

99

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

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

Corporation Name: Ermont, Inc.

Application # (if more than one): _____

	Name	Role within the Corporation
1	John D. Hudson	President, Board of Directors 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): [Ermont, Inc.]

Website URL (if applicable): []

Address:

[4 Meadow Road]

[#3]

City: [Provincetown] State: [MA] Zip: [02657]

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

First Name: [John] Last Name: [Hudson]

FEIN: 

Contact Person

First Name: [John] Last Name: [Hudson]

Title: [President/Chair]

Telephone: (310) 963-5658 FAX: (310) 496-0823 E-Mail: [jack@op-3.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.

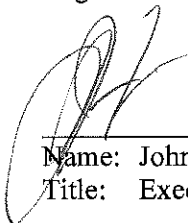
\$30,000 bank/cashier's check attached.

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.

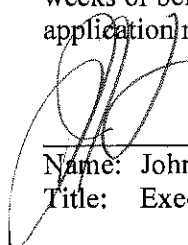
Signed under the pains and penalties of perjury, the authorized signatory (as designated in exhibit B) agrees that all information included in this application is complete and accurate. The hard original application must have an original wet signature in blue ink.



Name: John D. Hudson
Title: Executive Director

11/21/13
Date

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



Name: John D. Hudson
Title: Executive Director

11/21/13
Date

APPLICATION RESPONSE FORM

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

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

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

Enter text here: example text limit 1,250 characters

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

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

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

Definitions

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

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

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

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

Questions

1. Applicant's Corporate Background

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

[Legal Name: Ermont, Inc.
Incorporated: August 13, 2013 in the Commonwealth of Massachusetts]

1.2 Describe the organization's mission and vision.

[Mission:

The mission of Ermont, Inc. is to become a leading corporate citizen in the Commonwealth of Massachusetts by providing and delivering quality alternative medicine and health resources in an environment dedicated to compassion and regulatory compliance. Ermont is committed to partnering with businesses and community leaders to actively enhance the surrounding community.

Vision:

Ermont, Inc. foresees its medical marijuana dispensary as a place where qualified patients have access to the most effective strains of medicine. In addition, Ermont will position itself as an industry leader by working with the medical community to further identify medical properties of marijuana, and by partnering with the Department of Public Health to ensure the Massachusetts medical marijuana program serves as a model for emulation by other states.]

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.

[In order to ensure Ermont's Board of Directors is adequately composed of experienced and qualified members, two additional members have been added since the submission of the Phase I application. Lise Federman has been added and elected Vice President/Vice Chair. Emanuel Berger has also been added as a Board Member. These changes are updated in the included amended Articles of Organization.]

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.

[John Hudson (Executive Director)] has been running OP3, Inc., since he purchased the company in October 2003. OP3 (www.op-3.com) provides fundraising consulting and event production services to non-profit clients. At the time of purchase, OP3 had approximately 60 employees nationwide dedicated to 2 non-profit clients to produce their fundraising events. Total consulting fee revenue during his first year of ownership was \$987,000. Today, OP3 has 6 non-profit clients and is contracted to produce 22 fundraising events in 2013 and 27 events in 2014. In 2013, total consulting fee revenue is \$1.8 million, and projected to be \$1.95 million in 2014. OP3 now employs up to 100 people nationwide. For its clients, OP3 has raised just under \$500 million as a direct result of its fundraising consulting services.

As for how this experience will ensure the success of the proposed Ermont, the philosophy surrounding OP3's success is fundamental to the success of any business. Specifically, being passionate about helping those in need and providing them with the best possible products and customer service. Other fundamentals include creating a work environment whereby employees are dedicated and derive satisfaction from their jobs, and partnering with all third parties. Lastly, complying with all rules and regulations, being a good corporate citizen, and giving back to the community, all set the stage for ensuring a successful business.

James Hagearty (Director of Finance) is the Director of Business Administration for OP3, Inc. He began as a consultant for both OP3 and the Avon Foundation. At the Avon Foundation, he set up their donation office to ensure accurate processing and accounting for all donations for the Avon Walks for Breast Cancer. He also developed the program and managed the Event Eve program where participants submitted their outstanding donations prior to the event. The program included the training and management of hundreds of on-site volunteers who were responsible for the collection and accounting of all donations received that day. This experience will ensure successful implementation and maintenance of all Commonwealth of Massachusetts auditing requirements associated with a medical cannabis dispensary and the safety of its staff and clients.

Michael Perry (Director of Business Administration) has operated an independent, for-profit therapeutic massage practice for the past 13 years during which time he has successfully maintained a 900-person client base. He has extensive experience in developing marketing materials including brochures, business cards, and promotional items. He was awarded Top 5 Best Massage Therapy Practice on Cape Cod by A-list City Voters in 2012 and 2013. In addition to cultivating a fiscally sound

business, Mr. Perry has maintained an excellent working relationship within the community in which he serves, developing healthy industry relationships by identifying the skill sets of local competitors and referring out when necessary. Mr. Perry's experiences, coupled with his integrity, have made him a successful small business owner and he looks forward to serving the medical marijuana industry with the same sense of pride, knowledge and skill.

Don Duncan (Director of Business Development) is the co-founder and member of the Boards of Directors of Americans for Safe Access (ASA) and Americans for Safe Access Foundation (ASAF). Both organizations are California Nonprofit Corporations exempt from taxation under Sections 501(c)(4) and 501(c)(3), respectively, of the Internal Revenue Code. Mr. Duncan is the Secretary and Treasurer of both organizations. He is also actively involved in the daily operations, campaigns, strategic planning, and fundraising for ASA and ASAF.

ASA and ASAF comprise the nation's leading medical cannabis patient advocacy campaign and share the mission of ensuring safe and legal access to cannabis for therapeutic uses and research. ASA works with a grassroots base of over 50,000 members to effect change using public education and direct advocacy at the local, state, and federal level. ASAF trains and educates patients, advocates, health care professionals and other stakeholders. ASAF also provides direct legal support and uses impact litigation to protect and expand patients' rights.

Mr. Duncan's work with ASA and ASAF involves management, campaign work, strategic planning, training, and fundraising. In his role as an Officer of each Corporation, he oversees booking, accounts payable, personnel/payroll, government filings, and other operational details. Mr. Duncan is also deeply involved in the strategic planning from which ASA campaigns and programs are created and evaluated. These include grassroots mobilization, industry training, government relations, membership development, direct advocacy (lobbying), event planning, and more.

Mr. Duncan has been instrumental in the effort to adopt statewide legislation in California since 2008, advocating for and sponsoring bills to protect medical cannabis patients from discrimination and better regulate the industries surrounding medical cannabis. He also works with lawmakers at the City and County levels to overcome barriers to medical cannabis and adopt better laws and policies.

A significant portion of Mr. Duncan's work at ASA involves constituent training in legal issues, advocacy skills, and industry compliance. He is the principal instructor for ASA's dispensary and cultivation center staff training program, which is mandated by the District of Columbia. Mr. Duncan has conducted more than one hundred trainings nationwide in the last ten years.

In addition to his advocacy work, Mr. Duncan is a pioneer in the field of medical cannabis in California. He helped establish some of the oldest and most reputable medical cannabis patients' associations in California, including nonprofit and for-profit organizations, in Berkeley, Oakland, Los Angeles, West Hollywood, and Palm Springs. Mr. Duncan has hands-on, real-world experience in establishment and operation of medical cannabis business, including locating, licensing, public relations, inventory, security, marketing, human resources, quality control, and more. Mr. Duncan is one of the most sought-after consultants in the field of medical cannabis in California.

John J. (Jay) Czarkowski (Cultivation Site Manager) – no significantly relevant experience

Diane Czarkowski (Dispensary GM) – no significantly relevant experience]

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.

[**Michael Perry** has served the needs of individuals in five health related companies. He has provided consumers with custom durable medical equipment; including specialized wheelchairs, custom adaptive medical devices, and other health related products. Mr. Perry has worked with two durable medical equipment organizations: Alpha One Medical, a non-profit medical equipment provider, and Claflin Home Health, a for-profit durable medical equipment provider. He worked closely with consumers to ensure they remain independent, active, and safe within their home environment.

Mr. Perry has worked as a Provider Relations Representative at two Health Maintenance Organizations (HMO), HMO Rhode Island (a division of Blue Cross Blue Shield), and Neighborhood Health Plan, a non-profit HMO. He served as a Provider Relations Representative. Mr. Perry was responsible for implementing health insurance policies and procedures to a network of physicians and ancillary providers. He monitored compliance with plan policies and procedures set forth by each organization.

More recently, Mr. Perry has operated a therapeutic massage therapy practice. He has provided medical massage for the past thirteen years. His clients present with many different medical conditions from repetitive work related injuries, muscle spasm, scoliosis, nerve pain, cancer, HIV, AIDS, fibromyalgia and other medical conditions. His work has provided relief to many clients.

In his fourteen years of work in the field of medical cannabis, **Don Duncan** has consistently been involved in providing care directly to patient-members of the organizations he established. His experience involves one-on-one member services in the following areas: (1) intake and legal status verification, (2) new member orientation, (3) consultation related to medical cannabis use and safety, (4) medication selection, (5) managing side effects, and (6) member education. This practical experience helped him define a patient-focused model for staff that acknowledges the physical, psychological, and social issues patients may bring to their encounters at medical cannabis facilities. This approach helps overcome some of the reservations and cognitive dissonance that can be a barrier in medical cannabis therapy, especially for patients with little or ambivalent experience with the medicine.

Mr. Duncan also helped inaugurate a member services package in 2000 that was subsequently replicated in facilities statewide within California. The member services program included ancillary services like counseling, peer support groups, massage therapy, yoga, acupuncture, and social activities designed to supplement medical cannabis use. Ancillary services can be synergistic with medical cannabis therapy and build patient-member loyalty.

In his role with ASA, the nation's leading medical cannabis patients' advocacy organization, Mr. Duncan helped to create a Patients' Bill of Rights to define what a patient should expect from a providers association in terms of safety, service, and discretion. The ASA Patients' Bill of Rights reflects the desires of patients gleaned over years of hands-on work in the field. As such, it can be a blueprint for a medical cannabis organization's policy development aimed at building a satisfied member base.

John J. (Jay) Czarkowski is a founder of Boulder Kind Care (BKC), a medical marijuana business in Boulder, Colorado. BKC was the first medical marijuana business to be licensed by the city of Boulder,

and the seventh to receive full licensing by the state of Colorado. The key to the BKC dispensary's success was having this cultivation center to keep it supplied. The consistent supply, along with the consistent quality, combined with excellent customer service quickly established BKC as the leading dispensary in Colorado. Within the first four months of business, BKC won a "Best of" dispensary award in April 2010. BKC won the same award the next two years.

Mr. Czarkowski and his staff researched and acquired a number of medicinal strains. One such strain, Durban, became well known in Colorado for being a very effective treatment for migraines, with some patients claiming it was the ONLY medicine that effectively treated their condition. Mr. Czarkowski also experience and success treating patients with cancer, glaucoma, acquired immune deficiency syndrome (AIDS), hepatitis C, amyotrophic lateral sclerosis (ALS), Crohn's disease, Parkinson's disease, and multiple sclerosis.

At BKC, Mr. Czarkowski designed, built and operated what ultimately became one of the most successful cultivation centers in Colorado. It was Mr. Czarkowski's background in engineering and commercial construction that allowed him to artificially create the ideal growing environments for cannabis plants in all stages of their life cycle. Highlights of his time with BKC include: (1) bucked the trend of hiring "Master Growers" in favor of hiring experienced, degreed horticulturalists; (2) utilized appropriate mechanical systems to maintain ideal growing environments regardless of outside temperature/weather; (3) designed and implemented an automated irrigation system for all plants. When the plant's metabolism became adjusted to this consistency yields increased by 20%; (4) designed and implemented a monitoring/automated response system that could take corrective action based on alert conditions (for example: if the temperature in a flowering room exceeds 90 degrees F, turn off 90% of grow lights); (5) he was the first in Colorado to develop and implement "Clean room" protocols for cannabis cultivation, keeping contaminants out of the facility; (6) developed and implemented "Clean room" policies to eliminate contamination during harvesting and processing; (7) through much trial and error developed ideal flower room set-up, maximizing yield per light per square foot of space; (8) developed a collection of strains with effective medicinal value. Many strains were developed over time by seed; (9) took the initiative in 2010 to have all of BKC's grow media tested. This led to rejection of contaminated batches of soil and coco fiber, further ensuring the purity of medicine; (10) one of the first cultivation/dispensary organizations in Colorado to consistently test every batch of cannabis produced, and regularly provide test results to patients; (11) utilized handheld digital microscopes at cultivation facility to examine plants and determine appropriate time to harvest; (12) developed leading, organic IPM strategies. These strategies, combined with excellent environmental controls and clean entry protocols, led to prolonged periods without pests, mildews, etc.

Diane Czarkowski is a founder of Boulder Kind Care (BKC), a medical marijuana business in Boulder, Colorado. The business opened in 2009, before the state's regulatory framework was in place. Ms. Czarkowski realized that the only way they could control quality and supply would be to cultivate their own medical marijuana, so BKC pioneered the vertically integrated model by starting its own cultivation facility. BKC was the first medical marijuana business to be licensed by the city of Boulder, and the seventh to receive full licensing by the state of Colorado. The key to the BKC dispensary's success was having this cultivation center to keep it supplied. The consistent supply, along with the consistent quality, combined with excellent customer service quickly established BKC as the leading dispensary in Colorado. Within the first four months of business, BKC won a "Best of" dispensary award in April 2010. BKC won the same award the next two years. BKC has provided care and service to over 3,000 patients from all over the state, with some customers driving as much as four hours to purchase their medicine.



Highlights of Ms. Czarkowski's experience in medical cannabis include: (1) founder of BKC, one of the state of Colorado's first licensed medical marijuana dispensary and production facilities; (2) managed the BKC dispensary operation and oversaw all product development, patient care and services and community outreach; (3) the company grew to employ 20 employees; (4) BKC was the recipient of multiple "Best of" awards for customer service, quality and professional reputation; (5) served on the Development Board to help create the industry standard "seed-to-sale" software platform, MJ Freeway.

John Hudson - no significantly relevant experience

James Hagearty - no significantly relevant experience]

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.

[As a successful entrepreneur and former executive of a Fortune 500 company, **John Hudson** brings a wealth of business knowledge to Ermont, which will drive its success in the Commonwealth of Massachusetts. In his current role as owner and President of OP3, Inc., Mr. Hudson oversees a budget of \$5 million, so he has the financial skills and background to successfully oversee the financials management of Ermont's operations.

Through his experience in the manufacturing sector, Mr. Hudson learned the importance of accurate sales estimating to ensure inventory levels are sufficient to meet customer demands. Critical components of that process include sound assumptions to ensure accurate sales estimating; timely procurement of raw materials and supplies; accurate and timely recording of inventory movements; accurate and timely recording of all costs added to raw materials, that is, direct and indirect costs such as labor and overhead; the importance of quality control and testing to protect the consumer; and the importance of package design to provide not only attractive but informative details about the product.

Mr. Hudson believes that every customer deserves the very best customer service and a critical component of that is a talented and knowledgeable sales staff. Educating customers on the different products available is critical to ensure the customer is satisfied with their selection.

When it comes to creating a competent, productive and driven team, Mr. Hudson has over 28 years of expertise in hiring, coaching, counseling and, when necessary, terminating employees. Having a dedicated and committed staff at the RMD is of utmost importance to drive its success and favorable reputation in the community. As a business owner, Mr. Hudson has a solid understanding of what it takes to run a successful company. In addition to that understanding, passion is a driving force.

From a best practice perspective, compliance with all rules and regulations is paramount to ensure the business is operating as intended by those governing agencies. This includes all constituents with whom a business interacts to remain in good standing.

James Hagearty manages the Field Operations budget for the Avon Walk for Breast Cancer series. This is a major event that generates \$35 million annually for breast cancer research. In managing Field Operations for the Avon Walk, Mr. Hagearty is responsible for overseeing and implementing a budget of \$4 million. Because this is a charity event, Mr. Hagearty must be extra cautious and frugal in his budget management, as any cost overruns of operating the event ultimately cut into the amount of money that is available for important cancer research. These skills have made Mr. Hagearty adept at

crafting budgets and ensuring that his staff sticks to them diligently, something that will benefit him as he assists Mr. Hudson in the financial oversight of Ermont's operations.

Mr. Hagearty is also responsible for procuring real estate leases for OP3 and all its respective clients in furtherance of the charity events that the company produces. Since OP3's clients are non-profit charities, they are understandably concerned that these leases be procured in the most cost effective manner possible. In order to best meet the needs of his clients, Mr. Hagearty develops internal budgets and spending limits for the procurement of these leases, and sticks to them diligently, so as to minimize client's expenditures and maximize the amount they can raise for charity.

Michael Perry has run a for-profit therapeutic massage practice for the past 13 years. As a small business owner, Mr. Perry has had to create, manage, and implement all budgeting for his massage practice. Like most small businesses, margins in massage therapy can be slim, so Mr. Perry spends much of his time creating and managing budgets, negotiating expenditures for supplies and services, and finding ways to save costs without impacting the service he provides to his clients. He currently oversees a budget of \$12,000, and has managed to turn a small-scale massage therapy business into a profitable endeavor. While Mr. Perry will not be directly responsible for overseeing the financial management of Ermont's medical marijuana operation, this experience will allow him to more effectively manage the organization and effectively assist Mr. Hudson in budget management.

Don Duncan is the Secretary/Treasurer of Americans for Safe Access (ASA) and Americans for Safe Access Foundation (ASAF). Both organizations are California Nonprofit Corporations exempt from taxation under Sections 501(c)(4) and 501(c)(3), respectively, of the Internal Revenue Code. In that capacity, he is responsible for helping to raise approximately \$1 million annually to support an average staff size of 12 employees. Mr. Duncan coordinates payroll, accounts receivable, and annual returns for both organizations.

Mr. Duncan has been personally responsible for daily financial operations in 3 medical cannabis organizations for the last 14 years. This work includes sourcing medicine and other products, pricing, inventory control, accounts receivable, managing overhead expenses, payroll, taxes, and other financial needs.

John J. (Jay) Czarkowski was the managing partner of Construction Design Group (CDG) from 2003 through 2010. CDG developed real estate and managed the construction of several multi-million dollar projects annually. The average annual budget Mr. Czarkowski was responsible for was \$5 million. Mr. Czarkowski was directly responsible for managing the budgets with the financial institutions. All projects were successfully completed within budget.

Mr. Czarkowski was also the managing partner of Boulder Kind Care (BKC), one of the 10 first licensed medical marijuana businesses in Colorado, from 2009 to 2012. Financial responsibilities included managing an annual operating budget of \$1.1 million and managing all incoming investment capital. BKC became profitable after 18 months and began issuing consistent returns to investors at that time.

Diane Czarkowski was an owner of a real estate development and general contractor business called Construction Design Group (CDG) from 2003 through 2010. CDG developed real estate and managed the construction of several multi-million dollar projects per year. The average annual budget Ms. Czarkowski was responsible for was \$5 million. Ms. Czarkowski was directly responsible for managing the budget of the construction company as well as the management of the income properties. The construction company was profitable and the income properties were always fully leased and

maintained.

Ms. Czarkowski was also an owner of Boulder Kind Care (BKC), one of the 10 first licensed medical marijuana businesses in Colorado, from 2009 to 2012. Financial responsibilities included managing an annual operating budget of \$1.1 million as well as overall management of payroll and accounting. BKC became profitable after 18 months and began issuing consistent returns to investors at that time.]

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.

[After an operational review of the Human Resources (HR) function at OP3, Inc., **John Hudson** discovered that OP3 was spending roughly twice as much as other companies of comparable size. At the time of the review, the HR department included 2 employees and office space. Additionally, the company contracted a Professional Employer Organization (PEO) to process payroll and all related reporting as well as to provide HR and benefits administration services so it became clear that costs needed to be cut in half. Mr. Hudson first identified, documented and categorized all business elements into two categories: (1) necessary for PEO and/or federal and state governing compliance, and (2) unessential to regulatory compliance. Each task in category (2) was scrutinized further to assure it was indeed unessential to compliance before being eliminated. Mr. Hudson's astute downsizing methods resulted in a 60% decrease in OP3's overall spending on the HR function.

During his tenure at Avon Products, Inc., Mr. Hudson relocated to Mexico City, Mexico with the specific objective of implementing internal and external audit recommendations at that subsidiary. At the time, the Avon Mexico market was second only to the United States. When local management failed to implement the audit recommendations, it became apparent that the subsidiary could not resolve the issues without the help of someone who understood the root causes of the issues and the related business risks. This led to an initial 6-month assignment for Mr. Hudson and ultimately expanded to a 3-year commitment at Avon Mexico. The majority of the issues were in the billing / sales process and involved managing 7 departments to achieve correction actions. The overarching corrective actions had to do with minimizing the financial risk of a sale not resulting in cash being collected. Emphasis was placed on the integrity of the customer database and of the product pricing files, the accuracy of order fulfillment and delivery, adherence to credit guidelines and collection efforts, and the availability of products. Once audit issues were resolved, Mr. Hudson created and implemented a local audit team at Avon Mexico to ensure the timely resolution of all internal and external audit recommendations as well as to ensure the adherence to all financial and operational internal controls.

While in Mexico, the subsidiaries in Central America began reporting into Avon Mexico as the newly created Mexico/Central America Business Unit. Mr. Hudson launched and led a project called "Balance Sheet Cleanup" which ensured that each Central American subsidiary's financial statements (specifically the balance sheets) were accurate and in compliance with Generally Accepted Accounting Principles (GAAP). These cleanup efforts were performed in Guatemala, El Salvador, Honduras and Panama. In short, all balance sheet accounts (assets, liabilities, equity, and all subsidiary ledgers) were reconciled to validate stated balances. For all balances that could not be substantiated, the financial corrective action was to adjust or write off amounts so that the stated balances were adequately supported and, therefore, validated.

Due to an overwhelming amount of customer complaints, **James Hagearty** was tasked by Pallotta Team Works to ensure a 99.5% accuracy rate for donation processing at LaSalle Bank. He was the first client to be invited by LaSalle Bank Lockbox Operations to participate in a redesign of their internal operation

– limited to the clients of Pallotta Team Works. The project included team formations, staff training, quality control checks, and operational efficiencies. Once completed, the accuracy rate was achieved, donations were processed accurately within a 48-hour timeframe, and customer complaints associated with donations were reduced to a nominal level. It was a paradigm shift within the company allowing the customer service teams to focus on training their participants to fundraise successfully instead of serving as a complaints department for a poorly run division of the firm.

Michael Perry has run a for-profit therapeutic massage practice for the past 13 years. No operational review has been conducted or warranted.

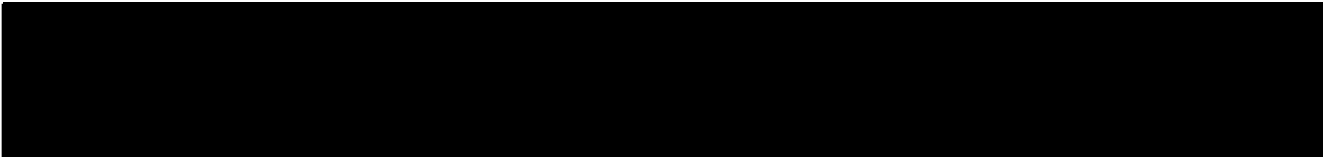
Don Duncan has operated nonprofit and for-profit organizations in times of economic prosperity and distress. For example: (1) in 2001, a sudden increase in the number competing medical cannabis providers in the San Francisco Bay Area required Mr. Duncan to create a new package of services and brand identity for a facility there in order to address competitive disadvantages. (2) Mr. Duncan helped create a new industry sponsorship program and individual membership recruitment program for ASA when industry support for patient advocacy dropped sharply in 2009. (3) Mr. Duncan has routinely had to evaluate and staff needs and adjust staff size in response to volatility in the medical cannabis market or in donations from ASA and ASAF donors.

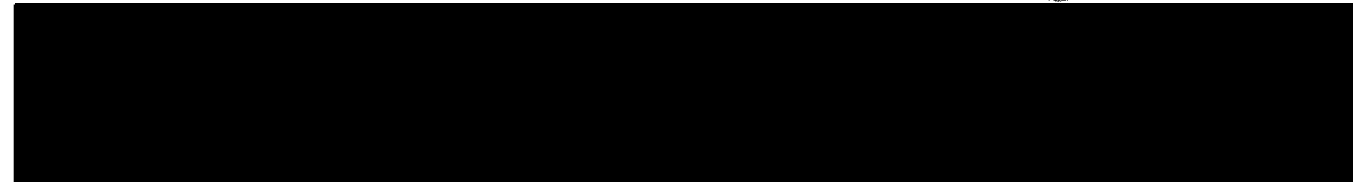
While serving as managing partner of Construction Design Group (CDG), a real estate development and construction company from 2003 through 2010, **John J. Czarkowski** had to manage some very difficult financial corrective action. One of his development projects, a \$3.5 million ski in/out home, was blown way over budget early on by very difficult, originally unknown site conditions. Over the course of the next 10 months Mr. Czarkowski worked closely with the banks, contractors, and the customer to ultimately deliver an acceptable project within budget. This occurred from September 2008 through July 2009, during the worst of our countries' financial crisis. The fact that Mr. Czarkowski was able to successfully take this corrective action during the unprecedented economic times of 2008/2009 attests to his sound financial management skills.

Diane Czarkowski had the primary responsibility for managing staff, payroll and internal budgets for both the construction business and also the medical marijuana business she owned. She constantly had to match her workforce with the demands, budgets and revenues of the business. Both businesses experienced rapid growth and she had to balance the cost of hiring and training new employees with the increased business demands and the service required of the patients. In the case of the construction business, Ms. Czarkowski also had to reduce the workforce when the real estate market declined and the business scaled back operations. Each business operated efficiently and effectively with its workforce without causing the businesses to go over budget in payroll.]

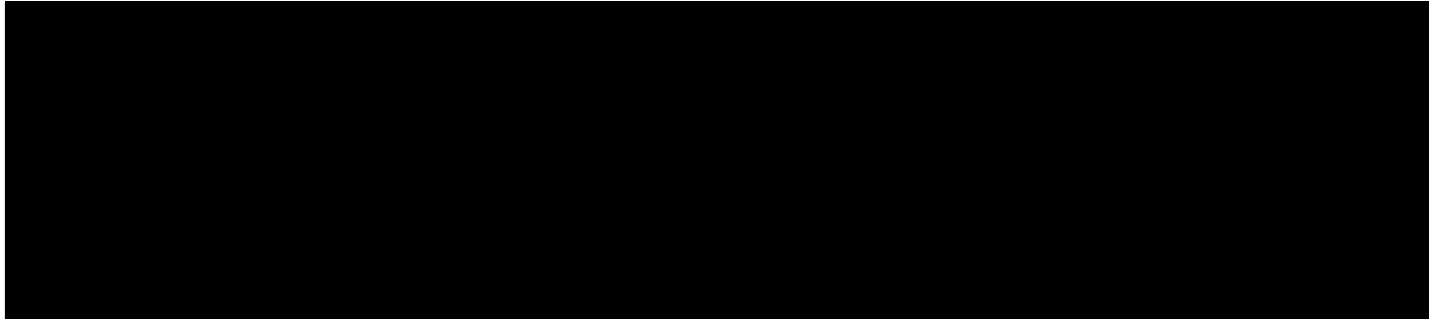
3. Applicant's Evidence of Suitability

- 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.

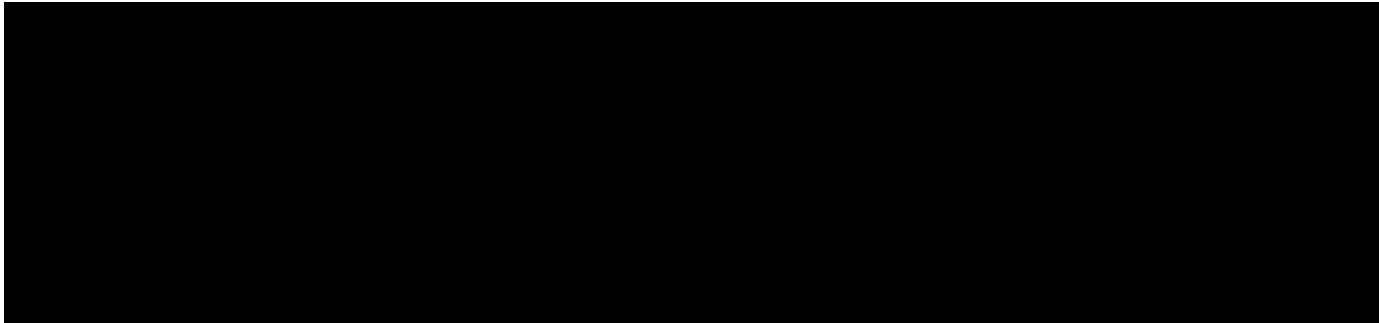




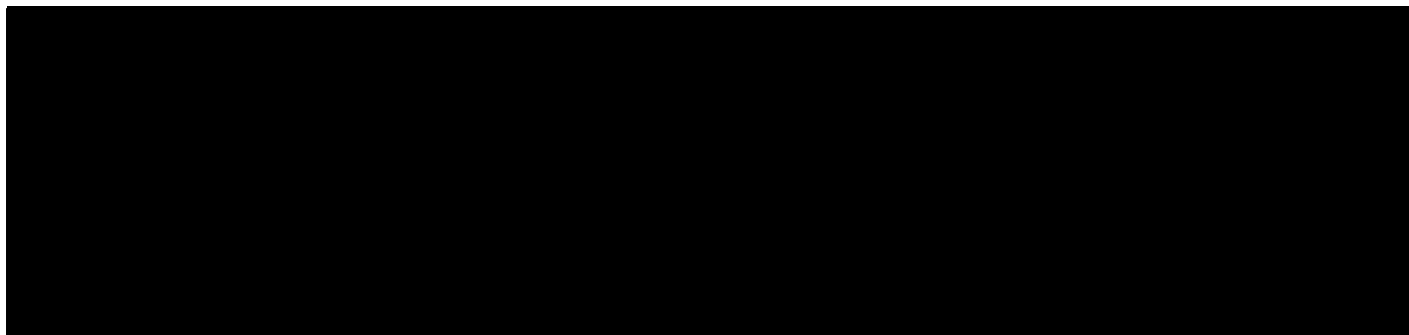
3.2 List and describe any criminal action under the laws of the Commonwealth, or another state, the United States, or a military, territorial, or Indian tribal authority, whether for a felony or misdemeanor, against any member of the **Executive Management Team and Board of Directors, including Board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



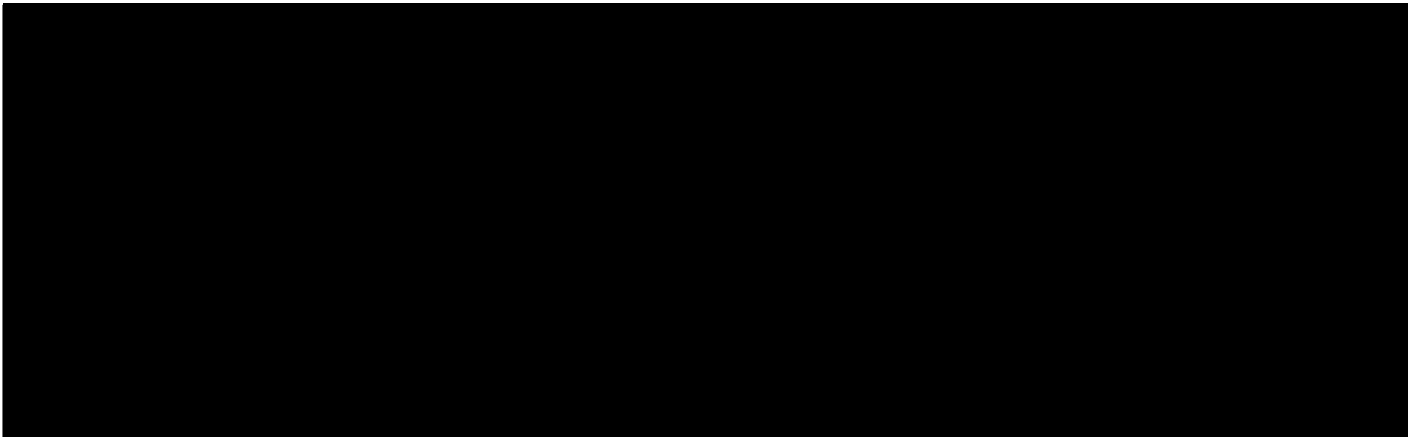
3.3 List and describe any civil or administrative action under the laws of the Commonwealth, another state, the United States, or a military, territorial, or Indian tribal authority against any member of the **Executive Management Team and Board of Directors, including Board Officers**, including but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

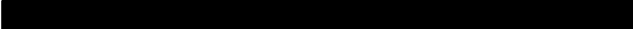
Proof of liquid funds in an account in the name of the corporation or, if applicable, in an account in the name of the Corporation's CEO/Executive Director or President of the Board of Directors, plus the Letter of Commitment attached as exhibit 4.1

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.

[Planning and development costs include design and stamped architectural drawings and local permitting for the Ermont dispensary and cultivation/processing facility. We are working closely with Holmes & Edwards, an architectural firm based in Quincy, to perform these tasks with a budget of \$65,000. We have budgeted \$800 for building permit fees, and \$5,878 for DPH's architectural review fee. Canna Security has conducted an assessment of our site and provided a security system design and cost estimate of \$60,000 



The 36,400 square foot building will include the dispensary, cultivation, processing, offices, and the manufacture of infused products. The dispensary has been designed with a focus on balancing with the

outside environment, incorporating a streamlined, comfortable, and warm modern feel achieved with the use of natural elements, such as wood and stone. Tenant improvements to the existing interior of the building will be approximately \$45,000. The parking lot will be refinished in order properly mark the lot for traffic control and pedestrian safety (\$7,500 cost estimate).

The Ermont cultivation center has been professionally designed by Canna Advisors. The phase one cultivation build out will consist of 15,000 square feet, with tenant finish construction costs, including painting and finishes, estimated by a licensed general contractor at \$40 per square foot (\$600,000).

Cultivation equipment will include lighting, irrigation, grow tables and related tools and supplies, totaling \$300,000 in capital expenses for our phase 1 build-out. In addition, our build-out will make use of A/C units, totaling \$100,000 in cost. Our cultivation center will have a monitoring and automation system. The system will have the ability to send alerts to center personnel and take automated corrective action based on alert conditions. This system will cost \$40,000 installed.

Other equipment costs include \$75,000 for food prep equipment, including a super critical CO2 extraction machine for making cannabis oil. We have also included harvest, drying, and packaging equipment in our budget.

We will not be initially purchasing a delivery vehicle (we will lease one), but we have budgeted \$32,000 for a shuttle van in order to transport older or debilitated patients to the dispensary, as needed.

Our floor plan also includes office spaces and a conference room. We will spend \$26,000 on furniture, secure storage, and computer equipment for these areas.

In total, our budget for planning and development is \$72,178, build-out costs is \$712,500, and equipment costs is \$618,000, totaling initial capital expenses of \$1,402,678.]

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.

[The first year operating budget for Ermont is for the period starting September 1, 2014 and ending August 31, 2015.

Working with our operations consulting team at 4Front Advisors, we have projected revenue for Ermont using data from how other markets with similar approved medical conditions have developed. In Massachusetts, we expect the adoption of the program to be strong, with the number of statewide registered patients increasing to approximately 60,799 (0.91% of the population) by the end of our first year of operations (8/31/15). 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 13-minute drive time radius around our location in Quincy. Of the 224,709 people within this radius, we expect 2,056 to become patients by the end of our first year of operations. We expect that in our first month of serving patients, we will average 22 patients per day, increasing rapidly to 232 patients per day by the last month of our first year.

Using an initial average retail price of flowers of \$350 per ounce, prior to applying discounts from the Compassion Program, an average transaction value of \$75, and average consumption of 0.70 grams per patient per day, we estimate that we will have 48,961 patient visits in our first year of operations, resulting in \$3,497,777 of net sales. We expect gross revenue of \$3,830,849, with discounts for reduced price and free medicine through our Compassion Program totaling \$333,072, or 9.5% 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 also plan to offer other supplies, such as vaporizers that facilitate the use of marijuana for medical purposes. We anticipate these kinds of items to comprise approximately 2% 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 \$246,330, or 7.0% 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 represent a significant proportion of our operating budget. Our year one operating budget starts the day Ermont 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.

Our Executive Management Team is important for providing the strategic oversight and management of our operation, and its role will be increasingly important as our dispensary grows. Therefore, in the dispensary's infancy the full time equivalency of some of the EMT members will be less; however, as the operation grows, their roles will become increasingly important for managing the complexities of a larger operation. In order to reduce the cash burn of Ermont while the medical marijuana program develops, salaries for the Executive Management Team will be reduced in our first year.

In our first year of operations, we conservatively expect to grow medicine at approximately \$1,626 per pound, with this cost decreasing to \$1,306 per pound in our second year as we start leveraging our fixed costs and utilizing economies of scale. Utility costs for our cultivation operation, which we estimate at \$127,431 in our first year, reflect the energy-intensive nature of medicine production. Other cost of goods sold (COGS) consist of:

- packaging (\$35,142),
- third-party quality testing (\$14,057),
- rent expense (\$231,729), and
- production costs, such as nutrients (\$40,954), that are not included elsewhere in the budget.

For the dispensary operation, the largest general and administrative expenses include:

- professional services (\$25,000),
- rent expense (\$27,807),
- security monitoring and services (\$24,000),
- sanitation and janitorial (\$22,500),
- transportation/automotive (\$15,000),
- utilities (\$9,563), and
- general liability insurance (\$24,892).

We expect advertising and marketing expenses to be roughly 1.5% 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 plan to contribute to charitable activities that support the local community and patient advocacy groups. In our initial year of operations, we have budgeted \$28,000 for 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 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.

[Ermont's business plan relies on a number of strategic planning assumptions that underlie our overall approach and financial projections. For our business plan, we make an assumption that the Massachusetts (MA) medical marijuana program will be MA's 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 MA will develop rapidly in its first two years, similar to the growth 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 in MA 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 RMDs being operational, with 60,799 (0.91%) patients by the end of our first year of operations (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 from which we can analyze population and demographic information to create our revenue projections. We have defined our likely service area as a 13-minute drive time radius around our Quincy location; we will revisit this assumption once DPH has awarded Certificates of Registration. With 224,709 people living within this radius, we expect the number of patients using our dispensary to be 2,056 by the end of our first year of operations, 3,065 patients by the end of our second year, and 3,725 by the end of our third year.

In order to determine our revenue projections, we have assumed an average transaction value of \$75, average consumption per patient of 0.70 grams per day, and an average 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 9.5% 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 produce. To be conservative, we project 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 revenue projections for the first three years of operations, starting from the first day Ermont opens for business, are \$3,497,777, \$7,002,629, and \$8,409,133, respectively. This 100% 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 26 during our first year of operations to 41 in our second year and 51 in our third year. A strong foundation in training is important for our success in 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 4 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 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 years is 63 pounds, 82 pounds, and 89 pounds. As we grow into our cultivation facility, we project utilization of our existing space to be 36%, 64%, and 81% for the first three years of operations, respectively. We have budgeted for a phase one 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.

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 expect that our total production costs per pound for the first three years of operations will be \$1,626, \$1,306, and \$1,264, decreasing as we leverage our fixed assets and benefit from economies of scale. We project our cultivation teams' salaries and benefits to be \$818,650, \$1,181,440, and \$1,520,603 in our first three years, respectively, and other production costs to be \$603,435, \$824,849, and \$948,067. In our projections, COGS represents 43% of revenue in our first year and then normalizes to approximately 31% 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 7.0%, 0.3%, 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 27.3% of revenue in our first year of operations, 25.1% in our second year, and 26.6% in our third year. We expect other general and administrative expenses to be approximately 10-12% each 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 represent a significant percentage 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 service and do so with expediency.

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-Ermont 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 0.8% of revenue in our first year, 2.0% in our second year, and 2.3% 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 12.0% of net revenue in our first year, and approximately 14.4% 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).

[Discussions between Ermont and Cannasure Insurance Service, LLC are currently underway. Cannasure offers general liability and product liability insurance plans that comply with Massachusetts's law. Specifically, Cannasure will be able to provide Ermont with annual general liability coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate. For product liability insurance, annual coverage will be no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate.

Ermont will make reports demonstrating our 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 Ermont, Inc. dispensary site is 216 Ricciuti Dr., Quincy, Massachusetts, 02169.]

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 Ermont, Inc. cultivation site is 216 Ricciuti Dr., Quincy, Massachusetts, 02169.]

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 Ermont, Inc. cultivation site is 216 Ricciuti Dr., Quincy, Massachusetts, 02169.]

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.

[The Ermont team has developed an excellent working relationship with Quincy municipal officials over the past several months in anticipation of opening a world-class Ermont in Quincy. Ermont Executive Director John Hudson and the team have had several meetings with Quincy Mayor Thomas Koch and members of his staff to discuss Ermont issues including siting, zoning, parking, community concerns and public safety issues. These meetings were extremely productive and resulted in Mayor Koch writing a letter of support for Ermont's application to operate an Ermont in the city of Quincy. Please find the letter attached.

The Ermont team also held several meetings with Ward 4 City Councillor Brian Palmucci to discuss issues of concern to his constituents. Councillor Palmucci, sponsor of the zoning ordinance regulating medical marijuana in Quincy, has been actively involved in discussions with Ermont applicants seeking to locate in Quincy including the RMD team. Councillor Palmucci held a meeting of the Public Safety Committee regarding entering into a host agreement with a successful Ermont applicant. The Ermont team attended the meeting to give an overview of DPH regulations, public safety issues as well as the benefits of entering into a host agreement. Ermont reiterated its commitment to the city of Quincy to be transparent and to go above and beyond all security and public safety regulations. Members of the Public Safety Committee commented that it was an excellent discussion of all relevant public safety

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.

issues. As a result, the Committee voted unanimously to recommend that Mayor Koch enter into a host agreement with the successful applicant.

A member of the RMD team met with Quincy Public Health Commissioner Andrew Scheele to discuss licensing issues. The Ermont team assured Mr. Scheele that they are committed to being completely transparent during all phases of the licensing process and beyond. This meeting resulted in a letter of support, which is attached.

The Ermont team also met with Quincy City Solicitor James Timmins to discuss his interpretation of the DPH regulations and local compliance with the Quincy zoning ordinance. Solicitor Timmins agreed that the proposed site met all zoning and ordinance requirements.

Going forward the RMD team intends to continue to build on these successful relationships in the community by updating Mayor Koch and his staff, abutters and members of the community on a regular basis during the construction phase and beyond. Ermont is committed to being a good neighbor and building solid long-lasting relationships in the community.]

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.

[Ermont has taken every step to ensure that the proposed Ermont location is compliant with local codes, ordinance, zoning, and bylaws, as well as state requirements for the physical address of the proposed Ermont dispensing, cultivation, and processing site. Over the past several months, the RMD team has developed a solid working relationship with Quincy officials relative to all local compliance, code, ordinance, zoning and bylaw issues.

The proposed Ermont is located at 216 Ricciuti Drive in the city of Quincy and will be a shared dispensary, cultivation, and processing facility. The approximately 18,000 square foot facility is industrially zoned and located more than 500 feet from a school, daycare center, or any facility in which children commonly congregate.

In June, the Quincy City Council passed a zoning amendment to the zoning ordinance which includes a definition of "Registered Marijuana Dispensaries" and references the distance that a dispensary must maintain from a residential district, school or child care establishment, requiring that no dispensary "shall be located within fifteen hundred linear feet" of such a location. The ordinance clarified that the measurement would be calculated from the nearest property line of a protected location to the "nearest portion of the building in which the medical marijuana dispensary is located, using a route of direct pedestrian access."

Quincy City Solicitor Jim Timmins stated in a memo dated November 8 that in order to make a determination of distance the route an average pedestrian could lawfully take to arrive at the location

without trespassing must be applied. Solicitor Timmins has given an opinion to Director of Inspectional Services Jay Duca that the ordinance's calculation of distance to a "residential district" allows for the RMD to be properly sited at the 216 Ricciuti Drive location, the location secured by Ermont.

Ermont has retained the services of Quincy Attorney David Mahoney, who is responsible for siting Stop & Shop Supermarkets in Quincy. David Mahoney has begun working with local officials to ensure zoning compliance.

Ermont has worked exhaustively with local Quincy officials to gain support for the proposed Ermont location. Specifically, Ermont has met with Thomas P. Koch, Mayor of Quincy, Andrew Scheele, Quincy Public Health Commissioner. Ermont is confident that Mayor Koch's will ensure that Ermont will be in compliance with all local requirements. Ermont is confident that Mayor Koch's support (letter attached in 5.4) will also ensure that Ermont will be in compliance with all local requirements outlined below:

Zoning Board of Appeal - Special Permit, this permit is for the "use" pursuant to the City of Quincy Ordinance; Ermont will seek a Special Permit as specified by the City of Quincy Ordinance.

Planning Board - Site Plan Review, this permit is related to traffic, drainage, landscaping, architectural and the like; Ermont will seek Site Plan Review(s) before any construction/renovation begins.

Conservation Commission - Notice of Intent, environmental concerns;

Ermont will work closely with the Commission on all environmental concerns and will look for ways to build a "green" facility.

License Board - Marijuana License, the ordinance grants the license board jurisdiction for licensing of the RMD; Ermont will apply for a Marijuana License as outlined by the License Board.

Health Department - Registration, sanitation compliance;

Ermont will register with the Health Department and will comply with all sanitation regulations and codes.

Mayor's Office - Host Agreement, the City Council Public Safety Committee has voted to authorize the Mayor to enter into a Host Agreement, and referred that to the entire City Council; Ermont is committed to being a good neighbor and to giving back to the community through a Host Agreement that will provide revenue for programs, charities, nonprofits and agencies of the community's choice. As discussed in 5.7, Ermont has outlined a comprehensive plan to maintain a positive relationship with the Mayor's staff and the community.

Department of Inspectional Services - Various Approvals;

Ermont will work with Inspectional Services to seek any and all approvals required by the Department of Inspectional Services.

Police Department - Security Plan;

Public Safety and the Security Plan are two of the most important components of a successful Ermont. Ermont is committed to working with the Quincy Police Department throughout the construction process. Ermont will schedule meetings with the Police Department to seek input as the Security Plan is implemented.

Ermont has developed a solid plan in all security matters as outlined in:

5.9 - Plans for deterring diversion and preventing unauthorized entrance of the RMD

7.8 - Plan for transporting marijuana to a patient's home and between cultivation and dispensary sites

7.16 - Plans for employee security policies and personal safety issues

Fire Department - Fire Safety Issues;

Ermont will comply with all local Fire Department regulations. As outlined in 7.15, Ermont has developed an emergency preparedness plan that has incorporated fire safety procedures.

Ermont will ensure that all required permits, licenses, and/or registrations are obtained prior to construction. Ermont will maintain continuous communication with local officials to ensure compliance with all local laws and looks forward to a long and mutually beneficial relationship with the city of Quincy.]

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

[The Ermont team has developed good solid working relationships with Quincy municipal officials and members of Mayor Koch's staff. Ermont is confident that going forward they can build on the success of these and also develop other relationships to ensure the success of the RMD.

As discussed in 5.4, the Quincy Public Safety Committee unanimously voted to recommend that Mayor Koch enter into a host agreement with Ermont. The host agreement will provide the city of Quincy with an opportunity to obtain revenue from the RMD, which will be used to finance a number of programs, agencies and nonprofits of the community's choice.

Quincy officials have expressed an interest in using revenue from the host agreement to fund police dogs, surveillance cameras, anti-drug initiatives and substance abuse treatment programs. Ermont has also identified D.O.V.E., the Salvation Army and Quincy Community Action Programs as agencies that would benefit from an Ermont volunteer program.

Ermont will appoint a community liaison. The community liaison will play an important role to work closely with the Quincy community to identify other programs, agencies and nonprofits to assist in addition to those identified so far. Ermont will look for opportunities to participate in local events such as sponsoring a road race or other events that are linked to health and wellness.

After the RMD is open, Ermont will provide employee incentives and encourage all employees to volunteer in local programs such as holiday gift drives for patients and local residents, blood drives and donate their time to other local nonprofits.



ORIGINAL

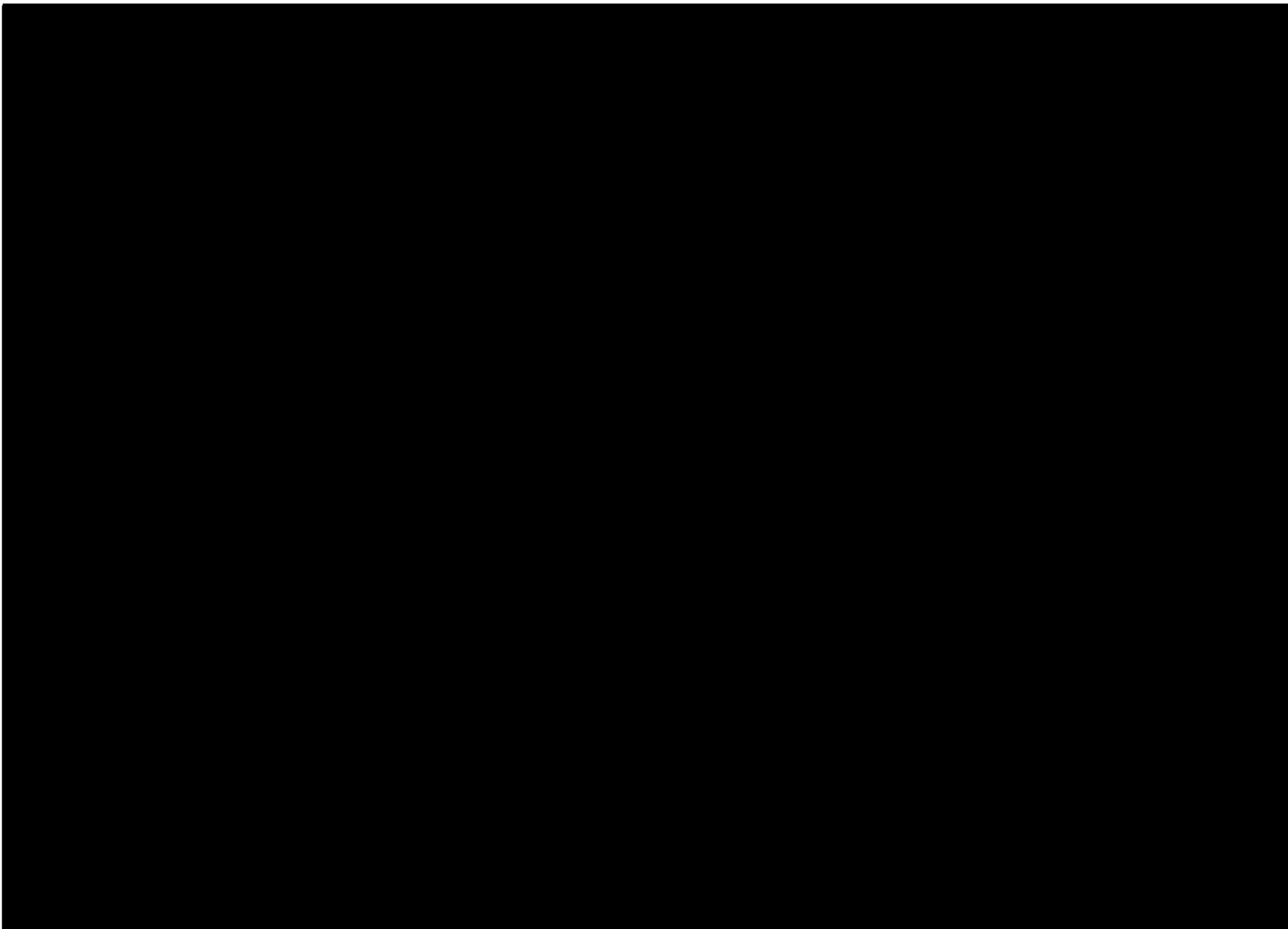
Ermont pledges to educate not only patients but also the community about the dangers of substance abuse. To that end, the community liaison will look for ways to partner with local groups such as Impact, Quincy, a local substance abuse program providing education and outreach, EDAN, a group working to End Drug Abuse Now and other groups to provide educational opportunities.

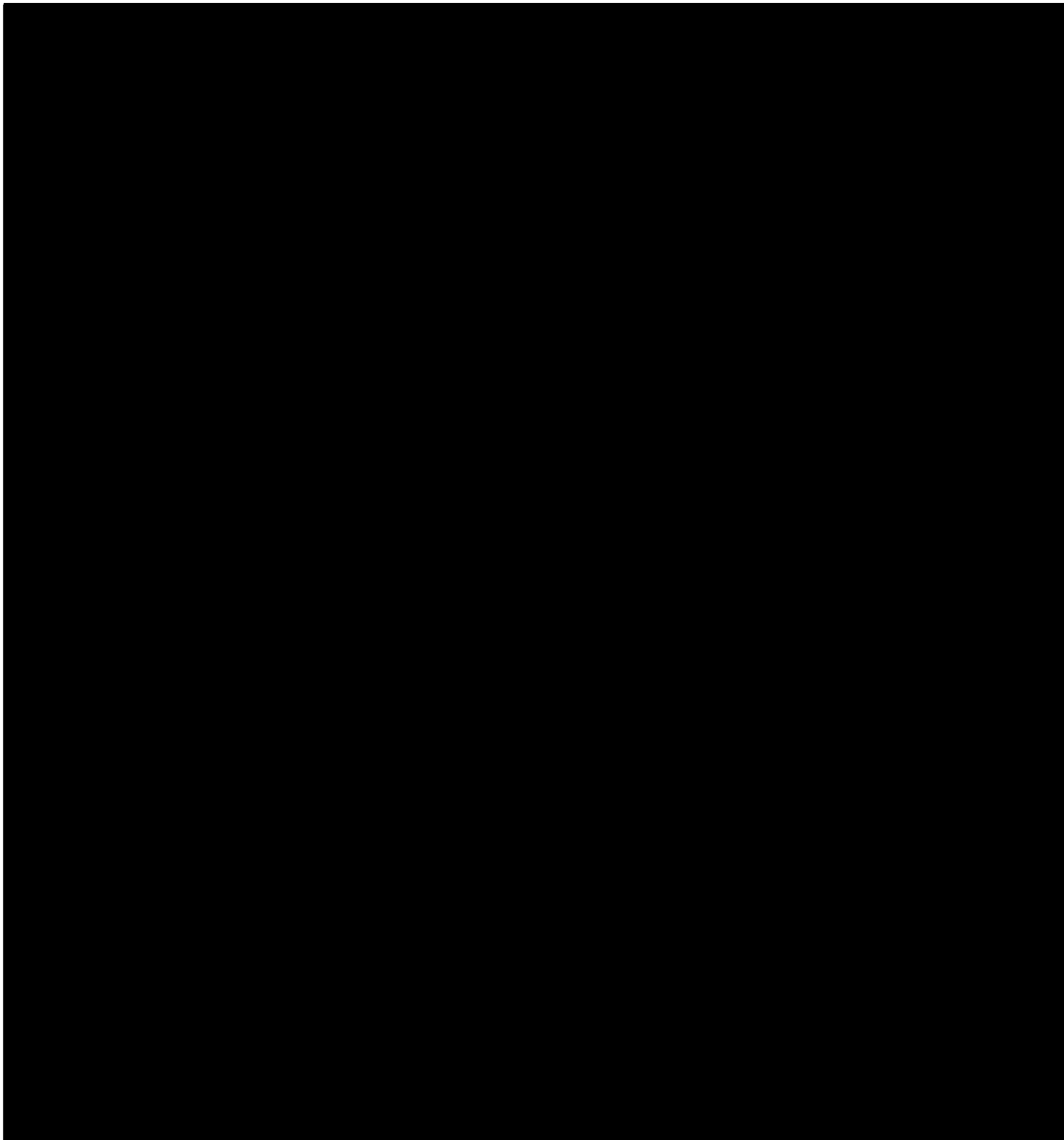
During the permitting and construction phase of the RMD, Ermont will hire local residents whenever possible and provide living wages including a competitive benefits package. Showing a commitment to becoming a good employer will help Ermont build a good reputation in the community that will foster a positive and ongoing community relationship.

As a responsible employer, Ermont will develop a relationship with the Quincy Chamber of Commerce and participate in business roundtables and events whenever possible.

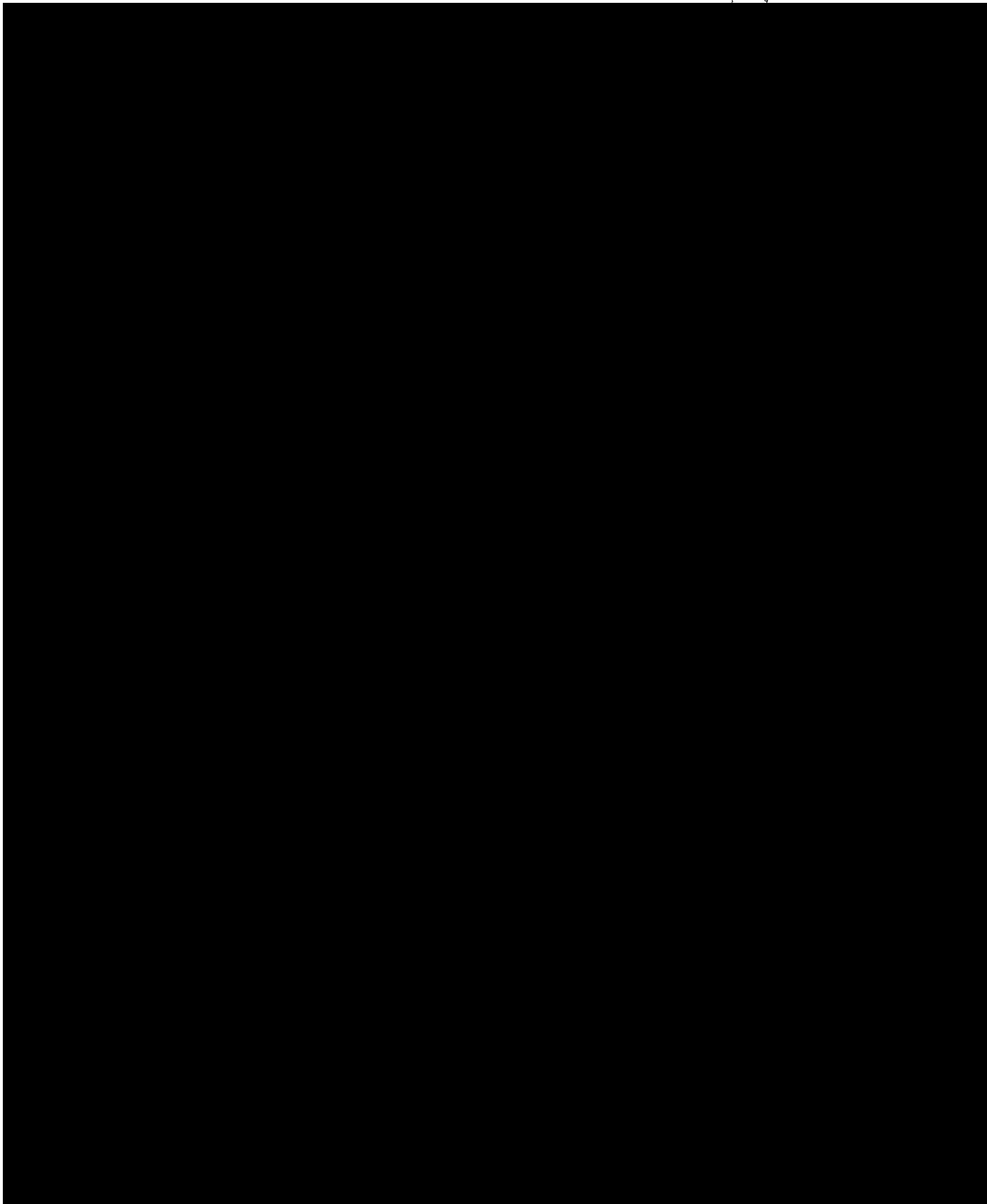
The Ermont Executive Team is committed to setting the world-class standard in Massachusetts by opening a Ermont that is trusted, respected and welcomed by the residents of the community it serves.]

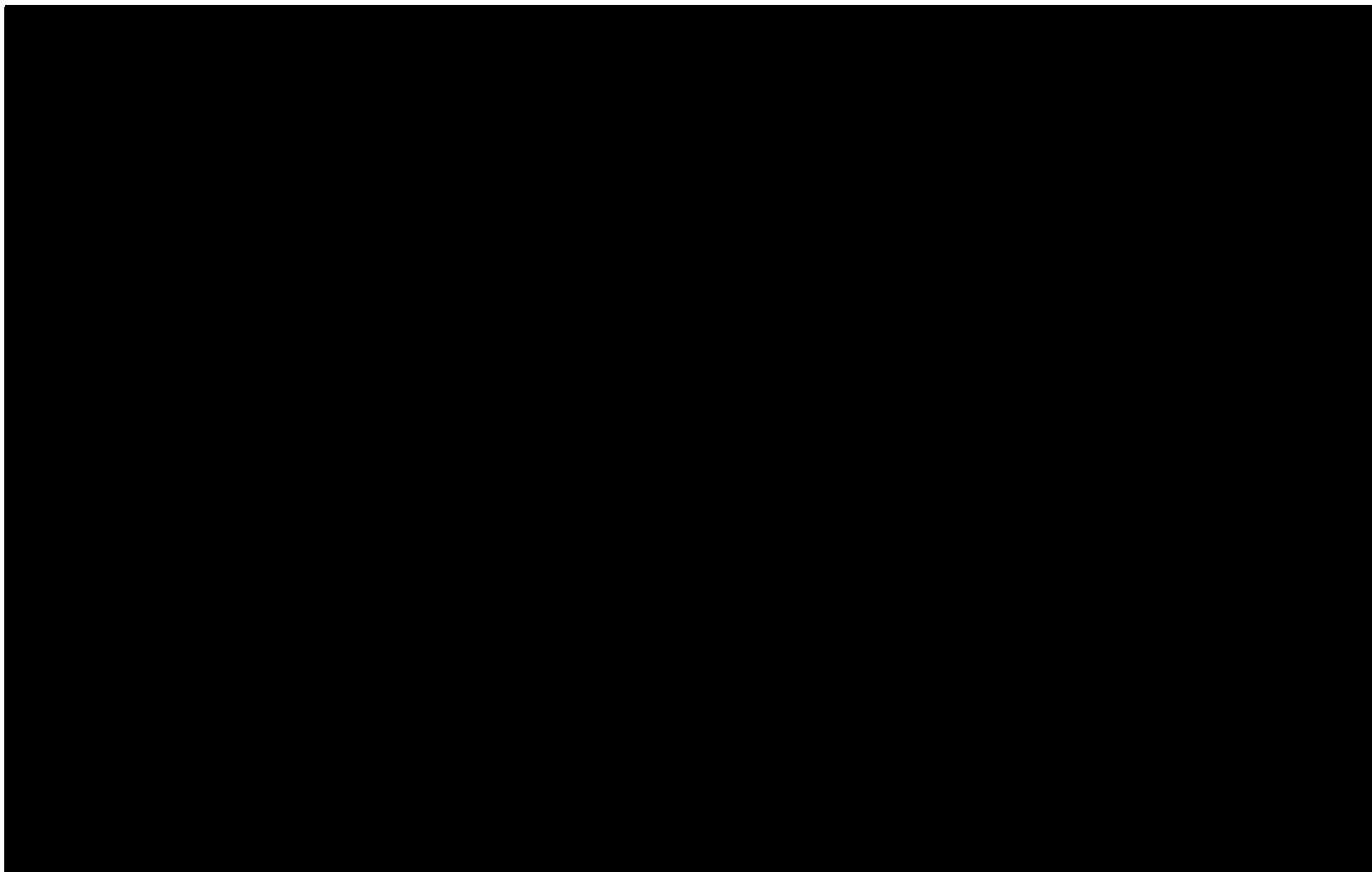
- 5.8 Provide a description of the proposed enclosed, locked facility that would be used for the cultivation and/or processing of marijuana, including steps to ensure that marijuana production is not visible from the street or other public areas. Note that the security plan will be reviewed as a component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

[Ermont has developed a comprehensive best-practice staffing plan described below. DPH has indicated that applications from MA residents are preferentially considered. MA residents make up 50% of Ermont's BOD and EMT members.

BOARD OF DIRECTORS (FTEs do not apply to board members)

President – preside at all board meetings; other duties and powers defined by the directors

Treasurer – chief accounting officer in charge of its financial affairs, funds, securities and valuable papers; prepare or oversee all filings required federal and state agencies

Clerk – record/maintain records of all BOD proceedings, company documents and seal

Directors – responsible for selecting, supporting, evaluating ED; ensure organization's mission and purpose are carried out; enhance organization's public image; assess its own performance as a board

EXECUTIVE MANAGEMENT TEAM – EMT members all report to the Executive Director (ED), who reports directly to the Board (1 FTE unless otherwise noted).

ED - serve as chief executive officer of the corporation subject to the control of the BOD

Director of Finance – manage all financial tasks and reporting for organization such as payroll, budget preparation, project management accounting, and risk management

Director of Business Administration (.5) – responsible for administrative duties including vendor, property and lessor management

Director of Business Development (.25) – responsible for supporting dispensary operations with strategic planning and insight; actively support the ED and BOD by driving industry best practices through operations

Dispensary GM – oversee day-to-day operations of dispensary; supervise managers; ensure proper staffing levels; manage strategies/tasks related to facilities, accounting, sales, marketing, PR; ensure compliance with state/local laws and regulations; manage P&L

Cultivation Site Manager (.25) – oversee operations of cultivation; oversee dept managers; ensure proper staffing levels; manage strategies and tasks related to facilities, accounting, sales, PR; work with Master Grower to develop projected harvests; work with Production Manager to ensure proper production amounts; ensure compliance with state/local laws and regulations; manage P&L

DISPENSARY MANAGEMENT – The dispensary consists of 4 core departments: Inventory, Security, Patient Services. Dispensary department managers report directly to the Dispensary GM with a FTE of 1.

Inventory Manager – responsible for dispensary Inventory dept; oversee inventory and cash control and procurement of quality medicine; ensure storage, labeling, tracking and reporting of all medicine and cash; enforce quality control standards, ensuring that unacceptable quality medicine is never provided to patients

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

Patient Services Manager – oversee Patient Services dept and staff; ensure compliance with patient registration regulations, dispensary access, patient education; ensure exceptional patient experience and absolute accuracy in transactions

DISPENSARY ASSOCIATES – Dispensary associate level positions (FTE: 1) report directly to their respective dept manager. Inventory is the only department that does not have associate level positions.

Security Associate – work within the dispensary's Security department team to implement security policies and procedures for the dispensary

Member Services Associate – check in patients upon entrance to the dispensary; conduct new patient orientation and education, maintain patient database; assist Security team in monitoring dispensary's security status



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

CULTIVATION MANAGEMENT – cultivation consists of 4 departments: Cultivation (growing), Production (trimming, baking, and concentrates), Inventory (packaging/storage), and Security. The dept managers (FTE: 1) all report directly to the Cultivation Site Manager.

Master Grower – senior cultivation expert at the facility overseeing all aspects of cultivation process from germination through stages of growth; oversees the Cultivation dept

Production Manager – oversee and manage all day-to-day activities in Production dept including Trim Room, curing, concentrates, and commercial kitchen

Inventory Manager (IM-C) – oversee Inventory dept, including bulk storage, packaging and transport; quality control inspections; proper tracking and disposal of unusable medicine based on requirements; execute precise inventory reports

Security Manager (SM-C) – responsible for cultivation Security dept and staff; monitor and maintain a comprehensive security system in accordance with CMR 725.000; safeguard medicine, staff and assets

CULTIVATION ASSOCIATES – All cultivation associate level positions (FTE:1) report directly to their respective department manager.

Gardener (Cultivation) – hands-on position for indoor cultivation of medical marijuana; support Master Grower; track daily treatments of nutrients, pesticides and herbicide in the inventory control software

Production Assistant (PA) (Production) – work as a trimmer after harvest; work in concentrates production; work as kitchen assistant, producing edibles infused with medical marijuana

Packager (Inventory) – inspects medical marijuana products, packages them, and labels in accordance with laws and company standards

Security Associate (Security)– support the SM-C in completing tasks and responsibilities as delegated and detailed above]

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.

[With the aid of HR legal counsel, Ermont has developed a staffing plan based on best practices within the medical marijuana, health care, and customer service industries.

Ermont is will apply for dispensary agent registration for any and all Board Members, directors, employees, executives, managers, and volunteers associated with the RMD. For efficiency and compliance, we will designate 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.

The dispensary agent application process requires submitting a CORI report for that individual to DPH, obtained within 30 calendar days prior to submission. 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. Ermont's ED, John Hudson, is the individual who registered with DCJIS on behalf of Ermont 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 well-versed in all relevant regulations as defined in 105 CMR 725.000, particularly 105 CMR 725.030.

For each position, we're looking for candidates with health-related educational/professional backgrounds, spotless criminal records, experience in restricted access retail venues (dispensary) or manufacturing facilities (cultivation), interest in and aptitude for cultivation, agriculture education/professional backgrounds, and/or interest and aptitude for the healing arts.

Our job descriptions provide a detailed list of qualifications as well as required and preferred skills and experience for every position within the organization. Some requirements apply to all potential dispensary agents in the organization (Board of Directors, EMT, Dispensary, Cultivation, etc.). They are:

- Dispensary agents must be 21 yrs or older
- 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 registration ID card issued by the MA DPH.

The above are included in every position's job description. In addition, here is an abbreviated version of what's required and/or preferred for various positions in the organization.

Dispensary & Cultivation Management positions:

- Bachelor's degree in Business or related experience
- 5-10 years experience in management positions; 5+ in customer service; advanced math/computer skills
- 2+ years experience performing similar skill set inside or outside the medical marijuana industry
- GM ONLY: 3 year min P & L responsibility
- SECURITY ONLY: 3-5+ years prior supervisory experience in security, law enforcement or related field; formal training in non-violent communication
- MASTER GROWER ONLY (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 nature and writing research documentation; experience in writing plant related white papers.

Dispensary Associate positions:

- 1+ year prior experience in retail sales or similar environment; high school grad/GED
- Excellent communication and customer service skills
- Knowledge of medical marijuana strains and application
- Basic computer operating skills and math skills
- 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
- PAs: 3+ years experience marijuana processing; able to work with minimal supervision; ability to lift 40+ pounds regularly; ability to work in confined space for extended periods of time; manual dexterity with ability to perform repeated actions for extended periods
- GARDENER: Associate Degree in Plant and Soil Science, Crop Horticulture, Greenhouse Management, or Land Resource Management preferred, but not required; able to understand and follow oral and written instructions; read and 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

EMT

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

BOD

Board Members must have a willingness to prepare for and attend Board meetings, ask questions, take responsibility and follow through on given assignments, and contribute personal and financial resources in a generous way.

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

- Commitment of at least 6 month's time
- 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 Board, in addition to qualifications above, we have considered the personality traits and characteristics of Board members. We 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.

[Ermont 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.

Ermont 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.

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).

Ermont'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, paid time off, 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].

Due to the fact that Ermont 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.

Salaries of 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.

In the first year, EMT members will take reduced compensation of an average \$56k/year per FTE as a key step to getting to cash flow positive sooner. EMT salaries in the second and third years (more normalized) will range from \$90k-180k/year per FTE (some EMT members are 25% or 50% FTE).

Ermont will partner with a Professional Employer Organization (PEO) to provide the following benefits for its employees:

- Health insurance (medical, dental, vision) that will be fully funded by Ermont with eligibility upon hire date
- \$20,000 life insurance, which will be fully funded by Ermont; coverage above \$20,000 will be offered to employees at their own expense with eligibility upon hire date
- 403(b) retirement account whereby employee contributions will be matched by Ermont with eligibility upon hire date; an employee will be fully vested upon joining the 403(b) plan; employer matching will commence when Ermont is fiscally able to contribute
- Flexible spending account plan will be offered to employees to offset deductibles and other out-of-pocket expenses related to health care
- Short- and long-term disability plans will be offered to employees at their own expense
- Paid time off (sick, holiday, vacation, personal) will be part of Ermont employee's compensation package
- An annual budgeted amount will be established reflecting 50 hours of training for each employee
- Worker's compensation insurance for all employees as dictated by law

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, Massachusetts Small Necessity Act, workplace violence, client/patient confidentiality, and HIPPA.

Ermont 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.

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.

Ermont will comply with both Massachusetts 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)*.

Ermont 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.

Ermont 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.

Ermont's Orientation training module will generally be conducted by the GM. The following is covered in 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. In addition to its focus on safety, safety training will include acceptable



Ideally Medical Training will be conducted by a physician or guest from the medical profession. The Patient Services Manager 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 Ermont'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 Patient Services Manager 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 Patient Services Manager 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.

[Ermont 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 Ermont pre-application.

Ermont 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, Ermont 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 our security system features.

In preparation for the Phase II application, Ermont 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 Ermont 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, our build-out 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 Ermont 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 Ermont being awarded a provisional certificate of registration.

These items are considered of high importance and must be completed in order to proceed to construction. Ermont 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, Ermont 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.

[Ermont'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.

Formal training, including classroom, onsite and role-play training, will take place for all managers and staff before the 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 grand opening will be announced when the facility is ready and staff is fully prepared. Once open, Ermont's management will review the patient database, POS system, and other available information on a regular and ongoing 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 include all managers, including department managers and the Executive Management Team. Each department manager will report on specific metrics for their department, share successes, present challenges, and discuss and invite potential solutions.

Weekly deep dives in the first month will include the same people as the first-week daily deep dives and will use largely the same format. With a bit more perspective and the ability to do week-over-week analysis more fine-tuning can be done. 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 information that is relevant to the rest of the group during the meeting. 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 also review customer service surveys to understand the overall patient experience and satisfaction with 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.

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

An audit will take place annually. The audit will be a week long process and will involve all managers, the Executive Management Team, interviews from staff, patient feedback, and also Ermont's industry consultants, 4Front Advisors.

These key business check-in points will help the executive management team evaluate the organization's performance, including how the 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.

[John J. (Jay) Czarkowski, who is a member of Ermont's Executive Management Team, is one of the nation's leading industrial cultivation experts in the Medical Marijuana industry. He is also the founder of Canna Advisors (CA), which has been consulting in the industry since 2009. Jay has experience in the efficient design & build-out of large-scale cultivation centers (15,000 – 100,000 square feet), and he has extensive cannabis cultivation experience. Jay has designed Ermont's cultivation center and will oversee the management of the facility once operational.

Jay has a lot of experience combining the soilless medium of coconut coir as substrate with the addition of an organic line of liquid nutrients for feeding, applied as needed by each individual plant strain. The use of an inert substrate provides a baseline (of "zero") and, with the addition of liquid organic nutrient, allows for great control over the feeding and care of each plant throughout the course of its life cycle. This is a technique that, after four years of refinement, yields consistent, reliable results in producing medicinal-quality, organic cannabis flowers.

In addition to Canna Advisors, Jay and his wife, Diane Czarkowski, are the founders of Boulder Kind Care (BKC). They created one of the first vertically integrated MMJ businesses in Colorado. They began with a single dispensary and 5000 square foot cultivation operation, eventually scaling to a new 12,000 square foot state-of-the-art production facility. During this time the focus was always on producing consistent, high quality, pharmaceutical-grade cannabis, which was sold through their award-winning dispensary. What made BKC so successful in grow operations was a unique system design and meticulous attention to detail. Jay, a Connecticut native, has a BS in Electrical Engineering from Norwich University. He was able to make significant adaptations in lighting system design that has led to greatly increased yields. Jay was also an industry leader in bringing automation to cannabis growing (Explain more).

Jay is a founding member of the National Cannabis Industry Association and a sustaining member of Americans for Safe Access (ASA).

With this strong expertise, the Ermont team will be leveraging years of cultivation experience that will contribute to a clean, compliant, and well-run facility that will produce safe medicine and meet their patients' needs.]

- 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.

[The steps taken to ensure the quality of medical marijuana at Ermont are many and varied. The self-regulated checks include employee hygiene entry/exit protocols, daily and weekly plant pathogen inspections, organic materials handling procedures, plant harvest and manicure procedural checks, drying/curing protocol checks, facility cleaning protocols, and, finally, independent laboratory analytical checks for the finished product.

Ermont's employees are required to change into professionally cleaned scrubs in the locker room before entering the grow operation. Employees will also be required to wash visible skin areas with a sterilizing solution, and walk through a high-pressure air curtain to remove any other loose contaminants. Any new equipment that is needed is sterilized before entering the main facility.

While no pest management plan can account for every possible plant disease, the overall preventative protocol of training personnel to understand and manage the three legs of the plant disease triad (host, pathogen, environment) must factor heavily in the strategy. The most difficult leg to manage is "pathogen". Therefore, a sacrosanct protocol of regular, careful plant observation, with an eye toward spotting such pathogens, is our most valuable tool.

Each plant is inspected on a daily basis. Notes are kept in the comprehensive cultivation management system and potential problems are addressed immediately. Cultivation will be conducted in a blended growing medium that consists of certified organically sourced components. The substrate will be stored in its original packaging, separate from cleaning chemicals and used to fill nursery pots on specially designated potting benches. No contact with the floor or other surface will take place and potting personnel will be required to wear nitrile gloves during the potting procedure. Strict potting protocols helps ensure that the organic components do not come into contact with prohibited substances, or other contaminants.

Ermont's cultivation staff will also pay close attention to the drying and curing process of cannabis flowers. Drying flowers too quickly leaves excess chlorophyll, which produces a lower quality medicine. Dry too slowly and molds are invited. Curing allows the cannabinoid profile to develop and activate and should be considered as important as the growing process itself. During daily drying and curing checks, the drying room hygrometer will be checked and the relative humidity (rH) will be recorded. A flower sample from each rack will be opened and inspected for signs of mold and insects, and the level of dryness will be noted.

We have contacted several analytical laboratories and are in the process of sorting through them so as to determine which laboratory or laboratories are best suited to our needs. All of the laboratories we have contacted use High Performance Liquid Chromatography (HPLC) to determine amount of cannabinoids present in given samples. This is because HPLC is a non-destructive form of testing and thus is preferred for analysis of plant compounds. HPLC has been used in the herbal dietary supplements industry for decades for the testing of plant compounds and is highly reliable and accurate. Therapeutic compounds tested include (but are not limited to) CBD (therapeutic), its precursor CBDA, THC (therapeutic), its precursor THCA, CBG (therapeutic), CBC (therapeutic) and CBN (the compound that results from the degradation of THC). In addition to the therapeutic compounds and their precursors, we will also test for mold spores, inorganic chemical contaminants, solvents and insect parts.

The above processes that are fully outlined in Ermont's Cultivation Policies & Procedures Manual will ensure that medicine is high quality, consistent, free of contaminants, and meets the needs of our patients.]

- 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.

[Ermont 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 Ermont RMDs.

In compliance with MA law, Ermont will only provide wholesale sales to another Ermont when a documented emergency situation occurs such as loss of crop, vandalism, or theft, or other circumstance as approved by the Department.

In addition, Ermont expects to offer proprietary strains offering optimal benefits for particular conditions. Patients using another local Ermont are likely to find these strains particularly effective and may formally request that offering. Ermont will provide wholesale opportunities of excessive crop of the requested product as long as the acquiring Ermont provides documented evidence that a qualifying patient's need cannot otherwise be met by their facility. Ermont will ensure that the distribution to all other Ermont RMDs does not exceed, cumulatively, 30% of the RMD's total annual inventory.

Additionally, Ermont 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 of or containing MIPS and finished marijuana, will be stored, secured, and managed in accordance with applicable state and local statutes, ordinances and regulations.

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 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, Ermont 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.]

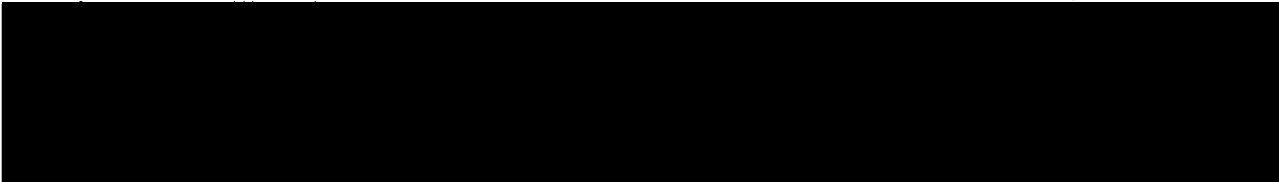
7.6 If the proposed RMD intends to produce MIPs, describe the types and forms of MIPs that the RMD intends to produce, the methods of production (including sanitation and food protection processes), and procedures for labeling, storing, disposing, dispensing, and tracking MIPs. Note that a copy of the 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.

[Ermont is developing a menu of marijuana infused products that is focused on meeting patients' diverse needs. Our products can be broken down into six categories, each with similar production methods and equipment requirements: low glycemic, gluten free, and vegan goods; blended goods; beverages; topicals; tinctures; and oral sprays. The success of our products will depend on three key characteristics: exceptional flavor, high quality ingredients, and, most importantly, proper dosage.

Ermont employees will adhere to the production practices that have been developed in the Good Manufacturing Practices for Food Operations Manual. Every employee will be required to demonstrate an understanding of GMPs as a condition of employment, based on review of the Manual and relevant training. They will not be allowed to participate until they have demonstrated full understanding of the procedures.

Ermont 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, Ermont 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, Ermont 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. Ermont's



All products 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 Ermont will be from an approved source meeting the quality standards set forth by

the Department of Environmental Protection. Additionally, Ermont will only use food products from approved and known sources, and will maintain product temperature sufficient to house such products.

Ermont 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 Ermont will be cleaned and sanitized effectively and on a consistent basis.

Ermont is committed to maintaining a sanitary environment. Ermont will implement policies and procedures designed to prevent contamination of Ermont 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 Ermont.

Ermont 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.

Ermont 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.

Ermont 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, Ermont will install HEPA air filters throughout the facility to reduce microorganisms in the air.

Ermont 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.

Ermont 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.

[Ermont 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, Vermont 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, Ermont 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.

Ermont'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

Ermont 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, Ermont will support state law by discouraging diversion.

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

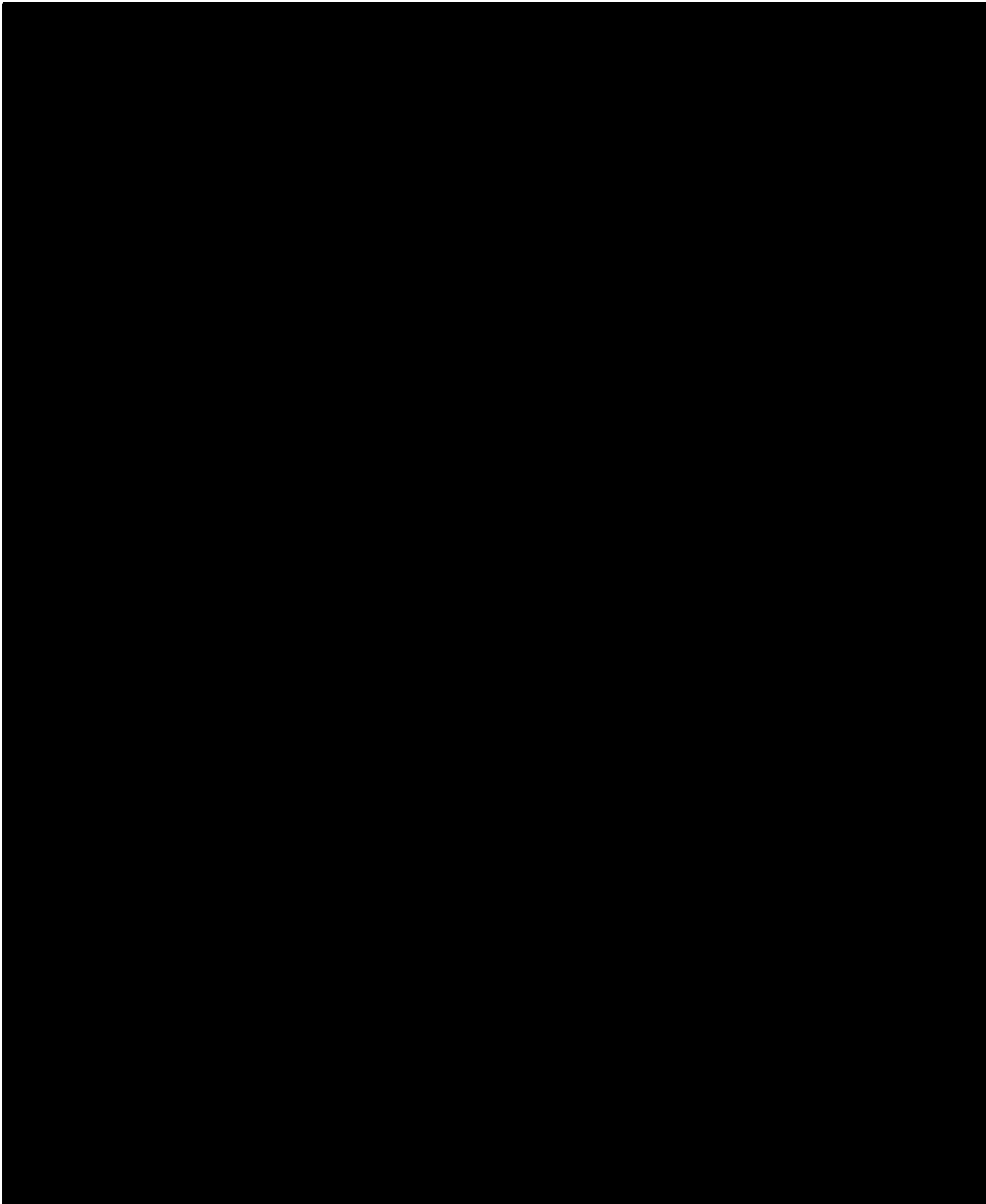
Allow Access Only to Qualified Patients– Through the use of a sophisticated integrated patient database and POS system and proper training, Ermont will ensure that every dispensary agent enforces the requirements for dispensary access and patient purchases. Only qualified, valid patients and caregivers 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.



ORIGINAL



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.

[Ermont will serve the Quincy community and immediate surrounding areas. We have conducted metric based analyses to identify the makeup of our potential patient population, defining our service area as a 13-minute drive time radius from our proposed location. To analyze the demographics of our projected patient population and patient needs, we have used 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 and Colorado's Medical Marijuana Registry, both of which provide insight into the potential patient demographic composition within the Massachusetts area.

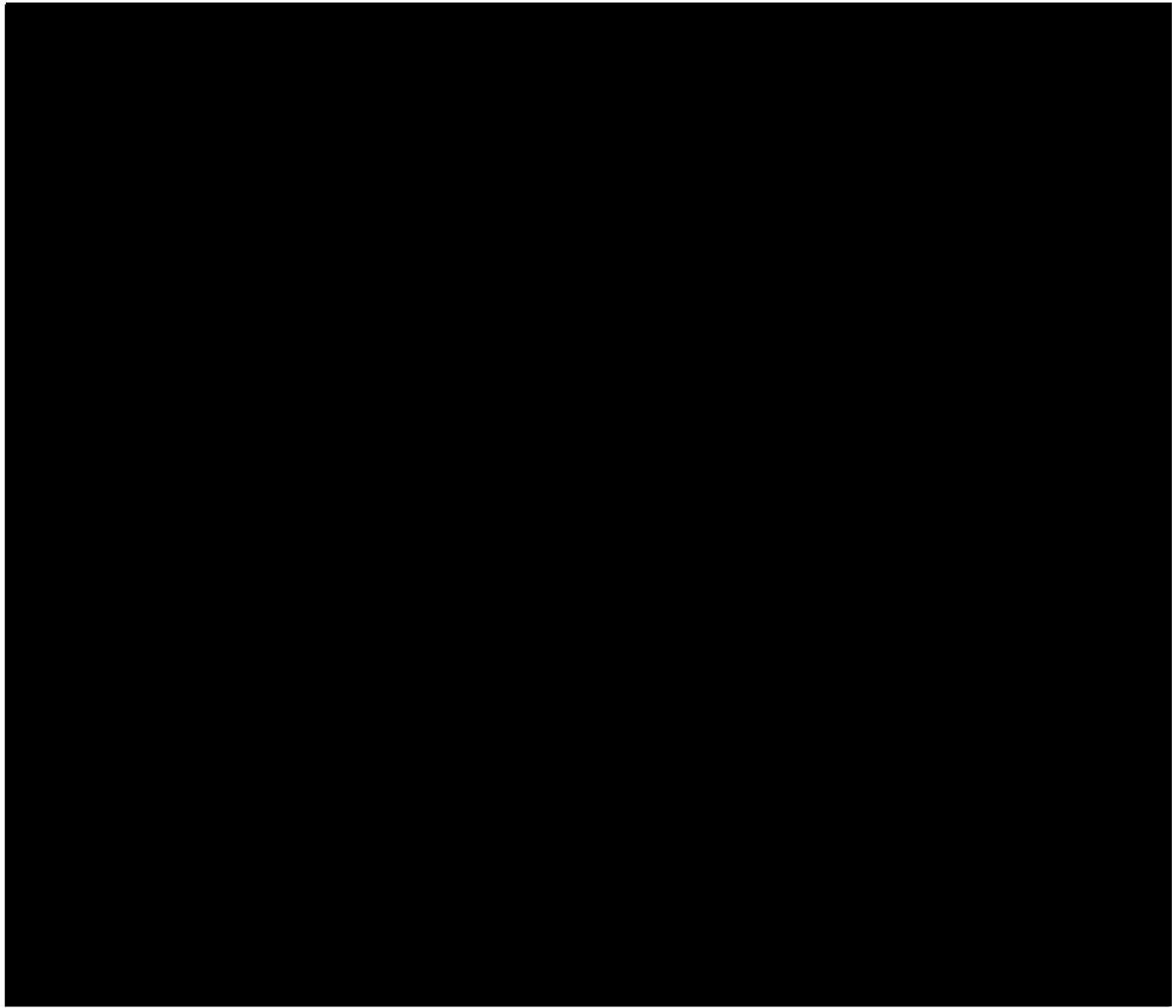
As seen in other medical marijuana markets, we expect the number of registered patients in Massachusetts to reach approximately 2% of the population, or 130,000 patients, within the first five years of operations. These patients will likely be coping with a variety of conditions for which they seek the 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 as well hire and train extremely knowledgeable patient associates who can help educate each patient in choosing the right medicine for him or her. We will also ensure that our patient services reflects the diversity of health conditions at large, providing access to a wide range of health information and local health groups that support the treatment and management of these conditions.

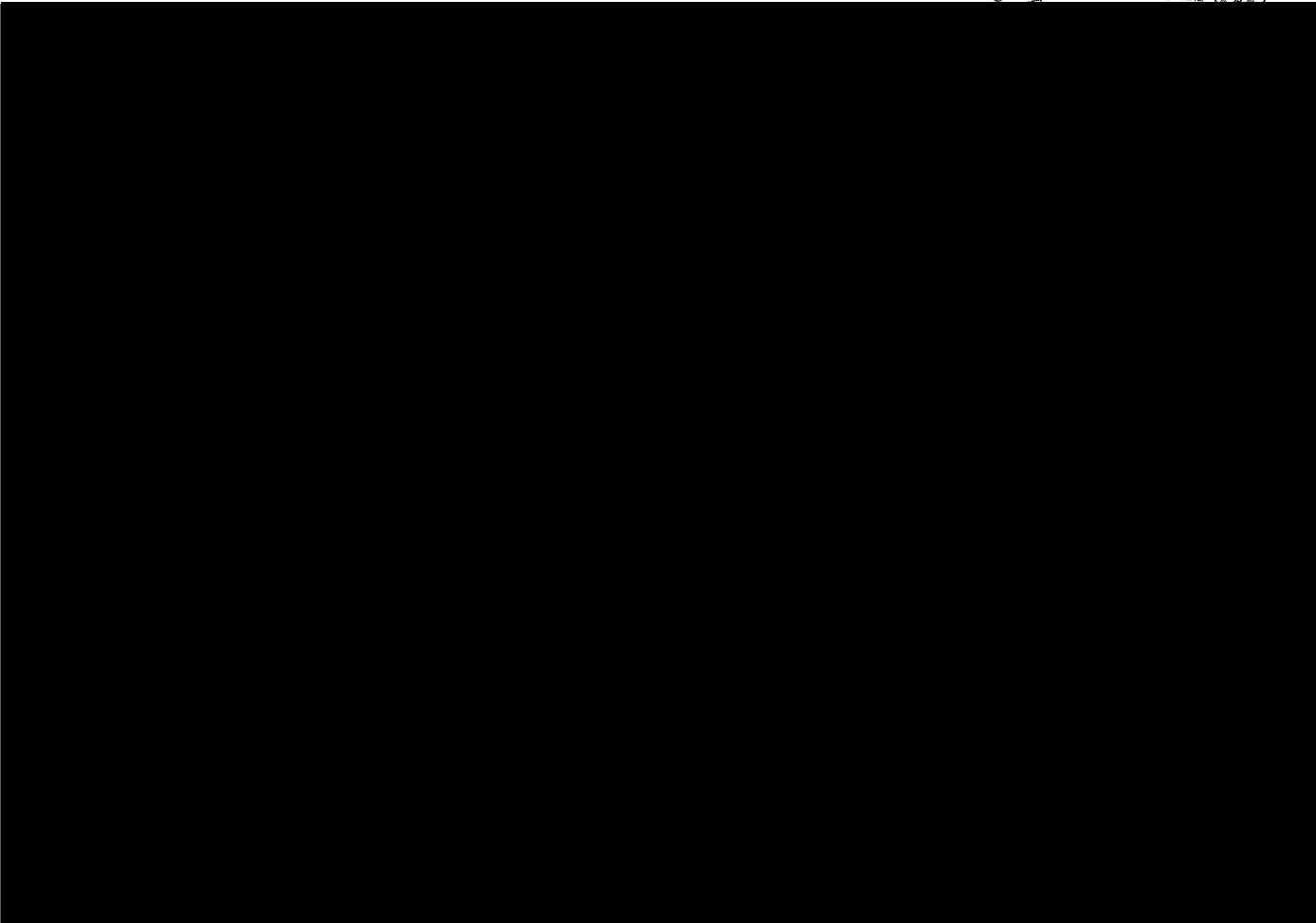
We expect a majority proportion of our patients will be male (70% male) and on average 40 years old. We expect our patients will come from diverse backgrounds; US Census data suggest that within our defined service area of 224,709 people, 62.0% of the population are Caucasian, 13.9% are African American, 6.8% are Hispanic, 16.7% are Asian, and 4.2% are other races. We will meet the needs of our diverse patient population by focusing on best practices, staff training and an organizational culture that reflects the diversity of our patients. We will enlist the assistance of culturally competent medical professionals with expertise in delivering health and wellness services to diverse populations. The cultural beliefs and health philosophies of individual patients can play a large role in determining how best to serve them.

The diversity of this population also suggests a need for multi-lingual services. For example, 33.5% of Quincy residents speak a language other than English at home, and 17.3% 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 as needed.

Finally, we expect the economic composition of our patient population will be largely middle-class. The average household income in our community is \$78,450. Therefore, we expect a modest proportion of our patient population to require services in the context of 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.

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

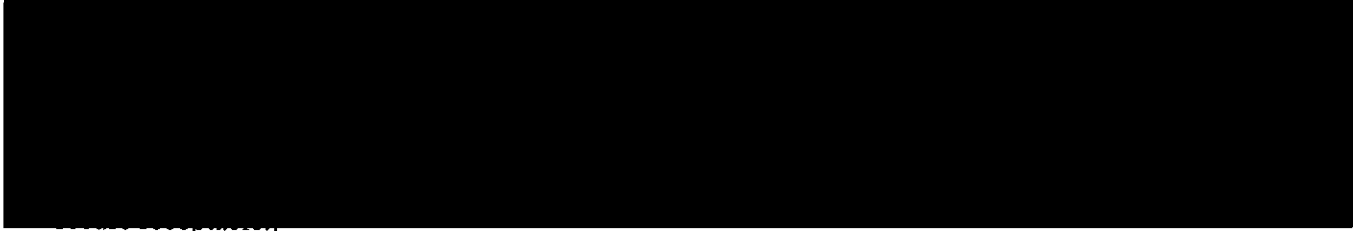
- Operating procedures including security measures, employee security policies, storage of marijuana, recordkeeping and inventory protocols, plans for staffing and quality control, emergency procedures, drug-free workplace policies, patient education description, pricing standards and procedures, production 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)

Ermont 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 registration 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, Ermont 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 checkin and/or sales process.



- 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, Emont 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 Emont's Compassion Program during registration as a dispensary patient. To be considered for the program, patients must be residents of Norfolk 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.

Ermont 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 51% of our patients will qualify for reduced cost marijuana and 14% 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.

[Ermont 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 Ermont 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 Ermont, 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.

Ermont 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.

Ermont's Director of Business Development who is also our chief quality officer will monitor medicinal marijuana research to ensure that Ermont 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.

Ermont 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
- Aging and Medicinal Marijuana
- HIV/AIDS 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.

[Ermont 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 an arc above the company with three sections, each a different color, representing the objectives of the organization: advocacy, relief and community. A simplified artwork style combined with a compressed sans serif font for the wordmark creates a professional design. Each color builds on positive associations and reinforces the organization's promise. Blue is associated with trust and reliability. Green represents growth and nature. Orange is associated with energy and change.

We will display conservative external signage, only illuminated for a period of 30 minutes before sundown until closing, that identifies our Ermont 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.

Ermont 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.

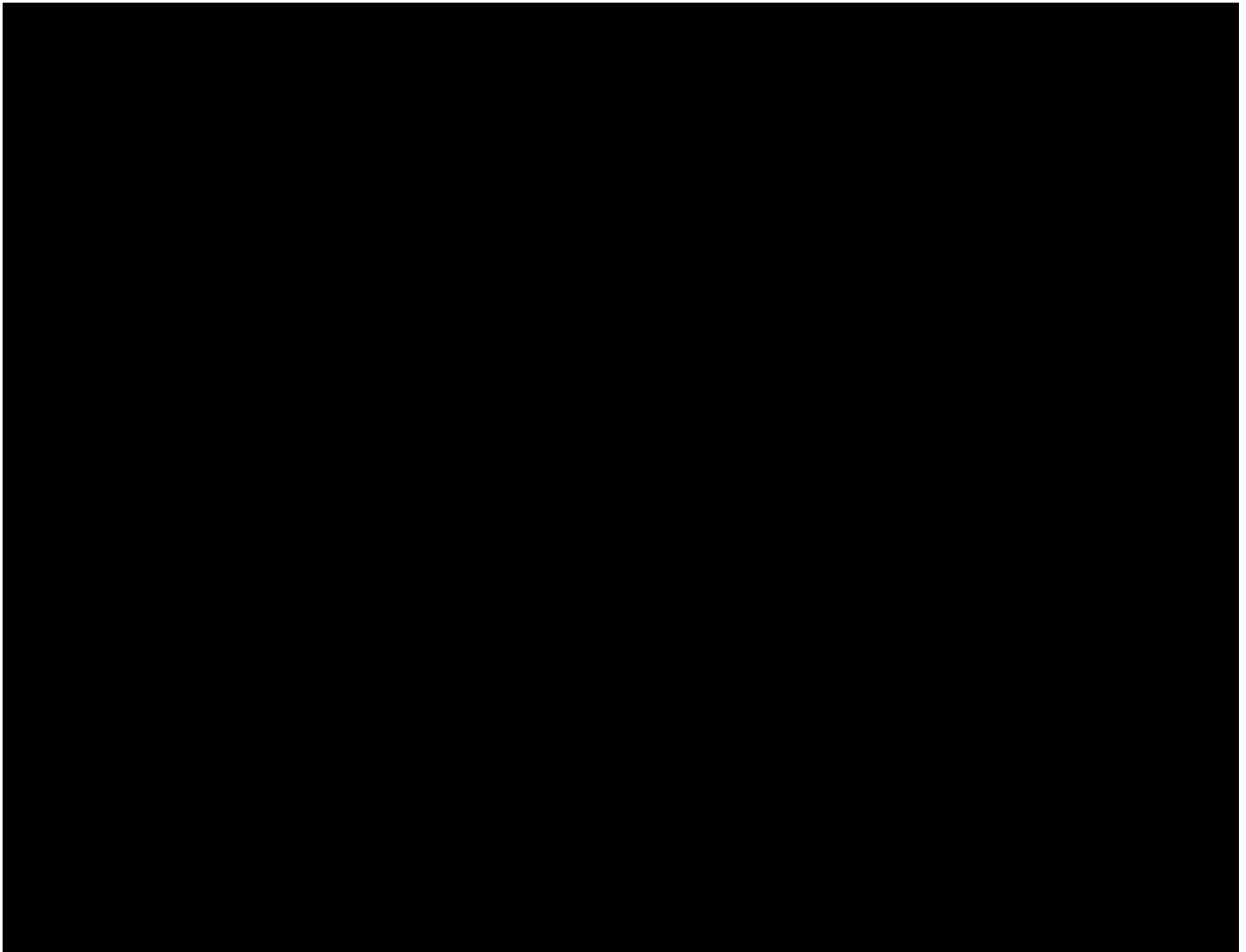
Ermont will engage our patient population to evangelize on the dispensary's behalf. We will develop a formal referral program that encourages current patients to bring a friend or pass on information to a friend, given that "friend" is the most referral source reported by new patients.

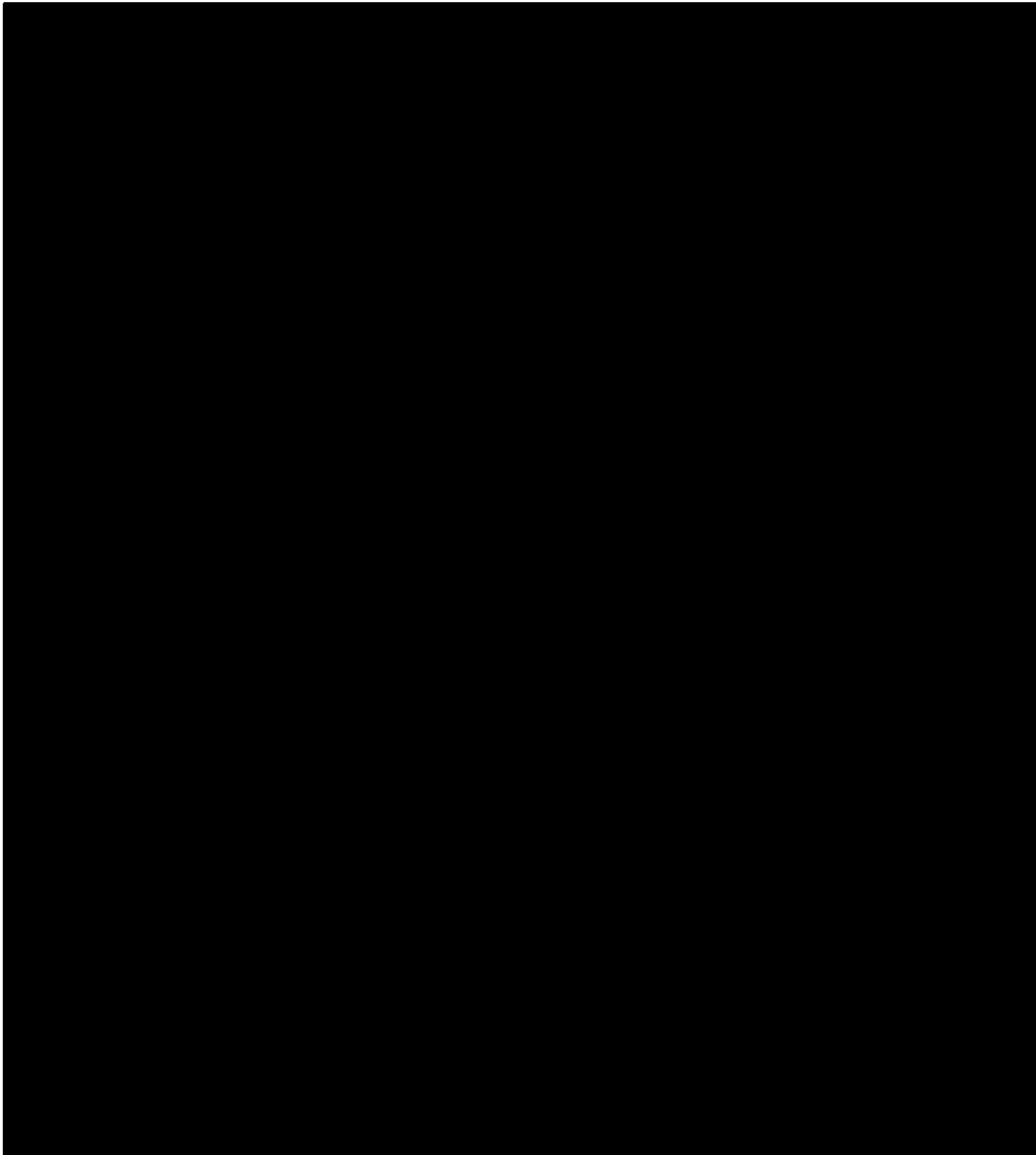
We will focus on increasing membership and patient loyalty by marketing to our patient base using permission-based, low-key marketing like on-site promotional materials (e.g., signs, flyers, newsletters and bulletins), as well as occasional e-mailed communications to patients who specifically opt-in. All printed materials will closely mirror our brand 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 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 educate 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.

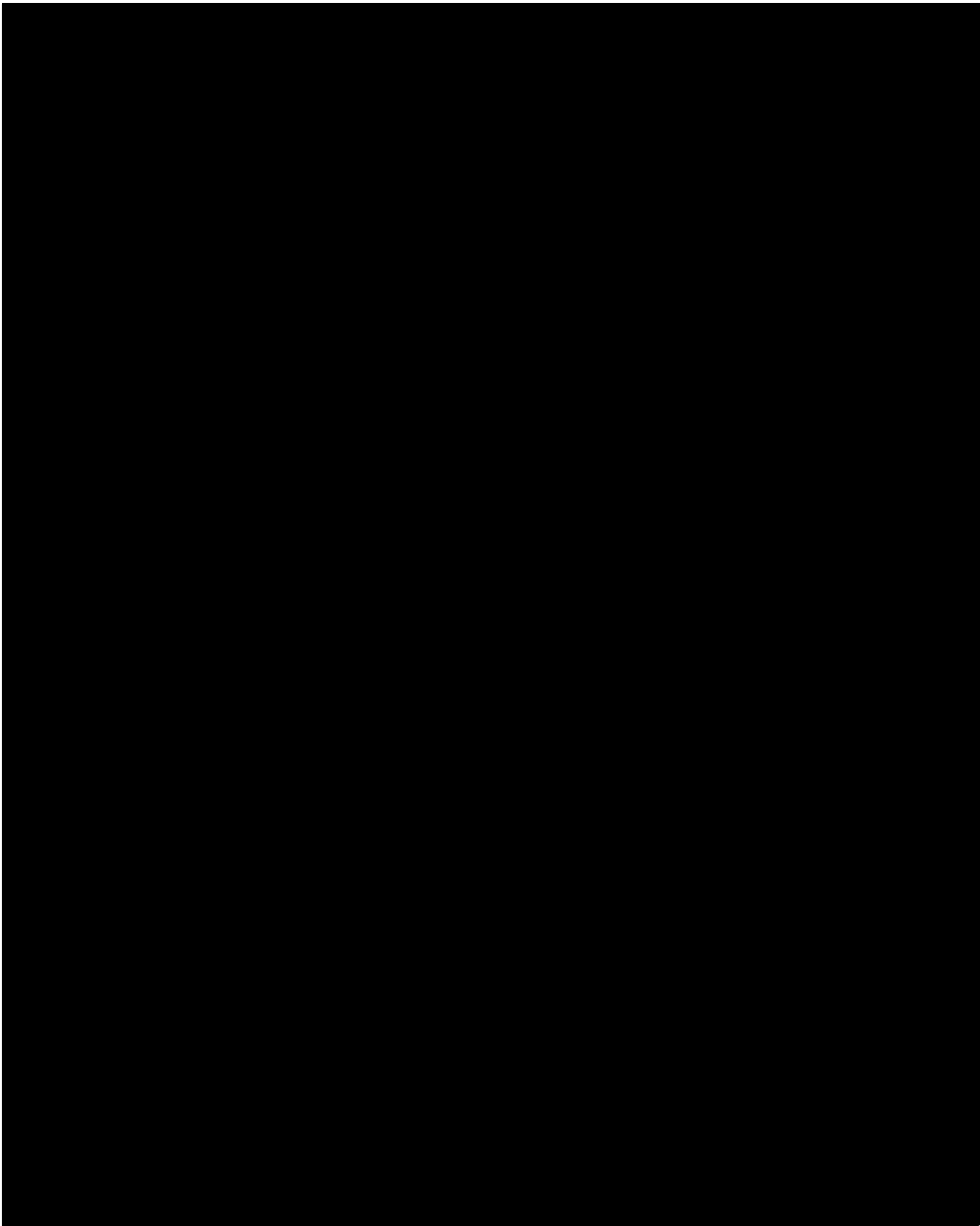




7.16 Describe the RMD's employee security policies, such as an employee ID/badge system and personal safety. Note that a copy of employee security policies will be reviewed as a component of the provisional inspection process.



ORIGINAL





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

Ermont 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, Ermont 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;

- [REDACTED]
- 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, Vermont 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.

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.]

 ORIGINAL

ORGANIZATIONAL CHART
(Exhibit 1.3)

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

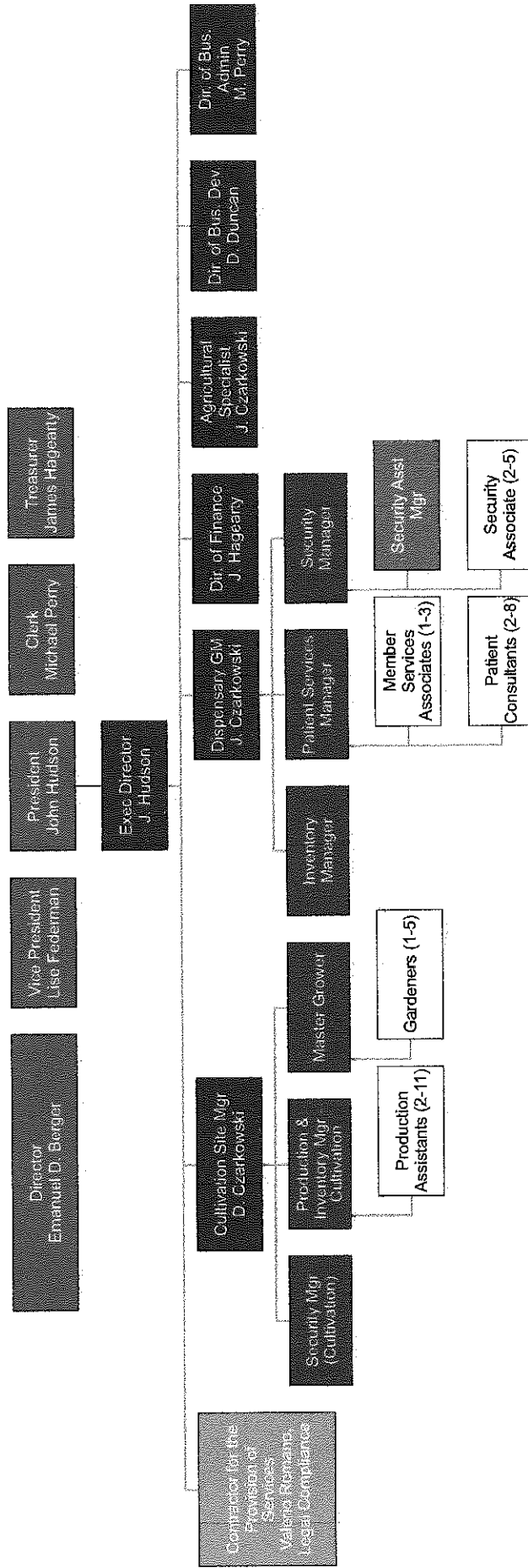
Corporation Name: Ermont, Inc.

Application # (if more than one): _____

Attach organizational chart.

ERMONT, INC.

Organizational Chart



ORIGINAL

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

ORIGINAL

**BOARD OF DIRECTORS
(Exhibit 1.4)**

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



Corporation Name: Ermont, Inc.

Application # (if more than one): _____

	Board Role	Name	Date of Birth	Business Email	Business Address
1	President	John D. Hudson		jack.hudson@ermontinc.org	4 Meadow Road #3 Provincetown, MA 02657
2	Vice President	Lise Federman		lisefed@aol.com	330 Beacon Street Apt. A72 Boston, MA 02116
3	Treasurer	James C. Hagearty, III		james.hagearty@ermontinc.org	4848 N Sheridan Road Unit 803 Chicago, IL 606040
4	Clerk	Michael J. Perry		michael.perry@ermontinc.org	19 Court Street Provincetown, MA 02657
5	Director	Emanuel D. Berger		eberger23@yahoo.com	76 West Rutland Sq. #503 Boston, MA 02118
6	Director	N/A			
7	Director	N/A			
8	Director	N/A			
9	Director	N/A			
10	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: Ermont, 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:		



ORIGINAL

CORPORATE BYLAWS
(Exhibit 1.6)

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

Corporation Name: Ermont, Inc.

Application # (if more than one): _____

Attach bylaws.

**BYLAWS
OF ERMONT, INC.**

Section 1.

ARTICLES OF ORGANIZATION, LOCATION, CORPORATE SEAL AND FISCAL YEAR

1.1 Articles of Organization. The name and purposes of the Corporation shall be as set forth in its Articles of Organization. These Bylaws, the powers of the Corporation and of its directors and officers, and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to such provisions in regard thereto, if any, as are set forth in the Articles of Organization.

1.2 Purpose. To engage in civic, educational and benevolent activities as per MGL Ch. 180 §4. This purpose includes making medical marijuana available to qualified patients and their personal caregivers in a safe, healthy, and clean environment that complies with the laws of The Commonwealth of Massachusetts and the directives of the Massachusetts Department of Public Health. Additionally, the purpose includes providing palliative and other services to qualified patients, as well as educational materials regarding the potential benefits and dangers associated with the use of medical marijuana.

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.

1.3 Location. The principal office of the Corporation in The Commonwealth of Massachusetts shall initially be located at the place set forth in the Articles of Organization of the Corporation. The director(s) may change the location of the principal office in The Commonwealth of Massachusetts effective upon filing a certificate with the Secretary of the Commonwealth.

1.4 Corporate Seal. The director(s) may adopt and alter the seal of the Corporation.

1.5 Fiscal Year. The fiscal year of the Corporation shall end on the December 31 in each year unless the director(s) change the fiscal year by filing a certificate with the Secretary of the Commonwealth.

1.6 Annual Meeting. The annual meeting of the Corporation shall be held not later than the last day of November at such time and place, as the director(s) shall designate.

1.7 Gender. The personal pronoun "he" or possessive pronoun "his", when appropriate, shall be construed to mean "she" or "her" and the word "chairman" shall be construed to include a female.

1.8 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, is a registered marijuana dispensary pursuant to 105 CMR 725.000 and is in compliance with the laws of The Commonwealth of Massachusetts.

Section 2.
NO MEMBERS

The Corporation shall not have members. Any action or vote required or permitted by M.G.L. ch. 180 to be taken by members shall be taken by action or vote of the same percentage of directors in accordance with M.G.L. ch. 180, §3.

Section 3.
SPONSORS, BENEFACTORS, CONTRIBUTORS,
ADVISORS, FRIENDS OF THE CORPORATION

The director(s) may designate certain 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 only in an honorary capacity and, except as the director(s) shall otherwise designate, shall in such capacity have no right to notice of or to vote at any meeting, shall not be considered for purposes of establishing a quorum, and shall have no other rights or responsibilities.

Section 4.
BOARD OF DIRECTORS

4.1 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.

4.2 Number and Election. The director(s) shall determine the number of directors and the manner by which new directors are nominated and appointed. The names and addresses of the initial Board of Directors are:

1. John D. Hudson, President/Director, 4 Meadow Road #3, Provincetown, MA 02657
2. James C. Hagearty III, Treasurer/Director, 4848 N. Sheridan Rd. Unit 803 Chicago, IL 60640
3. Michael J. Perry, Clerk/Director, 19 Court Street Provincetown, MA 02657

4.3 Term of Office. Director(s) shall determine the length and number of terms to be served by directors, and these Bylaws will then be updated to reflect such term.

4.4 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 directors then in office by delivering notice in writing by mail, facsimile or electronic transmission, at his usual or last known business or residence address of the date, time, place, and purpose of such meeting, to all directors at least three (3) days in advance of such meeting.

4.5 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.

4.6 Quorum. At any meeting of the directors a majority of the 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.

4.7 Action by Vote. When a quorum is present at any meeting, a majority of the directors present and voting shall decide any question, including election of officers, unless otherwise provided by law, the Articles of Organization, or these Bylaws.

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

4.9 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.

4.10 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 electronic or 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 5.

OFFICERS AND AGENTS

5.1 Number and Qualification. The officers of the Corporation shall be a president, treasurer, clerk and such other officers, if any, as the director(s) may determine. The Corporation may also have such agents, if any, as the director(s) may appoint. 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. If required by the director(s), any officer shall give the Corporation a bond for the faithful performance of his duties in such amount and with such surety or sureties as shall be satisfactory to the directors.

5.2 Election. In the event that officers retire or are otherwise removed, the officers of the Corporation shall be elected annually by the Board of Directors at the annual meeting. Each officer shall

hold office until a successor shall have been elected and qualified.

5.3 Tenure. The president, treasurer and clerk may each hold office for the lifetime of the Corporation.

5.4 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.

5.5 Treasurer. The treasurer shall be the chief accounting officer of the Corporation. He shall be in charge of its financial affairs, funds, securities and valuable papers and shall keep full and accurate records thereof. He shall also be in charge of its books of account and accounting records, and of its accounting procedures. It shall be the duty of the treasurer to prepare or oversee all filings required by the Commonwealth of Massachusetts, the Internal Revenue Service, and other federal or state agencies. He shall have such other duties and powers as designated by the director(s) or the president.

5.6 Clerk. The clerk shall record and maintain records of all proceedings of the director(s) in a book or series of books kept for that purpose, which book or books shall be kept within the Commonwealth at the principal office of the Corporation or at the office of its clerk or of its resident agent and shall be open at all reasonable times to the inspection of any director. Such book or books shall also contain records of all meetings of incorporators and the original, or attested copies, of the Articles of Organization and Bylaws and names of all directors and the address of each. 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. The clerk shall have custody of the seal of the Corporation.

5.7 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 directors.

Section 6.

RESIGNATIONS, REMOVALS AND VACANCIES

6.1 Resignations. Any director or officer may resign at any time by delivering his resignation in writing to the chairman of the board, if any, or the president or the clerk or to the Corporation at its principal office. Such resignation shall be effective upon receipt unless specified to be effective at some other time. If there is only one director of the Corporation, the director may not resign without appointing a new director, updating these Bylaws or dissolving the Corporation.

6.2 Removals. A sole director may not be removed unless another is appointed or the Corporation is dissolved. In the event that additional directors exist, a director may be removed with or without cause by a two-thirds (2/3) vote of a majority of the directors then in office (not including himself).

An officer may be removed for cause by unanimous vote (not including himself) only after reasonable notice and opportunity to be heard before the body proposing to remove him on the occurrence of any of the following events:

(a) upon a good faith finding by the directors of (i) the failure of such director or officer to perform his assigned duties for the Corporation, (ii) dishonesty, gross negligence or willful misconduct, or (iii) the conviction of, or the entry of a pleading of guilty or nolo contendere by such director or officer to, any crime involving moral turpitude or any felony;

(b) upon any period of inactivity on the part of such director or officer for the preceding twelve month period prior to such removal as determined by the directors in their reasonable discretion; and

(c) upon the disability of such director or officer. As used in this section, the term "disability" shall mean the inability of such director or officer, due to a physical, emotional or mental disability, for a period of one hundred and twenty (120) days, whether or not consecutive, during any three hundred and sixty (360) day period to perform his assigned duties for the Corporation. A determination of disability shall be made by the directors in their reasonable discretion, but requiring a unanimous vote of directors (not including the vote of the director who may be disabled).

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

6.4 Vacancies. Any vacancy in any office or on the board of directors may be filled by the directors by a two-thirds (2/3) vote of a majority of the directors then in office. The directors shall elect a successor if the office of the president, treasurer or clerk becomes vacant and may elect a successor if any other office becomes vacant. Each such successor shall hold office for the unexpired term and in the case of the president, treasurer and clerk until his successor is chosen and qualified, or in each case until he sooner dies, resigns, or is removed. The directors shall have and may exercise all their powers notwithstanding the existence of one or more vacancies in their number.

Section 7. 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 8.
EXECUTION OF PAPERS

Except as the director(s) may generally, or in particular cases, authorize the execution thereof in some other manner, all deeds, leases, transfers, contracts, bonds, notes, checks, drafts and other obligations made in the course of the Corporation's regular business, accepted or endorsed by the Corporation shall be signed by the president or by the treasurer. Except as otherwise provided by M.G.L. c. 180 or directed by the director(s), 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 director(s) of the Corporation, provided, however, that an attestation is not required to enable a document to be an act of the Corporation.

Any recordable instrument purporting to affect an interest in real estate, executed in the name of the Corporation by the president or a vice president and the treasurer or an assistant treasurer, who may be one and the same person, shall be binding on the Corporation in favor of a purchaser or other person relying in good faith on such instrument, notwithstanding any inconsistent provisions of the Articles of Organization, Bylaws, resolutions or votes of the Corporation.

Section 9.
COMPENSATION; PERSONAL LIABILITY

9.1 Compensation. Except as otherwise provided in Section 6.3, the director(s) shall be entitled to receive for their services such amount, if any, as the director(s) may determine, which may include expenses of attendance at meetings. The director(s) shall not be precluded from serving the Corporation in any other capacity and receiving compensation for any such services.

9.2 No Personal Liability. The director(s) and the officers of the Corporation shall not be personally liable for any debt, liability or obligation of the Corporation 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.

All persons, corporations or other entities extending credit to, contracting with, or having any claim against, the Corporation, may look only to the funds and property of the Corporation for the payment of any such contract or claim, or for the payment of any debt, damages, judgment or decree, or of any money that may otherwise become due or payable to them from the Corporation.

Section 10.
INDEMNIFICATION

The Corporation shall, to the extent legally permissible, indemnify any person serving or who has served at any time as a director, executive director, president, vice president, treasurer, assistant treasurer, clerk, assistant clerk or other officer of the Corporation, or at its request as a director or officer of any organization, or at its request in any capacity with respect to any employee benefit plan, and may indemnify an employee or other agent who has so served, against all liabilities and expenses, including, without limitation, amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees, reasonably incurred by him in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, in which he may be involved or with which he may be threatened, while in office or thereafter, by reason of his being or having been such a director or officer (or in any capacity with respect to any employee benefit plan), except with respect to any matter as to which he shall have been adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his action was in the best interests of the Corporation (or, to the extent that such matter relates to service with respect to an employee benefit plan), in the best interest of the participants or beneficiaries of such employee benefit plan; provided, however, that as to any matter disposed of by a compromise payment by such person, pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless such compromise and indemnification shall be approved:

- (i) by a majority vote of a quorum consisting of disinterested directors;
- (ii) if such a quorum cannot be obtained, then by a majority vote of a committee of the board of directors consisting of all the disinterested directors;
- (iii) if there are not two or more disinterested directors in office, then by a majority of the directors then in office, provided they have obtained a written finding by special independent legal counsel appointed by a majority of the directors to the effect that, based upon a reasonable investigation of the relevant facts as described in such opinion, the person to be indemnified appears to have acted in good faith in the reasonable belief that his action was in the best interests of the Corporation (or, to the extent that such matter relates to service with respect to an employee benefit plan, in the best interests of the participants or beneficiaries of such employee benefit plan); or
- (iv) by a court of competent jurisdiction.

If authorized in the manner specified above for compromise payments, expenses including, but not limited to, counsel fees, reasonably incurred by any such person in connection with the defense or disposition of any such action, suit or other proceeding may be paid from time to time by the Corporation in advance of the final disposition thereof upon receipt of (a) an affidavit of such individual of his good faith belief that he has met the standard of conduct necessary for indemnification under this Section, and (b) an undertaking by such individual to repay the amounts so paid to the Corporation if it is ultimately determined that indemnification for such expenses is not authorized by law or under this

Section, which undertaking may be accepted without reference to the financial ability of such person to make repayment.

The right of indemnification hereby provided shall not be exclusive of or affect any rights to indemnification to which corporate personnel other than the persons designated in this Section may be entitled by contract, by vote of the board of directors, or otherwise under law.

As used herein the terms "person," "director," "officer," "employee," and "agent" include their respective heirs, executors and administrators, and an "interested" director or officer is one against whom the proceedings in question or other proceedings on the same or similar grounds is then pending.

If any term or provision hereof, or the application thereof to any person or circumstances, shall to any extent be held invalid or unenforceable, the remainder hereon, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision hereof shall be held valid and be enforced to the fullest extent permitted by law.

Section 11. AMENDMENTS

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

Section 12. ACTIVITIES

12.1 Investments. The Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the director(s), without being restricted to the class of investments which a trustee is or may hereafter be permitted by law to make or any similar restriction, provided, however, that no action shall be taken by or on behalf of the Corporation if such action is a prohibited transaction.

12.2 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.

12.3 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.

12.4 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.

12.5 Audits. Within four months after the close of the Corporation's fiscal year, the Corporation will prepare reviewed financial statements in accordance with generally accepted accounting principles (GAAP) and make these statements available to any interested parties. In the event that the Corporation has total gross revenue in excess of \$500,000.00 per year the Corporation will prepare independently audited financial statements, in accordance with GAAP, and make those available to any interested parties. In the event that the Corporation becomes a Public Charity under M.G.L. Chapter 12, Section 8 et seq. or is otherwise required by the Department of Public Health or any other provision of Massachusetts law to file audited or reviewed financial statements and a Form PC, such auditing and filing will be completed in accordance with GAAP and performed in a timely manner.

Section 13.

INSURANCE

The Corporation may purchase and maintain insurance (including but not limited to insurance for legal expenses and costs incurred in connection with defending any claim, proceeding or lawsuit) on behalf of any person who is or was a director, officer, employee, fiduciary or agent of the Corporation or who, while serving in this role, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, fiduciary or agent of any other foreign or domestic Corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against any liability asserted against him or incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of Section 10. In addition the Corporation shall maintain liability insurance coverage in compliance with 105 CMR 725.105(Q).

Section 14.

CORPORATE INTEGRITY POLICY

It is the policy of the Corporation to encourage and enable directors, officers, and employees to make reports where they believe, in good faith, that acts or omissions unlawful under the laws of the Commonwealth of Massachusetts or unethical may have occurred. With this goal in mind, no one who, in good faith, makes a report shall be subject to retaliation in any form, including adverse employment consequences. Moreover, an employee who retaliates against someone who has made a good faith report is subject to discipline up to and including dismissal from the volunteer position or termination of employment. If after an investigation, the claim is determined to have been made in bad faith or was knowingly false, the individual making the claim will immediately have his or her position in the Corporation revoked.

Section 15.

ANTITRUST POLICY

It is the policy of the Corporation to comply fully with all federal and state antitrust laws, which prohibit companies from working together to restrict competition. It is also the policy of the Corporation that it

and its director(s) and officers are informed about antitrust laws and recognize possible antitrust issues or questions.

It is legal for competitors within the medical marijuana industry to work together, unless such work unlawfully restricts competition within the industry. Although the Corporation's activities generally do not present antitrust issues, to ensure against inadvertent violations of federal and state antitrust laws, directors, except to insure that prices are reasonable and affordable for the Corporation's patients, and to prevent diversion for non-medical purposes, officers and employees shall not discuss with competitors:

- Increasing, decreasing, or stabilizing prices for medical marijuana or related products and services;
- Establishing market monopolies for Member products or services;
- Refusal to deal with a company because of pricing or distribution practices for medical marijuana or related products or services;
- Strategies or plans to give business or remove business from a specific company.

Furthermore, directors, officers, and employees shall not engage in any actions or understandings arising in the context of the Corporation's activities which appear to be anti-competitive in purpose or inconsistent with this policy.

In the event that additional directors are appointed, and Board of Director meetings occur, Corporation meetings shall follow a pre-approved agenda and meeting minutes will be prepared and available. Any questions regarding antitrust issues and the Corporation's activities shall be directed to the Chair of the Board, if any, and referred to counsel if deemed necessary.

Section 16. DISSOLUTION

Dissolution of the Corporation will comply with M.G.L. Chapter 180, s. 11. The director(s) may authorize a petition for the dissolution of the Corporation. A two-thirds vote will be required for such dissolution. The Articles of Dissolution form will be filed with the Massachusetts Secretary of State. All annual reports for the last ten years will be filed with the Secretary of State. A letter to the Massachusetts Department of revenue on the Corporation's letterhead will be sent stating that the Corporation is dissolving. All outstanding business will be completed. All outstanding debts will be paid. Any remaining funds in the Corporation will be distributed as per the direction of the director(s) at the meeting authorizing the dissolution. A notice will be published in a newspaper of regular circulation in the County where the Corporation is located.

In the event that the dissolution also requires the Medical Marijuana Dispensary to close, i.e. the dissolution is not because of a transfer of the Dispensary to another nonprofit entity, the following actions will also take place: the Department of Public Health will be notified; the patients and caregivers that obtain medical marijuana will be notified of the Corporation's dissolution via mail, or in-person if the opportunity to notify the patient or caregiver arises prior to the closing of the doors of the

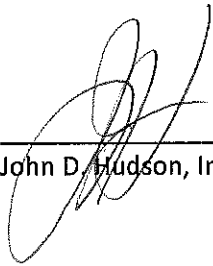
2 ORIGINAL

Corporation's place of business; any remaining medical marijuana and products that contain medical marijuana will be destroyed at the time the doors of the Registered Marijuana Dispensary are closed, or disposed of in any way consistent with the direction of the Massachusetts Department of Public Health and the policies and procedures of the Dispensary.

Section 17.
SEVERABILITY

The invalidity or unenforceability of any provisions of these Bylaws shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

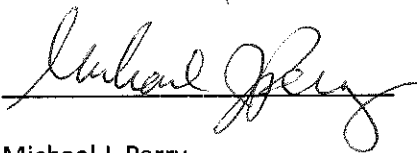
These Bylaws have been amended and adopted by a vote of the board as per Section 11 and affirmed by the Incorporator as an officer of the Corporation on this 10 day of November, 2013.



John D. Hudson, Incorporator and President

I, Michael J. Perry, the Clerk of Ermont, Inc. hereby attest that these are the bylaws of Ermont, Inc. and that these bylaws have been duly adopted by a vote of the Board of Directors on November 1, 2013.
Date: November 1, 2013

Signed,



Michael J. Perry
Clerk of Ermont, Inc.



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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: Ermont, 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: Ermont, 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	NA	NA	President/Chair: Treasurer: Clerk/Secretary:	
3			President/Chair: Treasurer: Clerk/Secretary:	
4			President/Chair: Treasurer: Clerk/Secretary:	
5			President/Chair: Treasurer: Clerk/Secretary:	

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**REFERENCES
(Exhibit 1.9)**

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

Corporation Name: Ermont, Inc.

Application # (if more than one): _____

	Name of Reference	Business Phone & Email	Relationship to Applicant	Dates of Relationship
1	Robert J. Corti Retired CFO, Avon Products, Inc.; Current Chairman Avon Foundation For Women's Board of Directors	Mobile: (917) 862 9177 Email: rjcorti@gmail.com	Former employer; Current client	October 1984 to Present
2	Robert Gebbia Executive Director, American Foundation for Suicide Prevention	Office: (212) 363 3500, ext. 2012 Mobile: (646) 331 0125 Email: rgebbia@afsp.org	Current client	July 2006 to Present
3	Deborah Nelson President, Nelson & Co.	Office: (949) 644 9248 Mobile: (714) 404 4080 Email: dneilsonco@aol.com	Vendor	July 2006 to Present

ORIGINAL

EXECUTIVE MANAGEMENT TEAM
(Exhibit 2.1)



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

Corporation Name: Ermont, Inc.

Application # (if more than one): _____

	Management Role	Name	Date of Birth	Business Email and Phone Number	Business Address
1	Executive Director	John D. Hudson	[REDACTED]	jack.hudson@ermontinc.org 310-963-5658	4 Meadow Road, #3 Provincetown, MA 02657
2	Director of Finance	James C. Hagearty III	[REDACTED]	james.hagearty@ermontinc.org 773-406-9523	4848 N Sheridan Rd, Unit 803 Chicago, IL 60640
3	Director of Business Administration	Michael J. Perry	[REDACTED]	michael.Perry@ermontinc.org 508-487-5515	19 Court Street Provincetown, MA 02657
4	Director of Business Development	Don D. Duncan	[REDACTED]	don@safeaccessnow.org 323-326-6347	1300 Clay St, Suite 600 Oakland, CA 94612
5	Cultivation Site Manager	John J. Czarkowski	[REDACTED]	jay@thinkcanna.com 720-708-3154	2525 Arapahoe Ave, #E4-325 Boulder, CO 80302
6	Dispensary General Manager	Diane Czarkowski	[REDACTED]	di@thinkcanna.com 720-708-3154	2525 Arapahoe Ave, #E4-325 Boulder, CO 80302



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**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: Ermont, Inc.

Application # (if more than one): _____

List the résumés attached:

	Title	Name
1	Executive Director	John D. Hudson
2	Director of Finance	James C. Hagearty III
3	Director of Business Administration	Michael J. Perry
4	Director of Business Development	Don D. Duncan
5	Cultivation Site Manager	John J. Czarkowski
6	Dispensary General Manager	Diane Czarkowski

JOHN D. HUDSON
Executive Director, Ermont, Inc.
4 Meadow Road, Unit 3
Provincetown, MA 02657
[REDACTED] jack.hudson@ermontinc.org

 ORIGINAL

OVERVIEW OF SKILLS AND ABILITIES

- Experienced in developing and achieving financial forecasts
- Applies best practices, integrity and compliance in the for-profit and non-profit sectors to maximize stakeholder value, community benefit and client experiences
- Skilled at motivating individuals to work toward the same goals and objectives
- Solid work ethic and results-oriented
- Capable of seeing both the details and overall big picture
- Keen ability to cultivate and maintain relationships with key stakeholders and business partners
- Adept at understanding and implementing strong internal controls, regulatory policies, procedures and reporting practices

PROFESSIONAL EXPERIENCE

President and Owner, OP3, Inc. (Santa Monica, CA and now Provincetown, MA)
October 2003 - Present

- Responsible for 80+ employees nationwide, client satisfaction (all clients are non-profit organizations), and all compliance matters (state, federal, legal, insurance, labor)
- Raised over \$460 million as a direct result of our fundraising consulting services and by working directly with more than 267,000 individuals who signed up for our clients' fundraising events
- Portfolio of non-profit clients include those working to end and/or prevent breast cancer, multiple sclerosis, suicide and mood disorders, HIV/AIDS; to create a bone marrow transplant registry; and to integrate into their communities those individuals with intellectual disabilities

Chief Operations Officer, OP3, Inc. (New York, NY)

September 2002 - October 2003


- Maximized the net profit of fundraising events as compared with earnings per share, of a publically held company
- Bought the company from the previous owner within the first year
- Launched a new fundraising event series in 8 cities

Vice President and General Auditor, Avon Products, Inc. (New York, NY)
April 2000 – September 2002

- Accountable to the Audit Committee of the Board of Directors
- Ensured compliance with SEC Independence Ruling

JOHN D. HUDSON
Executive Director, Ermont, Inc.
4 Meadow Road, Unit 3
Provincetown, MA 02657

 ORIGINAL

 jack.hudson@ermontinc.org

Director, Global Internal Auditing, Avon Products, Inc. (New York, NY)

September 1998 – April 2000

- Realigned audit plan with corporate strategic initiatives
- Implemented process-based risk assessment and audit approach

Director, Global Finance Process Redesign, Avon Products, Inc. (New York, NY)

April 1996 - August 1998

- Responsible for global implementation of redesigned finance processes

Director, Systems & Controls, Avon Products, Inc. (Mexico City, Mexico and Guatemala City, Guatemala)

June 1993 – April 1996

- Created department at Avon Mexico with strong internal controls and sound business practices
- Acting Finance Director at Avon Guatemala for 9 months

General Accounting Manager, International Rectifier (El Segundo, CA)

March 1992 – June 1993

- Installed financial system, created general accounting and accounts payable functions, outsourced payroll

Controller, Interior Sources, Inc. (Redondo Beach, CA)

October 1989 – March 1992

Avon Products, Inc.

June 1988 – August 1989

July 1985 – June 1988

October 1984 – July 1985

Controller, Retirement Inns of America – Los Angeles, CA

Manager, Corporate Internal Audit – New York, NY

Senior Auditor, Corporate Internal Audit – New York, NY

Senior Accountant, Coopers & Lybrand (Stamford, CT)

July 1981 – October 1984

Staff Accountant, Seward & Monde, CPA (North Haven, CT)

June 1980 – June 1981

CERTIFICATION

Certified Public Accountant – State of Connecticut

EDUCATION

Bachelor of Science in Accounting, Fairfield University Class of 1980

LANGUAGES

Spanish

James C. Hagearty III

ORIGINAL

4848 N. Sheridan Road, Unit 803
Chicago, Illinois 60640

(773) 406-9523

PROFILE:

BUSINESS ADMINISTRATION: Focused professional who has controlled large budgets, written policies/procedures, opened new offices, and supervised staff/volunteers.

PROJECT MANAGER: Team builder who works across departments to establish clear timelines and goals, ensuring all parties understand their responsibilities.

COMMUNICATION SKILLS: Outgoing trainer who can instruct teams in professional and technical skills while motivating them to work with dedication and purpose.

EXPERIENCE:

OP3, INC Chicago, Illinois

2003-Present

BUSINESS ADMINISTRATION DIRECTOR

Manage budget and forecasting process for multi-million dollar projects, including salaries, office space, and expenses for fundraising events (charity walks). Track spending and forecast costs for clients and internal reporting. Develop policies for employee reimbursements. Code and approve invoices and expense reimbursements. Identify office space, negotiate leases, and set up services (utilities, internet) for new offices. Maintain strong relationships with vendors. Obtain business registrations in states where events take place. Research prospective clients and concepts for new events. Trained and managed professional staff and up to 300 volunteers per event. Supervised the check-in process ensuring efficiency, quality control, and customer service.

- Trained staff/volunteers at 40 events (2003-Present).
- Contributed to the development of an online check-in process.

CONSULTANT

2002-2003

- Avon Products Foundation, Inc. (2003)
- HGI Ventures, Inc. (2002)

Advised the Avon Foundation/Avon Walks for Breast Cancer in designing and implementing procedures for processing funds and opening new offices. Identified and secured office space. Wrote policies, procedures, and scripts for customer service. Trained staff in professional and technical skills. Evaluated and selected vendors for satellite offices.

- Opened 8 offices (2002); designed a project plan for opening new offices.

PALLOTTA TEAMWORKS Chicago, Illinois

1997-2002

NATIONAL PROJECT MANAGER (2000-2002)

Oversaw processes related to donations for a company that ran outdoor events to support charities (\$100 million annually). Managed relationships with a key vendor (LaSalle Bank), ensuring that funds were properly credited. Wrote policies and procedures to manage fast growth (from 9 to 25 events in 3 years). Created fundraising materials, including sample letters, pamphlets, schedules, and FAQ. Trained professional and volunteer staff in registration and check-in processes. Encouraged clear communication across departments (Marketing, Logistics, IT, and Customer Service) and established timelines for projects. Supervised volunteer staff during event check-in.

- Achieved a 99.5% accuracy rate from LaSalle Bank for donation processing.

(continued)



ORIGINAL

James C. Hagearty III

(Page Two)

- Limited errors and improved efficiency in registration by leading a project to convert from a paper-based to an electronic system. Realized a time reduction of 40% and cut staffing needs by 50%. Managed an online donation project, working with a key vendor (LaSalle Bank).
- Reduced staff needs by 20% while donation volume increased 40% by introducing new technologies and quality controls.
- Collaborated with a software developer and internal IT teams to develop an in-house system.

DONATION OFFICE MANAGER (1997-2000)

Supervised processing of donations for three beneficiary groups. Trained Donation Managers and their assistants. Instructed volunteers and led seminars in fundraising skills, letter writing, and verbal solicitations. Managed volunteer staff during event check-in.

- Restructured office work flow to adapt to company's rapid growth.

EDUCATION:

UNIVERSITY OF ILLINOIS Urbana-Champaign, Illinois

B.A. Liberal Arts, Lambda Pi Eta – National Communication Association's Honor Society

UNIVERSITY OF NOTRE DAME South Bend, Indiana

M.B.A., Cum Laude

PROFESSIONAL DEVELOPMENT:

- **Grant Writing**, University of Illinois at Chicago

COMPUTER SKILLS:

Microsoft Office, database systems for invoicing, client-specific systems, and online systems

VOLUNTEER:

Court Advocate – 46th Ward

PAWS Chicago – Foster Care

References Available upon Request



MICHAEL J. PERRY

Director of Business Administration, Ermont, Inc.

19 Court Street- Provincetown, MA 02657
(508) 487-5515 | [REDACTED]
www.michaelperrymassage.com

PROFESSIONAL EXPERIENCE

**Licensed Massage Therapist, Michael Perry Massage
Provincetown, MA**

Jun 2000 – Present

Successfully maintains a sole-proprietor practice since 1999

- Trained in Neuromuscular, Thai and Swedish massage techniques
- Evaluate clients' soft tissue condition, joint feature and function, muscle strength, and range of movement
- Maintain strong client base of satisfied clients
- Receive advanced training in new treatment modalities
- Provide sliding scale reimbursement to low income clients
- Excellent knowledge of anatomy and physiology

**Rehabilitation Sales Representative, Alpha One Medical
Portland, ME**

Dec 1998 – Jun 2000

Specialized rehabilitation sales representative for a non-profit durable medical equipment company

- Evaluated clients for specialized medical equipment
- Maintained excellent relations with vendors, reimbursement sources and referral sources
- Participated in wheelchair clinics conducted at New England Rehab Hospital
- Delivered specialized equipment on a timely basis
- Provided detailed documentation as required by Medicare, Medicaid and 3rd party payers
- Successfully procured payment from funding sources

**Provider Relations Representative, Neighborhood Health Plan
Providence, RI**

Feb 1997 — Nov 1998

Key liaison to in-network plan providers for a 501(c)(3) non profit, startup health maintenance organization

- Trained, evaluated and monitored in-network plan providers on policy, reimbursement, billing and compliance
- Conducted periodic onsite visits to hospitals, ancillary providers, specialists and primary care physicians
- Conducted monthly health center meetings to disseminate newly implemented plan policy and procedures

**Rehabilitation Sales Representative, Claflin Health Center
Providence, RI**

Apr 1996 – Jan 1997

Representative for a for profit durable medical equipment company

- Designed custom medical equipment specific to patient needs
- Delivered assembled product to insure consumer satisfaction, safety, and user knowledge
- Achieved target goals and monthly projected sales on an ongoing basis
- Worked with a team comprised of physical and occupational therapists and physiatrist, to ensure consumers received the most appropriate medical device available

**Provider Relations Representative, HMO Rhode Island
Providence, RI**

May 1991 – Mar 1996

Key liaison to in-network plan providers for a for-profit health maintenance organization.

- Responsible for educating office staff on plan policy and procedures
- Conducted onsite visits to insure provider compliance
- Worked closely with utilization consumer relations, review RN's, and billing departments
- Implemented newly developed fee schedule plans for primary care physicians

**Purchased Services Coordinator, Bristol Elder Services
Fall River, MA**

Sep 1988 – Apr 1991

Insured compliance of community based service providers for a private, non-profit elderly agency funded by the Massachusetts Executive Office of Elder Affairs (EOEA)

- Responsible for contract implementation and compliance to insure exemplary service
- Managed consumer intake coordinator and review nurse
- Prepared monthly vendor service reports
- Conducted onsite reviews of contracted providers

EDUCATION

Massage Therapy Certification, New Hampshire Institute for Therapeutic Arts, Bridgton, ME
Graduated 1999

Bachelor of Science Business Administration – Marketing, Bryant University, Smithfield, RI
Graduated 1987

COMMUNITY INVOLVEMENT

Massage Therapist, Self directed Hospice Relief (Anywhere), Summer 1999 – Present
Provide compassionate care massage services to individuals suffering from cancer or another debilitating illness

Student Mentor, Provincetown High School Mentorship Program (Provincetown, MA), Spring 2009 – Present (as needed)
Provide guidance to students interested in alternative health care

Massage Therapist, Wildcare Rescue (Cape Cod), September 2007-present
Provide complimentary massage for annual auction winner

Massage Therapist, University of New England Wellness Program (Portland, ME), Winter 2008-Spring 2009
Provided alternative health care assessments and complimentary massage services for individuals living with AIDS

Hospitality Volunteer, Ronald McDonald House (Portland, ME), Winter 2008
Onsite residence assistant for family members seeking housing while children are receiving therapy at Maine Medical Center

Massage Therapist, Provincetown Council on Aging (Provincetown, MA), Winter 2002-Winter 2002
Provided parafin wax treatments and hand massage to elderly members

ORIGINAL
MICHAEL J. PERRY, p. 3

Director of Business Administration, Ermont, Inc.

AWARDS/ Professional Membership

American Massage Therapy Association (AMTA)

Professional member status since 1999

CityVoter A-list (unsolicited)

Voted "Top 5 Best Massage Therapist" on Cape Cod 2012 and 2013



ORIGINAL

Don D. Duncan

Director of Business Development, Ermont, Inc.

1300 Clay Street, Suite 600, Oakland, CA 94612

(323) 326-6347 • [REDACTED]

PROFESSIONAL SKILLS AND ABILITIES

- Fourteen years of experience in successfully operating some of the oldest and most reputable nonprofit community-based access programs for medical cannabis in California
- Co-founded the nation's leading medical cannabis patients' advocacy organization and helped develop it to a membership of more than 50,000 nationwide
- Developed safety and operational protocols for medical cannabis providers that have become the industry standard in California
- Extensive experience in medical cannabis dispensary operation, including security, quality control, human resources, loss prevention, community relations, financial management, and more
- Years of experience in effective patient and industry advocacy at all levels of government
- Successful grassroots organizing, including citizen mobilization, peaceful protest, community organizing, successful voter initiatives, and campaign work
- Field leader in training related to medical cannabis dispensary operation, working effectively with sick people, legal compliance, and advocacy skills
- Adapt at coalition, team, and movement building
- Proven skills in motivating teams to define and accomplish goals in the political and business context

PROFESSIONAL EXPERIENCE

Consultant

2005-Present

I am one of the leading medical cannabis consultants in California.

- Helped clients open and operate medical cannabis facilities in cities statewide
- Assist with management and staff development for clients
- Extensive work in licensing, permitting, and regulations

Board of Directors/California Director, Americans for Safe Access (Oakland, CA)

2002 – Present

I am a founding member of the Board of Directors and serve as the Secretary/Treasurer of the organization. I also volunteer as the California Director; in that capacity, I oversee the statewide campaign for medical cannabis.

- Daily operation, management, planning, and fundraising responsibilities
- Extensive legislative work at the local and state level
- Hands-on experience in the local and state regulatory process

Board of Directors, Americans for Safe Access Foundation (Oakland, CA)

2002 – Present

I am a founding member of the Board of Directors and serve as the Secretary/Treasurer of the organization.

- Management, fundraising, day-to-day operations, planning
- Very experienced in staff and constituent skills training
- Extensive work in public education campaigns

President, California Patients Group (Los Angeles, CA)

2005-2007

I was the founder and operator of this medical cannabis patients' collective, which pioneered large-scale, patient-centered operation in Los Angeles.

- Daily operation and management of all areas of the organization
- Extensive work with local regulators, elected officials, and law enforcement
- Defined a new patient-focused model for the emerging market in Los Angeles, CA

President, Los Angeles Patients and Caregivers Group (West Hollywood, CA)

2004-Present

I was the founder and operator of this medical cannabis patients' collective, which is now the oldest continuously operating facility in Southern California.

- Hands-on management, day-to-day oversight of all facets of operation
- In-depth work with law enforcement, elected officials, and local regulators
- Helped to create a safe political space for medical cannabis in the area

Board of Directors/Treasurer, Berkeley Patients Group (Berkeley, CA)

2002-2008

I was the founder and operator of this medical cannabis dispensary, which is one of the oldest and best-known facilities in California.

- Helped to define the model of community-based access before state lawmakers adopted relevant legislation
- Worked hand-in-hand with elected officials, local regulators and law enforcement
- Management and daily operations of all areas of the organization

EDUCATION

Bachelor of Music, Music Performance, University of North Texas (Denton, TX) 1993

OTHER PROFESSIONAL AFFILIATIONS

Co-Founder, Greater Los Angeles Collective Alliance (2005-Present)

Co-Founder, Alliance of Berkeley Patients (2000-2004)

Steering Committee, Committee to Protect Patients and Neighborhoods (2012-Present)

Steering Committee, Californians to Regulate Medical Marijuana (2012-Present)

Medical Cannabis Committee Chairman, Coalition for Cannabis Policy Reform (2012-Present)



2525 Arapahoe Avenue Suite E4-325
Boulder, CO 80302


jay@thinkcanna.com

Jay is a licensed general contractor with previous experience in real estate development and investing. He is Managing Partner of Canna Advisors, a national cannabis industry consulting firm focusing on the design, build, and start-up operations of medical cannabis facilities.

Areas of expertise include:

Legal and regulatory compliance
Design and build-out of facilities
Complex environmental controls
Local municipality approval
Financial stability assessment

Commercial cultivation
Human capital management
Business development
Best of breed business solutions
National industry networking

Relevant Experience

2012- Present	Founder/Partner	<i>Canna, LLC. dba Canna Advisors</i>
---------------	------------------------	---------------------------------------

Canna Advisors was established as a way to share industry knowledge and bring about best practices on a national level. Canna Advisors assists businesses in emergent, regulated medical marijuana states and countries from pre-license business development through to established operations by using best practices in commercial cultivation and dispensary operations.

Key Achievements

- Regarded as an expert in designing and building commercial-scale cultivation facilities
- Achieved local municipal approvals due to ability to represent clients as responsible business owners and educating regulators about the industry
- Helped clients achieve strong business profile by identifying weak areas and using industry resources to resolve them
- Completed ground-breaking research in LED lighting specific to cannabis cultivation
- Frequent national speaker at cannabis industry events sponsored by national firms such as the National Cannabis Industry Association and MMJ Business Daily

2009 – 2012	Founder/Owner	<i>Boulder Kind Care, LLC.</i>
-------------	----------------------	--------------------------------

Built the most successful medical marijuana business in Colorado; took in \$2.4M in sales; employed twenty staff members; featured storefront and 22,000 square foot production facility; spearheaded patient acquisition and retention, product development, human resources, technology, marketing/branding, finance, vendor management and state/local compliance; heavily involved in the local business and residential community and achieved local municipal approvals due to his ability to represent clients as responsible business owners



2525 Arapahoe Avenue Suite E4-325
Boulder, CO 80302


jay@thinkcanna.com

Key Achievements

- Consistently produced pharmaceutical grade, high-quality cannabis to supply Boulder Kind Care with 100% of its own product, but also produced enough to wholesale to other dispensaries in accordance with state and local regulations
- Provided investors with profit distributions regularly beginning in the 2nd year of business
- One of the first businesses in the State of Colorado and the City of Boulder to receive MMC and OPC licenses respectively
- Consistently recognized as a leader in Colorado, winning several awards such as: *Best of Boulder* 2010-2012 and *BoCo Gold Award* 2011
- Earned the respect of state regulatory agencies and local municipalities as a legitimate business
- Embraced by the medical and law enforcement communities as an honest and reliable resource

2001 – 2009

Founder/Owner

Construction Design Group, LLC.

Consturction Design Group is a dynamic real estate development firm that designed and built affordable, multi-family homes, luxury mountain properties, and commercial recreational facilities in Colorado.

Key Achievements

- Grew annual sales from \$300,000 to \$5 million
- Guided company in new direction based on marketability of projects
- Expanded business from the Greater Denver area to Steamboat Springs, CO
- Successfully licensed business in a heavily regimented, award program run by the City of Denver

1991 – 2001

Sales Executive

Various Top-Rated Software Companies

Successful software sales career in business-critical application sales involving executive-level engagement, presentation, commitment and implementation

Formal Education:

1997 Bachelors of Science degree in Electrical Engineering from Norwich University, Northfield, VT

Affiliations

- Founding Member, Sustaining Member of National Cannabis Industry Association
- Life-time Member of the ArcView Investor Group
- Member of Americans For Safe Access
- Licensed by the State of Colorado as a Key Employee/Owner in the Medical Marijuana Industry

2525 Arapahoe Avenue Suite E4-325
Boulder, CO 80302


di@thinkcanna.com

Successful entrepreneur in the cannabis industry with various areas of expertise including:

Legal and regulatory compliance
Back office operations
Branding and marketing (print to social media)
Media management
Fundraising

Technology automation
Human capital management
Business development
Best of breed business solutions
National industry networking

Relevant Experience

2012- Present **Founder/Partner** *Canna, LLC. dba Canna Advisors*

Canna was established as a way to share my industry knowledge, create connections, and activate change on a national level. I thrive in start-up environments where I can help navigate the myriad of tasks in building a successful business model, be it as a consultant or rolling up my sleeves and getting the job done. Canna Advisors assists businesses in emergent, regulated, medical marijuana states and countries from pre-license business development to established operations.

Key Achievements

- All clients have passed through the first phases of application approvals
- Provided consulting services for key industry organizations such as MJ Freeway and the National Cannabis Industry Association
- Commissioned to research and write an economic impact survey of the industry in Colorado for the National Cannabis Industry Association (this publication has been referenced nationally in radio, television and other publications, most notably *NPR* and *Huffington Post*)
- Published *Expert Advice* article in *MMJ Business Daily Newspaper*
- Participated in a lobbying effort in Washington D.C. including: meetings with staff of Senators Mark Udall and Mike Bennett, a congressional staff meeting sponsored by Congressman Jared Polis and a meeting with staff of Representative Maxine Waters
- Hosted a fundraiser for the "Campaign to Regulate Marijuana Like Alcohol" at my home, raising more than \$8000 toward the campaign
- Commissioned to coordinate the NCIA industry gala event for 350+ people at the National Marijuana Business Conference in 2012 and 2013

2009 – 2012 **Founder/Owner** *Boulder Kind Care, LLC.*

Built one of the most successful Medical Marijuana businesses in Colorado; the business included a storefront and 12,000 square foot grow operation; the company grew to \$2.4M in sales and 20 employees; spearheaded many facets of the business including patient acquisition and retention, product development, human resources, technology, marketing/branding, finance, vendor management and state/local compliance; always committed to local business and the residential community; participating actively in local community events and outreach



2525 Arapahoe Avenue Suite E4-325
Boulder, CO 80302

di@thinkcanna.com

Key Achievements

- Increased patient membership more than 200% in a highly competitive market due to our dedication to the customer experience, superior products and knowledgeable staff
- Provided investors with profit distributions regularly beginning in the 2nd year of business
- One of the first businesses in the State of Colorado and the City of Boulder to receive MMC and OPC licenses respectively
- Business consistently recognized as a leader in Colorado, winning several awards such as: *Best of Boulder 2010-2012* and *BoCo Gold Award 2011*
- Earned respect of the state regulatory agency and local municipalities as a legitimate business
- Embraced by the medical and law enforcement community as an honest and reliable resource

2003 – 2009

Founder/Owner

Construction Design Group, LLC.

A dynamic real estate development firm that designed and built affordable, multi-family homes, luxury mountain properties, and commercial, recreational facilities in Colorado

Key Achievements

- Grew sales from \$300,000 to \$5 million annually
- Guided company in new directions based on marketability of projects
- Expanded business from the Greater Denver area to Steamboat Springs, CO
- Successfully licensed business in a heavily regimented award program run by the City of Denver

2004 – 2009

Realtor

Fourstar, Home Real Estate

Acted as a buyer's and seller's agent in numerous transactions for individuals and investors in the Front Range and mountain areas

1992 – 2002

Sales Executive

Various Top-Rated Software Companies

Led sales teams in business-critical application sales involving executive-level engagement, presentation, commitment and implementation

Affiliations

- Founding Member, Sustaining Member of National Cannabis Industry Association
- Life-time Member of the ArcView Investor Group
- Board Member of the Women's CannaBusiness Network a project of the National Cannabis Industry Association
- Named President of the Colorado Chapter of the Women's CannaBusiness Network 2013
- Member of Americans For Safe Access
- Licensed by the State of Colorado as a Key Employee/Owner in the Medical Marijuana Industry



ORIGINAL

**EVIDENCE OF CAPITAL
(Exhibit4.1)**

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

Corporation Name: Ermont, 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

ORLEANS

VERMONT, INC.

BUSINESS ADVANTAGE CHK



Last Posting Date 11/15/2013

Date/Time Printed 11/16/2013 11:01 AM EST

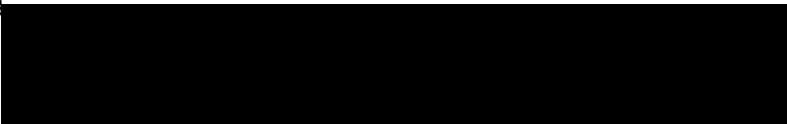
Since Last Statement Summary

Last Statement Date 10/31/2013

Balance Last Statement (\$)

Deposits/Credits (+)

Withdrawals/Debits (-)



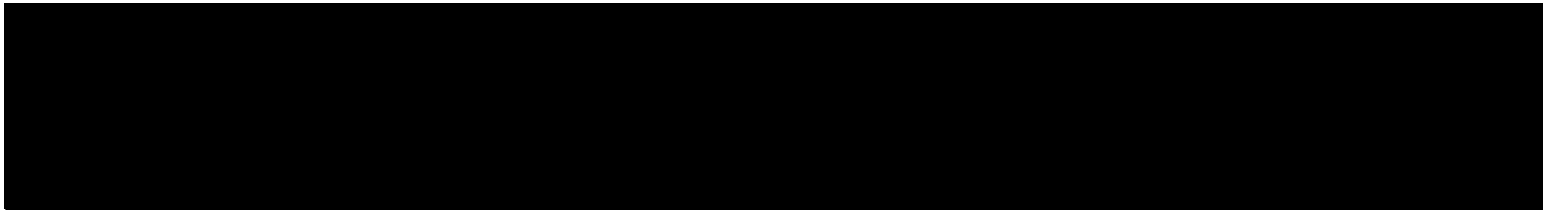
Available Balance (\$)

\$510,000.00

Some of the information was not available when this page was printed. Please ask your Bank of America banker to assist you Balance Last Statement, Deposits/Credits, Withdrawals/Debits may not total to Available Balance.

Date	Description	Type	Amount	Available Balance
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Amount included in Available Balance



\$510,000.00



BANK OF AMERICA
ORLEANS
MAIL CODE: MAC-222-01-01
30 S ORLEANS RD
ORLEANS, MA 02883

Keldano 11/16/13

No More Activity For This Account

For additional information or service, please contact the Customer Service Center at 1-800-432-1000

* = Item(s) included in Previous Statement(s).



ORIGINAL

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

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

Corporation Name: Ermont, 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 D. Hudson	4 Meadow Road, Unit 3 Provincetown, MA 02657	\$ 500,000.00 % 100	Cash	President/ Executive Director	5 years, 15%
2 N/A		\$ %			
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:	\$ %			

**CAPITAL EXPENSES
(Exhibit 4.3)**

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

Corporation Name: Ermont, Inc. Application # (if more than one): _____

	Expense Type	Costs	Explanation of Expense
	Planning and Development		
1	Architect and design fees	\$65,000	Full design and drawings with Holmes & Edwards, Inc.
2	Environmental survey	\$0	Not applicable unless required by planning board
3	Permits and Fees	\$6,678	DPH review fee; Building permit fees
4	Security assessment	\$500	Canna Security initial analysis, design, and spec
5	Land/building cost	\$0	Leasing; option to buy in year 3
6	Site clean-up and preparation	\$0	Landlord to provide room clean
7	Other- describe	\$0	
8	_____		
9	_____		
	Build-out Costs		
1	Construction expenses	\$645,000	Phase 1 cultivation (15,000 sq. ft.) and \$45k for dispensary
2	Painting and finishes	\$0	Included in construction expenses
3	Security system	\$60,000	Monitoring and controls for dispensary & cultivation
4	Landscape work	\$0	Provided by landlord
5	Parking facility	\$7,500	Parking lot refinish
6	Other- describe	\$0	
7	_____	\$0	
8	_____	\$0	
9	_____	\$0	
	Equipment Costs		
1	Vehicles and transportation	\$32,000	Shuttle van to support ease of access; leasing other vehicle
2	Cultivation equipment	\$300,000	Phase 1 equipment (lights, ballasts, irrigation, trays, etc.)
3	Furniture and storage needs	\$18,000	Furnishing & safes for dispensary & cultivation
4	Computer equipment	\$8,000	Computers, tablets, printers, etc.
5	HVAC	\$100,000	Ten 5-ton units for grow rooms
6	Kitchen/food prep equipment	\$75,000	Kitchen with CO2 extraction machine
7	Other- describe	\$40,000	Monitoring and automation system
8	Other equipment and supplies	\$45,000	Harvesting, drying, curing, and packaging
9	_____	\$0	
	TOTAL	\$ 1,402,678	

YEAR-ONE OPERATING BUDGET
(Exhibit 4.4)

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

Corporation Name: Ermont, Inc. Application # (if more than one): _____

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

Projected Number of Patients: 2,056 and Number of Visits: 48,961

		Year ONE Budget	Budget Notes
REVENUE			
1	Medical Marijuana sales	\$3,181,162	Retail sales, net of Compassion discounts
2	Other supplies sold	\$70,285	Retail sales of other supplies
3	Other revenue sources	\$246,330	Wholesale sales of medical marijuana
A	TOTAL REVENUE:	\$3,497,777	
PAYROLL EXPENSES			
	Personnel Category	# FTE	
1	Executive Management Team	4.0	\$248,750 EMT taking reduced compensation in first year
2	Dispensary Management	3.0	\$180,000 FTE is average for year
3	Cultivation Management	4.0	\$247,491 FTE is average for year
4	Dispensary Associates	7.2	\$309,833 FTE is average for year
5	Cultivation Associates	7.7	\$328,917 FTE is average for year
B	TOTAL SALARIES	25.8	\$1,314,991
C	Fringe Rate and Total	35%	\$460,247 Payroll taxes and employment benefits
D	TOTAL SALARIES PLUS FRINGE (B+C)		\$1,775,237
OTHER EXPENSES			
1	Consultants	\$81,000	Consulting fees for operational support/training
2	Equipment	\$7,482	Miscellaneous computers & equipment
3	Supplies	\$250,231	Supplies used in grow operation & retail sales
4	Office Expenses	\$23,771	Office supplies and expenses
5	Utilities	\$136,994	Utilities for dispensary and cultivation
6	Insurance	\$24,892	General liability insurance
7	Interest	\$374,731	Interest expense in first year at 15%
8	Depreciation/Amortization	\$241,543	Non-cash expense; D&A of FF&E & startup costs
9	Leasehold Expenses	\$0	None expected in first year
10	Bad Debt	\$0	Purchases by patients with cash or credit card
11	Security Services	\$54,000	Security services (dispensary & cultivation)
12	Rent	\$259,536	Rent (dispensary & cultivation)
13	Advertising and Marketing	\$52,714	Educational info to support RMD awareness
14	Other G&A	\$169,860	Other general & administrative
15	Other COGS	\$42,990	Other production costs and cost of goods sold
16	Charitable Contributions	\$28,000	Community and advocacy support
17	Reserve for Taxes	\$419,316	Tax payments as per IRS Code Section 280E
E	TOTAL OTHER EXPENSES		\$2,167,062
	TOTAL EXPENSES: (D+E)		\$3,942,299
	DIFFERENCE		(\$444,522)

ORIGINAL



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

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

Corporation Name: Ermont, Inc.

Application # (if more than one): _____

Fiscal Year Time Period: 9/1 - 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	\$3,497,777	\$7,002,629	\$8,409,133
Projected Expenses	\$3,934,817	\$6,552,143	\$7,850,150
TOTAL :	(\$437,040)	\$446,486	\$558,983
Number of Patients	2,056	3,065	3,725
Number of Patient Visits	48,961	112,083	144,163
Projected % of growth rate annually	N/A	100%	20%
Total FTE in staffing	26 (average)	41 (average)	51 (average)
Projected Medical Marijuana Inventory	63.3 Lbs.	82.1 Lbs.	89.3 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: Ermont, Inc. Application # (if more than one): _____

Physical Address	County	Type of Evidence Attached
216 Ricciuti Drive Quincy, MA 02169	Norfolk	Property Lease

LEASE

LESSOR:

ELDEB, LLC

To

LESSEE:

ERMONT, INC.

Premises at 216 RICCUITI DRIVE, in Quincy, Massachusetts

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- Exhibit A.....
- Exhibit B.....
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- Exhibit D.....
- Exhibit E.....
- Exhibit F.....

LEASE

THIS INDENTURE made as of the 19th day of November, 2013 by and between ELDEB, LLC, a Massachusetts limited liability company with an address c/o Stuart Levey, Universal Management, LLC, 181 Wells Avenue, Newton, Massachusetts 02459 ("Lessor"), and ERMONT, Inc., a Massachusetts chapter 180 nonprofit corporation with an address of 4 Meadow Road #3, Provincetown, Massachusetts 02657 ("Lessee").

WITNESSETH:

1. Definitions. As used herein, the following terms shall have the meanings set forth below unless the context otherwise requires:

(a) Lessor: ELDEB, LLC.

(b) Lessee: ERMONT, INC.

(c) Premises: The parcel of land located and the improvements thereon in Quincy, Massachusetts, at 216 Ricciuti Drive, more fully described in Exhibit A attached hereto and made a part hereof, including without limitation the building consisting of approximately 34,606 square feet located thereon, but excluding the land described on Exhibit F leased to Quirk (the "Quirk Premises")

(d) Term: Ten (10) years from the Commencement Date for the first portion of the Premises being delivered to the Lessee.

(e) Commencement Date: As set forth in Section 39.

(f) Basic Rent:

Year 1 Two Hundred Fifty Nine Thousand Five Hundred Forty Five Dollars (\$259,545) per annum (\$21,628.75 per month)

Year 2 Two Hundred Seventy Six Thousand Eight Hundred Forty Eight Dollars (\$276,848) per annum (\$23,070.67 per month)

Year 3 Three Hundred twenty Eight Thousand Seven Hundred Fifty Seven Thousand Dollars (\$328,757) per annum (\$27,396.41 per month)



ORIGINAL

Year 4	Three Hundred Forty Six Thousand and Sixty Dollars (\$346,060) per annum (\$28,833.33 per month)
Year 5	Three Hundred Sixty Three Thousand and Three Hundred Sixty Three Dollars (\$363,363) per annum (\$30,280.25 per month)
Year 6	Three Hundred Eighty Thousand and Six Hundred Sixty Six Dollars (\$380,666) per annum (\$31,722.167 per month)
Year 7	Three Hundred Ninety Seven Nine Hundred Sixty Nine Dollars (\$397,969) per annum (\$33,164.08 per month)
Year 8	Four Hundred Fifteen Thousand Two Hundred Seventy Two Dollars (\$415,272) per annum (\$34,606 per month)
Year 9	Four Hundred Thirty Two Thousand Five Hundred Seventy Five Thousand Dollars (\$432,575) per annum (\$36,047.91 per month)
Year 10	Four Hundred Forty Nine Thousand Eight Hundred Seventy Eight Dollars (\$449,878) per annum (\$37,489.83 per month)

(g) Additional Rent: as set forth in Section 4 hereof.

(h) Security Deposit Amount: \$35,000 payable upon execution of this lease

(i) Lessor's Address: c/o Stuart Levey, Universal Management, LLC, 181 Wells Avenue, Newton, Massachusetts 02459

(j) Lessee's Address: c/o John D. Hudson, Ermont, Inc., 4 Meadow Rd. #3, Provincetown, Massachusetts 02657

(k) Permitted Use: Registered Marijuana Dispensary ("RMD") including cultivation and production in full and strict compliance with all applicable laws, rules and regulations as the same may be enacted and amended.

(l) Guarantor: John D. Hudson

(m) Index: The United States Bureau of Labor Statistics Consumer Price Index, All Urban Consumers, Boston, Massachusetts, All Items (1982-84:100); provided, however, that if the Index should no longer be published, the Index shall be that publication by the United States, or any agency or department thereof, which reflects increases in the level of prices and, if more than one

shall be published, the Lessor may, at its discretion, elect such publication as, in its opinion, shall most closely reflect variations in retail prices in the Northeast region of the United States.

- (n) Current Index: The Index as of the most recent date prior to the beginning of the relevant Lease Year of the Term.
- (o) Original Index: The Index as of the most recent date prior to the date of this Lease.
- (p) The Index Fraction: The fraction in which the numerator is the Current Index and the denominator is the Original Index.

2. The Premises. The Lessor does hereby let the Premises to the Lessee and the Lessee does hereby hire the Premises from the Lessor. Lessee shall also have the non-exclusive right to use the portion of the Quirk Premises for access to the remaining portion of the Premises on which the building is located. Lessee acknowledges that the Quirk Premises Are leased to Quirk as shown on the Plan attached as Exhibit F and that Lessor has no obligation to terminate such lease.

3. Term. Subject to Lessee's strict compliance with all of its monetary and nonmonetary obligations hereunder, during the Term set forth in Section 1 commencing on the Commencement Date as set forth in Section 1, Lessee shall have the right to occupy and use the Premises as set forth herein. First Month's Basic Rent in the amount of \$22, 628.75 and last months rent in the amount of \$37,489.83 shall be payable within 2 business days of the issuance of the License as defined in section 39. Failure to make such payment at such time shall be a default under this lease. Lessee agrees to promptly advise Lessor of any correspondence received from the Department of Public Health relating to the status of Lessee's application or its rejection or approval. If Lessee holds over or occupies the Premises beyond the expiration or earlier termination of the Term (it being agreed there shall be no such holding over or occupancy without Lessor's written consent) which consent may be unreasonably withheld, delayed or conditioned, no tenancy or interest in the Premises shall result therefrom , and lessee shall be deemed a tenant at sufferance and such holding over shall be subject to immediate eviction and removal, and Lessee shall pay Lessor for each day of such holding over a sum equal to two hundred percent (200%) of the Basic Rent in effect on the expiration or termination of the Term prorated for the number of days of such holding over, plus a prorata portion of all other amounts which Lessee would have been required to pay hereunder had this Lease been in effect. Lessor also shall have all other rights and remedies provided for by law and this Lease, including the right to recover attorneys fees and costs, and actual and consequential damages suffered by Lessor in the event of Lessee's wrongful refusal to relinquish possession of the Premises.

4. Rent. YIELDING AND PAYING therefor the Basic Rent described in Section 1 (f), together with Additional Rent as hereinafter set forth, (the Basic Rent and Additional Rent as so calculated being hereinafter referred to as the "Rent"), payable in advance on the first day of each month during the Term in equal monthly installments. A proportionate part of the Rent shall be paid for any period at the commencement or expiration of the Term which shall be less than a full month. The Basic Rent set forth in Section 1 shall commence on the earlier of (i) 135 days after the Commencement Date or (ii) 135 days after the date Lessee occupies space in the Premises or begins to operate its business or commence construction activities. The Basic Rent shall be prorated if less than all of the space is occupied because of Lessor's failure to deliver a portion of the space vacant and free of tenants, and shall be based on the portion of the Premises which has been delivered vacant bears to the total space of the Premises. A similar adjustment shall be made with respect to other expenses such as taxes and insurance which are payable by Lessee. Notwithstanding anything to the contrary in this Section or Section 39, Lessee shall have 135 days free rent for every portion or square footage of the building that they take possession. By way of example, if Lessee takes possession of one third of the building on March 1st, 2014, Lessee will have no obligation to pay any Basic Rent expenses for that portion of the building until July 14, 2014, and only be obliged to pay taxes and operating expenses and nets for the one third of the building they take possess of. If Lessee then takes possession of a second one third of the building on May 1st, 2014, Lessee will have no obligation to pay Basic rent on this portion until September 13, 2014, and only pay operating expenses and nets for the original one third of the building, and the second one third from the occupancy date of May 1st, 2014. This formula will work for any and all portions of the building which the Lessee takes possession of.

The Lessee also agrees to pay and discharge, when due, all other obligations and liabilities which the Lessee assumes and agrees to pay and discharge by express assumption or agreement elsewhere in this lease, together with every fine, penalty, interest and cost which may be added thereto, or become due or to be imposed by operation of law for the non-payment or late payment thereof, and, in the event of any failure on the part of the Lessee so to pay or discharge any of the same, the Lessor shall have all rights and remedies as in the case of non-payment of the Rent. The Lessee also agrees to pay to the Lessor, on demand, as additional rental, interest at the lower of a rate of eighteen (18%) percent per annum, or the maximum rate permissible under applicable law on all overdue installments of the Rent from the respective due dates thereof until payment thereof in full.

5. Net Lease: Non-terminability.

- (a) This lease is a net lease, and the Rent, additional rental and all other sums payable hereunder to or on behalf of the Lessor shall be paid without notice or demand, and without setoff, counterclaim, defense, abatement, suspension, deferment, reduction or deduction, except as expressly provided herein.
- (b) This lease shall not terminate, nor shall the Lessee have any right to terminate this lease, nor shall the obligations and liabilities of the Lessee



set forth herein be otherwise affected, except as expressly provided herein.

- (c) The Lessee waives all rights (i) to any abatement suspension, deferment, reduction or deduction of or from the Rent or (ii) to quit, terminate or surrender this lease or the Premises or any part thereof, except as expressly provided herein.
- (d) It is the intention of the parties hereto that the obligations of the Lessee hereunder shall be separate and independent covenants and agreements, that the Rent, and all other sums payable by the Lessee to or on behalf of the Lessor shall continue to be payable in all events and that the obligations of the Lessee hereunder shall continue unaffected, unless the requirement to pay or perform the same shall have been terminated pursuant to an express provision of this lease.
- (e) The Lessee agrees that it will remain obligated under this lease in accordance with all of its terms and provisions, and that it will not take any action to terminate, rescind or avoid this lease or any portion thereof, notwithstanding (i) the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding-up or other proceeding affecting the Lessor or any assignee of the Lessor in any such proceeding and (ii) any action with respect to this lease which may be taken by any trustee or receiver of the Lessor or any assignee of the Lessor in any such proceeding or by any court in any such proceeding.

6. Taxes and Other Charges. The Lessee agrees, except as otherwise expressly provided herein to the contrary, to pay, as the same become due and payable, all costs, expenses and obligations of every kind and nature for the operation, maintenance, repair, rebuilding, use, occupancy and enjoyment of the Premises, including without limitation, all costs associated with ensuring that the Premises are in full compliance with all applicable laws, rules and regulations as the same are currently in effect, or may be enacted or amended in the future. The Lessee also agrees to pay, at least fifteen (15) days before the last day on which each of the same shall become due and payable and before any fine, penalty, interest or cost may be added thereto, or become due or be imposed by operation of law or otherwise for the nonpayment or late payment thereof, all real estate taxes, personal property taxes, business and occupation taxes, occupational license taxes, water charges, sewer charges, assessments, and all other similar governmental taxes, impositions and charges which shall be levied, assessed or imposed upon or with respect to, or which shall be or become liens upon, the Premises or any portion thereof, or any fixtures, equipment, supplies, merchandise or other property in or about the Premises, or upon or with respect to the operation, maintenance, alteration, repair, rebuilding, use, occupancy or enjoyment of the Premises or any portion thereof, under or by virtue of any present or future law, statute, charter, ordinance, regulation or other requirement of any public authority, whether federal, state, county, city, municipal or otherwise, whether general, special, ordinary, extraordinary, foreseen or unforeseen, and whether or not within the express contemplation of the parties (collectively referred to as "Additional Rent")

Notwithstanding the foregoing, any and all debts including taxes and assessments that relate to the period of time predating the Commencement Date shall be paid by Lessor.

Notwithstanding anything contained in this lease to the contrary, the Lessee will pay to the Lessor monthly, together with the Basic Rent, one-twelfth (1/12) of the amount from time to time reasonably estimated by the Lessor to reflect all taxes, charges, assessments and impositions described in the first paragraph of this Section 6. Promptly after the exact amount of each of such taxes, charges, assessments and impositions are determined for each tax year, the Lessor will advise the Lessee in writing of the amount thereof for such year and the Lessee will pay to the Lessor whatever additional amount shall be necessary so the Lessee shall have paid to the Lessor at least fifteen (15) days before the last day on which each such tax, charge, assessment or imposition shall be due and payable to the proper authorities and before any fine, penalty, interest or cost be added thereto, or become due or be imposed by operation of law or otherwise for the non-payment or late payment thereof, the full amount of all such taxes, charges, assessments and impositions for each tax year. Any excess of such fund over the amount required shall be refunded by the Lessor to the Lessee promptly following the end of each tax year so long as the Lessee shall not then be in default beyond the expiration of any applicable grace period set forth in this Lease. Copies of any tax and assessment documents from the period immediately prior to the taxes, charges, assessments and impositions to be paid in this section shall be provided to Tenant to calculate what is owed under this section.

Notwithstanding anything in this lease to the contrary contained, the Lessee shall not be required to pay or otherwise be responsible for (i) any local, state or federal capital levy, franchise tax, revenue tax, income tax or profits tax of the Lessor, or (ii) any estate, inheritance, devolution, succession or transfer tax which may be imposed upon or with respect to any transfer of the Lessor's interest in the Premises; provided, however, that if at any time hereafter the methods of taxation prevailing at the date hereof shall be altered so as to cause the whole or any part of the taxes, charges, assessments or impositions now or hereafter levied, assessed or imposed on real estate and the buildings, structures and other improvements thereon to be levied, assessed and imposed, wholly or partially as a gross receipts, gross income, capital levy, or other tax, on the rentals received therefrom, or if any tax, corporation franchise tax, assessment, levy (including but not limited to any municipal, state or federal levy), imposition or charge, or any part thereof, shall be measured by or based in whole or in part, upon the Premises and shall be imposed upon the Lessor, then all such taxes, assessments, levies, impositions or charges, or the part thereof so measured or based, shall be deemed to be an imposition levied, assessed or imposed upon or with respect to the Premises, to the extent that the same would be payable if the Premises were the only property of the Lessor subject thereto, and the Lessee shall pay the same to the Lessor as and in the manner provided herein.

If the Lessee shall not be then in default in the performance, fulfillment or observance of its obligations and liabilities set forth in this lease at the expiration of the Term, all payments for which the Lessee is responsible as provided in this Section 6, shall be prorated to the date of such expiration. The amount of any such payments which

become due and payable after the expiration or sooner termination of the Term shall, on or prior to the date of such expiration or sooner termination, be deposited with the Lessor. If the Lessee shall not be then so in default, the Lessor shall promptly refund to the Lessee any net refund, abatement, deduction, reduction or credit received by the Lessor attributable to any such payment earlier made by the Lessee.

The Lessee shall not be required to pay any tax, charge, assessment or imposition or levy, described in this Section 6, so long as the Lessee shall contest in good faith at its own expense the amount or the validity thereof by appropriate proceedings which shall operate to prevent the collection thereof or realization thereupon or the sale, foreclosure or forfeiture of the Premises or any part thereof to satisfy the same, and pending any such proceedings the Lessor shall not have the right to pay the same so long as the Lessee is in full compliance with the terms and provisions of this paragraph and is not otherwise in default under this lease. In the event of any such contest, the Lessee shall, however, furnish such reasonable security as the Lessor shall from time to time require to insure such payment to prevent any such collection, realization, sale, foreclosure or forfeiture by reason of such contest. The Lessee further agrees that such contest shall be prosecuted to a final conclusion diligently and in good faith, at Lessee's sole cost and expense, and that it will pay, and exonerate and indemnify the Lessor against any and all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or in any way arising out of such contest, and that it will, promptly after the final determination of such contest, fully pay all amounts determined to be payable therein, together with all penalties, fines, interest, costs and expenses resulting from such contest. In no event shall any such contest subject the Lessor to the risk of any criminal or civil liability.

The Lessee agrees to pay, on or before the respective due dates, all taxes, charges, assessments, or impositions levied, assessed or imposed at any time on the Lessee's fixtures, equipment, supplies, merchandise or other property in, on or about the Premises.

7. Maintenance and Repairs. Except for the Lessor's obligations to maintain and repair set forth in Section 42 below, the Lessee accepts the Premises "as is" and agrees that the Lessor has made no representations, warranties or agreements of any kind or nature with respect to the use, occupancy, enjoyment or condition thereof, or the suitability of the Premises for the Lessee's intended use. Except for the obligations of Lessor set forth in Section 42 with respect to the structure of the Premises, the Lessee shall be responsible for maintenance repair, and where applicable, the replacement of any improvements, as well as the maintenance and repair of the Premises in all respects, whether ordinary or extraordinary, used or unused, foreseen or unforeseen, including without limitation, maintenance of electrical, plumbing, and mechanical systems, interior maintenance, plumbing, heating and air conditioning, exterior maintenance, landscaping, building security, fire alarm, windows and doors, snow removal, and insurance. The Lessee will pay for all heating expenses. The Lessee will at its expense forthwith comply with (a) all laws, rules, regulations and requirements of all public authorities applicable to the Premises, (b) all rules, orders and regulations of the fire insurance rating association having jurisdiction, and (c) all requirements of all insurance companies issuing any of the insurance carried or required to be carried by the Lessee hereunder, whether any or all of the same relate to the

use, occupancy, enjoyment or condition of the Premises, including, without limitation, those which require the making of any alterations, improvements, restoration, repairs, replacements or renovation, whether interior, exterior, structural, non-structural, ordinary, extraordinary, foreseen or unforeseen and (d) all requirements of all insurance companies issuing any of the insurance carried by the Lessor, or required by any lender that has a recorded mortgage on the Premises. Subject to the lessor's prior written consent, which may be unreasonably withheld, delayed or conditioned, the Lessee shall have the right to make capital improvements, restorations, replacements, renovations or additions to the Premises beyond those set forth in Exhibit B.

Lessee shall pay for all utilities serving the Premises, including, but without limitation, gas, steam, water, electricity and sewer charges; and the Lessor shall not be responsible for the payment of any of such charges. The Lessee shall have the right to make any and all alterations, improvements, restoration, repairs, replacements, renovation or additions to the Premises which do not adversely affect the utility of or decrease the value of the Premises, and will make all of the same, including, without limitation, any restoration or rebuilding required by Section 11 or that shall be required to be made by the Lessee by any term or provision of this lease in accordance with plans and specifications therefor prepared by an architect or registered professional engineer reasonably satisfactory to the Lessor and using a contractor reasonably satisfactory to the Lessor. The Lessee will secure all necessary permits, licenses, and other permissions for all such alterations, improvements, restoration, repairs, replacements, renovation or additions; obtain and deliver to the Lessor certificates of, and throughout such construction maintain in full force and effect, payment and performance bonds from all contractors and subcontractors; and upon completion of any such construction, promptly deliver to the Lessor any required certificate of occupancy, or the equivalent thereto under local law. The Lessee may from time to time substitute for any equipment or fixtures installed in the Premises other property of similar function and comparable value, in which event such substitutes shall become part of the realty and property of the Lessor. The Lessee may remove and retain or sell or otherwise dispose of for its own account any property for which any such substitute is so provided. Lessor shall provide the Premises in broom clean condition at the commencement of Lessee's occupancy, provided however that current tenants may move out at different times throughout 2014, and Lessor shall provide the portion of the Premises that was vacated by any such tenant in broom clean condition prior to Lessee's occupancy.

Upon the expiration or sooner termination of the Term, the Lessee shall peaceably and quietly leave, yield up and surrender the Premises to the Lessor in Leasable condition, together with all alterations, improvements, restoration, repairs, replacements, renovation and additions thereto as permitted hereby, and orderly and free of occupants in any event. All supplies and other property of the Lessee installed, assembled or placed by the Lessee upon the Premises, (except for those trade fixtures and equipment set forth in Exhibit C attached hereto and any subsequent trade fixtures and equipment installed by Lessee, all of which may not be removed from the Premises), shall at Lessor's request be removed without any material damage caused by such removal and shall not become part of the realty and shall remain the property of the Lessee, and the Lessee may at its expense remove any or all of the same during, and shall in any event remove all of same at the

expiration or sooner termination of, the Term and the Lessee shall repair any and all damage caused by such removal to the satisfaction of Lessor. Upon such expiration or termination the Lessor may, in addition to all other rights and remedies, without being guilty of any trespass, tort or breach of contract, remove from the Premises any or all fixtures, equipment, supplies and other property of the Lessee not removed by the Lessee as provided in the immediately preceding sentence, and either store same for the account of the Lessee at the Lessee's expense, without obligation or liability on account of any theft, loss, damage or monetary shortage, or deem same to be abandoned and subject to use, sale or other disposition without liability to account to the Lessee for the proceeds thereof.

The Lessor shall not be required to make any alterations, improvements, restoration, repairs, replacements, renovation or additions of any nature or description to the Premises, and the Lessee waives any right, whether provided by any law, rule, regulation or requirement of public authority, now or hereafter in effect, to do any of the foregoing at the expense of the Lessor.

8. The Lessee's Covenants. The Lessee hereby covenants with the Lessor that the Lessee during the Term and for such further time as the Lessee, or any other person or persons claiming through or under the Lessee shall hold the Premises or any part thereof: (a) will pay to the Lessor all Rent at the times and in the manner herein set forth; (b) will not assign this Lease or sublet the Premises or any portion thereof, except as provided for in this agreement with approval of the Lessor; (c) will not overload or deface the Premises or permit any use of the Premises which shall increase any insurance rate or create a fire hazard or be unlawful, improper, noisy or offensive or which shall constitute a nuisance or which is contrary to any law, rule, regulation or requirement of any governmental authority or the fire insurance rating association having jurisdiction, or which is injurious to any person or property, or commit waste, whether voluntary or involuntary, or permit anyone else to do any of the foregoing; (d) will not do or permit to be done anything in or about the Premises which (i) shall make void or voidable any insurance carried by the Lessor or the Lessee which is required by any term or provision of this lease or which relates to the Premises in any manner or, provided however that it is understood that Lessee will be operating a RMD, and Lessee shall maintain insurance which does not conflict with this use (ii) shall increase or create extra premiums therefor and will pay the Lessor on demand, as Additional Rent, the amount of any such increase or extra premiums on insurance carried by the Lessor and (e) will not sell, assign, or transfer any Marijuana dispensary license it may now or hereafter hold for the Premises to a purchaser, assignee, or transferee who will move the license to another location without first offering in writing to sell, assign, or transfer such license to Lessor or a designee of Lessor, subject to approval of any regulatory authority having jurisdiction over the issuance of such licenses, on the same terms as Lessee otherwise proposes to sell, assign, or transfer the same. Lessor shall have thirty (30) days in which it may accept such offer, and Lessee may not sell, assign, or transfer such license unless Lessor shall in writing decline to accept such offer or such thirty (30) day period shall expire without Lessor accepting such offer. Such offer to accept shall in all events be subject to the approval of any regulatory authority having jurisdiction over such licenses. If Lessor accepts such offer, such license shall be sold, assigned, or transferred to Lessor, or its designee, in accordance with the terms of such offer.

9. Insurance. The Lessee at the Lessee's sole cost and expense shall maintain, or cause to be maintained, for the benefit of the Lessor and the Lessee, comprehensive general public liability insurance with contractual coverage and such other endorsements and in amounts as Lessor may, from time to time, reasonably request. Lessee, at its sole cost and expense, shall maintain, or cause to be maintained, proper hazard insurance in the broadest form of so-called "all risk replacement value insurance" from time to time available, on all structures from time to time located on the Premises, the same to be maintained with responsible insurance companies qualified to write insurance in the Commonwealth of Massachusetts. All such insurance policies shall name the Lessor and the Lessee as parties-insured, as their interests may appear, with the usual loss payable clause in favor of the holder of any mortgage covering the Premises. Each such policy of insurance, or a certificate thereof, shall be promptly deposited with the Lessor, and in the case of the renewal of such policy, shall be deposited not less than ten (10) days prior to the expiration date of the expiring policy. Such policies shall provide that the same may not be cancelled or coverage reduced without at least twenty (20) days' prior written notice to Lessor. It is specifically understood and agreed that Lessor shall have no responsibility whatsoever with respect to the maintenance, repair, insurance, or protection of the Premises or any part thereof. Insofar as, and to the extent that, the following provision may be effective without invalidating or making it impossible to secure insurance coverage from responsible insurance companies doing business in the Commonwealth of Massachusetts (even though extra premium may result therefrom): Lessor and Lessee mutually agree that with respect to any loss which is covered by insurance then being carried by them, respectively, the one carrying such insurance and suffering said loss releases the other of, and from, any and all claims with respect to such loss; and they further mutually agree that their respective insurance companies shall have no right of subrogation against the other on account thereof. In the event that extra premium is payable by either party as a result of this provision, the other party shall reimburse the party paying such premium the amount of such extra premium. If, at the written request of one party, this release and non-subrogation is waived, then the obligation of reimbursement shall cease for such period of time as such waiver shall be effective, but nothing contained in this Section shall be deemed to modify or otherwise affect releases elsewhere herein contained of either party for claims.

10. Sole Risk and Hazard. All fixtures, equipment, signs, merchandise, supplies and other property on or about the Premises shall be at the Lessee's sole risk and hazard, and if the whole or any part thereof shall be destroyed or damaged by fire, water or otherwise, or by use or abuse of water, or by leaking or bursting of water pipes, or in any other way or manner, no part of said loss or damage is to be charged to or borne by the Lessor in any case whatsoever, except only to the extent caused by the Lessor's negligence or willful default, and, except to such extent, the Lessee agrees to exonerate and indemnify the Lessor from and against any and all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of any of the foregoing.

11. Fire, Casualty or Taking. Subject to the next following paragraph, if all or any part of the Premises is destroyed by fire or casualty or taken by eminent domain or other action of

any public authority or destroyed or damaged or the use or enjoyment thereof diminished by action of public authority, or war, enemy action or civil defense, then in each such event the Lessee will promptly give written notice thereof to the Lessor and at its expense restore the Premises as promptly as possible to a state as similar as possible to the Premises prior to such event and will use for such restoration, to the extent necessary, and the Lessor will make available to the Lessee, subject to the provisions of the next following sentence, all applicable insurance proceeds and all of the Lessee's damages and awards. In the event of any such destruction, damage, taking or action, all proceeds of such insurance shall be deposited with and held in escrow by the Lessor. The Lessor shall make payments from time to time to the Lessee out of such funds as the work of restoration progresses, upon written request of the Lessee, which request shall be accompanied by a certificate of the architect in charge of such restoration certifying to the Lessor that: (i) the sum requested is justly due to the contractor or other persons rendering services or materials for such work, or is justly required to reimburse the Lessee for actual expenditures in connection with such restoration and when added to all sums previously paid therefor will not exceed the actual out-of-pocket cost of the restoration done to the date of such certificate; and (ii) the balance of the funds still retained by the Lessor is and will be sufficient to pay for the completion of such restoration. In the event that such proceeds, damages or awards shall be insufficient to pay the entire cost of such restoration, or in the event that such destruction or damage was not insured or insurable, in whole or in part, the Lessee will, nevertheless, proceed therewith and will pay the deficiency in the cost of or the cost of such restoration, as the case may be; and any surplus not required for the restoration following any such fire or casualty shall belong to the Lessee, if the Lessee shall not then be in default beyond the expiration of any applicable grace period with respect to any of the Lessee's representations, warranties and agreements set forth herein.

If all of the Premises are taken by eminent domain, this lease will terminate as of the effective date of the taking of possession of the Premises. If any substantial portion of the Premises, which is sufficient to render the remaining portion thereof unable to be leased, shall be taken by eminent domain, the Lessee may by written notice to the Lessor at any time within thirty (30) days after the taking terminate this lease as of any date within sixty (60) days thereafter.

In the event of any termination of this lease as a result of any such taking described in the immediately preceding paragraph, the Lessor and not the Lessee shall be entitled to the entire amount of the damages and awards, except as hereinafter provided. Furthermore, if all or any part of the Premises is destroyed or damaged by fire or casualty, then and in each such event the Basic Rent or a just and proportionate part thereof, according to the nature, extent and duration of the injuries sustained, shall be abated and, to the extent of any such rental paid in advance, refunded to the Lessee. For the purposes of this lease, all amounts payable pursuant to any agreement with any taking authority which has been made in settlement of or under treat of any such taking or action shall be deemed to constitute an award made in such proceeding.

Except as expressly provided in this Section 11, no destruction, damage, taking or action described in this Section 11 shall permit the Lessee to terminate this lease or relieve

the Lessee from its obligation to pay the Rent or from any of the Lessee's other obligations and liabilities set forth in this lease.

The Lessee may make a claim for the value of the Lessee's trade fixtures, equipment and relocation expenses in any proceeding described in this Section 11 only if same will not diminish the Lessor's damages and awards based on the higher of the fair market value or replacement value of any portion of the Premises subject thereto, and to such extent the Lessee may make a separate claim therefor against the appropriate governmental authority if such claim is permitted by law. In no event, however, shall any claim by the Lessee, whether separate or otherwise, be based upon the Lessee's leasehold interest, and the Lessee covenants and agrees to execute such assignments or other documents and to take any steps which may be necessary to vest such damages and awards in the Lessor, the Lessee hereby irrevocably appointing the Lessor as its agent and attorney-in-fact to execute and deliver any such assignments and documents which the Lessor deems necessary or appropriate to carry out the intent and purpose of this sentence, such appointment being a power coupled with an interest.

12. Default by the Lessee. PROVIDED, ALSO, and this lease is upon the condition, that in the event of any failure by the Lessee to pay any item of Rent continuing for ten (10) days, or in the event of any failure by the Lessee to perform, fulfill or observe any other representation, warranty or agreement by the Lessee set forth herein, continuing for thirty (30) days, after written notice from the Lessor to all Guarantors and the Lessee specifying such failure, without its being waived or its effect cured, or the cure thereof commenced and diligently prosecuted at all times thereafter, or in the event that the estate created hereby shall be taken on execution, or by other process of law, or in the event that the Lessee or any guarantor of the Lessee shall commit any act of bankruptcy or be declared bankrupt or insolvent according to law, or in the event that any petition under federal or state law pertaining to bankruptcy or insolvency or for a reorganization or arrangement or other relief shall be filed by or against the Lessee or any guarantor of the Lessee, or in the event that any assignment, trust, mortgage or other transfer in trust or otherwise shall be made for the benefit of creditors, or in the event that any sale, lease or other transfer shall be made of all or a substantial part of the property of the Lessee or any such guarantor, or in the event that the Lessee or any such guarantor shall make or offer a composition of the Lessee's or such guarantor's debts, as the case may be, with its creditors, or in the event that a receiver, trustee or similar officer or creditors' committee shall be appointed to take charge of any property of or to operate or wind up the affairs of the Lessee or such guarantor, or in the event that the Lessee shall vacate or abandon the Premises, then in any of said cases (notwithstanding any license of any former breach of covenant or condition or waiver of the benefit hereof, or consent in a former instance) the Lessor or the Lessor's agents may lawfully immediately, or at any time thereafter, and without further demand or notice, enter into and upon the Premises or any part thereof in the name of the whole and repossess the same as of the Lessor's former estate and expel the Lessee and those claiming by, through or under the Lessee and remove the Lessee's or their effects (in any of said cases forcibly, if necessary) without being deemed guilty of any manner of trespass, and without prejudice to any remedies which might otherwise be used for arrears of rental or preceding breach of covenant or condition, and upon entry as aforesaid this lease shall

terminate, or the Lessor may terminate this lease by written notice to the Lessee, the Lessee in any event waiving all statutory rights of redemption, and the Lessee covenants with the Lessor that in case of such termination, or in the case of termination under statute for default of the Lessee, the Lessee will at the election of the Lessor (which election may be made or changed at any time or from time to time before the settlement), either (a) pay, as liquidated damages for so much of the unexpired Term as is covered thereby, and at the same times and in the same installments as are specified in this lease, sums equal to the rental and other payments herein named or, if the Premises shall have been relet, sums equal to the excess of the rental and other payments last mentioned over the net sums actually received by the Lessor for the period to which the rental and other payments last mentioned relate, or (b) pay, as liquidated damages for the then expired Term, a sum which at the time of such termination or at the time to which installments of liquidated damages shall have been paid represents the excess of the rental and other payments herein named over the then rental value of the Premises for the residue of the Term, or (c) indemnify the Lessor against loss of the rental and other payments herein named at the time of such termination or from the time to which installments of liquidated damages shall have been paid, during the residue of the Term - each of the foregoing three alternatives being separable. The Rent and other payments named herein shall be deemed to be the Rent plus all items of Additional Rent herein named. In addition to the foregoing and regardless of which of the foregoing alternatives shall have been elected, the Lessee agrees to pay to the Lessor on demand all expenses incurred by the Lessor in order to (a) obtain possession of the Premises, (b) make such alterations, improvements, repairs, replacements, renovation and restoration as the Lessor deems necessary or advisable to put the Premises in good and rentable repair, order and condition, and (c) relet the Premises, including, without limitation, the reasonable fees of attorneys, brokers, engineers and architects.

In the event that any failure by the Lessee to perform, fulfill or observe any agreement herein to be performed, fulfilled or observed by the Lessee continues for thirty (30) days, or in situations involving potential danger to the health or safety of persons in, on or about the Premises or a material deterioration of, or damage to, the Premises, after written notice specifying such failure without its being waived, its effect cured, or the cure thereof commenced and diligently prosecuted at all times thereafter, the Lessor may at its election perform, fulfill or observe such agreement for and on behalf of the Lessee, and any amount which the Lessor shall expend for such purpose, or which shall otherwise be due by the Lessee to the Lessor hereunder, shall be deemed to be additional rental and shall be paid to the Lessor on demand, together with interest thereon at the lower of (a) the rate of eighteen (18) percent per annum or (b) the maximum rate permissible from time to time under applicable law, from the date of expenditure or the date the same shall have become due to the date of payment thereof in full.

13. Indemnity. The Lessee will hold harmless, and fully exonerate and indemnify the Lessor against all claims, suits, obligations, liabilities, and damages, including attorneys' fees, arising out of any failure by the Lessee to perform, fulfill or observe any obligation or liability or covenant of the Lessee set forth in this lease, or due to any action by the Federal government related to Lessee's use of the Premises, or any negligent act or omission by the Lessee, or any condition of any kind, class or description, however and whenever caused or

occurring, in any portion of, or in the vicinity of, the Premises which the Lessee is obligated to maintain or repair.

The Lessee will hold harmless, and fully exonerate and indemnify the Lessor against all claims, suits, obligations, liabilities, fines, penalties and damages, including attorneys' fees, arising out of Lessee's alleged violation of any Federal, State, or Local law, rule or regulation as the same may be enacted or amended.

The Lessee will hold harmless, and fully exonerate and indemnify the Lessor against all claims, suits, obligations, liabilities, fines, penalties and damages, including attorneys' fees, arising out of Lessee's use of the Premises, or any act or omission by the Lessee, or any condition of any kind, class or description, however and whenever caused or occurring, in any portion of, or in the vicinity of, the Premises..

The indemnities and covenants set forth herein shall survive the expiration or termination of this Lease.

Notwithstanding the foregoing, it is understood by the parties that operation of a medical marijuana dispensary is a violation of Federal law, and Lessor will not cause to terminate this lease due to said violation without an action by Federal authorities, whether that action be administrative, civil or criminal.

14. Broker. The Lessee covenants and agrees that it dealt only with Key Realty Inc. in connection with this lease and will indemnify and hold harmless Lessor for any liability incurred by Lessor arising out of such representation not being true. The indemnities and covenants set forth herein shall survive the expiration or termination of this lease.

15. Affiliates of Lessor. The Lessee will not claim or attempt to enforce any right or remedy against any one or more of the associates, beneficiaries, affiliates or other business entities of the Lessor, arising out of or in any way based upon this lease or any act or omission by the Lessor with respect to this lease or all or any portion of the Premises, except to the extent expressly permitted by any written instrument signed by any one or more of the foregoing.

16. Notice of Default to the Lessor. In no event will the Lessor be deemed to be in default because of any failure by the Lessor to perform, fulfill or observe any covenant or agreement set forth herein for thirty (30) days after written notice to the Lessor specifying such failure or breach, without its being waived, or its effect having been cured, or the cure thereof having been commenced and diligently prosecuted thereafter.

17. Subordination. The Lessee will on request at any time or from time to time by any holder of a mortgage on all or any portion of the Premises subordinate this lease and all of the Lessee's rights and estate hereunder to such mortgage and to any renewals, extensions, substitutions, refinancing's, modifications or amendments thereof, or declare this lease to be prior to such mortgage and to any renewals, extensions, substitutions, refinancing, modifications or amendments thereof, and agree with such holder that the Lessee will attorn thereto in the event of foreclosure and that the Lessee will not without the consent

of such holder amend this lease or prepay any rental hereunder, provided, however, that such holder executes and delivers a written agreement consenting to this lease and agreeing that, notwithstanding such mortgage or any default, expiration, termination, foreclosure, sale, entry or other act or omission under, pursuant to or affecting said mortgage, the Lessee shall not be disturbed in peaceful enjoyment of the Premises or this lease terminated or cancelled at any time, except in the event the Lessor shall have the right to terminate this lease under the terms and provisions set forth herein; the Lessee covenants and agrees to execute any documents reflecting the foregoing and take any steps which may be necessary to consummate such subordination, attornment and nondisturbance provisions., the Lessee hereby irrevocably appointing Lessor as the Lessee's agent and attorney-in-fact to execute and deliver any such documents that the Lessor deems necessary or appropriate to carry out the intent and purposes of this Section, such appointment being a power coupled with an interest.

18. No Liens. The Lessee will forthwith cause any mechanics', materialmen's or other liens which may be recorded or perfected or which may otherwise attach to all or any portion of the Premises as a result of work done by or for the Lessee to be discharged or released of record or fully bonded by a surety satisfactory to the Lessor.

19. Entry and Inspection by the Lessor. The Lessor and its agents shall have the right to enter into and upon the Premises or any part thereof at all reasonable times to examine the same and make any repairs or alterations which the Lessor is permitted hereunder to make, all at such times and in such manner as shall not interfere unreasonably with the Lessee's business. The Lessee shall permit inspection of the Premises at reasonable hours and intervals by prospective purchasers or mortgagees and during the last year of the Term, the Lessee shall permit inspection of the Premises at reasonable hours and intervals by prospective lessees and shall permit the usual "To Let" or "For Sale" signs to be placed on the Premises; provided, however, that such inspection or inspections shall not unreasonably interfere with the Lessee's business.

20. Notice to Mortgagee. Upon receipt of a written request by the Lessor or any holder of a mortgage on all or any part of the Premises, the Lessee will thereafter send any such holder copies of all notices of default or termination or both given by the Lessee to the Lessor in accordance with any provision of this lease. In the event of any failure by the Lessor to perform, fulfill or observe any agreement by the Lessor herein or any breach by the Lessor of any representation or warranty of the Lessor herein, any such holder may at its election cure such failure or breach for and on behalf of the Lessor.

21. Memorandum of Lease. Neither party will record this lease, but each party will on demand by the other party execute an appropriate memorandum or notice of this lease in form and substance reasonably satisfactory to the Lessor, and either party may record same at its expense.

22. Waiver of Subrogation. To the extent available under standard policies of insurance without extra cost, or if extra cost shall be charged therefore, so long as the other party pays such extra cost, each party hereby waives all liability and all rights to recovery and

subrogation against, and agrees that neither it nor its insurers will sue the other party for any loss of or damage to property arising out of fire or casualty and each party agrees that all insurance policies relating to the Premises will contain waivers by the insurer of such liability, recovery, subrogation and suit. If extra cost is chargeable therefor, each party shall advise the other party of the amount of the extra cost and the other party, at its election, may pay the same, but shall not be obligated to do so.

23. Estoppel Letter. The Lessee will from time to time, upon not less than fifteen (15) days' prior written request by the Lessor, deliver to the Lessor or any actual or prospective purchaser or holder of a mortgage on all or any part of the Premises a written statement certifying whether or not this lease is in full force and effect and stating (a) the last date to which the Rent and other payments have been made, (b) the amendments, if any, to this lease, (c) whether or not the Lessor is in default in the performance, fulfillment or observance of any representation, warranty or agreement set forth herein or has any indebtedness to the Lessee for the payment of money, and (d) if so, each default or indebtedness.

24. Collateral Assignment of Lease. With respect to any assignment by the Lessor of the Lessor's interest in this lease or the Rent and other payments payable hereunder, conditional in nature or otherwise, which assignment is made to the holder of a mortgage on the Lessor's estate, the Lessee agrees:

(a) that the execution thereof by the Lessor and the acceptance thereof by the holder of such mortgage shall never be deemed an assumption by such holder of any of the obligations of the Lessor hereunder, unless such holder shall, by written notice sent to the Lessee, expressly otherwise elect; and

(b) that, except as aforesaid, such holders shall be treated as having assumed the Lessor's obligations hereunder only upon the taking of possession of the Premises by such holder.

25. No Liability. Anything else in this lease to the contrary notwithstanding, the Lessee shall look solely to the estate and property of the Lessor in the Premises for the satisfaction of any claim for the payment of money by the Lessor by reason of any default or breach by the Lessor of any of the terms and provisions of this lease to be performed, fulfilled or observed by the Lessor, and no other property or assets of the Lessor shall be subject to levy, execution or other enforcement procedure for the satisfaction of the Lessee's remedies for any such default or breach.

26. The Lessor While an Owner. As used herein "Lessor" shall mean the owner from time to time of the Lessor's estate and property in the Premises and if such estate and property be sold or transferred, the seller or transferor shall thereupon be relieved of all obligations and liabilities hereunder thereafter arising or occurring, and the purchaser or transferee shall thereupon be deemed to have assumed and agreed to perform and observe all obligations and liabilities hereunder thereafter arising or occurring or based on occurrences or situations thereafter arising or occurring.

27. Modifications Required by Mortgagee. In the event that prior to the Commencement Date any actual or proposed institutional holder of a first mortgage on the Premises shall demand that this lease be modified or amended in any respect (except for those provisions relating to the Rent or Term), and in the event that the Lessee shall fail to so modify or amend this lease within fifteen (15) days after such demand, the Lessor may at any time within thirty (30) days thereafter terminate this lease by written notice to the Lessee. If such modification infringes on Lessee's ability to operate a RMD at the Premises, Lessor shall return any and all deposit paid by Lessee, notwithstanding any other provision of this Lease.

28. Security Deposit/Guaranty. The Lessee hereby gives to the Lessor the Security Deposit Amount set forth in Section 1 (if any) as security for the full, faithful and punctual performance, fulfillment and observance by the Lessee of any and all covenants, agreements, warranties, conditions, terms and provisions of this lease to be performed, fulfilled or observed by the Lessee hereunder. It is expressly covenanted and agreed between the Lessor and the Lessee that (a) the Security Deposit Amount is not a measure of the damages that the Lessor might suffer or a limit upon the damages the Lessor may recover in the event of any failure or breach by the Lessee with respect to any or all of said covenants, agreements, warranties, conditions, terms or provisions; (b) in the event of each and every such failure or breach by the Lessee, the Lessor may at the Lessor's option at any time and from time to time apply any part or the whole of the Security Deposit Amount to exonerate, indemnify or save harmless the Lessor from any loss, cost, damage, liability or expense, including reasonable attorneys' fees, that the Lessor may have suffered, sustained, or become obligated to pay or may suffer, sustain or become obligated to pay because of such failure or breach by the Lessee; the Lessor shall in no way be precluded by such application from any of the remedies at law or in equity otherwise available to the Lessor, or from recovering at any time the full, total amount of the Lessor's actual loss, cost, damage, liability and expense, including reasonable attorneys' fees, less the amount of any such application or applications of the Security Deposit Amount; no such application of the Security Deposit Amount by the Lessor shall in any way excuse the Lessee from, and from continuing, the full, faithful and punctual performance, and observance of any and all of said covenants, agreements, warranties, conditions, terms and provisions, and within thirty (30) days after the receipt of a written demand therefor, the Lessee will pay to the Lessor a sum to be added to the Security Deposit Amount equal to that so applied by the Lessor hereunder; (c) in the event of the termination prior to expiration of this lease, without any prior such failure or breach at any time by Lessee, then on the date of such earlier termination, and otherwise at the expiration of the Term provided in this lease, and not earlier in either case, the remainder of the Security Deposit Amount, after deducting all sums which the Lessor has applied or is entitled to apply under Clause (b) of this Section 28 or in satisfaction of any claim or judgment which the Lessor may then have against the Lessee, shall be returned by the Lessor to the Lessee; (d) the Lessor from time to time may transfer the Security Deposit Amount to any grantee or grantees to whom the Lessor may convey the Premises, to be held by such grantee or grantees as the Security Deposit Amount hereunder on the above terms, and on such transfer to such grantee or grantees, the Lessor thereupon and without more shall be relieved from all further liability to the

Lessee with respect to the Security Deposit Amount and the Lessee thereafter shall look only to such grantee or grantees for the return of the Security Deposit Amount; and (e) the Security Deposit Amount shall not be mortgaged, assigned, transferred or encumbered by the Lessee without the prior written consent of the Lessor, and any such mortgage, assignment, transfer or encumbrance shall be without any force or effect and shall not be binding upon the Lessor in any event. The security deposit shall be maintained in a interest bearing account, and such interest will be paid to Lessee on an annual basis. The Lessor shall have the right to comingle the Security Deposit with other funds of the Lessor Lessee shall cause the Guarantors to execute and deliver a guaranty of the obligations of the Lessee under this lease in the form attached hereto as Exhibit D. Each of the Guarantors shall provide to Lessor on request but not more frequently than twice per year its personal financial statement. Failure to deliver such guaranty or financial statements shall be a default under this Lease. Lessor agrees that, from and after the date which is 4 years after the Commencement Date through the initial term of this lease, provided that (i) Lessee has not been in default of any obligations under this lease during the first 4 lease years following the Commencement Date, and provided further (ii) that Lessee has provided Lessor with a certification ("Certification") when requested by Lessor (but not more frequently than twice in any twelve month period), from a duly authorized officer of the Lessee and a Certified public accountant, certifying that the Lessee has a net worth consisting of liquid assets (ie cash, stocks, bonds) of not less than one half the remaining amount of Basic Rent and Additional Rent payable under this Lease for the remaining balance of the Term measured from the date of such Certification, and providing such reasonable documentation as requested by Lessor to demonstrate the truth of such certification, Lessor agrees that it shall not take any actions against the Guarantors to enforce the guaranty delivered pursuant to this lease without first having exhausted its remedies against the Lessee.

29. Delays. Whenever in this lease either party is required to perform, fulfill or observe any representation, warranty or agreement set forth herein (other than the payment of money), delays caused by or resulting from act of God, war, fire, casualty, eminent domain, strike, shortage of labor or materials or other cause beyond such party's reasonable control shall not be considered in determining the time when such performance, fulfillment or observance must be completed, so long as such party shall, promptly after the commencement of any such delay, give the other party written notice specifying such delay and estimating the duration thereof.

30. Miscellaneous. All terms and provisions of this lease shall be independent and shall inure to the benefit of and be binding upon the personal representatives, successors and assigns of the parties, except as otherwise expressly provided herein. Every term and provision of this lease shall be deemed of the essence and every breach thereof material to the Lessor. All representations, warranties and agreements of the Lessee in this lease shall be deemed special, unique and extraordinary; any breach of any provision thereof by the Lessee shall be deemed to cause the Lessor irreparable injury not properly compensable by damages in an action at law, and the rights and remedies of the Lessor hereunder may therefore be enforced both at law or in equity, by injunction or otherwise. All rights and

remedies of each party shall be cumulative and not alternative, in addition to and not exclusive of any other right or remedy to which such party may be lawfully entitled in case of any breach or threatened breach of any term or provision herein except as otherwise expressly provided herein; the rights and remedies of each party shall be continuing and not exhausted by any one or more uses thereof, and may be exercised at any time or from time to time and as often as may be expedient; any option or election to enforce any such right or remedy may be exercised or changed at any time or from time to time. This lease sets forth the entire agreement of the parties, and no custom, act, forbearance, or words of silence at any time, gratuitous or otherwise, shall impose any additional obligation or liability upon either party or waive or release either party as a supplement, alteration, amendment or change of any term or provision set forth herein, including this clause, unless set forth in a written instrument duly executed by such party expressly stating that it is intended to impose such an additional obligation or liability or to constitute such a waiver or release, or that it is intended to operate as such a supplement, alteration, amendment or change.

31. Notice. All notices and other communications shall be in writing and deemed given and delivered to the Lessor when mailed, by registered or certified mail, postage and registration or certification charges prepaid, addressed, in the case of the Lessor, to the Lessor at the Lessor's Address set forth in Section 1, and addressed, in the case of the Lessee, to the Lessee at the Lessee's Address set forth in Section 1, except that either party may by written notice to the other designate another address which shall thereupon become the effective address of such party for the purposes of this Section.

32. Local Law. This lease shall be construed and enforced in all respects in accordance with the laws of the Commonwealth of Massachusetts.

33. Headings. The Cover Page and Table of Contents preceding this lease and the captions to the various sections of this lease have been inserted for reference only and shall not in any manner be construed as modifying, amending or affecting in any way the express terms and provisions hereof.

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

35. Option to Extend Term.

(a) If at the expiration of this Lease Lessee shall not be in default hereunder, Lessee shall have the right to extend this lease for two (2) extended terms of five (5) years each. In the event this Lease is so extended for one or more such extended terms, the phrase "term of this lease" or the reasonable equivalent as used herein shall be deemed to include such extended term or terms. Such option shall be exercised, if at all, by Lessee

giving written notice to Lessor at least six months prior to the expiration of the original term, or the prior extended term as the case may be. Such extended term shall be on and under the terms, provisions and conditions herein set forth with respect to the original term except that there shall be no further right of extension beyond that right hereinabove provided and except further that the Rent shall be adjusted in the manner hereinafter provided.

(b) The Rent provided for in Section 4 of this Lease shall be adjusted on the first day of any extended term as set forth below:

Basic Rent for each of the five (5) Lease Years of the First Option Period shall be the greater of:

- (i) the Basic Rent in effect for the last Lease Year of the Original Term; or
- ii) the number determined by multiplying the Basic Rent in effect for the last Lease Year of the Original Term by a fraction, the numerator of which shall be the Current Index at the beginning of the First Option Period, and the denominator of which shall be the Original Index; or
- (iii) Fair Market Rent determined as of the commencement of the First Option Period but in no event to exceed 7.5% of the Basic Rent in effect for the last Lease Year of the Original Term

The figure so derived shall be the Basic Rent amount for each of the five (5) Lease Years of the First Option Period.

Basic Rent for each of the five (5) Lease Years of the Second Option Period shall be the greater of:

- (i) the Basic Rent in effect for the last Lease Year of the First Option Period; or
- (ii) the number determined by multiplying the Basic Rent in effect for the last Lease Year of the First Option Period by a fraction, the numerator of which shall be the Current Index as of the beginning of the Second Option Period and the denominator of which shall be the Index in effect at the beginning of the First Option Period; or
- (iii) Fair Market Rent determined as of the commencement of the Second Option Period, but in no event to exceed 7.5% of the Basic Rent in effect for the last Lease Year of the First Option Term

The figure so derived shall be the Basic Rent amount for each of the five (5) Lease Years of the Second Option Period.



For purposes hereof, Fair Market Rent shall be computed as of the date in question at the then annual rental charge, including provisions for subsequent increases and adjustments for new leases then currently being negotiated or executed in comparable space for use as a medical marijuana dispensing and cultivation in the greater Boston area. Lessor agrees, subsequent to receipt of Lessee's Notice exercising an Option to Extend, to provide Lessee with a written proposal setting forth Lessor's good faith determination of Fair Market Rent. Lessor and Lessee shall, thereafter, have a period of sixty (60) days within which to agree upon Fair Market Rent. If, however, Lessee and Lessor are unable to agree within such time period on Fair Market Rent, Fair Market Rent for such Option Period shall be established by an appraisal by a reputable and independent appraiser selected by Lessor, reasonably acceptable to Lessee, having not less than five (5) years' experience and knowledge of the rental market in the vicinity of the Premises, taking into account the permitted use of the Premises. The cost of such appraisal shall be borne fifty (50%) percent by Lessor and fifty (50%) percent by Lessee.

36. Use of the Premises. The Premises may be used for the Permitted Use described in Section I and for no other purpose whatsoever, except for any purpose by any Sublessee. The Lessee hereby acknowledges that its agreement set forth in the immediately preceding sentence is a major inducement to the Lessor to enter this lease. Lessor makes no representations that the Permitted Use is allowed under the City of Quincy zoning by laws or city ordinances or that the Permitted Use is in compliance with Federal, State or local laws, rules or regulations, and Lessee acknowledges that it has completed its own investigations and satisfied itself as to the Permitted use being an allowed use under zoning and that it will obtain all approvals or permits as required for such Permitted Use.

37. Marijuana Dispensary License. On or before January 31, 2014, the Lessee shall obtain provisional licenses and approvals from the Department of Public Health to operate a Registered Marijuana Dispensary at the Premises as required by the Massachusetts Department of Public Health and any other state or local governmental authorities having jurisdiction over the operation of a medical marijuana dispensing facility and the cultivation of marijuana (the "License") permitting Lessee throughout the Lease Term to cultivate, process and dispense marijuana at the location of the Premises subject to and in accordance with all applicable provisions of state and local law and this Lease. The Lessee represents to Lessor prior to the issuance of the License for this location, it has not and will not apply for a License in any other location or county other than the Premises located in Norfolk County without consent of the Lessor. In the event it is understood and agreed to by the parties that the Department of Public Health may take additional time beyond the tentative January 31st, 2014 date for the issuance of provisional permits to operate RMDs, and in the event that the Department of Public Health takes such additional time, Lessor shall extend the Commencement Date and other applicable dates herein by as many additional days not to exceed 90 days as the Department of Public Health takes to issue the License to Lessee. In the event that such additional time exceeds 90 days, Lessor may cancel this lease by written notice to Lessee. In the event the Department of Public Health does not announce the provisional licenses and approvals to operate a Registered Marijuana Dispensary by January 31, 2014 and there is any vacant space at such time



which was not vacant as of the date hereof ("Vacant Space"), as a condition to the extension of the January 31st date as set forth above, Lessee it shall pay monthly to Lessor an amount equal to the difference in rental income that would have been received by Lessor on account of any tenants which have vacated the premises after the date hereof commencing February 1, 2013 up until the earlier of the Commencement Date or the date upon which the Department of Public Health announces such provisional licenses (but not to exceed 90 days from January 31, 2013) such Additional rent payments by Lessee not to exceed \$7,100 per month (or a prorated amount thereof) Lessee shall maintain the License in full force and effect and good standing. Lessee's ability to obtain such license for the Premises shall be a condition precedent to Lessee's obligations to proceed with this Lease. Lessor agrees to reasonably cooperate with Lessee (without cost or liability to Lessor), including but not limited to, executing such documents and joining in such applications as may be required of the owner, in order for Lessee to obtain the License. If, despite the use of Lessee's best efforts to obtain such License, Lessee fails to obtain any of the Licenses for the Premises or verify that upon completion of Lessee's Work, such licenses shall be issued in due course, on or before January 31, 2014, or such later date as the Commencement Date shall be extended to (not to exceed 90 days as set forth above), Lessee shall so notify Lessor in writing of such failure specifying in detail the reason(s) therefor and at any time thereafter either party shall have the right to cancel this Lease by written notice to the other, in which event the parties shall be released of any further liability under this Lease. In the event any federal, state or local governmental agency notifies Lessee or Lessor that the operation of a medical marijuana facility at the facility must end or federal consequences will ensure, either criminal or civil, then the Lessor receiving such notice shall notify the Lessee and at any time thereafter Lessor shall have the right to cancel this Lease by written notice to the Lessee, in which event the parties shall be released of any further liability under this Lease. In the event of termination by either party under the foregoing sentences, Lessor shall be entitled to keep an amount equal to \$35,000 from the security deposit, as liquidated damages and Lessee acknowledges that such amounts shall be deemed forfeited to compensate Lessor for entering into this Lease.

38. Dispensing of marijuana. Provided that the Lessee (i) succeeds in obtaining the License as aforesaid, (ii) complies with all state, municipal and other state laws, regulations and rules with respect to the dispensing of marijuana and the cultivation thereof, as aforesaid, and (iii) complies with applicable provisions of this Lease, the Lessor agrees that, subject to and without derogating from the other provisions of this Lease, that the Lessee shall have the right to grow and dispense medical marijuana, subject to and in accordance with all applicable provisions of the License. Any suspension or termination of such license shall be cause for Lessor, at its election, to terminate this Lease. In the event that the Commonwealth of Massachusetts legalizes "Adult Use" marijuana in the Commonwealth, and Lessee seeks to dispense marijuana as per new Adult Use regulations, the parties shall negotiate for a period of 90 days the new terms of the lease which would allow such Adult Use and any other changes in the Basic Rent or other terms in consideration of permitting such additional use, and during such additional 90 day period, such dispensation, although not medical, will not be cause for eviction in of itself, assuming that no other provisions of this lease are violated or that Lessee is not in default in any way.

39. Commencement Date. The Premises are currently leased to certain tenants under written lease arrangements or tenancy at will agreements set forth on Exhibit E hereto. Lessor will use commercially reasonable efforts to cause such tenants to either terminate their lease or vacate the premises on or before May 31, 2014 as extended by such additional time by which the Department of Public Health extends the January 31, 2014 date as set forth in section 37 ("Outside Delivery Date"). The date upon which Lessor send written notice to Lessee that all or a portion of the Premises is ready for occupancy by Lessee shall be the Commencement Date with respect to that portion of the Premises. In the event that Lessor is unable to deliver possession of the Premises vacant of any tenants on or before the Outside Delivery Date, and Lessee has not taken occupancy of any portion of the Premises then in such event either party may, by notice to the other party within thirty (30) days following such date, terminate this Lease, and such termination shall be the exclusive remedy of such party. At any time after January 31, 2013, if Lessee shall occupy the vacant space in the Building prior to all of the tenants having vacated, the Commencement Date shall be deemed to have occurred with respect to such space being occupied by Lessee, and Lessee shall be liable for all obligations under this lease with respect to the occupied space, including insurance, taxes, and a proportionate share of the Basic Rent based on the percentage of the total space being occupied by Lessee. Notwithstanding the foregoing, Lessee shall have no obligation to occupy the vacant space until Lessee obtains a registration permit from the Department of Public Health to operate a registered marijuana dispensary at the premises. Lessee shall have no obligation to pay anything under this Lease, except for the Security Deposit, First Month rent, and last month's rent, until the Commencement Date with respect to any portion of the Premises shall have occurred. No construction work or renovations shall be allowed until Lessee has taken occupancy of such portion of the Premises.

40. Right of First Offer. Provided Lessee has never been in default of its obligations under this Lease, if Lessor desires to sell the Property then prior to any such sale, Lessor shall notify Lessee in writing of the intended sale of the Property pursuant to a written notice (the "Sale Notice") which sets forth Lessor's intended sales price for the Property at the time the Sale Notice is given (the "Proposed Price") and other proposed terms (the "Proposed Terms"), of such sale and (ii) for the period commencing with the giving of the Sale Notice and terminating 15 days thereafter (the "ROFO Period"), Lessee shall have the opportunity to elect to purchase the Property, by making an offer to Lessor within the ROFO Period. If Lessee fails to deliver such offer within the ROFO Period, then Lessor shall be free to sell the Property on such terms as Lessor may elect, (but may not change the terms relating to payment of an all cash purchase price) but only if such sale is consummated within 365 days after the expiration of the ROFO Period (the "Sale Period"), and only at a price equal to or greater than ninety percent (90%) of the Proposed Price, and on such other terms as Lessor is able to negotiate (but may not change the terms relating to payment of an all cash purchase price without re offering it to Lessee on such revised terms. If Lessee timely delivers the Acceptance Notice, then Lessee shall be required to deposit in an escrow established by parties a non-refundable cash deposit equal to ten percent (10%) of the Proposed Price (and to be applied to the purchase price at closing) and consummate such sale within 30 days after the date of the delivery of the Acceptance Notice. If Lessee

delivers the Acceptance Notice but defaults in the performance of its obligations to close the sale in accordance with this Agreement and any other agreement of the parties relating to such sale, Lessee shall forfeit its deposit and shall have no further rights under this Section 40 and Lessor may elect to sell the Property at any time after such default, and on any terms.

41. Lessee's Work. Lessee has represented to Lessor that it plans to install not less than \$750,000 of improvements and renovations to the Premises, and such representation is a material inducement to Lessor entering into this Lease. Promptly after the date on which the Premises (or portion thereof as Lessee may elect to occupy) are ready free of tenants as provided in this Lease, Lessee shall, at Lessee's expense, use best efforts to do all Lessee's required work as set forth on Exhibit B ("Lessee's Work"), and equip the Premises with all trade fixtures and personal property necessary or appropriate for the operation of Lessee's business and shall open for business as soon thereafter as reasonably possible. Notwithstanding the foregoing, Lessee may, at Lessee's option, at any time, after the issuance of the Marijuana Dispensary License and any permits required to operate the Premises or from time to time thereafter, elect to occupy such portion of the Premises in order to so do Lessee's required work and to so equip and prepare to open the Premises for business, and the Commencement Date shall commence with respect to such portion of the Premises, and provided further, however, that none of the foregoing shall in any way interfere with the rights of any tenant continuing to occupy the Premises and none of the foregoing shall be commenced until Lessee shall have received Lessor's consent in accordance with the Procedure for Approval of Plans and Specifications set forth in Exhibit C, as hereinafter provided. Lessee agrees that all plans and specifications for all such work, equipment, and preparation and all alterations, improvements, restorations, repairs, replacements, or renovations that Lessee may make pursuant to any term or provision of this Lease or any consent by Lessor will be submitted to Lessor in accordance with the Procedure for Approval of Plans And Specifications set forth in Exhibit C and will be done by Lessee in a good and workmanlike manner, free from defects in design, construction, workmanship, or materials in accordance with all laws, rules, regulations, and requirements of public authorities and the fire insurance rating association having jurisdiction, and that same will not decrease the value of the Premises. In addition, all of the foregoing will be done in such manner as will avoid jurisdictional or other labor disputes. All such work, equipment, preparation, alterations, improvements, restorations, repairs, replacements, and renovations other than any signs, merchandise, and supplies of Lessee that are not affixed to the Premises shall forthwith become the property of Lessor. In no event shall Lessee assign, encumber, or otherwise create a security interest in, to, or upon any of Lessee's property in the Premises without first obtaining Lessor's prior consent. Upon Lessee's entry into the Premises, all of the terms and provisions of this Lease shall be in full force and effect, except that Lessee shall have no obligation to pay any Rent except as set forth in this lease. In the event that Lessee takes possession of a portion of the Premises, such Rent shall be proportionate to the portion of the Premises which Lessee occupies, but from and after such entry Lessee will pay charges for taxes, insurance, light, heat, hot and cold water, electric current, and any other services or utilities furnished to the Premises, including, without limitation, the charge described in Section 6 in proportion to the portion of the Premises which Lessee occupies.

42. Repairs by Lessor. Except to the extent that the same shall be the responsibility of Lessee pursuant to any other term or provision of this Lease, and except for delays caused by, or resulting from, acts of God, war, fire, casualty, strike, shortage of labor or materials, or any other cause beyond Lessor's control, Lessor agrees to maintain and repair all structural portions of the Premises and the foundations thereof but not including, however, any walls (including, without limitation, the exterior walls, the demising walls, the floor; sub-floor) unless the need for such structural repairs was caused by any negligent, reckless, or intentional action or inaction of Lessee. The Lessor makes no representation regarding the condition of the roof and the repair/ replacement of the roof shall be the sole responsibility of the Lessee, provided however, the Lessor agrees to reimburse Lessee for one half the agreed upon cost to replace the roof. In no event shall Lessor be responsible for any direct or indirect or consequential damage to any portion of the Premises that Lessor is not required by this Section 42 to maintain and repair. Lessor warrants the roof for a period of 12 months after Lessee first occupies any portion of the premises .

43. Signage. Subject to local codes and governmental approvals, and the rules and regulations governing medical marijuana dispensaries, and Lessor's prior written approval, Lessee shall have the right to place and maintain during the Lease Term its usual and customary signs on the exterior of the Premises, provided, however, said signage is at all times professionally produced, high-quality in nature and in keeping with area. Lessee shall maintain such signs in good order and repair in compliance with all applicable governmental rules, regulations or ordinances. Upon vacation of the Premises on the expiration or earlier termination of this Lease, Lessee shall be responsible, at its sole cost, for the removal of such exterior signage and the repair of the structure to which the exterior signage is attached. If Lessee fails to perform such repair work, Lessor may cause the same to be performed, and the cost thereof shall be additional rent immediately due and payable upon rendition of a bill therefor.

44. Hazardous Materials.

(a) Lessee, at its sole cost and expense, shall comply with all laws relating to the storage, use, handling and disposal of Hazardous Materials as defined in Section (e) below. Lessee represents and warrants that it and its agents, servants, employees, contractors and anyone else acting on Lessee's behalf will not store, dispose, produce, use, transport or manufacture any toxic or hazardous waste or materials as defined or regulated now or in the future, by local, state or federal laws, on the Premises or any portion of the Center ("Hazardous Materials"). Lessee shall give Lessor prompt written notice of the existence of, and/or Lessee's discovery of, the presence of or contamination of the Premises with Hazardous Materials. In the event Lessee or any of its agents, servants, employees, contractors or anyone else acting on Lessee's behalf violates the foregoing provision by storing, disposing, producing, using, transporting or manufacturing any Hazardous Materials in, on or about the Premises, Lessee shall indemnify, defend and hold Lessor and Lessor's Affiliates harmless from and against any and all damages, claims, injuries, cost and liability arising therefrom or related thereto, including all costs of clean-up, attorneys' fees, expert witness fees, court costs and losses to property or the Premises. The clean-up and disposal of such Hazardous Materials, including required air monitoring and

documentation, shall be performed by Lessee at Lessee's sole cost and expense and shall be performed in accordance with all applicable laws, rules, regulations and ordinances. Lessor shall have the right, but not the obligation, to review, monitor and supervise any such clean-up and disposal by Lessee. Within forty-five (45) days following the clean-up of any Hazardous Materials, Lessee shall furnish to Lessor Hazardous Materials manifests and records which document proper transport and disposal of such material. The foregoing notwithstanding, Lessor, in Lessor's sole and absolute discretion, may elect by written notice to Lessee to perform the clean-up and disposal of such Hazardous Materials from the Premises. In such event, Lessee shall pay to Lessor the actual cost of same upon receipt from Lessor of Lessor's written invoice therefor. The terms of the indemnification set forth in this Section 44 shall survive the expiration or the earlier termination of this Lease.

(b) Lessee shall immediately upon receipt notify Lessor and provide to Lessor a copy or copies of the following environmental entitlements or inquiries related to the Premises: Notices of violation, notices to comply, citations, inquiries and reports filed pursuant to self-reporting requirements. Underground tanks shall be prohibited without the prior written approval of Lessor, which approval Lessor may withhold in its sole and absolute discretion. In the event of a release of any Hazardous Materials or waste into the environment, Lessee shall furnish to Lessor a copy of any and all other environmental entitlements or inquiries relating to the Premises including, but not limited to, all permit applications, permits, monitoring reports, warnings and other reports and other related documents even if characterized as confidential. Lessee shall provide its employees, agents, subcontractors, as well as any governmental entities, the public and any other person or entity as required by law, with any and all notices, warnings, disclosures or other information concerning Hazardous Materials related to the Premises, required by any law, rule, regulation or ordinance applicable to Lessee or the Premises. Lessee shall submit all such notices to Lessor prior to distribution or submission by Lessee of such notice and shall obtain Lessor's prior written approval thereof. Lessor shall have the right, but not the obligation, to review such notices and to prescribe their form and content prior to distribution or submission to any other person or entity.

(c) Notwithstanding any other term or provision of the Lease, Lessee shall permit Lessor, its agents and employees to enter the Premises at any time, without prior notice, to inspect, audit, monitor and/or take emergency or long-term remedial action with respect to Hazardous Materials on or affecting the Premises or to discharge Lessee's obligations hereunder with respect to such Hazardous Materials when Lessee has failed to do so, all at Lessee's cost and expense. All costs and expenses incurred by Lessor in connection with performing Lessee's obligations hereunder shall be reimbursed by Lessee to Lessor within ten (10) days of Lessee's receipt of written request therefor.

(d) Omitted.

(e) As used herein, the term "Hazardous Materials" shall include any hazardous, toxic or radioactive material, substance or waste regulated by any law, rule and regulation of any local governmental authority, the Commonwealth of Massachusetts or the United States Government, now or in the future and as amended, relating to the storage, use, handling

and disposal of hazardous, toxic or radioactive matter, including without limitation: (i) those materials identified in Section 311 of the Federal Water Pollution Control Act, Resource Conservation and Recovery Act as amended (42 U.S.C. Section 6901 et seq.), Comprehensive Environmental Response Compensation and Liability Act as amended (42 U.S.C. Section 9601 et seq.), Toxic Substances Control Act as amended (15 U.S.C. Section 2601 et seq.) and including such hazardous or toxic substances or wastes as are identified, defined or listed elsewhere and are incorporated into such acts or sections by reference as well as all products containing Hazardous Materials; (ii) petroleum; (iii) asbestos; (iv) formaldehyde; (v) polychlorinated biphenyls (PCBs); and (vi) Freon and other chlorofluorocarbons.

In the event that at any time during the Lease Term, Lessee's Work in the Premises is in violation of any rule, regulation, law, or ordinance applicable to the Premises related to Hazardous Materials, Lessee shall, at its cost, place such work into lawful compliance.

(f) Because mold spores are present essentially everywhere and mold can grow in almost any moist location, Lessee acknowledges the necessity of adopting and enforcing good housekeeping practices, ventilation and vigilant moisture control within the Premises (particularly in kitchen areas, janitorial closets, bathrooms, in and around water fountains and other plumbing facilities and fixtures, break rooms, in and around outside walls, and in and around HVAC systems and associated drains) for the prevention of mold (such measures, "Mold Prevention Practices"). Lessee will, at its sole cost and expense, keep and maintain the Premises in good order and condition in accordance with the Mold Prevention Practices and acknowledges that the control of moisture and prevention of mold within the Premises are integral to its obligations under the Lease.

(g) Lessee, at its sole cost and expense, shall:

(i) Regularly monitor the Premises for the presence of mold and any conditions that reasonably can be expected to give rise to or be attributed to mold including, but not limited to, observed or suspected instances of water damage, condensation, seepage, leaks, or any other water collection or penetration (from any source, internal or external), mold growth, mildew, repeated complaints of respiratory ailments or eye irritation by Lessee's employees or any other occupants of the Premises, or any notice from a governmental agency of complaints regarding the indoor air quality at the Premises (the Mold Conditions); and

(ii) Immediately notify Lessor in writing if it observes, suspects, has reason to believe or should know of mold or Mold Conditions are present in, at, or about the Premises.

(h) In the event of suspected mold or Mold Conditions in, at, or about the Premises and surroundings areas, Lessor may cause an inspection of the Premises to be conducted, during such time as Lessor may designate, to determine if mold or Mold Conditions are present in, at, or about the Premises.

(i) Lessee releases and relieves Lessor from any and all liability for bodily injury and damage to property, waives any and all claims against Lessor, and assumes all risk of personal injury and property damage related to or allegedly caused by or associated with any mold or Mold Conditions in or on the Premises existing on the date possession of the Premises delivered to Lessee or arising thereafter.

45. Assignment and Subletting. Notwithstanding any other provisions of this lease, the Lessee covenants and agrees that it will not assign this Lease or sublet (which term, without limitation, shall include the granting of concessions, licenses, and the like) the whole or any part of the Premises without in each instance having first received the express written consent of the Lessor, which consent may be unreasonably withheld, delayed or conditioned.

In the event the Lessee seeks the Lessor's consent pursuant to this Section 45, the Lessee shall furnish the Lessor with such information regarding the prospective assignee or sublessee as the Lessor may require, including without limitation information regarding financial ability and business experience relating to the uses permitted hereunder. Notwithstanding anything to the contrary in this Lease, the Lessor shall not unreasonably withhold its consent to any proposed assignment or subletting provided that Lessee is not in default of any term or condition hereof and Lessor is satisfied with the financial condition of the prospective assignee or sublessee. In any case where the Lessor shall consent to such assignment or subletting, the Lessee and any guarantor named herein shall remain fully liable for the obligations of the Lessee hereunder, including, without limitation, the obligation to pay the rent and other amounts provided under this Lease.

For the purposes of this Lease, the entering into of any management agreement or any agreement in the nature thereof transferring control or any substantial percentage of the profits and losses from the business operations of the Lessee in the Premises to a person or entity other than the Lessee, or otherwise having substantially the same effect, shall be treated for all purposes as an assignment of this Lease and shall be governed by the provisions of this Section 45. In addition, for the purposes of this Lease, if John D. Hudson shall cease to be a member of the Board of Directors, or the sale or transfer (which term shall include, without limitation, the exchange, issuance and redemption) of twenty-five percent (25%) or more, or such smaller percentage as would result in a change in the voting control, of the voting stock of the Lessee (if the Lessee is a for-profit corporation), the voting stock of any corporate guarantor of the Lessee, or the voting stock of any immediate or remote controlling corporation of the Lessee (whether such sale or transfer occurs at one time or at intervals so that, in the aggregate, over the term of this Lease, such transfer shall have occurred), or any other transaction(s) overall having the effect of a change in voting control or substantially the same effect if the entity in question is not a corporation (such as, without limitation, a change in the number or the identity of partners of a partnership or of beneficiaries of a trust), shall be treated as if such sale or transfer or transaction(s) were, for all purposes, an assignment of this Lease and shall be governed by the provisions of this Section 45.

46. Option to Purchase. The Lessor grants to the Lessee the exclusive right and option to purchase the demised Premises upon the following terms and conditions:

(a) Provided that Lessee is not then in default of the Lease, said option shall be exercisable at any time during the Third Lease Year of the Lease Term running from the commencement of the third year of this Lease upon thirty (30) days' written notice to the Lessor.

(b) The purchase price of the demised premises under said option shall be an amount equal to the Basic Rent payable in the third year (\$328,757) at a capitalization rate of 6.5% (\$5,057,800).

(c) Upon exercise of said option, the parties shall enter into a contract containing the customary provisions for a sale of real estate in the Commonwealth of Massachusetts without any representations or warranties and conveying the Premises in "AS IS " condition. Such contract shall provide for a deposit of ten percent (10%) of the purchase price and if Lessee defaults under such contract the deposit shall be forfeited as liquidated damages. The closing shall take place no later than thirty(30) days after the date of the execution of said contract. At closing the Lessee shall receive a quitclaim deed conveying good and marketable title free of all liens and encumbrances.

(d) This option is absolute and is exercisable notwithstanding that the Lessor has received no offer to buy or has no desire to sell the demised premises.

(e) In the event of a sale of the property by Lessor to Lessee, Lessee agrees to pay an amount equal to on half of the real estate commission payable to Key Realty (Sean Kenneally), but not to exceed 2.5% of the sale price (Lessee's share)

47. Termination of Lease Because of Financing. Lessee acknowledges that the Premises are encumbered by a mortgage which secures a loan to Lessor and may be encumbered by a replacement mortgage in the future. In the event (i) the holder of such mortgage declares a default under such loan on account of the leasing of the Premises to Lessee or the violation of federal law, or (ii) such loan matures and is due or Lessor desires to refinance the loan, and (iii) Lessor, despite using "reasonable efforts" is unable to find a lender willing to refinance the Premises on market rate terms as determined by Lessor then Lessor shall notify Lessee and Lessee shall have a period of 30 days within which it may provide a replacement loan to Lessor on market rate terms. If Lessee does not elect to provide such a loan to Lessor on market rate terms within such period of time, Lessor may elect, at any time thereafter, to terminate this lease on 30 days after written notice to Lessee informing Lessee of such election. Reasonable Efforts shall mean Lessor shall use commercially reasonable efforts to locate a commercial bank or private lender willing to make a non-recourse loan to a lessor leasing to a lessee operating a RMD, at a loan to value of not greater than 70% and on other market terms. If required in order to obtain such a loan the Guarantors shall provide such guarantees as requested by such lender. If the terms



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of any replacement loan either obtained by Lessee on behalf of Lessor or obtained by Lessor are not market rate terms primarily because of the tenant's financial strength or the type of operation it conducts, then Lessee agrees to pay as Additional Rent the increased costs, as and when such costs are incurred (whether it be interest rate, points, prepayment penalty or other costs) above the market rate costs related to such loan. Lessor shall provide Lessee with such documentation to reasonably establish the amount of such increased costs.

WITNESS the execution hereof under seal the day and year first above written.

WITNESS: LESSOR: **ELDEB, LLC**

 By: Stuart Levey, Manager

 Sy Marcus, Manager

LESSEE: **ERMONT, INC**

 By: John D. Hudson, President

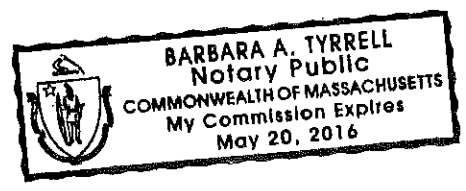
COMMONWEALTH OF MASSACHUSETTS

COUNTY OF Hudley SS. Nov 20, 2013
Massachusetts

Then personally appeared before me the above-named Stuart Levey and Sy Marcus, Managers of ELDEB, LLC and acknowledged that he signed, sealed and delivered the foregoing instrument as his free act and deed and the free act and deed of ELDEB, LLC.

NOTARIAL SEAL

[Signature]
 Notary Public
 My Commission Expires:



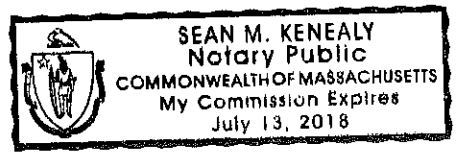
COMMONWEALTH OF MASSACHUSETTS

COUNTY OF Worcester SS. Nov 20, 2013

Then personally appeared before me the above-named John D. Hudson, President of Ermont, Inc. and acknowledged that he signed, sealed and delivered the foregoing instrument as his free act and deed and the free act and deed of ERMONT, INC.

NOTARIAL SEAL

[Signature]
 Notary Public
 My Commission Expires:





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EXHIBIT A

LEGAL DESCRIPTION

Exhibit A

Two certain parcels of land, together with the buildings thereon, situated on the southerly side of Ricciuti Drive in the City of Quincy, Norfolk County, Commonwealth of Massachusetts, and being shown as Lot No. 3G and Lot No. 3B2 on a plan entitled: "Plan of Land in Quincy, Mass.", dated October 17, 1988, drawn by Ernest W. Branch, Inc., Civil Engineers, and recorded with the Norfolk County Registry of Deeds as Plan No. 183 in Plan Book 378.

EXHIBIT B
LESSEE'S REQUIRED WORK

Here are the leasehold improvements known at this time. After the permit is issued Lessee will make a significant capital outlay to determine the details of all improvements. But right now Lessee knows the following based on a cultivation facility and a dispensary:

List of finish items for a Massachusetts cultivation center

1. Interior walls are typically steel framed and sheeted both sides with 5/8 drywall. The walls go from the concrete slab all the way to the underside of the roof deck.
2. Concrete floors are typically cleaned and finished with a non-slip epoxy.
3. Electrical and plumbing will need to be installed based on facility design. Additional HVAC will need to be installed, preferably commercial RTUs.

5. All of the growing equipment (Lights, ballasts, fans, etc) will be hung from the bar joists like any other light industrial equipment. Standard method of installation includes the use of beam clamps, all-thread, and unistrut.

7. Installation of insulation and reparation of any current installation.

Optional tenant finish items, based on current facility and local codes:

1. Existing electrical service to building may have to be increased.
2. If convenient, we may request permission to install additional floor drains in the concrete slab.
3. Existing windows may need to be covered or blocked from the inside.
4. There will be a need to do some demolition of existing tenant finish in order to implement our floor plan design.
5. There may be a need to modify an existing sprinkler system.
6. The exterior of the building will be redone to create an inviting and clean patient atmosphere.

EXHIBIT C

**LESSEE'S WORK-PROCEDURE FOR APPROVAL OF PLANS
AND SPECIFICATIONS**

Promptly after the Commencement Date of the Lease to which this Exhibit is attached, and the issuance of the License and any building permits required to construct the improvements, and in any event not later than thirty (60) days thereafter, Lessee shall deliver to Lessor its detailed plans and specifications with regard to the work to be done by Lessee, including, without limitation, all aspects of interior design and decoration of the Premises. Thereafter, Lessor shall point out Lessor's objections to the same, and Lessee shall make such changes therein as shall be required to meet Lessor's objections within twenty (20) days after the receipt of Lessor's objections. Once such detailed plans and specifications have been agreed upon, Lessee shall promptly prepare working drawings and submit the same to Lessor for approval. In any event, such working drawings shall be submitted to Lessor not later than thirty (30) days after agreement has been reached on the detailed plans and specifications. Lessor shall not make any unreasonable objections.

After receipt of such working drawings, Lessor shall point out his objections to the same, and Lessee shall endeavor to make such changes therein as shall be required to meet Lessor's objections within thirty (30) days after receipt of Lessor's objections. Once agreement has been reached on the working drawings, and as soon as Lessor has completed Lessor's obligations with regard to construction, Lessee shall proceed forthwith and shall prosecute with all due diligence the completion of the work required to be done by Lessee. If in the good-faith judgment of Lessor, Lessee's work is not proceeding in a manner to enable Lessee to complete such improvement by one hundred sixty (160) days from the Date Lessee takes possession of the Premises in its entirety, notwithstanding any delays that are out of Lessee's control, Lessor shall so advise Lessee, and Lessee shall promptly do any and all things required to accelerate its construction program to meet the time limitation set forth above.

EXHIBIT D

GUARANTY

For valuable consideration, the undersigned, John D. Hudson, of 4 Meadow Road #3, Provincetown, Massachusetts 02657, (hereinafter referred to as the "Guarantor"), for himself and his heirs, executors, administrators, successors and assigns, in order to induce ELDEB, LLC ("Landlord") to enter into a lease dated November 19, 2013 (the "Lease") between Landlord and ERMONT, INC (the "Tenant"), for certain premises in 216 Ricciuti Drive, Quincy, Massachusetts described in said Lease (the "Premises"), hereby unconditionally guarantees to the Landlord and its successors or assigns, the full and prompt payment and performance of all liabilities and obligations of the Tenant to the Landlord under the Lease of every kind, nature and description including, without limitation, the payment of rent and other charges due under the Lease, whether recovery upon such obligations may be or hereafter become barred by any statute of limitations (the "Lease Obligations"). This Guaranty will apply to the Lease, any extension or renewal of the Lease, and any holdover period following the term of the Lease, or any such extension or renewal. The obligations of the guarantors hereunder shall be joint and several.

Any act of Landlord, or the successors or assigns of Landlord, consisting of a waiver of any of the terms or conditions of the Lease, or the giving of any consent to any matter related to or thing relating to the Lease, or the granting of any indulgences or extensions of time to Tenant, may be done without notice to Guarantor and without affecting the obligations of Guarantor under this Guaranty.

The obligations of Guarantor under this Guaranty will not be affected by Landlord's receipt, application, or release of security given for the performance of Tenant's obligations under the Lease, nor by any modification of the Lease, including, without limitation, the alteration, enlargement, or change of the Premises, except that in case of any such modification, the liability of the Guarantor will be deemed modified in accordance with the terms of any such modification.

The obligation of the Guarantor is primary and not secondary. The Guarantor hereby waives any right to require the Landlord to (a) proceed against or exhaust any security held from the Tenant and/or the Guarantor or remedy against Tenant prior to proceeding under this Guaranty; (b) proceed against any other guarantor of the Lease Obligations guaranteed hereby or (c) pursue any other remedy in Landlord's power whatsoever.

The liability of Guarantor under this Guaranty will not be affected by (a) the release or discharge of Tenant from its obligations under the Lease in any creditors', receivership, bankruptcy, or other proceedings, or the commencement or pendency of any such proceedings; (b) the impairment, limitation, or modification of the liability of Tenant or the estate of Tenant in bankruptcy, or of any remedy for the enforcement of Tenant's liability under the Lease, resulting from the operation of any present or future bankruptcy code or

other statute, or from the decision in any court; (c) the rejection or disaffirmance of the Lease in any such proceedings; (d) the assignment or transfer of the Lease or sublease of all or part of the Premises by Tenant; (e) any disability or other defense of Tenant under the Lease.

Guarantor: (a) waives any right of subrogation against Tenant by reason of any payments or acts of performance by Guarantor in compliance with the obligations of Guarantor under this Guaranty; (b) waives any other right that Guarantor may have against Tenant by reason of any one or more payments or acts in compliance with the obligations of Guarantor under this Guaranty; (c) subordinates any liability or indebtedness of Tenant held by Guarantor to the obligations of Tenant to Landlord under the Lease; and (d) waives all surety ship defenses and defenses of like nature.

The Guarantor hereby waives all presentments, demands for performance notices of non-performance, protests, notices of dishonor, and notices of acceptances of this Guaranty. The Guarantor hereby waives any right or claim of right to cause a marshaling of the Tenant's assets. No delay on the part of the Landlord in the exercise of any right, power or privilege under the Lease with the Tenant or under this Guaranty shall operate as a waiver of any such privilege, power or right.

The Guarantor agrees to pay on demand reasonable attorneys' fees and expenses incurred by the Landlord in the enforcement of this Guaranty, whether or not suit is commenced.

This Guaranty shall continue in full force and effect until the complete payment and performance of the Lease Obligations. This Guaranty may not be changed, modified, discharged, or terminated orally or in any manner other than agreement in writing signed by Guarantor and Landlord.

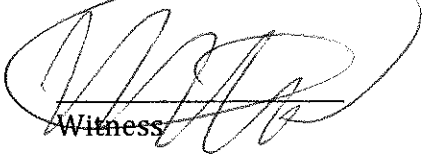
The Guarantor acknowledges that the Landlord has been induced by this Guaranty (among other things) to enter into the Lease with the Tenant heretofore described, and this Guaranty shall, without further reference of assignment, pass to, and may be relied upon and enforced by, any successor or assignee of the Landlord.

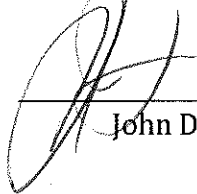
The Guarantor hereby consents to the jurisdiction of the courts of the Commonwealth of Massachusetts and the United States District Court for the District of Massachusetts, as well as to the jurisdiction of all courts to which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of or in connection with this Guaranty. The Guarantor hereby expressly waives any and all objections it may have as to the venue in any such courts.

In the event that Lessee makes timely payments for 18 months and is not in Default this Guarantee will terminate, and Guarantors will have no further personal obligation, and Lessor may look only to Ermont Inc. for any payments due under the Lease.

This Guaranty shall, for all purposes, be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts to the maximum extent that the parties hereto may so lawfully agree, irrespective of the place of execution.

EXECUTED as a sealed instrument as of the 20 day of Nov, 2013.


Witness


John D. Hudson

This is the 3rd and final page of a Guaranty dated 11/20, 2013, from John D. Hudson to Eldeb, LLC.



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EXHIBIT E

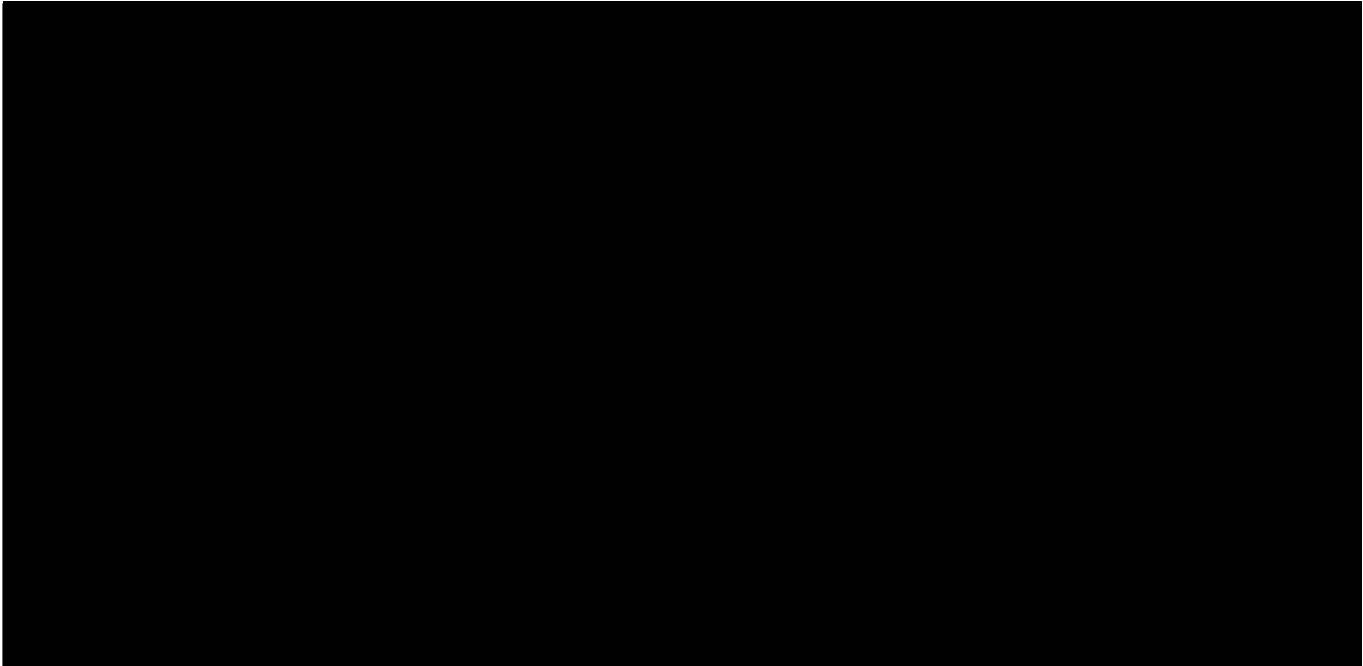
LIST OF CURRENT TENANTS

	Entity Name	JC Flowers	Smith & Nephew	KP
1	Term	10 years	Assumption of EMG Lease	3 Y
2	Building Location	216 Ricciuti Drive Quincy, MA	216 Ricciuti Drive Quincy, MA	216 Qu
3	Rentable Area, sqf	10,000	6,000	
4	Date			
	Commencement	3/1/2005	5/1/2011	
	Expiration	4/30/2014	12/31/2014	

KPR Inc.	Tiles By Perfection, Inc	Corbett Excavation Corp
3 Years	5 Years	TAW
216 Ricciuti Drive Quincy, MA	190 Willard Street Quincy, MA	216 Ricciuti Drive Quincy MA
3,800	5,500	
3/1/2005	9/15/2008	
3/31/2014	10/31/2013	



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**BOSTON
SURVEY, INC.**

P.O. Box 290220 Cheltenham, MA 02129 (617)
242-1313 MAIN (617) 242-1616 FAX mppgWansurveyinc.com

APPLICANT: EIDEB, LLC
LOCATION: 216 RICCIUTTI
DRIVE CITY, STATE: QUINCY, MA
CERTIFIED TO:

DEED/CERT:
15159-260
PLAN REF: 376-183
SCALE: 1 inch = 180 foot
PREPARED:
01-13-2010

R.2r

WCCIUTn DRIVE

This plan was prepared by a registered professional surveyor in the State of Massachusetts. It is a true and correct copy of the original plan as shown to the client. The plan was prepared in accordance with the rules and regulations of the Board of Registration of Professional Engineers and Surveyors, State of Massachusetts. The plan was prepared on the basis of a field survey conducted on the date shown hereon.

NOTE: This is not a boundary or lot survey. It is a plan of a portion of a lot. The plan was prepared for the purpose of showing the location of a portion of a lot. The plan was prepared on the basis of a field survey conducted on the date shown hereon.



Send Emergency Management Agency
improvement or diU property file
NOT
LOCATED IN
FLOOD HAZARD
REA
Kritinilincraio/Mo^^



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: Ermont, Inc. Application # (if more than one): _____

Physical Address	County	Type of Evidence Attached
216 Ricciuti Drive Quincy, MA 02169	Norfolk	Property Lease

LEASE

LESSOR:

ELDEB, LLC

To

LESSEE:

ERMONT, INC.

Premises at 216 RICCUITI DRIVE, in Quincy, Massachusetts

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- Exhibit C.....
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- Exhibit E.....
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LEASE

THIS INDENTURE made as of the 19th day of November, 2013 by and between ELDEB, LLC, a Massachusetts limited liability company with an address c/o Stuart Levey, Universal Management, LLC, 181 Wells Avenue, Newton, Massachusetts 02459 ("Lessor"), and ERMONT, Inc., a Massachusetts chapter 180 nonprofit corporation with an address of 4 Meadow Road #3, Provincetown, Massachusetts 02657 ("Lessee").

WITNESSETH:

1. Definitions. As used herein, the following terms shall have the meanings set forth below unless the context otherwise requires:

- (a) Lessor: ELDEB, LLC.
- (b) Lessee: ERMONT, INC.
- (c) Premises: The parcel of land located and the improvements thereon in Quincy, Massachusetts, at 216 Ricciuti Drive, more fully described in Exhibit A attached hereto and made a part hereof, including without limitation the building consisting of approximately 34,606 square feet located thereon, but excluding the land described on Exhibit F leased to Quirk (the "Quirk Premises")
- (d) Term: Ten (10) years from the Commencement Date for the first portion of the Premises being delivered to the Lessee.
- (e) Commencement Date: As set forth in Section 39.
- (f) Basic Rent:

Year 1	Two Hundred Fifty Nine Thousand Five Hundred Forty Five Dollars (\$259,545) per annum (\$21,628.75 per month)
Year 2	Two Hundred Seventy Six Thousand Eight Hundred Forty Eight Dollars (\$276,848) per annum (\$23,070.67 per month)
Year 3	Three Hundred twenty Eight Thousand Seven Hundred Fifty Seven Thousand Dollars (\$328,757) per annum (\$27,396.41 per month)

Year 4	Three Hundred Forty Six Thousand and Sixty Dollars (\$346,060) per annum (\$28,833.33 per month)
Year 5	Three Hundred Sixty Three Thousand and Three Hundred Sixty Three Dollars (\$363,363) per annum (\$30,280.25 per month)
Year 6	Three Hundred Eighty Thousand and Six Hundred Sixty Six Dollars (\$380,666) per annum (\$31,722.167 per month)
Year 7	Three Hundred Ninety Seven Nine Hundred Sixty Nine Dollars (\$397,969) per annum (\$33,164.08 per month)
Year 8	Four Hundred Fifteen Thousand Two Hundred Seventy Two Dollars (\$415,272) per annum (\$34,606 per month)
Year 9	Four Hundred Thirty Two Thousand Five Hundred Seventy Five Thousand Dollars (\$432,575) per annum (\$36,047.91 per month)
Year 10	Four Hundred Forty Nine Thousand Eight Hundred Seventy Eight Dollars (\$449,878) per annum (\$37,489.83 per month)

(g) Additional Rent: as set forth in Section 4 hereof.

(h) Security Deposit Amount: \$35,000 payable upon execution of this lease

(i) Lessor's Address: c/o Stuart Levey, Universal Management, LLC, 181 Wells
Avenue, Newton, Massachusetts 02459

(j) Lessee's Address: c/o John D. Hudson, Ermont, Inc., 4 Meadow Rd. #3,
Provincetown, Massachusetts 02657

(k) Permitted Use: Registered Marijuana Dispensary ("RMD") including
cultivation and production in full and strict compliance with all applicable
laws, rules and regulations as the same may be enacted and amended.

(l) Guarantor: John D. Hudson

(m) Index: The United States Bureau of Labor Statistics Consumer Price Index, All
Urban Consumers, Boston, Massachusetts, All Items (1982-84:100);
provided, however, that if the Index should no longer be published, the Index
shall be that publication by the United States, or any agency or department
thereof, which reflects increases in the level of prices and, if more than one



shall be published, the Lessor may, at its discretion, elect such publication as, in its opinion, shall most closely reflect variations in retail prices in the Northeast region of the United States.

- (n) Current Index: The Index as of the most recent date prior to the beginning of the relevant Lease Year of the Term.
- (o) Original Index: The Index as of the most recent date prior to the date of this Lease.
- (p) The Index Fraction: The fraction in which the numerator is the Current Index and the denominator is the Original Index.

2. The Premises. The Lessor does hereby let the Premises to the Lessee and the Lessee does hereby hire the Premises from the Lessor. Lessee shall also have the non-exclusive right to use the portion of the Quirk Premises for access to the remaining portion of the Premises on which the building is located. Lessee acknowledges that the Quirk Premises Are leased to Quirk as shown on the Plan attached as Exhibit F and that Lessor has no obligation to terminate such lease.

3. Term. Subject to Lessee's strict compliance with all of its monetary and nonmonetary obligations hereunder, during the Term set forth in Section 1 commencing on the Commencement Date as set forth in Section 1, Lessee shall have the right to occupy and use the Premises as set forth herein. First Month's Basic Rent in the amount of \$22, 628.75 and last months rent in the amount of \$37,489.83 shall be payable within 2 business days of the issuance of the License as defined in section 39. Failure to make such payment at such time shall be a default under this lease. Lessee agrees to promptly advise Lessor of any correspondence received from the Department of Public Health relating to the status of Lessee's application or its rejection or approval. If Lessee holds over or occupies the Premises beyond the expiration or earlier termination of the Term (it being agreed there shall be no such holding over or occupancy without Lessor's written consent) which consent may be unreasonably withheld, delayed or conditioned, no tenancy or interest in the Premises shall result therefrom , and lessee shall be deemed a tenant at sufferance and such holding over shall be subject to immediate eviction and removal, and Lessee shall pay Lessor for each day of such holding over a sum equal to two hundred percent (200%) of the Basic Rent in effect on the expiration or termination of the Term prorated for the number of days of such holding over, plus a prorata portion of all other amounts which Lessee would have been required to pay hereunder had this Lease been in effect. Lessor also shall have all other rights and remedies provided for by law and this Lease, including the right to recover attorneys fees and costs, and actual and consequential damages suffered by Lessor in the event of Lessee's wrongful refusal to relinquish possession of the Premises.



4. Rent. YIELDING AND PAYING therefor the Basic Rent described in Section 1 (f), together with Additional Rent as hereinafter set forth, (the Basic Rent and Additional Rent as so calculated being hereinafter referred to as the "Rent"), payable in advance on the first day of each month during the Term in equal monthly installments. A proportionate part of the Rent shall be paid for any period at the commencement or expiration of the Term which shall be less than a full month. The Basic Rent set forth in Section 1 shall commence on the earlier of (i) 135 days after the Commencement Date or (ii) 135 days after the date Lessee occupies space in the Premises or begins to operate its business or commence construction activities. The Basic Rent shall be prorated if less than all of the space is occupied because of Lessor's failure to deliver a portion of the space vacant and free of tenants, and shall be based on the portion of the Premises which has been delivered vacant bears to the total space of the Premises. A similar adjustment shall be made with respect to other expenses such as taxes and insurance which are payable by Lessee. Notwithstanding anything to the contrary in this Section or Section 39, Lessee shall have 135 days free rent for every portion or square footage of the building that they take possession. By way of example, if Lessee takes possession of one third of the building on March 1st, 2014, Lessee will have no obligation to pay any Basic Rent expenses for that portion of the building until July 14, 2014, and only be obliged to pay taxes and operating expenses and nets for the one third of the building they take possess of. If Lessee then takes possession of a second one third of the building on May 1st, 2014, Lessee will have no obligation to pay Basic rent on this portion until September 13, 2014, and only pay operating expenses and nets for the original one third of the building, and the second one third from the occupancy date of May 1st, 2014. This formula will work for any and all portions of the building which the Lessee takes possession of.

The Lessee also agrees to pay and discharge, when due, all other obligations and liabilities which the Lessee assumes and agrees to pay and discharge by express assumption or agreement elsewhere in this lease, together with every fine, penalty, interest and cost which may be added thereto, or become due or to be imposed by operation of law for the non-payment or late payment thereof, and, in the event of any failure on the part of the Lessee so to pay or discharge any of the same, the Lessor shall have all rights and remedies as in the case of non-payment of the Rent. The Lessee also agrees to pay to the Lessor, on demand, as additional rental, interest at the lower of a rate of eighteen (18%) percent per annum, or the maximum rate permissible under applicable law on all overdue installments of the Rent from the respective due dates thereof until payment thereof in full.

5. Net Lease: Non-terminability.

- (a) This lease is a net lease, and the Rent, additional rental and all other sums payable hereunder to or on behalf of the Lessor shall be paid without notice or demand, and without setoff, counterclaim, defense, abatement, suspension, deferment, reduction or deduction, except as expressly provided herein.
- (b) This lease shall not terminate, nor shall the Lessee have any right to terminate this lease, nor shall the obligations and liabilities of the Lessee

set forth herein be otherwise affected, except as expressly provided herein.

- (c) The Lessee waives all rights (i) to any abatement suspension, deferment, reduction or deduction of or from the Rent or (ii) to quit, terminate or surrender this lease or the Premises or any part thereof, except as expressly provided herein.
- (d) It is the intention of the parties hereto that the obligations of the Lessee hereunder shall be separate and independent covenants and agreements, that the Rent, and all other sums payable by the Lessee to or on behalf of the Lessor shall continue to be payable in all events and that the obligations of the Lessee hereunder shall continue unaffected, unless the requirement to pay or perform the same shall have been terminated pursuant to an express provision of this lease.
- (e) The Lessee agrees that it will remain obligated under this lease in accordance with all of its terms and provisions, and that it will not take any action to terminate, rescind or avoid this lease or any portion thereof, notwithstanding (i) the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding-up or other proceeding affecting the Lessor or any assignee of the Lessor in any such proceeding and (ii) any action with respect to this lease which may be taken by any trustee or receiver of the Lessor or any assignee of the Lessor in any such proceeding or by any court in any such proceeding.

6. Taxes and Other Charges. The Lessee agrees, except as otherwise expressly provided herein to the contrary, to pay, as the same become due and payable, all costs, expenses and obligations of every kind and nature for the operation, maintenance, repair, rebuilding, use, occupancy and enjoyment of the Premises, including without limitation, all costs associated with ensuring that the Premises are in full compliance with all applicable laws, rules and regulations as the same are currently in effect, or may be enacted or amended in the future. The Lessee also agrees to pay, at least fifteen (15) days before the last day on which each of the same shall become due and payable and before any fine, penalty, interest or cost may be added thereto, or become due or be imposed by operation of law or otherwise for the nonpayment or late payment thereof, all real estate taxes, personal property taxes, business and occupation taxes, occupational license taxes, water charges, sewer charges, assessments, and all other similar governmental taxes, impositions and charges which shall be levied, assessed or imposed upon or with respect to, or which shall be or become liens upon, the Premises or any portion thereof, or any fixtures, equipment, supplies, merchandise or other property in or about the Premises, or upon or with respect to the operation, maintenance, alteration, repair, rebuilding, use, occupancy or enjoyment of the Premises or any portion thereof, under or by virtue of any present or future law, statute, charter, ordinance, regulation or other requirement of any public authority, whether federal, state, county, city, municipal or otherwise, whether general, special, ordinary, extraordinary, foreseen or unforeseen, and whether or not within the express contemplation of the parties (collectively referred to as "Additional Rent")

Notwithstanding the foregoing, any and all debts including taxes and assessments that relate to the period of time predating the Commencement Date shall be paid by Lessor.

Notwithstanding anything contained in this lease to the contrary, the Lessee will pay to the Lessor monthly, together with the Basic Rent, one-twelfth (1/12) of the amount from time to time reasonably estimated by the Lessor to reflect all taxes, charges, assessments and impositions described in the first paragraph of this Section 6. Promptly after the exact amount of each of such taxes, charges, assessments and impositions are determined for each tax year, the Lessor will advise the Lessee in writing of the amount thereof for such year and the Lessee will pay to the Lessor whatever additional amount shall be necessary so the Lessee shall have paid to the Lessor at least fifteen (15) days before the last day on which each such tax, charge, assessment or imposition shall be due and payable to the proper authorities and before any fine, penalty, interest or cost be added thereto, or become due or be imposed by operation of law or otherwise for the non-payment or late payment thereof, the full amount of all such taxes, charges, assessments and impositions for each tax year. Any excess of such fund over the amount required shall be refunded by the Lessor to the Lessee promptly following the end of each tax year so long as the Lessee shall not then be in default beyond the expiration of any applicable grace period set forth in this Lease. Copies of any tax and assessment documents from the period immediately prior to the taxes, charges, assessments and impositions to be paid in this section shall be provided to Tenant to calculate what is owed under this section.

Notwithstanding anything in this lease to the contrary contained, the Lessee shall not be required to pay or otherwise be responsible for (i) any local, state or federal capital levy, franchise tax, revenue tax, income tax or profits tax of the Lessor, or (ii) any estate, inheritance, devolution, succession or transfer tax which may be imposed upon or with respect to any transfer of the Lessor's interest in the Premises; provided, however, that if at any time hereafter the methods of taxation prevailing at the date hereof shall be altered so as to cause the whole or any part of the taxes, charges, assessments or impositions now or hereafter levied, assessed or imposed on real estate and the buildings, structures and other improvements thereon to be levied, assessed and imposed, wholly or partially as a gross receipts, gross income, capital levy, or other tax, on the rentals received therefrom, or if any tax, corporation franchise tax, assessment, levy (including but not limited to any municipal, state or federal levy), imposition or charge, or any part thereof, shall be measured by or based in whole or in part, upon the Premises and shall be imposed upon the Lessor, then all such taxes, assessments, levies, impositions or charges, or the part thereof so measured or based, shall be deemed to be an imposition levied, assessed or imposed upon or with respect to the Premises, to the extent that the same would be payable if the Premises were the only property of the Lessor subject thereto, and the Lessee shall pay the same to the Lessor as and in the manner provided herein.

If the Lessee shall not be then in default in the performance, fulfillment or observance of its obligations and liabilities set forth in this lease at the expiration of the Term, all payments for which the Lessee is responsible as provided in this Section 6, shall be prorated to the date of such expiration. The amount of any such payments which



become due and payable after the expiration or sooner termination of the Term shall, on or prior to the date of such expiration or sooner termination, be deposited with the Lessor. If the Lessee shall not be then so in default, the Lessor shall promptly refund to the Lessee any net refund, abatement, deduction, reduction or credit received by the Lessor attributable to any such payment earlier made by the Lessee.

The Lessee shall not be required to pay any tax, charge, assessment or imposition or levy, described in this Section 6, so long as the Lessee shall contest in good faith at its own expense the amount or the validity thereof by appropriate proceedings which shall operate to prevent the collection thereof or realization thereupon or the sale, foreclosure or forfeiture of the Premises or any part thereof to satisfy the same, and pending any such proceedings the Lessor shall not have the right to pay the same so long as the Lessee is in full compliance with the terms and provisions of this paragraph and is not otherwise in default under this lease. In the event of any such contest, the Lessee shall, however, furnish such reasonable security as the Lessor shall from time to time require to insure such payment to prevent any such collection, realization, sale, foreclosure or forfeiture by reason of such contest. The Lessee further agrees that such contest shall be prosecuted to a final conclusion diligently and in good faith, at Lessee's sole cost and expense, and that it will pay, and exonerate and indemnify the Lessor against any and all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or in any way arising out of such contest, and that it will, promptly after the final determination of such contest, fully pay all amounts determined to be payable therein, together with all penalties, fines, interest, costs and expenses resulting from such contest. In no event shall any such contest subject the Lessor to the risk of any criminal or civil liability.

The Lessee agrees to pay, on or before the respective due dates, all taxes, charges, assessments, or impositions levied, assessed or imposed at any time on the Lessee's fixtures, equipment, supplies, merchandise or other property in, on or about the Premises.

7. Maintenance and Repairs. Except for the Lessor's obligations to maintain and repair set forth in Section 42 below, the Lessee accepts the Premises "as is" and agrees that the Lessor has made no representations, warranties or agreements of any kind or nature with respect to the use, occupancy, enjoyment or condition thereof, or the suitability of the Premises for the Lessee's intended use. Except for the obligations of Lessor set forth in Section 42 with respect to the structure of the Premises, the Lessee shall be responsible for maintenance repair, and where applicable, the replacement of any improvements, as well as the maintenance and repair of the Premises in all respects, whether ordinary or extraordinary, used or unused, foreseen or unforeseen, including without limitation, maintenance of electrical, plumbing, and mechanical systems, interior maintenance, plumbing, heating and air conditioning, exterior maintenance, landscaping, building security, fire alarm, windows and doors, snow removal, and insurance. The Lessee will pay for all heating expenses. The Lessee will at its expense forthwith comply with (a) all laws, rules, regulations and requirements of all public authorities applicable to the Premises, (b) all rules, orders and regulations of the fire insurance rating association having jurisdiction, and (c) all requirements of all insurance companies issuing any of the insurance carried or required to be carried by the Lessee hereunder, whether any or all of the same relate to the

use, occupancy, enjoyment or condition of the Premises, including, without limitation, those which require the making of any alterations, improvements, restoration, repairs, replacements or renovation, whether interior, exterior, structural, non-structural, ordinary, extraordinary, foreseen or unforeseen and (d) all requirements of all insurance companies issuing any of the insurance carried by the Lessor, or required by any lender that has a recorded mortgage on the Premises. Subject to the lessor's prior written consent, which may be unreasonably withheld, delayed or conditioned, the Lessee shall have the right to make capital improvements, restorations, replacements, renovations or additions to the Premises beyond those set forth in Exhibit B.

Lessee shall pay for all utilities serving the Premises, including, but without limitation, gas, steam, water, electricity and sewer charges; and the Lessor shall not be responsible for the payment of any of such charges. The Lessee shall have the right to make any and all alterations, improvements, restoration, repairs, replacements, renovation or additions to the Premises which do not adversely affect the utility of or decrease the value of the Premises, and will make all of the same, including, without limitation, any restoration or rebuilding required by Section 11 or that shall be required to be made by the Lessee by any term or provision of this lease in accordance with plans and specifications therefor prepared by an architect or registered professional engineer reasonably satisfactory to the Lessor and using a contractor reasonably satisfactory to the Lessor. The Lessee will secure all necessary permits, licenses, and other permissions for all such alterations, improvements, restoration, repairs, replacements, renovation or additions; obtain and deliver to the Lessor certificates of, and throughout such construction maintain in full force and effect, payment and performance bonds from all contractors and subcontractors; and upon completion of any such construction, promptly deliver to the Lessor any required certificate of occupancy, or the equivalent thereto under local law. The Lessee may from time to time substitute for any equipment or fixtures installed in the Premises other property of similar function and comparable value, in which event such substitutes shall become part of the realty and property of the Lessor. The Lessee may remove and retain or sell or otherwise dispose of for its own account any property for which any such substitute is so provided. Lessor shall provide the Premises in broom clean condition at the commencement of Lessee's occupancy, provided however that current tenants may move out at different times throughout 2014, and Lessor shall provide the portion of the Premises that was vacated by any such tenant in broom clean condition prior to Lessee's occupancy.

Upon the expiration or sooner termination of the Term, the Lessee shall peaceably and quietly leave, yield up and surrender the Premises to the Lessor in Leasable condition, together with all alterations, improvements, restoration, repairs, replacements, renovation and additions thereto as permitted hereby, and orderly and free of occupants in any event. All supplies and other property of the Lessee installed, assembled or placed by the Lessee upon the Premises, (except for those trade fixtures and equipment set forth in Exhibit C attached hereto and any subsequent trade fixtures and equipment installed by Lessee, all of which may not be removed from the Premises), shall at Lessor's request be removed without any material damage caused by such removal and shall not become part of the realty and shall remain the property of the Lessee, and the Lessee may at its expense remove any or all of the same during, and shall in any event remove all of same at the

expiration or sooner termination of, the Term and the Lessee shall repair any and all damage caused by such removal to the satisfaction of Lessor. Upon such expiration or termination the Lessor may, in addition to all other rights and remedies, without being guilty of any trespass, tort or breach of contract, remove from the Premises any or all fixtures, equipment, supplies and other property of the Lessee not removed by the Lessee as provided in the immediately preceding sentence, and either store same for the account of the Lessee at the Lessee's expense, without obligation or liability on account of any theft, loss, damage or monetary shortage, or deem same to be abandoned and subject to use, sale or other disposition without liability to account to the Lessee for the proceeds thereof.

The Lessor shall not be required to make any alterations, improvements, restoration, repairs, replacements, renovation or additions of any nature or description to the Premises, and the Lessee waives any right, whether provided by any law, rule, regulation or requirement of public authority, now or hereafter in effect, to do any of the foregoing at the expense of the Lessor.

8. The Lessee's Covenants. The Lessee hereby covenants with the Lessor that the Lessee during the Term and for such further time as the Lessee, or any other person or persons claiming through or under the Lessee shall hold the Premises or any part thereof: (a) will pay to the Lessor all Rent at the times and in the manner herein set forth; (b) will not assign this Lease or sublet the Premises or any portion thereof, except as provided for in this agreement with approval of the Lessor; (c) will not overload or deface the Premises or permit any use of the Premises which shall increase any insurance rate or create a fire hazard or be unlawful, improper, noisy or offensive or which shall constitute a nuisance or which is contrary to any law, rule, regulation or requirement of any governmental authority or the fire insurance rating association having jurisdiction, or which is injurious to any person or property, or commit waste, whether voluntary or involuntary, or permit anyone else to do any of the foregoing; (d) will not do or permit to be done anything in or about the Premises which (i) shall make void or voidable any insurance carried by the Lessor or the Lessee which is required by any term or provision of this lease or which relates to the Premises in any manner or, provided however that it is understood that Lessee will be operating a RMD, and Lessee shall maintain insurance which does not conflict with this use (ii) shall increase or create extra premiums therefor and will pay the Lessor on demand, as Additional Rent, the amount of any such increase or extra premiums on insurance carried by the Lessor and (e) will not sell, assign, or transfer any Marijuana dispensary license it may now or hereafter hold for the Premises to a purchaser, assignee, or transferee who will move the license to another location without first offering in writing to sell, assign, or transfer such license to Lessor or a designee of Lessor, subject to approval of any regulatory authority having jurisdiction over the issuance of such licenses, on the same terms as Lessee otherwise proposes to sell, assign, or transfer the same. Lessor shall have thirty (30) days in which it may accept such offer, and Lessee may not sell, assign, or transfer such license unless Lessor shall in writing decline to accept such offer or such thirty (30) day period shall expire without Lessor accepting such offer. Such offer to accept shall in all events be subject to the approval of any regulatory authority having jurisdiction over such licenses. If Lessor accepts such offer, such license shall be sold, assigned, or transferred to Lessor, or its designee, in accordance with the terms of such offer.

9. Insurance. The Lessee at the Lessee's sole cost and expense shall maintain, or cause to be maintained, for the benefit of the Lessor and the Lessee, comprehensive general public liability insurance with contractual coverage and such other endorsements and in amounts as Lessor may, from time to time, reasonably request. Lessee, at its sole cost and expense, shall maintain, or cause to be maintained, proper hazard insurance in the broadest form of so-called "all risk replacement value insurance" from time to time available, on all structures from time to time located on the Premises, the same to be maintained with responsible insurance companies qualified to write insurance in the Commonwealth of Massachusetts. All such insurance policies shall name the Lessor and the Lessee as parties-insured, as their interests may appear, with the usual loss payable clause in favor of the holder of any mortgage covering the Premises. Each such policy of insurance, or a certificate thereof, shall be promptly deposited with the Lessor, and in the case of the renewal of such policy, shall be deposited not less than ten (10) days prior to the expiration date of the expiring policy. Such policies shall provide that the same may not be cancelled or coverage reduced without at least twenty (20) days' prior written notice to Lessor. It is specifically understood and agreed that Lessor shall have no responsibility whatsoever with respect to the maintenance, repair, insurance, or protection of the Premises or any part thereof. Insofar as, and to the extent that, the following provision may be effective without invalidating or making it impossible to secure insurance coverage from responsible insurance companies doing business in the Commonwealth of Massachusetts (even though extra premium may result therefrom): Lessor and Lessee mutually agree that with respect to any loss which is covered by insurance then being carried by them, respectively, the one carrying such insurance and suffering said loss releases the other of, and from, any and all claims with respect to such loss; and they further mutually agree that their respective insurance companies shall have no right of subrogation against the other on account thereof. In the event that extra premium is payable by either party as a result of this provision, the other party shall reimburse the party paying such premium the amount of such extra premium. If, at the written request of one party, this release and non-subrogation is waived, then the obligation of reimbursement shall cease for such period of time as such waiver shall be effective, but nothing contained in this Section shall be deemed to modify or otherwise affect releases elsewhere herein contained of either party for claims.

10. Sole Risk and Hazard. All fixtures, equipment, signs, merchandise, supplies and other property on or about the Premises shall be at the Lessee's sole risk and hazard, and if the whole or any part thereof shall be destroyed or damaged by fire, water or otherwise, or by use or abuse of water, or by leaking or bursting of water pipes, or in any other way or manner, no part of said loss or damage is to be charged to or borne by the Lessor in any case whatsoever, except only to the extent caused by the Lessor's negligence or willful default, and, except to such extent, the Lessee agrees to exonerate and indemnify the Lessor from and against any and all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of any of the foregoing.

11. Fire, Casualty or Taking. Subject to the next following paragraph, if all or any part of the Premises is destroyed by fire or casualty or taken by eminent domain or other action of

any public authority or destroyed or damaged or the use or enjoyment thereof diminished by action of public authority, or war, enemy action or civil defense, then in each such event the Lessee will promptly give written notice thereof to the Lessor and at its expense restore the Premises as promptly as possible to a state as similar as possible to the Premises prior to such event and will use for such restoration, to the extent necessary, and the Lessor will make available to the Lessee, subject to the provisions of the next following sentence, all applicable insurance proceeds and all of the Lessee's damages and awards. In the event of any such destruction, damage, taking or action, all proceeds of such insurance shall be deposited with and held in escrow by the Lessor. The Lessor shall make payments from time to time to the Lessee out of such funds as the work of restoration progresses, upon written request of the Lessee, which request shall be accompanied by a certificate of the architect in charge of such restoration certifying to the Lessor that: (i) the sum requested is justly due to the contractor or other persons rendering services or materials for such work, or is justly required to reimburse the Lessee for actual expenditures in connection with such restoration and when added to all sums previously paid therefor will not exceed the actual out-of-pocket cost of the restoration done to the date of such certificate; and (ii) the balance of the funds still retained by the Lessor is and will be sufficient to pay for the completion of such restoration. In the event that such proceeds, damages or awards shall be insufficient to pay the entire cost of such restoration, or in the event that such destruction or damage was not insured or insurable, in whole or in part, the Lessee will, nevertheless, proceed therewith and will pay the deficiency in the cost of or the cost of such restoration, as the case may be; and any surplus not required for the restoration following any such fire or casualty shall belong to the Lessee, if the Lessee shall not then be in default beyond the expiration of any applicable grace period with respect to any of the Lessee's representations, warranties and agreements set forth herein.

If all of the Premises are taken by eminent domain, this lease will terminate as of the effective date of the taking of possession of the Premises. If any substantial portion of the Premises, which is sufficient to render the remaining portion thereof unable to be leased, shall be taken by eminent domain, the Lessee may by written notice to the Lessor at any time within thirty (30) days after the taking terminate this lease as of any date within sixty (60) days thereafter.

In the event of any termination of this lease as a result of any such taking described in the immediately preceding paragraph, the Lessor and not the Lessee shall be entitled to the entire amount of the damages and awards, except as hereinafter provided. Furthermore, if all or any part of the Premises is destroyed or damaged by fire or casualty, then and in each such event the Basic Rent or a just and proportionate part thereof, according to the nature, extent and duration of the injuries sustained, shall be abated and, to the extent of any such rental paid in advance, refunded to the Lessee. For the purposes of this lease, all amounts payable pursuant to any agreement with any taking authority which has been made in settlement of or under treat of any such taking or action shall be deemed to constitute an award made in such proceeding.

Except as expressly provided in this Section 11, no destruction, damage, taking or action described in this Section 11 shall permit the Lessee to terminate this lease or relieve



the Lessee from its obligation to pay the Rent or from any of the Lessee's other obligations and liabilities set forth in this lease.

The Lessee may make a claim for the value of the Lessee's trade fixtures, equipment and relocation expenses in any proceeding described in this Section 11 only if same will not diminish the Lessor's damages and awards based on the higher of the fair market value or replacement value of any portion of the Premises subject thereto, and to such extent the Lessee may make a separate claim therefor against the appropriate governmental authority if such claim is permitted by law. In no event, however, shall any claim by the Lessee, whether separate or otherwise, be based upon the Lessee's leasehold interest, and the Lessee covenants and agrees to execute such assignments or other documents and to take any steps which may be necessary to vest such damages and awards in the Lessor, the Lessee hereby irrevocably appointing the Lessor as its agent and attorney-in-fact to execute and deliver any such assignments and documents which the Lessor deems necessary or appropriate to carry out the intent and purpose of this sentence, such appointment being a power coupled with an interest.

12. Default by the Lessee. PROVIDED, ALSO, and this lease is upon the condition, that in the event of any failure by the Lessee to pay any item of Rent continuing for ten (10) days, or in the event of any failure by the Lessee to perform, fulfill or observe any other representation, warranty or agreement by the Lessee set forth herein, continuing for thirty (30) days, after written notice from the Lessor to all Guarantors and the Lessee specifying such failure, without its being waived or its effect cured, or the cure thereof commenced and diligently prosecuted at all times thereafter, or in the event that the estate created hereby shall be taken on execution, or by other process of law, or in the event that the Lessee or any guarantor of the Lessee shall commit any act of bankruptcy or be declared bankrupt or insolvent according to law, or in the event that any petition under federal or state law pertaining to bankruptcy or insolvency or for a reorganization or arrangement or other relief shall be filed by or against the Lessee or any guarantor of the Lessee, or in the event that any assignment, trust, mortgage or other transfer in trust or otherwise shall be made for the benefit of creditors, or in the event that any sale, lease or other transfer shall be made of all or a substantial part of the property of the Lessee or any such guarantor, or in the event that the Lessee or any such guarantor shall make or offer a composition of the Lessee's or such guarantor's debts, as the case may be, with its creditors, or in the event that a receiver, trustee or similar officer or creditors' committee shall be appointed to take charge of any property of or to operate or wind up the affairs of the Lessee or such guarantor, or in the event that the Lessee shall vacate or abandon the Premises, then in any of said cases (notwithstanding any license of any former breach of covenant or condition or waiver of the benefit hereof, or consent in a former instance) the Lessor or the Lessor's agents may lawfully immediately, or at any time thereafter, and without further demand or notice, enter into and upon the Premises or any part thereof in the name of the whole and repossess the same as of the Lessor's former estate and expel the Lessee and those claiming by, through or under the Lessee and remove the Lessee's or their effects (in any of said cases forcibly, if necessary) without being deemed guilty of any manner of trespass, and without prejudice to any remedies which might otherwise be used for arrears of rental or preceding breach of covenant or condition, and upon entry as aforesaid this lease shall



terminate, or the Lessor may terminate this lease by written notice to the Lessee, the Lessee in any event waiving all statutory rights of redemption, and the Lessee covenants with the Lessor that in case of such termination, or in the case of termination under statute for default of the Lessee, the Lessee will at the election of the Lessor (which election may be made or changed at any time or from time to time before the settlement), either (a) pay, as liquidated damages for so much of the unexpired Term as is covered thereby, and at the same times and in the same installments as are specified in this lease, sums equal to the rental and other payments herein named or, if the Premises shall have been relet, sums equal to the excess of the rental and other payments last mentioned over the net sums actually received by the Lessor for the period to which the rental and other payments last mentioned relate, or (b) pay, as liquidated damages for the then expired Term, a sum which at the time of such termination or at the time to which installments of liquidated damages shall have been paid represents the excess of the rental and other payments herein named over the then rental value of the Premises for the residue of the Term, or (c) indemnify the Lessor against loss of the rental and other payments herein named at the time of such termination or from the time to which installments of liquidated damages shall have been paid, during the residue of the Term - each of the foregoing three alternatives being separable. The Rent and other payments named herein shall be deemed to be the Rent plus all items of Additional Rent herein named. In addition to the foregoing and regardless of which of the foregoing alternatives shall have been elected, the Lessee agrees to pay to the Lessor on demand all expenses incurred by the Lessor in order to (a) obtain possession of the Premises, (b) make such alterations, improvements, repairs, replacements, renovation and restoration as the Lessor deems necessary or advisable to put the Premises in good and rentable repair, order and condition, and (c) relet the Premises, including, without limitation, the reasonable fees of attorneys, brokers, engineers and architects.

In the event that any failure by the Lessee to perform, fulfill or observe any agreement herein to be performed, fulfilled or observed by the Lessee continues for thirty (30) days, or in situations involving potential danger to the health or safety of persons in, on or about the Premises or a material deterioration of, or damage to, the Premises, after written notice specifying such failure without its being waived, its effect cured, or the cure thereof commenced and diligently prosecuted at all times thereafter, the Lessor may at its election perform, fulfill or observe such agreement for and on behalf of the Lessee, and any amount which the Lessor shall expend for such purpose, or which shall otherwise be due by the Lessee to the Lessor hereunder, shall be deemed to be additional rental and shall be paid to the Lessor on demand, together with interest thereon at the lower of (a) the rate of eighteen (18) percent per annum or (b) the maximum rate permissible from time to time under applicable law, from the date of expenditure or the date the same shall have become due to the date of payment thereof in full.

13. Indemnity. The Lessee will hold harmless, and fully exonerate and indemnify the Lessor against all claims, suits, obligations, liabilities, and damages, including attorneys' fees, arising out of any failure by the Lessee to perform, fulfill or observe any obligation or liability or covenant of the Lessee set forth in this lease, or due to any action by the Federal government related to Lessee's use of the Premises, or any negligent act or omission by the Lessee, or any condition of any kind, class or description, however and whenever caused or

occurring, in any portion of, or in the vicinity of, the Premises which the Lessee is obligated to maintain or repair.

The Lessee will hold harmless, and fully exonerate and indemnify the Lessor against all claims, suits, obligations, liabilities, fines, penalties and damages, including attorneys' fees, arising out of Lessee's alleged violation of any Federal, State, or Local law, rule or regulation as the same may be enacted or amended.

The Lessee will hold harmless, and fully exonerate and indemnify the Lessor against all claims, suits, obligations, liabilities, fines, penalties and damages, including attorneys' fees, arising out of Lessee's use of the Premises, or any act or omission by the Lessee, or any condition of any kind, class or description, however and whenever caused or occurring, in any portion of, or in the vicinity of, the Premises.

The indemnities and covenants set forth herein shall survive the expiration or termination of this Lease.

Notwithstanding the foregoing, it is understood by the parties that operation of a medical marijuana dispensary is a violation of Federal law, and Lessor will not cause to terminate this lease due to said violation without an action by Federal authorities, whether that action be administrative, civil or criminal.

14. Broker. The Lessee covenants and agrees that it dealt only with Key Realty Inc. in connection with this lease and will indemnify and hold harmless Lessor for any liability incurred by Lessor arising out of such representation not being true. The indemnities and covenants set forth herein shall survive the expiration or termination of this lease.

15. Affiliates of Lessor. The Lessee will not claim or attempt to enforce any right or remedy against any one or more of the associates, beneficiaries, affiliates or other business entities of the Lessor, arising out of or in any way based upon this lease or any act or omission by the Lessor with respect to this lease or all or any portion of the Premises, except to the extent expressly permitted by any written instrument signed by any one or more of the foregoing.

16. Notice of Default to the Lessor. In no event will the Lessor be deemed to be in default because of any failure by the Lessor to perform, fulfill or observe any covenant or agreement set forth herein for thirty (30) days after written notice to the Lessor specifying such failure or breach, without its being waived, or its effect having been cured, or the cure thereof having been commenced and diligently prosecuted thereafter.

17. Subordination. The Lessee will on request at any time or from time to time by any holder of a mortgage on all or any portion of the Premises subordinate this lease and all of the Lessee's rights and estate hereunder to such mortgage and to any renewals, extensions, substitutions, refinancing's, modifications or amendments thereof, or declare this lease to be prior to such mortgage and to any renewals, extensions, substitutions, refinancing, modifications or amendments thereof, and agree with such holder that the Lessee will attorn thereto in the event of foreclosure and that the Lessee will not without the consent



of such holder amend this lease or prepay any rental hereunder, provided, however, that such holder executes and delivers a written agreement consenting to this lease and agreeing that, notwithstanding such mortgage or any default, expiration, termination, foreclosure, sale, entry or other act or omission under, pursuant to or affecting said mortgage, the Lessee shall not be disturbed in peaceful enjoyment of the Premises or this lease terminated or cancelled at any time, except in the event the Lessor shall have the right to terminate this lease under the terms and provisions set forth herein; the Lessee covenants and agrees to execute any documents reflecting the foregoing and take any steps which may be necessary to consummate such subordination, attornment and nondisturbance provisions., the Lessee hereby irrevocably appointing Lessor as the Lessee's agent and attorney-in-fact to execute and deliver any such documents that the Lessor deems necessary or appropriate to carry out the intent and purposes of this Section, such appointment being a power coupled with an interest.

18. No Liens. The Lessee will forthwith cause any mechanics', materialmen's or other liens which may be recorded or perfected or which may otherwise attach to all or any portion of the Premises as a result of work done by or for the Lessee to be discharged or released of record or fully bonded by a surety satisfactory to the Lessor.

19. Entry and Inspection by the Lessor. The Lessor and its agents shall have the right to enter into and upon the Premises or any part thereof at all reasonable times to examine the same and make any repairs or alterations which the Lessor is permitted hereunder to make, all at such times and in such manner as shall not interfere unreasonably with the Lessee's business. The Lessee shall permit inspection of the Premises at reasonable hours and intervals by prospective purchasers or mortgagees and during the last year of the Term, the Lessee shall permit inspection of the Premises at reasonable hours and intervals by prospective lessees and shall permit the usual "To Let" or "For Sale" signs to be placed on the Premises; provided, however, that such inspection or inspections shall not unreasonably interfere with the Lessee's business.

20. Notice to Mortgagee. Upon receipt of a written request by the Lessor or any holder of a mortgage on all or any part of the Premises, the Lessee will thereafter send any such holder copies of all notices of default or termination or both given by the Lessee to the Lessor in accordance with any provision of this lease. In the event of any failure by the Lessor to perform, fulfill or observe any agreement by the Lessor herein or any breach by the Lessor of any representation or warranty of the Lessor herein, any such holder may at its election cure such failure or breach for and on behalf of the Lessor.

21. Memorandum of Lease. Neither party will record this lease, but each party will on demand by the other party execute an appropriate memorandum or notice of this lease in form and substance reasonably satisfactory to the Lessor, and either party may record same at its expense.

22. Waiver of Subrogation. To the extent available under standard policies of insurance without extra cost, or if extra cost shall be charged therefore, so long as the other party pays such extra cost, each party hereby waives all liability and all rights to recovery and



subrogation against, and agrees that neither it nor its insurers will sue the other party for any loss of or damage to property arising out of fire or casualty and each party agrees that all insurance policies relating to the Premises will contain waivers by the insurer of such liability, recovery, subrogation and suit. If extra cost is chargeable therefor, each party shall advise the other party of the amount of the extra cost and the other party, at its election, may pay the same, but shall not be obligated to do so.

23. Estoppel Letter. The Lessee will from time to time, upon not less than fifteen (15) days' prior written request by the Lessor, deliver to the Lessor or any actual or prospective purchaser or holder of a mortgage on all or any part of the Premises a written statement certifying whether or not this lease is in full force and effect and stating (a) the last date to which the Rent and other payments have been made, (b) the amendments, if any, to this lease, (c) whether or not the Lessor is in default in the performance, fulfillment or observance of any representation, warranty or agreement set forth herein or has any indebtedness to the Lessee for the payment of money, and (d) if so, each default or indebtedness.

24. Collateral Assignment of Lease. With respect to any assignment by the Lessor of the Lessor's interest in this lease or the Rent and other payments payable hereunder, conditional in nature or otherwise, which assignment is made to the holder of a mortgage on the Lessor's estate, the Lessee agrees:

(a) that the execution thereof by the Lessor and the acceptance thereof by the holder of such mortgage shall never be deemed an assumption by such holder of any of the obligations of the Lessor hereunder, unless such holder shall, by written notice sent to the Lessee, expressly otherwise elect; and

(b) that, except as aforesaid, such holders shall be treated as having assumed the Lessor's obligations hereunder only upon the taking of possession of the Premises by such holder.

25. No Liability. Anything else in this lease to the contrary notwithstanding, the Lessee shall look solely to the estate and property of the Lessor in the Premises for the satisfaction of any claim for the payment of money by the Lessor by reason of any default or breach by the Lessor of any of the terms and provisions of this lease to be performed, fulfilled or observed by the Lessor, and no other property or assets of the Lessor shall be subject to levy, execution or other enforcement procedure for the satisfaction of the Lessee's remedies for any such default or breach.

26. The Lessor While an Owner. As used herein "Lessor" shall mean the owner from time to time of the Lessor's estate and property in the Premises and if such estate and property be sold or transferred, the seller or transferor shall thereupon be relieved of all obligations and liabilities hereunder thereafter arising or occurring, and the purchaser or transferee shall thereupon be deemed to have assumed and agreed to perform and observe all obligations and liabilities hereunder thereafter arising or occurring or based on occurrences or situations thereafter arising or occurring.

27. Modifications Required by Mortgagee. In the event that prior to the Commencement Date any actual or proposed institutional holder of a first mortgage on the Premises shall demand that this lease be modified or amended in any respect (except for those provisions relating to the Rent or Term), and in the event that the Lessee shall fail to so modify or amend this lease within fifteen (15) days after such demand, the Lessor may at any time within thirty (30) days thereafter terminate this lease by written notice to the Lessee. If such modification infringes on Lessee's ability to operate a RMD at the Premises, Lessor shall return any and all deposit paid by Lessee, notwithstanding any other provision of this Lease.

28. Security Deposit/Guaranty. The Lessee hereby gives to the Lessor the Security Deposit Amount set forth in Section 1 (if any) as security for the full, faithful and punctual performance, fulfillment and observance by the Lessee of any and all covenants, agreements, warranties, conditions, terms and provisions of this lease to be performed, fulfilled or observed by the Lessee hereunder. It is expressly covenanted and agreed between the Lessor and the Lessee that (a) the Security Deposit Amount is not a measure of the damages that the Lessor might suffer or a limit upon the damages the Lessor may recover in the event of any failure or breach by the Lessee with respect to any or all of said covenants, agreements, warranties, conditions, terms or provisions; (b) in the event of each and every such failure or breach by the Lessee, the Lessor may at the Lessor's option at any time and from time to time apply any part or the whole of the Security Deposit Amount to exonerate, indemnify or save harmless the Lessor from any loss, cost, damage, liability or expense, including reasonable attorneys' fees, that the Lessor may have suffered, sustained, or become obligated to pay or may suffer, sustain or become obligated to pay because of such failure or breach by the Lessee; the Lessor shall in no way be precluded by such application from any of the remedies at law or in equity otherwise available to the Lessor, or from recovering at any time the full, total amount of the Lessor's actual loss, cost, damage, liability and expense, including reasonable attorneys' fees, less the amount of any such application or applications of the Security Deposit Amount; no such application of the Security Deposit Amount by the Lessor shall in any way excuse the Lessee from, and from continuing, the full, faithful and punctual performance, and observance of any and all of said covenants, agreements, warranties, conditions, terms and provisions, and within thirty (30) days after the receipt of a written demand therefor, the Lessee will pay to the Lessor a sum to be added to the Security Deposit Amount equal to that so applied by the Lessor hereunder; (c) in the event of the termination prior to expiration of this lease, without any prior such failure or breach at any time by Lessee, then on the date of such earlier termination, and otherwise at the expiration of the Term provided in this lease, and not earlier in either case, the remainder of the Security Deposit Amount, after deducting all sums which the Lessor has applied or is entitled to apply under Clause (b) of this Section 28 or in satisfaction of any claim or judgment which the Lessor may then have against the Lessee, shall be returned by the Lessor to the Lessee; (d) the Lessor from time to time may transfer the Security Deposit Amount to any grantee or grantees to whom the Lessor may convey the Premises, to be held by such grantee or grantees as the Security Deposit Amount hereunder on the above terms, and on such transfer to such grantee or grantees, the Lessor thereupon and without more shall be relieved from all further liability to the



Lessee with respect to the Security Deposit Amount and the Lessee thereafter shall look only to such grantee or grantees for the return of the Security Deposit Amount; and (e) the Security Deposit Amount shall not be mortgaged, assigned, transferred or encumbered by the Lessee without the prior written consent of the Lessor, and any such mortgage, assignment, transfer or encumbrance shall be without any force or effect and shall not be binding upon the Lessor in any event. The security deposit shall be maintained in a interest bearing account, and such interest will be paid to Lessee on an annual basis. The Lessor shall have the right to comingle the Security Deposit with other funds of the Lessor Lessee shall cause the Guarantors to execute and deliver a guaranty of the obligations of the Lessee under this lease in the form attached hereto as Exhibit D. Each of the Guarantors shall provide to Lessor on request but not more frequently than twice per year its personal financial statement. Failure to deliver such guaranty or financial statements shall be a default under this Lease. Lessor agrees that, from and after the date which is 4 years after the Commencement Date through the initial term of this lease, provided that (i) Lessee has not been in default of any obligations under this lease during the first 4 lease years following the Commencement Date, and provided further (ii) that Lessee has provided Lessor with a certification ("Certification") when requested by Lessor (but not more frequently than twice in any twelve month period), from a duly authorized officer of the Lessee and a Certified public accountant, certifying that the Lessee has a net worth consisting of liquid assets (ie cash, stocks, bonds) of not less than one half the remaining amount of Basic Rent and Additional Rent payable under this Lease for the remaining balance of the Term measured from the date of such Certification, and providing such reasonable documentation as requested by Lessor to demonstrate the truth of such certification, Lessor agrees that it shall not take any actions against the Guarantors to enforce the guaranty delivered pursuant to this lease without first having exhausted its remedies against the Lessee.

29. Delays. Whenever in this lease either party is required to perform, fulfill or observe any representation, warranty or agreement set forth herein (other than the payment of money), delays caused by or resulting from act of God, war, fire, casualty, eminent domain, strike, shortage of labor or materials or other cause beyond such party's reasonable control shall not be considered in determining the time when such performance, fulfillment or observance must be completed, so long as such party shall, promptly after the commencement of any such delay, give the other party written notice specifying such delay and estimating the duration thereof.

30. Miscellaneous. All terms and provisions of this lease shall be independent and shall inure to the benefit of and be binding upon the personal representatives, successors and assigns of the parties, except as otherwise expressly provided herein. Every term and provision of this lease shall be deemed of the essence and every breach thereof material to the Lessor. All representations, warranties and agreements of the Lessee in this lease shall be deemed special, unique and extraordinary; any breach of any provision thereof by the Lessee shall be deemed to cause the Lessor irreparable injury not properly compensable by damages in an action at law, and the rights and remedies of the Lessor hereunder may therefore be enforced both at law or in equity, by injunction or otherwise. All rights and

remedies of each party shall be cumulative and not alternative, in addition to and not exclusive of any other right or remedy to which such party may be lawfully entitled in case of any breach or threatened breach of any term or provision herein except as otherwise expressly provided herein; the rights and remedies of each party shall be continuing and not exhausted by any one or more uses thereof, and may be exercised at any time or from time to time and as often as may be expedient; any option or election to enforce any such right or remedy may be exercised or changed at any time or from time to time. This lease sets forth the entire agreement of the parties, and no custom, act, forbearance, or words of silence at any time, gratuitous or otherwise, shall impose any additional obligation or liability upon either party or waive or release either party as a supplement, alteration, amendment or change of any term or provision set forth herein, including this clause, unless set forth in a written instrument duly executed by such party expressly stating that it is intended to impose such an additional obligation or liability or to constitute such a waiver or release, or that it is intended to operate as such a supplement, alteration, amendment or change.

31. Notice. All notices and other communications shall be in writing and deemed given and delivered to the Lessor when mailed, by registered or certified mail, postage and registration or certification charges prepaid, addressed, in the case of the Lessor, to the Lessor at the Lessor's Address set forth in Section 1, and addressed, in the case of the Lessee, to the Lessee at the Lessee's Address set forth in Section 1, except that either party may by written notice to the other designate another address which shall thereupon become the effective address of such party for the purposes of this Section.

32. Local Law. This lease shall be construed and enforced in all respects in accordance with the laws of the Commonwealth of Massachusetts.

33. Headings. The Cover Page and Table of Contents preceding this lease and the captions to the various sections of this lease have been inserted for reference only and shall not in any manner be construed as modifying, amending or affecting in any way the express terms and provisions hereof.

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

35. Option to Extend Term.

(a) If at the expiration of this Lease Lessee shall not be in default hereunder, Lessee shall have the right to extend this lease for two (2) extended terms of five (5) years each. In the event this Lease is so extended for one or more such extended terms, the phrase "term of this lease" or the reasonable equivalent as used herein shall be deemed to include such extended term or terms. Such option shall be exercised, if at all, by Lessee

giving written notice to Lessor at least six months prior to the expiration of the original term, or the prior extended term as the case may be. Such extended term shall be on and under the terms, provisions and conditions herein set forth with respect to the original term except that there shall be no further right of extension beyond that right hereinabove provided and except further that the Rent shall be adjusted in the manner hereinafter provided.

(b) The Rent provided for in Section 4 of this Lease shall be adjusted on the first day of any extended term as set forth below:

Basic Rent for each of the five (5) Lease Years of the First Option Period shall be the greater of:

- (i) the Basic Rent in effect for the last Lease Year of the Original Term; or
- ii) the number determined by multiplying the Basic Rent in effect for the last Lease Year of the Original Term by a fraction, the numerator of which shall be the Current Index at the beginning of the First Option Period, and the denominator of which shall be the Original Index; or
- (iii) Fair Market Rent determined as of the commencement of the First Option Period but in no event to exceed 7.5% of the Basic Rent in effect for the last Lease Year of the Original Term

The figure so derived shall be the Basic Rent amount for each of the five (5) Lease Years of the First Option Period.

Basic Rent for each of the five (5) Lease Years of the Second Option Period shall be the greater of:

- (i) the Basic Rent in effect for the last Lease Year of the First Option Period; or
- (ii) the number determined by multiplying the Basic Rent in effect for the last Lease Year of the First Option Period by a fraction, the numerator of which shall be the Current Index as of the beginning of the Second Option Period and the denominator of which shall be the Index in effect at the beginning of the First Option Period; or
- (iii) Fair Market Rent determined as of the commencement of the Second Option Period, but in no event to exceed 7.5% of the Basic Rent in effect for the last Lease Year of the First Option Term

The figure so derived shall be the Basic Rent amount for each of the five (5) Lease Years of the Second Option Period.



For purposes hereof, Fair Market Rent shall be computed as of the date in question at the then annual rental charge, including provisions for subsequent increases and adjustments for new leases then currently being negotiated or executed in comparable space for use as a medical marijuana dispensing and cultivation in the greater Boston area. Lessor agrees, subsequent to receipt of Lessee's Notice exercising an Option to Extend, to provide Lessee with a written proposal setting forth Lessor's good faith determination of Fair Market Rent. Lessor and Lessee shall, thereafter, have a period of sixty (60) days within which to agree upon Fair Market Rent. If, however, Lessee and Lessor are unable to agree within such time period on Fair Market Rent, Fair Market Rent for such Option Period shall be established by an appraisal by a reputable and independent appraiser selected by Lessor, reasonably acceptable to Lessee, having not less than five (5) years' experience and knowledge of the rental market in the vicinity of the Premises, taking into account the permitted use of the Premises. The cost of such appraisal shall be borne fifty (50%) percent by Lessor and fifty (50%) percent by Lessee.

36. Use of the Premises. The Premises may be used for the Permitted Use described in Section I and for no other purpose whatsoever, except for any purpose by any Sublessee. The Lessee hereby acknowledges that its agreement set forth in the immediately preceding sentence is a major inducement to the Lessor to enter this lease. Lessor makes no representations that the Permitted Use is allowed under the City of Quincy zoning by laws or city ordinances or that the Permitted Use is in compliance with Federal, State or local laws, rules or regulations, and Lessee acknowledges that it has completed its own investigations and satisfied itself as to the Permitted use being an allowed use under zoning and that it will obtain all approvals or permits as required for such Permitted Use.

37. Marijuana Dispensary License. On or before January 31, 2014, the Lessee shall obtain provisional licenses and approvals from the Department of Public Health to operate a Registered Marijuana Dispensary at the Premises as required by the Massachusetts Department of Public Health and any other state or local governmental authorities having jurisdiction over the operation of a medical marijuana dispensing facility and the cultivation of marijuana (the "License") permitting Lessee throughout the Lease Term to cultivate, process and dispense marijuana at the location of the Premises subject to and in accordance with all applicable provisions of state and local law and this Lease. The Lessee represents to Lessor prior to the issuance of the License for this location, it has not and will not apply for a License in any other location or county other than the Premises located in Norfolk County without consent of the Lessor. In the event it is understood and agreed to by the parties that the Department of Public Health may take additional time beyond the tentative January 31st, 2014 date for the issuance of provisional permits to operate RMDs, and in the event that the Department of Public Health takes such additional time, Lessor shall extend the Commencement Date and other applicable dates herein by as many additional days not to exceed 90 days as the Department of Public Health takes to issue the License to Lessee. In the event that such additional time exceeds 90 days, Lessor may cancel this lease by written notice to Lessee. In the event the Department of Public Health does not announce the provisional licenses and approvals to operate a Registered Marijuana Dispensary by January 31, 2014 and there is any vacant space at such time

which was not vacant as of the date hereof ("Vacant Space"), as a condition to the extension of the January 31st date as set forth above, Lessee it shall pay monthly to Lessor an amount equal to the difference in rental income that would have been received by Lessor on account of any tenants which have vacated the premises after the date hereof commencing February 1, 2013 up until the earlier of the Commencement Date or the date upon which the Department of Public Health announces such provisional licenses (but not to exceed 90 days from January 31, 2013) such Additional rent payments by Lessee not to exceed \$7,100 per month (or a prorated amount thereof) Lessee shall maintain the License in full force and effect and good standing. Lessee's ability to obtain such license for the Premises shall be a condition precedent to Lessee's obligations to proceed with this Lease. Lessor agrees to reasonably cooperate with Lessee (without cost or liability to Lessor), including but not limited to, executing such documents and joining in such applications as may be required of the owner, in order for Lessee to obtain the License. If, despite the use of Lessee's best efforts to obtain such License, Lessee fails to obtain any of the Licenses for the Premises or verify that upon completion of Lessee's Work, such licenses shall be issued in due course, on or before January 31, 2014, or such later date as the Commencement Date shall be extended to (not to exceed 90 days as set forth above), Lessee shall so notify Lessor in writing of such failure specifying in detail the reason(s) therefor and at any time thereafter either party shall have the right to cancel this Lease by written notice to the other, in which event the parties shall be released of any further liability under this Lease. In the event any federal, state or local governmental agency notifies Lessee or Lessor that the operation of a medical marijuana facility at the facility must end or federal consequences will ensure, either criminal or civil, then the Lessor receiving such notice shall notify the Lessee and at any time thereafter Lessor shall have the right to cancel this Lease by written notice to the Lessee, in which event the parties shall be released of any further liability under this Lease. In the event of termination by either party under the foregoing sentences, Lessor shall be entitled to keep an amount equal to \$35,000 from the security deposit, as liquidated damages and Lessee acknowledges that such amounts shall be deemed forfeited to compensate Lessor for entering into this Lease.

38. Dispensing of marijuana. Provided that the Lessee (i) succeeds in obtaining the License as aforesaid, (ii) complies with all state, municipal and other state laws, regulations and rules with respect to the dispensing of marijuana and the cultivation thereof, as aforesaid, and (iii) complies with applicable provisions of this Lease, the Lessor agrees that, subject to and without derogating from the other provisions of this Lease, that the Lessee shall have the right to grow and dispense medical marijuana, subject to and in accordance with all applicable provisions of the License. Any suspension or termination of such license shall be cause for Lessor, at its election, to terminate this Lease. In the event that the Commonwealth of Massachusetts legalizes "Adult Use" marijuana in the Commonwealth, and Lessee seeks to dispense marijuana as per new Adult Use regulations, the parties shall negotiate for a period of 90 days the new terms of the lease which would allow such Adult Use and any other changes in the Basic Rent or other terms in consideration of permitting such additional use, and during such additional 90 day period, such dispensation, although not medical, will not be cause for eviction in of itself, assuming that no other provisions of this lease are violated or that Lessee is not in default in any way.

39. Commencement Date. The Premises are currently leased to certain tenants under written lease arrangements or tenancy at will agreements set forth on Exhibit E hereto. Lessor will use commercially reasonable efforts to cause such tenants to either terminate their lease or vacate the premises on or before May 31, 2014 as extended by such additional time by which the Department of Public Health extends the January 31, 2014 date as set forth in section 37 ("Outside Delivery Date"). The date upon which Lessor send written notice to Lessee that all or a portion of the Premises is ready for occupancy by Lessee shall be the Commencement Date with respect to that portion of the Premises. In the event that Lessor is unable to deliver possession of the Premises vacant of any tenants on or before the Outside Delivery Date, and Lessee has not taken occupancy of any portion of the Premises then in such event either party may, by notice to the other party within thirty (30) days following such date, terminate this Lease, and such termination shall be the exclusive remedy of such party. At any time after January 31, 2013, if Lessee shall occupy the vacant space in the Building prior to all of the tenants having vacated, the Commencement Date shall be deemed to have occurred with respect to such space being occupied by Lessee, and Lessee shall be liable for all obligations under this lease with respect to the occupied space, including insurance, taxes, and a proportionate share of the Basic Rent based on the percentage of the total space being occupied by Lessee. Notwithstanding the foregoing, Lessee shall have no obligation to occupy the vacant space until Lessee obtains a registration permit from the Department of Public Health to operate a registered marijuana dispensary at the premises. Lessee shall have no obligation to pay anything under this Lease, except for the Security Deposit, First Month rent, and last month's rent, until the Commencement Date with respect to any portion of the Premises shall have occurred. No construction work or renovations shall be allowed until Lessee has taken occupancy of such portion of the Premises.

40. Right of First Offer. Provided Lessee has never been in default of its obligations under this Lease, if Lessor desires to sell the Property then prior to any such sale, Lessor shall notify Lessee in writing of the intended sale of the Property pursuant to a written notice (the "Sale Notice") which sets forth Lessor's intended sales price for the Property at the time the Sale Notice is given (the "Proposed Price") and other proposed terms (the "Proposed Terms"), of such sale and (ii) for the period commencing with the giving of the Sale Notice and terminating 15 days thereafter (the "ROFO Period"), Lessee shall have the opportunity to elect to purchase the Property, by making an offer to Lessor within the ROFO Period. If Lessee fails to deliver such offer within the ROFO Period, then Lessor shall be free to sell the Property on such terms as Lessor may elect, (but may not change the terms relating to payment of an all cash purchase price) but only if such sale is consummated within 365 days after the expiration of the ROFO Period (the "Sale Period"), and only at a price equal to or greater than ninety percent (90%) of the Proposed Price, and on such other terms as Lessor is able to negotiate (but may not change the terms relating to payment of an all cash purchase price without re offering it to Lessee on such revised terms. If Lessee timely delivers the Acceptance Notice, then Lessee shall be required to deposit in an escrow established by parties a non-refundable cash deposit equal to ten percent (10%) of the Proposed Price (and to be applied to the purchase price at closing) and consummate such sale within 30 days after the date of the delivery of the Acceptance Notice. If Lessee

delivers the Acceptance Notice but defaults in the performance of its obligations to close the sale in accordance with this Agreement and any other agreement of the parties relating to such sale, Lessee shall forfeit its deposit and shall have no further rights under this Section 40 and Lessor may elect to sell the Property at any time after such default, and on any terms.

41. Lessee's Work. Lessee has represented to Lessor that it plans to install not less than \$750,000 of improvements and renovations to the Premises, and such representation is a material inducement to Lessor entering into this Lease. Promptly after the date on which the Premises (or portion thereof as Lessee may elect to occupy) are ready free of tenants as provided in this Lease, Lessee shall, at Lessee's expense, use best efforts to do all Lessee's required work as set forth on Exhibit B ("Lessee's Work"), and equip the Premises with all trade fixtures and personal property necessary or appropriate for the operation of Lessee's business and shall open for business as soon thereafter as reasonably possible. Notwithstanding the foregoing, Lessee may, at Lessee's option, at any time, after the issuance of the Marijuana Dispensary License and any permits required to operate the Premises or from time to time thereafter, elect to occupy such portion of the Premises in order to so do Lessee's required work and to so equip and prepare to open the Premises for business, and the Commencement Date shall commence with respect to such portion of the Premises, and provided further, however, that none of the foregoing shall in any way interfere with the rights of any tenant continuing to occupy the Premises and none of the foregoing shall be commenced until Lessee shall have received Lessor's consent in accordance with the Procedure for Approval of Plans and Specifications set forth in Exhibit C, as hereinafter provided. Lessee agrees that all plans and specifications for all such work, equipment, and preparation and all alterations, improvements, restorations, repairs, replacements, or renovations that Lessee may make pursuant to any term or provision of this Lease or any consent by Lessor will be submitted to Lessor in accordance with the Procedure for Approval of Plans And Specifications set forth in Exhibit C and will be done by Lessee in a good and workmanlike manner, free from defects in design, construction, workmanship, or materials in accordance with all laws, rules, regulations, and requirements of public authorities and the fire insurance rating association having jurisdiction, and that same will not decrease the value of the Premises. In addition, all of the foregoing will be done in such manner as will avoid jurisdictional or other labor disputes. All such work, equipment, preparation, alterations, improvements, restorations, repairs, replacements, and renovations other than any signs, merchandise, and supplies of Lessee that are not affixed to the Premises shall forthwith become the property of Lessor. In no event shall Lessee assign, encumber, or otherwise create a security interest in, to, or upon any of Lessee's property in the Premises without first obtaining Lessor's prior consent. Upon Lessee's entry into the Premises, all of the terms and provisions of this Lease shall be in full force and effect, except that Lessee shall have no obligation to pay any Rent except as set forth in this lease. In the event that Lessee takes possession of a portion of the Premises, such Rent shall be proportionate to the portion of the Premises which Lessee occupies, but from and after such entry Lessee will pay charges for taxes, insurance, light, heat, hot and cold water, electric current, and any other services or utilities furnished to the Premises, including, without limitation, the charge described in Section 6 in proportion to the portion of the Premises which Lessee occupies.

42. Repairs by Lessor. Except to the extent that the same shall be the responsibility of Lessee pursuant to any other term or provision of this Lease, and except for delays caused by, or resulting from, acts of God, war, fire, casualty, strike, shortage of labor or materials, or any other cause beyond Lessor's control, Lessor agrees to maintain and repair all structural portions of the Premises and the foundations thereof but not including, however, any walls (including, without limitation, the exterior walls, the demising walls, the floor; sub-floor) unless the need for such structural repairs was caused by any negligent, reckless, or intentional action or inaction of Lessee. The Lessor makes no representation regarding the condition of the roof and the repair/ replacement of the roof shall be the sole responsibility of the Lessee, provided however, the Lessor agrees to reimburse Lessee for one half the agreed upon cost to replace the roof. In no event shall Lessor be responsible for any direct or indirect or consequential damage to any portion of the Premises that Lessor is not required by this Section 42 to maintain and repair. Lessor warrants the roof for a period of 12 months after Lessee first occupies any portion of the premises.

43. Signage. Subject to local codes and governmental approvals, and the rules and regulations governing medical marijuana dispensaries, and Lessor's prior written approval, Lessee shall have the right to place and maintain during the Lease Term its usual and customary signs on the exterior of the Premises, provided, however, said signage is at all times professionally produced, high-quality in nature and in keeping with area. Lessee shall maintain such signs in good order and repair in compliance with all applicable governmental rules, regulations or ordinances. Upon vacation of the Premises on the expiration or earlier termination of this Lease, Lessee shall be responsible, at its sole cost, for the removal of such exterior signage and the repair of the structure to which the exterior signage is attached. If Lessee fails to perform such repair work, Lessor may cause the same to be performed, and the cost thereof shall be additional rent immediately due and payable upon rendition of a bill therefor.

44. Hazardous Materials.

(a) Lessee, at its sole cost and expense, shall comply with all laws relating to the storage, use, handling and disposal of Hazardous Materials as defined in Section (e) below. Lessee represents and warrants that it and its agents, servants, employees, contractors and anyone else acting on Lessee's behalf will not store, dispose, produce, use, transport or manufacture any toxic or hazardous waste or materials as defined or regulated now or in the future, by local, state or federal laws, on the Premises or any portion of the Center ("Hazardous Materials"). Lessee shall give Lessor prompt written notice of the existence of, and/or Lessee's discovery of, the presence of or contamination of the Premises with Hazardous Materials. In the event Lessee or any of its agents, servants, employees, contractors or anyone else acting on Lessee's behalf violates the foregoing provision by storing, disposing, producing, using, transporting or manufacturing any Hazardous Materials in, on or about the Premises, Lessee shall indemnify, defend and hold Lessor and Lessor's Affiliates harmless from and against any and all damages, claims, injuries, cost and liability arising therefrom or related thereto, including all costs of clean-up, attorneys' fees, expert witness fees, court costs and losses to property or the Premises. The clean-up and disposal of such Hazardous Materials, including required air monitoring and

documentation, shall be performed by Lessee at Lessee's sole cost and expense and shall be performed in accordance with all applicable laws, rules, regulations and ordinances. Lessor shall have the right, but not the obligation, to review, monitor and supervise any such clean-up and disposal by Lessee. Within forty-five (45) days following the clean-up of any Hazardous Materials, Lessee shall furnish to Lessor Hazardous Materials manifests and records which document proper transport and disposal of such material. The foregoing notwithstanding, Lessor, in Lessor's sole and absolute discretion, may elect by written notice to Lessee to perform the clean-up and disposal of such Hazardous Materials from the Premises. In such event, Lessee shall pay to Lessor the actual cost of same upon receipt from Lessor of Lessor's written invoice therefor. The terms of the indemnification set forth in this Section 44 shall survive the expiration or the earlier termination of this Lease.

(b) Lessee shall immediately upon receipt notify Lessor and provide to Lessor a copy or copies of the following environmental entitlements or inquiries related to the Premises: Notices of violation, notices to comply, citations, inquiries and reports filed pursuant to self-reporting requirements. Underground tanks shall be prohibited without the prior written approval of Lessor, which approval Lessor may withhold in its sole and absolute discretion. In the event of a release of any Hazardous Materials or waste into the environment, Lessee shall furnish to Lessor a copy of any and all other environmental entitlements or inquiries relating to the Premises including, but not limited to, all permit applications, permits, monitoring reports, warnings and other reports and other related documents even if characterized as confidential. Lessee shall provide its employees, agents, subcontractors, as well as any governmental entities, the public and any other person or entity as required by law, with any and all notices, warnings, disclosures or other information concerning Hazardous Materials related to the Premises, required by any law, rule, regulation or ordinance applicable to Lessee or the Premises. Lessee shall submit all such notices to Lessor prior to distribution or submission by Lessee of such notice and shall obtain Lessor's prior written approval thereof. Lessor shall have the right, but not the obligation, to review such notices and to prescribe their form and content prior to distribution or submission to any other person or entity.

(c) Notwithstanding any other term or provision of the Lease, Lessee shall permit Lessor, its agents and employees to enter the Premises at any time, without prior notice, to inspect, audit, monitor and/or take emergency or long-term remedial action with respect to Hazardous Materials on or affecting the Premises or to discharge Lessee's obligations hereunder with respect to such Hazardous Materials when Lessee has failed to do so, all at Lessee's cost and expense. All costs and expenses incurred by Lessor in connection with performing Lessee's obligations hereunder shall be reimbursed by Lessee to Lessor within ten (10) days of Lessee's receipt of written request therefor.

(d) Omitted.

(e) As used herein, the term "Hazardous Materials" shall include any hazardous, toxic or radioactive material, substance or waste regulated by any law, rule and regulation of any local governmental authority, the Commonwealth of Massachusetts or the United States Government, now or in the future and as amended, relating to the storage, use, handling

and disposal of hazardous, toxic or radioactive matter, including without limitation: (i) those materials identified in Section 311 of the Federal Water Pollution Control Act, Resource Conservation and Recovery Act as amended (42 U.S.C. Section 6901 et seq.), Comprehensive Environmental Response Compensation and Liability Act as amended (42 U.S.C. Section 9601 et seq.), Toxic Substances Control Act as amended (15 U.S.C. Section 2601 et seq.) and including such hazardous or toxic substances or wastes as are identified, defined or listed elsewhere and are incorporated into such acts or sections by reference as well as all products containing Hazardous Materials; (ii) petroleum; (iii) asbestos; (iv) formaldehyde; (v) polychlorinated biphenyls (PCBs); and (vi) Freon and other chlorofluorocarbons.

In the event that at any time during the Lease Term, Lessee's Work in the Premises is in violation of any rule, regulation, law, or ordinance applicable to the Premises related to Hazardous Materials, Lessee shall, at its cost, place such work into lawful compliance.

(f) Because mold spores are present essentially everywhere and mold can grow in almost any moist location, Lessee acknowledges the necessity of adopting and enforcing good housekeeping practices, ventilation and vigilant moisture control within the Premises (particularly in kitchen areas, janitorial closets, bathrooms, in and around water fountains and other plumbing facilities and fixtures, break rooms, in and around outside walls, and in and around HVAC systems and associated drains) for the prevention of mold (such measures, "Mold Prevention Practices"). Lessee will, at its sole cost and expense, keep and maintain the Premises in good order and condition in accordance with the Mold Prevention Practices and acknowledges that the control of moisture and prevention of mold within the Premises are integral to its obligations under the Lease.

(g) Lessee, at its sole cost and expense, shall:

(i) Regularly monitor the Premises for the presence of mold and any conditions that reasonably can be expected to give rise to or be attributed to mold including, but not limited to, observed or suspected instances of water damage, condensation, seepage, leaks, or any other water collection or penetration (from any source, internal or external), mold growth, mildew, repeated complaints of respiratory ailments or eye irritation by Lessee's employees or any other occupants of the Premises, or any notice from a governmental agency of complaints regarding the indoor air quality at the Premises (the Mold Conditions); and

(ii) Immediately notify Lessor in writing if it observes, suspects, has reason to believe or should know of mold or Mold Conditions are present in, at, or about the Premises.

(h) In the event of suspected mold or Mold Conditions in, at, or about the Premises and surroundings areas, Lessor may cause an inspection of the Premises to be conducted, during such time as Lessor may designate, to determine if mold or Mold Conditions are present in, at, or about the Premises.

(i) Lessee releases and relieves Lessor from any and all liability for bodily injury and damage to property, waives any and all claims against Lessor, and assumes all risk of personal injury and property damage related to or allegedly caused by or associated with any mold or Mold Conditions in or on the Premises existing on the date possession of the Premises delivered to Lessee or arising thereafter.

45. Assignment and Subletting. Notwithstanding any other provisions of this lease, the Lessee covenants and agrees that it will not assign this Lease or sublet (which term, without limitation, shall include the granting of concessions, licenses, and the like) the whole or any part of the Premises without in each instance having first received the express written consent of the Lessor, which consent may be unreasonably withheld, delayed or conditioned.

In the event the Lessee seeks the Lessor's consent pursuant to this Section 45, the Lessee shall furnish the Lessor with such information regarding the prospective assignee or sublessee as the Lessor may require, including without limitation information regarding financial ability and business experience relating to the uses permitted hereunder. Notwithstanding anything to the contrary in this Lease, the Lessor shall not unreasonably withhold its consent to any proposed assignment or subletting provided that Lessee is not in default of any term or condition hereof and Lessor is satisfied with the financial condition of the prospective assignee or sublessee. In any case where the Lessor shall consent to such assignment or subletting, the Lessee and any guarantor named herein shall remain fully liable for the obligations of the Lessee hereunder, including, without limitation, the obligation to pay the rent and other amounts provided under this Lease.

For the purposes of this Lease, the entering into of any management agreement or any agreement in the nature thereof transferring control or any substantial percentage of the profits and losses from the business operations of the Lessee in the Premises to a person or entity other than the Lessee, or otherwise having substantially the same effect, shall be treated for all purposes as an assignment of this Lease and shall be governed by the provisions of this Section 45. In addition, for the purposes of this Lease, if John D. Hudson shall cease to be a member of the Board of Directors, or the sale or transfer (which term shall include, without limitation, the exchange, issuance and redemption) of twenty-five percent (25%) or more, or such smaller percentage as would result in a change in the voting control, of the voting stock of the Lessee (if the Lessee is a for-profit corporation), the voting stock of any corporate guarantor of the Lessee, or the voting stock of any immediate or remote controlling corporation of the Lessee (whether such sale or transfer occurs at one time or at intervals so that, in the aggregate, over the term of this Lease, such transfer shall have occurred), or any other transaction(s) overall having the effect of a change in voting control or substantially the same effect if the entity in question is not a corporation (such as, without limitation, a change in the number or the identity of partners of a partnership or of beneficiaries of a trust), shall be treated as if such sale or transfer or transaction(s) were, for all purposes, an assignment of this Lease and shall be governed by the provisions of this Section 45.

46. Option to Purchase. The Lessor grants to the Lessee the exclusive right and option to purchase the demised Premises upon the following terms and conditions:

(a) Provided that Lessee is not then in default of the Lease, said option shall be exercisable at any time during the Third Lease Year of the Lease Term running from the commencement of the third year of this Lease upon thirty (30) days' written notice to the Lessor.

(b) The purchase price of the demised premises under said option shall be an amount equal to the Basic Rent payable in the third year (\$328,757) at a capitalization rate of 6.5% (\$5,057,800).

(c) Upon exercise of said option, the parties shall enter into a contract containing the customary provisions for a sale of real estate in the Commonwealth of Massachusetts without any representations or warranties and conveying the Premises in "AS IS" condition. Such contract shall provide for a deposit of ten percent (10%) of the purchase price and if Lessee defaults under such contract the deposit shall be forfeited as liquidated damages. The closing shall take place no later than thirty(30) days after the date of the execution of said contract. At closing the Lessee shall receive a quitclaim deed conveying good and marketable title free of all liens and encumbrances.

(d) This option is absolute and is exercisable notwithstanding that the Lessor has received no offer to buy or has no desire to sell the demised premises.

(e) In the event of a sale of the property by Lessor to Lessee, Lessee agrees to pay an amount equal to one half of the real estate commission payable to Key Realty (Sean Kenneally), but not to exceed 2.5% of the sale price (Lessee's share)

47. Termination of Lease Because of Financing. Lessee acknowledges that the Premises are encumbered by a mortgage which secures a loan to Lessor and may be encumbered by a replacement mortgage in the future. In the event (i) the holder of such mortgage declares a default under such loan on account of the leasing of the Premises to Lessee or the violation of federal law, or (ii) such loan matures and is due or Lessor desires to refinance the loan, and (iii) Lessor, despite using "reasonable efforts" is unable to find a lender willing to refinance the Premises on market rate terms as determined by Lessor then Lessor shall notify Lessee and Lessee shall have a period of 30 days within which it may provide a replacement loan to Lessor on market rate terms. If Lessee does not elect to provide such a loan to Lessor on market rate terms within such period of time, Lessor may elect, at any time thereafter, to terminate this lease on 30 days after written notice to Lessee informing Lessee of such election. Reasonable Efforts shall mean Lessor shall use commercially reasonable efforts to locate a commercial bank or private lender willing to make a non-recourse loan to a lessor leasing to a lessee operating a RMD, at a loan to value of not greater than 70% and on other market terms. If required in order to obtain such a loan the Guarantors shall provide such guarantees as requested by such lender. If the terms

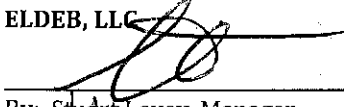
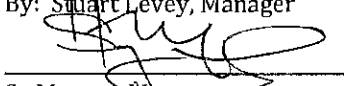


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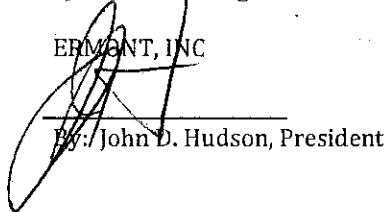
of any replacement loan either obtained by Lessee on behalf of Lessor or obtained by Lessor are not market rate terms primarily because of the tenant's financial strength or the type of operation it conducts, then Lessee agrees to pay as Additional Rent the increased costs, as and when such costs are incurred (whether it be interest rate, points, prepayment penalty or other costs) above the market rate costs related to such loan. Lessor shall provide Lessee with such documentation to reasonably establish the amount of such increased costs.

WITNESS the execution hereof under seal the day and year first above written.

WITNESS: LESSOR: ELDEB, LLC

By: 
 By: 
 Sy Marcus, Manager

LESSEE: ERMONT, INC

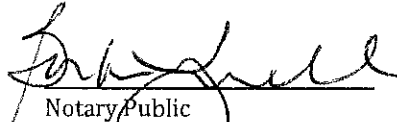
By: 
 John D. Hudson, President

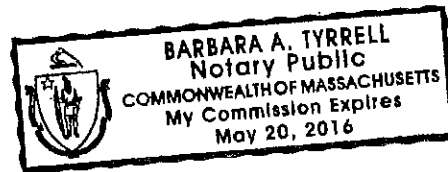
COMMONWEALTH OF MASSACHUSETTS

COUNTY OF Middlesex SS. Nov. 20 2013
Massachusetts

Then personally appeared before me the above-named Stuart Levey and Sy Marcus, Managers of ELDEB, LLC and acknowledged that he signed, sealed and delivered the foregoing instrument as his free act and deed and the free act and deed of ELDEB, LLC.

NOTARIAL SEAL


Notary Public
My Commission Expires:

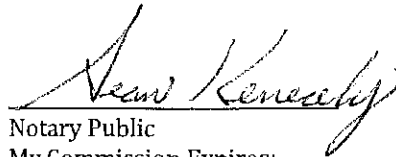


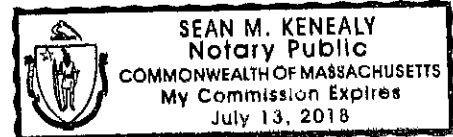
COMMONWEALTH OF MASSACHUSETTS

COUNTY OF Norfolk SS. NOV 20, 2013

Then personally appeared before me the above-named John D. Hudson, President of Ermont, Inc. and acknowledged that he signed, sealed and delivered the foregoing instrument as his free act and deed and the free act and deed of ERMONT, INC.

NOTARIAL SEAL


Notary Public
My Commission Expires:





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EXHIBIT A

LEGAL DESCRIPTION

Exhibit A

Two certain parcels of land, together with the buildings thereon, situated on the southerly side of Ricciuti Drive in the City of Quincy, Norfolk County, Commonwealth of Massachusetts, and being shown as Lot No. 3G and Lot No. 3B2 on a plan entitled: "Plan of Land in Quincy, Mass.", dated October 17, 1988, drawn by Ernest W. Branch, Inc., Civil Engineers, and recorded with the Norfolk County Registry of Deeds as Plan No. 183 in Plan Book 378.

EXHIBIT B
LESSEE'S REQUIRED WORK

Here are the leasehold improvements known at this time. After the permit is issued Lessee will make a significant capital outlay to determine the details of all improvements. But right now Lessee knows the following based on a cultivation facility and a dispensary:

List of finish items for a Massachusetts cultivation center

1. Interior walls are typically steel framed and sheeted both sides with 5/8 drywall. The walls go from the concrete slab all the way to the underside of the roof deck.
2. Concrete floors are typically cleaned and finished with a non-slip epoxy.
3. Electrical and plumbing will need to be installed based on facility design. Additional HVAC will need to be installed, preferably commercial RTUs.

systems.

5. All of the growing equipment (Lights, ballasts, fans, etc) will be hung from the bar joists like any other light industrial equipment. Standard method of installation includes the use of beam clamps, all-thread, and unistrut.

7. Installation of insulation and reparation of any current installation.

Optional tenant finish items, based on current facility and local codes:

1. Existing electrical service to building may have to be increased.
2. If convenient, we may request permission to install additional floor drains in the concrete slab.
3. Existing windows may need to be covered or blocked from the inside.
4. There will be a need to do some demolition of existing tenant finish in order to implement our floor plan design.
5. There may be a need to modify an existing sprinkler system.
6. The exterior of the building will be redone to create an inviting and clean patient atmosphere.

EXHIBIT C

**LESSEE'S WORK-PROCEDURE FOR APPROVAL OF PLANS
AND SPECIFICATIONS**

Promptly after the Commencement Date of the Lease to which this Exhibit is attached, and the issuance of the License and any building permits required to construct the improvements, and in any event not later than thirty (60) days thereafter, Lessee shall deliver to Lessor its detailed plans and specifications with regard to the work to be done by Lessee, including, without limitation, all aspects of interior design and decoration of the Premises. Thereafter, Lessor shall point out Lessor's objections to the same, and Lessee shall make such changes therein as shall be required to meet Lessor's objections within twenty (20) days after the receipt of Lessor's objections. Once such detailed plans and specifications have been agreed upon, Lessee shall promptly prepare working drawings and submit the same to Lessor for approval. In any event, such working drawings shall be submitted to Lessor not later than thirty (30) days after agreement has been reached on the detailed plans and specifications. Lessor shall not make any unreasonable objections.

After receipt of such working drawings, Lessor shall point out his objections to the same, and Lessee shall endeavor to make such changes therein as shall be required to meet Lessor's objections within thirty (30) days after receipt of Lessor's objections. Once agreement has been reached on the working drawings, and as soon as Lessor has completed Lessor's obligations with regard to construction, Lessee shall proceed forthwith and shall prosecute with all due diligence the completion of the work required to be done by Lessee. If in the good-faith judgment of Lessor, Lessee's work is not proceeding in a manner to enable Lessee to complete such improvement by one hundred sixty (160) days from the Date Lessee takes possession of the Premises in its entirety, notwithstanding any delays that are out of Lessee's control, Lessor shall so advise Lessee, and Lessee shall promptly do any and all things required to accelerate its construction program to meet the time limitation set forth above.

EXHIBIT D

GUARANTY

For valuable consideration, the undersigned, John D. Hudson, of 4 Meadow Road #3, Provincetown, Massachusetts 02657, (hereinafter referred to as the "Guarantor"), for himself and his heirs, executors, administrators, successors and assigns, in order to induce ELDEB, LLC ("Landlord") to enter into a lease dated November 19, 2013 (the "Lease") between Landlord and ERMONT, INC (the "Tenant"), for certain premises in 216 Ricciuti Drive, Quincy, Massachusetts described in said Lease (the "Premises"), hereby unconditionally guarantees to the Landlord and its successors or assigns, the full and prompt payment and performance of all liabilities and obligations of the Tenant to the Landlord under the Lease of every kind, nature and description including, without limitation, the payment of rent and other charges due under the Lease, whether recovery upon such obligations may be or hereafter become barred by any statute of limitations (the "Lease Obligations"). This Guaranty will apply to the Lease, any extension or renewal of the Lease, and any holdover period following the term of the Lease, or any such extension or renewal. The obligations of the guarantors hereunder shall be joint and several.

Any act of Landlord, or the successors or assigns of Landlord, consisting of a waiver of any of the terms or conditions of the Lease, or the giving of any consent to any matter related to or thing relating to the Lease, or the granting of any indulgences or extensions of time to Tenant, may be done without notice to Guarantor and without affecting the obligations of Guarantor under this Guaranty.

The obligations of Guarantor under this Guaranty will not be affected by Landlord's receipt, application, or release of security given for the performance of Tenant's obligations under the Lease, nor by any modification of the Lease, including, without limitation, the alteration, enlargement, or change of the Premises, except that in case of any such modification, the liability of the Guarantor will be deemed modified in accordance with the terms of any such modification.

The obligation of the Guarantor is primary and not secondary. The Guarantor hereby waives any right to require the Landlord to (a) proceed against or exhaust any security held from the Tenant and/or the Guarantor or remedy against Tenant prior to proceeding under this Guaranty; (b) proceed against any other guarantor of the Lease Obligations guaranteed hereby or (c) pursue any other remedy in Landlord's power whatsoever.

The liability of Guarantor under this Guaranty will not be affected by (a) the release or discharge of Tenant from its obligations under the Lease in any creditors', receivership, bankruptcy, or other proceedings, or the commencement or pendency of any such proceedings; (b) the impairment, limitation, or modification of the liability of Tenant or the estate of Tenant in bankruptcy, or of any remedy for the enforcement of Tenant's liability under the Lease, resulting from the operation of any present or future bankruptcy code or

other statute, or from the decision in any court; (c) the rejection or disaffirmance of the Lease in any such proceedings; (d) the assignment or transfer of the Lease or sublease of all or part of the Premises by Tenant; (e) any disability or other defense of Tenant under the Lease.

Guarantor: (a) waives any right of subrogation against Tenant by reason of any payments or acts of performance by Guarantor in compliance with the obligations of Guarantor under this Guaranty; (b) waives any other right that Guarantor may have against Tenant by reason of any one or more payments or acts in compliance with the obligations of Guarantor under this Guaranty; (c) subordinates any liability or indebtedness of Tenant held by Guarantor to the obligations of Tenant to Landlord under the Lease; and (d) waives all surety ship defenses and defenses of like nature.

The Guarantor hereby waives all presentments, demands for performance notices of non-performance, protests, notices of dishonor, and notices of acceptances of this Guaranty. The Guarantor hereby waives any right or claim of right to cause a marshaling of the Tenant's assets. No delay on the part of the Landlord in the exercise of any right, power or privilege under the Lease with the Tenant or under this Guaranty shall operate as a waiver of any such privilege, power or right.

The Guarantor agrees to pay on demand reasonable attorneys' fees and expenses incurred by the Landlord in the enforcement of this Guaranty, whether or not suit is commenced.

This Guaranty shall continue in full force and effect until the complete payment and performance of the Lease Obligations. This Guaranty may not be changed, modified, discharged, or terminated orally or in any manner other than agreement in writing signed by Guarantor and Landlord.

The Guarantor acknowledges that the Landlord has been induced by this Guaranty (among other things) to enter into the Lease with the Tenant heretofore described, and this Guaranty shall, without further reference of assignment, pass to, and may be relied upon and enforced by, any successor or assignee of the Landlord.

The Guarantor hereby consents to the jurisdiction of the courts of the Commonwealth of Massachusetts and the United States District Court for the District of Massachusetts, as well as to the jurisdiction of all courts to which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of or in connection with this Guaranty. The Guarantor hereby expressly waives any and all objections it may have as to the venue in any such courts.

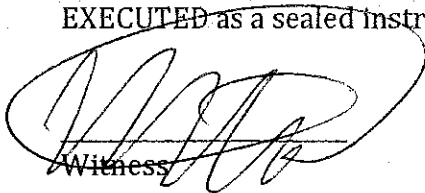
In the event that Lessee makes timely payments for 18 months and is not in Default this Guarantee will terminate, and Guarantors will have no further personal obligation, and Lessor may look only to Ermont Inc. for any payments due under the Lease.

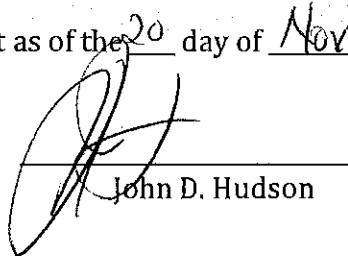


ORIGINAL

This Guaranty shall, for all purposes, be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts to the maximum extent that the parties hereto may so lawfully agree, irrespective of the place of execution.

EXECUTED as a sealed instrument as of the 20 day of Nov, 2013.


Witness


John D. Hudson

This is the 3rd and final page of a Guaranty dated 11/20, 2013, from John D. Hudson to Eldeb, LLC.



EXHIBIT E

LIST OF CURRENT TENANTS

	Entity Name	JC Flowers	Smith & Nephew	KP
1	Term	10 years	Assumption of EMG Lease	3 Y
2	Building Location	216 Ricciuti Drive Quincy, MA	216 Ricciuti Drive Quincy, MA	216 Qu
3	Rentable Area, sqf	10,000	6,000	
4	Date			
	Commencement	3/1/2005	5/1/2011	
	Expiration	4/30/2014	12/31/2014	

KPR Inc.	Tiles By Perfection, Inc	Corbett Excavation Corp
3 Years	5 Years	TAW
216 Ricciuti Drive Quincy, MA	190 Willard Street Quincy, MA	216 Ricciuti Drive Quincy MA
3,800	5,500	
3/1/2005	9/15/2008	
3/31/2014	10/31/2013	



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**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: Ermont, Inc.

Application # (if more than one): _____

Physical Address	County	Type of Evidence Attached
216 Ricciuti Drive Quincy, MA 02169	Norfolk	Property Lease

LEASE

LESSOR:

ELDEB, LLC

To

LESSEE:

ERMONT, INC.

Premises at 216 RICCUITI DRIVE, in Quincy, Massachusetts

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ORIGINAL

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LEASE

THIS INDENTURE made as of the 19th day of November, 2013 by and between ELDEB, LLC, a Massachusetts limited liability company with an address c/o Stuart Levey, Universal Management, LLC, 181 Wells Avenue, Newton, Massachusetts 02459 ("Lessor"), and ERMONT, Inc., a Massachusetts chapter 180 nonprofit corporation with an address of 4 Meadow Road #3, Provincetown, Massachusetts 02657 ("Lessee").

WITNESSETH:

1. Definitions. As used herein, the following terms shall have the meanings set forth below unless the context otherwise requires:

- (a) Lessor: ELDEB, LLC.
- (b) Lessee: ERMONT, INC.
- (c) Premises: The parcel of land located and the improvements thereon in Quincy, Massachusetts, at 216 Ricciuti Drive, more fully described in Exhibit A attached hereto and made a part hereof, including without limitation the building consisting of approximately 34,606 square feet located thereon, but excluding the land described on Exhibit F leased to Quirk (the "Quirk Premises")
- (d) Term: Ten (10) years from the Commencement Date for the first portion of the Premises being delivered to the Lessee.
- (e) Commencement Date: As set forth in Section 39.
- (f) Basic Rent:

Year 1	Two Hundred Fifty Nine Thousand Five Hundred Forty Five Dollars (\$259,545) per annum (\$21,628.75 per month)
Year 2	Two Hundred Seventy Six Thousand Eight Hundred Forty Eight Dollars (\$276,848) per annum (\$23,070.67 per month)
Year 3	Three Hundred twenty Eight Thousand Seven Hundred Fifty Seven Thousand Dollars (\$328,757) per annum (\$27,396.41 per month)



Year 4	Three Hundred Forty Six Thousand and Sixty Dollars (\$346,060) per annum (\$28,833.33 per month)
Year 5	Three Hundred Sixty Three Thousand and Three Hundred Sixty Three Dollars (\$363,363) per annum (\$30,280.25 per month)
Year 6	Three Hundred Eighty Thousand and Six Hundred Sixty Six Dollars (\$380,666) per annum (\$31,722.167 per month)
Year 7	Three Hundred Ninety Seven Nine Hundred Sixty Nine Dollars (\$397,969) per annum (\$33,164.08 per month)
Year 8	Four Hundred Fifteen Thousand Two Hundred Seventy Two Dollars (\$415,272) per annum (\$34,606 per month)
Year 9	Four Hundred Thirty Two Thousand Five Hundred Seventy Five Thousand Dollars (\$432,575) per annum (\$36,047.91 per month)
Year 10	Four Hundred Forty Nine Thousand Eight Hundred Seventy Eight Dollars (\$449,878) per annum (\$37,489.83 per month)

(g) Additional Rent: as set forth in Section 4 hereof.

(h) Security Deposit Amount: \$35,000 payable upon execution of this lease

(i) Lessor's Address: c/o Stuart Levey, Universal Management, LLC, 181 Wells
Avenue, Newton, Massachusetts 02459

(j) Lessee's Address: c/o John D. Hudson, Ermont, Inc., 4 Meadow Rd. #3,
Provincetown, Massachusetts 02657

(k) Permitted Use: Registered Marijuana Dispensary ("RMD") including
cultivation and production in full and strict compliance with all applicable
laws, rules and regulations as the same may be enacted and amended.

(l) Guarantor: John D. Hudson

(m) Index: The United States Bureau of Labor Statistics Consumer Price Index, All
Urban Consumers, Boston, Massachusetts, All Items (1982-84:100);
provided, however, that if the Index should no longer be published, the Index
shall be that publication by the United States, or any agency or department
thereof, which reflects increases in the level of prices and, if more than one



shall be published, the Lessor may, at its discretion, elect such publication as, in its opinion, shall most closely reflect variations in retail prices in the Northeast region of the United States.

- (n) Current Index: The Index as of the most recent date prior to the beginning of the relevant Lease Year of the Term.
- (o) Original Index: The Index as of the most recent date prior to the date of this Lease.
- (p) The Index Fraction: The fraction in which the numerator is the Current Index and the denominator is the Original Index.

2. The Premises. The Lessor does hereby let the Premises to the Lessee and the Lessee does hereby hire the Premises from the Lessor. Lessee shall also have the non-exclusive right to use the portion of the Quirk Premises for access to the remaining portion of the Premises on which the building is located. Lessee acknowledges that the Quirk Premises Are leased to Quirk as shown on the Plan attached as Exhibit F and that Lessor has no obligation to terminate such lease.

3. Term. Subject to Lessee's strict compliance with all of its monetary and nonmonetary obligations hereunder, during the Term set forth in Section 1 commencing on the Commencement Date as set forth in Section 1, Lessee shall have the right to occupy and use the Premises as set forth herein. First Month's Basic Rent in the amount of \$22, 628.75 and last months rent in the amount of \$37,489.83 shall be payable within 2 business days of the issuance of the License as defined in section 39. Failure to make such payment at such time shall be a default under this lease. Lessee agrees to promptly advise Lessor of any correspondence received from the Department of Public Health relating to the status of Lessee's application or its rejection or approval. If Lessee holds over or occupies the Premises beyond the expiration or earlier termination of the Term (it being agreed there shall be no such holding over or occupancy without Lessor's written consent) which consent may be unreasonably withheld, delayed or conditioned, no tenancy or interest in the Premises shall result therefrom , and lessee shall be deemed a tenant at sufferance and such holding over shall be subject to immediate eviction and removal, and Lessee shall pay Lessor for each day of such holding over a sum equal to two hundred percent (200%) of the Basic Rent in effect on the expiration or termination of the Term prorated for the number of days of such holding over, plus a prorata portion of all other amounts which Lessee would have been required to pay hereunder had this Lease been in effect. Lessor also shall have all other rights and remedies provided for by law and this Lease, including the right to recover attorneys fees and costs, and actual and consequential damages suffered by Lessor in the event of Lessee's wrongful refusal to relinquish possession of the Premises.

4. Rent. YIELDING AND PAYING therefor the Basic Rent described in Section 1 (f), together with Additional Rent as hereinafter set forth, (the Basic Rent and Additional Rent as so calculated being hereinafter referred to as the "Rent"), payable in advance on the first day of each month during the Term in equal monthly installments. A proportionate part of the Rent shall be paid for any period at the commencement or expiration of the Term which shall be less than a full month. The Basic Rent set forth in Section 1 shall commence on the earlier of (i) 135 days after the Commencement Date or (ii) 135 days after the date Lessee occupies space in the Premises or begins to operate its business or commence construction activities. The Basic Rent shall be prorated if less than all of the space is occupied because of Lessor's failure to deliver a portion of the space vacant and free of tenants, and shall be based on the portion of the Premises which has been delivered vacant bears to the total space of the Premises. A similar adjustment shall be made with respect to other expenses such as taxes and insurance which are payable by Lessee. Notwithstanding anything to the contrary in this Section or Section 39, Lessee shall have 135 days free rent for every portion or square footage of the building that they take possession. By way of example, if Lessee takes possession of one third of the building on March 1st, 2014, Lessee will have no obligation to pay any Basic Rent expenses for that portion of the building until July 14, 2014, and only be obliged to pay taxes and operating expenses and nets for the one third of the building they take possess of. If Lessee then takes possession of a second one third of the building on May 1st, 2014, Lessee will have no obligation to pay Basic rent on this portion until September 13, 2014, and only pay operating expenses and nets for the original one third of the building, and the second one third from the occupancy date of May 1st, 2014. This formula will work for any and all portions of the building which the Lessee takes possession of.

The Lessee also agrees to pay and discharge, when due, all other obligations and liabilities which the Lessee assumes and agrees to pay and discharge by express assumption or agreement elsewhere in this lease, together with every fine, penalty, interest and cost which may be added thereto, or become due or to be imposed by operation of law for the non-payment or late payment thereof, and, in the event of any failure on the part of the Lessee so to pay or discharge any of the same, the Lessor shall have all rights and remedies as in the case of non-payment of the Rent. The Lessee also agrees to pay to the Lessor, on demand, as additional rental, interest at the lower of a rate of eighteen (18%) percent per annum, or the maximum rate permissible under applicable law on all overdue installments of the Rent from the respective due dates thereof until payment thereof in full.

5. Net Lease: Non-terminability.

- (a) This lease is a net lease, and the Rent, additional rental and all other sums payable hereunder to or on behalf of the Lessor shall be paid without notice or demand, and without setoff, counterclaim, defense, abatement, suspension, deferment, reduction or deduction, except as expressly provided herein.
- (b) This lease shall not terminate, nor shall the Lessee have any right to terminate this lease, nor shall the obligations and liabilities of the Lessee



set forth herein be otherwise affected, except as expressly provided herein.

- (c) The Lessee waives all rights (i) to any abatement suspension, deferment, reduction or deduction of or from the Rent or (ii) to quit, terminate or surrender this lease or the Premises or any part thereof, except as expressly provided herein.
- (d) It is the intention of the parties hereto that the obligations of the Lessee hereunder shall be separate and independent covenants and agreements, that the Rent, and all other sums payable by the Lessee to or on behalf of the Lessor shall continue to be payable in all events and that the obligations of the Lessee hereunder shall continue unaffected, unless the requirement to pay or perform the same shall have been terminated pursuant to an express provision of this lease.
- (e) The Lessee agrees that it will remain obligated under this lease in accordance with all of its terms and provisions, and that it will not take any action to terminate, rescind or avoid this lease or any portion thereof, notwithstanding (i) the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding-up or other proceeding affecting the Lessor or any assignee of the Lessor in any such proceeding and (ii) any action with respect to this lease which may be taken by any trustee or receiver of the Lessor or any assignee of the Lessor in any such proceeding or by any court in any such proceeding.

6. Taxes and Other Charges. The Lessee agrees, except as otherwise expressly provided herein to the contrary, to pay, as the same become due and payable, all costs, expenses and obligations of every kind and nature for the operation, maintenance, repair, rebuilding, use, occupancy and enjoyment of the Premises, including without limitation, all costs associated with ensuring that the Premises are in full compliance with all applicable laws, rules and regulations as the same are currently in effect, or may be enacted or amended in the future. The Lessee also agrees to pay, at least fifteen (15) days before the last day on which each of the same shall become due and payable and before any fine, penalty, interest or cost may be added thereto, or become due or be imposed by operation of law or otherwise for the nonpayment or late payment thereof, all real estate taxes, personal property taxes, business and occupation taxes, occupational license taxes, water charges, sewer charges, assessments, and all other similar governmental taxes, impositions and charges which shall be levied, assessed or imposed upon or with respect to, or which shall be or become liens upon, the Premises or any portion thereof, or any fixtures, equipment, supplies, merchandise or other property in or about the Premises, or upon or with respect to the operation, maintenance, alteration, repair, rebuilding, use, occupancy or enjoyment of the Premises or any portion thereof, under or by virtue of any present or future law, statute, charter, ordinance, regulation or other requirement of any public authority, whether federal, state, county, city, municipal or otherwise, whether general, special, ordinary, extraordinary, foreseen or unforeseen, and whether or not within the express contemplation of the parties (collectively referred to as "Additional Rent")

Notwithstanding the foregoing, any and all debts including taxes and assessments that relate to the period of time predating the Commencement Date shall be paid by Lessor.

Notwithstanding anything contained in this lease to the contrary, the Lessee will pay to the Lessor monthly, together with the Basic Rent, one-twelfth (1/12) of the amount from time to time reasonably estimated by the Lessor to reflect all taxes, charges, assessments and impositions described in the first paragraph of this Section 6. Promptly after the exact amount of each of such taxes, charges, assessments and impositions are determined for each tax year, the Lessor will advise the Lessee in writing of the amount thereof for such year and the Lessee will pay to the Lessor whatever additional amount shall be necessary so the Lessee shall have paid to the Lessor at least fifteen (15) days before the last day on which each such tax, charge, assessment or imposition shall be due and payable to the proper authorities and before any fine, penalty, interest or cost be added thereto, or become due or be imposed by operation of law or otherwise for the non-payment or late payment thereof, the full amount of all such taxes, charges, assessments and impositions for each tax year. Any excess of such fund over the amount required shall be refunded by the Lessor to the Lessee promptly following the end of each tax year so long as the Lessee shall not then be in default beyond the expiration of any applicable grace period set forth in this Lease. Copies of any tax and assessment documents from the period immediately prior to the taxes, charges, assessments and impositions to be paid in this section shall be provided to Tenant to calculate what is owed under this section.

Notwithstanding anything in this lease to the contrary contained, the Lessee shall not be required to pay or otherwise be responsible for (i) any local, state or federal capital levy, franchise tax, revenue tax, income tax or profits tax of the Lessor, or (ii) any estate, inheritance, devolution, succession or transfer tax which may be imposed upon or with respect to any transfer of the Lessor's interest in the Premises; provided, however, that if at any time hereafter the methods of taxation prevailing at the date hereof shall be altered so as to cause the whole or any part of the taxes, charges, assessments or impositions now or hereafter levied, assessed or imposed on real estate and the buildings, structures and other improvements thereon to be levied, assessed and imposed, wholly or partially as a gross receipts, gross income, capital levy, or other tax, on the rentals received therefrom, or if any tax, corporation franchise tax, assessment, levy (including but not limited to any municipal, state or federal levy), imposition or charge, or any part thereof, shall be measured by or based in whole or in part, upon the Premises and shall be imposed upon the Lessor, then all such taxes, assessments, levies, impositions or charges, or the part thereof so measured or based, shall be deemed to be an imposition levied, assessed or imposed upon or with respect to the Premises, to the extent that the same would be payable if the Premises were the only property of the Lessor subject thereto, and the Lessee shall pay the same to the Lessor as and in the manner provided herein.

If the Lessee shall not be then in default in the performance, fulfillment or observance of its obligations and liabilities set forth in this lease at the expiration of the Term, all payments for which the Lessee is responsible as provided in this Section 6, shall be prorated to the date of such expiration. The amount of any such payments which

become due and payable after the expiration or sooner termination of the Term shall, on or prior to the date of such expiration or sooner termination, be deposited with the Lessor. If the Lessee shall not be then so in default, the Lessor shall promptly refund to the Lessee any net refund, abatement, deduction, reduction or credit received by the Lessor attributable to any such payment earlier made by the Lessee.

The Lessee shall not be required to pay any tax, charge, assessment or imposition or levy, described in this Section 6, so long as the Lessee shall contest in good faith at its own expense the amount or the validity thereof by appropriate proceedings which shall operate to prevent the collection thereof or realization thereupon or the sale, foreclosure or forfeiture of the Premises or any part thereof to satisfy the same, and pending any such proceedings the Lessor shall not have the right to pay the same so long as the Lessee is in full compliance with the terms and provisions of this paragraph and is not otherwise in default under this lease. In the event of any such contest, the Lessee shall, however, furnish such reasonable security as the Lessor shall from time to time require to insure such payment to prevent any such collection, realization, sale, foreclosure or forfeiture by reason of such contest. The Lessee further agrees that such contest shall be prosecuted to a final conclusion diligently and in good faith, at Lessee's sole cost and expense, and that it will pay, and exonerate and indemnify the Lessor against any and all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or in any way arising out of such contest, and that it will, promptly after the final determination of such contest, fully pay all amounts determined to be payable therein, together with all penalties, fines, interest, costs and expenses resulting from such contest. In no event shall any such contest subject the Lessor to the risk of any criminal or civil liability.

The Lessee agrees to pay, on or before the respective due dates, all taxes, charges, assessments, or impositions levied, assessed or imposed at any time on the Lessee's fixtures, equipment, supplies, merchandise or other property in, on or about the Premises.

7. Maintenance and Repairs. Except for the Lessor's obligations to maintain and repair set forth in Section 42 below, the Lessee accepts the Premises "as is" and agrees that the Lessor has made no representations, warranties or agreements of any kind or nature with respect to the use, occupancy, enjoyment or condition thereof, or the suitability of the Premises for the Lessee's intended use. Except for the obligations of Lessor set forth in Section 42 with respect to the structure of the Premises, the Lessee shall be responsible for maintenance repair, and where applicable, the replacement of any improvements, as well as the maintenance and repair of the Premises in all respects, whether ordinary or extraordinary, used or unused, foreseen or unforeseen, including without limitation, maintenance of electrical, plumbing, and mechanical systems, interior maintenance, plumbing, heating and air conditioning, exterior maintenance, landscaping, building security, fire alarm, windows and doors, snow removal, and insurance. The Lessee will pay for all heating expenses. The Lessee will at its expense forthwith comply with (a) all laws, rules, regulations and requirements of all public authorities applicable to the Premises, (b) all rules, orders and regulations of the fire insurance rating association having jurisdiction, and (c) all requirements of all insurance companies issuing any of the insurance carried or required to be carried by the Lessee hereunder, whether any or all of the same relate to the

use, occupancy, enjoyment or condition of the Premises, including, without limitation, those which require the making of any alterations, improvements, restoration, repairs, replacements or renovation, whether interior, exterior, structural, non-structural, ordinary, extraordinary, foreseen or unforeseen and (d) all requirements of all insurance companies issuing any of the insurance carried by the Lessor, or required by any lender that has a recorded mortgage on the Premises. Subject to the lessor's prior written consent, which may be unreasonably withheld, delayed or conditioned, the Lessee shall have the right to make capital improvements, restorations, replacements, renovations or additions to the Premises beyond those set forth in Exhibit B.

Lessee shall pay for all utilities serving the Premises, including, but without limitation, gas, steam, water, electricity and sewer charges; and the Lessor shall not be responsible for the payment of any of such charges. The Lessee shall have the right to make any and all alterations, improvements, restoration, repairs, replacements, renovation or additions to the Premises which do not adversely affect the utility of or decrease the value of the Premises, and will make all of the same, including, without limitation, any restoration or rebuilding required by Section 11 or that shall be required to be made by the Lessee by any term or provision of this lease in accordance with plans and specifications therefor prepared by an architect or registered professional engineer reasonably satisfactory to the Lessor and using a contractor reasonably satisfactory to the Lessor. The Lessee will secure all necessary permits, licenses, and other permissions for all such alterations, improvements, restoration, repairs, replacements, renovation or additions; obtain and deliver to the Lessor certificates of, and throughout such construction maintain in full force and effect, payment and performance bonds from all contractors and subcontractors; and upon completion of any such construction, promptly deliver to the Lessor any required certificate of occupancy, or the equivalent thereto under local law. The Lessee may from time to time substitute for any equipment or fixtures installed in the Premises other property of similar function and comparable value, in which event such substitutes shall become part of the realty and property of the Lessor. The Lessee may remove and retain or sell or otherwise dispose of for its own account any property for which any such substitute is so provided. Lessor shall provide the Premises in broom clean condition at the commencement of Lessee's occupancy, provided however that current tenants may move out at different times throughout 2014, and Lessor shall provide the portion of the Premises that was vacated by any such tenant in broom clean condition prior to Lessee's occupancy.

Upon the expiration or sooner termination of the Term, the Lessee shall peaceably and quietly leave, yield up and surrender the Premises to the Lessor in Leasable condition, together with all alterations, improvements, restoration, repairs, replacements, renovation and additions thereto as permitted hereby, and orderly and free of occupants in any event. All supplies and other property of the Lessee installed, assembled or placed by the Lessee upon the Premises, (except for those trade fixtures and equipment set forth in Exhibit C attached hereto and any subsequent trade fixtures and equipment installed by Lessee, all of which may not be removed from the Premises), shall at Lessor's request be removed without any material damage caused by such removal and shall not become part of the realty and shall remain the property of the Lessee, and the Lessee may at its expense remove any or all of the same during, and shall in any event remove all of same at the

expiration or sooner termination of, the Term and the Lessee shall repair any and all damage caused by such removal to the satisfaction of Lessor. Upon such expiration or termination the Lessor may, in addition to all other rights and remedies, without being guilty of any trespass, tort or breach of contract, remove from the Premises any or all fixtures, equipment, supplies and other property of the Lessee not removed by the Lessee as provided in the immediately preceding sentence, and either store same for the account of the Lessee at the Lessee's expense, without obligation or liability on account of any theft, loss, damage or monetary shortage, or deem same to be abandoned and subject to use, sale or other disposition without liability to account to the Lessee for the proceeds thereof.

The Lessor shall not be required to make any alterations, improvements, restoration, repairs, replacements, renovation or additions of any nature or description to the Premises, and the Lessee waives any right, whether provided by any law, rule, regulation or requirement of public authority, now or hereafter in effect, to do any of the foregoing at the expense of the Lessor.

8. The Lessee's Covenants. The Lessee hereby covenants with the Lessor that the Lessee during the Term and for such further time as the Lessee, or any other person or persons claiming through or under the Lessee shall hold the Premises or any part thereof: (a) will pay to the Lessor all Rent at the times and in the manner herein set forth; (b) will not assign this Lease or sublet the Premises or any portion thereof, except as provided for in this agreement with approval of the Lessor; (c) will not overload or deface the Premises or permit any use of the Premises which shall increase any insurance rate or create a fire hazard or be unlawful, improper, noisy or offensive or which shall constitute a nuisance or which is contrary to any law, rule, regulation or requirement of any governmental authority or the fire insurance rating association having jurisdiction, or which is injurious to any person or property, or commit waste, whether voluntary or involuntary, or permit anyone else to do any of the foregoing; (d) will not do or permit to be done anything in or about the Premises which (i) shall make void or voidable any insurance carried by the Lessor or the Lessee which is required by any term or provision of this lease or which relates to the Premises in any manner or, provided however that it is understood that Lessee will be operating a RMD, and Lessee shall maintain insurance which does not conflict with this use (ii) shall increase or create extra premiums therefor and will pay the Lessor on demand, as Additional Rent, the amount of any such increase or extra premiums on insurance carried by the Lessor and (e) will not sell, assign, or transfer any Marijuana dispensary license it may now or hereafter hold for the Premises to a purchaser, assignee, or transferee who will move the license to another location without first offering in writing to sell, assign, or transfer such license to Lessor or a designee of Lessor, subject to approval of any regulatory authority having jurisdiction over the issuance of such licenses, on the same terms as Lessee otherwise proposes to sell, assign, or transfer the same. Lessor shall have thirty (30) days in which it may accept such offer, and Lessee may not sell, assign, or transfer such license unless Lessor shall in writing decline to accept such offer or such thirty (30) day period shall expire without Lessor accepting such offer. Such offer to accept shall in all events be subject to the approval of any regulatory authority having jurisdiction over such licenses. If Lessor accepts such offer, such license shall be sold, assigned, or transferred to Lessor, or its designee, in accordance with the terms of such offer.



9. Insurance. The Lessee at the Lessee's sole cost and expense shall maintain, or cause to be maintained, for the benefit of the Lessor and the Lessee, comprehensive general public liability insurance with contractual coverage and such other endorsements and in amounts as Lessor may, from time to time, reasonably request. Lessee, at its sole cost and expense, shall maintain, or cause to be maintained, proper hazard insurance in the broadest form of so-called "all risk replacement value insurance" from time to time available, on all structures from time to time located on the Premises, the same to be maintained with responsible insurance companies qualified to write insurance in the Commonwealth of Massachusetts. All such insurance policies shall name the Lessor and the Lessee as parties-insured, as their interests may appear, with the usual loss payable clause in favor of the holder of any mortgage covering the Premises. Each such policy of insurance, or a certificate thereof, shall be promptly deposited with the Lessor, and in the case of the renewal of such policy, shall be deposited not less than ten (10) days prior to the expiration date of the expiring policy. Such policies shall provide that the same may not be cancelled or coverage reduced without at least twenty (20) days' prior written notice to Lessor. It is specifically understood and agreed that Lessor shall have no responsibility whatsoever with respect to the maintenance, repair, insurance, or protection of the Premises or any part thereof. Insofar as, and to the extent that, the following provision may be effective without invalidating or making it impossible to secure insurance coverage from responsible insurance companies doing business in the Commonwealth of Massachusetts (even though extra premium may result therefrom): Lessor and Lessee mutually agree that with respect to any loss which is covered by insurance then being carried by them, respectively, the one carrying such insurance and suffering said loss releases the other of, and from, any and all claims with respect to such loss; and they further mutually agree that their respective insurance companies shall have no right of subrogation against the other on account thereof. In the event that extra premium is payable by either party as a result of this provision, the other party shall reimburse the party paying such premium the amount of such extra premium. If, at the written request of one party, this release and non-subrogation is waived, then the obligation of reimbursement shall cease for such period of time as such waiver shall be effective, but nothing contained in this Section shall be deemed to modify or otherwise affect releases elsewhere herein contained of either party for claims.

10. Sole Risk and Hazard. All fixtures, equipment, signs, merchandise, supplies and other property on or about the Premises shall be at the Lessee's sole risk and hazard, and if the whole or any part thereof shall be destroyed or damaged by fire, water or otherwise, or by use or abuse of water, or by leaking or bursting of water pipes, or in any other way or manner, no part of said loss or damage is to be charged to or borne by the Lessor in any case whatsoever, except only to the extent caused by the Lessor's negligence or willful default, and, except to such extent, the Lessee agrees to exonerate and indemnify the Lessor from and against any and all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of any of the foregoing.

11. Fire, Casualty or Taking. Subject to the next following paragraph, if all or any part of the Premises is destroyed by fire or casualty or taken by eminent domain or other action of

any public authority or destroyed or damaged or the use or enjoyment thereof diminished by action of public authority, or war, enemy action or civil defense, then in each such event the Lessee will promptly give written notice thereof to the Lessor and at its expense restore the Premises as promptly as possible to a state as similar as possible to the Premises prior to such event and will use for such restoration, to the extent necessary, and the Lessor will make available to the Lessee, subject to the provisions of the next following sentence, all applicable insurance proceeds and all of the Lessee's damages and awards. In the event of any such destruction, damage, taking or action, all proceeds of such insurance shall be deposited with and held in escrow by the Lessor. The Lessor shall make payments from time to time to the Lessee out of such funds as the work of restoration progresses, upon written request of the Lessee, which request shall be accompanied by a certificate of the architect in charge of such restoration certifying to the Lessor that: (i) the sum requested is justly due to the contractor or other persons rendering services or materials for such work, or is justly required to reimburse the Lessee for actual expenditures in connection with such restoration and when added to all sums previously paid therefor will not exceed the actual out-of-pocket cost of the restoration done to the date of such certificate; and (ii) the balance of the funds still retained by the Lessor is and will be sufficient to pay for the completion of such restoration. In the event that such proceeds, damages or awards shall be insufficient to pay the entire cost of such restoration, or in the event that such destruction or damage was not insured or insurable, in whole or in part, the Lessee will, nevertheless, proceed therewith and will pay the deficiency in the cost of or the cost of such restoration, as the case may be; and any surplus not required for the restoration following any such fire or casualty shall belong to the Lessee, if the Lessee shall not then be in default beyond the expiration of any applicable grace period with respect to any of the Lessee's representations, warranties and agreements set forth herein.

If all of the Premises are taken by eminent domain, this lease will terminate as of the effective date of the taking of possession of the Premises. If any substantial portion of the Premises, which is sufficient to render the remaining portion thereof unable to be leased, shall be taken by eminent domain, the Lessee may by written notice to the Lessor at any time within thirty (30) days after the taking terminate this lease as of any date within sixty (60) days thereafter.

In the event of any termination of this lease as a result of any such taking described in the immediately preceding paragraph, the Lessor and not the Lessee shall be entitled to the entire amount of the damages and awards, except as hereinafter provided. Furthermore, if all or any part of the Premises is destroyed or damaged by fire or casualty, then and in each such event the Basic Rent or a just and proportionate part thereof, according to the nature, extent and duration of the injuries sustained, shall be abated and, to the extent of any such rental paid in advance, refunded to the Lessee. For the purposes of this lease, all amounts payable pursuant to any agreement with any taking authority which has been made in settlement of or under treat of any such taking or action shall be deemed to constitute an award made in such proceeding.

Except as expressly provided in this Section 11, no destruction, damage, taking or action described in this Section 11 shall permit the Lessee to terminate this lease or relieve

the Lessee from its obligation to pay the Rent or from any of the Lessee's other obligations and liabilities set forth in this lease.

The Lessee may make a claim for the value of the Lessee's trade fixtures, equipment and relocation expenses in any proceeding described in this Section 11 only if same will not diminish the Lessor's damages and awards based on the higher of the fair market value or replacement value of any portion of the Premises subject thereto, and to such extent the Lessee may make a separate claim therefor against the appropriate governmental authority if such claim is permitted by law. In no event, however, shall any claim by the Lessee, whether separate or otherwise, be based upon the Lessee's leasehold interest, and the Lessee covenants and agrees to execute such assignments or other documents and to take any steps which may be necessary to vest such damages and awards in the Lessor, the Lessee hereby irrevocably appointing the Lessor as its agent and attorney-in-fact to execute and deliver any such assignments and documents which the Lessor deems necessary or appropriate to carry out the intent and purpose of this sentence, such appointment being a power coupled with an interest.

12. Default by the Lessee. PROVIDED, ALSO, and this lease is upon the condition, that in the event of any failure by the Lessee to pay any item of Rent continuing for ten (10) days, or in the event of any failure by the Lessee to perform, fulfill or observe any other representation, warranty or agreement by the Lessee set forth herein, continuing for thirty (30) days, after written notice from the Lessor to all Guarantors and the Lessee specifying such failure, without its being waived or its effect cured, or the cure thereof commenced and diligently prosecuted at all times thereafter, or in the event that the estate created hereby shall be taken on execution, or by other process of law, or in the event that the Lessee or any guarantor of the Lessee shall commit any act of bankruptcy or be declared bankrupt or insolvent according to law, or in the event that any petition under federal or state law pertaining to bankruptcy or insolvency or for a reorganization or arrangement or other relief shall be filed by or against the Lessee or any guarantor of the Lessee, or in the event that any assignment, trust, mortgage or other transfer in trust or otherwise shall be made for the benefit of creditors, or in the event that any sale, lease or other transfer shall be made of all or a substantial part of the property of the Lessee or any such guarantor, or in the event that the Lessee or any such guarantor shall make or offer a composition of the Lessee's or such guarantor's debts, as the case may be, with its creditors, or in the event that a receiver, trustee or similar officer or creditors' committee shall be appointed to take charge of any property of or to operate or wind up the affairs of the Lessee or such guarantor, or in the event that the Lessee shall vacate or abandon the Premises, then in any of said cases (notwithstanding any license of any former breach of covenant or condition or waiver of the benefit hereof, or consent in a former instance) the Lessor or the Lessor's agents may lawfully immediately, or at any time thereafter, and without further demand or notice, enter into and upon the Premises or any part thereof in the name of the whole and repossess the same as of the Lessor's former estate and expel the Lessee and those claiming by, through or under the Lessee and remove the Lessee's or their effects (in any of said cases forcibly, if necessary) without being deemed guilty of any manner of trespass, and without prejudice to any remedies which might otherwise be used for arrears of rental or preceding breach of covenant or condition, and upon entry as aforesaid this lease shall



terminate, or the Lessor may terminate this lease by written notice to the Lessee, the Lessee in any event waiving all statutory rights of redemption, and the Lessee covenants with the Lessor that in case of such termination, or in the case of termination under statute for default of the Lessee, the Lessee will at the election of the Lessor (which election may be made or changed at any time or from time to time before the settlement), either (a) pay, as liquidated damages for so much of the unexpired Term as is covered thereby, and at the same times and in the same installments as are specified in this lease, sums equal to the rental and other payments herein named or, if the Premises shall have been relet, sums equal to the excess of the rental and other payments last mentioned over the net sums actually received by the Lessor for the period to which the rental and other payments last mentioned relate, or (b) pay, as liquidated damages for the then expired Term, a sum which at the time of such termination or at the time to which installments of liquidated damages shall have been paid represents the excess of the rental and other payments herein named over the then rental value of the Premises for the residue of the Term, or (c) indemnify the Lessor against loss of the rental and other payments herein named at the time of such termination or from the time to which installments of liquidated damages shall have been paid, during the residue of the Term - each of the foregoing three alternatives being separable. The Rent and other payments named herein shall be deemed to be the Rent plus all items of Additional Rent herein named. In addition to the foregoing and regardless of which of the foregoing alternatives shall have been elected, the Lessee agrees to pay to the Lessor on demand all expenses incurred by the Lessor in order to (a) obtain possession of the Premises, (b) make such alterations, improvements, repairs, replacements, renovation and restoration as the Lessor deems necessary or advisable to put the Premises in good and rentable repair, order and condition, and (c) relet the Premises, including, without limitation, the reasonable fees of attorneys, brokers, engineers and architects.

In the event that any failure by the Lessee to perform, fulfill or observe any agreement herein to be performed, fulfilled or observed by the Lessee continues for thirty (30) days, or in situations involving potential danger to the health or safety of persons in, on or about the Premises or a material deterioration of, or damage to, the Premises, after written notice specifying such failure without its being waived, its effect cured, or the cure thereof commenced and diligently prosecuted at all times thereafter, the Lessor may at its election perform, fulfill or observe such agreement for and on behalf of the Lessee, and any amount which the Lessor shall expend for such purpose, or which shall otherwise be due by the Lessee to the Lessor hereunder, shall be deemed to be additional rental and shall be paid to the Lessor on demand, together with interest thereon at the lower of (a) the rate of eighteen (18) percent per annum or (b) the maximum rate permissible from time to time under applicable law, from the date of expenditure or the date the same shall have become due to the date of payment thereof in full.

13. Indemnity. The Lessee will hold harmless, and fully exonerate and indemnify the Lessor against all claims, suits, obligations, liabilities, and damages, including attorneys' fees, arising out of any failure by the Lessee to perform, fulfill or observe any obligation or liability or covenant of the Lessee set forth in this lease, or due to any action by the Federal government related to Lessee's use of the Premises, or any negligent act or omission by the Lessee, or any condition of any kind, class or description, however and whenever caused or

occurring, in any portion of, or in the vicinity of, the Premises which the Lessee is obligated to maintain or repair.

The Lessee will hold harmless, and fully exonerate and indemnify the Lessor against all claims, suits, obligations, liabilities, fines, penalties and damages, including attorneys' fees, arising out of Lessee's alleged violation of any Federal, State, or Local law, rule or regulation as the same may be enacted or amended.

The Lessee will hold harmless, and fully exonerate and indemnify the Lessor against all claims, suits, obligations, liabilities, fines, penalties and damages, including attorneys' fees, arising out of Lessee's use of the Premises, or any act or omission by the Lessee, or any condition of any kind, class or description, however and whenever caused or occurring, in any portion of, or in the vicinity of, the Premises..

The indemnities and covenants set forth herein shall survive the expiration or termination of this Lease.

Notwithstanding the foregoing, it is understood by the parties that operation of a medical marijuana dispensary is a violation of Federal law, and Lessor will not cause to terminate this lease due to said violation without an action by Federal authorities, whether that action be administrative, civil or criminal.

14. Broker. The Lessee covenants and agrees that it dealt only with Key Realty Inc. in connection with this lease and will indemnify and hold harmless Lessor for any liability incurred by Lessor arising out of such representation not being true. The indemnities and covenants set forth herein shall survive the expiration or termination of this lease.

15. Affiliates of Lessor. The Lessee will not claim or attempt to enforce any right or remedy against any one or more of the associates, beneficiaries, affiliates or other business entities of the Lessor, arising out of or in any way based upon this lease or any act or omission by the Lessor with respect to this lease or all or any portion of the Premises, except to the extent expressly permitted by any written instrument signed by any one or more of the foregoing.

16. Notice of Default to the Lessor. In no event will the Lessor be deemed to be in default because of any failure by the Lessor to perform, fulfill or observe any covenant or agreement set forth herein for thirty (30) days after written notice to the Lessor specifying such failure or breach, without its being waived, or its effect having been cured, or the cure thereof having been commenced and diligently prosecuted thereafter.

17. Subordination. The Lessee will on request at any time or from time to time by any holder of a mortgage on all or any portion of the Premises subordinate this lease and all of the Lessee's rights and estate hereunder to such mortgage and to any renewals, extensions, substitutions, refinancing's, modifications or amendments thereof, or declare this lease to be prior to such mortgage and to any renewals, extensions, substitutions, refinancing, modifications or amendments thereof, and agree with such holder that the Lessee will attorn thereto in the event of foreclosure and that the Lessee will not without the consent

of such holder amend this lease or prepay any rental hereunder, provided, however, that such holder executes and delivers a written agreement consenting to this lease and agreeing that, notwithstanding such mortgage or any default, expiration, termination, foreclosure, sale, entry or other act or omission under, pursuant to or affecting said mortgage, the Lessee shall not be disturbed in peaceful enjoyment of the Premises or this lease terminated or cancelled at any time, except in the event the Lessor shall have the right to terminate this lease under the terms and provisions set forth herein; the Lessee covenants and agrees to execute any documents reflecting the foregoing and take any steps which may be necessary to consummate such subordination, attornment and nondisturbance provisions., the Lessee hereby irrevocably appointing Lessor as the Lessee's agent and attorney-in-fact to execute and deliver any such documents that the Lessor deems necessary or appropriate to carry out the intent and purposes of this Section, such appointment being a power coupled with an interest.

18. No Liens. The Lessee will forthwith cause any mechanics', materialmen's or other liens which may be recorded or perfected or which may otherwise attach to all or any portion of the Premises as a result of work done by or for the Lessee to be discharged or released of record or fully bonded by a surety satisfactory to the Lessor.

19. Entry and Inspection by the Lessor. The Lessor and its agents shall have the right to enter into and upon the Premises or any part thereof at all reasonable times to examine the same and make any repairs or alterations which the Lessor is permitted hereunder to make, all at such times and in such manner as shall not interfere unreasonably with the Lessee's business. The Lessee shall permit inspection of the Premises at reasonable hours and intervals by prospective purchasers or mortgagees and during the last year of the Term, the Lessee shall permit inspection of the Premises at reasonable hours and intervals by prospective lessees and shall permit the usual "To Let" or "For Sale" signs to be placed on the Premises; provided, however, that such inspection or inspections shall not unreasonably interfere with the Lessee's business.

20. Notice to Mortgagee. Upon receipt of a written request by the Lessor or any holder of a mortgage on all or any part of the Premises, the Lessee will thereafter send any such holder copies of all notices of default or termination or both given by the Lessee to the Lessor in accordance with any provision of this lease. In the event of any failure by the Lessor to perform, fulfill or observe any agreement by the Lessor herein or any breach by the Lessor of any representation or warranty of the Lessor herein, any such holder may at its election cure such failure or breach for and on behalf of the Lessor.

21. Memorandum of Lease. Neither party will record this lease, but each party will on demand by the other party execute an appropriate memorandum or notice of this lease in form and substance reasonably satisfactory to the Lessor, and either party may record same at its expense.

22. Waiver of Subrogation. To the extent available under standard policies of insurance without extra cost, or if extra cost shall be charged therefore, so long as the other party pays such extra cost, each party hereby waives all liability and all rights to recovery and

subrogation against, and agrees that neither it nor its insurers will sue the other party for any loss of or damage to property arising out of fire or casualty and each party agrees that all insurance policies relating to the Premises will contain waivers by the insurer of such liability, recovery, subrogation and suit. If extra cost is chargeable therefor, each party shall advise the other party of the amount of the extra cost and the other party, at its election, may pay the same, but shall not be obligated to do so.

23. Estoppel Letter. The Lessee will from time to time, upon not less than fifteen (15) days' prior written request by the Lessor, deliver to the Lessor or any actual or prospective purchaser or holder of a mortgage on all or any part of the Premises a written statement certifying whether or not this lease is in full force and effect and stating (a) the last date to which the Rent and other payments have been made, (b) the amendments, if any, to this lease, (c) whether or not the Lessor is in default in the performance, fulfillment or observance of any representation, warranty or agreement set forth herein or has any indebtedness to the Lessee for the payment of money, and (d) if so, each default or indebtedness.

24. Collateral Assignment of Lease. With respect to any assignment by the Lessor of the Lessor's interest in this lease or the Rent and other payments payable hereunder, conditional in nature or otherwise, which assignment is made to the holder of a mortgage on the Lessor's estate, the Lessee agrees:

(a) that the execution thereof by the Lessor and the acceptance thereof by the holder of such mortgage shall never be deemed an assumption by such holder of any of the obligations of the Lessor hereunder, unless such holder shall, by written notice sent to the Lessee, expressly otherwise elect; and

(b) that, except as aforesaid, such holders shall be treated as having assumed the Lessor's obligations hereunder only upon the taking of possession of the Premises by such holder.

25. No Liability. Anything else in this lease to the contrary notwithstanding, the Lessee shall look solely to the estate and property of the Lessor in the Premises for the satisfaction of any claim for the payment of money by the Lessor by reason of any default or breach by the Lessor of any of the terms and provisions of this lease to be performed, fulfilled or observed by the Lessor, and no other property or assets of the Lessor shall be subject to levy, execution or other enforcement procedure for the satisfaction of the Lessee's remedies for any such default or breach.

26. The Lessor While an Owner. As used herein "Lessor" shall mean the owner from time to time of the Lessor's estate and property in the Premises and if such estate and property be sold or transferred, the seller or transferor shall thereupon be relieved of all obligations and liabilities hereunder thereafter arising or occurring, and the purchaser or transferee shall thereupon be deemed to have assumed and agreed to perform and observe all obligations and liabilities hereunder thereafter arising or occurring or based on occurrences or situations thereafter arising or occurring.

27. Modifications Required by Mortgagee. In the event that prior to the Commencement Date any actual or proposed institutional holder of a first mortgage on the Premises shall demand that this lease be modified or amended in any respect (except for those provisions relating to the Rent or Term), and in the event that the Lessee shall fail to so modify or amend this lease within fifteen (15) days after such demand, the Lessor may at any time within thirty (30) days thereafter terminate this lease by written notice to the Lessee. If such modification infringes on Lessee's ability to operate a RMD at the Premises, Lessor shall return any and all deposit paid by Lessee, notwithstanding any other provision of this Lease.

28. Security Deposit/Guaranty. The Lessee hereby gives to the Lessor the Security Deposit Amount set forth in Section 1 (if any) as security for the full, faithful and punctual performance, fulfillment and observance by the Lessee of any and all covenants, agreements, warranties, conditions, terms and provisions of this lease to be performed, fulfilled or observed by the Lessee hereunder. It is expressly covenanted and agreed between the Lessor and the Lessee that (a) the Security Deposit Amount is not a measure of the damages that the Lessor might suffer or a limit upon the damages the Lessor may recover in the event of any failure or breach by the Lessee with respect to any or all of said covenants, agreements, warranties, conditions, terms or provisions; (b) in the event of each and every such failure or breach by the Lessee, the Lessor may at the Lessor's option at any time and from time to time apply any part or the whole of the Security Deposit Amount to exonerate, indemnify or save harmless the Lessor from any loss, cost, damage, liability or expense, including reasonable attorneys' fees, that the Lessor may have suffered, sustained, or become obligated to pay or may suffer, sustain or become obligated to pay because of such failure or breach by the Lessee; the Lessor shall in no way be precluded by such application from any of the remedies at law or in equity otherwise available to the Lessor, or from recovering at any time the full, total amount of the Lessor's actual loss, cost, damage, liability and expense, including reasonable attorneys' fees, less the amount of any such application or applications of the Security Deposit Amount; no such application of the Security Deposit Amount by the Lessor shall in any way excuse the Lessee from, and from continuing, the full, faithful and punctual performance, and observance of any and all of said covenants, agreements, warranties, conditions, terms and provisions, and within thirty (30) days after the receipt of a written demand therefor, the Lessee will pay to the Lessor a sum to be added to the Security Deposit Amount equal to that so applied by the Lessor hereunder; (c) in the event of the termination prior to expiration of this lease, without any prior such failure or breach at any time by Lessee, then on the date of such earlier termination, and otherwise at the expiration of the Term provided in this lease, and not earlier in either case, the remainder of the Security Deposit Amount, after deducting all sums which the Lessor has applied or is entitled to apply under Clause (b) of this Section 28 or in satisfaction of any claim or judgment which the Lessor may then have against the Lessee, shall be returned by the Lessor to the Lessee; (d) the Lessor from time to time may transfer the Security Deposit Amount to any grantee or grantees to whom the Lessor may convey the Premises, to be held by such grantee or grantees as the Security Deposit Amount hereunder on the above terms, and on such transfer to such grantee or grantees, the Lessor thereupon and without more shall be relieved from all further liability to the

Lessee with respect to the Security Deposit Amount and the Lessee thereafter shall look only to such grantee or grantees for the return of the Security Deposit Amount; and (e) the Security Deposit Amount shall not be mortgaged, assigned, transferred or encumbered by the Lessee without the prior written consent of the Lessor, and any such mortgage, assignment, transfer or encumbrance shall be without any force or effect and shall not be binding upon the Lessor in any event. The security deposit shall be maintained in a interest bearing account, and such interest will be paid to Lessee on an annual basis. The Lessor shall have the right to comingle the Security Deposit with other funds of the Lessor Lessee shall cause the Guarantors to execute and deliver a guaranty of the obligations of the Lessee under this lease in the form attached hereto as Exhibit D. Each of the Guarantors shall provide to Lessor on request but not more frequently than twice per year its personal financial statement. Failure to deliver such guaranty or financial statements shall be a default under this Lease. Lessor agrees that, from and after the date which is 4 years after the Commencement Date through the initial term of this lease, provided that (i) Lessee has not been in default of any obligations under this lease during the first 4 lease years following the Commencement Date, and provided further (ii) that Lessee has provided Lessor with a certification ("Certification") when requested by Lessor (but not more frequently than twice in any twelve month period), from a duly authorized officer of the Lessee and a Certified public accountant, certifying that the Lessee has a net worth consisting of liquid assets (ie cash, stocks, bonds) of not less than one half the remaining amount of Basic Rent and Additional Rent payable under this Lease for the remaining balance of the Term measured from the date of such Certification, and providing such reasonable documentation as requested by Lessor to demonstrate the truth of such certification, Lessor agrees that it shall not take any actions against the Guarantors to enforce the guaranty delivered pursuant to this lease without first having exhausted its remedies against the Lessee.

29. Delays. Whenever in this lease either party is required to perform, fulfill or observe any representation, warranty or agreement set forth herein (other than the payment of money), delays caused by or resulting from act of God, war, fire, casualty, eminent domain, strike, shortage of labor or materials or other cause beyond such party's reasonable control shall not be considered in determining the time when such performance, fulfillment or observance must be completed, so long as such party shall, promptly after the commencement of any such delay, give the other party written notice specifying such delay and estimating the duration thereof.

30. Miscellaneous. All terms and provisions of this lease shall be independent and shall inure to the benefit of and be binding upon the personal representatives, successors and assigns of the parties, except as otherwise expressly provided herein. Every term and provision of this lease shall be deemed of the essence and every breach thereof material to the Lessor. All representations, warranties and agreements of the Lessee in this lease shall be deemed special, unique and extraordinary; any breach of any provision thereof by the Lessee shall be deemed to cause the Lessor irreparable injury not properly compensable by damages in an action at law, and the rights and remedies of the Lessor hereunder may therefore be enforced both at law or in equity, by injunction or otherwise. All rights and



remedies of each party shall be cumulative and not alternative, in addition to and not exclusive of any other right or remedy to which such party may be lawfully entitled in case of any breach or threatened breach of any term or provision herein except as otherwise expressly provided herein; the rights and remedies of each party shall be continuing and not exhausted by any one or more uses thereof, and may be exercised at any time or from time to time and as often as may be expedient; any option or election to enforce any such right or remedy may be exercised or changed at any time or from time to time. This lease sets forth the entire agreement of the parties, and no custom, act, forbearance, or words of silence at any time, gratuitous or otherwise, shall impose any additional obligation or liability upon either party or waive or release either party as a supplement, alteration, amendment or change of any term or provision set forth herein, including this clause, unless set forth in a written instrument duly executed by such party expressly stating that it is intended to impose such an additional obligation or liability or to constitute such a waiver or release, or that it is intended to operate as such a supplement, alteration, amendment or change.

31. Notice. All notices and other communications shall be in writing and deemed given and delivered to the Lessor when mailed, by registered or certified mail, postage and registration or certification charges prepaid, addressed, in the case of the Lessor, to the Lessor at the Lessor's Address set forth in Section 1, and addressed, in the case of the Lessee, to the Lessee at the Lessee's Address set forth in Section 1, except that either party may by written notice to the other designate another address which shall thereupon become the effective address of such party for the purposes of this Section.

32. Local Law. This lease shall be construed and enforced in all respects in accordance with the laws of the Commonwealth of Massachusetts.

33. Headings. The Cover Page and Table of Contents preceding this lease and the captions to the various sections of this lease have been inserted for reference only and shall not in any manner be construed as modifying, amending or affecting in any way the express terms and provisions hereof.

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

35. Option to Extend Term.

(a) If at the expiration of this Lease Lessee shall not be in default hereunder, Lessee shall have the right to extend this lease for two (2) extended terms of five (5) years each. In the event this Lease is so extended for one or more such extended terms, the phrase "term of this lease" or the reasonable equivalent as used herein shall be deemed to include such extended term or terms. Such option shall be exercised, if at all, by Lessee

giving written notice to Lessor at least six months prior to the expiration of the original term, or the prior extended term as the case may be. Such extended term shall be on and under the terms, provisions and conditions herein set forth with respect to the original term except that there shall be no further right of extension beyond that right hereinabove provided and except further that the Rent shall be adjusted in the manner hereinafter provided.

(b) The Rent provided for in Section 4 of this Lease shall be adjusted on the first day of any extended term as set forth below:

Basic Rent for each of the five (5) Lease Years of the First Option Period shall be the greater of:

- (i) the Basic Rent in effect for the last Lease Year of the Original Term; or
- ii) the number determined by multiplying the Basic Rent in effect for the last Lease Year of the Original Term by a fraction, the numerator of which shall be the Current Index at the beginning of the First Option Period, and the denominator of which shall be the Original Index; or
- (iii) Fair Market Rent determined as of the commencement of the First Option Period but in no event to exceed 7.5% of the Basic Rent in effect for the last Lease Year of the Original Term

The figure so derived shall be the Basic Rent amount for each of the five (5) Lease Years of the First Option Period.

Basic Rent for each of the five (5) Lease Years of the Second Option Period shall be the greater of:

- (i) the Basic Rent in effect for the last Lease Year of the First Option Period; or
- (ii) the number determined by multiplying the Basic Rent in effect for the last Lease Year of the First Option Period by a fraction, the numerator of which shall be the Current Index as of the beginning of the Second Option Period and the denominator of which shall be the Index in effect at the beginning of the First Option Period; or
- (iii) Fair Market Rent determined as of the commencement of the Second Option Period, but in no event to exceed 7.5% of the Basic Rent in effect for the last Lease Year of the First Option Term

The figure so derived shall be the Basic Rent amount for each of the five (5) Lease Years of the Second Option Period.



For purposes hereof, Fair Market Rent shall be computed as of the date in question at the then annual rental charge, including provisions for subsequent increases and adjustments for new leases then currently being negotiated or executed in comparable space for use as a medical marijuana dispensing and cultivation in the greater Boston area. Lessor agrees, subsequent to receipt of Lessee's Notice exercising an Option to Extend, to provide Lessee with a written proposal setting forth Lessor's good faith determination of Fair Market Rent. Lessor and Lessee shall, thereafter, have a period of sixty (60) days within which to agree upon Fair Market Rent. If, however, Lessee and Lessor are unable to agree within such time period on Fair Market Rent, Fair Market Rent for such Option Period shall be established by an appraisal by a reputable and independent appraiser selected by Lessor, reasonably acceptable to Lessee, having not less than five (5) years' experience and knowledge of the rental market in the vicinity of the Premises, taking into account the permitted use of the Premises. The cost of such appraisal shall be borne fifty (50%) percent by Lessor and fifty (50%) percent by Lessee.

36. Use of the Premises. The Premises may be used for the Permitted Use described in Section 1 and for no other purpose whatsoever, except for any purpose by any Sublessee. The Lessee hereby acknowledges that its agreement set forth in the immediately preceding sentence is a major inducement to the Lessor to enter this lease. Lessor makes no representations that the Permitted Use is allowed under the City of Quincy zoning by laws or city ordinances or that the Permitted Use is in compliance with Federal, State or local laws, rules or regulations, and Lessee acknowledges that it has completed its own investigations and satisfied itself as to the Permitted use being an allowed use under zoning and that it will obtain all approvals or permits as required for such Permitted Use.

37. Marijuana Dispensary License. On or before January 31, 2014, the Lessee shall obtain provisional licenses and approvals from the Department of Public Health to operate a Registered Marijuana Dispensary at the Premises as required by the Massachusetts Department of Public Health and any other state or local governmental authorities having jurisdiction over the operation of a medical marijuana dispensing facility and the cultivation of marijuana (the "License") permitting Lessee throughout the Lease Term to cultivate, process and dispense marijuana at the location of the Premises subject to and in accordance with all applicable provisions of state and local law and this Lease. The Lessee represents to Lessor prior to the issuance of the License for this location, it has not and will not apply for a License in any other location or county other than the Premises located in Norfolk County without consent of the Lessor. In the event it is understood and agreed to by the parties that the Department of Public Health may take additional time beyond the tentative January 31st, 2014 date for the issuance of provisional permits to operate RMDs, and in the event that the Department of Public Health takes such additional time, Lessor shall extend the Commencement Date and other applicable dates herein by as many additional days not to exceed 90 days as the Department of Public Health takes to issue the License to Lessee. In the event that such additional time exceeds 90 days, Lessor may cancel this lease by written notice to Lessee. In the event the Department of Public Health does not announce the provisional licenses and approvals to operate a Registered Marijuana Dispensary by January 31, 2014 and there is any vacant space at such time

which was not vacant as of the date hereof ("Vacant Space"), as a condition to the extension of the January 31st date as set forth above, Lessee it shall pay monthly to Lessor an amount equal to the difference in rental income that would have been received by Lessor on account of any tenants which have vacated the premises after the date hereof commencing February 1, 2013 up until the earlier of the Commencement Date or the date upon which the Department of Public Health announces such provisional licenses (but not to exceed 90 days from January 31, 2013) such Additional rent payments by Lessee not to exceed \$7,100 per month (or a prorated amount thereof) Lessee shall maintain the License in full force and effect and good standing. Lessee's ability to obtain such license for the Premises shall be a condition precedent to Lessee's obligations to proceed with this Lease. Lessor agrees to reasonably cooperate with Lessee (without cost or liability to Lessor), including but not limited to, executing such documents and joining in such applications as may be required of the owner, in order for Lessee to obtain the License. If, despite the use of Lessee's best efforts to obtain such License, Lessee fails to obtain any of the Licenses for the Premises or verify that upon completion of Lessee's Work, such licenses shall be issued in due course, on or before January 31, 2014, or such later date as the Commencement Date shall be extended to (not to exceed 90 days as set forth above), Lessee shall so notify Lessor in writing of such failure specifying in detail the reason(s) therefor and at any time thereafter either party shall have the right to cancel this Lease by written notice to the other, in which event the parties shall be released of any further liability under this Lease. In the event any federal, state or local governmental agency notifies Lessee or Lessor that the operation of a medical marijuana facility at the facility must end or federal consequences will ensure, either criminal or civil, then the Lessor receiving such notice shall notify the Lessee and at any time thereafter Lessor shall have the right to cancel this Lease by written notice to the Lessee, in which event the parties shall be released of any further liability under this Lease, In the event of termination by either party under the foregoing sentences, Lessor shall be entitled to keep an amount equal to \$35,000 from the security deposit, as liquidated damages and Lessee acknowledges that such amounts shall be deemed forfeited to compensate Lessor for entering into this Lease.

38. Dispensing of marijuana. Provided that the Lessee (i) succeeds in obtaining the License as aforesaid, (ii) complies with all state, municipal and other state laws, regulations and rules with respect to the dispensing of marijuana and the cultivation thereof, as aforesaid, and (iii) complies with applicable provisions of this Lease, the Lessor agrees that, subject to and without derogating from the other provisions of this Lease, that the Lessee shall have the right to grow and dispense medical marijuana, subject to and in accordance with all applicable provisions of the License. Any suspension or termination of such license shall be cause for Lessor, at its election, to terminate this Lease. In the event that the Commonwealth of Massachusetts legalizes "Adult Use" marijuana in the Commonwealth, and Lessee seeks to dispense marijuana as per new Adult Use regulations, the parties shall negotiate for a period of 90 days the new terms of the lease which would allow such Adult Use and any other changes in the Basic Rent or other terms in consideration of permitting such additional use, and during such additional 90 day period, such dispensation, although not medical, will not be cause for eviction in of itself, assuming that no other provisions of this lease are violated or that Lessee is not in default in any way.

39. Commencement Date. The Premises are currently leased to certain tenants under written lease arrangements or tenancy at will agreements set forth on Exhibit E hereto. Lessor will use commercially reasonable efforts to cause such tenants to either terminate their lease or vacate the premises on or before May 31, 2014 as extended by such additional time by which the Department of Public Health extends the January 31, 2014 date as set forth in section 37 ("Outside Delivery Date"). The date upon which Lessor send written notice to Lessee that all or a portion of the Premises is ready for occupancy by Lessee shall be the Commencement Date with respect to that portion of the Premises. In the event that Lessor is unable to deliver possession of the Premises vacant of any tenants on or before the Outside Delivery Date, and Lessee has not taken occupancy of any portion of the Premises then in such event either party may, by notice to the other party within thirty (30) days following such date, terminate this Lease, and such termination shall be the exclusive remedy of such party. At any time after January 31, 2013, if Lessee shall occupy the vacant space in the Building prior to all of the tenants having vacated, the Commencement Date shall be deemed to have occurred with respect to such space being occupied by Lessee, and Lessee shall be liable for all obligations under this lease with respect to the occupied space, including insurance, taxes, and a proportionate share of the Basic Rent based on the percentage of the total space being occupied by Lessee. Notwithstanding the foregoing, Lessee shall have no obligation to occupy the vacant space until Lessee obtains a registration permit from the Department of Public Health to operate a registered marijuana dispensary at the premises. Lessee shall have no obligation to pay anything under this Lease, except for the Security Deposit, First Month rent, and last month's rent, until the Commencement Date with respect to any portion of the Premises shall have occurred. No construction work or renovations shall be allowed until Lessee has taken occupancy of such portion of the Premises.

40. Right of First Offer. Provided Lessee has never been in default of its obligations under this Lease, if Lessor desires to sell the Property then prior to any such sale, Lessor shall notify Lessee in writing of the intended sale of the Property pursuant to a written notice (the "Sale Notice") which sets forth Lessor's intended sales price for the Property at the time the Sale Notice is given (the "Proposed Price") and other proposed terms (the "Proposed Terms"), of such sale and (ii) for the period commencing with the giving of the Sale Notice and terminating 15 days thereafter (the "ROFO Period"), Lessee shall have the opportunity to elect to purchase the Property, by making an offer to Lessor within the ROFO Period. If Lessee fails to deliver such offer within the ROFO Period, then Lessor shall be free to sell the Property on such terms as Lessor may elect, (but may not change the terms relating to payment of an all cash purchase price) but only if such sale is consummated within 365 days after the expiration of the ROFO Period (the "Sale Period"), and only at a price equal to or greater than ninety percent (90%) of the Proposed Price, and on such other terms as Lessor is able to negotiate (but may not change the terms relating to payment of an all cash purchase price without re offering it to Lessee on such revised terms. If Lessee timely delivers the Acceptance Notice, then Lessee shall be required to deposit in an escrow established by parties a non-refundable cash deposit equal to ten percent (10%) of the Proposed Price (and to be applied to the purchase price at closing) and consummate such sale within 30 days after the date of the delivery of the Acceptance Notice. If Lessee

delivers the Acceptance Notice but defaults in the performance of its obligations to close the sale in accordance with this Agreement and any other agreement of the parties relating to such sale, Lessee shall forfeit its deposit and shall have no further rights under this Section 40 and Lessor may elect to sell the Property at any time after such default, and on any terms.

41. Lessee's Work. Lessee has represented to Lessor that it plans to install not less than \$750,000 of improvements and renovations to the Premises, and such representation is a material inducement to Lessor entering into this Lease. Promptly after the date on which the Premises (or portion thereof as Lessee may elect to occupy) are ready free of tenants as provided in this Lease, Lessee shall, at Lessee's expense, use best efforts to do all Lessee's required work as set forth on Exhibit B ("Lessee's Work"), and equip the Premises with all trade fixtures and personal property necessary or appropriate for the operation of Lessee's business and shall open for business as soon thereafter as reasonably possible. Notwithstanding the foregoing, Lessee may, at Lessee's option, at any time, after the issuance of the Marijuana Dispensary License and any permits required to operate the Premises or from time to time thereafter, elect to occupy such portion of the Premises in order to so do Lessee's required work and to so equip and prepare to open the Premises for business, and the Commencement Date shall commence with respect to such portion of the Premises, and provided further, however, that none of the foregoing shall in any way interfere with the rights of any tenant continuing to occupy the Premises and none of the foregoing shall be commenced until Lessee shall have received Lessor's consent in accordance with the Procedure for Approval of Plans and Specifications set forth in Exhibit C, as hereinafter provided. Lessee agrees that all plans and specifications for all such work, equipment, and preparation and all alterations, improvements, restorations, repairs, replacements, or renovations that Lessee may make pursuant to any term or provision of this Lease or any consent by Lessor will be submitted to Lessor in accordance with the Procedure for Approval of Plans And Specifications set forth in Exhibit C and will be done by Lessee in a good and workmanlike manner, free from defects in design, construction, workmanship, or materials in accordance with all laws, rules, regulations, and requirements of public authorities and the fire insurance rating association having jurisdiction, and that same will not decrease the value of the Premises. In addition, all of the foregoing will be done in such manner as will avoid jurisdictional or other labor disputes. All such work, equipment, preparation, alterations, improvements, restorations, repairs, replacements, and renovations other than any signs, merchandise, and supplies of Lessee that are not affixed to the Premises shall forthwith become the property of Lessor. In no event shall Lessee assign, encumber, or otherwise create a security interest in, to, or upon any of Lessee's property in the Premises without first obtaining Lessor's prior consent. Upon Lessee's entry into the Premises, all of the terms and provisions of this Lease shall be in full force and effect, except that Lessee shall have no obligation to pay any Rent except as set forth in this lease. In the event that Lessee takes possession of a portion of the Premises, such Rent shall be proportionate to the portion of the Premises which Lessee occupies, but from and after such entry Lessee will pay charges for taxes, insurance, light, heat, hot and cold water, electric current, and any other services or utilities furnished to the Premises, including, without limitation, the charge described in Section 6 in proportion to the portion of the Premises which Lessee occupies.

42. Repairs by Lessor. Except to the extent that the same shall be the responsibility of Lessee pursuant to any other term or provision of this Lease, and except for delays caused by, or resulting from, acts of God, war, fire, casualty, strike, shortage of labor or materials, or any other cause beyond Lessor's control, Lessor agrees to maintain and repair all structural portions of the Premises and the foundations thereof but not including, however, any walls (including, without limitation, the exterior walls, the demising walls, the floor; sub-floor) unless the need for such structural repairs was caused by any negligent, reckless, or intentional action or inaction of Lessee. The Lessor makes no representation regarding the condition of the roof and the repair/ replacement of the roof shall be the sole responsibility of the Lessee, provided however, the Lessor agrees to reimburse Lessee for one half the agreed upon cost to replace the roof. In no event shall Lessor be responsible for any direct or indirect or consequential damage to any portion of the Premises that Lessor is not required by this Section 42 to maintain and repair. Lessor warrants the roof for a period of 12 months after Lessee first occupies any portion of the premises.

43. Signage. Subject to local codes and governmental approvals, and the rules and regulations governing medical marijuana dispensaries, and Lessor's prior written approval, Lessee shall have the right to place and maintain during the Lease Term its usual and customary signs on the exterior of the Premises, provided, however, said signage is at all times professionally produced, high-quality in nature and in keeping with area. Lessee shall maintain such signs in good order and repair in compliance with all applicable governmental rules, regulations or ordinances. Upon vacation of the Premises on the expiration or earlier termination of this Lease, Lessee shall be responsible, at its sole cost, for the removal of such exterior signage and the repair of the structure to which the exterior signage is attached. If Lessee fails to perform such repair work, Lessor may cause the same to be performed, and the cost thereof shall be additional rent immediately due and payable upon rendition of a bill therefor.

44. Hazardous Materials.

(a) Lessee, at its sole cost and expense, shall comply with all laws relating to the storage, use, handling and disposal of Hazardous Materials as defined in Section (e) below. Lessee represents and warrants that it and its agents, servants, employees, contractors and anyone else acting on Lessee's behalf will not store, dispose, produce, use, transport or manufacture any toxic or hazardous waste or materials as defined or regulated now or in the future, by local, state or federal laws, on the Premises or any portion of the Center ("Hazardous Materials"). Lessee shall give Lessor prompt written notice of the existence of, and/or Lessee's discovery of, the presence of or contamination of the Premises with Hazardous Materials. In the event Lessee or any of its agents, servants, employees, contractors or anyone else acting on Lessee's behalf violates the foregoing provision by storing, disposing, producing, using, transporting or manufacturing any Hazardous Materials in, on or about the Premises, Lessee shall indemnify, defend and hold Lessor and Lessor's Affiliates harmless from and against any and all damages, claims, injuries, cost and liability arising therefrom or related thereto, including all costs of clean-up, attorneys' fees, expert witness fees, court costs and losses to property or the Premises. The clean-up and disposal of such Hazardous Materials, including required air monitoring and

documentation, shall be performed by Lessee at Lessee's sole cost and expense and shall be performed in accordance with all applicable laws, rules, regulations and ordinances. Lessor shall have the right, but not the obligation, to review, monitor and supervise any such clean-up and disposal by Lessee. Within forty-five (45) days following the clean-up of any Hazardous Materials, Lessee shall furnish to Lessor Hazardous Materials manifests and records which document proper transport and disposal of such material. The foregoing notwithstanding, Lessor, in Lessor's sole and absolute discretion, may elect by written notice to Lessee to perform the clean-up and disposal of such Hazardous Materials from the Premises. In such event, Lessee shall pay to Lessor the actual cost of same upon receipt from Lessor of Lessor's written invoice therefor. The terms of the indemnification set forth in this Section 44 shall survive the expiration or the earlier termination of this Lease.

(b) Lessee shall immediately upon receipt notify Lessor and provide to Lessor a copy or copies of the following environmental entitlements or inquiries related to the Premises: Notices of violation, notices to comply, citations, inquiries and reports filed pursuant to self-reporting requirements. Underground tanks shall be prohibited without the prior written approval of Lessor, which approval Lessor may withhold in its sole and absolute discretion. In the event of a release of any Hazardous Materials or waste into the environment, Lessee shall furnish to Lessor a copy of any and all other environmental entitlements or inquiries relating to the Premises including, but not limited to, all permit applications, permits, monitoring reports, warnings and other reports and other related documents even if characterized as confidential. Lessee shall provide its employees, agents, subcontractors, as well as any governmental entities, the public and any other person or entity as required by law, with any and all notices, warnings, disclosures or other information concerning Hazardous Materials related to the Premises, required by any law, rule, regulation or ordinance applicable to Lessee or the Premises. Lessee shall submit all such notices to Lessor prior to distribution or submission by Lessee of such notice and shall obtain Lessor's prior written approval thereof. Lessor shall have the right, but not the obligation, to review such notices and to prescribe their form and content prior to distribution or submission to any other person or entity.

(c) Notwithstanding any other term or provision of the Lease, Lessee shall permit Lessor, its agents and employees to enter the Premises at any time, without prior notice, to inspect, audit, monitor and/or take emergency or long-term remedial action with respect to Hazardous Materials on or affecting the Premises or to discharge Lessee's obligations hereunder with respect to such Hazardous Materials when Lessee has failed to do so, all at Lessee's cost and expense. All costs and expenses incurred by Lessor in connection with performing Lessee's obligations hereunder shall be reimbursed by Lessee to Lessor within ten (10) days of Lessee's receipt of written request therefor.

(d) Omitted.

(e) As used herein, the term "Hazardous Materials" shall include any hazardous, toxic or radioactive material, substance or waste regulated by any law, rule and regulation of any local governmental authority, the Commonwealth of Massachusetts or the United States Government, now or in the future and as amended, relating to the storage, use, handling

and disposal of hazardous, toxic or radioactive matter, including without limitation: (i) those materials identified in Section 311 of the Federal Water Pollution Control Act, Resource Conservation and Recovery Act as amended (42 U.S.C. Section 6901 et seq.), Comprehensive Environmental Response Compensation and Liability Act as amended (42 U.S.C. Section 9601 et seq.), Toxic Substances Control Act as amended (15 U.S.C. Section 2601 et seq.) and including such hazardous or toxic substances or wastes as are identified, defined or listed elsewhere and are incorporated into such acts or sections by reference as well as all products containing Hazardous Materials; (ii) petroleum; (iii) asbestos; (iv) formaldehyde; (v) polychlorinated biphenyls (PCBs); and (vi) Freon and other chlorofluorocarbons.

In the event that at any time during the Lease Term, Lessee's Work in the Premises is in violation of any rule, regulation, law, or ordinance applicable to the Premises related to Hazardous Materials, Lessee shall, at its cost, place such work into lawful compliance.

(f) Because mold spores are present essentially everywhere and mold can grow in almost any moist location, Lessee acknowledges the necessity of adopting and enforcing good housekeeping practices, ventilation and vigilant moisture control within the Premises (particularly in kitchen areas, janitorial closets, bathrooms, in and around water fountains and other plumbing facilities and fixtures, break rooms, in and around outside walls, and in and around HVAC systems and associated drains) for the prevention of mold (such measures, "Mold Prevention Practices"). Lessee will, at its sole cost and expense, keep and maintain the Premises in good order and condition in accordance with the Mold Prevention Practices and acknowledges that the control of moisture and prevention of mold within the Premises are integral to its obligations under the Lease.

(g) Lessee, at its sole cost and expense, shall:

(i) Regularly monitor the Premises for the presence of mold and any conditions that reasonably can be expected to give rise to or be attributed to mold including, but not limited to, observed or suspected instances of water damage, condensation, seepage, leaks, or any other water collection or penetration (from any source, internal or external), mold growth, mildew, repeated complaints of respiratory ailments or eye irritation by Lessee's employees or any other occupants of the Premises, or any notice from a governmental agency of complaints regarding the indoor air quality at the Premises (the Mold Conditions); and

(ii) Immediately notify Lessor in writing if it observes, suspects, has reason to believe or should know of mold or Mold Conditions are present in, at, or about the Premises.

(h) In the event of suspected mold or Mold Conditions in, at, or about the Premises and surroundings areas, Lessor may cause an inspection of the Premises to be conducted, during such time as Lessor may designate, to determine if mold or Mold Conditions are present in, at, or about the Premises.

(i) Lessee releases and relieves Lessor from any and all liability for bodily injury and damage to property, waives any and all claims against Lessor, and assumes all risk of personal injury and property damage related to or allegedly caused by or associated with any mold or Mold Conditions in or on the Premises existing on the date possession of the Premises delivered to Lessee or arising thereafter.

45. Assignment and Subletting. Notwithstanding any other provisions of this lease, the Lessee covenants and agrees that it will not assign this Lease or sublet (which term, without limitation, shall include the granting of concessions, licenses, and the like) the whole or any part of the Premises without in each instance having first received the express written consent of the Lessor, which consent may be unreasonably withheld, delayed or conditioned.

In the event the Lessee seeks the Lessor's consent pursuant to this Section 45, the Lessee shall furnish the Lessor with such information regarding the prospective assignee or sublessee as the Lessor may require, including without limitation information regarding financial ability and business experience relating to the uses permitted hereunder. Notwithstanding anything to the contrary in this Lease, the Lessor shall not unreasonably withhold its consent to any proposed assignment or subletting provided that Lessee is not in default of any term or condition hereof and Lessor is satisfied with the financial condition of the prospective assignee or sublessee. In any case where the Lessor shall consent to such assignment or subletting, the Lessee and any guarantor named herein shall remain fully liable for the obligations of the Lessee hereunder, including, without limitation, the obligation to pay the rent and other amounts provided under this Lease.

For the purposes of this Lease, the entering into of any management agreement or any agreement in the nature thereof transferring control or any substantial percentage of the profits and losses from the business operations of the Lessee in the Premises to a person or entity other than the Lessee, or otherwise having substantially the same effect, shall be treated for all purposes as an assignment of this Lease and shall be governed by the provisions of this Section 45. In addition, for the purposes of this Lease, if John D. Hudson shall cease to be a member of the Board of Directors, or the sale or transfer (which term shall include, without limitation, the exchange, issuance and redemption) of twenty-five percent (25%) or more, or such smaller percentage as would result in a change in the voting control, of the voting stock of the Lessee (if the Lessee is a for-profit corporation), the voting stock of any corporate guarantor of the Lessee, or the voting stock of any immediate or remote controlling corporation of the Lessee (whether such sale or transfer occurs at one time or at intervals so that, in the aggregate, over the term of this Lease, such transfer shall have occurred), or any other transaction(s) overall having the effect of a change in voting control or substantially the same effect if the entity in question is not a corporation (such as, without limitation, a change in the number or the identity of partners of a partnership or of beneficiaries of a trust), shall be treated as if such sale or transfer or transaction(s) were, for all purposes, an assignment of this Lease and shall be governed by the provisions of this Section 45.

46. Option to Purchase. The Lessor grants to the Lessee the exclusive right and option to purchase the demised Premises upon the following terms and conditions:

(a) Provided that Lessee is not then in default of the Lease, said option shall be exercisable at any time during the Third Lease Year of the Lease Term running from the commencement of the third year of this Lease upon thirty (30) days' written notice to the Lessor.

(b) The purchase price of the demised premises under said option shall be an amount equal to the Basic Rent payable in the third year (\$328,757) at a capitalization rate of 6.5% (\$5,057,800).

(c) Upon exercise of said option, the parties shall enter into a contract containing the customary provisions for a sale of real estate in the Commonwealth of Massachusetts without any representations or warranties and conveying the Premises in "AS IS " condition. Such contract shall provide for a deposit of ten percent (10%) of the purchase price and if Lessee defaults under such contract the deposit shall be forfeited as liquidated damages. The closing shall take place no later than thirty(30) days after the date of the execution of said contract. At closing the Lessee shall receive a quitclaim deed conveying good and marketable title free of all liens and encumbrances.

(d) This option is absolute and is exercisable notwithstanding that the Lessor has received no offer to buy or has no desire to sell the demised premises.

(e) In the event of a sale of the property by Lessor to Lessee, Lessee agrees to pay an amount equal to on half of the real estate commission payable to Key Realty (Sean Kenneally), but not to exceed 2.5% of the sale price (Lessee's share)

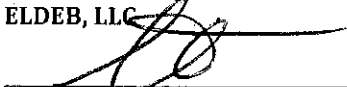
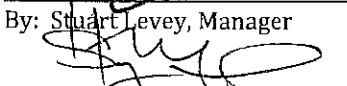
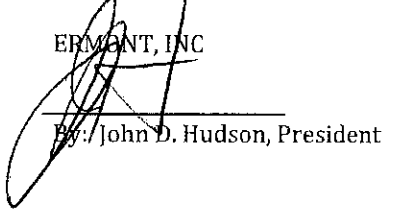
47. Termination of Lease Because of Financing. Lessee acknowledges that the Premises are encumbered by a mortgage which secures a loan to Lessor and may be encumbered by a replacement mortgage in the future. In the event (i) the holder of such mortgage declares a default under such loan on account of the leasing of the Premises to Lessee or the violation of federal law, or (ii) such loan matures and is due or Lessor desires to refinance the loan, and (iii) Lessor, despite using "reasonable efforts" is unable to find a lender willing to refinance the Premises on market rate terms as determined by Lessor then Lessor shall notify Lessee and Lessee shall have a period of 30 days within which it may provide a replacement loan to Lessor on market rate terms. If Lessee does not elect to provide such a loan to Lessor on market rate terms within such period of time, Lessor may elect, at any time thereafter, to terminate this lease on 30 days after written notice to Lessee informing Lessee of such election. Reasonable Efforts shall mean Lessor shall use commercially reasonable efforts to locate a commercial bank or private lender willing to make a non-recourse loan to a lessor leasing to a lessee operating a RMD, at a loan to value of not greater than 70% and on other market terms. If required in order to obtain such a loan the Guarantors shall provide such guarantees as requested by such lender. If the terms



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of any replacement loan either obtained by Lessee on behalf of Lessor or obtained by Lessor are not market rate terms primarily because of the tenant's financial strength or the type of operation it conducts, then Lessee agrees to pay as Additional Rent the increased costs, as and when such costs are incurred (whether it be interest rate, points, prepayment penalty or other costs) above the market rate costs related to such loan. Lessor shall provide Lessee with such documentation to reasonably establish the amount of such increased costs.

WITNESS the execution hereof under seal the day and year first above written.

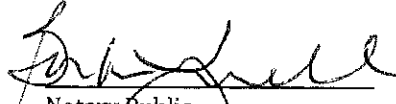
WITNESS: LESSOR: ELDEB, LLC
 By: 
 By: 
 Sy Marcus, Manager
 LESSEE: ERMONT, INC
 By: 
 John D. Hudson, President

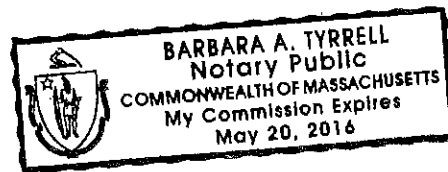
COMMONWEALTH OF MASSACHUSETTS

COUNTY OF Middlesex SS. Nov. 20 2013
Massachusetts

Then personally appeared before me the above-named Stuart Levey and Sy Marcus, Managers of ELDEB, LLC and acknowledged that he signed, sealed and delivered the foregoing instrument as his free act and deed and the free act and deed of ELDEB, LLC.

NOTARIAL SEAL


Notary Public
My Commission Expires:

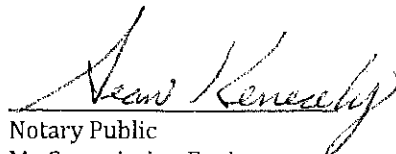


COMMONWEALTH OF MASSACHUSETTS

COUNTY OF Norfolk SS. NOV 26, 2013

Then personally appeared before me the above-named John D. Hudson, President of Ermont, Inc. and acknowledged that he signed, sealed and delivered the foregoing instrument as his free act and deed and the free act and deed of ERMONT, INC.

NOTARIAL SEAL


Notary Public
My Commission Expires:

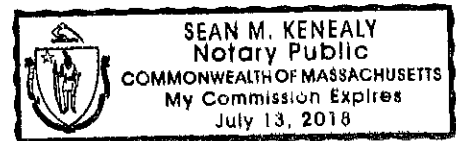


EXHIBIT A

LEGAL DESCRIPTION

Exhibit A

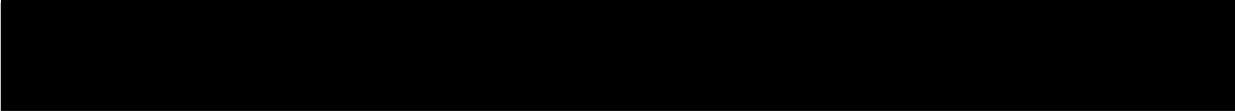
Two certain parcels of land, together with the buildings thereon, situated on the southerly side of Ricciuti Drive in the City of Quincy, Norfolk County, Commonwealth of Massachusetts, and being shown as Lot No. 3G and Lot No. 3B2 on a plan entitled: "Plan of Land in Quincy, Mass.", dated October 17, 1988, drawn by Ernest W. Branch, Inc., Civil Engineers, and recorded with the Norfolk County Registry of Deeds as Plan No. 183 in Plan Book 378.

EXHIBIT B
LESSEE'S REQUIRED WORK


Here are the leasehold improvements known at this time. After the permit is issued Lessee will make a significant capital outlay to determine the details of all improvements. But right now Lessee knows the following based on a cultivation facility and a dispensary:

List of finish items for a Massachusetts cultivation center

1. Interior walls are typically steel framed and sheeted both sides with 5/8 drywall. The walls go from the concrete slab all the way to the underside of the roof deck.
2. Concrete floors are typically cleaned and finished with a non-slip epoxy.
3. Electrical and plumbing will need to be installed based on facility design. Additional HVAC will need to be installed, preferably commercial RTUs.



5. All of the growing equipment (Lights, ballasts, fans, etc) will be hung from the bar joists like any other light industrial equipment. Standard method of installation includes the use of beam clamps, all-thread, and unistrut.



7. Installation of insulation and reparation of any current installation.

Optional tenant finish items, based on current facility and local codes:

1. Existing electrical service to building may have to be increased.
2. If convenient, we may request permission to install additional floor drains in the concrete slab.
3. Existing windows may need to be covered or blocked from the inside.
4. There will be a need to do some demolition of existing tenant finish in order to implement our floor plan design.
5. There may be a need to modify an existing sprinkler system.
6. The exterior of the building will be redone to create an inviting and clean patient atmosphere.

EXHIBIT C

**LESSEE'S WORK-PROCEDURE FOR APPROVAL OF PLANS
AND SPECIFICATIONS**

Promptly after the Commencement Date of the Lease to which this Exhibit is attached, and the issuance of the License and any building permits required to construct the improvements, and in any event not later than thirty (60) days thereafter, Lessee shall deliver to Lessor its detailed plans and specifications with regard to the work to be done by Lessee, including, without limitation, all aspects of interior design and decoration of the Premises. Thereafter, Lessor shall point out Lessor's objections to the same, and Lessee shall make such changes therein as shall be required to meet Lessor's objections within twenty (20) days after the receipt of Lessor's objections. Once such detailed plans and specifications have been agreed upon, Lessee shall promptly prepare working drawings and submit the same to Lessor for approval. In any event, such working drawings shall be submitted to Lessor not later than thirty (30) days after agreement has been reached on the detailed plans and specifications. Lessor shall not make any unreasonable objections.

After receipt of such working drawings, Lessor shall point out his objections to the same, and Lessee shall endeavor to make such changes therein as shall be required to meet Lessor's objections within thirty (30) days after receipt of Lessor's objections. Once agreement has been reached on the working drawings, and as soon as Lessor has completed Lessor's obligations with regard to construction, Lessee shall proceed forthwith and shall prosecute with all due diligence the completion of the work required to be done by Lessee. If in the good-faith judgment of Lessor, Lessee's work is not proceeding in a manner to enable Lessee to complete such improvement by one hundred sixty (160) days from the Date Lessee takes possession of the Premises in its entirety, notwithstanding any delays that are out of Lessee's control, Lessor shall so advise Lessee, and Lessee shall promptly do any and all things required to accelerate its construction program to meet the time limitation set forth above.

EXHIBIT D

GUARANTY

For valuable consideration, the undersigned, John D. Hudson, of 4 Meadow Road #3, Provincetown, Massachusetts 02657, (hereinafter referred to as the "Guarantor"), for himself and his heirs, executors, administrators, successors and assigns, in order to induce ELDEB, LLC ("Landlord") to enter into a lease dated November 19, 2013 (the "Lease") between Landlord and ERMONT, INC (the "Tenant"), for certain premises in 216 Ricciuti Drive, Quincy, Massachusetts described in said Lease (the "Premises"), hereby unconditionally guarantees to the Landlord and its successors or assigns, the full and prompt payment and performance of all liabilities and obligations of the Tenant to the Landlord under the Lease of every kind, nature and description including, without limitation, the payment of rent and other charges due under the Lease, whether recovery upon such obligations may be or hereafter become barred by any statute of limitations (the "Lease Obligations"). This Guaranty will apply to the Lease, any extension or renewal of the Lease, and any holdover period following the term of the Lease, or any such extension or renewal. The obligations of the guarantors hereunder shall be joint and several.

Any act of Landlord, or the successors or assigns of Landlord, consisting of a waiver of any of the terms or conditions of the Lease, or the giving of any consent to any matter related to or thing relating to the Lease, or the granting of any indulgences or extensions of time to Tenant, may be done without notice to Guarantor and without affecting the obligations of Guarantor under this Guaranty.

The obligations of Guarantor under this Guaranty will not be affected by Landlord's receipt, application, or release of security given for the performance of Tenant's obligations under the Lease, nor by any modification of the Lease, including, without limitation, the alteration, enlargement, or change of the Premises, except that in case of any such modification, the liability of the Guarantor will be deemed modified in accordance with the terms of any such modification.

The obligation of the Guarantor is primary and not secondary. The Guarantor hereby waives any right to require the Landlord to (a) proceed against or exhaust any security held from the Tenant and/or the Guarantor or remedy against Tenant prior to proceeding under this Guaranty; (b) proceed against any other guarantor of the Lease Obligations guaranteed hereby or (c) pursue any other remedy in Landlord's power whatsoever.

The liability of Guarantor under this Guaranty will not be affected by (a) the release or discharge of Tenant from its obligations under the Lease in any creditors', receivership, bankruptcy, or other proceedings, or the commencement or pendency of any such proceedings; (b) the impairment, limitation, or modification of the liability of Tenant or the estate of Tenant in bankruptcy, or of any remedy for the enforcement of Tenant's liability under the Lease, resulting from the operation of any present or future bankruptcy code or

other statute, or from the decision in any court; (c) the rejection or disaffirmance of the Lease in any such proceedings; (d) the assignment or transfer of the Lease or sublease of all or part of the Premises by Tenant; (e) any disability or other defense of Tenant under the Lease.

Guarantor: (a) waives any right of subrogation against Tenant by reason of any payments or acts of performance by Guarantor in compliance with the obligations of Guarantor under this Guaranty; (b) waives any other right that Guarantor may have against Tenant by reason of any one or more payments or acts in compliance with the obligations of Guarantor under this Guaranty; (c) subordinates any liability or indebtedness of Tenant held by Guarantor to the obligations of Tenant to Landlord under the Lease; and (d) waives all surety ship defenses and defenses of like nature.

The Guarantor hereby waives all presentments, demands for performance notices of non-performance, protests, notices of dishonor, and notices of acceptances of this Guaranty. The Guarantor hereby waives any right or claim of right to cause a marshaling of the Tenant's assets. No delay on the part of the Landlord in the exercise of any right, power or privilege under the Lease with the Tenant or under this Guaranty shall operate as a waiver of any such privilege, power or right.

The Guarantor agrees to pay on demand reasonable attorneys' fees and expenses incurred by the Landlord in the enforcement of this Guaranty, whether or not suit is commenced.

This Guaranty shall continue in full force and effect until the complete payment and performance of the Lease Obligations. This Guaranty may not be changed, modified, discharged, or terminated orally or in any manner other than agreement in writing signed by Guarantor and Landlord.

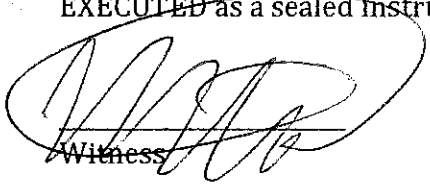
The Guarantor acknowledges that the Landlord has been induced by this Guaranty (among other things) to enter into the Lease with the Tenant heretofore described, and this Guaranty shall, without further reference of assignment, pass to, and may be relied upon and enforced by, any successor or assignee of the Landlord.

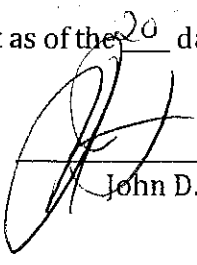
The Guarantor hereby consents to the jurisdiction of the courts of the Commonwealth of Massachusetts and the United States District Court for the District of Massachusetts, as well as to the jurisdiction of all courts to which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of or in connection with this Guaranty. The Guarantor hereby expressly waives any and all objections it may have as to the venue in any such courts.

In the event that Lessee makes timely payments for 18 months and is not in Default this Guarantee will terminate, and Guarantors will have no further personal obligation, and Lessor may look only to Ermont Inc. for any payments due under the Lease.

This Guaranty shall, for all purposes, be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts to the maximum extent that the parties hereto may so lawfully agree, irrespective of the place of execution.

EXECUTED as a sealed instrument as of the 20 day of Nov, 2013.


Witness


John D. Hudson

This is the 3rd and final page of a Guaranty dated 11/20, 2013, from John D. Hudson to Eldeb, LLC.



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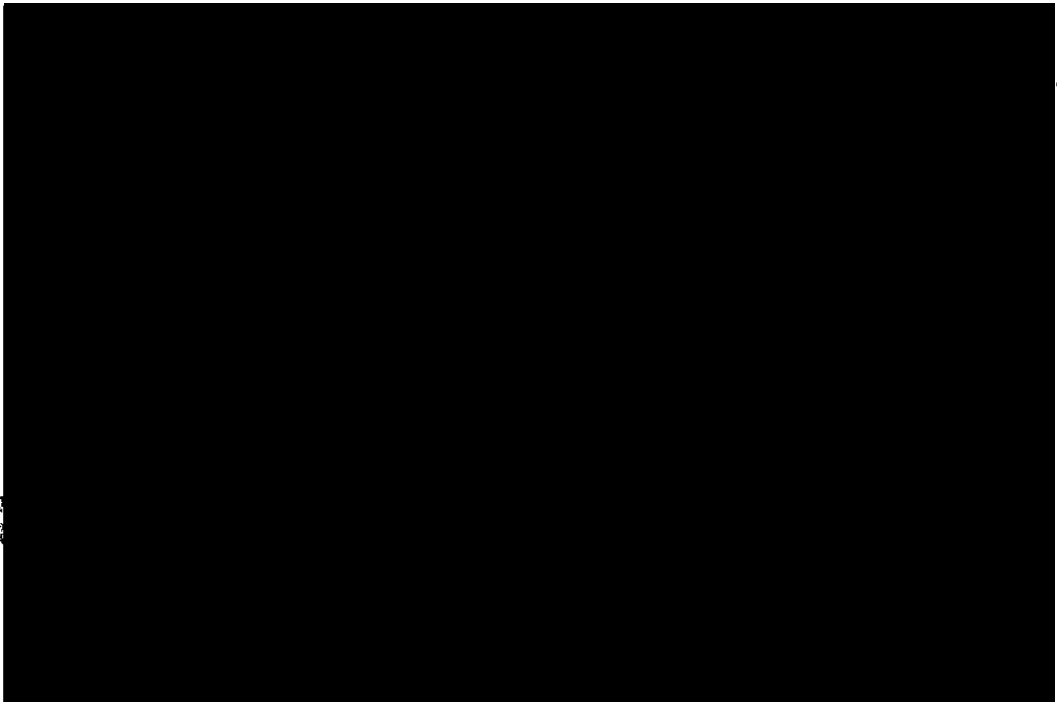
EXHIBIT E

LIST OF CURRENT TENANTS

	Entity Name	JC Flowers	Smith & Nephew	KP
1	Term	10 years	Assumption of EMG Lease	3 Y
2	Building Location	216 Ricciuti Drive Quincy, MA	216 Ricciuti Drive Quincy, MA	216 Qu
3	Rentable Area, sqf	10,000	6,000	
4	Date			
	Commencement	3/1/2005	5/1/2011	
	Expiration	4/30/2014	12/31/2014	

KPR Inc.	Tiles By Perfection, Inc	Corbett Excavation Corp
3 Years	5 Years	TAW
216 Ricciuti Drive Quincy, MA	190 Willard Street Quincy, MA	216 Ricciuti Drive Quincy MA
3,800	5,500	
3/1/2005	9/15/2008	
3/31/2014	10/31/2013	

L



MORTGAGE INSPECTION PLAN

**BOSTON
SURVEY, INC.**

P.O. Box 290220 Chastestown, MA 02129 (617)
242-1313 MAIN (617) 242-1616 FAX mppgWonsutvcylnexom

APPLICANT: EIDEB,LLC
LOCATION: 216 RICCIUTTI
DRIVE CITY, STATE: QUINCY, MA
CERTIFIED TO:

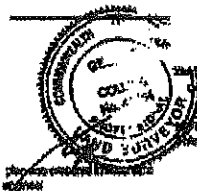
DEED/CERT:
15153-280
PLAN REF: 376-183
SCALE: 1 inch = 160 foot
PREPARED:
01-13-2010

n.2r

WCCIUTn DRIVE

The plan is a true and correct copy of the original plan as filed in the office of the Registrar of Deeds for the County of Middlesex, Massachusetts. It is a true and correct copy of the original plan as filed in the office of the Registrar of Deeds for the County of Middlesex, Massachusetts. It is a true and correct copy of the original plan as filed in the office of the Registrar of Deeds for the County of Middlesex, Massachusetts.

NOTE: This is not a boundary or lot return. It is a true and correct copy of the original plan as filed in the office of the Registrar of Deeds for the County of Middlesex, Massachusetts. It is a true and correct copy of the original plan as filed in the office of the Registrar of Deeds for the County of Middlesex, Massachusetts.



State of Massachusetts Agency
located in
FLOOD HAZARD
AREA

ORIGINAL



EVIDENCE OF LOCAL SUPPORT
(Exhibit 5.4)

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

Corporation Name: Ermont, Inc. Application # (if more than one): _____

Site	City/Town	County	Type of Support Attached
1	Quincy, MA	Norfolk	Letter from Andrew G. Scheele, MPH Quincy Public Health Commissioner Letter from Thomas P. Koch City of Quincy Mayor
2			



ORIGINAL

City of Quincy, Massachusetts

Office of the Mayor

Thomas P. Koch
Mayor

City Hall
1305 Hancock Street
Quincy, MA 02169
617-376-1990

November 6, 2013

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

Re: City of Quincy Registered Marijuana Dispensaries

Dear Mr. Roberts,

In an effort to ensure that the City of Quincy allows a reputable and responsible Registered Marijuana Dispensary to operate in our City, I have taken the opportunity to meet with John Hudson of Ermont Inc. and members of his team.

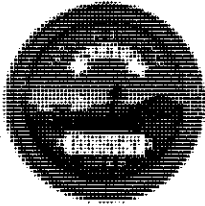
Ermont's proposal assures the City that the services Ermont will be providing to their patients will be in the professional and responsible manner this City requires.

They are now in the process of performing the due diligence required to satisfy our Zoning Ordinance should they be granted a license by the Department. The City of Quincy is supportive of Ermont as an applicant and willing to work with the firm as the process moves forward.

Thank you for your consideration. If you need anything further please feel free to contact me directly.

Sincerely,

Thomas P. Koch
Mayor



ANDREW SCHEELE
COMMISSIONER OF PUBLIC HEALTH
Municipal Hearings Officer

City of Quincy, Massachusetts

THOMAS P. KOCH, MAYOR

DEPARTMENT OF HEALTH

440 East Squantum Street
Quincy, MA 02171



ORIGINAL

Telephone: (617) 376-1270
Fax: (617) 376-1271

November 7, 2013

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

RE: City of Quincy Registered Marijuana Dispensary

Dear Mr. Roberts,

Please be advised that I have met with representatives of Ermont, Inc., as it relates to their application to the Commonwealth for a RMD license.

The City of Quincy Zoning Ordinance requires that the applicant register with the Quincy Board of Health as well as obtain a license from the License Board of Quincy, as well as various other zoning requirements.

The Quincy Health Department will have inspectional jurisdiction over the RMD if a license is granted to an applicant for Quincy. To that end, I support Ermont pursuing a license to operate in Quincy. They have demonstrated a willingness to comply with all of our city ordinances. Of course this letter is written with the reservation that the Quincy Health Department will need to conduct their inspection during the due course of their proposed operation should Ermont, Inc. be granted a RMD license.

Sincerely,

Andrew G. Scheele, MPH
Quincy Public Health Commissioner

**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: Ermont, Inc. Application # (if more than one): _____

	Site	Full Address	Evidence of Interest Submitted	Evidence of Local Support
1	Dispensing	216 Ricciuti Drive Quincy, MA 02169	Property Lease	Letter from Andrew G. Scheele, MPH Quincy Public Health Commissioner
2	Cultivation	216 Ricciuti Drive Quincy, MA 02169	Property Lease	Letter from Quincy Mayor Thomas Koch Letter from Andrew G. Scheele, MPH Quincy Public Health Commissioner
3	Processing	216 Ricciuti Drive Quincy, MA 02169	Property Lease	Letter from Quincy Mayor Thomas Koch Letter from Andrew G. Scheele, MPH Quincy Public Health Commissioner



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ORIGINAL

**RMD ORGANIZATIONAL CHART
(Exhibit 6.1)**

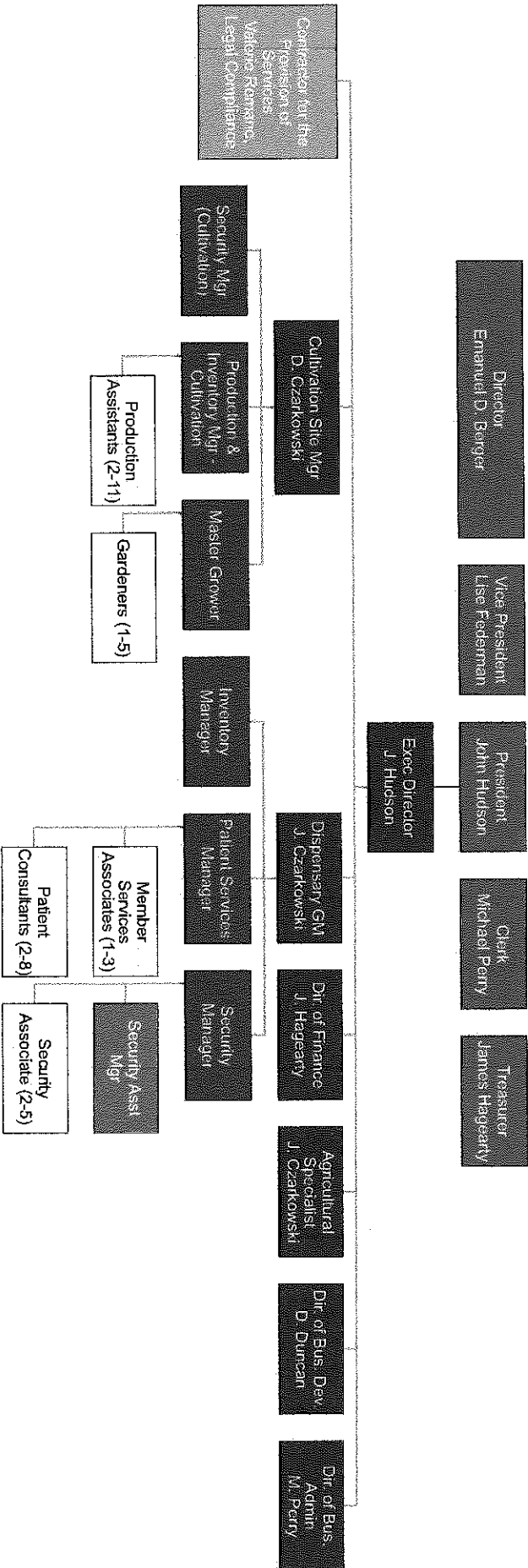
This exhibit must be completed and attached to a required document and submitted as part of the application.

Corporation Name: Ermont, Inc.

Application # (if more than one): _____

Attach organizational chart.

ERMONT, INC.
Organizational Chart



KEY:

- Board of Directors
- Executive Management Team
- Unit Management Level
- Unit Assistant Management Level
- Unit Associate Level



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**RMD STAFF
(Exhibit 6.4)**

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

N/A

	Name	Role/Title
1		
2		
3		
4		
5		
6		



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**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: Ermont, Inc.

Application # (if more than one): _____

Attach evidence of enrollment.



ICORI

Commonwealth of Massachusetts
Department of Criminal Justice Information Services



ORIGINAL

Logged in as: [jackson5](#) | [Home](#) | [Help](#) | [Logout](#)

[Home](#)

[Add Request](#)

[View CORI Results](#)

[Manage Account](#)

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

Ermont, 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: **10/29/2013** Date Last Renewed:

Organization Details

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

Account Type(s): **Employer**
Organization Name: **Ermont, Inc.** Organization ID: **[REDACTED]**
Address: **4 Meadow Road Unit 3, Provincetown, MA 02657**
Phone No.: **310-963-6658**
Website: **www.ermontinc.org**
Federal ID No.: **[REDACTED]**
Secretary of State ID No.: **[REDACTED]**



**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: Ermont, 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: Ermont, Inc.

Application # (if more than one): _____

Attach sliding price scale.

Ermont 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: [John] Last Name: [Hudson]

Title: [President]

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

