

ORIGINAL

48

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

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

Corporation Name: Compassion Health Centers, Inc.

Application # (if more than one): _____

	Name	Role within the Corporation
1	Steven Goodman	Board President, Executive Director
2		
3		
4		
5		

APPLICATION RESPONSE FORM COVER PAGE

Make this the first page of your response

Corporation

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

Website URL (if applicable): []

Address:

[133 Pearl Street]

[#400]

City: [Boston] State: [MA] Zip: [02110]

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

First Name: [Steven] Last Name: [Goodman]

FEIN: [463415590]

Contact Person

First Name: [Steven] Last Name: [Goodman]

Title: [President/Chair]

Telephone: (617) 292-0130 FAX: (617) 292-0130 E-Mail: [sgoodman@gfipartners.com]

Contact Person Address (if different):

[Same as above.]

[]

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

Authorized Signature

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

Background Check Authorization

The Department will conduct a background check on:

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

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

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

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

Application Fee

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

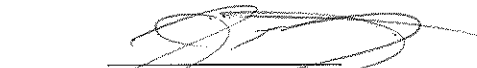
\$30,000 bank/cashier's check attached.

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

Required Signatures

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

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


 Name: Steven Goodman
 Title: President

11/11/17 Date

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


 Name: Steven Goodman
 Title: President

11/11/17 Date

APPLICATION RESPONSE FORM

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

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

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

Enter text here: example text limit 1,250 characters

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

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

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

Definitions

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

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

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

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

Questions

1. Applicant's Corporate Background

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

[Legal Name: Compassion Health Centers, Inc.
 Incorporated: August 14, 2013 in the Commonwealth of MA]

1.2 Describe the organization's mission and vision.

[Mission: The mission of Compassion Health Centers, Inc., is to serve the needs of registered, qualified patients and their families by providing the world's premier medical marijuana-assisted healthcare. Our facility's policies and procedures for dispensing medicine will ensure a safe, secure and efficient patient-care environment that uses state-of-the-art techniques to meet the unique needs of each and every patient. In addition to serving our patients, we will promote health and wellness in partnership with the diverse community we serve.

Vision: We envision applying the rigorous methodologies and standards of excellence employed by the medical community to treatment with medical marijuana. This includes clinical research, collaboration with and education of the broader established medical community (both medical and psychiatric), and inclusion of holistic practitioners. We aim to use an integrated approach, implementing best practices established by the conventional medical community as well as holistic healthcare professionals. As a result, our facility will provide a hybrid, best-in-class care model that serves as an example to our patients and the community of how to utilize medical marijuana for maximum benefit and efficacy.]

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.

[Steven Goodman (Executive Director) is a real estate professional with over 25 years of experience in management, development, and operations across a broad spectrum of assets. Under Goodman's leadership, his firms have developed and managed over 10 million square feet of commercial property. As the head and founder of a MA based real estate company, Steve and his team of 20 employees have worked on approximately half a billion dollars of real estate transactions across the country but with a primary focus on MA and the surrounding New England states. A graduate from the University of Denver, Goodman also holds a Law Degree from Boston College Law School as well as a Master's Degree in real estate from the MA Institute of Technology. Steven's success comes from his ability to develop projects to their full potential. His management expertise and his efficient command of operations will be imperative in the success of our RMD. As a landlord and manager of a wide range of businesses, Steve's experience in operations, financing, and management will be well suited to manage and direct a team of experienced professionals running the RMD. As a landlord of one of the larger RMD's in Maine, Steve has almost 5 years of experience dealing with the real estate and municipal components of the RMD. Due to Steve's real estate experience the RMD already has a chosen location that is perfectly suited to meet the requirements of the state and municipality and is also an ideal dispensary and cultivation site that can easily be fit out and operate as a secure and efficient RMD.

William Deshler (Director of Finance) has over 10 years of experience running numerous companies associated with development, leasing, construction, and property management across the east coast but with a primary focus on the Commonwealth of MA and New England. He is always directly responsible for operations, employees, strategic development and profitability. Having worked for years creating new business ventures and building out space for various operations, Will can quickly establish the RMD and ready it for day-to-day operations. Having years of co-operative experience with Tim Smale and Steve Goodman, Will was directly involved with the construction and fit out of the dispensary and cultivation operation in Maine. This experience will allow Will to work with the Executive Team to build out and "turn on" the RMD in MA.

Jeremy Rohrs (Director of Security) is currently Co-Owner of Integrated Transportation and Protective Services, a Security Consulting Firm in Boston. Jeremy was part of creating all legal and financial aspects of the company as well as performing all operational duties. The company safeguards designated principals, corporate assets and interests from all forms of security and safety hazards on a 24-hour per day/7-day per week basis. He developed and implemented complex global protection operation plans / procedures, including details in South America, Africa, Central America, Mexico, Europe, Middle East,

and Asia. He has also planned and provided daily coverage for designated principals, assets and interests on a worldwide basis through use of corporate assets both full time and contracted. He worked for the U.S Secret Service and has protected the President, Vice President, their families, heads of state, and other designated individuals, dignitaries, or public figures on various large scale national details, working with leading federal state and local enforcement teams. Security is a main priority for Compassion Health Centers, Inc. (CHC), and Jeremy's experience and expertise in top-level security details will produce the best possible security plan for all aspects of our operations.

Guy Maytal (Director of Medical Operations) does not have significantly relevant experience in response to this question.]

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.

[**Steven Goodman** (Executive Director) does not have significantly relevant experience in response to this question.

William Deshler (Director of Finance) does not have significantly relevant experience in response to this question.

Jeremy Rohrs (Director of Security) does not have significantly relevant experience in response to this question.

Guy Maytal, MD (Director of Medical Operations) is the Associate Director of Ambulatory Psychiatry at MA General Hospital (MGH), Director of the MGH Psychiatry Urgent Care and Primary Care Psychiatry Clinics, and Psychiatric Liaison to the Palliative Care Team at MGH. Guy has been a practicing psychiatrist for 10 years, specializing in the care of urgently ill psychiatric patients as well as the care of patients with cancer and other terminal illnesses. In 2008, Guy led an effort to provide rapid urgent psychiatric evaluation and treatment services for patients with psychiatric issues seen by primary care practices. He created a multidisciplinary clinical service where patients with urgent psychiatric problems are seen within 1-2 weeks and treated until their episode of care is done or they are transferred to long-term care. The Urgent Care Clinic has become a central part of outpatient psychiatry at MGH. It is currently being used as a model for enhancing psychiatric access across the system, and is being explicitly emulated by the Psychiatry Department at North Shore Medical Center.

From 2009-2011 at MGH, Guy co-led a comprehensive redesign of the clinical operations in MGH Adult Ambulatory Psychiatry intake service to improve quality of care and enhance access for new patients in the clinic. He created new information technology systems to track clinician productivity and manage patient flow into and through the department; and designed, staffed, and implemented new Psychiatry Access Line to manage new evaluations and transfers for over 150 clinicians in both individual and group treatment. The Psychiatry Access Line (PAL) has become the central hub for patient referrals to psychiatry at MGH. He also co-led an effort to markedly increase the speed and volume of new evaluations for patients in MGH Adult Ambulatory Psychiatry.

Guy established new benchmarks for how often clinicians see new patients, created support services to allow clinicians to evaluate more patients, and enacted a new communication structure to inform staff about these changes and get feedback. He also established new clinical initiatives to support patient access at MGH psychiatry. These included new emphasis on short-term psychotherapy, an internal referral process, and enhanced access to case management services. Since initiating this project, we have

increased the number of new evaluations seen in ambulatory psychiatry by over 30% and have reduced the overall clinic wait time to under 30 days.

Over the past 4 years, Guy created and implemented a novel process for increasing and easing the referral of patients to group therapy, initiated a group therapy task force, started an Immediate Access Group, and created a centralized, straightforward process for referring patients to group therapy. Prior to this initiative, psychotherapy groups were closing due to low attendance. In the last year, all of the groups have been full and 3 additional groups started in 2013 to accommodate demand.]

- 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.

[**Steven Goodman** (Executive Director) has overseen approximately \$500 million worth of development and real estate transactions. He is directly responsible for over 20 personnel that oversee operations including environmental remediation of contaminated sites, repositioning of aging industrial assets, new home construction, commercial construction and property management. Having started the business out of his two-bedroom apartment in Charlestown, Steve has grown the business into a comprehensive real estate and management company with over \$100 million in assets under management.

William Deshler (Director of Finance) has been directly responsible for a staff ranging from 8-18 people overseeing approx. a \$100M real estate portfolio focused in New England and the Commonwealth of MA for the past eight years. William is the head of an asset management company with annual revenues of \$2M. He spearheaded the development of new business lines and is in charge of staffing, organizational decisions, and strategic decisions of the company. Additionally, he is in charge of negotiating all service and vendor contracts, heading the construction division, which performs approximately \$5M in construction and development in MA annually. Deshler is responsible for all operational decisions for a portfolio with an estimated value of \$100M, which directly and indirectly (suppliers, vendors, contractors) employs over 250 people in the Commonwealth of MA and New England.

Jeremy Rohrs (Director of Security) is currently Co-Owner of Integrated Transportation and Protective Services, a Security Consulting Firm in Boston. He co-created all legal, financial, and operational aspects of the company. He also identified opportunities for internal development through security planning worldwide, including global asset protection at all corporate locations. Jeremy's strengths come from running elite protective service operations around the world on very specific budgets. Jeremy's experience in the U.S. Secret Service protecting the President of the United States, the Vice President, and their families has given him the ability to start his own private security company. Jeremy's success stems from the skills and experience he acquired during his time with the Secret Service and applying them to his private practice for corporate executives, celebrities and sports figures while abroad. Every security operation he now runs has a specific budget to which he is constrained, especially as most of his operations occur abroad in hostile countries. Although his budgets for every operation vary, his experience and knowledge surpass budgets, leading to the success of his company. His ability to operate high-level security details on specified budgets is paramount to his success running his business.

Guy Maytal, MD (Director of Medical Operations) has been a director of an outpatient psychiatry clinic that employs over 150 mental health professionals for the past five years. He has been responsible for the oversight of nine (9) subspecialty clinics and responsible for the direct management of two subspecialty clinics. He has been responsible for staffing and managing over a hundred doctors and psychologists as well as managing patient access and flow through the clinic. He is responsible for ensuring that all department tasks and goals are met within annual hospital budgets.]

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.

[**Steven Goodman** (Executive Director) saw the most recent recession devalue the most assets since the Great Depression. As the managing partner of a real estate company with assets spread across New England, Steve was directly responsible with the development of a strategic asset plan for each of the properties and then implementing and directing the strategy of short term stabilization followed by the long term value add goals. In addition, Steve directly interacted with all levels of the business including staffing, asset management, and leasing. Steve worked closely with financial institutions to negotiate through the complexities of the market and to create viable solutions that could be executed upon by the team under his direction. Within 3 years, the portfolio was stabilized without any significant reduction to staffing and is currently experiencing year over year growth.

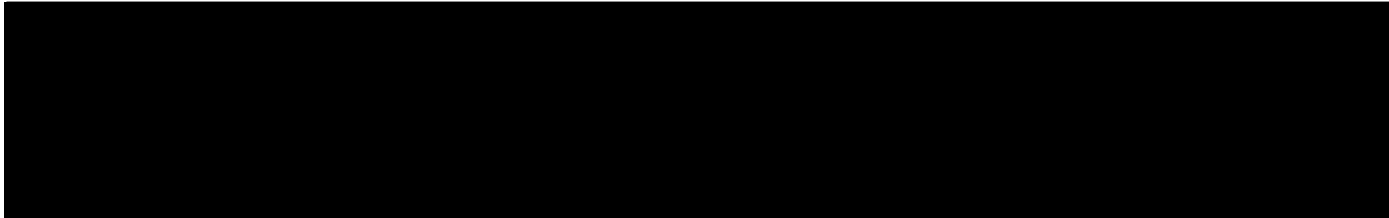
William Deshler (Director of Finance) turned an operating company that was losing money into a company that has created double-digit increases in profitability over the past three years. Deshler was directly responsible for reducing expenses by renegotiating with suppliers and vendors, creating operational efficiencies within the organization, and reducing energy and utility consumption. He increased revenue by expanding the business lines to include multi-family property management. Within 18 months, the company grew from 3 units to over 220 throughout MA and NH and the construction division grew by performing third party construction and design services seeing a doubling of that division year over year.

Jeremy Rohrs (Director of Security) does not have significantly relevant experience in response to this question.

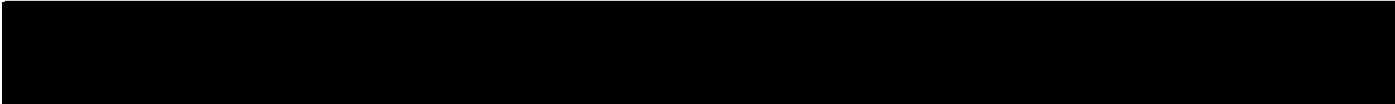
Guy Maytal (Director of Medical Operations) does not have significantly relevant experience in response to this question.]


3. Applicant's Evidence of Suitability

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

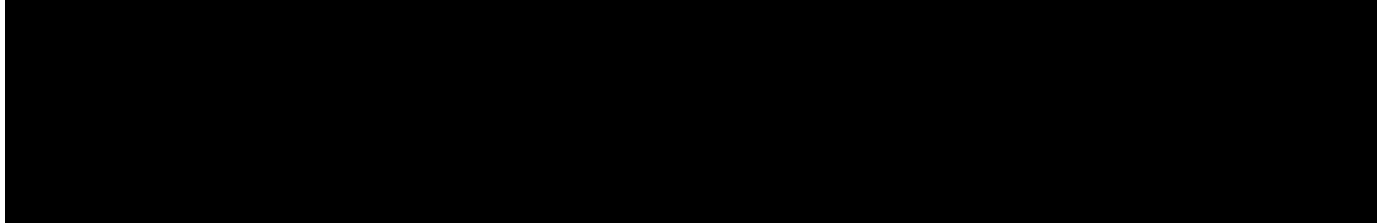


3.2 List and describe any criminal action under the laws of the Commonwealth, or another state, the United States, or a military, territorial, or Indian tribal authority, whether for a felony or misdemeanor, against any member of the **Executive Management Team and Board of Directors, including Board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

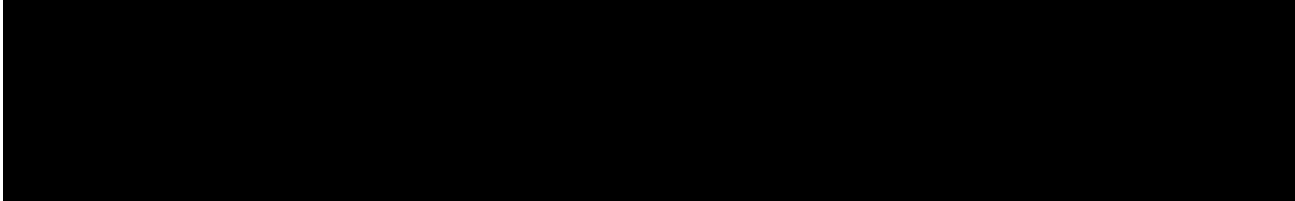




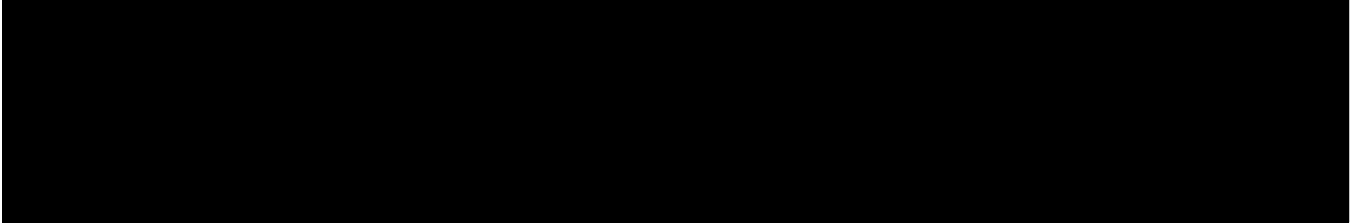
3.3 List and describe any civil or administrative action under the laws of the Commonwealth, another state, the United States, or a military, territorial, or Indian tribal authority against any member of the **Executive Management Team and Board of Directors, including Board Officers**, including but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



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



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



4. Applicant's Evidence of Financial Condition

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

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

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

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

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

[The build-out for CHC is being designed by Eugene T. Sullivan, Inc. (Sullivan), an engineering firm based in Wilmington, MA. We have budgeted \$50,000 for a full set of working drawings, including all MEPs. The team at Sullivan will also be working to get the building permits and approvals. The building permit itself will be \$10,000, and DPH's Architectural Review fee will be approximately \$14,718. We have completed a Phase I environmental assessment, which was \$3,500.

Our Executive Director has significant experience in security, and we have worked closely with East Coast Security and Integrated Transportation and Protective Services in completing an initial security assessment, at a cost of \$5,000.

The building is 57,000 square feet; we plan to use 5,000 for offices and the dispensary and the remainder for cultivation and processing. We have budgeted \$50 per square foot for the dispensary and offices (\$250,000) as well as \$1.5 million for the full build-out of the cultivation and processing area (approximately \$30 per square foot). Improvements to the dispensary include custom millwork, retail finishes, cabinetry, retail lighting, paint, carpet, and a new HVAC system. Improvements for the cultivation portion of the building include a new HVAC system, new insulation, closing out the walls, creation of various modular rooms, paint, and new electrical and plumbing. We have budgeted \$34,000 for our security monitoring and control system.

Phase I of our cultivation facility includes 80 HPS lights spread out over four lots. We have budgeted \$100,000 for the grow lights and related equipment and supplies. In addition, we have budgeted \$40,000 for furnishings for the dispensary, offices, and cultivation spaces as well as secure storage safes. We have budgeted an additional \$30,000 for computer equipment. Our commercial kitchen will include CO2 extraction equipment and equipment for internal quality control testing equipment that will be used in addition to third-party testing in compliance with 105 CMR 725.105(C)(2). We have budgeted \$105,000 for this kitchen, food prep, and lab equipment.

Our total budget for initial capital expenses is \$2,142,218, with \$83,218 in planning and development costs, \$1,784,000 in build-out costs, and \$275,000 in equipment costs.

]

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.

[We anticipate opening CHC to registered patients no later than September 1, 2014; therefore, our first year operating budget is for the time period beginning September 1, 2014 and ending August 31, 2015.

Working with our operations consulting team at 4Front Advisors, we have projected revenue for CHC using data from how other markets with similar approved medical conditions have developed. We expect the adoption of the program in Massachusetts to be strong, with the number of statewide registered patients growing to approximately 60,799 (0.91% of the population) by the end of our first year of operations (FYE 8/31/2015). In order to determine how many of these patients would be likely to access our dispensary, we analyzed distances, traffic patterns, potential for dispensaries in nearby cities, and other factors, to define a service area of a 15-minute drive-time radius from our location. Of the 252,854 people within this radius, we expect 2,313 to become patients by the end of our first year of operations. In our projections, we expect that in our first month of serving patients we will average 25 patients per day, increasing to 262 patients per day by the end of our first year.

Using an initial average retail price of flowers at \$350 per ounce, prior to applying discounts from the Compassion Program, an average transaction value of \$75, and average consumption per patient of 0.70 grams per day we estimate that we will have 55,093 patient visits in our first year of operations, resulting in \$3,629,235 of net revenue. We expect gross revenue of \$4,048,530, with discounts and free medicine through our Compassion Program totaling \$419,295, or 10.6% of medicine retail sales.

In year one of operations, we expect sales of non-flowers, such as edible marijuana infused products (MIPs), tinctures, and oils, to comprise 10-20% of sales. However, as the patient community becomes educated on the health benefits and availability of alternative methods of administering the medicine, we expect this category of sales to approach up to 50% of sales, as reported by operators in other legal markets who have seen this recent trend emerge over the last few years. We will also offer other supplies, such as vaporizers that facilitate the use of marijuana for medical purposes. We anticipate these types of items to comprise 1.5% of sales.

We intend to maintain inventory levels of approximately 30 days on hand. If we exceed this level, we will sell excess inventory through the wholesale markets to the dispensaries in critical need of supply, in compliance with 725.105(B)(2)(c). In our financial projections, we assume that a small wholesale market will exist, and we expect \$34,819, or 1.0% of net revenue, to be from wholesale sales of medicine in our first year of operations. In our projections, we do not anticipate purchasing medicine on the wholesale market.

Payroll expenses are a significant proportion of our operating budget. Our year one operating budget starts the day CHC opens for business, so payroll expenses include a full year of salaries for both the cultivation and dispensary teams, with new employees added throughout the year to support the increase in patient volume. With the exception of production assistants (used after product is grown), we expect to hire our cultivation team immediately upon receiving approval from DPH. Our dispensary team will be hired closer to the opening of the dispensary, with the managers hired approximately 30 days prior to opening, and the associate-level positions hired a week prior to opening.

We are investing upfront in the build-out of our cultivation facility so that we can quickly install grow lights and related equipment to increase capacity as demand picks up. We have budgeted \$203,263 for Phase II cultivation equipment, purchased during our first year of operations.

Utilities for our cultivation operation, which we estimate at \$141,077 for our first year, reflect the energy-intensive nature of medicine production. Other cost of goods sold (COGS) consist of:

- packaging (\$39,544),
- third-party quality testing (\$15,818),
- rent expense allocated to the cultivation space (\$157,623), and
- production costs, such as nutrients (\$43,244), that are not shown elsewhere in the budget.

In our first year of operations, we expect to grow medicine at approximately \$1,360 per pound, with this cost decreasing to \$1,070 per pound in our second year as we start leveraging our fixed costs and utilizing economies of scale.

The largest general and administrative expenses allocated to the dispensary include:

- professional services (\$30,000),
- security monitoring and related services (\$30,000),
- rent (\$15,000),
- sanitation and janitorial (\$29,167),
- transportation (\$25,000),
- utilities (\$19,479), and
- general liability insurance (\$31,306).

We expect advertising and marketing expenses to be roughly 2.5% of revenue during our first year of operations. In subsequent years, we expect these expenses to decline as a percentage of revenue as sales grow. Any advertising will comply with the requirements of 725.105(L) and serve to educate the local community on legal access for qualified patients.

We will contribute to charitable activities that support the local community and patient advocacy groups. In our initial year of operations, we have budgeted \$38,000, or 1% of revenues toward these contributions.

In our projections, we have accounted for potential federal income tax payments in accordance with IRS Code Section 280E, and we will be carefully monitoring any potential changes in the IRS's application of this Code Section to medical marijuana dispensaries.

]

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.

[The business plan for CHC relies on a number of strategic planning assumptions that underlie our overall approach and financial projections. For our business plan, we assume that the Massachusetts medical marijuana program will be Massachusetts' only state-legal form of marijuana distribution and that the federal stance on medical marijuana will remain unchanged. We also assume that the medical marijuana market in Massachusetts will develop rapidly in its first two years, similar to the growth in the number of registered patients that Colorado experienced in 2009 and 2010.

In order to estimate the patient need and potential use of our dispensary, we have worked with the consulting firm 4Front Advisors to analyze the regulatory environment and demographic information within Massachusetts as well as precedents in comparable markets. We project the number of registered patients in MA to approach 2.0% percent of the population within the first five years of dispensaries being operational, with 60,799 (0.91%) patients by the end of year one (FYE 8/31/2015), 90,656 (1.36%) by the end of year two, and 110,185 (1.66%) by the end of year three.

We have also worked with 4Front Advisors to define our potential service area as a 15-minute drive time radius around our location; we will revisit this assumption once DPH has awarded certificates of registration. With 252,854 people living within this radius, we expect the number of patients using our

dispensary to be 2,313 by the end of our first year of operations, 3,449 patients by the end of our second year, and 4,192 by the end of our third year.

In order to determine our revenue projections, we assumed an average transaction value of \$75, average consumption per patient of 0.70 grams per day, and an average gross price of medicine of \$350 per ounce, prior to applying discounts from our Compassion Program, which we expect to reduce gross retail sales of medicine by approximately 10.6% per year. Our pricing will be intentionally set at or above the midpoint of the scale locally to discourage diversion and because of the higher quality of medicine that we will offer to patients. To be conservative, we forecast a 7% annual decline in price for the first four years of operations to account for cost savings from economies of scale that we can pass through to our patients; however, we will actively monitor our pricing to discourage diversion.

Our net revenue projections for the first three years of operations, starting from the first day CHC opens for business, are \$3,629,235, \$7,761,110, and \$9,303,574, respectively. This 114% revenue growth rate from year one to year two is from year one to year two demonstrates our assumption that the medical marijuana program will be welcomed by patients within our service area. In our third year, we expect year-over-year top line growth to be approximately 20%.

We are well prepared to handle this growth with a strong executive management team as well as partnerships with leading industry consultants. We anticipate that our FTE in staffing will grow from an average of 28 during our first year of operations to 45 in our second year and 53 in our third year. A strong foundation in training is important for building a highly effective organization, and therefore, we have adopted an operations reference set to guide virtually every aspect of daily operations for each department. These documents are the most comprehensive set of training and operational procedures in the dispensary industry, developed over the course of four years by Harborside Health Center, CannBe, and 4Front Advisors. Featuring more than 45 distinct documents totaling more than 1,200 pages of detailed information, the operations reference set provides a strong foundation for training, and it addresses a wide variety of topics, including purchasing, processing and storage, information technology, dispensing procedures, bookkeeping and banking, security, and emergency procedures.

In addition to our comprehensive approach to onboarding and managing our staff, we have prepared a phased approach to cultivation in order to meet the increase in demand from our growing patient base, maintain a high capacity utilization of our equipment, and optimize cash flow. Our cultivation facility build-out is designed with a modular approach in which grow equipment can be added to meet our projected demand.

We are targeting 30 days of inventory on hand, and therefore our projected inventory at the end of our first three fiscal years is 53 pounds, 74 pounds, and 81 pounds. As we grow into our cultivation facility, we project utilization of our existing space to be 23%, 46%, and 57% for the first three years of operations, respectively. We have budgeted for a Phase I build-out, and we plan to expand our cultivation operation to grow with demand. Our financial projections are shown in Exhibit 4.5 using generally accepted accounting principles (GAAP) and therefore do not include these capital expenditures and leasehold improvements; however, these line items are shown in our first year in Exhibit 4.4.

Our cost of goods sold (COGS) primarily consists of salaries and benefits of our cultivation team, rent expense, nutrients, and utilities. After conducting a bottom-up analysis of our staffing and resource requirements, we conservatively expect that our total production costs per pound for the first three years of operations will be \$1,360, \$1,070, and \$1,009, decreasing as we leverage our fixed assets and benefit from economies of scale. We project our cultivation teams' salaries and benefits to be \$651,733, \$1,037,111, and \$1,267,692 in our first three years, respectively, and other production costs to be \$555,282, \$833,417, and \$954,014. In our projections, COGS is 35% of revenue in our first year and then normalizes to approximately 26% of revenue in years two and three.

We assume that a small wholesale market will exist to serve dispensaries in critical need of supply, in compliance with 725.105(B)(2)(c). We project wholesale sales of medicine to be 1.0%, 0.5%, and 0.6% of revenue in our first three years, respectively. We do not anticipate purchasing medicine on the wholesale market.

Our dispensary-related expenses largely consist of salaries and benefits, representing 26.7% of revenue in our first year of operations, 22.2% in our second year, and 23.7% in our third year. Other general and administrative expenses are 13%-14% per year. The largest G&A expenses are legal and accounting services, rent, security monitoring and services, consulting fees, sanitation and janitorial, utilities, printing and reproduction, insurance, and transportation expenses. Some of these costs, such as sanitation and janitorial, will remain relatively constant as our organization grows; however, other expenses, such as insurance, will grow more in line with revenue.

Advertising and marketing expenses will not be a significant share of our revenue (1-3%), as we will largely rely on word of mouth to attract patients and build awareness. Any advertising will comply with the requirements of 725.105(L) and serve to educate the local community on legal access for qualified patients. As an organization focused on patient health and safety, our approach to sales will be consultative and focused on the patient's needs. In our training, we will emphasize product knowledge to ensure that patients are provided with accurate and useful information. We will provide ongoing staff training to ensure that employees are properly prepared to provide excellent and efficient service.

We will be a patient-focused organization whose mission is to help our patients heal and achieve the highest possible quality of life. Therefore, we plan to partner with local wellness and healing providers for services that will be available off-site through non-CHC affiliated programs.

In addition, we will contribute to charitable activities that support the local community or advocate for patient access. As our operation becomes cash-flow positive, we will provide additional support, as a percentage of revenue, to these types of non-profit organizations, with expected expenses in this category of 1.0% of revenue in our first year, 2.2% in our second year, and 3.0% in our third year.

In our financial projections, we have taken a conservative approach in assuming compliance with IRS Code Section 280E. This interpretation of the IRS Code is being actively reconsidered, and we will monitor changes in the IRS's treatment of medical marijuana dispensaries. In our projections, we have assumed that a portion of our gross surplus will be nondeductible, resulting in our reserve for income taxes comprising of 13.6% of net revenue in our first year, and approximately 15.5% of net revenue in years two and three.

]

Three-year projections attached as exhibit 4.5

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

[Compassion Health Centers, Inc. (CHC) has secured general and property liability insurance coverage in compliance with 735.105(Q). Specifically, the quoted policy includes: general liability insurance 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, with a liability policy deductible of less than \$5,000 per occurrence.

CHC will make reports demonstrating its compliance with the requirements of 105 CMR 725.105(Q) available in the form and manner requested 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 for the proposed Compassion Health Center, Inc. dispensary site is 640 Lincoln Street, Worcester, Massachusetts, 01604.]

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 for the proposed Compassion Health Center, Inc. cultivation site is 640 Lincoln Street, Worcester, Massachusetts, 01604.]

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 for the proposed Compassion Health Center, Inc. processing site is 640 Lincoln Street, Worcester, Massachusetts, 01604.]

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.

[CHC has met with several civic leaders regarding our application to open an RMD in Worcester, Massachusetts. These conversations were helpful to identifying community concerns around our plans, and also to gaining the support of these community partners for our efforts. We have worked exhaustively with Worcester town officials to gain support for the proposed RMD location. Specifically,

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.

ORIGINAL

CHC has obtained local support from City Manager, Michael Obrien, Chief of Police Gary Gemme, and Worcester County Sheriff Lewis Evangelisis.

CHC has spent the last several weeks leading up to the filing of the Phase 2 Application doing extensive outreach to elected officials, administration officials from the city of Worcester and private opinion leaders in the community. The process we have utilized thus far has been totally transparent as we have discussed CHC's mission and have answered any and all questions. We have provided an executive summary (attached) that offers a condensed version of our management team, what we do, how we operate, our security plan and much more.

We have been very specific as to the location of the operation at 640 Lincoln Street, and the reasons we feel it is the best location for a Registered Marijuana Dispensary in the city. Those with whom we spoke were appreciative of the information, with no one expressed any type of opposition to our proposal. All indicated a willingness to continue to work with us if we were to receive a license.

We have had several conversations with Mayor Joseph M. Petty, and the Mayor has sent DPH a letter of support for the project.

We paid special attention to ensure that the local city councilor in whose district we would like to locate was fully briefed. District 1 Councilor Anthony J. Economou has sent a letter of non-opposition regarding CHC's application to the Department of Public Health (DPH). We have made a commitment to work with him and the residents of his district moving forward.

City Manager Michael V. O'Brien has sent a letter of non-opposition to the DPH, which we have been told expresses the view of the City administration and the Board of Health.

In addition to the conversations with the Mayor, the local city councilor and the City Manager, CHC's outreach efforts included meetings with several members of the Worcester City Council. No one expressed any opposition to CHC's plans and were pleased that we included them in the early discussions.

Councilor-At-Large Joseph C. O'Brien was fully briefed and supports CHC's application.

District 5 Councilor William J. Eddy was also briefed and supports CHC's application.

District 2 Councilor Philip P. Palmieri was fully briefed and supports the 640 Lincoln Street location.

Councilor-At-Large Michael J. Germain supports CHC's application.

Councilor-At-Large Frederick C. Ruston is not opposed.

On September 4, 2013, CHC representatives attended a Worcester Planning Board Meeting and offered comments concerning the CHC plan, addressed zoning and security concerns and responded to questions from the Board. In addition to this meeting, CHC has had communications with the following staff members from the city of Worcester Planning Board and Health Department:

Joel Fontaine, Former Planning Director
Luba Zhavrova, Acting Planning Director
Timothy McGourthy, Chief Development Officer

Jane Bresnahan, Office of Economic Development
Derek Brindisi, Health Department

CHC also met with Worcester County Sheriff Lewis G. Evangelidis as a follow up to the notification letter sent to him on (date). CHC briefed Sheriff Evangelidis on all aspects of the operation, the 640 Lincoln Street location (which is not far from the county jail) and security precautions. Sheriff Evangelidis offered no opposition to our proposal and accepted our offer to review CHC's security plans if our application is granted. CHC also agreed to play a supporting role in the Sheriff's on-going efforts to rehabilitate drug offenders.

We will continue to engage these and other civic leaders and community stakeholders as we pursue certification for CHC's RMD.]

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.

[CHC has taken every step to ensure that the proposed RMD location is compliant with local codes, ordinance, zoning, and bylaws, as well as with state requirements for the physical address of the proposed RMD dispensing, cultivation, and processing site.

The proposed RMD is located at 640 Lincoln Street in the city of Worcester. It will include a dispensary and cultivation and processing facilities. The 57,541 square foot light industrial facility is located in the MGL-0.5 (Manufacturing, Light) zone and is more than 500 feet from any school, daycare center, or other facility in which children commonly congregate, as required by state law and more than 300 feet away from certain residential zones and day care facilities. The proposed Lincoln Street location complies with both of these criteria.

The city of Worcester is still in the process of finalizing regulations for medical marijuana uses. On August 20, 2013 a zoning position was referred by the City Council to the Planning Board. The allowed proposed zones (by-right & by Special Permit) for the dispensaries are Business General, Manufacturing General and Institutional Medical with 300-ft buffers from each other, residential zones and locations where children congregate (schools, licensed daycares, parks/playgrounds and libraries).

On September 4, 2013, the Planning Board recommended approval of the Zoning Ordinance amendment relative to Medical Marijuana (with a recommended amendment by 2 of the 4 members to allow dispensaries in the Manufacturing Limited Zones.). On September 17, 2013, the petition was referred to the City Council's Economic Development Committee and a hearing and final vote by City Council was held on the 19th of November. The Zoning Ordinance Amendment was successfully passed during the vote on the 19th and will be valid retroactively to the first day of advertisement, which took place on August 21, 2013 (for the September 4, 2013 Planning Board meeting).

CHC's proposed site is zoned ML 0.5. This is the proper zoning for cultivation and sale of medical marijuana as adopted under the November 19th City Council vote.

CHC has worked exhaustively with Worcester city officials to gain support for the proposed RMD location. Specifically, CHC has obtained local support from City Manager, Michael Obrien, the Mayor of Worcester Joseph M Petty, and a letter of non-opposition from District 1 City Councilor Tony Economou.

CHC will maintain continuous communication with city officials and actively monitor the rulemaking process to ensure the proposed site is compliant with local codes, ordinances, zoning, and bylaws.]

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

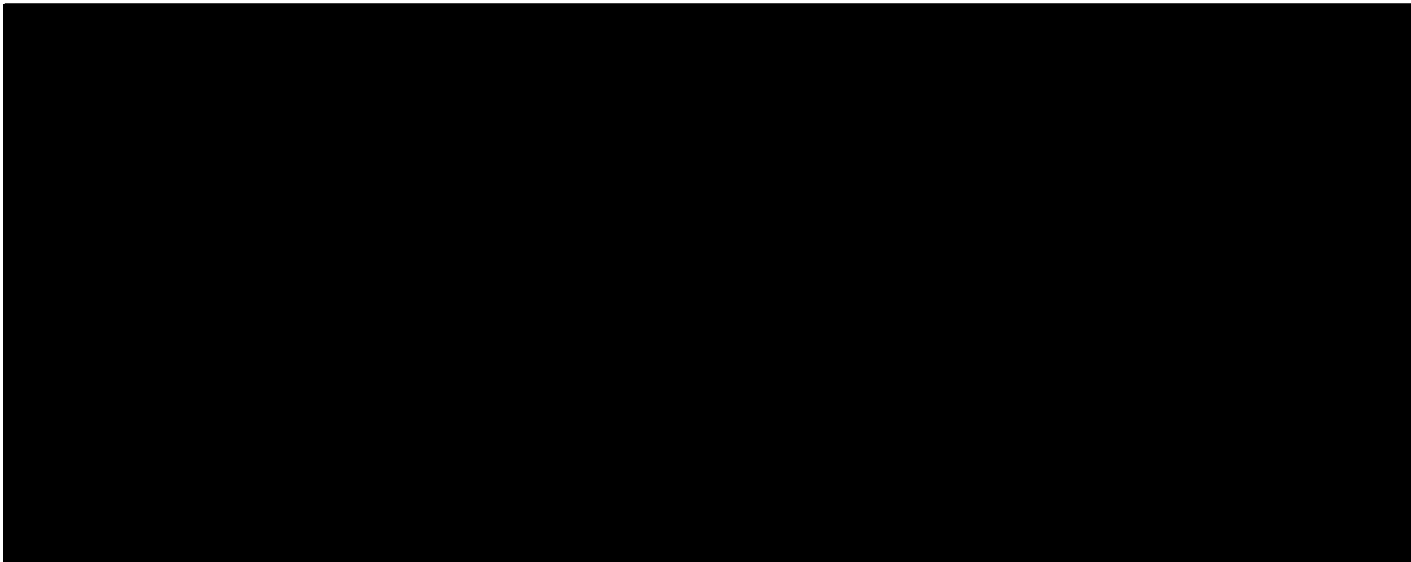
[CHC is focused on the people we serve, not just the medicine, as is often the case in medical cannabis dispensaries, based on our experience. The medicine is merely the means by which patients achieve a better quality of life. We are in the business of improving our patients' wellness through our care and we feel this attitude can be extended to our relationship with our neighbors.

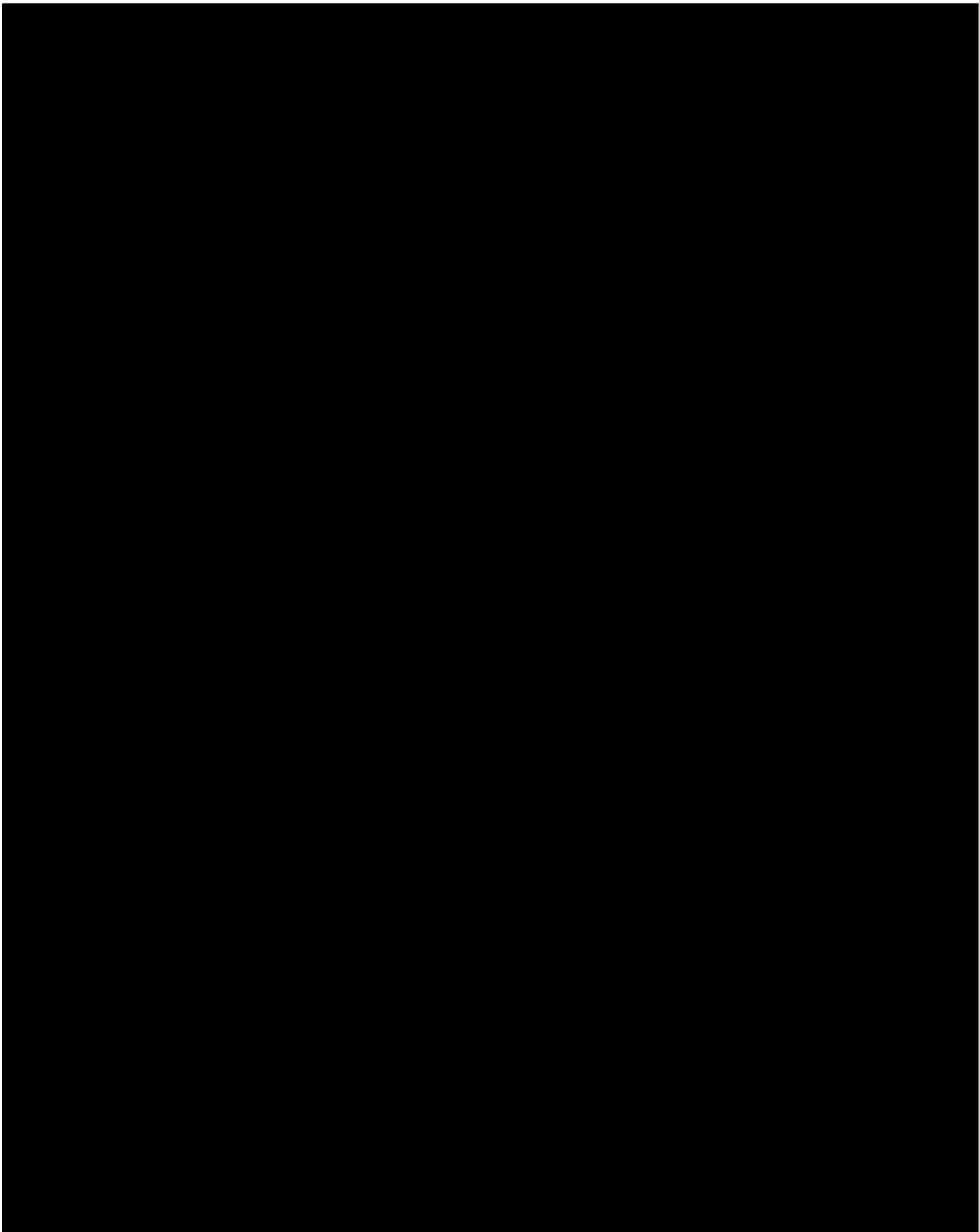
We plan to play a very active role in our community through many different vehicles. We plan to create jobs for members of the local community with competitive compensation and benefits. Through these local hires we hope to create a welcoming, neighborhood friendly establishment with a positive reputation in the community. Our relationship with the community will be strengthened through the bond our employees create with patients in need in our immediate and surrounding community.


We will also hire local companies to provide services for our facilities, generating a working relationship with the local businesses. We envision the relationships we create will help us further engage ourselves with the community and have a positive impact.

We also plan to service our community through various neighborhood improvement projects and to actively participate in local charity events. CHC has a fund set aside to be used only for neighborhood improvements and projects that will have positive effects on our community. It is our intention to work directly with Worcester Economic Development to direct the best positive outcome from this fund and local community.]

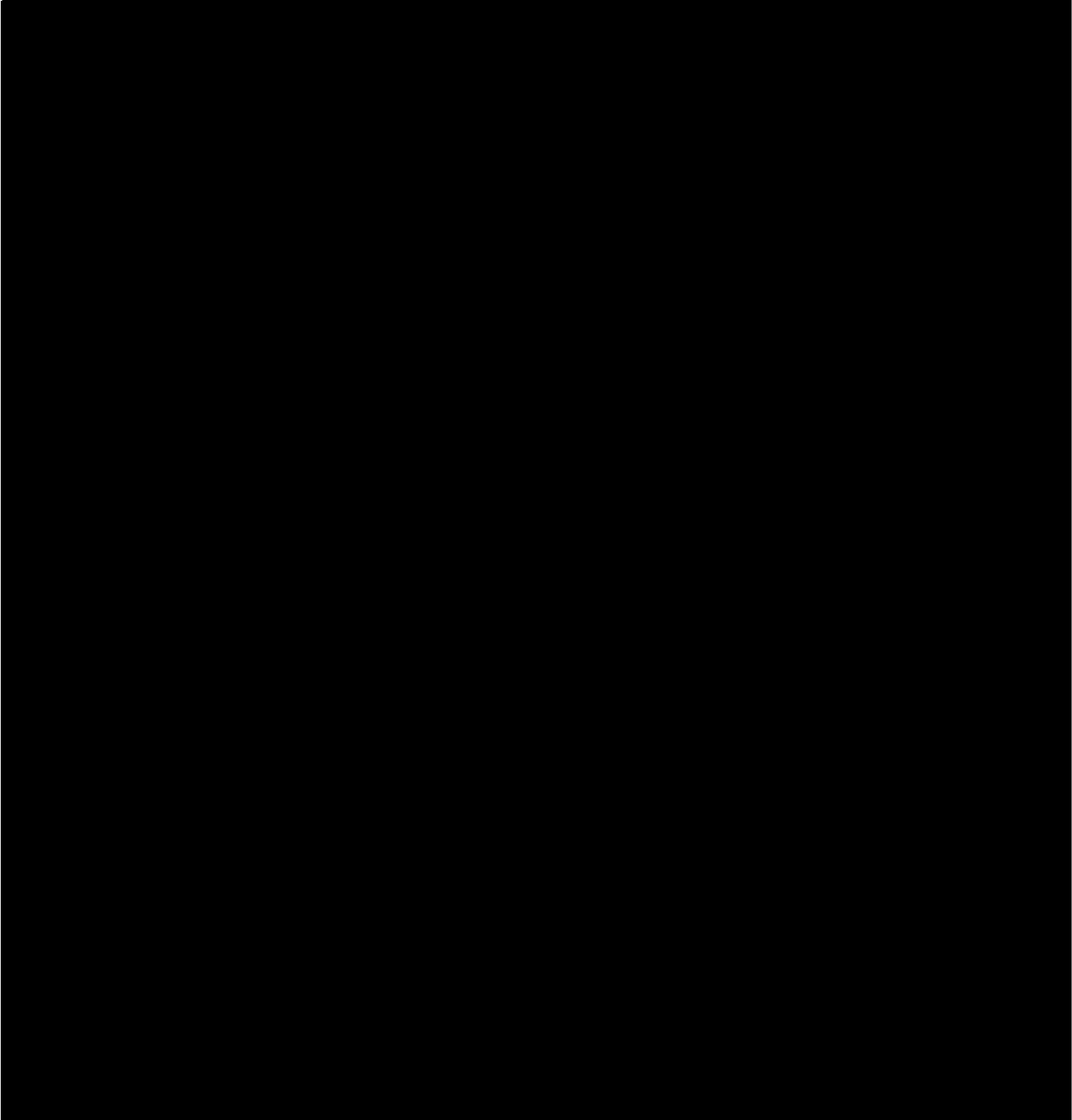
- 5.8 Provide a description of the proposed enclosed, locked facility that would be used for the cultivation and/or processing of marijuana, including steps to ensure that marijuana production is not visible from the street or other public areas. Note that the security plan will be reviewed as a component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

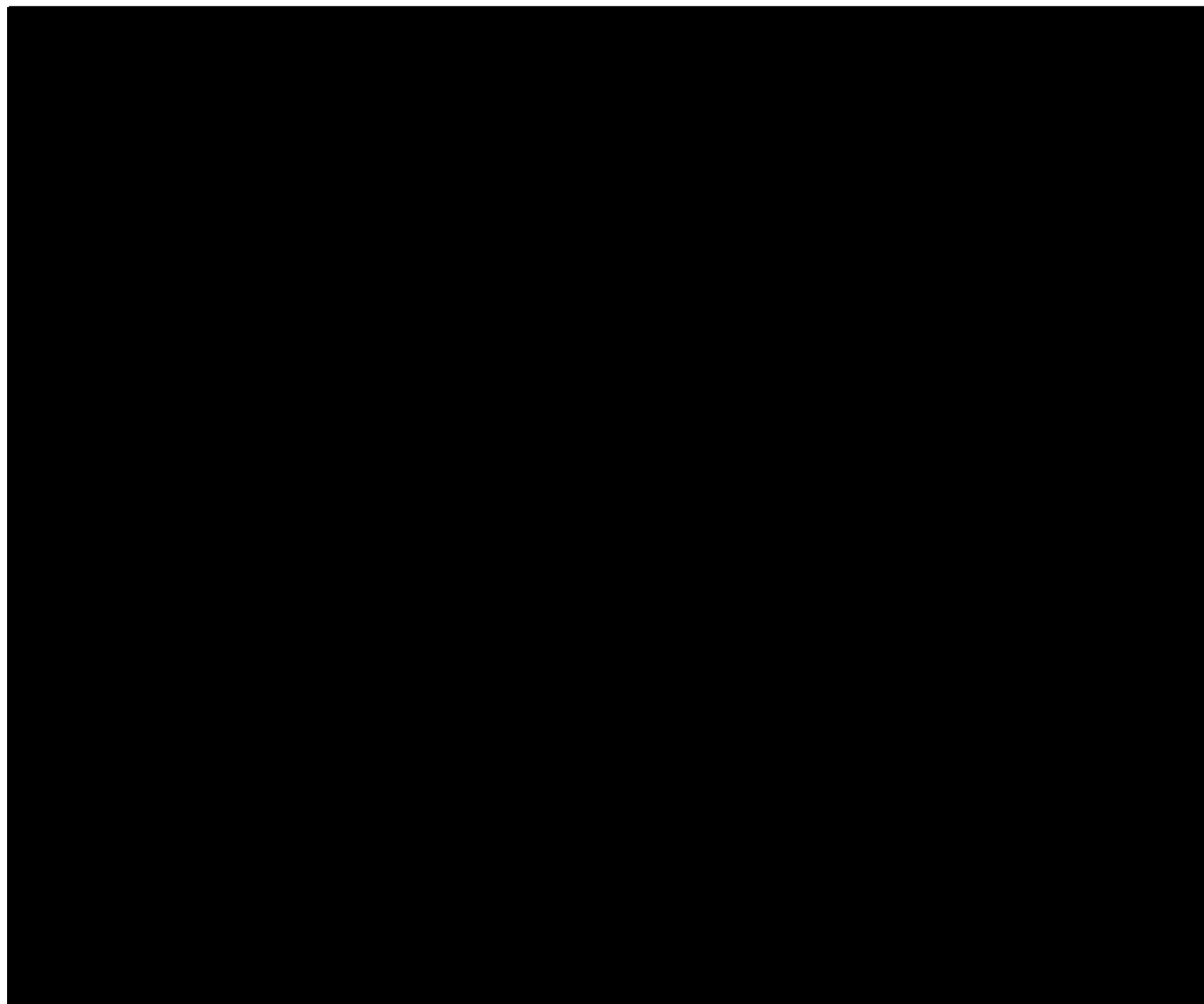






5.9 Describe how the facility's security plan will help deter and prevent unauthorized entrance into areas containing marijuana and/or MIPs and theft of marijuana and/or MIPs at the proposed RMD and the alternate location, if any. Note that the security plan will be reviewed as a component of the provisional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

[CHC has developed a comprehensive staffing plan based on best practices within the medical marijuana, health care, and customer service industries. DPH has indicated that applications from MA residents are preferentially considered. The CHC BOD and EMT consist of 100% MA residents.

BOD – FTEs do not apply to the BOD.

President – presides at all meetings of the directors

Vice-President – Fulfills responsibilities of President when President is unavailable for a meeting; other duties provided by directors

Treasurer – responsible for the financial affairs of the corporation

Clerk – maintains records of all BOD proceedings and copies of all corporate documents; maintains seal

Directors – ensure that the corporation fulfills its mission and purpose

EXECUTIVE MANAGEMENT TEAM – EMT members have a FTE of 1 unless otherwise noted. EMT members all report to the ED, and the ED reports to the Board.

Executive Director - serve as chief executive officer of the corporation subject to the BOD

Director of Finance – manage all financial tasks for organization; financial accounting and reporting; payroll preparation and administration; budget preparation; project management accounting; risk management

Director of Operations – oversee all facets of day-to-day cultivation and dispensary operations; supervise dispensary and cultivation GMs; ensure full compliance with CMR 725.000

Security Director – establish, manage, and audit the systems, equipment, and protocols required to ensure security of RMD facility and the safety of staff/visitors/patients and assets; oversee staffing of RMD Security managers

Director of Medical Operations – provide strategic guidance, oversight, and quality assurance as it relates to medical compliance, patient education and care, and medical/scientific research

RMD MANAGEMENT – The RMD consists of 5 core departments: Inventory (dispensary), Security, Patient Services, Cultivation (growing, harvesting, curing), and Production & Inventory (MIP production, packaging). Department managers (FTE: 1) report directly to the Director of Operations, except for the Cultivation Manager and Production & Inventory Manager, who report to the Chief Cultivation Officer.

Inventory Manager (dispensary) – oversee dispensary Inventory department; inventory and cash control; storage, labeling, tracking and reporting of all medicine and cash; securely and accurately receive incoming product; enforce quality control standards

Security Manager – ensure safety and security of RMD including systems, equipment, protocols, personnel, staff and visitors, audits, and policy management; ensure full compliance with security-related laws and regulations; work with Security Director, outside security vendors, and law enforcement

Patient Services Manager (PSM) – oversee Patient Services department and staff; ensure strict compliance with regulations regarding patient registration, dispensary access, patient education, sales, and so forth; ensure exceptional patient experience and transaction accuracy, tracking, and reporting

Cultivation Manager – the senior cultivation expert at the facility overseeing all aspects of the cultivation process from germination through harvest

Production & Inventory Manager (PIM) (cultivation) – oversee and manage day-to-day activities in Production & Inventory department including trim room, curing, concentrates, commercial kitchen, packaging, labeling, and inventory; oversee staff; execute precise inventory reports

Security Assistant Manager – act as the Security department MOD when the Security Manager is not on-site

RMD ASSOCIATES – Associate level positions (FTE: 1) and reporting relationships below:

Security Associate (report to Security Manager) – work throughout the RMD to implement security policies and procedures, greet patients upon entrance, verify and check in patients

Member Services Associate (report to PSM)– greet, verify, and check in patients upon entrance to the dispensary; conduct new patient orientation and education; input data into patient database; assist the Security team in monitoring the dispensary’s security status

Patient Consultant (report to PSM)– provide outstanding patient service by providing medicine, product knowledge, and absolute accuracy in the sales process; ensure medicine is sold only to authorized patients per their DPH ID card, photo ID and DPH web-based system; educate patients about forms of medicine and methods of administering medicine

Gardener (report to Cultivation Manager) – hands-on position for day-to-day cultivation; support Cultivation Manager in tasks defined above; track daily treatments of nutrients, pesticides and herbicide

Production Assistant (PA) (report to PIM) – work as a trimmer after harvest; work in concentrates production; work as kitchen assistant, producing baked goods and other edibles infused with medical marijuana; packaging and labeling; inspect medical marijuana products per state and local laws

Lead Baker (report to PIM) – hands-on position held by experienced baker; create high quality/consistent medical marijuana infused baked goods and drinks that meet diverse patient needs]

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.

[CHC has developed a comprehensive staffing plan based on best practices within the medical marijuana, health care, and customer service industries. We have developed customized tools and processes to ensure effective interviewing, screening, hiring, human resource file management and confidentiality, completion of new hire paperwork, and orientation training.

CHC is fully aware that we must apply for a dispensary agent registration for any and all board members, directors, employees, executives, managers, and volunteers who are associated with the RMD. For operational efficiency and to ensure absolute compliance, we will be designating one management-level individual at each of our facilities to be responsible for preparing and submitting all dispensary agent applications for that facility’s staff and managing that process as a whole. Part of the dispensary agent application process requires submitting a CORI report for that individual to DPH, obtained within 30 calendar days prior to submission to DPH. Those CORI reports can be retrieved via the iCORI system, an online criminal history request service through DCJIS, by the individual within the organization who set up the iCORI account. CHC’s ED, Steven Goodman, is the individual who registered with DCJIS on behalf of CHC as an organization user of iCORI and activated the account. We have included the DCJIS account details page showing an “Active” status as proof of account activation. The designated individual who will complete dispensary agent applications will be extremely well-versed in all relevant regulations as defined in 105 CMR 725.000, particularly 105 CMR 725.030.

With regard to the qualifications and experience CHC is targeting for each position, we are looking for candidates with health-related educational/professional backgrounds, spotless criminal records, experience in restricted access retail venues (dispensary positions) or manufacturing facilities (cultivation positions). CHC's job descriptions provide a detailed list of qualifications as well as required and preferred skills and experience for every position within the organization. There are a few requirements that apply to any and all potential dispensary. They are:

- All dispensary agents are required to be at least 21 years old;
- No dispensary agent can have been convicted of a felony drug offense in the Commonwealth, or a like violation of the laws of another state, the United States or a military, territorial, or Indian tribal authority; and,
- All candidates must qualify for a dispensary agent registry ID card issued by the MA DPH.

The above qualifications are included in every position's job description. In addition, here is a sampling of the qualifications and experience required for the various positions in the organization, given the character count limitations for this question.

Dispensary & Cultivation Management positions:

- Bachelor's degree in Business or related experience
- 5-10 years experience in management positions; 5+ in customer service
- 2+ years experience performing similar skill set inside or outside the MMJ industry
- SECURITY: 3-5+ years prior supervisory experience in security, law enforcement or related field; formal training in non-violent communication
- CULTIVATION MANAGER (in addition to above): Bachelors of Horticulture Studies (at a minimum; Masters Degree preferred; will consider combination of Certificate programs and experience); 5 years minimum in horticulture field with greenhouse or indoor cultivation experience; experience in cloning and seed germination; experience in varietal research of any plant

Associate positions:

- 1+ year prior experience in retail sales or similar environment
- Excellent communication and customer service skills
- Knowledge of medical marijuana strains and applications
- High School grad/GED
- Prefer prior experience working within the medical marijuana industry and/or experience working with medical patients

Cultivation Associate positions:

- Able to work with minimal supervision

- High School grad/GED
- PAs: 3+ years experience marijuana processing; able to work with minimal supervision;
- GARDENER: Associate Degree in Plant and Soil Science, Crop Horticulture, Greenhouse Management, or Land Resource Management preferred, but not required understand pesticide-warning labels and mix and apply them in accordance with legal standards in a safe manner; ability to prune plants effectively; understand principals of horticulture basics

Executive Management Team

Current members of the EMT have been carefully selected based on their knowledge, skills, level of education, and professional experience in specific areas of the business as well as a proven track record for success in their respective field.

Board of Directors

We believe board members must have a willingness to prepare for and attend Board and committee meeting stake responsibility and follow through on a given assignment, and contribute personal and financial resources according to circumstances.

We believe board members should meet one or more of the following qualifications:

- Access to significant capital
- Legal expertise in criminal, corporate, tax, real estate, or land use law
- Medical expertise
- Expertise in the medical marijuana industry
- Significant connections to the local business and/or political community
- Expertise in nonprofit management or development
- Substantial experience in retail business
- Commitment to the corporation's mission and strategic directions

In forming our current Board, in addition to the qualifications above, we also have considered the personality traits and characteristics of Board members. We have looked for candidates with the ability to listen, analyze, think clearly and creatively, and work well with people individually and in a group.]

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.

[CHC has a highly developed and documented set of best practices and policies to ensure employees

have clarity as to what is expected of them and what they can expect from us. We believe it is important to set clear expectations to ensure consistency and compliance and to minimize employee frustration that can result from misunderstandings.

Outside Counsel: CHC will retain counsel specializing in employment law to define and evaluate relevant policies and procedures to ensure full compliance. They will also assist the HR department and department managers with any issues and questions.

Written Policies: Critical company information can be found in a detailed Employee Handbook (EHB), which helps guide employee behavior and their relationships with the dispensary and identifies applicable local, state, and federal laws. Every employee will receive an EHB (available for review during the provisional inspection process).

CHC's written policies as set forth in the EHB will include but not be limited to, our policy of being an alcohol, smoke, and drug-free workplace, our policy for immediate dismissal for dispensary agents who divert marijuana or engage in unsafe practices, our policy for reporting the above infractions to law enforcement and/or DPH, the Family Medical Leave Act, *COBRA*, EEO, Non-Discrimination, Anti-Harassment, *Employee Retirement Income Security Act (ERISA)*, disabilities, maintenance of personnel files, privacy, e-mail policy, 105 CMR 725.000, holidays, business and working hours, sick time, personal time, overtime, employment categories, performance reviews, disciplinary procedures, bonuses, veteran preferences, military leave of absences, bereavement leave, jury duty, CORI checks, HIPPA, patient confidentiality, all personnel policies, and compliance hotline [G.L. c. § 52C].

Sensitive policies and information, such as specific pay rates, will be securely maintained by the General Manager or HR Manager.

Size of Workforce: Due to the fact that CHC is being created, it is unclear at this time what the exact composition of its workforce will be. Accordingly, the following information assumes a workforce of 50 or more employees in order to address all applicable state and federal laws and regulations. This assumption was made so that provisions for compliance with all applicable employment laws and regulations are considered.

Wages: At the RMD unit level, management employees (GMs and department heads) will range from \$50k-90k/year on average per FTE for the first year, with the general average being \$55-\$65k/year. Assistant managers will range from \$40k-50k/year per FTE (\$20 to 25 per hour) and associate level employees will range from \$15-20/hour, and/or \$30k-40k/year per FTE, exclusive of overtime and holiday pay.

EMT members are taking deferred compensation in the first year as a key step to getting to cash flow positive as quickly as possible. Beyond the first year, EMT salaries will typically be \$75k-180k/year per FTE.

Benefits: CHC will offer employer-sponsored group health insurance to our employees. It will be comprehensive enough to meet or exceed the basic standards for coverage set forth by MA law. We will meet Section 125 requirements by offering a plan that allows employees to purchase health insurance with pre-tax earnings. We will also offer dental insurance and will contemplate a 401(k)-style retirement option in the future if business conditions so allows.

CHC will maintain worker's compensation insurance for all employees.

Training: Training programs will be administrated both on-site and off-site and through the HR department. All employees will be required to complete orientation training including but not limited to sexual harassment, discrimination, disabilities, drug/alcohol abuse, company security policies, safety policies, employment rights and laws, MA Small Necessity Act, workplace violence, client/patient confidentiality, and HIPPA.

CHC will also have extensive operations and compliance training specific to 105 CMR 725.000 including but not limited to department operating procedures; patient confidentiality; inventory control; dispensing of marijuana to qualified patients; prohibition from acquiring marijuana from third parties for resale; prohibitions against free samples; proper handling of orders; proper maintenance of premises; prohibition from consumption on premises; security processes and procedures; and incident reporting.

Advancement: The organization will be structured relatively flat, with promotional opportunities within each department. Participation in training will be critical for any promotions and pay increases. Performance evaluations, conducted bi-annually on an employee's anniversary date, will also play a key role in determining promotions and adjustments in compensation.

Postings: CHC will comply with both MA and Federal requirements for workplace postings in accordance with M.G.L.c. 151 § 16; M.G.L.c. 151B § 7; M.G.L.c. 149 § 105D; M.G.L.c. 151B § 3Ac; M.G.L.c. 151A § 62A; M.G.L.c. 152 § 22; M.G.L.c. 111F § 22; M.G.L.c. 111F § 11; M.G.L.c. 270 § 22; FMLA section 109 (29 U.S.C. § 2619); *Fair Labor Standards Act (FLSA)*; *OSH Act* of 1970; Equal Employment Opportunity Act; and *Employee Polygraph Protection Act (EPPA)*.

Investigations: CHC has developed policies and procedures to investigate any complaints or concerns identified or raised internally or externally, ensuring compliance with 105 CMR 725.000.]

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.

[Qualified dispensary agent candidates are hired on a three-month probationary status. During this period, they will participate in a rigorous training process, and be evaluated for suitability in a restricted-access medical environment.

CHC has a comprehensive training curriculum that instructs department managers how to train staff members, and ensure comprehension and performance levels by using a Final Performance Test for each employee. The Final Performance Tests are comprised of demonstrable and measurable skills and knowledge required to perform basic job functions as identified in job descriptions. All employees will be required to pass a Final Performance Test before being moved out of their probationary employment period.

The overall training curriculum is comprised of Leader's Guides, which provide scripts for teaching all of the policies and procedures contained in the Operations Manuals and Trainee Workbooks that serve as a resource for each new hire during his or her training period. The training tools reference our Operations Manuals and operational supplements so that all employees are consistently and properly trained. These training references to official operational content reinforce employees' understanding that

all policies and procedures are found in the Operations Manuals and operational supplements should they ever have questions.

The training curriculum also provides Quizzes and Daily Recaps to ensure the retention of detailed learning and performance objectives throughout the training process. All training is documented and filed in each employee's human resource file securely located in the GM's office.

All employees go through Orientation Training, Safety Training, and Medical Training, irrespective of department. Upon completion of those modules, employees then complete their respective departmental training programs that cover all of the policies, procedures, knowledge, and skills required to operate effectively and in full compliance within the respective departments.

CHC's Orientation training module will generally be conducted by the GM. The following is covered during Orientation:

- Welcoming of the new hire
- Completion of paperwork and administrative tasks such as assigning POS logins, email addresses, etc.
- Review of the Patient Handbook
- Review of the Employee Handbook, detailed instruction, and quiz
- Review of the Safety Handbook
- Legal training, including all state and federal laws relating to marijuana and medical marijuana, legal obligations of licensed marijuana dispensaries, rules and regulations of the dispensary, sexual harassment (no tolerance), effective interaction with law enforcement personnel, and the rights and responsibilities of medical marijuana patients
- Tour of the dispensary facilities and introductions to fellow staff
- Injury & Illness Prevention Program

Safety training immediately follows Orientation Training and will be conducted by a member of the Security management team or the Security Director. In addition to its focus on safety, safety training will include acceptable currency identification and counterfeit detection, warning signs of possible diversion to the illegal market, lock and alarm procedures, perimeter and entrance control, robbery response techniques, conflict resolution techniques, and diversion detection techniques.

Ideally, Medical Training will be conducted by the dispensary's Medical Operations Specialist or at a minimum will involve the Medical Operations Specialist with applicable portions of the training. The Patient Services Manager, in collaboration with the dispensary's Medical Operations Specialist, may also conduct this training. Medical Training may be conducted at any point in the employee's initial training period so long as it is completed before the employee's Final Performance Test.

Medical Training topics will include:

- Privacy policy and procedures to ensure maintenance of patient confidentiality and proper handling of individual medical data in compliance with HIPAA**
- Rights of and sensitivity toward disabled individuals
- How to identify and interact with a patient having a medical emergency
- Medical Marijuana Risks & Benefits Training

- How to provide support to patients and caregivers related to the assessment of symptoms
- Cannabis Use Patterns & the Detection of Dependence
- How to effectively refuse medical marijuana to patients who appear impaired or abusing marijuana

**Only authorized dispensary agents who have been trained on CHC's privacy and recordkeeping policy and procedures will have access to patient records.

For a complete list of specific departmental training topics, a copy of each department's Leader's Guide will be available for the provisional inspection process.

In addition to associate level training, all management level employees including members of the Executive Management Team are required to successfully complete a week-long, 8-hour a day, intensive management training course conducted by industry experts 4Front Advisors and other seasoned professionals with expertise in areas of management (HR, legal, financial, medical, etc.).

The dispensary's Medical Operations Specialist will be constantly monitoring and evaluating the content and quality of patient educational tools as well as the skill level of employees in educating patients and recognizing patterns of substance abuse. Additionally, the dispensary's Medical Operations Specialist will conduct at a minimum an annual evaluation of all patient education materials and tools as well as conducting at a minimum annual employee training sessions.

At a minimum staff will receive 8 hours of ongoing training each year, but generally much more.]

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.

[CHC has spent a considerable amount of time developing operational processes and policies and procedures prior to the Phase II application submission date. With this in mind, the startup timeline presented in exhibit 7.1 begins in July 2013 and details all steps taken by CHC pre-application.

CHC intends to work with 4Front Advisors for industry consulting throughout the application, build-out and inspection processes. 4Front will provide comprehensive resources including pre-screened vendors (e.g., general contractors, IT, merchant services, etc.), property analysis tools, architectural plan guidelines, and other documents that will assist in the development of a full startup timeline.

During the pre-application development period, CHC has worked with experienced architects and designers to design a facility that will best serve patients in the surrounding area. In addition, corresponding security floor and site plans have been developed with the assistance of our qualified security consultant to illustrate the facility's security system features.

In preparation for the Phase II application, CHC has worked exhaustively with the industry consultant to create a customized operating plan that applies industry best practices and includes: staffing structure and corresponding job descriptions; employee handbook; HR training programs and support materials; and a full policies and procedures manual that details the mechanisms used to control cash handling and movement of medicine through the facility. In addition to the materials previously mentioned, comprehensive department-specific operating manuals and position-based operating checklists have been created. The comprehensive suite of operational materials along with the professionally designed architectural plans have been used to create a detailed procurement guide that will be used during build-

out to ensure that each department is adequately stocked with necessary equipment, devices, materials, etc.

The above work, representing critical business development components completed over the course of four months, has been completed well in advance of both the application submission deadline and the need for such documentation during the provisional inspection. Completion of these tasks in advance ensures that CHC is able to become operational in an expedited manner, ultimately meeting the needs of our patients by ensuring a timely opening.

As indicated in the timeline, build-out of the facility will commence once a provisional certificate of registration has been received. At that time, the industry consultant will provide further operational resources including assistance with budget development, project plan customization, and HR support. During the time between the Phase II application and the provisional award, the Executive Management Team of CHC will solicit bids from general contractors and sub-contractors in order to select the most qualified and cost-effective options. Once the general contractor, sub-contractors, and security and IT contractors are selected, a construction plan is created and the project plan is refined. All contracts are contingent on CHC being awarded provisional certificate of registration.

These items are considered of high importance and must be completed in order to proceed to construction. CHC will submit the required architectural plans for Department review prior to any construction. Construction will not begin until the required plans have been approved by the Department and any required building or special use permits have been obtained.

During construction, the Executive Management Team will use the construction timeline and customized project plan as a guide for the hiring process, specifically, at the appropriate time, the hiring of the department managers who will later lead the hiring process for their respective departments. All department managers will be required to complete an intensive management-training program designed by our industry consultant prior to hiring any assistant and/or associates candidates. The training includes a week of classroom sessions and requires independent study, onsite training, review of case studies and role playing sessions.

Department managers will be responsible for adjusting the department-specific procurement guide and ensuring all outstanding items are procured. Department managers will also provide a thorough review of all pre-existing operations materials to ensure they are prepared for associate level staff, and the Chief Medical Officer or Executive Director will sign-off on the patient education materials.

During construction, a general operating account will be used for banking. In the final weeks before opening, the finance and accounting department will set up additional bank accounts and establish a full chart of accounts with the aid of an industry-experienced nonprofit accountant. In addition, all remaining security and IT hardware will be installed and activated, the Patient Services Manager will work in coordination with the CFO to establish merchant services, and the security monitoring will go live. In addition, the Executive Management Team will establish any services (e.g., gas, electricity, phone and internet, water/sewage, waste disposal) not already set-up.

Shortly before beginning operations, the General Manager will begin service contracts with third-party providers (e.g., linen service, cleaning service, pest control service), conduct a final review of all required postings, and order all non-medical inventory items.

Once training has been completed, the Department has conducted the Provisional Inspection, and the approval to operate has been granted, CHC will commence operations.]

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.

[CHC's year-one operating plan will focus on a number of key areas that support the organization's overall mission. Key industry metrics will be used to inform business practice improvements as they relate to patients, process, organization and technology.

To ensure staff readiness, all managers and staff will complete formal classroom training and onsite training, including role play exercises, prior to grand opening. These onsite trainings and role plays will provide all departments the opportunity to work together in a low-stress atmosphere and will serve as a final systems check. This process will serve as the first major business check-in point where the Executive Management Team will review available information and assess staff performance and systems.

The facility will announce its grand opening when staff ready and fully prepared. Once open, CHC's management will review the patient database, POS system, and other available information on a regular and on-going basis. In addition to regular reporting and any ad-hoc analyses, key business check-in points will include: daily deep dives for the first seven days of operations, weekly deep dives for the first month, monthly management roundtables, in-depth quarterly reviews, and an annual audit.

For the first week of operations, daily deep dives will occur including all managers, department managers and the Executive Management Team. Each department manager will report on specific metrics for their department, share successes, present challenges, invite potential solutions.

For the first month, weekly deep dives will include the same people as the daily deep dives done opening week and will use the same format. Fine tuning is possible with more perspective and data for week-over-week analysis. As trends emerge,, staffing levels can be adjusted if necessary, and inventory levels can be tied to actual (versus forecasted) demand.

Monthly management roundtables will include all department managers and the General Manager (GM). Each department manager will have prepared a detailed report for the GM and will share relevant information from their department with the rest of the group. The GM will then meet with the full Executive Management Team to provide an overview and discuss additional financial reports that will have been prepared by the CFO/Controller. The financial reports will include an Income Statement, Balance Sheet, Statement of Cash Flow, and other reports to include common financial indicators. The team will review cultivation reports from the Cultivation Department and third-party test results for all medicine produced. The team will review customer service surveys used to evaluate the overall patient experience, satisfaction with products and value received. Surveys will ask patients to evaluate operating hours, selection and quality of medicine, the sign-up and check-in processes, as well as education and support that is made available. The Executive Management Team will also evaluate escalation rates and resolution periods for reported incidents.

CHC believes that happy employees provide the best care to patients. In addition to having an employee suggestion box and receiving regular feedback passed through the management channels, CHC will have an Employee Happiness Factor that will be measured twice a year in employee surveys.

Annual, a week-long audit will take place, involving all managers, the Executive Management Team, interviews from staff, patient feedback, and also CHC's industry consultants, 4Front Advisors.

These key business check-in points will help the Executive Management Team evaluate the organization's performance, including how our staff, processes, and technology are working together to serve the patients and contribute to a sustainable and compliant organization.]

- 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.

[CHC has a unique business relationship with Tim Smale of Remedy Compassion Center, a Maine DHHS registered medical cannabis dispensary. The applicant, CHC, is the landlord for Remedy Compassion Center in Maine; our three-year business relationship has given us insight to starting up a medical cannabis dispensary, including facility design and build, cultivation set up, processing, packaging, and dispensary operations.

Tim Smale, as cultivation consultant, will be involved in all aspects of the cultivation, from facility design to launch. His team at Remedy launched their dispensary months ahead of schedule and became America's first state regulated seed-to-sale dispensary. The Remedy Compassion Center garden serves some 2,000 medical cannabis patients and consistently produces safe medical cannabis products. Remedy Compassion Center's team will train our team in their systems, learning everything from a proprietary cloning method with 95% success rate and continuing to every aspect of Remedy's successful methods.

Classes in cultivation techniques, safety and OSHA, Integrated Pest Management, pesticide application training and certification, and safe cannabis processes will be required of all cultivation department personnel. A process for every step in each department is contained in checklists developed by Remedy Compassion Center and will be included in Compassion Health Center training sessions.

Compassion Health Center will employ a Closed Growing Environment (CGE) method, used by the best commercial cultivators and used effectively by Remedy Compassion Center in Maine. CGE creates a rooms-within-rooms, indoor microclimates, ideal for plant growth while also enhancing grower security. CGE will ensure that each room is built to standards that include drywall, flooring, HVAC, security, drainage, airflow, and lighting. Whether it be the clone room for newly planted seedlings, the vegetation room where plants reside for about a month, the mother room where plants live indefinitely, or the flowering room(s), which contain the budding plants for approximately eight to ten weeks; CGE guarantees security, quality, and standardized herbal products. Ballasts, electrical items, and other equipment are placed outside of grow rooms that do not contain plants. This keeps unwanted heat and equipment out of plant rooms, decreases electrical dangers, and makes maintenance easier. Air conditioning units, ballasts, and other electrical equipment are in rooms specially designed to control electrical hazards, while placing nutrient reservoirs, propane tanks and related equipment in other segregated, non-plant rooms. CGE eliminates problems that are caused by allowing outside air in, specifically insects, fungi, spores, molds, and even hemp pollen into a grow room. CHC will install venting systems outfitted with activated carbon charcoal filters located at beginning of the vent which runs through each light, then to ozone generators at the end of the loop which will eliminate odors and pathogens. During initial build-out, we will wait until insulation, venting, and electrical work is complete before building plywood grow trays that are three to six feet wide. The trays are coated in plastic with built-in drainage, not sitting on floors. During initial build-out, we will wait until insulation, venting, and electrical work is complete before building plywood grow trays that are three to six feet wide. The trays are coated in plastic with built-in drainage, not sitting on floors.

CO2 augmentation is helpful and sometimes even necessary in a completely closed tight CGE environment because air is recirculated, instead of having fresh CO2-rich air brought in from outdoors and it speeds plant growth. However, when CO2 is used in rooms that are not properly sealed, the gas can cause health hazards, and is partially wasted when it escapes the grow room instead of being totally absorbed by plants. The CO2 generators will be outside of the grow rooms and use fans to send CO2 from the generators into rooms via duct systems using CO2 sequencers and controllers that measure air density and then turn the CO2 devices on and off to maintain a 1,500 ppm CO2 level in the rooms. CO2-

rich air will be pushed in with intake fans, with exhaust fans on the other end of the room pulling the CO₂ through the plants.

Sensors will be used to monitor air temperature to keep it an ideal growing environment; 73-78°F, 40-55% humidity, 1,500 ppm CO₂, with constant air flow throughout. Remote monitoring and notification features will be investigated so that the Operations Manager can be contacted if the environment has slipped out of optimum.

CHC will use hand watering in most cases, with automated systems in limited use outfitted with spaghetti line fed off a hose with one-inch header no-drip emitters, using valves to adjust flow levels on each feed. Nutrient solutions are stored in large, sterilized plastic barrels; sophisticated, flexible, pump-timer plumbing systems are used to get water from reservoir rooms to plants. CHC will use an automatic nutrient delivery system calibrated through experience in order to provide nutrients in precise amounts to ensure that each batch of medicine is consistent.

CHC is committed to the environment and will use solar and passive systems that cool the air by running water through a coil that air is blown over, which may save electrical costs. We will employ one 16-inch oscillating fan for every four lights, which increases air circulation. Air blowing on plants causes thicker stalk development, better nutrient circulation, healthier plants, and increased yield.]

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.

[CHC will test its medical cannabis using its own onsite calibrated lab equipment installed and maintained by trained certified technicians. CHC will purchase the equipment and install it in its clean room, and will test for potency of THC and THC-A, CBD, possible CBG and CBN, as well as contaminants and pesticides, with the overall goal to ensure quality and safety of its herbal products.

CHC will use lab practice recommendations developed by the American Herbal Products Association (AHPA). Samples will be collected and analyzed based on protocols developed by the Director of Laboratory Operations. A minimum total sample of 3g is required to perform moisture, microbiological and cannabinoid analysis. Moisture present in herbal products is a primary determinant of the ability of microorganisms to thrive and rise to harmful levels post distribution, and specifications for water content between 5-10% are followed using thermogravimetric analysis. Using a Rapid Microbiological Testing System designed to detect microorganisms in a variety of substrates including nutraceuticals, foods, beverages, cosmetics, and pharmaceuticals, the system will elicit a fail response when specific thresholds are met, typically total aerobic bacteria <10,000 cfu/g, combined yeast and mold <1000 cfu/g, enterobacteria <100 cfu/g, E. coli <1 cfu/g, Salmonella <1 cfu/g.

The choice of instrumentation used to perform quantification of cannabinoids is critical to accurately determining potency. High performance liquid chromatography (HPLC) allows cannabinoids to be resolved and quantified in both their acidic and neutral forms with zero loss or change to chemical composition allowing the most accurate quantification of potency possible. In raw plant material cannabinoids, particularly d-9-THC, primarily exist in their non-psychoactive acidic form (d-9-THC-A-A).

The proposed methods for detecting pesticide residues utilize enzyme linked immunosorbent assays (ELISAs), which allow the detection of organophosphates, carbamates, pyrethroids, and abamectins. Individual compounds and related limits of detection are still being developed. Following testing, all plant material unused in analysis is incinerated at 850°C for two hours in an ashing furnace.

CHC will take every measure of precaution to maintain quality control of all products, and specifically the herbal products by using an Integrated Pest Management Techniques (IPMT) to avoid pests and the need to use pesticides. IPMT processes are employed in the best commercial growing environments, including Remedy Compassion Center in Maine, and feature a wide range of processes to ensure cleanliness and quality in all garden and surrounding areas.

Plants will be inspected daily with a magnifying glass and we will use microscopes and pathogen test kits to examine clones, clone mothers, grow medium, nutrient water, and the general grow environment, ever alert to even the most minor indicators of disease or pests. If there is any sign that plants are infected with plant pests, affected plants are removed immediately to the appropriate quarantine room and a Yellow Warning Report will be generated and given to the Cultivation Manager. The team will remediate the plants with natural predators and not with pesticides before returning the plant back to cultivation, or will be destroyed. All plants will be left in an isolated treatment room until completely cured of pest and or disease.]

- 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.

[CHC has developed a detailed plan for the disposal of excess or damaged plants or products.

We intend to maintain inventory levels of approximately 30 days on hand; if we exceed this level, we will sell excess inventory through the wholesale market to other RMDs. In compliance with MA law, CHC will only provide wholesale sales to another RMD when a documented emergency situation occurs such as loss of crop, vandalism, or theft, or other circumstance as approved by the Department.

In addition, CHC will offer proprietary strains that offer optimal benefits for particular ailments. It is likely that patients using another RMD, upon finding these strains particularly effective, may formally request that offering at their local RMD. CHC will provide a wholesale supply of excessive crop for the requested product if the acquiring RMD provides documented evidence that a qualifying patient's need cannot otherwise be met by their facility. CHC will ensure that the distribution to all other RMDs does not exceed, cumulatively, 30% of the RMD's total annual inventory.

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

All waste, including waste composed in whole or part of finished marijuana and MIPs, will be stored, managed, and secured in accordance with applicable state and local statutes, ordinances and regulations. CHC will store damaged, unusable marijuana product inside locked, odor-limiting receptacles in a limited access area within the facility, equipped with electronic locks and video surveillance. All entry/exit to such areas will be monitored using an advanced access control system.

Damaged plants will be disposed of in the same manner as solid waste. A detailed log will be maintained of all damaged and/or unusable product scheduled for destruction, and will include the date, type and quantity disposed of, the manner of disposal, and the name and signature of the dispensary agent authorized to conduct the destruction.

As required by MA law, solid waste will be disposed of in the following ways:

- Through incineration in a commercial or municipal waste combustor in Massachusetts holding a valid permit issued by the Department of Environmental Protection (DEP), witnessed and documented by no fewer than two dispensary agents.

- 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, witnessed and documented by no fewer than two dispensary agents.
- Grinding and incorporating the medical marijuana waste with solid wastes such that the resulting mixture renders the medical marijuana waste unusable. Once such medical marijuana waste has been rendered unusable, it will be either disposed of in a solid waste management facility that holds a valid permit issued by the DEP or by the appropriate state agency in the state in which the facility is located or, if the material mixed with the medical marijuana waste is organic material as defined in 310 CMR 16.02, the mixture will be composted at an operation that is in compliance with the requirements of 310 CMR 16.00.

Any liquid waste resulting from the MIP production process will be disposed of in compliance with requirements for discharge into surface water, groundwater and sewers, or disposed of in an industrial wastewater holding tank in accordance with 314 CMR 18.00.

When marijuana or MIPs are disposed of, CHC will create and maintain a written record of the date, the type and quantity disposed of, the manner of disposal, and the name and signature of persons present during disposal. Disposal records will kept for at least two years.]

- 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.

[CHC will dispense medical cannabis in the following forms, in addition to dried, cured cannabis flowers for smoking and vaporizing:

- Cannabis-infused glycerin tinctures and alcohol tinctures for sublingual delivery.
- Cannabis infused capsules.
- Cannabis-infused butter and cannabis-infused oil for food preparation.
- Foods prepared with cannabis-infused butter and cannabis-infused oil. The food items, primarily cookies and brownies, will be prepared initially with commercially packaged items mixed with cannabis infused butter or oil. As operations and the patient base grow, the commercial kitchen will be expanded to include items specially prepared by our baker.
- Cannabis-infused skin cream made from cannabis-infused preparations specially designed for topical application.

CHC will ensure that all processing of the leaves and flowers of the female marijuana plant will take place in a safe and sanitary manner. The leaves and flowers used for processing will be well cured, free of seeds, stems, dirt, sand, debris, and other foreign matter. In order to ensure sanitary conditions and prevent contamination, CHC intends to construct multiple MIP processing areas, specifically a commercial kitchen and extraction room. The food processing area will be constructed with FRP (fiber reinforced plastic) wainscoting on walls to create an area designed to maintain a clean environment. In addition, CHC will utilize food-grade, stainless steel tables to prepare and handle medicine. Food processing areas will meet or exceed all requirements for commercial kitchens.

All product packaging will take place in the limited-access packaging and labeling room. Access will be limited to dispensary agents whose duties are directly related to packaging and labeling. The CHC security system will track and log each time a dispensary agent enters and exits the packaging and labeling room, allowing for further access control and monitoring. Also, the packaging and labeling room will be equipped with video cameras covering all areas where marijuana is processed, prepared,

stored, and handled. Cameras will be angled to insure capture of clear and certain identification of any person entering or exiting the room.

All products, including cannabis-infused baked goods, capsules, tinctures and topical treatments will be prepared in a processing facility that complies with the Good Manufacturing Practices for Food and food handlers, as well as the Reportable Diseases, Surveillance, and Isolation and Quarantine Requirements as described below.

In accordance with Good Manufacturing Practices for Food, the source of water used in the MIP production areas of CHC will be from an approved source meeting the quality standards set forth by the Department of Environmental Protection. Additionally, the CHC will only use food products from approved and known sources, and will maintain product temperature sufficient to house such products.

CHC will provide sufficient space for the placement and storage of equipment and materials for the maintenance of sanitary operations. A commercial refrigeration and freezer unit will be used as necessary to store MIP products. All equipment, utensils and food contact surfaces involved in the MIP processing operation of CHC will be cleaned and sanitized effectively and on a consistent basis.

CHC is committed to maintaining a sanitary environment. CHC will implement policies and procedures designed to prevent contamination of RMD areas, particularly those housing MIP production, from sewage or liquid waste. Any liquid waste resulting from the MIP production process will be disposed of in compliance with requirements for discharge into surface water, groundwater and sewers, or disposed of in an industrial wastewater holding tank in accordance with 314 CMR 18.00. Toxic items will be properly labeled, stored and used by approved staff of CHC.

CHC will provide toilets and hand-washing facilities that are properly installed and designed, accessible, and convenient. Hand-washing facilities will be furnished with running water at a suitable temperature. They will be located in MIP production areas and anywhere good sanitary practices require employees to wash and/or sanitize their hands. They will provide effective hand-cleaning and sanitizing preparations and suitable sanitary drying devices.

CHC will contract with a pest management firm to regularly and diligently ensure that insects, rodents, or other animals will not be present on the premises.

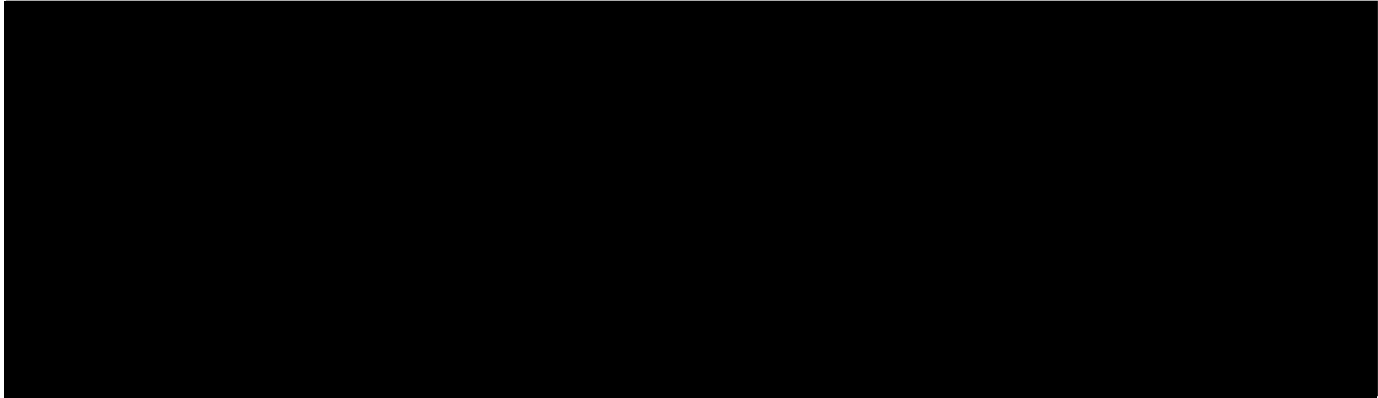
CHC will store and transport all MIPs under conditions that will protect them against physical, chemical and microbial contamination, as well as against deterioration of MIPs or their containers. All MIPs will be stored in airtight, vacuum-sealed containers, and nitrogen-packed to protect against contamination or deterioration. In addition, CHC will install HEPA air filters throughout the facility to reduce microorganisms in the air.

CHC will identify all perishable and semi-perishable MIPs by a "sell by date" or a "best if used by date," accompanied by disclosure of recommended product storage conditions, if such conditions significantly affect the validity of such a date.

CHC will identify all frozen and refrigerated MIPs by a "sell by date" or a "best if used by date," accompanied by disclosure of recommended product storage conditions, if such conditions significantly affect the validity of such a date. Frozen and refrigerated MIPs destined for direct consumer use will be securely packaged, under sanitary conditions, in a plain, opaque, tamper-proof and childproof container with labels indicating the contents and medicinal dosage without depictions of the product, cartoons, or images other than the RMD's logo. Edible MIPs will not bear 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.

[CHC has developed detailed Inventory policies and procedures based on best practices in the retail and medical marijuana industries.



Seed-to-Sale Tracking

For inventory management, among other things, CHC plans to utilize BioTrackTHC. BioTrack is a fully integrated Point of Sale (POS), Inventory Control, Growhouse Tracking, and Patient Management system and is one of the only complete seed-to-sale systems available on the market today. This software has been specifically designed to serve registered medical marijuana dispensaries.

From an inventory control perspective, BioTrack supports ordering, receiving, storing, sales, adjustments, labeling, disposal of unusable medicine, and audits. BioTrack fully supports the recording and tracking of the daily beginning inventory, daily ending inventory, acquisitions, harvests, sales, disbursements, and disposal of unusable marijuana. Records are retained indefinitely. It is a true seed-to-sale POS solution.

Robust inventory reports in the POS system show current inventory levels. Each product has a unique transaction history that shows every sale and addition/removal from inventory, as well as a date/time stamp and the user ID of the dispensary agent who executed the transaction. Customizable entries designate reasons for inventory adjustments. Only users with Administrator access levels are able to view inventory reports. Sales and inventory reports can be generated and customized based on a wide variety of data fields. All purchase transactions are tied to individual patient records.

On the cultivation side, with BioTrack, every plant is given a barcode. This barcode allows us to track every strain in our facility. Every grow room also has a barcode and is also associated with growth phase, so the system knows which rooms are for Vegetation, which are for Flowering, etc. If plants are ever moved from one room to another without documentation, you can do a plant room audit by scanning the plants in each room, and it will tell you what you still have in each room and what used to be in that room. You can quickly reconcile at that point.

This system enables a complete employee chain of custody tracking for inventory, from seed to sale, allowing management to see which employees have handled the product every step of the way.

The IM will conduct and document an audit of the dispensary's inventory, using generally accepted accounting principles, at least once every 30 calendar days. At a minimum, per regulations, documentation will include the date of the inventory, a summary of the inventory findings, and the names, signatures, and titles of the individuals who conducted the inventory. (Our inventory counts will reflect a great deal more information.)

Should any material reduction in the amount of medical marijuana in the dispensary's inventory occur, CHC will determine where the loss has occurred and take and document corrective action. All losses and/or disappearances must be reported to the Security Manager to determine whether an Incident Report is required.

In addition to a Monthly Inventory Count, the IM conducts a Vault Count once a week. The Vault Count is a physical count of all inventory contained in the vault and helps maintain stricter controls and resolve potential problems more quickly.

CHC's staff will also perform a physical inventory count of all medicine on the inventory shelf reconciled by the IM with the Inventory Shelf Report. The Inventory Shelf Report is a custom POS report that takes the stocked amount – total amount moved from location A (the vault) to location B (the inventory shelf at the service counter) – and subtracts sales. (The Inventory Shelf Report does not include medicine in the vault, as that will be physically counted once a week and compared to the Inventory Vault Report.)

Preventing Diversion

CHC will prevent diversion in the following ways:

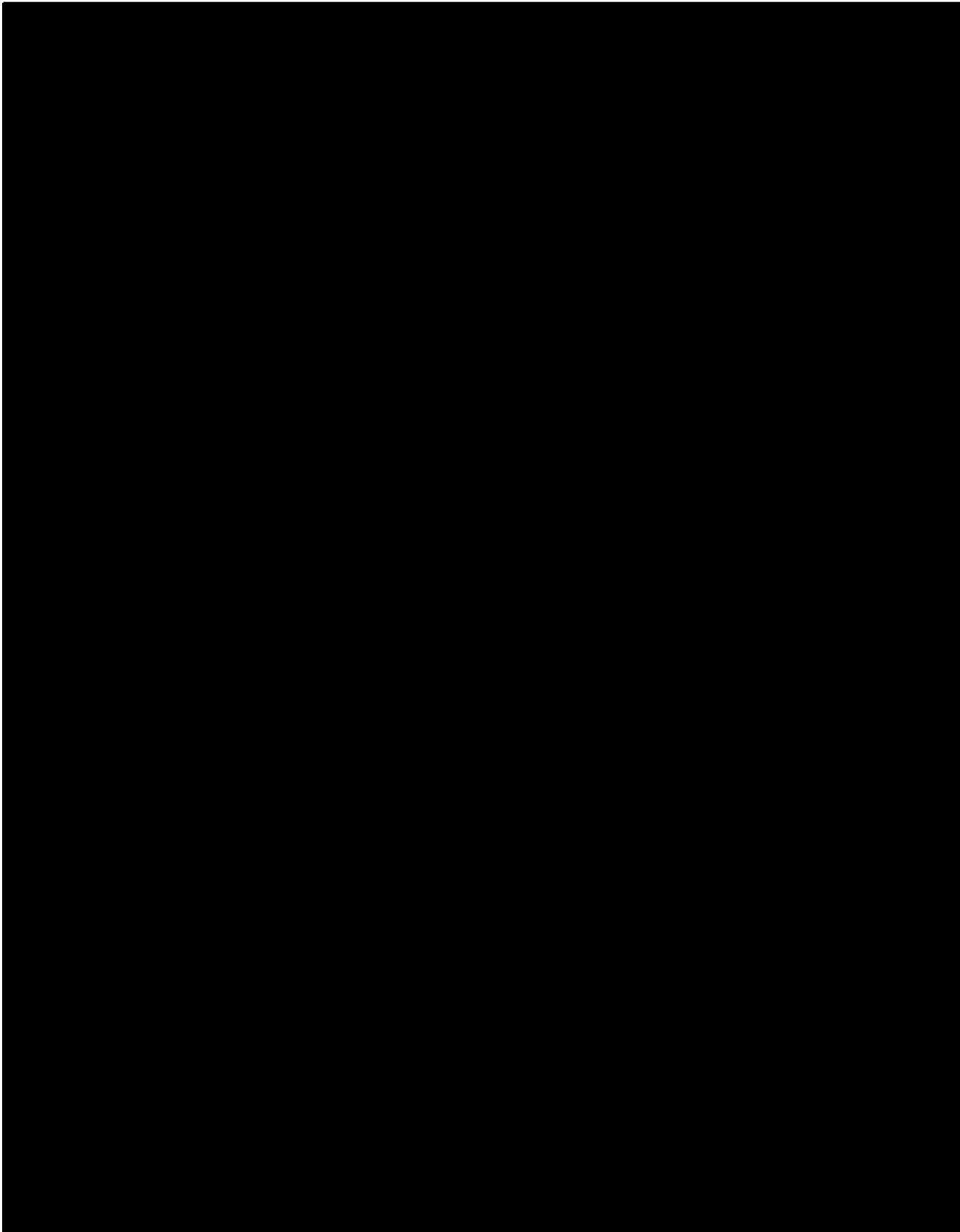
Set Appropriate Pricing. When prices are set too far below the midpoint of current scale, dispensaries may unintentionally open the door to “black market” purchases. Through its responsible pricing practices, CHC will support state law by discouraging diversion.

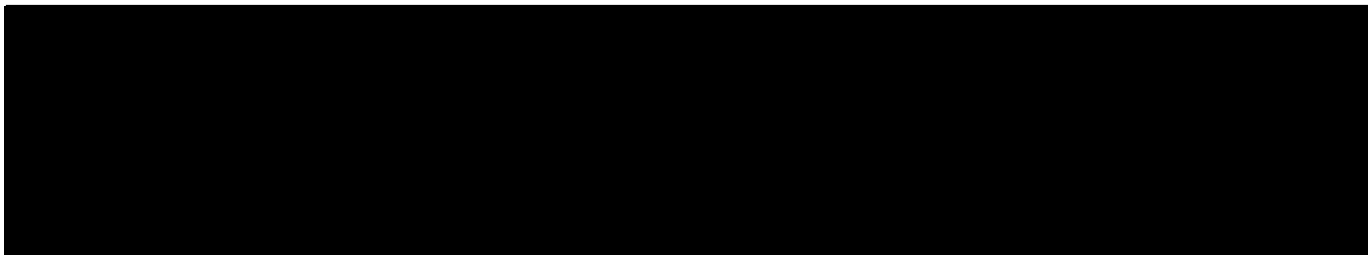
Security Department – Through identifying, installing, and maintaining the right equipment, protocols, and personnel, diversion can be prevented.

Allow Access Only to Qualified Patients– Through the use of a sophisticated integrated patient database and POS system and proper training, CHC will ensure that every dispensary agent enforces the requirements for dispensary access and patient purchases. Only qualified, valid patients and caregivers will be permitted to purchase medicine at our dispensary. In addition, every staff member completes training on diversion detection/prevention techniques as part of new employee orientation.

Strict Inventory Controls & Analysis – Real time reporting about the state of our inventory through a seed-to-sale POS system, combined with oversight and analysis can help resolve issues before they become problems.]

- 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.

[CHC will serve the Worcester community and immediate surrounding areas. We have conducted several analyses to identify the makeup of our potential patient population and have ultimately defined our service area as a 20-minute drive time radius extended south and a 30-minute drive time radius extended north around our proposed location. Demographic analysis of our projected patient population was derived using US Census data, local market research data, and public health data. We also have compared these findings to market statistics available from Arizona's Medical Marijuana Act Monthly Reports as well as Colorado's Medical Marijuana Registry, both of which provide insight into the potential patient demographic composition within MA.

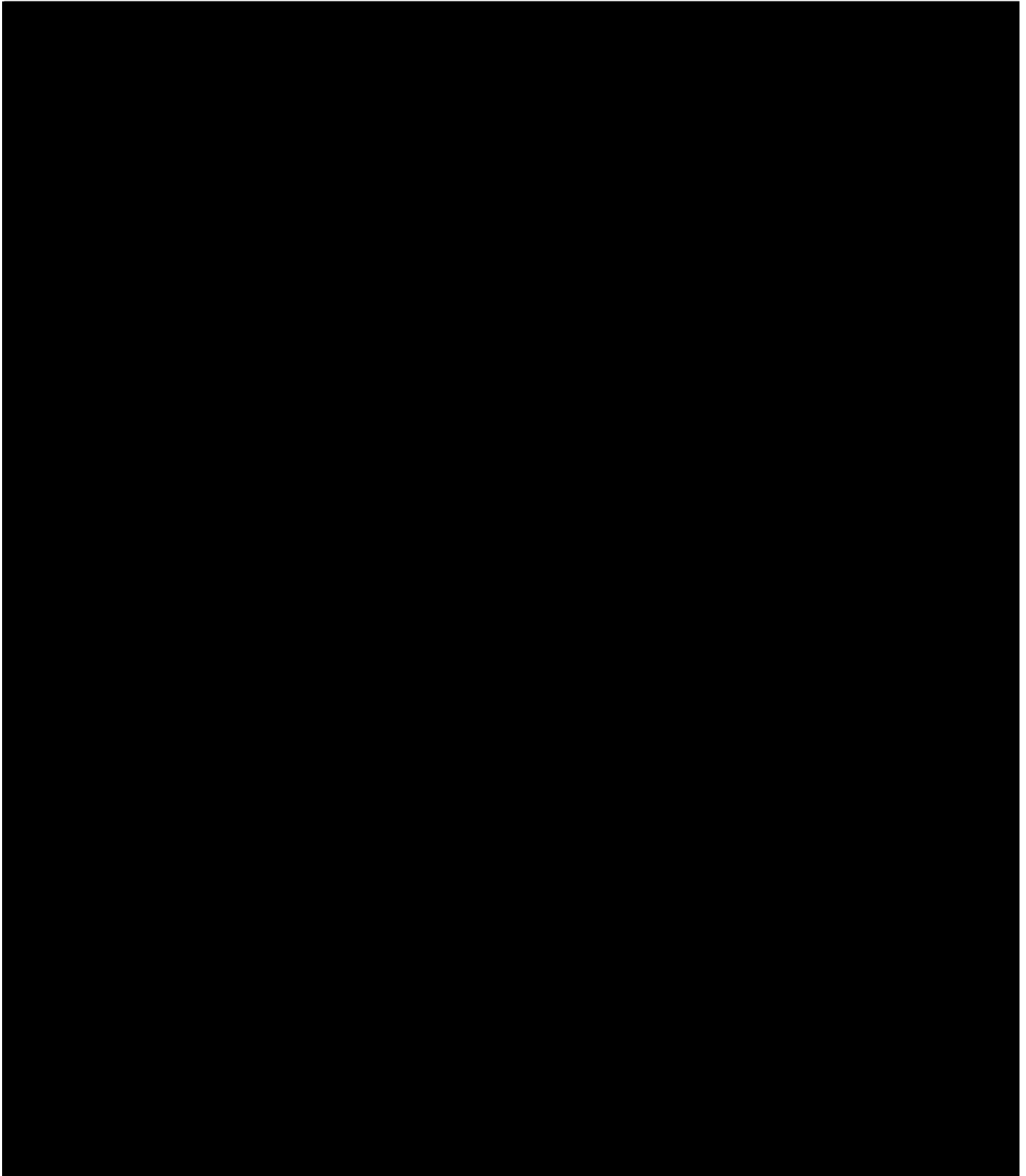
As seen in other medical marijuana markets, we expect the number of registered patients in MA to reach approximately 2% of the population, or 130,000 patients, within the first five years of operations. These patients will likely be coping with a variety of conditions for which they seek the help of our dispensary, including cancer (2.6% of patient population), chronic pain (83.5% of patient population), and, in many cases, multiple related conditions (22.1% of patient population). To best serve these patients, we intend to ensure a selection of strains with high CBD-content and an extremely knowledgeable staff to help educate each patient in choosing the right medicine for him or her. We will also ensure our mix of patient services reflects the diversity of the conditions we could be helping to address across our patient population, by ensuring access to a wide range of health information and forming functional alliances with local advocacy and health groups that specialize in the treatment and management of these conditions.


We expect a majority proportion of our patients will be male (70% male) and on average 40 years old. We expect our patients will come from diverse backgrounds; US Census data suggest that within our defined service area of 205,596 people, 81.2% of the population are Caucasian, 3.8% are African American, 17.8% are Hispanic, 3.8% are Asian, and 8.1% are other races. We will meet the needs of our diverse patient population by focusing on diversity within our staffing practices, as patients respond and relate to staff that reflect the patients' characteristics. We will enlist the assistance of culturally-competent medical professionals with expertise in delivering health and wellness services to diverse populations, as cultural beliefs and health philosophies play a large role in determining how best to address patients' chronic conditions and diseases.

The diversity of this population also suggests a need for multi-lingual services. For example, 11.5% of Worcester residents speak a language other than English at home, and 4.5% of residents speak English less than very well. Languages spoken include Spanish, Indo-European languages, and Asian and Pacific Islander languages. We will make translators and translated patient education materials available to all patients in a timely and respectful manner.

Finally, we expect the economic composition of our patient population will be largely middle-class. The average household income in our community is \$64,159. Therefore, we expect a modest proportion of our patient population to require services in the context of their financial hardships. Our Compassion Program, described elsewhere in this application, will help to address these concerns.]

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.

[CHC will implement recordkeeping policies and procedures, including the tracking of patient records, purchases, denials of sale, any delivery options, confidentiality and retention. In addition, CHC will implement recordkeeping policies and procedures to ensure that records are maintained as required in any section of 725.000. Specifically, CHC will maintain the following records:

- Operating procedures including security measures, employee security policies, storage of marijuana, recordkeeping and inventory protocols, plans for staffing and quality control, emergency procedures, drug-free workplace policies, patient education description, pricing standards and procedures, production and distribution policies and procedures, as required by 725.105(A)
- Inventory records as required by 725.105(G)
- Seed-to-sale tracking records for all marijuana and MIPs as required in 725.105(G)(5)
- Personnel records that include job descriptions, a personnel record for each dispensary agent that includes a copy of the dispensary agent application submitted to DPH, performance evaluations, documentation of all required training and verification of reference, a staffing plan, personnel policies and procedures, and all CORI reports obtained in accordance with 725.030(C)
- Business records including assets and liabilities, monetary transactions, books of account, sales records, and salary and wage information
- Waste disposal records as required by 725.105(J)(5)

CHC will utilize BioTrack – an encrypted, secure electronic patient database that is strictly controlled and continually backed up to store required patient records.

A patient record will be established and maintained for each qualifying patient who obtains marijuana from the dispensary. All entries made to the qualifying patient record will be dated (date and time) and signed (electronically) by the authorized dispensary agent making the entry and will include the dispensary agent registry identification number. An entry within the patient record will be made to reflect each purchase, denial of sale, and educational materials provided.

Since the DPH Electronic Dispensing & Registration System will not be configured to interface with existing POS systems, [RMD] will manually access and consult with the DPH web-based system hosted by the Commonwealth within the Virtual Gateway. Information that must be verified and/or updated to the system, including transaction information, will be done so manually during the patient check-in and/or sales process.

All systems accessed by dispensary agents will be password protected. In addition, each authorized dispensary agent will be assigned a unique code that will be used as their electronic signature. A record will be kept of all logins and records created or edited during that login time. Any paper documents that require retention will be stored in a locked cabinet with access limited to the Patient Services Manager and General Manager. Any hard-copy information not stored will be shredded and disposed of in a secure receptacle.]

- 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.

[Our patients suffer from a wide range of conditions that can often inhibit a patient's ability to earn income and afford medicine to manage his/her health. At the same time, we believe strongly in an individual's right to personal health empowerment through access and knowledge. In this spirit, CHC plans to provide free and reduced cost marijuana on a sliding scale to patients with verified documented financial hardship.

Individuals will be made aware of CHC's Compassion Program during registration as a dispensary patient. To be considered for the program, patients must be residents of Worcester County or an adjacent county and must complete a Compassion Program Registration Form. This form will document the extent to which a patient is experiencing financial hardship as well as medicinal preferences and needs. All patients applying to the Compassion Program must provide copies of documentation of received benefits and/or the two most recent paystubs for each member of the household earning income.

Specifically, the Registration Form will be used to determine patient eligibility using standards established by the Department of Public Health. A patient must either be a recipient of MassHealth or Supplemental Security Income, or have a gross annual household income of less than 300% of the federal poverty level, adjusted for family size.

Our Patient Services Manager will then conduct a mandatory one-on-one consultation with the patient to determine the extent to which reduced cost medicine will be made available to him or her.

The following guidelines will be used to make this determination: (A) Is the patient a recipient of MassHealth? If yes, 1 point. (B) Is the patient a recipient of Supplemental Security Income? If yes, 1 point. (C) Is the patient's annual gross household income less than 150% of the federal poverty level for the current year? If yes, 2 points. (D) Is the patient's annual gross household income between 151% and 300% of the federal poverty level for the current year? If yes, 1 point. Any single patient is eligible for up to four (4) points.

CHC has established the following sliding fee scale based on patients' eligibility for discounted medicine: 4 points / patient responsible for 50% of cost for medicine beyond free 1.0 gram of marijuana flowers or the equivalent in non-smoked medicine products every week; 3 points / patient responsible for 70% of cost for medicine beyond free 1.0 gram of marijuana flowers or the equivalent in non-smoked medicine products every week; 2 points / patient responsible for 80% of cost; 1 point / patient responsible for 90% of cost. After analyzing the demographics of the population within our service area, we anticipate that 52% of our patients will qualify for reduced cost marijuana and 15% will be eligible for a free weekly gram of medicine.

Providing free and reduced cost medicine to patients with financial hardship is core to our mission. However, we also know that offering medicine at below market rates can create an incentive for diversion. To mitigate this risk, we have limited the amount of free medicine per patient and will establish weekly limits on the volume of medicine that can be obtained at a discount, with special consideration given during the consultation for the patient's medication schedule and preferred method of consumption. In addition, to prevent patients from traveling across the state to get around their consultation limits, we have limited the counties from which patients can qualify for the Compassion Program.

Once the terms of the patient's participation in the Compassion Program are established, the patient will be required to adhere to the terms of our Patient Handbook. Membership in the Compassion Program must be renewed every three months and will require a review of eligibility standards and completion of an updated Compassion Program Registration Form.]

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.

[CHC will ensure the availability of an adequate supply of up-to-date educational materials. These materials will be available in languages accessible to all patients we serve, as well as for the visually- and hearing-impaired. These materials will be made available for inspection by DPH upon request.

Each patient and caregiver who registers for membership at CHC will receive his or her own copy of our Patient Handbook. The contents of the Handbook will be reviewed in detail with every patient during the patient orientation and registration process. The Patient Handbook contains a wide variety of topics to educate patients about CHC, including:

- Rules and regulations to abide by from state and local laws;
- Research studies on health effects;
- A warning 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 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;
- Tools for tracking the strains used by patients and their caregivers and their associated effects;
- Information describing the impact of potency and its role in determining proper dosages and titrations for different routes of administration;
- A discussion of tolerance, dependence, and withdrawal;

- Facts regarding substance abuse signs and symptoms, as well as referral information for substance abuse treatment programs;
- A statement that registered qualifying patients may not distribute marijuana to any other individual, and that they must return unused, excess, or contaminated product to the RMD from which they purchased the product, for disposal; and
- Any other information required by DPH.

CHC staff members are committed to providing patients accurate information on the health effects of medicinal marijuana. All staff members will complete medicinal marijuana risk and benefit training, conducted through the use of a PowerPoint presentation entitled, "Marijuana: Benefits and Risks."

The PowerPoint presentation is used with permission and was compiled by Amanda Reiman, M.S.W., Ph.D. Dr. Reiman conducted the first-ever research study to examine how medical marijuana dispensaries operate as community health service providers. She earned her master's degree in social work from the University of Illinois, Chicago, in 2002, and her Ph.D. in social welfare from the University of California, Berkeley, in 2006. Dr. Reiman is currently a Policy Manager at the Drug Policy Alliance and previously served as the director of research for Berkeley Patients Group, a lecturer in the School of Social Welfare at UC Berkeley, and the chairwoman of the Medical Cannabis Commission for the City of Berkeley. She is also a core instructor for the "Putting Patients First Training" provided by Americans for Safe Access.

CHC's Director of Medical Operations will monitor medicinal marijuana research to ensure that CHC provides its patients with the most accurate information related to the health effects of medicinal marijuana, and that the content contained in the Patient Handbook is accurate and up-to-date.

CHC will also provide educational materials from Americans for Safe Access (ASA). ASA has compiled a number of educational booklets covering a range of medicinal conditions and the efficacy of medicinal marijuana in treating these conditions.

These booklets are concise summaries for the administration of and current research regarding the application of medicinal marijuana in treating the associated condition. They contain clinical as well as anecdotal evidence on the efficacy of medicinal marijuana treatments and include citations of relevant research materials for further reading. These booklets will be available to all patients free of charge.

Booklets will be available for these specific conditions:

- Gastrointestinal Disorders and Medicinal Marijuana
- Chronic Pain and Medicinal Marijuana
- Multiple Sclerosis and Medicinal Marijuana
- Cancer and Medicinal Marijuana
- Arthritis and Medicinal Marijuana
- Movement Disorders and Medicinal Marijuana
- HIC/AIDS and Medicinal Marijuana

- Aging and Medicinal Marijuana]

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.

[CHC's brand identity will convey our commitment to professionalism and the health and wellness of our patients. Our branding will differentiate us from less mainstream dispensaries that align more with the drug counterculture. In this spirit, our logo does not use medical symbols, images of marijuana, related paraphernalia and colloquial references to cannabis and marijuana. Instead, our design features inviting colors and imagery associated with a welcoming and safe approach to serving patients.

We will apply these same principles to designing our external signage. We will display conservative signage, only illuminated for a period of 30 minutes before sundown until closing, that identifies our RMD as a health and wellness center and demonstrates compliance with all local and state signage requirements. In addition, advertisements for marijuana, brand names, and/or graphics related to marijuana or paraphernalia will not be displayed on the facility's exterior.

For our broader advertising approach, we expect to spend approximately 2-3% of gross monthly revenue on advertising and marketing costs in our first year of operations. Advertising will be primarily educational and focus on the legality, safety, and availability of medical marijuana. We will employ a marketing firm and will use printed materials and flyers, external signage, advertising practices, and outreach and promotional materials as recommended by the firm.

CHC will ensure that all advertising materials produced by the RMD do not include any statement, design, representation, picture, or illustration that encourages or represents the use of marijuana for any purpose other than to treat a debilitating medical condition or related symptoms, including the recreational use of marijuana or portraying use by anyone under 18 years of age. In addition, any statement design, representation, picture, or illustration related to safety or efficacy of marijuana will only be provided if supported by substantial evidence or substantial clinical data with reasonable scientific rigor. The price of marijuana will not be advertised to the general public; registered patients will be able to access this information using a secure login feature on our website.

CHC will engage our patient population to evangelize on the dispensary's behalf. We will develop a formal referral program that encourages current patients to bring a friend or pass on information to a friend. This is particularly important, given that "friend" is the most common answer reported on new patient intake forms when patients are asked to indicate how they heard about a dispensary.

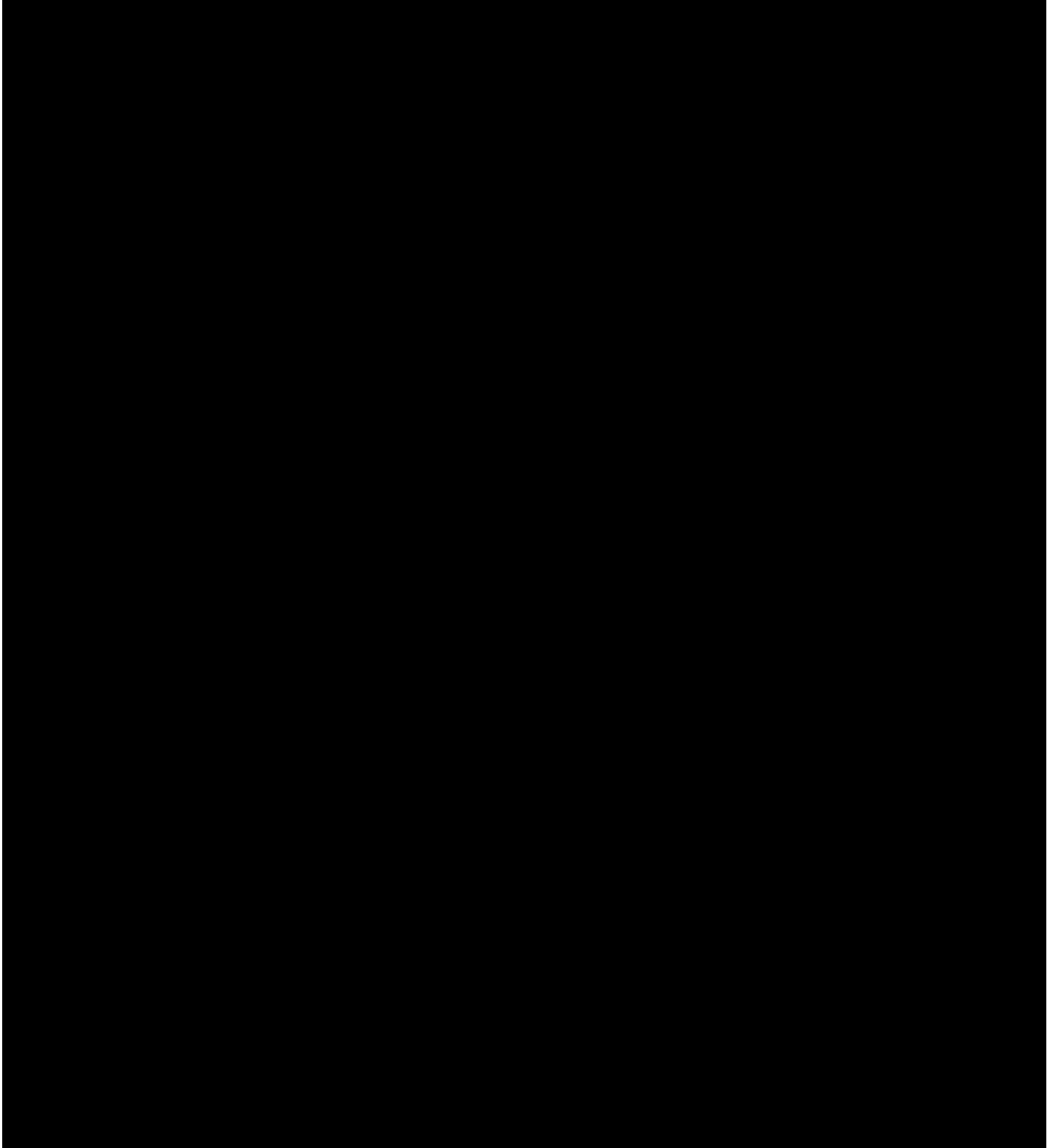
We will focus on increasing membership and patient loyalty by marketing to our patient base using permission-based, low-key marketing. Messaging will include on-site promotional materials, such as signs, flyers, newsletters and bulletins, as well as occasional e-mailed communications to patients who specifically opt-in. All printed materials will closely mirror our brand, which promotes health and healing, and comply with all marketing and advertising regulations.

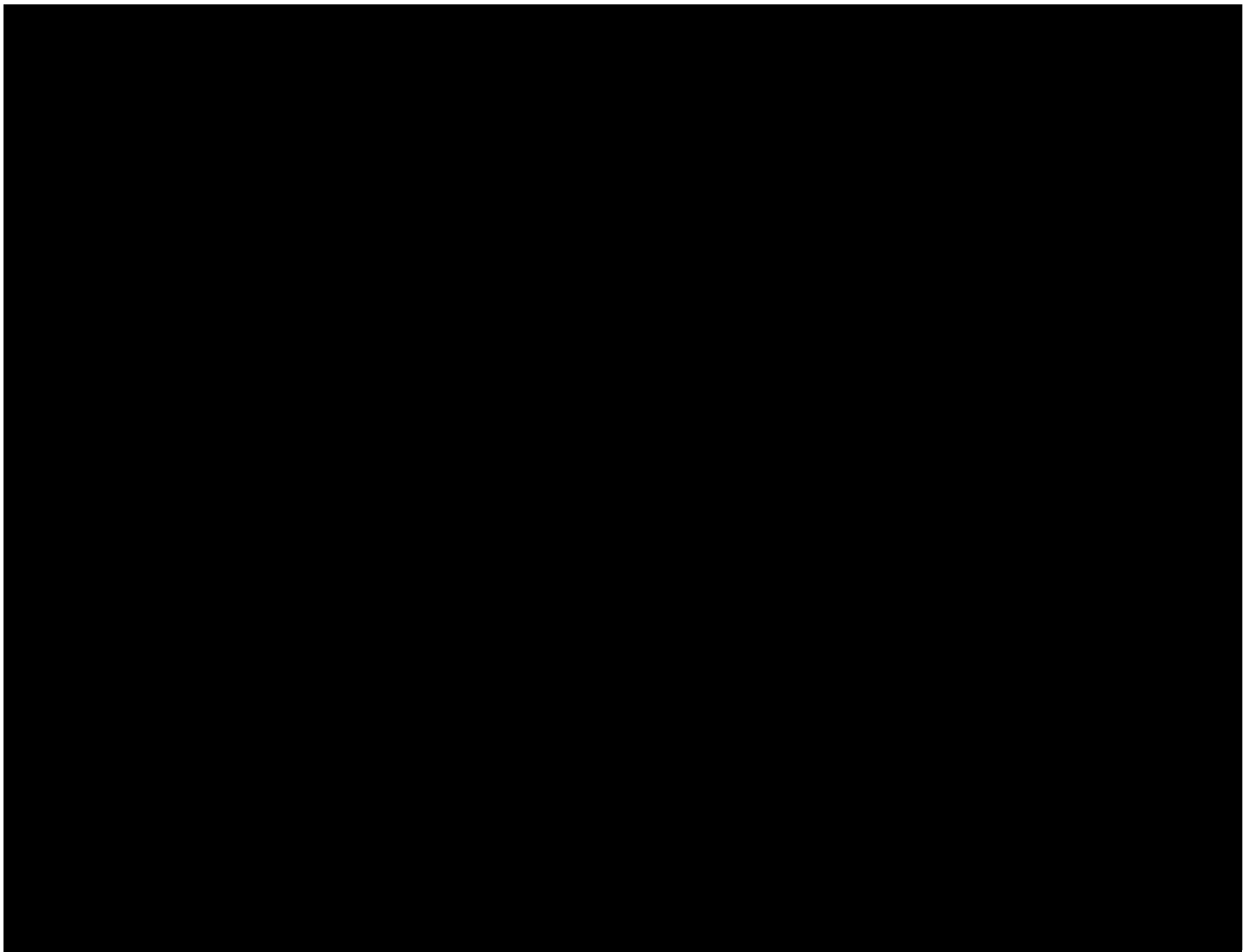
For our outreach approach, we will aggressively leverage social media websites and online search engine optimization to build brand awareness and brand loyalty beyond existing patients. This outreach will drive potential patients to our website, which will be used to more fully educate prospective patients about medical marijuana, the conditions it can help treat and the next steps for participating in the program.

We also will establish alliances with partners who are in contact with prospective patients (e.g., physicians, cancer support groups, hospice organizations, AIDS organizations) to increase awareness

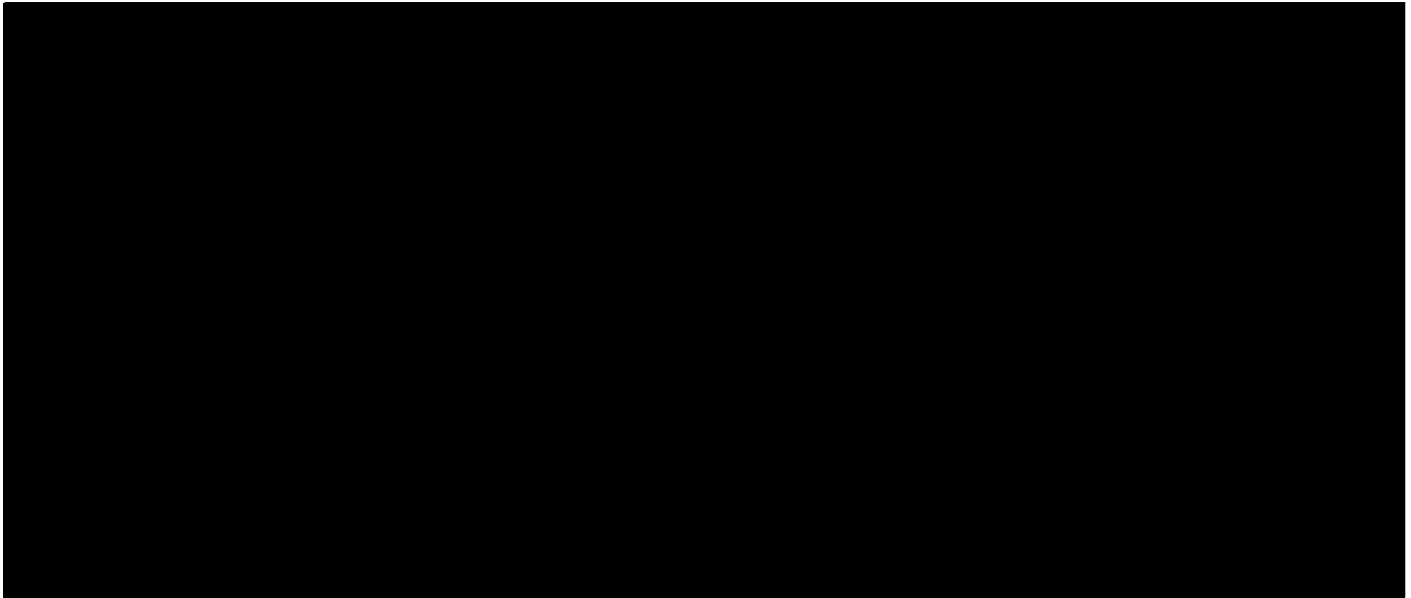
and generate a stream of referrals. A key part of this initiative will be educating partners on the benefits, legalities and processes involved with referring patients for medical marijuana use.]

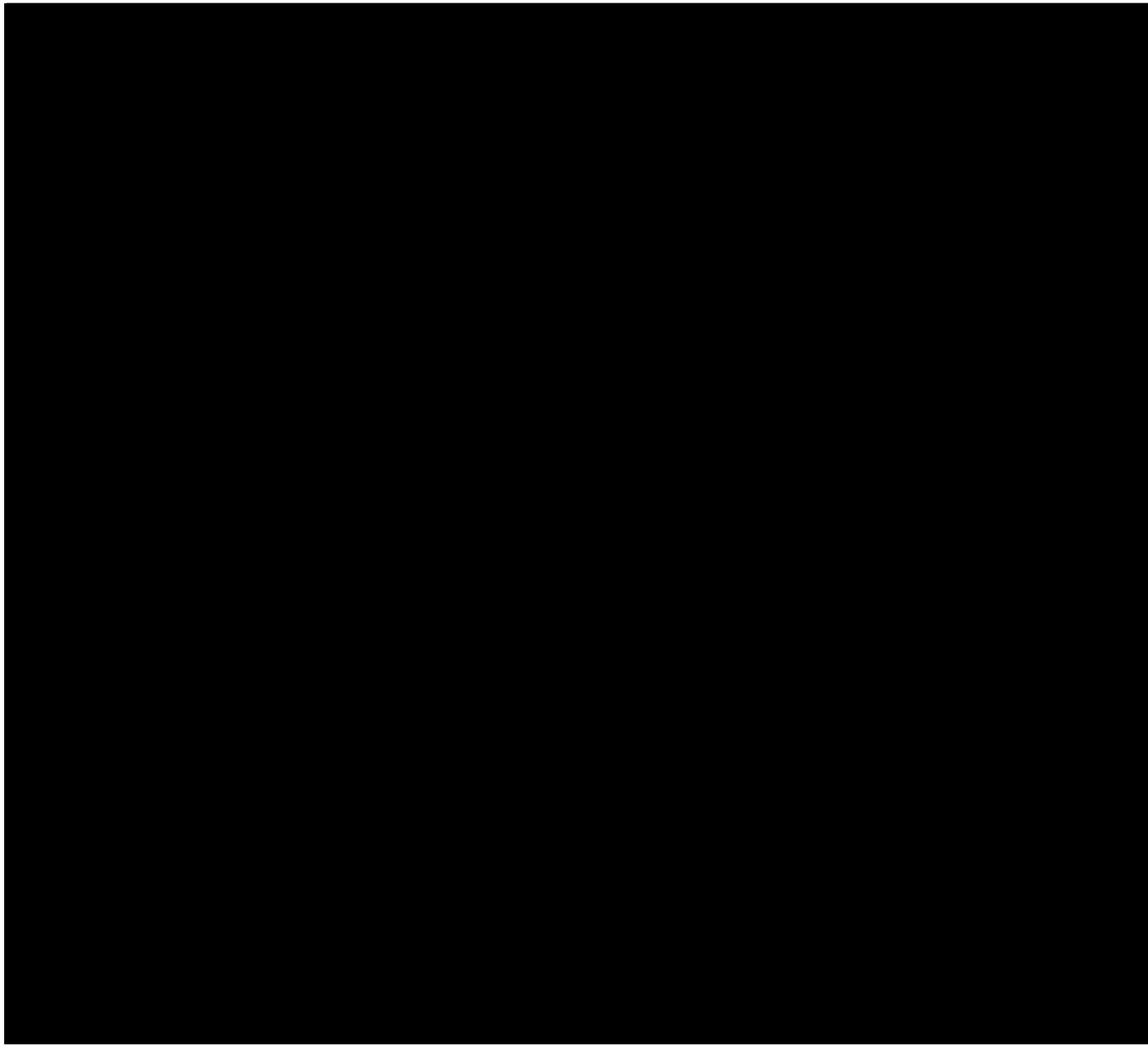
7.15 Describe the RMD's emergency preparedness procedures, including a disaster plan with procedures to be followed in case of fire or other emergency. Note that a copy of the safety and security procedures will be reviewed as a component of the provisional inspection process.





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





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

[Incident Management

CHC has developed a comprehensive incident management program, which is documented in our Security Operations Manual. The program outlines what must be reported, how to report it and to whom, when to report it, classifications of incidents, and recordkeeping.

The principal objectives with regard to safety and security of employees and property are to:

- Prevent violent incidents from occurring.
- Deal appropriately with each threat or violent act on a case-to-case basis.

- Minimize the risk of harm to employees, contractors, visitors, and others on premises.
- Improve the comfort level of employees.
- Communicate to employees our commitment to their safety and security.
- Protect property and assets.
- Prevent the diversion of marijuana.

Threats or acts of violence against persons or property will not be tolerated. Violations may lead to immediate dismissal, arrest, prosecution, and revocation of registration ID cards.

In actual cases of violence, whatever action is necessary should be taken to contain the incident, minimize personal risk to employees and others, and have the offending person(s) taken into police custody. No company policy, practice, or procedure should interfere with decisions designed to prevent a threat from being carried out, a violent act from occurring, or a life-threatening situation from developing.

A detailed Incident Report template has also been developed to make the process of reporting more efficient and more accurate, as well as to ensure compliance. Incident reports will be maintained indefinitely, but for a minimum of one year, and will be made available to DPH and applicable law enforcement upon request.

In brief, CHC will immediately notify appropriate law enforcement and DPH within 24 hours after discovering the following:

- Discrepancies identified during inventory, diversion, theft, loss, or any criminal action involving the 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;
- Any alarm activation or other event that requires response by public safety personnel;
- The failure of any security alarm system that is expected to last longer than eight hours and is due to a loss of electrical power or a mechanical malfunction;
- Any other breach of security;
- Any vehicle accidents, diversions, losses, or other reportable incidents pursuant to 105 CMR 725.110(F), that occur during transport.

In the following instances, within 10 calendar days, CHC will immediately provide written notice to the Department of any incident described in 105 CMR 725.110(F)(1), by submitting an incident report in the form and manner determined by the Department, detailing the circumstances of the event, any corrective actions taken, and confirmation that the appropriate law enforcement authorities were notified

Completing Incident Reports & Investigations

The incident report must be completed by the Security Manager immediately following the incident. It should include complete and accurate documentation, in case further investigation is required.

ORIGINAL

With a basic investigation, first conduct a verbal investigation with whoever is involved, then talk to others who may be involved who were named in the initial inquiry, witnesses, etc. Once the verbal investigation is complete, review the camera footage and attempt to narrow down who is involved.

When an employee is injured due to a hazardous condition or unsafe acts, the accident will be investigated and changes will be made if necessary. This is the responsibility of the Security Manager and General Manager.

All incidents will be documented on individual Incident Reports, but they are also tracked by type, location, and number of incidents on a monthly Incident Summary. There is one Incident Summary "By Type" and one "By Location." Incident Summaries are completed at each month's end and submitted to the General Manager, along with a copy of all Incident Reports for that month.]

REFERENCES (Exhibit 1.9)

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

Corporation Name: Compassion Health Centers, Inc.

Application # (if more than one): _____

	Name of Reference	Business Phone & Email	Relationship to Applicant	Dates of Relationship
1	John Budd	508-929-1634 jbudd@mirickoconnell.com	Business Colleauge	2013-Present
2	James Umphrey	508-755-0707 umphrey@kelleher-sadowsky.com	Business Colleague	2001-Present
3	Robert Wallace	617-423-2003 rw@wallace-property.com	Buisness Colleague	2007-Present

ORGANIZATIONAL CHART
(Exhibit 1.3)

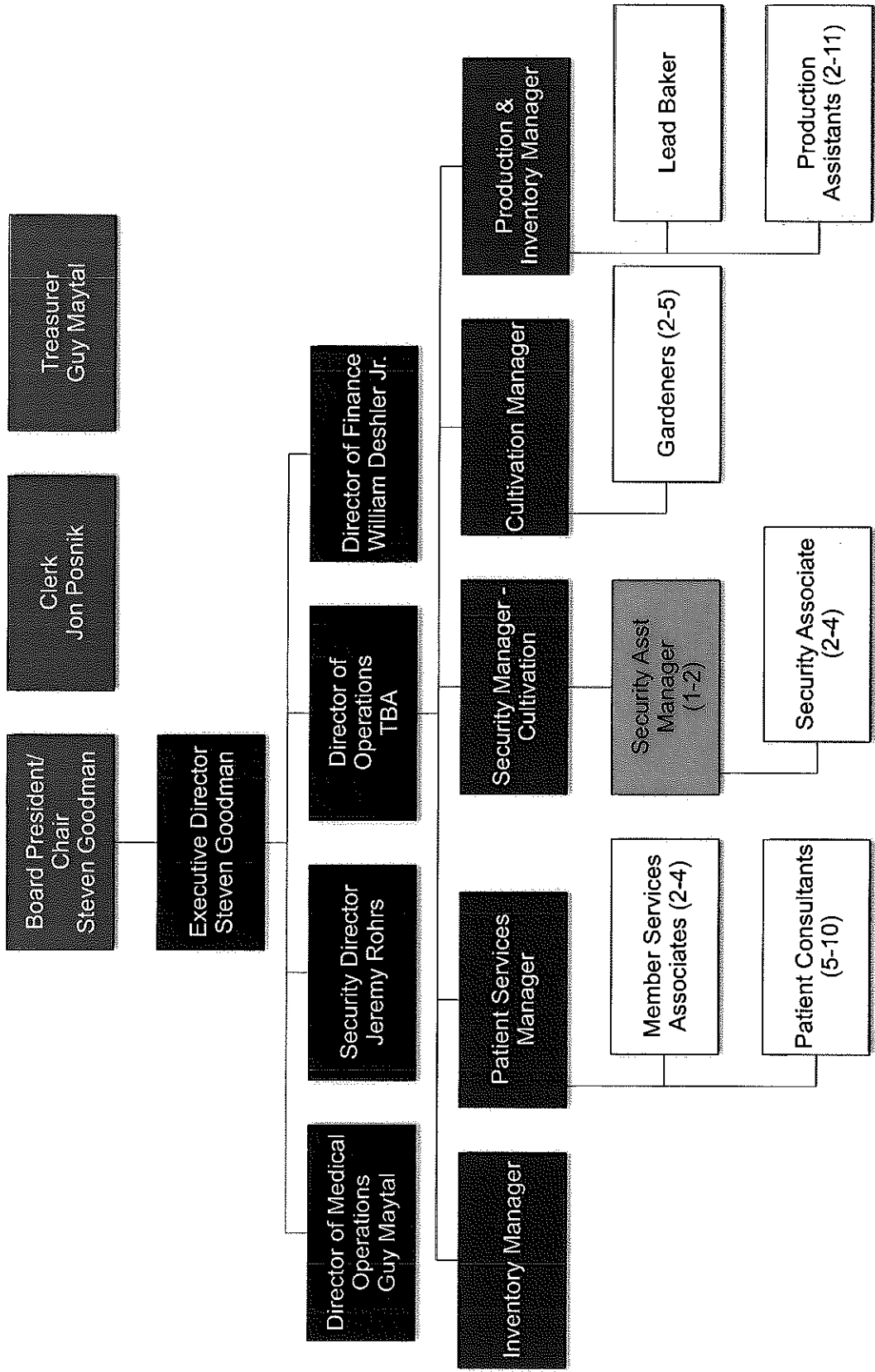
This exhibit must be completed and attached to a required document and submitted as part of the application.

Corporation Name: Compassion Health Centers, Inc.

Application # (if more than one): _____

Attach organizational chart.

COMPASSION HEALTH CENTERS, INC.
Organizational Chart



- KEY:**
- Board of Directors
 - Executive Management Team
 - Unit Management Level
 - Unit Assistant Management Level
 - Unit Associate Level

**BOARD OF DIRECTORS
(Exhibit 1.4)**

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

Corporation Name: Compassion Health Centers, Inc. Application # (if more than one): _____

	Board Role	Name	Date of Birth	Business Email	Business Address
1	President	Steven Goodman		sgoodman@gfipartners.com	133 Pearl St., Boston, MA 02110
2	Vice President/ Vice Chair	N/A			
3	Treasurer	Guy Maytal		guymaytalmd@gmail.com	90 Allston St., #2, Cambridge, MA 02139
4	Clerk	Jon Posnik		posnik_jon@yahoo.com	30 Oakridge Rd., Wellesley, MA 02481
5	Director	N/A			
6	Director	N/A			
7	Director	N/A			
8	Director	N/A			
9	Director	N/A			

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: Compassion Health Centers, Inc.

Application # (if more than one): _____

A. Member as Individuals

Individual Name	Business Address	Type of Membership Rights	If Member of Other RMD, Which One?
1 N/A	N/A	N/A	N/A
2			
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: N/A President/Chair: N/A Treasurer: N/A Clerk/Secretary: N/A	N/A	N/A
2	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: Compassion Health Centers, Inc.

Application # (if more than one): _____

Attach bylaws.

**BYLAWS
COMPASSION HEALTH CENTERS, INC.**

ARTICLE 1 / General Provisions

Section 1. Name.

The name of this nonprofit corporation is "COMPASSION HEALTH CENTERS, INC." and shall herein be referred to as "the Corporation."

Section 2. Offices.

The principal business office of the Corporation shall be at 133 Pearl Street, Suite 400, Boston, Massachusetts 02110. The Corporation may also have offices at such other places as the Corporation may require.

Section 3. Fiscal Year.

The fiscal year of the Corporation shall begin on January 1 and end on the following December 31 of each year.

Section 4. No Voting Members.

The Corporation shall have no members. The Board of Directors shall hold all powers of the Corporation. Any action or vote required or permitted by law to be taken by members of the Corporation shall be taken by action or vote of the same percentage of the Directors.

Section 5. Purpose.

The Corporation is organized for nonprofit purposes including, but not limited to, providing palliative and other services to patients with debilitating medical conditions. The Corporation will provide educational, scientific and medical services to clients and patrons and will engage in related activities allowed under M.G.L. c. 180 *et seq* and the regulations promulgated thereunder. As permitted by law, the Corporation may engage in any and all activities in furtherance of, related to, or incidental to these purposes, the activities being lawful for a Corporation formed under Chapter 180 of the General Laws of Massachusetts and operating in accordance with statutory authority.

Section 6. Not-For-Profit Operation

(a) No dividends, liquidating dividends, or distributions shall be declared or paid by the Corporation to any private individual, member, Officer, or Director of the Corporation.

(b) No part of the net earnings or net income of the Corporation shall inure to the benefit of any private individual or Officer or Director of the Corporation; provided, however, that such a

person may receive reasonable compensation for sales, leases or loans, or personal services rendered which are necessary to carrying out the purposes of the Corporation.

(c) Notwithstanding any other provision of these Articles of Organization, the Corporation shall not carry on any other activities not permitted to be carried out by a Corporation that is formed under M.G.L c. 180, and is a registered marijuana dispensary pursuant to 105 CMR 725.000.

ARTICLE 2 / Board of Directors

Section 1. Powers.

The business and affairs of the Corporation shall be controlled and governed by the Board of the Directors who may exercise all the powers of the Corporation as permitted by law. The Board of Directors shall have the entire charge, control and management of the Corporation and its property and may exercise all or any of its powers.

Section 2. Qualifications.

The Directors shall at all times have and qualify for a dispensary agent registry identification card issued by the Massachusetts Department of Public Health. At any time should a Director fail to qualify for a dispensary agent registry identification card or have such card revoked pursuant to 105 CMR 725.000, the Director shall be deemed automatically removed from the Board.

Section 3. Initial Directors.

The names and addresses of the initial Board of Directors are:

Steven Goodman
133 Pearl Street, Suite 400
Boston, MA 02110

Guy Maytal
90 Allston Street, #2
Cambridge, MA 02139

Jonathan A. Posnik
30 Oakridge Road
Wellesley, MA 02481

Section 4. Enlargement of the Board of Directors. The number of the Board of Directors may be increased and one or more additional Directors may be elected at any meeting of the voting Directors.

Section 5. Tenure. Except as otherwise provided by law, by the Articles of Organization or by these Bylaws, Directors shall hold office until the next annual meeting of Directors and thereafter until their successors are chosen and qualified.

Section 6. Resignation. Any Director may resign by delivering his written resignation to the corporation at its principal office or to the President or Clerk. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

Section 7. Removal. A Director may be removed from office with or without cause by vote of a majority of the voting Directors then in office. A Director may be removed for cause at the direction of the voting directors.

Section 8. Meetings.

The Board of Directors shall hold annual meetings each year and may select the time and place for annual and other meetings of the Board. Other meetings of the Board of Directors may be called by the president or by a majority of the voting Directors then in office by delivering notice in writing or electronic mail, of the date, time, place, and purpose of such meeting, to all Directors at least three (3) days in advance of such meeting.

Section 9. Quorum.

At any meeting of the Board of Directors a majority of the voting Directors then in office shall constitute a quorum. Any meeting may be adjourned by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

Section 10. Action by Vote.

Notwithstanding anything to the contrary contained herein, Steven Goodman will be the only voting member of the Board of Directors until such time as he otherwise votes to the contrary. All other directors shall be non-voting. When a quorum is present at any meeting, a majority of the voting Directors present and voting shall decide any question, including election of Officers, unless otherwise provided by law, the articles of organization or the bylaws.

Section 11. Action by Writing.

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

Section 12. Presence Through Communications Equipment.

Unless otherwise provided by law or the articles of organization, Directors may participate in any meeting of the Board of Directors by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear

each other at the same time, and participation by such means shall constitute presence in person at a meeting.

Section 13. Waiver of Notice for Meetings.

Whenever any notice of a meeting is required to be given to any Director under the Articles of Organization, these bylaws, or the laws of Massachusetts, a waiver of notice in writing signed by the Director, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

Section 14. Committees.

The Board of Directors may create such standing and special committees as it determines to be in the best interest of the Corporation. The Board of Directors shall determine the duties, powers, and composition of such committees, except that the Board shall not delegate to such committees those powers which by law may not be delegated. Each such committee shall submit to the Board of Directors at such meetings as the Board may designate, a report of the actions and recommendations of such committees for consideration and approval by the Board of Directors. Any committee may be terminated at any time by the Board of Directors.

Section 15. Compensation.

Directors as such shall not receive any salaries for their services on the Board, but Directors shall not be precluded from serving the Corporation in any other capacity and receiving reasonable compensation.

Section 16. Resignation.

Any Director may resign by delivering a written resignation to the Corporation at its principal office or to the president or clerk. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time.

Section 17. Vacancies.

The Board of Directors shall fill any vacancy occurring in the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

ARTICLE 3 / Officers and Agents

Section 1. Number and Qualification.

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

Section 2. Election.

The officers of the corporation shall be a President, a Treasurer, a Clerk, and such Vice Presidents, Assistant Treasurers, Assistant Clerks, and other officers as may from time to time be determined by the Directors. The Board of Directors may appoint one of its Directors to the office of Chairman of the Board and from time to time define the powers and duties of that office.

Section 4. Tenure. Except as otherwise provided by law, by the Articles of Organization or by these Bylaws, the President, Treasurer, and Clerk shall each hold office until the next annual meeting of Directors, or the special meeting held in lieu thereof, and thereafter until his successor is chosen and qualified. Other officers shall hold office until the next annual meeting of Directors, or the special meeting held in lieu thereof, unless a shorter term is specified in the vote choosing or appointing them.

Section 5. Vacancies.

A vacancy in any office because of death, resignation, disqualification, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 6. Removal.

Any Officer may be removed, with or without assignment of cause, by a vote of a majority of the entire voting Board of Directors at any meeting of the Board of Directors.

Section 7. Chairman of the Board of Directors.

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

Section 8. President.

Unless otherwise determined by the Directors, the president shall be the chief executive Officer of the Corporation and, subject to the control of the Directors, shall have general charge and supervision of the affairs of the Corporation. If no chairman of the Board of Directors is elected,

the president shall preside at all meetings of the Directors, except as the Directors otherwise determine. The president shall have such other duties and powers as the Directors shall determine.

Section 9. Treasurer.

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

Section 10. Clerk.

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

ARTICLE 4 / Inspection of Records

Books, accounts, documents and records of the corporation shall be open to inspection by any Director at all times during the usual hours of business. The original, or attested copies, of the Articles of Organization, Bylaws and records of all meetings of the incorporators and Directors, and records which shall contain the names of all Directors and their record addresses, shall be kept in Massachusetts at the principal office of the corporation, or at an office of the Clerk, or the resident agent, if any, of the corporation. Said copies and records need not all be kept in the same office.

**ARTICLE 5 / Sponsors, Benefactors, Contributors,
Advisors, Friends of the Corporation**

The Directors may designate persons or groups of persons as sponsors, benefactors, contributors, advisors or friends of the Corporation or such other title as they deem appropriate. Such persons shall serve in an honorary capacity and, except as the Directors shall otherwise designate, shall in such capacity have no right to notice of or to vote at any meeting, shall not be considered for purposes of establishing a quorum and shall have no other rights or responsibilities.

ARTICLE 6 / Corporate Transactions

Section 1. Contracts and instruments.

Each Officer shall have authority to sign, execute and acknowledge on behalf of the Corporation, all deeds, mortgages, bonds, stock certificates, contracts, leases, reports, and all other documents or instruments necessary or proper to be executed in the course of the Corporation's regular business, or which shall be authorized by resolution of the Board of Directors. Except as otherwise provided by M.G.L. c. 180 or directed by the Board of Directors, the President may authorize in writing any Officer or agent of the Corporation to sign, execute and acknowledge such documents and instruments in his or her place and stead. The clerk of the Corporation is authorized and empowered to sign in attestation all documents so signed, and to certify and issue copies of any such document and of any resolution adopted by the Board of Directors of the Corporation, provided, however, that an attestation is not required to enable a document to be an act of the Corporation.

Section 2. Loans.

No moneys shall be borrowed on behalf of the Corporation and no evidences of such indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Deposits.

All funds of the Corporation, not otherwise employed, shall be deposited from time to time to the credit of the Corporation in such banks, investment firms or other depositories as the Board of Directors shall select.

ARTICLE 7 / Conflict of Interest

Whenever a Director or Officer has a financial or personal interest in any matter coming before the Board of Directors, the affected person shall a) fully disclose the nature of the interest and b) withdraw from discussion, lobbying, and voting on the matter. Any transaction or vote involving a potential conflict of interest shall be approved only when a majority of disinterested Directors determine that it is in the best interest of the Corporation to do so. The minutes of meetings at which such votes are taken shall record such disclosure, abstention and rationale for approval.

ARTICLE 8 / Personal Liability

No Officer or Director of the Corporation shall be personally liable to the Corporation for monetary damages for or arising out of a breach of fiduciary duty as an Officer or Director notwithstanding any provision of law imposing such liability; provided, however, that the foregoing shall not eliminate or limit the liability of an Officer or Director to the extent that such liability is imposed by applicable law (i) for a breach of the Officer's or Director's duty of loyalty to the Corporation or its members, (ii) for acts or omissions not in good faith or which involve

intentional misconduct or a knowing violation of the law, or (iii) for any transaction from which the Officer or Director derived an improper personal benefit.

ARTICLE 9 / Indemnification

The Corporation shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as a Director or Officer of the Corporation or of any of its subsidiaries, or who at the request of the Corporation may serve or at any time has served as a Director or Officer of, or in a similar capacity with, another organization or an employee benefit plan, against all expenses and liabilities (including counsel fees, judgments, fines, excise taxes, penalties and amounts payable in settlements) reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or other proceeding, whether civil, criminal, administrative or investigative, in which such person may become involved by reason of serving or having served in such capacity (other than a proceeding voluntarily initiated by such person unless he or she is successful on the merits, the proceeding was authorized by the Corporation or the proceeding seeks a declaratory judgment regarding his or her own conduct); provided that no indemnification shall be provided for any such person with respect to any matter as to which he or she shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his or her action was in the best interests of the Corporation or, to the extent such matter relates to service with respect to any employee benefit plan, in the best interests of the participants or beneficiaries of such employee benefit plan; and provided, further, that as to any matter disposed of by a compromise payment by such person, pursuant to a consent decree or otherwise, the payment and indemnification thereof have been approved by the Corporation, which approval shall not unreasonably be withheld, or by a court of competent jurisdiction. Such indemnification shall include payment by the Corporation of expenses incurred in defending a civil or criminal action or proceeding in advance of the final disposition of such action or proceeding, upon receipt of an undertaking by the person indemnified to repay such payment if he or she shall be adjudicated to be not entitled to indemnification under this section, which undertaking may be accepted without regard to the financial ability of such person to make repayment.

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

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

(i) the payment has been approved or ratified (1) by a majority vote of a quorum of the Directors consisting of persons who are not at that time parties to the proceeding, or (2) by a majority vote of a committee of one or more Directors who are not at that time parties to the proceeding and

are selected for this purpose by the full Board (in which selection Directors who are parties may participate); or

(ii) the action is taken in reliance upon the opinion of independent legal counsel (who may be counsel to the Corporation) appointed for the purpose by vote of the Directors or in the manner specified in clauses (1) or (2) of subparagraph (i); or

(iii) the payment is approved by a court of competent jurisdiction; or

(iv) the Directors have otherwise acted in accordance with the applicable legal standard of conduct.

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

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

The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of a Director, Officer or other person entitled to indemnification hereunder. The indemnification provided hereunder may, to the extent authorized by the Corporation, apply to the Directors, Officers and other persons associated with constituent Corporations that have been merged into or consolidated with the Corporation who would have been entitled to indemnification hereunder had they served in such capacity with or at the request of the Corporation.

The right of indemnification under this section shall be in addition to and not exclusive of all other rights to which such Director, Director, Officer or other persons may be entitled. Nothing contained in this section shall affect any rights to indemnification to which Corporation employees or agents, other than Directors, Directors, Officers and other persons entitled to indemnification hereunder, may be entitled by contract or otherwise by law.

ARTICLE 10 / Amendment

These bylaws may be amended or repealed, in whole or in part, by a majority vote of the entire Board of Directors.

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The undersigned Clerk of Compassion Health Centers, Inc., hereby certifies and affirms that this document is a true and correct copy the Bylaws adopted on the day of November 11, 2013, by the Board of Directors of Compassion Health Centers, Inc.



Clerk

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: Compassion Health Centers, Inc

Application # (if more than one): _____

Please check box if articles have changed since Phase 1:

YES

NO

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

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

Corporation Name: Compassion Health Centers, Inc. Application # (if more than one): _____

Corporation Name	Chief Executive Officer	CEO Business Phone & Email	Corporation's Board Officers	Corporate Relationship to Applicant
1 NA	NA	NA	President/Chair: Treasurer: Clerk/Secretary:	NA
2			President/Chair: Treasurer: Clerk/Secretary:	
3			President/Chair: Treasurer: Clerk/Secretary:	
4			President/Chair: Treasurer: Clerk/Secretary:	
5			President/Chair: Treasurer: Clerk/Secretary:	

EXECUTIVE MANAGEMENT TEAM
(Exhibit 2.1)

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

Corporation Name: Compassion Health Centers, Inc. Application # (if more than one): _____

	Management Role	Name	Date of Birth	Business Email and Phone Number	Business Address
1	Executive Director	Steven Goodman		sedwardg@gmail.com (617) 304-4224 OR (617) 292-0101	133 Pearl St. Boston, MA 02110
2	Director of Finance	William Deshler Jr.		wdeshler@gmail.com (617) 292 0101	133 Pearl St. Boston, MA 02110
4	Director of Security	Jeremy Rohrs		Jeremy.rohrs@gmail.com (508) 944-7043	881 East 1 st Street Boston, MA 02127
5	Director of Medical Operations	Guy Maytal		guymaytalmd@gmail.com (617) 669-4406	90 Allston St. #2 Cambridge, MA 02139
6	Other (specify)	N/A			

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: Compassion Health Centers, Inc.

Application # (if more than one): _____

List the résumés attached:

	Title	Name
1	Executive Director	Steven Goodman
2	Director of Finance	William Deshler Jr.
3	Director of Security	Jeremy Rohrs
4	Director of Medical Operations	Guy Maytal, MD
5	Other (specify)	N/A
6	Other (specify)	N/A

STEVEN E GOODMAN

sgoodman@gfipartners.com
133 Pearl Street Boston MA 02110
617-292-0101

SUMMARY

Real Estate entrepreneur with over 30 years of experience. Founder and head of real estate development and management company based in Boston, MA. Leading over a dozen professionals having performed over \$500 million of transactional volume across the United States and development of over 10 million square feet of property.

Areas of Expertise:***Core Skills***

- Permitting / Planning
- Acquisition / Finance
- Commercial, Residential, Industrial, and Retail Development
- Business Management

EXPERIENCE**GFI, Inc****1997 to present****Founder & President**

GFI is a full-service real estate development company based in Boston. Since 1997, GFI has completed more than 50 real estate transactions with more than \$500 million in cumulative value. GFI's portfolio spans the U.S. and is focused on opportunistic, value-added development projects. GFI has successfully executed projects across the risk spectrum, including: corporate sale-lease back; speculative industrial construction; build to suits; and commercial and retail repositioning. Lead a team of real estate professionals in the acquisition, permitting, financing, construction and stabilization of real estate investment opportunities across the US.

As president of the company, my responsibilities have included:

- Creating relationships with core investment partners around the world including many fortune 500 companies.
- Overseeing all aspects of the real estate investment and development process.
- Managing relationships with real estate investors and lenders.
- Developing, implementing, and managing the company's \$15 million annual operating budget.
- Managing and implementing complex real estate development projects within strict budget parameters.
- Overseeing and managing the development over 10,000,000 square feet of industrial properties across the US.
- Overseeing and managing the development over 1,000 residential units and 1,000,000 square feet of office and retail properties across the US.
- Managing a staff 20 full-time employees in multiple offices across New England, including all hiring, firing decisions, performance reviews, and other HR functions.

EDUCATION

Massachusetts Institute of Technology Masters of Real Estate 1995

Boston College Law School Juris Doctor 1994

University of Denver Bachelor Degree 1986

William P. Deshler Jr.**Director of Finance, Compassion Health Centers, Inc.**



wdeshler@gmail.com
Profile

A high-integrity finance and operations executive with significant experience creating and running firms within a wide range of industries and departments; skilled at leading teams and directing business operations for real estate portfolio management including: construction, development, asset management, leasing, financing and accounting; adept at developing and executing business plans to increase business line revenue, take market share, reduce costs, maximize productivity, and create sustained value in diverse and challenging roles; negotiate and execute complex financing and capital structures with lenders, financiers and investors for a wide variety of asset classes

Experience

Chief Operating Officer, CRE Management, Boston, MA**2008 – Present**

CRE Management is a real estate asset management firm based in Boston MA that has in house capabilities to provide clients and owners a full range of products to meet their real estate needs. CRE Management provides: construction and development; property management; consulting and advisory; project management; and financial and accounting services throughout New England. Founded in 2008, CRE Management currently has sales in excess of \$2.5M with assets under management valued at approximately \$100M.

- Worked to create a full service asset management firm with the capability to provide real estate services throughout New England
- Added and expanded lines of business through the creation of a 3rd party multi-family management division that grew to over 225 units under management within one year; double digit increases year over year in construction revenue; double digit increases in year over year consulting revenue
- Direct and oversee a team of 11 real estate professionals managing over \$100M in real estate assets.
- Manage and foster all of the firms tenant; client; and supplier relationships
- Responsible for all financial and operating decisions for the firm including: banking; human resources; insurance and capitalization

General Manager, GFI Partners, Inc., Boston, MA**2005 – 2008**

GFI Partners owned and operated over 40 properties throughout the United States with a primary focus on industrial and office properties. GFI Partners executed in excess of \$500M in real estate transactions since its founding in Boston MA in 1997.

- Responsible for managing firms banking and investor relationships
- Oversee all leasing activity and existing tenant relationships
- Directly report the financial projections, budgets, and capital needs to ownership and investors
- Worked with owners to develop and execute asset strategies to bring distressed assets to stabilization during the banking crisis, which involved complex restructure and capitalization plans
- Manage a team of real estate professionals responsible for: construction; development; accounting; property management; and leasing

Education

Suffolk University, Boston, MA, B.S., Cum Laude, Finance, 2002
 Boston College High School, Boston, MA, 1998

Jeremy J. Rohrs
Director of Security, Compassion Health Centers, Inc.



PROFESSIONAL SUMMARY

Former Special Agent with the United States Secret Service with international executive protection and security experience combined with extensive project and program management experience; proven leader site preparation, project logistics, emergency and contingency planning, and surveys; extensive communications experience serving as a liaison between internal staff, team members, other organizations and agencies by providing detailed security reports, leading protective details, coordinating/supervising protective services for the principals, families, staff, and corporate sites

Security Operations Planning * Dignitary/Executive Protection * Security Driver Training* Asset Protection * Counterfeit Investigations * Security Team Supervision * Emergency Preparedness * Crisis Management * Krav Maga Defensive & Take-Down Tactics * Strategic & Tactical Planning * Firearms Handling & Safety * Legal Issues & Compliance * First Responder Certified * Concealed Weapons Permit

PROFESSIONAL EXPERIENCE

COO, Director of Protective Operations, Integrated Transportation & Protective Services
 May 2012 – Present

Senior Executive & Principal Owner of an elite security consulting company specializing in executive protection, facility security, and forensic intrusion

- Safeguard designated principals, corporate assets and interests from all forms of security and safety hazards on a 24-hour per day/7-day per week basis
- Develop and implement complex global protection operation plans / procedures, including details in South America, Africa, Central America, Mexico, Europe, Middle East, and Asia
- Contract for and manage all required resources in support of operations, including vehicles, drivers, extra EP assets, certificates and documentation for entry/exit requirements for all parties
- Research and analyze new market segments, competitors and possible entrants
- Identify opportunities for internal development through security planning worldwide, including global asset protection at all corporate locations
- Plan and provide daily coverage for designated principals, assets and interests on a worldwide basis through use of corporate assets both full time and contracted

Senior Global Security Specialist & Project Manager, EMC
 March 2010 – September 2012

Security professional responsible for safeguarding senior executives at a Fortune 500 company while project managing all aspects of corporate security and protection work

- Ensure all corporate locations receive complete global asset protection while continuing to implement and develop new security tools.
- Provide 24/7 security for all corporate assets and interests
- Keep detailed documentation of all entry/exit vehicles, provide, contract and manage all aspects of operations including vehicles, drivers, extra EP assets and certificates
- Research, develop and apply a highly-detailed international protection operation
- Keep watchful eye on competitors and new market segments

- Dedicate daily coverage for any and all designated principals

Event Manager, George P Johnson

May 2006 – December 2009

Large scale event manager for a leading event production company, delivering proven project & security solutions for clients such as Cisco Systems, Oracle, Texas Instruments, Research in Motion, and other high profile Fortune 500 client accounts

- Specialized in designing and implementing complex global event management operations for large-scale events
- Analyzed client objectives/goals and managed extensive internal and external teams to deliver global event solutions across multiple industries, including mobile, car manufacturing, technology, and sports
- Determined outlook and vision of entire global event management security solution
- Forecasted and managed budgets/expenses of 2 million plus for numerous projects including Cisco's Mobile Event Management project at their Global Sales event with over 20,000 attendees
- Developed key recommendations regarding project scope, size, strategic roles and responsibilities, assumptions, and risk

Special Agent, United States Secret Service

August 2004 – February 2006

Special Agent specializing in various aspects of protection for high ranking US and Foreign Dignitaries and criminal investigations

- Planned, managed, and implemented critical security designs for designated National Special Security Events
- Protected the President, Vice President, their families, heads of state, and other designated individuals / dignitaries / public figures on various large scale national details, working with leading federal state and local enforcement teams
- Conducted in-depth investigations and reports of threats against principals in advance, during and post-assignment
- Investigated violations of federal laws relating to counterfeiting of obligations and securities of the United States

EDUCATION & CREDENTIALS

**BA Ohio Northern University • 1997
Criminal Justice / Pre-Law**

Training & Development

Federal Agent Training - Federal Law Enforcement Training Center
Special Agent Training – James J. Rowley United States Secret Service Facility
Managing Violent and Aggressive Behavior Training – MOAB International, Inc.
New Hampshire Special Tactic's and Forces Team Training
R.L. Oatman Executive Protection Training – Baltimore, MD

**Harvard Medical School/Harvard School of Dental Medicine
Curriculum Vitae**

Date Prepared: February 15, 2013

Name: Guy Maytal, MD
Director of Medical Operations, Compassion Health Centers, Inc.

Office Address: Massachusetts General Hospital, Department of Psychiatry, Wang ACC 812, 15
 Parkman Street Boston, MA 02114

Home Address: 90 Allston Street , Cambridge, MA 02139

Work Phone: (617) 669-4406

Work Email: (617) 643-4698

Work FAX: gmaytal@partners.org

Place of Birth: (617) 726-7541

Education

09/93-06/97	A.B.	History and Science	Harvard University
09/97-06/02	M.D.	Medicine	Johns Hopkins University School of Medicine

Postdoctoral Training

07/02-06/03	Intern	Internal Medicine	Massachusetts General Hospital
07/03-06/06	Resident	Psychiatry	MGH/McLean Adult Psychiatry Residency Training Program
07/05-06/06	Chief Resident	Psychiatry Consultation-Liaison Service	Massachusetts General Hospital
07/05-06/08	Fellow	Psychoanalytic Psychotherapy	Center for Psychoanalytic Studies, Massachusetts General Hospital
07/06-06/07	Fellow	Psycho-oncology & Psychosomatic Medicine	Dana Farber Cancer Institute & Brigham and Women's Hospital
09/12-05/13	Fellow	Division of Medical Ethics	Harvard Medical School

Faculty Academic Appointments

07/07- Present	Instructor	Psychiatry	Harvard Medical School
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Appointments at Hospitals/Affiliated Institutions

Year(s)	Position Title	Department(s)	Institution
07/07-08/09	Assistant in Psychiatry	Psychiatry	Massachusetts General Hospital (MGH), Boston, MA
08/09-8/13	Assistant Psychiatrist	Psychiatry	Massachusetts General Hospital (MGH), Boston, MA
08/13	Associate Psychiatrist	Psychiatry	Massachusetts General Hospital (MGH), Boston, MA

Other Professional Positions

07/04-06/06	Staff Moonlighter in Psychiatry	Erich Lindemann Mental Health Center, Boston, MA
07/04-06/07	Staff Moonlighter in Psychiatry	Newton-Wellesley Hospital, Newton, MA
08/09- Present	Seminar Leader (unpaid)	Landmark Education

Major Administrative Leadership Positions**Local**

04/04	Conference Organizer, MGH Conference on Acute Psychiatric Response to Mass Trauma	Massachusetts Genera. Hospital
07/04-06/05	Course Coordinator, Great Concepts in Psychotherapy	Massachusetts General Hospital & McLean Hospital
07/04-06/05	Coordinator, Journal Club for the MGH/McLean Psychiatry Residency	Massachusetts General Hospital & McLean Hospital
07/05-06/06	Chief Resident, Psychiatry Consultation-Liaison Service	Massachusetts General Hospital
07/08- Present	Director, Psychiatry Urgent Care Clinic	Massachusetts General Hospital

07/09- Present	Co-Founder and Co-Director, Addiction Medicine and Psychiatry Internal Medicine Selective	Massachusetts General Hospital
07/09- Present	Associate Director, Ambulatory Psychiatry	Massachusetts General Hospital
07/10- Present	Director, Primary Care Psychiatry Clinic	Massachusetts General Hospital

International

2007	Director of Psychosocial Curriculum	Vietnam-CDC-Harvard Medical School AIDS Partnership (VCHAP) National Training Course in Palliative Care, National Cancer Institute, Hanoi, Vietnam.
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Committee Service**Local**

07/03-06/04	Residency Training Committee	Department of Psychiatry Massachusetts General Hospital/ McLean Hospital Secretary
07/05-06/06, 07/07- Present	Optimum Care Committee (End-of-Life Ethics Committee)	Massachusetts General Hospital
07/06-06/07	Culturally Competent Care Committee	Harvard Medical School
07/07- Present	MGH Residency Training Sub-Committee	Department of Psychiatry Massachusetts General Hospital
07/07- Present	OPD Leadership Committee	Department of Psychiatry Massachusetts General Hospital Associate Chair
07/08-06/10	MGH Psychiatry IMPACT Committee	Department of Psychiatry Massachusetts General Hospital Chair
07/09-06/11	Partners Healthcare Institutional Review Board, Panel C	Massachusetts General Hospital

07/09- Present	OPD Management Committee	Department of Psychiatry Massachusetts General Hospital Chair
07/09- Present	MGH Psychiatry Clinical Council	Department of Psychiatry Massachusetts General Hospital
07/09- Present	MGH Psychiatry Quality Committee	Department of Psychiatry Massachusetts General Hospital
07/09- Present	MGH Workplace Conflict and Violence Prevention Taskforce	Massachusetts General Hospital
07/10- Present	Partners Healthcare Employee Assistance Committee	Partners Healthcare
07/12- Present	Junior Faculty Committee	Department of Psychiatry Massachusetts General Hospital Co-Chair

Professional Societies

07/02-06/08	American Medical Association	Member
07/05-06/09	American Group Psychotherapy Association	Member
07/05- Present	Massachusetts Psychiatry Society, Member	Member
07/05- Present	American Psychiatric Association	Member
07/10- Present	American Academy of Hospice and Palliative Medicine	Member

Editorial Activities

Psychosomatics

Archives of Internal Medicine

Honors and Prizes

1994, 1995, 1996, 1997	Annual recipient of the John Harvard Award for Highest Academic Honors	Harvard College	Academic Achievement
2005, 2006	American Group Psychotherapy Association Scholarship	American Group Psychotherapy Association	Scholarship to attend annual conference
2006	Emory University Psychiatry Resident's Symposium Scholarship	Emory University	Leadership Development
2006	Thomas P. Hackett Award	Department of Psychiatry, Massachusetts General Hospital	Awarded to graduating resident for academic achievement
2007, 2008	Partners in Excellence Award for the Psychiatry Urgent Care Clinic	Massachusetts General Hospital	Clinical innovation
2009, 2010	Nominated, Stanley Wyman Teaching Award	Department of Internal Medicine, Massachusetts General Hospital	Teaching

Report of Funded and Unfunded Projects**Funding Information****Past**

07/05-06/06 Complicated Grief in Bipolar Disorder
American Psychiatric Association- APIRE/Janssen Scholarship
Investigator
The major goal of the study was to investigate the prevalence and severity of Complicated Grief in a cohort of patients with Bipolar Disorder.

Report of Local Teaching and Training**Teaching of Students in Courses**

07/03-06/04	Introduction to Clinical Psychiatry 2 nd year medical students	Harvard Medical School 2 hours sessions every other week for 12 weeks
-------------	--	--

Formal Teaching of Residents, Clinical Fellows and Research Fellows (post-docs)

2003	Brain Tumors and Depression 2 nd Year psychiatry residents	Massachusetts General Hospital One hour lecture
2003	Folie à Deux -- Shared Psychotic Disorder) 2 nd year psychiatry residents	McLean Hospital One hour lecture
2004	What dreams may come: The desire for death in terminal illness Psychosomatics Conference: 3 rd year psychiatry residents and C/L Psychiatry staff	Massachusetts General Hospital One hour lecture
2004	Psychiatric Disorders and Mass Trauma – the Lessons of 9/11 Psychosomatics Conference: 3 rd year psychiatry residents and C/L Psychiatry staff	Massachusetts General Hospital One hour lecture
2005	Complicated Grief Psychosomatics Conference: 3 rd year psychiatry residents and C/L Psychiatry staff	Massachusetts General Hospital One hour lecture
2005	Delirium: Diagnosis and Management 2 nd Year psychiatry residents	Massachusetts General Hospital One hour lecture
2005-2006 & 2007- 2012	Psychiatric Topics in Outpatient Internal Medicine 1 st Year internal medicine residents	Massachusetts General Hospital One hour lecture given 1-2 times per month
2006	Maps, Circuits, and Behavior: An approach to neuropsychiatric dysfunction at the bedside 2 nd Year psychiatry residents	McLean Hospital One hour lecture
2006	Narrative Coherence & Demoralization in the Terminally Ill Psychiatry residents	Massachusetts General Hospital One hour lecture
2008- Present	Difficult Interactions in Clinical Care Internal Medicine Residents	Massachusetts General Hospital One hour lecture given five times per year
2009	Short Term Therapy with Medical Patients Psychosomatics Conference: 3 rd year psychiatry residents and C/L Psychiatry staff	Massachusetts General Hospital One hour lecture
2010	Palliative Sedation Psychosomatics Conference: 3 rd year psychiatry residents and C/L Psychiatry staff	Massachusetts General Hospital One hour lecture
2011	Patients with Addiction Disorders Internal Medicine Residency Noon	Massachusetts General Hospital Invited Discussant

	Conference	
2012	Narrative Coherence & Demoralization in the Terminally Ill Patient Psychosomatics Conference: 3rd year psychiatry residents and C/L Psychiatry staff	Massachusetts General Hospital One hour lecture
2012	Assessing Decision Making Capacity Internal Medicine Morbidity and Mortality Rounds	Massachusetts General Hospital Half-hour lecture
2012	Difficult Interactions in Clinical Care Obstetrics and Gynecology Residency morning lecture series	Massachusetts General Hospital One hour lecture
2007- Present	Depression and Anxiety in Palliative Medicine Palliative Medicine Fellows	Massachusetts General Hospital Two hour lecture given annually
2007- Present	Capacity Evaluation in Palliative Medicine	Massachusetts General Hospital
2007- Present	Palliative Medicine Fellows and Staff Defense Mechanisms	One hour lecture given annually Massachusetts General Hospital
2007- Present	Palliative Medicine Fellows and Staff Desire for Hastened Death	One hour lecture given annually Massachusetts General Hospital
2007- Present	Palliative Medicine Fellows and Staff Attachment and End-of-Life Care	One hour lecture given annually Massachusetts General Hospital
	Palliative Medicine Fellows and Staff	One hour lecture given annually

Clinical Supervisory and Training Responsibilities

2007-2010	Psychiatry Urgent Care Clinic Preceptor for 2 nd and 3 rd year psychiatry residents Massachusetts General Hospital	Two half-sessions per week
2008-2010	Psychiatry Urgent Care Clinic Preceptor for internal medicine residents Massachusetts General Hospital	One half-session per week
2010-Present	MGH Addiction / Urgent Care Psychiatry Internal Medicine Selective Preceptor for internal medicine residents Massachusetts General Hospital	1-2 half-sessions per week
2007-Present	Palliative Care Fellowship Provided weekly psychiatry supervision for 2-3 Palliative Care Fellows Massachusetts General Hospital	1-2 hours per week

Formally Supervised Trainees

2007-2008	Sandra Whitlock, MD / Palliative Care Consultant, Mission Hospital, Asheville, NC Weekly psychiatric supervision during Palliative Care Fellowship. Co-authored a manuscript on boundary crossings in Palliative Care.
2007-2008	Amelia M. Cullinan, MD / Staff physician in Palliative Care, Dartmouth-Hitchcock Medical Center, Lebanon, NH Weekly psychiatric supervision during Palliative Care Fellowship.
2011	Justin Chen, MD / Psychopharm Chief Resident, MGH Weekly psychiatric supervision during 3 rd year of psychiatry residency
2012	Elizabeth Levey, MD / 4 th year psychiatry resident. MGH Weekly psychiatric supervision during 3 rd year of psychiatry residency
2012	Katherine Tompkins, MD / 3 rd year psychiatry resident, MGH Weekly psychiatric supervision during 3 rd year of psychiatry residency
2013- Present	Francisco Agrait-Taboas, M.D. / 3 rd year psychiatry resident, MGH Weekly psychiatric supervision during 3 rd year of psychiatry residency
2012- Present	Aronica Cotton, MD / 2 nd year psychiatry resident, MGH Weekly supervision as Residency Training Mentor
2012- Present	Vinod Rao, MD, PhD / 2 nd year psychiatry resident Weekly supervision as Residency Training Mentor

Formal Teaching of Peers (e.g., CME and other continuing education courses)

No presentations below were sponsored by outside entities

2010	Altered Mental States: Delirium and Depression Hot Topics in Oncology Care: A Program for the Advanced Practice Clinician, MGH Cancer Center	Single presentation Boston, MA
2010	Psychopharmacology of Anxiety Disorders American Physician Institute for Advanced Professional Studies MOC Review Course	Single Presentation Orlando, FL
2010	Psychopharmacology of Dementia American Physician Institute for Advanced Professional Studies MOC Review Course	Single Presentation Orlando, FL
2011	Difficult Interactions at the End of Life: Caring for patients and families that challenge us. Partners Healthcare Ethics Day: Hot Topics In Ethics Consultation	Single presentation Wellesley, MA

2008, 2009, 2010, 2011, 2012 The Difficult Patient in Palliative Care Single presentation

Practical Aspects of Palliative Care: Integrating Palliative Care into Clinical Practice, Harvard Medical School Cambridge, MA

2008, 2009, 2010, 2011, 2012 Difficult Families in Palliative Care Single presentation

Practical Aspects of Palliative Care: Integrating Palliative Care into Clinical Practice, Harvard Medical School Cambridge, MA

Local Invited Presentations

No presentations below were sponsored by outside entities



- 2006 The Desire for Hastened Death in the Terminally Ill Patient / Grand Rounds
Division of Palliative Care, MGH
- 2006 The Desire for Hastened Death in the Terminally Ill Patient / Grand Rounds
Department of Psychiatry, MGH
- 2007 Evaluating Decision-Making Capacity in the Schizophrenic Patient / Grand Rounds
Department of Neurosurgery, Brigham and Women's Hospital
- 2007 What now? Living with Uncertainty Beyond Cancer Treatment / Grand Rounds
Department of Psychosocial Oncology and Palliative Care, Dana Farber Cancer Institute
- 2007 Psychological Distress in the Terminally Ill patient: Depression and Anxiety / Grand Rounds
Department of Psychosocial Oncology and Palliative Care, Dana Farber Cancer Institute
- 2010 Diagnosing Existential Turmoil: An Interface of Psychiatry and Spiritual Care / Grand Rounds
Chaplaincy Department, MGH
- 2010 Dual Diagnosis Patients on the Inpatient Unit / Invited Discussant
Noon Conference, Department of Internal Medicine Residency Program, MGH
- 2011 Resiliency, Burnout, and Responsibility / Invited Speaker
Noon Conference, Department of Internal Medicine Residency Program, MGH
- 2011 Difficult Interactions in Clinical Care: Understanding and Managing Challenging Families / Grand Rounds
Center for Bioethics, Brigham and Women's Hospital
- 2011 Psychopharmacology for the Primary Care Physician / Monthly lecture series
Massachusetts General Medical Group, MGH
- 2011 Avoiding duels when treating patients with Dual Diagnoses / Invited Discussant
Harvard Medical School Center for Palliative Care Faculty Seminar, Brigham and Women's Hospital.
- 2011 Difficult Interactions in Primary Care / Invited Speaker
Department of Medicine Ambulatory Preceptor Retreat, MGH

- 2012 Difficult interactions in Ethics Consultation / Invited Speaker
Ethics Committee Monthly Conference, MGH
- 2012 Psychiatric Issues in Ethics Consultations / Invited Speaker
Harvard Ethics Consortium, Division of Medical Ethics HMS
- 2012 Difficult Interactions in Clinical Care: Understanding and Managing Challenging Families
/ Grand Rounds
Division of Pulmonary and Critical Care, MGH
- 2013 A Case of Informed Consent / Invited Presenter
Harvard Ethics Consortium, Division of Medical Ethics HMS

Report of Regional, National and International Invited Teaching and Presentations

Invited Presentations and Courses

No presentations below were sponsored by outside entities

Regional



- 2005 Complicated Grief / Psychosocial Grand Rounds
East Boston Neighborhood Health Center, Boston
- 2009 Psychopharmacology for the Hospice Patient / Invited Presentation
Regional Association of Hospice Medical Directors, Waltham MA
- 2011 Existential Issues at the End of Life / Invited Presentation
Annual Massachusetts School for Professional Psychology Conference on Spirituality,
Aging and Mental Health, Newton MA
- 2011, 2012 Difficult Interactions in Clinical Care / Grand Rounds
South Shore Hospital Ethics Committee and the South Shore Hospital on Staff
Development, Weymouth MA
- 2012 Narrative Coherence & Demoralization in the Terminally Ill Patient / Invited Presentation
Annual Conference on Mental Health and Aging -- A Developmental Vision of the
Spiritual and Mental Health Issues in Later Life: Implications for the Clinician
- 2012 Diagnosing Existential Turmoil: An Interface of Psychiatry and Spiritual Care / Invited
Presentation and Panel Discussant with Reverend Angelika Zollfrank
Annual Conference on Mental Health and Aging -- A Developmental Vision of the
Spiritual and Mental Health Issues in Later Life: Implications for the Clinician
- 2013 Difficult Interactions in Clinical Care: Understanding and Managing Challenging Families
/ Grand Rounds
Dartmouth-Hitchcock Medical Center Department of Internal Medicine, Hanover, NH

National



- 2007 The Practice of Presence as a Foundational Leadership Skill / Facilitator
American Psychiatric Association Chief Resident Executive Leadership Program, New
Orleans, LA

- 2011 Patient-Clinician Boundaries in Palliative Care Training: Identifying and Managing Boundary Crossings / Concurrent Session presented with Sandra Whitlock, MD
American Academy of Hospice and Palliative Medicine, Vancouver, Canada
- 2012 Difficult Interactions in End-of-Life Care / Concurrent Session presented with Vicki Jackson, MD
American Academy of Hospice and Palliative Medicine, Denver, CO.
- 2012 Diagnosing Existential Turmoil: An Interface of Psychiatry and Spiritual Care / Invited Webinar Presentation with Reverend Angelika Zollfrank
Chaplaincy in Healthcare Series, Teleconference Network of Texas. University of Texas Health Science Center at San Antonio

International

-
- 2006 Desire for Death in Terminally Ill Patients / Grand Rounds as part of a month-long visiting rotation, Hadassah Hospital, Jerusalem, Israel
Department of Psychiatry, Hadassah Hospital, Jerusalem Israel
- 2007 Depression, Anxiety, and Insomnia / Invited Lecture
Vietnam-CDC-Harvard Medical School AIDS Partnership (VCHAP) National Training Course in Palliative Care. National Cancer Institute, Hanoi, Vietnam.
- 2007 Delirium and Dementia / Invited Lecture
Vietnam-CDC-Harvard Medical School AIDS Partnership (VCHAP) National Training Course in Palliative Care. National Cancer Institute, Hanoi, Vietnam.
- 2007 Grief and Coping / Invited Lecture
Vietnam-CDC-Harvard Medical School AIDS Partnership (VCHAP) National Training Course in Palliative Care. National Cancer Institute, Hanoi, Vietnam.

Report of Clinical Activities and Innovations**Current Licensure and Certification**

-
- 2005 Massachusetts Registered Physician
2007 Diplomate in Psychiatry – American Board of Psychiatry and Neurology

2008 Diplomate in Psychosomatic Medicine -- American Board of Psychiatry and Neurology

Practice Activities

2007- Present	Staff Psychiatrist	Palliative Care Service, MGH	Liaison to the Palliative Care Service. Roles include consultation on inpatients, availability to liaison on difficult clinical issues, supervising fellows and staff, and leading weekly psycho-social rounds.
2007- Present	Urgent Care Psychiatry	Urgent Care Psychiatry Service, MGH	2-4 sessions per week
2007- 2009	Ambulatory Psychiatry	Primary Care Psychiatry Service, MGH	Two sessions per week
2011- Present	Ambulatory Psychiatry	Psycho-oncology Service, MGH Cancer Center	One session per week

Clinical Innovations

"What Now?" a time-limited therapy group for cancer survivors, Dana Farber Cancer Institute (2006-2007)	Designed and implemented a structured, transference-based, and time limited group for patients who were in remission from cancer. The group examined obstacles to re-engaging with life after cancer treatment, and looked at endings and separation. The group continues to run at the DFCL.
Impact Project. Expanding urgent psychiatric access. MGH (2008-2010)	Led an effort to provide rapid urgent psychiatric evaluation and treatment services for patients with psychiatric issues seen by primary care practices. We created a multidisciplinary clinical service where patients with urgent psychiatric problems are seen within 1-2 weeks and treated until their episode of care is done or they are transferred to long-term care. The Urgent Care Clinic has become a central part of outpatient psychiatry at MGH. It is currently being used as a model for enhancing psychiatric access across the Partners system, and is being explicitly emulated by the Psychiatry Department at North Shore Medical Center
MGH Psychiatry Access Line. MGH (2009-2010)	Co-led a comprehensive redesign of the clinical operations in MGH Adult Ambulatory Psychiatry intake service to improve quality of care and enhance access for new patients in the clinic. Created new information technology systems to track clinician productivity and manage patient flow into and through the department. Designed, staffed, and implemented new Psychiatry Access Line to manage new evaluations and transfers for over 150 clinicians in both individual and group treatment. The Psychiatry Access Line (PAL) has become the central hub for patient referrals to psychiatry at MGH.

<p>Adult Psychiatry Access Project MGH (2009-2011)</p>	<p>Co-led an effort to markedly increase the speed and volume of new evaluations for patients in MGH Adult Ambulatory Psychiatry. Established new benchmarks for how often clinicians see new patients, created support services to allow clinicians to evaluate more patients, and enacted a new communication structure to inform staff about these changes and get feedback. Established new clinical initiatives to support patient access at MGH psychiatry. These included new emphasis on short-term psychotherapy, an internal referral process, and enhanced access to case management services. Since initiating this project, we have increased the number of new evaluations seen in Ambulatory Psychiatry by over 30% and have reduced the overall clinic wait time to under 30 days.</p>
<p>Group Psychotherapy Referral Initiative MGH (2009-2012)</p>	<p>Created and implemented novel process for increasing and easing the referral of patients to group therapy. Initiated a group therapy task force, started an Immediate Access Group, and created a centralized, straightforward process for referring patients to group therapy. Prior to this initiative, psychotherapy groups were closing due to low attendance. In the last year, all of our groups are full and we are starting 3 additional groups in 2013 to accommodate demand.</p>
<p>Psychiatry EMR Template Redesign MGH (2009-2012)</p>	<p>Participated on the team that completely redesigned the EMR templates for documenting outpatient psychiatry visits. We delineated all the regulatory requirements for documentation and incorporated them into a new Initial Evaluation template for the entire department that brought us into regulatory compliance, enhanced quality of documentation, and allowed for ease of future modifications department-wide. Participated in department-wide roll-out of the new templates. Since implementing this new template, it has been adopted by nearly every clinician in our department. Furthermore, at the last Joint Commission visit, there were no finding related to documentation for psychiatry.</p>
<p>Inpatient-to-Urgent Care Transfer MGH (2013)</p>	<p>Patients discharged from inpatient psychiatry at MGH have a significant no-show rate to their follow-up appointment in Urgent Care (up to 60%). We implemented a new process where patients are walked over by their staff nurse to be oriented to the outpatient clinic prior to discharge. This has reduced no-shows by over 30%.</p>

Report of Education of Patients and Service to the Community

Activities

2006	<p>New England Melanoma Society / Panel Discussant (No Sponsor) Served as a panel discussant for an educational event entitled "Depression and Hope in Melanoma"</p>
2012	<p>BWH Social Work Caregiver Committee / Invited Speaker (No Sponsor) Was an invited speaker at "Providing Care for a Loved One: A Free Seminar on Helpful Tips, Tools and Resources" where I gave a talk entitled "Caring for others, Caring for ourselves."</p>

Report of Scholarship

Publications

Peer reviewed publications in print or other media

1. Hastings HM, Schneider BS, Schreiber MA, Gorray K, **Maytal G**, Maimon J. Statistical geometry of pancreatic islets. *Proc Biol Sci.* 1992;250(1329):257-261.
2. **Maytal G**. The LSD Debates: A social debate in the absence of scientifically determined fact, *J Undergraduate Sciences* 1995; 2A, 43-46
3. Schneider BS, Hastings HM, **Maytal G**. The spatial distribution of pancreatic islets follows a universal power law. *Proc Biol Sci.* 1996;263(1366):129-131.
4. **Maytal G**, Smith FA, Stern TA. Naked patients in the general hospital: differential diagnosis and management strategies, *Psychosomatics* 2006 Nov-Dec;47(6):486-490.
5. **Maytal G**, Ostacher M, Stern TA. Aripiprazole-related tardive dyskinesia: a case report. *CNS Spectrums* 2006 Jun;11(6):435-439.
6. **Maytal G**, Stern TA. The desire for death in the setting of terminal illness: a case discussion. *The Prim Care Companion J Clin Psychiatry.* 2006; 8(5): 299-305.
7. Woo JA, **Maytal G**, Stern TA. Clinical challenges to the delivery of end-of-life care. *The Prim Care Companion J Clin Psychiatry,* 2006;8(6):367-372.
8. **Maytal G**, Zalta AK, Thompson E, Chow CW, Perlman C, Ostacher MJ, Pollack MH, Shear K, Simon NM. Complicated grief and impaired sleep in patients with bipolar disorder, *Bipolar Disorders,* 2007 Dec;9(8):913-917.
9. Jacobsen JC, **Maytal G**, Stern TA. Demoralization in medical practice. *The Prim Care Companion J Clin Psychiatry.* 2007;9(2):139-143.
10. Park LT, Matthews JD, **Maytal G**, Stern TA. Evaluation and treatment of poor sleep. *Prim Care Companion J Clin Psychiatry.* 2007;9(3):224-229.
11. Nasrallah SM, **Maytal G**, Skarf LM. Patient-physician boundaries in palliative care training: a case study and discussion. *J Palliat Med.* 2009 Dec;12(12):1159-1162.
12. Peteet JR, **Maytal G**, Rokni H. Unimaginable loss: contingent suicidal ideation in oncology family members. *Psychosomatics.* 2010; 51(2):166-70.
13. Miksad RA, Lai KC, Dodson TB, Woo SB, Treister NS, Akinyemi O, Bihle M, **Maytal G**, August M, Gazelle GS, Swan JS. Quality of life implications of bisphosphonate-associated osteonecrosis of the jaw. *Oncologist.* 2011;16(1):121-32. Epub 2011 Jan 6.

Non-peer reviewed scientific or medical publications/materials in print or other media

Chapters

1. **Maytal G**. Recognition and management of staff stress in the intensive care unit. In: *Intensive Care Medicine.* Irwin RS, Rippe JM, et al (eds). Philadelphia: Williams & Wilkins; 2010: 2329-2335.

2. **Maytal G**, Peteet JR. The Meaning of Work. In: Cancer Survivorship and Work. Feuerstein M (ed.). New York: Springer Science + Business Media; 2009: 105-120.
3. **Maytal G**, Huffman JC, Januzzi JL, Stern TA. The psychiatric management of patients with cardiac disease. In: Massachusetts General Hospital Handbook of General Hospital Psychiatry Edition 6. Stern TA, et al (eds). Philadelphia: Saunders Elsevier; 2010: 303-322
4. **Maytal G**, Rabinowitz T, Stewart TO, Fricchione GL. Chronic medical illness and rehabilitation. In: Massachusetts General Hospital Handbook of General Hospital Psychiatry Edition 6. Stern TA, et al (eds). Philadelphia: Saunders Elsevier; 2010: 397-408
5. **Maytal G**, Sanders KM. Aggressive and impulsive patients. In: Massachusetts General Hospital Handbook of General Hospital Psychiatry Edition 6. Stern TA, et al (eds). Philadelphia: Saunders Elsevier; 2010: 601-611
6. **Maytal G**. Somatoform Disorders. In: Massachusetts General Hospital Psychiatry Update & Board Preparation. Stern TA, et al (eds). McGraw Hill; 2012: 139-146.
7. **Maytal G**. Adjustment Disorders, Grief, and Bereavement. In: Massachusetts General Hospital Psychiatry Update & Board Preparation. Stern TA, et al (eds). McGraw Hill; 2012: 187-189.
8. **Maytal G**, Smallwood, P. Personality Disorders. In: Massachusetts General Hospital Psychiatry Update & Board Preparation. Stern TA, et al (eds). McGraw Hill; 2012: 189-196.
9. Chen J, **Maytal G**. Suicide Risk Assessment. In: MGH Pocket Primary Care Guide. Kiefer M, Wakeman S (eds). Lippincott (in press).
10. Chen J, **Maytal G**. Caring for the "difficult patient". In: MGH Pocket Primary Care Guide. Kiefer M, Wakeman S (eds). Lippincott (in press).

Professional educational materials or reports, in print or other media

1. Somatoform and Dissociative Disorders. Recorded webinar for the MGH Psychiatry Academy Recertification Exam Update & Preparation Course. Boston, MA 2012

Abstracts, Poster Presentations and Exhibits Presented at Professional Meetings

Abstracts

Miksad RA, Woo S, Dodson T, Treister NS, **Maytal G**, August M, Akinyemi O, Bihrlle MM, Swan JS. Quality of life implications of osteonecrosis of the jaw in cancer patients: a pilot study. *J Clin Oncol*. 2008;suppl(26):17557.

Poster Presentations

Miksad R, Woo SB, Dodson T, Treister NS, **Maytal G**, August M, Akinyemi O, Bihrlle MM, Swan JS. **Methods for assessing quality of life in cancer patients experiencing complications: Osteonecrosis of the Jaw Pilot Study.** International Society for Pharmacoeconomics and Outcomes Research 13th Annual International Meeting. May 3-7, 2008.

EVIDENCE OF CAPITAL
(Exhibit4.1)

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

Corporation Name: Compassion Health Centers, Inc.

Application # (if more than one): _____

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

Attach one-page bank statement.

Letter of Commitment

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

Date:

Name of the Corporation:

Name of CEO/Executive Director of the Corporation:

Name of Account Holder:

N/A

This Letter of Commitment is to ensure access to the required liquid capital to support the operations of [NAME OF CORPORATION] if so approved by the Department of Public Health. The total required capital needed for this application equals \$_____.

As Chief Executive Officer/Executive Director or President of the Board of Directors of [NAME OF CORPORATION], I affirm that these funds will remain in [ACCOUNT #] with [FINANCIAL INSTITUTION NAME] for the sole purpose of supporting the operations of the Corporation. Exhibit 4.1 of this application includes a one-page copy of the bank statement referenced here.

Signature of CEO/Executive Director or President of the Board of Directors: _____

Print Name _____

Date: _____

Notary Public

On this (insert date) day of (insert month), 20__, before me, the undersigned notary public, personally appeared (insert name of document signer), proved to me through satisfactory evidence of identification, which were (insert type of ID presented), to be the person whose name is signed on the preceding or attached document, and acknowledged to me that (insert he/she/they) signed it voluntarily for its stated purpose.

If applicable, add:

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

Signature of Notary Public



 ORIGINAL

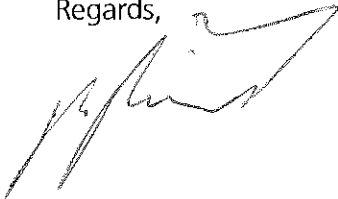
November 19, 2013

Cullen Roberts
Massachusetts Department of Public Health
250 Washington Street
1st Floor, Lobby Room 1 and 2
Boston, MA 02108

Dear Mr. Roberts,

I am writing to attest that Compassion Health Centers, Inc currently holds a Business Checking account with Santander. I will also attest that on this day November 19, 2013 the balance of Compassion Health Centers, Inc account is \$537,000.00. The attached statement is a true and attested statement produced by Santander.

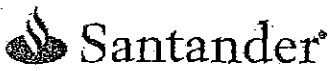
Regards,



Khaled Khalil
Vice President, Relationship Manager
Santander Bank, N.A.
75 State Street
Boston, MA 02109
617-757-3558 (P)
339-927-3422 (C)
kkhalil@santander.us

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 ORIGINAL

COMPASSION HEALTH CENTERS INC

Account number: [REDACTED]

Mini-statement
A list of recent transactions on your account

BALANCE SUMMARY

Type	Amount (\$)
Available	537,000.00
Ledger	537,000.00

PENDING ACTIVITY

Date	Details	Deposit (\$)	Withdrawal (\$)

POSTED ACTIVITY

Date	Details	Deposit (\$)	Withdrawal (\$)	Balance (\$)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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

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

Corporation Name: Compassion Health Centers, Inc. Application # (if more than one): _____

Individual Name	Business Address	\$ amount and % of Initial Capital Provided	Type of Contribution (cash, land, building, in-kind)	Role in Dispensary Operations	Terms of Agreement (if any)
1 John Posnik	30 Oakridge Rd Wellesley MA 02481	\$200,000 40%	Cash	Clerk, Board of Directors	10% (accruing) 5 year term, no prepay penalty
2 Steve Goodman	133 Pearl St Boston MA 02110	\$300,000 60%	Cash	Board of Directors / Executive Director	10% (accruing) 5 year term, no prepay penalty
3 N/A		\$ %			

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

 ORIGINAL

CAPITAL EXPENSES
(Exhibit 4.3)

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

Corporation Name: Compassion Health Centers, Inc.

Application # (if more than one): _____

	Expense Type	Costs	Explanation of Expense
	Planning and Development		
1	Architect and design fees	\$50,000	Stamped drawings, permits and approvals
2	Environmental survey	\$3,500	Phase 1 survey
3	Permits and Fees	\$24,718	DPH Architectural Review fee and building permit
4	Security assessment	\$5,000	Security assessment and design
5	Land/building cost	\$0	Not applicable
6	Site clean-up and preparation	\$0	Not applicable
7	Other- describe	\$0	
8	_____		
9	_____		
	Build-out Costs		
1	Construction expenses	\$1,750,000	Dispensary & offices (\$250k); cultivation (\$1.5mm)
2	Painting and finishes	\$0	Included in construction expenses
3	Security system	\$34,000	Security monitoring and controls
4	Landscape work	\$0	Provided by landlord
5	Parking facility	\$0	Provided by landlord
6	Other- describe	\$0	
7	_____	\$0	
8	_____	\$0	
9	_____	\$0	
	Equipment Costs		
1	Vehicles and transportation	\$0	Secure vehicle to be leased initially
2	Cultivation equipment	\$100,000	Phase 1 cultivation equipment (80 HPS lights & related)
3	Furniture and storage needs	\$40,000	Furnishings and safes
4	Computer equipment	\$30,000	Computers, tablets, printers, servers
5	HVAC	\$0	Included in cultivation equipment
6	Kitchen/food prep equipment	\$105,000	Commercial kitchen with extraction equipment
7	Other- describe	\$0	
8	_____	\$0	
9	_____	\$0	
	TOTAL	\$ 2,142,218	

YEAR-ONE OPERATING BUDGET
(Exhibit 4.4)

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

Corporation Name: Compassion Health Centers, Inc. Application # (if more than one): _____

Budget Period: 9/1/14 to 8/31/15

Projected Number of Patients: 2,313 and Number of Visits: 55,093

			Year ONE Budget	Budget Notes
REVENUE				
1	Medical Marijuana sales		\$3,535,100	Retail sales, net of Compassion discounts
2	Other supplies sold		\$59,316	Retail sales of other supplies
3	Other revenue sources		\$34,819	Wholesale sales of medical marijuana
A	TOTAL REVENUE:		\$3,629,235	
PAYROLL EXPENSES				
	Personnel Category	# FTE		
1	Executive Management Team	5.0	\$255,000	EMT taking reduced compensation in first year
2	RMD Management	6.3	\$366,583	FTE is average for year
3	RMD Associates	16.5	\$625,750	FTE is average for year
B	TOTAL SALARIES	27.8	\$1,247,333	
C	Fringe Rate and Total	30%	\$374,200	Payroll taxes and employee benefits
D	TOTAL SALARIES PLUS FRINGE (B+C)		\$1,621,533	
OTHER EXPENSES				
1	Consultants		\$118,000	Consulting fees for operational support/training
2	Equipment		\$203,263	Phase 2 cultivation equipment
3	Supplies		\$262,452	Supplies used in grow operation and retail sale
4	Office Expenses		\$26,452	Office supplies and expenses
5	Utilities		\$160,556	Utilities for dispensary and cultivation
6	Insurance		\$31,306	General liability insurance
7	Interest		\$303,767	Interest expense at 10% per annum
8	Depreciation/Amortization		\$271,171	Non-cash; D&A of build-out & startup costs
9	Leasehold Expenses		\$7,880	Miscellaneous improvements
10	Bad Debt		\$0	Patient purchases in cash or credit card
11	Security Services		\$48,000	Security services (dispensary and cultivation)
12	Rent		\$172,623	Rent (dispensary and cultivation)
13	Advertising and Marketing		\$98,860	Educational information for RMD awareness
14	Other G&A		\$244,325	Other general & administrative
15	Other COGS		\$47,837	Other production costs and costs of goods sold
16	Charitable Contributions		\$38,000	Community and advocacy support
17	Reserve for Income Taxes		\$493,608	Tax payments as per IRS Code Section 280E
E	TOTAL OTHER EXPENSES		\$2,528,098	
	TOTAL EXPENSES: (D+E)		\$4,149,631	
	DIFFERENCE		(\$520,397)	

THREE-YEAR BUSINESS PLAN BUDGET PROJECTIONS
(Exhibit 4.5)

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

Corporation Name: Compassion Health Centers, Inc. Application # (if more than one): _____

Fiscal Year Time Period: 9/1 through 8/31 Projected Start Date for the First Full Fiscal Year: 9/1/14

	FIRST FULL FISCAL YEAR PROJECTIONS 2015	SECOND FULL FISCAL YEAR PROJECTIONS 2016	THIRD FULL FISCAL YEAR PROJECTIONS 2017
Projected Revenue	\$3,629,235	\$7,761,110	\$9,303,574
Projected Expenses	\$3,938,488	\$7,042,622	\$8,468,936
TOTAL :	(\$309,254)	\$718,488	\$834,639
Number of Patients	2,313	3,449	4,192
Number of Patient Visits	55,093	126,122	162,219
Projected % of growth rate annually	N/A	114%	20%
Total FTE in staffing	28 (average)	45 (average)	53 (average)
Projected Medical Marijuana Inventory	52.6 Lbs.	74.0 Lbs.	80.9 Lbs.

**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: Compassion Health Centers, Inc. Application # (if more than one): _____

Physical Address	County	Type of Evidence Attached
640 Lincoln Street Worcester, MA 01605	Worcester	Property Lease

 ORIGINAL

LEASE

THIS LEASE made between Landlord and Tenant as of the 19th day of November, 2013:

1. REFERENCE DATA and DEFINITIONS:

When used in this Lease, the following terms will have the meanings specified in this Section 1:

- 1.1. **Landlord.** 640 Lincoln Street Associates Limited Partnership, a Massachusetts limited partnership
- 1.2. **Tenant.** Compassion Health Centers, Inc., a Massachusetts non-profit corporation
- 1.3. **Property.** 640 Lincoln Street, Worcester, Massachusetts.
- 1.4. **Premises.** Approximately 57,541 square feet in the building located on the Property as shown on a plan attached hereto on **Exhibit A** and made a part hereof. Tenant shall also have access to 45 parking spaces as set forth herein.
- 1.5. **Term.** Ten (10) Lease Years, beginning on the Commencement Date.
- 1.6. **Commencement Date.** February 1, 2014.
- 1.7. **Termination Date.** The last day of the Term, as duly extended or earlier terminated.
- 1.8. **Lease Year.** Each period of twelve full (12) calendar months, beginning on the Commencement Date, if such Date is the first day of a calendar month and if not, on the first day of the first full calendar month thereafter, and on the anniversary of such date in each year thereafter. Any partial month at the commencement of the Term will be included in the first Lease Year.
- 1.10. **Tenant's Permitted Use.** Registered Marijuana Dispensary and no other use.
- 1.11. **Base Rent.**
 - 1st Lease Year: \$3.00 psf, \$172,623.00 per Lease Year, \$14,385.25 monthly
 - 2nd Lease Year: \$3.10 psf, \$178,377.10 per Lease Year, \$14,864.76 monthly
 - 3rd Lease Year: \$3.20 psf, \$184,131.20 per Lease Year, \$15,344.27 monthly
 - 4th Lease Year: \$3.30 psf, \$189,885.30 per Lease Year, \$15,823.78 monthly
 - 5th Lease Year: \$3.40 psf, \$195,639.40 per Lease Year, \$16,303.28 monthly
 - 6th Lease Year: \$3.50 psf, \$201,393.50 per Lease Year, \$16,782.79 monthly
 - 7th Lease Year: \$3.60 psf, \$207,147.60 per Lease Year, \$17,262.30 monthly
 - 8th Lease Year: \$3.70 psf, \$212,901.70 per Lease Year, \$17,741.81 monthly
 - 9th Lease Year: \$3.80 psf, \$218,655.80 per Lease Year, \$18,221.32 monthly
 - 10th Lease Year: \$3.90 psf, \$224,409.90 per Lease Year, \$18,700.83 monthly

1.12. Additional Rent. Payments required for Operating Expenses and Real Estate Taxes and all other payments required from Tenant hereunder, with the exception of Base Rent, will constitute Additional Rent. Base Rent and Additional Rent are sometimes referred to collectively as “Rent”.

1.13. Rent Commencement Date: No Base Rent shall be due from Tenant in February, 2014 or March, 2014 and Tenant shall commence Base Rent payments on April 1, 2014; provided, however Base Rent for April, 2014 shall be paid to Landlord upon the Commencement Date. Tenant shall be responsible for Tenant’s Pro Rata Share of Operating Expenses, Real Estate Taxes and utilities from the Commencement Date.

1.16. Tenant’s Pro Rata Share. 41.36%

1.17. Security Deposit Fourteen Thousand Three Hundred Eighty-Five Dollars and 25/100 (\$14,385.25) deposited by Tenant with Landlord simultaneously with the execution of this Lease.

1.18. Landlord’s Notice Address.

c/o Woodbury and Company, Incorporated
67 Millbrook Street, #409
Worcester, MA 01606
Attention: David Woodbury

1.19. Tenant’s Notice Address.

Compassion Health Centers, Inc.
133 Pearl Street, #400
Boston, MA 02110
Attention: Steven Goodman

1.20. Required Insurance Amount. Commercial general liability insurance with minimum combined single limit of liability of at least One Million Dollars (\$1,000,000.00) per occurrence and a general aggregate limit (combined primary and excess) of at least Two Million Dollars (\$2,000,000.00) and other insurance requirements as set forth herein, provided that, not more often than once every Lease Year, Landlord may increase such amounts as Landlord reasonably determines to be necessary and appropriate.

1.21. Rules and Regulations Reasonable Rules and Regulations attached hereto or hereafter promulgated or modified by Landlord with notice to Tenant.

1.22. Normal Business Hours: Tenant shall have access to the Premises 24 hours a day, 7 days a week.

1.23. Landlord’s Work. None.

1.24. Extension Terms. Two (2) additional periods of five (5) lease years each.

1.25. Broker. Kelleher & Sadowsky Associates, Inc., as Landlord's agent. Broker shall be paid solely by Landlord in accordance with a separate agreement.

2. LEASE OF PREMISES; QUIET ENJOYMENT: Beginning on the Commencement Date, Landlord leases the Premises to Tenant, and Tenant leases the Premises from Landlord, for the Term, at the Rent and upon the other terms, covenants and conditions of this Lease. Upon paying the Rent and observing the other obligations of Tenant hereunder, Tenant may peaceably occupy the Premises during the Term, without disturbance by Landlord or persons claiming through or under Landlord.

3. PAYMENT OF BASE RENT; TAXES AND OPERATING EXPENSES:

3.1. Payment of Base Rent. Tenant will pay the Base Rent to Landlord in equal monthly installments in advance, on the first day of each calendar month during the Term, without notice or demand, at Landlord's Notice Address or such other address as Landlord designates by notice to Tenant. Base Rent for any partial month at the beginning of the Term will be determined on a per diem basis at the rate applicable to the first Lease Year, and will be due on the Commencement Date.

3.2. Real Estate Taxes. Throughout the Term, Tenant will pay to Landlord as Additional Rent Tenant's Pro Rata Share of any Real Estate Taxes. "Real Estate Taxes" means the aggregate of all real estate taxes and any other governmental impositions which Landlord is required to pay based upon the value of or gross rents from the Property, general or special assessments and betterments, charges for sewer use or other governmental services, special district fees or taxes, and any other governmental fees and assessments imposed upon the Property, exclusive only of income and franchise taxes, whether or not such Real Estate Taxes exist or apply on the Commencement Date.

If Landlord shall receive any tax refund or reimbursement of Real Estate Taxes or sum in lieu thereof with respect to any Tax Year that is not due to vacancies in the Building, then out of any balance remaining thereof after deducting Landlord's expenses reasonably incurred in obtaining such refund, Landlord shall pay to Tenant (provided that if there then exists a Default of Tenant, Landlord may retain therefrom any amount due from Tenant) an amount equal to such refund or reimbursement or sum in lieu thereof (exclusive of any interest) multiplied by the Proportionate Share.

3.3. Operating Expenses. Throughout the Term, Tenant will pay to Landlord as Additional Rent Tenant's Pro Rata Share of any Operating Expenses. "Operating Expenses" means all costs and expenses incurred by Landlord in the operation of the Property, including a reasonable management fee and capital expenses which result in a decrease in related Operating Expenses or are made to comply with legal requirements effective after the date of this Lease, in either case amortized over a period reasonably determined by Landlord, but excluding all other capital expenses, mortgage payments and other financing costs, leasing expenses, and expenses for which Landlord is directly reimbursed by third parties.

3.4. Estimated Payments. Upon written notice from Landlord specifying Landlord's reasonable estimate of Real Estate and Operating Expenses for the upcoming calendar year, which shall be set forth in written detail provided to Tenant, Tenant will make equal monthly payments of Tenant's Pro Rata Share of Real Estate Tax and Operating Expenses with the payment of Base Rent based upon Landlord's reasonable estimate of the required amounts.

3.5. Year End Adjustments. As soon as is reasonably practical after the end of each calendar year, Landlord will provide to Tenant a detailed Reconciliation Statement including the actual Operating Expenses and Real Estate Taxes for such year, and any amounts due from Tenant or overpayment by Tenant, after taking into consideration any estimated payments made by Tenant. Tenant will pay any amount due to Landlord within thirty (30) days of receipt of Landlord's Reconciliation Statement and Landlord will credit any overpayment against estimated payments of Real Estate Taxes and Operating Expenses next coming due. The obligations of Tenant and Landlord hereunder will survive the expiration or other termination of this Lease.

Tenant shall have the right to review Landlord's books and records pertaining to the Operating Expenses upon the following conditions:

a. So long as no event of default by Tenant has occurred, Tenant, or its representative (which representative shall be approved by Landlord in its reasonable discretion), shall have the right, at Tenant's sole expense, to review Landlord's books and records relating solely to any Operating Expenses (copies of which shall be provided to Tenant by Landlord) for the purpose of verifying the information contained in the Reconciliation Statement (the "Tenant Audit"), provided that:

i. Tenant shall have sent notice, in writing, no later than 30 days after receipt of the Reconciliation Statement to be verified, of its desire to conduct the Tenant Audit (the "Audit Notice");

ii. The Audit Notice identifies with specificity the particular item(s) in the Reconciliation Statement that the Tenant believes is/are incorrect; and,

iii. Tenant has paid all amounts due to Landlord as set forth in the Reconciliation Statement in full.

b. In the event that the results of the Tenant Audit reveal that Tenant has overpaid its obligations and is due a credit for a preceding period, Landlord shall credit the amount due against Tenant's next installment(s) of its obligations of estimated Operating Expenses. In the event that the results of the Tenant Audit reveal that Tenant has underpaid its obligations and owes monies for a preceding period, Tenant shall pay such amount with the next installment(s) of its obligations of estimated Operating Expenses. Tenant will not have the right to terminate the Lease on account of an overpayment.

4. CONDITION OF PREMISES: Tenant accepts the Premises and the Property "AS IS" and agrees that Landlord is under no obligation to make any repairs, renovations, or alterations to the Premises or the Property, and has made no representations or warranties regarding the fitness of the Premises or the Property for Tenant's intended use or otherwise.

5. USE OF PREMISES AND COMMON AREAS; ACCESS: Tenant may use the Premises only for Tenant's Permitted Use, in full compliance with applicable legal requirements and any Rules and Regulations, and will obtain, at Tenant's expense, any required permits, licenses and approvals. Tenant may have access to the Premises during Normal Business Hours, and at other times subject to such security requirements and procedures as Landlord may reasonably deem necessary or appropriate. Tenant will not cause or permit any waste or damage to the Premises or cause, or permit any invitee of Tenant to cause, any waste or damage to the Property, or make any use of the Premises or the Property

which, by noise, odor, vibration or otherwise might interfere with the use of the Property by others entitled thereto or lead to an increase in premiums for Landlord's insurance, and will maintain the Premises and the Property free and clear of liens and encumbrances attributable to the acts or omissions of Tenant. Landlord shall have the right to enter the Premises at reasonable times on reasonable notice for the purpose of inspection, for performing Landlord's obligations and to show the Premises to prospective tenants, purchasers and mortgagees.

6. ALTERATIONS TO THE PREMISES: Tenant will make no alterations to the Premises, except that Tenant may make interior non-structural alterations with Landlord's prior written consent, which consent Landlord will not unreasonably withhold. Any such alterations will be made in a good and workmanlike manner and in accordance with all applicable legal requirements and any terms and conditions imposed by Landlord.

As a condition for approving any Alterations to the Premises by Tenant, Landlord shall have the right to require Tenant, or Tenant's contractor, to furnish plans, a project budget, and proof of capital necessary to complete proposed Alterations. Landlord shall also have the right at any time before, during, or after the construction to require Tenant to furnish further assurances against mechanics' liens including, but not limited to, releases of liens signed by all contractors, subcontractors and suppliers, and affidavits executed by Tenant, Tenant's contractor, or architect, that all charges for labor and materials have been paid. Tenant shall promptly pay or bond off any lien filed against the Premises or the Property for any construction performed by or on behalf of Tenant.

7. MAINTENANCE OF THE PREMISES BY TENANT: Tenant will maintain the Premises, including those portions of the systems of the Property which are located within and serve exclusively the Premises, in the same condition as exists on the Commencement Date or such better condition as the Premises or such systems may be placed in during the Term, in full compliance with all applicable legal requirements, and will replace any damaged glass in the windows and doors of the Premises, provided that Tenant will not be responsible for damage caused by fire or other casualty (unless caused by Tenant, Tenant's agents, employees, contractors or other persons for whom Tenant is legally responsible), for reasonable wear and tear, for structural or other capital repairs or replacements or for repairs or replacements to any portion of the systems of the Property which do not serve the Premises exclusively, except for alterations and upgrades within the Premises necessary to comply with the requirements of the Americans With Disabilities Act ("ADA") arising from Tenant's use. All such repairs will be made in a good and workmanlike manner, satisfactory to Landlord, and in compliance with all applicable legal requirements.

8. MAINTENANCE OF PROPERTY BY LANDLORD: Subject to Section 18 below, Landlord will maintain the roof, structural elements, exterior walls, stairways, elevators, if any, common corridors, rest rooms and other common areas to which Tenant has access, and the common systems and equipment of the Property, excluding those portions of such systems which are located within and serve exclusively the Premises, in at least the same condition as on the Commencement Date, and will maintain the interior common areas serving the Premises in a reasonably clean and orderly condition and the exterior walkways and parking areas, if any, serving the Premises, reasonably free of ice and snow.

9. SURRENDER OF PREMISES BY TENANT: On the Termination Date, Tenant will vacate and surrender the Premises to Landlord in the same condition (except as hereinafter specifically provided) as Tenant is required to maintain the Premises during the Term, free and clear of Tenant's

personal property and broom clean. Tenant will remove all alterations made by Tenant and repair any damage to the Premises resulting from such removal unless Landlord instructs Tenant to leave some or all of such alterations in place, in which event, such alterations will become the property of Landlord without compensation, provided that Tenant will always have the right and obligation to remove its trade fixtures and business equipment. If any of Tenant's property remains within the Property after the Termination Date, it may be retained by Landlord without compensation, or may be removed and either stored or disposed of by Landlord and Tenant will reimburse Landlord upon demand for all expenses incurred in connection therewith.

Tenant shall reimburse Landlord for and indemnify Landlord against all damages, costs, liabilities and expenses, including attorneys' fees, which Landlord shall incur on account of Tenant's delay in so vacating the Premises. If Tenant shall not vacate the Premises upon the expiration or earlier termination of this Lease, then the Base Rent shall be increased to 150% of the Base Rent in effect immediately prior to such holding over during the first month of the holdover and 200% of the Base Rent in effect immediately prior to such holding over after the first month of the holdover, and Tenant's obligation to pay Additional Rent shall continue, but nothing herein shall limit any of Landlord's rights or Tenant's obligations arising from Tenant's failure to vacate the Premises, including, without limitation, Landlord's right to repossess the Premises and remove Tenant therefrom at any time after the expiration or earlier termination of this Lease and Tenant's obligation to reimburse and indemnify Landlord as provided in the preceding sentence.

10. UTILITIES: Landlord will furnish to the Premises during Normal Business Hours (a) heat (and air-conditioning if the Property currently provides air-conditioning to the Premises through its central systems), at temperatures reasonably adequate for general office uses, (b) electrical service reasonably adequate for general office uses, and (c) hot and cold water to common lavatories, if any. The cost of heating, air-conditioning, electricity and any other utilities provided to the Property, excluding utilities separately metered or sub-metered to the Premises or to other tenants, will be included in Operating Expenses. Landlord may, at any time during the Term, arrange for the installation of a separate electric meter or sub-meter for the Premises and metered or sub-metered amounts will be paid directly by Tenant within ten (10) days of invoice, to the utility provider. Landlord will not be liable for any interruption of utility services to the Premises, nor will any such interruption constitute a termination of this Lease or an actual or constructive eviction of Tenant. Landlord will use commercially reasonable efforts to avoid or limit such interruptions to the extent that such interruptions are within Landlord's reasonable power or control and subject to the reasonable operational requirements of the Property.

11. HAZARDOUS MATERIALS: Tenant will not cause, or permit any other person claiming or admitted to the Property through Tenant to cause, any Hazardous Materials to be used, generated, stored or disposed of on or about, or transported to or from the Property. "Hazardous Materials" means any material or substance which: (a) is or becomes defined as a "hazardous substance," "hazardous materials," "hazardous waste," "infectious waste," "chemical mixture or substance," or "air pollutant" under Environmental Laws; (b) contains or derives from petroleum, polychlorinated biphenyls (PCB's) or asbestos; (c) is radioactive or infectious; or (d) has toxic, reactive, ignitable or corrosive characteristics. "Environmental Laws" means all legal requirements relating to or imposing liability or standards of conduct concerning Hazardous Materials, public health and safety or the environment. Notwithstanding the foregoing, Tenant covenants that the following Hazardous Materials are customarily used in connection with Tenant's Permitted Use: to be provided to Landlord by Tenant upon Tenant's confirmation of the same. Tenant shall be permitted to use

normal and reasonable quantities of the Permitted Hazardous Materials provided such Permitted Hazardous Materials are stored, used and disposed of in compliance with Environmental Laws and all other applicable legal requirements.

Tenant will be responsible for and will hold Landlord harmless and defend and indemnify Landlord against any claim, suit, cause of action, damage, cost, fee, liability or penalty (including attorney's fees and costs) related to any Hazardous Materials introduced to or released in, on or about the Property by Tenant, Tenant's agents, employees or contractors or by any person claiming or admitted to the Property through Tenant, whether or not permitted by the preceding sentence or otherwise approved by Landlord.

12. RISK OF LOSS; INDEMNIFICATION: To the maximum extent permitted by law, **(a)** Tenant agrees that it will occupy the Property at its own risk, and that Landlord will not be liable to Tenant, or to any person admitted to the Property through Tenant, for any injury or death to persons, or loss or damage to property of any nature whatsoever, and **(b)** Tenant waives and will hold Landlord harmless and defend and indemnify Landlord against any claim, suit, cause of action, damage, cost, fee, liability or penalty (including attorney's fees and costs) for personal injury or death or damage to property, by Tenant, Tenant's invitees, agents, employees or contractors.

13. INSURANCE: Throughout its occupancy, Tenant will maintain in effect, at its sole expense, the following insurance:

13.1 Liability Insurance. Commercial general liability insurance in at least the Required Insurance Amount, for bodily and personal injury and property damage, including as additional insureds Landlord, any general partner or other person directly liable for the obligations of Landlord, and any representative or employee of Landlord or any mortgagee of the Property designated by Landlord, such coverage to be primary and not excess or contributing or secondary to any other insurance available to Landlord or the additional insureds.

13.2 Contents Insurance. Hazard insurance, covering Tenant's personal/business/trade property and fixtures within the Premises or the Property.

13.3 Workers' Compensation Insurance. Workers' Compensation Insurance in accordance with the applicable legal requirements.

13.4 Other Insurance. Such other types of insurance as Landlord may from time to time reasonably deem necessary.

13.5 General Requirements. All Tenant insurance will be issued by insurance companies authorized to do insurance business in Massachusetts rated not less than A-VIII in Best's Insurance Guide, and will not be subject to cancellation or modification without thirty (30) days prior written notice to Landlord and to any mortgagee required to be covered.

13.6 Waiver of Subrogation. Each party waives any right of recovery against the other for injury or loss to property due to hazards covered by insurance to the extent of the injury or loss covered. Any policy of insurance obtained by either party and applicable to the Premises or the Property will contain a clause denying the insurer any right of subrogation against the other party.

13.7 Certificates of Insurance. Prior to making any entry on the Property and at least thirty (30) days prior to the expiration of any policy, Tenant will provide certificates of insurance, in form and substance satisfactory to Landlord, establishing insurance coverages as required by this Section.

14. TRANSFERS: No portion of the Premises may be sublet by Tenant and Tenant's interest in this Lease shall not be assigned or otherwise transferred by Tenant to any other person or entity, whether by sale, assignment, mortgage, operation of law, or other act of Tenant, except with Landlord's prior written consent, which may be withheld in Landlord's sole discretion, except as otherwise provided in this Section 14. Any transfer not so permitted shall be void and shall constitute a breach of this Lease.

14.1 Section 14.2 In no event shall Tenant be relieved at any time after a transfer for any liabilities, suits, damage, claims, actions costs or expenses brought against or incurred by Landlord for matters arising during Tenant's occupancy of the Premises, including, but not limited to, releases of Hazardous Materials.

15. RELATION OF LEASE TO MORTGAGES: This Lease will be subordinate to all mortgages on the Property, now outstanding or hereafter granted, provided that the record holder of a first mortgage on the Property (a "First Mortgagee") may elect to place this Lease ahead of the lien of its mortgage (and of other mortgages on the Property, if it so elects) and may thereafter change such election, effective as of the recording of a written notice of such election with the Registry of Deeds for the district in which the Property is located, with a copy of such notice to Tenant. If a mortgage on the Property is foreclosed, the foreclosing mortgagee or the purchaser at a foreclosure sale (in either case, "First Successor Landlord"), may, at its option, require that Tenant attorn to such party as the Landlord hereunder and continue to be bound by the terms and conditions of this Lease for the balance of the Term. Neither the First Successor Landlord nor any successor or assign of a First Successor Landlord will be (a) liable for any act or omission of or subject to any offsets or defenses which Tenant might have against any Landlord prior to the First Successor Landlord (a "Prior Landlord"), (b) liable for the return of any security deposit not actually paid over to the First Successor Landlord, (c) bound by any payments which Tenant has paid to a Prior Landlord other than for monthly installments next due, (d) obliged to make any payment to Tenant which was required to be made prior to the time the First Successor Landlord took title, or (e) obliged to perform any work or to make any improvements to the Premises undertaken by a Prior Landlord. A First Mortgagee which gives notice of its address to Tenant will be entitled to receive a simultaneous copy of any notice of default by Tenant to Landlord and will have an additional thirty (30) days beyond any cure period available to Landlord, within which to cure such default (and such additional time as may reasonably be necessary, provided that such First Mortgagee is pursuing such cure with commercially reasonable diligence), and unless such additional time expires without cure, Tenant will have no right to terminate this Lease on account of Landlord's default. Any amendment or cancellation of this Lease or surrender of the Premises made without the prior written consent of the First Mortgagee will be void and of no force and effect.

16. TENANT DEFAULTS:

16.1 Events of Defaults. Each of the following will constitute a material default by Tenant (a "Tenant Default"): (a) Failure by Tenant to make any payment required under this Lease within ten

(10) days of the date such payment is due, (b) Failure by Tenant to maintain insurance and to provide certificates as required by this Lease and after written notice from Landlord, (c) Insolvency or admission of insolvency by Tenant, the filing by or against Tenant of any bankruptcy, receivership or other proceeding under State or Federal law, or entering into or acquiescence by Tenant to any arrangement affecting the rights of Tenant's creditors generally, or attachment, execution or other seizure of substantially all of Tenant's assets located at the Premises or Tenant's interest in this Lease or the Premises, or (d) Failure by Tenant to fulfill any other obligation under this Lease, if such failure is not cured within thirty (30) days of notice from Landlord to Tenant, or such longer period as may reasonably be necessary if Tenant promptly commences and diligently pursues such cure.

16.2 Termination by Notice. If a Tenant Default occurs, in addition to any other rights or remedies, Landlord will have the right to terminate this Lease and recover possession of the Premises by written notice to Tenant, effective on the date specified in such notice or, if no date is specified, on the date of receipt or first properly attempted delivery of such notice.

16.3 Landlord's Remedies. In addition to any other rights or remedies, if Landlord terminates this Lease for a Tenant Default, Landlord will have the right to immediately recover as damages from Tenant: (a) any amounts owing from Tenant to Landlord at the time of termination, (b) all of Landlord's expenses, including reasonable legal fees, including attorney's fees, incurred in recovering possession of the Premises and in proving and collecting the sums due from Tenant hereunder, (c) the amount by which the payments required under this Lease for the balance of the Term, including Base Rent, and reasonably anticipated Real Estate Taxes and Operating Expenses, exceed the fair market rent for the Premises, including tax and operating expense increases, for the balance of the Term, determined as of the date of such termination, adjusted to its present value at a reasonable discount rate, and (d) the actual or reasonably anticipated expense to Landlord of preparing and reletting the Premises. Landlord shall also have the right to enter the Premises and to perform any obligation as to which a Tenant Default has arisen, without being deemed to have cured such Tenant Default and without liability to Tenant, and Tenant shall reimburse Landlord for any cost and expense thus incurred promptly upon demand as Additional Rent and/or damages hereunder. In lieu of the damages recoverable under clause (c) above, Landlord may immediately recover, as liquidated damages and sole remedy for clause (c) damages, an amount equal to the total of Base Rent, and Real Estate Taxes and Operating Expenses payable by Tenant with respect to the thirty-six (36) full calendar months preceding termination. If Landlord is required to mitigate damages, Landlord will not be required to give priority to the Premises in renting, or to rent on terms or to any person not otherwise acceptable to Landlord.

16.4. Security Deposit. Landlord may apply the Security Deposit to remedy any Tenant Default and/or to compensate Landlord for any damages which Landlord suffers as a result of such Tenant Default, without being deemed to have cured such Tenant Default or waived further damages in connection therewith. Immediately upon demand, Tenant will deposit cash with Landlord in an amount equal to any portion of the Security Deposit applied by Landlord as aforesaid. Landlord will not be required to keep the Security Deposit separate from its general accounts and Tenant will not be entitled to interest on the Security Deposit. Within thirty (30) days after the Termination Date and vacation of the Premises by Tenant in accordance with the terms of this Lease, the Security Deposit, or such part as remains after application of this Section, will be returned to Tenant. Both parties acknowledge that the Massachusetts security deposit law shall not apply to any amounts deposited with Landlord under this Lease.

17. LANDLORD DEFAULTS:

17.1 Events of Default. Failure by Landlord to observe any of its obligations under this Lease, or a breach of any warranty or representation by Landlord, will constitute a default (a "Landlord Default") only if such failure continues for a period of thirty (30) days (and such additional time as may be reasonably necessary for Landlord to remedy such failure) after Landlord receives notice of such failure from Tenant, setting forth in reasonable detail the nature and extent of Landlord's failure and identifying the provisions of this Lease alleged to have been violated (a "Landlord Default Notice").

17.2 Tenant's Remedies. If a Landlord Default occurs and such Landlord Default directly affects and materially impairs Tenant's use and enjoyment of the Premises for Tenant's Permitted Uses, Tenant may, after sending to Landlord a Landlord Default Notice, make such repairs within the Premises and in common areas adjacent to the Premises necessary to restore Tenant's use, and Landlord will reimburse Tenant for the reasonable and necessary third party costs thus incurred by Tenant upon receipt from Tenant of a statement of such costs in reasonable detail and such backup materials as Landlord may reasonably request. If Landlord fails to reimburse Tenant as aforesaid within sixty (60) days of receipt by Landlord of such statement and backup materials, Tenant may offset such amounts against the installments of Base Rent and Additional Rent next coming due. Except as aforesaid, Tenant will have no right of self-help, or any right to withhold, set-off, or abate Rent. In no event will Landlord be liable for punitive damages, lost profits, business interruption, speculative, consequential or other such damages.

17.3 Independent Covenants. Except as specifically provided herein, the obligations of Tenant under this Lease, including the obligation to pay Base Rent and Additional Rent, and the obligations of Landlord, are independent and not mutually dependent covenants and the failure of Landlord to perform any obligation hereunder will not justify or empower Tenant to withhold Rent, except as provided in the preceding Section 17.2, or to terminate this Lease unless the Landlord Default constitutes a constructive eviction.

18. CASUALTY OR TAKING: If the Property is destroyed by fire or other casualty or the Property or the Premises is taken in its entirety by eminent domain or conveyed in its entirety by deed in lieu of taking, this Lease will terminate as of the date of the casualty or the date that possession of the Property is surrendered to the taking authority, as applicable. In the event that (a) the Property or the Premises is substantially damaged by fire or other casualty and Landlord determines that the Property and/or the Premises cannot be restored to substantially its condition as existing prior to such casualty within one hundred eighty (180) days of the casualty, or (b) a material portion of the Property or of the Premises is taken by eminent domain or conveyed by deed in lieu of taking, and Landlord determines that the remaining portion of Premises and/or of the Property cannot be restored to a condition which is legal and suitable for Tenant's Permitted Use within one hundred eighty (180) days of the date that possession of the Property is required to be surrendered to the taking authority, as applicable, Landlord may elect to terminate this Lease by notice to Tenant given within sixty (60) days after the casualty or notice of taking, effective as of the date of Landlord's notice or, with respect to a taking, on the date that possession is surrendered to the taking authority.

If Landlord does not terminate in accordance with the foregoing, Landlord will restore the Property and the Premises (not including fixtures, modifications and additions installed or required to be installed by Tenant), as soon thereafter as is reasonably practical in light of the circumstances then

prevailing, including the time required to collect insurance proceeds and to obtain any governmental approvals required for restoration, and subject to any other matters beyond the reasonable control of Landlord, and the Rent will be abated, in part or in whole, based on the proportion of the Premises rendered unusable, until the earlier of the time at which Landlord has substantially completed its restoration or the date on which Tenant resumes use of the damaged portion of the Premises, provided that, in no event will Landlord be required to expend more for restoration of the Property or the Premises than the net amount of insurance or taking proceeds actually available to Landlord for such purposes. If restoration of the Premises is not substantially completed within the aforesaid one hundred eighty (180) day period, Tenant may elect to terminate this Lease on thirty (30) days' written notice to Landlord, effective on the thirtieth (30th) day after such notice if substantial completion of restoration does not occur within such thirty day period.

If a dispute arises between Landlord and Tenant regarding the subject matter of this Section 18, such dispute shall be resolved by binding arbitration by a single arbitrator through REBA Dispute Resolution, Inc. under its Arbitration Guidelines in effect at the time of such arbitration.

19. NOTICES:

All notices under this Lease will be in writing and will be given: (a) by hand, with written acknowledgement of receipt, (b) by Federal Express, Express Mail or other nationally recognized overnight delivery service which provides verification of delivery, charges prepaid, or (c) by United States certified mail, postage prepaid, return receipt requested, in each case addressed to Landlord or Tenant at the Notice Address set forth in Section 1. Either party may change their Notice Address by notice given in accordance herewith.

20. BROKERS:

Tenant represents that Tenant has dealt with no broker in connection with this Lease except the Broker, if any, named in Section 1, and agrees to hold Landlord harmless and indemnified from all claims for brokerage due to any person with whom such Tenant has dealt in breach of such representation. Landlord will be solely responsible for the payment of the brokerage commission due to the Broker named in Section 1.

21. LIMITATION ON LIABILITY:

The recourse of Tenant against Landlord for any claim related to this Lease will extend only to Landlord's interest in the Property and the uncollected rents and profits therefrom. No personal liability for any such claim will be enforceable against Landlord or persons related to Landlord or against any other property. In the event of a transfer of Landlord's interest in the Property, the transferring Landlord will be automatically released from all liability related to this Lease accruing after such transfer.

22. SIGNS:

Tenant shall be allowed to install, at Tenant's sole cost and expense (including design, construction, installation and removal), exterior signage on the building containing the Premises, upon Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. Any signs shall comply with applicable local municipal regulations without the need for zoning relief.

23. PARKING:

Tenant shall have non-exclusive access to forty-five (45) parking spaces on site as shown on the parking plan attached hereto and made a part hereof.

24. OPTION TO EXTEND:

Provided Tenant is not in default under the Lease at the time of notice or commencement of any extension term and has not been in breach more than three times during the Term or first extension term, as the case may be, Tenant shall have two (2) options to extend the terms of this Lease. Each option shall be a period of five (5) lease years. If Tenant wishes to exercise its Option to Extend, then Tenant must provide written notice to Landlord not earlier than one (1) year and not later than one hundred eighty (180) days prior to the Termination Date. If Tenant fails to provide such notice, then Tenant's option rights shall be extinguished. Any extension of the Lease shall be upon the same terms and conditions set forth in the Lease, except that the Base Rent for the first year of each extension term shall be 100% of the fair market value of the Premises in that extension year, with two percent (2%) annual increases over the annual Base Rent due during the immediately preceding Lease year throughout each extension term.

If the parties cannot agree on the fair market value sixty (60) days before the Termination Date, then each party shall engage, at their sole cost and expenses, an independent certified appraiser who shall appraise the fair market rental value of Premises within thirty (30) days. If the appraisers do not conclude the same fair market value, then the Landlord's and Tenant's appraiser shall endeavor to reach a consensus on the fair market value within seven (7) days. If the appraisers are unable to reach a consensus within said time period, then the two appraisers shall select an impartial third appraiser. Landlord's and Tenant's appraiser shall immediately deliver their appraisals to the third appraiser. Within twenty (20) days the third appraiser shall determine a fair market value between Landlord's and Tenant's appraisal that most accurately reflects the fair market value of the Premises and the third appraiser's determination shall be binding on the parties. Landlord and Tenant shall equally share any costs associated with the third appraiser.

25. CONTINGENCY:

This Lease and the obligations of all parties herein shall be made contingent upon Tenant receiving the necessary licenses, permits and permission from The Commonwealth of Massachusetts and local authorities for the cultivation and dispensing of medical marijuana at the Premises. If despite Tenant's commercially reasonable efforts, the Tenant fails to receive such licenses, permits and permission on or before January 31, 2014, then Tenant may terminate this Lease by written notice to Landlord, whereupon the Security Deposit made hereunder shall be immediately refunded and neither party shall have any further rights, reservations or recourse against the other.

26. MISCELLANEOUS PROVISIONS:

26.1 Amendments and Waivers. This Lease may not be amended except by a writing, duly executed by both parties and approved in writing by any First Mortgagee having approval rights, and no waiver or consent will be effective unless in writing and signed by Landlord. A waiver or consent by Landlord hereunder will apply only to the specific instance in which granted and not to any other instance, however similar.

26.2 Interpretation. Both parties acknowledge that they have fully read and understood this Lease and have had the opportunity to consult counsel to the extent they deemed necessary, and no provision of this Lease will be construed in favor or against either party by virtue of such party being the drafter of such provision. Enumeration of some but not all items of a class should not be construed as excluding others, notwithstanding the absence of the phrase “without limitation” or words of like meaning.

26.3 Invalid Provisions. If any provision of this Lease is finally determined by a court of competent jurisdiction to be in violation of law or otherwise invalid, this Lease will be deemed amended to the limited extent necessary to cure such violation or invalidity and will be interpreted, as thus amended, so as to implement the intentions of the parties to the greatest extent possible.

26.4 Time of the Essence; Force Majeure. Time is of the essence as to all rights and obligations of the parties hereunder unless specifically provided to the contrary. Notwithstanding the foregoing, if either party fails to perform an obligation hereunder, other than the obligation of Tenant to pay Rent and Additional Rent when due, which failure results from causes beyond the reasonable control of such party, including, without limitation, labor problems, contractor disputes, legal requirements, unavailability of equipment, fixtures or materials, casualty, or disruption or unavailability of utilities or services (a “Force Majeure Event”), the amount of time for performance of such obligation shall be extended by the amount of time such performance is delayed by reason of such Force Majeure Event.

26.5 Jurisdiction; Governing Laws. Any action by Tenant against Landlord will be instituted in the state courts of Massachusetts under Massachusetts law, and Landlord will have personal jurisdiction over Tenant for any action brought by Landlord in Massachusetts by service to Tenant’s Notice Address.

26.6 Successors and Assigns. Subject to the provisions of Section 21 above, the benefits and burdens of this Lease will extend to the original Landlord and Tenant and to their respective successors and assigns, who will be included within the terms “Landlord” and “Tenant” as used herein, provided that no transferee from Tenant in violation of the provisions of this Lease will be entitled to any of the rights or benefits of a Tenant hereunder.

26.7 Estoppel Certificates. Each of the parties, within fifteen (15) days of written request from the other, shall provide a certificate identifying this Lease and any amendments hereto, setting forth the amount of the then current monthly installment of Base Rent and of any Security Deposit held hereunder, stating whether this Lease remains in effect, whether there are any defaults by Landlord or Tenant, whether any Rent has been paid more than thirty (30) days in advance, whether Tenant is in possession and paying Rent, whether Tenant claims any off-sets or credits or has any other defenses to the payment of Rent hereunder, and containing such other reasonable and customary information as may be requested.

26.8 Entire Agreement. This Lease contains the entire agreement of the parties respecting the Premises and the Property and there are no other agreements or understandings between the parties regarding the subject matter of this Lease, any prior agreements being merged herein and superseded.

26.9 Construction. Words of any gender in this Lease shall be held to include any other gender and words in the singular number shall be held to include the plural where the sense requires.

Words importing persons shall include firms, associations, partnerships (including both general and limited partnerships), trusts, corporations and other legal entities, including, but not limited to, public bodies, as well as natural persons. The use of the term "including" in this Lease shall mean in all cases "including but not limited to" unless specifically designated otherwise, and the use of "or" is not exclusive. All references to "Articles" and "Sections" and "Paragraphs" without reference to a document other than this Lease, are intended to designate articles and sections of this Lease. The words "herein," "hereof," "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or Paragraph, unless specifically designated otherwise. Unless otherwise specified in this Lease, any reference to "days" shall be construed as a reference to calendar days, and shall include in the counting thereof all Saturdays, Sundays and holidays; provided, however, if the final day of any period specified in "days" falls on a Saturday, Sunday or holiday, the period shall be deemed extended to include the next regular business day occurring thereafter.

26.10 **Counterparts.** This Lease may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Signatures by fax or email shall also constitute original signatures.

26.11 **Authority.** The Parties warrant and represent they are validly existing corporate entities in legal existence and in good standing under the laws of their state and within the Commonwealth of Massachusetts. The Parties shall remain in good standing throughout the duration of the Term. Any individual or entity signing on behalf of Landlord or Tenant has been duly authorized to enter into this Lease and bind their respective party.

(The remainder of this page is intentionally left blank. Signatures to follow on next page.)

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first indicated above.

LANDLORD,

**640 LINCOLN STREET ASSOCIATES
LIMITED PARTNERSHIP**

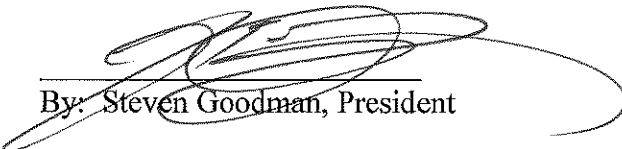


ORIGINAL

Davidendley
By: DAVID K. WOODBURY, MANAGER

TENANT,

COMPASSION HEALTH CENTERS, INC.


By: Steven Goodman, President

 ORIGINAL

EXHIBIT A

**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: Compassion Health Centers, Inc. Application # (if more than one): _____

Physical Address	County	Type of Evidence Attached
640 Lincoln Street Worcester, MA 01605	Worcester	Property Lease



ORIGINAL

LEASE

THIS LEASE made between Landlord and Tenant as of the 19th day of November, 2013:

1. REFERENCE DATA and DEFINITIONS:

When used in this Lease, the following terms will have the meanings specified in this Section 1:

- 1.1. **Landlord.** 640 Lincoln Street Associates Limited Partnership, a Massachusetts limited partnership
- 1.2. **Tenant.** Compassion Health Centers, Inc., a Massachusetts non-profit corporation
- 1.3. **Property.** 640 Lincoln Street, Worcester, Massachusetts.
- 1.4. **Premises.** Approximately 57,541 square feet in the building located on the Property as shown on a plan attached hereto on **Exhibit A** and made a part hereof. Tenant shall also have access to 45 parking spaces as set forth herein.
- 1.5. **Term.** Ten (10) Lease Years, beginning on the Commencement Date.
- 1.6. **Commencement Date.** February 1, 2014.
- 1.7. **Termination Date.** The last day of the Term, as duly extended or earlier terminated.
- 1.8. **Lease Year.** Each period of twelve full (12) calendar months, beginning on the Commencement Date, if such Date is the first day of a calendar month and if not, on the first day of the first full calendar month thereafter, and on the anniversary of such date in each year thereafter. Any partial month at the commencement of the Term will be included in the first Lease Year.
- 1.10. **Tenant's Permitted Use.** Registered Marijuana Dispensary and no other use.
- 1.11. **Base Rent.**
 - 1st Lease Year: \$3.00 psf, \$172,623.00 per Lease Year, \$14,385.25 monthly
 - 2nd Lease Year: \$3.10 psf, \$178,377.10 per Lease Year, \$14,864.76 monthly
 - 3rd Lease Year: \$3.20 psf, \$184,131.20 per Lease Year, \$15,344.27 monthly
 - 4th Lease Year: \$3.30 psf, \$189,885.30 per Lease Year, \$15,823.78 monthly
 - 5th Lease Year: \$3.40 psf, \$195,639.40 per Lease Year, \$16,303.28 monthly
 - 6th Lease Year: \$3.50 psf, \$201,393.50 per Lease Year, \$16,782.79 monthly
 - 7th Lease Year: \$3.60 psf, \$207,147.60 per Lease Year, \$17,262.30 monthly
 - 8th Lease Year: \$3.70 psf, \$212,901.70 per Lease Year, \$17,741.81 monthly
 - 9th Lease Year: \$3.80 psf, \$218,655.80 per Lease Year, \$18,221.32 monthly
 - 10th Lease Year: \$3.90 psf, \$224,409.90 per Lease Year, \$18,700.83 monthly

1.12. **Additional Rent.** Payments required for Operating Expenses and Real Estate Taxes and all other payments required from Tenant hereunder, with the exception of Base Rent, will constitute Additional Rent. Base Rent and Additional Rent are sometimes referred to collectively as "Rent".

1.13. **Rent Commencement Date:** No Base Rent shall be due from Tenant in February, 2014 or March, 2014 and Tenant shall commence Base Rent payments on April 1, 2014; provided, however Base Rent for April, 2014 shall be paid to Landlord upon the Commencement Date. Tenant shall be responsible for Tenant's Pro Rata Share of Operating Expenses, Real Estate Taxes and utilities from the Commencement Date.

1.16. **Tenant's Pro Rata Share.** 41.36%

1.17. **Security Deposit** Fourteen Thousand Three Hundred Eighty-Five Dollars and 25/100 (\$14,385.25) deposited by Tenant with Landlord simultaneously with the execution of this Lease.

1.18. **Landlord's Notice Address.**

c/o Woodbury and Company, Incorporated
67 Millbrook Street, #409
Worcester, MA 01606
Attention: David Woodbury

1.19. **Tenant's Notice Address.**

Compassion Health Centers, Inc.
133 Pearl Street, #400
Boston, MA 02110
Attention: Steven Goodman

1.20. **Required Insurance Amount.** Commercial general liability insurance with minimum combined single limit of liability of at least One Million Dollars (\$1,000,000.00) per occurrence and a general aggregate limit (combined primary and excess) of at least Two Million Dollars (\$2,000,000.00) and other insurance requirements as set forth herein, provided that, not more often than once every Lease Year, Landlord may increase such amounts as Landlord reasonably determines to be necessary and appropriate.

1.21. **Rules and Regulations** Reasonable Rules and Regulations attached hereto or hereafter promulgated or modified by Landlord with notice to Tenant.

1.22. **Normal Business Hours:** Tenant shall have access to the Premises 24 hours a day, 7 days a week.

1.23. **Landlord's Work.** None.

1.24. **Extension Terms.** Two (2) additional periods of five (5) lease years each.

1.25. **Broker.** Kelleher & Sadowsky Associates, Inc., as Landlord's agent. Broker shall be paid solely by Landlord in accordance with a separate agreement.

2. **LEASE OF PREMISES; QUIET ENJOYMENT:** Beginning on the Commencement Date, Landlord leases the Premises to Tenant, and Tenant leases the Premises from Landlord, for the Term, at the Rent and upon the other terms, covenants and conditions of this Lease. Upon paying the Rent and observing the other obligations of Tenant hereunder, Tenant may peaceably occupy the Premises during the Term, without disturbance by Landlord or persons claiming through or under Landlord.

3. **PAYMENT OF BASE RENT; TAXES AND OPERATING EXPENSES:**

3.1. **Payment of Base Rent.** Tenant will pay the Base Rent to Landlord in equal monthly installments in advance, on the first day of each calendar month during the Term, without notice or demand, at Landlord's Notice Address or such other address as Landlord designates by notice to Tenant. Base Rent for any partial month at the beginning of the Term will be determined on a per diem basis at the rate applicable to the first Lease Year, and will be due on the Commencement Date.

3.2. **Real Estate Taxes.** Throughout the Term, Tenant will pay to Landlord as Additional Rent Tenant's Pro Rata Share of any Real Estate Taxes. "Real Estate Taxes" means the aggregate of all real estate taxes and any other governmental impositions which Landlord is required to pay based upon the value of or gross rents from the Property, general or special assessments and betterments, charges for sewer use or other governmental services, special district fees or taxes, and any other governmental fees and assessments imposed upon the Property, exclusive only of income and franchise taxes, whether or not such Real Estate Taxes exist or apply on the Commencement Date.

If Landlord shall receive any tax refund or reimbursement of Real Estate Taxes or sum in lieu thereof with respect to any Tax Year that is not due to vacancies in the Building, then out of any balance remaining thereof after deducting Landlord's expenses reasonably incurred in obtaining such refund, Landlord shall pay to Tenant (provided that if there then exists a Default of Tenant, Landlord may retain therefrom any amount due from Tenant) an amount equal to such refund or reimbursement or sum in lieu thereof (exclusive of any interest) multiplied by the Proportionate Share.

3.3. **Operating Expenses.** Throughout the Term, Tenant will pay to Landlord as Additional Rent Tenant's Pro Rata Share of any Operating Expenses. "Operating Expenses" means all costs and expenses incurred by Landlord in the operation of the Property, including a reasonable management fee and capital expenses which result in a decrease in related Operating Expenses or are made to comply with legal requirements effective after the date of this Lease, in either case amortized over a period reasonably determined by Landlord, but excluding all other capital expenses, mortgage payments and other financing costs, leasing expenses, and expenses for which Landlord is directly reimbursed by third parties.

3.4. **Estimated Payments.** Upon written notice from Landlord specifying Landlord's reasonable estimate of Real Estate and Operating Expenses for the upcoming calendar year, which shall be set forth in written detail provided to Tenant, Tenant will make equal monthly payments of Tenant's Pro Rata Share of Real Estate Tax and Operating Expenses with the payment of Base Rent based upon Landlord's reasonable estimate of the required amounts.

3.5. Year End Adjustments. As soon as is reasonably practical after the end of each calendar year, Landlord will provide to Tenant a detailed Reconciliation Statement including the actual Operating Expenses and Real Estate Taxes for such year, and any amounts due from Tenant or overpayment by Tenant, after taking into consideration any estimated payments made by Tenant. Tenant will pay any amount due to Landlord within thirty (30) days of receipt of Landlord's Reconciliation Statement and Landlord will credit any overpayment against estimated payments of Real Estate Taxes and Operating Expenses next coming due. The obligations of Tenant and Landlord hereunder will survive the expiration or other termination of this Lease.

Tenant shall have the right to review Landlord's books and records pertaining to the Operating Expenses upon the following conditions:

a. So long as no event of default by Tenant has occurred, Tenant, or its representative (which representative shall be approved by Landlord in its reasonable discretion), shall have the right, at Tenant's sole expense, to review Landlord's books and records relating solely to any Operating Expenses (copies of which shall be provided to Tenant by Landlord) for the purpose of verifying the information contained in the Reconciliation Statement (the "Tenant Audit"), provided that:

i. Tenant shall have sent notice, in writing, no later than 30 days after receipt of the Reconciliation Statement to be verified, of its desire to conduct the Tenant Audit (the "Audit Notice");

ii. The Audit Notice identifies with specificity the particular item(s) in the Reconciliation Statement that the Tenant believes is/are incorrect; and,

iii. Tenant has paid all amounts due to Landlord as set forth in the Reconciliation Statement in full.

b. In the event that the results of the Tenant Audit reveal that Tenant has overpaid its obligations and is due a credit for a preceding period, Landlord shall credit the amount due against Tenant's next installment(s) of its obligations of estimated Operating Expenses. In the event that the results of the Tenant Audit reveal that Tenant has underpaid its obligations and owes monies for a preceding period, Tenant shall pay such amount with the next installment(s) of its obligations of estimated Operating Expenses. Tenant will not have the right to terminate the Lease on account of an overpayment.

4. CONDITION OF PREMISES: Tenant accepts the Premises and the Property "AS IS" and agrees that Landlord is under no obligation to make any repairs, renovations, or alterations to the Premises or the Property, and has made no representations or warranties regarding the fitness of the Premises or the Property for Tenant's intended use or otherwise.

5. USE OF PREMISES AND COMMON AREAS; ACCESS: Tenant may use the Premises only for Tenant's Permitted Use, in full compliance with applicable legal requirements and any Rules and Regulations, and will obtain, at Tenant's expense, any required permits, licenses and approvals. Tenant may have access to the Premises during Normal Business Hours, and at other times subject to such security requirements and procedures as Landlord may reasonably deem necessary or appropriate. Tenant will not cause or permit any waste or damage to the Premises or cause, or permit any invitee of Tenant to cause, any waste or damage to the Property, or make any use of the Premises or the Property

which, by noise, odor, vibration or otherwise might interfere with the use of the Property by others entitled thereto or lead to an increase in premiums for Landlord's insurance, and will maintain the Premises and the Property free and clear of liens and encumbrances attributable to the acts or omissions of Tenant. Landlord shall have the right to enter the Premises at reasonable times on reasonable notice for the purpose of inspection, for performing Landlord's obligations and to show the Premises to prospective tenants, purchasers and mortgagees.

6. ALTERATIONS TO THE PREMISES: Tenant will make no alterations to the Premises, except that Tenant may make interior non-structural alterations with Landlord's prior written consent, which consent Landlord will not unreasonably withhold. Any such alterations will be made in a good and workmanlike manner and in accordance with all applicable legal requirements and any terms and conditions imposed by Landlord.

As a condition for approving any Alterations to the Premises by Tenant, Landlord shall have the right to require Tenant, or Tenant's contractor, to furnish plans, a project budget, and proof of capital necessary to complete proposed Alterations. Landlord shall also have the right at any time before, during, or after the construction to require Tenant to furnish further assurances against mechanics' liens including, but not limited to, releases of liens signed by all contractors, subcontractors and suppliers, and affidavits executed by Tenant, Tenant's contractor, or architect, that all charges for labor and materials have been paid. Tenant shall promptly pay or bond off any lien filed against the Premises or the Property for any construction performed by or on behalf of Tenant.

7. MAINTENANCE OF THE PREMISES BY TENANT: Tenant will maintain the Premises, including those portions of the systems of the Property which are located within and serve exclusively the Premises, in the same condition as exists on the Commencement Date or such better condition as the Premises or such systems may be placed in during the Term, in full compliance with all applicable legal requirements, and will replace any damaged glass in the windows and doors of the Premises, provided that Tenant will not be responsible for damage caused by fire or other casualty (unless caused by Tenant, Tenant's agents, employees, contractors or other persons for whom Tenant is legally responsible), for reasonable wear and tear, for structural or other capital repairs or replacements or for repairs or replacements to any portion of the systems of the Property which do not serve the Premises exclusively, except for alterations and upgrades within the Premises necessary to comply with the requirements of the Americans With Disabilities Act ("ADA") arising from Tenant's use. All such repairs will be made in a good and workmanlike manner, satisfactory to Landlord, and in compliance with all applicable legal requirements.

8. MAINTENANCE OF PROPERTY BY LANDLORD: Subject to Section 18 below, Landlord will maintain the roof, structural elements, exterior walls, stairways, elevators, if any, common corridors, rest rooms and other common areas to which Tenant has access, and the common systems and equipment of the Property, excluding those portions of such systems which are located within and serve exclusively the Premises, in at least the same condition as on the Commencement Date, and will maintain the interior common areas serving the Premises in a reasonably clean and orderly condition and the exterior walkways and parking areas, if any, serving the Premises, reasonably free of ice and snow.

9. SURRENDER OF PREMISES BY TENANT: On the Termination Date, Tenant will vacate and surrender the Premises to Landlord in the same condition (except as hereinafter specifically provided) as Tenant is required to maintain the Premises during the Term, free and clear of Tenant's

personal property and broom clean. Tenant will remove all alterations made by Tenant and repair any damage to the Premises resulting from such removal unless Landlord instructs Tenant to leave some or all of such alterations in place, in which event, such alterations will become the property of Landlord without compensation, provided that Tenant will always have the right and obligation to remove its trade fixtures and business equipment. If any of Tenant's property remains within the Property after the Termination Date, it may be retained by Landlord without compensation, or may be removed and either stored or disposed of by Landlord and Tenant will reimburse Landlord upon demand for all expenses incurred in connection therewith.

Tenant shall reimburse Landlord for and indemnify Landlord against all damages, costs, liabilities and expenses, including attorneys' fees, which Landlord shall incur on account of Tenant's delay in so vacating the Premises. If Tenant shall not vacate the Premises upon the expiration or earlier termination of this Lease, then the Base Rent shall be increased to 150% of the Base Rent in effect immediately prior to such holding over during the first month of the holdover and 200% of the Base Rent in effect immediately prior to such holding over after the first month of the holdover, and Tenant's obligation to pay Additional Rent shall continue, but nothing herein shall limit any of Landlord's rights or Tenant's obligations arising from Tenant's failure to vacate the Premises, including, without limitation, Landlord's right to repossess the Premises and remove Tenant therefrom at any time after the expiration or earlier termination of this Lease and Tenant's obligation to reimburse and indemnify Landlord as provided in the preceding sentence.

10. UTILITIES: Landlord will furnish to the Premises during Normal Business Hours (a) heat (and air-conditioning if the Property currently provides air-conditioning to the Premises through its central systems), at temperatures reasonably adequate for general office uses, (b) electrical service reasonably adequate for general office uses, and (c) hot and cold water to common lavatories, if any. The cost of heating, air-conditioning, electricity and any other utilities provided to the Property, excluding utilities separately metered or sub-metered to the Premises or to other tenants, will be included in Operating Expenses. Landlord may, at any time during the Term, arrange for the installation of a separate electric meter or sub-meter for the Premises and metered or sub-metered amounts will be paid directly by Tenant within ten (10) days of invoice, to the utility provider. Landlord will not be liable for any interruption of utility services to the Premises, nor will any such interruption constitute a termination of this Lease or an actual or constructive eviction of Tenant. Landlord will use commercially reasonable efforts to avoid or limit such interruptions to the extent that such interruptions are within Landlord's reasonable power or control and subject to the reasonable operational requirements of the Property.

11. HAZARDOUS MATERIALS: Tenant will not cause, or permit any other person claiming or admitted to the Property through Tenant to cause, any Hazardous Materials to be used, generated, stored or disposed of on or about, or transported to or from the Property. "Hazardous Materials" means any material or substance which: (a) is or becomes defined as a "hazardous substance," "hazardous materials," "hazardous waste," "infectious waste," "chemical mixture or substance," or "air pollutant" under Environmental Laws; (b) contains or derives from petroleum, polychlorinated biphenyls (PCB's) or asbestos; (c) is radioactive or infectious; or (d) has toxic, reactive, ignitable or corrosive characteristics. "Environmental Laws" means all legal requirements relating to or imposing liability or standards of conduct concerning Hazardous Materials, public health and safety or the environment. Notwithstanding the foregoing, Tenant covenants that the following Hazardous Materials are customarily used in connection with Tenant's Permitted Use: to be provided to Landlord by Tenant upon Tenant's confirmation of the same. Tenant shall be permitted to use

normal and reasonable quantities of the Permitted Hazardous Materials provided such Permitted Hazardous Materials are stored, used and disposed of in compliance with Environmental Laws and all other applicable legal requirements.

Tenant will be responsible for and will hold Landlord harmless and defend and indemnify Landlord against any claim, suit, cause of action, damage, cost, fee, liability or penalty (including attorney's fees and costs) related to any Hazardous Materials introduced to or released in, on or about the Property by Tenant, Tenant's agents, employees or contractors or by any person claiming or admitted to the Property through Tenant, whether or not permitted by the preceding sentence or otherwise approved by Landlord.

12. RISK OF LOSS; INDEMNIFICATION: To the maximum extent permitted by law, (a) Tenant agrees that it will occupy the Property at its own risk, and that Landlord will not be liable to Tenant, or to any person admitted to the Property through Tenant, for any injury or death to persons, or loss or damage to property of any nature whatsoever, and (b) Tenant waives and will hold Landlord harmless and defend and indemnify Landlord against any claim, suit, cause of action, damage, cost, fee, liability or penalty (including attorney's fees and costs) for personal injury or death or damage to property, by Tenant, Tenant's invitees, agents, employees or contractors.

13. INSURANCE: Throughout its occupancy, Tenant will maintain in effect, at its sole expense, the following insurance:

13.1 Liability Insurance. Commercial general liability insurance in at least the Required Insurance Amount, for bodily and personal injury and property damage, including as additional insureds Landlord, any general partner or other person directly liable for the obligations of Landlord, and any representative or employee of Landlord or any mortgagee of the Property designated by Landlord, such coverage to be primary and not excess or contributing or secondary to any other insurance available to Landlord or the additional insureds.

13.2 Contents Insurance. Hazard insurance, covering Tenant's personal/business/trade property and fixtures within the Premises or the Property.

13.3 Workers' Compensation Insurance. Workers' Compensation Insurance in accordance with the applicable legal requirements.

13.4 Other Insurance. Such other types of insurance as Landlord may from time to time reasonably deem necessary.

13.5 General Requirements. All Tenant insurance will be issued by insurance companies authorized to do insurance business in Massachusetts rated not less than A-VIII in Best's Insurance Guide, and will not be subject to cancellation or modification without thirty (30) days prior written notice to Landlord and to any mortgagee required to be covered.

13.6 Waiver of Subrogation. Each party waives any right of recovery against the other for injury or loss to property due to hazards covered by insurance to the extent of the injury or loss covered. Any policy of insurance obtained by either party and applicable to the Premises or the Property will contain a clause denying the insurer any right of subrogation against the other party.

13.7 Certificates of Insurance. Prior to making any entry on the Property and at least thirty (30) days prior to the expiration of any policy, Tenant will provide certificates of insurance, in form and substance satisfactory to Landlord, establishing insurance coverages as required by this Section.

14. TRANSFERS: No portion of the Premises may be sublet by Tenant and Tenant's interest in this Lease shall not be assigned or otherwise transferred by Tenant to any other person or entity, whether by sale, assignment, mortgage, operation of law, or other act of Tenant, except with Landlord's prior written consent, which may be withheld in Landlord's sole discretion, except as otherwise provided in this Section 14. Any transfer not so permitted shall be void and shall constitute a breach of this Lease.

14.1 Section 14.2 In no event shall Tenant be relieved at any time after a transfer for any liabilities, suits, damage, claims, actions costs or expenses brought against or incurred by Landlord for matters arising during Tenant's occupancy of the Premises, including, but not limited to, releases of Hazardous Materials.

15. RELATION OF LEASE TO MORTGAGES: This Lease will be subordinate to all mortgages on the Property, now outstanding or hereafter granted, provided that the record holder of a first mortgage on the Property (a "First Mortgagee") may elect to place this Lease ahead of the lien of its mortgage (and of other mortgages on the Property, if it so elects) and may thereafter change such election, effective as of the recording of a written notice of such election with the Registry of Deeds for the district in which the Property is located, with a copy of such notice to Tenant. If a mortgage on the Property is foreclosed, the foreclosing mortgagee or the purchaser at a foreclosure sale (in either case, "First Successor Landlord"), may, at its option, require that Tenant attorn to such party as the Landlord hereunder and continue to be bound by the terms and conditions of this Lease for the balance of the Term. Neither the First Successor Landlord nor any successor or assign of a First Successor Landlord will be (a) liable for any act or omission of or subject to any offsets or defenses which Tenant might have against any Landlord prior to the First Successor Landlord (a "Prior Landlord"), (b) liable for the return of any security deposit not actually paid over to the First Successor Landlord, (c) bound by any payments which Tenant has paid to a Prior Landlord other than for monthly installments next due, (d) obliged to make any payment to Tenant which was required to be made prior to the time the First Successor Landlord took title, or (e) obliged to perform any work or to make any improvements to the Premises undertaken by a Prior Landlord. A First Mortgagee which gives notice of its address to Tenant will be entitled to receive a simultaneous copy of any notice of default by Tenant to Landlord and will have an additional thirty (30) days beyond any cure period available to Landlord, within which to cure such default (and such additional time as may reasonably be necessary, provided that such First Mortgagee is pursuing such cure with commercially reasonable diligence), and unless such additional time expires without cure, Tenant will have no right to terminate this Lease on account of Landlord's default. Any amendment or cancellation of this Lease or surrender of the Premises made without the prior written consent of the First Mortgagee will be void and of no force and effect.

16. TENANT DEFAULTS:

16.1 Events of Defaults. Each of the following will constitute a material default by Tenant (a "Tenant Default"): (a) Failure by Tenant to make any payment required under this Lease within ten

(10) days of the date such payment is due, (b) Failure by Tenant to maintain insurance and to provide certificates as required by this Lease and after written notice from Landlord, (c) Insolvency or admission of insolvency by Tenant, the filing by or against Tenant of any bankruptcy, receivership or other proceeding under State or Federal law, or entering into or acquiescence by Tenant to any arrangement affecting the rights of Tenant's creditors generally, or attachment, execution or other seizure of substantially all of Tenant's assets located at the Premises or Tenant's interest in this Lease or the Premises, or (d) Failure by Tenant to fulfill any other obligation under this Lease, if such failure is not cured within thirty (30) days of notice from Landlord to Tenant, or such longer period as may reasonably be necessary if Tenant promptly commences and diligently pursues such cure.

16.2 Termination by Notice. If a Tenant Default occurs, in addition to any other rights or remedies, Landlord will have the right to terminate this Lease and recover possession of the Premises by written notice to Tenant, effective on the date specified in such notice or, if no date is specified, on the date of receipt or first properly attempted delivery of such notice.

16.3 Landlord's Remedies. In addition to any other rights or remedies, if Landlord terminates this Lease for a Tenant Default, Landlord will have the right to immediately recover as damages from Tenant: (a) any amounts owing from Tenant to Landlord at the time of termination, (b) all of Landlord's expenses, including reasonable legal fees, including attorney's fees, incurred in recovering possession of the Premises and in proving and collecting the sums due from Tenant hereunder, (c) the amount by which the payments required under this Lease for the balance of the Term, including Base Rent, and reasonably anticipated Real Estate Taxes and Operating Expenses, exceed the fair market rent for the Premises, including tax and operating expense increases, for the balance of the Term, determined as of the date of such termination, adjusted to its present value at a reasonable discount rate, and (d) the actual or reasonably anticipated expense to Landlord of preparing and reletting the Premises. Landlord shall also have the right to enter the Premises and to perform any obligation as to which a Tenant Default has arisen, without being deemed to have cured such Tenant Default and without liability to Tenant, and Tenant shall reimburse Landlord for any cost and expense thus incurred promptly upon demand as Additional Rent and/or damages hereunder. In lieu of the damages recoverable under clause (c) above, Landlord may immediately recover, as liquidated damages and sole remedy for clause (c) damages, an amount equal to the total of Base Rent, and Real Estate Taxes and Operating Expenses payable by Tenant with respect to the thirty-six (36) full calendar months preceding termination. If Landlord is required to mitigate damages, Landlord will not be required to give priority to the Premises in renting, or to rent on terms or to any person not otherwise acceptable to Landlord.

16.4. Security Deposit. Landlord may apply the Security Deposit to remedy any Tenant Default and/or to compensate Landlord for any damages which Landlord suffers as a result of such Tenant Default, without being deemed to have cured such Tenant Default or waived further damages in connection therewith. Immediately upon demand, Tenant will deposit cash with Landlord in an amount equal to any portion of the Security Deposit applied by Landlord as aforesaid. Landlord will not be required to keep the Security Deposit separate from its general accounts and Tenant will not be entitled to interest on the Security Deposit. Within thirty (30) days after the Termination Date and vacation of the Premises by Tenant in accordance with the terms of this Lease, the Security Deposit, or such part as remains after application of this Section, will be returned to Tenant. Both parties acknowledge that the Massachusetts security deposit law shall not apply to any amounts deposited with Landlord under this Lease.

17. LANDLORD DEFAULTS:

17.1 **Events of Default.** Failure by Landlord to observe any of its obligations under this Lease, or a breach of any warranty or representation by Landlord, will constitute a default (a "Landlord Default") only if such failure continues for a period of thirty (30) days (and such additional time as may be reasonably necessary for Landlord to remedy such failure) after Landlord receives notice of such failure from Tenant, setting forth in reasonable detail the nature and extent of Landlord's failure and identifying the provisions of this Lease alleged to have been violated (a "Landlord Default Notice").

17.2 **Tenant's Remedies.** If a Landlord Default occurs and such Landlord Default directly affects and materially impairs Tenant's use and enjoyment of the Premises for Tenant's Permitted Uses, Tenant may, after sending to Landlord a Landlord Default Notice, make such repairs within the Premises and in common areas adjacent to the Premises necessary to restore Tenant's use, and Landlord will reimburse Tenant for the reasonable and necessary third party costs thus incurred by Tenant upon receipt from Tenant of a statement of such costs in reasonable detail and such backup materials as Landlord may reasonably request. If Landlord fails to reimburse Tenant as aforesaid within sixty (60) days of receipt by Landlord of such statement and backup materials, Tenant may offset such amounts against the installments of Base Rent and Additional Rent next coming due. Except as aforesaid, Tenant will have no right of self-help, or any right to withhold, set-off, or abate Rent. In no event will Landlord be liable for punitive damages, lost profits, business interruption, speculative, consequential or other such damages.

17.3 **Independent Covenants.** Except as specifically provided herein, the obligations of Tenant under this Lease, including the obligation to pay Base Rent and Additional Rent, and the obligations of Landlord, are independent and not mutually dependent covenants and the failure of Landlord to perform any obligation hereunder will not justify or empower Tenant to withhold Rent, except as provided in the preceding Section 17.2, or to terminate this Lease unless the Landlord Default constitutes a constructive eviction.

18. **CASUALTY OR TAKING:** If the Property is destroyed by fire or other casualty or the Property or the Premises is taken in its entirety by eminent domain or conveyed in its entirety by deed in lieu of taking, this Lease will terminate as of the date of the casualty or the date that possession of the Property is surrendered to the taking authority, as applicable. In the event that (a) the Property or the Premises is substantially damaged by fire or other casualty and Landlord determines that the Property and/or the Premises cannot be restored to substantially its condition as existing prior to such casualty within one hundred eighty (180) days of the casualty, or (b) a material portion of the Property or of the Premises is taken by eminent domain or conveyed by deed in lieu of taking, and Landlord determines that the remaining portion of Premises and/or of the Property cannot be restored to a condition which is legal and suitable for Tenant's Permitted Use within one hundred eighty (180) days of the date that possession of the Property is required to be surrendered to the taking authority, as applicable, Landlord may elect to terminate this Lease by notice to Tenant given within sixty (60) days after the casualty or notice of taking, effective as of the date of Landlord's notice or, with respect to a taking, on the date that possession is surrendered to the taking authority.

If Landlord does not terminate in accordance with the foregoing, Landlord will restore the Property and the Premises (not including fixtures, modifications and additions installed or required to be installed by Tenant), as soon thereafter as is reasonably practical in light of the circumstances then

prevailing, including the time required to collect insurance proceeds and to obtain any governmental approvals required for restoration, and subject to any other matters beyond the reasonable control of Landlord, and the Rent will be abated, in part or in whole, based on the proportion of the Premises rendered unusable, until the earlier of the time at which Landlord has substantially completed its restoration or the date on which Tenant resumes use of the damaged portion of the Premises, provided that, in no event will Landlord be required to expend more for restoration of the Property or the Premises than the net amount of insurance or taking proceeds actually available to Landlord for such purposes. If restoration of the Premises is not substantially completed within the aforesaid one hundred eighty (180) day period, Tenant may elect to terminate this Lease on thirty (30) days' written notice to Landlord, effective on the thirtieth (30th) day after such notice if substantial completion of restoration does not occur within such thirty day period.

If a dispute arises between Landlord and Tenant regarding the subject matter of this Section 18, such dispute shall be resolved by binding arbitration by a single arbitrator through REBA Dispute Resolution, Inc. under its Arbitration Guidelines in effect at the time of such arbitration.

19. NOTICES:

All notices under this Lease will be in writing and will be given: (a) by hand, with written acknowledgement of receipt, (b) by Federal Express, Express Mail or other nationally recognized overnight delivery service which provides verification of delivery, charges prepaid, or (c) by United States certified mail, postage prepaid, return receipt requested, in each case addressed to Landlord or Tenant at the Notice Address set forth in Section 1. Either party may change their Notice Address by notice given in accordance herewith.

20. BROKERS:

Tenant represents that Tenant has dealt with no broker in connection with this Lease except the Broker, if any, named in Section 1, and agrees to hold Landlord harmless and indemnified from all claims for brokerage due to any person with whom such Tenant has dealt in breach of such representation. Landlord will be solely responsible for the payment of the brokerage commission due to the Broker named in Section 1.

21. LIMITATION ON LIABILITY:

The recourse of Tenant against Landlord for any claim related to this Lease will extend only to Landlord's interest in the Property and the uncollected rents and profits therefrom. No personal liability for any such claim will be enforceable against Landlord or persons related to Landlord or against any other property. In the event of a transfer of Landlord's interest in the Property, the transferring Landlord will be automatically released from all liability related to this Lease accruing after such transfer.

22. SIGNS:

Tenant shall be allowed to install, at Tenant's sole cost and expense (including design, construction, installation and removal), exterior signage on the building containing the Premises, upon Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. Any signs shall comply with applicable local municipal regulations without the need for zoning relief.

23. PARKING:

Tenant shall have non-exclusive access to forty-five (45) parking spaces on site as shown on the parking plan attached hereto and made a part hereof.

24. OPTION TO EXTEND:

Provided Tenant is not in default under the Lease at the time of notice or commencement of any extension term and has not been in breach more than three times during the Term or first extension term, as the case may be, Tenant shall have two (2) options to extend the terms of this Lease. Each option shall be a period of five (5) lease years. If Tenant wishes to exercise its Option to Extend, then Tenant must provide written notice to Landlord not earlier than one (1) year and not later than one hundred eighty (180) days prior to the Termination Date. If Tenant fails to provide such notice, then Tenant's option rights shall be extinguished. Any extension of the Lease shall be upon the same terms and conditions set forth in the Lease, except that the Base Rent for the first year of each extension term shall be 100% of the fair market value of the Premises in that extension year, with two percent (2%) annual increases over the annual Base Rent due during the immediately preceding Lease year throughout each extension term.

If the parties cannot agree on the fair market value sixty (60) days before the Termination Date, then each party shall engage, at their sole cost and expenses, an independent certified appraiser who shall appraise the fair market rental value of Premises within thirty (30) days. If the appraisers do not conclude the same fair market value, then the Landlord's and Tenant's appraiser shall endeavor to reach a consensus on the fair market value within seven (7) days. If the appraisers are unable to reach a consensus within said time period, then the two appraisers shall select an impartial third appraiser. Landlord's and Tenant's appraiser shall immediately deliver their appraisals to the third appraiser. Within twenty (20) days the third appraiser shall determine a fair market value between Landlord's and Tenant's appraisal that most accurately reflects the fair market value of the Premises and the third appraiser's determination shall be binding on the parties. Landlord and Tenant shall equally share any costs associated with the third appraiser.

25. CONTINGENCY:

This Lease and the obligations of all parties herein shall be made contingent upon Tenant receiving the necessary licenses, permits and permission from The Commonwealth of Massachusetts and local authorities for the cultivation and dispensing of medical marijuana at the Premises. If despite Tenant's commercially reasonable efforts, the Tenant fails to receive such licenses, permits and permission on or before January 31, 2014, then Tenant may terminate this Lease by written notice to Landlord, whereupon the Security Deposit made hereunder shall be immediately refunded and neither party shall have any further rights, reservations or recourse against the other.

26. MISCELLANEOUS PROVISIONS:

26.1 Amendments and Waivers. This Lease may not be amended except by a writing, duly executed by both parties and approved in writing by any First Mortgagee having approval rights, and no waiver or consent will be effective unless in writing and signed by Landlord. A waiver or consent by Landlord hereunder will apply only to the specific instance in which granted and not to any other instance, however similar,

26.2 Interpretation. Both parties acknowledge that they have fully read and understood this Lease and have had the opportunity to consult counsel to the extent they deemed necessary, and no provision of this Lease will be construed in favor or against either party by virtue of such party being the drafter of such provision. Enumeration of some but not all items of a class should not be construed as excluding others, notwithstanding the absence of the phrase "without limitation" or words of like meaning.

26.3 Invalid Provisions. If any provision of this Lease is finally determined by a court of competent jurisdiction to be in violation of law or otherwise invalid, this Lease will be deemed amended to the limited extent necessary to cure such violation or invalidity and will be interpreted, as thus amended, so as to implement the intentions of the parties to the greatest extent possible.

26.4 Time of the Essence; Force Majeure. Time is of the essence as to all rights and obligations of the parties hereunder unless specifically provided to the contrary. Notwithstanding the foregoing, if either party fails to perform an obligation hereunder, other than the obligation of Tenant to pay Rent and Additional Rent when due, which failure results from causes beyond the reasonable control of such party, including, without limitation, labor problems, contractor disputes, legal requirements, unavailability of equipment, fixtures or materials, casualty, or disruption or unavailability of utilities or services (a "Force Majeure Event"), the amount of time for performance of such obligation shall be extended by the amount of time such performance is delayed by reason of such Force Majeure Event.

26.5 Jurisdiction; Governing Laws. Any action by Tenant against Landlord will be instituted in the state courts of Massachusetts under Massachusetts law, and Landlord will have personal jurisdiction over Tenant for any action brought by Landlord in Massachusetts by service to Tenant's Notice Address.

26.6 Successors and Assigns. Subject to the provisions of Section 21 above, the benefits and burdens of this Lease will extend to the original Landlord and Tenant and to their respective successors and assigns, who will be included within the terms "Landlord" and "Tenant" as used herein, provided that no transferee from Tenant in violation of the provisions of this Lease will be entitled to any of the rights or benefits of a Tenant hereunder.

26.7 Estoppel Certificates. Each of the parties, within fifteen (15) days of written request from the other, shall provide a certificate identifying this Lease and any amendments hereto, setting forth the amount of the then current monthly installment of Base Rent and of any Security Deposit held hereunder, stating whether this Lease remains in effect, whether there are any defaults by Landlord or Tenant, whether any Rent has been paid more than thirty (30) days in advance, whether Tenant is in possession and paying Rent, whether Tenant claims any off-sets or credits or has any other defenses to the payment of Rent hereunder, and containing such other reasonable and customary information as may be requested.

26.8 Entire Agreement. This Lease contains the entire agreement of the parties respecting the Premises and the Property and there are no other agreements or understandings between the parties regarding the subject matter of this Lease, any prior agreements being merged herein and superseded.

26.9 Construction. Words of any gender in this Lease shall be held to include any other gender and words in the singular number shall be held to include the plural where the sense requires.

Words importing persons shall include firms, associations, partnerships (including both general and limited partnerships), trusts, corporations and other legal entities, including, but not limited to, public bodies, as well as natural persons. The use of the term "including" in this Lease shall mean in all cases "including but not limited to" unless specifically designated otherwise, and the use of "or" is not exclusive. All references to "Articles" and "Sections" and "Paragraphs" without reference to a document other than this Lease, are intended to designate articles and sections of this Lease. The words "herein," "hereof," "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or Paragraph, unless specifically designated otherwise. Unless otherwise specified in this Lease, any reference to "days" shall be construed as a reference to calendar days, and shall include in the counting thereof all Saturdays, Sundays and holidays; provided, however, if the final day of any period specified in "days" falls on a Saturday, Sunday or holiday, the period shall be deemed extended to include the next regular business day occurring thereafter.

26.10 **Counterparts.** This Lease may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Signatures by fax or email shall also constitute original signatures.

26.11 **Authority.** The Parties warrant and represent they are validly existing corporate entities in legal existence and in good standing under the laws of their state and within the Commonwealth of Massachusetts. The Parties shall remain in good standing throughout the duration of the Term. Any individual or entity signing on behalf of Landlord or Tenant has been duly authorized to enter into this Lease and bind their respective party.

(The remainder of this page is intentionally left blank. Signatures to follow on next page.)

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first indicated above.

LANDLORD,

**640 LINCOLN STREET ASSOCIATES
LIMITED PARTNERSHIP**



ORIGINAL

David Woodbury
By: DAVID K. WOODBURY, MANAGER

TENANT,

COMPASSION HEALTH CENTERS, INC.


By: Steven Goodman, President

 ORIGINAL

EXHIBIT A

**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: Compassion Health Centers, Inc. Application # (if more than one): _____

Physical Address	County	Type of Evidence Attached
640 Lincoln Street Worcester, MA 01605	Worcester	Property Lease

 ORIGINAL

LEASE

THIS LEASE made between Landlord and Tenant as of the 19th day of November, 2013:

1. REFERENCE DATA and DEFINITIONS:

When used in this Lease, the following terms will have the meanings specified in this Section 1:

- 1.1. **Landlord.** 640 Lincoln Street Associates Limited Partnership, a Massachusetts limited partnership
- 1.2. **Tenant.** Compassion Health Centers, Inc., a Massachusetts non-profit corporation
- 1.3. **Property.** 640 Lincoln Street, Worcester, Massachusetts.
- 1.4. **Premises.** Approximately 57,541 square feet in the building located on the Property as shown on a plan attached hereto on **Exhibit A** and made a part hereof. Tenant shall also have access to 45 parking spaces as set forth herein.
- 1.5. **Term.** Ten (10) Lease Years, beginning on the Commencement Date.
- 1.6. **Commencement Date.** February 1, 2014.
- 1.7. **Termination Date.** The last day of the Term, as duly extended or earlier terminated.
- 1.8. **Lease Year.** Each period of twelve full (12) calendar months, beginning on the Commencement Date, if such Date is the first day of a calendar month and if not, on the first day of the first full calendar month thereafter, and on the anniversary of such date in each year thereafter. Any partial month at the commencement of the Term will be included in the first Lease Year.
- 1.10. **Tenant's Permitted Use.** Registered Marijuana Dispensary and no other use.
- 1.11. **Base Rent.**
 - 1st Lease Year: \$3.00 psf, \$172,623.00 per Lease Year, \$14,385.25 monthly
 - 2nd Lease Year: \$3.10 psf, \$178,377.10 per Lease Year, \$14,864.76 monthly
 - 3rd Lease Year: \$3.20 psf, \$184,131.20 per Lease Year, \$15,344.27 monthly
 - 4th Lease Year: \$3.30 psf, \$189,885.30 per Lease Year, \$15,823.78 monthly
 - 5th Lease Year: \$3.40 psf, \$195,639.40 per Lease Year, \$16,303.28 monthly
 - 6th Lease Year: \$3.50 psf, \$201,393.50 per Lease Year, \$16,782.79 monthly
 - 7th Lease Year: \$3.60 psf, \$207,147.60 per Lease Year, \$17,262.30 monthly
 - 8th Lease Year: \$3.70 psf, \$212,901.70 per Lease Year, \$17,741.81 monthly
 - 9th Lease Year: \$3.80 psf, \$218,655.80 per Lease Year, \$18,221.32 monthly
 - 10th Lease Year: \$3.90 psf, \$224,409.90 per Lease Year, \$18,700.83 monthly

1.12. **Additional Rent.** Payments required for Operating Expenses and Real Estate Taxes and all other payments required from Tenant hereunder, with the exception of Base Rent, will constitute Additional Rent. Base Rent and Additional Rent are sometimes referred to collectively as "Rent".

1.13. **Rent Commencement Date:** No Base Rent shall be due from Tenant in February, 2014 or March, 2014 and Tenant shall commence Base Rent payments on April 1, 2014; provided, however Base Rent for April, 2014 shall be paid to Landlord upon the Commencement Date. Tenant shall be responsible for Tenant's Pro Rata Share of Operating Expenses, Real Estate Taxes and utilities from the Commencement Date.

1.16. **Tenant's Pro Rata Share.** 41.36%

1.17. **Security Deposit** Fourteen Thousand Three Hundred Eighty-Five Dollars and 25/100 (\$14,385.25) deposited by Tenant with Landlord simultaneously with the execution of this Lease.

1.18. **Landlord's Notice Address.**

c/o Woodbury and Company, Incorporated
67 Millbrook Street, #409
Worcester, MA 01606
Attention: David Woodbury

1.19. **Tenant's Notice Address.**

Compassion Health Centers, Inc.
133 Pearl Street, #400
Boston, MA 02110
Attention: Steven Goodman

1.20. **Required Insurance Amount.** Commercial general liability insurance with minimum combined single limit of liability of at least One Million Dollars (\$1,000,000.00) per occurrence and a general aggregate limit (combined primary and excess) of at least Two Million Dollars (\$2,000,000.00) and other insurance requirements as set forth herein, provided that, not more often than once every Lease Year, Landlord may increase such amounts as Landlord reasonably determines to be necessary and appropriate.

1.21. **Rules and Regulations** Reasonable Rules and Regulations attached hereto or hereafter promulgated or modified by Landlord with notice to Tenant.

1.22. **Normal Business Hours:** Tenant shall have access to the Premises 24 hours a day, 7 days a week.

1.23. **Landlord's Work.** None.

1.24. **Extension Terms.** Two (2) additional periods of five (5) lease years each.

1.25. **Broker.** Kelleher & Sadowsky Associates, Inc., as Landlord's agent. Broker shall be paid solely by Landlord in accordance with a separate agreement.

2. **LEASE OF PREMISES; QUIET ENJOYMENT:** Beginning on the Commencement Date, Landlord leases the Premises to Tenant, and Tenant leases the Premises from Landlord, for the Term, at the Rent and upon the other terms, covenants and conditions of this Lease. Upon paying the Rent and observing the other obligations of Tenant hereunder, Tenant may peaceably occupy the Premises during the Term, without disturbance by Landlord or persons claiming through or under Landlord.

3. **PAYMENT OF BASE RENT; TAXES AND OPERATING EXPENSES:**

3.1. **Payment of Base Rent.** Tenant will pay the Base Rent to Landlord in equal monthly installments in advance, on the first day of each calendar month during the Term, without notice or demand, at Landlord's Notice Address or such other address as Landlord designates by notice to Tenant. Base Rent for any partial month at the beginning of the Term will be determined on a per diem basis at the rate applicable to the first Lease Year, and will be due on the Commencement Date.

3.2. **Real Estate Taxes.** Throughout the Term, Tenant will pay to Landlord as Additional Rent Tenant's Pro Rata Share of any Real Estate Taxes. "Real Estate Taxes" means the aggregate of all real estate taxes and any other governmental impositions which Landlord is required to pay based upon the value of or gross rents from the Property, general or special assessments and betterments, charges for sewer use or other governmental services, special district fees or taxes, and any other governmental fees and assessments imposed upon the Property, exclusive only of income and franchise taxes, whether or not such Real Estate Taxes exist or apply on the Commencement Date.

If Landlord shall receive any tax refund or reimbursement of Real Estate Taxes or sum in lieu thereof with respect to any Tax Year that is not due to vacancies in the Building, then out of any balance remaining thereof after deducting Landlord's expenses reasonably incurred in obtaining such refund, Landlord shall pay to Tenant (provided that if there then exists a Default of Tenant, Landlord may retain therefrom any amount due from Tenant) an amount equal to such refund or reimbursement or sum in lieu thereof (exclusive of any interest) multiplied by the Proportionate Share.

3.3. **Operating Expenses.** Throughout the Term, Tenant will pay to Landlord as Additional Rent Tenant's Pro Rata Share of any Operating Expenses. "Operating Expenses" means all costs and expenses incurred by Landlord in the operation of the Property, including a reasonable management fee and capital expenses which result in a decrease in related Operating Expenses or are made to comply with legal requirements effective after the date of this Lease, in either case amortized over a period reasonably determined by Landlord, but excluding all other capital expenses, mortgage payments and other financing costs, leasing expenses, and expenses for which Landlord is directly reimbursed by third parties.

3.4. **Estimated Payments.** Upon written notice from Landlord specifying Landlord's reasonable estimate of Real Estate and Operating Expenses for the upcoming calendar year, which shall be set forth in written detail provided to Tenant, Tenant will make equal monthly payments of Tenant's Pro Rata Share of Real Estate Tax and Operating Expenses with the payment of Base Rent based upon Landlord's reasonable estimate of the required amounts.

3.5. Year End Adjustments. As soon as is reasonably practical after the end of each calendar year, Landlord will provide to Tenant a detailed Reconciliation Statement including the actual Operating Expenses and Real Estate Taxes for such year, and any amounts due from Tenant or overpayment by Tenant, after taking into consideration any estimated payments made by Tenant. Tenant will pay any amount due to Landlord within thirty (30) days of receipt of Landlord's Reconciliation Statement and Landlord will credit any overpayment against estimated payments of Real Estate Taxes and Operating Expenses next coming due. The obligations of Tenant and Landlord hereunder will survive the expiration or other termination of this Lease.

Tenant shall have the right to review Landlord's books and records pertaining to the Operating Expenses upon the following conditions:

a. So long as no event of default by Tenant has occurred, Tenant, or its representative (which representative shall be approved by Landlord in its reasonable discretion), shall have the right, at Tenant's sole expense, to review Landlord's books and records relating solely to any Operating Expenses (copies of which shall be provided to Tenant by Landlord) for the purpose of verifying the information contained in the Reconciliation Statement (the "Tenant Audit"), provided that:

i. Tenant shall have sent notice, in writing, no later than 30 days after receipt of the Reconciliation Statement to be verified, of its desire to conduct the Tenant Audit (the "Audit Notice");

ii. The Audit Notice identifies with specificity the particular item(s) in the Reconciliation Statement that the Tenant believes is/are incorrect; and,

iii. Tenant has paid all amounts due to Landlord as set forth in the Reconciliation Statement in full.

b. In the event that the results of the Tenant Audit reveal that Tenant has overpaid its obligations and is due a credit for a preceding period, Landlord shall credit the amount due against Tenant's next installment(s) of its obligations of estimated Operating Expenses. In the event that the results of the Tenant Audit reveal that Tenant has underpaid its obligations and owes monies for a preceding period, Tenant shall pay such amount with the next installment(s) of its obligations of estimated Operating Expenses. Tenant will not have the right to terminate the Lease on account of an overpayment.

4. CONDITION OF PREMISES: Tenant accepts the Premises and the Property "AS IS" and agrees that Landlord is under no obligation to make any repairs, renovations, or alterations to the Premises or the Property, and has made no representations or warranties regarding the fitness of the Premises or the Property for Tenant's intended use or otherwise.

5. USE OF PREMISES AND COMMON AREAS; ACCESS: Tenant may use the Premises only for Tenant's Permitted Use, in full compliance with applicable legal requirements and any Rules and Regulations, and will obtain, at Tenant's expense, any required permits, licenses and approvals. Tenant may have access to the Premises during Normal Business Hours, and at other times subject to such security requirements and procedures as Landlord may reasonably deem necessary or appropriate. Tenant will not cause or permit any waste or damage to the Premises or cause, or permit any invitee of Tenant to cause, any waste or damage to the Property, or make any use of the Premises or the Property

which, by noise, odor, vibration or otherwise might interfere with the use of the Property by others entitled thereto or lead to an increase in premiums for Landlord's insurance, and will maintain the Premises and the Property free and clear of liens and encumbrances attributable to the acts or omissions of Tenant. Landlord shall have the right to enter the Premises at reasonable times on reasonable notice for the purpose of inspection, for performing Landlord's obligations and to show the Premises to prospective tenants, purchasers and mortgagees.

6. ALTERATIONS TO THE PREMISES: Tenant will make no alterations to the Premises, except that Tenant may make interior non-structural alterations with Landlord's prior written consent, which consent Landlord will not unreasonably withhold. Any such alterations will be made in a good and workmanlike manner and in accordance with all applicable legal requirements and any terms and conditions imposed by Landlord.

As a condition for approving any Alterations to the Premises by Tenant, Landlord shall have the right to require Tenant, or Tenant's contractor, to furnish plans, a project budget, and proof of capital necessary to complete proposed Alterations. Landlord shall also have the right at any time before, during, or after the construction to require Tenant to furnish further assurances against mechanics' liens including, but not limited to, releases of liens signed by all contractors, subcontractors and suppliers, and affidavits executed by Tenant, Tenant's contractor, or architect, that all charges for labor and materials have been paid. Tenant shall promptly pay or bond off any lien filed against the Premises or the Property for any construction performed by or on behalf of Tenant.

7. MAINTENANCE OF THE PREMISES BY TENANT: Tenant will maintain the Premises, including those portions of the systems of the Property which are located within and serve exclusively the Premises, in the same condition as exists on the Commencement Date or such better condition as the Premises or such systems may be placed in during the Term, in full compliance with all applicable legal requirements, and will replace any damaged glass in the windows and doors of the Premises, provided that Tenant will not be responsible for damage caused by fire or other casualty (unless caused by Tenant, Tenant's agents, employees, contractors or other persons for whom Tenant is legally responsible), for reasonable wear and tear, for structural or other capital repairs or replacements or for repairs or replacements to any portion of the systems of the Property which do not serve the Premises exclusively, except for alterations and upgrades within the Premises necessary to comply with the requirements of the Americans With Disabilities Act ("ADA") arising from Tenant's use. All such repairs will be made in a good and workmanlike manner, satisfactory to Landlord, and in compliance with all applicable legal requirements.

8. MAINTENANCE OF PROPERTY BY LANDLORD: Subject to Section 18 below, Landlord will maintain the roof, structural elements, exterior walls, stairways, elevators, if any, common corridors, rest rooms and other common areas to which Tenant has access, and the common systems and equipment of the Property, excluding those portions of such systems which are located within and serve exclusively the Premises, in at least the same condition as on the Commencement Date, and will maintain the interior common areas serving the Premises in a reasonably clean and orderly condition and the exterior walkways and parking areas, if any, serving the Premises, reasonably free of ice and snow.

9. SURRENDER OF PREMISES BY TENANT: On the Termination Date, Tenant will vacate and surrender the Premises to Landlord in the same condition (except as hereinafter specifically provided) as Tenant is required to maintain the Premises during the Term, free and clear of Tenant's

personal property and broom clean. Tenant will remove all alterations made by Tenant and repair any damage to the Premises resulting from such removal unless Landlord instructs Tenant to leave some or all of such alterations in place, in which event, such alterations will become the property of Landlord without compensation, provided that Tenant will always have the right and obligation to remove its trade fixtures and business equipment. If any of Tenant's property remains within the Property after the Termination Date, it may be retained by Landlord without compensation, or may be removed and either stored or disposed of by Landlord and Tenant will reimburse Landlord upon demand for all expenses incurred in connection therewith.

Tenant shall reimburse Landlord for and indemnify Landlord against all damages, costs, liabilities and expenses, including attorneys' fees, which Landlord shall incur on account of Tenant's delay in so vacating the Premises. If Tenant shall not vacate the Premises upon the expiration or earlier termination of this Lease, then the Base Rent shall be increased to 150% of the Base Rent in effect immediately prior to such holding over during the first month of the holdover and 200% of the Base Rent in effect immediately prior to such holding over after the first month of the holdover, and Tenant's obligation to pay Additional Rent shall continue, but nothing herein shall limit any of Landlord's rights or Tenant's obligations arising from Tenant's failure to vacate the Premises, including, without limitation, Landlord's right to repossess the Premises and remove Tenant therefrom at any time after the expiration or earlier termination of this Lease and Tenant's obligation to reimburse and indemnify Landlord as provided in the preceding sentence.

10. UTILITIES: Landlord will furnish to the Premises during Normal Business Hours (a) heat (and air-conditioning if the Property currently provides air-conditioning to the Premises through its central systems), at temperatures reasonably adequate for general office uses, (b) electrical service reasonably adequate for general office uses, and (c) hot and cold water to common lavatories, if any. The cost of heating, air-conditioning, electricity and any other utilities provided to the Property, excluding utilities separately metered or sub-metered to the Premises or to other tenants, will be included in Operating Expenses. Landlord may, at any time during the Term, arrange for the installation of a separate electric meter or sub-meter for the Premises and metered or sub-metered amounts will be paid directly by Tenant within ten (10) days of invoice, to the utility provider. Landlord will not be liable for any interruption of utility services to the Premises, nor will any such interruption constitute a termination of this Lease or an actual or constructive eviction of Tenant. Landlord will use commercially reasonable efforts to avoid or limit such interruptions to the extent that such interruptions are within Landlord's reasonable power or control and subject to the reasonable operational requirements of the Property.

11. HAZARDOUS MATERIALS: Tenant will not cause, or permit any other person claiming or admitted to the Property through Tenant to cause, any Hazardous Materials to be used, generated, stored or disposed of on or about, or transported to or from the Property. "Hazardous Materials" means any material or substance which: (a) is or becomes defined as a "hazardous substance," "hazardous materials," "hazardous waste," "infectious waste," "chemical mixture or substance," or "air pollutant" under Environmental Laws; (b) contains or derives from petroleum, polychlorinated biphenyls (PCB's) or asbestos; (c) is radioactive or infectious; or (d) has toxic, reactive, ignitable or corrosive characteristics. "Environmental Laws" means all legal requirements relating to or imposing liability or standards of conduct concerning Hazardous Materials, public health and safety or the environment. Notwithstanding the foregoing, Tenant covenants that the following Hazardous Materials are customarily used in connection with Tenant's Permitted Use: to be provided to Landlord by Tenant upon Tenant's confirmation of the same. Tenant shall be permitted to use

normal and reasonable quantities of the Permitted Hazardous Materials provided such Permitted Hazardous Materials are stored, used and disposed of in compliance with Environmental Laws and all other applicable legal requirements.

Tenant will be responsible for and will hold Landlord harmless and defend and indemnify Landlord against any claim, suit, cause of action, damage, cost, fee, liability or penalty (including attorney's fees and costs) related to any Hazardous Materials introduced to or released in, on or about the Property by Tenant, Tenant's agents, employees or contractors or by any person claiming or admitted to the Property through Tenant, whether or not permitted by the preceding sentence or otherwise approved by Landlord.

12. RISK OF LOSS; INDEMNIFICATION: To the maximum extent permitted by law, (a) Tenant agrees that it will occupy the Property at its own risk, and that Landlord will not be liable to Tenant, or to any person admitted to the Property through Tenant, for any injury or death to persons, or loss or damage to property of any nature whatsoever, and (b) Tenant waives and will hold Landlord harmless and defend and indemnify Landlord against any claim, suit, cause of action, damage, cost, fee, liability or penalty (including attorney's fees and costs) for personal injury or death or damage to property, by Tenant, Tenant's invitees, agents, employees or contractors.

13. INSURANCE: Throughout its occupancy, Tenant will maintain in effect, at its sole expense, the following insurance:

13.1 Liability Insurance. Commercial general liability insurance in at least the Required Insurance Amount, for bodily and personal injury and property damage, including as additional insureds Landlord, any general partner or other person directly liable for the obligations of Landlord, and any representative or employee of Landlord or any mortgagee of the Property designated by Landlord, such coverage to be primary and not excess or contributing or secondary to any other insurance available to Landlord or the additional insureds.

13.2 Contents Insurance. Hazard insurance, covering Tenant's personal/business/trade property and fixtures within the Premises or the Property.

13.3 Workers' Compensation Insurance. Workers' Compensation Insurance in accordance with the applicable legal requirements.

13.4 Other Insurance. Such other types of insurance as Landlord may from time to time reasonably deem necessary.

13.5 General Requirements. All Tenant insurance will be issued by insurance companies authorized to do insurance business in Massachusetts rated not less than A-VIII in Best's Insurance Guide, and will not be subject to cancellation or modification without thirty (30) days prior written notice to Landlord and to any mortgagee required to be covered.

13.6 Waiver of Subrogation. Each party waives any right of recovery against the other for injury or loss to property due to hazards covered by insurance to the extent of the injury or loss covered. Any policy of insurance obtained by either party and applicable to the Premises or the Property will contain a clause denying the insurer any right of subrogation against the other party.

13.7 Certificates of Insurance. Prior to making any entry on the Property and at least thirty (30) days prior to the expiration of any policy, Tenant will provide certificates of insurance, in form and substance satisfactory to Landlord, establishing insurance coverages as required by this Section.

14. TRANSFERS: No portion of the Premises may be sublet by Tenant and Tenant's interest in this Lease shall not be assigned or otherwise transferred by Tenant to any other person or entity, whether by sale, assignment, mortgage, operation of law, or other act of Tenant, except with Landlord's prior written consent, which may be withheld in Landlord's sole discretion, except as otherwise provided in this Section 14. Any transfer not so permitted shall be void and shall constitute a breach of this Lease.

14.1 Section 14.2 In no event shall Tenant be relieved at any time after a transfer for any liabilities, suits, damage, claims, actions costs or expenses brought against or incurred by Landlord for matters arising during Tenant's occupancy of the Premises, including, but not limited to, releases of Hazardous Materials.

15. RELATION OF LEASE TO MORTGAGES: This Lease will be subordinate to all mortgages on the Property, now outstanding or hereafter granted, provided that the record holder of a first mortgage on the Property (a "First Mortgagee") may elect to place this Lease ahead of the lien of its mortgage (and of other mortgages on the Property, if it so elects) and may thereafter change such election, effective as of the recording of a written notice of such election with the Registry of Deeds for the district in which the Property is located, with a copy of such notice to Tenant. If a mortgage on the Property is foreclosed, the foreclosing mortgagee or the purchaser at a foreclosure sale (in either case, "First Successor Landlord"), may, at its option, require that Tenant attorn to such party as the Landlord hereunder and continue to be bound by the terms and conditions of this Lease for the balance of the Term. Neither the First Successor Landlord nor any successor or assign of a First Successor Landlord will be (a) liable for any act or omission of or subject to any offsets or defenses which Tenant might have against any Landlord prior to the First Successor Landlord (a "Prior Landlord"), (b) liable for the return of any security deposit not actually paid over to the First Successor Landlord, (c) bound by any payments which Tenant has paid to a Prior Landlord other than for monthly installments next due, (d) obliged to make any payment to Tenant which was required to be made prior to the time the First Successor Landlord took title, or (e) obliged to perform any work or to make any improvements to the Premises undertaken by a Prior Landlord. A First Mortgagee which gives notice of its address to Tenant will be entitled to receive a simultaneous copy of any notice of default by Tenant to Landlord and will have an additional thirty (30) days beyond any cure period available to Landlord, within which to cure such default (and such additional time as may reasonably be necessary, provided that such First Mortgagee is pursuing such cure with commercially reasonable diligence), and unless such additional time expires without cure, Tenant will have no right to terminate this Lease on account of Landlord's default. Any amendment or cancellation of this Lease or surrender of the Premises made without the prior written consent of the First Mortgagee will be void and of no force and effect.

16. TENANT DEFAULTS:

16.1 Events of Defaults. Each of the following will constitute a material default by Tenant (a "Tenant Default"): (a) Failure by Tenant to make any payment required under this Lease within ten

(10) days of the date such payment is due, (b) Failure by Tenant to maintain insurance and to provide certificates as required by this Lease and after written notice from Landlord, (c) Insolvency or admission of insolvency by Tenant, the filing by or against Tenant of any bankruptcy, receivership or other proceeding under State or Federal law, or entering into or acquiescence by Tenant to any arrangement affecting the rights of Tenant's creditors generally, or attachment, execution or other seizure of substantially all of Tenant's assets located at the Premises or Tenant's interest in this Lease or the Premises, or (d) Failure by Tenant to fulfill any other obligation under this Lease, if such failure is not cured within thirty (30) days of notice from Landlord to Tenant, or such longer period as may reasonably be necessary if Tenant promptly commences and diligently pursues such cure.

16.2 Termination by Notice. If a Tenant Default occurs, in addition to any other rights or remedies, Landlord will have the right to terminate this Lease and recover possession of the Premises by written notice to Tenant, effective on the date specified in such notice or, if no date is specified, on the date of receipt or first properly attempted delivery of such notice.

16.3 Landlord's Remedies. In addition to any other rights or remedies, if Landlord terminates this Lease for a Tenant Default, Landlord will have the right to immediately recover as damages from Tenant: (a) any amounts owing from Tenant to Landlord at the time of termination, (b) all of Landlord's expenses, including reasonable legal fees, including attorney's fees, incurred in recovering possession of the Premises and in proving and collecting the sums due from Tenant hereunder, (c) the amount by which the payments required under this Lease for the balance of the Term, including Base Rent, and reasonably anticipated Real Estate Taxes and Operating Expenses, exceed the fair market rent for the Premises, including tax and operating expense increases, for the balance of the Term, determined as of the date of such termination, adjusted to its present value at a reasonable discount rate, and (d) the actual or reasonably anticipated expense to Landlord of preparing and reletting the Premises. Landlord shall also have the right to enter the Premises and to perform any obligation as to which a Tenant Default has arisen, without being deemed to have cured such Tenant Default and without liability to Tenant, and Tenant shall reimburse Landlord for any cost and expense thus incurred promptly upon demand as Additional Rent and/or damages hereunder. In lieu of the damages recoverable under clause (c) above, Landlord may immediately recover, as liquidated damages and sole remedy for clause (c) damages, an amount equal to the total of Base Rent, and Real Estate Taxes and Operating Expenses payable by Tenant with respect to the thirty-six (36) full calendar months preceding termination. If Landlord is required to mitigate damages, Landlord will not be required to give priority to the Premises in renting, or to rent on terms or to any person not otherwise acceptable to Landlord.

16.4 Security Deposit. Landlord may apply the Security Deposit to remedy any Tenant Default and/or to compensate Landlord for any damages which Landlord suffers as a result of such Tenant Default, without being deemed to have cured such Tenant Default or waived further damages in connection therewith. Immediately upon demand, Tenant will deposit cash with Landlord in an amount equal to any portion of the Security Deposit applied by Landlord as aforesaid. Landlord will not be required to keep the Security Deposit separate from its general accounts and Tenant will not be entitled to interest on the Security Deposit. Within thirty (30) days after the Termination Date and vacation of the Premises by Tenant in accordance with the terms of this Lease, the Security Deposit, or such part as remains after application of this Section, will be returned to Tenant. Both parties acknowledge that the Massachusetts security deposit law shall not apply to any amounts deposited with Landlord under this Lease.

17. LANDLORD DEFAULTS:

17.1 **Events of Default.** Failure by Landlord to observe any of its obligations under this Lease, or a breach of any warranty or representation by Landlord, will constitute a default (a "Landlord Default") only if such failure continues for a period of thirty (30) days (and such additional time as may be reasonably necessary for Landlord to remedy such failure) after Landlord receives notice of such failure from Tenant, setting forth in reasonable detail the nature and extent of Landlord's failure and identifying the provisions of this Lease alleged to have been violated (a "Landlord Default Notice").

17.2 **Tenant's Remedies.** If a Landlord Default occurs and such Landlord Default directly affects and materially impairs Tenant's use and enjoyment of the Premises for Tenant's Permitted Uses, Tenant may, after sending to Landlord a Landlord Default Notice, make such repairs within the Premises and in common areas adjacent to the Premises necessary to restore Tenant's use, and Landlord will reimburse Tenant for the reasonable and necessary third party costs thus incurred by Tenant upon receipt from Tenant of a statement of such costs in reasonable detail and such backup materials as Landlord may reasonably request. If Landlord fails to reimburse Tenant as aforesaid within sixty (60) days of receipt by Landlord of such statement and backup materials, Tenant may offset such amounts against the installments of Base Rent and Additional Rent next coming due. Except as aforesaid, Tenant will have no right of self-help, or any right to withhold, set-off, or abate Rent. In no event will Landlord be liable for punitive damages, lost profits, business interruption, speculative, consequential or other such damages.

17.3 **Independent Covenants.** Except as specifically provided herein, the obligations of Tenant under this Lease, including the obligation to pay Base Rent and Additional Rent, and the obligations of Landlord, are independent and not mutually dependent covenants and the failure of Landlord to perform any obligation hereunder will not justify or empower Tenant to withhold Rent, except as provided in the preceding Section 17.2, or to terminate this Lease unless the Landlord Default constitutes a constructive eviction.

18. **CASUALTY OR TAKING:** If the Property is destroyed by fire or other casualty or the Property or the Premises is taken in its entirety by eminent domain or conveyed in its entirety by deed in lieu of taking, this Lease will terminate as of the date of the casualty or the date that possession of the Property is surrendered to the taking authority, as applicable. In the event that (a) the Property or the Premises is substantially damaged by fire or other casualty and Landlord determines that the Property and/or the Premises cannot be restored to substantially its condition as existing prior to such casualty within one hundred eighty (180) days of the casualty, or (b) a material portion of the Property or of the Premises is taken by eminent domain or conveyed by deed in lieu of taking, and Landlord determines that the remaining portion of Premises and/or of the Property cannot be restored to a condition which is legal and suitable for Tenant's Permitted Use within one hundred eighty (180) days of the date that possession of the Property is required to be surrendered to the taking authority, as applicable, Landlord may elect to terminate this Lease by notice to Tenant given within sixty (60) days after the casualty or notice of taking, effective as of the date of Landlord's notice or, with respect to a taking, on the date that possession is surrendered to the taking authority.

If Landlord does not terminate in accordance with the foregoing, Landlord will restore the Property and the Premises (not including fixtures, modifications and additions installed or required to be installed by Tenant), as soon thereafter as is reasonably practical in light of the circumstances then

prevailing, including the time required to collect insurance proceeds and to obtain any governmental approvals required for restoration, and subject to any other matters beyond the reasonable control of Landlord, and the Rent will be abated, in part or in whole, based on the proportion of the Premises rendered unusable, until the earlier of the time at which Landlord has substantially completed its restoration or the date on which Tenant resumes use of the damaged portion of the Premises, provided that, in no event will Landlord be required to expend more for restoration of the Property or the Premises than the net amount of insurance or taking proceeds actually available to Landlord for such purposes. If restoration of the Premises is not substantially completed within the aforesaid one hundred eighty (180) day period, Tenant may elect to terminate this Lease on thirty (30) days' written notice to Landlord, effective on the thirtieth (30th) day after such notice if substantial completion of restoration does not occur within such thirty day period.

If a dispute arises between Landlord and Tenant regarding the subject matter of this Section 18, such dispute shall be resolved by binding arbitration by a single arbitrator through REBA Dispute Resolution, Inc. under its Arbitration Guidelines in effect at the time of such arbitration.

19. NOTICES:

All notices under this Lease will be in writing and will be given: (a) by hand, with written acknowledgement of receipt, (b) by Federal Express, Express Mail or other nationally recognized overnight delivery service which provides verification of delivery, charges prepaid, or (c) by United States certified mail, postage prepaid, return receipt requested, in each case addressed to Landlord or Tenant at the Notice Address set forth in Section 1. Either party may change their Notice Address by notice given in accordance herewith.

20. BROKERS:

Tenant represents that Tenant has dealt with no broker in connection with this Lease except the Broker, if any, named in Section 1, and agrees to hold Landlord harmless and indemnified from all claims for brokerage due to any person with whom such Tenant has dealt in breach of such representation. Landlord will be solely responsible for the payment of the brokerage commission due to the Broker named in Section 1.

21. LIMITATION ON LIABILITY:

The recourse of Tenant against Landlord for any claim related to this Lease will extend only to Landlord's interest in the Property and the uncollected rents and profits therefrom. No personal liability for any such claim will be enforceable against Landlord or persons related to Landlord or against any other property. In the event of a transfer of Landlord's interest in the Property, the transferring Landlord will be automatically released from all liability related to this Lease accruing after such transfer.

22. SIGNS:

Tenant shall be allowed to install, at Tenant's sole cost and expense (including design, construction, installation and removal), exterior signage on the building containing the Premises, upon Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. Any signs shall comply with applicable local municipal regulations without the need for zoning relief.

23. PARKING:

Tenant shall have non-exclusive access to forty-five (45) parking spaces on site as shown on the parking plan attached hereto and made a part hereof.

24. OPTION TO EXTEND:

Provided Tenant is not in default under the Lease at the time of notice or commencement of any extension term and has not been in breach more than three times during the Term or first extension term, as the case may be, Tenant shall have two (2) options to extend the terms of this Lease. Each option shall be a period of five (5) lease years. If Tenant wishes to exercise its Option to Extend, then Tenant must provide written notice to Landlord not earlier than one (1) year and not later than one hundred eighty (180) days prior to the Termination Date. If Tenant fails to provide such notice, then Tenant's option rights shall be extinguished. Any extension of the Lease shall be upon the same terms and conditions set forth in the Lease, except that the Base Rent for the first year of each extension term shall be 100% of the fair market value of the Premises in that extension year, with two percent (2%) annual increases over the annual Base Rent due during the immediately preceding Lease year throughout each extension term.

If the parties cannot agree on the fair market value sixty (60) days before the Termination Date, then each party shall engage, at their sole cost and expenses, an independent certified appraiser who shall appraise the fair market rental value of Premises within thirty (30) days. If the appraisers do not conclude the same fair market value, then the Landlord's and Tenant's appraiser shall endeavor to reach a consensus on the fair market value within seven (7) days. If the appraisers are unable to reach a consensus within said time period, then the two appraisers shall select an impartial third appraiser. Landlord's and Tenant's appraiser shall immediately deliver their appraisals to the third appraiser. Within twenty (20) days the third appraiser shall determine a fair market value between Landlord's and Tenant's appraisal that most accurately reflects the fair market value of the Premises and the third appraiser's determination shall be binding on the parties. Landlord and Tenant shall equally share any costs associated with the third appraiser.

25. CONTINGENCY:

This Lease and the obligations of all parties herein shall be made contingent upon Tenant receiving the necessary licenses, permits and permission from The Commonwealth of Massachusetts and local authorities for the cultivation and dispensing of medical marijuana at the Premises. If despite Tenant's commercially reasonable efforts, the Tenant fails to receive such licenses, permits and permission on or before January 31, 2014, then Tenant may terminate this Lease by written notice to Landlord, whereupon the Security Deposit made hereunder shall be immediately refunded and neither party shall have any further rights, reservations or recourse against the other.

26. MISCELLANEOUS PROVISIONS:

26.1 Amendments and Waivers. This Lease may not be amended except by a writing, duly executed by both parties and approved in writing by any First Mortgagee having approval rights, and no waiver or consent will be effective unless in writing and signed by Landlord. A waiver or consent by Landlord hereunder will apply only to the specific instance in which granted and not to any other instance, however similar.

26.2 Interpretation. Both parties acknowledge that they have fully read and understood this Lease and have had the opportunity to consult counsel to the extent they deemed necessary, and no provision of this Lease will be construed in favor or against either party by virtue of such party being the drafter of such provision. Enumeration of some but not all items of a class should not be construed as excluding others, notwithstanding the absence of the phrase "without limitation" or words of like meaning.

26.3 Invalid Provisions. If any provision of this Lease is finally determined by a court of competent jurisdiction to be in violation of law or otherwise invalid, this Lease will be deemed amended to the limited extent necessary to cure such violation or invalidity and will be interpreted, as thus amended, so as to implement the intentions of the parties to the greatest extent possible.

26.4 Time of the Essence; Force Majeure. Time is of the essence as to all rights and obligations of the parties hereunder unless specifically provided to the contrary. Notwithstanding the foregoing, if either party fails to perform an obligation hereunder, other than the obligation of Tenant to pay Rent and Additional Rent when due, which failure results from causes beyond the reasonable control of such party, including, without limitation, labor problems, contractor disputes, legal requirements, unavailability of equipment, fixtures or materials, casualty, or disruption or unavailability of utilities or services (a "Force Majeure Event"), the amount of time for performance of such obligation shall be extended by the amount of time such performance is delayed by reason of such Force Majeure Event.

26.5 Jurisdiction; Governing Laws. Any action by Tenant against Landlord will be instituted in the state courts of Massachusetts under Massachusetts law, and Landlord will have personal jurisdiction over Tenant for any action brought by Landlord in Massachusetts by service to Tenant's Notice Address.

26.6 Successors and Assigns. Subject to the provisions of Section 21 above, the benefits and burdens of this Lease will extend to the original Landlord and Tenant and to their respective successors and assigns, who will be included within the terms "Landlord" and "Tenant" as used herein, provided that no transferee from Tenant in violation of the provisions of this Lease will be entitled to any of the rights or benefits of a Tenant hereunder.

26.7 Estoppel Certificates. Each of the parties, within fifteen (15) days of written request from the other, shall provide a certificate identifying this Lease and any amendments hereto, setting forth the amount of the then current monthly installment of Base Rent and of any Security Deposit held hereunder, stating whether this Lease remains in effect, whether there are any defaults by Landlord or Tenant, whether any Rent has been paid more than thirty (30) days in advance, whether Tenant is in possession and paying Rent, whether Tenant claims any off-sets or credits or has any other defenses to the payment of Rent hereunder, and containing such other reasonable and customary information as may be requested.

26.8 Entire Agreement. This Lease contains the entire agreement of the parties respecting the Premises and the Property and there are no other agreements or understandings between the parties regarding the subject matter of this Lease, any prior agreements being merged herein and superseded.

26.9 Construction. Words of any gender in this Lease shall be held to include any other gender and words in the singular number shall be held to include the plural where the sense requires.



ORIGINAL

Words importing persons shall include firms, associations, partnerships (including both general and limited partnerships), trusts, corporations and other legal entities, including, but not limited to, public bodies, as well as natural persons. The use of the term "including" in this Lease shall mean in all cases "including but not limited to" unless specifically designated otherwise, and the use of "or" is not exclusive. All references to "Articles" and "Sections" and "Paragraphs" without reference to a document other than this Lease, are intended to designate articles and sections of this Lease. The words "herein," "hereof," "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or Paragraph, unless specifically designated otherwise. Unless otherwise specified in this Lease, any reference to "days" shall be construed as a reference to calendar days, and shall include in the counting thereof all Saturdays, Sundays and holidays; provided, however, if the final day of any period specified in "days" falls on a Saturday, Sunday or holiday, the period shall be deemed extended to include the next regular business day occurring thereafter.

26.10 **Counterparts.** This Lease may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Signatures by fax or email shall also constitute original signatures.

26.11 **Authority.** The Parties warrant and represent they are validly existing corporate entities in legal existence and in good standing under the laws of their state and within the Commonwealth of Massachusetts. The Parties shall remain in good standing throughout the duration of the Term. Any individual or entity signing on behalf of Landlord or Tenant has been duly authorized to enter into this Lease and bind their respective party.

(The remainder of this page is intentionally left blank. Signatures to follow on next page.)

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first indicated above.

LANDLORD,

**640 LINCOLN STREET ASSOCIATES
LIMITED PARTNERSHIP**



ORIGINAL

David Woodbury
By: DAVID K. WOODBURY, MANAGER

TENANT,

COMPASSION HEALTH CENTERS, INC.

[Signature]
By: Steven Goodman, President



ORIGINAL

EXHIBIT A

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: Compassion Health Centers, Inc. Application # (if more than one): _____

Site	City/Town	County	Type of Support Attached
1	Worcester, MA	Worcester	Joseph Petty, Mayor of Worcester Michael V. O'Brien, Worcester City Manager Tony J. Economou, Worcester City Council, District 1
2	N/A		

 ORIGINAL

CITY OF



Worcester
MASSACHUSETTS

 ORIGINAL

JOSEPH M. PETTY
MAYOR

City Hall • Room 305
455 Main Street
Worcester, MA 01608-1892

Office: 508-799-1153
Fax: 508-799-1156
mayor@worcesterma.gov

November 15, 2013

Cullen Roberts
Massachusetts Department of Public Health
250 Washington Street
1st Floor, Lobby Room 1 and 2
Boston, MA 02108

Dear Mr. Roberts:

I am writing to express my support for Compassion Health Centers' application to operate a Registered Medical Marijuana dispensary in the City of Worcester. As a member of our Local Civic Community, I have gained an understanding of the mission, goals, and plans for the proposed dispensary and I have no opposition to their plans.

I am encouraged by the dispensary's commitment to provide a safe, clean environment to meet the needs of community residents who could benefit from the use of medical-grade marijuana and holistic health services.

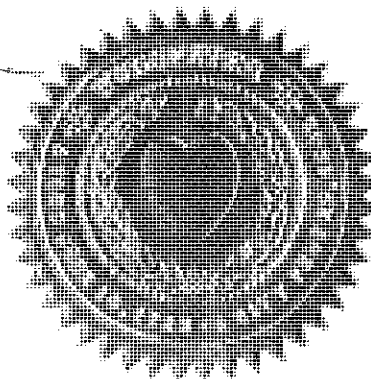
Compassion Health Centers has made it clear it intends to work closely with the community, the city and our police department to ensure it is a good neighbor and responsible service provider.

I am also encouraged by the dispensary's plans to operate in strict compliance with all applicable regulations, ordinances and laws. Additionally, I welcome the dispensary's efforts to conduct varied and ongoing outreach activities that will help to serve the needs of patients and others in our community. I look forward to the dispensary's involvement in our community through donations to and participation with local charities, community events and nonprofits.

Based on these factors, I have no opposition to Compassion Health Centers' application to operate a Registered Medical Marijuana dispensary in the City of Worcester.

Sincerely,

Joseph M. Petty





 ORIGINAL

Michael V. O'Brien
City Manager

CITY OF WORCESTER

November 12, 2013

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

Re: Compassion Health Centers, Inc.

Dear Commissioner Bartlett:

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

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

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

Sincerely,



Michael V. O'Brien
City Manager



OFFICE OF THE CITY MANAGER, CITY HALL, WORCESTER, MA 01608
TELEPHONE (508) 799-1175 | FAX (508) 799-1208
EMAIL: citymanager@worcesterma.gov



CITY OF



Worcester
MASSACHUSETTS



ORIGINAL TONY J. ECONOMOU
CITY COUNCILOR - DISTRICT 1

9 Carriage House Lane
Worcester, MA 01606

Telephone:

Office: (508) 799-1049

Fax: (508) 799-1194

Cell: (508) 963-3638

E-mail:

EconomouT@worcesterma.gov

November 15, 2013

To Whom it May Concern;

I write to you today to state that I am not opposed to the proposed medical marijuana dispensary by Compassion Health Centers, Inc.. There track record of success in operating such facilities is a proven one. I am supportive of the new jobs that will be added to the community as well as the added tax revenue such a facility would generate for our City.

I also look forward to further discussion on the matter and hold the right to question during any further review process.

Regards,

Tony Economou
Worcester City Council
District 1

**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: Compassion Health Centers, Inc. Application # (if more than one): _____

	Site	Full Address	Evidence of Interest Submitted	Evidence of Local Support
1	Dispensing	640 Lincoln Street Worcester, MA 01605	Property Lease	Joseph Petty, Mayor of Worcester Michael V. O'Brien, Worcester City Manager Tony J. Economou, Worcester City Council, District 1
2	Cultivation	640 Lincoln Street Worcester, MA 01605	Property Lease	Joseph Petty, Mayor of Worcester Michael V. O'Brien, Worcester City Manager Tony J. Economou, Worcester City Council, District 1
3	Processing	640 Lincoln Street Worcester, MA 01605	Property Lease	Joseph Petty, Mayor of Worcester Michael V. O'Brien, Worcester City Manager Tony J. Economou, Worcester City Council, District 1

**RMD ORGANIZATIONAL CHART
(Exhibit 6.1)**

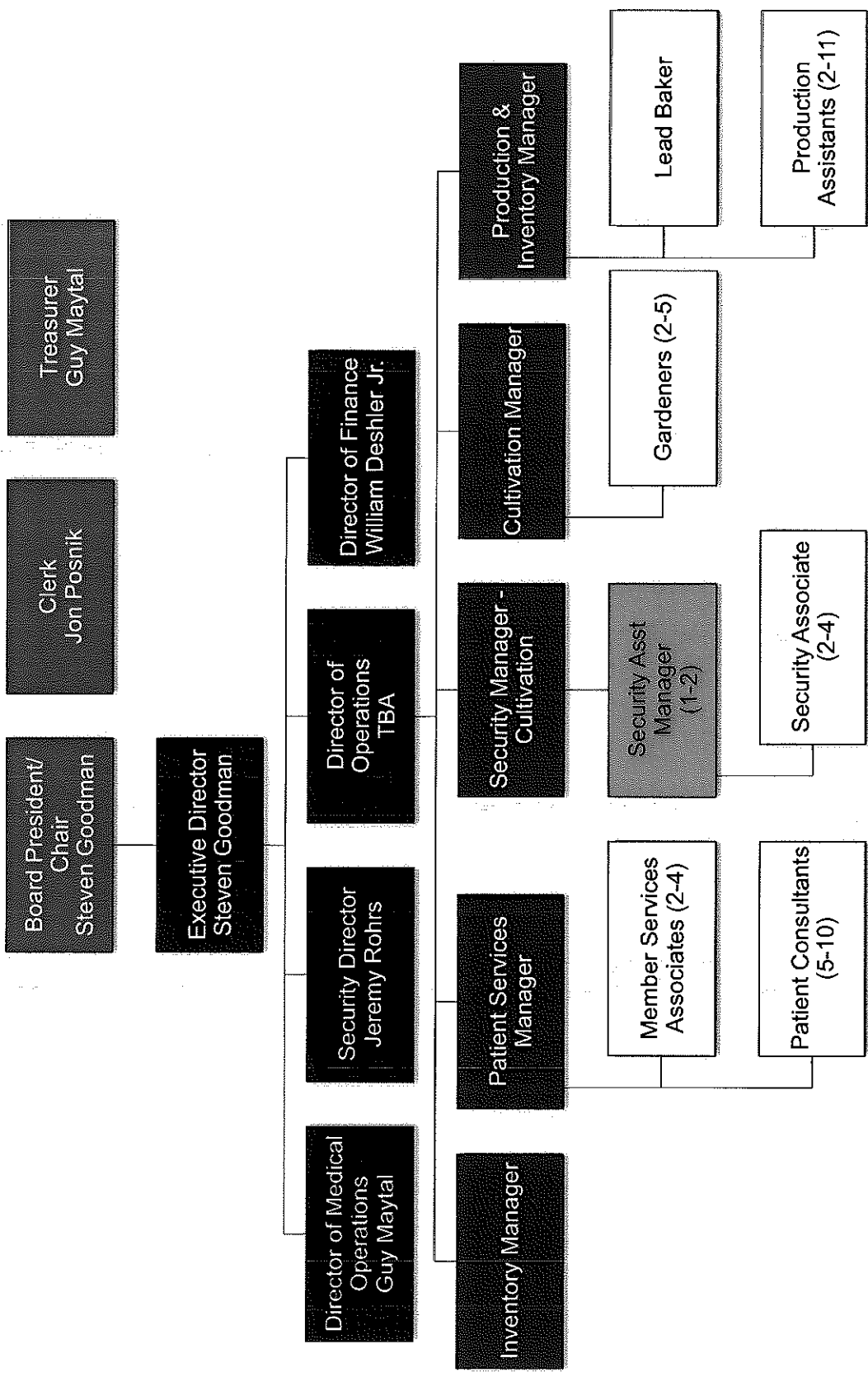
This exhibit must be completed and attached to a required document and submitted as part of the application.

Corporation Name: Compassion Health Centers, Inc

Application # (if more than one): _____

Attach organizational chart.

COMPASSION HEALTH CENTERS, INC.
Organizational Chart



- KEY:**
- Board of Directors
 - Executive Management Team
 - Unit Management Level
 - Unit Assistant Management Level
 - Unit Associate Level

**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: Compassion Health Centers, Inc

Application # (if more than one): _____

Attach evidence of enrollment.



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

Compassion Health Centers Inc Status: **Active**
Account Type(s): **Employer**

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

Account Details [\[Cancel Account\]](#)

Account Status
Account Status: **Active**
Date First Registered: **11/07/2013** Date Last Renewed:

Organization Details [\[Edit\]](#) [\[Change Org Name\]](#) [\[View Org Name History\]](#)
Account Type(s): **Employer**
Organization Name: **Compassion Health Centers Inc** Organization ID: XXXXXXXXXX
Address: **133 Pearl St #300, Boston, MA 02110**
Phone No.: **617-292-0101**
Website:
Federal ID No. XXXXXXXXXX
Secretary of State ID No.: XXXXXXXXXX

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	Tim Smale	Cultivation Consultant
2		
3		
4		
5		
6		

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: Compassion Health Centers, Inc.

Application # (if more than one): _____

Key Benchmarks ¹	Due Dates	Person Responsible	Risk Level If Not Completed on Time	Date RMD Opens
Project Prep (project plan & budgeting)	7/24/13	Executive Director	Low	9/1/14
Initial Package received from Consultant(s)	8/13/13	Executive Director	Medium	
Marketing Plan & Brand Development	9/2/13	Marketing Consultant	Low	
Real Estate (R.E. team assembled, properties evaluated, agreement reached)	9/12/13	Real Estate Agent	High	
Floor Plan Designs & Architectural Drawings Done	9/22/13	Architect	High	
Outside Services Checklist Reviewed & Approved	9/22/13	Project Manager	Low	
Patient Care (Sales) Operations Plan Developed	10/12/13	Project Manager	Medium	
Member Services Operations Plan Developed	10/15/13	Project Manager	Medium	
Inventory Operations Plan Developed	10/16/13	Project Manager	Medium	

Cultivation Operations Plan Developed	10/22/13	Project Manager	Medium
Cash Management Template Developed (register & petty cash)	10/22/13	Project Manager	Medium
Security Operations Plan Developed	11/1/13	Project Manager	Medium
Policies & Procedures Manual Developed	11/6/13	Project Manager	Medium
Phase II Application Submitted	11/21/13	Executive Director	High
Submit Plans for DPH Architectural Review	12/06/13	Executive Director	High
Receive Construction Bids	12/21/13	Project Manager	High
Hire General Contractor	1/4/14	Executive Director	High
Hire Security Contractor	1/9/14	Executive Director	Medium
Hire IT Contractor	1/14/14	Executive Director	Medium
Provisional Certificate Awarded	2/1/14	Executive Director	High
Procurement Guide Provided by Consultant(s)	2/2/14	Project Manager	Medium
Receive Project Plan from General Contractor; Coordinate all Timelines	2/4/14	Project Manager	Medium
Obtain Building Permits	2/6/14	General Contractor	High

Construction Begins	2/11/14	General Contractor	High	
Website Developed	2/26/14	Web Consultant	High	
Hire Department Managers, Cultivation Site	3/14/14	Executive Director	High	
Complete Cultivation Department Manager Training	4/7/14	Operations Consultant	High	
Print all Operations Manuals	4/9/14	Operations Consultant	Medium	
Order Furniture	4/12/14	General Manager	Medium	
Establish services/utilities (if not already on)	4/13/14	General Manager	High	
Set Up Finance & Accounting	4/13/14	CFO	High	
Director of Medical Operations or Exec. Dir. Signs-off on patient education materials & processes	4/15/14	Chief Medical Officer	High	
Hire Associate-level Cultivation Staff	4/17/14	Executive Director	High	
Complete Construction & Building Inspections	4/27/14	General Contractor	High	
Obtain Certificate of Occupancy	4/27/14	General Contractor	High	
Set Up IT	4/28/14	IT Contractor	High	
Order Office Supplies & Services	4/29/14	General Manager	Medium	

Security Monitoring Goes Live	4/29/14	Security Contractor	High	
Opening Preparations	4/30/14	Opening Preparations	High	
Provisional Inspection / Approval to Operate	5/1/14	Executive Director	High	
Complete Associate-level Training for Cultivation Employees	5/5/14	General Manager	High	
Cultivation Begins	5/6/14	Master Grower	High	
Hire Remaining Department Managers for Dispensary	6/14/14	Executive Director	High	
Complete Manager Training for Dispensary (MIT Program)	7/5/14	Operations Consultant	High	
Hire Associate-level Dispensary Staff	8/4/14	General Manager	High	
First Harvest	8/9/14	Master Grower	High	
Complete Associate-level Training for Dispensary Employees	8/18/14	General Manager	High	
Medicine is Available / Dispensary Ready to Open	8/23/14	General Manager	High	

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: Compassion Health Centers, Inc

Application # (if more than one): _____

Attach sliding price scale.

CHC Compassion Program Sliding Fee Scale

A mandatory one-on-one consultation with the patient will determine the extent to which reduced cost or free medicine will be made available to him or her, using on the following factors:

Factor	Yes
Is the patient a recipient of MassHealth?	1 point
Is the patient a recipient of Supplemental Security Income?	1 point
Does the patient's annual gross household less than 150% of the federal poverty level for the current year?	2 points
Does the patient's annual gross household income between 151% and 300% of the federal poverty level for the current year?	1 point

Any single patient is eligible for up to four (4) points, which will determine the patient's responsibility for the costs of medicine, as detailed in the following sliding fee scale:

Total Points	Patient Responsibility	Discounted Price Ranges (1/8 oz.)*
4 Points	50% for medicine beyond free 1.0 gram per week	\$12.50 - \$30.00 for medicine beyond free 1.0 gram per week
3 Points	70% for medicine beyond free 1.0 gram per week	\$17.50 - \$42.00 for medicine beyond free 1.0 gram per week
2 Points	80%	\$21.25 - \$51.00
1 Point	90%	\$23.75 - \$57.00

**Prices vary based on the type of medicine, quantity purchased and quality.*

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: Steven Last Name: Goodman

Title: President

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

