.

[BayState intends to provide our patients with safe products that are professionally packaged and presented in a compassionate, wellness-promoting, service-focused way in a comfortable setting by well-trained staff. Patient education is a key element of our approach, and will be part of an array of wellness and support services (transportation, interpreters, and care advocates) we offer our patients. Our dispensary will be designed and built to feature state of the art technology with forward-looking green practices. Security and safety are

critical components of our operations. We also plan to take every effort to be “good neighbors” in the community. This means providing extensive community outreach, including hiring, indigent care, and public involvement. It also means minimizing any negative impacts or nuisances that may arise from our operations.

Our key objectives are:

- To provide safe and legal access to medical cannabis for all qualified patients regardless of their ability to pay;
- To reduce the barriers and improve access to medical cannabis and its potential benefits, including the potential to reduce health disparities in underserved and minority residents in Massachusetts; and
- To revitalize our neighborhood and contribute to Taunton as well as Massachusetts’s wider economic development through job creation, increased tax base, and education and outreach.

Every quarter we will conduct business check-ins that will inform our business practice improvements. These check-ins including asking three fundamental questions:

- Where are we now?
- Where do we want to be?
- How do we get there?

To answer these questions, meaningful data must be collected. Our seed-to-sale POS system will allow for most of the quantitative data collection we need. The quantitative data can help us answer questions such as:

- Medical cannabis supply –How much cannabis is cultivated a month? Do we have a consistent supply of high quality medical marijuana? What is our crop failure rate? What percentage of our cannabis cultivated is considered passing quality by our Department-approved lab?
- Patient counts – How many patients are we servicing? Are we able to support our current patient needs? What is our patient growth rate? Does our medical cannabis supply growth plan support that?
- Jobs and taxation – How many jobs have we created? How much are we contributing to local and federal taxes?
- Patient services and philanthropy – How much in non-profit contributions have we made? How much in discounts and free cannabis have we contributed? How much do we spend monthly on patient services, such as transportation and patient education?

Other questions rely on surveying our patients, staff and community stakeholders. Each questions will be asked “On a scale of 1-10, how satisfied are you with...”. This will allow us to quantify our results. Samples of questions include:

- Patient satisfaction – How satisfied are our patients with our products? With our service? With our staff? Do you feel safe and comfortable at our facility?
- Staff satisfaction – How meaningful is your work? How challenging is your job? Are you paid well for the work you do? Do you receive ample benefits? Are the expectations of your supervisor realistic? Do you feel you are growing personally and/or professionally? Do you feel there are job advancement opportunities? Do you feel safe and comfortable at work?
- Community satisfaction – Do you feel BayState is a responsible neighbor? How many incidents have there been in the past 90 days? Do you feel there are security concerns? Are there noise or traffic concerns?

The questions we ask and the data we collect will change from time to time to improve our performance measures. We will base our goals off of previous performance levels and each year work to achieve higher operating standards. We are preparing a detailed Operations Plan that is available for review by the Department upon request.]

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.

[BayState will deploy a two-prong plan to ensure the highest quality products are produced in a timely manner in a state of the art facility. We will work with industry-leading consultants such as GreenRush Consulting, which has extensive experience and knowledge of grow methods used in the cultivation of medical marijuana, as well as commercial-size grow sites. These consultants will work with our cultivation director and his staff, most of whom will be selected from a group of potential applicants working in other states as growers, with demonstrable skills achieved through years of studying and raising plants, specifically medical marijuana cultivation, to ensure state of the art cultivation success.

Our vision is to replicate nature in a controlled environment with a no waste policy. All of the plant material needs of our facility shall come from existing plants, creating a perpetual plant production model that recycles itself. Thus we will avoid problems associated with bringing in outside plant matter.

The production process begins with breeding (seed creation) and ends with the final stage of the production process- curing (ready for packaging). All of the steps involved in the production process include:

- Breeding
- Cloning
- Vegetation
- Flowering
- Harvesting & Drying
- Trimming
- Curing

The Testing Process is listed below. All of the production process steps, combined with the three steps below, are considered to be our total supply chain process. The remaining three are:

- Testing
- Packaging
- Distribution

Upon receipt of all requisite approvals, BayState will expedite the development of its cultivation facility. A start-up timetable and financial data have been provided with this application to demonstrate the production capabilities of our proposed facility. Our priorities are to comply with the Department's rules and regulations, and provide a steady supply of safe product to patients.

We have developed detailed production projections in our financial pro-forma available for review by the department. Below is a top-level summary:

- 15,000 square feet of total production space, with over 5,000 square feet for flowering plants, and 2,000 square feet allocated for vegetating plants.
- We will have 83 8' x 4' grow trays for flowering plants and 17 8' x 4' grow tray for vegetative plants.
- Each grow tray contains 10 plants for a total of 1000 plants (number of plants x number of grow trays).
- We anticipate being able to perform 6 harvests per year and should yield 2 ounces per plant.
- These assumptions result in 12,000 ounces of medical marijuana being produced a year, or 1000 ounces a month. We believe if each patient purchases 1 ounce of cannabis a month from a dispensary, we are able to service 1000 total patients.

We believe these are conservative, prudent estimates and have sufficient additional cultivation space should the need to increase production arise during the year.

We will use efficient hydroponic cultivation techniques to produce high quality medical cannabis, meaning we will grow plants in an inert, sterile growing medium instead of in soil.

Marijuana plants, and in fact all plants, do not need to be in a living soil, they require the macro elements nitrogen (N), phosphorus (P), potassium (K), calcium (Ca), magnesium (Mg) and sulfur (S) and microelements (Fe), chlorine (Cl), manganese (Mn), boron (B), zinc (Zn), copper (Cu) and molybdenum (Mo). Hydroponics introduces water, nutrients and air to the roots of plants through growing mediums. All of the

plants' nutrient requirements are supplied when we mix water with our nutrient solution, thus bypassing the web of roots and the energy required for conventional growth, allowing for faster maturation.

We will use a screen of green cultivation approach, whereby plants are trained through a horizontal screen placed above them, spreading the tops of the plants along a horizontal plane and encouraging flower formation along the normally neglected branch stems. LED lights will be used whenever possible. However, during the vegetative phase of growth, we will use metal halide lights, which provide a more abundant blue and green spectrum, and high-pressure sodium lights, abundant in orange, amber and reds, will be used for the flowering stage.

We will follow fundamental principles of organic cultivation including:

- Avoiding chemical pesticides through the use of natural pest control measures.
- Avoiding chemical pesticides through a holistic approach to pest management that emphasizes preventative measures.
- Moderation of nutrient application.
- Using soil-less hydroponics and disposing all unused plant material in compliance with Department rules under a limited-waste policy.
- Adhering to strict nutrient schedules and utilizing highly efficient nutrient dosing technologies to minimize, if not eliminate, nutrient waste.

Using efficient hydroponic processes and pure nutrients, we will minimize usage of substances banned by the Organic Foods Production Act of 1990, the regulations in Title 7, Part 205 of the Code of Federal Regulations, and the National Organic Program. We will test to ensure that all products are free of harmful yeasts, molds, bacteria, and chemical residues. These measures will produce a product that exceeds organic standards and is cleaner, safer, and greener.

We intend to analyze health demographics in our community and work with patients before choosing strains to cultivate. Each strain has its own range of effects on the body and mind resulting in varying medicinal benefits. Sativa and indica are the two major types of cannabis plants and we will cultivate a mixture of both varieties.

We have prepared a comprehensive cultivation plan with more detail on our processes and hydroponic design. This plan is available for review by the Department upon request.]

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.

[Quality control and product safety are vital components of the medical cannabis industry. Medicine must be safe and free of contaminants to prevent further complications for patients with weakened health. Thus, lab testing and quality controls are necessary.

We are committed to providing clean, safe, and effective cannabis to patients in need. We will work with a lab certified and approved by the Department to test for purity throughout the plant production process. At minimum, we will always meet the testing frequency required by the Department and intend to test during the breeding, cloning, vegetative and flowering stages of plant growth, and again before packaging. Test results will be placed on product labels.

Collected samples will be analyzed using the below listed tests. These tests were developed to make sure that the data produced is consistent and dependable.

- Visual inspection
- Moisture analysis
- Gender testing
- Microbiological screening
- Cannabinoid profiling

- Chemical residue screening
- Environmental testing

We will maintain the following cleanliness and sanitation policies:

- Employees must maintain adequate personal hygiene and wash hands thoroughly
- Adequate sanitation supplies shall be kept onsite
- Litter and waste shall be properly removed and disposed of
- Floors, walls and ceilings shall be constructed in a manner that they can easily be kept clean
- Adequate lighting in all processing and storage areas and buildings shall be maintained
- All toxic items shall be identified
- Any contaminated plants shall be destroyed and we will conduct an immediate assessment of the source of contamination.

We will employ cutting edge product safety and testing standards utilized by leaders in the emerging cannabis industry. There are no state or federal guidelines defining acceptable levels of chemical or biological residues for cannabis. Moreover, there are no state or federal guidelines regarding appropriate analytical methods for detecting these residues in or on cannabis medicines. We see this lack of official industry requirements and protocols as an opportunity to self-impose standards to ensure patient health and product efficacy. With the help of the qualified scientists, we will develop and self-impose safety and testing protocols to ensure products have a known potency and are free of contaminants. These protocols will ensure quality control superior to existing industry standards.

The quality control process will involve the examination of products and processes. The quality control team shall identify products, or the processes used to develop products failing to meet our standards. When a problem is identified, the quality control team may stop production temporarily and/or recall finished products.

Standards will be established by utilizing those used in similar industries. Many of the products used by cannabis cultivators to control pests already have existing health effects thresholds. These thresholds were established through years of scientific research aimed at identifying a No Observable Adverse Effects Level (NOAEL), defined as the exposure level at which there is no statistically or biologically significant increase in the frequency or severity of adverse effects. These health effects thresholds will be the basis for our product safety and Laboratory Testing protocols.

We will have an effective and environmentally sensitive approach to mold, disease, pests, mildew, non-organic pesticides and heavy metal management emphasizing prevention, observation, and intervention. We will employ this strategy to manage problems in a manner that meets Organic Foods Production Act standards, while minimizing the use of pesticides to reduce potential hazards for human, wildlife, and ecosystem health. All of our results of all testing will be kept for no less than one year.]

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.

[BayState will comply with all Department rules pertaining to disposal of excess or damaged plants or products. We will handle such disposal in a way that incorporates security measures to help avoid diversion of such products. We shall meet all of the waste disposal requirements of 105 CMR 725.105(J), which includes:

- All of our waste, including waste composed of or containing finished marijuana and MIPs, will be stored, secured, and managed in accordance with applicable state and local statutes, ordinances, and regulations.
- Liquid waste containing marijuana or by-products of marijuana processing shall be disposed of in compliance with requirements for discharge into surface water (314 CMR 3.00), groundwater (314 CMR 5.00), and sewers (314 CMR 7.00), or disposed of in an industrial wastewater holding tank in accordance with 314 CMR 18.00.

Solid waste generated at our RMD shall be disposed of in one of 3 ways:

- Through incineration in a commercial or municipal waste combustor in Massachusetts holding a valid permit issued by the Department of Environmental Protection with no fewer than two dispensary agents must witness and document destruction;
- Disposal in a landfill holding a valid permit issued by the DEP or by the appropriate state agency in the state in which the facility is located. No fewer than two dispensary agents must witness and document disposal in the landfill;
- Grinding and incorporating the medical marijuana waste with solid wastes such that the resulting mixture renders the medical marijuana waste unusable.

We will accept at no charge unused, excess, or contaminated marijuana from a registered qualifying patient or personal caregiver, and we will destroy it as provided in 105 CMR 725.105(J) and maintain a written record of such disposal, which shall include the name of the supplying registered qualifying patient or personal caregiver if applicable.

When marijuana or MIPs are disposed of, we will create and maintain a written record of the date, the type and quantity disposed of, the manner of disposal, and the persons present during the disposal, with their signatures. These disposal records will be kept for at least two years.

If our Certification of Registration for our RMD expires, is revoked, or voided, we shall comply with Department rules by:

- Immediately discontinuing cultivation and production of marijuana;
- Weighing and inventorying all unused marijuana in all stages of cultivation and all MIPs in any stage of production, and create and maintain a written record of all such items;
- Disposing of the unused marijuana in accordance with 105 CMR 725.105(J) subsequent to approval by the Department. Such disposal shall be considered to be in the best interests of the general public, and the Department shall not be held liable in any way for any financial or other loss; and
- Maintaining all records as required by 105 CMR 725.105(I)(7).

We have developed a comprehensive waste disposal plan that is incorporated into our security plan and is available for review by the Department upon request.]

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

[BayState intends to produce Marijuana-Infused Products (MIPs). Our MIPs department is responsible for the creation of MIPs by reusing the parts of a marijuana plant not packaged for dried cannabis to make extracts. These extracts are then used in two main product groups: Edibles and concentrates. Edibles allow patients an easier and more popular alternative to consuming cannabis, and concentrates deliver the most curative medical properties. It is our goal to produce MIPs superior to those existing product lines available in the marketplace today.

All MIPs shall be prepared, handled, and stored in compliance with Department rules and pursuant to 105 CMR 500.000, Good Manufacturing Practices for Food. These requirements include:

- All foods will not be touched with bare hands. Employees shall use suitable utensils such as single-use gloves or dispensing equipment.
- Separate dry and refrigeration storage facilities will be utilized for raw ingredients and finished food products.
- Soap dispensers for hand washing shall be provided at the kitchen sink and all bathrooms.
- Dishwashers and laundry facilities will be present in the kitchen but shall not be used during food preparation.
- Garbage receptacles will be imperviously covered and provided for storage of garbage and refuse.



- Hot and cold water under pressure shall be provided to food preparation areas.
- All foods will be packed in hermetically sealed containers.

BayState will rigorously enforce cleanliness and sanitation practices in our operations. Our MIPs department will perform environmental tests by swabbing surfaces to ensure no microbiological contaminants exist. If a problem is detected, through our own detection, by our laboratory, or through a patient report, we will comply with the requirements for food handlers specified in 105 CMR 300.000: Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements. This includes reporting certain diseases to officials as designed by the Department, by telephone, in writing or other electronic means, within 24 hours after identification.

We believe the simplest way to prevent the spreading of germs is to clean and sanitize surfaces wherever food is prepared. Cleaning steps include:

- Wash surface with soap and warm water
- Rinse with clean water
- Air dry or dry with a clean paper towel

Sanitizing is also an important aspect of preventing the spreading of germs. Sanitization helps reduce germs to a safe level so illness is unlikely to occur. Sanitizing steps include:

- Spraying surface with sanitizer of choice
- Leaving sanitizer on the surface for the suggested amount of time
- Allowing to air dry or dry with a clean paper towel

After we have a clean environment we can begin to produce MIPs. To produce edible MIPs, we will start by extracting marijuana into either cannabis flour or hemp oil. To create cannabis flour and hemp oil requires a marijuana plant that has started the flowering process of its growth cycle. The flowering adult plant is sent to our extractions department and the cannabis flowers and leaves are removed from these plants and separated into different containers.

To make cannabis flour, cannabis flowers and leaves are heated and processed, then milled into powder. Every part of a plant's cannabis flowers and leaves will be used during the cannabis flour extraction process with no waste. The resulting milled powder is considered the cannabis flour extraction. The cannabis flour can be used to create a number of MIPs, such as cupcakes and cookies, by using their normal recipes and substituting the regular flour with the marijuana infused flour. If allowed by the Department, cannabis flour may be sold to patients so that they can make their own MIPs at home.

To make hemp oil, cannabis flowers and leaves are put through a commercial food processor. The processed matter is then combined with an oil, such as vegetable oil, and cooked at 350°F to fuse the psychoactive cannabinoids with the oil which is then strained to make the extraction. The remaining plant matter is disposed of pursuant to 105 CMR 725.105(J). The hemp oil can be used to create any number of edible MIPs, which would require regular cooking oil, simply by substituting the cooking oil for hemp oil.

We will follow 725.105(E)(3) for specific MIP labeling requirements, and place a legible, firmly affixed label on which the wording is no less than 1/16 inch in size on each MIP that we prepare for dispensing, containing at a minimum the following information:

- The registered qualifying patient's name
- The name and registration number of our RMD along with our telephone number, mailing address and website information
- The name of the product
- The quantity of usable marijuana contained within the product as measured in ounces
- A list of ingredients, including the cannabinoid profile of the marijuana contained within the product, including the THC level
- The date of product creation and the recommended "use by" or expiration date
- A batch number, sequential serial number, and bar code allowing tracking of MIPs from seed to sale.
- Directions for use of the product if relevant

- A statement that the product has been tested for contaminants, that there were no adverse findings, and the date of testing in accordance with 105 CMR 725.105(C)(2)
- A warning if nuts or other allergens are contained
- The 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.”

Our MIPs shall be packaged in plain, opaque, tamper/child-proof containers without depictions of the product, cartoons, or images other than our logo. Our edible MIPs will not have a reasonable resemblance to any product available for consumption as a commercially available candy]

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.

[Inventory control and loss prevention is essential for keeping our products and facility secure and fulfilling our compassionate mission. We will employ a transparent process to track production and distribution so that at any time the condition and quantity of every product in all development stages can be documented. This will allow us to maintain exceptional quality while avoiding over or underproduction and preventing or promptly recognizing any misallocation or theft.

The foundation of our inventory tracking system is the state-of-the art MJFREEWAY SOFTWARE SOLUTIONS software application. This system has extremely flexible inventory capabilities perfectly suited to the challenges we will encounter. A general overview of our inventory tracking system is provided here, but a much more in-depth illustration is contained within our Inventory Control Plan available to the Department upon request.

The goals of our inventory policies and procedures are:

- Ensuring product integrity,
- Preventing internal or external product diversion,
- Complying with Department regulations, and
- Tracking key statistics related to our patients, products, and business.

There are four components to BayState’s comprehensive inventory control system:

- Well-trained and well-supervised staff;
- State-of-the-art electronic inventory tracking;
- Information security; and
- Rigorous operational protocols for management, oversight, and accountability.

The comprehensive inventory management program includes seed-to-sale tracking procedures, loss prevention, and storage of products. We will use a single electronic system to capture everything that happens to an individual marijuana plant, from seed and cultivation. Using unique plant and batch identification numbers, it will literally track product through growth, harvest and preparation to final sale. The system will chronicle every ingredient, activity, transaction, or individual coming affecting the product.

Pursuant to 105 CMR 725.105(G), our inventory management program will ensure:

- All marijuana seeds, plants, and products, using a seed-to-sale methodology, are tagged and tracked.
- Our inventory of seeds, plants, and usable marijuana is limited to reflect the projected needs of registered qualifying patients.
- Real-time inventory is maintained as specified by the Department and in 105 CMR 725.105(G)(3) and (4), including, at a minimum, an inventory of marijuana plants; marijuana plant-clones in all phases; marijuana ready for dispensing; all MIPs; and all damaged, defective, expired or contaminated product awaiting disposal.

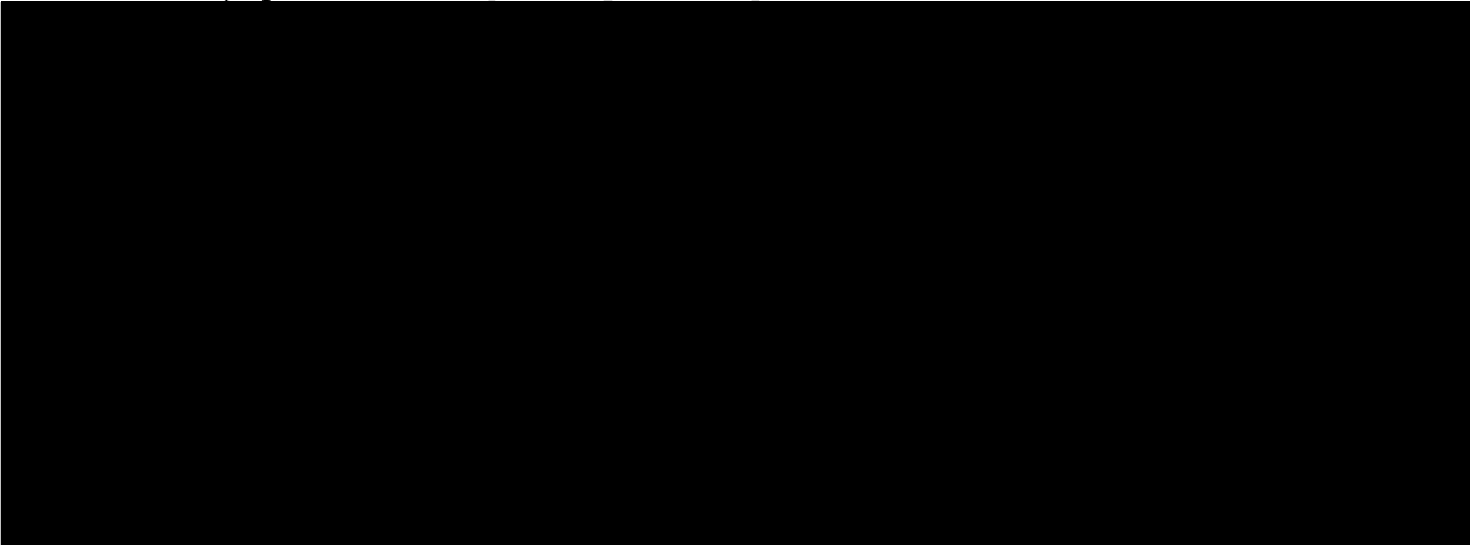
- Procedures for conducting inventory reviews are established. Inventory of all product shall be conducted and checked monthly.
- Comprehensive inventory of all product shall be compiled annually.
- The record of each inventory includes the date of the inventory, a summary of the inventory findings, and the names, signatures, and titles of the individuals who conducted the inventory.

For the transportation of medical marijuana, we shall:

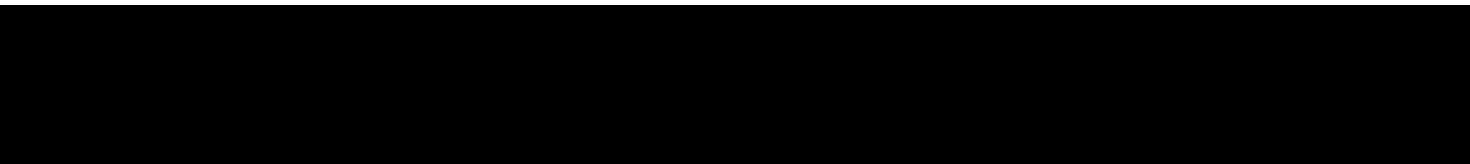
- (a) weigh, inventory, and account for on video all marijuana to be transported prior to its leaving the original location;
- (b) re-weigh, re-inventory, and account for on video all marijuana transported, within eight hours of arrival at the destination RMD except in the case of home delivery pursuant to 105 CMR 725.110(E)(11);
- (c) document and report any unusual discrepancy in weight or inventory to the Department and local law enforcement within 24 hours;

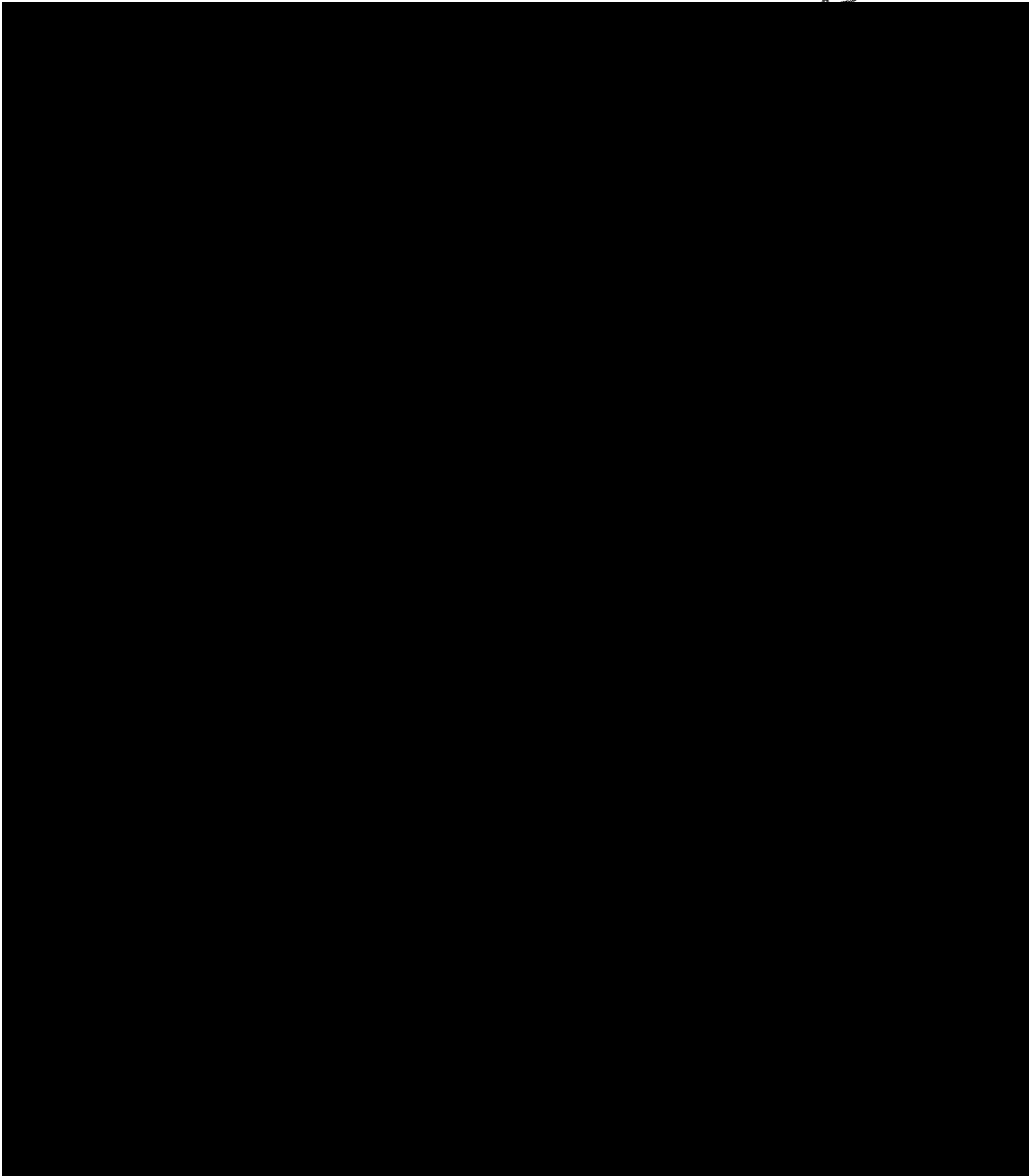
Pursuant to 105 CMR 725.105(B)(2)(c), our inventory control tracking system shall ensure the distribution and acquisition of marijuana to and from all other RMDs does not cumulatively exceed 30% of total annual inventory.

At any time, our inventory control system will be able to generate an accurate snapshot of current production and holdings, how many plants are being cultivated, the stage of each plant in the process, and the number and kind of products ready for sale. Real-time updates about the acquisition, sale, delivery, return, and disposal of inventory are entered into this system, providing comprehensive data documenting every aspect of our operation. Routine inventory control and documentation is built into the production process itself, requiring verified inventory updates at each stage of the production process.



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.





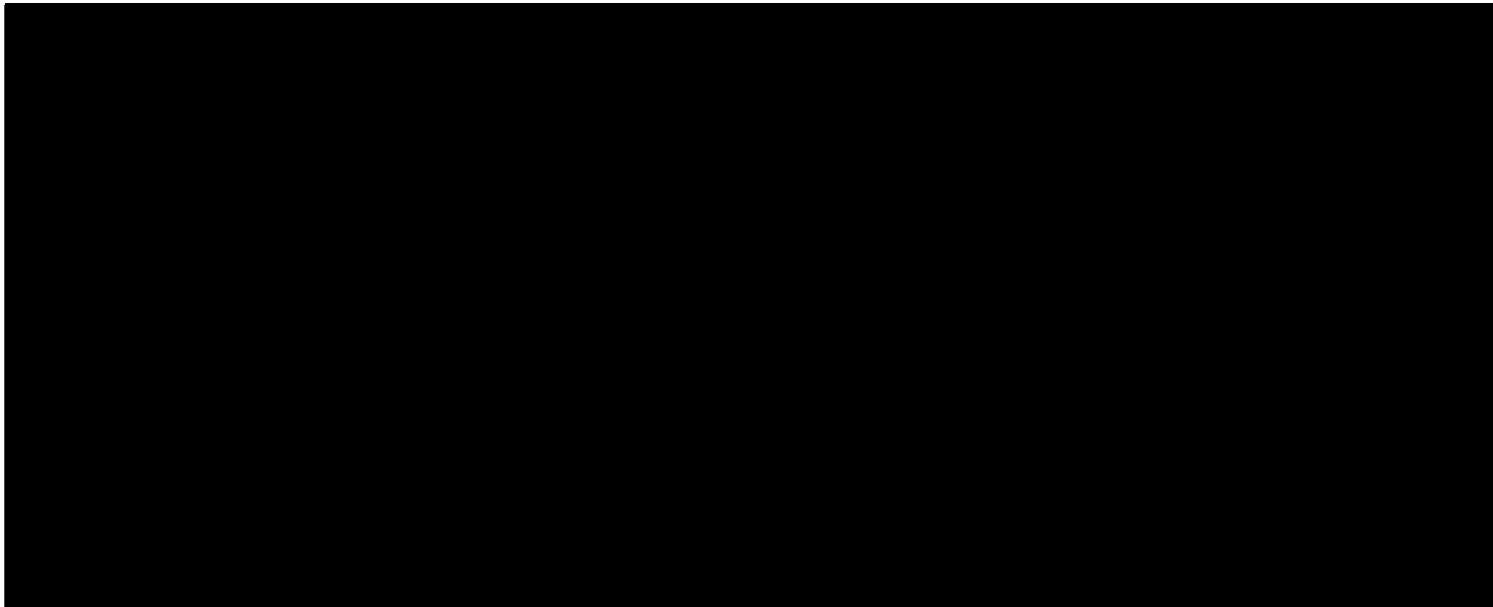
7.9 Define the applicant's service area and provide an analysis of the projected patient population and projected need in the service area of the proposed RMD, including the applicant's strategy for delivering culturally competent and linguistically appropriate services.

[Our COO/Dispensary Manager is a community pharmacist who has worked extensively in Bristol County in general and Taunton in particular. We are acutely aware of the challenges in providing culturally competent and linguistically appropriate services. For example, there is a significant Portuguese population in the city of our proposed site, as well as within the surrounding communities. We have several potential applicants for cashier/budtender positions that are fluent in Portuguese. Similarly, there is a significant Spanish-speaking population that we will also address in our hiring criteria; several of our potential applicants for cultivation and dispensary positions are fluent in Spanish. It has been our experience that your business will attract a larger customer base when you have staff fluent in the local languages, in this case, Spanish and Portuguese.

We are also reviewing options from companies that provide telephonic interpretation services that are currently being used by the pharmacy industry.

Regarding patient population; Bristol County has approximately 550,000 residents. Although the industry norm for calculating patient population is 2% we are using a more conservative number (1%) of that population who could qualify based on the disease states enumerated in the law. That translates into about 5,500 potential registered patients in Bristol County. Assuming 5 dispensaries for the county, that translates into 1,100 patients available per dispensary. We are basing our initial cultivation plans on 1,000 patients. We are very aware that circumstances may dictate that we be ready to step up production; to that end we have a facility that has more than 42, 000 square feet available for us to grow into as a company. We believe that gives us a distinct advantage by having more than adequate work space available to adjust our cultivation site in order to supply our patient needs.]

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 records are an indispensable component of BayState's delivery of competent, quality care. These records are vital to an integrated understanding of the patient's needs. They provide the history and details of physician recommendations, patient assessments and concerns, required verifications, patient education and support, and staff-patient communications. Based on the documented history of a patient's treatment response, well-kept records also allow us to assess strain effectiveness relative to their condition and identify treatment alternatives.

We are reviewing several software programs including options provided to us by MJFREEWAY for our recordkeeping software system. We believe that these software options are all equipped to facilitate the administration of patient records, and will provide superior comparative analysis of patient information, making it easy to track treatment effectiveness. Our chosen software will be calibrated to the RMD's needs in order to protect patient privacy and assure compliance with all applicable laws, rules, and regulations. We will be able to control and limit staff access to patient records. The software will also integrate with our POS system and facilitate seed-to-sale tracking of all marijuana and MIPs sold as required by 725.105(G)(5).

In addition to patient records, Ba will maintain additional records as required by the Department to be made available upon request, including but not limited to:

- Operating procedures as required by 105 CMR 725.105(A)
- Inventory records as required by 105 CMR 725.105(G)
- Seed-to-sale tracking records for all marijuana and MIPs as required by 725.105(G)(5)
- Job descriptions and organizational charts
- A staffing plan that will demonstrate accessible business hours and safe cultivation conditions
- Personnel policies and procedures
- All CORI reports obtained in accordance with 105 CMR 725.030(C), M.G.L. c.6, s. 172 and 803

CMR 2.00

- Waste disposal records as required under 105 CMR 725.105(J)(5)

Records on each dispensary agent shall also be made and kept available for inspection. Such records shall be maintained for at least 12 months after disassociation with our RMD and shall include, at a minimum, the following:

- All materials submitted to the Department pursuant to 105 CMR 725.030(B)
- Documentation of verification of references
- The job description or employment contract that includes duties, authority, responsibilities, qualifications, and supervision
- Documentation of all required training, including the signed statement of the individual indicating the date, time, and place he or she received said training on requisite topics with the name and title of presenters
- Copies of employment applications submitted to the Department on behalf of prospective dispensary agents
- Documentation of periodic performance evaluations; and 30 Regulation As Approved by the Public Health Council – Last Modified 5.8.13 105 CMR: Department of Public Health
- A record of any disciplinary action taken.

We will also maintain comprehensive hard and digital copies of our business records that will be available for inspection by the Department including:

- Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers
- Sales records that indicate the name of the registered qualifying patient or personal caregiver to whom marijuana has been dispensed, including the quantity, form, and cost
- Salary and wages paid to employees, stipends paid to board members, and any additional compensation paid to any individual affiliated with our RMD, including members of the non-profit corporation

If for any reason our RMD is closed for business, we shall keep all of our records for at least 2 years at our own expense in a form and location acceptable to the Department. We have prepared a comprehensive recordkeeping system plan that is available for review by the Department upon request.]

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.

[BayState is committed to providing medicinal marijuana at low or no cost to patients for whom paying full price would constitute an actual and substantial economic hardship. This policy will be very liberally applied but will require patients and caregivers to document their lack of financial resources. An important aspect of our patient care mission is our commitment to increase access to medical cannabis for those who are medically underserved. Most immediately we recognize that people with chronic or terminal illness often have limited financial means, frequently made worse by the loss of ability to work and the expenditure of income on expensive medical and custodial care.

For implementing a discount fee schedule for low-income populations, we will use the Federal Poverty Guidelines (FPG) to base our decisions. The FPG are issued each year in the Federal Register by the Department of Health and Human Services (HHS). The guidelines are a simplification of the poverty thresholds for use for administrative purposes — for instance, determining financial eligibility for certain federal programs.

Our proposed discounted sliding scale based on FPG is:

- Patients at or below 100% of the FPG receive a 20% discount on all purchases
- Patients within 200% of the FPG receive a 10% discount on all purchases

Also, we will also provide a 10% discount for those patients whose income does not exceed 300% of FPL, adjusted for family size, or is a recipient of MassHealth, or Supplemental Security Income.

We will develop a discounted fee schedule policy that includes the procedure for qualifying for discounted medicine, how the discounts will be determined, and what documentation is required for determining the discount percentage. Verification will likely include tax returns and current paystubs. In addition to annualized income verification, eligibility may be based on current participation in certain governmental public assistance programs, such as Social Security Income (SSI) or temporary assistance for needy families. We will include a process for recertifying clients for the discounted fee schedule, which will be done at least once annually.

We will also have a sliding fee scale for patients with very serious illnesses. Our proposed discounted sliding scale based on very serious illnesses is:

- Terminal patients – For patients that have a documented one year or less to live we will offer free medicine. Medicinal cannabis shall be provided free to such patients (within the legal dispensing guidelines and terms of recommendation and Department rules)
- Military disability patients – We will offer a 20% discount

Our programs to give affordable access to treatments is critical because cannabis is currently a self-pay drug product. Neither public nor commercial insurers provide any subsidies or reimbursement to patients electing to use this medicine. With our group's experience in the health care industry, we expect to bring forth research that will persuade third-party payers to reimburse patients using medical cannabis for conditions for which it has been shown to be clinically efficacious, safe, and cost effective in comparison to alternative therapies.]

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.

[BayState's staff and leadership are committed to providing patients with accurate information regarding the health effects of medical marijuana. We believe that patient education and support are essential to achieving overall patient wellness. In our well-designed and well-delivered education and support program, each qualifying patient and caregiver will participate in our orientation process and receive a copy of our Patient Handbook.

Each qualifying patient and registered caregiver will be required to go through an orientation with one of our trained professional staff members. The orientation will include:

- Establishing that the patient is registered and in good standing with the Department
- Providing a legal review of Massachusetts' medical marijuana program
- Offering an overview of medical marijuana strains and understanding the differences between

indicas and sativas

- Giving information about dosing and ingestion applications
- Registering the patient in our internal database
- Describing products and patient services available
- Providing a tour around the patient-authorized access areas of the dispensary

In addition, each new patient will receive a handbook that includes information about:

- Patient guidelines to stay safe and healthy
- Patients' rights
- Medical marijuana law overview
- Patient services
- Guide to using marijuana
- Sativa vs. indica
- Understanding edibles
- Applications for cannabis and cannabinoids
- Ailment specific strains
- Substance use prevention
- References and resources

Additional educational materials about marijuana will also be available for distribution available in various languages and formats to ensure accessibility by all of the patients we serve, including for the visually- and hearing-impaired. Such materials shall be made available for inspection by the Department upon request. The educational material will include at least the following:

- A warning stating that marijuana has not been analyzed or approved by FDA, that there is limited information on side effects, that there may be health risks associated with using marijuana, and that it should be kept away from children
- A warning stating that when under the influence of marijuana, driving is prohibited by M.G.L. c. 90, s. 24, and machinery should not be operated
- Information to assist in the selection of marijuana, describing the potential differing effects of various strains of marijuana, as well as various forms and routes of administration
- Materials offered to registered qualifying patients and their personal caregivers to enable them to track the strains used and their associated effects
- Information describing proper dosage. Emphasis shall be on using the smallest amount possible to achieve the desired effect. The impact of potency must also be explained
- A discussion of tolerance, dependence, and withdrawal
- Facts regarding substance abuse signs and symptoms, as well as referral information for substance abuse treatment programs

- 32 Regulation As Approved by the Public Health Council – Last Modified 5.8.13 105 CMR:
Department of Public Health

- A statement that registered qualifying patients may not distribute marijuana to any other individual, and that they must return unused, excess, or contaminated product to the RMD from which they purchased the product, for disposal

- Any other information required by the Department

We have prepared a much more comprehensive patient education support plan that is available for review by the Department upon request.]

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.

[BayState is reviewing marketing, advertising, and flyer materials from a number of design companies. We are accepting proposals from companies for prices for external signage as well. We are also reviewing outreach and promotional materials from various vendors.

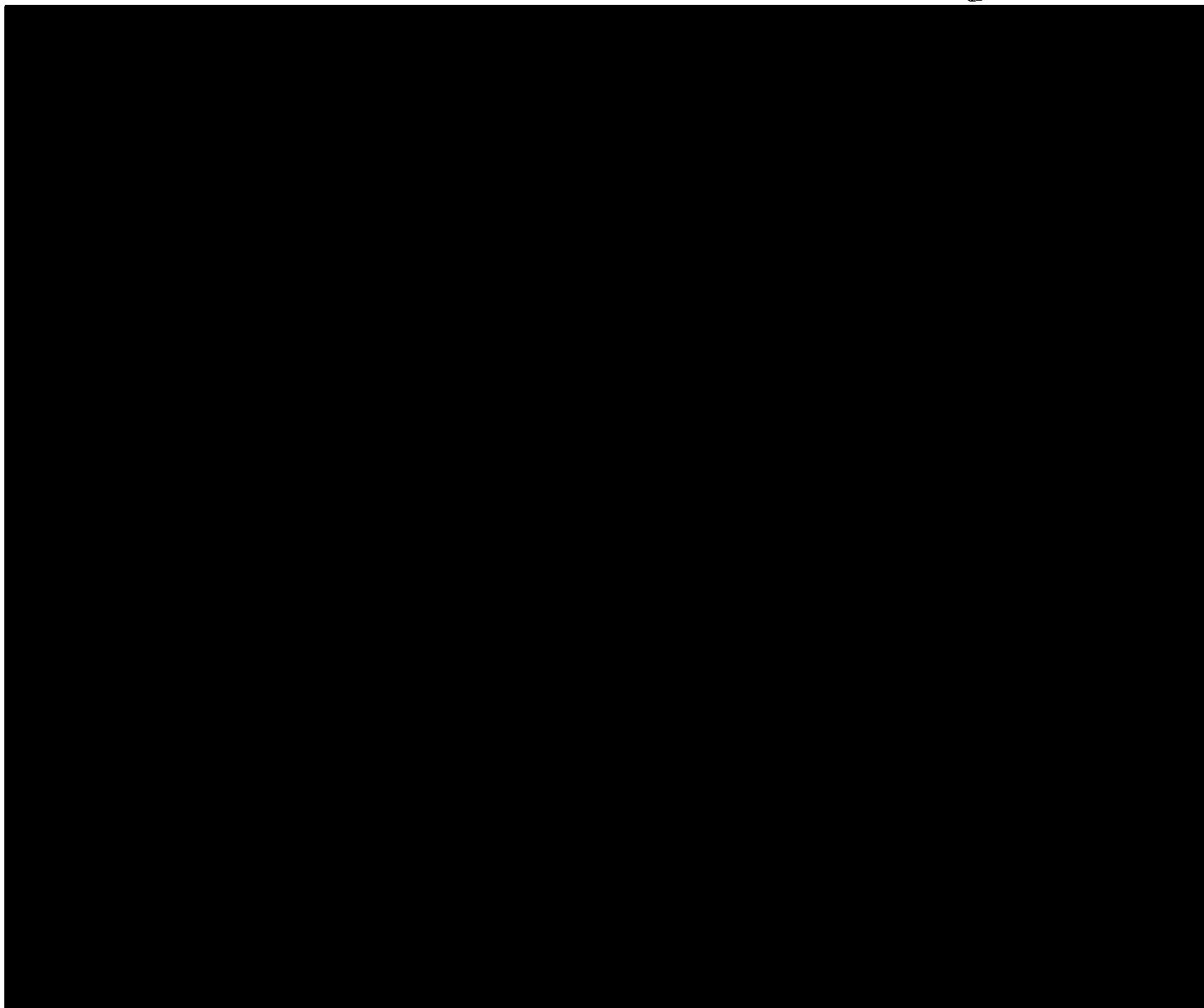
Any and all potential vendors seeking to provide our RMD with the above materials will be informed of the requirements/restrictions set forth in 105 CMR 725.105(L) including, but not limited to:

- 1) Prohibitions against colloquial references to cannabis;
- 2) No medical symbols;
- 3) No exterior ads or graphics for marijuana, paraphernalia, or brands;
- 4) No promotional gifts, novelty items, items for sale bearing a symbol or reference to marijuana, MIPs or the RMD logo;
- 5) No materials that promote recreational use; or any other use other than to treat a debilitating medical condition or related symptoms;
- 6) No unsubstantiated medical claims as indicated in 105 CMR 725.105(L) and elsewhere in the regulations; and
- 7) No use of minors.

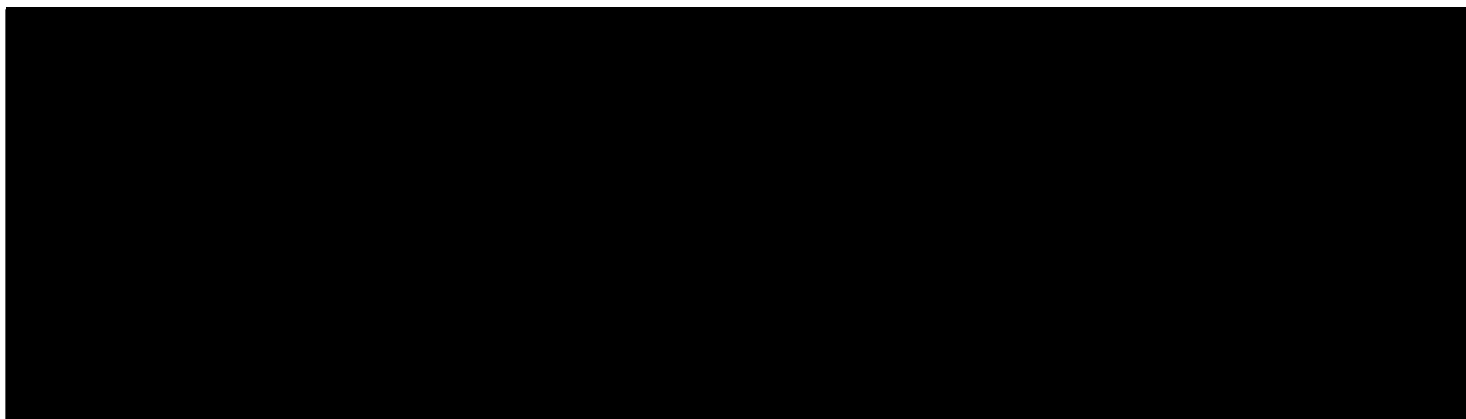
Any such proposed materials must be reviewed and approved by our Board of Directors.

We will also work with a web-designer to create our RMD website. All potential designers must have experience in designing secure websites with password –protected limited access areas whereby sensitive information can be accessed by registered patients in a form and manner consistent with federal, state, municipal, and DPH regulations.]

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.

[BayState recognizes our obligation to provide a safe working environment, but understands that incidents may still occur. Reportable incidents include those that result in harm to people, loss of property, damage to property, damage to the environment, or anything that causes a significant negative impact or perception with our staff, the public or any governmental agency. We will amend our definition of what constitutes an incident based on guidance from the Department.

When an incident happens, an incident report will be filled out as soon as is practical to record details while they are fresh in the minds of those who witnessed the event. We have adopted guidelines for filling out incident reports. When an incident occurs, the following shall be compiled and recorded:

- Dates, times and places
- Description of the incident using only facts, recording what people actually did, saw or heard. No subjective thoughts, assumptions, opinions, judgments or conclusions Signed statements from anyone directly involved in the incident, including third party observers
 - Any additional reports or records that exist (e.g., accident reports, police reports, time cards, computer records, etc.) that help to explain what happened
 - Any photographs or videos that help to document the incident
 - Description of corrective actions - After the cause of incident has been determined, what corrective measures were taken and how they can help prevent the incident from happening again, if applicable

For certain types of events as defined by the Department, we shall immediately notify appropriate law enforcement authorities and the Department within 24 hours. These events include:

- Discrepancies identified during inventory as a result of diversion, theft, loss, or any criminal action involving the our RMD or a dispensary agent
- Any suspicious act involving the sale, cultivation, distribution, processing, or production of marijuana by any person
- Unauthorized destruction of marijuana
- Any loss or unauthorized alteration of records related to marijuana, registered qualifying patients, personal caregivers, or dispensary agents
- An alarm activation or other event that requires response by public safety personnel
- The failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last longer than eight hours
- Any other breach of security

If any one of the above events listed in 105 CMR 725.110(F)(1) occurs, or other relevant event as may be later outlined by the Department, we will provide written notice by submitting an incident report in the form, manner, and time frame required by the Department. The incident report will detail the circumstances of the event, any corrective actions taken, and confirmation that the appropriate law enforcement authorities were notified as described above.

We shall maintain all documentation related to an incident that is reportable pursuant to 105 CMR 725.110(F)(1) for no less than one year and it shall be made available to the Department and to law enforcement authorities acting within their lawful jurisdiction upon request.

]

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.

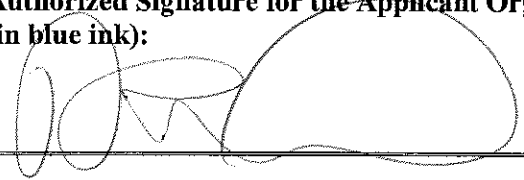
- I agree that the Applicant shall cooperate in any compliance review and shall provide reasonable access to the premises of all places of business and employment and to records, files, information, and employees therein for reviewing compliance with the ADA, the Massachusetts Constitution, other applicable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

Title: [President]

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



CHECKLIST OF REQUIRED DOCUMENTS FOR SUBMISSION IN PHASE 2

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

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



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

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

 ORIGINAL

BOARD OF DIRECTORS
(Exhibit 1.4)

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

Corporation Name: BAYSTATE WELLNESS CENTER

Application # (if more than one): _____

	Board Role	Name	Date of Birth	Business Email	Business Address
1	President/Chair	Donald T. MacPhail III	██████████	deltatangolp@gmail.com	PO BOX 223 Raynham Ctr MA 02768
2	Vice President/ Vice Chair	N/A			
3	Treasurer	Edward J. Higginson IV	██████████	THigginson@RezendesRealEstate.com	PO BOX 906, Assonet, MA 02702
4	Clerk/Secretary	Robert Neilan Jr.	██████████	██████████	420 West Street, West Bridgewater, MA 02379
5	Director	N/A			
6	Director	N/A			
7	Director	N/A			
8	Director	N/A			
9	Director	N/A			
10	Director	N/A			

 ORIGINAL

MEMBERS OF THE CORPORATION
(Exhibit 1.5)

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

Corporation Name: BAYSTATE WELLNESS CENTER 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			
2	N/A			
3	Add more rows as needed.....			

B. Member as Corporations

	Corporate Name/ Business Address	Leadership	Type of Membership Rights	If Member of Other RMD, Which One?
1	N/A	CEO/ED: President/Chair: Treasurer: Clerk/Secretary:		
2	N/A	CEO/ED: President/Chair: Treasurer: Clerk/Secretary:		
3	Add more rows as needed.....	CEO/ED: President/Chair: Treasurer: Clerk/Secretary:		

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: BAYSTATE WELLNESS CENTER

Application # (if more than one): _____

Attach bylaws.

BYLAWS FOR BAY STATE WELLNESS CENTER, INCORPORATED

ARTICLE I

These bylaws constitute the code of rules adopted by the *Bay State Wellness Center, Incorporated* for the regulation and management of its affairs.

ARTICLE II

Purpose

Bay State Wellness Center, Inc. shall exist for the purpose(s) stated in the Article of Organization filed with the Secretary of the Commonwealth which may be amended from time to time.

ARTICLE III

Board of Directors

(1) **Powers**

The Board of Directors (Directors) of this Corporation is vested with the management of the business and affairs of this Corporation, subject to the Massachusetts General Laws Chapter 180, the Articles of Organization, and these bylaws.

(2) **Qualifications**

Directorships shall not be denied to any person on the basis of race, creed, sex, religion, or national origin.

(3) **Number of Directors**

The Board of Directors will consist of three Directors. Upon majority resolution of the Board of Directors, the number of Directors may be increased or decreased from time to time, but in no event shall a decrease have the effect of shortening the term of an incumbent Director, or decreasing the total number of Directors to less than three Directors.

(4) **Term of Directors**

There are no term limits and, therefore, Directors may serve any number of consecutive terms.

(5) **Election of Directors**

Any directorship to be filled by reason of an increase in the number of Directors shall be filled at the next regular meeting of the Board of Directors or at a special meeting called for that purpose. When a re-appointment or replacement is made, the re-appointment or

replacement shall be considered effective on the date that the prior term expired (i.e., the new term does not begin on the date of the election).

(6) Resignation

Any Director may resign at any time by delivering written notice to the Secretary, President or the Board of Directors. Such resignation shall take effect upon receipt or, if later, at the time specified in the notice.

(7) Removal

Any Director may be removed without cause, at any time, by a majority of the entire Board of Directors, at a Regular or Special Meeting called for that purpose. Any Director under consideration of removal must first be notified about the consideration by written notice at least five days prior to the meeting at which the vote takes place.

(8) Vacancies

Vacancies shall be filled by majority vote of the remaining members of the Board of Directors, though less than a quorum, and the Director filling the vacancy shall serve for the remainder of the term of the directorship that was vacated. Vacancies shall be filled as soon as practical. Any Director may make nominations to fill vacant directorships.

(9) Compensation

Directors shall not receive any salaries or other compensation for their services, but, by resolution of the Board of Directors, may be reimbursed for any actual expenses incurred in the performance of their duties for the Corporation, as long as a majority of disinterested Board of Directors approve the reimbursement. The Corporation shall not loan money or property to, or guarantee the obligation of, any Director.

ARTICLE IV
Committees

(1) Executive Committee

The President, Vice President, Treasurer, and Secretary of the Corporation shall constitute the executive committee. The executive committee shall have the authority to act on behalf of the Corporation in between Regular Meetings of the Board of Directors. The Board of Directors must validate the actions of the executive committee at its next Regular or Special Meeting. Any such action not so validated will not be legally binding on the Corporation. The President shall act as chairperson of the executive committee. A majority of the Executive Committee shall constitute a quorum for the transaction of business, and all decisions shall be by majority vote of those present.

(2) **Additional Committees**

The Board of Directors may from time to time designate and appoint additional standing or temporary committees by majority vote of the Board of Directors. Such committees shall have and exercise such prescribed authority as is designated by the Board of Directors. The Directors may authorize these committees to exercise any powers, responsibilities, and duties consistent with the Certificate of Formation and these bylaws.

ARTICLE V
Code of Ethics

The corporation and its Directors and Employees will comply with the Corporation's Code of Ethics as may be published and amended from time to time.

ARTICLE VI
Board Meetings

(1) **Place of Board Meetings**

Regular and Special Meetings of the Board of Directors will be held at *210 Scadding Street, Taunton, Massachusetts* or at such other location within Bristol County, Massachusetts which the President shall designate in writing.

(2) **Regular and Special Meetings**

Regular meetings of the Board of Directors shall be held each month, or more frequently as deemed necessary by the Board of Directors. Special Meetings may be called by the President or any three Directors. An orientation meeting will be held each year for the new members of the Board of Directors.

(3) **Notice of Board Meetings**

Notice of the date, time, and place of Regular Meetings shall be given to each board member by regular mail, telephone (including voice mail), facsimile, or e-mail no less than *five* days notice prior to the meeting. Notice of the date, time, and place of special meetings shall be given to each board member using the same methods, but with no less than *three* days notice prior to the meeting, with the exception of special meetings held to amend the Articles of Organization or bylaws, for which a *ten* day written notice by mail or facsimile shall be required specifying the proposed amendment.

(4) **Waiver of Notice**

Attendance by a Director at any meeting of the Board of Directors for which the Director did not receive the required notice will constitute a waiver of notice of such meeting unless the Director objects at the beginning of the meeting to the transaction of business on the grounds that the meeting was not lawfully called or convened.

- (5) **Quorum**
A majority of the incumbent Directors (not counting vacancies) shall constitute a quorum for the purposes of convening a meeting or conducting business. At Board meetings where a quorum is present, a majority vote of the Directors attending shall constitute an act of the Board unless a greater number is required by the Certificate of Formation or by any provision of these bylaws.
- (6) **Actions without a Meeting**
Any action required or permitted to be taken by the Board of Directors Massachusetts General Laws, Chapter 180, the Articles of Organization, and these bylaws may be taken without a meeting, if *all* Directors individually and collectively consent in writing, setting forth the action to be taken. Such written consent shall have the same force and effect as a unanimous vote of the Board.
- (7) **Open Meetings**
Meetings shall be open to the general public, except when personnel, real estate, or litigation matters are being discussed.
- (8) **Proxy Voting Prohibited**
Proxy voting is not permitted.

ARTICLE VII
Officers

- (1) **Roster of Officers**
The Corporation shall have a President, Secretary, and Treasurer. The Corporation may have, at the discretion of the Board of Directors, such other officers as may be appointed by the Directors. One person may hold two or more offices, except those serving as President or Secretary.
- (2) **Election and Removal of Officers**
All officers shall serve one-year terms. The election shall be conducted at the Board of Directors' first meeting of the fiscal year and following the election of the new Board of Directors filling expired terms, or as soon as practical thereafter. Officers shall remain in office until their successors have been selected. Officers may serve consecutive terms without limit. The election of officers shall be by majority vote of the Board of Directors attending the meeting.
- (3) **Vacancies**
If a vacancy occurs during the term of office for any elected officer, the Board of Directors shall elect a new officer to fill the remainder of the term as soon as practical, by majority vote of Directors present.

(4) President

- * The President will supervise and control the affairs of the Corporation and shall exercise such supervisory powers as may be given him by the Board of Directors.
- * The President will perform all duties incident to such office and such other duties as may be provided in these bylaws or as may be prescribed from time to time by the Board of Directors. The President shall preside at all board meetings and shall exercise parliamentary control in accordance with Roberts Rules of Order.
- * The President shall serve as an ex-officio member of all standing committees, unless otherwise provided by the Board of Directors or these bylaws.
- * The President shall, with the advice of the Board of Directors and in accordance with the requirements of these bylaws, set the agenda for each meeting of the Board of Directors.

(5) Secretary

- * The Secretary will perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Organization, or by these bylaws.
- * The Secretary shall attest to and keep the bylaws and other legal records of the Corporation, or copies thereof, at the principal office of the Corporation.
- * The Secretary shall take or ensure that someone takes minutes of all meetings of the committees and Board of Directors, and shall keep copies of all minutes at the principal office of the Corporation.
- * The Secretary shall keep a record of the names and addresses of the Directors at the principal office of the Corporation.
- * The Secretary shall, with the approval of the Board of Directors, set up procedures for any elections held by the Corporation. The Secretary shall keep a record of all votes cast in such elections.
- * The Secretary shall ensure that all records of the Corporation, minutes of all official meetings, and records of all votes, are made available for inspection by any member of the Board of Directors at the principal office of the Corporation during regular business hours.
- * The Secretary shall see that all notices are duly given in accordance with these bylaws or as required by law.
- * The Secretary shall see that all books, reports, statements, certificates, and other documents and records of the Corporation are properly kept and filed.
- * In the case of the absence or disability of the Secretary, or the Secretary's refusal or neglect to fulfill the duties of Secretary, the President shall perform the functions of the Secretary.

(6) Treasurer

- * The Treasurer will have charge and custody of all funds of the Corporation, will oversee and supervise the financial business of the Corporation, will render reports and accountings to the Directors as required by the Board of Directors, and will perform in general all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Organization, or by these bylaws, or which may be assigned from time to time by the Board of Directors..
- * The Treasurer and the staff of the Corporation shall devise a plan providing for the acceptance and disbursement of all funds of the Corporation which shall be approved by the Board of Directors.
- * The Treasurer, with the approval of the Board of Directors, shall set up all checking, savings, and investment accounts of the Corporation and deposit all such funds in the name of the Corporation in such accounts.
- * The Treasurer's signature shall be the authorized signature for all checking, savings, and investment accounts of the Corporation unless the Treasurer, with the approval of the Board of Directors, designates another member of the Board of Directors or employee of the Corporation as the authorized signatory for a particular type of disbursement.
- * The Treasurer shall prepare a monthly report for the Board of Directors, providing an accounting of all transactions and of the financial conditions of the Corporation.
- * The Treasurer shall keep all financing records, books, and annual reports of the financial activities of the Corporation at the principal office of the Corporation and make them available at the request of any Director or member of the public during regular business hours for inspection and copying.

ARTICLE VIII **Rules of Procedure**

The proceedings and business of the Board of Directors shall be governed by Robert's Rules of Parliamentary Procedure unless otherwise provided herein.

ARTICLE IX **Executive Director**

The Board of Directors may, upon resolution, appoint an Executive Director to serve at the board's discretion and to carry out whatever tasks the board from time to time resolves. The Executive Director shall be paid an annual salary set by the Board of Directors. Subject to such supervisory powers as are vested in the Board of Directors, the Executive Director shall supervise, direct, and control the business of the Corporation and actively manage its business, and shall have such other powers and duties as may be prescribed by the Board of Directors or by these bylaws.

The Executive Director may engage in negotiations involving commitments of the resources of the Corporation or the acceptance of money or resources by the Corporation in furtherance of the purposes of the Corporation as set out in the Articles of Incorporation and these bylaws. The

Executive Director shall generally be expected to attend all meetings of the Board of Directors and meetings of the general membership.

ARTICLE X
Indemnification

(1) Insurance

The Corporation will provide indemnification insurance for its Board members, if available and after due consideration of costs, and the Board shall select the amount and limits of such insurance policy.

(2) Indemnification

To the extent permitted by law, any person (and the heirs, executors, and administrators of such person) made or threatened to be made a party to any action, suit, or proceeding by reason of the fact that he is or was a Director or Officer of the Corporation shall be indemnified by the Corporation against any and all liability and the reasonable expenses, including attorney's fees and disbursements, incurred by him (or by his heirs, executors or administrators) in connection with the defense or settlement of such action, suit, or proceeding, or in connection with any appearance therein.

(3) Limits on Indemnification

Notwithstanding the above, the corporation will indemnify a person only if he acted in good faith and reasonably believed that his conduct was in the corporation's best interests. In the case of a criminal proceeding, the person may be indemnified only if he had no reasonable cause to believe his conduct was unlawful.

ARTICLE XI
Operations

(1) Execution of Documents

Unless specifically authorized by the Board of Directors or as otherwise required by law, all final contracts, deeds, conveyances, leases, promissory notes, or legal written instruments executed in the name of and on behalf of the Corporation shall be signed and executed by the President (or such other person designated by the Board of Directors), pursuant to the general authorization of the Board. All conveyances of land by deed shall be signed by the President or and must be approved by a resolution of the Board of Directors.

(2) Disbursement of Funds

Financial Transactions which have a value of ten thousand dollars or more shall require majority approval of the Board of Directors. In all other transactions, the President may dispense with the funds of the Corporation in accordance with the annual budget approved by the Board of Directors and the purposes of the Corporation as set out in the Articles of Organization and these bylaws. Notwithstanding the above, all checks of more than ten thousand dollars disbursing funds from any of the Corporation's accounts shall

require the signatures of at least two of the following: the Executive Director (if any), President, Secretary, or Treasurer.

(3) Procurement Policy

The Corporation shall abide by its procurement policy as may be published and amended from time to time.

(4) Records

The Corporation will keep correct and complete records of account and will also keep minutes of the proceedings of the Board meetings and Committees. The Corporation will keep at its principal place of business the original or a copy of its bylaws, including amendments to date certified by the Secretary of the Corporation.

(5) Inspection of Books and Records

All books and records of this Corporation may be inspected by any Director for any purpose at any reasonable time on written demand.

(6) Loans to Management

The Corporation will make no loans to any of its Directors or Officers.

(7) Amendments

The Board of Directors may adopt amendments to the Article of Organization by a vote of two-thirds of Directors present at a meeting where a quorum is present. The bylaws may be amended at any time by a vote of the majority of Directors at a meeting where a quorum is present.

(8) Fiscal Year

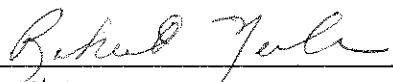
The fiscal year for the Corporation will be the calendar year.

(9) Audit

The Corporation shall have an annual audit to be completed by March 1 of each year for the previous fiscal year.

CERTIFICATION

I hereby certify that these bylaws were adopted by the Board of Directors of the *Bay State Wellness Center, Inc.* at its meeting held on *September , 2013*



Secretary



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: BAYSTATE WELLNESS CENTER

Application # (if more than one): _____

Please check box if articles have changed since Phase 1:

YES

NO


PARENT OR SUBSIDIARY CORPORATIONS
(Exhibit 18)

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

Corporation Name: BAYSTATE WELLNESS CENTER 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			President/Chair: Treasurer: Clerk/Secretary:	
2 N/A			President/Chair: Treasurer: Clerk/Secretary:	
3 N/A			President/Chair: Treasurer: Clerk/Secretary:	
4 N/A			President/Chair: Treasurer: Clerk/Secretary:	
5 N/A			President/Chair: Treasurer: Clerk/Secretary:	

REFERENCES
(Exhibit 1.9)

 ORIGINAL

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

Corporation Name: BAYSTATE WELLNESS CENTER

Application # (if more than one): _____

Name of Reference	Business Phone & Email	Relationship to Applicant	Dates of Relationship
1 Nancy Kolligian	781-322-8800 nkolligian@dcne.com	Supplier of Carrier air-conditioning products to Tech Mechanical	June 1992-present
2 Joe Zink	508-561-7802 jzink@atlanticmanagement.com	Business associate	1986 to present
3 David Orloff	508-584-2120 dorloff@sharkcpa.com	Accountant	2005 to present

EXECUTIVE MANAGEMENT TEAM
(Exhibit 2.1)

 ORIGINAL

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

Corporation Name: BAYSTATE WELLNESS CENTER Application # (if more than one): _____

Management Role	Name	Date of Birth	Business Email and Phone Number	Business Address
1 Chief Executive Officer/Executive Director	Robert Neilan Jr.	██████████	██████████ 508-588-9985	420 West Street, West Bridgewater, MA 02379
2 Chief Financial Officer/Director of Finance	Edward J. Higginson IV	██████████	THigginson@RezendesRealEstat e.com. 774-259-5250	PO BOX 906, Assonet, MA 02702
3 Chief Operations Officer/Director of Operations	Donald T. MacPhail III	██████████	deltatangoip@gmail.com 508-509-4748	PO BOX 223 Raynham Ctr MA 02768
4 Other (specify)	N/A			
5 Other(specify)	N/A			
6 Other(specify)	N/A			



ORIGINAL

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

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

Corporation Name: BAYSTATE WELLNESS CENTER

Application # (if more than one): _____

List the résumés attached:

	Title	Name
1	Chief Executive Officer	Robert Neilan
2	Chief Financial Officer	Edward J. Higginson
3	Chief Operations Officer	Donald T. MacPhail
4	Other (specify)	n/a
5	Other(specify)	n/a
6	Other(specify)	n/a

Robert F. Neilan Jr.

Objective

To help individuals with medical conditions to have access to medical marijuana and to provide them with a better quality of life.

Experience

1981 - 1992 Coolidge Coolant Company Burlington, MA

Service Manager

- In charge of running 5 – 8 service technicians providing air conditioning and heating service

1992 - Present Tech Mechanical Systems, Inc. W. Bridgewater, MA

President

- Overseeing all aspects of a 12 – 15 million dollar HVAC construction and service business, with 50 plus employees, including all financial decisions

2010 - 2013 North Star Care Services Westchester, OH

Owner

- Financially responsible for the operation of a day care for adults with developmental disabilities

Education

1975 - 1979 Southeastern Regional Technical High School South Easton, MA

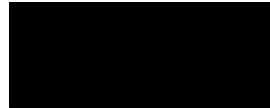
High School Diploma

- Air Conditioning and heating
- OSHA CERTIFIED
- Commonwealth of Massachusetts Sheet Metal Workers Master Unrestricted License
- Commonwealth of Massachusetts Sheet Metal Workers Business License
- Commonwealth of Massachusetts Refrigeration License
- Commonwealth of Massachusetts Refrigeration Contractors License

References

- Ted Arend (Cell # [REDACTED])
 - David Orloff (Cell # [REDACTED])
-

Edward J. Higginson



PROFESSIONAL EXPERIENCE

- STANTON & TWIGG, INC. Berkley, MA 1990 – Present
CHIEF EXECUTIVE OFFICER/PRESIDENT
- Incorporated in the state of Massachusetts
 - Obtained Massachusetts Real Estate Broker's License
 - Obtained Massachusetts Construction Supervisor License
 - Acquired Rezendes Real Estate, Assonet MA
- EDWARD J. HIGGINSON Massachusetts 1983 –1990
PROPERTY MANAGEMENT
- Lease and maintenance
 - Rent rate setting, collection, accounting and reporting
- INVESTMENT
- Sales and acquisition of residential properties
 - Site selection and financial analysis
- DEVELOPMENT
- Condominium conversion project and historic renovations
- GENERAL CONTRACTOR
- Project management and subcontracting
- COMPUTERSHOP Cambridge, MA 1982 – 1983
SYSTEMS CONSULTANT
- Demonstrated and sold microcomputer systems
 - Configures systems for individuals/companies
 - Conducted sales seminars
- UNITED STATES GOVERNMENT, Department of Housing and Urban Development
AUDITOR, Office of Inspector General San Francisco, CA 1980 –1981
- Performed audits to determine conformance with HUD regulations
- CONSUMER LIAISON SPECIALIST Washington, DC 1979
- Wrote reports for program planning/evaluation of consumer forums
 - Received HUD Special Achievement Award
- CONTRACT SPECIALIST
- Assisted in contract negotiations and closing out of contracts
 - Analyzed cost proposals

EDUCATION

NORTHEASTERN UNIVERSITY Boston, MA June 1982
Bachelor of Science in Business Administration

SOMERSET HIGH SCHOOL Somerset, MA June 1977

COMMUNITY

TOWN OF BERKLEY, MA

- Member of the Open Space Committee 2011 – Present
- Member of the Town Office Building Projects Committee 2011 - 2013
- Member of the Town Office Building Study Committee 2010 – 2011

HARBOR TO THE BAY, an AIDS benefit bicycle ride from Boston to Provincetown, MA

- Participate and donate annually 2006 - Present

LITTLE THEATRE of FALL RIVER, a non-profit corporation

- Member of Board of Directors 2000 - 2003



ORIGINAL

Donald T. MacPhail III

Experience

- Community Pharmacist, 1992 – present
CVS/Pharmacy ▪ 1 CVS Drive, Woonsocket RI

Over 20 years' experience in: Managing a community pharmacy; Preparing, compounding, and dispensing medications; interacting on a daily basis with doctors, providers, and patients regarding management of therapy protocols; counseling patients on proper use, handling, and storage of prescription, herbal, and OTC medications; Certified Immunizer for the community; conducting Drug Utilization Reviews of patient records; managing technicians and support staff; monitoring staff HIPPA compliance; monitoring, ordering and inventorying controlled substances; collecting medical histories.

- Patent Attorney,
Successfully passed the MA state bar exam, 1995; Successfully passed the United States Patent Bar exam, 1996
- Combat Medic, U.S. Army (regular) Fall, 1983-Fall 1986

Extensive training in emergency medicine including: initiating I.V. therapy, Triage; CPR; suturing wounds, running daily first aid clinics; providing immunizations; preparing and maintain medical records.

Education

- Massachusetts College of Pharmacy, Spring 1992 BS Pharmacy
Graduated summa cum laude
- New England School of Law, Spring 1995 J.D.
Lead Article Editor, *New England Journal on Criminal and Civil Confinement*



ORIGINAL

EVIDENCE OF CAPITAL
(Exhibit 4.1)

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

Corporation Name: BAYSTATE WELLNESS CENTER

Application # (if more than one): _____

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

Attach one-page bank statement.

 ORIGINAL



November 19, 2013

Bay State Wellness Inc.

210 Scadding Street

Taunton MA 02780

This letter is to certify that Bay State Wellness Inc. has \$500,000.00 in a single account with Bristol County Savings Bank. The entire amount is available liquid cash.

Sincerely,



Heather Collins

Head Teller

County Street Office

 ORIGINAL

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

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

Corporation Name: BAYSTATE WELLNESS CENTER Application # (if more than one): _____

	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	Robert Neilan	420 West St. West Bridgewater MA 02739	\$ 250,000.00 % 50	CASH	CEO/CLERK	None
2	Edward Higginson	PO Box 906, Assonet MA 02702	\$ 250,000.00 %50	CASH	CFO/TREASURER	none
3			\$ %			
4			\$ %			
5			\$ %			
6	Add more rows as needed.....		\$ %			

CAPITAL EXPENSES
(Exhibit 4.3)

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

Corporation Name: BAYSTATE WELLNESS CENTER Application # (if more than one): _____

	Expense Type	Costs	Explanation of Expense
	Planning and Development		
1	Architect and design fees	\$3,000	Required expense per business plan/DPH/municipality
2	Environmental survey	\$1,000	Required expense per business plan/DPH/municipality
3	Permits and Fees	\$70,000	Required expense per business plan/DPH/municipality
4	Security assessment	\$750	Required expense per business plan/DPH/municipality
5	Land/building cost	\$135,000/yr	Required expense per business plan/DPH/municipality
6	Site clean-up and preparation	\$2,000	Required expense per business plan/DPH/municipality
7	Cultivation consultant fees	\$ 25,000	Required expense per business plan/DPH/municipality
8	_____	\$	
9	_____	\$	
	Build-out Costs		
1	Construction expenses	\$130,000	Required expense per business plan/DPH/municipality
2	Painting and finishes	\$10,000	Required expense per business plan/DPH/municipality
3	Security system	\$5,000	Required expense per business plan/DPH/municipality
4	Landscape work	\$2,000	Required expense per business plan/DPH/municipality
5	Parking facility	\$2,000	Required expense per business plan/DPH/municipality
6	Other- describe	\$	
7	_____	\$	
8	_____	\$	
9	_____	\$	
	Equipment Costs		
1	Vehicles and transportation	\$20,000	Required expense per business plan/DPH/municipality
2	Cultivation equipment	\$150,000	Required expense per business plan/DPH/municipality
3	Furniture and storage needs	\$15,000	Required expense per business plan/DPH/municipality
4	Computer equipment	\$10,000	Required expense per business plan/DPH/municipality
5	HVAC	\$ 35,000	Required expense per business plan/DPH/municipality
6	Kitchen/MIP equipment	\$10,000	Required expense per business plan/DPH/municipality
7	Other- describe	\$	
8	_____	\$	
9	_____	\$	
	TOTAL	\$ 491,750	

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

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

Corporation Name: BAYSTATE WELLNESS CENTER

Application # (if more than one): _____

Budget Period: 7/1/2014 to 7/1/2015

Projected Number of Patients: 1,000 and Number of Visits: 12

			Year ONE Budget	Budget Notes ⁱ
REVENUE				
1	Medical Marijuana sales		\$ 5,940,005	
2	Other supplies sold		\$ 20,000	
3	Other revenue sources		\$ 209,163	
A	TOTAL REVENUE:		\$ 6,169,168	
PAYROLL EXPENSES				
	Personnel Category	# FTE		
1	Executive/management	1	\$ 299,988	
2	Cultivation	5	\$ 249,984	
3	Clerical	3	\$ 114,984	
4	security	1	\$ 24,996	
B	TOTAL SALARIES		\$ 739,956	
C	Fringe Rate and Total	%	\$ 0	None the 1 st year
D	TOTAL SALARIES PLUS FRINGE (B+C)		\$ 739,956	
OTHER EXPENSES				
1	Consultants		\$ 100,000	
2	Equipment		\$ 225,000	
3	Supplies		\$ 35,000	
4	Office Expenses		\$ 15,000	
5	Utilities		\$ 287,320	
6	Insurance		\$ 60,000	
7	Interest		\$ 0	
8	Depreciation/Amortization		\$ 0	
9	Leasehold Expenses		\$ 135,000	
10	Bad Debt		\$ 0	
11	Hydroponics		\$150,000	
12	Nutrients		\$ 137,500	
13	Philanthropic contributions		\$ 240,000	
14	Patient services		\$ 450,000	
15	R & D		\$ 462,000	
16	Payroll taxes		\$ 71,406	
17	Payroll benefits		\$ 110,993	
18	Worker's comp		\$ 6,997	
19	Fire and Security 3 rd party costs		\$ 8,004	
20	Janitorial		\$ 15,000	

21	Lab testing	\$ 30,000	
22	Legal	\$ 20,004	
23	Meals/entertainment	\$ 50,004	
24	Other licenses	\$ 10,008	
25	Packaging	\$ 20,004	
26	Permit fees	\$ 75,000	
27	Real estate taxes	\$ 24,996	
28	Repairs/maintenance	\$ 24,996	
29	Software/inventory control	\$ 9,996	
30	Telephone	\$ 5,004	
31	Transportation	\$ 15,000	
32	Travel	\$ 20,004	
33	Miscellaneous	\$ 472,674	
E	TOTAL OTHER EXPENSES	\$ 3,286,410	
	TOTAL EXPENSES: (D+E)	\$ 4,026,366	
	DIFFERENCE	\$ 2,142,802	This is before taxes: after estimated taxes of 35% federal and 6% state= \$11 ,646

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: BAYSTATE WELLNESS CENTER Application # (if more than one): _____

Fiscal Year Time Period: 1/1/14-12/31/14 Projected Start Date for the First Full Fiscal Year: 7/1/2014

	FIRST FULL FISCAL YEAR PROJECTIONS 2014	SECOND FULL FISCAL YEAR PROJECTIONS 2015	THIRD FULL FISCAL YEAR PROJECTIONS 2016
Projected Revenue	\$ 5,744,343	\$ 6,266,556	\$ 6,266,556
Projected Expenses	\$ 3,601,546	\$ 3,421,338	\$ 3,470,305
TOTAL :	\$ 2,142,797	\$ 2,845,218	\$ 2,796,251
Number of Patients	1000 ¹	1150	1220
Number of Patient Visits	12	12	12
Projected % of growth rate annually	15%	20%	25%
Total FTE in staffing	10 FTE	10 FTE	10 FTE
Projected Medical Marijuana Inventory	750 Lbs.	750 Lbs.	750 Lbs.

Enter projected information

 ORIGINAL

EVIDENCE OF INTEREST IN DISPENSARY SITE
(Exhibit 5.1)

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

Corporation Name: BAYSTATE WELLNESS CENTER Application # (if more than one): _____

Physical Address	County	Type of Evidence Attached
988 Crane Avenue South, Taunton MA 02780	Bristol	Letter of Intent

M. DONAHUE
Associates, INC.

Commercial and Industrial Brokerage
457 Belmont Street
Brockton, MA 02301
Tel. 508-588-1717 Fax. 508-586-9566
Web Site: www.donahueassociates.com
E-Mail : md@donahueassociates.com

LETTER OF INTENT

LESSOR – Rens Realty Trust

LESSEE - Bay State Wellness Center

Address – 988 Crane Avenue south

Leased premises 15,000 sf more or less consisting of a 12,000 sf unit at the rear of the building and a 3,000 sf of “retail” space at the front of the building as shown on the attached floorplan.

Term The initial term shall be for Five Years
There will be one Five Year Option with the same escalation rate of 3% per annum as the initial term.

Commencement Date February 15, 2014 , subject to tenant receiving license to sell medical marijuana

Condition of Premises Space to be delivered in “as-is” condition – broomswept.
Utilities to be separately metered.

Base Rental Rate The rental rate for the 12,000 sf unit will be \$8.00 psf NNN
The rental rate for the 3,000 sf unit will be \$12.00 psf NNN

The total annual rent year one will be \$132,000 NNN
Rent will increase 3% annually throughout the term.

Additional Rent In addition to the base rent above the tenant shall pay their proportionate share of Real estate taxes, building insurance, landscaping, snowplowing, common area Lighting expenses, sprinkler maintenance charge, parking lot maintenance Charges. The estimated cost of these expenses is \$22,500. Per year.

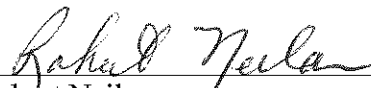
Parking Lessee shall be granted no less than 40 parking spaces.

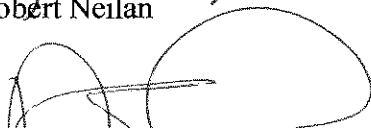
Deposit Upon the signing of this letter of Intent the Lessee shall deposit the sum of \$10,000. which shall be non-refundable. The Landlord will continue to market the space to others and in the event that the landlord receives a bona-fide offer from another tenant, the LESSEE shall have 14 business days to sign a mutually acceptable lease and provide a payment of the first six months rent at the signing of the lease. The lease document will require the personal guarantee of all partners.

DISCLOSURE The LESSEE acknowledges that the LESSOR may enter into other letters of intent for the same space for medical marijuana distribution or cultivation.

The LESSEE shall have the "first right of refusal" on a sale basis and the first right of refusal to lease any adjoining space.

Agreed and accepted.


Robert Neilan


Donald MacPhail


Edward J. Higginson


Rens Hayes - LESSOR

 ORIGINAL

EVIDENCE OF INTEREST IN CULTIVATION SITE
(Exhibit 5.2)

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

Corporation Name: BAYSTATE WELLNESS CENTER Application # (if more than one): _____

Physical Address	County	Type of Evidence Attached
988 Crane Avenue South, Taunton MA 02780	Bristol	Letter of Intent

M. DONAHUE
Associates, INC.

Commercial and Industrial Brokerage
457 Belmont Street
Brockton, MA 02301
Tel. 508-588-1717 Fax. 508-586-9566
Web Site: www.donahueassociates.com
E-Mail : md@donahueassociates.com

LETTER OF INTENT

LESSOR – Rens Realty Trust

LESSEE - Bay State Wellness Center

Address – 988 Crane Avenue south

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Term The initial term shall be for Five Years
There will be one Five Year Option with the same escalation rate of 3% per annum as the initial term.

Commencement Date February 15, 2014 , subject to tenant receiving license to sell medical marijuana

Condition of Premises Space to be delivered in “as-is” condition – broomswept.
Utilities to be separately metered.

Base Rental Rate The rental rate for the 12,000 sf unit will be \$8.00 psf NNN
The rental rate for the 3,000 sf unit will be \$12.00 psf NNN

The total annual rent year one will be \$132,000 NNN
Rent will increase 3% annually throughout the term.

Additional Rent In addition to the base rent above the tenant shall pay their proportionate share of Real estate taxes, building insurance, landscaping, snowplowing, common area Lighting expenses, sprinkler maintenance charge, parking lot maintenance Charges. The estimated cost of these expenses is \$22,500. Per year.


Parking Lessee shall be granted no less than 40 parking spaces.

Deposit Upon the signing of this letter of Intent the Lessee shall deposit the sum of \$10,000. which shall be non-refundable. The Landlord will continue to market the space to others and in the event that the landlord receives a bona-fide offer from another tenant, the LESSEE shall have 14 business days to sign a mutually acceptable lease and provide a payment of the first six months rent at the signing of the lease. The lease document will require the personal guarantee of all partners.

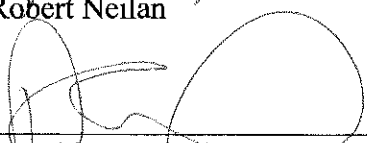
DISCLOSURE The LESSEE acknowledges that the LESSOR may enter into other letters of intent for the same space for medical marijuana distribution or cultivation.

The LESSEE shall have the "first right of refusal" on a sale basis and the first right of refusal to lease any adjoining space.

Agreed and accepted.



Robert Neilan



Donald MacPhail



Edward J. Higginson



Rens Hayes - LESSOR

 ORIGINAL

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: BAYSTATE WELLNESS CENTER Application # (if more than one): _____

Physical Address	County	Type of Evidence Attached
988 Crane Avenue South, Taunton MA 02780	Bristol	Letter of Intent

M. DONAHUE
Associates, INC.

Commercial and Industrial Brokerage
457 Belmont Street
Brockton, MA 02301
Tel. 508-588-1717 Fax. 508-586-9566
Web Site: www.donahueassociates.com
E-Mail : md@donahueassociates.com

LETTER OF INTENT

LESSOR – Rens Realty Trust

LESSEE - Bay State Wellness Center

Address – 988 Crane Avenue south

Leased premises 15,000 sf more or less consisting of a 12,000 sf unit at the rear of the building and a 3,000 sf of “retail” space at the front of the building as shown on the attached floorplan.

Term The initial term shall be for Five Years
There will be one Five Year Option with the same escalation rate of 3% per annum as the initial term.

Commencement Date February 15, 2014 , subject to tenant receiving license to sell medical marijuana

Condition of Premises Space to be delivered in “as-is” condition – broomswept.
Utilities to be separately metered.

Base Rental Rate The rental rate for the 12,000 sf unit will be \$8.00 psf NNN
The rental rate for the 3,000 sf unit will be \$12.00 psf NNN

The total annual rent year one will be \$132,000 NNN
Rent will increase 3% annually throughout the term.

Additional Rent In addition to the base rent above the tenant shall pay their proportionate share of Real estate taxes, building insurance, landscaping, snowplowing, common area Lighting expenses, sprinkler maintenance charge, parking lot maintenance Charges. The estimated cost of these expenses is \$22,500. Per year.

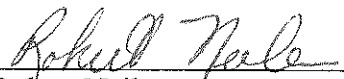
Parking Lessee shall be granted no less than 40 parking spaces.

Deposit Upon the signing of this letter of Intent the Lessee shall deposit the sum of \$10,000. which shall be non-refundable. The Landlord will continue to market the space to others and in the event that the landlord receives a bona-fide offer from another tenant, the LESSEE shall have 14 business days to sign a mutually acceptable lease and provide a payment of the first six months rent at the signing of the lease. The lease document will require the personal guarantee of all partners.

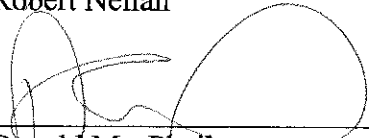
DISCLOSURE The LESSEE acknowledges that the LESSOR may enter into other letters of intent for the same space for medical marijuana distribution or cultivation.

The LESSEE shall have the "first right of refusal" on a sale basis and the first right of refusal to lease any adjoining space.

Agreed and accepted.



Robert Neilan



Donald MacPhail



Edward J. Higginson



Rens Hayes - LESSOR

 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: BAYSTATE WELLNESS CENTER Application # (if more than one): _____

Site	City/Town	County	Type of Support Attached
1	TAUNTON	BRISTOL	LETTER OF NON-OPPOSITION FROM THE MAYOR
2			

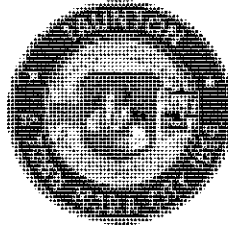
 ORIGINAL

*City of Taunton
Office of the Mayor*

*Thomas C. Hoye, Jr.
Mayor*

*Alyssa Gracia
Assistant to the Mayor*

*Gill E. Enos
Budget Director*



*141 Oak Street
Temporary City Hall
Taunton, MA 02780
Tel. (508) 821-1000
Fax (508) 821-1005*

November 15, 2013

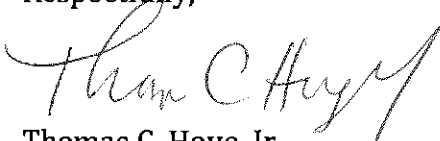
Bureau of Health Care Safety and Quality
99 Chauncy Street
Boston, Massachusetts 02111

To The Bureau of Health Care Safety and Quality:

On behalf of the City of Taunton, please accept this letter of non-opposition to BayState Wellness Center's efforts to establish and operate a Registered Marijuana Dispensary in our city.

Once BayState has secured its permit from the Massachusetts Department of Public Health and has demonstrated compliance with Taunton's zoning ordinances, our office will work with BayState to ensure its compliance with Taunton's applicable codes and ordinances.

Respectfully,

A handwritten signature in cursive script that reads "Thomas C. Hoye, Jr.".

Thomas C. Hoye, Jr.
Mayor

*A City of Firsts
First Woman Town Proprietor- First Female Entrepreneur
First to Fly Liberty & Union Flag- First Major Silver Manufacturing Center*

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: BAYSTATE WELLNESS CENTER Application # (if more than one): _____

	Site	Full Address	Evidence of Interest Submitted	Evidence of Local Support
1	Dispensing	988 Crane Avenue South, Taunton, MA 02780	Letter of Intent	Letter of non-opposition from the mayor
2	Cultivation	988 Crane Avenue South, Taunton, MA 02780	Letter of Intent	Letter of non-opposition from the mayor
3	Processing	988 Crane Avenue South, Taunton, MA 02780	Letter of Intent	Letter of non-opposition from the mayor

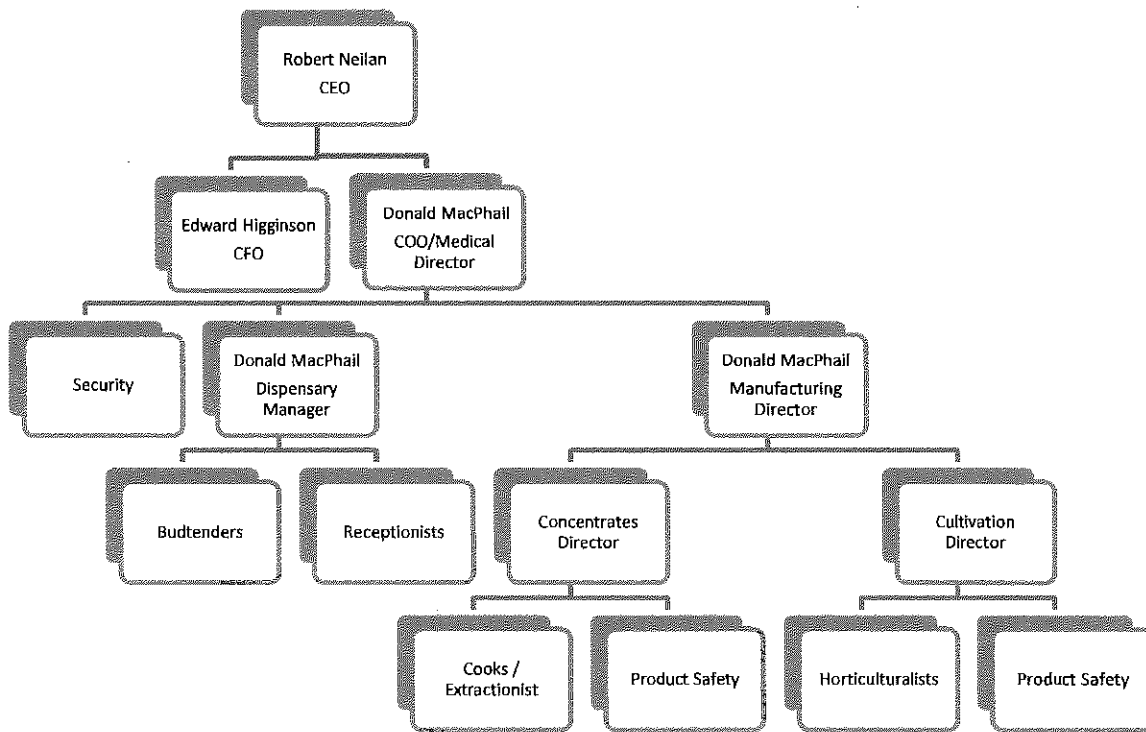
RMD ORGANIZATIONAL CHART
(Exhibit 6.1)

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

Corporation Name: BAYSTATE WELLNESS CENTER

Application # (if more than one): _____

Attach organizational chart.



**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: BAYSTATE WELLNESS CENTER

Application # (if more than one): _____

Attach evidence of enrollment.



ICORI

Commonwealth of Massachusetts
Department of Criminal Justice Information Services

Logged in as: [username]

[Home](#)

[Add Request](#)

[View CORI Results](#)

[Manage Account](#)

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

BAYSTATE WELLNESS CENTER

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

Account

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

Account Details

[\[Cancel Account\]](#)

Account Status

Account Status: **Active**
Date First Registered: **11/16/2013** Date Last Renewed:

Organization Details

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

Account Type(s): **Employer**
Organization Name: **BAYSTATE WELLNESS CENTER** Organization ID: [REDACTED]
Address: **210 SCADDING STREET, Taunton, MA 02780**
Phone No.: **508-509-4748**
Website: [REDACTED]

RMD STAFF (Exhibit 6.4)

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

	Name	Role/Title
1	N/A	
2	N/A	
3	N/A	
4	N/A	
5	N/A	
6	N/A	

 ORIGINAL

RMD START-UP TIMELINE
(Exhibit 7.1)

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

Corporation Name: BAYSTATE WELLNESS CENTER Application # (if more than one): _____

Key Benchmarks¹	Due Dates	Person Responsible	Risk Level If Not Completed on Time	Date RMD Opens
Issuance of provisional certificate of registration	1/31/2014	Robert Neilan	Critical	7/1/2014
Design team commences	2/1/2014	Robert Neilan	Moderate	
Construction commences	3/1/2014	Robert Neilan	Moderate	
Obtain construction permits	3/3/2014	Robert Neilan	Moderate	
Begin build out of propagation and vegetation rooms	3/15/2014	Robert Neilan	Moderate	
<u>Horticultural milestone:</u> Begin propagating and vegetating first batch of plants	4/15/2014	Robert Neilan	Moderate	
<u>Horticultural milestone:</u> Begin flowering first batch of plants.	5/15/2014	Robert Neilan	Moderate	
Construction complete	5/15/2014	Robert Neilan	Moderate	
<u>Horticultural milestone:</u> Harvesting first batch of plants.	6/15/2014	Robert Neilan	Moderate	
Final regulatory sign-offs	6/30/2014	Robert Neilan	Moderate	

 ORIGINAL

<u>First products available for sale.</u>	7/1/2014	Robert Neilan	Moderate	

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: BAYSTATE WELLNESS CENTER

Application # (if more than one): _____

Attach sliding price scale.

Our proposed discounted sliding scale based on FPG is:

- Patients at or below 100% of the FPG receive a 20% discount
- Patients within 200% of the FPG receive a 10% discount
- 10% discount for those patients whose income does not exceed 300% of FPL, adjusted for family size, or is a recipient of MassHealth, or Supplemental Security Income.

We will develop a discounted fee schedule policy that includes the procedure for qualifying for discounted medicine, how the discounts will be determined, and what documentation is required for determining the discount percentage. Verification will likely include tax returns and current paystubs. In addition to annualized income verification, eligibility may be based on current participation in certain governmental public assistance programs, such as Social Security Income (SSI) or temporary assistance for needy families. We will include a process for recertifying clients for the discounted fee schedule, which will be done at least once annually. We will also have a sliding fee scale for patients with very serious illnesses. Our proposed discounted sliding scale based on very serious illnesses is:

- Terminal patients – Free medicine for patients that have a documented one year or less to live. Medicinal cannabis shall be provided free to such patients (within the legal dispensing guidelines and terms of recommendation and Department rules)
- Military disability patients – We will offer a 20% discount