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

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

Corporation Name: Garden Remedies, Inc.

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

	<b>Name</b>	<b>Role within the Corporation</b>
<b>1</b>	Dr. Karen Munkacy	President, Treasurer, Clerk, Chair
<b>2</b>		
<b>3</b>		
<b>4</b>		
<b>5</b>		



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

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**Corporation**

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

Website URL (if applicable): [N/A]

**Address:**

[116 Chestnut Hill Road]

[ ]

City: [Newton] State: [MA] Zip: [02467]

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

First Name: [Karen] Last Name: [Munkacy]

FEIN: [463326321]

**Contact Person**

First Name: [Karen] Last Name: [Munkacy]

Title: [Chief Executive Officer]

Telephone: (732) 236-4517 FAX: ( ) - E-Mail: [KarenMunkacyMD@gmail.com]

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

[ ]

[ ]

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);



- 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.

Dr. Karen Munkacy  
 Name: Dr. Karen Munkacy  
 Title: Chief Executive Officer

11-16-13  
 Date November 16, 2013

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.

Dr. Karen Munkacy  
 Name: Dr. Karen Munkacy  
 Title Chief Executive Officer

11-16-13  
 Date November 16, 2013



## 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.

[Garden Remedies, Inc. incorporated on July 22, 2013]

1.2 Describe the organization's mission and vision.



[Garden Remedies' mission is to: 1) Provide top quality medical marijuana to patients suffering from debilitating medical conditions; 2) Educate patients and community stakeholders about medical marijuana; and 3) Engage in community activities related to wellness, public health and research.

Garden Remedies' vision is for our dispensary to be welcoming and comfortable for patients of all ages and medical needs. We will create a secure and compliant community healthcare center, using time-tested methods to prevent diversion and ensure the safety of our patients, staff, and the surrounding community. Our medicine will be tested for cannabinoid profile and for contaminants including mold, mildew, heavy metals, plant-growth regulators, and non-organic pesticides. Our patients will receive medicine labeled with precise information on strain, medically active ingredient concentration and instructions for usage. Our vision includes educating physicians, nurses, other health care professionals, and government and law enforcement officials about the medical uses of marijuana, and providing financial support for medical marijuana research, working with accomplished researchers and aiming for publication in top medical journals.]

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.

[There were no amendments to the Bylaws, but there was an update to the Board of Directors. Director Rothschild, Director Corn, Director Sheeham, and Director Tenenbaum all resigned for personal reasons. Additional directors were added to bring a more experience, specifically a pharmaceutical and anti-diversion perspective, to the non-profit's corporate governance.]

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.

[Joe Skenderian - Garden Remedies' Chief Operating Officer

Joe Skenderian is a third-generation Massachusetts registered pharmacist with 19 years of experience running and growing a successful independent pharmacy in a competitive marketplace. He has strong leadership skills and is highly knowledgeable in compounding and handling prescription medications as well as in counseling his customers about their prescription medications.

In his current position, Mr. Skenderian manages the staff and workflow of a Cambridge pharmacy that fills over 1,500 prescriptions each week. He also organizes and supervises the weekly compounding of over 70 compounded prescriptions. Mr. Skenderian has collaborative relationships with local practices and provides health care professionals with clinical and administrative help as required.

As Garden Remedies' Chief Operating Officer, Mr. Skenderian will oversee our company's operations and will make sure that our registered patients' needs are met in a professional, discreet, and compassionate manner. He will ensure that all Garden Remedies' employees are properly trained in the following areas:

- The Act for Humanitarian Use of Medical Marijuana and 105 CMR 725.000
- Garden Remedies operations
- The definition of a qualified, registered patient and the services we can provide
- Standards of conduct and reasons for dismissal
- Federal laws impacting the employee and operation
- Local laws and zoning requirements
- Employee's role in community and patient relations
- Medical marijuana science and Garden Remedies' commitment to science based operations
- The legal importance of confidentiality and records management
- The employee's role in emergency and incident management
- Dispensary-specific safety, security, and the employee's access to records and storage
- The employee's role in inventory management and diversion prevention
- The company's focus on quality operations and preventing product contamination

Mr. Skenderian will also utilize his extensive healthcare experience to be responsible for:



- Inventory control
- Staff management
- Security management
- Program management
- Patient intake process
- Financial assistance program

As he has done for his pharmacy, Mr. Skenderian will ensure that Garden Remedies is a well-run and financially sound, patient-centric business. Under his leadership, our company's staff will be well trained and given all the tools for them to succeed at our company. Mr. Skenderian will make sure that patients feel safe and welcome at our facility, and that they know we will be there to educate them and to answer any questions or concerns they have about using Garden Remedies' products to alleviate their pain.

#### Corey Hollister - Garden Remedies' Director of Dispensary Operations

Corey Hollister brings 15 years of management experience to Garden Remedies. As the co-founder of American Cannabis Consulting, which is the premier industry consulting firm, Mr. Hollister advises clients across the country in emerging medical cannabis markets. He utilizes traditional business strategies such as lean manufacturing to help lead clients to success. In addition to traditional strategies, Mr. Hollister keeps an eye on innovation within our industry and looks for opportunities that will have a positive impact on our staff procedures and clients. As Director of Dispensary Operations, Mr. Hollister will ensure that our dispensary agents not only follow company policy and procedures and Massachusetts Department of Public Health rules and regulations, but he will make sure they are up-to-date on best practices used in registered marijuana dispensaries across the country. In addition, Mr. Hollister will make sure that Garden Remedies registered dispensary agents are current on the emerging scientific research results on using cannabis to alleviate pain.

Prior to founding American Cannabis Consulting, Mr. Hollister was co-owner and operational manager of The Village Green Society, a Boulder, Colorado based medical marijuana center. Serving as Head of Operations, Mr. Hollister worked with his team to deploy a product strategy that resulted in sales doubling in the first quarter.

Mr. Hollister grew up in Massachusetts and spent 10 years in Boston managing advertising projects for major brands such as Puma, DHL, Stride Rite, Thompson Learning and many others. During this period, Mr. Hollister held such roles as President, VP of Client Services, Senior Account Manager, Director of Events and Field Marketing Manager.

As Garden Remedies' Director of Dispensary Operations, Mr. Hollister will be on site, and he will ensure that Garden Remedies is the premier financially sound and patient-centric registered marijuana dispensary in the Commonwealth of Massachusetts.

#### Dustin Shroyer - Garden Remedies' Director of Cultivation Operations

Dustin Shroyer is driven by his passion for health, personal responsibility, and the healing nature of the cannabis plant. For the last 17 years, Mr. Shroyer has studied the benefits of natural healing methods and organic gardening, and for the last decade he has combined these interests with medical cannabis cultivation. He believes that the winning formula is growing plants organically, and he started Root Organic Medical Marijuana Center in 2009 to share his passion with the medical cannabis patients in Boulder, Colorado.

At Root Organic, Mr. Shroyer led an organic production staff that supplied 100% organic medical cannabis to the company's patients. After Root Organics caught the eye of larger medical marijuana center owners in Boulder, Mr. Shroyer merged the brand in order to increase market share for organic medical



cannabis. After the merger, Mr. Shroyer shifted his role to product development and production facility design in order to utilize the cleanest extraction processes, also known as supercritical Co2. He created new medically infused products that offered pure and healthy delivery methods for safe cannabis consumption.

As Garden Remedies' Director of Cultivation Operations, Mr. Shroyer will be on site, and will

- Implement systems for Seed to Sale tracking that include compliant waste management, plant and product inventory management, and tracking transportation of medical marijuana
- Develop a fully organic growing regimen complete with ethical pest management protocols
- Train the cultivation staff to grow and produce 100% organic, high-grade medical marijuana and marijuana infused products.

With Dustin Shroyer as Director of Cultivation, Garden Remedies' patients will receive a consistent supply of high-quality marijuana products to alleviate their pain.]

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

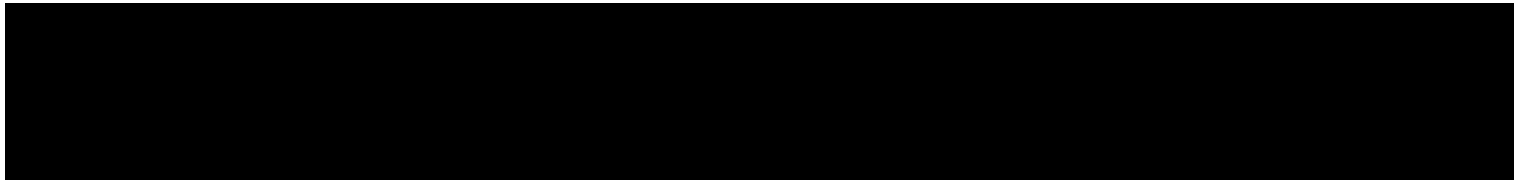
2.3 Describe the **Executive Management Team's** experience, by team member, with providing health care services or services providing marijuana for medical use.

[As detailed above, the combined team of Dustin Shroyer and Corey Hollister brings a wealth of experience in providing medical-grade marijuana and associated products to qualifying patients in regulated markets.

In addition to Joe Skenderian's experience running a successful independent Massachusetts pharmacy, Garden Remedies will benefit by having Karen Munkacy, MD, a respectful and respected medical marijuana advocate and anesthesiologist who for many years cared for indigent patients, at the helm.

Karen Munkacy, MD

Massachusetts resident, Karen Munkacy, MD, has more than 30 years experience in the medical and public health fields. She is a physician, mother [REDACTED] Dr. Munkacy received her medical degree at the University of Michigan Medical School. She is board certified in anesthesiology; fellowship trained in pain medicine, and has worked as a researcher and international medical consultant and advisor. Dr. Munkacy served as an assistant professor at UCLA and USC Medical Centers (Los Angeles, CA), where she trained anesthesiology residents and nurse anesthetists while caring for low-income and indigent patient populations. She is also a Delegate to the Massachusetts Medical Society, which has over 24,000 physician members.





In 2011, Dr. Munkacy became a board member of Americans for Safe Access, the largest organization of patients, medical professionals, scientists and concerned citizens promoting safe and legal access to MMJ. As an unpaid medical expert, Dr. Munkacy has written editorials and has testified in front of lawmakers and administrative committees, medical specialists, law enforcement officials, and community organizations on the safety and efficacy of medical marijuana treatment.

Dr. Munkacy was a leader in the successful ballot campaign leading to the legalization of medical marijuana in Massachusetts, winning 63% of the vote and winning in 350 out of 352 municipalities statewide. Her work continued as the Massachusetts Department of Public Health began to meet with leaders in the field and implement a model medical marijuana program. Dr. Munkacy testified numerous times before Department of Public Health as they sought advice on how best to proceed. First as a member, and then delegate, she has actively urged the Massachusetts Medical Society to sponsor a physician education program on medical marijuana, and on July 9, 2013 they announced they were doing so.

Even as her patient advocacy and volunteer medical spokesperson work continues, Dr. Munkacy is working to gain approval from the Massachusetts Department of Public Health to open Garden Remedies, a registered marijuana cultivation facility and dispensary. Bringing all of her energy and integrity to this effort, if approved, Dr. Munkacy will be in a position to finally deliver to patients the safe, compassionate and scientifically proven relief they deserve.]

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 Garden Remedies' Chief Financial Officer, Massachusetts resident Mike Doherty will be responsible for our company's financial management and financial oversight. Together, he and Joe Skenderian, a successful pharmacy operator for 19 years, will make sure that our organization is financially sound so that we are able to properly serve Garden Remedies' registered qualifying medical marijuana patients.

Throughout his successful 30-year finance career, Mr. Doherty has held key leadership positions as chief financial officer of a real estate investment management firm, co-founder of a start-up real estate advisory firm, and as a member of the financial management team in a number of software companies. His specific areas of expertise include building internal systems that provide clear, concise and timely reports for fact-based decision making; preparing long-term financial models; identifying key risk areas for due diligence on potential acquisitions; and driving overall operational excellence.

Mr. Doherty will bring a high level of financial expertise and experience to Garden Remedies' executive management team. Some of his key accomplishments are:

- **Portfolio Management:** Developed portfolio strategies as part of senior leadership teams to maximize investor returns. Took on a leadership role in underwriting due diligence for asset acquisitions, identifying property issues, and implementing improvements for leasing, debt structure, capital improvements and divestiture strategy.

- **Reporting Systems:** Built internal systems that provided clear, concise and timely reports for fact-based decision making by Senior Management, information to Investor Relations, and that enhanced overall company performance. Additionally, coordinated all required financial and tax reporting.
- **Financial Modeling:** Directed the preparation of long-term financial models to show range of returns, equity multiples, and sensitivity analyses (interest rates, rents, cap rates, lease absorption etc.).
- **Risk Management:** Played an important role as key contributor at Investment Committee meetings to identify key risk areas for due diligence on potential acquisitions. Managed appropriate insurance coverages and negotiated reasonable premiums for property, liability, etc. Administrated the company's 401K plan and ensured the best possible investment options for employees.
- **Operational Excellence:** Enhanced regional reporting structure and led internal operational task forces. Presented performance reports at Board and Senior Management meetings with recommendations for improvement. Built and led highly effective cross-functional teams and mentored staff. Led MIS meetings to prioritize software implementation projects. Co-Founder of start-up real estate advisory firm providing services for portfolios ranging from \$500M to \$2B.

In his position as Chief Financial Officer at NEW BOSTON FUND, INC., an independent, privately owned real estate investment management firm that has invested more than \$1.2 billion in private-equity capital on behalf of high-net worth and institutional investors, Mr. Doherty directed financial operations for six funds totaling 120 investments worth over \$3.5B; supported Investor Relations to raise money and respond to investor questions; managed the company's corporate reporting and liquidity with a net worth of \$15M; created crucial financial analysis for Capital Market refinancings and new debt; and played a key role in Board, Investor, Senior Management, Regional, Valuation, Investment Committee, and Strategic Planning Meetings.

In his previous position, Mr. Doherty was Co-Founder/Principal at TAYLOR DOHERTY INC., a real estate advisory firm that provided services to institutional, corporate and individual investors including due diligence support and sensitivity analysis for individual investments and portfolio acquisitions totaling \$3.4B primarily for Harvard Endowment; real estate consulting and asset management services to a number of clients including Eastern Air Lines. In addition, in this role, Mr. Doherty worked as a sub-advisor for Morgan Stanley Realty and provided consulting services to Charlesbank Capital Partners.

Earlier in his career, Mr. Doherty was:

- Vice President of Real Estate/Finance at HAWTHORNE ASSOCIATES, INC., where he managed a diversified institutional portfolio of real estate including industrial, office, retail, residential, parking, and development properties;
- Director of Corporate Accounting and Reporting at CULLINET SOFTWARE, INC., and
- Senior Manager of Financial Reporting at MCCORMACK & DODGE CORPORATION.

Mike Doherty received his MBA in Accounting with high distinction from Babson College, his BA, Cum Laude from University of Massachusetts at Amherst, and his CPA Certification State of Massachusetts

receiving an Achievement Award for passing the CPA exam at first sitting. He is an active member of several major financial and real estate organizations.]

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.

[Throughout his successful finance career, Mike Doherty has been involved in annual audits from major accounting firms including PriceWaterhouseCoopers LLP for New Boston Fund Inc. Examples of Mr. Doherty's experience managing and improving financial oversight at New Boston Fund are as follows:

- Directed financial operations and supervised issuance of quarterly unaudited financial statements and annual "clean opinion" audited financial statements as well as tax reporting for six funds totaling 120 investments worth over \$3.5B.
- Managed the PriceWaterhouseCoopers relationship for audit and tax reporting. Annual budget was over \$1.5M.
- Provided clear, concise and timely quarterly updates on investment performance for all funds to investors and bankers.
- Built internal systems that provided timely reports for fact-based decision-making by Senior Management, information to Investor Relations, and that enhanced overall company performance.
- Provided enhanced reporting to identify key issues, improve decision-making, and maximize investor performance.
- Enhanced regional reporting structure at New Boston Fund and led internal operational task forces.
- Managed New Boston Fund's corporate reporting and liquidity with a net worth of \$15M.
- Led task forces on key business initiatives to improve regional communication and efficiencies, valuation processes, long-term modeling, hold/sell, quarterly asset status, business plans, refinancing analysis, finance reports, comparison of underwriting/actuals, reporting, and operations.



Below are examples of Mike Doherty's experience managing financial corrective action as the result of internal control recommendations from New Boston Fund's auditors, PriceWaterhouseCoopers:

- Recommendation: As part of its closing process, management should continue to prepare detailed analysis and supporting documentation for all significant complex and non-standard transactions in its financial reporting. A formal documented policy should be established and enforced requiring approval and sign-off of significant and non-standard transactions prior to execution. The policy should include review of significant and non-standard transactions by management.

Management's Response: Management agrees that a formalized and detailed review process is key to successfully closing the books and providing accurate reports. Management also recognizes that the assessment of default interest is often complex and unclear in the governing loan agreements. As such, Management is working to further involve the Capital Markets group in the assessment of default interest. Portfolio Managers will draft formal memos on significant transactions and/or changes in default status for significant loans. The CFO and VP of Portfolio and Financial Reporting will discuss these transactions with PriceWaterhouseCoopers prior to the year-end audit to ensure agreement of accounting treatment.

- Recommendation: We recommend that management ensure that rent roll information is verified after amounts per the lease are entered. To do this we recommend that management review new leases and any changes made to leases during the previous month with the current rent roll to ensure they are properly reflected. Additionally, management should continue to ensure training of the rent roll system is provided to each employee continuously to ensure all functions of the system are being appropriately utilized.

Management's Response: Management agrees that the accuracy of all rent rolls is vital to our reporting. Management will provide additional training to asset managers who currently sign off on rent rolls for operating properties to ensure they perform a thorough review each quarter. In addition, Management will work with the Regional Directors to ensure rent rolls for each condominium are signed off on in a similar manner.

- Recommendation: In order to effectively close its books and reports on a timely basis, the Company should consider enhancing existing formal policies and procedures for period end closing. The enhanced work program/checklist would include the following:

- Listing of reports to generate,
- Specific period-end accounting and closing procedures performed,

- Recurring adjusting journal entries,
- Areas that had adjustments by auditors in priors years to be aware for next period, and
- Required sign-off by the preparer and the reviewer.

This closing checklist would be completed by all individuals involved in the period-end reporting process and would be reviewed and signed off by management as part of the closing process. Such a checklist should be re-reviewed with each financial statement draft. This process should include verification and review that the balances presented in the financial statements are inclusive of all current year activity and do not include the activity of other funds.

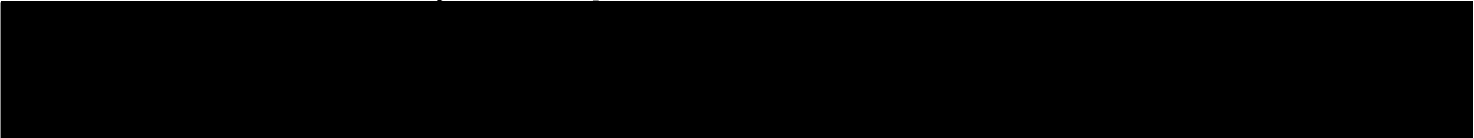
Management's Response: Management agrees that a formalized and detailed review process is key to successfully closing the books and providing accurate reports. As such, management has implemented a two-tiered approach for review. Assistant Portfolio Managers complete an expanded checklist that includes sign off on key accounts such as related party fees, inter-company balances and professional fees. Portfolio Managers review and sign off on the expanded checklist as part of a quarterly reporting package before being reviewed by the CFO and VP, Portfolio & Financial Reporting. Additionally, Portfolio Managers will draft formal memos on significant accounting transactions. The CFO and VP of Portfolio and Financial Reporting will discuss these transactions with PriceWaterhouseCoopers prior to the year-end audit to ensure agreement of accounting treatment.

In closing, GARDEN REMEDIES will benefit by Massachusetts resident Mike Doherty's 30 years of financial experience including his experience providing financial oversight and managing financial corrective action measures as the result of an operational review.]

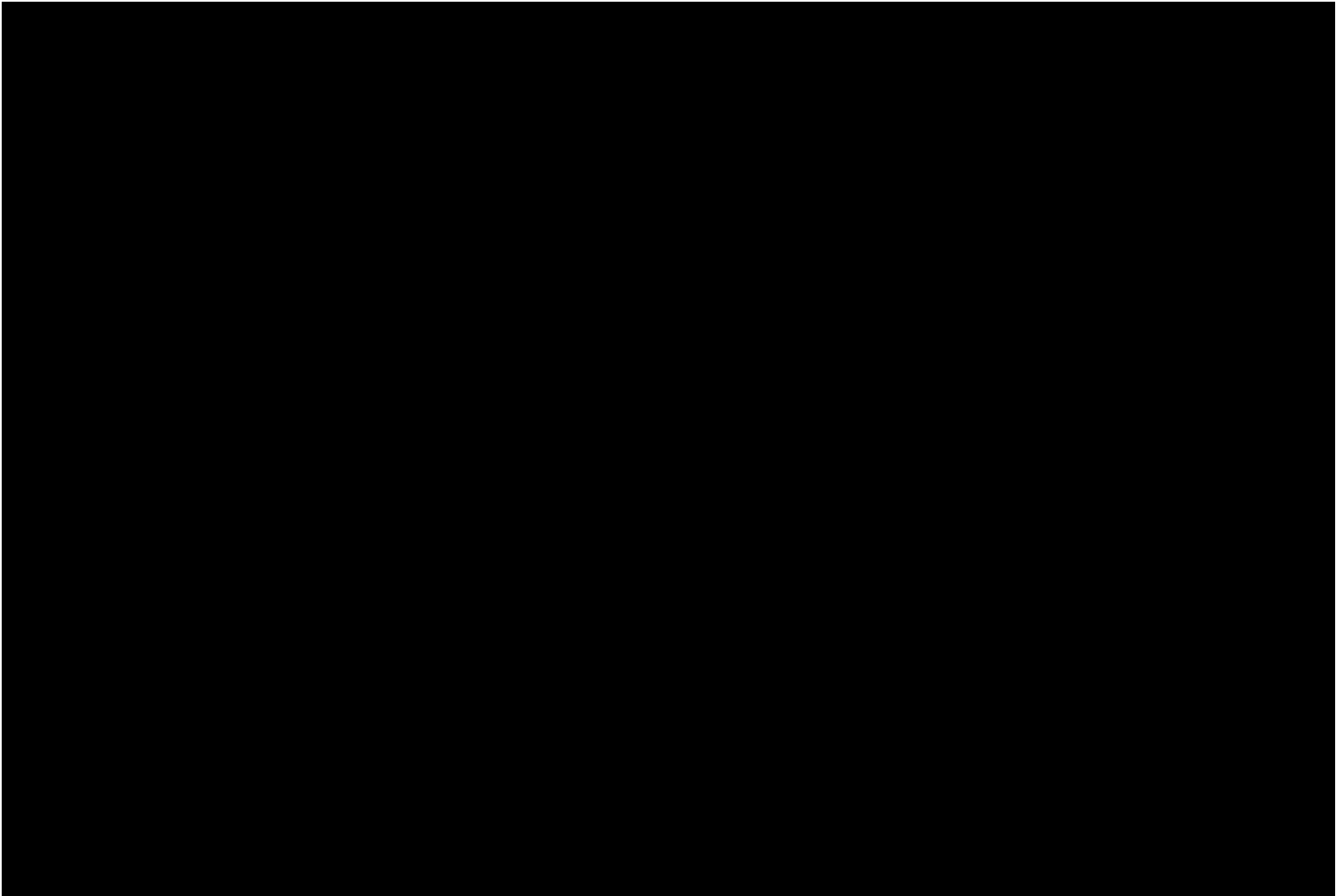


### 3. Applicant's Evidence of Suitability

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

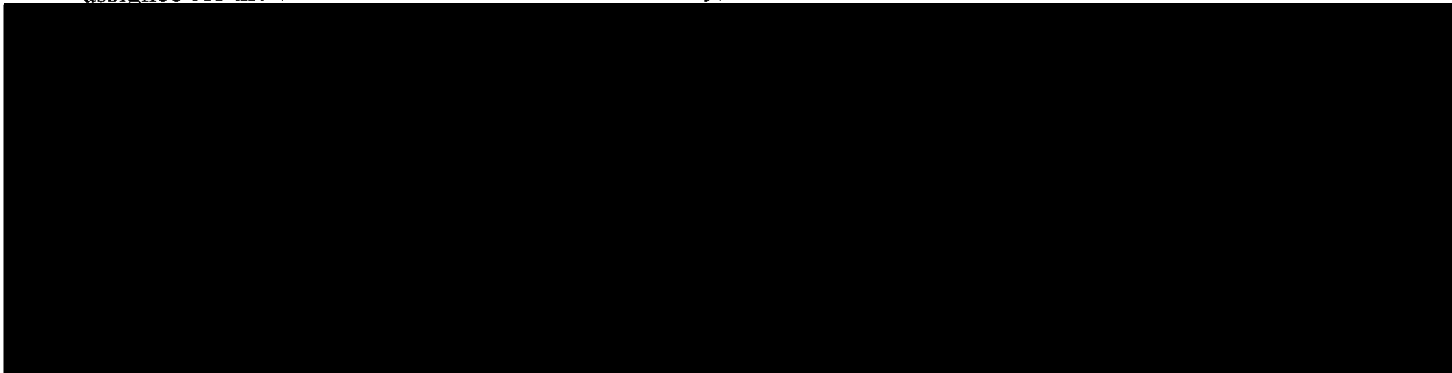
fraudulent billing practices and any attempt to obtain a registration, license, or approval to operate a business by fraud, misrepresentation, or submission of false information. If no history of such civil or administrative action, indicate N/A.



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.

[Garden Remedies has secured a lease interest in a 26,400 sq. ft. facility that will be improved for cultivation and manufacturing operations. Leasehold improvements will begin immediately upon licensure of Garden Remedies by the Massachusetts Department of Public Health and receipt of a special permit. The facility is owned by 697 Washington St. Realty Trust.

The dispensary will be located at 697 Washington St., Newton, MA. Minor improvements for the 1,000 sq. ft. facility are required for this site including security upgrades and cosmetic finishes and will commence with necessary permitting.

The capital budget for the project is broken down into three categories: planning and development, build-out costs, and equipment costs. Working capital requirements are not included in these estimates.

#### Planning and Development:

Planning and development costs combine expenses for both sites. Garden Remedies estimates the total budget for planning and development for both facilities to be \$21,863. This includes \$12,500 for design and engineering costs, approximately 10% of the overall improvements budget. A Phase 1 Environmental Site Assessment for the cultivation and manufacturing facility is budgeted at \$2,500. Permitting and fees are projected to be 1.7% of the improvement budget at \$2,125 for both facilities. Garden Remedies has engaged a third-party security advisor to review security plans developed by our primary security provider. This cost is budgeted at \$1,500. Demolition costs are estimated at \$1,250 as a minimal amount of site preparation is required for the facility. A contingency line item of \$1,988 is included in the planning and development category of capital costs.

#### Build-Out Costs:

Build-out costs for both facilities is budgeted at \$115,638. Garden Remedies plans to build-out approximately 20% of available area for manufacturing and cultivation operations for the first year of operations, a total of 4000 square feet. An expansion is planned for the second year based on projected patient demand for Middlesex County. The dispensary facility build-out is limited to cosmetic and security improvements. Construction expenses for manufacturing, cultivation, and dispensary operations have a total budget \$73,875 for mechanical, electrical and plumbing improvements. The dispensary facility is estimated to absorb 10% of the construction budget for a total of \$7,387, the remainder is allocated to the cultivation and



manufacturing facility. No major HVAC or power upgrades are anticipated based on the current condition of facility infrastructure. The security system cost is estimated at \$27,500 based upon twenty-two (22) cameras (per-installed camera cost of \$1,000) with 80% of that budget allocated to the manufacturing and cultivation facility and electronic access security doors estimated at \$1,500 each, including installation. The DVR and other security equipment is incorporated into the per-installed camera budget. Total painting and finishing for both facilities is budgeted at 5% of the total budget for a line item expense of \$3,750. A 10% contingency budget has been allocated to the build-out cost category for a total of \$10,513.

#### Equipment Costs:

Costs for cultivation equipment comprises the largest portion of the total equipment budget of \$173,000, with \$73,000 allocated for cultivation equipment purchases (environmental controllers, bulbs, ballasts, tables, flood trays and other major equipment purchases). The \$20,000 vehicle budget includes one vehicle, vault storage and GPS tracking equipment. A \$40,000 furniture and fixtures budget is projected for the build out. Computer equipment is estimated at \$15,000. A closed loop extraction system and packaging equipment will total \$25,000.

The total capital build out budget as detailed on Exhibit 4.3 is projected to total \$309,251 including contingency amounts. Sufficient capital is available should a cost overrun occur.]

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 year-one budget for Garden Remedies provides projections for the budget period beginning May 2014 and ending April 2015. The period is calculated beginning with regular operations in the cultivation facility after the capital build out period. The pre-development costs from notice of approval to the start of operations are consolidated into one line item detailed below.

Operations are expected to begin in May 2014 at the cultivation facility in Essex County after an estimated 90-day permitting and construction period. Sales are expected to begin September 2014 in Middlesex County. Approximately eight months of sales are expected in the first budget period. We anticipate the total number of patients in our service area to reach 5,874 in several years based on a report generated by an independent research firm, BBC Research.

We based the scale of our operations on estimations that we would serve approximately 17.5% of the patient population in the county. We anticipate demand for our facility to reach 981 ounces/month for 881 patients served. We set production goals to 1,200 ounces/month average in order to meet any over-anticipated demand and visiting patients. We believe the ramp-up period will see double-digit patient increases each month to reach 100% at the end of the period.

Our manufacturing processes will incorporate materials from our operations. We combine all raw material and infused products sales to total \$1,421,834 in the first year of operations. Vaporizer sales are estimated to total \$71,179 during the period. A small revenue stream of \$3,042 is anticipated from our delivery program. However, the program is aimed at those with a financial hardship and those patients will not receive a delivery charge within Essex or Middlesex.

The operation is led by a strong executive and a director for each functional area of the operation: cultivation, manufacturing, and dispensary. The payroll budget for the year one period totals \$543,113. The

fringe rate line item includes taxes and insurance. A licensing and training budget of \$2,000 per year is factored into the fringe rate.

Garden Remedies has engaged the services of cultivation consultants to ensure a successful ramp-up of our cultivation operations. The majority of the consulting budget is attributed to this contract.

The largest expense line item in the other expense category includes supplies for cultivation operations at \$267,392.

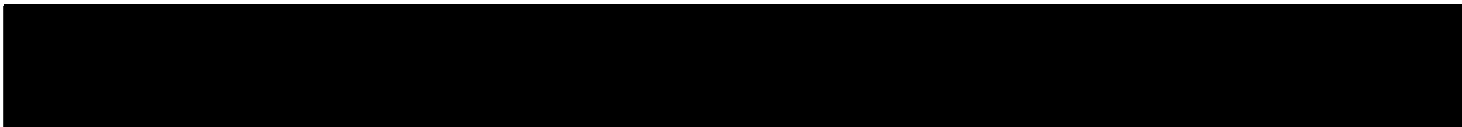
Laboratory testing is a large expense line item of \$56,290 estimated based on fees for complete cannabinoid profiles and residual pesticide screenings at \$250 per sample analysis (average cost in other medical marijuana states).

The office expense item includes regular office supplies, retail scale and alarm permit licensing fees, and software licensing fees. The inventory control software and point of sale system are subject to monthly fees budgeted around \$1,000 per month for both locations. A delivery logistics service for route planning and vehicle GPS tracking system monthly fee is also included in this line item.

The utilities expense is largely attributable to the electric cost at the cultivation facility estimated to be \$3,425 per month.

Insurance coverage will include general liability, property-casualty, product liability, and errors and omissions policies. Insurance deposits of 25% of the policy fees are factored in the pre-development costs line item.

The annual rent expense for the cultivation facility and dispensary facility is \$132,000 and \$24,000 respectively. The manufacturing facility is housed within the cultivation facility. Facilities maintenance totals \$10,900 for the period and is based on the square footage at each facility and includes a laundry and uniform service at the cultivation facility to ensure sterile cultivation and manufacturing facilities.



PIN debit transactions are common in the industry, and we have budgeted the transaction fee based on 35% of sales being transacted with a debit card. Monthly operating account fees and debit transaction fees are projected to total \$16,436 for this period.

Business personal property tax is estimated to be approximately 3.9% of the purchase value of equipment assessed annually. Use tax on other items is absorbed by the line item total.

The patient education and outreach budget of \$13,000 covers partial year programs. The line item also includes the on demand interpreter service we will utilize in the dispensary operation and to translate educational materials. Other outreach expenses include community programs to increase awareness and understanding of appropriate use medical marijuana and understanding of the laws and mechanics of the program.

As a non-profit, we anticipate a fairly expensive audit of year-end financials and will engage our CPA firm to perform quarterly reviews. The RMD will operate with non-profit governance, but will be treated as a

for-profit entity for tax purposes. Additional complexity lies in the special tax provisions for businesses operating in the medical marijuana field. We project accounting fees to total \$30,000 - \$40,000 annually. Legal service is budgeted for \$24,000 contemplating a \$2,000 retainer expense each month.

Finally, the year one budget incorporates all pre-development costs incurred between the notice to proceed from DPH and receipt of a certificate of occupancy for the cultivation and manufacturing facility allowing normal operations to begin. We expect a license fee will be charged in January or February 2014 so we have assigned \$147,867 to pre-development items. We expect a second license fee to be incurred in January or February 2015.]

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.

[Garden Remedies has projected patient populations, patient utilization, growth, and revenue and expenses based on estimates provided from industry research and advice from our consultants who have operated in several medical marijuana states. While informed, these projections may not align with the actual ramp-up of the medical marijuana program. As a result, we have developed a financing and operating model that is scalable to meet actual demand. We have leased 26,000 square feet of cultivation and manufacturing space in a single facility, yet have determined that build-out of only 4,000 square feet for cultivation and 1,500 square feet for manufacturing is warranted in the first year of operations realizing that over-production creates both external security risk and internal diversion risk.

Our projections come from estimates provided by BBC Research and Consulting. BBC is an independent firm that provides analysis of emerging markets and public sector issues. BBC has provided methodology and reports estimating patient populations in Colorado, Connecticut, Washington and Massachusetts. From the report:

Colorado capture rates are used because not all patients suffering from qualified conditions are accepting of medical marijuana as treatment. Colorado was chosen from a group of five states that have adopted medical marijuana enabling legislation because it was the only state that satisfied the following criteria: (1) a regulated dispensary market model; (2) tracking of license holders by qualifying condition; (3) maturity in the system to allow for doctor and patient adoption; (4) a regulatory system that allows for physician discretion to determine additional conditions that will benefit from medical marijuana. The methodology assumes that eligible patients in Massachusetts will elect to use medical marijuana for treatment of their condition in roughly the same frequency as patients in Colorado.

BBC estimated the number of potential medical marijuana patients in Massachusetts based on the prevalence of the qualifying conditions in the state's population and capture rates calculated using data from a regulated, mature medical marijuana state. Based on available data and reasonable assumptions, we estimated that initially 145,120 Massachusetts residents will potentially seek medical marijuana licensure, and this number may range from 140,560 to 151,440.

While BBC estimates the total patient population at maturity, they do not provide an estimate for the growth rate to that ultimate patient base. While Colorado adoption rates may be applicable to the Massachusetts population, the ramp-up in Colorado was extraordinarily rapid as they had an unregulated dispensary system with no restraints on advertising or regulations surrounding sales. Arizona may be a more applicable model

when estimating the growth of registered patients. Arizona saw 17.6% of their estimated patient population register in the first year of the program. Growth slowed in year 2 and 3 and is currently 26%. Based on our estimates, we have built our model on a registration growth rate of 15% in year one, 25% in year 2, and 40% in year three. We have also based our growth and demand model on the assumption that five RMDs will be licensed for operation in Middlesex based on its population related to the overall Massachusetts population. We assume a 17.5% capture rate for Garden Remedies of the number of patients assumed to reside in Middlesex, estimating that some patients will be drawn to other counties based on ease of access.

Utilization estimates vary wildly based on the source of the estimate. Given the similar nature of the Colorado and Massachusetts structure, we have adopted the utilization rate offered by our Colorado consultants who have operated multiple facilities in different areas of the state. We have projected that patients will utilize 1 gram of raw material per day for a monthly total of 1.1 ounces or 13 ounces per year.

The increase of available infused products in regulated states makes this metric even more difficult to project. Based on advice from our consultants, demand for manufactured products including ready-to-use vaporizer cartridges, sublingual products, and topicals are in high demand and growing in popularity. They report the ratio of raw material to infused product sales has changed from 95:5 to 50:50 over the course of four years. Based on this information, we assumed all infused product sales to be additional to this 1 gram per day average. We will produce all available plant material from processing operations in our manufacturing operations and assume that 100% will be sold.

In year one, we will build out and operate one-quarter of the available square footage to meet our projected demand. The design is easily scalable to increase or decrease production if our projections are not in-line with actual results. We will set target yields 25% higher than anticipated demand in case of rapid registration rates or needed access if other licensed RMDs do not begin dispensing operations at the same time as Garden Remedies. This inventory hedge will also compensate for any production issues. Additionally, our facility design which incorporates multiple cultivation rooms acts much like a farm segregated into plots in that a room can be shut down in case of an unmanageable pest outbreak without drastically impacting expected yields.

We have modeled a doubling of production capacity in the second operating period. An ongoing analysis of the operating results will determine the necessity of that expansion. We will permit the project in the beginning of year two for readiness, but will not develop the second cultivation area until demand warrants the expansion.

Revenues and expenses are directly correlated to production and demand. We estimate a 30-day inventory turn with an additional 30 days in process at all times. Our projections are supply based rather than sales based. We assume that all marijuana will be sold as raw material or processed into infused products attempting to take advantage of all saleable products and generating as little waste as possible. The harvest schedules will be set to efficiently utilize our human resources and maintain a dedicated processing crew that is working harvest or processing operations on a regular basis. Given the large expense associated with licensing and training new dispensary agents, we will incorporate lean manufacturing principles that do not sacrifice safety or quality. All revenues are based on an average gram price of \$12.50. Medical marijuana has shown dramatic price variability in all regulated markets. The average gram price in Colorado for marijuana grown indoors is around \$8.50 while in California (without state regulation) indoor marijuana is priced closer to \$12.50 per gram. We established year one pricing for marijuana and infused products on \$12.50 per gram. As our revenues grow and the RMD reaches stability reserving sufficient funds for expansion and debt service, we will review and adjust prices.

We intend to increase benefits to patients with financial hardships as a priority over reducing prices for all patients. Rand studies have also shown an increase in marijuana use is directly correlated to a decrease in price (2010). Led by a physician and patient advocate, Karen Munkacy, MD, Garden Remedies does not want to incentive patients to utilize more marijuana than is medically necessary. We intend to keep in-line with "market" prices once the Massachusetts program is stable. As a non-profit that expects to be in the unique position of eventually earning significant revenues, we have determined that any resulting net increases (after taxes and nine months of operating and one year of capital budget reserves are met) will be distributed in the following manner, 15% to increase pay and benefits to employees, 25% to increase the funding of the patient hardship program and expand the delivery program, and 60% to direct giving for community non-profits and medical marijuana research.

Any available net increase in assets is subject to federal income tax as the non-profit is treated as a corporation for tax purposes. Additionally, operators in this field are subject to much higher than typical corporate tax rates due to an IRS provision that does not allow a large portion of administrative and overhead expenses to be deducted. The totals reported on Exhibit 4.5 are estimated net increases before taxes and amortization. We are utilizing a 45% tax rate in our projections. Applying this tax rate cuts the stated projected increases almost in half. However, if the Massachusetts patient population reaches BBC's projected total and we continue to expand into our available space, our fund balance should allow us to create a very robust and exciting giving program to benefit patients and the Commonwealth.]

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).

[Garden Remedies will purchase a liability insurance policy from A-rated Lloyd's of London that will meet both General and Product Liability limit requirements specified by the Massachusetts Department of Public Health. Specifically, our policy will provide:

- General liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, and
- Product liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, except as provided in 105 CMR 725.105 (Q)(2).

The deductibles for Garden Remedies' liability policy will be as follows:

- Liability - \$0
- Property - \$2500
- Marijuana infused products liability - \$5000

Lloyd's of London has strict underwriting criteria to prevent loss by either theft or diversion, and requires a number of operational features that Garden Remedies will employ. Such operational features are as follows:

- Testing 100% of our products, which means at least one flower from each strain being harvested from every crop will be certified by an independent testing laboratory

Taken together, the general and product liability coverage Garden Remedies will obtain, upon being awarded a license to operate, will meet or exceed Massachusetts Department of Public Health requirements. In addition, during build-out, we will call upon our insurance broker and Lloyd's of London to help us design and build safety features into our procedures and facilities.]

## 5. Location and Physical Structure

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

[The physical address of the proposed RMD dispensary site is 697 Washington Street, Newton MA 02458.]

Evidence of interest attached as exhibit 5.1

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

[The physical address of the proposed RMD cultivation site is 197 Western Avenue, Essex, MA 01929.]

Evidence of interest attached as exhibit 5.2

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

[The physical address of the proposed RMD processing site will be the same as the cultivation site located at 197 Western Avenue, Essex, MA 01929.]

Evidence of interest attached as exhibit 5.3

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

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

[Newton, MA resident Karen Munkacy, MD has been actively working since August 2013 with Dori Zaleznik, MD, Commissioner, Health and Human Services Department for Newton; James Freas, Newton's Director of Long Range Planning; Ruth Balser, Newton's State Representative; Cynthia Creem, Newton's State Senator; and other city officials to obtain local support and approval so that Garden Remedies' registered marijuana dispensary can open in the city of Newton, MA. The specific actions of Dr. Munkacy; her representative, Mary Ann Walsh of Governmental Strategies, Inc.; and her consultant, Ron Smalley of Vista Green Consulting Group are as follows:

#### Dispensary Outreach

In August 2013:

- Commissioner Zaleznik explained to Walsh that Newton has an internal working group (including police, planning, health, law, and Board of Aldermen), meeting privately to make recommendations on how Newton should proceed on the issue of siting a medical marijuana dispensary.
- Dr. Munkacy, Walsh, and Smalley met with MA State Representative Ruth Balser and staff to brief her on Garden Remedies, Inc.'s plans to apply for a license to open a dispensary in Newton.
- Dr. Munkacy, Walsh and Smalley met with Catherine Anderson, aide to Senator Cynthia Creem, to brief her on Garden Remedies' plans to apply for a license to open a dispensary in Newton.

In September 2013:

- Dr. Munkacy, Walsh, and Smalley attended a meeting of the Newton Board of Aldermen and Zoning & Planning Committee. The Chair allowed brief remarks by several Newton residents/patients present, including Dr. Munkacy and Massachusetts Patients Advocacy Alliance members.
- Walsh had phone conversation with Mr. Freas to discuss the Zoning & Planning Committee and Board of Aldermen's process and meeting calendar. Walsh emailed Mr. Freas with additional questions about the process and rules and received his response.

In October 2013:

- Dr. Munkacy emailed each alderman with information about Garden Remedies and requested a meeting.
- Following up on Dr. Munkacy's email of 10/9/13, phone calls to each alderman were made to request and schedule a meeting.
- Dr. Munkacy, Walsh and her associate Elaine O'Reilly, and Smalley attended Newton's Zoning & Planning Committee's hearing on whether Newton should enact a moratorium until 3/1/14 on siting a medical marijuana dispensary. Dr. Munkacy testified against moratorium.
- Dr. Munkacy, O'Reilly, and Smalley met with Alderman Swiston in Newton.
- Dr. Munkacy, O'Reilly, and Smalley met with Alderman Salvucci in Newton.
- Walsh emailed Commissioner Zaleznik requesting a meeting for Garden Remedies and sent information on the MA DPH's ongoing license application process.
- Smalley emailed Mr. Freas and requested proposed zoning map(s). Mr. Freas sent maps.
- Dr. Munkacy and Walsh met with Alderman Kalis in Newton.
- Dr. Munkacy and Walsh met with Alderman Fuller in Newton.
- Walsh briefed MA Patients Advocacy Alliance on upcoming Board of Aldermen's vote on moratorium proposal.

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

- MA Patients Advocacy Alliance sent out email action alert urging that Newton residents contact all aldermen and urge them to vote for a moratorium ending on 12/31/13.
- Smalley spoke with Mr. Freas by phone about zoning issues scheduled for Zoning & Planning Committee's upcoming discussion.
- Walsh had a phone conversation with Alderman Yates about moratorium issue.
- Dr. Munkacy emailed each alderman urging support for a moratorium ending on 12/31/13.
- Dr. Munkacy spoke with Aldermen Hess-Mahan and Schwartz by phone.
- Dr. Munkacy and Walsh attended a Board of Alderman session where the moratorium issue was debated and voted upon. Moratorium until 12/31/13 prevailed.
- Dr. Munkacy emailed a letter with zoning recommendations to each member of Zoning & Planning Committee. She cc'ed Comm. Zaleznik, Mr. Freas, Ms. Dean (clerk to Zoning & Planning Committee) and Ms. Lawlor (assistant city solicitor).
- Walsh and Smalley attended a Zoning & Planning Committee discussion on proposed medical marijuana dispensary zoning language.

In November 2013:

- Commissioner Zaleznik informed Walsh that she supports Garden Remedies and has been directed by Newton Mayor Setti Warren to write a letter of support for our request to locate our registered medical marijuana dispensary in Newton.
- Garden Remedies signed a letter of intent and began lease negotiations with owner of 697 Washington St., Newton, MA.
- Walsh asked Newton Police Chief Mintz for a meeting for Garden Remedies.
- Walsh sent Commissioner Zaleznik language from the MA DPH Phase 2 application and published questions and answers regarding local letter of support/non-opposition.
- Dr. Munkacy submitted written testimony on zoning proposal to Zoning & Planning Committee members.
- Walsh and Smalley attended a Zoning and Planning Committee public hearing on proposed medical marijuana dispensary zoning language.

Moving forward, Garden Remedies will attend future meetings and discussions that concern registered medical marijuana dispensaries. While Dr. Munkacy and her team were working to obtain local support and approval in Newton, Ma, they were also working to obtain local support and approval for Garden Remedies' cultivation facility to be located in Essex, MA. The specific actions of Dr. Munkacy, Walsh, and Smalley to obtain local support and approval in Essex, MA are as follows:

Cultivation Center Outreach in October 2013:

- Smalley responded and indicated interest to a letter from the Perkins family of Essex, MA regarding the availability of their property for use as a medical marijuana cultivation facility.
- Darrell Perkins sent Smalley information about the property and extended an invitation to visit the property.
- Ron Smalley visited the property, and later, Dr. Munkacy and Smalley visited the property together.
- Walsh emailed Essex Town Administrator Brendhan Zubricki, identified Garden Remedies and asked for a meeting.
- Zubricki responded by email, stating that: 1) Garden Remedies should meet with Selectmen, 2) Garden Remedies' intent letter had been received and would be discussed at Selectmen's meeting on 10/21/13, and 3) invited Walsh to call him on 10/21/13. Zubricki also left a voicemail with a similar message.
- Walsh spoke with Zubricki by phone. He explained what would happen at the upcoming Selectmen's meeting. He scheduled Dr. Munkacy to give a presentation to Selectmen at their 11/4/13 meeting.



- Smalley attended Selectmen's meeting.
- Dr. Munkacy and Smalley had a lengthy meeting in Essex with members of the Perkins family.
- Walsh emailed Zubricki to confirm language of proposed zoning bylaw amendment that would be heard by the Essex Planning Board and Selectmen at Planning Board meeting on 11/6/13. Mr. Zubricki responded by email confirming language.

In November 2013:

- Dr. Munkacy, Walsh, and Smalley attended Selectmen's meeting. After introductions and general questions regarding the medical marijuana licensing process, Dr. Munkacy talked about Garden Remedies and its goals and introduced Smalley, who used enlarged maps to describe plans for the proposed cultivation site. Dr. Munkacy and Smalley answered questions.
- Walsh emailed Zubricki thanking him for scheduling Garden Remedies with the Selectmen, and sent him information on the Massachusetts Department of Public Health process and a copy of Dr. Munkacy's comments.
- Walsh called Zubricki to confirm that public testimony would be taken at an upcoming Planning Board meeting.
- Walsh and Smalley attended the Planning Board meeting. Smalley introduced himself, thanked the Board for their attention to this issue, and expressed Garden Remedies' intent to work cooperatively with Essex officials and residents.
- Walsh left a voicemail for Zubricki asking to discuss process for obtaining letter of support/non-opposition from Essex.
- Dr. Munkacy (by phone) and Smalley met with Darrell Perkins and his attorney for two lengthy lease negotiations.
- Smalley continued lease negotiations with Darrell Perkins by phone.
- Walsh spoke by phone with Zubricki regarding Special Town Meeting rules and expectations regarding the letter of support/non-opposition.
- Walsh emailed Essex Police Chief Silva requesting a meeting for Garden Remedies. Chief Silva responded and stated he would meet with Garden Remedies and gave his upcoming schedule availability.
- Garden Remedies obtains a letter of local support from Essex Selectmen. The original letter was mailed to DPH. The Town Administrator has provided an original certification of that letter. While waiting for a provisional license to operate, Dr. Munkacy and her team will continue to work for local support and approval in Newton and Essex, MA for Garden Remedies' RMD and cultivation facility]

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.

[Garden Remedies' dispensing site, located at 697 Washington Street, Newton, MA, will comply with all local codes, ordinances, zoning and bylaws, as well the state requirements for location as follows:

Garden Remedies complies with all state requirements for locations because Garden Remedies has a lease on a location for dispensing that is over 1000 feet away from where children commonly congregate, including all schools. The location also complies with the Town of Newton's proposed zoning ordinance that is expected to be adopted in early December 2013 because the location is in a B-2 zone district, which is identified on Newton's proposed map as a permissible location provided a special use permit is obtained. Once the proposed zoning ordinance is adopted, Garden Remedies will start the process to apply for a special use permit even before they receive notification from DPH regarding the status of their application.

Garden Remedies believes it will obtain a special use permit because it meets the criteria outlined in Newton's special use ordinance (section 30-24) and proposed ordinance including, among other items: (1) being located more than 1000 feet away from any place children congregate including schools, playgrounds, daycares, and houses of worship; (2) complying with all state and local laws and ordinances; (3) proposing to be located in a permanent structure; (4) conforming to applicable dimensional requirements; (5) providing adequate parking (Newton Ordinance Section 30-19-(d)(10)); (6) refusing to use any signs that violates applicable state or local law and the use of any graphics, symbols, or images or marijuana; (7) operating during hours permitted by the board of alderman; (8) providing safe and secure access for clients and employees whether driving, walking, or using public transportation, including being located on a regional bus route and walking distance to the Newtonville T station; (9) not creating an adverse impact on the neighborhood; (10) ensuring loading and services are secure and shielded from abutting uses; (11) guaranteeing there are no negative aesthetic impacts that might result due to security; (12) maintaining the site as accessible to a person with disabilities; and (13) proposing to be located where it is easily monitored by law enforcement and other code personnel.

Garden Remedies' cultivation and processing site, located at 197 Western Avenue (Rt. 22) Essex, MA will also comply with all local codes, ordinances, zoning and bylaws, as well the state requirements for location as follows:

Garden Remedies complies with all state requirements for locations because Garden Remedies has a lease on location for cultivating and processing marijuana that is over 1000 feet away from where children commonly congregate, including all schools. Garden Remedies' proposed cultivation and processing site is in a heavy industrial part of town that is not subject to any overlay districts or other requirements that would prohibit its operation.

On November 18th, the Town of Essex enacted a special use permit process for Registered Marijuana Dispensaries, which is relevant for our planned Essex cultivation facility. Garden Remedies will start the process to apply for the special permit as soon as possible – even before receiving official notification from DPH on their application. Garden Remedies will prepare a site plan (Town of Essex By-Laws 6-3.5) that meet this criteria for a special permit in the Town of Essex because the proposed site appears to meet all the criteria. The location is in a remote location surrounded by open space, so it will not impact traffic, has plenty of off-street parking due to this remote location and is out of sight of any residential properties. Additionally, the proposed site's prior use as a manufacturing facility already has adequate drainage. Finally, the facility does not need any exterior remodeling so it will not affect (i) vegetation, (ii) the existing landscape of the property, or (iii) the Town Character.

In addition to both of Garden Remedies' proposed locations appearing to qualify with all applicable local and requirements for a proposed RMD, Garden Remedies plans to monitor all proposed local ordinances and bylaws for any applicable changes. In addition to actively working with the local community, Garden Remedies will immediately comply with any new rule, regulation, or other state or local requirement affecting its locations.



To assist with compliance matters, Garden Remedies has hired Vicente Sederberg, LLC, the country's most respected medical marijuana law firm, with offices in Boston and Needham. This law firm has successfully guided the compliant operation of hundreds of legal medical marijuana businesses in multiple states. They currently represent the County of Pueblo, Colorado, where they authored the municipality's marijuana business ordinances.]

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.

[Medical marijuana dispensaries have an obligation not only to the health and well-being of their patients, but of their communities as well. Garden Remedies is committed to working productively with all state and local officials and to developing positive working relationships with all other stakeholders. Dr. Munkacy and her team will work diligently to ensure that Garden Remedies is a responsible, respected community member. Dr. Munkacy will be available to lecture and educate interested community groups on the efficacy of medical marijuana treatment.

In order to be a respected and responsible community member, Garden Remedies will implement and execute a Good Neighbor Plan. A Garden Remedies representative will respond with a proposed solution to any reasonable complaint within 10 days or as requested by the Massachusetts Department of Public Health. All neighbor communications will be maintained as part of the company record.

To serve our community in an effective manner, Garden Remedies will implement and execute a Community Outreach Plan, which will address monetary and volunteer contributions to local non-profits that align with our values and mission.

In order to neutralize the odors associated with growing healthy plants, Garden Remedies will utilize a three-phase odor reduction system to eliminate odor within and around our production facility. Highlights of this plan are as follows:

- Cannabis production will be organized into a series of separately sealed zones including but not limited to: vegetative, flowering 1-4, trimming, curing, storage, processing, infused products, and hallways connecting rooms.
- A predetermine number of activated carbon filters will circulate and scrub the air at a flow rate calculated to filter all the air in each zone every 15 minutes.
- Each zone will have a slight negative air pressure created by exhausting the air through one point.
- The exhaust from each zone will be filtered a second time through an activated carbon filter before entering a sealed ducting system to be transferred to a common air bank.
- Before exiting the building through a stack system, all exhaust will be filtered a third time through a series of activated carbon filtration screens thoroughly reducing odor emission rates.

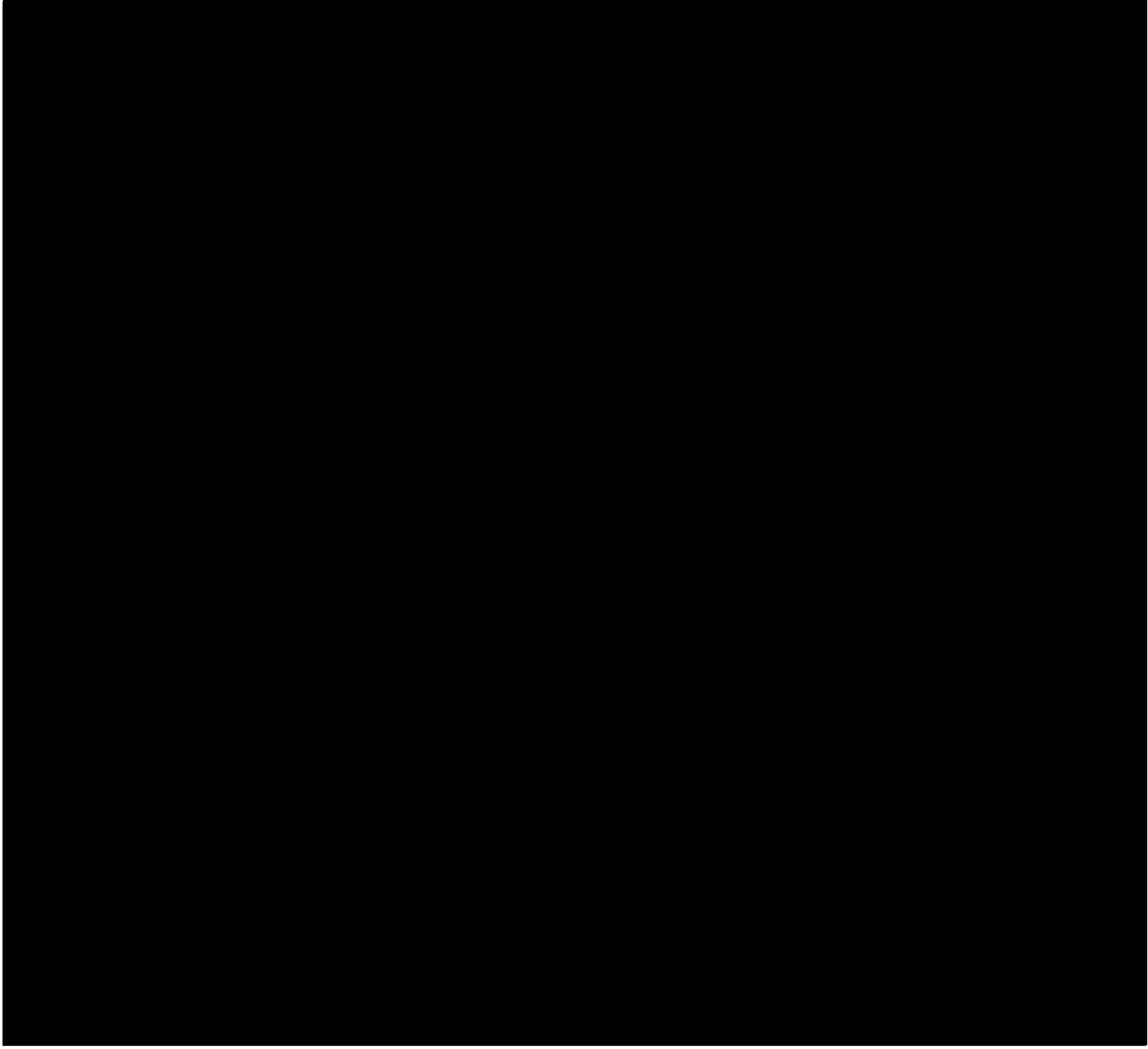
In order to keep the area around our facilities safe and secure for our staff, patients and community, we will actively ensure that unauthorized individuals are not allowed to loiter or remain on our premises.



In order to prevent diversion, we will follow a strict protocol when dispensing and disposing of marijuana and marijuana infused products.

We cannot emphasize enough that not only will Garden Remedies minimize any disturbance to the communities where our facilities are located, we will actively search for and dedicate our time and resources to opportunities that increase the health and wellness of the patients and communities we serve.]

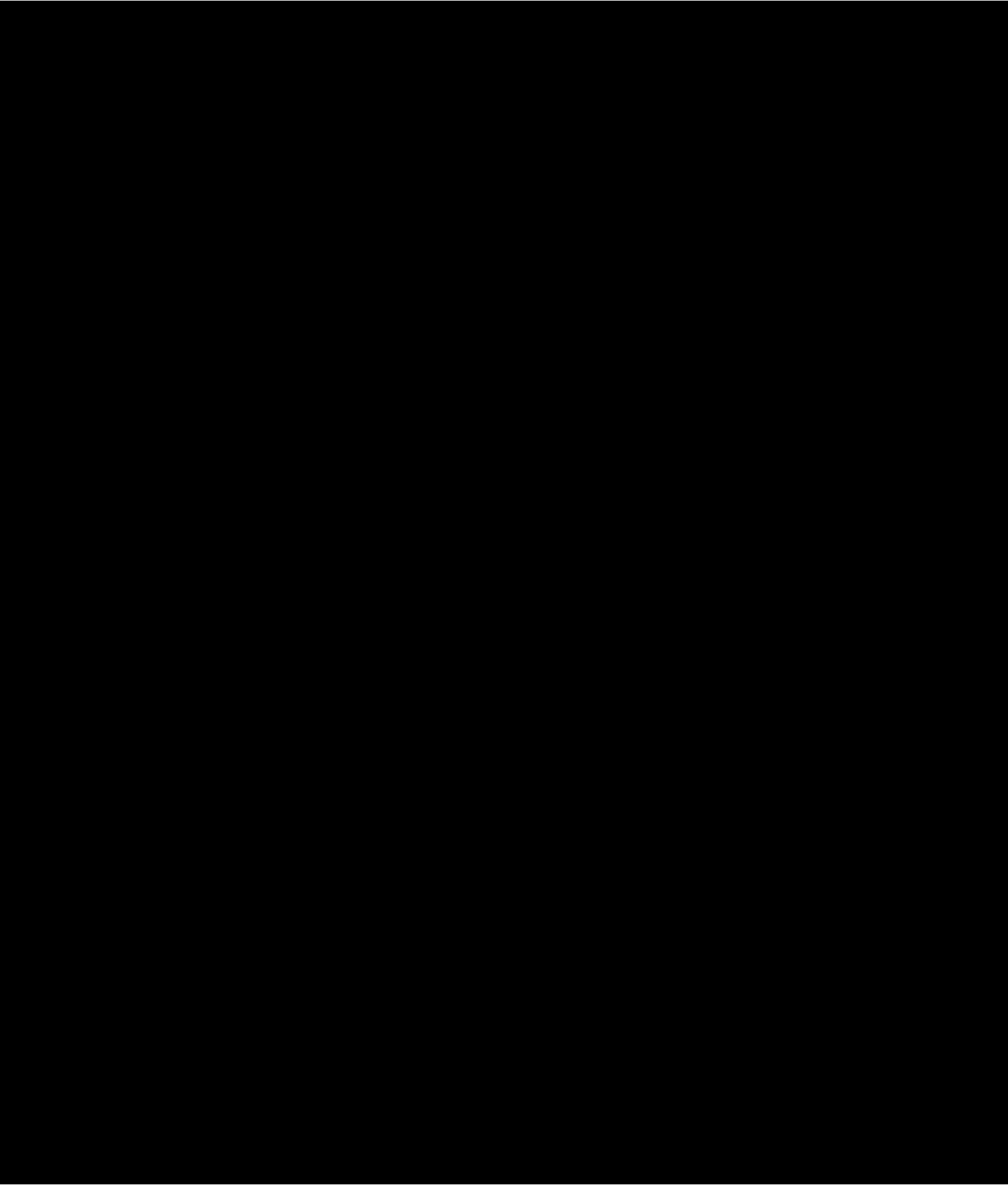
5.8 Provide a description of the proposed enclosed, locked facility that would be used for the cultivation and/or processing of marijuana, including steps to ensure that marijuana production is not visible from the street or other public areas. Note that the security plan will be reviewed as a component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



[REDACTED]

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.

[REDACTED]



## 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.

[Having a knowledgeable and well-trained staff is the key to establishing a strong relationship with the patients and community we serve. Garden Remedies' staffing management process will be maintained by Chief Operations Officer Joseph Skenderian, who has 19 years' of experience overseeing staff at his pharmacy in Massachusetts. The process will consist of five continuous elements:

- Planning
- Acquisition
- Training
- Management and Evaluation
- Transition

Garden Remedies encourages employee development and empowerment. Employees are encouraged to provide input and suggest new policies and processes on a regular basis. However due to the highly regulated and security intensive nature of our operations, Garden Remedies will employ a department-based hierarchy. Mr. Skenderian will oversee department managers and will maintain our Organizational Chart. Descriptions of Garden Remedies' management positions are as follows:

### Chief Executive Officer

- In partnership with the Board of Directors, ensure the success of our organization by maintaining Garden Remedies' relevance in the community, the accomplishment of our mission and vision, and the accountability of Garden Remedies to our diverse constituents
- Develop, organize, and facilitate education programs for patients, caregivers, board members, and the community at large concerning methods of consumption, cannabinoid profiles, regulation updates, as well as Garden Remedies' services and programs
- Serve as a community outreach representative to plan and coordinate Garden Remedies' involvement in community and industry events and programs

### Chief Finance Officer

- Oversee all accounting systems and audits
- Handle financial planning and forecasting
- Handle budget planning and management
- Perform all activities required for financial reporting and regulatory compliance

### Chief Operations Officer

- Oversee the day-to-day operation of our dispensary, managers, and agents in accordance with the direction and policies established by the Board
- Provide direction and means to the Board as it carries out its governance functions
- File appropriate compliance reports with regulatory agencies and coordinate with the Garden Remedies' accountant to collect and file taxes for our company
- Facilitate Garden Remedies' registered agents; identify and suggest topics for training through observation and evaluation of patient care
- Be responsible for planning, development and implementation of Garden Remedies' marketing strategies and communications, and public relations activities, both external and internal

### Director of Dispensary Operations

- Provide oversight and support to Garden Remedies' dispensary and administrative staff to help maintain and continuously improve the quality of care provided to our qualified and registered patients and caregivers

- Manage inventory, regulatory compliance of systems, staff management, implementing governing protocols, accounting and sales records
  - Coordinate with the Director of Cultivation Operations for production estimates and product transfers
  - Participate in the monitoring of Garden Remedies' quality assurance program, anticipate plans for change, meet state and local compliance requirements
  - Develop the company's inventory management strategy with the aim of controlling costs within budgetary limits, generating savings, rationalizing inventory and maximizing available working capital
  - Execute inventory control measures to ensure the company minimizes inventory holding, maximizes stock system and maintains accurate paperwork
  - Ensure incoming product is receipted and managed appropriately according to company procedure
  - Maintain and develop social media sites, website content and design, advertisements, newsletters, and any other marketing materials for Garden Remedies
  - Manage internal communications including email accounts and Garden Remedies' intranet
  - Direct the efforts of the Garden Remedies staff to coordinate our company's involvement in community and industry events
  - Handle all marketing and press inquiries for Garden Remedies
  - Be responsible for superior customer service and educational guidance to registered patients and caregivers
  - Ensure dispensary agents correctly package patient orders and record sales in Garden Remedies' Point of Sale system, and properly handle cash, check, and credit card transactions
  - Ensure dispensary agents follow all relevant protocols and report any suspected diversion or loss
  - Ensure dispensary agents properly carry out all opening and closing duties
  - Ensure dispensary agents maintain accurate records of patients' identification and registration documents, manage patient traffic flow, answer phones and respond to patient and caregiver inquiries
  - Maintain an organized environment and facility appearance
- Director of Security and Diversion Prevention
- Be responsible for regulatory compliance with 105 CMR 725.000 and Chapter 369, as well as municipal regulations
  - Verify and maintain software and technology is in place to adequately provide oversight, security, and monitoring in all required areas
  - Advise management on the implementation or operation of compliance programs
  - Monitor compliance systems, policies, and procedures to ensure their effectiveness
  - Maintain ongoing communication with local law agencies and the Massachusetts Department of Public Health

Director of Cultivation Operations

- Ensure that all cultivation operations are safe for employees, produce quality marijuana for patients, and are in compliance with all applicable Garden Remedies' policies, laws, and regulations, and industry best standards
- Be familiar with the layout and technical specifications of the facility and equipment and be able to perform and train others to perform all activities necessary in the facility
- Identify and appropriately react to all incidents
- Ensure materials are ready and available for production as required, and maintain accuracy.]

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.

[Joseph Skenderian, Garden Remedies' Chief Operations Officer, will coordinate with the department managers to acquire all necessary staff. The acquisition process will follow this protocol:

- Identify need; prepare job classification and job description
- Solicit for vacant position utilizing methods that best fit the position including internal posting, partner posting (consultants, non-profit partners, vendors, etc.), external posting, temporary staffing agency or executive search firm
- Review resumes and job applications for qualified candidates with relevant experience and those with complementary skills and a strong potential for growth
- Perform and record in the Job Candidate Log reference checks on qualified candidates including:
  - o Address and education
  - o Verification of former and current employment
  - o Recording of information from former supervisors on the candidate's performance, if available
- Schedule first interviews with the department manager
- Schedule second interviews with strong candidates with the Chief Operations Officer and the direct supervisor
- Deliver an offer letter to the first choice candidate (as determined by the Chief Operations Officer)
- Perform a criminal background check on the selected candidate to determine eligibility for DPH registration and to identify any other possible disqualifying items
- Apply to DPH for registration
- Provide new hire orientation and training upon successful registration
- Complete the probationary period

Qualifications and skill sets for Garden Remedies' managers are as follows:

Chief Executive Officer - Excellent analytical skills and understanding of 105 CMR 725.000 and Chapter 369. Ability to comprehend complex legislation and apply implications on the operations of Garden Remedies. Strong communications skills are required as the Chief Executive Officer will be responsible for maintaining dialog and relationships with state department officials, law enforcement, landlords, city personnel, as well as the directors, management, and employees of Garden Remedies.

Chief Financial Officer - Excellent analytical and communication skills. Ability to deliver a financial plan that is actionable and aligned with company strategy. Ability to report the numbers, measure performance with integrity and accuracy, and manage the company's checks-and-balances processes. Experience with audits and implementing recommended corrective actions.

Chief Operations Officer - Ability to work in a fast-paced, changing, and challenging environment. Analytically and communicatively intelligent. Ability to take unqualified responsibility for Garden Remedies while maintaining a problem-solving, vision-based attitude. Market and political knowledge. Focuses simultaneously on short- and long-term goals and has the ability to identify problems quickly. Experienced in a leadership role.

Director of Security and Diversion Prevention - Ability to deliver and implement a strict security plan. Full understanding of all industry-specific state and local laws and regulations. Develop or

maintain strong relationships with local law enforcement. Ability to react to and document emergency situations in addition to daily procedures. Experienced in training and supervising others.

Director of Dispensary Operations - Strong communication and leadership qualities. Exhibits a sense of urgency when necessary. Ability to direct, coach, support, and delegate tasks to management and employees. Ability to issue and explain instructions effectively. Demonstrated experience in a position requiring critical thinking, problem solving, planning and assessment. Computer literacy in word processing, point-of-sale systems, and database management. Strong oral and written communications skills. Ability to manage multiple projects at a time. Demonstrated skills, knowledge and experience in the design and execution of marketing, communications and public relations activities. Experience hiring, training, developing, and supervising personnel.

Director of Cultivation Operations - Strong communication skills and leadership qualities. Ability to direct, coach, support, and delegate tasks to employees. Ability to issue and explain instructions effectively. Demonstrated experience in a position requiring critical thinking, problem solving, planning and assessment. Demonstrated ability to develop a fully organic growing regimen and to grow and produce 100% organic, high-grade medical marijuana and marijuana infused products.

Garden Remedies will not discriminate in hiring or operating decisions. All managers and supervisors will comply with all EEOC guidelines when managing personnel issues. No Garden Remedies policy or practice will discriminate based on or conflict with laws regarding: race, height & weight, credit rating or economic status, religious affiliation or beliefs, citizenship, marital status, number of children, gender, arrest & conviction, security/background checks for certain religious or ethnic groups, or disability. Disqualification based on lack of suitability for DPH registration shall not constitute discrimination for the purposes of this policy.]

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.

[Garden Remedies' employees and their welfare are very important to the success of our company. Our long-range objective is the continuous development of a growing and prospering business through which both the employees and the company will benefit.

First and foremost, every employee will be considered a member of our company team. Our success as a company will be built on the recognition of the skills and efforts made by each employee. It will be our policy to work with all members of our team in a fair and friendly manner and to treat each team member with dignity and respect.

Highlights of Garden Remedies' personnel policies are as follows:

The probationary period for regular full-time and regular part-time employees will last up to 180 days from date of hire. During this time, employees have the opportunity to evaluate our company as a place to work and management has its first opportunity to evaluate the employee. During this introductory period, both the employee and the company have the right to terminate employment without advance notice.



Upon satisfactory completion of the probationary period, a 180-day review will be given and benefits will begin as appropriate.

Garden Remedies directly links wage and salary increases with performance. An employee's performance review and planning sessions will have a direct effect on any changes in compensation. New employees will be reviewed at the end of their probationary period. After the initial review, the employee will be reviewed according to the regular semi-annual schedule. Garden Remedies reserves the right to background check employees at any time during their employment.

Each employee's hourly wage or annual salary will be reviewed at least once each year, usually conducted on or about the anniversary date of employment or the date of the previous compensation review. Such reviews may be conducted more frequently for a newly created position, or based on a recent promotion. Increases will be determined by the ability of the company to financially support them, on the basis of performance, adherence to company policies and procedures, and the ability to meet or exceed duties per job description and achieve performance goals.

Garden Remedies will offer a benefit program for its regular full-time and regular part-time employees. The specifics of our company's benefit program have not yet been determined.

Garden Remedies will offer employees unpaid vacation time with at least two weeks prior approval and written notice to the employee's direct supervisor. As our business grows, we look forward to offering a paid vacation package for all employees.

It will be Garden Remedies' policy to provide opportunities for employees to apply for job openings within the company when opportunities arise. Promotions and transfers will be considered by evaluating each individual's job-related skills, knowledge, experience, ability, efficiency, initiative, attitude, and attendance record. In an effort to ensure that the best interest of the company and the individual are being served, Garden Remedies may transfer employees to different positions when deemed necessary to maintain efficient operations or production.

We will encourage employees who have suggestions that they do not want to offer verbally or in person to write them down anonymously and leave them in the same suggestion box used for patients. The location supervisor will check the box on a regular basis, and address issues accordingly.

Under normal working conditions, employees who have a job-related problem, question or complaint should first discuss it with their immediate supervisor. If the employee and supervisor do not solve the problem or the issue is regarding the employee's immediate supervisor, Garden Remedies encourages employees to notify executive management and then the board of directors as necessary for resolution.

The estimated number of employees that Garden Remedies will hire for each facility as well as the employee pay scale is as follows:

- Dispensary - up to 15 employees
- Upper management – \$60,000 - \$80,000
- Office administration – \$24,000 - \$60,000
- Security and drivers – \$24,000 - \$60,000
- Patient care associates – \$24,000 - \$60,000

- Cultivation Facility - up to 40 employees
- Upper management – \$60,000 - \$80,000
- Office administration – \$24,000 - \$60,000
- Security and drivers – \$24,000 - \$60,000
- Cultivation & processing - \$24,000 - \$60,000

The safety and health of our employees is a top business consideration. No employee will be required to do a job that he or she considers unsafe. The company will comply with all applicable workplace safety and health requirements and maintain occupational safety and health standards that equal or exceed the best practices in the industry. We will maintain a safety committee, which consists of management and our employees. The safety committee will be responsible for identifying hazards and unsafe work practices, removing obstacles to accident prevention, and helping evaluate our company's effort to achieve an accident and injury-free workplace.

All employees will have responsibility for their own safety as well as for the safety of their fellow workers. They will be expected to participate in the safety and health programs which will include immediately reporting accidents, hazards, and unsafe work practices to a supervisor or safety committee representative, wearing required personal protective equipment, and participating in and supporting safety committee activities.]

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.

[Dr. Munkacy will work to provide or cause to be provided all relevant and adequate training for each individual involved in company operations. Training shall be tailored to the roles and responsibilities of the job function of each dispensary agent, and at a minimum will include training on confidentiality, and other topics as specified by the Massachusetts Department of Public Health. At a minimum, staff shall receive 8 hours of on-going training annually.

All new employees will be required to receive new employee orientation prior to beginning work at any facility. Each department manager will provide the new employee orientation for employees assigned to their department. The new employee orientation will include a summary overview of all training modules. Topics that will be highlighted include:

- Overview of the Act for Humanitarian Use of Medical Marijuana and 105 CMR 725.000
- Company and operations overview
- A definition of a qualified, registered patient and the services we can provide
- Standards of conduct and reasons for dismissal
- Federal laws impacting the employee and operation
- Local laws and zoning requirements
- Employee's role in community and patient relations
- Medical marijuana science and Garden Remedies' commitment to science based operations
- The legal importance of confidentiality and records management
- The employee's role in emergency and incident management

- Department specific safety, security, and the employee's access to records and storage
- The employee's role in inventory management and diversion prevention
- The company's focus on quality operations and preventing product contamination

The Chief Operations Officer will be responsible for documentation of all required training including the signed statement of the individual indicating the date, time, and place he or she received said training and the topics discussed, including the name and title of presenters. No employee or consultant may work on-site prior to receiving orientation training or when any required critical training is 8 weeks or more past due.

Garden Remedies will utilize the train the trainer method in order to enhance skills and knowledge, mastery of materials, and knowledge transfer to Garden Remedies' employees. By doing so, our company will gain increased organizational knowledge and a staff that continually engages and operates in a training-based environment.

Garden Remedies' Chief Operations Officer will develop compliance training as all of our employees will have a thorough understanding of the legal and regulatory requirements of the company in general and specifically related to their duties.

Garden Remedies' dispensary agents will receive confidentiality training, as crafted by the licensed healthcare professional Dr. Munkacy and Mr. Skenderian, which will include a description of information that is required from patients and caregivers, an explanation of what information should not be collected from patients and caregivers, procedures for handling and storing patient and caregiver information, and an advisement that disclosure of any patient or caregiver information without written consent from the patient or caregiver is a terminable offense except for a court order released (to be handled by the Chief Operations Officer only), and access by the Massachusetts Department of Public Health to carry out official duties.

Dr. Munkacy will teach employees on the medical efficacy of medical marijuana. She will specifically address the endocannabinoid system including clinical trial information, efficacy and dosing, strains and genetics, methods of use and types of products, condition management and side effects.

Safety, security, transportation, and emergency and incident management training will be developed and implemented by the Chief Operations Officer in coordination with the department managers and the Director of Security and Diversion Prevention. Department specific training will be focused on employee, visitor, and product safety.

Inventory management and diversion prevention training will be developed and implemented by the Chief Operations Officer in coordination with the Director of Security and Diversion Prevention. Department specific training will be focused on accuracy in inventory counts and preventing and identifying diversion.

Community and patient relations training will be developed and implemented by the Chief Operations Officer and the dispensary manager. Training will be focused on good neighbor policies, quality of care, and complaint handling.

Recordkeeping training will be developed and implemented by the Chief Operations Officer, who has nearly two decades of experience in handling patient records as a pharmacist. Training will focus on regulatory and operational recordkeeping requirements by department. Training will clearly identify the employee's role and responsibilities in recordkeeping activities.

Product handling and sanitation training will be developed and implemented by the Chief Operations Officer in coordination with the department managers. Department specific training will focus on quality control, product safety and will specifically address proper hygienic practices with attention to preventing microbial contamination of handled marijuana.

Garden Remedies' Chief Operations Officer will evaluate the training program annually and will solicit feedback on the quality and efficacy of a training module from staff that received the training. The Chief Operations Officer will solicit feedback from patients, vendors, consultants, community members, etc., about the competence of the company in the areas that the training program addressed. The Chief Operations Officer and department managers will evaluate the effectiveness of training through observation of employee performance. These evaluations will consider adaption of policies, procedures, concepts, and attitudes presented in the training for new employees.]

## **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.

[From its inception, it has been Garden Remedies' goal not only to produce medical marijuana for patients but also to produce organic pharmaceutical grade products with a truly palliative approach. Dr. Karen Munkacy's leadership combined with the industry experience of Vista Green Consulting and American Cannabis Consulting positions Garden Remedies to achieve this core goal. Having executed multiple build-outs and operated state regulated medical marijuana facilities, our team has a concrete understanding of what is required. From achieving proper clean room environments to ensuring operations are compliant to consistently producing pharmaceutical grade medicines, our team has succeeded. This experience will be brought to bear for Garden Remedies to create a truly patient-centric registered marijuana dispensary.

Garden Remedies is estimating a 90-day build-out period. To succeed with this rapid build-out, we will engage licensed architects, general contractors, security vendors, and leverage the experience of our team. We will commence the special permit process in January 2014. The initial build-out will include the construction of both dispensary and cultivation facilities. The cultivation facility will feature enclosed and limited access areas for propagation, vegetation, flowering, production and storage. The dispensary facility will also have limited access areas as well as a staged entry to ensure only qualified patients can gain access to the dispensing area.

The cultivation facility will be constructed to meet the environmental requirements of the plants as well as the regulatory, building, zoning and safety requirements of the state and local municipalities. During the build-out period, all security systems and real time inventory tracking systems will be put into place at both facilities. Further, every dispensary agent will be thoroughly trained on all state regulations and company procedures prior to any agent entering either facility. Key benchmarks will include receiving certificates of occupancy and state approval to operate, establishing a trained staff ready to commence operations, and the validation of all compliance systems.

Once the cultivation facility is inspected and approved by the Massachusetts Department of Public Health, we will begin the production process. The first step will be establishing a patient-centric genetic portfolio. Selecting strains that deliver palliative results for our patients is core to our mission. The production cycle will be 116 days. With a 90-day build-out and 116-day production cycle, Garden Remedies will open its RMD to patients 206 days (approximately 8 months) from the point at which it receives its notice to proceed. If this occurs on 1/31/14, the estimated retail opening 9/15/14. If any adjustments to this opening date occur, Garden Remedies' will notify the Massachusetts Department of Public Health.

Build-out Overview:

- Vendor Selection and Permitting
- Construction
- Security Install
- Systems deployment: POS, seed-to-sale tracking, plant and environmental monitoring

Propagation Cycle:

- Plant Propagation: 21 days
- Vegetative Cycle: 30 days
- Flowering Cycle: 65 days
- Curing: 7 days
- Processing and Packaging: 7 days

We will utilize a batch-based production methodology to efficiently track all plants throughout the production cycle. A batch is defined as a group of plants that will move through the production cycle at the same time, in the same physical location. This production methodology will allow for accurate batch-based testing and the prompt recall of any products with detected contaminants. The batch history also allows us to quickly diagnose where corrective action is required. Along with detailed tracking, additional data points will be collected throughout the production cycle and used to inform our cultivation practices.

Once operations commence, we will begin the process of establishing perpetual harvest. In this perpetual harvest production cycle, we will harvest a minimum of one batch, one time per week. The flowering portion of the facility will be segmented (virtually or physically) into nine production zones with each zone representing a 65-day flowering cycle. Patient count will be used to determine production requirements and batch size will be adjusted accordingly. Batch size will then be used to determine the stock requirements for mothers, clones and vegetative plants.

By harvesting a minimum of one batch per week, we will be able to provide a consistent and stable supply to our patients. We also reduce our risk of catastrophic losses since a batch never represents more than 1/9 of the flowering stock. Finally, because the amount of finished product being handled is decreased and in turn easier to track and monitor, this process increases security and reduces diversion and loss risk.

Key check-in points during our first licensed year will be:

- Build-out completion
- Staff hired and trained
- State approval to commence operations
- Technology system verification
- Genetic portfolio developed
- Initial harvest
- Begin dispensing to patients]

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.

[Our detailed research and planning has greatly informed Garden Remedies' operating plan. In year one, we project that Massachusetts will have a minimum patient population of 21,781 patients with Gardens

Remedies capturing 4.00% of the population resulting in a year one patient base of 881 patients. Projected consumption rates of 1.5 grams per day/19.6 ounces per year will set initial year one production levels at 51 pounds per month. Currently, during our 5-year plan, we will scale up to meet the needs of 6,669 patients producing 678 pounds per month. At our facility, we will have the ability to rapidly scale up to this production capacity as the market dictates. Monitoring patient adoption rates and keeping production capacity in line with market realities will be the most critical year one check-in. Underproduction can push patients to non-licensed resources and overproduction increases the risk of diversion and loss. Using True Living Organics, we expect average yields of one pound per light with each light producing 5.6 yields per year. To meet our initial production estimates, we will operate 110 flowering lights. We will only harvest fully mature plants with THC/CBD profiles in the optimal palliative ranges. Harvest date ranges will be established through testing procedures and verified by examining specific plant characteristics prior to each harvest.

Our ability to maintain optimal plant environments is key to Garden Remedies' consistency and success. We have leveraged the knowledge gained by our experts in other markets to understand these variables such as light intensity, CO2 levels, temperature and HVAC tonnage requirements for indoor medical marijuana facilities. A registered medical dispensary cultivation agent will take daily environmental readings, and monitoring systems will provide alerts if any environmental conditions fall outside of acceptable ranges.

We will begin production with a limited number of strains to reduce production variables. We will utilize the best information available to identify and select strains that meet our patients' needs. After receiving patient feedback, we will adjust the genetic portfolio accordingly. These strains will also be processed into infused products to provide patients with alternate delivery method options.

Establishing quality levels validated through testing will greatly inform our business decisions in the first year. Establishing baselines, eliminating variability, maintaining organic standards, and mitigating risk will be paramount. It is critical to Garden Remedies to produce organic products with consistent profiles.

Once operational, we will begin the process of refining workflow, scaling operations to meet fluctuating patient demand, and reviewing our key performance indicators (KPI) to identify areas of strength and weakness.

Our process for reviewing our strengths and weaknesses will be a SWOT Analysis that will be conducted quarterly for the first year beginning the day the dispensing facility opens.

Key Business Check-In Points Include:

- Patient count
- Production levels and projections
- Perpetual harvest established
- Batch/strain baseline testing
- Production baselines
- Batch/strain ongoing testing
- Patient feedback and adjustments to genetic portfolio]

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.



[The combined industry experience of American Cannabis Consulting and Vista Green Consulting with the medical experience of Karen Munkacy, MD will position Garden Remedies to be successful in its cultivation operations and patient-centric mission.

American Cannabis Consulting is a premier consulting firm in the medical marijuana industry. Its principals are the former owners/operators of Colorado Kind Care, LLC, dba The Village Green Society located in Boulder, CO. American Cannabis Consulting has committed not only to support Garden Remedies but also to be an integral part of the business as members of the leadership team. Their efforts to bring organic growing methods to Colorado were recognized by a leading international industry publication. In addition to operating a successful 100% organic, vertically-integrated medical marijuana operation, they helped lead an initiative to identify and mitigate the Hemp Russet Mite, a pest that was previously unseen in the medical marijuana industry.

Vista Green Consulting's principal gained industry experience through the operation of state-of-the-art marijuana grow facilities, during which time he worked with the company to deploy corrective action plans and create four operating dispensaries. Taken together, our direct experience in all aspects of the industry from seed to sale placed under the leadership of Karen Munkacy, MD who has been intimately involved in the political, educational, and medical side of this issue, will establish Garden Remedies as a truly patient-centric registered marijuana dispensary.

Our Director of Dispensary Operations will be Corey Hollister:

Mr. Hollister brings 15 years of project and corporate management experience to Garden Remedies. One of his core missions is promoting True Living Organic growing methods and Ethical Pest Management. Prior to founding ACC, Mr. Hollister was co-owner and director of operations for The Village Green Society, a Boulder, CO based medical marijuana center. Serving as director of operations, Mr. Hollister oversaw all aspects of the business including legal and accounting, regulatory compliance, seed-to-sale tracking, security, staff management and production. Prior to this, Mr. Hollister operated Built To Last fitness, a health and wellness company that focused on exercise and nutritional guidance for individuals, companies and schools.

Our Director of Cultivation will be Dustin Shroyer:

For the last 17 years, Dustin Shroyer's passion for health has driven his studies into the benefits of natural healing methods and organic gardening, which he has combined with medical cannabis cultivation. Mr. Shroyer started Root Organic Medical Marijuana Center in 2009 and led an organic production staff to supply 100% organic medical cannabis to the Root Organic patients. In 2012, Dustin merged the brand with a larger organization in order to increase market share for organic medical cannabis. Post merger, Dustin shifted his role to product development and production facility design in order to utilize the cleanest extraction processes, also known as supercritical CO2 extraction. Dustin conceptualized and created Hummingbird CO2 Nectar Brand in order to create the purest and healthiest delivery methods for cannabis consumption. Mr. Shroyer now works with American Cannabis Consulting to share his knowledge in other emerging markets.

To produce organic pharmaceutical grade products, Garden Remedies will utilize a production method termed True Living Organics (TLO). TLO creates a bio-dynamic soil that is a living habitat of beneficial bacteria and micro-life mimicking Mother Nature's process in an indoor manufacturing setting. In our cultivation facility, we:

- Only apply water or organic compost teas to the plant.
- Do not apply liquid fertilizers, which kill the habitat and limit the plants' genetic expression.
- Employ organic ethical pest management techniques.

Benefits of TLO include:

- Maximizes the genetic expression of the cannabinoid profile producing pharmaceutical grade products
- Increases the plants' natural immunity
- Eliminates source toxins common in liquid fertilizers and non-organic pesticides
- Improves the plants' expression of other palliative properties such as its terpene profile

Strategy

- First, we will produce product with stringent organic standards.
- Second, we will focus on products that don't conflict with doctors' normal ethical treatment protocols such as avoiding excessive smoking and unwanted dietary inclusions.
- Third, we will grow strains that demonstrate palliative potential and provide a broader spectrum of 56+ cannabinoid ranges beyond that of just THC.
- Finally, by coupling production and product strategies with rigorous testing, we will overcome a significant hurdle for the medical community, being non-palliative cannabinoid profile and lack of consistency of dosage.

Garden Remedies' living soil will improve the plants' natural immunity and reduce the need for pest mitigation. If pest mitigation is required, we will employ Ethical Pest Management techniques that include the use of compost teas, Neem oil, and other biological controls. If increased mitigation is required, we will only use Organic Materials Review Institute's certified products. We will further mitigate the risk of pest problems by employing a "cleaning station" room, in which all cultivation employees will stand for 30 seconds before entering the cultivation area. This cleaning station will kill unwanted bacteria and/or pests through the use of UV light and fans, thus ensuring the secure, sterile environment of our grow space. Cultivation employees will also wear lab suits while working in the area.]

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.

[Garden Remedies' goal is to deliver the highest quality, purest medicine with consistency of dose. To do so, we will take the following steps to ensure the quality of our medical marijuana:

- Our growing rooms will be digitally monitored for temperature, humidity, and CO2 levels.
- We will run redundant systems for critical environmental controls such as humidity to reduce the risk of total crop failure.
- We will introduce fresh air through a decontamination system to avoid the introduction of mold, bacteria, mildew and fungal outbreaks.
- We will grow organically using True Living Organics (TLO) method.
- Ethical pest management procedures will be utilized to maintain a pest free environment naturally.

- We will use a series of OMRI listed organic controls to establish beneficial colonies of microorganisms to prevent pest infestations.
- The production facility will have a consistent lighting pattern based on a 5x5 grid system.
- Since HID Lights only penetrate the canopy to 1.5 ft., all flowers below this level will be utilized in secondary processes because of lack of strength consistency.
- Flowers on the upper 1.5 ft. of the plant will be trained through trellising and super cropping techniques in order to receive an equal amount of light to attain consistent cannabinoid production.
- Upon harvesting, plants will be placed in a clean carrying vessel and moved to our kitchen grade trimming and processing room where we will remove all leaves to allow adequate airflow around the flower before hanging it to dry in a room with a humidity level below 50%.
- Fans will move the air, reducing humidity and allowing flowers to decrease moisture content to below 15%.
- Flowers will then be placed in containers where moisture content will be reduced to less than 10%.
- Flowers will be turned slowly to release plant terpenes in order to coat the batch and create a consistent terpene profile.
- After a plant has cured, Garden Remedies' staff will assist a lab agent in the collection of samples to be tested for quality and purity, and consistency of dose. All testing will be conducted by an independent laboratory that is:
  - Accredited to International Organization for Standardization (ISO) 17025 by a third party accrediting body such as A2LA or ACLASS; or
  - Certified, registered, or accredited by an organization approved by the Massachusetts Department of Public Health.
- Garden Remedies will contract with several (ISO) laboratories for the purposes of testing marijuana.
- No Garden Remedies' executive, or member of organization, will have any financial or other interest in a laboratory providing testing services.
- No employee of a laboratory providing testing services for Garden Remedies will receive direct financial compensation from our organization.
- Laboratories testing Garden Remedies' marijuana will use:
  - Microbiological testing using RT-PCR for genomic testing to look for mold, mildew, fungi, and bacteria
  - GF – atomic absorption spectroscopy to test for Mercury, Cadmium, Copper, Chromium, Lead, Nickel, and Arsenic
  - LC-MS-MS detection to look for traces of hundreds of pesticides and plant growth regulators
  - Performance Liquid Chromatography Quantitative test for THC, THCa, CBD, CBDa, CBN.

- Garden Remedies will keep and maintain the results of all testing for no less than one year.
- If samples from a tested batch do not fall within Massachusetts Department of Public Health levels for any of the above-mentioned contaminants or any additional contaminants the Massachusetts Department of Public Health does not deem for distribution, we will destroy and remove the contaminated product in a manner consistent with 105 CMR 725.105(J).]

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.

[Both the CEO and the COO have years of experience in handling medical waste, both in a pharmacy and in a hospital. They will use this professional experience to supervise the following methods of waste disposal.

Garden Remedies' waste, including waste composed of or containing finished marijuana and marijuana infused products, will be stored, secured, and managed in accordance with all applicable state and local statutes, ordinances, and regulations. In order to properly dispose of waste and avoid diversion, Garden Remedies' staff will follow this strict protocol:

- Each day, Garden Remedies' employees will collect and place green waste in designated receptacles. Their actions will be recorded by surveillance video.
- At the end of the day, the cultivation manager along with another staff member will collect the waste and weigh it out. They will record all information including weight, time, date, employee names and signatures. The onsite quality control manager and staff member will then store the green waste in a locked and secured place until disposal. Their actions will also be recorded by surveillance video.
- Immediately before the green waste leaves the building, the cultivation manager and at least one other staff member will re-weigh and record all information including weight, time, date, employee names and signatures. Their actions will be recorded by surveillance video.

The green waste will then be rendered unusable by grinding and mixing with another substrate at a rate of at least 50% and will then be disposed of using one of the following manners:

- No fewer than two dispensary agents will witness and document incineration in a commercial or municipal waste combustor in Massachusetts holding a valid permit issued by the Department of Environmental Protection. No fewer than two dispensary agents will witness and document disposal in the landfill holding a valid permit issued by the Department of Environmental Protection; or
- If the material mixed with the medical marijuana waste is organic material as defined in 310 CMR 16.02, the mixture may be composted at an operation that is in compliance with the requirements of 310 CMR 16.00.

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

Liquid waste from our marijuana or by-products of marijuana processing will be disposed of in compliance with requirements for discharge into surface water (314 CMR 3.00), groundwater (314 CMR 5.00), and sewers (314 CMR 7.00), or disposed of in an industrial wastewater holding tank in accordance with 314 CMR 18.00. When disposing marijuana or marijuana infused products, Garden Remedies' employees will create and maintain an accurate and comprehensive record of the date, the type and quantity disposed of, the manner of disposal, and the persons present during the disposal, with their signatures. Garden Remedies will keep disposal records 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.

[Garden Remedies will provide a variety of safe and effective medical marijuana products that benefit patients' well being. One of the most important components in meeting patient needs is consistency in dosages, provided in a manner that is scalable to each patient. We will take great care to ensure that we deliver consistency in dosage. We will package our products in dosage levels that allow patients to control the quantities they consume. Since patients' responses vary, and different delivery methods can greatly impact the palliative effect, we intend to maintain a diverse product line that supports each of these delivery methods; inhaled, ingested, transdermal and sub-lingual. Our goal is to avoid unnecessary sugary drinks or food products that can lead to accidental ingestion or consumption of negative health indicators.

We will offer the following products to our patients: CO2 extracted hash oils; pre-dosed oil vaporizers; an ingestible product line that includes dose specific capsules, sublingual tablets, sublingual tinctures and infused cooking oils for home use with dosage guidelines; topicals including salve, cream and lotion; and suppositories, which will be produced upon request.

Garden Remedies will utilize all marijuana by-product of acceptable quality in the production of our products. CO2 Extracted Hash Oil will be available to patients and caregivers in ready-to-use form and in further processed and infused products. Ready-to-use CO2 Extracted Hash Oil will be pre-filled in dispensing containers and packaged in child proof, heat-sealed packaging.

All production employees will receive standard Garden Remedies training as well as training specific to the department and their work functions including food handling. The production manager will be responsible for ensuring that any employee who might be a source of microbial contamination is prohibited from the production area until no longer a potential source of contamination.

Every department employee will adhere to hygiene and sanitation practices, including the following:

- Use of clothing or uniforms that protect against the contamination of any constituents, products, or contact surface;
- Maintaining adequate personal cleanliness. Washing hands thoroughly with soap (and sanitizing if necessary to protect against contamination with microorganisms):
  - Before any work period;
  - After any break; and
  - At any other time when the hands may have become soiled or contaminated during manufacturing processes.
- No removable jewelry may be worn during work;
- Impermeable gloves are required for handling product constituents at risk for contamination.
- Hair nets, caps, beard covers, or other effective hair restraints must be used when necessary;

- Product constituents will be stored in clean and safe conditions according to the item's needs away from employee personal effects, cleaning supplies, and other products;
- Personal food items, chewing gum, drinking beverages, and use of tobacco products in production areas is prohibited;
- Every employee will be required to take any other precaution necessary to protect against the contamination of marijuana products; and
- Every employee will be required to take any precaution necessary to maintain the security of facility, to prevent unauthorized access to controlled access areas, and to maintain strict control of all marijuana in storage and in process.

Garden Remedies' edible marijuana infused products will not bear a resemblance to any commercially available candy, and all products will be distributed in child-proof containers. All of our marijuana infused products will be packaged in food grade packaging with a legible, firmly affixed label on which the wording is no less than 1/16 inch in size with the following information:

- Garden Remedies' name, registration number, telephone number, mailing address, and website URL
- Product name and ingredients as well as the date it was created and expiration date
- Variety or strain: Indica, Sativa, Hybrid or CBD
- The quantity activated infused marijuana contained within the product as measured in ounces
- The test results of infused marijuana including the cannabinoid profile of the marijuana contained within the product, including the THC level and a statement that the product has been tested for contaminants, that there were no adverse findings, and the date of testing
  - A batch number, sequential serial number, and barcode to identify the batch
  - Directions for use
  - A warning if nuts or other known allergens are contained in the product
  - This statement, including capitalization: "This product has not been analyzed or approved by the FDA. There is limited information on the side effects of using this product, and there may be associated health risks. Do not drive or operate machinery when under the influence of this product. KEEP THIS PRODUCT AWAY FROM CHILDREN."
- Before dispensing, a Garden Remedies agent will firmly affix an additional label with the registered qualifying patient's name on the marijuana infused product.

All Garden Remedies marijuana infused products will be dispensed in the secured dispensing section of our facility following the protocol outlined in question 7.10. We will tag and track all marijuana infused products using seed to sale methodology and will maintain a real-time inventory as specified by the Massachusetts Department of Public Health. Garden Remedies' compliance agent will conduct monthly and annual inventories of marijuana in process and marijuana infused products, which will include, at a minimum, the date of the inventory, a summary of the inventory findings, and the names, signatures, and titles of the individuals who conducted the inventory.]

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.

[Garden Remedies' Chief Operations Officer will be responsible for overseeing all inventory management activities and for implementing and enforcing the procedures outlined below. The COO, building off years of experience in overseeing and tracking of pharmaceutical medicines, will work closely with the Director of Security and Diversion Prevention, herself a veteran of enforcement and crime prevention.

The COO will be responsible for ensuring that Garden Remedies' cumulative inventory of seeds, plants, and usable marijuana reflects the projected needs of registered qualifying patients. The COO will establish beginning inventory levels based on demand projected in Garden Remedies' business plan and then adjust inventory limits to anticipate future patient needs.

Using a seed to sale software program, Garden Remedies' Chief Operations Officer, in coordination with the department managers, will conduct accurate real-time reporting of marijuana inventory including:

- Marijuana plants in all phases: Propagation, Vegetation, Flowering, Cure and Processing,
- Finished and packaged marijuana,
- All marijuana infused products; and
- All damaged, defective, expired, or contaminated marijuana and marijuana infused products

awaiting disposal.

Garden Remedies will contract with a professional Medical Marijuana POS software company to utilize seed-to-sale methodology that allows for intensive tracking, inventory, patient management, point-of-sale system and reporting. The COO will ensure that our selected inventory management and point of sale system is accurate and capable of producing the following reports upon request:

- Marijuana flowers in process in all locations;
- The starting and ending weight of all marijuana flower batches and extraction batches;
- Marijuana trim on-hand for production;
- Marijuana infused products in process;
- Marijuana in storage by location;
- Plants in production by stage of development;
- Marijuana in locked containers awaiting disposal; and
- An audit trail of all inventory adjustments.

The COO has 19 years of experience overseeing inventory management and will direct department managers to perform inventory counts on a regular basis utilizing a cycle count method. A cycle count requires the department manager to perform a complete count of the inventory over a period of time counting inventory groups (i.e. clones, mothers, flowering by room, finished flower, curing flower, edibles, topicals, etc.) individually. All plants and finished products will be provided a unique identifying number for traceability.

- Each department manager will ensure that cycle counts are completed on schedule with minimal possible impact on regular operations.
- The same personnel will be assigned to recurring inventory groups whenever possible.
- The department manager will review any discrepancies and approve all inventory management system adjustments.

#### REQUIRED COUNTS IN THE DISPENSARY FACILITY

- Shift counts - marijuana flower, concentrate in sales area, as well as cash drawer count and detailed report on cashless ATMs, if applicable.
- Daily counts – marijuana flower and concentrate in sales area
- Weekly counts – bulk marijuana flower and concentrate in storage, all marijuana infused products, and vaporizers
- Monthly counts – complete inventory
- Semi-annual counts – complete inventory and with second count
- Annual counts - complete inventory and with second count witnessed by the Chief Operations

Officer

#### REQUIRED COUNTS IN THE CULTIVATION PROCESS

- Shift counts – new plantings and clones propagated, in process marijuana
- Daily counts – bulk marijuana storage containers if inventory was transferred from the container that day, in process marijuana
- Weekly counts – bulk flower and concentrate containers, vegetative plants, and flowering plants

- Monthly counts – complete inventory
- Semi-annual counts – complete inventory with second count
- Annual counts – complete inventory with second count witnessed by the Chief Operations

Officer

#### REQUIRED COUNTS IN THE PROCESSING PROCESS

- Shifts counts – marijuana ingredients used during the shift, in process marijuana infused products
- Daily counts – marijuana ingredients used during the day, in process marijuana infused products
- Weekly counts – Marijuana infused products in storage, in process marijuana infused products
- Monthly counts – complete inventory
- Semi-annual counts - complete inventory with second count
- Annual counts - complete inventory with second count witnessed by the Chief Operations

Officer

The Chief Operations Officer will make all necessary changes to procedures and re-train personnel immediately upon discovering any problem in inventory management procedures. If a discrepancy cannot be accounted for, it will initiate an investigation by the Director of Security and Diversion Prevention. If diversion is suspected, the Director of Security and Diversion Prevention will alert law enforcement immediately and the Massachusetts Department of Public Health within 24 hours. To further guard against diversion and loss, the Director of Security and Diversion Prevention will also conduct spot audits on all phases of production. Finally, inventory will only be transitioned from cultivation to dispensary inventory to be sold during business hours under video surveillance and following all transportation procedures.

Each department manager shall maintain the Inventory Log to record:

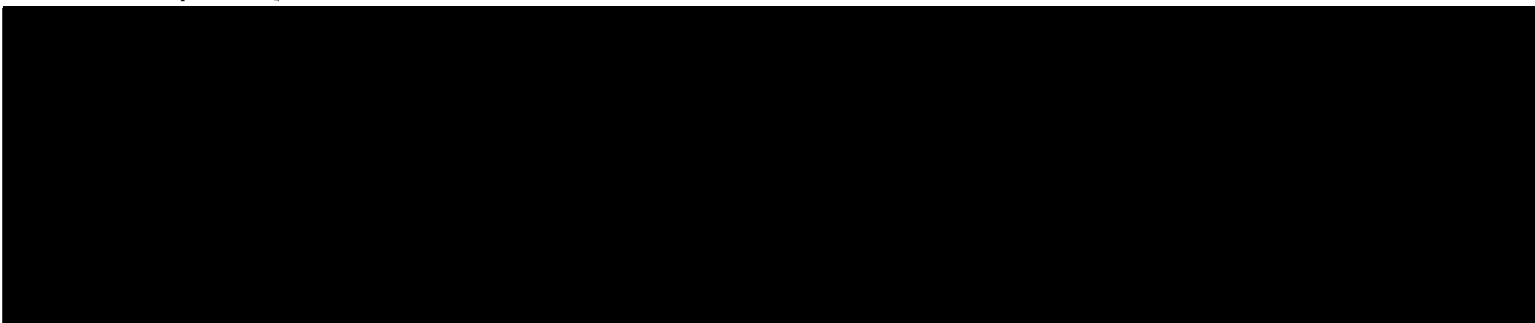
- The date of an inventory process;
- A summary of the inventory findings; and
- The names, signatures, and titles of the individuals who conducted the inventory.

Hard copies of all inventory logs will be kept for a period of no less than one year and inventory management system will be backed up daily.

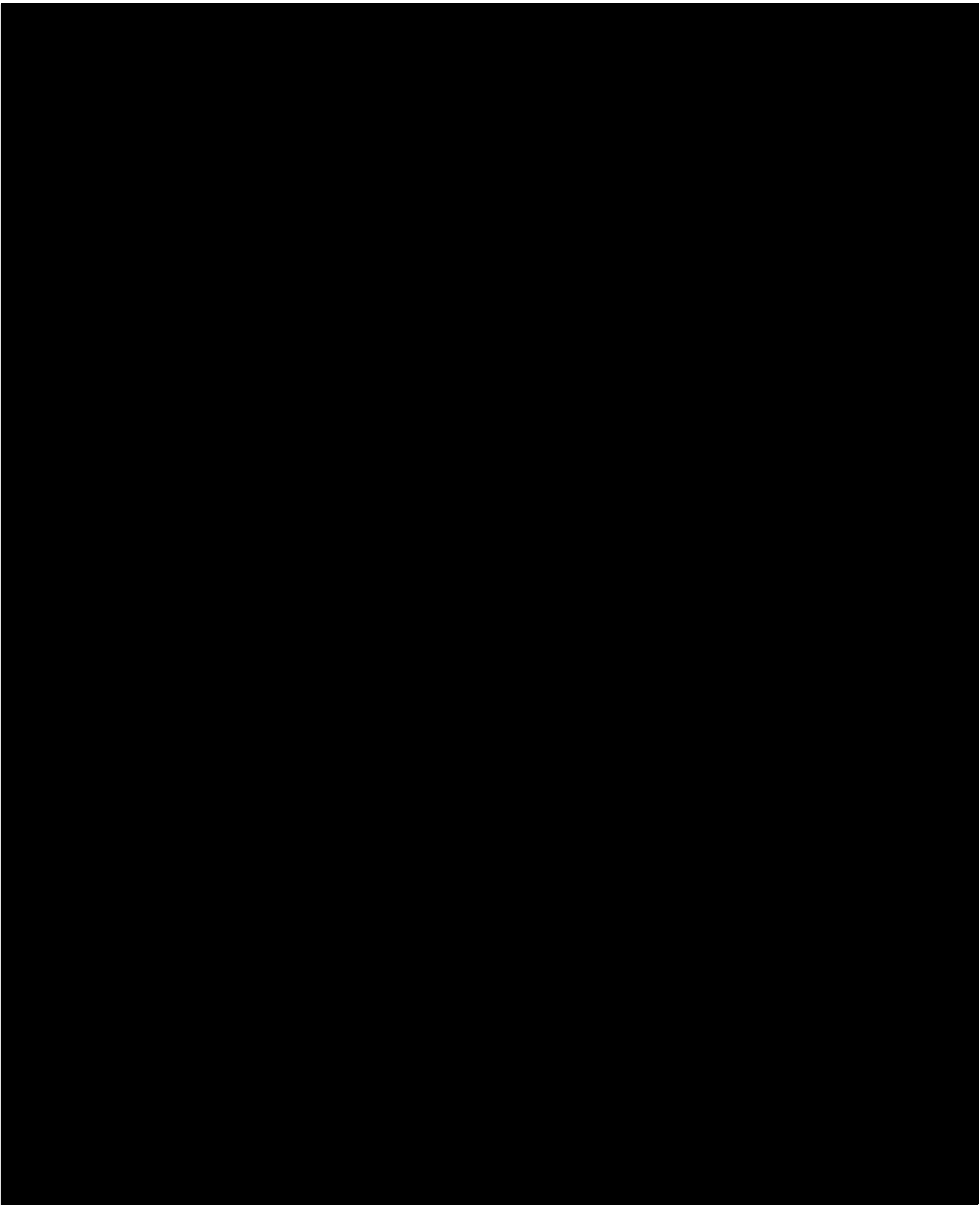
System Requirements:

- Real time inventory
- Traceability to the plant level
- API for integration with the state verification system
- HIPAA compliant secure information and data backup
- Integrated accounting for transparency.]

7.8 Describe how the applicant will transport marijuana, whether between the cultivation and dispensing site or between the dispensing site and a patient's home, including provisions for preventing diversion and tracking inventory during transport. Include a description of the RMD's proposed home delivery protocol, including an identification check of the registered patient or registered personal caregiver and record keeping. Note that a copy of the transportation program policies and procedures will be reviewed as a component of the provisional inspection process.







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

[Garden Remedies (GR) is committed to serving the patient population through our retail outlet in Middlesex County and our cultivation and delivery service based in Essex County, Massachusetts. Per the most recent US Census in 2012, Middlesex County showed a population of 1,503,077, and 743,167 in adjacent Essex County. Using a 2.2% metric basis upon an aggregate gross population for the two-county service area of 2,246,244, we can forecast over 49,500 patients as a baseline projection.

Patients that may find themselves closer to GR geographically than alternatives based within their home county will be included in our potential service area and targeted marketing. The neighboring counties of Worcester County (population: 798,552), Suffolk County (population: 722,023) and Norfolk County (population: 670,850) must be considered as part of the potential patient population, and with the gross aggregate population for those counties estimated at 2,191,425 as of 2012, we see ample potential for significant inter-county migration to GR's operations based on the individual patient's location and needs.

The combined populations of Middlesex and Essex Counties remained stable without any measurable decline during the economically tumultuous decade of 2000-2010, and currently together represent approximately 34% of the commonwealth population.

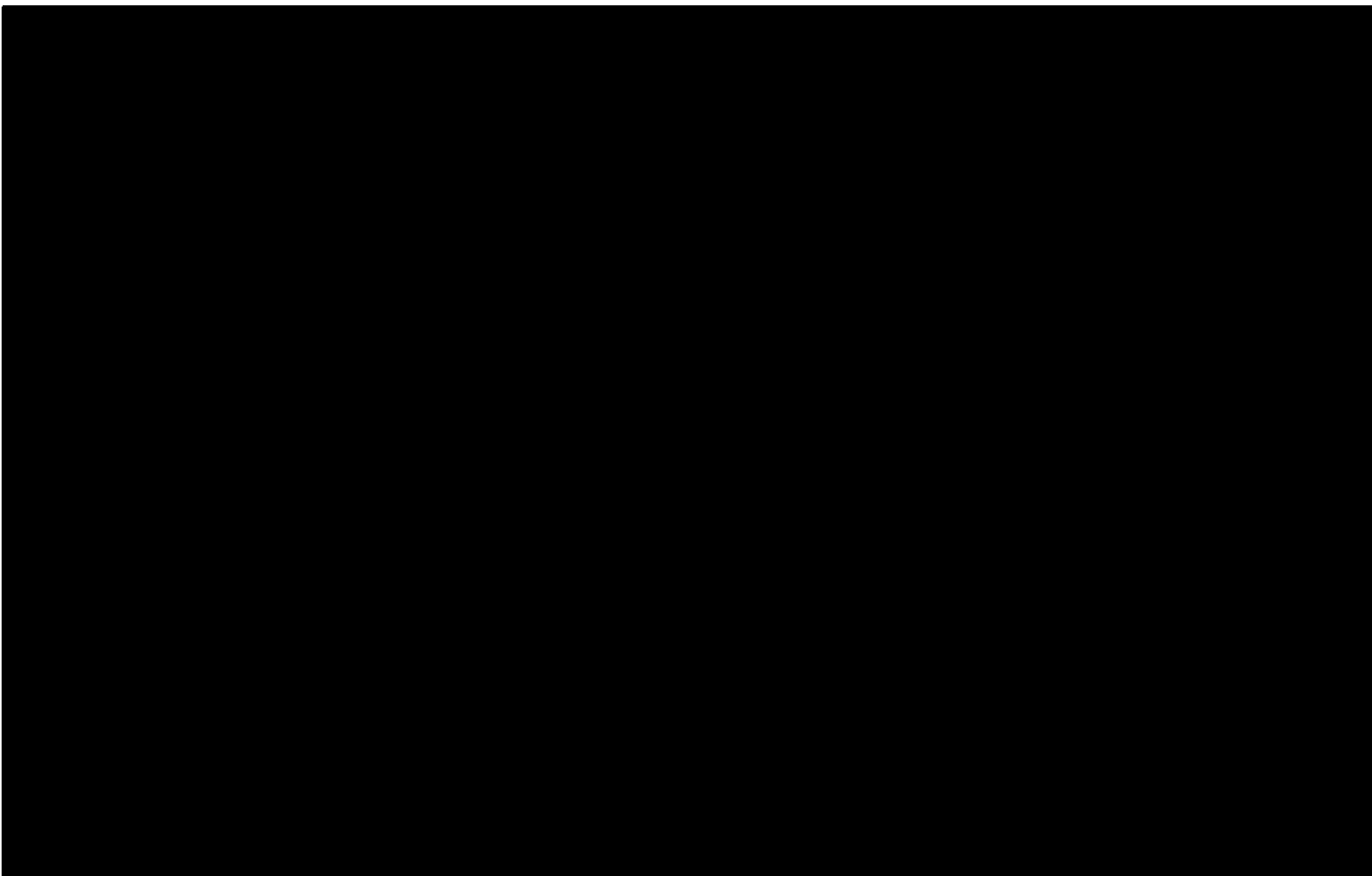
According to 2012 US Census data, the median household income for Middlesex County is a quite healthy \$79,691, with Essex County coming in at \$65,785 in comparison to the national household income level pegged at \$52,762. Further, the same data set indicates a sub-poverty income level of between 10-12% for the counties. Our economic hardship plan will be offered to all eligible registered patients. By applying the estimated 2.2% capture rate, we can estimate that over 4,500 persons may qualify to avail themselves of our economic assistance program in the form of discounted rates, products and delivery services.

Garden Remedies is committed to providing access to all eligible members of the patient population. We are sensitive to the additional burdens faced by those with vision and hearing deficits and related disability.

For those that are disabled, in addition to allowing the use of service animals, we will provide resources such as braille, phone and or video translation options as applicable. Phone interpretation services such as teletypewriters (TTY) require specialized equipment and training that can essentially be replaced by standard text messaging on modern hand-held mobile phones and devices today. For patients requiring or preferring advanced measures for in-depth conversation, professional interpretation services may be necessary. Through the Massachusetts Commission for the Deaf and Hard of Hearing and regional private firms such as Partners Interpreting ([www.partnersinterpreting.com](http://www.partnersinterpreting.com)), video remote interpreting (VRI) can be arranged where our staff can relate information to a professional interpreter who will then sign the information for the patient through a live video portal online.

Garden Remedies also recognizes the patient population will likely include members who primarily communicate in English as a second language (ESL). As of 2010, Middlesex County had well over 330,500 persons self-identifying as falling into the ESL category, and Essex had over 161,000. For registered patients of all ESL language groups, we will evaluate the extent of the need for basic translation and plan to utilize RxTrans.com, a service that specializes in translation for prescription related issues. For less prevalent languages and or when additional translation is necessary, we will work with the patient(s) to further evaluate those needs and enlist a private interpreter for either individualized service or for the production of language specific media designed to cater to that portion of our clientele.]

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.

[Garden Remedies will conduct a thorough vendor analysis and select an integrated Inventory/POS secure information systems to manage operations. This system will ensure confidentiality and prevent the disclosure of information about registered qualifying patients, personal caregivers, and dispensary agents. All patient records will comply with the Health Insurance Portability and Accountability Act and will be handled in a manner similar to protected medical records. Our goal is to integrate this system via API with the Massachusetts Department of Public Health's electronic registration and dispensing tracking system. If we are unable to do so, it will be run in parallel with all required information being manually ported over. If API integration with the Massachusetts Department of Public Health's electronic registration and dispensing tracking system is available, it will be a requirement for any system we choose. This system will be the primary means for keeping complete and accurate records of patients, caregivers, visitors, inventory, seed-to-sale tracking, personnel, and business records. Physical copies of the documentation will also be maintained, filed, and securely locked on the RMD premises. Both electronic and physical files will be available to the Massachusetts Department of Public Health immediately upon request.

The Chief Operations Officer will be responsible for all record keeping requirements and the proper integration of those requirements into policies and procedures. Garden Remedies will maintain records including:

- Operating procedures;
- Inventory records including seed to sale tracking;
- Personnel records;
- Staffing plans;
- Personnel policies and procedures;
- Waste disposal records;
- CORI reports; and



- Business records including:
  - Assets and liabilities;
  - Insurance and escrow requirements
  - Monetary transactions;
  - Books of accounts, which shall include journals, ledgers, and supporting documents, agreements, checks, invoices, and vouchers;
- Sales records that indicate the name of the registered qualifying patient or personal caregiver to whom products have been dispensed, including the quantity, form, and cost; and
    - Salary and wages paid to each employee, stipend paid to each board member, and any executive compensation, bonus, benefit, or item of value paid to any individual affiliated with Garden Remedies, including members of the non-profit corporation, if any.

Choosing an integrated inventory/POS system will provide for the seamless management of operations. In addition to patient management, the system we select will track all cultivation activities. These include: record plant assignments, movements, and changes in state; batch dates of creation, yield weights, and created packages; nutrients used; test results; MIP ingredients; creation, movement, and sale of finished goods; and employee system access. The system will break down inventory by location and stage of the 'manufacturing' process, and will store Garden Remedies' gross inventory in sub-locations as appropriate. We will make sure that batch data will persist throughout the inventory tracking process and that all data will be time-stamped within the system, including inventory transfers and conversions, and employee access. Garden Remedies will integrate with the State of Massachusetts tracking system once such system is established and will provide data feeds to the data points needed to meet regulatory compliance.

Again, Garden Remedies will benefit from the considerable experience that it team brings, with both the CEO and the COO having worked for decades in tightly-regulated healthcare fields in Massachusetts. ]

7.12 Provide a detailed summary of the proposed RMD's policies and procedures for the provision of marijuana to registered qualifying patients with verified financial hardship at no cost or reduced cost, including a sliding fee scale. Note that a copy of these policies and procedures will be reviewed as a component of the provisional inspection process.

[As an anesthesiologist, an advocate for medical marijuana, and a breast cancer survivor who suffered a year of debilitating cancer treatments, Karen Munkacy, MD is passionate about alleviating patient suffering. Although effective and safe, Dr. Munkacy recognizes that medical cannabis can be an expensive treatment option for patients as it is not allowed as a deductible healthcare expense for federal income tax purposes, nor is it covered by insurance. Dr. Munkacy understands the burden this places on patients and is committed to assisting those with a financial hardship.

By providing affordable medicine and free delivery to eligible local patients, Garden Remedies' financial assistance program will minimize the need for patients to seek Massachusetts DPH hardship waivers to grow their own medicine. Garden Remedies' financial assistance program aims to assist as many patients as possible while maintaining sufficient assets to achieve financial stability and provide for growth.

Garden Remedies' financial assistance program is a sliding scale program that is based on income and will provide support to as many patients possible. Proof of assistance from a recognized income based support program will serve as sufficient evidence for enrollment in our program. This procedure does not require our staff to possess, review, or make judgments on the validity of private patient financial information. The value of the monthly voucher amount awarded will be based on income level and sixty-day supply limits determined by the recommending physician.

To facilitate payment, our program will provide vouchers to program participants. These vouchers will list a specific patient number and date, to safeguard these documents for that patient's exclusive use. Vouchers allow patients access to all forms of medical cannabis and does not limit them to a restricted selection of discounted product. The point of sale system will be utilized to track the program including voucher amounts and expiration dates. Participation is based on the patient's income, not that of their caregiver. A patient does not need financial hardship status from the Massachusetts DPH to qualify for the program. A patient must provide proof of receipt of assistance from an approved program or provide certified copies of their federal or state tax returns in order to qualify for assistance. A patient may provide an award letter (issued within the previous 12 months) from any of the following programs as proof of eligibility. Patients receiving the following aid or with a certified tax return showing adjusted gross income between 201% and 300% of federal household poverty guidelines will qualify for the standard voucher level:

- Unemployment benefits (must be current – within one month)
- Workers compensation benefits (must be current – within one month)
- SNAP
- Medicaid/MassHealth
- Patients with income between 100% and 200% of federal household poverty guidelines will

qualify for the plus voucher level. Patients receiving EAEDC or TAFDC or with income under federal poverty guidelines will qualify for the maximum voucher level.

During initial operations, Garden Remedies will issue vouchers equivalent to 13% of projected annual gross income. This is equal to the percentage of households receiving food assistance benefits. Once the company has recouped expenses from the initial capital outlays or begun to cover debt service obligations, the voucher program will increase to 25% of the previous year's gross income. The board of directors may adjust or expand these levels based on the needs of the community.

Garden Remedies' financial assistance program will offer discounts of 25%, 50%, 75%, and 100%. Using this scale, if the retail price/gram is \$15, patients with 25% discount will pay \$11.25/gram for their products. Patients with a 50% discount will pay \$7.50/gram. Patients with a 75% discount will pay \$3.75/gram, and patients with 100% discount will receive their products free.]

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.

[Medical marijuana is a complex medicine only recently made available to registered patients. As such, patients will need to be educated and counseled on the best way to alleviate pain using the products.

Garden Remedies will be a crucial educational resource for our patients, caregivers, and community. Building off Dr. Munkacy's position as a prominent and respected voice for medical marijuana patient access in Massachusetts, we are uniquely positioned to provide much-needed expertise and advice to this community. We will develop and schedule regular free patient education seminars that cover cannabinoid medicine, strain selection, common delivery options (inhaled, ingested, sub-lingual, transdermal), titrating methods, dosing, home preparation and safety. Dr. Munkacy or a qualified dispensary agent will teach these courses. In addition, as a delegate to the Massachusetts Medical Society, Dr. Munkacy will continue to create and teach classes directed toward physicians and healthcare providers, and she will personally make sure the Garden Remedies' dispensary staff is properly trained on the properties of each strain of marijuana in order to advise patients on the correct dosage and titrating methods as well as how the test-verified THC/CBD ratios can help guide product selection. THC/CBD ratios will be on all products.



All patient and caregivers visiting Garden Remedies for the first time will receive a New Patient Guide. The guide shall be updated semi-annually by the Chief Operations Officer and Dr. Munkacy and will highlight relevant information from credible sources. Garden Remedies' educational materials will be available in languages accessible to all patients and caregivers served by our company, including the visually- and hearing-impaired. These materials will include the following:

- 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 and machinery should not be operated;
- Information to assist in the selection of marijuana, describing the potential differing effects of various strains of marijuana, as well as various forms and routes of administration;
- Materials offered to registered qualifying patients and their personal caregivers to enable them to track the strains used and their associated effects;
- Information describing proper dosage and titration for different routes of administration. Emphasis shall be on using the smallest amount possible to achieve the desired effect. The impact of potency will also be explained;
- A discussion of tolerance, dependence, withdrawal, and overdose symptoms and coping methods;
- 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 Garden Remedies for disposal.

In addition, we will provide educational pamphlets from Americans for Safe Access, the leading national patient information and advocacy non-profit group, and will make sure our patients have access to the latest research and best-practice recommendations for using medical marijuana to alleviate pain. Garden Remedies' sponsorship with Americans for Safe Access will provide our company with:

- Discounted publications for patient and caregivers including condition-based booklets for Cancer, HIV/Aids, Arthritis, Chronic Pain, Movement Disorders, Gastrointestinal Disorders, Multiple Sclerosis, and Aging;
- Discounted training for Garden Remedies' employees; and
- Regular updates and advocacy opportunities.

Finally, Garden Remedies will record messages for playback availability after hours. The messages will address the most common patient issues including dosing and over-consumption relief. These common responses will also be included on our secure website that will provide an online chat feature during hours of operation where patients and caregivers with secured access may submit anonymous questions that will be answered by a patient coordinator.]

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.

[First and foremost, Garden Remedies will serve patients. Our marketing efforts will focus on education and will position us as an ethical provider of organic medical cannabis in Massachusetts. This message will be

managed with the assistance of professionals and supported by the value we place on the quality of the products and our core mission of providing palliative care to patients.

To meet our mission, we will reach out to multiple audiences including current and prospective patients, healthcare providers, legislators and regulators. Each audience will require a unique outreach plan. As regulations permit, we will implement a combination of personal outreach, social media, traditional advertising, public relations and strategic partnerships to reach each of these groups. Our efforts will highlight our certified products and operations (certified by Americans for Safe Access and the American Herbal Product Association), our medical focus and experience, our dedication to minimizing risk, our planned growth, and our commitment to being compliant with all Massachusetts laws and regulations.

In accordance with Massachusetts law, Garden Remedies' logo, marketing and advertising will not:

- Use any picture or illustration that depicts a child or immature person, or objects (such as toys), suggestive of the presence of a child, and any statement, design, device, picture, or illustration designed to be especially appealing to children or immature persons;
  - Make any statement that is known to be false or misleading with respect to advertised price charged to the qualified patient, ingredients of medical marijuana, source of manufacturer, or statements as to health benefits; or
  - Make any statement that encourages the use or purchase of medical marijuana without a registration card.
- Make 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;
- Make any statement, design, representation, picture, or illustration that encourages or represents the recreational use of marijuana;
- Make any statement, design, representation, picture, or illustration related to the safety or efficacy of marijuana unless supported by substantial evidence or substantial clinical data with reasonable scientific rigor, which shall be made available upon the request of a registrant or the Massachusetts Department of Public Health.

Garden Remedies will engage in advertising practices that promote our company and medical marijuana in a respectful, educational, and medically-toned manner. We realize the potentially harmful effects of smoking and will emphasize alternative methods of consumption while offering and promoting a wide variety of vaporizing options to qualifying patients. We will never produce any items for sale or promotional gifts, such as T-shirts or novelty items, bearing a symbol of or references to marijuana or marijuana infused products, including the Garden Remedies' logo.

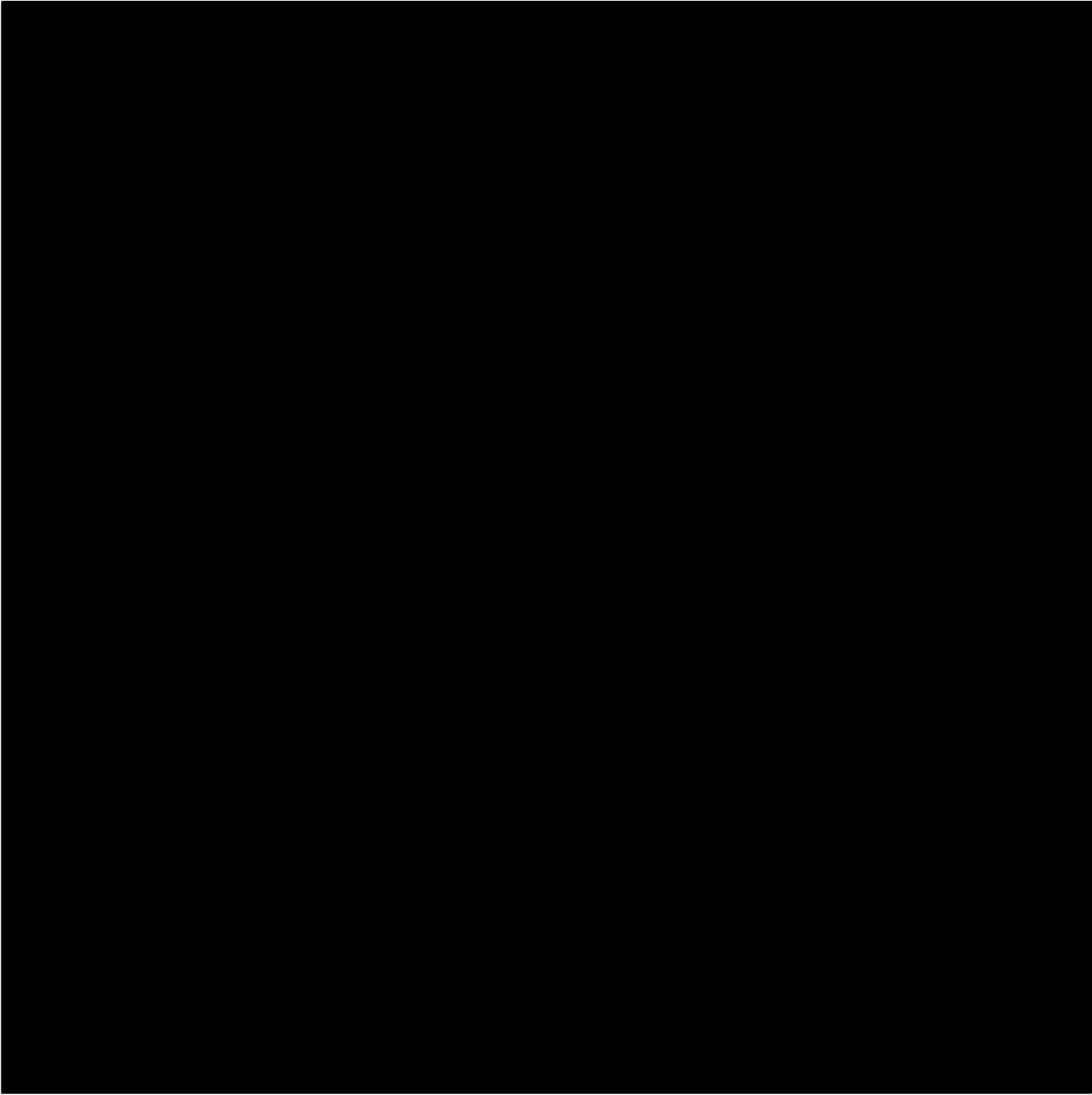
We are committed to preventing diversion to minors and will add age safeguards on all websites and social media pages to deter under-age access. We will only advertise in media sources that target adult audiences, and are not readily accessible to youth. Garden Remedies will supply ready access to critical patient information and will maintain a blog to ensure access to this information for those who do not have a social media profile.

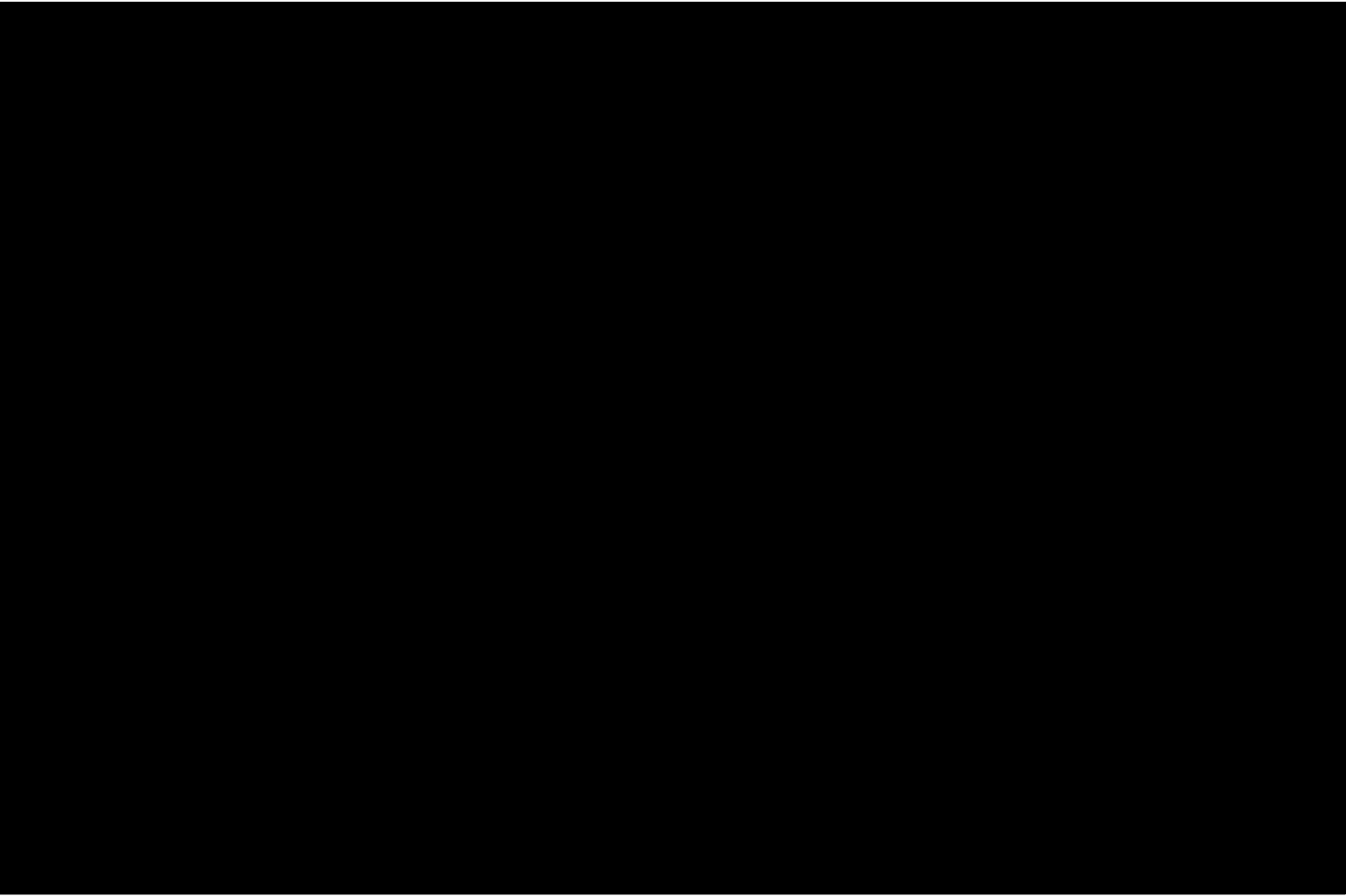
External dispensary signage will only display our registered company name, address, phone number and website URL to assist qualifying patients. Cultivation facilities will display no signage. Signage will follow all



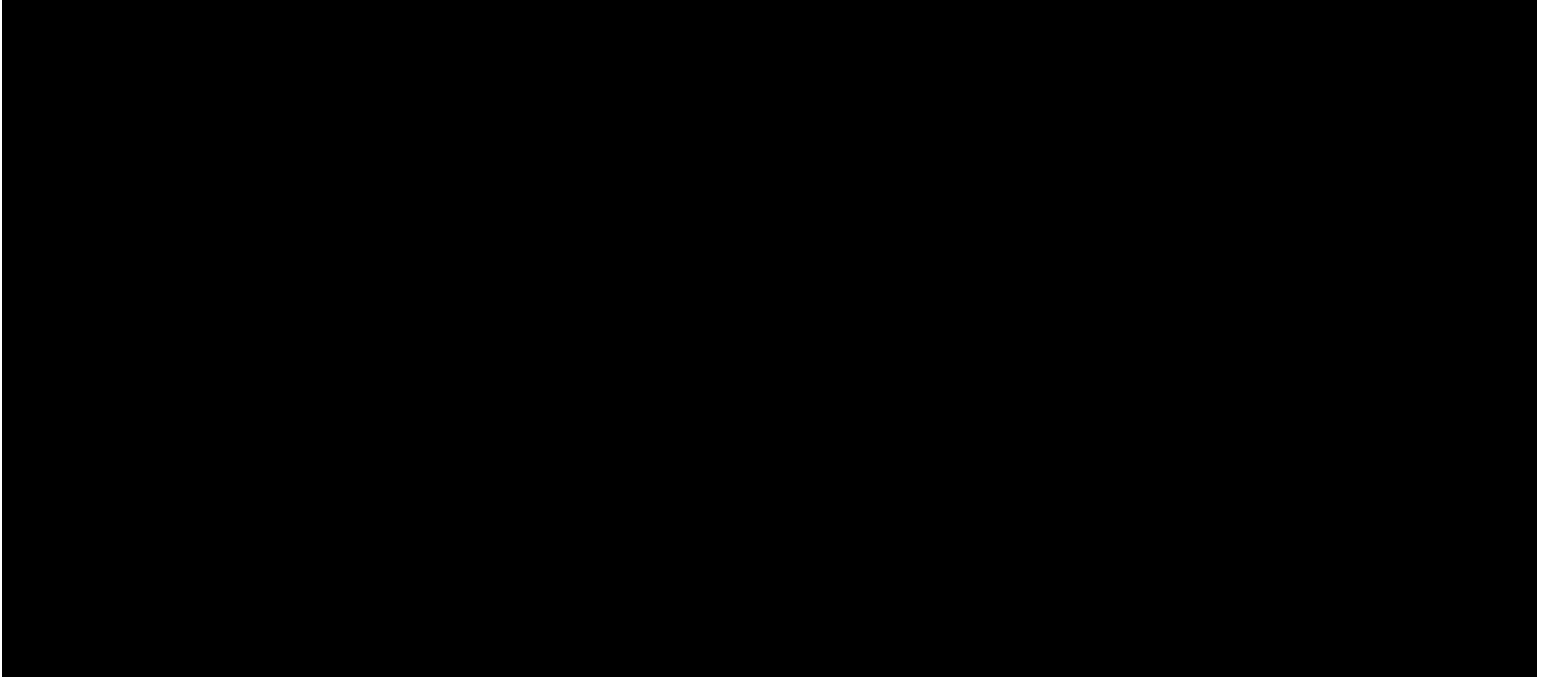
local “form and character” requirements and will not be externally illuminated. We understand the importance of discreet signage, and will make every effort to fit within the traditions and values of our community.]

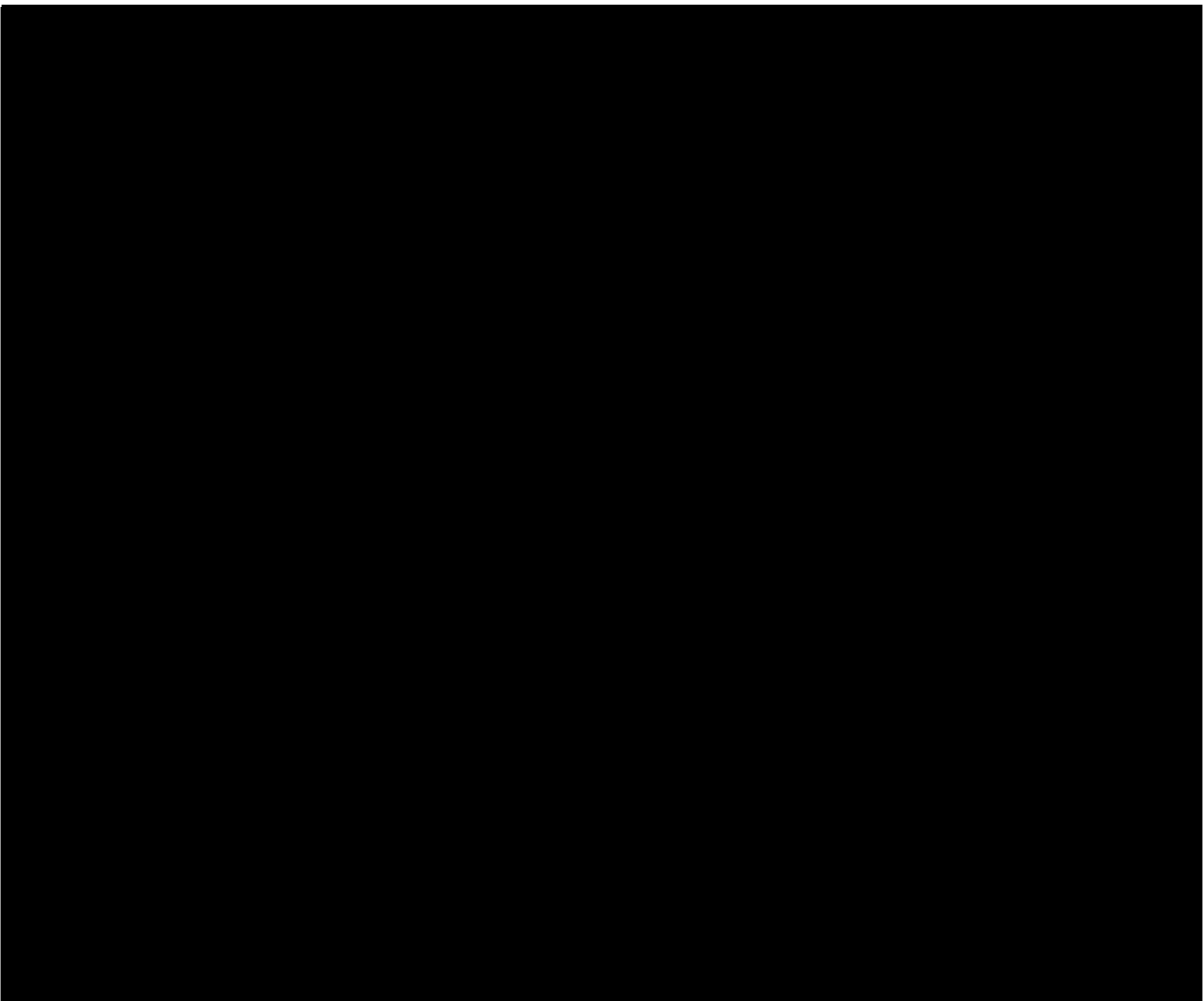
7.15 Describe the RMD’s emergency preparedness procedures, including a disaster plan with procedures to be followed in case of fire or other emergency. Note that a copy of the safety and security procedures will be reviewed as a component of the provisional inspection process.





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





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

[Garden Remedies will institute an Incident Response Protocol in accordance with applicable legal and regulatory requirements that will address instances of consumer complaints, natural disaster, unauthorized access, theft, or disclosure of confidential information. The emphasis of this protocol is the return to a secure state as quickly as possible while minimizing the adverse impact to the company and the community we serve.

Incidents may include but are not limited to theft or physical loss of medical marijuana products or confidential records; robbery or unauthorized entry to the facility; threats of violence to the facility, personnel, or visitors; a natural disaster; or a cyber-security incident that impacts technology infrastructure, and unauthorized network access that exposes protected information.

If an incident occurs, the Chief Operations Officer will follow Garden Remedies' Incident Response Protocol in an appropriate and timely fashion. Highlights of the protocol are as follows:

- Determine the category and severity of the incident and determine the best course of action. Document all discussions, decisions, and activities.
- Take action to notify the appropriate internal and external parties.
- Execute the appropriate activities and processes to quickly contain and minimize the immediate impact to personal safety, the company, patients, and other affected parties.
- Execute the appropriate activities and processes to quickly restore circumstances to a secure state.
- Stay actively engaged throughout the life of the incident and determine at what point the incident can be considered resolved.
- Instruct anyone with knowledge of an incident to report to his or her manager and record the incident in the Incident Log. All incident activities, from receipt of the initial report through post-incident review, will be documented. The Chief Operations Officer will be responsible for ensuring all events are recorded, assembling these records in preparation and performance of the post-incident review, and ensuring all records are preserved for review.
- The Chief Operations Officer will immediately notify appropriate law enforcement authorities and the Massachusetts DPH within 24 hours after discovering the following:
  - Discrepancies identified during inventory, diversion, theft, loss, and any criminal action involving Garden Remedies or a dispensary agent;
  - Any suspicious act involving the sale, cultivation, distribution, processing, or production of marijuana by any person;
  - Unauthorized destruction of marijuana;
  - Any loss or unauthorized alteration of records related to marijuana, registered qualifying patients, personal caregivers, or dispensary agents;
  - An alarm activation or other event that requires response by public safety personnel;
  - The failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last longer than eight hours; and
  - Any other breach of security.
- Within 10 calendar days, the Chief Operations Officer will provide written notice to the Massachusetts DPH of any incident described above, by submitting an incident report in the form and manner determined by the Department which details the circumstances of the event, any corrective actions taken, and confirmation that the appropriate law enforcement authorities were notified. All documentation related to a reportable incident will be maintained for no less than one year and made available to the Department and to law enforcement authorities acting within their lawful jurisdiction upon request.
- Garden Remedies requires an immediate review of incident-related activities by managing staff. All affected parties will be recommended participants in this review process. Discussions, recommendations and assignments will be documented for distribution to the Chief Executive Officer. The Chief Operations Officer will follow up with the all affected parties, as required and appropriate.

To handle consumer complaints, Garden Remedies will offer a call line that will be staffed during normal business hours. Patients who call Garden Remedies before or after hours will hear a message that answers frequently asked questions, provides emergency contacts, and our website address for additional information or to submit a comment. In addition to emergency information, our website will also provide a list of state and local governing agencies where complaints can be submitted.]



## CHECKLIST OF REQUIRED DOCUMENTS FOR SUBMISSION IN PHASE 2

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

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

- Capital expenses—exhibit 4.3
- Year-one operating budget—exhibit 4.4
- 3-year budget projections—exhibit 4.5
- Evidence of interest in dispensary site—exhibit 5.1
- Evidence of interest in cultivation site—exhibit 5.2
- Evidence of interest in processing site—exhibit 5.3
- Evidence of local support or non-opposition—exhibit 5.4
- Summary chart of responses to questions 5.1 to 5.4—exhibit 5.5
- RMD organizational chart—exhibit 6.1
- Proof of enrollment with the Department of Criminal Justice Information Services (DCJIS)—exhibit 6.2
- List of RMD staff, if known—exhibit 6.4
- RMD start-up timeline—exhibit 7.1
- Proposed sliding price scale—exhibit 7.12
- Certification of Assurance of Compliance: ADA and Non-Discrimination Based on Disability (original signed in blue ink)—part of Application Response Form

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

**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: Garden Remedies, Inc.**

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

**Attach organizational chart.**

 **ORIGINAL**



Karen Munkacy | Ken Munkacy | Karen Hawkes | Joe Skenderian | Shaleen Title  
**Board of Directors**

Responsibilities: oversee the work and finances of the Corporation; ensure that the work and the finances of the Corporation are conducted in accordance with the Articles of Incorporation and with the Bylaws; appoint Officers of the Corporation; examine and approve the Treasurers accounts; and to strategically guide and direct the work of the Corporation. Diversity Note: the Board is majority-female and includes an Indian-American. All Board members are Massachusetts residents

**Karen Munkacy**  
**CEO**  
Responsibilities: act as general manager for the corporation and oversee all department managers; delegate responsibilities and day-to-day operations to management; provide necessary means to the board as it carries out its governance functions.

**Joe Skenderian**  
**COO**  
Responsibilities: daily operations of the company, and routinely reports to the CEO

**Mike Doherty**  
**CFO**  
Responsibilities: oversight of financial activities of entire corporation and bookkeeper; reports to the CEO.

**Karen Hawkes**  
**Director of Security and Diversion Prevention**  
Responsibilities: oversight of security for all facilities; maintain and monitor security systems; advise management on implementation and compliance of security program; ensure effectiveness of security procedures.

**Dustin Shroyer**  
**Director of Cultivation Operations**  
Responsibilities: oversight all cultivation.

**Corey Hollister**  
**Director of Dispensary Operations**  
Responsibilities: manage and direct dispensary staff.



**BOARD OF DIRECTORS**  
(Exhibit 1.4)

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

Corporation Name: Garden Remedies, Inc.

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

	Board Role	Name	Date of Birth	Business Email	Business Address
1	President/Treasurer/Clerk/Chair	Dr. Karen Munkacy <b>Diversity Factors:</b> Female		KarenMunkacyMD@gmail.com	116 Chestnut Hill Road Newton, MA 02467
2	Director	Kenneth Munkacy		Kmunkacy@gid.com	125 High Street Boston, MA 02110
3	Director	Karen Hawkes <b>Diversity Factors:</b> Female		kehawkes77@gmail.com	10B Morphew Lane Rowley, MA 01969
4	Director	Joseph Skenderian		JoeSkenderian@hotmail.com	1613 Cambridge Street Cambridge, MA 02138
5	Director	Shaleen Title <b>Diversity Factors:</b> Female, Indian-American		Shaleen@gmail.com	11 Overlook Ridge Drive Apt 2 Revere, MA 02151

**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: Garden Remedies, Inc.

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

**A. Member as Individuals**

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

**B. Member as Corporations**

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

**CORPORATE BYLAWS**  
**(Exhibit 1.6)**

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

Corporation Name: Garden Remedies, Inc.

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

Attach bylaws.



**ORIGINAL**

**BYLAWS**  
**of**  
**GARDEN REMEDIES, INC.**  
**November 16, 2013**



**ORIGINAL**

**BYLAWS**  
**of**  
**GARDEN REMEDIES, INC.**  
**November 16<sup>th</sup>, 2013**

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**ORIGINAL**

BYLAWS  
Of  
GARDEN REMEDIES

November 16, 2013

ARTICLE 1

**General Provisions**

**Section 1.1 Name.** The name of this corporation is Garden Remedies, Inc. and shall herein be referred to as "the corporation."

**Section 1.2 Offices.** The principal business office of the corporation shall be at 116 Chestnut Hill Rd., Newton MA 02467. The corporation may also have offices at such other places as the corporation may require.

**Section 1.3 Fiscal Year.** The fiscal year of the corporation shall begin on January 1 and end on the following December 31 of each year.

**Section 1.4 No Voting Members.** The corporation shall have no voting members. All powers of the corporation shall be held by the board of directors. Any action or vote required or permitted by any law, rule, or regulation to be taken by members shall be taken by action or vote of the same percentage of the board of directors of the corporation. No person now or hereafter designated by the corporation as a "member" for fundraising or other purposes shall be or be deemed to be a member for purposes of the Articles of Organization or bylaws of the corporation nor shall such person have any voting or fiduciary rights or responsibilities of the corporation.

ARTICLE 2

**Statement of Purposes**

The corporation is organized for nonprofit purposes including, but not limited to, providing wellness services to patients suffering from debilitating medical conditions; educating patients and community stakeholders about wellness and public health; and engaging in community activities related to wellness and public health. 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. Any revenue from the corporation shall be used solely in furtherance of the corporation's nonprofit purposes.

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## ARTICLE 3

### Board of Directors

**Section 3.1 Authority.** The business and affairs of the corporation shall be controlled and governed by the board of directors, which shall have the right to exercise all powers of the corporation as permitted by law.

**Section 3.2 Composition.** The number of directors and the manner by which new directors are nominated and appointed shall be determined by the directors.

**Section 3.3 Terms of Office.** Except as provided herein, the board of directors shall determine the length and number of terms to be served by directors.

**Section 3.4 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, of the date, time, place, and purpose of such meeting, to all directors at least three (3) days in advance of such meeting.

**Section 3.5 Quorum and Voting.** A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board. At any meeting of the board of directors at which a quorum is present, a majority of those directors present shall decide any matter, unless a different vote is specified by law, the Articles of Organization, or these bylaws.

**Section 3.6 Meetings by Remote Communication.** One or more directors may attend any annual, regular, special, or committee meeting of the board through telephonic, electronic, or other means of communication by which all directors have the ability to fully and equally participate in all discussions and voting on a substantially simultaneous basis. Such participation shall constitute presence in person at such meeting.

**Section 3.7 Action Without a Meeting.** Any action required or permitted to be taken at any board meeting may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the directors with respect to such subject matter. Such consent, which may be signed in counterparts, shall have the same force and effect as a vote of the board of directors.

**Section 3.8 Waiver of Notice for Meetings.** Whenever any notice of a meeting is required to be given to any director under the Articles of Organization, these bylaws, or the laws of Massachusetts, a waiver of notice in writing signed by the director, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

**Section 3.9 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.

 ORIGINAL



**Section 3.10 Compensation.** Directors as such shall not receive any salaries for their services on the board, but directors shall not be precluded from serving the corporation in any other capacity and receiving reasonable compensation.

**Section 3.11 Resignation.** Any director may resign by delivering a written resignation to the corporation at its principal office or to the president or clerk. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time.

**Section 3.12 Removal.** Except as provided herein, any director may be removed, with or without assignment of cause, by a vote of the majority of the entire board of directors at any meeting of the board of directors. No member of the board shall be removed from office unless the notice of the meeting at which removal is to be considered states such purpose and opportunity to be heard at such meeting is given to the director whose removal is sought. Notwithstanding the notice provision of Section 3.4 above, written notice shall be delivered to all directors at least fourteen (14) days in advance of a meeting at which removal is sought. Founding Directors Ken or Karen Munkacy shall be directors in perpetuity and may only be removed for Cause upon a 3/4 vote of the disinterested directors. For the purpose of this Section "Cause" shall mean if any director: (1) fails to qualify as a dispensary agent as determined by the Massachusetts Department of Public Health ("DPH"); (2) is found unsuitable or unqualified to sit as director of a registered marijuana dispensary as determined by DPH pursuant to written notice to the non-profit; (3) engages in any negligent, reckless, or intentional action or inaction that causes substantial financial or reputational injury to the non-profit, or jeopardizes the non-profit's ability to receive or renew a marijuana dispensary permit, as determined in a written opinion of the non-profit's legal counsel; or (4) disability of the director such that the director cannot perform the director's duties for a period equal to ninety (90) days in any three hundred sixty-five (365) day period.

**Section 3.13 Vacancies.** Any vacancy occurring in the board of directors shall be filled by the board of directors in accordance with Section 3.2. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office.

## ARTICLE 4

### Officers

**Section 4.1 Officers.** The officers of the corporation shall be a president/CEO, a treasurer, and a clerk of the board of directors and such other officers as may be elected in accordance with the provisions of this Article.

**Section 4.2 Election.** 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.

**Section 4.3 Vacancies.** A vacancy in any office because of death, resignation, disqualification, or otherwise may be filled by the board of directors for the unexpired portion of the term.

**Section 4.4 Removal.** Any officer may be removed, with or without assignment of cause, by a vote of a majority of the entire board of directors at any meeting of the board of directors. No officer shall be removed from office unless the notice of the meeting at which removal is to be considered states such purpose and opportunity to be heard at such meeting is given to the officer whose removal is sought. Notwithstanding the notice provision of Section 3.4 above, written notice shall be delivered to all directors at least fourteen (14) days in advance of a meeting at which removal is sought.

**Section 4.5 President/Chief Executive Officer (CEO).** The CEO shall preside at all meetings of the board of directors. The CEO, or other proper officer or agent of the corporation authorized by the board of directors, may sign any deeds, mortgages, bonds, contracts, or other instruments which the board of directors has authorized to be executed. The president shall perform all duties incident to the office of president and such other duties as may be prescribed by the board of directors from time to time.

**Section 4.7 Treasurer.** The treasurer, or other proper officer or agent of the corporation authorized by the board of directors, shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipt for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the board of directors; and in general perform all of the duties incident to the office of treasurer and such others as may from time to time be assigned by the board of directors.

**Section 4.8 Clerk.** The clerk shall keep the minutes of the meetings of the board of directors in one or more books provided for that purpose; ensure that all notices are given in accordance with the provisions of these bylaws; be custodian of the corporate records; and in general perform all such duties as may from time to time be assigned by the board of directors.

## ARTICLE 5

### **Corporate Transactions**

**Section 5.1 Contracts.** The board of directors may authorize any officer or officers, agent or agents of the corporation in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined by specific instances.

**Section 5.2 Indebtedness.** All checks, drafts, or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the corporation, shall be signed by the president or treasurer, or such other officer or agent of the corporation as from time to time may be determined by the board of directors. In the absence of such determination of the board, such instruments shall be signed by the president or treasurer of the corporation.

**Section 5.3 Deposits.** All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, brokerages, or other depositories as the board of directors shall select.

## ARTICLE 6

### **Books and Records**

 ORIGINAL

The corporation shall keep at the principal office of the corporation correct and complete books and records of account; minutes of the proceedings of board of directors; and a register of the names and addresses of the directors of the corporation. All books, and records of the corporation may be inspected by any director, or agent or attorney thereof, for any proper purpose at any reasonable time.

## ARTICLE 7

### Restrictions on Activities

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of the corporation.

## ARTICLE 8

### Dissolution

In the event of dissolution of the corporation, the board of directors shall, after paying or making provisions for the payment of all of the liabilities of the corporation, dispose of all the assets of the corporation exclusively for the purposes of the corporation, as the board of directors shall determine, in accordance with the statutes of the Commonwealth of Massachusetts.

## ARTICLE 9

### Conflicts 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. This Article may be further defined by the directors in pursuant to a written policy incorporated herein.

## ARTICLE 10

### Personal Liability

No officer or director of the corporation shall be personally liable to the corporation for monetary damages for or arising out of a breach of fiduciary duty as an officer or director notwithstanding any provision of law imposing such liability; provided, however, that the foregoing shall not eliminate or limit the liability of an officer or director to the extent that such liability is imposed by applicable law (i) for a breach of the officer's or director's duty of loyalty to the corporation or its members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, or (iii) for any transaction from which the officer or director derived an improper personal benefit.

 ORIGINAL

## ARTICLE 11

### Indemnification

The corporation shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as an officer or director of the corporation against all expenses and liabilities, including, without limitation, counsel fees, judgments, fines, excise taxes, penalties and settlement payments, reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or proceeding in which he or she may become involved by reason of his or her service in such capacity; provided that no indemnification shall be provided for any such person with respect to any matter as to which he or she shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that such action was in the best interests of the corporation; and further provided that any compromise or settlement payment shall be approved by a majority vote of a quorum of directors who are not at that time parties to the proceeding.

The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of persons entitled to indemnification hereunder. The right of indemnification under this Article shall be in addition to and not exclusive of all other rights to which any person may be entitled.

This Article constitutes a contract between the corporation and the indemnified officers and directors. No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified officer or director under this Article shall apply to such officer or director with respect to those acts or omissions which occurred at any time prior to such amendment or repeal.

## ARTICLE 12

### Amendments to Bylaws

These bylaws may be amended or repealed by a majority vote of the entire board of directors, provided however that amendment or repeal of Sections 3.12 and this Section 12, must also be approved by founding director, Dr. Karen Munkacy.

## Article 13

### Policies

The Board of Directors may adopt policies that shall be incorporated into these By-Laws. The following policies have been adopted and incorporated herein:

Appendix 1: Conflict of Interest Policy

Appendix 2: Whistleblower Policy

Appendix 3: Document Retention and Destruction Policy



**ORIGINAL**

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I, Karen Munkacy, MD, the Clerk of the Board attest that these By-laws with the incorporated Appendices were adopted by Garden Remedies, Inc. on November 16, 2013, by a duly authorized vote of the Board.

Karen Munkacy MD  
Karen Munkacy, MD  
Clerk of the Board

 ORIGINAL

Appendix 1

**GARDEN REMEDIES, INC  
CONFLICT OF INTEREST POLICY**

I. Definitions

For purposes of this policy, the term "interest" shall include any personal connection or connection as a director, officer, member, stockholder, shareholder, partner, manager, trustee, beneficiary, employee or consultant of any concern on the part of a director, officer or key employee of Garden Remedies, Inc. (the "Non-profit") or his/her immediate family member.

The term "concern" shall mean any corporation, association, trust, partnership, limited liability group, firm, person or entity other than the Non-profit.

II. Policy

No director, officer or key employee of the Non-profit shall be disqualified from holding any office or post in the Non-profit by reason of any interest in any concern. A director, officer or key employee of the Non-profit shall not be disqualified from engaging, either as vendor, purchaser or otherwise, or contracting or entering into any transaction with the Non-profit or with any entity of which the Non-profit is an affiliate, provided, however, that the following precautions are undertaken:

1. The interest of such director, officer or key employee is fully disclosed to the board of directors prior to its entering into the transaction.
2. No interested director, officer or key employee may vote or lobby (lobbying shall not include presenting to the board or a director about the benefits of the transaction) on the matter or be counted in determining the existence of a quorum at the meeting of the board of directors at which such matter is voted upon.
3. Any transaction in which a director, officer or key employee has an interest shall be duly approved by the disinterested directors as being in the best interest of the Non-profit. The disinterested directors shall seek and examine comparison data, showing the availability and price of alternative transactions, in making such determination.
4. Payments to the interested director, officer, or key employee shall be reasonable and shall not exceed fair market value.
5. The minutes of the meeting at which the disinterested directors vote on the transaction shall reflect that disclosure of the potential conflict was made, that the interested director(s) abstained from voting, the rationale for approval, and how each disinterested director voted. The minutes shall be prepared and finalized within 30 days of such meeting.

Directors, officers and key employees are required to disclose interests that could give rise to conflicts at least annually.

Adopted November 16, 2013, Karen Munkacy M.D. Karen Munkacy, M.D., Clerk,  
Garden Remedies, Inc.

 ORIGINAL

Appendix 2

**GARDEN REMEDIES, INC  
WHISTLEBLOWER POLICY**

I. Expectation

Garden Remedies, Inc.. (the "Non-profit") expects directors, officers and employees to observe high ethical standards in carrying out their responsibilities and to comply with all applicable laws and regulations.

II. Open Door Policy

If any director, officer or employee has complaints, concerns, or questions as to the ethics or legality of a particular action taken by another director, officer or employee, he/she is encouraged to raise such complaints, concerns or questions with the relevant individual. With respect to directors, the relevant individual is the chair of the board of directors or any other director. With respect to officers and employees, the relevant individual is the Executive Director, if there is one in office, and if not, any member of the board. In the event the director, officer or employee believes there may have been a legal transgression, and that it is not reasonable to raise the issue with a board member or the Executive Director, he/she should contact an outside attorney. Anyone filing a complaint concerning a violation or suspected violation of a law, regulation or ethical requirement must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Individuals making baseless or malicious accusations will be disciplined up to and including termination.

III. Requirement of Investigation

Within a reasonable time of receiving a complaint, concern or question regarding compliance with a law, regulation or ethics requirement, the Executive Director and/or board member shall open an investigation into the matter and pursue it to resolution. Should the Executive Director or board member find that a law, regulation or ethics requirement has been violated, appropriate action should be taken.

IV. Confidentiality

To the degree possible, the names of the individuals reporting under this Whistleblower Policy shall be kept confidential.

V. Protection from Retaliatory Action

Neither the Non-profit nor its managers may take any negative employment or other retaliatory action against any director, officer or employee who in good faith reports a violation of a law or regulatory requirement. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline including, but not limited to, termination of employment.

VI. General Policy

This general policy is not a contract and it may be rescinded or amended at any time by the Non-profit. It is not intended to and does not create any legally enforceable rights whatsoever for any employee.

*Adopted November 16, 2013, Karen Munkacy <sup>or</sup> DKaren Munkacy, M.D., Clerk,  
Garden Remedies, Inc.*

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Appendix 3

**GARDEN REMEDIES, INC.  
DOCUMENT RETENTION AND DESTRUCTION POLICY**

**I. Retention Policy**

Garden Remedies, Inc. (the "Non-profit") takes seriously its obligations to preserve information relating to litigation, audits, and investigations. The information listed in the retention schedule below is intended as a guideline and may not contain all the records the Non-profit may be required to keep in the future, additionally, any longer retention required by applicable law or regulation shall supersede the policy herein.

From time to time, the Non-profit may suspend the destruction of records due to pending, threatened, or otherwise reasonably foreseeable litigation, audits, government investigations, or similar proceedings or as required by applicable regulations.

<b>File Category</b>	<b>Item</b>	<b>Retention Period</b>
<b>Corporate Records</b>	<i>Bylaws and Articles of Incorporation</i>	Permanent
	<i>Corporate resolutions</i>	Permanent
	<i>Board and committee meeting agendas and minutes</i>	Permanent
	<i>Conflict-of-interest disclosure forms</i>	4 years
<b>Finance and Administration</b>	<i>Financial statements (audited)</i>	7 years
	<i>Auditor management letters</i>	7 years
	<i>Payroll records</i>	7 years
	<i>Check register and checks</i>	7 years
	<i>Bank deposits and statements</i>	7 years
	<i>Chart of accounts</i>	7 years
	<i>General ledgers and journals (includes bank reconciliations)</i>	7 years
	<i>Investment performance reports</i>	7 years
	<i>Equipment files and maintenance records</i>	7 years after disposition
	<i>Contracts and agreements</i>	7 years after all obligations end
<i>Correspondence — general</i>	3 years	
<b>Insurance Records</b>	<i>Policies — occurrence type</i>	Permanent
	<i>Policies — claims-made type</i>	Permanent
	<i>Accident reports</i>	7 years

**ORIGINAL**



	<i>Safety (OSHA) reports</i>	7 years
	<i>Claims (after settlement)</i>	7 years
	<i>Group disability records</i>	7 years after end of benefits
<b>Real Estate</b>	<i>Deeds</i>	Permanent
	<i>Leases (expired)</i>	7 years after all obligations end
	<i>Mortgages, security agreements</i>	7 years after all obligations end
<b>Tax</b>	<i>IRS Tax returns and related correspondence</i>	Permanent
	<i>IRS Form 1120s</i>	7 years
	<i>State Tax returns</i>	7 years
<b>Human Resources</b>	<i>Employee personnel files</i>	Permanent
	<i>Retirement plan benefits (plan descriptions, plan documents)</i>	Permanent
	<i>Employee handbooks</i>	Permanent
	<i>Workers comp claims (after settlement)</i>	7 years
	<i>Employee orientation and training materials</i>	7 years after use ends
	<i>Employment applications</i>	3 years
	<i>IRS Form I-9 (store separate from personnel file)</i>	Greater of 2 year after end of service, or three years
	<i>Withholding tax statements</i>	7 years
	<i>Timecards</i>	3 years
<b>Technology</b>	<i>Software licenses and support agreements</i>	7 years after all obligations end

## II. Electronic Documents and Records

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an e-mail message, the message should be printed in hard copy and kept in the appropriate file or moved to an "archive" computer file folder. Backup and recovery methods should be tested on a regular basis.

## III. Emergency Planning

The Non-profit's records should be stored in a safe, secure, and accessible manner. Documents and financial files that are essential to keeping the Non-profit operating in an emergency should, if possible, be duplicated or backed up at least weekly and maintained off-site.

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#### IV. Document Destruction

Documents should be eliminated at the end of the relevant retention period. Destruction of financial and personnel-related documents should be accomplished by shredding.

Document destruction with respect to relevant documents will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation or lawsuit.

#### V. Compliance

The Non-profit will periodically review these procedures with legal counsel or the Non-profit's certified public accountant to ensure that they are in compliance with new or revised regulations.

*Adopted November 16, 2013, Karen Munkacy Karen Munkacy, M.D., Clerk,  
Garden Remedies, Inc.*

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Appendix 4

**GARDEN REMEDIES, INC  
COMPENSATION SETTING POLICY**

I. Introduction

This policy codifies the procedures by which the board of directors of Garden Remedies, Inc. (the "Non-profit") sets the compensation of directors, top management officials, officers and key employees ("executive compensation"). These procedures are designed to comply with the "safe harbor" requirements set forth in the tax regulations on intermediate sanctions to create a rebuttable presumption of reasonableness in compensation levels.

II. Policy

The board of directors shall oversee the setting of executive compensation and shall (1) determine compensation of all directors, top management officials, officers and key employees, and (2) review, assess and approve the reasonableness of such compensation on a regular basis. In order to be approved as reasonable, compensation must be an amount that would ordinarily be paid for comparable work by similarly situated organizations under like circumstances. The particular education, experience and skill of the compensated individual may also be taken into account.

III. Guidelines

Compensation determinations made by the directors will be made in accordance with the following guidelines:

- i. In setting and determining the reasonableness of executive compensation, the board shall obtain and rely upon compensation information for comparable work by similarly situated organizations under like circumstances, as defined in Section II above.
- ii. Board members involved in setting and approving executive compensation, as well as any third parties providing professional advice to the board members in connection with setting and approving executive compensation shall be independent and have no conflicts of interest as to the executive whose compensation is being reviewed. Board members shall have no conflict of interest for these purposes if they (i) will not economically benefit from the compensation arrangement, (ii) are not family members of a person who will economically benefit, (iii) have no material financial interest affected by the compensation arrangement, and (iv) are not family members of a person who has a material financial interest affected by the compensation arrangement.
- iii. Timely and accurate minutes of all final actions by the board regarding the setting and approval of executive compensation will be recorded and held with board records. Such minutes will include (1) the terms of the approved compensation arrangement and the date approved, (2) a list of the board members present during discussion, showing those who approved the arrangement, those who rejected it and those who recused themselves due to conflicts of interest, (3) the comparability data relied upon and how such data was obtained, and (4) the rationale for determining that the arrangement was reasonable if it exceeded the range of the comparability data.

Adopted November 16, 2013, Karen Munkacy Karen Munkacy, M.D., Clerk,  
Garden Remedies, Inc.

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**GARDEN REMEDIES, INC  
COMPREHENSIVE INFORMATION SECURITY POLICY**

**I. OBJECTIVE**

It is the objective of Garden Remedies, Inc. (“Non-profit”) in the development and implementation of this comprehensive information security program (“CISP”) to create effective administrative, technical and physical safeguards for the protection of personal information, and to comply with obligations under 201 CMR 17.00 and 105 CMR 725.00. This CISP sets forth our procedure for evaluating our electronic and physical methods of accessing, collecting, storing, using, transmitting, and protecting personal information. For purposes of this CISP, “personal information” means an individual’s first name and last name or first initial and last name in combination with any one or more of the following data elements that relate to such resident: (a) Social Security number; (b) driver's license number or state-issued identification card number; or (c) financial account number, or credit or debit card number, with or without any required security code, access code, personal identification number or password, that would permit access to an individual’s financial account; provided, however, that “personal information” shall not include information that is lawfully obtained from publicly available information, or from federal, state or local government records lawfully made available to the general public. Non-profit generally acquires personal information in connection with hiring employees and payroll, and in connection with sales to the public.

**II. PURPOSE**

The purpose of the CISP is to:

- Ensure the security and confidentiality of personal information;
- Protect against any anticipated threats or hazards to the security or integrity of such information; and
- Protect against unauthorized access to or use of such information in a manner that creates a substantial risk of identity theft or fraud.

**III. DATA SECURITY COORDINATOR**

RMD appoints the Treasurer to be its Data Security Coordinator. The Data Security Coordinator will be responsible for:

- Initial implementation of the CISP;
- Regular testing of the CISP’s safeguards;
- Evaluating the ability of each of Non-profit’s third party service providers to implement and maintain appropriate security measures for the personal information to which Non-

profit permits them access, and requiring such third party service providers to implement and maintain appropriate security measures;

- Reviewing the scope of the security measures in the CISP at least annually, or whenever there is a material change in Non-profit's business practices that may implicate the security or integrity of records containing personal information; and
- Conducting an annual training session for all directors, officers, employees, volunteers and independent contractors, including temporary and contract employees who have access to personal information on the elements of the CISP.

#### **IV. HANDLING PERSONAL INFORMATION**

##### **A. Paper Records**

All paper records containing personal information shall be kept in a locked file cabinet with restricted access. Paper records will be destroyed regularly in accordance with Non-profit's document destruction policy using an office-grade shredder as permitted by 105 CMR 725.00. Records containing personal information may not be taken out of the office and may be accessed only by personnel with a business necessity. Checks that need to be transported from the dispensary to the bank may be sent by US mail or hand delivered by the responsible employee, and if hand delivered, will not be left unattended at any point in the transition.

Checks. When Non-profit receives checks from members of the public, it will make only one hard copy and keep it in a locked file cabinet with restricted access. The checks themselves will also be kept under lock and key until they are deposited.

Paper employment records. Paper employment records must be kept under lock and key and accessed only by staff members responsible for employment issues and/or by the Executive Director/Chief Executive Officer.

##### **B. Electronically Held Records**

Non-profit requires the following security systems with respect to the maintenance of personal information on its computers:

Authentication Protocols. The Data Security Coordinator shall secure user authentication protocols including:

- Control of user IDs and other identifiers;
- A reasonably secure method of assigning and selecting passwords, or use of unique identifier technologies, such as biometrics or token devices;
- Control of data security passwords to ensure that such passwords are kept in a location and/or format that does not compromise the security of the data they protect;
- Restricting access to active users and active user accounts only; and
- Blocking access to user identification after multiple unsuccessful attempts to gain access.

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Access Protocols. The Data Security Coordinator shall implement the following secure access control measures:

- Restrict access to records and files containing personal information to those who need such information to perform their job duties; and
- Assign unique identifications plus passwords, which are not vendor supplied default passwords, to each person with computer access, that is reasonably designed to maintain the integrity of the security of the access controls.

Restriction on E-mailing Personal Information. Non-profit will not, as a general rule, send or accept personal information by e-mail. To the extent exceptions must be made, the security measures described in this CISP shall be taken.

Encryption. Should any records and files containing personal information be transmitted across public networks or wirelessly, such records or files shall be encrypted. Personal information stored on laptops and other portable devices shall also be encrypted.

Monitoring. Non-profit shall take all steps necessary to reasonably monitor its computer network for unauthorized use of or access to personal information.

Firewalls. All files containing personal information on a system that is connected to the Internet shall be protected by a reasonably up-to-date firewall protection and operating system security patches designed to maintain the integrity of the personal information.

Virus protection. All computers containing personal information shall be protected by reasonably up-to-date versions of system security agent software, including malware protection and reasonably up-to-date patches and virus definitions, or a version of such software that can still be supported with up-to-date patches and virus definitions, and is set to receive the most current security updates on a regular basis.

### **C. Vendors**

Non-profit routinely shares personal and financial information with its payroll service, its CPA firm, legal counsel, credit card vendors and Pay Pal. Non-profit requires each of these organizations to send written evidence, signed by an authorized person, confirming that they follow a security plan that fully complies with 201 CMR 17 and 105 CMR 725.00.

### **V. Training**

The Data Security Coordinator shall ensure that all employees, whether full-time, part-time, seasonal or temporary, and independent contractors, consultants and volunteers who have access to personal information are trained on the data security requirements provided in this CISP.

## **VI. PERSONS SEPARATING FROM NON-PROFIT**

All employees, whether full-time, part-time, seasonal or temporary, and independent contractors, consultants and volunteers upon termination or resignation shall immediately be denied access to physical and electronic records containing personal information and will be required to return or destroy all records and files containing personal information in any form that may at the time of

such termination or resignation be in their possession or control, including all such information stored on laptops, portable devices, or other media, or in files, records, notes, or papers.

## VII. SECURITY BREACH AND NOTIFICATION

All employees, whether full-time, part-time, seasonal or temporary, and independent contractors, consultants and volunteers, shall as soon as practicable and without unreasonable delay notify the Data Security Coordinator when such person knows or has reason to know of a security breach or when the person knows or has reason to know that personal information was acquired or used by an unauthorized person or used for an unauthorized purpose.

A "security breach" is any unauthorized acquisition or unauthorized use of unencrypted data or, encrypted electronic data and the confidential process or key that is capable of compromising the security, confidentiality, or integrity of personal information that creates a substantial risk of identity theft or fraud. A good faith but unauthorized acquisition of personal information by a person or agency, or employee or agent thereof, for lawful purposes, is not a breach of security unless the personal information is used in an unauthorized manner or subject to further unauthorized disclosure.

When the Data Security Coordinator is informed of a security breach, she will (1) notify the individual whose information was compromised, and (2) notify the Massachusetts Attorney General and the Office of Consumer Affairs and Business Regulation.

The notice to the individual will be in writing, possibly by electronic mail, and will include the following information:

- A general description of the incident;
- Identification of the personal information that may be at risk;
- A description of Non-profit's security program;
- A phone number to call within Non-profit for further information;
- Suggestion of extra caution, to review account statements, and to obtain a credit report; and
- Phone numbers and addresses of the Federal Trade Commission, state agencies that may be of assistance, and major consumer reporting agencies. The notice will not be provided if law enforcement personnel advise against it.

The notice to the Office of Consumer Affairs and Business Regulation and to the Attorney General will include the following:

- A detailed description of the nature and circumstances of the breach of security;
- The number of people affected as of the time of notification;
- The steps already taken relative to the incident;
- Any steps intended to be taken relative to the incident subsequent to notification; and

 ORIGINAL

- Information regarding whether law enforcement is engaged investigating the incident.

Non-Retaliation. Non-profit will not retaliate against anyone who reports a security breach or non-compliance with CISP, or who cooperates in an investigation regarding such breach or non-compliance. Any such retaliation will result in disciplinary action by the responsible parties up to and including suspension or termination.

Documentation. Non-profit shall document all responsive actions taken in connection with any incident involving a security breach.

*Adopted November 16, 2013, Karen Munkacy M.D., Clerk,  
Garden Remedies, 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: Garden Remedies, Inc.

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

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: Garden Remedies, Inc.

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

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

**REFERENCES**  
**(Exhibit 1.9)**

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

Corporation Name: Garden Remedies, Inc.

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

Name of Reference	Business Phone & Email	Relationship to Applicant	Dates of Relationship
1 Janie Rothschild	949-230-2999 JanieRothschild@gmail.com	We worked together to build her home health company, which grew to employ 36 nurses full time. I also worked for her foundation, the Rothschild Foundation.	August 1992 to the present.
2 Matthew Allen	508-410-1547 Mjpatients@gmail.com	We worked together on the medical marijuana initiative in Massachusetts. We participated in many presentations, debates and visited many legislators.	October 2010 to the present.
3 Steph Sherer	202-857-4272 Steph@safecessnow.com	She is the Executive Director of Americans For Safe Access and I serve on the board. We worked closely together on safe access in Massachusetts.	October 2010 to the present.



**EXECUTIVE MANAGEMENT TEAM**  
**(Exhibit 2.1)**

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

Corporation Name: Garden Remedies, Inc.

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

	Management Role	Name	Date of Birth	Business Email and Phone Number	Business Address
1	Chief Executive Officer	Dr. Karen Munkacy <b>Diversity Factors:</b> Female	[REDACTED]	KarenMunkacyMD@gmail.com 732-236-4517	116 Chestnut Hill Road Newton, MA 02467
2	Chief Financial Officer	Michael Doherty		Micdoh1@verizon.net 617-484-0192	123 Watson Road Belmont, MA 02478
3	Chief Operations Officer	Joseph Skenderian		JoeSkenderian@hotmail.com 617-354-5600	1613 Cambridge Street Cambridge, MA 02138
4	Director of Security and Diversion Prevention	Karen Hawkes <b>Diversity Factors:</b> Female		KeHawkes77@gmail.com 978-432-1735	10B Morphew Lane Rowley, MA 01969
5	Director of Dispensary Operations	Corey Hollister		hollister@americancannabisconsulting.com 303-564-9496	5316 Rustic Avenue Firestone, CO 80504
6	Director of Cultivation Operations	Dustin Shroyer		dustin@americancannabisconsulting.com 512-787-9459	1539 Platte St. Denver, CO 80202

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

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

Corporation Name: Garden Remedies, Inc.

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

List the résumés attached:

	<b>Title</b>	<b>Name</b>
1	Chief Executive Officer	Karen Munkacy, M.D.
2	Chief Financial Officer	Michael Doherty
3	Chief Operations Officer	Joseph Skenderian
4	Director of Security and Diversion Prevention	Karen Hawkes
5	Director of Dispensary Operations	Corey Hollister
6	Director of Cultivation Operations	Dustin Shroyer

Resume of Karen Munkacy  
Chief Executive Officer of Garden Remedies, Inc.

**KAREN MUNKACY, MD**  
116 Chestnut Hill Road | Chestnut Hill, MA 02467  
732-236-4517 ■ KarenMunkacyMD@gmail.com

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### **ANESTHESIOLOGIST/MEDICAL MARIJUANA ADVOCATE**

- Karen Munkacy, MD has more than 30 years of experience in the medical field, including eight years taking care of indigent patients and training anesthesiology residents and nurse anesthetists.
  - Dr. Munkacy is a cancer survivor.
  - In 2011, Dr. Munkacy became a board member of Americans for Safe Access. As an unpaid medical expert, Dr. Munkacy has written articles and has testified in front of lawmakers and administrative committees, medical specialists, law enforcement officials, and concerned community members as to the efficacy of medical marijuana treatment.
- 

### **SKILLS SUMMARY**

- Advocacy, Medical Marijuana
  - Anesthesiology, Board Certified
  - Non-Profit Leadership
  - Pain Medicine, Fellowship Trained
  - Multicultural Communications
  - Sustainable Medical Systems and Patient Care
  - Clinical Practice and Consulting
  - Research and Training
- 

### **PROFESSIONAL EXPERIENCE**

#### **MASSACHUSETTS MEDICAL SOCIETY**

**February 2013 to Present**

*Delegate*

After presenting to the Massachusetts Medical Society on the efficacy of medical marijuana treatment, Dr. Munkacy was voted in as a delegate of this internationally respected medical society where she continues her advocacy work.

#### **AMERICANS FOR SAFE ACCESS (ASA)**

**February 2011 to Present**

*Board Member, Unpaid MMJ Advocate*

Advocates for safe and legal access to cannabis and testifies as to the medical efficacy of using medical marijuana to alleviate pain and other symptoms resulting from a range of medical conditions.

#### **ROTHSCHILD FOUNDATION**

**January 2009 to Present**

*Board Member*

Evaluates all requests for funding and presents assessments at board meetings. All recommended projects have been funded.

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Resume of Karen Munkacy  
Chief Executive Officer of Garden Remedies, Inc.

**BREAST CANCER RESEARCH**

**August 2008 to December 2008**

*Researcher*

Coordinated Breast Cancer Research Study between Harvard School of Public Health and Sloan-Kettering. Involved with specifying research objectives, investigating initial feasibility, defining research protocol, and team selection.

**HARVARD SCHOOL OF PUBLIC HEALTH**

**July 2008**

*Student*

Completed graduate course, "Introduction to Global Health Care Delivery" (grade: A), taught by Dr. Paul Farmer, Dr. Jim Kim and Prof. Michael Porter (Harvard Business School).

**SCHEHERAZADE FOUNDATION**

**May 2004 to June 2008**

*President/Medical Consultant*

Consulted with leading neonatal physicians at Harvard, Yale, and the University of Iowa to design a cost-efficient system utilizing best clinical practices for Romania. Collaborated with Romanian government official overseeing all obstetricians and neonatologists to develop an effective and cost-efficient implementation plan for neonatal tertiary care.

**ASIA & CENTRAL EUROPE**

**July 1998 to April 2004**

*Consultant/Medical Advisor*

While residing in Tokyo and Prague, consulted with international companies to identify and target critical gaps in medical technology and patient care coverage; clients included General Electric, Starwood Capital, Trizec Hahn, and The Sharron Group. Evaluated patients, arranged for care, and completed follow-ups. Built and managed relations with patients and specialists throughout multiple countries, including Japan, Hong Kong, Thailand, Cambodia, Taiwan, Czech Republic, United Kingdom, Poland, Romania, and Germany.

**USC MEDICAL CENTER, Los Angeles, CA**

**July 1997 - June 1998**

*Pain Management Fellow*

**USC MEDICAL CENTER, Los Angeles, CA**

**July 1995 - June 1998**

*Assistant Clinical Professor of Anesthesiology*

**UCLA MEDICAL CENTER, Los Angeles, CA**

**March 1990 - June 1995**

*Assistant Clinical Professor of Anesthesiology*

**PAIN MANAGEMENT CENTER, Los Angeles, CA**

**February 1987 - February 1990**

*Staff Physician*

**OJAI HOSPITAL, Ojai, CA**

**July 1985 - January 1987**

*Staff Anesthesiologist*

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**EDUCATION**

**UNIVERSITY OF SOUTHERN CALIFORNIA MEDICAL CENTER**

**1982 - 1985**

Anesthesiology Residency 1983 - 1985, Rotating Internship 1982 - 1983

 **ORIGINAL**

Resume of Karen Munkacy  
Chief Executive Officer of Garden Remedies, Inc.

**UNIVERSITY OF MICHIGAN MEDICAL SCHOOL**

**1982**

Doctor of Medicine, 1982; Recipient, Honors Award in Neuroscience, Microbiology and Orthopedic Surgery;  
Member, Galens Honorary Medical Society

**UNIVERSITY OF MICHIGAN**

**1982**

Bachelor of Science in Biomedical Science



**ORIGINAL**



Resume of Michael Doherty  
Chief Financial Officer of Garden Remedies, Inc.

## MICHAEL J. DOHERTY

123 Watson Road | Belmont, MA 02478  
[REDACTED] ■ micdoh1@verizon.net

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### SENIOR FINANCE EXECUTIVE / REAL ESTATE INVESTMENTS

- **Portfolio Management:** Developed portfolio strategies as part of senior leadership teams to maximize investor returns. Leadership role in underwriting due diligence for asset acquisitions, identifying Fund/property issues, and implementing improvements for leasing, debt structure, capital improvements and divestiture strategy.
- **Reporting Systems:** Expertise in building internal systems that provide clear, concise and timely reports for fact-based decision making by Senior Management, information to Investor Relations, and that enhance overall company performance. Additionally, coordinated all required financial and tax reporting.
- **Financial Modeling:** Directed the preparation of long-term financial models for each Fund to show range of returns and equity multiples; and sensitivity analyses (interest rates, rents, cap rates, lease absorption etc.).
- **Risk Management:** Key contributor at Investment Committee meetings to identify key risk areas for due diligence on potential acquisitions. Managed appropriate insurance coverages and negotiated reasonable premiums for property, liability, etc. Administrator for Company 401K plan ensuring the best possible investment options for employees.
- **Operational Excellence:** Enhanced regional reporting structure at New Boston Fund and led internal operational task forces. Presented Company, Fund and Regional performance at Board and Senior Management meetings with recommendations for improvement. Built and led highly effective cross-functional teams and mentored staff. Led MIS meetings to prioritize software implementation projects. Co-Founder of start-up real estate advisory firm providing services for portfolios ranging from \$500M to \$2B.

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### PROFESSIONAL EXPERIENCE

#### NEW BOSTON FUND, INC.

2000 – Present

*An independent, privately owned real estate investment management firm and industry leader in providing real estate investment, development and management services. NBF has invested more than \$1.2 billion in private-equity capital on behalf of high-net worth and institutional investors, has acquired or developed more than 160 properties with more than \$3.5 billion in cumulative value through eight successful private equity real estate funds, and has sponsor co-investment of more than \$100 million.*

#### Chief Financial Officer (2011 – Present)

#### Senior Vice President of Portfolio Strategy (2000 – 2010)

Directed financial operations for six Funds totaling 120 investments worth over \$3.5B with 20Msf of commercial operating/development (office, industrial, retail, hotel), 4,500 units of apartments, development of 2,500 units of condominiums, townhomes and apartments. Two direct reports, VP Portfolio and Financial Reporting and VP Corporate Reporting, four Portfolio Managers, four Assistant Portfolio Managers, Operations Manager and 11 staff/property accountants.

- Led Senior Managers to set reserve targets at end of Fund investment period. Average Fund size of \$250M with total investments of \$800M.
- Organized, led and documented monthly software meetings with MIS and HR. Annual budget > \$500K.
- Supported Investor Relations to raise money and respond to investor questions. Provided quarterly updates on investment performance for all Funds.
- Managed NBF's corporate reporting and liquidity with a net worth of \$15M.
- Monitored timely completion, appropriate coverages and reasonable pricing for >\$3M insurance premiums.
- Created crucial financial analysis for Capital Market refinancings and new debt of over \$250M annually.
- Led task forces on key business initiatives to improve communication and efficiencies with Regions; valuation process, long-term modeling, hold/sell, quarterly asset status, business plans, refinancing analysis, finance reports, comparison of underwriting/actuals, reporting, and operations.
- Enhanced reporting to identify key issues, improve decision making, and maximize investor performance.
- Managed the PWC relationship for audit and tax reporting. Annual budget > \$1.5M.

ORIGINAL

Resume of Michael Doherty  
Chief Financial Officer of Garden Remedies, Inc.

- Ran weekly staff meeting to provide leadership, mentoring, set priorities, and create efficiencies.
- Key player in Board, Investor, Senior Management, Regional, Long Term Modeling, Valuation, Investment Committee, and Strategic Planning Meetings.

**TAYLOR DOHERTY INC.**, Boston, MA

1992 – 2000

**Co-Founder/Principal**

Real estate advisory firm that provided services to institutional, corporate and individual investors including:

- Due diligence support and sensitivity analysis for individual investments and portfolio acquisitions totaling \$3.4B and 48Msf primarily for **Harvard Endowment**.
- Real estate consulting and asset management services to a number of clients including **Eastern Air Lines** Variable Benefit Retirement Plan as sub-advisor for **Morgan Stanley Realty** from 1992-1996, and Lend Lease Real Estate Investments from 1997-2000 for a \$500M diversified portfolio across the US consisting of operating properties (warehouse, office and retail totaling over 7Msf), reverse annuity mortgage homes (6), garage (600 spaces), developments (Atlanta golf course/homes and Chicago airport land), timberlands, residential flats in London (61) and Gloucester Street development of over 100 flats.
- Consulting services to **Charlesbank Capital Partners** on their 33.3% investment in the Cornerstone Suburban Office Portfolio across the US totaling 22 assets and 3.7Msf.
- Clear, concise and timely customized consolidated portfolio reporting to clients.

***Prior Experience:***

**HAWTHORNE ASSOCIATES, INC.**, Wakefield, MA

**Vice President Real Estate/Finance**

Reported to Executive Vice President. Managed a diversified institutional portfolio of real estate including industrial, office, retail, residential, parking, and development properties.

**CULLINET SOFTWARE, INC.**, Westwood, MA

**Director of Corporate Accounting and Reporting**

Reported to Vice President of Finance/CFO. Managed a staff of 30 with four direct reports: Financial Reporting, International Accounting, Accounts Payable, and Payroll.

**McCORMACK & DODGE CORPORATION**, Natick, MA

**Senior Manager of Financial Reporting**

Reported to Vice President of Finance. Managed a staff of 45 with five direct reports: Financial Systems, Domestic Accounting, Contract Administration/Accounts Receivable, Accounts Payable and Special Projects.

**Accounting Manager**

Reported to Controller. Managed a staff of 35 with four direct reports: International Accounting, Domestic Accounting, Accounts Receivable and Accounts Payable.

**Assistant Accounting Manager**

**Senior Accountant**

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**EDUCATION**

**Babson College**

MBA with high distinction – Accounting Concentration

**University of Massachusetts at Amherst**

BA, Cum Laude

**CPA Certification State of Massachusetts (Inactive)**

Achievement Award for passing CPA exam at first sitting.

 ORIGINAL

Resume of Michael Doherty  
Chief Financial Officer of Garden Remedies, Inc.

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**MEMBERSHIPS / ACTIVITIES**

Real Estate Finance Association

Massachusetts Society of Certified Public Accountants

National Association of Industrial and Office Properties

Ran in 10 Marathons – 7 Boston and 3 New York

American Institute of Certified Public Accountants



**ORIGINAL**

## JOSEPH SKENDERIAN

1613 Cambridge Street, Cambridge, MA 02138

Joeskenderian@hotmail.com

### EXECUTIVE PROFILE

A registered pharmacist with 19 years experience running and growing an independent pharmacy in a competitive marketplace. Strong leadership skill with understanding of maximizing staff skills and working in dynamic situations. Highly knowledgeable with special skills in compounding, handling and counseling of prescriptions medications. Dedicated to providing quality patient care in a fast paced environment.

### SKILL HIGHLIGHTS

- Personnel management
- Quality assurance
- Audit management
- Pharmacy compounding
- Controlled substance inventory
- Vendor relations/negotiations
- Customer relations

### CORE ACCOMPLISHMENTS

Registered Pharmacist, MA lic #22737  
NIPCO certifications for diabetes and anti-coagulations  
PCCA Trained in Compounding

### PROFESSIONAL EXPERIENCE

#### SKENDERIAN APOTHECARY

Cambridge, MA

#### Owner

01/1994 to 11/2013

- Manage staff and work flow of a pharmacy filling over 1,500 prescriptions weekly.
- Organize and oversee the compounding of over 70 compounded prescriptions weekly.
- Comply with administrative issues from federal, state, local and insurance regulations as needed.
- Work with local concierge practices in collaborative agreements.
- Provide health care professionals with clinical and administrative help as required.

### EDUCATION

**BACHELOR OF SCIENCE: PHARMACY**  
University of Rhode Island, Kingston, RI, USA

1994



ORIGINAL

Resume of Karen Hawkes  
Director of Security and Diversion Prevention of Garden Remedies, Inc.

Karen E. Hawkes  
10 B Morphew Ln., Rowley, MA 01969  
Home phone: 978-432-1735 [REDACTED]  
[Kehawkes77@gmail.com](mailto:Kehawkes77@gmail.com)

## Professional Experience

### Massachusetts State Trooper, First Class

June 1993-

June 2006

Commonwealth of Massachusetts, Executive office of Public Safety and Security  
470 Worcester Rd., Framingham, MA 01701, (508) 820-2300

- Narcotics and evidence officer at Newbury Barracks. Ensured chain of custody of narcotics and other evidence. Ensured that evidence was properly tagged and paperwork was properly filled out by the investigating officer. In charge of securing evidence in secured locker, taking evidence to State Police lab in Sudbury, MA to be analyzed and once analyzed, retrieving evidence from State Police Lab and securing evidence in secure locker at SP Newbury to be held for court purposes and/or destruction once case was closed.
- Worked undercover with Attorney General's office to obtain evidence which was used to successfully shut down businesses whose purpose was to sell false ID's to underage youths so that they could obtain alcohol illegally.
- Initiated an investigation involving a prestigious pharmaceutical lab which resulted in the dismissal of one of their employees for falsification of lab documents related to an Operating Under the Influence of alcohol charge.
- Criminal and safety related investigations. Arrests include trafficking cocaine and armed robbery of a bank.
- Nationally Certified Child Passenger Safety Technician. Taught parents of young children the safe and proper installation and use of infant and car safety seats.
- Community events including car seat safety checkpoints, Lil' Printz event sponsored by John Hancock, bring your daughter to work day for disadvantaged youth in Haverhill, MA, Toys For Tots Program: Certificate of Appreciation from United States Marine Corps Reserve for outstanding support of Toys For Tots Program.
- Received outstanding employee evaluations in patrol and investigative ability, police and community relations, administrative ability, dependability, reliability, cooperation and interpersonal skills.

### Transportation Supervisor

June 1992 – June 1993

Paul Revere Transportation  
100 Eastern Ave, Chelsea, MA, (617) 889-5899

- Supervised bus transportation for the town of Winthrop.

### Safety and Training Supervisor

October 1989 – June 1992

Plymouth & Brockton Bus Company  
8 Industrial Park Rd, Plymouth, MA 02360, (508) 746-0378

- Hired and trained drivers for their class B bus drivers license at Boston Logan International Airport.

 ORIGINAL

Resume of Karen Hawkes

Director of Security and Diversion Prevention of Garden Remedies, Inc.

- Trained bus drivers for the Massport Airport shuttle bus service routes at Boston Logan International Airport.
- Organized and held safety and awards meetings for the Massport shuttle bus drivers.
- U.S. Department of Transportation training in Bus Accident Investigation, DOT Safety Institute Certificate
- Received Massport ground transportation commendation in recognition of special efforts on behalf of ground transportation services.

**Staff** (during summer breaks from school)

**June 1984 – August 1986**

Danvers State Hospital, John T. Berry Regional Site, Reading, MA

- Worked on the locked ward with the mentally ill who suffered from serious behavioral problems.

**Education**

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Western New England College	<b>1997-1999</b>
Masters degree in Criminal Justice Administration	

Northeastern University	<b>1990-1997</b>
BSBA Finance, graduated cum laude	

University of Massachusetts at Amherst	<b>1985-1988</b>
Studied liberal arts	

**Community Service**

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<b>Patient Advocate with MPAA (Massachusetts Patient Advocacy Alliance)</b>	<b>2010-2013</b>
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- Advocated for the rights of patients to have safe and legal access to medical marijuana in Massachusetts. Worked to pass Question #3 in Massachusetts by talking with legislators, testifying at legislative hearings and speaking at ballot Question informational sessions and educating people at an information table at the Democratic Convention in Springfield.

<b>Speaker at LEAP (Law Enforcement Against Prohibition)</b>	<b>2010-2013</b>
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- Educating the public, the media and policymakers about the failure of current drug policy by presenting a true picture of the history, causes and effects of drug use and the elevated crime rates more properly related to drug prohibition than to drug pharmacology. To restore the public's respect for law enforcement which has been greatly diminished by its involvement in imposing drug prohibition.

<b>Missions trips to help refugee children at Portland Maine's Root Cellar</b>	<b>2012-2013</b>
94 Washington Ave., Portland, ME 04101 207-774-3197	

- Through Our Savior Lutheran Church in Topsfield serving on 2 missions trips with my two daughters, working with refugee children.

 ORIGINAL

Resume of Karen Hawkes  
Director of Security and Diversion Prevention of Garden Remedies, Inc.

**Girl Scout Leader**

**2007-2012**

Girl Scouts of Eastern Massachusetts, Bayberry Service Unit  
1740 Turnpike St., No. Andover, MA 01845 978-689-8015

- Completed "Essentials of Leadership" course with the Spar and Spindle Girl Scout Council, Inc.
- Contributed to the growth and enrichment of the girls in and around my troop and assisting them in their efforts toward making the world a better place.

**Sunday School Teacher**

The First Congregational Church, 175 Main St., Rowley, MA (978) 948-3993

**2008-2009**

Our Savior Lutheran Church, 478 Boston St., Topsfield, MA 01983 (978) 887-5701

**2006-2007**

 ORIGINAL

Resume of Corey Hollister  
Director of Dispensary Operations of Garden Remedies, Inc.

**COREY J. HOLLISTER**

• Hollister@americancannabisconsulting.com • 303-564-9496 • Firestone, CO

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**MEDICAL MARIJUANA BUSINESS PROFESSIONAL**

***Organic growing methods • Patient Centric Model • Project Management***

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**CORE COMPETENCIES**

- |                         |                          |                         |
|-------------------------|--------------------------|-------------------------|
| • Dispensary Management | • Patient Trend Analysis | • Team Leadership       |
| • Vendor Negotiation    | • Patient Services       | • Employee Management   |
| • Budget Management     | • Inventory Management   | • Regulatory Compliance |
- 

**ENTREPRENEURIAL EXPERIENCE**

AMERICAN CANNABIS CONSULTING, A COMPANY OF HOLLISTER & BLACKSMITH INC.

**Co-Owner** 2013 – Present

Co-Founded to meet the needs of the rapidly developing cannabis industry in Colorado and emerging markets. Guide companies in how to operate successful Cannabis businesses while doing so in a compliant, ethical manner. Key achievements include:

- Deployed SOP procedures for client resulting in a 30% increase in efficiency.
- Assisted multiple clients in strategic planning, facility design and how to deploy a patient centric model.
- Guided clients in emerging markets including: CO, AZ, MA, CT, IL, and NV.

THE VILLAGE GREEN SOCIETY-Boulder, CO

**Co-owner/ Director of Operations** 2009 – 2013

Teamed up with a group to establish an alternative wellness company in Boulder, CO. Managed operational duties including: payroll, employee management, licensing, legal, regulatory and tax compliance. Lead project manager for manufacturing facility build-out. Managed company staff of 12 employees and oversaw all contractors. Developed strategic market position and implemented sales and marketing strategy to support it.

**Key achievements include:**

- Managed all company activities from application to the establishment of successful operations.
- Oversaw the Dispensary and Grow locations and staff ensuring, safety, compliance and patient satisfaction.
- Created the first large scale in-door True Living Organic operation to better meet the needs of patients.

BUILT TO LAST FITNESS– Boulder, CO

**Owner** 2007 – 2009

In 2008 launched a fitness company providing corporate and in-home health management solutions. The mission of BTL was to bring a better quality of life to people through the use of diet and nutrition.

**Key achievements include:**

...continued...





## Resume of Corey Hollister

### Director of Dispensary Operations of Garden Remedies, Inc.

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- Secured contract with the Alexander Dawson School to provide youth sports program for their 5th and 6th graders.
  - Coached multiple clients in exceeding their individual or group health and wellness goals.
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### CORPORATE EXPERIENCE

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#### OASIS TECHNOLOGY PARTNERS ([www.agencyoasis.com](http://www.agencyoasis.com))– Boston, MA

##### **Senior Account Executive**

2006 – 2008

Excelled in key leadership role with digital agency that provided interactive sales and marketing solutions. Stimulated revenue generation through direct sales, networking and channel partner development. Successfully balanced project lifecycle, timelines and resources against profitability goals.

##### **Key achievements include:**

- Secured strategic new business agreements with high visibility accounts including DHL, IBM and The International Poster Gallery.
- Developed channel partner program aligning Oasis with top vertical agency partners such as Mullen Advertising, Arnold World Wide and Mechanica USA.
- Managed large-scale digital projects insuring they stayed within budget and were delivered on-time.

#### EPS COMMUNICATIONS/KUPPER PARKER COMMUNICATIONS ([www.epscomm.com](http://www.epscomm.com))– Boston, MA

##### **Senior Account Executive**

2001 – 2005

Succeeded in frontline client management role for successful Boston agency. Developed strategic marketing plans to achieve client business objectives. Managed major accounts, delivering projects on-time and on-budget while growing client relationships.

##### **Key achievements include:**

- Secured and managed catalog work with major brands such as Puma and Stride Rite.
- Managed high-profile custom publishing projects for Thompson Learning and Commonwealth Lacrosse including design, production and ad sales.
- Maintained and grew all assigned clients including Copy Cop, New England School of Law and Tufts-New England Medical Center.

#### HEADHUNTER.NET (Now Careerbuilder.com) – Boston, MA

##### **Field Marketing Manager**

1999 – 2001

Excelled in marketing role for publicly traded national online recruitment company. Managed New England marketing initiatives for corporate team located in Atlanta. Designed and deployed customer acquisition programs and supported 20 person regional sales staff.

##### **Key achievements include:**

- Regularly exceeded department goals by 150%, earning three quarterly marketing recognition awards.
- Extended budgets through utilization of PR, guerilla and viral marketing techniques. Programs received press coverage in *USA TODAY*, the *Wall Street Journal*, the *Boston Globe*, *Atlantic Journal*, and Channel 7 news, Boston.

 ORIGINAL

Resume of Corey Hollister

Director of Dispensary Operations of Garden Remedies, Inc.

- Negotiated strategic partnerships with key regional influencers including the Associated Industries of Massachusetts and the Massachusetts Biotech Association.
- 

#### EDUCATION

Bachelor of Behavioral Science • Green Mountain College, Poultney, VT

National Outdoor Leadership School: Alaska • Washington State

National Personal Training Institute • CrossFit • MovNat

- References furnished upon request •



ORIGINAL

Resume of Dustin Shroyer  
Director of Cultivation Operations of Garden Remedies, Inc.

## Dustin Phillip Wright Shroyer

Denver, CO., 512-787-9459

Dustin@AmericanCannabisConsulting.com

### Organic Cultivation Consultant and Licensed Medical Cannabis Entrepreneur

Developed and implemented Fully Integrated seed to sale tracking system

Organic Cultivation expert with the knowledge to produce consistent quality medicine

Designed and managed the first licensed cultivation center acclaimed for compliance by the City of Boulder and State of Colorado

### Experience

Consultant for American Cannabis Consulting and Colorado 6 Consulting March 2012-present

- Created Organic growing regimen for Dos Lagos Organic Olive Tree farm
- Increased Production and revenue DKC medical marijuana center through shifting brand production and sales strategy
- Established training and development curriculum for compliant production of Organic Medical marijuana

CEO DHHO Corp/ Root Yoga Center July 2009-present

- Innovated health first yoga brand That utilizes modern and ancient science to extend the life expectancy for communities through exercise, nutrition and community
- Increased revenue and student population over four years at an average rate of 18% annually through applying grassroots marketing strategies and positive publicity, won 5280 Best Yoga Studio 2012
- Raised over 10,000\$ for local health and environmentally focused charities through holding multiple donation based events including the popular Yoga on The River

President Boulder Treatments LLC/ Root Organic Medical Marijuana Center Dec 2009- Jun 2012

- Worked with a team of Architects and Engineers to design Boulders First licensed Medical Marijuana Production Facility
- Opened fully integrated Medical Marijuana retail center and with patient education, personal integrity, product reliability and consistency as core value
- Implemented systems for Seed to Sale tracking Including: compliant waste management, plant and product Inventory management, and tracking transportation of Medical Marijuana
- Developed a fully organic growing regimen complete with ethical pest management protocols
- Trained a production facility and retail staff dedicated to the health and healing of the Boulder community

Store Manager Lululemon Athletica Cherry Creek North

- Inspired a team of motivate employees to educate on health, yoga, fitness events, and performance clothing

April 2007- Jun 2009  
ORIGINAL

Resume of Dustin Shroyer  
Director of Cultivation Operations of Garden Remedies, Inc.

- Lead through encouraging personal, team, and community development

## **Education**

**Bachelors in Anthropology with minor in Business Administration**

1999-2003

Texas State University - San Marcos, Texas - GPA 3.9

Forrest Yoga foundations training and 300 additional contact hours



**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: Garden Remedies, Inc.

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

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

Attach one-page bank statement.

GARDEN REMEDIES, INC

BUSINESS ADVANTAGE CHK



Last Posting Date 11/15/2013

Date/Time Printed 11/16/2013 11:46 AM EST

**Since Last Statement Summary**

Last Statement Date

Balance Last Statement (\$)

Deposits/Credits (+)

Withdrawals/Debits (-)

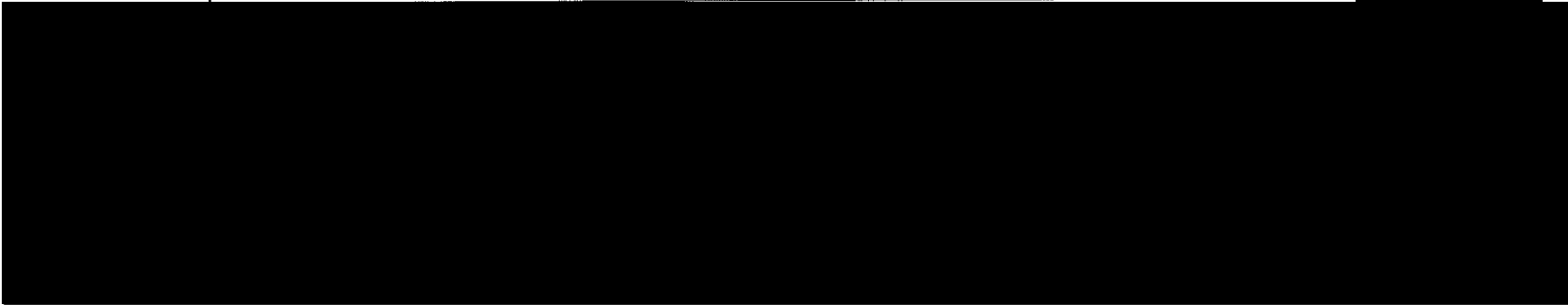


Available Balance (\$)

\$511,152.45

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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\$511,152.45



\*\*\*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**

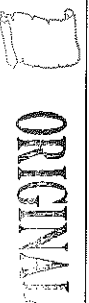
**INDIVIDUALS/ENTITIES CONTRIBUTING 5% OR MORE OF INITIAL CAPITAL**  
(Exhibit 4.2)

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

Corporation Name: Garden Remedies, Inc.

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

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 Ken Munkacy	125 High Street Boston, MA 02110	\$ 650,000 50%	Cash/Line of Credit	Director	Joint Line of Credit from Ken and Karen Munkacy: Interest rate at seven percent (7%) over prime per annum payable as follows: Interest only for 12 months; then 48 monthly amortized payments of \$8,000.00 consisting of principal and interest; then on the following month, a final payment of all sums unpaid.
2 Karen Munkacy	116 Chestnut Hill Road Newton, MA 02467	\$ 650,000 50%	Cash/Line of Credit	President/CEO	Joint Line of Credit from Ken and Karen Munkacy: Interest rate at seven percent (7%) over prime per annum payable as follows: Interest only for 12 months; then 48 monthly amortized payments of \$8,000.00 consisting of principal and interest; then on the following month, a final payment of all sums unpaid.
3 Add more rows as needed.....		\$ %			

 ORIGINAL

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	CEO/ED: President/Chair: Treasurer: Clerk/Secretary:	\$ %			
2 Add more rows as needed.....	CEO/ED: President/Chair: Treasurer: Clerk/Secretary:	\$ %			

 ORIGINAL



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

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

Corporation Name: Garden Remedies, Inc.

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

	Expense Type	Costs	Explanation of Expense
	<b>Planning and Development</b>		
1	Architect and design fees	\$12,500	Estimated at 10% of tenant improvement budget
2	Environmental survey	\$2,500	Phase 1 Environmental
3	Permits and Fees	\$2,125	Estimated at 1.7% of leasehold improvement budget
4	Security assessment	\$1,500	Third-party review of security plans
5	Land/building cost	\$0	Leased property
6	Site clean-up and preparation	\$1,250	Estimated at 1% of leasehold improvement budget
7	Other- contingency	\$1,988	10% of planning and development budget
8	_____	\$	
9	_____	\$	
	<b>Build-out Costs</b>		
1	Construction expenses	\$73,875	Includes mechanical, electric and plumbing
2	Painting and finishes	\$3,750	Estimated at 5% of construction expenses budget
3	Security system	\$27,500	Based on estimate of 22 cameras and all equipment
4	Landscape work	\$0	Leased facility
5	Parking facility	\$0	Leased facility
6	Other- contingency	\$10,513	10% of build-out costs
8	_____	\$	
9	_____	\$	
	<b>Equipment Costs</b>		
1	Vehicles and transportation	\$20,000	One delivery vehicle, vehicle vault, and GPS tracking equipment
2	Cultivation equipment	\$73,000	Includes bulbs and ballast, tables and trays, extraction equipment
3	Furniture and storage needs	\$40,000	Includes vault and safes, counters, office furniture, and reception furniture
4	Computer equipment	\$15,000	Dispensary, cultivation and manufacturing computers and POS equipment
5	HVAC	\$0	Leasehold HVAC sufficient
6	Kitchen/food prep equipment	\$25,000	Extraction equipment
7	Other- describe	\$	
8	_____	\$	
9	_____	\$	
	<b>TOTAL</b>	<b>\$ 310,501</b>	

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

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

Corporation Name: Garden Remedies, Inc.

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

Budget Period: 10/2014 to 09/2015

Projected Number of Patients: 881 and Number of Visits: 15,859

		Year ONE Budget	Budget Notes <sup>1</sup>
<b>REVENUE</b>			
1	Medical Marijuana sales	\$1,421,834	Marijuana and infused products including hardship discounts
2	Other supplies sold	\$71,179	Vaporizers
3	Other revenue sources	\$3,042	Delivery fees – free for hardship patients
<b>A</b>	<b>TOTAL REVENUE:</b>	<b>\$1,496,055</b>	
<b>PAYROLL EXPENSES</b>			
	<b>Personnel Category</b>	<b># FTE</b>	
1	Administrative and operations	2	Executive director and administrative assistant
2	Cultivation and processing	9	Cultivation, processing and delivery staff
3	Manufacturing	2	Production manager and assistant
4	Dispensary	5	Manager and dispensary agents
<b>B</b>	<b>TOTAL SALARIES</b>	<b>18</b>	<b>\$465,117</b>
<b>C</b>	Fringe Rate and Total	<b>16.7%</b>	\$78,001 Includes licensing and training
<b>D</b>	<b>TOTAL SALARIES PLUS FRINGE (B+C)</b>		<b>\$543,118</b>
<b>OTHER EXPENSES</b>			
1	Consultants	\$198,000	Cultivation consultants
2	Equipment	\$0	No equipment purchases year 1
3	Supplies	\$267,392	Cultivation, manufacturing and dispensary supplies – including delivery costs (gas and vehicle maintenance as per mile cost)
4	Office Expenses	\$22,350	Office supplies, scale permit fees, postage, meals and software licensing fees
5	Utilities	\$54,925	Both facilities – gas, electric and water
6	Insurance	\$17,562	Both facilities – GL and Property Casualty
7	Interest	\$0	Interest deferred to year 2
8	Depreciation/Amortization	\$48,858	
9	Leasehold Expenses	\$0	Maintenance – line 15
10	Bad Debt	\$0	No credit sales
11	Rent	\$156,000	Both facilities
12	Security	\$6,750	Monitoring and maintenance
13	Banking and Processing Fees	\$16,436	Debit card processing fees
14	Business Personal Property Tax	\$7,566	
15	Facilities maintenance & uniform service	\$10,900	Regular maintenance, towel and uniform service
16	Laboratory testing fees	\$56,290	Assumption: \$250 per analysis

ORIGINAL

17	License fee	\$50,000	
18	Patient education and outreach	\$13,000	Printing educational materials, interpreter services and outreach events
19	Professional services	\$68,000	Legal and accounting/bookkeeping
20	Pre-development expenses	\$147,867	Expenses prior to start of operations (1/14-4/15) including rent, deposits, legal and accounting fees, first annual license fee \$50,000
E	<b>TOTAL OTHER EXPENSES</b>	\$1,141,896	
	<b>TOTAL EXPENSES: (D+E)</b>	\$ 1,685,011	
	<b>DIFFERENCE</b>	<b>\$(188,956)</b>	

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Enter short explanation of expenses

 ORIGINAL

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

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

Corporation Name: Garden Remedies, Inc.

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

Fiscal Year Time Period: 05/2014 – 04/2017

Projected Start Date for the First Full Fiscal Year: 04/01/2014

	FIRST FULL FISCAL YEAR PROJECTIONS 2015	SECOND FULL FISCAL YEAR PROJECTIONS 2016	THIRD FULL FISCAL YEAR PROJECTIONS 2017
Projected Revenue	\$1,496,055	\$5,734,940	\$8,096,386
Projected Expenses	\$1,685,011	\$3,209,698	\$3,406,108
<b>TOTAL :</b>	<b>\$(188,956)</b>	<b>\$2,525,242</b>	<b>\$4,690,279</b>
Number of Patients	881	1,468	2,350
Number of Patient Visits	15,859	70,487	112,778
Projected % of growth rate annually	N/A	Net Increase in Assets/Net Income: N/A Number of Patients: 66.6% Number of Visits: 344.5%	Net Increase in Assets/Net Income: 85.7% Number of Patients: 60.1% Number of Visits: 60%
Total FTE in staffing	18 FTE	32.5 FTE	47 FTE
Projected Medical Marijuana Inventory	599 Lbs. (Cumulative) 75 Lbs. (Year-End Inventory)	1275 Lbs. (Cumulative) 150 Lbs. (Year-End Inventory)	1800 Lbs. (Cumulative) 150 Lbs. (Year-End Inventory)



**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: Garden Remedies, Inc.

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

<b>Physical Address</b>	<b>County</b>	<b>Type of Evidence Attached</b>
697 Washington Street Newton, MA 02458	Middlesex	Lease

**COMMERCIAL LEASE: 697 WASHINGTON STREET, SUITE 101, NEWTONVILLE, MA 02460**

1. PARTIES: Mark F. Donato, Trustee of 697 Washington Street Realty Trust, C/o Development Specialists, 1211 Washington Street, West Newton, MA 02465, LESSOR, which expression shall include its successors, and assigns where the context so admits, does hereby lease to Garden Remedies, Inc., P. O. Box 67066, Chestnut Hill, MA 02467, LESSEE, which expression shall include its successors, and assigns where the context so admits, and the LESSEE hereby leases the following described Premises: 697 Washington Street, Suite 101, Newtonville, MA 02460, as further described in Section 3 hereof.

2. WARRANTY: LESSOR warrants and represents that it owns the property.

3. PREMISES: The Premises, which are located at 697 Washington Street, consist of Suite 101, containing approximately one thousand (1,000 +/-) square feet of space as outlined on the floor plan attached, Exhibit A.

Whereas there are many different methods by which the size of the Premises can be calculated, it is herein agreed that, if the approximate square footage of the Premises differs from the actual square footage of the Premises, the Rent will not be modified. It is herein agreed that the Rent has been established for the overall Premises as they may exist.

There is right of access specifically reserved unto the LESSOR in and through such Premises in order to carry out its maintenance obligations.

LESSOR shall deliver possession of the Premises to LESSEE vacant, in good, broom clean condition, with all building systems in good working order, in compliance with applicable laws. LESSEE will examine the Premises, and LESSEE will acknowledge that the Premises are in good working order, no damage or deterioration exists, and the glass is whole.

Subject to the foregoing, LESSEE accepts possession of the Premises in 'as is' condition as of the date of this Lease, and LESSOR shall have no obligation to perform any improvements or other work in or to the Premises, Building, or property.

4. TERM: The term of this lease shall be for a period of five (5) years one (1) month commencing on December 1, 2013 and ending on December 31, 2018, the 'original term'.

It is possible that LESSOR may not be able to provide LESSEE possession of the Premises when scheduled. If LESSOR is not to blame, Tenant will not owe any Rent for the period up to the time when LESSOR provides LESSEE possession of the Premises, and LESSEE will have no claim against LESSOR. If the delay continues for more than thirty (30) days, either party may terminate the Lease by notifying the other party seven (7) days in advance. If the reason for the delay is the fact that the Premises are still occupied, the LESSOR may try to evict the occupant on behalf of LESSEE.

Notwithstanding the foregoing, this tenancy may be terminated by a written notice by LESSEE to LESSOR given before the first day of any month and shall be effective on the last day of the month which is at least ninety (90) days after such notice has been given or three (3) months after such notice has been given, whichever is longer; if LESSEE does not receive a license from the State of Massachusetts to operate a Registered Medical Marijuana Dispensary, or if LESSEE is denied the required local permits to operate a



Registered Medical Marijuana Dispensary. It is herein agreed that LESSEE cannot give LESSOR said notice prior to January 1, 2014.

Notwithstanding the foregoing, this tenancy may be terminated by a written notice by LESSEE to LESSOR given before the first day of any month and shall be effective on the last day of the month which is at least one hundred eighty (180) days after such notice has been given or six (6) months after such notice has been given, whichever is longer; if Federal Laws or Massachusetts Laws change so as to remove the right of any business to be licensed as a State of Massachusetts Registered Medical Marijuana Dispensary. It is herein agreed that LESSEE cannot give LESSOR said notice prior to January 1, 2014.

This Lease shall terminate upon expiration of the Term, if not sooner terminated in accordance with the terms hereof, without the necessity of, and LESSEE hereby waives all rights to, any notice to terminate, vacate or quit the Premises. The original term and extended term (if applicable and to the extent properly exercised) are herein collectively called the 'term'.

5. RENT: Effective January 1, 2014, the LESSEE shall pay to the LESSOR, for twelve (12) consecutive months of the term, Rent at the rate of twenty four thousand dollars (\$24,000.00) per annum payable in monthly installments of two thousand dollars (\$2,000.00) on or before the first day of each month in advance. For the first month, or any other partial month, a pro rata rental for the balance of the month shall be paid. After December 31, 2014, the Rent will be as follows:

- (a) 01/01/15-12/31/15: \$2,000.00 per month payable in advance on or before the first day of each month.
- (b) 01/01/16-12/31/16: \$2,100.00 per month payable in advance on or before the first day of each month.
- (c) 01/01/17-12/31/17: \$2,100.00 per month payable in advance on or before the first day of each month.
- (d) 01/01/18-12/31/18: \$2,100.00 per month payable in advance on or before the first day of each month.

LESSEE shall pay all Rent when due and payable, without any setoff or deduction therefrom, nor any prior demand therefor whatsoever. Any Additional Rent due shall be payable, unless otherwise provided herein, with the next monthly installment of Rent. Any Rent or Additional Rent not paid when due and payable shall accrue interest at the rate of eighteen percent (18%) per annum from the date due until the date paid. In the event that any Rent or Additional Rent is not paid within five (5) days of the due date, LESSEE shall pay, as an administrative charge, an additional amount equal to sixty dollars (\$60.00) for each calendar week or portion of a calendar week commencing after such five (5) - day period until such Rent and Additional Rent (together with all accrued interest and administrative charges) are paid in full. Such administrative charge shall be in addition to, and not in limitation of, LESSOR's other rights and remedies in the event of such late payment.

Rent and Additional Rent due LESSOR shall be paid to **Development Specialists** as agent to LESSOR (or such other entity as LESSOR may, from time to time, designate in a written notice to LESSEE) at LESSOR's Address set forth in Section 31 hereof or at such other place as LESSOR may, from time to time, designate in a notice to LESSEE.

No payment by LESSEE or acceptance by LESSOR of a lesser amount than shall be due from LESSEE to LESSOR shall be treated as other than a payment on account, nor shall any endorsement or statement on a payment or check for a lesser amount, or upon any letter accompanying such payment or check, that such lesser amount is payment in full, be deemed an accord and satisfaction or given any effect, and LESSOR may accept such payment or check without prejudice to any other rights or remedies which LESSOR may have against LESSEE.

LESSEE's obligation to pay the monthly Rent arises on the first day of each month as provided above. All Rent, Additional Rent, improvement charges, assessments, taxes, and all other charges (including but not limited to, reasonable attorneys' fees, other costs of collection, or costs incurred by the LESSOR arising from a default of the LESSEE's obligations under this lease) shall constitute Rent due and payable under this Lease. Rent as defined in this paragraph may be recovered in any legal action brought by the LESSOR, including an action to evict the LESSEE under Massachusetts Laws.

Any holding over by LESSEE after the expiration of the Term with the express written consent of LESSOR shall be on a month-to-month basis, terminable by either party on thirty (30) days' notice and shall be at the same rental rate (Rent, Additional Rent and other charges) specified herein for the preceding lease year (prorated on a daily basis) unless otherwise agreed between the parties and shall otherwise be on the terms and conditions set forth herein, so far as applicable. Any holding over without the written consent of LESSOR shall be treated as a tenancy at sufferance at double the rental rate (Rent, Additional Rent and other charges) specified herein for the preceding lease year (prorated on a daily basis) and shall otherwise be on the terms and conditions set forth herein, so far as applicable.

6. ADDITIONAL RENT: The LESSEE shall pay to the LESSOR, for the term of this Lease, Additional Rent at the 'ESTIMATED' rate of four thousand dollars (\$4,000.00) per annum payable in advance in monthly installments of three hundred thirty three dollars thirty three cents (\$333.33) on or before the first day of each month. For the first month, or any other partial month, a pro rata additional rental for the balance of the month shall be paid.

Additional Rent, as provided herein, will be calculated on a calendar year basis. Within thirty (30) days of an Additional Rent statement from the LESSOR, LESSEE shall pay any underpayment of the Additional Rent to the LESSOR, or LESSOR shall refund any overpayment of the Additional Rent to the LESSEE.

Additional Rent, as provided herein, is payable to the LESSOR:

- (a) REAL ESTATE TAXES: LESSEE shall pay to LESSOR twenty five percent (25%) of the total real estate tax assessed by the city or town in which the Premises are situated, including municipal betterments levied against the property, during each year of the term of this Lease, or any extension or renewal thereof and proportionately for any part of a fiscal year.
- (b) INSURANCE EXPENSES: LESSEE shall pay to LESSOR twenty five percent (25%) of the cost of the "all risk" property and liability insurance policy for the insurable interest of the LESSOR in the entire property. LESSEE shall be included on this policy as an additional named insured as their interest may appear.
- (c) OTHER EXPENSES: LESSEE shall pay to LESSOR twenty five percent (25%) of building expenses including but not limited to snow plowing, sweeping, landscaping, interior cleaning as set forth in Exhibit B, building maintenance, HVAC repairs and electrical repairs, and common area gas, water, electric and sewer usage fees, etc. Roof, exterior walls, foundation and structural members shall be the sole responsibility of LESSOR.

7. DEPOSITS:



(a) SECURITY DEPOSIT: LESSOR acknowledges receipt from LESSEE of funds in the amount of four thousand dollars (\$4,000.00) as the initial Security Deposit required hereby. Subject to the terms and provisions of this Lease, if LESSEE extends the Term of this Lease, LESSEE shall increase the amount of the Security Deposit held by LESSOR by paying to LESSOR, within five (5) days of the establishment of the Rent for the extended term, the amount necessary so that the Security Deposit shall be equal to two (2) monthly installments of the Rent due in the first year of such extended term. The Security Deposit shall be held as security for the performance by LESSEE of all obligations imposed upon LESSEE under this Lease. If LESSEE shall faithfully perform all such obligations, LESSOR shall return the Security Deposit to LESSEE after the Term has expired. LESSOR shall be entitled to apply the Security Deposit to pay or reimburse itself for any costs or damages which it may sustain by reason of LESSEE's failure to perform such obligations, but such application shall not preclude LESSOR from recovering greater damages if the same can be established. If LESSOR applies any of the Security Deposit as aforesaid, LESSEE shall, upon demand, pay to LESSOR the amount so applied, such amount to be added to the Security Deposit in order that the Security Deposit shall be at all times equal to the amount specified herein. Unless otherwise required by law, LESSOR shall have no obligation to pay interest on the Security Deposit, and shall have the right to commingle the Security Deposit with LESSOR's other funds. If LESSOR conveys LESSOR's interest under this Lease, the Security Deposit, or any part thereof not previously applied, shall be turned over by LESSOR to LESSOR's grantee, and, if so turned over, LESSEE agrees to look solely to such grantee for the proper application and return thereof in accordance with the terms of this Lease. LESSEE agrees that LESSEE shall not assign, encumber or pledge, nor attempt to assign, encumber or pledge the moneys deposited herein as security, and that neither LESSOR, nor its successors and assigns, shall be bound by any such assignment, encumbrance or pledge, attempted assignment, attempted pledge, or attempted encumbrance.

Any mortgagee shall not be responsible to LESSEE for the return or application of any such Security Deposit, whether or not it succeeds to the position of LESSOR hereunder, unless such Security Deposit shall have been actually received by such mortgagee.

(b) RENTAL DEPOSIT: N/A.

8. UTILITIES: The LESSEE shall pay, as they become due, all bills for electricity, gas, water, sewer and other utilities (whether they are used for furnishing heat or other purposes) that are furnished to the leased premises, provided such utilities are separately metered and serve the leased premises only. LESSEE shall maintain sufficient heat in the Premises to prevent the pipes therein from freezing. Notwithstanding the foregoing or anything to the contrary herein, if LESSOR separates any utility so that it serves the leased premises only, LESSEE agrees to pay, effective the date of separation, all bills for the separated utilities.

LESSOR agrees to provide all other utility service and to furnish reasonably hot and cold water and reasonable heat and air conditioning (except to the extent that the same are furnished through separately metered utilities or separate fuel tanks as set forth above) to the hallways, stairways, elevators, and lavatories during normal business hours, 8:00 AM to 5:00 PM, on regular business days (Monday - Friday) of the heating and air conditioning seasons of each year, to furnish elevator service and to light passageways and stairways during business hours and to remove trash and rubbish from designated areas within the building and shall be responsible for cleaning and janitorial service respecting the main lobby, elevator lobbies, stairways and the basement, all subject to interruption due to any accident, to the making of repairs, alterations, or improvements, to labor difficulties, to trouble in obtaining fuel, electricity, service, or supplies from the sources from which they are usually obtained for said building, or to any cause beyond the LESSOR's control. In the event LESSEE shall request LESSOR to provide heat or air conditioning before 8:00 a.m. or after 5:00 p.m. on any day from

Monday through Friday or on any other non-business day, LESSEE shall pay LESSOR for such service in advance in an amount designated by LESSOR, and LESSOR shall supply the service.

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

9. USE OF LEASED PREMISES: Subject to the requirement that any Use must be in accordance with applicable state and local law, the "permitted use" shall be retail and office use related to pain management, wellness, healthcare and the sale of medical marijuana.

LESSEE shall, at LESSEE's sole expense, procure any approvals, licenses and permits (collectively, "permits") from the city or town in which the Premises are situated or other government authorities that are or may be necessary in connection with LESSEE's use of the Premises. If any such permits are required or deemed necessary, LESSEE shall request and obtain LESSOR's approval thereof in writing prior to requesting the permits of such cities, towns or government authorities.

Commencing immediately upon the execution of this Lease, LESSEE shall use its best efforts to promptly obtain and thereafter maintain all permits, at LESSEE's sole expense. LESSOR shall have no obligation to obtain the permits, and LESSEE's obligations under this Lease shall not be conditioned upon the obtaining of any permits. LESSEE shall request and obtain LESSOR's approval thereof in writing prior to employing any attorney or consultant in connection with obtaining the permits, and LESSEE shall not employ any attorney or consultant to whom the LESSOR objects. LESSEE shall notify the LESSOR of the date the permits were obtained within five (5) days after receipt of such permits, and such notice shall be in writing and state the date of receipt of the permits with a copy of same enclosed. Further, any alterations required in connection with LESSEE's use of the Premises shall be performed by LESSEE at LESSEE's sole expense, subject however to the terms and provisions of this Lease.

10. USE RESTRICTIONS: LESSEE shall be the only occupant and / or entity on the Premises authorized to conduct any permitted use. LESSEE shall request and obtain LESSOR's approval thereof in writing prior to providing any additional occupant or entity the right to conduct permitted activities on the Premises. Notwithstanding the foregoing or anything to the contrary herein, each additional occupant and entity presented for approval must, at a minimum, satisfy the following requirements of the LESSOR, which the LESSEE has reviewed and hereby agrees to be reasonable requirements:

- (a) Proposed occupant or entity must have adequate financial qualifications.
- (b) Proposed occupant or entity must have adequate insurance coverage.
- (c) Proposed occupant or entity must have adequate business qualifications.
- (d) Proposed occupant or entity must not have had a prior adverse experience with the LESSOR.
- (e) Proposed occupants or entity's use of the Premises must be the permitted use.

Any failure of the LESSEE to strictly abide by the terms of this provision shall be deemed to be a breach of the Lease by the LESSEE.



11. QUIET ENJOYMENT: Subject to the terms and provisions of this Lease, and upon payment of the Rent, Additional Rent and charges reserved hereunder, and upon compliance with all of the terms and provisions of this Lease, LESSEE shall lawfully, peaceably and quietly have, hold, occupy and enjoy the Premises during the Term hereof, without hindrance or molestation by LESSOR or by any persons lawfully claiming under LESSOR, subject however to the terms and provisions of this Lease and the terms and provisions as set forth in Exhibit C (Building Rules and Regulations).

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

13. FIRE INSURANCE: The LESSEE shall not permit any use of the leased premises which will make voidable or jeopardize any insurance on the property of which the leased premises are a part, or on the contents of said property or which shall be contrary to any law or regulation from time to time established by any state, municipal, government, or insurance industry rule making authority such as the New England Fire Insurance Rating Association, or any similar body succeeding to its powers. Further, the LESSEE, at its expense, shall take all measures necessary for its use to comply with the standards of the LESSOR's insurance carrier. The LESSEE shall on demand reimburse the LESSOR, and all other tenants, all extra insurance premiums caused by the LESSEE's use of the premises.

14. MAINTENANCE:

(a) LESSEE'S OBLIGATIONS: The LESSEE, at LESSEE's sole expense, shall keep the Premises in a neat, clean and sanitary condition. The LESSEE agrees to maintain the leased premises in the same condition as they are at the commencement of the term or as they may be put in during the term of this lease, damage by fire and other casualty and reasonable wear and tear and obligations and defaults of LESSOR only excepted and whenever necessary, to replace plate glass and other glass therein, acknowledging that the leased premises are now in good order and the glass whole. It is herein agreed that maintenance of the leased premises shall include, but shall not be limited to: interior walls; interior ceilings; floor coverings; interior - exterior portions of doors; interior - exterior portions of windows; interior - exterior portions of moldings; interior - exterior portions of frames; doors, including overhead doors & related equipment; electrical / wiring; plumbing / pipes, including water and sewerage piping; air conditioning systems; heating systems; ventilation systems; fire protection systems; glass; roofs; driveways & parking lots; landscaped areas; appliances; fixtures; and all equipment appurtenant thereto. Except as provided herein, maintenance shall be deemed to include replacement where necessary. The LESSEE shall not permit the leased premises to be overloaded, damaged, stripped, or defaced, nor suffer any waste.

(b) LESSOR'S OBLIGATIONS: The LESSOR, at LESSOR's sole expense, shall maintain the roof and the structural members of the Premises identified as the foundation and exterior walls, in the same condition as it is at the commencement of the term or as it may be put in during the term of this lease, reasonable wear and tear, damage by fire and other casualty only excepted, unless such maintenance is required because of the LESSEE or those for whose conduct the LESSEE is legally responsible. Except as provided herein, maintenance shall be deemed to include replacement where necessary.

The LESSOR agrees to maintain the property in the same condition as it is at the commencement of the term or as it may be put in during the term of this lease, reasonable wear and tear, damage by fire and other casualty only excepted, unless such maintenance is required because of the LESSEE or those for



whose conduct the LESSEE is legally responsible. It is herein agreed that maintenance of the property shall be an Additional Rent expense, and shall include, but shall not be limited to: landscaped areas; interior cleaning of common areas; driveways & parking lots (including snow plowing & sweeping); building maintenance; etc. Except as provided herein, maintenance shall be deemed to include replacement where necessary.

15. LESSOR'S ACCESS: The LESSOR or agents of the LESSOR may, at reasonable times, enter to make repairs, modifications or additions to any utilities or mechanical services within the Premises or to view the Premises and may remove placards and signs (i) not approved and affixed as herein provided, (ii) not approved by LESSOR, or (iii) not in compliance with the applicable sign regulations of the city or town in which the Premises are situated, or to make repairs, improvements, and alterations as LESSOR should elect to do. LESSOR or agents of the LESSOR may show the Premises to others, at any time within nine (9) months before the expiration of the term, may affix to any suitable part of the Premises a notice for letting or selling the Premises or property of which the Premises are a part and keep the same so affixed without hindrance or molestation.

Notwithstanding the foregoing or anything to the contrary herein, in cases of emergency, the LESSOR or agents of the LESSOR may enter the leased premises, at any and all times. LESSOR shall always have a key to the leased premises. LESSOR shall have the right to give keys for the leased premises to the fire alarm contractor responsible for the leased premises and to the Fire Department of the city or town in which the Premises are situated.

16. ALTERATIONS - ADDITIONS: The LESSEE shall not make structural alterations or additions to the leased premises, but may make nonstructural alterations provided the LESSOR consents thereto in writing, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing or anything to the contrary herein, the LESSOR may condition its consent upon the requirement that the LESSEE remove the alteration, or a portion of the alteration, from the Premises at the termination of the Lease, repair any damage to the Premises caused by such removal and restore the Premises to its condition prior to said alteration, at LESSEE's sole expense.

If any approvals or permits from municipal boards or officials are required with respect to any such allowed alteration, obtaining such approvals and permits shall be LESSEE's sole responsibility, shall be at LESSEE's sole expense, and LESSEE shall request and obtain LESSOR's approval thereof in writing prior to requesting the approvals and permits of such boards or officials. Notwithstanding the foregoing or anything to the contrary herein, LESSEE shall request and obtain LESSOR's approval thereof in writing prior to employing any attorney or consultant in connection with obtaining the approvals and permits, and LESSEE shall not employ any attorney or consultant to whom the LESSOR objects.

LESSEE shall request and obtain LESSOR's approval thereof in writing prior to employing any contractor in connection with any such allowed alterations, and LESSEE shall not employ any contractor to whom the LESSOR objects. Notwithstanding the foregoing or anything to the contrary herein, each contractor presented for approval must, at a minimum, satisfy the following requirements of LESSOR, which LESSEE has reviewed and hereby agrees to be reasonable requirements:

- (a) Proposed contractor must have adequate financial qualifications.
- (b) Proposed contractor must have adequate insurance coverage.
- (c) Proposed contractor must have all applicable state or local licenses.

- (d) Proposed contractor must not have a history of violating state & local building codes.
- (e) Proposed contractor must not have a history of providing poor workmanship.
- (f) Proposed contractor must not have had a prior adverse experience with LESSOR.

Any failure of the LESSEE to strictly abide by the terms of this provision shall be deemed to be a breach of the Lease by the LESSEE.

LESSEE shall not permit any mechanics' liens, or similar liens, to remain upon the leased premises for labor and material furnished to LESSEE or claimed to have been furnished to LESSEE in connection with work of any character performed or claimed to have been performed at the direction of LESSEE and shall cause any such lien to be released of record forthwith without cost to LESSOR.

All such allowed alterations shall be at LESSEE's expense, shall be in quality at least equal to the present construction, shall be constructed in accordance with plans reviewed and approved by LESSOR, shall be constructed after all necessary approvals and building permits are obtained, shall be constructed in a good & workmanlike manner, and shall be constructed by a contractor approved, in writing, by the LESSOR without interference or disruption to the operation of the LESSOR or other tenants of the Building or occupants of the Building or occupants of adjacent buildings.

Any alterations or improvements made by the LESSEE shall become the property of the LESSOR at the termination of occupancy as provided herein, or if conditioned by LESSOR, any alterations or improvements made by LESSEE shall be removed and the Premises restored to its original condition at LESSEE's sole expense at the termination of occupancy as provided herein.

17. SIGNS AND ADVERTISING: LESSEE shall not place or suffer to be placed or maintained on the exterior of the Premises or the building or in any common areas any sign, advertising matter or any other thing of any kind, and shall not place or maintain any sign, decoration, lettering, or advertising matter on the glass of any window or door of the Premises or on any awning unless such sign, decoration, lettering or advertising is, professional in appearance, complies with the applicable sign regulations of the city or town in which the Premises are situated, and LESSOR has provided LESSEE its prior written consent as it relates to same. Notwithstanding the foregoing or anything to the contrary herein, LESSOR, at LESSOR's pleasure, shall have the sole option of accepting or rejecting any sign, decoration, lettering, or advertising matter of any kind.

If the approval of municipal boards or officials is required with respect to any such sign, decoration, lettering or advertising, obtaining such approval shall be LESSEE's sole responsibility, and LESSEE shall request and obtain LESSOR's approval thereof in writing prior to requesting the approval of such boards or officials. LESSEE shall, at its sole cost and expense, place and maintain any such sign, decoration, lettering, advertising matter, or other thing as may be permitted hereunder in good condition and repair at all times, and upon Lease termination shall remove any such sign, decoration, lettering and advertising matter or any other thing of any kind as may be permitted hereunder and restore the Premises to its condition prior to said placement.

18. ASSIGNMENT SUBLEASING: The LESSEE shall not assign or sublet the whole or any part of the leased premises without LESSOR's prior written consent. Should LESSEE wish to assign or sublet the premises, it may present a bona fide offer to assign or sublet to the LESSOR which has the sole option of accepting the assignment - sublease or rejecting the assignment - sublease or voiding this Lease at its pleasure. Transfer of the assets of LESSEE to another party shall constitute a sublet under this clause.



LESSEE shall timely reimburse LESSOR for all costs incurred in connection with LESSOR's review of any and all offers to assign or sublet, including reasonable attorney fees and costs of related documentation. Notwithstanding the foregoing or anything to the contrary herein, each bona fide offer presented must, at a minimum, satisfy the following requirements of LESSOR, which LESSEE has reviewed and hereby agrees to be reasonable requirements of LESSOR:

- (a) At the presentation of each offer to assign or sublet, LESSEE shall pay LESSOR a nonrefundable assignment - sublet fee of five hundred dollars (\$500.00).
- (b) At the time of assignment or sublease, no event of default has occurred or continues to occur.
- (c) LESSEE shall remain liable to LESSOR for the payment of all rent and for the full performance of the covenants and conditions of this Lease.
- (d) LESSEE provides LESSOR, in writing, a document setting forth the following information: identity of the proposed assignee or sub-lessee and the business terms of such assignment or sublease.
- (e) Any proposed assignee or sub-lessee must have adequate financial qualifications to meet the financial obligations of the LESSEE under this Lease.
- (f) Any proposed assignee or sub-lessee must have adequate business qualifications (i.e. at least five (5) years' experience in a business similar to that of the LESSEE).
- (g) Any proposed assignee or sub-lessee must use the Premises for only the Permitted Use.
- (h) LESSEE shall provide LESSOR with such information concerning the proposed assignee or sub-lessee as may be required by LESSOR to verify whether the above conditions have been met.
- (i) Any proposed assignee or sub-lessee must perform and shall assume, in a written instrument acceptable to LESSOR, all of the obligations of LESSEE hereunder, including, but not limited to, the Permitted Use.
- (j) Any proposed assignee or sub-lessee, or any of their affiliates, subsidiaries, successors or assigns, must not have had a prior adverse experience with the LESSOR.

Any failure of the LESSEE to strictly abide by the terms of this provision shall be deemed to be a breach of the Lease by the LESSEE.

LESSOR shall have the option to exclude from the Premises covered by this Lease ("recapture"), any portion of the Premises proposed to be sublet or subject to an assignment, effective as of the proposed commencement date of such sublease or assignment. If LESSOR elects to recapture, LESSEE shall surrender possession of the space proposed to be subleased or subject to the assignment to LESSOR on the effective date of recapture of such space from the Premises, such date being the termination date for such space. Effective as of the date of recapture of any portion of the Premises pursuant to this section, the Rent shall be adjusted accordingly.

19. SUBORDINATION: This lease shall be subject and subordinate to any and all mortgages, deeds of trust and other instruments in the nature of a mortgage, and/or a lien or liens on the property now or at any time hereafter,



and the LESSEE shall, when requested, promptly execute and deliver such written instruments as shall be necessary to show the subordination of this lease to said mortgages, deeds of trust or other such instruments in the nature of a mortgage.

20. INDEMNIFICATION AND LIABILITY: The LESSEE shall save the LESSOR harmless from all loss and damage occasioned by the use or escape of water or by the bursting of pipes, as well as from any claim or damage resulting from neglect in not removing snow and ice from the roof of the building or from the sidewalks bordering upon the Premises so leased, or by any nuisance made or suffered on the leased premises. The removal of snow and ice from the sidewalks bordering upon the leased premises shall be the LESSOR's responsibility.

LESSEE shall defend, indemnify, and hold harmless the LESSOR and its employees and its agents from and against any liability, claims, losses, or expenses, arising out of the LESSEE's operations, actions, conduct or omissions, unless caused by the LESSOR's misconduct or negligence. All of the LESSEE's goods, effects and property shall be upon the Premises at the sole risk and expense of the LESSEE and in no case shall LESSEE make any claim against the LESSOR for any loss or damage thereto however caused unless said loss or damage is caused by the LESSOR's misconduct or negligence.

21. LESSEE'S LIABILITY INSURANCE: THE LESSEE shall maintain with respect to the leased premises and the property comprehensive public liability insurance in the amount of one million dollars (\$1,000,000.00) with property damage insurance in limits of one million dollars (\$1,000,000.00) in responsible companies qualified to do business in Massachusetts and in good standing therein insuring the LESSOR as well as LESSEE against injury to persons or damage to property as provided. The LESSEE shall deposit with the LESSOR certificates for such insurance at or prior to the commencement of the term, and thereafter within thirty (30) days prior to the expiration of any such policies. All such insurance certificates shall provide that such policies shall not be canceled without at least thirty (30) days prior written notice to each insured named therein, including the LESSOR. LESSOR may require the LESSEE to maintain such insurance in amounts greater than the amounts designated herein if during the term hereof such greater amounts are recommended or required by the LESSOR's then insurance carrier or mortgagee.

22. FIRE, CASUALTY - EMINENT DOMAIN: Should a substantial portion of the leased premises be substantially damaged by fire or other casualty, or be taken by eminent domain, the LESSOR may elect to terminate this lease. When such fire, casualty, or taking renders the leased premises, unsuitable for their intended use, a just and proportionate abatement of rent shall be made, and the LESSEE may elect to terminate this lease if:

- (a) The LESSOR fails to give written notice within forty five (45) days of intention to restore the leased premises, or
- (b) The LESSOR fails to restore the leased premises to a condition substantially suitable for their intended use within one hundred twenty (120) days of the date that LESSOR notified LESSEE of its intention to restore the leased premises.

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

23. **MUTUAL WAIVER OF SUBROGATION:** The LESSOR hereby agrees to waive its rights of recovery against the LESSEE, its successors or assigns, for any fire and casualty losses to the building, including any structural alterations. In consideration thereof, the LESSEE waives its rights of recovery against the LESSOR, its successors and assigns, for any fire or casualty losses occurring to the property belonging to the LESSEE which may be placed in the building or on the herein leased premises. This mutual waiver shall be applicable and in force and effect only with respect to loss or damage occurring during such time as the LESSOR's and LESSEE's insurance policies shall contain a clause or endorsement to the effect that any such waiver shall not adversely effect or impair said policies or prejudice the right of the LESSOR and LESSEE to recover thereunder.

24. **HAZARDOUS SUBSTANCE:** "Hazardous Substance" means any substance, waste or material which is deemed hazardous, toxic, a pollutant or contaminant, under any federal, state or local statute, law, ordinance, rule, regulation, or judicial or administrative order or decision, now or hereafter in effect. LESSEE shall defend, indemnify and hold harmless LESSOR and any mortgagee of the Premises from and against any and all liability, loss, suits, claims, actions, causes of action, proceedings, demands, costs, penalties, fines and expenses, including without limitation attorneys' fees, consultants' fees, and cleanup costs, resulting from the presence of any Hazardous Substance on the Premises, building or property arising from the action or inaction of LESSEE, its employees, contractors, and agents, or arising out of the generation, storage, treatment, handling, transportation, disposal or release by LESSEE of any Hazardous Substance at or near the Premises, building or property, or arising out of any violation(s) by LESSEE of any applicable law regarding Hazardous Substances.

LESSEE shall remove, cleanup and remedy any Hazardous Substance on the Premises, building or property to the extent required by applicable law, provided that the presence of such Hazardous Substance resulted from the action or inaction of LESSEE, its employees, contractors or agents, and LESSEE shall be obligated to continue to pay Rent and Additional Rent hereunder until such removal, cleanup or remedy is completed in accordance with applicable laws, whether or not the term of this Lease shall terminate or expire. LESSEE hereby grants LESSOR the right to inspect the Premises throughout the Term of this Lease, to determine that LESSEE is in compliance with applicable laws and LESSEE agrees to provide LESSOR with all information necessary to ascertain that LESSEE is in compliance with Applicable Laws.

25. **WAIVER:** Failure on the part of LESSOR or LESSEE to complain of any action or non- action on the part of the other, no matter how long the same may continue, shall never be a waiver by LESSOR or LESSEE of its rights hereunder. Further, it is covenanted and agreed that no waiver at any time of any of the provisions hereof by LESSOR or LESSEE shall be construed as a waiver of any of the other provisions hereof, and a waiver at any time of any of the provisions hereof shall not be construed as a waiver at any subsequent time of the same provisions. The consent or approval of LESSOR or LESSEE to or of any action by the other requiring such consent or approval shall not be construed to waive or render unnecessary LESSOR's or LESSEE's consent or approval to or of any subsequent similar act by the other.

26. **DEFAULT AND BANKRUPTCY** In the event that:

- (a) The LESSEE shall default in the payment of any installment of Rent, Additional Rent or other sum herein specified and such default shall continue for five (5) days; or



- (b) The LESSEE shall default in the observance or performance of any other of the LESSEE's covenants, agreements, or obligations hereunder, and such default shall not be corrected within fifteen (15) days after written notice thereof or such shorter time as stated in any provision hereof; or
- (c) The LESSEE shall be declared bankrupt or insolvent according to law, or, if any assignments shall be made of LESSEE's property for the benefit of creditors; or
- (d) The LESSEE shall fail to have paid Rent or Additional Rent timely, on two (2) or more occasions, within a twelve month period,

then, at the election of the LESSOR, the LESSEE's right to possession of the Premises shall terminate and the LESSOR shall have the right thereafter, to reenter and take complete possession of the leased premises, to declare the Term of this Lease ended, and remove the LESSEE's effects, without prejudice to any legal remedies which might be otherwise used for arrears of rent or other default. The LESSEE shall indemnify the LESSOR against all loss of rent and other payments, expenditures or obligations in connection with such termination, including attorney's fees, reletting fees, and other actions taken to preserve, secure or relet the Premises which the LESSOR may incur by reason of such termination during the residue of the term.

If the LESSEE shall default, after reasonable notice thereof, in the observance or performance of any conditions or covenants on LESSEE's part to be observed or performed under or by virtue of any of the provisions in any section or paragraph of this Lease, the LESSOR, without being under any obligation to do so and without thereby waiving such default, may remedy such default for the account and at the expense of the LESSEE.

If the LESSOR makes any expenditures or incurs any obligations for the payment of money in connection with the LESSEE's obligations or defaults under this Lease, including but not limited to, reasonable attorney's fees in instituting, prosecuting or defending any action or proceeding, such sums paid or obligations incurred, with interest at the rate of eighteen per cent (18%) per annum and costs, shall be paid to the LESSOR by the LESSEE as additional rent.

27. SELF-HELP: LESSOR shall have the right, but shall not be required, to pay such sums or do any act which requires the expenditure of monies which may be necessary or appropriate by reason of the failure or neglect of LESSEE to perform any of the provisions of this Lease, and in the event of the exercise of such right by LESSOR, LESSEE agrees to pay to LESSOR forthwith upon demand all such sums; and if LESSEE shall default in such payment, LESSOR shall have the same rights and remedies as LESSOR has hereunder for the failure of LESSEE to pay the Rent.

28. DAMAGES: If this Lease terminates because of a default by the LESSEE, the LESSEE must immediately pay to the LESSOR the difference between (i) all rent which would have been payable throughout the rest of the Term of the Lease if the termination had not occurred and (ii) any lesser amount of rent which the LESSOR may reasonably expect to receive from another tenant during the same period. If the LESSOR's actual rental income from the Premises during this period after deducting any brokerage commissions (including brokerage commissions due Heritage Corporation and Mark F. Donato / Mark F. Donato has ownership interest in Heritage Corporation and Mark F. Donato is a broker duly licensed as such by the Commonwealth of Massachusetts) or other reasonable costs which have to be paid in order to find a new tenant and prepare the Premises for the new tenant, is less than was originally expected, the damages payable by the LESSEE will be increased accordingly, so long as the LESSOR has made a reasonable attempt to find a suitable new tenant.



The LESSOR may take advantage of any other remedy which is authorized by law, and may combine any and all available remedies in order to make sure that the LESSOR is fully compensated for the LESSEE's default.

29. OPTION TO EXTEND: The LESSEE shall have the option, subject to the terms hereof, to extend the Term of this Lease for one (1) additional period of five (5) years, such option to extend to be exercised as hereinafter provided, upon the conditions that, on the date on which the LESSEE exercises any such option and on the last day of the then current Term, this Lease is in full force and effect, no event of default shall have occurred and LESSEE shall have at all times strictly complied with and fully performed all of the terms and conditions to be complied with or performed by LESSEE pursuant to this Lease. Such extension shall be upon the same terms and conditions as herein contained except that (i) there shall be no further option to extend the Term at the expiration of the extension term, and (ii) the RENT for the extended term (which will be subject to a predetermined rent adjustment commencing with the first month in the second year of the extended term and each year thereafter) shall be the market rate for the Premises at the commencement of such extended term, as designated by the LESSOR. LESSEE shall exercise the aforesaid option to extend by giving written notice to LESSOR of LESSEE's desire to extend the Term of this Lease, provided that such written notice shall be given no later than the date nine (9) months prior to the expiration of the then current term (which notice period is of the essence of LESSEE's option to extend). If LESSEE fails to give such notice to LESSOR, this Lease shall automatically terminate at the end of the then current Term, and LESSEE shall have no further option to extend the term of this Lease. If LESSEE gives such notice, the extension of this Lease shall be automatically effected without the execution of any additional documents. The original term and the extended term (to the extent properly exercised) are herein collectively called the "Term".

Notwithstanding any of the foregoing to the contrary, the Rent for any such extended term shall not be less than the Rent in effect immediately prior to such extended term.

LESSEE and LESSOR agree that if either party introduces a broker or third person on its behalf for any extension, renewal, or expansion of this Lease, any fee or commission shall be the sole responsibility of the party engaging such broker or third person.

30. SURRENDER: The LESSEE shall at the expiration or other termination of this Lease remove all LESSEE's goods and effects from the leased premises, (including, without hereby limiting the generality of the foregoing, all signs and lettering affixed or painted by the LESSEE, either inside or outside the leased premises). LESSEE shall deliver to the LESSOR the leased premises and all keys, locks thereto, and other fixtures connected therewith, and all alterations and additions made to or upon the leased premises (or if conditioned by LESSOR, a leased premises restored to its original condition with alterations and additions removed), in the same condition as they were at the beginning of the lease term or as they were put in during the term hereof, reasonable wear and tear and damage by fire or other casualty only excepted. In the event of the LESSEE's failure to remove any of LESSEE's property from the premises, LESSOR is hereby authorized, without liability to LESSEE for loss or damage thereto, and at the sole risk of LESSEE, to remove and store any of the property at LESSEE's expense, or to retain same under LESSOR's control or to sell at public or private sale, without notice any or all of the property not so removed and to apply the net proceeds of such sale to the payment of any sum due hereunder, or to destroy such property.

31. NOTICE: Any notice from the LESSOR, its agents, or its attorney, to the LESSEE relating to the leased premises or to the occupancy thereof, shall be deemed duly served, if mailed to the leased premises, registered or certified mail, return receipt requested, postage prepaid, addressed to the LESSEE at 697 Washington Street, Suite 101, Newtonville, MA 02460. Any notice from the LESSEE to the LESSOR, relating to the leased



premises or to the occupancy thereof, shall be deemed duly served, if mailed to the LESSOR by registered or certified mail, return receipt requested, postage prepaid, addressed to the LESSOR at such address as the LESSOR may from time to time advise in writing. All rent notices shall be paid and sent to the LESSOR at 1211 Washington Street, West Newton, MA 02465. Changes of address shall be designated by LESSOR to LESSEE or LESSEE to LESSOR in writing by certified mail when appropriate.

32. ESTOPPEL CERTIFICATES: Within ten (10) days after each request by LESSOR, LESSEE shall deliver an estoppel certificate to LESSOR. Estoppel certificates shall be in writing, shall be acknowledged, and shall be in proper form for recording. Estoppel certificates shall be executed by LESSEE if LESSEE is an individual proprietorship; by the President or a Vice President if LESSEE is a corporation; or by trustees having authority to bind the trust, if LESSEE is a trust. Each estoppel certificate shall be certified to LESSOR, any mortgagee, any assignee of any mortgagee, any purchaser, or any other person specified by LESSOR.

Each estoppel certificate shall be delivered in a reasonable customary form containing, at a minimum, the following information certified by the person or persons executing it on behalf of LESSEE:

- (a) Whether or not LESSEE is in possession of the premises.
- (b) Whether or not this Lease is unmodified and in full force and effect. (If there has been a modification of this lease the certificate shall state that this Lease is in full force and effect as modified, and shall set forth the modification).
- (c) Whether or not LESSEE contends that LESSOR is in default under this lease in any respect.
- (d) Whether or not there are then existing setoffs or defenses against the enforcement of any right or remedy of LESSOR, or any duty or obligation of LESSEE (and if so, specify same).
- (e) The dates, if any, to which any Rent or charges have been paid in advance.

33. RECORDING: LESSEE agrees not to record this Lease, but upon request of either party, both parties shall execute and deliver a notice of this Lease in a form appropriate for recording and registration, see Exhibit D, and if this Lease is terminated before the Term expires, an instrument in such form acknowledging the date of termination. Both parties acknowledge that upon such request for recording a notice of this Lease, that time is of the essence.

34. BROKERAGE: The brokers named herein, Steven Moskowitz of Heritage Corporation and Robert Blanchflower of National Commercial Brokers warrant that they are duly licensed as such by the Commonwealth of Massachusetts, and that they join in this agreement and becomes a party hereto, insofar as any provisions of this agreement expressly apply to them and to any amendments or modifications of such provisions to which they agree in writing.

LESSOR agrees to pay Steven Moskowitz of Heritage Corporation a one-time fee for professional services in the total amount of (per separate agreement). Said one-time fee, which relates to services for both the LESSEE's original and extended term, is to be paid upon the term commencement date / occupancy date for the entire Premises, whichever is later. LESSOR shall have no obligation to pay Robert Blanchflower or National Commercial Brokers for any professional services as it relates to LESSEE's original and extended term.



LESSEE agrees to pay Robert Blanchflower of National Commercial Brokers a one-time fee for professional services in the total amount of (per separate agreement). Said one-time fee, which relates to services for both the LESSEE's original and extended term, is to be paid upon the term commencement date / occupancy date for the entire Premises, whichever is later. LESSEE shall have no obligation to pay Steven Moskowitz or Heritage Corporation for any professional services as it relates to LESSEE's original and extended term.

LESSEE warrants and represents that it has only dealt with the above-named brokers in connection with this Lease. LESSEE shall indemnify LESSOR against the claims and demands of any other brokers arising out of this Lease, including, without limitation, all costs and expenses of LESSOR as they relate to the payment and defense of such claim, including reasonable attorneys' fees.

35. PERSONAL GUARANTEE: I, the undersigned, hereby personally guarantee payment of the Rent set forth herein and agree to be personally liable for any breach of this lease caused by the LESSEE or anyone acting in its behalf. In addition, I agree to be personally liable for, and hereby indemnify the LESSOR against any losses incurred as a result of any default in the LESSEE'S performance hereunder, including, but not limited to, reasonable attorneys' fees and costs of suit.

Karen Munkacy, M.D.      375-72-0808      Nov 20, 2013      MARK S Taylor  
Karen Munkacy, M.D.      Social Security Number      Date      Witness

36. CONFIDENTIALITY: LESSEE agrees that, except as may be required by law, LESSEE shall not display or make available copies of this Lease or any portion hereof to brokers or any other third party, nor disclose to any such party the Rent or other terms and conditions of this Lease.

37. HEADINGS: The section and paragraph headings throughout this instrument are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Lease.

38. INVALIDITY OF PARTICULAR PROVISIONS: If any term or provision of this Lease or portion of such term or provision or the application thereof to any person or entity or circumstances shall, to any extent, be held invalid or unenforceable for any reason, the remainder of the Lease (including the remainder of such terms or provisions), or the application of such term or provisions to persons or entities or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

39. WHEN LEASE BECOMES BINDING: Employees or agents of LESSOR have no authority to make or agree to make a lease or any other agreement or undertaking in connection herewith. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises, and this document shall become effective and binding only upon the execution and delivery hereof by both LESSOR and LESSEE. All negotiations, consideration, representations and understandings between LESSOR and LESSEE are incorporated herein and may be modified or altered only by written agreement signed by both LESSOR and LESSEE, and no act or omission of any employee or agent of LESSOR or course of prior dealings between the parties, shall alter, change or modify any of the provisions hereof.

40. PROVISIONS BINDING: Except as herein otherwise expressly provided, the terms hereof shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of LESSOR or LESSEE and, if LESSOR or LESSEE shall be an individual, upon and to his or her heirs, executors, administrators, legal

representatives, successors and assigns. If LESSEE is several persons, natural or corporate, the liability for such persons for compliance with the obligations of the LESSEE under this Lease shall be joint and several. If LESSEE is a corporation, the persons executing this Lease on the LESSEE's behalf warrant that LESSEE is duly authorized and qualified to do business in Massachusetts and such persons are authorized to execute and deliver this Lease on behalf of LESSEE. Each term and each provision of this Lease to be performed by LESSEE shall be construed to be both a covenant and a condition.

LESSEE hereby agrees for itself, and each succeeding holder of LESSEE's interest, or any portion thereof, hereunder, that any judgment, decree or award obtained against the LESSOR or any succeeding owner of LESSOR's interest, which is in any manner related to this Lease, the Premises, or LESSEE's use or occupancy of the Premises or the common areas of the Premises owned by the LESSOR, whether at law or in equity shall be satisfied out of the LESSOR's equity in the land and building to the extent then owned by the LESSOR or such succeeding owner, and further agrees to look only to such assets and to no other assets of the LESSOR, or such succeeding owner for satisfaction.

41. LEGAL EFFECT: Although this agreement has attempted to express the rights and duties of the parties in simple language understandable to a layman, the LESSEE and GUARANTOR understand that this Lease will be treated as a formal legal instrument under seal and will be binding on all persons having any future dealings with the LESSOR's property. This agreement contains the entire agreement between the parties and cannot be amended or modified except by a written document signed by the parties hereto. This document supersedes any prior discussions or inducements between the parties and only the terms hereof are binding. This agreement has been entered into in the Commonwealth of Massachusetts and shall only be enforced by a court of competent jurisdiction in the County of Middlesex in the Commonwealth of Massachusetts. If more than one copy is signed, all copies will be equally effective. If more than one person or business is named as the LESSEE, the LESSOR may hold any and all such persons or businesses jointly and severally liable for all the obligations of the LESSEE under this Lease. If more than one person or business is named as the GUARANTOR, the LESSOR may hold any and all such persons and businesses jointly and severally liable for all the obligations of the GUARANTOR under this Lease.

42. PROPERTY MANAGEMENT: For any and all issues that relate to the Lease or your possession of the Premises (i.e. payment of Rent, general business matters, lease matters, maintenance for which the LESSOR is responsible, maintenance for which the LESSEE is responsible, **EMERGENCIES**), please contact the property manager, Heritage Corporation, at **(617) 965-5000**.

43. CORPORATE VOTE: At Lease execution, LESSEE will provide LESSOR a Corporate Vote authorizing the execution of the Lease as set forth in Exhibit E.



IN WITNESS WHEREOF, the said parties hereunto set their hands and seals, and Garden Remedies, Inc. has caused its corporate seal to be affixed and these presents to be signed by Karen Munkacy, M.D., its president and its treasurer duly authorized this 20 day of November, 2013.

LESSEE: **Garden Remedies, Inc.**

President Karen Munkacy MD      MARK S Taylor  
President, Karen Munkacy, M.D.      Witness Mark S Taylor  
~~Treasurer~~  
Karen Munkacy MD      MARK S Taylor  
Treasurer, Karen Munkacy, M.D.      Witness Mark S Taylor

LESSOR:

Mark F. Dousto, Trustee of 697 Washington Street  
Mark F. Dousto      Mark F. Dousto Realty Trust  
Trustee, Mark F. Dousto      Witness

EXHIBIT A  
FLOOR PLAN

N/A.

EXHIBIT B

JANITORIAL SERVICES

DISPOSAL OF RUBBISH & DEBRIS

1. Interior cleaning of the Premises is the responsibility of the LESSEE and shall be performed at the LESSEE's sole expense.
2. Disposal of rubbish and debris from the Premises is the responsibility of the LESSEE and shall be performed at the LESSEE's sole expense.





## EXHIBIT C

### BUILDING RULES AND REGULATIONS

1. The sidewalks, entrances, passages, corridors, vestibules, halls, elevators or stairways in and about the Building, that are not exclusively part of any rented Premises, shall not be obstructed by LESSEE, and LESSEE shall not place objects in same.
2. LESSEE shall not place objects against glass partitions, doors, or windows, which would be unsightly from the Building corridor, or from the interior or exterior of the Building.
3. LESSEE shall not waste services furnished by the LESSOR and shall cooperate fully and reasonably with LESSOR to assure the most effective and efficient operation of the Building heating and air-conditioning systems.
4. No additional or different locks or bolts shall be affixed on doors by LESSEE. LESSEE shall return all keys to LESSOR upon termination of the Lease. If LESSOR, at their sole discretion, provides LESSEE written consent to install additional or different locks, said consent will be subject to the terms and conditions of Section 16 of this Lease. Notwithstanding the foregoing or anything to the contrary herein, if LESSOR provides LESSEE written consent to install additional or different locks, LESSOR's consent will be subject to the following: (a) any and all locks must be keyed to the master key for the Building and the grand master key of the LESSOR, and (b) LESSEE must provide LESSOR with copies of all keys and combinations for access prior to their installation.
5. LESSEE shall not allow peddlers, solicitors, or panhandlers in the Building, and shall report all such persons to the LESSOR or the LESSOR's representative.
6. No bicycles, vehicles, or animals of any kind shall be brought in or kept in or about the Building or the Premises.
7. N/A.
8. LESSEE shall not engage or pay any agent or employees of LESSOR or the Building without approval of the LESSOR.
9. All removals from the Building, or the carrying in or out of the Building or LESSEE's Premises or any freight, furniture or bulky matter of any description, must take place at such time and in such manner as LESSOR, in its reasonable discretion, shall permit to minimize the disruption to other Tenants, to minimize the disruption to the orderly operation of the Building, and to prevent damage to the Building and Premises. LESSOR reserves the right to inspect all freight and materials to be brought into the Building, and to exclude from the Building, any freight or materials that violate any of these rules and regulations, or provisions of the LESSEE's Lease.
10. LESSOR may prohibit any advertising by LESSEE, which refers to the Building or Premises, which in the LESSOR's reasonable opinion tends to impair the reputation of the Building.

11. LESSEE shall cooperate with LESSOR in minimizing loss and risk thereof from fire and associated perils.
12. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were designed and constructed, and no sweepings, rubbish, rags, acids, paper towels, feminine hygiene products, or like unsuitable substances shall be deposited therein. All damages resulting from misuse of the fixtures by LESSEE, or any employee, agent, licensee, or guest of LESSEE, shall be borne by LESSEE.
13. Holidays, for the purpose of the Building operations, shall be following:

New Years' Day	Memorial Day
M.L. King's Birthday	Patriots Day
Veterans Day	Christmas Day
Presidents Day	Thanksgiving
Columbus Day	Labor Day
Independence Day	

Additional holidays will be observed when and as provided by City, Town, County, State or Federal governments.

14. LESSEE agrees to abide by any applicable 'No Smoking' rule, regulation or ordinance imposed by the city, town, county or state in which the Building is located. Notwithstanding the foregoing or anything to the contrary herein, there shall be no smoking of any type in any portion of the common area of the building. LESSOR and LESSEE agree that the LESSOR shall have the right to implement a 'Non Smoking' requirement in all, or any portion of the Building, including any Premises subject to any lease or occupancy agreement.
15. LESSOR reserves the right at any time to rescind, alter or waive any rule or regulation at any time prescribed for the Building and, upon prior notice, to impose additional rules and regulations, which LESSOR determines to be in the best interest of the operation of the Building. No alteration or waiver of any rule or regulation in favor of one tenant shall operate as any alteration or waiver in favor of any other tenant.



EXHIBIT D

NOTICE OF LEASE

LESSOR: Mark F. Donato, Trustee of 697 Washington Street Realty Trust  
C/o Development Specialists  
1211 Washington Street  
West Newton, MA 02465

LESSEE: Garden Remedies, Inc.  
P. O. Box 67066  
Chestnut Hill, MA 02467

Premises: 697 Washington Street  
Suite 101  
Newtonville, MA 02460

Execution Date: \_\_\_\_\_

Commencement Date: December 1, 2013

Term: Five (5) years one (1) month subject to extension indicated below.

Option to extend for the period beginning on January 1, 2019 and ending on December 31, 2023.

Witness the execution hereof under seal as of this \_\_\_\_ day of \_\_\_\_\_, 2013.

LESSEE: **Garden Remedies, Inc.**

\_\_\_\_\_  
President, Karen Munkacy, M.D.

LESSOR: **Mark F. Donato, Trustee of 697 Washington Street Realty Trust**

\_\_\_\_\_  
Trustee, Mark F. Donato

CORPORATE VOTE

At a meeting of the Board of Directors of Garden Remedies, Inc., held on Nov. 20 2013, all members being present in person or present telephonically, the following resolution was passed with no dissent:

Be it resolved that Karen Munkacy, M.D., as President and Treasurer of Garden Remedies, Inc., is hereby empowered and authorized to execute a Lease for 697 Washington Street, Suite 101, Newtonville, MA 02460 in the name of Garden Remedies, Inc.

President -

Karen Munkacy MD  
President, Karen Munkacy, M.D.

Treasurer -

Karen Munkacy MD  
Treasurer, Karen Munkacy, M.D.



**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: Garden Remedies, Inc.

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

<b>Physical Address</b>	<b>County</b>	<b>Type of Evidence Attached</b>
197 Western Avenue Essex, MA	Essex	Lease



## Lease Agreement

This Lease Agreement (“**Lease**” or “**Agreement**”) is an indenture of lease by and between David Perkins, Trustee of the Perkins Realty Trust u/d/t dated October 2, 1985 and recorded at the Essex South District Registry of Deeds at Book 7941, Page 327 (“**Landlord**”) and Garden Remedies, Inc., a Massachusetts non-profit corporation (“**Tenant**”).

### RECITALS

WHEREAS, Landlord is the owner of the real property located at 197 Western Avenue (Rt. 22) Essex, Massachusetts and desires to lease the land and building located thereon;

WHEREAS, Tenant is an applicant for one (1) or more out of the thirty-five (35) initial marijuana dispensary permits (each, a “**RMD Permit**”) in the Commonwealth of Massachusetts and desires to lease such land and building for its growing and processing operations;

WHEREAS, this Agreement sets forth the terms upon which Tenant shall lease the Premises from Landlord.

NOW, THEREFORE, and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, the parties hereby agree as follows:

#### Article I. DEFINITIONS AND TERMS

1.01 INTRODUCTION. As further supplemented in the balance of this instrument and its Exhibits, the following sets forth the basic terms of this Lease, and, where appropriate, constitutes definitions of certain terms used in this Lease.

1.02 TERMS. For the purpose of this Lease, the terms below shall be defined as follows:

- (a) **Date:** November 20, 2013
- (b) **Landlord:** David Perkins, Trustee of the Perkins Realty Trust u/d/t dated October 2, 1985 and recorded at the Essex South District Registry of Deeds at Book 7941, Page 327
- (c) Present Mailing Address of Landlord: 11 Ledgewood Road, Manchester MA 01944
- (d) Payment Address: 11 Ledgewood Road, Manchester MA 01944

 ORIGINAL

- (e) **Tenant:** Garden Remedies, Inc., a Massachusetts nonprofit Corporation.
- (f) **Mailing Address of Tenant:** P.O. Box 67066, Chestnut Hill, MA 02467.
- (g) **Premises: The land (the "Land") with the building thereon (the "Building")** located at 197 Western Avenue (Rt. 22), Essex, Massachusetts, which Building is comprised of twenty six thousand four hundred square feet of space (the Land and Building together being the Premises).
- (h) **Lease Term:** Ten years from the Full Rent Commencement Date (plus the partial calendar month immediately following the Full Rent Commencement Date if the Full Rent Commencement Date does not fall on the first day of a month) subject to extension as provided in Section 3.3 hereof.
- (i) **Term Commencement Date:** February 1, 2014 (Tenant shall be permitted reasonable access to the Premises prior to the Term Commencement Date for purposes of applying for an RMD Permit and taking measurements and inspecting the Premises in preparation for work to be completed by Tenant in the Building.
- (j) **Base Rent:** Payable in equal monthly installments:
- (i) Two Thousand Two Hundred Dollars (\$2,200) per month from the Term Commencement Date to the Full Rent Commencement Date;
  - (ii) Thirteen Thousand Two Hundred Dollars (\$13,200) per month from the Full Rent Commencement Date through the date which is 24 months thereafter, provided however, if the Full Rent Commencement Date falls on a date other than the first date of a calendar month, then Base Rent shall continue through the end of the 24<sup>th</sup> full calendar month after the Full Rent Commencement Date (the "First Full Rental Period")
  - (iii) Fourteen Thousand Three Hundred Dollars (\$14,300) per month from the end of the First Full Rental Period through the date which is 24 months thereafter (the "Second Full Rental Period");
  - (iv) Eleven Thousand Dollars (\$11,000) per month from the end of the Second Full Rental Period through the date which 12 months thereafter (the "Third Full Rental Period");
  - (v) Sixteen Thousand Five Hundred Dollars (\$16,500) per month from the end of the Third Full Rental Period through the date which 60<sup>th</sup> months thereafter (the "Fourth Full Rental Period").
- (k) **Full Rent Commencement Date:** The earlier of (i) date upon which Tenant has obtained the final RMD Permit and all other Approvals (as defined below), (ii) the date Tenant commences operations in the Premises, and (iii) June 1, 2014.

(l) **Security Deposit:** Twenty-Two Thousand and 00/100 (\$22,000) Dollars, to be increased as follows: commencing on the Full Rent Commencement Date and continuing through the end of the Second Full Rental Period, one-half of the amount by which the monthly Base Rent paid by Tenant exceeds \$11,000 shall be added to the Security Deposit from Base Rent paid by Tenant.

(m) **Permitted Use:** The cultivation, processing, labeling and packaging of Marijuana, Marijuana-Infused Products (MIP), and other related products such as oils, tinctures, aerosols and ointments, related supplies and educational materials, consistent with and pursuant to Chapter 369 of the Acts of 2012, An Act for the Humanitarian Medical Use of Marijuana (the "Act"), and the regulations adopted to implement the Act and set forth at 105 CMR 725 (the "Regulations"), as the same may be amended from time to time, and ancillary and related uses permitted by the Regulations.

### 1.03 ENUMERATION OF EXHIBITS.

- (a) Exhibit A: Property Description of the Land
- (b) Exhibit B: Plan showing the Premises
- (c) Exhibit C: Description of Landlord's Work
- (d) Exhibit D: Description of Tenant's Work

## **Article II. DESCRIPTION OF PREMISES AND APPURTENANT RIGHTS**

2.01 LOCATION OF PREMISES. The Landlord hereby leases to Tenant, and Tenant hereby accepts from Landlord, the Premises. The Land included in the Premises is described on Exhibit A attached hereto. The Land and Building comprising the Premises is described on the plan attached hereto as Exhibit B.

Tenant shall have the right to use all of the Premises, excluding the Garage (as defined below) and storage lockers, some of which are located outside of the Building and some of which are located inside the Building, provide however, Landlord shall, prior to the Term Commencement Date, make the interior storage lockers accessible only from the outside of the Building. Landlord also reserves the right to access and use such storage lockers and construct, access and use a garage on the Premises, but outside and separate from the Building, with or without shared walls (the "Garage"), provided such garage does not interfere with Tenant's operation of the Premises or access to or egress from the Premises. Without the consent of Tenant, Landlord shall not make any other improvements to the Premises, other than those required by Landlord under Sections 3.02 and 8.02 below. The parties acknowledge that the draft schematic of Tenant's Work that is included at Exhibit "D" does not reflect the portion of the storage lockers located inside the Building. Tenant agrees to that its full plans will show those lockers as being outside the improved Premises.





**Article III. TERM OF LEASE: CONDITION OF PREMISES: TENANT'S WORK**

3.01 TERM OF LEASE. The term of this Lease shall be the period defined in Section 1.01 hereof as the Lease Term, commencing upon the Term Commencement Date.

3.02 CONDITION OF PREMISES. Subject to Section 3.5 below Landlord agrees to deliver the Premises to Tenant on the Term Commencement Date and Tenant agrees to accept same in its "as is" condition, provided however, Landlord shall be required to deliver the Building to Tenant in a condition that is structurally sound with a roof that does not leak and with working utility connections. In the event that the Premises are not delivered to Tenant by the date which is thirty (30) days after Tenant's request for such delivery (provided such request is made on or after the Full Rent Commencement Date) and not as a result of Tenant's failure to pay the invoice for removal of equipment and materials as required under Section 3.05 below, Tenant may terminate this Lease.

3.03 EXTENSION OPTION. Tenant may elect to extend the term of this Lease for two (2) five (5) year periods (each an "**Extension Term**"). Prior to the expiration of the Lease Term and the first Extension Term, Tenant may elect to exercise such extension right by giving Landlord notice of such election ("**Election Note**") not earlier than fifteen (15) months nor later than twelve (12) months before the expiration of the Lease Term or the Extension Term, whichever the case may be, provided no Event of Default is in effect on the date such notice is given or on the commencement date of the Extension Term. Such extension shall be upon the same terms, covenants, and conditions contained in this Lease except that (i) Tenant shall have no further right to extend the Lease Term after the second extension and (ii) the Base Rent for the first Extension Term shall be fixed at Seven Dollars and 50/100 Dollars (\$7.50) per square foot as adjusted for inflation from the beginning of the First Full Rental Period through the first day of the first Extension Term based on the Consumer Price Index for All Urban Consumers (CPI-U) (Based Period 1982-1984 = 100), and (iii) the Base Rent for the second Extension Term shall be fixed at Seven Dollars and 50/100 Dollars (\$7.50) per square foot as adjusted for inflation from the beginning of the First Full Rental Period through the first day of the second Extension Term based on the Consumer Price Index for All Urban Consumers (CPI-U) (Based Period 1982-1984 = 100). Notwithstanding the foregoing, Base Rent for the first Extension Term shall not be less than \$7.50 per square foot, and Base Rent for the second Extension Term shall not be less than the then Base Rent at the end of the first Extension Term.

3.04 TENANT'S WORK. After the Full Rent Commencement Date Tenant may construct such improvements to the inside of the Building and make such utility upgrades as are desired by Tenant for the Permitted Use, provided however, Tenant shall first submit the plans and specifications for such improvements to Landlord for approval, which approval shall not be unreasonably withheld or delayed (the "**Tenant's Work**"). Provided Tenant constructs such improvements consistent with the draft schematic plan attached hereto as Exhibit D, Tenant shall not be required to remove the Tenant's Work at the end of the Lease Term. Landlord shall approve or provide objections to such plans

within fifteen (15) business days of receipt and shall specify any objections. If Landlord fails to respond to plans within fifteen (15) business days of receipt thereof, the plans and specifications shall be deemed to be approved.

3.05 LANDLORD'S WORK; OCCUPANCY. The Parties acknowledge that the Tenant will not fully occupy the Premises and Landlord shall have equipment and materials in the Building until the Full Rent Commencement Date. Landlord agrees to remove such equipment and materials from the Premises and Tenant agrees to pay the cost of Landlord's expenses for such removal (the "Relocation Expense") provided that (a) Tenant has requested such removal, (b) Tenant pays such cost in advance; (c) such cost shall not exceed \$17,500, and (d) if Tenant incurs such expense, but does not obtain the RMD Permits and other Approvals, the Twelve Thousand Dollars to retained by Landlord from the Security Deposit pursuant to Section 17.17 shall be reduced by the Relocation Expense to the extent paid by Tenant.

#### **Article IV. RENT**

##### 4.01 RENT PAYMENTS.

(a) The Base Rent and the additional rent or other charges payable pursuant to this Lease, including Operating Expenses and Taxes (collectively the "Rent") shall be payable by Tenant to Landlord at the Payment Address or such other place as Landlord may from time to time designate by notice to Tenant without any demand, counterclaim, offset or deduction whatsoever except as otherwise specifically provided in this Lease.

(b) Commencing on the Rent Commencement Date, Base Rent and the monthly installments of Taxes and Operating Expenses shall be payable in advance on the first day of each and every calendar month during the term of this Lease. If the Rent Commencement Date falls on a day other than the first day of a calendar month, the first payment which Tenant shall make shall be made on the Rent Commencement Date and shall include in addition to the next month's Rent a proportionate part of such monthly Rent for the actual days elapsed of the partial month. As used in this Lease, the term "**Lease Year**" shall mean any calendar year or part thereof falling within the Lease Term or Extended Term.

(c) Base Rent and the monthly installments of Taxes and Operating Expenses for any partial month shall be paid by Tenant to Landlord at such rate on a pro rata basis. Any other charges payable by Tenant on a monthly basis, as hereinafter provided, shall likewise be prorated.

(d) Rent not paid within five (5) days of the date due shall bear interest at a rate (the "Lease Interest Rate") equal to the lesser of (i) the one (1) year London Interbank Offered Rate (LIBOR) plus five percent (5%) per annum or (ii) the maximum legally permissible rate, from the due date until paid.

#### 4.02 REAL ESTATE TAX.

(a) The term “**Taxes**” shall mean all taxes and assessments (including without limitation, assessments for public improvements or benefits and water and sewer charges), and other charges or fees in the nature of taxes for municipal services which at any time during or in respect of the Lease Term may be assessed, levied, confirmed or imposed on or in respect of, or be a lien upon, the Building and the Land, or any part thereof, or any rent therefrom or any estate, right, or interest therein, or any occupancy, use, or possession of such property or any part thereof, and ad valorem taxes for any personal property used in connection with the Building or Land. The Landlord agrees that Tenant's share of any special assessment shall be determined (whether or not Landlord avails itself of the privilege so to do) as if Landlord had elected to pay the same in installments over the longest period of time permitted by applicable law and Tenant shall be responsible only for those installments (including interest accruing and payable thereon) or parts of installment that are attributable to periods within the Lease Term. Any late fees for delinquent tax payments shall not be included in Taxes.

(b) Should the Commonwealth of Massachusetts, or any political subdivision thereof, or any other governmental authority having jurisdiction over the Premises, (1) impose a tax, assessment, charge or fee, which Landlord shall be required to pay, by way of substitution for or as a supplement to such Taxes, or (2) impose an income or franchise tax or a tax on rents in substitution for or as a supplement to a tax levied against the Building or the Land or any part thereof and/or the personal property used in connection with the Building or the Lot or any part thereof, all such taxes, assessments, fees or charges (“**Substitute Taxes**”) shall be deemed to constitute Taxes hereunder. Except as hereinabove provided with regard to Substitute Taxes, Taxes shall not include any inheritance, estate, succession, transfer, gift, franchise, net income or capital stock tax.

(c) The Tenant shall pay to Landlord, as additional rent, all Taxes assessed against the Building and Land during any tax year (i.e., July 1 through June 30, as the same may change from time to time) or part thereof during the Lease Term. The Tenant shall pay to Landlord, together with monthly payments of Base Rent, pro rata monthly installments on account of the projected Taxes for each tax year reasonably calculated by Landlord from time to time by Landlord with an adjustment made after the close of the tax year, to account for actual Taxes for such tax year. The initial monthly payments on account of Taxes shall be \$1,500 per month. Within 120 days after the end of each tax year, Landlord shall deliver to Tenant a reconciliation which provides reasonable detail as to Taxes incurred by Landlord for such tax year and the amount of underpayment or overpayment by Tenant. If the total of such monthly installments in any tax year is greater than the actual Taxes for such tax year, Tenant shall be entitled to a credit against Tenant's rental obligations hereunder in the amount of such difference or, if the Lease Term has expired and Tenant has no outstanding monetary obligations to Landlord, Landlord shall promptly pay such amount to Tenant. If the total of such

monthly installments is less than such liability for such tax year, Tenant shall pay to Landlord the amount of such difference within thirty (30) days after Tenant receives Landlord's invoice therefor. Notwithstanding the foregoing, to the extent Taxes for the Premises increase due to improvements constructed by Landlord (e.g., the Garage), Landlord shall pay such excess.

If any Taxes, with respect to which Tenant shall have paid to Landlord, shall be adjusted to take into account any abatement or refund, Tenant shall be entitled to a credit against rental obligations hereunder, in the amount of such abatement or refund less Landlord's costs or expenses, including without limitation appraiser's and attorneys' fees, of securing such abatement or refund or, if the Lease Term has expired and Tenant has no outstanding monetary obligations to Landlord, Landlord shall promptly pay such amount to Tenant. The Tenant shall not apply for any real estate tax abatement without the prior written consent of Landlord.

(e) Tenant shall pay or cause to be paid, prior to delinquency, any and all taxes and assessments levied upon all trade fixtures, inventories and other personal property placed in and upon the Premises by Tenant. If and to the extent Commonwealth of Massachusetts, or any political subdivision thereof, or any other governmental authority having jurisdiction over the Building or Land, imposes any such tax or assessment on the Landlord for any of such personal property owned by Tenant, such payments shall be considered a component of Taxes due as additional rent hereunder.

#### 4.03 TENANT'S SHARE OF OPERATING COSTS.

The Tenant shall pay to Landlord, as additional rent, all Operating Costs (defined below). The Tenant shall pay to Landlord pro rata monthly installments on account of the projected Operating Costs for each Lease Year during the Lease Term in amounts reasonably calculated from time to time by Landlord with an adjustment made after the close of the Lease Year, to account for actual Operating Costs for such Lease Year. The initial monthly payments on account of Operating Costs shall be \$600 per month. Within 120 days after the end of each Lease Year, Landlord shall deliver to Tenant a reconciliation which provides reasonable detail as to actual Operating Costs incurred by Landlord for such Lease Year and the amount of overpayment or underpayment by Tenant. If the total of such monthly installments in any Lease Year is greater than the actual Operating Costs for such Lease Year, Tenant shall be entitled to a credit against Tenant's monthly installments on account of projected Operating Costs hereunder in the amount of such difference or, if the Lease Term has expired and Tenant has no outstanding monetary obligations to Landlord, Landlord shall promptly pay such amount to Tenant. If the total of such monthly installments is less than such liability for such Lease Year, Tenant shall pay to Landlord the amount of such difference, as additional rent, within thirty (30) days after Tenant receives Landlord's invoice therefor.

(a) As used in this Lease, the term "Operating Costs" shall mean costs and expenses incurred by Landlord directly related to the insuring, repair, maintenance, replacement, and protection (collectively, "the Operation") of the Building, the utility lines running from the Building to the street and the storm water drainage systems, if any, (collectively, "the Property"), including, without limitation, the following:

(i) The cost of services, materials and supplies furnished or used in the Operation of the Property, including the cost to perform Landlord's obligations under Sections 8.2 of this Lease;

(ii) Insurance premiums; and

(iii) Amounts paid to independent contractors for services, materials and supplies furnished for the Operation of the Property.

(b) Operating Costs may be incurred directly or by way of reimbursement, and shall include taxes applicable thereto. The following shall be excluded from Operating Costs:

(i) Management fees and salaries and other costs of employees of Landlord whether or not connected with the operation of the Premises, other than reasonable management fees for Landlord's limited maintenance responsibilities required hereunder);

(ii) Depreciation of the original construction costs of the Building;

(iii) Expenses relating to Tenants' Work (because Tenant pays these directly per Section 3.04);

(iv) Interest on indebtedness;

(v) Expenses for which Landlord, by the terms of this Lease or any other lease, makes a separate charge;

(vi) Real estate taxes (because Tenant is paying these per Section 4.02);

(vii) The cost of any electric current or other utilities furnished to any improvements constructed by Landlord after the date hereof;

(viii) Structural Repairs including the roof or foundation and any repairs to the storm water drainage systems or utility lines from the Building to the street or area where they tie into the main utility lines, provided such repairs are not required due to Tenant's Work, repairs to Tenant's Work, Tenant's particular use of the Premises, Tenant's misuse of the Premises or Tenant's failure to comply with the terms of this Agreement;

(ix) Capital and other expenses incurred in the construction of additional leasable area on the Property;

(x) Expenses reimbursed by insurance;

(xi) Reserves;

(xiii) Environmental testing or remediation, other than testing required due to the release or possible release (if there is a reasonable basis to conclude that may have been a release) of hazardous materials on the Premises.

#### 4.04 SECURITY DEPOSIT.

Tenant agrees that the Security Deposit shall be paid upon the Term Commencement Date and that Landlord shall hold the same, throughout the term of this Lease, as security for the performance by Tenant of all obligations on the part of Tenant to be kept and performed. In no event shall said security deposit be deemed to be a prepayment of rent nor shall it be considered (except as set forth below), a measure of liquidated damages. Landlord shall have the right from time to time without prejudice to any other remedy Landlord may have on account thereof, to apply such deposit, or any part thereof, to cure a default by Tenant hereunder or Landlord's damages arising from any default on the part of Tenant. If any amount of such deposit is so applied, Tenant shall pay the amount so

applied to Landlord upon demand therefor. Landlord shall return the deposit, or so much thereof as shall not have theretofore been applied in accordance with the terms of this Section 4.04 to Tenant on the expiration or earlier termination of the Lease Term and surrender of possession of the Premises by Tenant to Landlord, provided all rent and all other amounts due hereunder have been paid by Tenant. While Landlord holds such deposit, Landlord shall have no obligation to pay interest on the same and shall have the right to commingle the same with Landlord's other funds. If Landlord conveys Landlord's interest under this Lease, the deposit or any part thereof not previously applied may be turned over by Landlord to Landlord's grantee, and if so turned over, Tenant agrees to look solely to such grantee for proper application of the deposit in accordance with the terms of this Section 4.04 and the return thereof in accordance herewith.

#### **Article V. USE OF PREMISES**

5.01 PERMITTED USE. Tenant agrees that the Premises shall be used and occupied by Tenant only for the Permitted Use. The parties hereto recognize the cultivation and sale of marijuana is not currently permitted under Federal law, but that it is permitted under the laws of the Commonwealth of Massachusetts for those who are properly licensed under Massachusetts law. Tenant shall not permit anyone to smoke or otherwise ingest Marijuana or MIPs on the Premises.

5.02 COMPLIANCE WITH LAWS. Tenant agrees that its operations shall comply with Massachusetts state and local laws. Subject to Tenant's right to terminate this Lease as provided in Section 17.17, Tenant shall obtain local and state approvals, permits, licenses, variances and the like from governmental or quasi-governmental authorities, (collectively, "Approvals") which are required for Tenant's improvements to and use of the Premises, including, without limitation, any which may be required for any construction work and installations, alterations or additions made by Tenant to, in, on or about the Premises; provided, however, that Tenant shall not seek or apply for any Approvals without first having given Landlord a reasonable opportunity to review any applications for Approvals and all materials and plans to be submitted in connection therewith and obtaining Landlord's written consent in accordance with Article 3.04 of this Lease. In any event, Tenant shall be responsible for all costs, expenses, and fees in connection with obtaining all Approvals. Without limiting the general application of the foregoing, Tenant shall be responsible for compliance of the Premises, including, without limitation, any alterations it may make to the Premises with the requirements of the Americans with Disabilities Act (42 U.S.C. Section 12101 et seq.) and the regulations and Accessibility Guidelines for Buildings and Facilities issued pursuant thereto, as the same may be amended from time to time (collectively, the "ADA"). Landlord shall, at its own cost and expense make all installations, repairs, alterations, additions, or improvements to the structural components of the Premises required by any law, ordinance, by-law, code, rule, regulation or order of any governmental or quasi-governmental authority, unless such installation, repairs, alterations or improvements are required due to Tenant's breach of this Lease, the Approvals or Tenant's particular use of the Building. Tenant shall, at its own cost and expense, (i) make all installations, repairs,

alterations, additions, or improvements to the Premises required by any law, ordinance, by-law, code, rule, regulation or order of any governmental or quasi-governmental authority; (ii) keep the Premises equipped with all required safety equipment and appliances; and (iii) comply with all laws, ordinances, codes, rules, regulations and orders and the requirements of Landlord's and Tenant's insurers applicable to the Premises, Building and Land. Tenant shall not place a load upon any floor in the Premises exceeding the lesser of (a) the floor load per square foot of area which such floor was designed to carry as certified by Landlord's architect and (b) the floor load per square foot of area which is allowed by law. Landlord reserves the right to prescribe the weight and position of all business machines and mechanical equipment, including safes, which shall be placed so as to distribute the weight.

#### 5.03 TENANT'S OPERATIONAL COVENANTS.

In regard to the use and occupancy of the Premises, Tenant will at its expense: (1) maintain the Premises in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests; and (2) keep any garbage, trash, rubbish or other refuse in vermin-proof containers.

#### 5.04 SIGNS.

Except as expressly permitted in this Section 5.04, Tenant shall not place any signs, placards, or the like on the Building or in the Premises that will be visible from outside the Premises (including without limitation both interior and exterior surfaces of windows). Subject to Tenant obtaining necessary approvals and permits therefor, Tenant may erect one exterior sign in a location designated by Landlord containing Tenant's name and no advertising material. The total area of Tenant's exterior sign shall not exceed that proportion of the total area of exterior signage allowed on the Building under zoning that the floor area of the Premises bears to the total floor area of the Building. The costs of all interior and exterior signs and the installation thereof, including the costs of any required permits or approvals, shall be the responsibility of Tenant. The Tenant shall comply at its own expense with the requirements of laws and regulations affecting Tenant's signs. Tenant shall remove signs upon termination of this Lease and shall return the Premises and the Building to their condition prior to the placement or erection of said signs.

#### 5.05 HAZARDOUS MATERIALS.

5.01 The Tenant shall not use, handle, store or dispose of any oil (excluding oils derived from the marijuana plant), hazardous or toxic substances, materials or wastes (excluding marijuana) (collectively "**Hazardous Materials**") in, under, on or about the Property except for such storage and use which is permitted by law. Any Hazardous Materials in the Premises, and all containers therefor, shall be used, kept, stored and disposed of in conformity with all applicable laws, ordinances, codes, rules,



regulations and orders of governmental authorities. If the transportation, storage, use or disposal of Hazardous Materials anywhere on the Property in connection with Tenant's use of the Premises results in (1) contamination of the soil or surface or ground water or (2) loss or damage to person(s) or property, then Tenant agrees (i) to notify Landlord immediately of any contamination, claim of contamination, loss or damage, (ii) after consultation with and approval by Landlord, to clean up all contamination in full compliance with all applicable statutes, regulations and standards, and (iii) to indemnify, defend and hold Landlord harmless from and against any claims, suits, causes of action, costs and fees, including, without limitation, attorneys' fees, arising from or connected with any such contamination, claim of contamination, loss or damage. This provision shall survive the termination of this Lease. No consent or approval of Landlord shall in any way be construed as imposing upon Landlord any liability for the means, methods, or manner of removal, containment or other compliance with applicable law for and with respect to the foregoing. The terms of this Section 5.05 shall apply to any transportation, storage, use or disposal of Hazardous Materials irrespective of whether Tenant has obtained Landlord's consent therefor but nothing in this Lease shall limit or otherwise modify the requirement of consulting with Landlord per clause (ii) above.

### 5.03 INSURANCE RISKS

Tenant shall not permit any use of the Premises which will make voidable or, unless Tenant pays the extra insurance premium attributable thereto as provided below, increase the premiums for any insurance on the Building or on the contents of said property or which shall be contrary to any law or regulation from time to time established by the New England Fire Insurance Rating Association (or any successor organization) or which shall require any alteration or addition to the Building. Tenant shall, within thirty (30) days after written demand therefor, reimburse Landlord and all other tenants for the costs of all extra insurance premiums caused by Tenant's use of the Premises. Any such amounts shall be deemed to be additional rent hereunder.

### 5.04 ELECTRICAL EQUIPMENT

The Tenant shall not, without Landlord's written consent in each instance, which consent shall not be unreasonably withheld, connect to the electrical distribution system any fixtures, appliances, or equipment which will operate individually or collectively at a wattage in excess of the capacity of the electrical system serving the Premises as the same may be reasonably determined by Landlord and Landlord may audit Tenant's use of electric power to determine Tenant's compliance herewith. If Landlord, in its reasonable discretion, permits such excess usage, Tenant will pay for the cost of such excess power as additional rent, together with the cost of installing any additional risers, meters, or other facilities that may be required to furnish or measure such excess power to the Premises.

## 5.05 TENANT'S OPERATIONAL COVENANTS.

### (a) Affirmative Covenants

In regard to the use and occupancy of the Premises, Tenant will at its expense, in addition to its obligations under Section 8.01 : (1) keep the inside and outside of all glass in the doors and windows of the Premises reasonably clean; (2) replace promptly any cracked or broken glass of the Premises with glass of like kind and quality; (3) maintain the Premises in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests; (4) keep any garbage, trash, rubbish or other refuse in vermin-proof containers within the interior of the Premises until removed (and Tenant shall cause the Premises to be inspected and exterminated, if necessary, on a regular basis by a reputable, licensed exterminator and shall provide Landlord, on request, with a copy of Tenant's contract for such services); and (5) keep all mechanical apparatus free of vibration and loud noise which may be transmitted beyond the Premises;

### (b) Negative Covenants

In regard to the use and occupancy of the Premises and common areas, Tenant will not: (1) place or maintain any trash, refuse or other articles in any vestibule or entry of the Premises, on the sidewalks or corridors adjacent thereto or elsewhere on the exterior of the Premises so as to obstruct any corridor, stairway, sidewalk or common area; (2) permit undue accumulations of or burn garbage, trash, rubbish or other refuse within or without the Premises; (3) cause or permit an objectionable odors to emanate or to be dispelled from the Premises; or (4) commit, or suffer to be committed, any waste upon the Premises or any public or private nuisance or use or permit the use of any portion of the Premises for any unlawful purpose under state or local law.

## **Article VI. INSTALLATIONS, ALTERATIONS AND ADDITIONS**

### 6.01 INSTALLATIONS, ALTERATIONS, AND ADDITIONS.

Tenant shall not make installations, alterations, or additions to the Premises unless the Landlord consents thereto in advance and in writing, which consent shall not be unreasonably withheld, delayed or conditioned. Any installations, alterations, or additions made by Tenant shall be at Tenant's sole cost and expense and shall be done in a good and workmanlike manner; and prior to Tenant's use of the Premises, after the performance of any such work, Tenant shall procure certificates of occupancy and any other required certificates. To the extent an installation, alteration or addition increases the square footage of the Premises, Rent shall increase to reflect such additional square footage based on the fair market rental rate for such space, accounting for the fact that such space was constructed and paid for by Tenant. Tenant shall not suffer or permit any

mechanics' or similar liens to be placed upon the Premises for labor or materials furnished to Tenant or claimed to have been furnished to Tenant in connection with work of any character performed or claimed to have been performed at the direction of Tenant, and shall cause any such lien to be released of record forthwith without cost to Landlord. Any and all Tenant installations, alterations, and additions, in or to the Premises, that are intended to become or do become part of the real estate shall be fully paid for and free and clear of any and all chattel mortgages, conditional bills of sale, security interests, or any liens or encumbrances of any kind or nature. Any installations, alterations or additions made by Tenant to the Premises, including, without limitation, all utility systems and fixtures installed in connection therewith, other than movable personal property, shall become the property of Landlord at the termination or expiration of this Lease. At the time Landlord consents to any improvements, Landlord shall designate which portion of the improvements need to be removed at the end of the Lease Term, but Landlord shall only require such removal for improvements that are out of the ordinary, will unlikely be useable by another tenant and will materially increase the cost of demolition if such demolition is necessary.

## **Article VII. ASSIGNMENT AND SUBLETTING**

### **7.01 PROHIBITION.**

Notwithstanding any other provision of this Lease, Tenant shall not, directly or indirectly, assign, mortgage, pledge or otherwise transfer, voluntarily or involuntarily, this Lease or any interest herein or sublet any portion of the Building without, in each instance, having first received the express written consent of Landlord (which consent shall not be unreasonably withheld or delayed), unless such assign is to a wholly owned subsidiary of Tenant. Notwithstanding the foregoing, and not in limitation thereof, it will be deemed reasonable for Landlord to withhold its consent to any proposed tenant or subtenant which does not, in Landlord's reasonable judgment, have sufficient financial net worth or cash flow from operations to satisfy its obligations under this Agreement or any applicable sublease, whichever is the case, or a good reputation. Any assignment of this Lease (other than as permitted to a subsidiary or a controlling entity as set forth below) by Tenant without Landlord's express consent shall be invalid, void and of no force or effect. Any request for consent under this Section shall set forth, in detail reasonably satisfactory to Landlord, the identification of the proposed assignee, its financial condition and the terms on which the proposed assignment is to be made, including, without limitation, the rent or any other consideration to be paid in respect thereto and such request shall be treated as Tenant's warranty in respect of the information submitted therewith.

In any case where Landlord shall consent to any assignment or sublet, Tenant originally named herein shall remain fully liable for Tenant obligations hereunder, including, without limitation, the obligation to pay the rent and other amounts provided under this Lease and such liability shall not be affected in any way by any future amendment, modification, or extension of this Lease or any further assignment, other transfer, or subleasing and Tenant hereby irrevocably consents to any and all such transactions. Tenant agrees to pay to Landlord, within fifteen (15) days of billing therefor, all

reasonable legal and other out-of-pocket expenses incurred by Landlord in connection with any request to assign or sublet. It shall be a condition of the validity of any permitted assignment or subletting that the assignee or sublessee agree directly with Landlord, in form satisfactory to Landlord, to be bound by all Tenant obligations hereunder, including, without limitation, the obligation to pay all Rent and other amounts provided for under this Lease and the covenant against further assignment or other transfer or subletting.

#### 7.02 ACCEPTANCE OF RENT FROM TRANSFEREE.

The acceptance by Landlord of the payment of Rent, additional rent, or other charges following assignment or other transfer prohibited by this Article VII shall not be deemed to be a consent by Landlord to any such assignment or other transfer, nor shall the same constitute a waiver of any right or remedy of Landlord.

### **Article VIII. REPAIRS AND MAINTENANCE**

#### 8.01 TENANT OBLIGATIONS.

From and after the date that possession of the Premises is delivered to Tenant and until the end of the Lease Term, Tenant shall keep the Premises and every part thereof in good order, condition, and repair, reasonable wear and tear and damage by casualty, as a result of condemnation, or as a result of the failure of Landlord to provide services required to be provided hereunder only excepted. Tenant shall be responsible for maintaining the parking areas, lighting, and walkways on the Premises and shall be responsible for snow removal.

#### 8.02 LANDLORD OBLIGATIONS.

Except as may be provided in Articles XII and XIII, Landlord agrees to keep in good order, condition, and repair the structural components and the roof of the Building, the utility systems that run from the Building to the street or other area where they tie into the main utility lines, and the storm water drainage systems, if any. Notwithstanding the foregoing, Landlord shall not be responsible for additional costs or improvements to such structural components, roof, or utility systems resulting from Tenant's improvements or particular use of the Building.

### **Article IX. UTILITIES**

#### 9.01 SEPARATELY METERED UTILITIES.

Tenant shall pay directly to the utility, as they become due, all bills for electricity, gas, water and sewer (unless Landlord pays such bills and/or seeks reimbursements for same under Section 4.02 above), and other utilities (whether they are used for furnishing heat or for other purposes) that are furnished to the Premises and now or hereafter separately metered or billed by the utility to the Premises. If any utilities used or consumed by Tenant are not separately metered, Tenant shall reimburse Landlord for the costs thereof (except any portion thereof that is properly allocable to Landlord's use of the Garage, if constructed), as determined by Landlord with full disclosure of such costs to Tenant. Landlord agrees that Landlord shall cause utility connections to be available at the Premises. Accordingly, if any utility line (e.g., a water or sewer line) requires repair and

such repair is not the responsibility of the applicable utility, Landlord shall be responsible for such repair and such cost shall not be an Operating Expense. Notwithstanding the above, Tenant shall be responsible for the cost of (i) any initial upgrades to utilities performed as part of Tenant's Work, (ii) any repairs required to utility improvements installed by Tenant, and (iii) repairs to such utilities required due to Tenant's Work or Tenant's fault.

## **Article X. INDEMNITY**

### **10.01 THE TENANT'S INDEMNITY.**

The Tenant shall indemnify and save harmless Landlord, the directors, officers, agents, and employees of Landlord, against and from all claims, expenses, or liabilities of whatever nature (a) arising directly or indirectly from any default or breach by Tenant or Tenant's contractors, licensees, agents, servants, or employees under any of the terms or covenants of this Lease, or the failure of Tenant or such persons to comply with any local or state or federal law, rule, order, regulation, or lawful direction now or hereafter in force of any public authority, in each case to the extent the same are related, directly or indirectly, to the Premises or the Building, or Tenant's use thereof, or (b) arising directly or indirectly from any accident, injury, or damage, however caused, to any person or property, on or about the Premises; or provided, however, that in no event shall Tenant be obligated under this clause (b) to indemnify Landlord, the directors, officers, agents, or employees of Landlord, to the extent such claim, expense, or liability results from any omission, fault, negligence, or other misconduct of Landlord or the officers, agents, or employees of Landlord on or about the Premises or the Building.

This indemnity and hold harmless agreement shall include, without limitation, indemnity against all expenses, attorney's fees and liabilities incurred in connection with any such claim or proceeding brought thereon and the defense thereof with counsel reasonably acceptable to Landlord. At the request of Landlord, Tenant shall defend any such claim or proceeding directly on behalf and for the benefit of Landlord. The provisions of this section shall survive expiration and termination of the Lease.

### **10.02 THE TENANT'S RISK**

The Tenant agrees to use and occupy the Premises and to use such other portions of the Building and the Lot as Tenant is herein given the right to use at Tenant's sole risk; and Landlord shall have no responsibility or liability for any loss or damage, however caused, to furnishings, fixtures, equipment, or other personal property of Tenant or of any persons claiming by, through, or under Tenant.

### **10.03 INJURY CAUSED BY THIRD PARTIES**

The Tenant agrees that Landlord shall not be responsible or liable to Tenant, or to those claiming by, through, or under Tenant, for any loss or damage resulting to Tenant or those claiming by, through, or under Tenant, or its or their property, that may be occasioned by or through the acts or omissions of persons occupying any part of the

Building, or for any loss or damage to property from the breaking, bursting, crossing, stopping, or leaking of electric cables and wires, and water, gas, sewer, or steam pipes, or like matters.

#### 10.04 SECURITY.

Tenant agrees that, in all events, Tenant is responsible for providing security to the Premises and its own personnel. By way of description and not limitation, Tenant shall comply with Massachusetts law, which among other things, requires Tenant to store all marijuana in a secure, locked safe or vault in such a manner as to prevent theft. Tenant shall also establish limited access areas accessible only to authorized personnel.

### **Article XI. INSURANCE**

#### 11.01 PUBLIC LIABILITY INSURANCE.

(a) The Tenant agrees to maintain from the date upon which Tenant first enters the Premises for any reason, throughout the Lease Term, and thereafter so long as Tenant is in occupancy of any part of the Premises, (a) a policy of commercial general liability insurance, written on an occurrence basis and including contractual liability coverage to cover any liabilities assumed under this Lease, insuring against all claims for injury to or death of persons or damage to property on or about the Premises or arising out of the use of the Premises, including products liability, and completed operations liability, and (b) automobile liability insurance covering all owned vehicles, hired vehicles and all other non-owned vehicles. Each such policy shall designate Tenant as a named insured, and Landlord, its managing agent, if any, and any mortgagees (as may be set forth in a notice given from time to time by Landlord) shall be named as additional insureds, as their interests appear.

(b) Each such policy shall expressly provide that it shall not expire or be amended or canceled without at least thirty (30) days' prior written notice to Landlord in each instance and that the interests of Landlord thereunder or therein shall not be affected by any breach by Tenant of any policy provision, and a duplicate original or certificate thereof shall be delivered to Landlord. The minimum limits of liability of such insurance shall be bodily injury and property damage combined single limit of \$2,000,000 per occurrence, and not less than \$4,000,000 in the aggregate. The Landlord shall have the right from time to time to increase such minimum limits upon notice to Tenant, provided that any such increase shall provide for coverage commonly carried on similar properties in the area in which the Premises are located.

#### 11.02 HAZARD INSURANCE.

(a) The Tenant agrees to maintain from the date upon which Tenant first enters the Premises for any reason, throughout the Lease Term, and thereafter so long as Tenant is in occupancy of any part of the Premises, a policy including

the amount of any deductible thereunder, insuring any leasehold improvements paid for by Tenant and all fixtures, equipment, and other personal property of Tenant against damage or destruction by fire or other casualty in an amount equal to the full replacement cost of such property. Tenant shall also maintain insurance against such other hazards as may from time to time reasonably be required by Landlord or the holder of any mortgage on the Premises, provided that such insurance is customarily carried in the area in which the Premises are located on property similar to the Building and that Tenant receives written notice specifying all such additional insurance as may be required. At Landlord's request, any such policies of insurance shall name any such mortgagee as loss payee under a standard mortgagee's clause.

- (b) The Landlord shall maintain in full force throughout the Lease Term an all risk policy of insurance upon the Building and Landlord's fixtures and equipment for the full replacement cost thereof.

#### 11.03 CONSTRUCTION PERIOD INSURANCE.

(a) At any time when demolition or construction work is being performed on or about the Premises or Building by or on behalf of Tenant, the Tenant shall keep in full force and effect the following insurance coverage in each instance with policies reasonably acceptable to Landlord, including, without limitation, the amount of any deductible thereunder:

- (i) builder's risk completed value (nonreporting form) in such form and affording such protections as required by Landlord, naming Landlord and its mortgagees as additional insureds; and
- (ii) workers' compensation or similar insurance in form and amounts required by law.

(b) Tenant shall cause a certificate or certificates of such insurance to be delivered to Landlord prior to the commencement of any work in or about the Building or the Premises, in default of which Landlord shall have the right, but not the obligation, to obtain any or all such insurance at the expense of Tenant, in addition to any other right or remedy of Landlord.

#### 11.04 WAIVER OF SUBROGATION.

Provided that it does not void the insurance of either party, Landlord and Tenant mutually agree that with respect to any loss which is covered by insurance then being carried by them (or which would have been covered if the insurance required hereunder had been obtained), 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 insurance companies shall have no right of subrogation against the other on account thereof. In the event the above waiver of subrogation increases the cost of insurance to either party hereto, the Tenant shall be responsible for such increase in cost.

## **Article XII. CASUALTY**

### **12.01 DEFINITION OF "SUBSTANTIAL DAMAGE" AND "PARTIAL DAMAGE".**

The term "substantial damage," as used herein, shall refer to damage which is of such a character that in Landlord's reasonable, good faith estimate the same cannot, in ordinary course, be expected to be repaired within 60 calendar days from the time that such repair work would commence. Any damage which is not "substantial damage" is "partial damage."

### **12.02 PARTIAL DAMAGE TO THE BUILDING.**

If during the Lease Term there shall be partial damage to the Building by fire or other casualty and if such damage shall materially interfere with Tenant's use of the Premises as contemplated by this Lease, Landlord shall promptly proceed to restore the Building to substantially the condition in which it was immediately prior to the occurrence of such damage.

### **12.03 SUBSTANTIAL DAMAGE TO THE BUILDING.**

If during the Lease Term there shall be substantial damage to the Building by fire or other casualty and if such damage shall materially interfere with Tenant's use of the Premises as contemplated by this Lease, Landlord shall promptly restore the Building to the extent reasonably necessary to enable Tenant's use of the Premises. If Landlord has not restored the Premises to the extent required under this Section within nine (9) months of the casualty, or if the Premises shall be substantially damaged during the last nine (9) months of the Lease Term then, in either such case, Tenant may elect to terminate this Lease by giving written notice of such election to Landlord within thirty (30) days after the end of such nine-month period and before the substantial completion of such restoration. If Tenant so elects to terminate this Lease, then this Lease and the term hereof shall cease and come to an end on the date that is thirty (30) days after the date that Landlord receives Tenant's termination notice, unless on or before such date Landlord has substantially completed such restoration.

### **12.04. ABATEMENT OF RENT.**

If during the Lease Term the Building shall be damaged by fire or casualty and if such damage shall materially interfere with Tenant's use of the Premises as contemplated by this Lease, a just proportion of the Base Rent payable by Tenant hereunder shall abate proportionately for the period in which, by reason of such damage, there is such interference with Tenant's use of the Premises, having regard to the extent to which Tenant may be required to discontinue Tenant's use of the Premises, but such abatement or reduction shall end if and when Landlord shall have substantially restored the Premises or so much thereof as shall have been originally constructed by Landlord (exclusive of any of Tenant's fixtures, furnishings, equipment and the like or work performed therein



by Tenant) to substantially the condition in which the Premises were prior to such damage.

#### 12.05 MISCELLANEOUS

In no event shall Landlord have any obligation to make any repairs or perform any restoration work under this Article XII if prevented from doing so by reason of any cause beyond its reasonable control, including, without limitation, the requirements of any applicable laws, codes, ordinances, rules, or regulations, the refusal of the holder of a mortgage or ground lease affecting the premises to make available to Landlord the net insurance proceeds attributable to such restoration, insurer's denial of coverage, or the inadequacy of such proceeds to fund the full cost of such repairs or restoration, but reasonably promptly after Landlord ascertains the existence of any such cause, it shall either terminate this Lease or waive such condition to its restoration obligations and proceed to restore the Premises as otherwise provided herein. Further, Landlord shall not be obligated in any event to make any repairs or perform any restoration work to any alterations, additions, or improvements to the Premises performed by or for the benefit of Tenant (all of which Tenant shall repair and restore) or to any fixtures in or portions of the Premises or the Building which were constructed or installed by or for some party other than Landlord or which are not the property of Landlord.

#### **Article XIII. EMINENT DOMAIN**

##### 13.01 RIGHTS OF TERMINATION FOR TAKING.

If the Premises, or such portion thereof as to render the balance (if reconstructed to the maximum extent practicable in the circumstances) physically unsuitable for Tenant's purposes, shall be taken (including a temporary taking in excess of 180 days) by condemnation or right of eminent domain or sold in lieu of condemnation, Tenant may elect to terminate this Lease by giving notice to the other of such election not later than thirty (30) days after Tenant has been deprived of possession.

Further, if so much of the Building (which may include the Premises) or the Land shall be so taken, condemned or sold or shall receive any direct or consequential damage by reason of anything done pursuant to public or quasi-public authority such that continued operation of the same would, in Landlord's opinion, be uneconomical, Landlord may elect to terminate this Lease by giving notice to Tenant of such election not later than thirty (30) days after the effective date of such taking.

Should any part of the Premises be so taken or condemned or receive such damage and should this Lease be not terminated in accordance with the foregoing provisions, Landlord shall promptly after the determination of Landlord's award on account thereof, expend so much as may be necessary of the net amount which may be awarded to Landlord in such condemnation proceedings in restoring the Premises to an architectural unit that is reasonably suitable to the uses of Tenant permitted hereunder. Should the net amount so awarded to Landlord be insufficient to cover the cost of so restoring the

Premises, in the reasonable estimate of Landlord, Landlord may, but shall have no obligation to, supply the amount of such insufficiency and restore the Premises to such an architectural unit, with all reasonable diligence, or Landlord may terminate this Lease by giving notice to Tenant within a reasonable time after Landlord has determined the estimated cost of such restoration.

#### 13.02 PAYMENT OF AWARD

The Landlord shall have and hereby reserves and excepts, and Tenant hereby grants and assigns to Landlord, all rights to recover for damages to the Building and the Land and the leasehold interest hereby created, and to compensation accrued or hereafter to accrue by reason of such taking or damage, as aforesaid. The Tenant covenants to deliver such further assignments and assurances thereof as Landlord may from time to time request. Nothing contained herein shall be construed to prevent Tenant from prosecuting in any condemnation proceedings a claim for the value of any of Tenant's trade fixtures installed in the Premises by Tenant at Tenant's expense and for relocation expenses, provided that such action shall not affect the amount of compensation otherwise recoverable hereunder by Landlord from the taking authority.

#### 13.02 ABATEMENT OF RENT.

In the event of any such taking of the Premises, the Base Rent or a fair and just proportion thereof, according to the nature and extent of the damage sustained, shall be suspended or abated, as appropriate and equitable in the circumstances.

#### 13.03 MISCELLANEOUS.

In no event shall Landlord have any obligation to make any repairs under this Article XIII if prevented from doing so by reason of any cause beyond its reasonable control, including, without limitation, requirements of any applicable laws, codes, ordinances, rules, or regulations or requirements of any mortgagee. Further, Landlord shall not be obligated to make any repairs to any portions of the Premises or the Building which were constructed or installed by or for some party other than Landlord or which are not the property of Landlord, and Tenant shall be obligated to perform any repairs on and restorations to any alterations, additions, or improvements to the Premises performed by or for the benefit of Tenant.

### **Article XIV. DEFAULT**

#### 14.01 TENANT'S DEFAULT.

- (a) If at any time any one or more of the following events (herein referred to as a "Default of Tenant") shall occur:

(i) Tenant shall fail to make payment of rent or any other monetary amount due under this lease within fifteen (15) days after Landlord has sent via certified or electronic mail to Tenant written notice of such default, provided however, Tenant shall be entitled to such notice and cure right only two times in any 12 month period; or

(ii) Tenant shall fail to perform or observe any other covenant or provision herein contained on Tenant's part to be performed or observed and Tenant shall fail to remedy the same within thirty (30) days after written notice to Tenant specifying such neglect or failure, or, if such failure is of such a nature that Tenant cannot reasonably remedy the same within such thirty (30) day period, Tenant shall fail to commence promptly to remedy the same and to prosecute such remedy to completion with diligence and continuity and no less than ninety (90) days after such notice.

(iii) except as otherwise provided by applicable law, if the estate hereby created shall be taken on execution or by other process of law, or if Tenant shall be judicially declared bankrupt or insolvent according to law, or if any assignment shall be made of the property of Tenant for the benefit of creditors, or if a receiver, guardian, conservator, trustee in involuntary bankruptcy or other similar officer shall be appointed to take charge of all or any substantial part of Tenant's property by a court of competent jurisdiction, or if a petition shall be filed for the reorganization of Tenant under any provisions of law now or hereafter enacted, and such proceeding is not dismissed within sixty (60) days after it is begun, or if Tenant shall file a petition for such reorganization, or for arrangements under any provisions of such laws providing a plan for a debtor to settle, satisfy or extend the time for the payment of debts; or

(iv) Tenant shall vacate or abandon the Premises,

then, in any such case, Landlord may, as permitted by law, in addition to any remedies otherwise available to Landlord, immediately or at any time thereafter, and without 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 Landlord's former estate, and expel Tenant and those claiming by, through or under it and remove its or their effects without being deemed guilty of any manner of trespass, and without prejudice to any remedies that might otherwise be used for arrears of rent or preceding breach of covenant and/or Landlord may terminate this Lease by notice to Tenant and this Lease shall come to an end on the date of such notice as fully and completely as if such date were on the date herein originally fixed for the expiration of the term of this Lease (Tenant hereby waiving any rights of redemption, if any, under G.L. c. 186, § 11 to extent that such rights may be lawfully waived), and Tenant will then quit and surrender the Premises to Landlord, but Tenant shall remain liable as herein provided. To the extent permitted by law, Tenant hereby expressly waives any and all rights of

redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed, or in the event of Landlord obtaining possession of the Premises, by reason of the violation by Tenant of any of the covenants and conditions of this Lease. In the event of any such termination, entry or re-entry, Landlord shall have the right to remove and store Tenant's property and that of persons claiming by, through or under Tenant at the sole risk and expense of Tenant and, if Landlord so elects, (x) to sell such property at public auction or private sale and apply the net proceeds to the payment of all sums due to Landlord from Tenant and pay the balance, if any, to Tenant, or (y) to dispose of such property in any manner in which Landlord shall elect, Tenant hereby agreeing to the fullest extent permitted by law that it shall have no right, title or interest in any property remaining in the Premises after such termination, entry or reentry.

(b) Tenant covenants and agrees, notwithstanding any termination of this Lease as aforesaid or any entry or reentry by Landlord, whether by summary proceedings, termination or otherwise, to pay and be liable for on the days originally fixed herein for the payment thereof, amounts equal to the several installments of Rent and other charges reserved as they would become due under the terms of this Lease if this Lease had not been terminated or if Landlord had not entered or re-entered, as aforesaid, and whether the Premises be relet or remain vacant, in whole or in part, or for a period less than the remainder of the Term, or for the whole thereof; but in the event the Premises be relet by Landlord, Tenant shall be entitled to a credit in the net amount of rent received by Landlord in reletting, after deduction of all expenses incurred in reletting the Premises (including, without limitation, remodeling costs, brokerage fees, attorney fees and the like), and in collecting the rent in connection therewith. As an alternative, at the election of Landlord, Tenant will upon such termination pay to Landlord, as damages, such a sum as at the time of such termination represents the amount of the excess, if any, of the then value of the total Rent and other benefits that would have accrued to Landlord under this Lease for the remainder of the Lease Term if the lease terms had been fully complied with by Tenant over and above the then cash rental value (in advance) of the Premises for what would be the then unexpired Lease Term if the same remained in effect. For purposes of this Article, if Landlord elects to require Tenant to pay damages in accordance with immediately preceding sentence, the total amount due shall be computed by assuming that Tenant's obligations for Taxes and Operating Costs would be, for the balance of such unexpired term, the amount thereof respectively for the tax and lease years in which such termination, entry or reentry shall occur.

(c) In case of any Default of Tenant, reentry, entry, expiration and dispossession by summary proceedings or otherwise, Landlord may (i) relet the Premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms that may at Landlord's option be equal to or less than or exceed the period that would otherwise have constituted the balance of the Lease Term and (ii) make such alterations, repairs and decorations in the Premises as Landlord, considers advisable or necessary for the purpose of reletting the Premises; and no action by Landlord in accordance with the foregoing shall

operate or be construed to release Tenant from liability hereunder as aforesaid. It is specifically understood and agreed that Landlord shall be entitled to take into account in connection with any reletting of the Premises all relevant factors that would be taken into account by a sophisticated developer in securing a replacement tenant for the Premises, such as, but not limited to, the first class quality of the Building and the financial responsibility of any such replacement tenant. Landlord shall in no event be liable in any way whatsoever for failure to relet the Premises, or, in the event that the Premises are relet, for failure to collect the rent under such reletting, and Tenant hereby waives, to the extent permitted by applicable law, any obligation Landlord may have to mitigate Tenant's damages. The Landlord agrees to list the Premises with a broker in the event of a termination, entry or reentry under this ARTICLE XIV, provided that Landlord's obligation to list the Premises as provided herein is independent of Tenant's obligations under this ARTICLE XIV and shall not be construed to entitle Tenant to setoff against any amounts payable by Tenant hereunder in the event of a breach or alleged breach by Landlord of such obligation. In no event shall Landlord be obligated to give priority to the reletting of the Premises over any other Premises in the Building or any other building owned by Landlord.

(d) If there is at any time a guarantor or assignee of this Lease or any interest of Tenant herein or any sublessee, franchisee, concessionee or licensee of all or any portion of the Premises, the happening of any of the events described in paragraph (a)(iii) of this Section with respect to such guarantor, assignee, sublessee, franchisee, concessionee or licensee shall constitute a Default of Tenant hereunder.

(e) The specified remedies to which Landlord may resort hereunder are not intended to be exclusive of any remedies or means of redress to which Landlord may, at any time, be entitled lawfully and Landlord may invoke any remedy (including the remedy of specific performance) allowed at law or in equity as if specific remedies were not herein provided for.

(f) All costs and expenses incurred by or on behalf of Landlord (including, without limitation, attorney fees and expenses) in enforcing its rights hereunder or occasioned by any Default of Tenant shall be paid by Tenant.

(g) Upon any Default of Tenant, or the expiration or termination of this Lease, Landlord shall have the right of summary process under G.L. c. 239, or other applicable statutes, and such other rights to recover possession as permitted by law. Tenant and Landlord each hereby waives any and all rights under the laws of any state to the right, if any, to trial by jury.

#### 14.02 LANDLORD'S DEFAULT.

Landlord shall in no event be in default in the performance of any of Landlord's obligations hereunder unless and until Landlord shall have failed to perform such

obligations within thirty (30) days, or such additional time as is reasonably required to correct any such default, after notice by Tenant to Landlord specifying wherein Landlord has failed to perform any such obligation.

## **Article XV. THE LANDLORD'S ACCESS TO PREMISES**

### **15.01 THE LANDLORD'S RIGHT OF ACCESS.**

To the extent permitted by law, and separate from and in addition to the access reserved for Landlord in Section 2.01 above Landlord and its agents, contractors and employees shall have the right to enter the Premises at all reasonable business hours upon reasonable advance notice, except in exigent circumstances, or any time in case of emergency, for the purpose of inspecting or of making repairs or alterations, to the Premises or the Building or additions to the Building, and, to the extent permitted by law, Landlord shall also have the right to make access available at all reasonable business hours, upon reasonable advance notice, to prospective or existing mortgagees or purchasers of any part of the Building. If repairs are required to be made by Tenant pursuant to this Agreement or if Tenant is required to perform any obligation hereunder, Landlord may demand that such repairs or obligation is performed promptly after Landlord's notice (or within any time frame explicitly provided for hereunder), and if Tenant fails to perform such repairs or other action required hereunder by such time, Landlord may (but shall not be required) to perform such repairs or other obligations. If Landlord performs such repairs or other obligations as provided above, Tenant shall reimburse Landlord, upon demand, for all reasonable costs incurred by Landlord in connection therewith. For a period commencing twelve (12) months prior to the expiration of the Lease Term, Landlord may, as permitted by law, have reasonable access to the Premises at all reasonable business hours, with reasonable advance notice, for the purpose of exhibiting the same to prospective tenants as permitted by applicable state or local law.

## **Article XVI. RIGHTS OF MORTGAGEES**

### **16.01 SUBORDINATION AND ATTORNMENT.**

(a) If any holder of a mortgage or holder of a ground lease of property which includes the Premises, executed and recorded subsequent to the date of this Lease, shall so elect, the interest of Tenant hereunder shall be subordinate to the rights of such holder, provided that such holder shall agree to recognize in writing the rights of Tenant under this Lease upon the terms and conditions set forth herein, and the performance by Tenant of Tenant's obligations hereunder (but without any assumption by such holder of Landlord's obligations under this Lease); or

(b) If any holder of a mortgage or holder of a ground lease of property which includes the Premises executed and recorded prior to the date of this Lease shall so elect, this Lease, and the rights of Tenant hereunder, shall be superior in right to the rights of such holder, with the same force and effect as if this Lease had been executed and delivered, and recorded, or a statutory notice hereof recorded,

prior to the execution, delivery and recording of any such mortgage.

(c) The election of any such holder as to Subsection (a) above shall be exercised by notice to Tenant, in the same fashion as notices under this Lease are given by Landlord to Tenant, and, if such notice is given, such subordination shall be effective as to all advances then or thereafter made by such holder under such mortgage or in connection with such ground lease, provided that an agreement reasonably acceptable to Tenant is executed by such holder, agreeing to recognize the rights of Tenant under this Lease, as set forth above. Any election as to Subsection (b) above shall become effective upon either notice from such holder to Tenant in the same fashion as notices from Landlord to Tenant are to be given hereunder or by the recording in the appropriate registry or recorder's office of an instrument, in which such holder subordinates its rights under such mortgage or ground lease to this Lease.

(d) Forthwith upon the request of Landlord, the holder of any mortgage or deed of trust affecting the Premises, or the lessor under any ground lease affecting the Premises, Tenant shall execute and deliver to such party an attornment agreement providing that Tenant shall attorn to such holder or lessor in the event of a foreclosure of such mortgage or deed of trust or transfer in lieu thereof or a termination of such ground lease and incorporating such other terms and conditions as such party may reasonably require, provided that such agreement includes an agreement by such other party to recognize the rights of Tenant under this Lease. Irrespective of whether any such attornment agreement has been executed, Tenant shall, in the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, any mortgage or deed of trust made by Landlord, its successors or assigns, encumbering the Premises, or any part thereof, or in the event of termination of any ground lease, if so requested, attorn to the purchaser or ground lessor upon such foreclosure, sale or termination or upon any grant of a deed in lieu of foreclosure and recognize such purchaser or ground lessor as Landlord under this Lease.

(e) Tenant agrees on request of Landlord to execute and deliver from time to time any instrument that Landlord may reasonably deem necessary to implement the provisions of this Section.

#### 16.02 NOTICE TO MORTGAGEE AND GROUND LESSOR; OPPORTUNITY TO CURE

After receiving notice from any person, firm or other entity (or from Landlord on behalf of any such person, etc.) that it holds a mortgage that includes the Premises as part of the mortgaged premises, or that it is the ground lessor under a lease with Landlord as ground lessee, which includes the Premises as a part of the demised premises, no notice from Tenant to Landlord shall be effective unless and until a copy of the same is given to such holder or ground lessor, and the curing of any of Landlord's defaults by such holder or

ground lessor shall be treated as performance by Landlord. Accordingly, no act or failure to act on the part of Landlord that would entitle Tenant under the terms of this Lease, or by law, to be relieved of Tenant's obligations hereunder shall have such an effect unless and until:

(a) Tenant shall have first given written notice to such holder or ground lessor, if any, specifying the act or failure to act on the part of Landlord that could or would give basis to Tenant's rights; and

(b) Such holder or ground lessor, after receipt of such notice, has failed or refused to correct or cure the condition complained of within thirty (30) days after receipt of such notice by Tenant, but nothing contained in this Section 16.02 or elsewhere in this Lease shall be deemed to impose any obligation on any such holder or ground lessor to correct or cure any such condition.

### 16.03 ASSIGNMENT OF RENTS

With reference to any assignment by Landlord of Landlord's interest in this Lease, or the rents payable hereunder, conditional in nature or otherwise, which assignment is made to the holder of a mortgage or ground lease on property that includes the Premises, Tenant agrees:

(a) that the execution thereof by Landlord, and the acceptance thereof by the holder of such mortgage, or the ground lessor, shall never be treated as an assumption by such holder or ground lessor of any of the obligations of Landlord hereunder, unless such holder or ground lessor shall, by notice sent to Tenant, specifically otherwise elect; and

(b) that, except as aforesaid, such holder or ground lessor shall be treated as having assumed Landlord's obligations hereunder only upon foreclosure of such holder's mortgage and the taking of possession of the Premises, or in the case of a ground lessor, the assumption of Landlord's position hereunder by such ground lessor.

## Article XVII. MISCELLANEOUS PROVISIONS

### 17.01 CAPTIONS.

The captions throughout this Lease are for convenience or reference only and shall in no way be held or deemed to define, limit, explain, describe, modify, or add to the interpretation, construction, or meaning of any provision of this Lease.

### 17.02 BIND AND INURE.

Except as herein otherwise expressly provided, the obligations of this Lease shall run with the land, and this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The reference herein to successors and assigns of Tenant is not intended to constitute a consent to assignment by Tenant, but has reference only to those instances in which Landlord may later give consent to a particular assignment as required by the provisions of Article VII. Neither the assignment by





Landlord of its interest in this Lease as security to a lender holding a mortgage on the Building, nor the acceptance thereof by such lender, nor the exercise by such lender of any of its rights pursuant to said assignment shall be deemed in any way an assumption by such lender of any of the obligations of Landlord hereunder unless such lender shall specifically otherwise elect in writing or unless such lender shall have completed foreclosure proceedings under said mortgage. Whenever the Premises are owned by a trustee or trustees, the obligations of Landlord shall be binding upon Landlord's trust estate, but not upon any trustee, beneficiary or shareholder of the trust individually.

#### 17.03 NO WAIVER.

The failure of Landlord or of Tenant to seek redress for violation of, or to insist upon the strict performance of any covenant or condition of this Lease shall not be deemed to be a waiver of such violation or to prevent a subsequent act, which would originally have constituted a violation, from having all the force and effect of an original violation. The receipt by Landlord of Rent or additional rent with knowledge of the breach of any covenant of this Lease shall not be deemed to be a waiver of such breach by Landlord unless such waiver be in writing signed by Landlord. No consent or waiver, express or implied, by Landlord or Tenant to or of any breach of any agreement or duty shall be construed as a waiver or consent to or of any other breach of the same or any other agreement or duty.

#### 17.04 CUMULATIVE REMEDIES.

The specific remedies to which either party may resort under the terms of this Lease are cumulative and not intended to be exclusive of any other remedies or means of redress to which it may be lawfully entitled in case of any breach or threatened breach by of either party of any provisions of this Lease. In addition to the other remedies provided in this Lease, either party shall be entitled to the restraint by injunction of the violation or attempted or threatened violation of any of the covenants, conditions or provisions of this Lease or to a decree compelling specific performance of any such covenants, conditions or provisions. Except as otherwise set forth herein, any obligations of either party as set forth herein (including, without limitation, rental and other monetary obligations, repair obligations and obligations to indemnify) shall survive the expiration or earlier termination of this Lease, and either party shall immediately reimburse the other for any expense incurred in curing either party's failure to satisfy any such obligation (notwithstanding the fact that such cure might be effected following the expiration or earlier termination of this Lease).

#### 17.05 PARTIAL INVALIDITY.

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

#### 17.06 LANDLORD'S RIGHT TO CURE.

If Tenant shall at any time default in the performance of any obligation under this Lease, Landlord shall have the right, but not the obligation, to enter upon the Premises and/or to perform such obligation, with reasonable advance notice, notwithstanding the fact that no specific provision for such substituted performance by Landlord is made in this Lease with respect to such default. In performing any such obligations, Landlord may make any payment of money or perform any other act. All sums so paid by Landlord (together with interest at the Lease Interest Rate) and all necessary incidental costs and expenses in connection with the performance of any such act by Landlord, shall be deemed to be additional rent under this Lease and shall be payable to Landlord immediately on demand. Landlord may exercise the foregoing rights without waiving any other of its rights or releasing Tenant from any of its obligations under this Lease.

#### 17.07 ESTOPPEL CERTIFICATES.

Tenant agrees on the Term Commencement Date and from time to time thereafter, upon not less than fifteen (15) days' prior written request by Landlord, to execute, acknowledge and deliver to Landlord a statement in writing, certifying that this Lease is unmodified and in full force and effect, that Tenant has no defenses, offsets or counterclaims against its obligations to pay rent and other charges required under this Lease and to perform its other covenants under this Lease and that there are no uncured defaults of Landlord or Tenant under this Lease (or, if there have been any modifications, that this Lease is in full force and effect, as modified, and stating the modifications, and, if there are any defenses, offsets, counterclaims or defaults, setting them forth in reasonable detail), and the dates to which the Rent and other charges have been paid. Any such statement delivered pursuant to this Section 17.07 may be relied upon by any prospective purchaser or mortgagee of the property which includes the Premises or any prospective assignee of any such mortgagee.

#### 17.08 BROKERAGE.

Each party hereto warrants and represents that it has dealt with no real estate broker or agent other than Robert Branchflower of National Commercial Brokers (the "Broker") in connection with this transaction and agrees to defend, indemnify and save the other party harmless from and against any and all claims for commissions or fees arising out of this Lease which, as to the respective parties, are inconsistent with such party's warranties and representations. Tenant shall be responsible for any commissions or fees owed to the Broker in connection with this transaction in accordance with a separate agreement between Broker and Tenant.

#### 17.09 ENTIRE AGREEMENT.

All negotiations, considerations, representations, and understandings between Landlord and Tenant are incorporated herein and this Lease expressly supersedes any proposals or other written documents relating hereto. This Lease may be modified or altered only by written agreement between Landlord and Tenant, and no act or omission of any employee or agent of Landlord shall alter, change, or modify any of the provisions hereof.

#### 17.10 HOLDOVER.

If Tenant remains in the Premises after the termination of this Lease, by its own terms or for any other reason, such holding over shall not be deemed to create any tenancy, but Tenant shall be a tenant at sufferance only, at a daily rate equal to one hundred fifty percent (150%) of the Rent applicable immediately prior to such termination plus the then applicable additional rent and other charges under this Lease. Tenant shall also pay to Landlord all damages, direct or indirect, sustained by Landlord by reason of any such holding over. Otherwise, such holding over shall be on the terms and conditions set forth in this Lease as far as applicable.

#### 17.11 COUNTERPARTS.

This Lease is executed in any number of counterparts, each copy of which is identical, and any one of which shall be deemed to be complete in itself and may be introduced in evidence or used for any purpose without the production of the other copies.

#### 17.12 CONSTRUCTION AND GRAMMATICAL USAGE.

This Lease shall be governed, construed and interpreted in accordance with the laws of The Commonwealth of Massachusetts, and Tenant agrees to submit to the personal jurisdiction of any court (federal or state) in said Commonwealth for any dispute, claim or proceeding arising out of or relating to this Lease. In construing this Lease, feminine or neuter pronouns shall be substituted for those masculine in form and vice versa, and plural terms shall be substituted for singular and singular for plural in any place in which the context so admits or requires. If there be more than one party tenant, the covenants of Tenant shall be the joint and several obligations of each such party and, if Tenant is a partnership, the covenants of Tenant shall be the joint and several obligations of each of the partners and the obligations of the firm.

#### 17.13 WHEN LEASE BECOMES BINDING.

Employees or agents of Landlord have no authority to make or agree to make a lease or any other agreement or undertaking in connection herewith. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises, and this document shall become effective and binding only upon the execution and delivery hereof by both Landlord and Tenant.

#### 17.14 INTENTIONALLY DELETED

#### 17.15 NO SURRENDER.

The delivery of keys to any employee of Landlord or to Landlord's agents or employees shall not operate as a termination of this Lease or a surrender of the Premises.

#### 17.16 COVENANT OF QUIET ENJOYMENT.

Subject to the terms and provisions of this Lease and on payment of the Rent, additional rent, and other sums due hereunder and compliance with all of the terms and provisions of this Lease, Tenant shall lawfully, peaceably and quietly have, hold, occupy, and enjoy the Premises during the term hereof, without hindrance or ejection by Landlord or by any

persons claiming under Landlord.

17.17 CONTINGENCY PROVISION/TERMINATION RIGHT/ALTERNATE TENANT ARRANGEMENTS.

(a) Tenant's obligations hereunder shall be contingent upon Tenant's ability to obtain a RMD Permit from the Commonwealth of Massachusetts (and to satisfy all related obligations under the Regulations), which permit shall permit the use of the Premises as a marijuana growing facility, and to obtain all other Approvals. Tenant shall be permitted to cancel this Lease, be returned its security deposit, less \$12,000 (subject to Section 3.05 above), which shall be retained by Landlord, and owe no further obligations hereunder, effective upon providing written notice to Landlord, if (i) Tenant is unable to obtain the RMD Permit (and satisfy all related obligations under the Regulations) and all other Approvals by June 1, 2014. The above contingency only applies if Tenant fails to obtain any RMD Permit (and satisfy all related obligations under the Regulations), even if Tenant elects to apply for more than one RMD Permit. Tenant shall not be deemed to have obtained all Approvals if any permit or other approval is appealed by a third party. Tenant agrees to use best efforts to obtain the Approvals, and Landlord agrees to use best efforts to assist Tenant in obtaining all local approvals, including but not limited to signing applications, working with local officials and attending local meetings to support and advocate on behalf of Tenant. Notwithstanding the above, if any Approval is appealed by a third party after June 1, 2014, but within the applicable appeal period, Tenant shall also have the right to terminate this Lease, subject to the above terms.

(b) Tenant shall be permitted to terminate this Lease if there is a change in federal law enforcement priorities that makes the operation of Tenant's business at the location impractical or if Tenant's RMD Permit is revoked or otherwise made invalid not due to the fault of Tenant. In addition, Landlord shall have the right to terminate this Lease in the event it has a reasonable basis (e.g. the issuance by federal authorities of a letter ordering Tenant to cease operations or be prosecuted) to believe that there has been a change in federal enforcement priorities or state law that makes the operation by Tenant no longer possible or subject to prosecution, provided however, if Landlord exercises such right, Tenant may prevent termination of this Lease by placing in escrow \$50,000 to serve as a security deposit to be applied only to reasonable costs incurred by Landlord to protect its interests from any then pending or threatened litigation by the federal or state authorities. If Tenant or Landlord terminates this Lease by exercising its rights under this Section 17.17(b), a termination fee shall be due and payable, as liquidated damages, equal to the amount of funds in the Security Deposit. Accordingly, upon such event, Landlord may apply the funds in the Security Deposit as full payment of such termination fee and Tenant shall have no further obligations hereunder other than obligations that are to survive expiration or termination of the Lease (excluding future Rent).

(c) Landlord acknowledges that it may be signing letters of intent or options to lease with other parties who are also applying for RMD Permits. Landlord agrees that such letters of intent and/or options shall be contain provisions that make such letters of intent and/or options subordinate to the rights of Tenant hereunder and ineffective if Tenant is issued the RMD Permit and Approvals.

#### 17.18 NOTICES

Whenever, by the terms of this Lease, notice shall or may be given either to Landlord or to Tenant, such notice shall be in writing and shall be delivered by hand or sent by registered or certified mail, postage prepaid or by so-called "express" mail (such as Federal Express or U.S. Postal Service Express Mail):

(i) If intended for Landlord, to: David Perkins, Trustee of the Perkins Realty Trust, 11 LedgeWood Road, Manchester, Massachusetts 01944, with a copy to Philip G. Lake, Esquire, Lake Legal LLC, 17 Hammatt Street, PO Box 665, Ipswich, MA 01938, or to such other addresses or addresses as may from time to time hereafter be designated by Landlord by like notice.

(ii) If intended for Tenant, to: Garden Remedies, Inc., P.O. Box 67066, Chestnut Hill, MA 02467 with a copy to Bruce H. Bagdasarian, Esquire, Sheehan Phinney Bass + Green, PC, 255 State Street, Boston, Massachusetts 02109, or to such other address or addresses as may from time to time hereafter be designated by Tenant by like notice.

(iii) All such notices shall be effective upon delivery, attempted delivery, or refusal, whichever occurs first, at the address or addresses of the intended recipient, as set forth above.

17.19 SELF-HELP In the event Landlord fails to perform its maintenance and repair obligations hereunder within 30 days after notice from Tenant of such failure, Tenant, after notifying Landlord, shall be permitted to make such repair, whereupon Tenant shall have the option of deducting the reasonable cost of such repair from Base Rent or requiring Landlord to reimburse Tenant upon demand for all reasonable expenses related thereto. Notwithstanding the foregoing, in the event there exists a condition which presents a risk to material property damage, a release of Hazardous Materials or bodily injury, Tenant may make such repair, and shall at the same time attempt to contact Landlord regarding same, whereupon Tenant shall have the option of deducting the reasonable cost of such repair from Base Rent or requiring Landlord to reimburse Tenant upon demand for all expenses related thereto.

17.20 NOTICE OF LEASE Tenant shall not record this Lease without the prior written consent of Landlord; otherwise, it shall constitute an Event of Default hereunder. Either party, upon the request of the other party, after Base Rent payments hereunder have commenced shall execute and acknowledge a short form memorandum of this Lease for recording purposes.

#### 17.21 REPRESENTATIONS AND WARRANTIES

(a) Each Party represents and warrants that the execution and delivery by such Party of, and the performance of its obligations under, this Lease have been duly authorized by all necessary action, do not and will not require any further consent or approval of any other

Person, and do not contravene any provision of, or constitute a default under any indenture, mortgage or other material agreement binding on such Party or any valid order of any court, or regulatory agency or other body having authority to which such Party is subject. This Lease constitutes a legal and valid obligation of such Party, enforceable against it in accordance with its terms, except as may be limited by bankruptcy, reorganization, insolvency, bank moratorium or laws relating to or affecting creditors' rights generally and general principles of equity where such enforceability is considered in a proceeding in equity or at law.

(b) Landlord represents and warrants that (a) Landlord presently owns 100% of the fee simple title to the Property (b) Landlord is not currently a party in any litigation which could impair Landlord's ability to observe the terms and conditions of this Lease or perform its obligations hereunder, and (c) Landlord has no knowledge that the Premises are in violation of any applicable federal, state or local environmental laws.

(c) Tenant represents and warrants that Tenant shall not directly or indirectly cause, create, incur, assume or suffer to exist any mortgage, pledge, lien (including mechanics', labor or materialman's lien), charge, security interest, encumbrance or claim on or with respect to the Land or Building and agrees to discharge or bond, at its sole expense, any such encumbrance or interest that attaches to the Land or Building, to the extent that such encumbrance or interest arises from or is related to Lessee's performance or non-performance of its obligations hereunder.

#### 17.22 NO ACCORD AND SATISFACTION

No acceptance by Landlord of a lesser sum than the minimum and additional rent then due shall be deemed to be other than on account of the earliest installment of such rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed to be an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or pursue any other remedy in this Lease or at law or in equity provided.

#### 17.23 LANDLORD'S ENFORCEMENT EXPENSES

Unless prohibited by applicable law, the Tenant agrees to pay to the Landlord the amount of all fees and expenses (including, without limitation, attorneys' fees and costs) incurred by the Landlord arising out of or resulting from any breach by the Tenant of its obligations hereunder, irrespective of whether Landlord resorts to litigation as a result thereof.

#### 17.24 NO PERSONAL LIABILITY OF THE LANDLORD OR TENANT

The Tenant agrees to look solely to Landlord's then equity interest in the Premises at the time owned, or in which Landlord holds an interest as ground lessee, for recovery of any judgment from Landlord; it being specifically agreed that neither Landlord (whether

Landlord be an individual, partnership, firm, corporation, trustee, or other fiduciary) nor any partner, policyholder, officer, manager, member, shareholder or director of Landlord, nor any trust of which any person holding Landlord's interest is trustee nor any successor in interest to any of the foregoing shall ever be personally liable for any such judgment, or for the payment of any monetary obligation to Tenant. The covenants of Landlord contained in this Lease shall be binding upon Landlord and Landlord's successors only with respect to breaches occurring during Landlord's and Landlord's successors' respective periods of ownership of Landlord's interest hereunder.

Neither Landlord nor Tenant shall in any case be responsible for consequential damages.

17.25 GOVERNING LAW The terms of this Lease shall be governed by the laws of the Commonwealth of Massachusetts.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this instrument under seal as of the date set forth in Section 1.02, above.

LANDLORD: David Perkins

BY: 

Its:

TENANT: Garden Remedies, Inc.

BY: Karen Murky m.s.

Its: CEO



ORIGINAL



EXHIBIT A  
(Property Description of the Land)

 ORIGINAL

EXHIBIT "A" (legal description)

The land in Essex, Essex County, Massachusetts, hereinafter described:

Located off the Northerly side of Western Avenue, on the Southwesterly side of a Private Way, forty-four (44) feet wide; bounded and described as follows:

Beginning at the Southeasterly corner of said land at a point on the Westerly side of a Private Way, 44 feet wide and at other land of the Grantor, said point being 733.19 feet Northerly of Western Avenue;

Thence North  $56^{\circ} 17' 49''$  West by said other land of the Grantor, 518.29 feet to a corner of walls at the juncture of land now or formerly of Leonard A. Woodman and now or formerly of William A. Gillis, and land now or formerly of Benedict R.N. Winslow and Earline B.E. Winslow;

Thence North  $11^{\circ} 01' 36''$  East by a wall and land of said Winslow being the approximate line between the Town of Essex and the Town of Hamilton, 197.97 feet to a corner;

Thence due East by remaining land of the Grantor, 307.72 feet to a corner on the Southeasterly sideline of the aforementioned Private Way, 44 feet wide;

Thence South  $12^{\circ} 59' 15''$  East by the line of said Private Way, 417.53 feet to a bend in the Private Way;

Thence South  $01^{\circ} 43' 52''$  West still by the line of said Private Way, 75.00 feet to the point of beginning.

Containing an area of 124,019 square feet, more or less, and shown on plan entitled "Plan of Land in Essex, Property of Natalina Davis, Scale: 1"=50' dated March 13, 1979, Hancock Survey Associates, 85 Maple Street, Danvers, Massachusetts, recorded in the Essex South District Registry of Deeds in Plan Book 153, Plan 38.

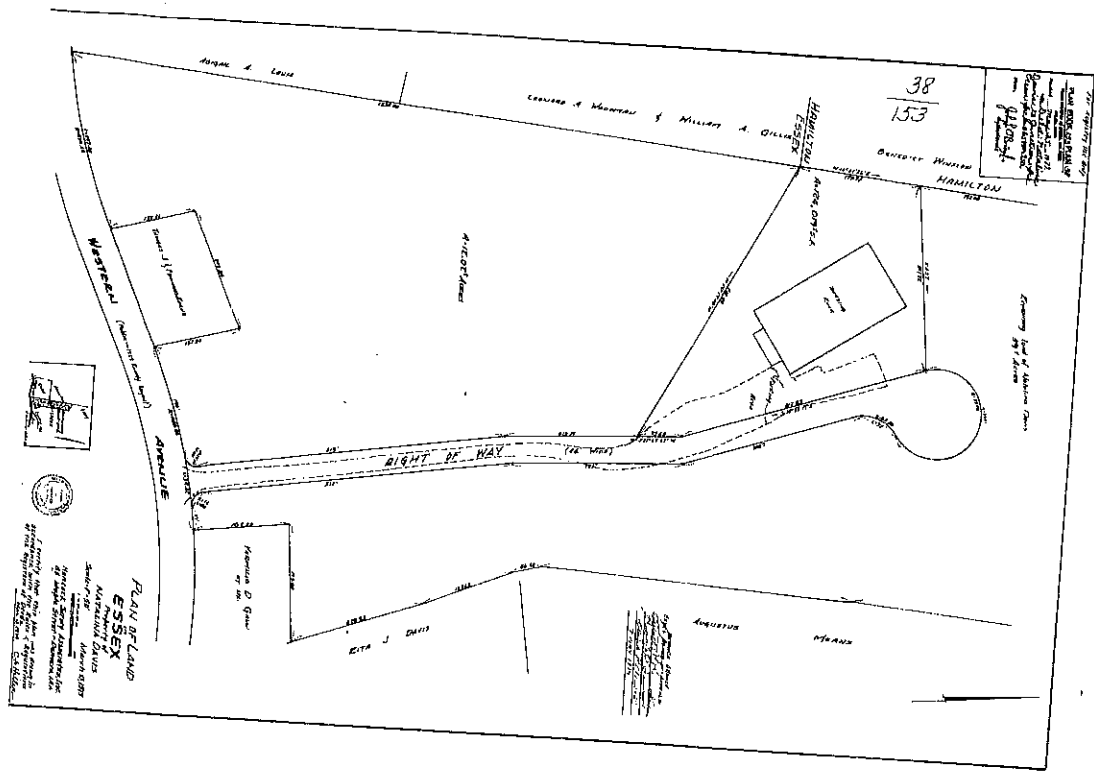
Together with the following right and easement:

A right of way in common with those legally entitled to use the same, over the land now or formerly owned by the Junction Ice Cream, Inc., located on the Northerly, Easterly and Southerly sides next to and adjoining the said parcel of land hereby conveyed and shown on the plan above-mentioned, at all times and for the purpose of passage with or without motor vehicles, to and from said parcel of land hereby conveyed over a forty-four wide strip of the aforementioned land now or formerly owned by the Junction Ice Cream, Inc., the boundaries of the said strip being shown on the plan by solid lines commencing on Western Avenue. The Grantee must bear the expense of maintaining any road or path, developed or undeveloped over said right of way. The Grantee may place one (1) sign indicating entrance to the conveyed premises within 20 feet to either side of the easement but limited to a distance of up to 25 feet North of the intersection of the easement as shown on said plan and Western Avenue. Grantee also has the right to use the easement for electrical and other utility transmissions as may be necessary to use and enjoy the described premises.

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EXHIBIT B  
(Plan Showing the Premises)

 ORIGINAL



ORIGINAL

EXHIBIT C  
(Description of Landlord's Work)

**NONE**

 ORIGINAL

EXHIBIT D  
(Draft Schematic of Tenant's Work)

 ORIGINAL

**EVIDENCE OF INTEREST IN PROCESSING SITE  
(Exhibit 5.3)**

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

Corporation Name: Garden Remedies, Inc.

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

<b>Physical Address</b>	<b>County</b>	<b>Type of Evidence Attached</b>
197 Western Avenue Essex, MA	Essex	Lease



## Lease Agreement

This Lease Agreement (“**Lease**” or “**Agreement**”) is an indenture of lease by and between David Perkins, Trustee of the Perkins Realty Trust u/d/t dated October 2, 1985 and recorded at the Essex South District Registry of Deeds at Book 7941, Page 327 (“**Landlord**”) and Garden Remedies, Inc., a Massachusetts non-profit corporation (“**Tenant**”).

### RECITALS

WHEREAS, Landlord is the owner of the real property located at 197 Western Avenue (Rt. 22) Essex, Massachusetts and desires to lease the land and building located thereon;

WHEREAS, Tenant is an applicant for one (1) or more out of the thirty-five (35) initial marijuana dispensary permits (each, a “**RMD Permit**”) in the Commonwealth of Massachusetts and desires to lease such land and building for its growing and processing operations;

WHEREAS, this Agreement sets forth the terms upon which Tenant shall lease the Premises from Landlord.

NOW, THEREFORE, and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, the parties hereby agree as follows:

### Article I. DEFINITIONS AND TERMS

1.01 INTRODUCTION. As further supplemented in the balance of this instrument and its Exhibits, the following sets forth the basic terms of this Lease, and, where appropriate, constitutes definitions of certain terms used in this Lease.

1.02 TERMS. For the purpose of this Lease, the terms below shall be defined as follows:

- (a) **Date:** November 20, 2013
- (b) **Landlord:** David Perkins, Trustee of the Perkins Realty Trust u/d/t dated October 2, 1985 and recorded at the Essex South District Registry of Deeds at Book 7941, Page 327
- (c) **Present Mailing Address of Landlord:** 11 Ledgewood Road, Manchester MA 01944
- (d) **Payment Address:** 11 Ledgewood Road, Manchester MA 01944



ORIGINAL



- (e) **Tenant:** Garden Remedies, Inc., a Massachusetts nonprofit Corporation.
- (f) **Mailing Address of Tenant:** P.O. Box 67066, Chestnut Hill, MA 02467.
- (g) **Premises:** The land (the “Land”) with the building thereon (the “Building”) located at 197 Western Avenue (Rt. 22), Essex, Massachusetts, which Building is comprised of twenty six thousand four hundred square feet of space (the Land and Building together being the Premises).
- (h) **Lease Term:** Ten years from the Full Rent Commencement Date (plus the partial calendar month immediately following the Full Rent Commencement Date if the Full Rent Commencement Date does not fall on the first day of a month) subject to extension as provided in Section 3.3 hereof.
- (i) **Term Commencement Date:** February 1, 2014 (Tenant shall be permitted reasonable access to the Premises prior to the Term Commencement Date for purposes of applying for an RMD Permit and taking measurements and inspecting the Premises in preparation for work to be completed by Tenant in the Building.
- (j) **Base Rent:** Payable in equal monthly installments:
  - (i) Two Thousand Two Hundred Dollars (\$2,200) per month from the Term Commencement Date to the Full Rent Commencement Date;
  - (ii) Thirteen Thousand Two Hundred Dollars (\$13,200) per month from the Full Rent Commencement Date through the date which is 24 months thereafter, provided however, if the Full Rent Commencement Date falls on a date other than the first date of a calendar month, then Base Rent shall continue through the end of the 24<sup>th</sup> full calendar month after the Full Rent Commencement Date (the “First Full Rental Period”)
  - (iii) Fourteen Thousand Three Hundred Dollars (\$14,300) per month from the end of the First Full Rental Period through the date which is 24 months thereafter (the “Second Full Rental Period”);
  - (iv) Eleven Thousand Dollars (\$11,000) per month from the end of the Second Full Rental Period through the date which 12 months thereafter (the “Third Full Rental Period”);
  - (v) Sixteen Thousand Five Hundred Dollars (\$16,500) per month from the end of the Third Full Rental Period through the date which 60<sup>th</sup> months thereafter (the “Fourth Full Rental Period”).
- (k) **Full Rent Commencement Date:** The earlier of (i) date upon which Tenant has obtained the final RMD Permit and all other Approvals (as defined below), (ii) the date Tenant commences operations in the Premises, and (iii) June 1, 2014.

(l) **Security Deposit:** Twenty-Two Thousand and 00/100 (\$22,000) Dollars, to be increased as follows: commencing on the Full Rent Commencement Date and continuing through the end of the Second Full Rental Period, one-half of the amount by which the monthly Base Rent paid by Tenant exceeds \$11,000 shall be added to the Security Deposit from Base Rent paid by Tenant.

(m) **Permitted Use:** The cultivation, processing, labeling and packaging of Marijuana, Marijuana-Infused Products (MIP), and other related products such as oils, tinctures, aerosols and ointments, related supplies and educational materials, consistent with and pursuant to Chapter 369 of the Acts of 2012, An Act for the Humanitarian Medical Use of Marijuana (the "Act"), and the regulations adopted to implement the Act and set forth at 105 CMR 725 (the "Regulations"), as the same may be amended from time to time, and ancillary and related uses permitted by the Regulations.

### 1.03 ENUMERATION OF EXHIBITS.

- (a) Exhibit A: Property Description of the Land
- (b) Exhibit B: Plan showing the Premises
- (c) Exhibit C: Description of Landlord's Work
- (d) Exhibit D: Description of Tenant's Work

## **Article II. DESCRIPTION OF PREMISES AND APPURTENANT RIGHTS**

2.01 LOCATION OF PREMISES. The Landlord hereby leases to Tenant, and Tenant hereby accepts from Landlord, the Premises. The Land included in the Premises is described on Exhibit A attached hereto. The Land and Building comprising the Premises is described on the plan attached hereto as Exhibit B.

Tenant shall have the right to use all of the Premises, excluding the Garage (as defined below) and storage lockers, some of which are located outside of the Building and some of which are located inside the Building, provide however, Landlord shall, prior to the Term Commencement Date, make the interior storage lockers accessible only from the outside of the Building. Landlord also reserves the right to access and use such storage lockers and construct, access and use a garage on the Premises, but outside and separate from the Building, with or without shared walls (the "Garage"), provided such garage does not interfere with Tenant's operation of the Premises or access to or egress from the Premises. Without the consent of Tenant, Landlord shall not make any other improvements to the Premises, other than those required by Landlord under Sections 3.02 and 8.02 below. The parties acknowledge that the draft schematic of Tenant's Work that is included at Exhibit "D" does not reflect the portion of the storage lockers located inside the Building. Tenant agrees to that its full plans will show those lockers as being outside the improved Premises.

**Article III. TERM OF LEASE: CONDITION OF PREMISES: TENANT'S WORK**

3.01 TERM OF LEASE. The term of this Lease shall be the period defined in Section 1.01 hereof as the Lease Term, commencing upon the Term Commencement Date.

3.02 CONDITION OF PREMISES. Subject to Section 3.5 below Landlord agrees to deliver the Premises to Tenant on the Term Commencement Date and Tenant agrees to accept same in its "as is" condition, provided however, Landlord shall be required to deliver the Building to Tenant in a condition that is structurally sound with a roof that does not leak and with working utility connections. In the event that the Premises are not delivered to Tenant by the date which is thirty (30) days after Tenant's request for such delivery (provided such request is made on or after the Full Rent Commencement Date) and not as a result of Tenant's failure to pay the invoice for removal of equipment and materials as required under Section 3.05 below, Tenant may terminate this Lease.

3.03 EXTENSION OPTION. Tenant may elect to extend the term of this Lease for two (2) five (5) year periods (each an "**Extension Term**"). Prior to the expiration of the Lease Term and the first Extension Term, Tenant may elect to exercise such extension right by giving Landlord notice of such election ("**Election Note**") not earlier than fifteen (15) months nor later than twelve (12) months before the expiration of the Lease Term or the Extension Term, whichever the case may be, provided no Event of Default is in effect on the date such notice is given or on the commencement date of the Extension Term. Such extension shall be upon the same terms, covenants, and conditions contained in this Lease except that (i) Tenant shall have no further right to extend the Lease Term after the second extension and (ii) the Base Rent for the first Extension Term shall be fixed at Seven Dollars and 50/100 Dollars (\$7.50) per square foot as adjusted for inflation from the beginning of the First Full Rental Period through the first day of the first Extension Term based on the Consumer Price Index for All Urban Consumers (CPI-U) (Based Period 1982-1984 = 100), and (iii) the Base Rent for the second Extension Term shall be fixed at Seven Dollars and 50/100 Dollars (\$7.50) per square foot as adjusted for inflation from the beginning of the First Full Rental Period through the first day of the second Extension Term based on the Consumer Price Index for All Urban Consumers (CPI-U) (Based Period 1982-1984 = 100). Notwithstanding the foregoing, Base Rent for the first Extension Term shall not be less than \$7.50 per square foot, and Base Rent for the second Extension Term shall not be less than the then Base Rent at the end of the first Extension Term.

3.04 TENANT'S WORK. After the Full Rent Commencement Date Tenant may construct such improvements to the inside of the Building and make such utility upgrades as are desired by Tenant for the Permitted Use, provided however, Tenant shall first submit the plans and specifications for such improvements to Landlord for approval, which approval shall not be unreasonably withheld or delayed (the "Tenant's Work"). Provided Tenant constructs such improvements consistent with the draft schematic plan attached hereto as Exhibit D, Tenant shall not be required to remove the Tenant's Work at the end of the Lease Term. Landlord shall approve or provide objections to such plans

within fifteen (15) business days of receipt and shall specify any objections. If Landlord fails to respond to plans within fifteen (15) business days of receipt thereof, the plans and specifications shall be deemed to be approved.

3.05 LANDLORD'S WORK; OCCUPANCY. The Parties acknowledge that the Tenant will not fully occupy the Premises and Landlord shall have equipment and materials in the Building until the Full Rent Commencement Date. Landlord agrees to remove such equipment and materials from the Premises and Tenant agrees to pay the cost of Landlord's expenses for such removal (the "Relocation Expense") provided that (a) Tenant has requested such removal, (b) Tenant pays such cost in advance; (c) such cost shall not exceed \$17,500, and (d) if Tenant incurs such expense, but does not obtain the RMD Permits and other Approvals, the Twelve Thousand Dollars to retained by Landlord from the Security Deposit pursuant to Section 17.17 shall be reduced by the Relocation Expense to the extent paid by Tenant.

#### **Article IV. RENT**

##### 4.01 RENT PAYMENTS.

(a) The Base Rent and the additional rent or other charges payable pursuant to this Lease, including Operating Expenses and Taxes (collectively the "**Rent**") shall be payable by Tenant to Landlord at the Payment Address or such other place as Landlord may from time to time designate by notice to Tenant without any demand, counterclaim, offset or deduction whatsoever except as otherwise specifically provided in this Lease.

(b) Commencing on the Rent Commencement Date, Base Rent and the monthly installments of Taxes and Operating Expenses shall be payable in advance on the first day of each and every calendar month during the term of this Lease. If the Rent Commencement Date falls on a day other than the first day of a calendar month, the first payment which Tenant shall make shall be made on the Rent Commencement Date and shall include in addition to the next month's Rent a proportionate part of such monthly Rent for the actual days elapsed of the partial month. As used in this Lease, the term "**Lease Year**" shall mean any calendar year or part thereof falling within the Lease Term or Extended Term.

(c) Base Rent and the monthly installments of Taxes and Operating Expenses for any partial month shall be paid by Tenant to Landlord at such rate on a pro rata basis. Any other charges payable by Tenant on a monthly basis, as hereinafter provided, shall likewise be prorated.

(d) Rent not paid within five (5) days of the date due shall bear interest at a rate (the "Lease Interest Rate") equal to the lesser of (i) the one (1) year London Interbank Offered Rate (LIBOR) plus five percent (5%) per annum or (ii) the maximum legally permissible rate, from the due date until paid.



#### 4.02 REAL ESTATE TAX.

(a) The term “**Taxes**” shall mean all taxes and assessments (including without limitation, assessments for public improvements or benefits and water and sewer charges), and other charges or fees in the nature of taxes for municipal services which at any time during or in respect of the Lease Term may be assessed, levied, confirmed or imposed on or in respect of, or be a lien upon, the Building and the Land, or any part thereof, or any rent therefrom or any estate, right, or interest therein, or any occupancy, use, or possession of such property or any part thereof, and ad valorem taxes for any personal property used in connection with the Building or Land. The Landlord agrees that Tenant's share of any special assessment shall be determined (whether or not Landlord avails itself of the privilege so to do) as if Landlord had elected to pay the same in installments over the longest period of time permitted by applicable law and Tenant shall be responsible only for those installments (including interest accruing and payable thereon) or parts of installment that are attributable to periods within the Lease Term. Any late fees for delinquent tax payments shall not be included in Taxes.

(b) Should the Commonwealth of Massachusetts, or any political subdivision thereof, or any other governmental authority having jurisdiction over the Premises, (1) impose a tax, assessment, charge or fee, which Landlord shall be required to pay, by way of substitution for or as a supplement to such Taxes, or (2) impose an income or franchise tax or a tax on rents in substitution for or as a supplement to a tax levied against the Building or the Land or any part thereof and/or the personal property used in connection with the Building or the Lot or any part thereof, all such taxes, assessments, fees or charges (“**Substitute Taxes**”) shall be deemed to constitute Taxes hereunder. Except as hereinabove provided with regard to Substitute Taxes, Taxes shall not include any inheritance, estate, succession, transfer, gift, franchise, net income or capital stock tax.

(c) The Tenant shall pay to Landlord, as additional rent, all Taxes assessed against the Building and Land during any tax year (i.e., July 1 through June 30, as the same may change from time to time) or part thereof during the Lease Term. The Tenant shall pay to Landlord, together with monthly payments of Base Rent, pro rata monthly installments on account of the projected Taxes for each tax year reasonably calculated by Landlord from time to time by Landlord with an adjustment made after the close of the tax year, to account for actual Taxes for such tax year. The initial monthly payments on account of Taxes shall be \$1,500 per month. Within 120 days after the end of each tax year, Landlord shall deliver to Tenant a reconciliation which provides reasonable detail as to Taxes incurred by Landlord for such tax year and the amount of underpayment or overpayment by Tenant. If the total of such monthly installments in any tax year is greater than the actual Taxes for such tax year, Tenant shall be entitled to a credit against Tenant's rental obligations hereunder in the amount of such difference or, if the Lease Term has expired and Tenant has no outstanding monetary obligations to Landlord, Landlord shall promptly pay such amount to Tenant. If the total of such

monthly installments is less than such liability for such tax year, Tenant shall pay to Landlord the amount of such difference within thirty (30) days after Tenant receives Landlord's invoice therefor. Notwithstanding the foregoing, to the extent Taxes for the Premises increase due to improvements constructed by Landlord (e.g., the Garage), Landlord shall pay such excess.

If any Taxes, with respect to which Tenant shall have paid to Landlord, shall be adjusted to take into account any abatement or refund, Tenant shall be entitled to a credit against rental obligations hereunder, in the amount of such abatement or refund less Landlord's costs or expenses, including without limitation appraiser's and attorneys' fees, of securing such abatement or refund or, if the Lease Term has expired and Tenant has no outstanding monetary obligations to Landlord, Landlord shall promptly pay such amount to Tenant. The Tenant shall not apply for any real estate tax abatement without the prior written consent of Landlord.

(e) Tenant shall pay or cause to be paid, prior to delinquency, any and all taxes and assessments levied upon all trade fixtures, inventories and other personal property placed in and upon the Premises by Tenant. If and to the extent Commonwealth of Massachusetts, or any political subdivision thereof, or any other governmental authority having jurisdiction over the Building or Land, imposes any such tax or assessment on the Landlord for any of such personal property owned by Tenant, such payments shall be considered a component of Taxes due as additional rent hereunder.

#### 4.03 TENANT'S SHARE OF OPERATING COSTS.

The Tenant shall pay to Landlord, as additional rent, all Operating Costs (defined below). The Tenant shall pay to Landlord pro rata monthly installments on account of the projected Operating Costs for each Lease Year during the Lease Term in amounts reasonably calculated from time to time by Landlord with an adjustment made after the close of the Lease Year, to account for actual Operating Costs for such Lease Year. The initial monthly payments on account of Operating Costs shall be \$600 per month. Within 120 days after the end of each Lease Year, Landlord shall deliver to Tenant a reconciliation which provides reasonable detail as to actual Operating Costs incurred by Landlord for such Lease Year and the amount of overpayment or underpayment by Tenant. If the total of such monthly installments in any Lease Year is greater than the actual Operating Costs for such Lease Year, Tenant shall be entitled to a credit against Tenant's monthly installments on account of projected Operating Costs hereunder in the amount of such difference or, if the Lease Term has expired and Tenant has no outstanding monetary obligations to Landlord, Landlord shall promptly pay such amount to Tenant. If the total of such monthly installments is less than such liability for such Lease Year, Tenant shall pay to Landlord the amount of such difference, as additional rent, within thirty (30) days after Tenant receives Landlord's invoice therefor.

(a) As used in this Lease, the term "Operating Costs" shall mean costs and expenses incurred by Landlord directly related to the insuring, repair, maintenance, replacement, and protection (collectively, "the Operation") of the Building, the utility lines running from the Building to the street and the storm water drainage systems, if any, (collectively, "the Property"), including, without limitation, the following:

(i) The cost of services, materials and supplies furnished or used in the Operation of the Property, including the cost to perform Landlord's obligations under Sections 8.2 of this Lease;

(ii) Insurance premiums; and

(iii) Amounts paid to independent contractors for services, materials and supplies furnished for the Operation of the Property.

(b) Operating Costs may be incurred directly or by way of reimbursement, and shall include taxes applicable thereto. The following shall be excluded from Operating Costs:

(i) Management fees and salaries and other costs of employees of Landlord whether or not connected with the operation of the Premises, other than reasonable management fees for Landlord's limited maintenance responsibilities required hereunder);

(ii) Depreciation of the original construction costs of the Building;

- (iii) Expenses relating to Tenants' Work (because Tenant pays these directly per Section 3.04);
- (iv) Interest on indebtedness;
- (v) Expenses for which Landlord, by the terms of this Lease or any other lease, makes a separate charge;
- (vi) Real estate taxes (because Tenant is paying these per Section 4.02);
- (vii) The cost of any electric current or other utilities furnished to any improvements constructed by Landlord after the date hereof;
- (viii) Structural Repairs including the roof or foundation and any repairs to the storm water drainage systems or utility lines from the Building to the street or area where they tie into the main utility lines, provided such repairs are not required due to Tenant's Work, repairs to Tenant's Work, Tenant's particular use of the Premises, Tenant's misuse of the Premises or Tenant's failure to comply with the terms of this Agreement;
- (ix) Capital and other expenses incurred in the construction of additional leasable area on the Property;
- (x) Expenses reimbursed by insurance;
- (xi) Reserves;
- (xiii) Environmental testing or remediation, other than testing required due to the release or possible release (if there is a reasonable basis to conclude that may have been a release) of hazardous materials on the Premises.

#### 4.04 SECURITY DEPOSIT.

Tenant agrees that the Security Deposit shall be paid upon the Term Commencement Date and that Landlord shall hold the same, throughout the term of this Lease, as security for the performance by Tenant of all obligations on the part of Tenant to be kept and performed. In no event shall said security deposit be deemed to be a prepayment of rent nor shall it be considered (except as set forth below), a measure of liquidated damages. Landlord shall have the right from time to time without prejudice to any other remedy Landlord may have on account thereof, to apply such deposit, or any part thereof, to cure a default by Tenant hereunder or Landlord's damages arising from any default on the part of Tenant. If any amount of such deposit is so applied, Tenant shall pay the amount so





applied to Landlord upon demand therefor. Landlord shall return the deposit, or so much thereof as shall not have theretofore been applied in accordance with the terms of this Section 4.04 to Tenant on the expiration or earlier termination of the Lease Term and surrender of possession of the Premises by Tenant to Landlord, provided all rent and all other amounts due hereunder have been paid by Tenant. While Landlord holds such deposit, Landlord shall have no obligation to pay interest on the same and shall have the right to commingle the same with Landlord's other funds. If Landlord conveys Landlord's interest under this Lease, the deposit or any part thereof not previously applied may be turned over by Landlord to Landlord's grantee, and if so turned over, Tenant agrees to look solely to such grantee for proper application of the deposit in accordance with the terms of this Section 4.04 and the return thereof in accordance herewith.

## **Article V. USE OF PREMISES**

5.01 PERMITTED USE. Tenant agrees that the Premises shall be used and occupied by Tenant only for the Permitted Use. The parties hereto recognize the cultivation and sale of marijuana is not currently permitted under Federal law, but that it is permitted under the laws of the Commonwealth of Massachusetts for those who are properly licensed under Massachusetts law. Tenant shall not permit anyone to smoke or otherwise ingest Marijuana or MIPs on the Premises.

5.02 COMPLIANCE WITH LAWS. Tenant agrees that its operations shall comply with Massachusetts state and local laws. Subject to Tenant's right to terminate this Lease as provided in Section 17.17, Tenant shall obtain local and state approvals, permits, licenses, variances and the like from governmental or quasi-governmental authorities, (collectively, "Approvals") which are required for Tenant's improvements to and use of the Premises, including, without limitation, any which may be required for any construction work and installations, alterations or additions made by Tenant to, in, on or about the Premises; provided, however, that Tenant shall not seek or apply for any Approvals without first having given Landlord a reasonable opportunity to review any applications for Approvals and all materials and plans to be submitted in connection therewith and obtaining Landlord's written consent in accordance with Article 3.04 of this Lease. In any event, Tenant shall be responsible for all costs, expenses, and fees in connection with obtaining all Approvals. Without limiting the general application of the foregoing, Tenant shall be responsible for compliance of the Premises, including, without limitation, any alterations it may make to the Premises with the requirements of the Americans with Disabilities Act (42 U.S.C. Section 12101 et seq.) and the regulations and Accessibility Guidelines for Buildings and Facilities issued pursuant thereto, as the same may be amended from time to time (collectively, the "ADA"). Landlord shall, at its own cost and expense make all installations, repairs, alterations, additions, or improvements to the structural components of the Premises required by any law, ordinance, by-law, code, rule, regulation or order of any governmental or quasi-governmental authority, unless such installation, repairs, alterations or improvements are required due to Tenant's breach of this Lease, the Approvals or Tenant's particular use of the Building. Tenant shall, at its own cost and expense, (i) make all installations, repairs,

alterations, additions, or improvements to the Premises required by any law, ordinance, by-law, code, rule, regulation or order of any governmental or quasi-governmental authority; (ii) keep the Premises equipped with all required safety equipment and appliances; and (iii) comply with all laws, ordinances, codes, rules, regulations and orders and the requirements of Landlord's and Tenant's insurers applicable to the Premises, Building and Land. Tenant shall not place a load upon any floor in the Premises exceeding the lesser of (a) the floor load per square foot of area which such floor was designed to carry as certified by Landlord's architect and (b) the floor load per square foot of area which is allowed by law. Landlord reserves the right to prescribe the weight and position of all business machines and mechanical equipment, including safes, which shall be placed so as to distribute the weight.

### 5.03 TENANT'S OPERATIONAL COVENANTS.

In regard to the use and occupancy of the Premises, Tenant will at its expense: (1) maintain the Premises in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests; and (2) keep any garbage, trash, rubbish or other refuse in vermin-proof containers.

### 5.04 SIGNS.

Except as expressly permitted in this Section 5.04, Tenant shall not place any signs, placards, or the like on the Building or in the Premises that will be visible from outside the Premises (including without limitation both interior and exterior surfaces of windows). Subject to Tenant obtaining necessary approvals and permits therefor, Tenant may erect one exterior sign in a location designated by Landlord containing Tenant's name and no advertising material. The total area of Tenant's exterior sign shall not exceed that proportion of the total area of exterior signage allowed on the Building under zoning that the floor area of the Premises bears to the total floor area of the Building. The costs of all interior and exterior signs and the installation thereof, including the costs of any required permits or approvals, shall be the responsibility of Tenant. The Tenant shall comply at its own expense with the requirements of laws and regulations affecting Tenant's signs. Tenant shall remove signs upon termination of this Lease and shall return the Premises and the Building to their condition prior to the placement or erection of said signs.

### 5.05 HAZARDOUS MATERIALS.

5.01 The Tenant shall not use, handle, store or dispose of any oil (excluding oils derived from the marijuana plant), hazardous or toxic substances, materials or wastes (excluding marijuana) (collectively "**Hazardous Materials**") in, under, on or about the Property except for such storage and use which is permitted by law. Any Hazardous Materials in the Premises, and all containers therefor, shall be used, kept, stored and disposed of in conformity with all applicable laws, ordinances, codes, rules,

regulations and orders of governmental authorities. If the transportation, storage, use or disposal of Hazardous Materials anywhere on the Property in connection with Tenant's use of the Premises results in (1) contamination of the soil or surface or ground water or (2) loss or damage to person(s) or property, then Tenant agrees (i) to notify Landlord immediately of any contamination, claim of contamination, loss or damage, (ii) after consultation with and approval by Landlord, to clean up all contamination in full compliance with all applicable statutes, regulations and standards, and (iii) to indemnify, defend and hold Landlord harmless from and against any claims, suits, causes of action, costs and fees, including, without limitation, attorneys' fees, arising from or connected with any such contamination, claim of contamination, loss or damage. This provision shall survive the termination of this Lease. No consent or approval of Landlord shall in any way be construed as imposing upon Landlord any liability for the means, methods, or manner of removal, containment or other compliance with applicable law for and with respect to the foregoing. The terms of this Section 5.05 shall apply to any transportation, storage, use or disposal of Hazardous Materials irrespective of whether Tenant has obtained Landlord's consent therefor but nothing in this Lease shall limit or otherwise modify the requirement of consulting with Landlord per clause (ii) above.

### 5.03 INSURANCE RISKS

Tenant shall not permit any use of the Premises which will make voidable or, unless Tenant pays the extra insurance premium attributable thereto as provided below, increase the premiums for any insurance on the Building or on the contents of said property or which shall be contrary to any law or regulation from time to time established by the New England Fire Insurance Rating Association (or any successor organization) or which shall require any alteration or addition to the Building. Tenant shall, within thirty (30) days after written demand therefor, reimburse Landlord and all other tenants for the costs of all extra insurance premiums caused by Tenant's use of the Premises. Any such amounts shall be deemed to be additional rent hereunder.

### 5.04 ELECTRICAL EQUIPMENT

The Tenant shall not, without Landlord's written consent in each instance, which consent shall not be unreasonably withheld, connect to the electrical distribution system any fixtures, appliances, or equipment which will operate individually or collectively at a wattage in excess of the capacity of the electrical system serving the Premises as the same may be reasonably determined by Landlord and Landlord may audit Tenant's use of electric power to determine Tenant's compliance herewith. If Landlord, in its reasonable discretion, permits such excess usage, Tenant will pay for the cost of such excess power as additional rent, together with the cost of installing any additional risers, meters, or other facilities that may be required to furnish or measure such excess power to the Premises.

## 5.05 TENANT'S OPERATIONAL COVENANTS.

### (a) Affirmative Covenants

In regard to the use and occupancy of the Premises, Tenant will at its expense, in addition to its obligations under Section 8.01 : (1) keep the inside and outside of all glass in the doors and windows of the Premises reasonably clean; (2) replace promptly any cracked or broken glass of the Premises with glass of like kind and quality; (3) maintain the Premises in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests; (4) keep any garbage, trash, rubbish or other refuse in vermin-proof containers within the interior of the Premises until removed (and Tenant shall cause the Premises to be inspected and exterminated, if necessary, on a regular basis by a reputable, licensed exterminator and shall provide Landlord, on request, with a copy of Tenant's contract for such services); and (5) keep all mechanical apparatus free of vibration and loud noise which may be transmitted beyond the Premises;

### (b) Negative Covenants

In regard to the use and occupancy of the Premises and common areas, Tenant will not: (1) place or maintain any trash, refuse or other articles in any vestibule or entry of the Premises, on the sidewalks or corridors adjacent thereto or elsewhere on the exterior of the Premises so as to obstruct any corridor, stairway, sidewalk or common area; (2) permit undue accumulations of or burn garbage, trash, rubbish or other refuse within or without the Premises; (3) cause or permit an objectionable odors to emanate or to be dispelled from the Premises; or (4) commit, or suffer to be committed, any waste upon the Premises or any public or private nuisance or use or permit the use of any portion of the Premises for any unlawful purpose under state or local law.

## **Article VI. INSTALLATIONS, ALTERATIONS AND ADDITIONS**

### 6.01 INSTALLATIONS, ALTERATIONS, AND ADDITIONS.

Tenant shall not make installations, alterations, or additions to the Premises unless the Landlord consents thereto in advance and in writing, which consent shall not be unreasonably withheld, delayed or conditioned. Any installations, alterations, or additions made by Tenant shall be at Tenant's sole cost and expense and shall be done in a good and workmanlike manner; and prior to Tenant's use of the Premises, after the performance of any such work, Tenant shall procure certificates of occupancy and any other required certificates. To the extent an installation, alteration or addition increases the square footage of the Premises, Rent shall increase to reflect such additional square footage based on the fair market rental rate for such space, accounting for the fact that such space was constructed and paid for by Tenant. Tenant shall not suffer or permit any

mechanics' or similar liens to be placed upon the Premises for labor or materials furnished to Tenant or claimed to have been furnished to Tenant in connection with work of any character performed or claimed to have been performed at the direction of Tenant, and shall cause any such lien to be released of record forthwith without cost to Landlord. Any and all Tenant installations, alterations, and additions, in or to the Premises, that are intended to become or do become part of the real estate shall be fully paid for and free and clear of any and all chattel mortgages, conditional bills of sale, security interests, or any liens or encumbrances of any kind or nature. Any installations, alterations or additions made by Tenant to the Premises, including, without limitation, all utility systems and fixtures installed in connection therewith, other than movable personal property, shall become the property of Landlord at the termination or expiration of this Lease. At the time Landlord consents to any improvements, Landlord shall designate which portion of the improvements need to be removed at the end of the Lease Term, but Landlord shall only require such removal for improvements that are out of the ordinary, will unlikely be useable by another tenant and will materially increase the cost of demolition if such demolition is necessary.

## **Article VII. ASSIGNMENT AND SUBLETTING**

### **7.01 PROHIBITION.**

Notwithstanding any other provision of this Lease, Tenant shall not, directly or indirectly, assign, mortgage, pledge or otherwise transfer, voluntarily or involuntarily, this Lease or any interest herein or sublet any portion of the Building without, in each instance, having first received the express written consent of Landlord (which consent shall not be unreasonably withheld or delayed), unless such assign is to a wholly owned subsidiary of Tenant. Notwithstanding the foregoing, and not in limitation thereof, it will be deemed reasonable for Landlord to withhold its consent to any proposed tenant or subtenant which does not, in Landlord's reasonable judgment, have sufficient financial net worth or cash flow from operations to satisfy its obligations under this Agreement or any applicable sublease, whichever is the case, or a good reputation. Any assignment of this Lease (other than as permitted to a subsidiary or a controlling entity as set forth below) by Tenant without Landlord's express consent shall be invalid, void and of no force or effect. Any request for consent under this Section shall set forth, in detail reasonably satisfactory to Landlord, the identification of the proposed assignee, its financial condition and the terms on which the proposed assignment is to be made, including, without limitation, the rent or any other consideration to be paid in respect thereto and such request shall be treated as Tenant's warranty in respect of the information submitted therewith.

In any case where Landlord shall consent to any assignment or sublet, Tenant originally named herein shall remain fully liable for Tenant obligations hereunder, including, without limitation, the obligation to pay the rent and other amounts provided under this Lease and such liability shall not be affected in any way by any future amendment, modification, or extension of this Lease or any further assignment, other transfer, or subleasing and Tenant hereby irrevocably consents to any and all such transactions. Tenant agrees to pay to Landlord, within fifteen (15) days of billing therefor, all

reasonable legal and other out-of-pocket expenses incurred by Landlord in connection with any request to assign or sublet. It shall be a condition of the validity of any permitted assignment or subletting that the assignee or sublessee agree directly with Landlord, in form satisfactory to Landlord, to be bound by all Tenant obligations hereunder, including, without limitation, the obligation to pay all Rent and other amounts provided for under this Lease and the covenant against further assignment or other transfer or subletting.

#### 7.02 ACCEPTANCE OF RENT FROM TRANSFEREE.

The acceptance by Landlord of the payment of Rent, additional rent, or other charges following assignment or other transfer prohibited by this Article VII shall not be deemed to be a consent by Landlord to any such assignment or other transfer, nor shall the same constitute a waiver of any right or remedy of Landlord.

### **Article VIII. REPAIRS AND MAINTENANCE**

#### 8.01 TENANT OBLIGATIONS.

From and after the date that possession of the Premises is delivered to Tenant and until the end of the Lease Term, Tenant shall keep the Premises and every part thereof in good order, condition, and repair, reasonable wear and tear and damage by casualty, as a result of condemnation, or as a result of the failure of Landlord to provide services required to be provided hereunder only excepted. Tenant shall be responsible for maintaining the parking areas, lighting, and walkways on the Premises and shall be responsible for snow removal.

#### 8.02 LANDLORD OBLIGATIONS.

Except as may be provided in Articles XII and XIII, Landlord agrees to keep in good order, condition, and repair the structural components and the roof of the Building, the utility systems that run from the Building to the street or other area where they tie into the main utility lines, and the storm water drainage systems, if any. Notwithstanding the foregoing, Landlord shall not be responsible for additional costs or improvements to such structural components, roof, or utility systems resulting from Tenant's improvements or particular use of the Building.

### **Article IX. UTILITIES**

#### 9.01 SEPARATELY METERED UTILITIES.

Tenant shall pay directly to the utility, as they become due, all bills for electricity, gas, water and sewer (unless Landlord pays such bills and/or seeks reimbursements for same under Section 4.02 above), and other utilities (whether they are used for furnishing heat or for other purposes) that are furnished to the Premises and now or hereafter separately metered or billed by the utility to the Premises. If any utilities used or consumed by Tenant are not separately metered, Tenant shall reimburse Landlord for the costs thereof (except any portion thereof that is properly allocable to Landlord's use of the Garage, if constructed), as determined by Landlord with full disclosure of such costs to Tenant. Landlord agrees that Landlord shall cause utility connections to be available at the Premises. Accordingly, if any utility line (e.g., a water or sewer line) requires repair and

such repair is not the responsibility of the applicable utility, Landlord shall be responsible for such repair and such cost shall not be an Operating Expense. Notwithstanding the above, Tenant shall be responsible for the cost of (i) any initial upgrades to utilities performed as part of Tenant's Work, (ii) any repairs required to utility improvements installed by Tenant, and (iii) repairs to such utilities required due to Tenant's Work or Tenant's fault.

## **Article X. INDEMNITY**

### **10.01 THE TENANT'S INDEMNITY.**

The Tenant shall indemnify and save harmless Landlord, the directors, officers, agents, and employees of Landlord, against and from all claims, expenses, or liabilities of whatever nature (a) arising directly or indirectly from any default or breach by Tenant or Tenant's contractors, licensees, agents, servants, or employees under any of the terms or covenants of this Lease, or the failure of Tenant or such persons to comply with any local or state or federal law, rule, order, regulation, or lawful direction now or hereafter in force of any public authority, in each case to the extent the same are related, directly or indirectly, to the Premises or the Building, or Tenant's use thereof, or (b) arising directly or indirectly from any accident, injury, or damage, however caused, to any person or property, on or about the Premises; or provided, however, that in no event shall Tenant be obligated under this clause (b) to indemnify Landlord, the directors, officers, agents, or employees of Landlord, to the extent such claim, expense, or liability results from any omission, fault, negligence, or other misconduct of Landlord or the officers, agents, or employees of Landlord on or about the Premises or the Building.

This indemnity and hold harmless agreement shall include, without limitation, indemnity against all expenses, attorney's fees and liabilities incurred in connection with any such claim or proceeding brought thereon and the defense thereof with counsel reasonably acceptable to Landlord. At the request of Landlord, Tenant shall defend any such claim or proceeding directly on behalf and for the benefit of Landlord. The provisions of this section shall survive expiration and termination of the Lease.

### **10.02 THE TENANT'S RISK**

The Tenant agrees to use and occupy the Premises and to use such other portions of the Building and the Lot as Tenant is herein given the right to use at Tenant's sole risk; and Landlord shall have no responsibility or liability for any loss or damage, however caused, to furnishings, fixtures, equipment, or other personal property of Tenant or of any persons claiming by, through, or under Tenant.

### **10.03 INJURY CAUSED BY THIRD PARTIES**

The Tenant agrees that Landlord shall not be responsible or liable to Tenant, or to those claiming by, through, or under Tenant, for any loss or damage resulting to Tenant or those claiming by, through, or under Tenant, or its or their property, that may be occasioned by or through the acts or omissions of persons occupying any part of the

Building, or for any loss or damage to property from the breaking, bursting, crossing, stopping, or leaking of electric cables and wires, and water, gas, sewer, or steam pipes, or like matters.

#### 10.04 SECURITY.

Tenant agrees that, in all events, Tenant is responsible for providing security to the Premises and its own personnel. By way of description and not limitation, Tenant shall comply with Massachusetts law, which among other things, requires Tenant to store all marijuana in a secure, locked safe or vault in such a manner as to prevent theft. Tenant shall also establish limited access areas accessible only to authorized personnel.

### **Article XI. INSURANCE**

#### 11.01 PUBLIC LIABILITY INSURANCE.

(a) The Tenant agrees to maintain from the date upon which Tenant first enters the Premises for any reason, throughout the Lease Term, and thereafter so long as Tenant is in occupancy of any part of the Premises, (a) a policy of commercial general liability insurance, written on an occurrence basis and including contractual liability coverage to cover any liabilities assumed under this Lease, insuring against all claims for injury to or death of persons or damage to property on or about the Premises or arising out of the use of the Premises, including products liability, and completed operations liability, and (b) automobile liability insurance covering all owned vehicles, hired vehicles and all other non-owned vehicles. Each such policy shall designate Tenant as a named insured, and Landlord, its managing agent, if any, and any mortgagees (as may be set forth in a notice given from time to time by Landlord) shall be named as additional insureds, as their interests appear.

(b) Each such policy shall expressly provide that it shall not expire or be amended or canceled without at least thirty (30) days' prior written notice to Landlord in each instance and that the interests of Landlord thereunder or therein shall not be affected by any breach by Tenant of any policy provision, and a duplicate original or certificate thereof shall be delivered to Landlord. The minimum limits of liability of such insurance shall be bodily injury and property damage combined single limit of \$2,000,000 per occurrence, and not less than \$4,000,000 in the aggregate. The Landlord shall have the right from time to time to increase such minimum limits upon notice to Tenant, provided that any such increase shall provide for coverage commonly carried on similar properties in the area in which the Premises are located.

#### 11.02 HAZARD INSURANCE.

(a) The Tenant agrees to maintain from the date upon which Tenant first enters the Premises for any reason, throughout the Lease Term, and thereafter so long as Tenant is in occupancy of any part of the Premises, a policy including



the amount of any deductible thereunder, insuring any leasehold improvements paid for by Tenant and all fixtures, equipment, and other personal property of Tenant against damage or destruction by fire or other casualty in an amount equal to the full replacement cost of such property. Tenant shall also maintain insurance against such other hazards as may from time to time reasonably be required by Landlord or the holder of any mortgage on the Premises, provided that such insurance is customarily carried in the area in which the Premises are located on property similar to the Building and that Tenant receives written notice specifying all such additional insurance as may be required. At Landlord's request, any such policies of insurance shall name any such mortgagee as loss payee under a standard mortgagee's clause.

- (b) The Landlord shall maintain in full force throughout the Lease Term an all risk policy of insurance upon the Building and Landlord's fixtures and equipment for the full replacement cost thereof.

#### 11.03 CONSTRUCTION PERIOD INSURANCE.

(a) At any time when demolition or construction work is being performed on or about the Premises or Building by or on behalf of Tenant, the Tenant shall keep in full force and effect the following insurance coverage in each instance with policies reasonably acceptable to Landlord, including, without limitation, the amount of any deductible thereunder:

- (i) builder's risk completed value (nonreporting form) in such form and affording such protections as required by Landlord, naming Landlord and its mortgagees as additional insureds; and
- (ii) workers' compensation or similar insurance in form and amounts required by law.

(b) Tenant shall cause a certificate or certificates of such insurance to be delivered to Landlord prior to the commencement of any work in or about the Building or the Premises, in default of which Landlord shall have the right, but not the obligation, to obtain any or all such insurance at the expense of Tenant, in addition to any other right or remedy of Landlord.

#### 11.04 WAIVER OF SUBROGATION.

Provided that it does not void the insurance of either party, Landlord and Tenant mutually agree that with respect to any loss which is covered by insurance then being carried by them (or which would have been covered if the insurance required hereunder had been obtained), 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 insurance companies shall have no right of subrogation against the other on account thereof. In the event the above waiver of subrogation increases the cost of insurance to either party hereto, the Tenant shall be responsible for such increase in cost.

## **Article XII. CASUALTY**

### **12.01 DEFINITION OF "SUBSTANTIAL DAMAGE" AND "PARTIAL DAMAGE".**

The term "substantial damage," as used herein, shall refer to damage which is of such a character that in Landlord's reasonable, good faith estimate the same cannot, in ordinary course, be expected to be repaired within 60 calendar days from the time that such repair work would commence. Any damage which is not "substantial damage" is "partial damage."

### **12.02 PARTIAL DAMAGE TO THE BUILDING.**

If during the Lease Term there shall be partial damage to the Building by fire or other casualty and if such damage shall materially interfere with Tenant's use of the Premises as contemplated by this Lease, Landlord shall promptly proceed to restore the Building to substantially the condition in which it was immediately prior to the occurrence of such damage.

### **12.03 SUBSTANTIAL DAMAGE TO THE BUILDING.**

If during the Lease Term there shall be substantial damage to the Building by fire or other casualty and if such damage shall materially interfere with Tenant's use of the Premises as contemplated by this Lease, Landlord shall promptly restore the Building to the extent reasonably necessary to enable Tenant's use of the Premises. If Landlord has not restored the Premises to the extent required under this Section within nine (9) months of the casualty, or if the Premises shall be substantially damaged during the last nine (9) months of the Lease Term then, in either such case, Tenant may elect to terminate this Lease by giving written notice of such election to Landlord within thirty (30) days after the end of such nine-month period and before the substantial completion of such restoration. If Tenant so elects to terminate this Lease, then this Lease and the term hereof shall cease and come to an end on the date that is thirty (30) days after the date that Landlord receives Tenant's termination notice, unless on or before such date Landlord has substantially completed such restoration.

### **12.04. ABATEMENT OF RENT.**

If during the Lease Term the Building shall be damaged by fire or casualty and if such damage shall materially interfere with Tenant's use of the Premises as contemplated by this Lease, a just proportion of the Base Rent payable by Tenant hereunder shall abate proportionately for the period in which, by reason of such damage, there is such interference with Tenant's use of the Premises, having regard to the extent to which Tenant may be required to discontinue Tenant's use of the Premises, but such abatement or reduction shall end if and when Landlord shall have substantially restored the Premises or so much thereof as shall have been originally constructed by Landlord (exclusive of any of Tenant's fixtures, furnishings, equipment and the like or work performed therein

by Tenant) to substantially the condition in which the Premises were prior to such damage.

#### 12.05 MISCELLANEOUS

In no event shall Landlord have any obligation to make any repairs or perform any restoration work under this Article XII if prevented from doing so by reason of any cause beyond its reasonable control, including, without limitation, the requirements of any applicable laws, codes, ordinances, rules, or regulations, the refusal of the holder of a mortgage or ground lease affecting the premises to make available to Landlord the net insurance proceeds attributable to such restoration, insurer's denial of coverage, or the inadequacy of such proceeds to fund the full cost of such repairs or restoration, but reasonably promptly after Landlord ascertains the existence of any such cause, it shall either terminate this Lease or waive such condition to its restoration obligations and proceed to restore the Premises as otherwise provided herein. Further, Landlord shall not be obligated in any event to make any repairs or perform any restoration work to any alterations, additions, or improvements to the Premises performed by or for the benefit of Tenant (all of which Tenant shall repair and restore) or to any fixtures in or portions of the Premises or the Building which were constructed or installed by or for some party other than Landlord or which are not the property of Landlord.

### **Article XIII. EMINENT DOMAIN**

#### 13.01 RIGHTS OF TERMINATION FOR TAKING.

If the Premises, or such portion thereof as to render the balance (if reconstructed to the maximum extent practicable in the circumstances) physically unsuitable for Tenant's purposes, shall be taken (including a temporary taking in excess of 180 days) by condemnation or right of eminent domain or sold in lieu of condemnation, Tenant may elect to terminate this Lease by giving notice to the other of such election not later than thirty (30) days after Tenant has been deprived of possession.

Further, if so much of the Building (which may include the Premises) or the Land shall be so taken, condemned or sold or shall receive any direct or consequential damage by reason of anything done pursuant to public or quasi-public authority such that continued operation of the same would, in Landlord's opinion, be uneconomical, Landlord may elect to terminate this Lease by giving notice to Tenant of such election not later than thirty (30) days after the effective date of such taking.

Should any part of the Premises be so taken or condemned or receive such damage and should this Lease be not terminated in accordance with the foregoing provisions, Landlord shall promptly after the determination of Landlord's award on account thereof, expend so much as may be necessary of the net amount which may be awarded to Landlord in such condemnation proceedings in restoring the Premises to an architectural unit that is reasonably suitable to the uses of Tenant permitted hereunder. Should the net amount so awarded to Landlord be insufficient to cover the cost of so restoring the

Premises, in the reasonable estimate of Landlord, Landlord may, but shall have no obligation to, supply the amount of such insufficiency and restore the Premises to such an architectural unit, with all reasonable diligence, or Landlord may terminate this Lease by giving notice to Tenant within a reasonable time after Landlord has determined the estimated cost of such restoration.

#### 13.02 PAYMENT OF AWARD

The Landlord shall have and hereby reserves and excepts, and Tenant hereby grants and assigns to Landlord, all rights to recover for damages to the Building and the Land and the leasehold interest hereby created, and to compensation accrued or hereafter to accrue by reason of such taking or damage, as aforesaid. The Tenant covenants to deliver such further assignments and assurances thereof as Landlord may from time to time request. Nothing contained herein shall be construed to prevent Tenant from prosecuting in any condemnation proceedings a claim for the value of any of Tenant's trade fixtures installed in the Premises by Tenant at Tenant's expense and for relocation expenses, provided that such action shall not affect the amount of compensation otherwise recoverable hereunder by Landlord from the taking authority.

#### 13.02 ABATEMENT OF RENT.

In the event of any such taking of the Premises, the Base Rent or a fair and just proportion thereof, according to the nature and extent of the damage sustained, shall be suspended or abated, as appropriate and equitable in the circumstances.

#### 13.03 MISCELLANEOUS.

In no event shall Landlord have any obligation to make any repairs under this Article XIII if prevented from doing so by reason of any cause beyond its reasonable control, including, without limitation, requirements of any applicable laws, codes, ordinances, rules, or regulations or requirements of any mortgagee. Further, Landlord shall not be obligated to make any repairs to any portions of the Premises or the Building which were constructed or installed by or for some party other than Landlord or which are not the property of Landlord, and Tenant shall be obligated to perform any repairs on and restorations to any alterations, additions, or improvements to the Premises performed by or for the benefit of Tenant.

### **Article XIV. DEFAULT**

#### 14.01 TENANT'S DEFAULT.

- (a) If at any time any one or more of the following events (herein referred to as a "Default of Tenant") shall occur:

(i) Tenant shall fail to make payment of rent or any other monetary amount due under this lease within fifteen (15) days after Landlord has sent via certified or electronic mail to Tenant written notice of such default, provided however, Tenant shall be entitled to such notice and cure right only two times in any 12 month period; or

(ii) Tenant shall fail to perform or observe any other covenant or provision herein contained on Tenant's part to be performed or observed and Tenant shall fail to remedy the same within thirty (30) days after written notice to Tenant specifying such neglect or failure, or, if such failure is of such a nature that Tenant cannot reasonably remedy the same within such thirty (30) day period, Tenant shall fail to commence promptly to remedy the same and to prosecute such remedy to completion with diligence and continuity and no less than ninety (90) days after such notice.

(iii) except as otherwise provided by applicable law, if the estate hereby created shall be taken on execution or by other process of law, or if Tenant shall be judicially declared bankrupt or insolvent according to law, or if any assignment shall be made of the property of Tenant for the benefit of creditors, or if a receiver, guardian, conservator, trustee in involuntary bankruptcy or other similar officer shall be appointed to take charge of all or any substantial part of Tenant's property by a court of competent jurisdiction, or if a petition shall be filed for the reorganization of Tenant under any provisions of law now or hereafter enacted, and such proceeding is not dismissed within sixty (60) days after it is begun, or if Tenant shall file a petition for such reorganization, or for arrangements under any provisions of such laws providing a plan for a debtor to settle, satisfy or extend the time for the payment of debts; or

(iv) Tenant shall vacate or abandon the Premises,

then, in any such case, Landlord may, as permitted by law, in addition to any remedies otherwise available to Landlord, immediately or at any time thereafter, and without 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 Landlord's former estate, and expel Tenant and those claiming by, through or under it and remove its or their effects without being deemed guilty of any manner of trespass, and without prejudice to any remedies that might otherwise be used for arrears of rent or preceding breach of covenant and/or Landlord may terminate this Lease by notice to Tenant and this Lease shall come to an end on the date of such notice as fully and completely as if such date were on the date herein originally fixed for the expiration of the term of this Lease (Tenant hereby waiving any rights of redemption, if any, under G.L. c. 186, § 11 to extent that such rights may be lawfully waived), and Tenant will then quit and surrender the Premises to Landlord, but Tenant shall remain liable as herein provided. To the extent permitted by law, Tenant hereby expressly waives any and all rights of

redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed, or in the event of Landlord obtaining possession of the Premises, by reason of the violation by Tenant of any of the covenants and conditions of this Lease. In the event of any such termination, entry or re-entry, Landlord shall have the right to remove and store Tenant's property and that of persons claiming by, through or under Tenant at the sole risk and expense of Tenant and, if Landlord so elects, (x) to sell such property at public auction or private sale and apply the net proceeds to the payment of all sums due to Landlord from Tenant and pay the balance, if any, to Tenant, or (y) to dispose of such property in any manner in which Landlord shall elect, Tenant hereby agreeing to the fullest extent permitted by law that it shall have no right, title or interest in any property remaining in the Premises after such termination, entry or reentry.

(b) Tenant covenants and agrees, notwithstanding any termination of this Lease as aforesaid or any entry or reentry by Landlord, whether by summary proceedings, termination or otherwise, to pay and be liable for on the days originally fixed herein for the payment thereof, amounts equal to the several installments of Rent and other charges reserved as they would become due under the terms of this Lease if this Lease had not been terminated or if Landlord had not entered or re-entered, as aforesaid, and whether the Premises be relet or remain vacant, in whole or in part, or for a period less than the remainder of the Term, or for the whole thereof; but in the event the Premises be relet by Landlord, Tenant shall be entitled to a credit in the net amount of rent received by Landlord in reletting, after deduction of all expenses incurred in reletting the Premises (including, without limitation, remodeling costs, brokerage fees, attorney fees and the like), and in collecting the rent in connection therewith. As an alternative, at the election of Landlord, Tenant will upon such termination pay to Landlord, as damages, such a sum as at the time of such termination represents the amount of the excess, if any, of the then value of the total Rent and other benefits that would have accrued to Landlord under this Lease for the remainder of the Lease Term if the lease terms had been fully complied with by Tenant over and above the then cash rental value (in advance) of the Premises for what would be the then unexpired Lease Term if the same remained in effect. For purposes of this Article, if Landlord elects to require Tenant to pay damages in accordance with immediately preceding sentence, the total amount due shall be computed by assuming that Tenant's obligations for Taxes and Operating Costs would be, for the balance of such unexpired term, the amount thereof respectively for the tax and lease years in which such termination, entry or reentry shall occur.

(c) In case of any Default of Tenant, reentry, entry, expiration and dispossession by summary proceedings or otherwise, Landlord may (i) relet the Premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms that may at Landlord's option be equal to or less than or exceed the period that would otherwise have constituted the balance of the Lease Term and (ii) make such alterations, repairs and decorations in the Premises as Landlord, considers advisable or necessary for the purpose of reletting the Premises; and no action by Landlord in accordance with the foregoing shall

operate or be construed to release Tenant from liability hereunder as aforesaid. It is specifically understood and agreed that Landlord shall be entitled to take into account in connection with any reletting of the Premises all relevant factors that would be taken into account by a sophisticated developer in securing a replacement tenant for the Premises, such as, but not limited to, the first class quality of the Building and the financial responsibility of any such replacement tenant. Landlord shall in no event be liable in any way whatsoever for failure to relet the Premises, or, in the event that the Premises are relet, for failure to collect the rent under such reletting, and Tenant hereby waives, to the extent permitted by applicable law, any obligation Landlord may have to mitigate Tenant's damages. The Landlord agrees to list the Premises with a broker in the event of a termination, entry or reentry under this ARTICLE XIV, provided that Landlord's obligation to list the Premises as provided herein is independent of Tenant's obligations under this ARTICLE XIV and shall not be construed to entitle Tenant to setoff against any amounts payable by Tenant hereunder in the event of a breach or alleged breach by Landlord of such obligation. In no event shall Landlord be obligated to give priority to the reletting of the Premises over any other Premises in the Building or any other building owned by Landlord.

(d) If there is at any time a guarantor or assignee of this Lease or any interest of Tenant herein or any sublessee, franchisee, concessionee or licensee of all or any portion of the Premises, the happening of any of the events described in paragraph (a)(iii) of this Section with respect to such guarantor, assignee, sublessee, franchisee, concessionee or licensee shall constitute a Default of Tenant hereunder.

(e) The specified remedies to which Landlord may resort hereunder are not intended to be exclusive of any remedies or means of redress to which Landlord may, at any time, be entitled lawfully and Landlord may invoke any remedy (including the remedy of specific performance) allowed at law or in equity as if specific remedies were not herein provided for.

(f) All costs and expenses incurred by or on behalf of Landlord (including, without limitation, attorney fees and expenses) in enforcing its rights hereunder or occasioned by any Default of Tenant shall be paid by Tenant.

(g) Upon any Default of Tenant, or the expiration or termination of this Lease, Landlord shall have the right of summary process under G.L. c. 239, or other applicable statutes, and such other rights to recover possession as permitted by law. Tenant and Landlord each hereby waives any and all rights under the laws of any state to the right, if any, to trial by jury.

#### 14.02 LANDLORD'S DEFAULT.

Landlord shall in no event be in default in the performance of any of Landlord's obligations hereunder unless and until Landlord shall have failed to perform such

obligations within thirty (30) days, or such additional time as is reasonably required to correct any such default, after notice by Tenant to Landlord specifying wherein Landlord has failed to perform any such obligation.

## **Article XV. THE LANDLORD'S ACCESS TO PREMISES**

### **15.01 THE LANDLORD'S RIGHT OF ACCESS.**

To the extent permitted by law, and separate from and in addition to the access reserved for Landlord in Section 2.01 above Landlord and its agents, contractors and employees shall have the right to enter the Premises at all reasonable business hours upon reasonable advance notice, except in exigent circumstances, or any time in case of emergency, for the purpose of inspecting or of making repairs or alterations, to the Premises or the Building or additions to the Building, and, to the extent permitted by law, Landlord shall also have the right to make access available at all reasonable business hours, upon reasonable advance notice, to prospective or existing mortgagees or purchasers of any part of the Building. If repairs are required to be made by Tenant pursuant to this Agreement or if Tenant is required to perform any obligation hereunder, Landlord may demand that such repairs or obligation is performed promptly after Landlord's notice (or within any time frame explicitly provided for hereunder), and if Tenant fails to perform such repairs or other action required hereunder by such time, Landlord may (but shall not be required) to perform such repairs or other obligations. If Landlord performs such repairs or other obligations as provided above, Tenant shall reimburse Landlord, upon demand, for all reasonable costs incurred by Landlord in connection therewith. For a period commencing twelve (12) months prior to the expiration of the Lease Term, Landlord may, as permitted by law, have reasonable access to the Premises at all reasonable business hours, with reasonable advance notice, for the purpose of exhibiting the same to prospective tenants as permitted by applicable state or local law.

## **Article XVI. RIGHTS OF MORTGAGEES**

### **16.01 SUBORDINATION AND ATTORNMENT.**

(a) If any holder of a mortgage or holder of a ground lease of property which includes the Premises, executed and recorded subsequent to the date of this Lease, shall so elect, the interest of Tenant hereunder shall be subordinate to the rights of such holder, provided that such holder shall agree to recognize in writing the rights of Tenant under this Lease upon the terms and conditions set forth herein, and the performance by Tenant of Tenant's obligations hereunder (but without any assumption by such holder of Landlord's obligations under this Lease); or

(b) If any holder of a mortgage or holder of a ground lease of property which includes the Premises executed and recorded prior to the date of this Lease shall so elect, this Lease, and the rights of Tenant hereunder, shall be superior in right to the rights of such holder, with the same force and effect as if this Lease had been executed and delivered, and recorded, or a statutory notice hereof recorded,





prior to the execution, delivery and recording of any such mortgage.

(c) The election of any such holder as to Subsection (a) above shall be exercised by notice to Tenant, in the same fashion as notices under this Lease are given by Landlord to Tenant, and, if such notice is given, such subordination shall be effective as to all advances then or thereafter made by such holder under such mortgage or in connection with such ground lease, provided that an agreement reasonably acceptable to Tenant is executed by such holder, agreeing to recognize the rights of Tenant under this Lease, as set forth above. Any election as to Subsection (b) above shall become effective upon either notice from such holder to Tenant in the same fashion as notices from Landlord to Tenant are to be given hereunder or by the recording in the appropriate registry or recorder's office of an instrument, in which such holder subordinates its rights under such mortgage or ground lease to this Lease.

(d) Forthwith upon the request of Landlord, the holder of any mortgage or deed of trust affecting the Premises, or the lessor under any ground lease affecting the Premises, Tenant shall execute and deliver to such party an attornment agreement providing that Tenant shall attorn to such holder or lessor in the event of a foreclosure of such mortgage or deed of trust or transfer in lieu thereof or a termination of such ground lease and incorporating such other terms and conditions as such party may reasonably require, provided that such agreement includes an agreement by such other party to recognize the rights of Tenant under this Lease. Irrespective of whether any such attornment agreement has been executed, Tenant shall, in the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, any mortgage or deed of trust made by Landlord, its successors or assigns, encumbering the Premises, or any part thereof, or in the event of termination of any ground lease, if so requested, attorn to the purchaser or ground lessor upon such foreclosure, sale or termination or upon any grant of a deed in lieu of foreclosure and recognize such purchaser or ground lessor as Landlord under this Lease.

(e) Tenant agrees on request of Landlord to execute and deliver from time to time any instrument that Landlord may reasonably deem necessary to implement the provisions of this Section.

#### 16.02 NOTICE TO MORTGAGEE AND GROUND LESSOR; OPPORTUNITY TO CURE

After receiving notice from any person, firm or other entity (or from Landlord on behalf of any such person, etc.) that it holds a mortgage that includes the Premises as part of the mortgaged premises, or that it is the ground lessor under a lease with Landlord as ground lessee, which includes the Premises as a part of the demised premises, no notice from Tenant to Landlord shall be effective unless and until a copy of the same is given to such holder or ground lessor, and the curing of any of Landlord's defaults by such holder or



ground lessor shall be treated as performance by Landlord. Accordingly, no act or failure to act on the part of Landlord that would entitle Tenant under the terms of this Lease, or by law, to be relieved of Tenant's obligations hereunder shall have such an effect unless and until:

(a) Tenant shall have first given written notice to such holder or ground lessor, if any, specifying the act or failure to act on the part of Landlord that could or would give basis to Tenant's rights; and

(b) Such holder or ground lessor, after receipt of such notice, has failed or refused to correct or cure the condition complained of within thirty (30) days after receipt of such notice by Tenant, but nothing contained in this Section 16.02 or elsewhere in this Lease shall be deemed to impose any obligation on any such holder or ground lessor to correct or cure any such condition.

### 16.03 ASSIGNMENT OF RENTS

With reference to any assignment by Landlord of Landlord's interest in this Lease, or the rents payable hereunder, conditional in nature or otherwise, which assignment is made to the holder of a mortgage or ground lease on property that includes the Premises, Tenant agrees:

(a) that the execution thereof by Landlord, and the acceptance thereof by the holder of such mortgage, or the ground lessor, shall never be treated as an assumption by such holder or ground lessor of any of the obligations of Landlord hereunder, unless such holder or ground lessor shall, by notice sent to Tenant, specifically otherwise elect; and

(b) that, except as aforesaid, such holder or ground lessor shall be treated as having assumed Landlord's obligations hereunder only upon foreclosure of such holder's mortgage and the taking of possession of the Premises, or in the case of a ground lessor, the assumption of Landlord's position hereunder by such ground lessor.

## **Article XVII. MISCELLANEOUS PROVISIONS**

### 17.01 CAPTIONS.

The captions throughout this Lease are for convenience or reference only and shall in no way be held or deemed to define, limit, explain, describe, modify, or add to the interpretation, construction, or meaning of any provision of this Lease.

### 17.02 BIND AND INURE.

Except as herein otherwise expressly provided, the obligations of this Lease shall run with the land, and this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The reference herein to successors and assigns of Tenant is not intended to constitute a consent to assignment by Tenant, but has reference only to those instances in which Landlord may later give consent to a particular assignment as required by the provisions of Article VII. Neither the assignment by

Landlord of its interest in this Lease as security to a lender holding a mortgage on the Building, nor the acceptance thereof by such lender, nor the exercise by such lender of any of its rights pursuant to said assignment shall be deemed in any way an assumption by such lender of any of the obligations of Landlord hereunder unless such lender shall specifically otherwise elect in writing or unless such lender shall have completed foreclosure proceedings under said mortgage. Whenever the Premises are owned by a trustee or trustees, the obligations of Landlord shall be binding upon Landlord's trust estate, but not upon any trustee, beneficiary or shareholder of the trust individually.

#### 17.03 NO WAIVER.

The failure of Landlord or of Tenant to seek redress for violation of, or to insist upon the strict performance of any covenant or condition of this Lease shall not be deemed to be a waiver of such violation or to prevent a subsequent act, which would originally have constituted a violation, from having all the force and effect of an original violation. The receipt by Landlord of Rent or additional rent with knowledge of the breach of any covenant of this Lease shall not be deemed to be a waiver of such breach by Landlord unless such waiver be in writing signed by Landlord. No consent or waiver, express or implied, by Landlord or Tenant to or of any breach of any agreement or duty shall be construed as a waiver or consent to or of any other breach of the same or any other agreement or duty.

#### 17.04 CUMULATIVE REMEDIES.

The specific remedies to which either party may resort under the terms of this Lease are cumulative and not intended to be exclusive of any other remedies or means of redress to which it may be lawfully entitled in case of any breach or threatened breach by of either party of any provisions of this Lease. In addition to the other remedies provided in this Lease, either party shall be entitled to the restraint by injunction of the violation or attempted or threatened violation of any of the covenants, conditions or provisions of this Lease or to a decree compelling specific performance of any such covenants, conditions or provisions. Except as otherwise set forth herein, any obligations of either party as set forth herein (including, without limitation, rental and other monetary obligations, repair obligations and obligations to indemnify) shall survive the expiration or earlier termination of this Lease, and either party shall immediately reimburse the other for any expense incurred in curing either party's failure to satisfy any such obligation (notwithstanding the fact that such cure might be effected following the expiration or earlier termination of this Lease).

#### 17.05 PARTIAL INVALIDITY.

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

17.06 LANDLORD'S RIGHT TO CURE.

If Tenant shall at any time default in the performance of any obligation under this Lease, Landlord shall have the right, but not the obligation, to enter upon the Premises and/or to perform such obligation, with reasonable advance notice, notwithstanding the fact that no specific provision for such substituted performance by Landlord is made in this Lease with respect to such default. In performing any such obligations, Landlord may make any payment of money or perform any other act. All sums so paid by Landlord (together with interest at the Lease Interest Rate) and all necessary incidental costs and expenses in connection with the performance of any such act by Landlord, shall be deemed to be additional rent under this Lease and shall be payable to Landlord immediately on demand. Landlord may exercise the foregoing rights without waiving any other of its rights or releasing Tenant from any of its obligations under this Lease.

17.07 ESTOPPEL CERTIFICATES.

Tenant agrees on the Term Commencement Date and from time to time thereafter, upon not less than fifteen (15) days' prior written request by Landlord, to execute, acknowledge and deliver to Landlord a statement in writing, certifying that this Lease is unmodified and in full force and effect, that Tenant has no defenses, offsets or counterclaims against its obligations to pay rent and other charges required under this Lease and to perform its other covenants under this Lease and that there are no uncured defaults of Landlord or Tenant under this Lease (or, if there have been any modifications, that this Lease is in full force and effect, as modified, and stating the modifications, and, if there are any defenses, offsets, counterclaims or defaults, setting them forth in reasonable detail), and the dates to which the Rent and other charges have been paid. Any such statement delivered pursuant to this Section 17.07 may be relied upon by any prospective purchaser or mortgagee of the property which includes the Premises or any prospective assignee of any such mortgagee.

17.08 BROKERAGE.

Each party hereto warrants and represents that it has dealt with no real estate broker or agent other than Robert Branchflower of National Commercial Brokers (the "Broker") in connection with this transaction and agrees to defend, indemnify and save the other party harmless from and against any and all claims for commissions or fees arising out of this Lease which, as to the respective parties, are inconsistent with such party's warranties and representations. Tenant shall be responsible for any commissions or fees owed to the Broker in connection with this transaction in accordance with a separate agreement between Broker and Tenant.

17.09 ENTIRE AGREEMENT.

All negotiations, considerations, representations, and understandings between Landlord and Tenant are incorporated herein and this Lease expressly supersedes any proposals or other written documents relating hereto. This Lease may be modified or altered only by written agreement between Landlord and Tenant, and no act or omission of any employee or agent of Landlord shall alter, change, or modify any of the provisions hereof.

17.10 HOLDOVER.

If Tenant remains in the Premises after the termination of this Lease, by its own terms or for any other reason, such holding over shall not be deemed to create any tenancy, but Tenant shall be a tenant at sufferance only, at a daily rate equal to one hundred fifty percent (150%) of the Rent applicable immediately prior to such termination plus the then applicable additional rent and other charges under this Lease. Tenant shall also pay to Landlord all damages, direct or indirect, sustained by Landlord by reason of any such holding over. Otherwise, such holding over shall be on the terms and conditions set forth in this Lease as far as applicable.

17.11 COUNTERPARTS.

This Lease is executed in any number of counterparts, each copy of which is identical, and any one of which shall be deemed to be complete in itself and may be introduced in evidence or used for any purpose without the production of the other copies.

17.12 CONSTRUCTION AND GRAMMATICAL USAGE.

This Lease shall be governed, construed and interpreted in accordance with the laws of The Commonwealth of Massachusetts, and Tenant agrees to submit to the personal jurisdiction of any court (federal or state) in said Commonwealth for any dispute, claim or proceeding arising out of or relating to this Lease. In construing this Lease, feminine or neuter pronouns shall be substituted for those masculine in form and vice versa, and plural terms shall be substituted for singular and singular for plural in any place in which the context so admits or requires. If there be more than one party tenant, the covenants of Tenant shall be the joint and several obligations of each such party and, if Tenant is a partnership, the covenants of Tenant shall be the joint and several obligations of each of the partners and the obligations of the firm.

17.13 WHEN LEASE BECOMES BINDING.

Employees or agents of Landlord have no authority to make or agree to make a lease or any other agreement or undertaking in connection herewith. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises, and this document shall become effective and binding only upon the execution and delivery hereof by both Landlord and Tenant.

17.14 INTENTIONALLY DELETED

17.15 NO SURRENDER.

The delivery of keys to any employee of Landlord or to Landlord's agents or employees shall not operate as a termination of this Lease or a surrender of the Premises.

17.16 COVENANT OF QUIET ENJOYMENT.

Subject to the terms and provisions of this Lease and on payment of the Rent, additional rent, and other sums due hereunder and compliance with all of the terms and provisions of this Lease, Tenant shall lawfully, peaceably and quietly have, hold, occupy, and enjoy the Premises during the term hereof, without hindrance or ejection by Landlord or by any

persons claiming under Landlord.

17.17 CONTINGENCY PROVISION/TERMINATION RIGHT/ALTERNATE TENANT ARRANGEMENTS.

(a) Tenant's obligations hereunder shall be contingent upon Tenant's ability to obtain a RMD Permit from the Commonwealth of Massachusetts (and to satisfy all related obligations under the Regulations), which permit shall permit the use of the Premises as a marijuana growing facility, and to obtain all other Approvals. Tenant shall be permitted to cancel this Lease, be returned its security deposit, less \$12,000 (subject to Section 3.05 above), which shall be retained by Landlord, and owe no further obligations hereunder, effective upon providing written notice to Landlord, if (i) Tenant is unable to obtain the RMD Permit (and satisfy all related obligations under the Regulations) and all other Approvals by June 1, 2014. The above contingency only applies if Tenant fails to obtain any RMD Permit (and satisfy all related obligations under the Regulations), even if Tenant elects to apply for more than one RMD Permit. Tenant shall not be deemed to have obtained all Approvals if any permit or other approval is appealed by a third party. Tenant agrees to use best efforts to obtain the Approvals, and Landlord agrees to use best efforts to assist Tenant in obtaining all local approvals, including but not limited to signing applications, working with local officials and attending local meetings to support and advocate on behalf of Tenant. Notwithstanding the above, if any Approval is appealed by a third party after June 1, 2014, but within the applicable appeal period, Tenant shall also have the right to terminate this Lease, subject to the above terms.

(b) Tenant shall be permitted to terminate this Lease if there is a change in federal law enforcement priorities that makes the operation of Tenant's business at the location impractical or if Tenant's RMD Permit is revoked or otherwise made invalid not due to the fault of Tenant. In addition, Landlord shall have the right to terminate this Lease in the event it has a reasonable basis (e.g. the issuance by federal authorities of a letter ordering Tenant to cease operations or be prosecuted) to believe that there has been a change in federal enforcement priorities or state law that makes the operation by Tenant no longer possible or subject to prosecution, provided however, if Landlord exercises such right, Tenant may prevent termination of this Lease by placing in escrow \$50,000 to serve as a security deposit to be applied only to reasonable costs incurred by Landlord to protect its interests from any then pending or threatened litigation by the federal or state authorities. If Tenant or Landlord terminates this Lease by exercising its rights under this Section 17.17(b), a termination fee shall be due and payable, as liquidated damages, equal to the amount of funds in the Security Deposit. Accordingly, upon such event, Landlord may apply the funds in the Security Deposit as full payment of such termination fee and Tenant shall have no further obligations hereunder other than obligations that are to survive expiration or termination of the Lease (excluding future Rent).

(c) Landlord acknowledges that it may be signing letters of intent or options to lease with other parties who are also applying for RMD Permits. Landlord agrees that such letters of intent and/or options shall be contain provisions that make such letters of intent and/or options subordinate to the rights of Tenant hereunder and ineffective if Tenant is issued the RMD Permit and Approvals.

## 17.18 NOTICES

Whenever, by the terms of this Lease, notice shall or may be given either to Landlord or to Tenant, such notice shall be in writing and shall be delivered by hand or sent by registered or certified mail, postage prepaid or by so-called "express" mail (such as Federal Express or U.S. Postal Service Express Mail):

(i) If intended for Landlord, to: David Perkins, Trustee of the Perkins Realty Trust, 11 LedgeWood Road, Manchester, Massachusetts 01944, with a copy to Philip G. Lake, Esquire, Lake Legal LLC, 17 Hammatt Street, PO Box 665, Ipswich, MA 01938, or to such other addresses or addresses as may from time to time hereafter be designated by Landlord by like notice.

(ii) If intended for Tenant, to: Garden Remedies, Inc., P.O. Box 67066, Chestnut Hill, MA 02467 with a copy to Bruce H. Bagdasarian, Esquire, Sheehan Phinney Bass + Green, PC, 255 State Street, Boston, Massachusetts 02109, or to such other address or addresses as may from time to time hereafter be designated by Tenant by like notice.

(iii) All such notices shall be effective upon delivery, attempted delivery, or refusal, whichever occurs first, at the address or addresses of the intended recipient, as set forth above.

17.19 SELF-HELP In the event Landlord fails to perform its maintenance and repair obligations hereunder within 30 days after notice from Tenant of such failure, Tenant, after notifying Landlord, shall be permitted to make such repair, whereupon Tenant shall have the option of deducting the reasonable cost of such repair from Base Rent or requiring Landlord to reimburse Tenant upon demand for all reasonable expenses related thereto. Notwithstanding the foregoing, in the event there exists a condition which presents a risk to material property damage, a release of Hazardous Materials or bodily injury, Tenant may make such repair, and shall at the same time attempt to contact Landlord regarding same, whereupon Tenant shall have the option of deducting the reasonable cost of such repair from Base Rent or requiring Landlord to reimburse Tenant upon demand for all expenses related thereto.

17.20 NOTICE OF LEASE Tenant shall not record this Lease without the prior written consent of Landlord; otherwise, it shall constitute an Event of Default hereunder. Either party, upon the request of the other party, after Base Rent payments hereunder have commenced shall execute and acknowledge a short form memorandum of this Lease for recording purposes.

## 17.21 REPRESENTATIONS AND WARRANTIES

(a) Each Party represents and warrants that the execution and delivery by such Party of, and the performance of its obligations under, this Lease have been duly authorized by all necessary action, do not and will not require any further consent or approval of any other

Person, and do not contravene any provision of, or constitute a default under any indenture, mortgage or other material agreement binding on such Party or any valid order of any court, or regulatory agency or other body having authority to which such Party is subject. This Lease constitutes a legal and valid obligation of such Party, enforceable against it in accordance with its terms, except as may be limited by bankruptcy, reorganization, insolvency, bank moratorium or laws relating to or affecting creditors' rights generally and general principles of equity where such enforceability is considered in a proceeding in equity or at law.

(b) Landlord represents and warrants that (a) Landlord presently owns 100% of the fee simple title to the Property (b) Landlord is not currently a party in any litigation which could impair Landlord's ability to observe the terms and conditions of this Lease or perform its obligations hereunder, and (c) Landlord has no knowledge that the Premises are in violation of any applicable federal, state or local environmental laws.

(c) Tenant represents and warrants that Tenant shall not directly or indirectly cause, create, incur, assume or suffer to exist any mortgage, pledge, lien (including mechanics', labor or materialman's lien), charge, security interest, encumbrance or claim on or with respect to the Land or Building and agrees to discharge or bond, at its sole expense, any such encumbrance or interest that attaches to the Land or Building, to the extent that such encumbrance or interest arises from or is related to Lessee's performance or non-performance of its obligations hereunder.

#### 17.22 NO ACCORD AND SATISFACTION

No acceptance by Landlord of a lesser sum than the minimum and additional rent then due shall be deemed to be other than on account of the earliest installment of such rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed to be an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or pursue any other remedy in this Lease or at law or in equity provided.

#### 17.23 LANDLORD'S ENFORCEMENT EXPENSES

Unless prohibited by applicable law, the Tenant agrees to pay to the Landlord the amount of all fees and expenses (including, without limitation, attorneys' fees and costs) incurred by the Landlord arising out of or resulting from any breach by the Tenant of its obligations hereunder, irrespective of whether Landlord resorts to litigation as a result thereof.

#### 17.24 NO PERSONAL LIABILITY OF THE LANDLORD OR TENANT

The Tenant agrees to look solely to Landlord's then equity interest in the Premises at the time owned, or in which Landlord holds an interest as ground lessee, for recovery of any judgment from Landlord; it being specifically agreed that neither Landlord (whether



Landlord be an individual, partnership, firm, corporation, trustee, or other fiduciary) nor any partner, policyholder, officer, manager, member, shareholder or director of Landlord, nor any trust of which any person holding Landlord's interest is trustee nor any successor in interest to any of the foregoing shall ever be personally liable for any such judgment, or for the payment of any monetary obligation to Tenant. The covenants of Landlord contained in this Lease shall be binding upon Landlord and Landlord's successors only with respect to breaches occurring during Landlord's and Landlord's successors' respective periods of ownership of Landlord's interest hereunder.

Neither Landlord nor Tenant shall in any case be responsible for consequential damages.

17.25 GOVERNING LAW The terms of this Lease shall be governed by the laws of the Commonwealth of Massachusetts.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this instrument under seal as of the date set forth in Section 1.02, above.

LANDLORD: David Perkins

BY:  
Its:



TENANT: Garden Remedies, Inc.

BY:  
Its:

Karen Munkay MD  
CEO

 ORIGINAL

EXHIBIT A  
(Property Description of the Land)



ORIGINAL

EXHIBIT "A" (legal description)

The land in Essex, Essex County, Massachusetts, hereinafter described:

Located off the Northerly side of Western Avenue, on the Southwesterly side of a Private Way, forty-four (44) feet wide; bounded and described as follows:

Beginning at the Southeasterly corner of said land at a point on the Westerly side of a Private Way, 44 feet wide and at other land of the Grantor, said point being 733.19 feet Northerly of Western Avenue;

Thence North  $56^{\circ} 17' 49''$  West by said other land of the Grantor, 518.29 feet to a corner of walls at the juncture of land now or formerly of Leonard A. Woodman and now or formerly of William A. Gillis, and land now or formerly of Benedict R.N. Winslow and Earline B.E. Winslow;

Thence North  $11^{\circ} 01' 36''$  East by a wall and land of said Winslow being the approximate line between the Town of Essex and the Town of Hamilton, 197.97 feet to a corner;

Thence due East by remaining land of the Grantor, 307.72 feet to a corner on the Southeasterly sideline of the aforementioned Private Way, 44 feet wide;

Thence South  $12^{\circ} 59' 15''$  East by the line of said Private Way, 417.53 feet to a bend in the Private Way;

Thence South  $01^{\circ} 43' 52''$  West still by the line of said Private Way, 75.00 feet to the point of beginning.

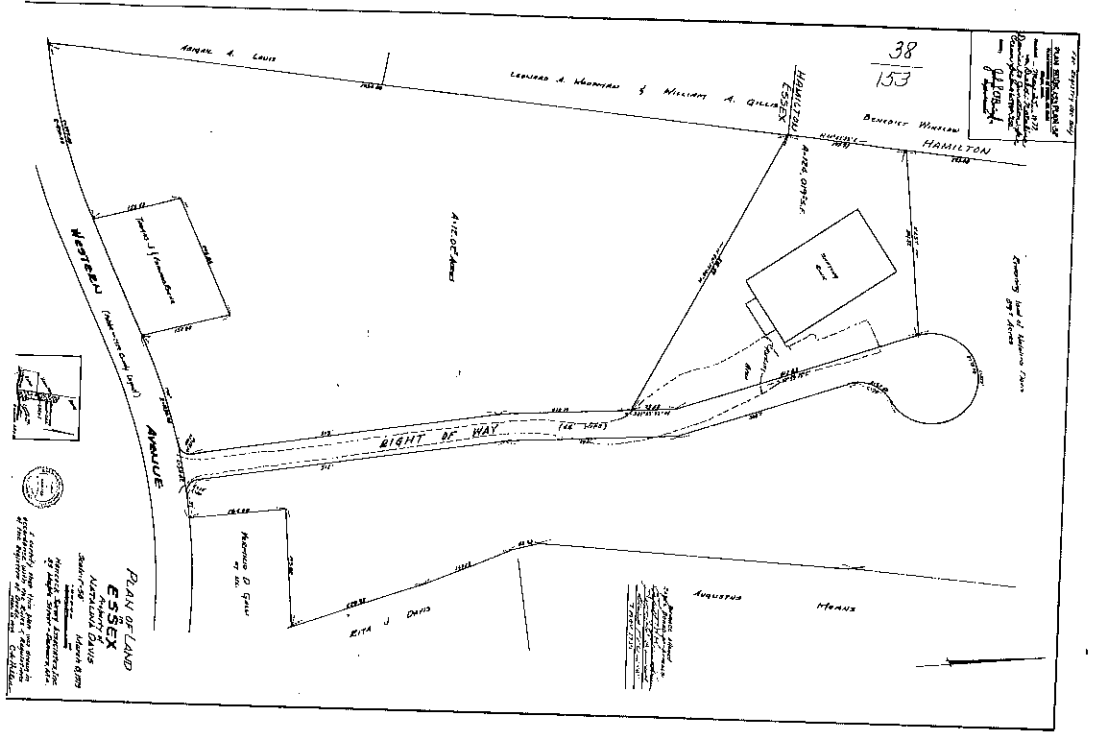
Containing an area of 124,019 square feet, more or less, and shown on plan entitled "Plan of Land in Essex, Property of Natalina Davis, Scale: 1"=50' dated March 13, 1979, Hancock Survey Associates, 85 Maple Street, Danvers, Massachusetts, recorded in the Essex South District Registry of Deeds in Plan Book 153, Plan 38.

Together with the following right and easement:

A right of way in common with those legally entitled to use the same, over the land now or formerly owned by the Junction Ice Cream, Inc., located on the Northerly, Easterly and Southerly sides next to and adjoining the said parcel of land hereby conveyed and shown on the plan above-mentioned, at all times and for the purpose of passage with or without motor vehicles, to and from said parcel of land hereby conveyed over a forty-four wide strip of the aforementioned land now or formerly owned by the Junction Ice Cream, Inc., the boundaries of the said strip being shown on the plan by solid lines commencing on Western Avenue. The Grantee must bear the expense of maintaining any road or path, developed or undeveloped over said right of way. The Grantee may place one (1) sign indicating entrance to the conveyed premises within 20 feet to either side of the easement but limited to a distance of up to 25 feet North of the intersection of the easement as shown on said plan and Western Avenue. Grantee also has the right to use the easement for electrical and other utility transmissions as may be necessary to use and enjoy the described premises.

EXHIBIT B  
(Plan Showing the Premises)

71 ORIGINAL



<http://www.salemleds.com/newwebsite/PlanDisplay.aspx?str=plbbook=133&page=3&booktype=Plan&machine=>  
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 Page 1 of 4

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EXHIBIT C  
(Description of Landlord's Work)

NONE

57 ORIGINAL

EXHIBIT D  
(Draft Schematic of Tenant's Work)

77 ORIGINAL



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

 ORIGINAL

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

Corporation Name: Garden Remedies, Inc.

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

Site	City/Town	County	Type of Support Attached
1	Newton	Middlesex	Letter of Support/Non-Opposition: Newton Board of Health (Health and Human Services Department).
2	Essex	Essex	Letter of Support/Non-Opposition: Town of Essex; Board of Selectman; Letter of Authenticity from the Town Administrator.

City of Newton



Setti D. Warren  
Mayor

HEALTH AND HUMAN SERVICES DEPARTMENT

Dori Zaleznik, MD., Commissioner  
1000 Commonwealth Ave.  
Newton, MA 02459-1544

Telephone 617.796.1420 Fax 617.552.7063



**Public Health**  
Prevent. Promote. Protect.

November 14, 2013

Karen Munkacy, MD  
Garden Remedies Inc.  
115 Chestnut Hill Rd.  
Newton, MA 02467

Dear Dr. Munkacy:

I am the Newton Commissioner of Health and Human Services and an Infectious Diseases physician. I write to provide local support in favor of siting a Registered Marijuana Dispensary (RMD) in the City of Newton. As Newton does not have a Board of Health, I am considered the equivalent as Commissioner.

I have followed the literature on the medical uses and benefits of marijuana as well as the progress in Massachusetts through the referendum vote and the Department of Public Health (DPH) regulations issued in May 2013. I have spoken at a number of public meetings in our city about the value of marijuana for medicinal use. In some clinical situations, this drug is the best available treatment option. In other clinical conditions, marijuana is equally as effective as other agents, such as narcotics, but with far fewer adverse effects.

My belief is that this community, which voted to support the referendum at a higher level than the overall state support and is well-situated for both highway and public transportation access, is an excellent site for an RMD. We have patients within our City in need of this treatment. Most of the public comment during several public hearings has been in favor of medical marijuana.

Newton organized a working group to develop zoning recommendations, which I headed. The group consisted of representatives from the Law Department, Planning Department, Police Department, Health Department and two members of the Board of Aldermen (BOA) – one from the Zoning and Planning Committee and one Alderman who is both a physician and a lawyer. The group met through the summer and presented a draft zoning ordinance in late September. The BOA passed a limited moratorium in October, 2013 to expire on December 31, 2013 unless a zoning ordinance passed earlier than that date. The Zoning and Planning Committee has been working with the draft ordinance prepared by the working group and is prepared to vote on November 25, 2013 with the possibility of sending the ordinance to the full board on December 2, 2013.

Email: [dzaleznik@newtonma.gov](mailto:dzaleznik@newtonma.gov)

 ORIGINAL

I hope this letter provides some insight as to where Newton seems to be in the acceptance of RMDs. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Dori Zaleznik MD".

Dori Zaleznik, MD  
Commissioner





## ESSEX BOARD of selectmen

TOWN HALL • MARTIN STREET • ESSEX, MASSACHUSETTS 01929-1219

Telephone (978) 768-6531

November 21, 2013

Dear Department of Public Health:

On November 18, 2013, the Selectmen of the Town of Essex wrote and mailed an original general letter of support/non-opposition to the Department of Public Health for various RMD applicants in the Town of Essex. After speaking with representatives of Garden Remedies, Inc., we understand that an original letter is required as part of the process for each RMD applicant. As the Town Administrator, I write this letter certifying the authenticity of the November 18, 2013, letter of support/non-opposition from the Selectmen of the Town of Essex, which is attached hereto. Please consider this to be the case for all applicants desiring to site within the Town of Essex.

If you have any questions regarding this letter or the November 18, 2013 general letter of support/non-opposition from the Selectmen of the Town of Essex, please do not hesitate to contact me at (978) 768-6531. Thank you.

Sincerely,

Brendhan Zubricki  
Town Administrator



**ORIGINAL**



# ESSEX BOARD of selectmen

TOWN HALL • MARTIN STREET • ESSEX, MASSACHUSETTS 01929-1219

Telephone (978) 768-6531

November 18, 2013

Mr. Cullen Roberts  
Massachusetts Department of Public Health  
250 Washington Street  
Boston, MA 02108

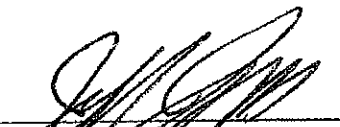
Re: Letter of Support /Non-Opposition for Registered Marijuana Dispensaries

Dear Mr. Roberts:

Please be advised that the Town of Essex has been contacted by several prospective Registered Marijuana Dispensaries ("RMD") operators regarding plans to locate cultivation and/or dispensary sites in Essex.

To our knowledge, all interested operators propose to operate at 197 Western Avenue (depending on which operator successfully negotiates a lease and whether any operator successfully obtains registration from the Department). As of the date of this letter, the Town does not oppose these types of proposed operations as they have been described by the various prospective RMD operators, as long as any RMD is operated in strict compliance with the Act for the Humanitarian Use of Marijuana for Medical Purposes, Chapter 369 of the Acts of 2012, the Department of Public Health Regulations at 105 CMR 725.001, et seq. and all local bylaws and regulations.

Please feel free to contact Town Administrator Brendhan Zúbricki at (978) 768-6531 should you have any questions or desire further information. Thank you.

  
\_\_\_\_\_  
Jeffrey D. Jones, Chairman

  
\_\_\_\_\_  
Lisa J. O'Donnell

  
\_\_\_\_\_  
Susan Gould-Coviello

ESSEX BOARD OF SELECTMEN

 ORIGINAL

**SUMMARY CHART OF LOCATIONS AND LOCAL SUPPORT**  
**(Exhibit 5.5)**

**ORIGINAL**

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

Corporation Name: Garden Remedies, Inc.

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

<b>Site</b>	<b>Full Address</b>	<b>Evidence of Interest Submitted</b>	<b>Evidence of Local Support</b>
<b>1</b> <b>Dispensing</b>	697 Washington Street Newton, MA 02458	Lease	Letter of Support/Non-Opposition (Health and Human Services Department).
<b>2</b> <b>Cultivation</b>	197 Western Avenue Essex, MA 01929	Lease	Letter of Support/Non-Opposition: Town of Essex; Board of Selectman; Letter of Authenticity from the Town Administrator.
<b>3</b> <b>Processing</b>	197 Western Avenue Essex, MA 01929	Lease	Letter of Support/Non-Opposition: Town of Essex; Board of Selectman; Letter of Authenticity from the Town Administrator.

**RMD ORGANIZATIONAL CHART**  
**(Exhibit 6.1)**

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

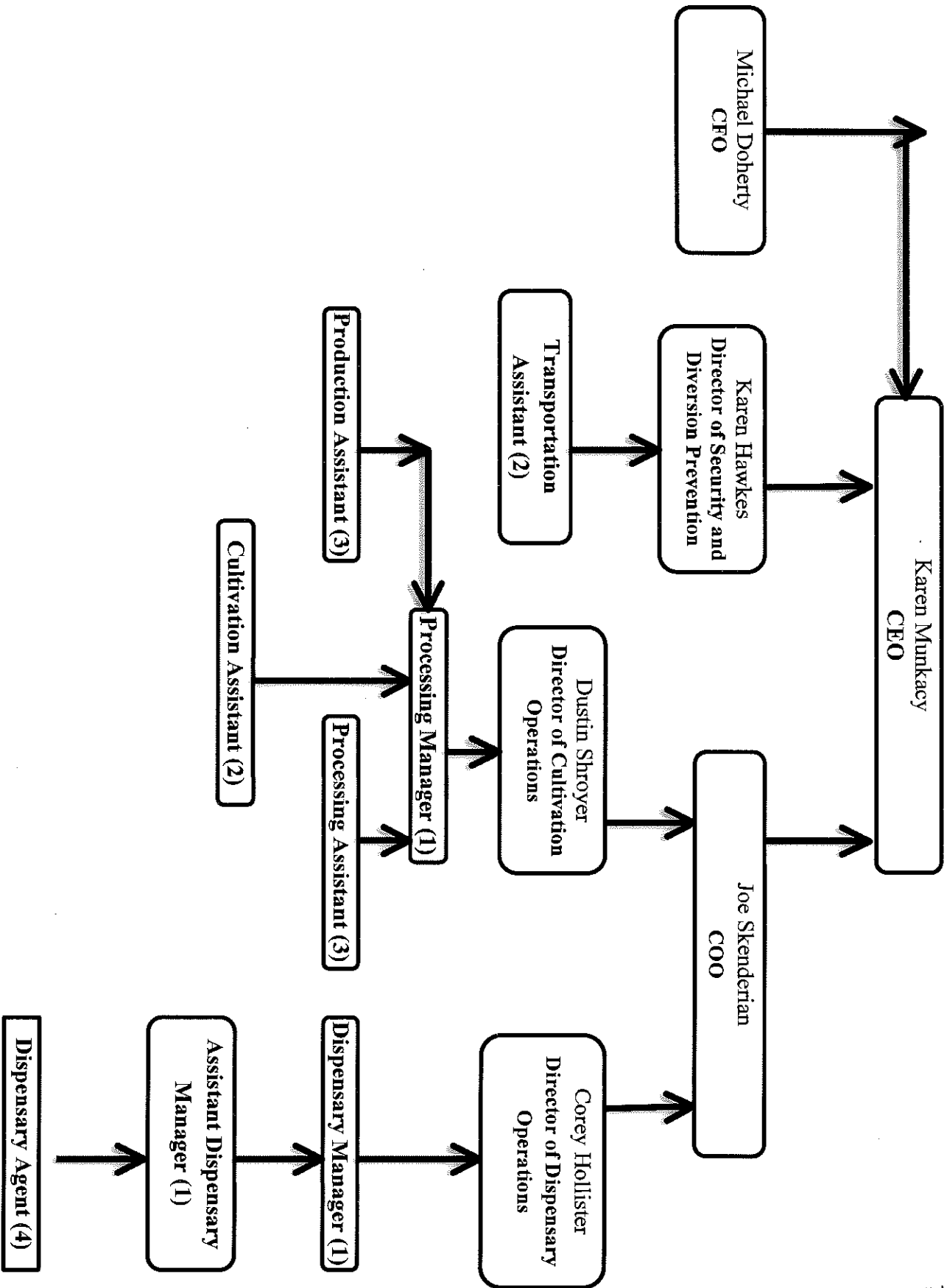
Corporation Name: Garden Remedies, Inc.

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

Attach organizational chart.



**ORIGINAL**



ORIGINAL



**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: Garden Remedies, Inc.

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

Attach evidence of enrollment.

 ORIGINAL



# iCORI

Commonwealth of Massachusetts  
Department of Criminal Justice Information Services

Logged in as: KarenGardenRemedies | [Home](#) | [Help](#) | [Logout](#)

<a href="#">Home</a>	<a href="#">Add Request</a>	<a href="#">View CORI Results</a>	<a href="#">Manage Account</a>	<a href="#">iCORI Cart (0)</a>
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## Garden Remedies, Inc. - RMD

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

### Account

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

### Account Details

[\[Cancel Account\]](#)

#### Account Status

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

Date Last Renewed:

#### Organization Details

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

Account Type(s): **Employer**  
Organization Name: **Garden Remedies, Inc. - RMD**

Address: **116 Chestnut Hill Road, Newton, MA 02467**

Phone No.: **732-236-4517**

Website:

ORIGINAL

**RMD STAFF  
(Exhibit 6.4)**

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

	Name	Role/Title
1	Leane Mysliwy	Dispensary Agent
2	Michael Climo	Cultivation Assistant
3	Patrick Scanlon	Processing Assistant
4	Scott Murphy	Inventory Manager
5	Ron Smalley	Consultant

**RMD START-UP TIMELINE**  
(Exhibit 7.1)

**ORIGINAL**

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

Corporation Name: Garden Remedies

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

<b>Key Benchmarks<sup>1</sup></b>	<b>Due Dates</b>	<b>Person Responsible</b>	<b>Risk Level If Not Completed on Time</b>	<b>Date RMD Opens</b>
Complete and submit medical marijuana application - local and state concurrent review process	11-21-2013	Garden Remedies, Vista Green, American Cannabis, and Vicente Sederberg Consulting	100% risk – No license	xxxx
Engage architects and engineers	11-22-2013	Vista Green Consulting	First harvest will be postponed equal to the amount of planning days lost.	
Finalize building and construction plans	1-31-2014	Vista Green Consulting	First harvest will be postponed equal to the amount of planning days lost	
Receive notice to proceed from Massachusetts Department of Public Health	1-31-2014	Garden Remedies	100% risk – No license	
Submit all required building permits and/or required application for both locations. Proceed with cultivation build-out.	2-01-2014	Garden Remedies, Vista Green Consulting, American Cannabis Consulting	First harvest will be postponed equal to the amount of days lost.	
Recruit and train cultivation and processing staff. Including: security, LAA protocols, job duties, diversion and loss prevention.	3-15-2014	Garden Remedies, Vista Green Consulting, American Cannabis Consulting	Staff recruiting will continue until a satisfactory level of support has been achieved. Associated risk: inability to meet projected production levels.	
Obtain Certificate of Occupancy to begin cultivation operations. Test and verify all systems including: security, inventory control, LAA, phone, computer etc.	4-31-2014	Garden Remedies and Vista Green Consulting	First harvest will be postponed equal to the amount of days lost.	
Successfully trained cultivation staff and	5-01-2014	Garden Remedies,	First harvest will be postponed equal	

management initiate cultivation.		Vista Green Consulting, American Cannabis Consulting	to the amount of days lost.
Begin retail improvements	5-01-2014	Garden Remedies and Vista Green Consulting	No impact expected. Minimum construction required. Retail opening will be postponed equal to the amount of days lost.
Begin medical marketing program	5-01-2014	Garden Remedies and American Cannabis Consulting	Lack of patient awareness.
Deploy all dispensary systems including: Security, LAA, POS, inventory control, phone, computer etc.	6-01-2014	Garden Remedies, Vista Green Consulting, American Cannabis Consulting	Could potentially impact opening date.
Recruit and train dispensary staff. Including: Security, LAA protocols, job duties, diversion and loss prevention, patient intake, HIPPA, State patient verification	7-15-2014	Garden Remedies, Vista Green Consulting, American Cannabis Consulting	Staff training will continue until a satisfactory level of support has been achieved.
First harvest	9-01-2014	Garden Remedies, Vista Green Consulting, American Cannabis Consulting	First harvest will be postponed equal to the amount of days lost from above mentioned target dates.
Newton dispensary location opens to patients.	9-15-2014	Garden Remedies, Vista Green Consulting, American Cannabis Consulting	Patient unable to obtain medical marijuana, operational plan of track effecting budgets and projections
Conduct full operation review, SWOT Analysis, patient adoption and other critical source information.	9-16-2014	Garden Remedies, Vista Green Consulting, American Cannabis Consulting	Associated risk if timelines are off or benchmarks have not been met.
Implement process and organizational improvements, expansion or other required actions as identified in the review and analysis.	9-17-2014	Garden Remedies, Vista Green Consulting, American Cannabis Consulting	Our ability to identify and issues and implement effective corrective action will be critical to success.

**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: Garden Remedies, Inc.

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

Attach sliding price scale.

Garden Remedies' Financial Assistance Program				
	25%	50%	75%	100%
Reg. \$12.50	\$ 9.37	\$ 6.25	\$ 3.12	\$ -

**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:** [Karen] **Last Name:** [Munkacy]

**Title:** [Chief Executive Officer]

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

Karen Munkacy MD