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LIST OF AUTHORIZED SIGNATORIES (EXHIBIT B)

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

Corporation Name: Kind Medical Inc

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

	Name	Role within the Corporation
1	Joseph P. Keenan, M.D.	President, Chief Executive Officer
2	Andrea F. Nuciforo Jr.	Treasurer & Clerk, Legal Counsel
3		
4		
5		



APPLICATION RESPONSE FORM COVER PAGE

Make this the first page of your response

Corporation

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

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

Address:

[14 Waubeek Road]

[]

City: [Pittsfield] **State:** [MA] **Zip:** [01201]

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

First Name: [Joseph] **Last Name:** [Keenan]

FEIN: [462362479]

Contact Person

First Name: [Andrea] **Last Name:** [Nuciforo]

Title: [Clerk]

Telephone: (413) 447-7366 **FAX:** (413) 445-4089 **E-Mail:** [anuciforo@nuciforo.com]

Contact Person Address (if different):

[14 Waubeek Road]

[]

City: [Pittsfield] **State:** [MA] **Zip:** [01201]

Authorized Signature

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

Background Check Authorization

The Department will conduct a background check on:

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

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

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

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

Application Fee

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


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

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

Required Signatures


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

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


Name: Joseph P. Keenan
Title: President and CEO

November 12, 2013
Date

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


Name: Joseph P. Keenan
Title: President and CEO

November 12, 2013
Date

APPLICATION RESPONSE FORM

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

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

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

Enter text here: example text limit 1,250 characters

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

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

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

Definitions

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

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

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

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

Questions

1. Applicant’s Corporate Background

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

[Legal Name: Kind Medical Inc
Incorporated: March 22, 2013]

1.2 Describe the organization’s mission and vision.

[Changes below reflect our choice of Easthampton as the RMD location.

Mission: Kind Medical Inc. (“KMI”) is dedicated to providing patients with secure and affordable access to scientifically-tested medical grade marijuana. KMI medicines and services will support a community devoted to compassion, recovery and health. Founded by western Massachusetts natives with a regional perspective, KMI will serve patients throughout Hampshire County and the Pioneer Valley. True to its non-profit mission, KMI will engage dedicated, local health care professionals with a proven commitment to contemporary notions of health and wellness. As a responsible provider of health care services, KMI will ensure that patients experience a feeling of safety and inclusion.

Vision: KMI’s success will promote the re-birth of a 19th-century mill in the heart of the city of Easthampton. The city has embarked on an ambitious plan to revitalize its industrial spaces. KMI will join in this community revitalization. Through KMI’s innovative use at the historic Pleasant Street mill, we envision the integration of health and wellness into the neighborhood as a key component of the area’s revitalization, helping to create a healthier and more prosperous Easthampton.]

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.

[Minor adjustments have been made to the Kind Medical Inc Board of Directors since the Phase I application. Specifically, due to changes in his availability, Jay W. Heinicke has resigned from the Kind Medical Inc Board of Directors. Andrea F. Nuciforo Jr., Esq. has been designated resident agent and elected Treasurer. These changes appear in the included Articles of Organization Amendment.]

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.

[CEO: Joseph P. Keenan, MD, Board Certified ENT Surgeon

Dr. Keenan has been a respected member of the health care community of western Massachusetts since 1979. Born and raised in Westfield, he completed medical school in 1979, and returned to his hometown to set up his medical practice. He performed his first surgery at Noble Hospital, just a few doors down the hall from where he was born 29 years before.

Dr. Keenan has extensive experience running non-profit organizations. He founded, and served as president to, a non-profit corporation known as Elderhaven Daybreak Inc. Elderhaven was one of the first adult day care companies serving the western MA community. He founded the company in 1986, and was responsible for program design and the development of census. He had oversight of the physical space, transportation programs and activities. Six years after its establishment, the company had an annual budget of \$300,000, a census of approximately 15 seniors and a staff of 5 employees. Elderhaven was merged into the Sisters of Providence Health Systems in 1992. The company continues to serve the community today, under the name of Mercy Adult Day Health at Mercy Hospital of Springfield.

Dr. Keenan has served as president of both the Noble Hospital Medical Staff and the Hampden County Medical Society. He has served as an assistant professor of surgery at the University of Connecticut for the past 34 years and has been an active board member for the Westfield Boys & Girls club, the Genesis Spiritual Life Center, and Noble Hospital.

Dr. Keenan has held key positions of authority within the United States Air Force Reserve as well. A flight surgeon to the 104th Fighter Wing at Barnes Air National Guard, Dr. Keenan has achieved the rank of Lieutenant Colonel. Working with junior and superior officers, he has demonstrated his comfort level and ability working within disciplined and complex organizations. His service while deployed in Afghanistan was recognized with the Air Force Commendation Medal in 2013.

Dr. Keenan's experience as the founder of a successful non-profit, and his decades-long career in treating patients, will ensure the success of KMI's dispensary.

CFO: Richard F. Burkhart, CPA

Mr. Burkhart will be responsible for the financial management and oversight of the organization.

A certified public accountant since 1978, he has provided tax, audit, financial management and supervisory services to small and large businesses, non-profit corporations and individuals throughout the United States. He maintains special expertise in implementing financial controls for private and public companies, including those responsible for municipal, state and federal regulatory compliance. He is accustomed to frequent interaction with public officials, including tax and licensing agencies of the Commonwealth.

In his capacity as CFO to KMI, Mr. Burkhart will design and implement management systems for the company's accounting, financial reporting, tax planning and compliance practices. He will review KMI's tax returns, and provide supervisory functions for KMI staff, from purchasing to point-of-sale. He is familiar with the forms and reporting requirements for non-profits, including the compliance requirements for public charities under the purview of the Massachusetts Attorney General.

Mr. Burkhart is a highly organized, detail-oriented manager capable of advising KMI on a wide range of financial, compliance and regulatory matters. He brings more than 35 years of experience in running and advising business organizations in the Commonwealth and throughout the country. Mr. Burkhart's experience as a CPA, and his many years of tax, audit and compliance work with non-profit and for-profit organizations, will ensure the success of KMI's dispensary.

General Counsel: Andrea F. Nuciforo Jr., Attorney

Mr. Nuciforo will ensure compliance with state regulation and local ordinances. He will negotiate and execute documents on behalf of the corporation, including contracts with third-party vendors, consultants, financial institutions, and employees.

A member of the bar in MA and New York for more than 20 years, Mr. Nuciforo has had broad experience working within regulated environments. He has represented non-profit and for-profit health care companies in MA, and has interacted with state regulatory agencies on matters such as long term care, hospice and nurse education. He has represented clients, both for-profit and non-profit, in commercial real estate transactions, and has handled dozens of employment, contract, insurance and banking matters.

Mr. Nuciforo understands the unique structure of non-profit organizations, and has experience working within them. For example, he is a board member of Berkshire Theatre Group in Pittsfield and Stockbridge. As a member of the executive and finance committees, Mr. Nuciforo has participated in managing a \$22 million theatre renovation and a \$3 million operating budget. He has served for several years as a member of the Berkshire Compact, a countywide education initiative hosted by the Massachusetts College of Liberal Arts in North Adams. The organization is non-profit, and designed to promote educational aspiration and achievement for young people with no family history of college participation. Through these experiences and others, Mr. Nuciforo has developed an understanding of the reporting obligations of non-profit entities, and the charitable mission that they serve in the community.

As a State Senator, Mr. Nuciforo served 48 cities and towns in western MA from 1997-2007. He chaired the Committee on Financial Services, and served as a member of Senate Ways & Means for seven years. During his ten years of service, he interacted with and advocated for dozens of non-profit organizations, including some of the largest and most complex health care providers in western MA.

Mr. Nuciforo also served as a Massachusetts Register of Deeds from 2007 – 2013. Elected to a six-year term, he managed the Commonwealth's land records division for the city of Pittsfield and numerous other communities in Berkshire County.

Mr. Nuciforo has life-long ties to the western Massachusetts community. His experience in health care law, policy and compliance will help him ensure the safe and responsible operation of KMI's RMD.

Chief Quality Officer: MarciAne Kelly, RN

Ms. Kelly brings 25 years of non-profit health care experience to KMI, including hands-on patient care as a nurse in both inpatient and outpatient settings. She has worked in executive capacities for small and large non-profits, including a community hospice provider and a major regional hospital system.

Ms. Kelly functioned as a Director at Home & Community Health in Enfield, Connecticut, a non-profit hospice provider in the Pioneer Valley. In that capacity, she helped to ensure fiscal responsibility for an average daily census of 45-100 patients at several non-profit hospices throughout the Commonwealth.

Ms. Kelly has also worked for Bay State Medical Center in Springfield, both as the ER Department Case Manager and as Outpatient Care Manager for BayCare Health Partners. At BayCare, one of Ms. Kelly's key functions was to implement certain practice-wide quality metrics in order to drive better patient outcomes at lower cost.

Ms. Kelly has considerable experience in hospice, symptom management, and end of life care. From 1998 to 2004, Ms. Kelly served as Professional Relations Coordinator at Hospice Care of the Berkshires. She worked privately as well, as Hospice Care Director for O'Connell Care at Home from 2011 to 2013. In these capacities, Ms. Kelly gained a deep understanding of the importance of symptom management for terminal patients and end of life pain management.

Ms. Kelly's experience in administration and patient care in a non-profit setting will advance KMI's patient-centered mission, and ensure the success of KMI's dispensary.

Chief Operating Officer: Jan Carlos Byl, Founder of MedCanna Consulting, LLC

Mr. Byl is the founder and managing member of MedCanna Consulting, where he specializes in design, build out, and implementation of commercial cultivation facilities in areas permitting regulated medical cannabis programs.

Mr. Byl brings extensive non-profit experience to KMI. He has worked within non-profit cultivation and dispensary operations in Arizona, Colorado and elsewhere, in both technical and managerial capacities. Mr. Byl has nearly two decades of practical, hands-on cannabis cultivation and dispensary operations experience, within non-profit and for-profit settings, in The Netherlands, Switzerland, Spain, Colorado, Arizona and Washington, DC. As early as 1998, Mr. Byl worked in Quebec with a group that would become one of the first licensed cannabis cultivators in Canada.

Mr. Byl's experience in cultivation, and his experience in developing cannabis products, will help ensure the quality and safety of KMI's inventory, and the success of KMI's dispensary.]

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.

[While the members of the Executive Management Team have extensive experience in providing health care services and medicinal marijuana, Dr. Keenan, Ms. Kelly and Mr. Byl bring the most comprehensive talent and expertise to KMI.

Joseph P. Keenan, MD

As CEO, Dr. Keenan will be charged with overseeing KMI's operation from cultivation through point of sale.

Dr. Keenan brings almost 40 years of health care expertise to KMI, including 34 years as a board-certified surgeon and dozens of years working in the non-profit health care sector in western Massachusetts. Dr. Keenan has practiced medicine in Springfield, Westfield and Holyoke since 1979. He has performed thousands of surgical procedures, with specific expertise in otolaryngology, commonly known as ear, nose and throat (ENT). He has admitting privileges at Noble Hospital, Holyoke Hospital and Mercy Medical Center. Since 1979, Dr. Keenan has been a principal in a private physicians group (Keenan, Malladi & O'Neill PC), and has treated thousands of patients throughout his years of practice. As a surgeon, Dr. Keenan is experienced in advising staff on the use of medicine and non-medicinal therapies to manage pain and minimize adverse outcomes.

Dr. Keenan's experience in providing health care services extends to his longstanding participation in academic and community pursuits. He has served as an assistant professor of surgery at the University of Connecticut Medical School for the past 34 years. Within non-profit institutions, he has worked to design, implement and troubleshoot health care delivery systems. He has served as president of the Noble Hospital Medical Staff and as president of the Hampden County Medical Society.

Richard F. Burkhart

Through his practice as a CPA, Mr. Burkhart has gained expertise in how non-profits maintain the profitability necessary to meet their mission. He has provided tax, audit, financial management and supervisory services to small and large non-profit health care companies, and to many of the practitioners whom they employ. He maintains special expertise in implementing financial controls for clients, including those responsible for municipal, state and federal regulatory compliance. He has knowledge of best practices in health care finance and policy, and will bring that skill set to KMI.

Andrea F. Nuciforo Jr.

In his law practice and throughout his public service, Mr. Nuciforo developed a knowledge base in health care law, policy and delivery. In private practice, he has represented a number of health care companies in the acquisition of long term care facilities, in the sale of health care assets and in developing contractual relationships with managed care plans. He understands the cost pressures associated with health care, and shares KMI's commitment to providing affordable, accessible health and wellness services to the general public.

MarciAne Kelly, R.N.

As Chief Quality Officer, MarciAne Kelly, RN will ensure the safe and secure operation of KMI's dispensary functions.

Ms. Kelly brings 25 years of experience providing hands-on health care services in the non-profit sector. She has worked for Bay State Medical Center in Springfield for four years, both as the Emergency Department Case Manager and as Outpatient Care Manager for BayCare Health Partners. In these capacities, she has interacted with senior administration, medical staff, patients and family members on all facets of health care delivery and management. She currently plays a key role in developing the practice's rules around the prescription of drugs to patients.

Ms. Kelly has considerable experience in hospice, symptom management, and end of life care. From 1998 to 2004, Ms. Kelly served as Professional Relations Coordinator at Hospice Care of the Berkshires. She worked privately as well, as Hospice Care Director for O'Connell Care at Home from 2011 to 2013. In both capacities, Ms. Kelly gained a deep understanding of the importance of pain management for terminal patients and end of life pain management.

Jan Carlos Byl

As COO, Mr. Byl will oversee the cultivation and processing functions of KMI, and will work closely with other KMI team members to safely dispense medicine.

Mr. Byl has nearly two decades of practical, hands-on cannabis cultivation and dispensary operations experience in venues throughout the world. He has worked at and studied medicinal marijuana cultivation and dispensing practices in The Netherlands, Switzerland, Spain, Colorado, Arizona and Washington, DC.

Mr. Byl has specialized expertise in environmentally conscious large-scale indoor cultivation operations. He also has considerable experience in seed production operations as well as cannabinoid extraction and concentrates production.

Within the past two years, Mr. Byl designed, shepherded through licensure, and implemented the first two legal cultivation facilities in the strictly regulated Washington, DC market. He also helped design and supervise the build-out of three licensed dispensaries in Arizona, including cultivation, manufacture, transportation, storage and dispensary functions.]

- 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.

[The Executive Management Team has considerable experience running financially sound organizations and businesses in the non-profit and for-profit sectors.

Joseph P. Keenan, MD serves as CEO, and will work closely with Mr. Burkhart to assure KMI's financial controls and compliance. A board-certified ENT surgeon for 34 years, Dr. Keenan will oversee KMI's operation from cultivation through point-of-sale. Specifically, Dr. Keenan will oversee the advisory staff at KMI to ensure that KMI operates in a manner consistent with individual patient health care objectives.

Dr. Keenan brings decades of business experience to KMI. Since 1979, Dr. Keenan has been a principal in a private physicians group (Keenan, Malladi & O'Neill, PC). He has solely owned, or has partnered with others in founding, a number of private and non-profit real estate and health care ventures. These include an Adult Day Health Care founded in 1986 and merged with Mercy Hospital in 1992.

As CFO, **Richard F. Burkhart** will be responsible for the financial management and oversight of the organization. A certified public accountant since 1978, he has provided tax, audit, financial management and supervisory services to small and large businesses, non-profit corporations and individuals throughout the United States. Mr. Burkhart is the founding member and managing partner of Burkhart & Pizzanelli, one of the larger and more sophisticated accounting firms in western Massachusetts. He maintains special expertise in implementing financial controls for private and public companies, including those responsible for municipal, state and federal regulatory compliance. He is accustomed to frequent interaction with public officials, including tax and licensing agencies of the Commonwealth.

Mr. Burkhart will design and implement management systems for the company's accounting, financial reporting, tax planning and compliance practices. He will review KMI's tax returns, and provide supervisory functions for KMI staff, from purchasing to point-of-sale. Mr. Burkhart has deep community roots in western Massachusetts, and is committed to the safe, responsible operation of KMI's business in a manner designed to meet patient needs.

As General Counsel, **Andrea F. Nuciforo Jr.** will work primarily with Mr. Burkhart to provide financial management and oversight of the organization. Mr. Nuciforo will focus on the implementation of financial controls, in addition to KMI's compliance with state regulation and local ordinances. Mr.

Nuciforo will conduct his duties as legal counsel with a full understanding of the financial status and commitments of the organization.

A member of the bar in good standing in Massachusetts and New York for more than 20 years, Mr. Nuciforo has a long experience in running sound business organizations. He has served as founder and principal for a private consulting group, advising clients on matters as diverse as real estate, financial services and vocational education. He worked for four years as an attorney at Posternak LLP in Boston, and has served “of counsel” to two Massachusetts law firms. He has represented non-profit and for-profit clients on matters such as insurance, health care, real estate and financial services. He has owned and operated a portfolio of residential and commercial real estate since 2007, which currently includes 11 residential units valued at \$1.6 million.

Mr. Nuciforo understands the unique structure of non-profit organizations, and has experience working within them. For example, Nuciforo is a board member of Berkshire Theatre Group, and has served on the executive and finance committees. Since 2006, the organization has completed a \$22 million renovation of an historic theatre in downtown Pittsfield, and manages an annual operating budget of \$3 million.

Marciane Kelly served as a Director at Home & Community Health in Enfield, Connecticut, a non-profit hospice provider in the Pioneer Valley. In that capacity, she helped to ensure fiscal responsibility for an average daily census of 45-100 patients at several non-profit hospices throughout the Commonwealth. Ms. Kelly also worked as Professional Relations Coordinator at Hospice Care of the Berkshires, where she collaborated with staff, physicians and families managing symptoms, pain and end of life care. Her experience within the non-profit health care community will be a key asset as KMI designs its financial management and oversight protocols.

Jan Carlos Byl is the founder and managing member of MedCanna Consulting, LLC. MedCanna specializes in design, build out, and implementation of commercial cultivation facilities in areas permitting regulated medical cannabis programs.

Mr. Byl has nearly two decades of practical, hands-on cannabis cultivation and dispensary operations experience in environments as diverse as The Netherlands, Switzerland, Spain, Colorado, Arizona and Washington, DC. He understands the financial constraints of early stage cultivation operations. He will work with Mr. Burkhart, Mr. Nuciforo and others in meeting patient demand and quality standards while also adhering to financial benchmarks.

Mr. Byl specializes in environmentally conscious large-scale indoor cultivation operations. He also has considerable experience in seed production operations as well as cannabinoid extraction and concentrates production. In Amsterdam from 1997-2005, Mr. Byl designed and implemented cultivation facilities for Greenhouse Amsterdam, working directly with well-known cultivation designer Arjan Roskam. He managed the cultivation and equipment budget, and satisfied organizational objectives without overrun.

During his tenure at the Greenhouse, Mr. Byl was exposed to and able to learn from some of the most respected names in cannabis, seed and extraction, including Neville Schoenmakers, Tony Sagarmatha and Adam Dunn. Within the past two years, Mr. Byl designed, shepherded through licensing and implemented the first two legal cultivation facilities in the strictly regulated Washington, DC market. He also helped design and supervised the build-out of three dispensaries in Arizona.]

- 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.

[Every member of the Executive Management Team has been involved in managing financial corrective action measures in connection with work in a non-profit or for-profit enterprise. Mr. Burkhardt, Mr. Nuciforo and Ms. Kelly will share primary responsibility for implementing such measures within KMI should they arise.

Managing financial corrective actions is part of **Richard F. Burkhardt's** practice. For example, Mr. Burkhardt and his firm provide accounting, tax and consulting services to a Massachusetts-based client doing business in approximately 15 states. When the relationship between Mr. Burkhardt and this client began over 10 years ago, the client did business in Massachusetts only. The client's internal controller had the ability to manage the company's accounting function when they were a single state business, but her skills did not grow as the business grew and the complexity increased. Problems ensued as the company entered new states without registering. State nexus issues arose, sales, use and payroll tax filing requirements were not satisfied, and internal accounting systems were not equipped to handle the business.

Upon Mr. Burkhardt's advice and at his direction, the client beefed up its accounting function with the addition of a qualified CFO possessing the multi-state business and internal control experience necessary for the situation. Mr. Burkhardt advertised the position, reviewed the resumes, interviewed the qualified candidates and narrowed the field down to two finalists. After the client conducted interviews, a CFO was selected and hired. Mr. Burkhardt now provides consulting support to the CFO to implement various corrective procedures, and to facilitate a smooth transition.

Andrea F. Nuciforo Jr. has ample experience in tackling corrective actions where cost and compliance issues are on the line. For example, Mr. Nuciforo recently represented a privately held health care company in connection with the acquisition of a long-term care facility and related assets. The client needed to address several serious operational challenges, and overcome the objections of a competitor company. The client retained Mr. Nuciforo to recommend certain operational and compliance changes, and to assist in bringing about a successful transaction. After examining the competitor's balance sheet, income statement and capital structure from public filings and private, internal documents, Mr. Nuciforo identified the bondholders, and negotiated a purchase of the senior distressed debt associated with the facility at a steep discount.

The client agreed to pay \$4.5 million in exchange for \$17.5 million bond debt. Mr. Nuciforo led the negotiation both on price and structure, and prepared the contract documents. He worked with the client to implement financial and operational changes, settled lawsuits commenced by certain subordinate accounts payable, and executed a deed-in-lieu transaction that achieved ownership of the underlying assets.

Marciane Kelly has worked within health care organizations to implement corrective actions. For example, Ms. Kelly has been responsible for designing and modifying practices relative to hospice patient certification.

Generally speaking, the Centers for Medicare and Medicaid Services ("CMS") requires that hospice patients be recertified for certain coverage every 60 days after initial certification. This may involve documenting symptoms (nausea, shortness of breath, wound status, etc.), but can also require the development of certain document and reporting protocols to assure that only eligible patients are receiving hospice care. Certification is a significant consideration for patients: without it, families must pay out of pocket, or patients will be required to manage end-of-life symptoms without hospice services.

At Home & Community Health and at Hospice Care of the Berkshires, Ms. Kelly was charged with analyzing current operations, and ensuring that eligible patients had proper certification for hospice coverage. Ms. Kelly's expertise in symptom management, wound treatment and plan of care practices allowed these organizations to meet CMS requirements and deliver patient care. She worked with case

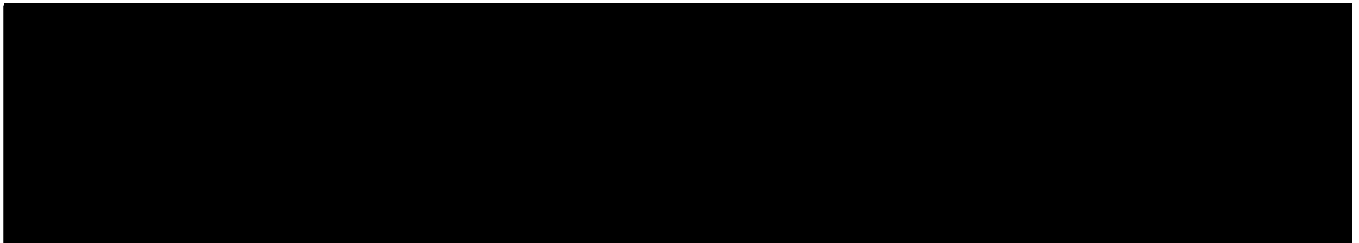
managers to demonstrate eligibility, and designed discharge plans for those patients not eligible for hospice.

Working with his partners and others, **Joseph P. Keenan, MD** has tackled financial corrective actions over the years in connection with billing and payment changes required by CMS, the Veterans Administration and various managed care plans.

Jan Carlos Byl has worked all over the world, and has adapted his cultivation practices in light of changed budgetary circumstances.

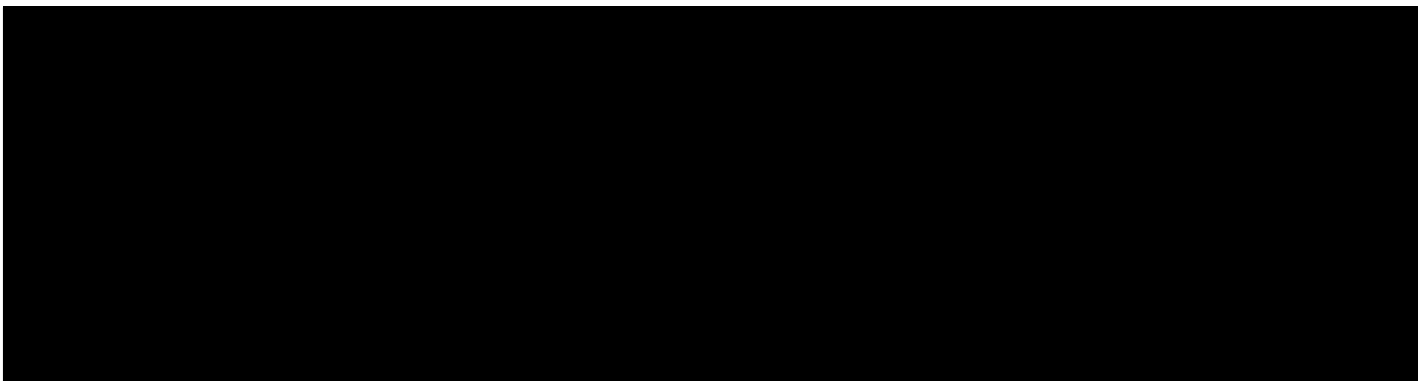
3. Applicant's Evidence of Suitability

- 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.



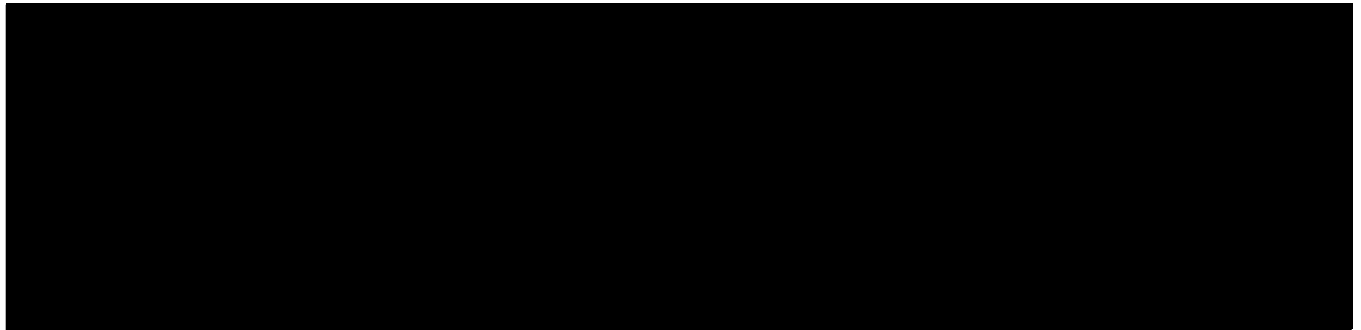
All members of the Executive Management Team and Board of Directors, including Board Officers, are now, and have always been, in compliance with the laws of the Commonwealth as described above.]

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

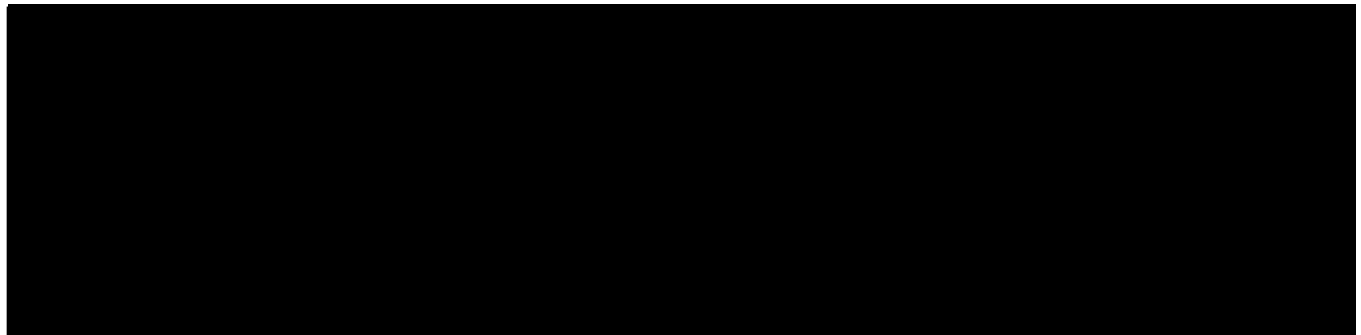


- 3.3 List and describe any civil or administrative action under the laws of the Commonwealth, another state, the United States, or a military, territorial, or Indian tribal authority against any member of the **Executive Management Team and Board of Directors, including Board Officers**, including but not limited to actions related to fraudulent billing practices and any attempt to obtain a registration, license, or approval to operate a business by

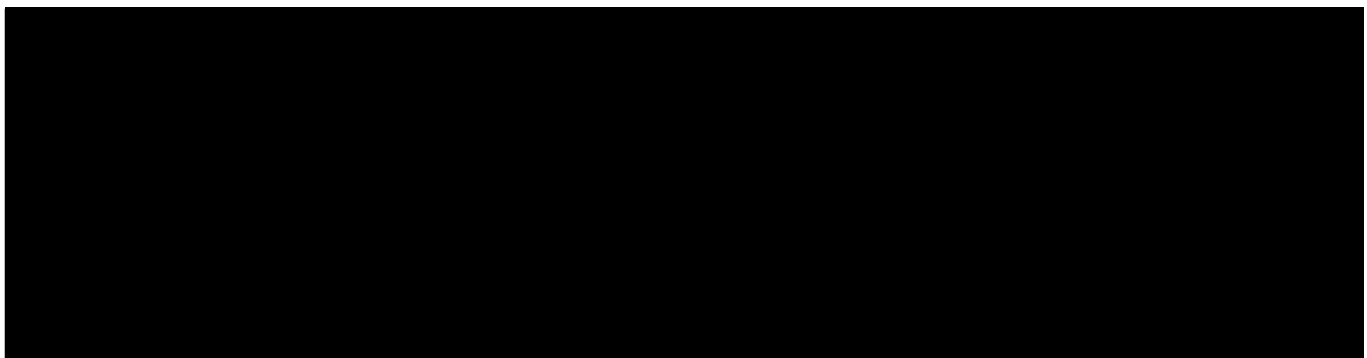
fraud, misrepresentation, or submission of false information. If no history of such civil or administrative action, indicate N/A.



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



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



4. Applicant's Evidence of Financial Condition

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

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

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

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

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

[Planning and development costs for KMI's dispensary and cultivation/processing facility in Easthampton include architectural design fees of \$10,000 for the cultivation site and \$20,000 for the dispensary. We are working with Harrison Design Associates in Great Barrington, MA. We will need a special permit (\$150) for the site. The General Counsel on our Executive Management Team will handle most of interactions with the Zoning Board of Appeals and Board of Health. Other planning and development costs include our initial security assessment through Canna Security (\$1,000) and DPH's architectural review fee, which we estimate at \$4,620.

The build-out of the dispensary and cultivation and processing spaces will be approximately \$525,000. We estimate that the 2,500 square foot dispensary will require \$200,000 in improvements and the 11,000 square foot cultivation and processing area will require \$325,000 in construction costs, including all painting and finishes and \$25,000 in additional electrical capacity. We have an option for an additional 10,000 square feet of space that we plan to exercise in year one or two of our operations in order to build-out the second phase of our cultivation facility. After conducting an initial assessment, Canna Security has estimated that our security system, with video monitoring, alarm, and physical access controls, will cost \$35,000.

The cultivation and processing equipment required for phase one of our cultivation facility includes HPS grow lights, dehumidifiers, controllers, fans, vents, watering systems, pots, nutrients, and other supplies to support production in six bloom rooms, two veg rooms, one nursery, one water room, one cure room, and one trim room. We have budgeted \$258,192 for this initial equipment and supplies as well as \$26,400 for 11 A/C units and \$30,000 for dispensary HVAC improvements.

Our commercial kitchen will include CO2 extraction equipment and laboratory equipment for internal quality control testing equipment that will be used in addition to third-party testing in compliance with 105 CMR 725.105(C)(2). We expect this kitchen and related equipment to be approximately \$90,100.

We have budgeted \$32,000 for furniture and storage, including a TL-30 safe (installed). We have also budgeted \$15,000 for computers, iPads, printers, and other related equipment. Because our dispensary and cultivation spaces are in the same building, we do not plan to purchase a vehicle, and any delivery will be contracted out initially.

Our total budget for the build-out and related development and implementation work is \$1,032,462, with our planning and development budget at \$35,770, our build-out cost budget at \$560,000, and our equipment cost budget at \$436,692.]

Capital expenses attached as exhibit 4.3

4.4 Provide a narrative summary of the proposed year-one RMD operating budget, including projected revenues by sales type, line item operating expenses, and budget assumptions, and include the budget as an attachment.

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

Working with 4Front Advisors, we have projected revenue for KMI using data from how other markets with similar approved medical conditions have developed. In Massachusetts, we expect the adoption of the program to be strong, with statewide registered patients of approximately 60,799 (0.91% of the population) by the end of our first year of operations (8/31/2015). In order to determine how many of these patients would be likely to access our dispensary, we analyzed distances, traffic patterns, potential for dispensaries in nearby cities, and other factors, to define a service area of a 20-minute drive time south and a 30-minute drive north of our Easthampton location. Of the 205,596 people within this radius, we expect 1,342 to become patients by the end of our first year of operations. We expect that in our first month of serving patients, we will average 20 patients per day, increasing rapidly to 213 patients per day by the last month of our first year.

Using an initial average retail price of flowers of \$350 per ounce, prior to applying discounts from the Compassion Program, an average transaction value of \$75, and average daily consumption per patient of 0.70 grams, we estimate 44,796 patient visits in our first year of operations, resulting in \$3,091,387 of net sales. We expect total gross revenue of \$3,440,886, with discounts for reduced price and free medicine through our Compassion Program totaling \$349,499, or 10.9% of medicine retail sales.

In year one of operations, we expect sales of non-flowers, such as edible marijuana infused products (MIPs), tinctures, and oils, to comprise 10-20% of sales. However, as the patient community becomes educated on the health benefits and availability of alternative methods of administering the medicine, we expect this category of sales to approach up to 50% of sales, as reported by operators in other legal markets who have seen this recent trend emerge over the last few years. We also plan to offer other supplies, such as vaporizers that facilitate the use of marijuana for medical purposes. We anticipate these types of items to comprise approximately 2% of sales.

We will maintain inventory levels of approximately 30 days on hand; if we exceed this level, we will sell excess inventory through the wholesale markets to the dispensaries in critical need of supply, in compliance with 725.105(B)(2)(c). In our financial projections, we assume that a small wholesale market will exist, and we expect \$161,254, or 5.2% of net revenue, to be from wholesale sales of medicine in our first year of operations. In our projections, we do not anticipate purchasing medicine on the wholesale market.

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

Our Executive Management Team is essential for building and operating a successful organization. In order to reduce the cash burn of KMI in year one, members of the Executive Management Team will be deferring salaries in the first year of operations.

We are taking a phased approach to cultivation in that we will expand production capacity as demand increases. We project that our initial build-out and procurement of cultivation equipment, as shown in Exhibit 4.3, will be sufficient for meeting demand through the first year. In our lease agreement, we have an option to expand into an additional 10,000 square feet of space; we expect to undergo this expansion at the

end of year or the first half of year two of our operations. We have budgeted \$84,519 for cultivation equipment and \$127,378 for leasehold improvement in the last quarter of our first year as we start to expand into the adjacent space.

In our first year of operations, we expect to grow medicine at approximately \$1,467 per pound, with this cost decreasing to \$1,255 per pound in our second year as we start leveraging our fixed costs and utilizing economies of scale. We estimate utilities for our cultivation operation, at \$118,181 for our first year. Other cost of goods sold (COGS) consist of:

- packaging (\$32,153),
- third-party quality testing (\$12,861),
- rent expense for cultivation and processing (\$49,935), and
- production costs, such as nutrients (\$36,315) that are not identified elsewhere in the budget.

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

- security monitoring and services (\$25,000),
- sanitation and janitorial (\$16,667),
- rent expense (\$11,349),
- transportation/automotive (\$10,000),
- professional services (\$5,000),
- utilities (\$9,740), and
- general liability insurance (\$25,455).

We expect advertising and marketing expenses to be roughly 2.0% of revenue during our first year of operations. Any advertising will comply with the requirements of 725.105(L) and serve to educate the local community on legal access for qualified patients.

We plan to contribute to charitable activities that support the local community and patient advocacy groups. In our initial year of operations, we have budgeted \$26,000 for these contributions.

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

Year-one operating budget attached as exhibit 4.4

4.5 Provide a detailed summary of a three-year business plan for the proposed RMD, including strategic planning assumptions, utilization projections, growth projections, and projected revenue and expenses. Note that the complete business plan will be reviewed as a component of the provisional inspection process. Include projected revenue and expenses as an attachment.

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

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

We have defined our potential service area from which we can analyze population and demographic information as a 20-minute drive time south and a 30-minute drive north of our Easthampton location; we will revisit this assumption once DPH awards Certificates of Registration. With a population of 205,596 residing within this radius, we expect the number of patients using our dispensary to be 1,881 by the end of our first year of operations, 2,804 patients by the end of our second year, and 3,409 by the end of our third year.

In our revenue projections, KMI has assumed an average transaction value of \$75, average consumption per patient of 0.70 grams per day, and an average price of medicine of \$350 per ounce, prior to applying discounts from our Compassion Program, which we expect to reduce gross retail sales of medicine by approximately 10.9% per year. Our pricing will be set at or above the midpoint of the scale locally to discourage diversion and because of the higher quality of medicine that we will produce. To be conservative, we project a 7% annual decline in price for the first four years of operations to account for cost savings from economies of scale that we can pass through to our patients; we will actively monitor our pricing to discourage diversion.

KMI's revenue projections for the first three years of operations, starting from the first day KMI opens for business, are \$3,091,387, \$6,327,533, and \$7,584,057, respectively. This 105% revenue growth rate from year one to year two is reflective of our assumption that the medical marijuana program will be welcomed by patients within our service area. In our third year, we expect year-over-year top line growth to be approximately 20%.

We are well prepared to handle this growth with a strong executive management team as well as partnerships with leading dispensary and cultivation consultants. We anticipate that our FTE in staffing will grow from an average of 28 during our first year of operations to 41 in our second year and 51 in our third year. A strong foundation in training is vital to our success in building a highly effective organization, and therefore, we have adopted an operations reference set to guide virtually every aspect of daily operations for each department. These documents are the most comprehensive set of training and operational procedures in the dispensary industry, developed over the course of four years by Harborside Health Center, CannBe, and 4Front Advisors. Featuring more than 45 distinct documents totaling more than 1,200 pages of detailed information, the operations reference set provides a strong foundation for training, and it addresses a wide variety of topics, including purchasing, processing and storage, information technology, dispensing procedures, bookkeeping and banking, security, and emergency procedures.

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

We are targeting 30 days of inventory on hand, and therefore our projected inventory at the end of our first three fiscal years is 51 pounds, 72 pounds, and 78 pounds. As we grow into our cultivation facility, we project utilization of our existing space to be 81% by the end of the first year. We plan to exercise our option to expand into an additional 10,000 square feet within the building in order to increase our capacity in year two. After this expansion, we project 64% capacity utilization at the end of year two and 77%

utilization at the end of year three. Our financial projections are shown in Exhibit 4.5 using generally accepted accounting principles (GAAP) and therefore do not reflect these capital expenditures and leasehold improvements.

KMI's cost of goods sold (COGS) primarily consists of salaries and benefits of our cultivation team, rent, nutrients, and utilities. After conducting a bottom-up analysis of our staffing and resource requirements, we expect that our total production costs per pound for the first three years of operations will be \$1,467, \$1,255, and \$1,201, decreasing as we leverage our fixed assets, experience, and economies of scale. We project our cultivation teams' salaries and benefits to be \$729,184, \$1,138,698, and \$1,405,624 in our first three years, respectively, and other production costs to be \$392,910, \$644,841, and \$744,643. In our projections, COGS is 39% of revenue in our first year and approximately 31% of revenue in years two and three.

We assume that a small wholesale market will exist to serve dispensaries in critical need of supply, in compliance with 725.105(B)(2)(c). We project wholesale sales of medicine to be 5.2%, 0.5%, and 0.6% of revenue in our first three years, respectively. We do not anticipate purchasing medicine on the wholesale market.

Our dispensary-related expenses largely consist of salaries and benefits, at 26.0% of revenue in our first year of operations, 28.9% in our second year, and 29.4% in our third year. We estimate other general and administrative will be 10-12% each year. The largest G&A expenses consist of rent expense, security monitoring and services, consulting fees, sanitation and janitorial, utilities, printing and reproduction, insurance, and transportation expenses. Some of these costs, such as sanitation and janitorial, will remain relatively constant as our organization grows; other expenses, such as insurance, will grow in line with revenue. Our rent will increase by \$35,000 per year as we expand our cultivation facility into adjacent space.

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

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

We will contribute to charitable activities that support the local community or advocate for patient access. As our operation becomes cash-flow positive, we will provide additional support, as a percentage of revenue, to these types of non-profit organizations, with expected expenses in this category of 0.8% of revenue in our first year, 1.6% in our second year, and 2.3% in our third year.

We have taken a conservative approach in assuming compliance with IRS Code Section 280E. This interpretation of the IRS Code is being actively reconsidered, and we will monitor changes in the IRS's treatment of medical marijuana dispensaries. In our projections, we have assumed that a portion of our gross surplus will be nondeductible, resulting in our reserve for income taxes comprising of 12.9% of net revenue in our first year, and approximately 14.6% of net revenue in years two and three.]

Three-year projections attached as exhibit 4.5

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

[KMI has engaged the Corcoran & Havlin Insurance Group of Wellesley, Medfield and Duxbury, MA, through the national medical marijuana insurance companies it represents, its affiliation with the Massachusetts Nonprofit Network, and the national, regional and local insurance carriers it also represents, to provide the required general liability and product liability insurance coverage to meet the standards set forth in 735.105(Q).

The Corcoran & Havlin Insurance Group is the 16th largest independent insurance agency in the Commonwealth and has a dedicated medical marijuana service team created to design and provide the insurance coverage necessary to protect the interests of KMI, its patients, the city of Easthampton and the Commonwealth.

Specifically, our policy includes: general liability insurance of \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, and product liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, with a liability policy deductible of \$0 per occurrence and a property policy deductible of \$2,500 per occurrence. These policies will be bound upon the awarding of a Registered Marijuana Dispensary certificate by DPH.

KMI will make reports demonstrating our compliance with the requirements of 105 CMR 725.105(Q) available in the form and manner requested by DPH.]

5. Location and Physical Structure

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

[The physical address for the proposed Kind Medical Inc dispensary site is First Floor, 142 Pleasant Street, Easthampton, Massachusetts, 01027.]

Evidence of interest attached as exhibit 5.1

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

[The physical address for the proposed Kind Medical Inc cultivation site is Sixth Floor, 142 Pleasant Street, Easthampton, Massachusetts, 01027.]

Evidence of interest attached as exhibit 5.2

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

[The physical address for the proposed Kind Medical Inc processing site is Sixth Floor, 142 Pleasant Street, Easthampton, Massachusetts, 01027.]

Evidence of interest attached as exhibit 5.3

- 5.4 Describe efforts to obtain assurances of support or non-opposition from the local municipality(ies) in which the applicant intends to locate a dispensary, cultivation site, and/or processing site and indicate whether the municipality expressed any opposition. If the sites are in different municipalities, provide information related to each community. If available, include a demonstration of support or non-opposition furnished by the local municipality, by attaching one or more of the following:
- A letter from the Chief Administrative Officer, as appropriate, for the desired municipality, indicating support or non-opposition;¹
 - A letter indicating support or non-opposition by the City Council, Board of Aldermen, or Board of Selectmen for the desired municipality; or
 - A letter indicating support or non-opposition by the Board of Health in the desired municipality.

[KMI has engaged with business, elected and civic leaders in Easthampton regarding our application to open an RMD in that city. As a result of these conversations, we have obtained the support of Easthampton Mayor Michael A. Tautznik and Easthampton City Council President Justin P. Cobb. In their letter of support, the Mayor and Council President reference the broad public support for medical marijuana in the region and the likelihood that KMI's dispensary and cultivation center will further advance the revitalization of the city's mill district.

KMI has also earned support from key stakeholders and community leaders throughout the KMI service area in western Massachusetts. Organized as a Community Advisory Board, this group includes a diverse cross-section of professions, skills and disciplines, and will serve KMI in a volunteer, advisory capacity. Members have no voting power, no functional or managerial control, and no financial interest in KMI. Nevertheless, they will play a key role as KMI develops relationships with patients, providers and other non-profits throughout the region.

While KMI anticipates an Advisory Board of approximately 20 members by the end of the first year of operation, nine members have joined prior to November 21, 2013. All resumes and biographies will be available for DPH inspection during the provisional inspection stage. In alphabetical order, the members include:

Hon. Philip A. Beattie. Judge Beattie has served as a Judge on the District Court of Massachusetts since 1989. Sitting throughout western Massachusetts, Judge Beattie has handled thousands of criminal and civil matters, and has worked effectively with court personnel, law enforcement, and members of the bar for years. Prior to his appointment to the bench, Judge Beattie worked in private practice, as an assessor in the city of Westfield, and as an assistant District Attorney under the legendary Matty Ryan of Hampden County. He resides in Westfield.

David R. Buchanan, Ph.D. Professor Buchanan is a tenured professor of public health at the University of Massachusetts-Amherst. He is skilled in public health ethics, community-based participatory research, interpretive research, humanistic program design and other disciplines. An accomplished author and researcher, Professor Buchanan has written dozens of academic publications on topics relating to innovative public health initiatives. Over the last ten years, he has developed a framework for

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

promoting public health modeled on the ideals of higher education, self-awareness and enabling individuals to gain greater clarity and self-direction. He lives in Amherst.

Teresa Castano. A teacher in the Northampton public schools, Ms. Castano is a well-regarded leader in the Hispanic community. Fluent in Spanish, and skilled in teaching in bi-lingual public school setting, Ms. Castano has worked effectively as a mentor to disabled girls and young women. From 2002 to 2010, she developed and ran HablemosAgain, a non-profit organization dedicated to the promotion Hispanic cultural events. She has also worked as a community liaison between Anglo and Hispanic communities through the arts and cultural events. She lives in Northampton.

Trooper Alan P. Chamberland. Trooper Chamberland served for 40 years on the Massachusetts State Police, retiring in 2002. A career law enforcement officer with a diverse background, he has proven expertise with police administration, crime investigation and security. From 1995 to 2002, he served as the Commanding Officer for the Berkshire County Detective Unit, with supervisory power for all serious crime investigation in Berkshire County. He currently works as a Juvenile Court investigator, investigating allegations of child abuse in accordance with court order. He lives in Richmond.

Janelle T. Cornwell, Ph.D. Ms. Cornwell is a scholar on Worker Co-operatives and Economic Geography. She is currently working as coordinator and co-author on a book project styled “Building Co-operative Power: Stories and strategies from worker co-operatives in the Connecticut River Valley.” Fluent in Spanish, she worked for two years as a Peace Corp volunteer in Guatemala, marketing and promoting sustainable agriculture strategies. A 2013 recipient of the Julie Graham Community Economies Research Fellowship, Ms. Cornwell lives in Easthampton.

Bruce Green, Esq. Mr. Green is an experienced attorney with a background in engineering, applied science and aeronautics. His early career experiences were at United Technologies and General Motors, where he worked in technology. Mr. Green later commenced a full time practice of law, focusing primarily on criminal defense work in the district and superior courts of the Commonwealth. He has represented defendants in matters ranging from arraignment through post-trial appellate practice. He lives in Westfield.

Jay W. Heinicke. Mr. Heinicke has worked for 25 years as a technology consultant and systems administrator. The founder of Professional Data Services in 2003, he has served as lead engineer and network design consultant on dozens of projects throughout Massachusetts. His responsibilities include maintenance, design and implementation of technologies for multiple clients from individual users to large state networks. Previously, Mr. Heinicke worked as a systems analyst for UMass Memorial Health Care in Worcester, where he specialized in HIPAA compliance for private medical facilities. He resides in Palmer.

Amy N. Sanders. Ms. Sanders is the Senior Director of Marketing at Wingate Health Care. A seasoned health care executive with expertise in senior living, long term care management and public relations, she has experience understanding and executing revenue and expense objectives in for-profit and non-profit settings. Ms. Sanders has a deep familiarity with the Massachusetts health care market, both from her work in long term care and from her years of experience at Tufts Health Plan. She is committed to serving health and wellness objectives for patients of all ages. She lives in Boston.

Richard Todrin. Mr. Todrin is retired from a successful career as a farmer. He brings a thorough understanding of cultivation, processing and sales of agricultural produce. A real estate investor and developer, he is adept with zoning rules and bylaws, and with building code compliance. Mr. Todrin is

comfortable interacting with public officials, including local planning, zoning and building officials. He served for three years as a selectman in the town of Colrain, and now lives in Amherst.

These members of the Community Advisory Board will act as eyes and ears for KMI. They will help KMI better understand and more effectively serve its patients throughout the region. The CAB will also assist KMI in building partnerships with non-profit health care providers throughout the region. KMI patients are likely to have relationships with numerous health care providers in the region, and KMI hopes to partner with these providers for the benefit of patients.

KMI will continue to engage these and other civic leaders and community stakeholders as we move from the application phase, through licensure and finally to build-out and operation.]

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.

[KMI has made substantial efforts to ensure that the proposed RMD location is compliant with local codes, ordinances, zoning, and bylaws, as well as state requirements for the physical address of the proposed RMD dispensing, cultivation, and processing site.

The proposed RMD is located at 142 Pleasant Street in the city of Easthampton and will be a shared dispensary, cultivation, and processing facility. The Mill Industrial zoned property is located more than 500 feet from any school, daycare center, or other facility in which children commonly congregate. The city of Easthampton does not currently have any additional sensitive use distance requirements. However, KMI anticipates that the city will adopt a bylaw sometime in early 2014, requiring a 300 foot setback from any place in which children commonly congregate in an ongoing organized basis. After thorough evaluation of the surrounding area and discussion with the mayor and city planner, KMI is confident that its proposed location at 142 Pleasant Street will comply with the proposed bylaw, should it become law.

The Pleasant Street address complies with current Easthampton zoning bylaws, as it is located in the Mill Industrial zone. This zone allows for uses including pharmacy/drugstore, retail, general manufacturing, and storage of non-toxic materials. If the previously referenced proposed bylaw passes, medical marijuana would be specifically identified as an approved use in the Mill Industrial zone.

Under current law, medical marijuana uses in the Mill Industrial zone require completion of a Special Permit from the Planning Board. A planning board appointed by the mayor manages the permit process, which requires completion of a petition by the applicant and a public hearing. A decision by the board must be made within 120 days of the application date.

KMI has worked exhaustively with local Easthampton officials to gain support for the proposed RMD location. Specifically, KMI has received support from Michael Tautznik, Mayor of Easthampton, and Justin Cobb, City Council President. In addition, KMI has met with Jessica Allan, Easthampton City Planner, to extensively detail our plans for operation and solicit feedback from the planning department.

KMI will ensure that special permit and all required licenses and/or registrations are obtained prior to starting construction.]

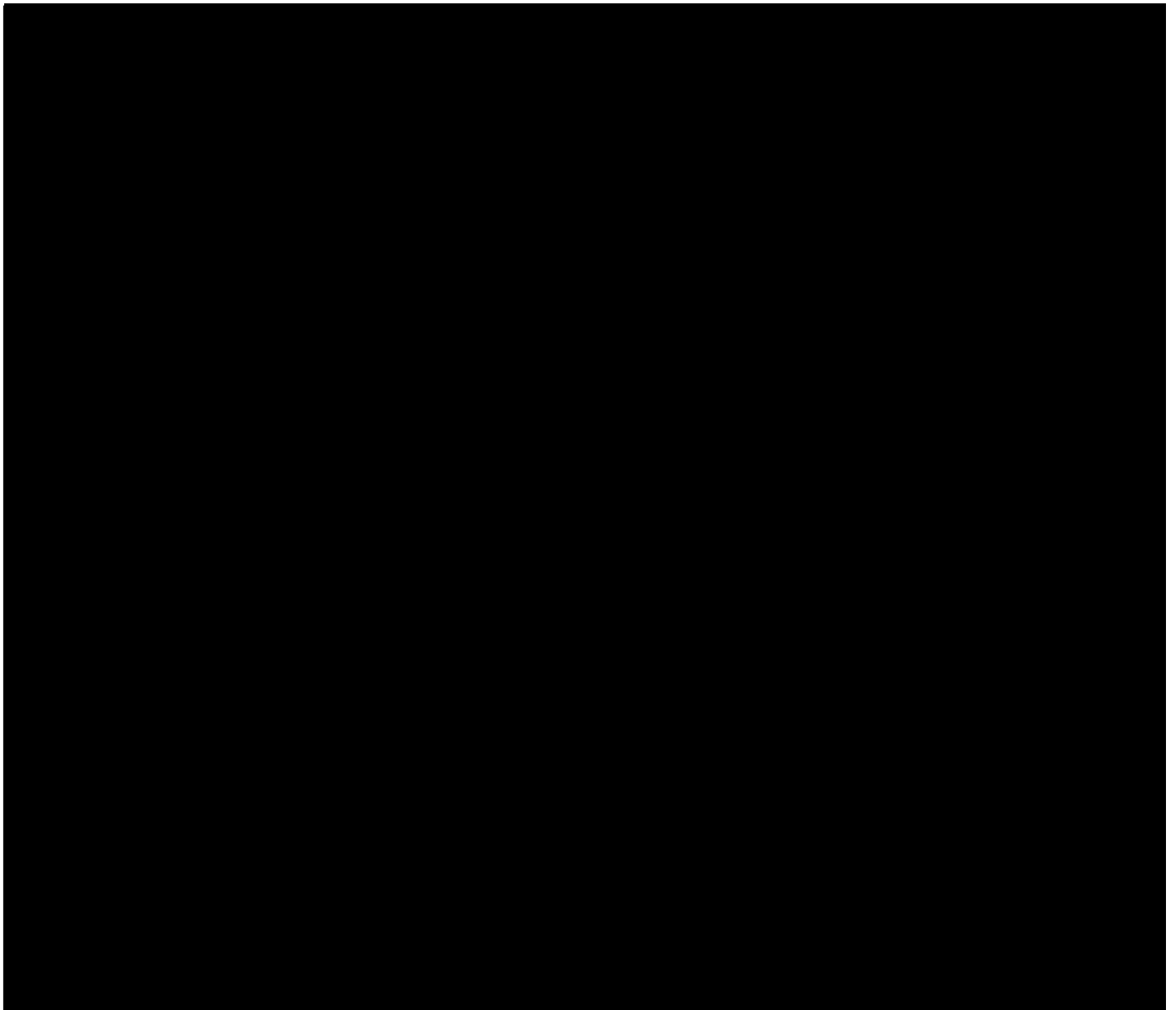
5.7 Describe the applicant's plan to continue to develop and maintain a positive relationship in each community in which the RMD is/will be located.

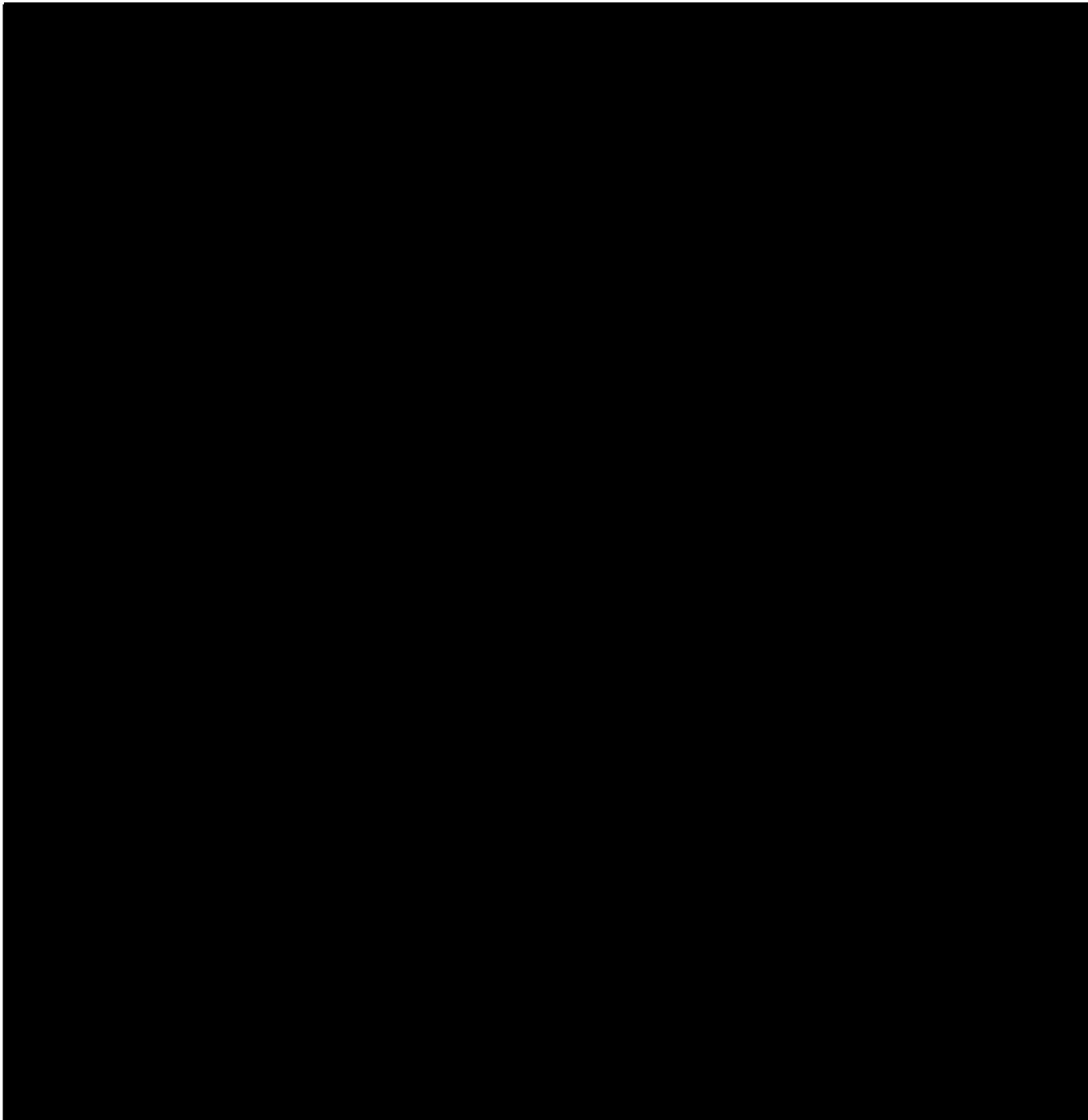
[Immediately upon receiving licensure from the DPH, Kind Medical Inc (KMI) will execute a ten-point plan designed to develop and maintain a positive relationship in the City of Easthampton and the western Massachusetts community. That ten-point plan includes the following:

1. **Pay bills promptly.** Nothing hurts a new business more than non-payment or late payment to vendors. KMI's financial position is very strong. Its principals anticipate making a substantial financial commitment, both to meet early stage capital requirements and to assure adequate working capital as KMI grows. KMI anticipates its accounts payable being very small on a dollar basis, and will endeavor to have no accounts payable beyond 30 days at any time.
2. **Use local vendors.** KMI will earn the support of the local business community. From plumbing to painting, we will look first to the local business community to meet our needs.
3. **Employee local people.** Because its executives hail from western Massachusetts, KMI takes its commitment to Easthampton and surrounding communities very seriously. KMI will employ local people in an innovative setting to develop medicines that meet an urgent patient need. KMI will pay a living wage, offer health insurance, and accommodate those employees seeking a work/life balance.
4. **Engage with a Community Advisory Board.** As discussed previously in the application, KMI has attracted and engaged a board consisting of civic and community leaders in the western Massachusetts region. KMI board members, EMT members and staff will maintain an ongoing and regular dialogue with its community advisory board, in order to better meet the needs of the community and our patients.
5. **Provide exceptional patient service.** KMI's first commitment must be to patients. Many KMI patients will suffer from debilitating medical conditions, and KMI will strive to make compassionate, patient-centered, and judgment-free care the cornerstone of our approach.
6. **Participate in the revitalization of Easthampton.** KMI will play a critical role in revitalizing the historic mill community on Pleasant Street. Easthampton boasts a strong manufacturing tradition, and it retains the architecture and infrastructure of that legacy. Its streets are dotted with the historic mill buildings that for many years supported industry such as textile, shoes, rubber, felt, electrical components and the like. In 2012, the Governor awarded a \$2.75 million MassWorks Infrastructure program grant to Easthampton to support the restoration of the Pleasant Street mill community and nearby Mill Pond. The city will begin a transformational urban renewal effort in the area in 2014, and KMI's presence will help restore economic viability and innovation to a city that long prided itself on such strengths.
7. **Be responsive and transparent.** Local officials have an obligation to assure that KMI is safely and properly meeting the mandate of its licensure. KMI will be responsive and transparent in responding to local officials -- from the mayor and City Council to the building commissioner and the Zoning Board of Appeals. KMI executives and staff will provide information promptly, and will return phone calls and emails.

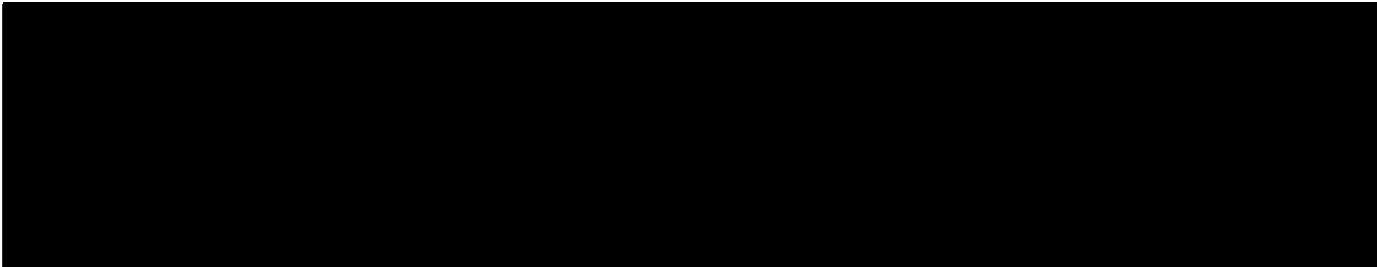
8. **Be charitable.** As a non-profit, KMI pledges to make medicine available to qualified patients regardless of a patient's ability to pay. We will develop flexible income guidelines to assure safe and reasonable access.
9. **Be a good neighbor.** KMI will be clean, quiet and compassionate. KMI will focus on its mission, and we do not intend to contribute litter, noise or blight to our neighborhood. KMI's rental payments, CAM charges and aesthetic improvements are likely to stabilize our landlord's building for some time, and allow our neighborhood to attract early stage innovative uses to the community.
10. **Attract complementary providers.** KMI intends to be part of a larger community of wellness. We plan to partner with local wellness and healing providers for services that will be available off-site through non-RMD affiliated programs.]

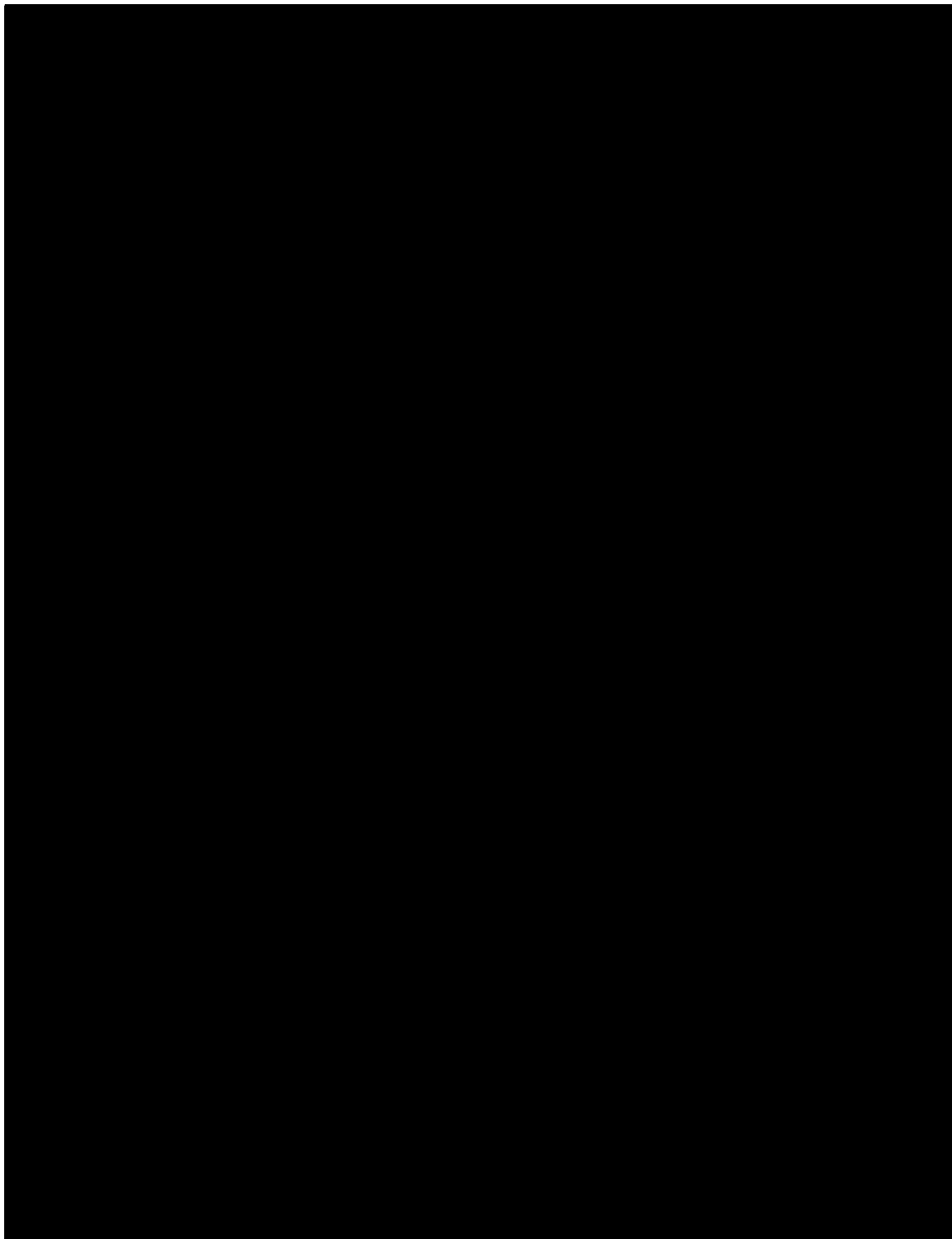
5.8 Provide a description of the proposed enclosed, locked facility that would be used for the cultivation and/or processing of marijuana, including steps to ensure that marijuana production is not visible from the street or other public areas. Note that the security plan will be reviewed as a component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





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





6. Staffing Plan and Development

- 6.1 Provide a narrative description of the proposed RMD staffing plan including position description, full time equivalency, and reporting structure. Attach an organizational chart in which you identify all staff and all reporting relationships. If this level of detail is already included in exhibit 1.3, include the same organizational chart in exhibit 6.1.

[KMI has developed a comprehensive staffing plan based on best practices within the medical marijuana, health care, and customer service industries. Below is a brief description of every position within our expected org chart, including FTE and reporting. Full job descriptions will be available for DPH review during the provisional inspection process.

In addition, DPH has indicated that applications from MA residents, women, minorities, and veterans are preferentially considered. KMI holds those same values as we feel it best meets the needs of our patient population. To this end, our 5-member EMT consists of 1 woman, 1 minority, 1 veteran, and 4 MA residents.

BOARD OF DIRECTORS– All members of the BOD have a FTE of 1.

President – presides at all meetings of the directors

Treasurer – responsible for the financial affairs of the corporation

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

Directors – ensure that the corporation fulfills its mission and purpose

EXECUTIVE MANAGEMENT TEAM –EMT members will have a FTE of 1 unless otherwise noted in parentheses after the position name. EMT members report to CEO and the CEO reports directly to the Board.

Chief Executive Officer - serves as chief executive officer of the corporation subject to the control of the BOD.

Chief Financial Officer (.5) – manages all financial tasks for the corporation; financial accounting and reporting; payroll preparation and administration; budget preparation; project management accounting; information technology; risk management.

Chief Operations Officer (.5)– responsible for all facets of day-to-day cultivation and dispensary operations; supervise dispensary GM and cultivation department heads; ensure full compliance with 105 CMR 725.000 et seq.

General Counsel – responsible for compliance with state regulation and local ordinances; negotiates and executes contracts with vendors, contractors, employees and others.

Chief Quality Officer (.25) – ensures the safe and secure operation of patient-facing dispensary operations.

Dispensary GM – oversees day-to-day operations of dispensary, managing and developing department managers; ensures proper staffing levels and quality of hiring and training; manages strategies and tasks related to facilities, accounting, sales, marketing, public relations; ensures compliance with state/local laws and regulations; manages P&L

RMD MANAGEMENT – The RMD consists of 5 core departments: Inventory, Security, Patient Services, and Cultivation (growing/harvesting), and Production & Inventory (MIP production/packaging). Department managers (FTE: 1) report directly to the Dispensary GM, except for the Master Grower and Production & Inventory Manager, who report to the COO.

Master Grower – senior cultivation expert overseeing all aspects of cultivation process from germination through harvest; oversee cultivation dept and gardeners

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

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

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

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

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

DISPENSARY ASSOCIATES – Associate level positions (FTE: 1) in the dispensary report directly to their respective department manager.

Security Associate – work within the RMD Security department team to implement security policies and procedures for the RMD

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

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

CULTIVATION ASSOCIATES – Cultivation associate level positions (FTE: 1) report as follows.

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

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

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.

[KMI has developed a comprehensive staffing plan based on best practices within the medical marijuana, health care, and customer service industries. We have developed detailed interviewing/hiring checklists and new-hire paperwork checklists, to ensure effective interviewing, screening, hiring, HR file management, and training. KMI will apply for a dispensary agent registration for any and all board members, directors, employees, executives, managers, and volunteers.

We will submit a CORI report to DPH for all new applicants, obtained within 30 calendar days prior to submission. Those CORI reports can be retrieved via the iCORI system, an online criminal history request service through DCJIS, by the individual within the organization who set up the iCORI account. KMI’s Clerk and General Counsel Andrea F. Nuciforo Jr. is the individual who registered with DCJIS on behalf of KMI as an organization user of iCORI and activated the account. We have included the DCJIS account details page showing an “Active” status as proof of account activation.

At any point when a CORI report is needed for a dispensary agent candidate, the designated manager will first gather all of the requisite information needed. They will then send a formal request to the General Counsel to pull the report. The General Counsel will send the pulled report back to the manager who will then proceed with completing and submitting the dispensary agent application with the CORI report included. Designated managers who will complete agent applications will be extremely well-versed in all relevant regulations as defined in 105 CMR 725.000, particularly 105 CMR 725.030.

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

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

- All dispensary agents are required to be at least 21 years old;

- No dispensary agent can have been convicted of a felony drug offense in the Commonwealth, another state, the United States or a military, territorial, or Indian tribal authority; and,
- All candidates must qualify for a dispensary agent registry ID card issued by the MA DPH.

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

RMD Management positions:

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

Dispensary Associate positions:

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

Cultivation Associate positions:

- Able to work with minimal supervision
- PAs: 3+ years experience marijuana processing; able to work with minimal supervision; ability to lift 40+ pounds regularly; ability to work in confined space; manual dexterity with ability to perform repeated actions for extended periods
- GARDENER ONLY: Associate Degree in Plant and Soil Science, Crop Horticulture,

Greenhouse Management, or Land Resource Management preferred, but not required; able to understand instructions; understand pesticide-warning labels and mix and apply them in accordance with legal standards; ability to prune plants effectively;

Executive Management Team

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

Board of Directors

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

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

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

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

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.

[KMI has a highly developed and documented set of best practices and policies to ensure employees have clarity as to what is expected of them and what they can expect from us. We believe it is important to set clear expectations to ensure consistency and compliance and to minimize employee frustration that can result from misunderstandings.

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

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

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

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

Size of Workforce: It is unclear at this time what the exact composition of KMI's workforce will be. Accordingly, the following information assumes a workforce of 50 or more employees at peak operations in order to address all applicable state and federal laws and regulations.

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

EMT members are taking deferred compensation in the first year as a key step to getting to cash flow positive as quickly as possible. Beyond the first year, EMT salaries will vary within a range of \$75k-100k/year per FTE.

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

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

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

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

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

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

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

6.4 If known at the time of submission, provide the name and the role/title of each dispensary agent that the proposed RMD intends to employ. If the identity of dispensary agents is unknown at the time of application, indicate N/A.

Completed list of known RMD staff attached as exhibit 6.4

6.5 Describe the applicant's staff development plan, including a detailed description of all proposed training(s) for dispensary agents.

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

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

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

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

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

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

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

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

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

Medical Training topics will include:

- Privacy policy and procedures to ensure maintenance of patient confidentiality and proper handling of individual medical data in compliance with HIPAA**
- Rights of and sensitivity toward disabled individuals
- How to identify and interact with a patient having a medical emergency
- Medical Marijuana Risks & Benefits Training
- How to provide support to patients and caregivers related to the assessment of symptoms
- Cannabis Use Patterns & the Detection of Dependence
- How to effectively refuse medical marijuana to patients who appear impaired or abusing marijuana

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

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

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

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

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

7. Operations and Programmatic Response Requirements

- 7.1 Explain the RMD start-up timeline, including evidence that the RMD will be ready to dispense within that proposed timeline if the RMD receives a provisional certificate of registration by the Department. The timeline must detail, by location, the start up period, including key benchmarks, leading up to the Department's final inspection.

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

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

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

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

The above work, representing critical business development components completed over the course of four months, has been completed well in advance of both the application submission deadline and the need for such documentation during the provisional inspection. Completion of these tasks in advance

ensures that KMI is able to become operational in an expedited manner, ultimately meeting the needs of our patients by ensuring a timely opening.

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

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

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

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

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

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

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

Start-up timeline with clear benchmarks and dates attached as exhibit 7.1

7.2 Provide a detailed summary of the year-one operating plan, including key business check-in points over the year that will inform business practice improvements.

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

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

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

Daily deep dives for the first seven days of operations will include all managers, including department managers and the Executive Management Team. Each department manager will report on specific metrics for their department, share successes, present challenges, and discuss potential solutions.

For the first month, weekly deep dives will include the same people as the daily deep dives done opening week and will use the same format. With a bit more perspective and the ability to do week-over-week analysis more fine-tuning can be done. As trends emerge, staffing levels can be adjusted if necessary, and inventory levels can be tied to actual (versus forecasted) demand.

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

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

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

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

- 7.3 Describe the applicant's knowledge of (and experience with) growing methods to be used in the cultivation of medical marijuana. Note that a copy of the marijuana cultivation and management plan will be reviewed as a component of the provisional inspection process.

[KMI's cultivation team members have a combined nearly 75 years of Cannabis cultivation and processing experience spanning all methods and environments. Several of KMI's team members are widely regarded as industry leading pioneers in cultivation methodology and Cannabis genetics. KMI's team members include the founder of a medical cannabis consulting company responsible for the

implementation of the first two licensed cultivation facilities in the Washington DC market, one of the founders of the Flying Dutchman Seed Co. (Amsterdam), the founder and driving force behind T.H.Seeds® (Amsterdam) and an award winning extracts specialist.

Mr. Byl attended University in the Eastern Townships of Quebec and worked with a group that would become one of the first licensed Hemp cultivators in Canada in 1998. He has since worked in The Netherlands, Switzerland, Spain, Colorado, Arizona and Washington DC. Mr. Byl specializes in environmentally conscious large-scale indoor cultivation operations. While living in Amsterdam from 1997-2005, Mr. Byl designed and implemented cultivation facilities for Greenhouse Amsterdam, working directly with Arjan Roskam. During his tenure at the Greenhouse Mr. Byl worked with and learned from some of the most respected and revered names in Cannabis and Seed production including Neville Schoenmakers, Shantibaba, Soma, Tony Sagarmatha and Adam Dunn. He is the founder and Managing Member of MedCanna Consulting LLC and specializes in design, build out, and implementation of commercial cultivation facilities in areas permitting regulated medical cannabis programs. Recently, Mr. Byl designed, shepherded through licensing and implemented the first two legal cultivation facilities in the strictly regulated Washington DC market. He also helped design and supervised the build-out of three dispensaries in Arizona.

Sjoerd Broeks has more than two decades of experience in the cultivation of Cannabis and is a partner and lead horticultural consultant with MedCanna Consulting LLC. Mr. Broeks was the lead horticulturalist at Cannabis College for five years, as well as running all the seed production, genetic library management and strain development for the Flying Dutchmen Seed Company. Whilst in Amsterdam, Mr. Broeks built, implemented, and consulted on dozens of indoor grow facilities and greenhouse projects. During this period Mr. Broeks was also responsible for supplying high quality product to a number of Amsterdam's Coffeeshops. Mr. Broeks has served as the lead for each stage of growth, including large-scale clone production, nursery management, field crops, post-harvest processing, particle separation and packing and storage. He runs two legal CA cooperatives, supplying medicine to over a hundred patients, as well as consulting for fifty clients to ensure disease free, high quality medicine for their patients. With an emphasis on strong genetics, integrated pest management and effective organic pest control Mr. Broeks has earned a strong reputation within his community.

In 1993, Adam Dunn became a driving force in Amsterdam for Cannabis education and a meeting spot for cultivators and researchers of the plant. Mr. Dunn is a partner and lead genetics consultant with MedCanna Consulting LLC. Mr. Dunn is also a founding partner of HempWorks CV (Netherlands), parent to T.H.Seeds®, (Cannabis genetics), as well as HempWorks International Ltd. (Hong Kong), parent to HoodLamb®, an organic hemp clothing line manufactured in China. T.H.Seeds®, became the outlet for all the knowledge Mr. Dunn had collected over years and under his direction T.H.Seeds® would go on to develop widely respected strains such as Bubblegum, S.A.G.E.®, Heavy Duty Fruity®, and Chocolate Chunk among many others. T.H.Seeds® genetic accolades are too numerous to list and T.H.Seeds®

Genetics are a staple amongst seed banks and stores the world over. After more than two decades in Amsterdam, Mr. Dunn and his wife relocated to the U.S. in 2011 and since then he has advised and consulted for numerous organizations, providing services ranging from genetic consulting to full-scale design and implementation of facilities for flower, seed and extract production.

Jason Pinsky is the lead concentrates consultant with MedCanna Consulting LLC. Mr. Pinsky has been working with cannabis extraction technology for the better part of the past two decades, starting with cold-water extraction techniques in the late 90's. In more recent years, Pinsky has been working with various super critical fluid solvents for botanical extractions. Mr. Pinsky's experience ranges from open-ended extraction systems to closed loop extractors, which recirculate chemical solvents for maximum safety during processing. He only uses medical grade solvents for extractions offered by laboratory

certified suppliers, and discourages the use of consumer grade solvents for use in medical grade extractions. Mr. Pinsky has considerable experience with purging chemical solvents used in the production of medical cannabis extract. Utilizing laboratory grade vacuum drying and finishing technologies allows the extracted oil to be heated to a liquid form. Any residual gasses left in the sample can be vacuumed out, causing any residual solvents to dissipate from the extract leaving you with a clean healthy product. Mr. Pinsky believes in standardized lab testing for all stages of extract production, not only to ascertain the cannabinoid potency profile for the sample, but most importantly, the parts per million of any residual solvent that might be left in the product.]

- 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.

[KMI has contracted with MedCanna Consulting to develop a detailed plan with strict policies and procedures for its cultivation operations. KMI's plan incorporates genetic selection of strains (chemovars) with established and tested cannabinoid profiles. Their advanced bio-organic cultivation techniques include strict environmental controls, software tracking of all products from seed to sale, organic pest control methods, in-house and 3rd party testing for molds and contaminants as well as advanced curing and packaging methods.

Using specific chemovars that exhibit known medicinal values and cultivating them within their preferred environment a very high level of consistency and purity can be attained. Incorporated pruning and screening techniques help with even hormone distribution throughout the plant and all undergrowth is removed at different stages to allow for an even Cannabinoid profile throughout each plant.

Each crop will be tested first in-house and ultimately by a third party lab prior to any product being released for sale. Crops will be tested for molds (ultraviolet light and high powers microscope inspection) residual insecticides, fungicides (both through chromatographic analysis), and Cannabinoid profiles (THC/THC-A/THC-V/CBN/CBD/CBD-A) using HPLC (High Performance Liquid Chromatography) to third party standards. By utilizing known safeguards and following a well-practiced Integrated Pest Management system there will be no chance of any contaminated product reaching the patient.

Any plant genetics entering the facility will be kept under quarantine for a period of six days, during which a three-part sterilization procedure will take place. A weekly fumigation of vegetative plants with Ozonated or electrolyzed water will ensure an environment free of unwanted pathogens. Daily monitoring of plants and traps will allow for the immediate implementation of measured responses should safe operating parameters be exceeded.

Keeping the climate in the grow space and the root zone at optimal levels, coupled with regular inoculation with beneficial organisms will ensure that pathogens cannot take hold and proliferate. Sterilization of rooms during changeover will be carried out as a standard. Sterilization of the drying and curing section will be performed before the product enters, and after the product leaves the chamber. A gas flush with CO₂ or Nitrogen gas of the drying room with the product inside will ensure sterility of the finished product. All finished product is to be stored under vacuum with Nitrogen gas.

If needed, a number of organic products will be incorporated, including: organically based pyrethrums, neem oils, mineral oil or alcohol based products and biologically active products such as BT and Spinosad. We incorporate three different types of organically based enzymes throughout the growth process, combined with a flushing period toward the end of the bloom cycle. Ballast levels will be measured from run off and lab tests of the grow medium. This allows on the spot decisions about

nutrient dosing. Plant tissue analysis will also be used in determining nutrient levels and allow us to ensure that there are no extra ballast materials in the end product.

The use of the BioTrackTHC software system will aid us in maintaining strict controls within the cultivation facility. BioTrackTHC provides the ability to “tag” or barcode each plant and track the treatment and environmental conditions throughout the growth stages and the sale. This barcoding and tracking system will allow any product to be tracked back to a production lot and in the unlikely event of contamination or unacceptable test results the entire lot can easily be identified and disposed of in a legal and safe manner.]

- 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.

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

We expect to maintain approximately 30 days of inventory hand. If we exceed this level, we will sell the excess through the wholesale market to other RMDs. In compliance with Massachusetts law, KMI will only provide wholesale sales to another RMD when a documented emergency situation occurs such as loss of crop, vandalism, or theft, or other circumstance as approved by DPH.

KMI intends to offer proprietary strains offering optimal benefits for particular ailments. It is likely that patients using another RMD will find these strains particularly effective. They may formally request the offering at their local RMD. KMI will provide excessive crop of the requested product on a wholesale basis as long as the acquiring RMD provides documented evidence that a qualifying patient’s need cannot otherwise be met by their facility. KMI will ensure that the distribution to all other RMDs does not exceed, cumulatively, 30% of the RMD’s total annual inventory.

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

All waste, including that composed entirely or partially of finished marijuana and MIPs, will be secured, managed, and stored according to applicable state and local statutes, ordinances and regulations. KMI will store such marijuana product inside locked receptacles. These will be designed to limit odors and will be located inside a limited access area within the facility. This area will include video surveillance and electronic locks, and entry and exit to this and similar limited access areas will be monitored using an advanced access control system.

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

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

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

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

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

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

[KMI's MIP plan includes extracts and concentrates for multiple end uses. The goal is to provide consistent and safe extracts for both the producer and the consumer.

We plan on utilizing traditional sieved extraction methods, both dry and water-assisted, as well as safe and environmentally friendly CO2 supercritical fluid extraction (SFE). Sifted extracts involve mechanical separation of the trichomes from the plant material. The trichomes contain the essential oils and cannabinoids of the plant. Once separated from the raw botanical material, the trichomes can then be used for vaporization and further processing into infused products and edibles. Ultimately, these extracts will be used to produce safe and desirable products: hashish, oils, ointments, tinctures, sublingual sprays, medicated gelscaps, and food products of consistent dose and cannabinoid profile.

KMI will ensure that all processing of the leaves and flowers of the female marijuana plant will take place in a safe and sanitary manner. The leaves and flowers used for processing will be well cured, free of seeds, stems, dirt, sand, debris, and other foreign matter. In order to ensure sanitary conditions and prevent contamination, KMI intends to construct multiple MIP processing areas, specifically a commercial kitchen and extraction room featuring equipment for CO2 extraction. The food processing area will be constructed with FRP (fiber reinforced plastic) wainscoting on walls to create an area designed to maintain a clean environment. In addition, KMI will utilize food-grade, stainless steel tables to prepare and handle medicine. Food processing areas will meet or exceed all requirements for commercial kitchens.

All product packaging will take place in the limited-access packaging and labeling room. Access will be limited to dispensary agents whose duties are directly related to packaging and labeling. The KMI security system will log each dispensary agent entrance to and exit from the packaging and labeling

room, allowing for further access control and monitoring. The packaging and labeling room will be equipped with video cameras directed at all areas where marijuana is processed, prepared, stored, and handled. Cameras will be placed to ensure the capture of clear and certain identification of any person entering or exiting the room.

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

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

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

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

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

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

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

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

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

7.7 Describe the applicant's inventory management program, including seed-to-sale tracking procedures, prevention of diversion, and storage of marijuana products. Note that a copy of the inventory management program policies and procedures will be reviewed as a component of the provisional inspection process.

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

Bulk packaged, inventoried medical marijuana flowers and preparations, will be stored in a vault within the Inventory department equipped with adequate lighting, ventilation, and temperature and humidity controls. The considerable space is necessary to safeguard large amounts of processed medicine.

Seed-to-Sale Tracking

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

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

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

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

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

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

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

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

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

Preventing Diversion

KMI will prevent diversion in the following ways:

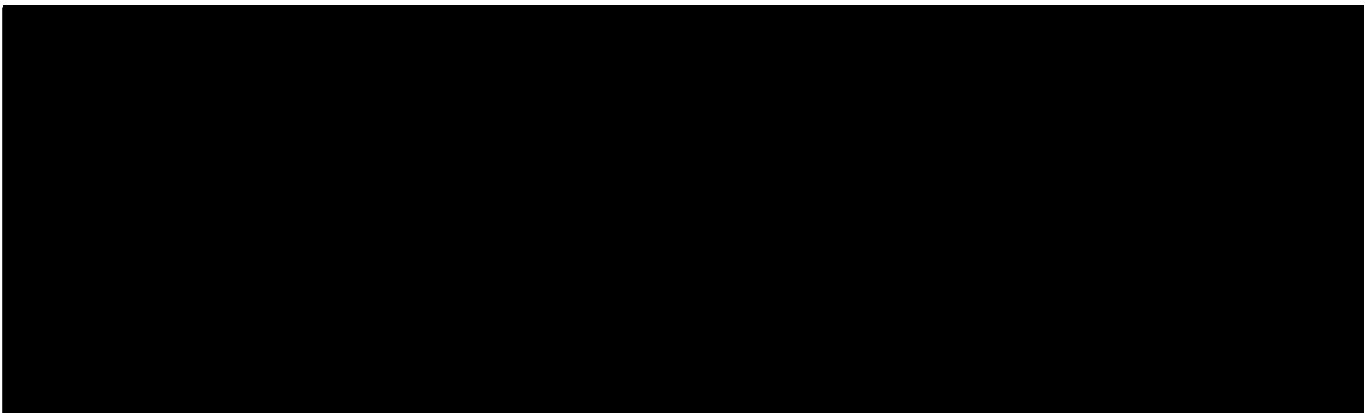
Set Appropriate Pricing. When prices are set too far below the midpoint of current scale, dispensaries may unintentionally open the door to “black market” purchases. Through its responsible pricing practices, KMI will support state law by discouraging diversion.

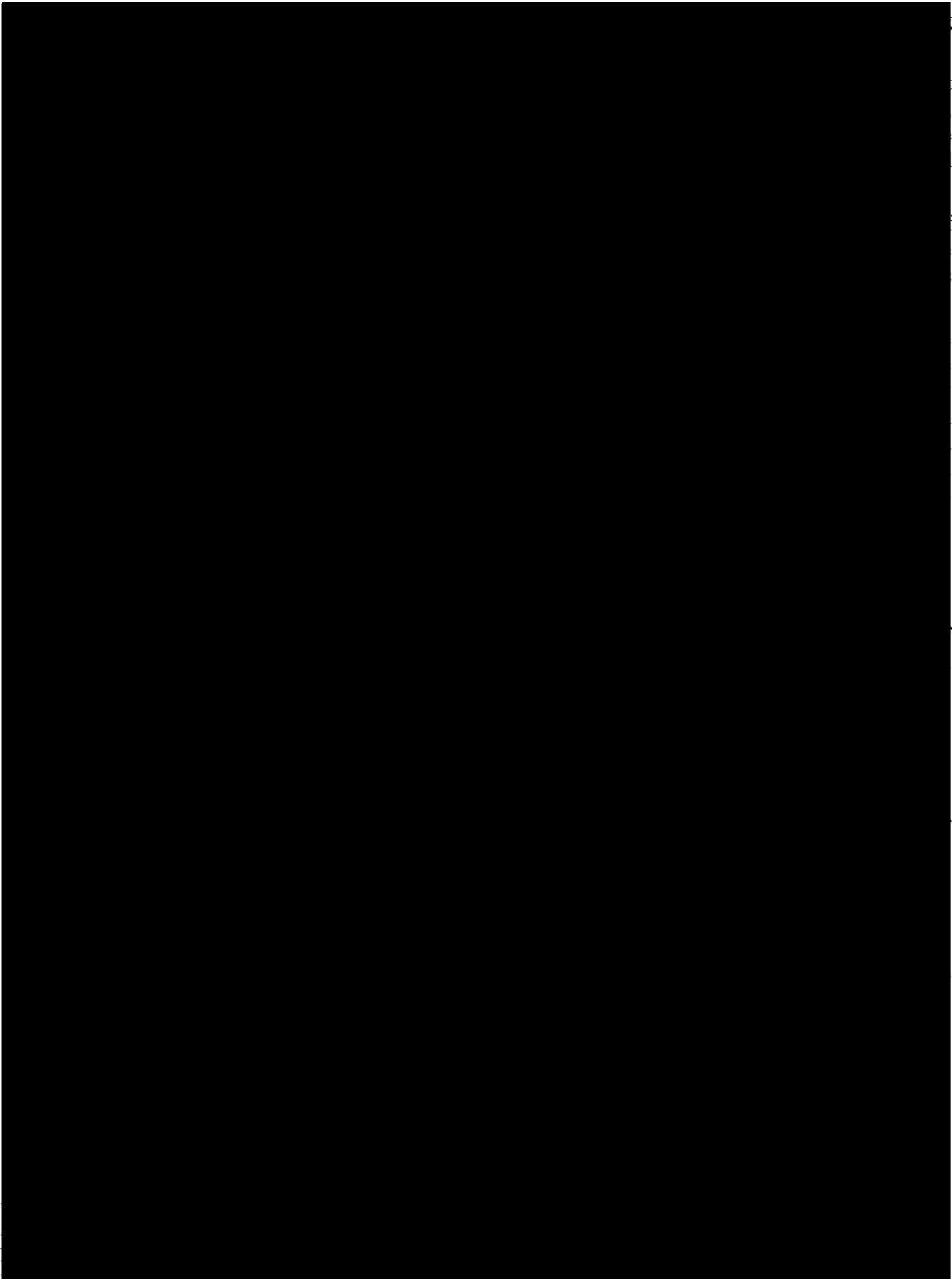
Security Department – Through identifying, installing, and maintaining the right equipment, protocols, and personnel, diversion can be prevented.

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

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

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





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

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

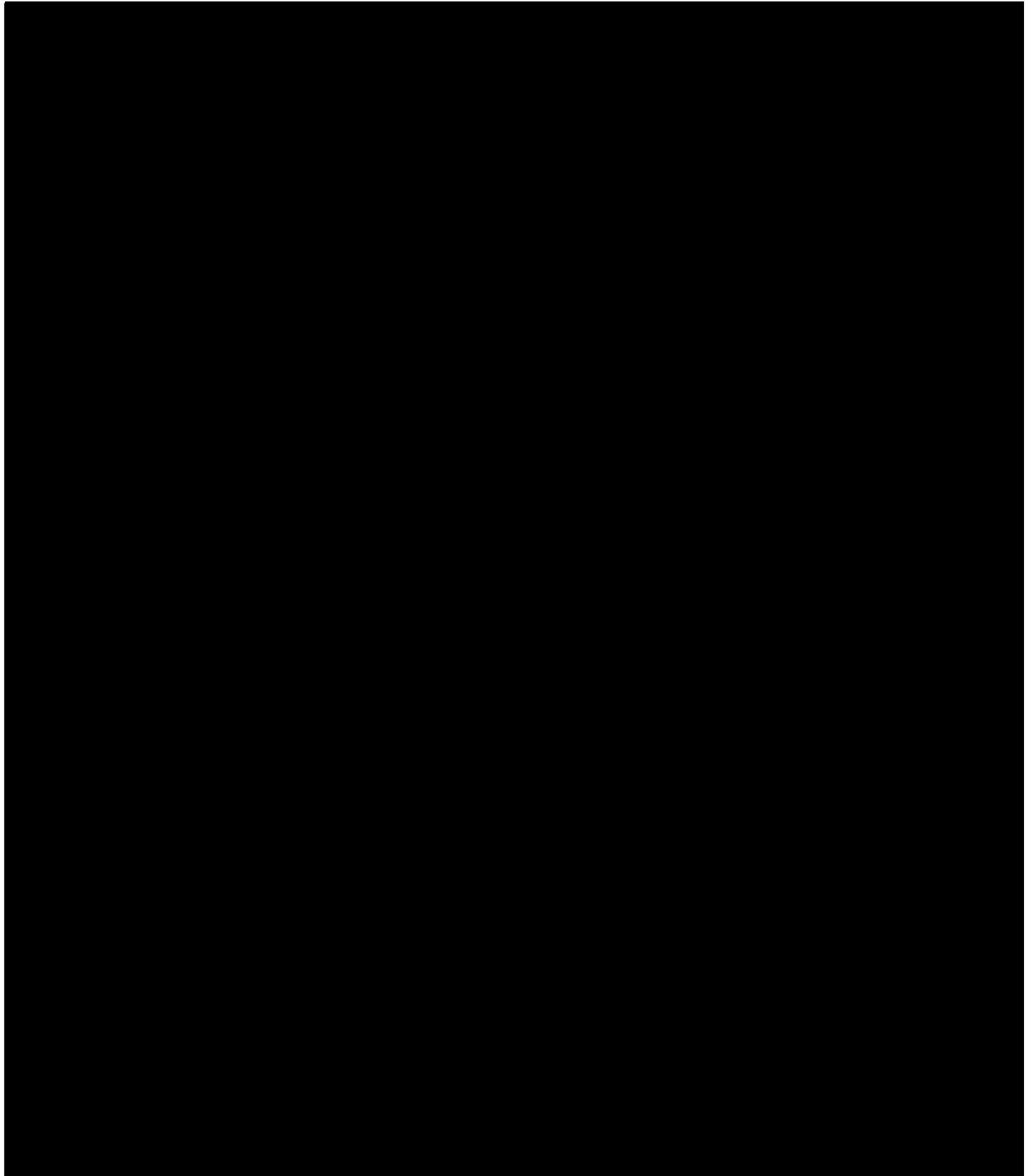
As seen in other medical marijuana markets, we expect the number of registered patients in Massachusetts to reach approximately 2% of the population, or 130,000 patients, within the first five years of operations. These patients will likely be coping with a variety of conditions for which they seek the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

We expect a majority of our patients to be male (approx.60%) and on average 40 years old. Our patients will come from diverse backgrounds; US Census data suggest that within our defined service area of 205,596 people, 81.2% of the population are Caucasian, 3.8% are African American, 17.8% are Hispanic, 3.8% are Asian, and 8.1% are other races. We will meet the needs of our diverse patient population by focusing on diversity within our staffing practices, as patients respond and relate to staff that reflect the patients' characteristics. We will enlist the assistance of culturally-competent medical professionals with expertise in delivering health care services to diverse populations, as cultural beliefs and health philosophies play a large role in determining how best to address patients' chronic conditions and diseases.

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

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

7.10 Describe the RMD's procedures for safely dispensing medical marijuana to registered qualifying patients or their registered personal caregiver, including a process for identifying patients/caregivers, ensuring their safety, and protecting their privacy.



7.11 Describe the RMD's patient record keeping system and planned use of technology to support business operations, including use of the Department's electronic registration and dispensing tracking system. Note that a copy of the patient record keeping policies and procedures will be reviewed as a component of the provisional inspection process.

[KMI will implement recordkeeping policies and procedures, including the tracking of patient records, purchases, denials of sale, any delivery options, confidentiality and retention. In addition, KMI will implement recordkeeping policies and procedures to ensure that records are maintained as required by 105 CMR 725.000 et seq. Specifically, KMI will maintain the following records:

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

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

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

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

the system, including transaction information, will be done so manually during the patient check-in and/or sales process.

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

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

[Our patients suffer from chronic conditions, many of which reduce their ability to earn income and afford medicine to manage health needs. KMI will support an individual's right to personal health empowerment through access and knowledge. In this spirit, KMI plans to provide reduced cost marijuana to patients with documented verified financial hardship, in accordance with a sliding fee scale.

Individuals will be made aware of the KMI Compassion Program during registration as a dispensary patient. To be considered for the program, patients must be residents of Hampshire, Hampden, Franklin or Berkshire counties, and must complete a Compassion Program Registration Form. This form will document the extent to which a patient is experiencing financial hardship as well as medicinal preferences and needs (i.e., methods of consumption and medicating schedule). All patients applying to the Compassion Program must provide copies of documentation of received benefits and/or the two most recent paystubs for each member of the household earning income.

Specifically, the Registration Form will be used to determine patient eligibility using standards established by DPH. In order to qualify for our Compassion Program, a patient must either be a recipient of MassHealth or Supplemental Security Income, or have a gross annual household income of less than 300% of the federal poverty level, adjusted for family size.

Based on the Compassion Program Registration Form, our Patient Services Manager will conduct a mandatory one-on-one consultation with the patient to determine the extent to which reduced cost medicine will be made available to him or her.

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

KMI has established the following sliding fee scale based on patients' eligibility for discounted medicine: 4 points / patient responsible only for a minimal flat minimum fee per purchase; 3 points / patient responsible for 70% of cost; 2 points / patient responsible for 85% of cost; 1 point / patient responsible for 95% of cost. We anticipate 50% of our patient population will qualify for reduced cost marijuana at an average discount of 18%.

Providing reduced cost medicine to patients with financial hardship is core to our dispensary's mission. We also know that this approach brings with it potential risks associated with the diversion of medicine

that patients acquire at costs below market rates and could potentially distribute for a profit. To mitigate this risk, we have established a small flat minimum fee for purchases and will establish weekly limits on the volume of medicine that can be obtained at a discount. Special consideration will be given during the mandatory one-on-one applicant consultation to each patient's medicating schedule and preferred method of consumption, as these factors will inform the identification of appropriate weekly limits.

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

Proposed sliding price scale attached as exhibit 7.12

7.13 Describe the proposed plans to provide counseling and educational materials to registered qualifying patients and their personal caregivers related to methods of marijuana administration and information about the health effects of marijuana use.

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

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

- Rules and regulations to abide by from state and local laws;
- Research studies on health effects;
- A warning that marijuana has not been analyzed or approved by FDA, that there is limited information on side effects, that there may be health risks associated with using marijuana, and that it should be kept away from children;
- A warning that when under the influence of marijuana, driving is prohibited by M.G.L. c. 90, s. 24, and machinery should not be operated;
- Information to assist in the selection of marijuana, describing the potential differing effects of various strains of marijuana, as well as various forms and routes of administration;
- Tools for tracking the strains used by patients and their caregivers and their associated effects;
- Information describing the impact of potency and its role in determining proper dosages and titrations for different routes of administration;
- A discussion of tolerance, dependence, and withdrawal;
- Facts regarding substance abuse signs and symptoms, as well as referral information for substance abuse treatment programs;

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

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

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

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

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

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

Booklets will be available for these specific conditions:

- Gastrointestinal Disorders and Medicinal Marijuana
- Chronic Pain and Medicinal Marijuana
- Multiple Sclerosis and Medicinal Marijuana
- Cancer and Medicinal Marijuana
- Arthritis and Medicinal Marijuana
- Movement Disorders and Medicinal Marijuana
- HIV/AIDS and Medicinal Marijuana
- Aging and Medicinal Marijuana]

7.14 Describe the RMD's proposed marketing and advertising plan, including the company logo, printed materials and flyers, external signage, advertising practices, and outreach and promotional materials. Note that a copy of the marketing and advertising plan will be reviewed as a component of the provisional inspection process. Do not include reproductions or representations of the logo, printed materials, or flyers.

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

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

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

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

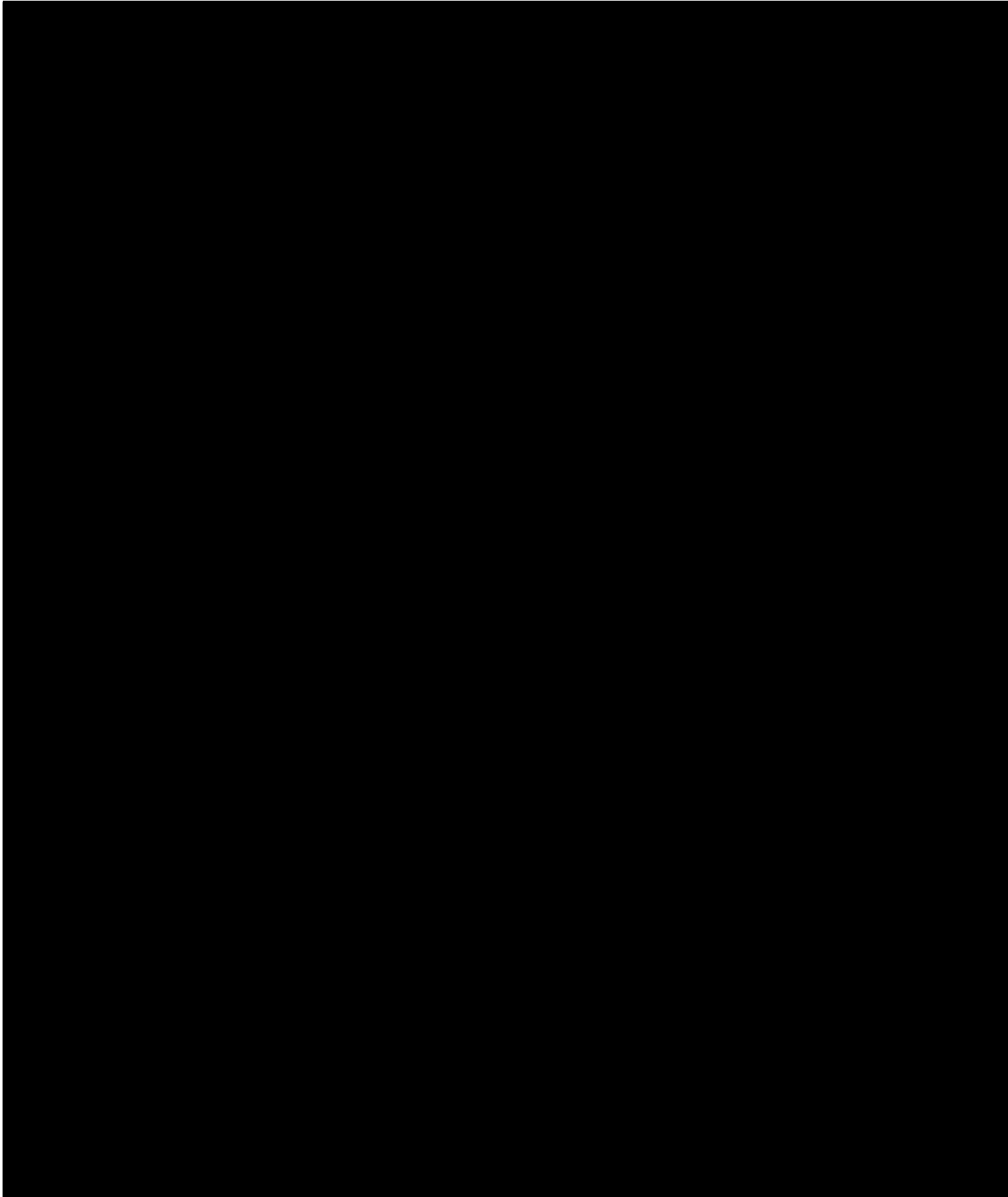
KMI will develop a formal referral program that encourages current patients to bring a friend or pass on information to a friend. This is particularly important, given that "friend" is the most common answer reported on new patient intake forms when patients are asked to indicate how they heard about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

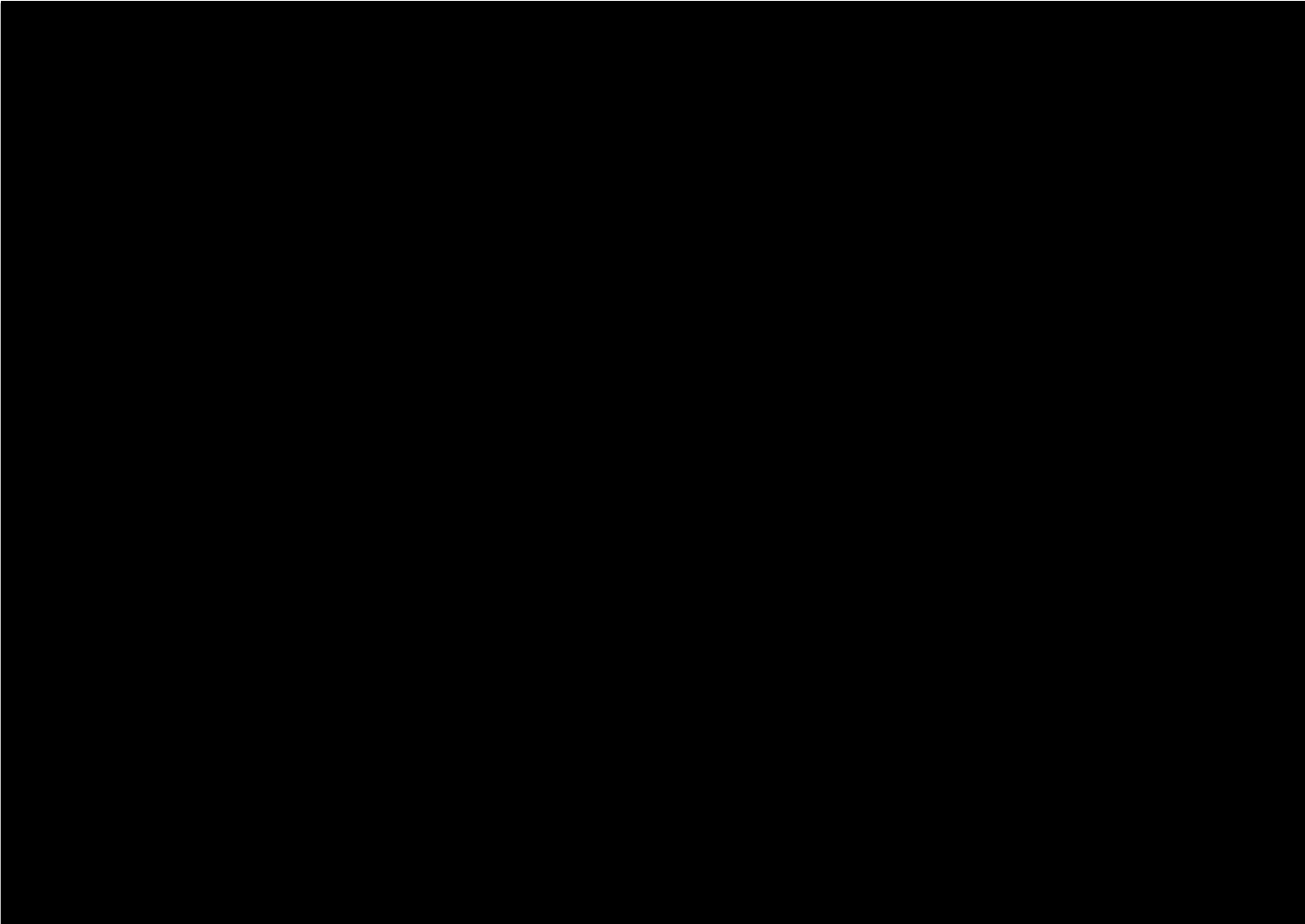
We will focus on increasing membership and patient loyalty by marketing to our patient base using permission-based, low-key marketing. Messaging will include on-site promotional materials, such as signs, flyers, newsletters and bulletins, as well as occasional e-mailed communications to patients who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

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

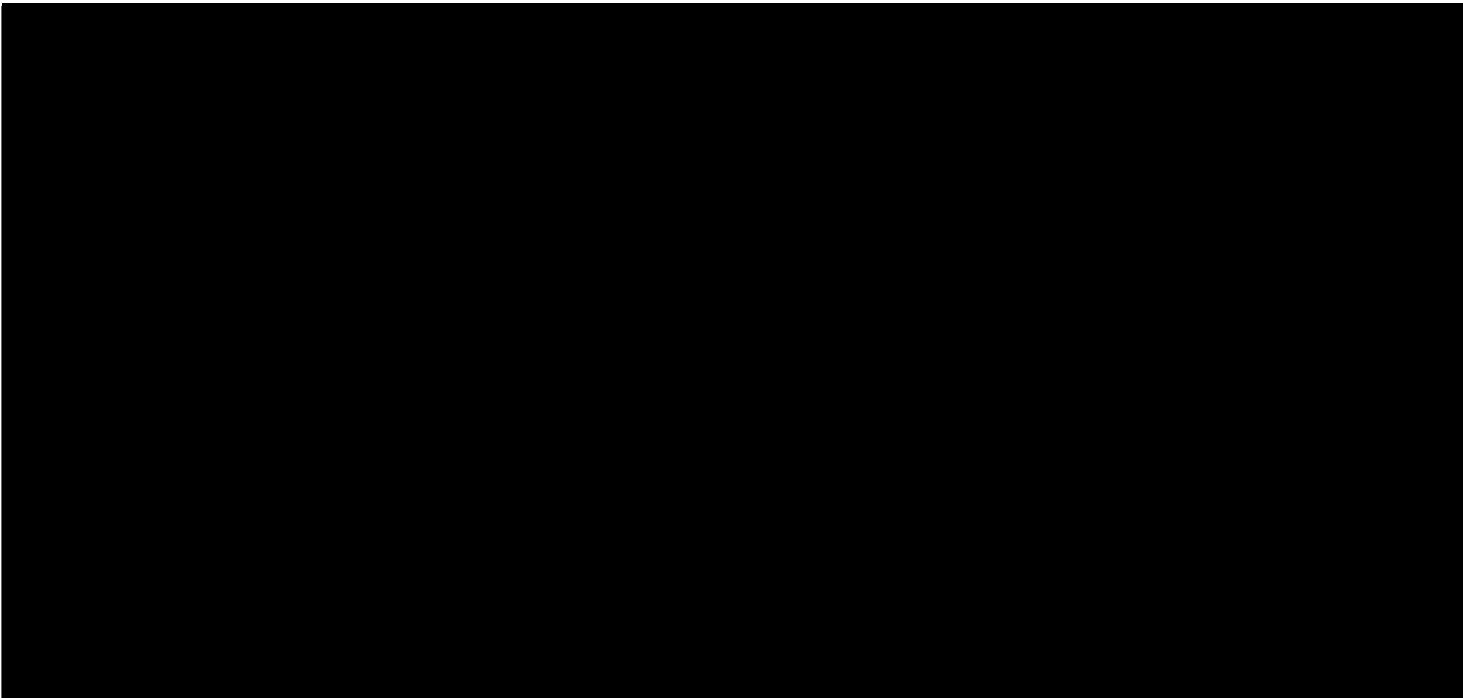
We also will establish alliances with partners who are in contact with prospective patients (e.g., physicians, cancer support groups, hospice organizations, AIDS organizations) to increase awareness and generate a stream of referrals. A key part of this initiative will be educating partners on the benefits, legalities and processes involved with referring patients for medical marijuana use.]

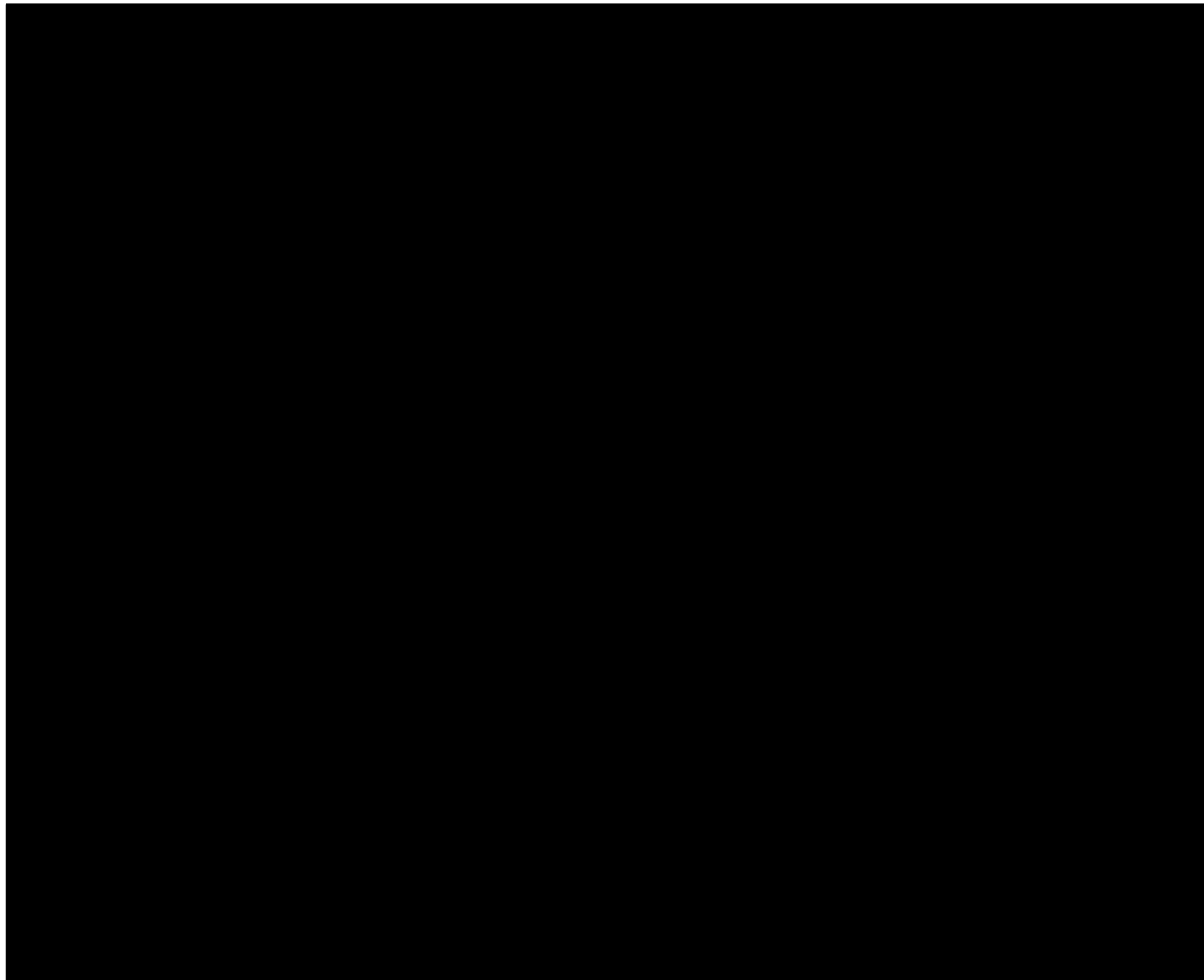
7.15 Describe the RMD's emergency preparedness procedures, including a disaster plan with procedures to be followed in case of fire or other emergency. Note that a copy of the safety and security procedures will be reviewed as a component of the provisional inspection process.





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





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

[Incident Management

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

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

- Prevent violent incidents from occurring.
- Deal appropriately with each threat or violent act on a case-to-case basis.
- Minimize the risk of harm to employees, contractors, visitors, and others on premises.
- Improve the comfort level of employees.

- Communicate to employees our commitment to their safety and security.
- Protect property and assets.
- Prevent the diversion of marijuana.

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

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

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

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

- Discrepancies identified during inventory, diversion, theft, loss, or any criminal action involving the RMD or a dispensary agent;
- Any suspicious act involving the sale, cultivation, distribution, processing, or production of marijuana by any person;
- Unauthorized destruction of marijuana;
- Any loss or unauthorized alteration of records related to marijuana, registered qualifying patients, personal caregivers, or dispensary agents;
- Any alarm activation or other event that requires response by public safety personnel;
- The failure of any security alarm system that is expected to last longer than eight hours and is due to a loss of electrical power or a mechanical malfunction;
- Any other breach of security;
- Any vehicle accidents, diversions, losses, or other reportable incidents pursuant to 105 CMR 725.110(F), that occur during transport.

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

Completing Incident Reports & Investigations

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

With a basic investigation, the security team will first conduct a verbal investigation with whoever is involved, including those named in the initial inquiry, witnesses, etc. Once the verbal investigation is complete, KMI staff will review the camera footage and attempt to identify responsible parties.

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

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

ORGANIZATIONAL CHART
(Exhibit 1.3)

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

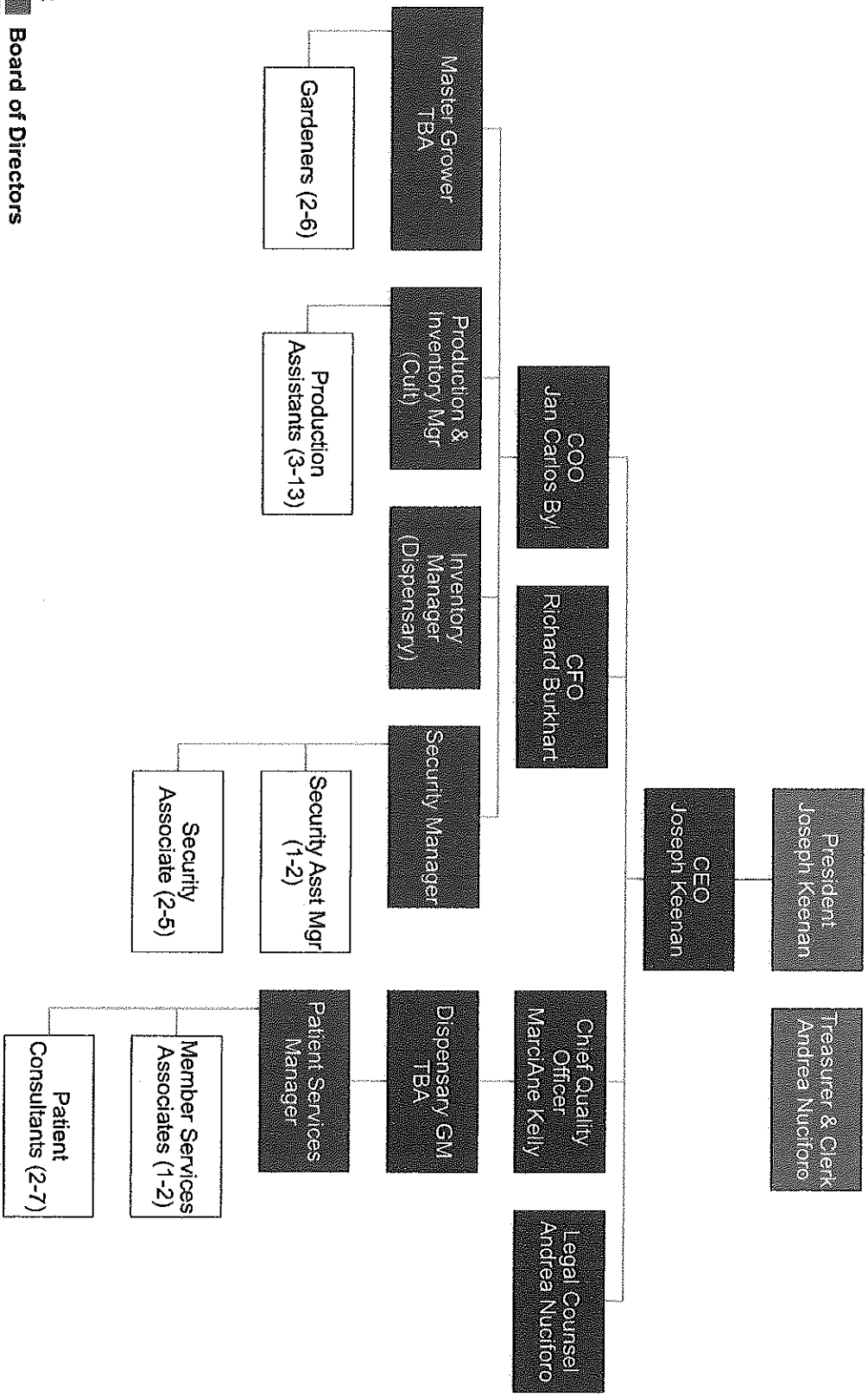
Corporation Name: Kind Medical Inc

Application # (if more than one): _____

Attach organizational chart.

KIND MEDICAL INC (KMI)
Organizational Chart

 ORIGINAL

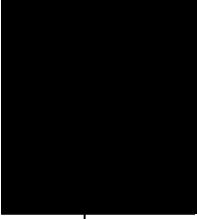


- KEY:**
-  Board of Directors
 -  Executive Management Team
 -  Unit Management Level
 -  Unit Assistant Management Level
 -  Unit Associate Level

**BOARD OF DIRECTORS
(Exhibit 1.4)**

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

Corporation Name: Kind Medical Inc Application # (if more than one): _____

	Board Role	Name	Date of Birth	Business Email	Business Address
1	President	Joseph P. Keenan		Jpk48@aol.com	75 Springfield Road Westfield, MA 01085
2	Treasurer & Clerk	Andrea F. Nuciforo, Jr.		anuciforo@nuciforo.com	Cianflore & Cianflore PC 59 Bartlett Ave Pittsfield, MA 01201
3					
4					
5					

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: Kind Medical Inc

Application # (if more than one): _____

A. Member as Individuals

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

B. Member as Corporations

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

CORPORATE BYLAWS
(Exhibit 1.6)

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

Corporation Name: Kind Medical Inc

Application # (if more than one): _____

Attach bylaws.

BY-LAWS
of
KIND MEDICAL INC

Section 1. Name, Purposes, Location, Corporate Seal and Fiscal Year

1.1 Name and Purposes. The name and purposes of the corporation shall be as set forth in the Articles of Organization.

1.2 Location. The principal office of the corporation in the Commonwealth of Massachusetts shall initially be located at a place set forth in the articles of organization of the corporation. The directors may change the location of the principal office in the Commonwealth of Massachusetts effective upon filing a certificate with the Secretary of the Commonwealth.

1.3 Corporate Seal. The directors may adopt and alter the seal of the corporation.

1.4 Fiscal Year. The fiscal year of the corporation shall, unless otherwise decided by the directors, end on the 31st day of December in each year.

Section 2. Members

2.1 Number, Election and Qualification. The incorporators initially and the directors thereafter shall establish the dues requirement necessary to become a member of the corporation. Each year at their annual meeting the directors shall fix the amount of the dues and all qualified individuals meeting the dues requirements shall thereafter become members. The dues requirement and anything else in these by-laws and the actions of the Board of Directors should not attempt to accomplish discrimination in its membership in any way or manner. In addition to the dues requirement, membership is limited to independent commercial truck owners or any other person, corporation or association that the directors determine could have an association or reason to assist the purposes of this corporation.

2.2 Tenure. Each member shall hold office until the next annual meeting of members and until his successor is elected and qualified, or until he sooner dies, resigns, is removed or becomes disqualified.

2.3 Powers and Rights. In addition to the right to elect directors as provided in Section 4.1 and such other powers and rights as are vested in them by law, the articles of organization or these by-laws, the members shall have such other powers and rights as the directors may designate.

2.4 Suspension or Removal. A member may be suspended or removed with or without cause by vote of the majority of members then in office. A member may be removed for cause only after reasonable notice and opportunity to be heard.

2.5 Resignation. A member may resign by delivering his written resignation to the president, treasurer or clerk of the corporation, to a meeting of the members or directors or to the corporation at its principal office. Such resignation shall be effective upon receipt (unless specified to be effective at some other time), and acceptance thereof shall not be necessary to make it effective unless it so states.

2.6 Vacancies. Any vacancy in the membership, except a vacancy resulting from enlargement (which must be filled in accordance with Section 2.1) may be filled by the members. Each successor shall hold office for the unexpired term or until he sooner dies, resigns, is removed or becomes disqualified. The members shall have and may exercise all their powers notwithstanding the existence of one or more vacancies in their number.

2.7 Annual Meetings. The annual meeting of the members shall be held at 10:00 a.m. on the second in Tuesday of March in each year or if that date is a legal holiday in the place where the meeting is to be held, then at the same hour on the next succeeding day not a legal holiday. The annual meeting may be held at the principal office of the corporation or at such other place within the United States as the president, members or directors shall determine. No change in the date fixed in these by-laws for the annual meeting shall be made within thirty (30) days before the date stated herein. Notice of any change of the date fixed in these by-laws for the annual meeting shall be given to all members at least ten (10) days before the new date fixed for such meeting.

If an annual meeting is not held as herein provided, a special meeting of the members may be held in place thereof with the same force and effect as the annual meeting, and in such case all references in these by-laws, except in this Section 2.7, to the annual meeting of the members shall be deemed to refer to such special meeting. Any such special meeting shall be called and notice shall be given as provided in Sections 2.9 and 2.10.

2.8 Regular Meetings. Regular meetings of the members may be held at such places within the United States and at such times as the members may determine.

2.9 Special Meetings. Special meetings of the members may be held at any time and at any place within the United States. Special meetings of the members may be called by the president or by the directors, and shall be called by the clerk, or in the case of the death, absence, incapacity or refusal of the clerk, by any other officer, upon written application of three or more members.

2.10 Call and Notice.

a. Annual and Regular Meetings. No call or notice shall be required for annual or regular meetings of members, provided that reasonable notice (i) of the first regular meeting following the determination by the members of the times and places for regular meetings shall be given to absent members, (ii) of an annual meeting not held at the principal office of the corporation shall be given to each member, (iii) specifying the purpose of an annual or regular meeting shall be given to each member if either contracts or transactions of the corporation with interested persons or amendments to these by-laws (as adopted by the directors or otherwise) are to be considered at the meeting and (iv) shall be given as otherwise required by law, the articles of organization or these by-laws (including Section 2.7).

b. Special Meetings. Reasonable notice of the time and place of special meetings of the members shall be given to each member. Such notice need not specify the purposes of a meeting, unless otherwise required by law, the articles of organization or

these by-laws or unless there is to be considered at the meeting (i) contracts or transactions of the corporation with interested persons, (ii) amendments to these by-laws (as adopted by the directors or otherwise), (iii) an increase or decrease in the number of members or directors, or (iv) removal or suspension of a member or director.

c. Reasonable and Sufficient Notice. Except as otherwise expressly provided, it shall be reasonable and sufficient notice to a member to send notice by mail at least seven (7) days or by telegram at least three (3) days hours before the meeting addressed to him at his usual or last known business or residence address or to give notice to him in person or by telephone at least forty-eight (48) hours before the meeting.

d. Waiver of Notice. Whenever notice of a meeting is required, such notice need not be given to any member if a written waiver of notice, executed by him (or his attorney thereunto authorized) before or after the meeting, is filed with the records of the meeting. A waiver of notice need not specify the purposes of the meeting unless such purposes were required to be specified in the notice of such meeting.

2.11 Quorum. At any meeting of the members a majority of the members then in office (whether present in person or duly represented) shall constitute a quorum. Any meeting may be adjourned to such date or dates not more than thirty (30) days after the first session of the meeting by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

2.12 Action by Vote. Each member shall have one vote. When a quorum is present at any meeting, a majority of the votes properly cast by members present in person or duly represented shall decide any question, including election to any office, unless otherwise provided by law, the articles of organization, or these by-laws.

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

2.14 Proxies. Members may vote either in person or by written proxy dated not more than one (1) month before the meeting named therein, which proxies shall be filed before being voted with the clerk or other person responsible for recording the proceedings of the meeting. Unless otherwise specifically limited by their terms, such proxies shall entitle the holders thereof to vote at any adjournment of the meeting but the proxy shall terminate after the final adjournment of such meeting.

2.15 Compensation. Members shall be entitled to receive for their services such amount if any, as the directors may determine, which may include expenses of attendance at meetings. Members shall not be precluded from serving the corporation in any other capacity and receiving compensation for any such services.

Section 3. Sponsors, Benefactors, Contributors, Advisers, Friends of the Corporation

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

Section 4. Board of Directors

4.1 Number and Election. The members annually at their annual meeting shall fix the number of directors and shall elect the number of directors so fixed. At any special or regular meeting the members or directors then in office may increase the number of directors and elect new directors to complete the number so fixed; or they may decrease the number of directors, but only to eliminate vacancies existing by reason of the death, resignation, removal or disqualification of one or more directors. A director may but need not be a member.

4.2 Tenure. Each director shall hold office until the next annual meeting of members and until his successor is elected and qualified, or until he sooner dies, resigns, is removed or becomes disqualified.

4.3 Powers. The affairs of the corporation shall be managed by the directors who shall have and may exercise all the powers of the corporation, except those powers reserved to the members by law, the articles of organization or these by-laws.

4.4 Committees. The directors may elect or appoint one or more committees and may delegate to any such committee or committees any or all of their powers. Any committee to which the powers of the directors are delegated shall consist solely of directors. Unless the directors otherwise designate, committees shall conduct their affairs in the same manner as is provided in these by-laws for the directors. The members of any committee shall remain in office at the pleasure of the directors.

4.5 Suspension or Removal. A director may be suspended or removed (a) with or without cause by vote of a majority of the members then in office or (b) with cause by vote of a majority of the directors then in office. A director may be removed with cause only after reasonable notice and opportunity to be heard.

4.6 Resignation. A director may resign by delivering his written resignation to the president, treasurer or clerk of the corporation, to a meeting of the members or directors or to the corporation at its principal office. Such resignation shall be effective upon receipt (unless specified to be effective at some other time) and acceptance thereof shall not be necessary to make it effective unless it so states.

4.7 Vacancies. Any vacancy in the board of directors, except a vacancy resulting from enlargement which must be filled in accordance with Section 4.1 may be filled by the members or directors. Each successor shall hold office for the unexpired term or until

he sooner dies, resigns, is removed or becomes disqualified. The directors shall have and may exercise all of their powers notwithstanding the existence of one or more vacancies in their number.

4.8 Regular Meetings. Regular meetings of the directors may be held at such places and at such times as the directors may determine.

4.9 Special Meetings. Special meetings of the directors may be held at any time and at any place when called by the chairman of the board of directors (or if there be no such chairman, the president) or by two or more directors.

4.10 Call and Notice.

a. Regular Meetings. No call or notice shall be required for regular meetings of directors, provided that reasonable notice (i) of the first regular meeting following the determination by the directors of the times and places for regular meetings shall be given to absent members, (ii) specifying the purpose of a regular meeting shall be given to each director if either contracts or transactions of the corporation with interested persons or amendments to these by-laws are to be considered at the meeting and (iii) shall be given as otherwise required by law, the articles of organization or these by-laws.

b. Special Meetings. Reasonable notice of the time and place of special meetings of the directors shall be given to each director. Such notice need not specify the purposes of a meeting, unless otherwise required by law, the articles of organization or these by-laws or unless there is to be considered at the meeting (i) contracts or transactions of the corporation with interested persons, (ii) amendments to these by-laws, (iii) an increase or decrease in the number of directors, or (iv) removal or suspension of a director.

c. Reasonable and Sufficient Notice. Except as otherwise expressly provided, it shall be reasonable and sufficient notice to a director to send notice by mail at least seven (7) days or by telegram at least three (3) days before the meeting addressed to him at his usual or last known business or residence address or to give notice to him in person or by telephone at least forty-eight (48) hours before the meeting.

d. Waiver of Notice. Whenever notice of a meeting is required, such notice need not be given to any director if a written waiver of notice, executed by him (or his attorney thereunto authorized) before or after the meeting, is filed with the records of the meeting, or to any director who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him. A waiver of notice need not specify the purposes of the meeting unless such purposes were required to be specified in the notice of the meeting.

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

4.12 Action by Vote. When a quorum is present at any meeting, a majority of the directors present and voting shall decide any question, including election of officers, unless otherwise provided by law, the articles of organization, or these by-laws.

4.13 Action by Writing. Any action required or permitted to be taken at any meeting of the directors may be taken without a meeting if all the directors consent to the

action in writing and the written consents are filed with the records of the meetings of the directors. Such consents shall be treated for all purposes as a vote at a meeting.

4.14 Compensation. Directors shall be entitled to receive for their services such amount, if any, as the directors may from time to time determine, which may include expenses of attendance at meetings. Directors shall not be precluded from serving the corporation in any other capacity and receiving compensation for any such services.

Section 5. Officers and Agents

5.1 Number and Qualification. The officers of the corporation shall be a president, treasurer, clerk and such other officers, if any, as the directors may determine. The corporation may also have such agents, if any, as the directors may appoint. An officer may but need not be a director or member. The clerk shall be a resident of Massachusetts unless the corporation has a resident agent duly appointed for the purpose of service of process. A person may hold more than one office at the same time. If required by the directors, any officer shall give the corporation a bond for the faithful performance of his duties in such amount and with such surety or sureties as shall be satisfactory to the directors.

5.2 Election. The president, treasurer and clerk shall be elected annually by the directors at their first meeting following the annual meeting of the members. Other officers, if any, may be elected by the directors at any time.

5.3 Tenure. The president, treasurer and clerk shall each hold office until the first meeting of the directors following the next annual meeting of the members and until his successor is chosen and qualified, and each other officer shall hold office until the first meeting of the directors following the next annual meeting of the members unless a shorter period shall have been specified by the terms of his election or appointment, or in each case until he sooner dies, resigns, is removed or becomes disqualified. Each agent shall retain his authority at the pleasure of the directors.

5.4 Chairman of the Board of Directors. If a chairman of the board of directors is elected, he shall preside at all meetings of the directors, except as the directors shall otherwise determine, and shall have such other powers and duties as may be determined by the directors.

5.5 President and Vice President. The president shall be the chief executive officer of the corporation and, subject to the control of the directors, shall have general charge and supervision of the affairs of the corporation. The president shall preside at all meetings of the members and, if no chairman of the board of directors is elected, at all meetings of the directors, except as the members or directors otherwise determine.

The vice president or vice presidents, if any, shall have such duties and powers as the directors shall determine. The vice president, or first vice president if there are more than one, shall have and may exercise all the powers and duties of the president during the absence of the president or in the event of his inability to act.

5.6 Treasurer. The treasurer shall be the chief financial officer and the chief accounting officer of the corporation. He shall be in charge of its financial affairs, funds, securities and valuable papers and shall keep full and accurate records thereof. He shall have such other duties and powers as designated by the directors or the president. He

shall also be in charge of its books of account and accounting records, and of its accounting procedures.

5.7 Clerk. The clerk shall record and maintain records of all proceedings of the members and directors in a book or series of books kept for that purpose, which book or books shall be kept within the Commonwealth at the principal office of the corporation or at the office of its clerk or of its resident agent and shall be open at all reasonable times to the inspection of any member. Such book or books shall also contain records of all meetings of incorporators and the original, or attested copies, of the articles of organization and by-laws and names of all members and directors and the address of each. If the clerk is absent from any meeting of members or directors, a temporary clerk chosen at the meeting shall exercise the duties of the clerk at the meeting.

5.8 Suspension or Removal. An officer may be suspended or removed with or without cause by vote of a majority of directors then in office at any special meeting called for such purpose or at any regular meeting. An officer may be removed with cause only after reasonable notice and opportunity to be heard.

5.9 Resignation. An officer may resign by delivering his written resignation to the president, treasurer or clerk of the corporation, to a meeting of the members or directors, or to the corporation at its principal office. Such resignation shall be effective upon receipt (unless specified to be effective at some other time), and acceptance thereof shall not be necessary to make it effective unless it so states.

5.10 Vacancies. If the office of any officer becomes vacant, the directors may elect a successor. Each such successor shall hold office for the unexpired term, and in the case of the president, treasurer and clerk until his successor is elected and qualified, or in each case until he sooner dies, resigns, is removed or becomes disqualified.

Section 6. Execution of Papers

Except as the directors may generally or in particular cases authorize the execution thereof in some other manner, all deeds, leases, transfers, contracts, bonds, notes, checks, drafts and other obligations made, accepted or endorsed by the corporation shall be signed by the president or by the treasurer.

Any recordable instrument purporting to affect an interest in real estate, executed in the name of the corporation by two of its officers, of whom one is the president or a vice president and the other is the treasurer or an assistant treasurer, shall be binding on the corporation in favor of a purchaser or other person relying in good faith on such instrument notwithstanding any inconsistent provisions of the articles of organization, by-laws, resolutions or votes of the corporation.

Section 7. Personal Liability

The members, directors and officers of the corporation shall not be personally liable for any debt, liability or obligation of the corporation. All persons, corporations or other entities extending credit to, contracting with, or having any claim against, the corporation, may look only to the funds and property of the corporation for the payment

 ORIGINAL

of any such contract or claim, or for the payment of any debt, damages, judgment or decree, or of any money that may otherwise become due or payable to them from the corporation.

Section 8. Amendments

These by-laws may be altered, amended or repealed in whole or in part by vote of a majority of the directors then in office, except with respect to any provision thereof which by law, the articles of organization or these by-laws requires action by the members. Not later than the time of giving notice of the meeting of members next following the making, amending, or repealing by the directors of any by-laws, notice thereof stating the substance of such change shall be given to all members. The members may alter, amend or repeal any by-laws adopted by the directors or otherwise or adopt, alter, amend or repeal any provision which by law, the articles of organization or these by-laws requires action by the members.

Adopted on February 21, 2013

On this 12th day of November, 2013, I certify that the preceding document is a true, exact, complete, and unaltered copy of the By-Laws of Kind Medical, Inc.

By:



Andrea F. Nuciforo, Jr., Clerk

AMENDED ARTICLES OF ORGANIZATION
(Exhibit 1.7)

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

Corporation Name: Kind Medical Inc

Application # (if more than one): _____

Please check box if articles have changed since Phase 1:

YES

NO

PARENT OR SUBSIDIARY CORPORATIONS
(Exhibit 1.8)

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

Corporation Name: Kind Medical Inc Application # (if more than one): _____

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

**REFERENCES
(Exhibit 1.9)**

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

Corporation Name: Kind Medical Inc Application # (if more than one): _____

	Name of Reference	Business Phone & Email	Relationship to Applicant	Dates of Relationship
1	Gaetana Aliotta	(413) 562-7492 Gaetana164@yahoo.com	Medical Colleague	1990-present
2	Joshua Kalter	(413) 562-2099 jkatlermd@noblehealth.org	Medical Colleague	1985-present
3	George Reynolds	(413) 562-5173 georgemd@familymedicineassoc.com	Medical Colleague	1979-present

**EXECUTIVE MANAGEMENT TEAM
(Exhibit 2.1)**

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

Corporation Name: Kind Medical Inc.

Application # (if more than one): _____

	Management Role	Name	Date of Birth	Business Email and Phone Number	Business Address
1	Chief Executive Officer	Joseph P. Keenan	[REDACTED]	Jpk48@aol.com (413) 531-5200	75 Springfield Road Westfield, MA 01085
2	Chief Financial Officer	Richard F. Burkhart	[REDACTED]	rburkhart@bppc.com (413) 734-9040	Burkhart Pizzanelli PC 201 Park Ave Suite 2 West Springfield, MA 01089
3	Legal Counsel	Andrea F. Nuciforo, Jr.	[REDACTED]	anuciforo@nuciforo.com (413) 447-7366	14 Waubeek Road Pittsfield, MA 01201
4	Chief Quality Officer	MarciAne Kelly, RN	[REDACTED]	mkellyrn@yahoo.com (413) 244-4651	Baycare Health Partners 338 Bernie Ave Springfield, MA 01107
5	Chief Operations Officer	Jan Carlos Byl	[REDACTED]	jancarlosbyl@gmail.com (202) 320-9492	MedCanna Consulting LLC 1118 Florida NE Washington, DC 20002
6	Other (specify)	N/A	[REDACTED]		

RESUMES FOR EXECUTIVE MANAGEMENT TEAM (Exhibit2.2)

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

Corporation Name: Kind Medical Inc

Application # (if more than one): _____

List the résumés attached:

	Title	Name
1	Chief Executive Officer	Joseph P. Keenan
2	Chief Financial Officer	Richard F. Burkhart
3	Legal Counsel	Andrea F. Nuciforo, Jr.
4	Chief Quality Officer	MarciAne Kelly, RN
5	Chief Operations Officer	Jan Carlos Byl
6	Other(specify)	N/A

JOSEPH P. KEENAN

Chief Executive Officer, Kind Medical Inc

75 Springfield Road, Westfield, Massachusetts 01085

Office (413) 568-2304

Mobile (413) 531-5200

jpk48@aol.com

EMPLOYMENT

CO-FOUNDER AND PRINCIPAL, *KEENAN, MALLADI & O'NEILL P.C.* (1979-Present)

Springfield, Holyoke and Westfield, Massachusetts

- Board Certified Surgeon of Otolaryngology
- Surgeon in private practice with admitting privileges at Holyoke Hospital in Holyoke, Mercy Hospital in Springfield and Noble Hospital in Westfield
- Performed thousands of surgical procedures on patients throughout western Massachusetts
- Regionally recognized specialist in disorders of Ear Nose Throat
- Active license within the Commonwealth: Board of Registration in Medicine License No. 39737
- Active license within the State of Connecticut: Department of Public Health License No. 017861
- Holds certification with American Board of Otolaryngology & Head and Neck Surgery

FOUNDER AND PRESIDENT, *ELDERHAVEN DAYBREAK INC.* (1986-1992)

Springfield, Massachusetts

- Founded Elderhaven Daybreak Inc., one of the first non-profit Adult Day Care services of its kind in western Massachusetts
- Conceived, financed and directed adult day health programs for seniors
- Built provider with daily census of 15 seniors, staff of 5 employees, and annual budget of \$300,000
- Merged Elderhaven with Sisters of Providence Health Systems in 1992, which still provides services to seniors through Mercy Adult Day Health at its Westfield facility

FLIGHT SURGEON, *UNITED STATES AIR FORCE RESERVE* (2009-Present)

Barnes Air National Guard, Westfield, Massachusetts

- Achieved rank of Lieutenant Colonel in the United States Air Force Reserve
- Served Active Duty tours to Guam and southwest Asia
- Serves as Flight Surgeon of the 104th Fighter Wing at Barnes Air National Guard
- Deployed in 2012 to Afghanistan and various locations in southwest Asia
- Received the Air Force Commendation Medal (2013) in recognition of service in Afghanistan

VOLUNTEER PHYSICIAN, SAMARITAN INN FOR THE HOMELESS (1988-1990)
Westfield, Massachusetts

- Ran weekly clinic for homeless men, women and families
- Provided basic health care consultation and referral services for homeless individuals

EDUCATION

University of Connecticut Residency, Otolaryngology (1976-1979)

Hartford Hospital Surgical Internship (1975-1976)

Medical College of Georgia M.D. (1975)

Boston University B.A. Philosophy, with distinction (1970)

PROFESSIONAL AFFILIATIONS

- American Medical Association
- Fellow, American College of Surgeons
- Fellow, American Academy of Otolaryngologic Allergy
- Member, Massachusetts Medical Society
- Member, Hampden District Medical Society
- Assistant Clinical Professor of Surgery, University of Connecticut Medical School (1979-Present)
- Federal Aviation Administration, Senior Aviation Medical Examiner (2008- Present)
- Police Surgeon, Westfield, Massachusetts Police Department (2010 –Present)

OTHER PROFESSIONAL EXPERIENCE

- Past President, Hampden County Medical Society
- Past President, Medical Staff Noble Hospital, Westfield, Massachusetts
- Past Member, Board of Governors, Massachusetts Medical Society
- Former Member, Board of Trustees, American Academy of Otolaryngologic Allergy
- Former Member, Board of Trustees, Westfield State University
- Past Member, Board of Directors, Westfield Boys and Girls Club
- Past Chairman, Fundraising Committee, Genesis Spiritual Life Center

ANDREA F. NUCIFORO, JR.
Legal Counsel, Kind Medical Inc


anuciforo@nuciforo.com

EMPLOYMENT

CIANFLONE LAW OFFICES P.C.; Counsel (1999-present)

- Member of the bar in Massachusetts (1989) and New York (1991)
- Represented corporate and individual clients in insurance, healthcare finance and policy, securities, commercial and residential real estate and corporate matters
- Defended professional liability actions arising out of alleged attorney and accountant malpractice
- Led compliance efforts for proprietary school seeking program approval under Massachusetts law and federal education regulations
- Represented homecare franchisee in employment, contract, collections, regulatory and other matters
- Negotiated acquisition of \$17.5 million in distressed municipal bond debt at deep discounts on behalf of client nursing home operator
- Worked with bondholders, bond trustees, conduit issuers, bond counsel and others in foreclosure actions against skilled nursing homes, assisted living facilities, reserve funds and related PPE
- Founded Park Square Consulting Group to provide strategic and regulatory consulting services to a diverse client base in finance, health care, real estate and education sectors

MASSACHUSETTS STATE SENATOR; Berkshire, Hampshire & Franklin District (1997-2007)

- Represented 155,000 people in 48 cities and towns in western Massachusetts
- Elected in 1996, having won a four-way Democratic primary and three-way general election. Re-elected in 1998, 2000, 2002 and 2004
- Chairman, Joint Committee on Financial Services: 1998-2007
- Member, Senate Ways & Means Committee: 1998-2005
- Selected committee chairman under Senate Presidents Thomas F. Birmingham and Robert E. Travaglini
- Chaired legislative hearings regarding proposed changes to state blue sky laws, and laws relative to mortgage lending, life insurance, personal lines insurance and other regulated industries
- Proposed market-based automobile insurance solutions, including fraud-fighting measures, cost control, and use of deductibles and medical fee schedules
- Debated and voted for the individual mandate, the establishment of the health connector, expansion of MassHealth and other provisions of Massachusetts' landmark Health Care Reform Act (chapter 58; 2006)
- Maintained frequent contact with Commissioner of Insurance regarding state Assigned Risk Plans, fixed-and-established rating systems, Division of Insurance budget requests, and other legislative and regulatory matters
- Chaired legislative hearings on the Massachusetts Fair Plan relative to catastrophe coverage for coastal properties, predictive statistical analysis, and capital requirements for Massachusetts domestic insurers
- Authored, sponsored and enacted into law the Predatory Home Mortgage Practices Act (ch. 268: 2004; Mass.Gen. Laws 183C) crafted to protect borrowers from high costs home mortgage loans by requiring that lenders have reasonable belief that a borrower can make the payments contemplated under the loan documents
- Chaired legislative hearings regarding subprime mortgage lending, reverse mortgages, and state CRA
- Authored hundreds of legislative proposals, including several enacted into law: An Act Relative to Mortgage Discharges (chapter 63; 2006); An Act to Recodify the Mortgage Laws of the Commonwealth (chapter 461; 2004); An Act Relative to Electronic Signatures (chapter 133; 2003)

MASSACHUSETTS REGISTER OF DEEDS; Berkshire Middle District (2007-2012)

- Elected in 2006 to six-year term as top real estate official for the City of Pittsfield and ten western Massachusetts communities
- Worked with state and local officials to identify trends in foreclosure, short sales and re-financings

BERMAN & DOWELL P.C. Special Counsel (1999-2007)

Boston, Massachusetts

- Concentration: insurance coverage litigation, professional liability defense, securities and other matters

POSTERNAK, BLANKSTEIN & LUND LLP. Attorney (1992-1995)

Boston, Massachusetts

- Concentration: litigation and settlement of complex insurance, banking, lender liability, and 10b-5 cases

UNITED STATES DISTRICT COURT, DISTRICT OF MASSACHUSETTS. Law Clerk. (1989-1992)

Chief Judge Frank H. Freedman
Springfield, Massachusetts

EDUCATION

New York University-Stern School of Business

Master of Business Administration (2010)

Harvard Kennedy School of Government

Senior Executive Program for State Government (2002)

Boston University School of Law

Juris Doctor (1989)

University of Massachusetts-Amherst

Bachelor of Arts (1986)

OTHER PROFESSIONAL EXPERIENCE

Candidate; United States Congress (Election Cycle 2012)

- Ran second in Democratic primary for newly-drawn 1st congressional district in western Massachusetts
- Raised \$380,000 from individual contributors
- Built grass roots campaign, with a team of four paid and dozens of volunteer staffers
- Advanced a progressive message complemented by paid media, web, direct mail, social media, email and other voter activation strategies

Trustee; Berkshire Theatre Group Inc. (2007-present)

Pittsfield, Massachusetts

- Six-year term as trustee for \$23 million non-profit theatre. Served on finance and executive committees

American Council of Young Political Leaders (Japan 2002, China 2005)

Washington, DC

- Served as lead escort for eight American officials on 16-day international mission to China organized through ACYPL in Washington D.C. and Beijing in 2005; met with Chinese political, cultural and business leaders
- Traveled with several elected officials on 10-day conference to Japan in 2002. Met with political, academic and health care leaders regarding Japanese relations with the United States and its Asian neighbors

Richard F. Burkhart
Chief Financial Officer, Kind Medical Inc

[REDACTED]
Office: (413) 734-9040
[REDACTED]

Skills and Abilities

- Certified public accountant serving individuals, non-profits and small and large businesses since 1978
- Skilled in understanding and implementing financial controls for private companies and non-profit organizations
- Highly organized, detail-oriented manager capable of advising clients on a wide range of financial, compliance and regulatory matters
- Comfortable interacting with public officials, including local, state and federal agencies
- Strong communicator and problem-solver, with an ability to understand and resolve complex financial and business matters
- Deep community roots in western Massachusetts

Professional Experience

Co-founder and Managing Partner. Burkhart Pizzanelli P.C. (1986-present)
West Springfield, Massachusetts

- Manages accounting, financial reporting, consulting, tax planning and compliance practices for a regional accounting firm
- Maintains special expertise in implementing financial controls for private companies and non-profit organizations
- Frequently reports to and interacts with federal and state tax authorities and the licensing agencies of the Commonwealth
- Audits, reviews and compiles financial statements for small and large businesses of various industries
- For over 10 years, has managed the accounting and reporting functions for a multi-state client, while working closely with the internal controller
- Has served as external controller for numerous companies over 20 years

Staff Accountant. Andrew J. Pignatara P.C., CPA (subsequently Pignatara & Burkhart, P.C.) (1980-1986) West Springfield, Massachusetts

- Provided audit and consulting services to individual, small and large business clients
- Prepared individual and corporate tax returns
- Prepared unaudited financial statements in accordance with prevailing GAAP procedures

Staff Accountant. Livingston & Haynes P.C. (1977-1980)
Ware, Massachusetts

- Provided tax, audit and related services for individual and business clients
- Handled financial statement preparation, tax compliance and consulting, and bookkeeping for small and mid-sized clients

Staff Accountant. Silber & Fenton, CPA (1975-1977)
Pittsfield, Massachusetts

- Provided tax and audit services to individual and business clients
- Performed staff functions such as bookkeeping, tax and compliance services

Education

- University of Massachusetts-Amherst (B.A. Accounting 1975)

Community Involvement

- Board Member, Food Bank of Western Massachusetts (2006-present)
 - Serves as treasurer; past chair of audit and finance committees
- Member, Redevelopment Authority of West Springfield (2006-present)
 - Governor's appointee to the Authority
- Member and Past President, Rotary Club of West Springfield (1985-present)
- Board Member, Wright Flight of Western Massachusetts (2010-present)
- Member, American Institute of Certified Public Accountants (1978-present)
- Member, Massachusetts Society of Certified Public Accountants (1978-present)

Education

University of Massachusetts, Bachelor of Science - GPA 3.89
Berkshire Community College, Associate Degree in Nursing

Experience

O'Connell Care at Home

Holyoke, Massachusetts

Director of Care at Home

December 2009 to current

- Evaluate and admit prospective private care clients to services
- Oversee initial assessment process and provide clinically-based case coordination to support the delivery of effective and efficient home health and hospice care
- Direct clients to MDCR/MCDC funded skilled services and community agencies when appropriate
- Provide clinical oversight and education for clients direct care needs
- Develops care plan and provide necessary follow up
- Collaborate with health care professionals/ community agencies to meet client and family needs
- Provide on-site orientation and supervision of home care aides
- Provide geriatric care management to clients through utilization of assessments, care planning and multi-disciplinary care management

Home & Community Health Services

Enfield, Connecticut

Hospice Director

January 2009 to August 2009

- Oversee the development and interpretation of hospice and palliative care clinical policies, procedures and regulations
- Maintain compliance of program with state licensure and federal regulations
- Evaluate community needs, develop and maintain relationships with community contacts through organizing and participating in hospice community programs
- Collaborate with hospice medical director to provide appropriate coordination of care for hospice and palliative care clients
- Negotiate and prepare contracts with nursing facilities and hospitals and manage quarterly clinical record review process to assure compliance with state and federal regulations

Commonwealth Care Alliance

Springfield, Massachusetts

Registered Nurse Care Manager

June 2008 to January 2009

- Provide a continuum of care coordination CCA members who are both Medicare and MassHealth certified
- Conduct assessments with members, providers and families to determine individual member needs
- Create individualized plans of care to assist in coordinating appropriate and necessary treatment and services needed to maintain optimal health
- Evaluate effectiveness of the care plan and revise as necessary
- Provide disease specific education to members in areas of medication management and adherence

Jewish Home Hospice
Hospice Nurse

Worcester, Massachusetts
January 2008 to June 2008

- Provide informational meetings to prospective patients and families to discuss end of life health care decisions and skilled nursing assessment and interventions within an established plan of care

Baystate Health Systems
Manager, Clinical Value Analysis
Manager, Clinical Value Analysis

Springfield, Massachusetts
July 2003 to August 2007

- Consult with committees throughout BH to provide direction and support for implementing practice related changes to promote standardization, improve clinical outcomes and cost reduction initiatives
- Facilitate the review, evaluation, documentation, implementation, education, management and follow-up by Value Analysis Committee Chairs
- Collaborate with hospital administration, physicians, and key stake holders to implement new product, equipment and technology evaluations to reduce hospital costs while improving patient outcomes
- Collaborate with Purchasing and Financial Analysis in contract negotiations with vendors and Group Purchasing Organizations (GPO)

Hospice Liaison

- Liaison between BayState Visiting Nurse & Hospice and BayState Regional Cancer Program at the D'Amour Center for Cancer Care
- Collaborate with physicians, nurses and other health care practitioners to ensure seamless continuum of care for prospective patients

Emergency Department Case Manager

- Evaluate appropriateness and level of care for admission to hospital level care
- Collaborate with physicians to deliver appropriate patient care in the proper settings
- Negotiate with third party payers and community agencies to ensure optimum care
- Insure appropriate use of hospital resources, patient satisfaction and achievement of quality care through diligent and appropriate follow-through on patient's behalf

HospiceCare in the Berkshires, Inc.

Professional Relations Coordinator

Pittsfield, Massachusetts
May 1997 to January 2004

- Coordinate referral inquiries through admission process for prospective patients
- Liaison to physicians, hospital case managers, skilled nursing facilities and community agencies
- Provide in-service education to physicians and other referral sources concerning end of life care, hospice and palliative care philosophy and regulatory standards
- Provide consultation regarding interventions for pain and symptom management to physicians, nurses and practitioners
- Facilitate informational meetings with prospective patients and families to evaluate eligibility and discuss health care options
- Increased average daily census from 20 to 50
- Mentor visiting medical residents, nursing students and new employees

Accomplishments

Member of the Hospice and Palliative Care Federation of Massachusetts Public Policy Committee, responsible for implementing the Pediatric Palliative Care bill signed into law by Governor Mitt Romney

JAN CARLOS BYL

Chief Operations Officer, Kind Medical Inc

1118 Florida Ave., NE, Washington, DC 20002

Mobile Phone: (202) 320 9492

Email Address: jancarlosbyl@gmail.com

EDUCATION:

Bishop's University, Quebec, Canada, BA Psychology, Minor Foreign Languages, 1997
University of Western Ontario, Canada, French Foreign Language Certificate, 1994

LANGUAGES:

Fluent: English and Dutch

Proficient: Spanish and French

EMPLOYMENT:

MedCanna Consulting LLC – Founder/President – Washington, DC, June 2008– Present

Holistic Remedies LLC – General Manager – Washington, DC, June 2010 – July 2013

Metropolis Construction Services – General Manager, Springfield, VA, April 2007 – June 2010

Recruited by owner to run the day-to-day operations of a commercial and residential class-A general contractor with 25 employees and projects in excess of 5 million dollars per year; was responsible for preparing the winning bids on two state and one federal government project

Garage Hero – General Manager, Fairfax, VA, March 2005 – April 2007

Recruited by owner to help manage startup garage remodeling business; responsibilities include day-to-day operations of the company; implemented and maintain Quickbooks software; oversaw purchase orders, inventory maintenance, a/p and a/r, p/l reports, payroll, taxes, and legal and licensing issues; responsible for all ordering and receiving, job scheduling, customer care and quality control; worked collaboratively to systemize accounting procedures, inventory and equipment controls, sales process, and overall workflow within the company; created and implemented regional marketing campaign; including print and radio advertising, trade shows, and direct mail

Construction Dynamics – Project Manager, Reston, VA, February 2003 – March 2005

Responsible for logistics and budgeting of multiple ongoing and future projects for a general contractor; learned to make estimates from architectural drawings as well as budget and plan for upcoming projects; responsible for client interaction and satisfaction

Global Gravity Communications – Founder and Managing Partner, Amsterdam, Netherlands
June 1997 – January 2003

Identified and targeted a niche market in the high profile promotions and marketing industry in Amsterdam; provided client specific hosting and event coordination in Amsterdam; the majority of GGC's clients came from the US entertainment industry; promotions clients included **Universal Records**, **Sony Music** and artists such as **Eminem**, **The Black Crowes**, **Limp Bizkit**, **Outkast**, **Live**, **Papa Roach** and **Staind** among many others; marketing clients included **Tommy Hilfiger Europe**, **Addidas**, **The Roxy Night Club** (Amsterdam), **SupperClub** (Amsterdam & Miami) and **GSUS Ind.** (Amsterdam)

SAIC - Personal Assistant, Germantown, MD, May 1993 – August 1994

Primary responsibilities were to assist nuclear physicist Dr. Dennis Hadlock with day-to-day operations of his department; coordinated and facilitated Dr. Hadlock's busy schedule and continual meetings with DOD and DOE; tasked with compiling and maintaining an accurate resume database of **SAIC** employees and subcontractors to be used in proposal bidding

REFERENCES PROVIDED ON REQUEST

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: Kind Medical Inc.

Application # (if more than one): _____

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

Attach one-page bank statement.



America's Most Exciting Bank™



ORIGINAL

Heidi Higgins
Assistant Vice President
Branch Officer Retail Branch Banking
Direct Telephone: (413) 236-3142
E-mail: hhiggins@berkshirebank.com

November 14, 2013

Cheryl Bartlett, R.N., Commissioner
Massachusetts Department of Public Health
250 Washington Street
Boston, MA 02108

Re: Kind Medical Inc.: Berkshire Bank Account No. [REDACTED]

Dear Commissioner Bartlett:

I serve as Assistant Vice President and Branch Officer of the Berkshire Bank branch located at 99 North Street, Pittsfield, Massachusetts. I hereby attest that on November 14, 2013 the above-referenced Business Checking account reflected a balance of available funds in the amount of \$662,750.69. I am enclosing with this letter a true and accurate summary of the account.

If you have questions, please call.

Very truly yours,

Heidi Higgins
Assistant Vice President
Branch Officer Retail Branch Banking

/klm
Enclosure



ORIGINAL

Kind Medical Inc
[REDACTED] Business Checking 500

Ledger balance:	662,750.69	Today's activity:	0.00
Current balance:	662,750.69	Total Holds:	0.00
Account available balance:	662,750.69	Float:	0.00
Total accessible balance:	662,750.69	Unused PRA:	
Closing balance:	662,750.69	Related available balance:	0.00
Last statement:	10/31/2013		

0 Transactions of 11/14/2013

<u>Date</u>	<u>Check</u>	<u>Amount</u>	<u>Description</u>	<u>Status</u>	<u>Balance</u>
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212-USER DOES NOT HAVE AUTHORITY TO EXECUTE THIS FUNCTION
 No transactions meet search criteria.
 ACTIVE - KIND MEDICAL INC is not a Business e-Banking customer.

Close Message Area

Letter of Commitment

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

Date:

Name of the Corporation:

Name of CEO/Executive Director of the Corporation:

Name of Account Holder:

N/A

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

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

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

Print Name _____

Date: _____

Notary Public

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

If applicable, add:(as partner for (insert name of partnership), a partnership)(as (title) for (name of corporation), a corporation)(as attorney in fact for (name of principal), the principal)(as (title) for (name of entity/person), (a) (the) (type/description))_____
Signature of Notary Public

**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: Kind Medical Inc

Application # (if more than one): _____

Individual Name	Business Address	\$ amount and % of Initial Capital Provided	Type of Contribution (cash, land, building, in-kind)	Role in Dispensary Operations	Terms of Agreement (if any)
1 Joseph P. Keenan, M.D.	75 Springfield Road Westfield, MA 01085	\$500,000.00 50%	Cash	President and CEO	14% interest rate; No payment required for 12 months (accrued interest)
2 Andrea F. Nuciforo, Jr.	59 Bartlett Ave. Pittsfield, MA 01201	\$500,000.00 50%	Cash	Clerk and General Counsel	14% interest rate; No payment required for 12 months (accrued interest)
3 N/A		\$ %			

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

CAPITAL EXPENSES
(Exhibit 4.3)

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

Corporation Name: Kind Medical Inc

Application # (if more than one): _____

	Expense Type	Costs	Explanation of Expense
	Planning and Development		
1	Architect and design fees	\$30,000	Harrison Design (dispensary and cultivation)
2	Environmental survey	\$0	Not applicable
3	Permits and Fees	\$4,770	DPH review fee; Special permit filing fee
4	Security assessment	\$1,000	Canna Security assessment and proposal
5	Land/building cost	\$0	Not applicable (leasing space)
6	Site clean-up and preparation	\$0	Not applicable
7	Other- describe	\$0	
8	_____		
9	_____		
	Build-out Costs		
1	Construction expenses	\$525,000	Dispensary (\$200k) and cultivation (\$325k)
2	Painting and finishes	\$0	Included in construction expenses
3	Security system	\$35,000	Security system with video, alarm, and access control
4	Landscape work	\$0	Not applicable
5	Parking facility	\$0	Not applicable
6	Other- describe	\$0	
7	_____	\$0	
8	_____	\$0	
9	_____	\$0	
	Equipment Costs		
1	Vehicles and transportation	\$0	Will lease a secure vehicle
2	Cultivation equipment	\$258,192	Grow and processing equipment and supplies
3	Furniture and storage needs	\$17,000	Furnishings for dispensary & cultivation floors; TL 30 safe
4	Computer equipment	\$15,000	Tablets, computers, printers
5	HVAC	\$56,400	Grow room HVAC; mechanical systems for dispensary
6	Kitchen/food prep equipment	\$90,100	Kitchen plus extraction and quality control equipment
7	Other- describe	\$0	
8	_____	\$0	
9	_____	\$0	
	TOTAL	\$1,032,462	

YEAR-ONE OPERATING BUDGET
(Exhibit 4.4)

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

Corporation Name: Kind Medical Inc Application # (if more than one): _____

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

Projected Number of Patients: 1,881 and Number of Visits: 44,796

			Year ONE Budget	Budget Notes
REVENUE				
1	Medical Marijuana sales		\$2,865,826	Retail sales, net of Compassion discounts
2	Other supplies sold		\$64,306	Retail sales of other supplies
3	Other revenue sources		\$161,254	Wholesale sales of medical marijuana
A	TOTAL REVENUE:		\$3,091,387	
PAYROLL EXPENSES				
	Personnel Category	# FTE		
1	Executive Management Team	5.5	\$190,000	Some members of EMT to defer comp. for year 1
2	RMD Management	6.1	\$344,553	FTE is average for year
3	Dispensary Associates	6.8	\$255,083	FTE is average for year
4	Cultivation Associates	9.2	\$344,833	FTE is average for year
B	TOTAL SALARIES	27.5	\$1,134,470	
C	Fringe Rate and Total	35%	\$397,064	Payroll taxes and employment benefits
D	TOTAL SALARIES PLUS FRINGE (B+C)		\$1,531,534	
OTHER EXPENSES				
1	Consultants		\$71,000	Consulting fees for operational support/training
2	Equipment		\$84,519	Cultivation equipment for Phase 2 expansion
3	Supplies		\$231,362	Supplies used in grow operation & retail sales
4	Office Expenses		\$22,677	Office supplies and expenses
5	Utilities		\$127,921	Utilities for dispensary and cultivation
6	Insurance		\$25,455	General liability insurance
7	Interest		\$93,729	Interest expense for first year
8	Depreciation/Amortization		\$168,808	Non-cash expense; D&A of FF&E & startup costs
9	Leasehold Expenses		\$127,378	Build-out in preparation for Phase 2 expansion
10	Bad Debt		\$0	Purchases by patients with cash or credit card
11	Security Services		\$54,000	Security services (dispensary & cultivation)
12	Rent Expense		\$61,284	Rent (dispensary and cultivation)
13	Advertising and Marketing		\$57,281	Educational info to support RMD awareness
14	Other G&A		\$143,520	Other general & administrative
15	Other COGS		\$40,847	Other production costs and cost of goods sold
16	Charitable Contributions		\$26,000	Community and advocacy support
17	Reserve for Taxes		\$398,554	Tax payments as per IRS Code Section 280E
E	TOTAL OTHER EXPENSES		\$1,734,334	
	TOTAL EXPENSES: (D+E)		\$3,265,868	
	DIFFERENCE		(\$174,481)	

 ORIGINAL

THREE-YEAR BUSINESS PLAN BUDGET PROJECTIONS
(Exhibit 4.5)

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

Corporation Name: Kind Medical Inc Application # (if more than one): _____

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

	FIRST FULL FISCAL YEAR PROJECTIONS 2015	SECOND FULL FISCAL YEAR PROJECTIONS 2016	THIRD FULL FISCAL YEAR PROJECTIONS 2017
Projected Revenue	\$3,091,387	\$6,327,533	\$7,584,057
Projected Expenses	\$3,053,971	\$5,952,680	\$7,130,352
TOTAL :	\$37,415	\$374,853	\$453,705
Number of Patients	1,881	2,804	3,409
Number of Patient Visits	44,796	102,550	131,901
Projected % of growth rate annually	N/A	105%	20%
Total FTE in staffing	28 (average)	41 (average)	51 (average)
Projected Medical Marijuana Inventory	51.2 Lbs.	71.6 Lbs.	78.3 Lbs.

**EVIDENCE OF INTEREST IN DISPENSARY SITE
(Exhibit 5.1)**

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

Corporation Name: Kind Medical Inc Application # (if more than one): _____

Physical Address	County	Type of Evidence Attached
142 Pleasant Street Easthampton, MA 01027	Hampshire	Property Lease

COMMERCIAL LEASE

THIS COMMERCIAL LEASE AGREEMENT (this "Lease") made this 1st day of November, 2013 (the "Effective Date") by and between **KHEPER, LLC**, a Massachusetts limited liability company having a principal place of business at 140 North Main Street, Florence, Massachusetts and an office located at 142 Pleasant Street, Easthampton, Massachusetts (the "Landlord"), and Kind Medical Inc. a Massachusetts non-profit corporation with its principal place of business located at 59 Bartlett Avenue, Pittsfield Massachusetts 01201 (the "Tenant").

W I T N E S S E T H :

ARTICLE I

LEASED PREMISES: The Landlord hereby leases to Tenant, and the Tenant hereby leases from the Landlord, for the term and upon the conditions provided in this Lease, a portion of a building, which portion consists of a total area of approximately thirteen thousand seven hundred thirty six (13,136) square feet (the "Leased Premises"), located at 142 Pleasant Street, Easthampton, Massachusetts, and as further described in **Exhibit "A"**, and attached hereto and made a part hereof (the "Lease Plan"). The building consists of a total area of approximately one hundred seventy-four thousand (174,000) square feet and including one hundred forty six thousand rentable (146,000) square feet (the "Building"), and is more particularly described on a plan, a copy of which is attached hereto as **Exhibit "B"** attached hereto and made a part hereof (the "Plan").

ARTICLE II

TERM OF LEASE: The term of this Lease shall be for a period of five (5) years beginning on the Commencement Date, as defined herein, and terminating on the day immediately preceding the five (5) year anniversary thereof (the "Term"), unless earlier terminated as provided herein. Tenant shall have an option to renew for another five (5) year term to be exercised in writing no later than sixty (60) days prior to the original termination date. Lessee shall have a right of first refusal for the adjacent space on the 6th floor comprising approximately 9,300 sq. ft. at terms and conditions identical to those in this lease.

ARTICLE III

MINIMUM RENT: Tenant agrees to pay to Landlord the minimum annual rent as follows:

- (a) The Minimum Rent, as defined herein, during the Term of this Lease shall be as follows: \$3.50 per leasable square foot (the "Minimum Rent") shall be computed as equal to Forty Five Thousand Nine Hundred Seventy Six and 00/100 (\$45,976.00) Dollars per each year, which shall be paid in equal monthly installments of Three Thousand Eight Hundred Thirty One and 33/100 (\$3,831.33) Dollars.
- (b) The Rent shall be payable by Tenant in equal consecutive monthly installments, the first payment of which shall be due within five (5) days of the Commencement Date, and shall be due on or before the first day of each month thereafter, in advance, payable to and at the address of the Landlord, or such other place to the Landlord shall from time

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to time designate by written notice to the Tenant. Such payments are to be without any prior demand therefore and without any deductions or setoff whatsoever.

- (c) If any installment of Rent is not paid within ten (10) days of the due date, such rent shall collect interest at a rate of twelve (12%) percent per annum, said amount to be paid as Additional Rent.
- (d) In addition to the Minimum Rent, Tenant shall pay a refundable deposit in the amount of 150% of the Minimum Rent, or \$5,747.00, upon the execution of this Lease. Such deposit shall be held in escrow by Landlord's attorney designated in Article XXIV, and shall be released to Landlord upon satisfaction of the contingencies set forth in Article VI (c) relative to licensure and other approvals.

ARTICLE IV

ADDITIONAL RENT: The Tenant agrees to pay, as additional rent ("Additional Rent") to the Landlord, a sum equivalent to its Proportionate Share, as defined herein, of:

- (a) The annual real estate taxes, assessments, and other impositions generally or specifically imposed at any time during the term or any extension of this Lease, upon the Building and land upon which it is situated; and,
- (b) The annual cost of Landlord's insurance covering the Building against loss or damage by fire or other casualty and such other hazards and risks and in such amounts, and such other coverage and types of insurance as the Landlord may determine; and
- (c) The Landlord's annual cost of the common area maintenance, including but not limited to landscaping, snow and ice removal, parking area cleaning, restriping, repainting, liability insurance, policing, lighting, refuse disposal, cost of illumination and maintenance of signs, utilities not otherwise separately metered and payable by other tenants of the Leased Premises, personal property taxes, supplies, all costs and expenses of enforcing the rules and regulations established by the Landlord for the Building, and any other reasonable and necessary expenses customary for a Building which are incurred to maintain the common areas of the Building.

For purposes of this Lease, Tenant's proportionate share shall be defined as being nine (9%) percent ("Proportionate Share"), currently calculated as \$7,290 per year payable in twelve equal consecutive monthly installments of \$607.50 per month. The proportionate share is subject to increase in the event the Leased Premises is expanded to include the 6th Floor pursuant to Article II hereof.

Tenant shall likewise pay any increase in taxes attributable to any alteration, improvement, or addition made by the Tenant and any tax attributable to any sign of the Tenant.

Tenant's Additional Rent for each year of the Term shall be estimated by Landlord at the commencement of each such year, and shall be payable by Tenant in equal monthly installments as determined by Landlord. As soon as practicable at the end of each year of the Term, the Landlord will forward to the Tenant an accounting of all actual expenses as provided herein and Tenant shall, within

twenty (20) days of receipt thereof, pay to the Landlord any deficiency between the estimated amount paid and the actual incurred charges.

It is agreed by both Landlord and Tenant that the intent of this Lease is to be an absolute net lease and that the Tenant shall share proportionately in any and all taxes, insurances, and common area maintenance charges.

ARTICLE V

UTILITIES AND REPAIRS

- (a) Tenant agrees to furnish, and pay all separately metered charges for, heat, air conditioning, gas, electricity, power, and shall pay as Additional Rent, its Proportionate Share of all utility charges for utilities used by the Leased Premises which are not separately metered
- (b) The Tenant shall, at all times during the Term, put and maintain in thorough repair and in good and safe condition all leased property, and their equipment and appurtenances. Tenant shall be responsible for all janitorial services for the Leased Premises. All repairs and replacements shall be in quality and class at least equal to the original work. On default of the Tenant in making such repairs or replacements, the Landlord may, but shall not be required to, make such repairs and replacements for the Tenant's account, and the expense thereof shall constitute and be collectible as additional rent in accordance with the provisions of Article IV herein. Landlord shall be responsible for structural repairs, which shall include the roof, sub-floor, and exterior walls.

ARTICLE VI

CONDITION OF LEASES PREMISES/ALTERATIONS:

- (a) The Leased Premises shall be provided in an "AS IS" and "WHERE IS" condition, except for work to be done by the Landlord mutually agreed as follows:
 - i. Dividing wall on the 1st floor, comprising a common area wall to separate tenant space from public way; and
 - ii. Painting of the 1st floor space; and
 - iii. Cleaning, sanding and refinishing of floors; and
 - iv. Providing of water service sufficient to serve the cultivation needs of the Tenant on the 6th floor, such service to be in a volume no less than 1000 GPD; provided however that the parties may, after negotiation in good faith, mutually agree to different service and to an allocation of the cost associated therewith; and
 - v. Providing electrical service sufficient to serve the cultivation needs of the Tenant on the 6th floor, such service to be 200amp service; provided however that the parties may, after negotiation in good faith, mutually agree to greater service and to an allocation of the cost associated therewith.

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- (b) None of the work cited in Article VI (a) will commence until this contract has been executed and any deposit released, and when Tenant has obtained licensure and approval as set forth in the following paragraph.
- (c) Because Tenant's business depends upon Kind Medical Inc. securing certain state and local approvals, the obligations of the parties to this Lease shall be contingent upon the following:
 - a. Licensure by the Massachusetts Department of Public Health ("DPH") to operate and maintain a dispensary and cultivation facility, a/k/a an RMD license, in or before January 2014, in accordance with 105 CMR. 725.000 et seq;
 - b. Other approvals, including environmental, SPA, zoning and board of health approvals, as set forth in the relevant Easthampton bylaws and laws of the Commonwealth, and as determined by the appropriate city and state authorities in or before January 2014.
- (d) By acceptance of the Leased Premises, as evidenced by Tenant's execution of this Lease, Tenant hereby acknowledges and agrees that it has conducted, or has had the opportunity to conduct, an inspection of the Leased Premises, and is fully satisfied with the result of same.
- (e) Tenant shall not commence any work or alteration to the Leased Premises (each a "Tenant Improvement") without first presenting written plans to Landlord, and obtaining Landlord's written approval as to the full scope of the work to be undertaken, and the names and addresses of the general contractor, construction manager, subcontractors, architects and engineer contemplated to be used.
- (f) Following Tenant's construction of any Tenant Improvements, the Tenant shall have the right, from time to time, to make all such alterations and improvements to the Leased Premises as shall be reasonably necessary or appropriate in the Tenant's judgment for the Tenant's conduct thereon of its business, provided that prior to the commencement of any such alterations or improvements the Landlord shall in each case have approved in writing the plans and specifications thereof in addition to the name and addresses of the general contractor, construction manager, subcontractors, architects and engineer contemplated to be used. If within thirty (30) days after such plans and specifications are submitted by the Tenant to the Landlord for such approval the Landlord shall not have given the Tenant notice of disapproval thereof, stating the reason for such disapproval, such plans and specifications shall be considered approved by the Landlord, provided such approval will not be unreasonably withheld or delayed.
- (g) At the time Tenant shall vacate the Leased Premises, and unless otherwise specified in writing by Landlord at the time approval is sought, any alterations, additions, improvements and fixtures installed or paid for by Tenant upon the Premises, other than trade fixtures, shall upon the expiration or earlier termination of this Lease become the property of the Landlord. Any damage caused by the removal of trade fixtures shall be promptly repaired by Tenant. Tenant shall use its best efforts to

minimize any disruption in order not to disturb other tenants of the Building.

- (h) Tenant agrees that it will procure all necessary permits before commencing any Tenant Improvements, or making any other repairs, installations, alterations, additions, improvements or removals. Landlord agrees it will cooperate with Tenant in obtaining such permits. In any case where any alteration would require the consent of the holder of any mortgage or deed of trust, the Tenant shall procure such consent before undertaking such alteration. Tenant agrees that all repairs, installation, alterations, improvements and removals done by it or anyone claiming under it shall be done in a good and workmanlike manner, that the same shall be done in conformity with all laws, ordinances and regulations of all public authorities and all insurance inspection or rating bureaus having jurisdiction, that the structure of the Leased Premises will not be endangered or impaired and that Tenant will repair any and all damage caused by or resulting from any such repairs, installations, alterations, additions, improvements or removals, including, but without limitation, the filling of holes. Tenant agrees to pay promptly when due all charges for labor and materials in connection with any work done by Tenant or anyone claiming under Tenant upon the Leased Premises so that the Leased Premises shall at all times be free of liens. Tenant agrees to save Landlord harmless from, and indemnify Landlord against, any and all claims for injury, loss or damage to person or property caused by or resulting from the doing of any such work.

- (i) With respect to elevator service, Landlord agrees to accomplish conversion of VRC service to freight, subject to the approval of state inspectors, provided that the cost of such conversion does not exceed \$10,000. If the cost of such conversion exceeds \$10,000, the parties will negotiate and mutually agree as to an allocation of such costs in excess of \$10,000, such negotiation to occur in good faith.

ARTICLE VII

RULES AND REGULATIONS: The rules and regulations existing for the Building as at the date of this Lease are set forth in **Exhibit "C"** attached hereto and made part hereof (the "Rules and Regulations"), and Tenant shall comply with the same. Tenant's failure to keep and observe the Rules and Regulations shall constitute a Default under this Lease in such manner as if the same were contained herein as covenants. Landlord reserves the right from time to time to amend or supplement the Rules and Regulations applicable to the Leased Premises or the Building, with notice to Tenant. Such changed Rules and Regulations will apply with equal force to all tenants in the Building. Landlord shall not be responsible for the non-observance or violation of any such Rules and Regulations by the occupant of any other premises in the Building.

ARTICLE VIII

PARKING: Landlord agrees to provide Tenant, for use by Tenant and Tenant's customers, a minimum of two (2) dedicated parking spaces, during the Term, which parking shall be subject to the Rules and Regulations; provided however that Tenant's employees and customers may also use and have access to additional parking spaces, in a number not less than 50, that shall be available to Tenant in the normal course of business.

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ARTICLE IX

USE OF PREMISES: Tenant agrees that during the term of this Lease the Leased Premises will be used and occupied for the purpose of: cultivation, storage and dispensing, and used for any other lawful purpose after obtaining written consent of the Landlord for any change of use which consent shall not be unreasonably withheld or delayed, and solely as permitted pursuant to applicable law including, without limitation, municipal zoning, compliance of which shall be Tenant's sole and exclusive obligations and shall be a material term of this Lease.

ARTICLE X

RECORDING: The parties herein agree that a statutory Notice of this Lease may be recorded with the Hampshire County Registry of Deeds at Tenant's sole cost and expense.

ARTICLE XI

INSURANCE/INDEMNITY:

- (a) The Tenant shall keep the Leased Premises insured throughout the term of this Lease against the following:
 - (i) Claims for personal injury or property damage, under a policy of general public liability insurance, with such limits as may reasonably be requested by the Landlord from time to time, but not less than \$1,000,000.00 per occurrence.
 - (ii) Loss or damage by fire and such other risks as may be included in the broadest form of extended coverage insurance from time to time available in amounts sufficient to prevent Landlord or Tenant from becoming a co-insurer within the terms of the applicable policies, and in any event in an amount not less than the then full insurable value (which shall mean the actual replacement cost, excluding foundation and excavation costs of the Leased Premises and all of Tenant's personal property located at the Leased Premises).
 - (iii) All insurance procured by the Tenant pursuant to this Article shall name the Landlord and any mortgagee as their respective interests may appear.
- (b) All insurance provided for in this Lease shall be effected under enforceable policies issued by insurers of recognized responsibility licensed to do business in this state. At least thirty (30) days prior to the expiration date of any policy, the original renewal policy for such insurance shall be delivered by the Tenant to the Landlord. Within fifteen (15) days after the premium on any policy shall become due and payable, the Landlord shall be furnished with satisfactory evidence of its payment.
- (c) All policies of insurance shall name the Landlord and the Tenant as the insured, as their respective interests may appear. At the request of the Landlord, any insurance policy shall be made payable to the holder of any mortgage to which this Lease is at

any time subordinate, as the interest of such holder may appear, pursuant to a standard clause for holders of mortgages. To the extent obtainable, all policies shall contain an agreement by the insurers (1) that any loss shall be payable to the Landlord or the holders of any such mortgage or deed of trust, notwithstanding any act or negligence of the Tenant which might otherwise result in forfeiture of such insurance, (2) that such policies shall not be canceled except upon thirty (30) days prior written notice to the Landlord and to the holders of any mortgage to whom loss may be payable, and (3) that the coverage afforded thereby shall not be affected by the performance of any work in or about the leased property.

- (d) If the Tenant provides any insurance required by this Lease in the form of a blanket policy, the Tenant shall furnish satisfactory proof that such blanket policy complies in all respects with the provisions of this Lease, and the coverage thereunder is at least equal to the coverage which would be provided under a separate policy covering only the leased property.
- (e) Tenant agrees to save Landlord harmless from, and indemnify Landlord against, to the extent permitted by law, any and all injury, loss or damage and any and all claims for injury, loss or damage, of whatever nature (1) caused by or resulting from any act, omission or negligence of Tenant or anyone claiming under Tenant (including, but not without limitation subtenants of Tenant and employees while in the course of their employment), or (2) occurring upon the Leased Premises. This indemnity and hold harmless agreement shall include indemnity against all costs, expenses, and liabilities incurred in connection with any such injury, loss or damage or any such claim, or any proceeding brought thereon or the defense thereof.
- (f) Landlord agrees to save Tenant harmless from, and indemnify Tenant against, to the extent permitted by law, any and all injury, loss or damage and any and all claims for injury, loss or damage, of whatever nature (1) caused by or resulting from negligence of Landlord or anyone claiming under Landlord (including, but not without limitation subtenants of Landlord and employees while in the course of their employment), or (2) occurring upon the Leased Premises as a result of Landlord's negligence. This indemnity and hold harmless agreement shall include indemnity against all costs, expenses, and liabilities incurred in connection with any such injury, loss or damage or any such claim, or any proceeding brought thereon or the defense thereof.

If Tenant or anyone claiming under Tenant or the whole or any part of the property of Tenant or anyone claiming shall be injured, lost or damaged by theft, fire, or in any other way or manner, whether similar or dissimilar to the foregoing, no part of said injury, loss or damage is to be borne by Landlord or its agents unless the same shall be caused by or result from the fault or negligence of Landlord or its agents. Tenant agrees that Landlord shall not be liable to Tenant or anyone claiming under Tenant for any injury, loss or damage that may be caused by or result from the fault or negligence of any persons occupying adjoining premises or any other part of the Leased Premises.

If Landlord or anyone claiming under Landlord shall be injured, lost or damaged by theft, fire, or in any other way or manner, whether similar or dissimilar to the foregoing, no part of

said injury, loss or damage is to be borne by Tenant or its agents unless the same shall be caused by or result from the fault or negligence of Tenant or its agents. Landlord agrees that Tenant shall not be liable to Landlord or anyone claiming under Landlord for any injury, loss or damage that may be caused by or result from the fault or negligence of any persons occupying adjoining premises or any other part of the Leased Premises.

ARTICLE XII

WAIVER OF SUBROGATION: Tenant hereby releases Landlord, to the extent of Tenant's insurance coverage, from any and all liability for any loss or damage caused by fire or any of the extended coverage casualties, even if such fire or other casualty shall be brought about by the fault or negligence of Landlord or its agents, provided, however, this release shall be in force and effect only with respect to loss or damage occurring during such time as Tenant's policies of fire and extended coverage insurance shall contain a clause to the effect that this release shall not affect said policies or the right of Tenant to recover thereunder. Tenant agrees that its fire and extended coverage insurance policies will include such a clause so long as the same is includable without extra cost, or if extra cost is chargeable therefor, so long as Landlord pays such extra cost. If extra cost is chargeable therefor, Tenant will advise Landlord thereof and of the amount thereof. Landlord at its election may pay the same, but shall not be obligated to do so.

ARTICLE XIII

ACCESS TO PREMISES: Landlord shall have the right to enter upon the Leased Premises or any part thereof without charge at all reasonable times with notice (but in case of emergency, no such notice will be required) at any time, to inspect the same, to show the Leased Premises to prospective purchasers or tenants, to make or facilitate any repairs, alterations, additions or improvements to the Leased Premises (but nothing in this Article IX contained shall obligate Landlord to make any repairs, alterations, additions or improvements); and Tenant shall not be entitled to any abatement or reduction of rent or damages by reason of any of the foregoing. No forcible entry shall be made by Landlord unless such entry shall be reasonably necessary to prevent serious injury, loss or damage to person or property. Landlord shall repair any damage to property of Tenant or anyone claiming under Tenant caused by or resulting from Landlord's making any such repairs, alterations, additions or improvements except only such damage as shall result from the making of such repairs, alterations, additions or improvements which Landlord shall make as a result of the default, fault or negligence of Tenant or anyone claiming under Tenant. For the period commencing six (6) months prior to the expiration of the term of this Lease, Landlord may maintain "For Lease" signs on the front of or on any part of the exterior of the Building and/or Leased Premises.

ARTICLE XIV

SUBORDINATION TO MORTGAGES:

- (a) Tenant agrees that upon the request of Landlord it will subordinate this Lease and the lien hereof to the lien of any present or future bank or insurance company mortgage or mortgages upon the Leased Premises or any property of which the Leased Premises are a part, irrespective of the time of execution or times of recording of any such mortgage or mortgages. Tenant agrees that it will upon the

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request of Landlord execute, acknowledge and deliver any and all instruments deemed by Landlord necessary or desirable to give effect to or notice of such subordination. Tenant also agrees that if it shall fail at any time to execute, acknowledge or deliver any such instruments requested by Landlord, Landlord may, in addition to any other remedies available to it, execute, acknowledge and deliver such instrument as the attorney in fact of Tenant and in Tenant's name; and Tenant hereby makes, constitutes and irrevocably appoints Landlord as its attorney in fact for that purpose. The word "mortgage" as used herein includes mortgages, deed or trust or other similar instruments and modifications, consolidations, extensions, renewals, replacements and substitutes thereof.

- (b) The Tenant agrees that in the event of any act or omission of Landlord which would give Tenant the right, immediately or after lapse of a period of time, to cancel or terminate this Lease, or to claim a partial or total eviction, Tenant shall not exercise such right (1) until it has given written notice of such act or omission to the holder of each superior mortgage and the lessor of each superior lease whose name and address shall previously have been furnished to Tenant in writing, and (2) unless such act or omission shall be one which is not capable of being remedied by Landlord or such mortgage holder or lessor within a reasonable period of time, until a reasonable period for remedying such act or omission shall have elapsed following the giving of such notice and following the time when such holder or lessor shall have become entitled under such superior mortgage or superior lease, as the case may be, to remedy the same (which reasonable period shall in no event be less than the period to which Landlord would be entitled under this Lease or otherwise, after notice to effect such remedy), provided such holder or lessor shall with due diligence give Tenant written notice of intention to, and commence and continue to remedy such act or omission.

ARTICLE XV

FIRE AND OTHER CASUALTY:

- (a) If the Leased Premises shall be damaged or destroyed by fire or other insured casualty then Tenant shall give notice thereof to Landlord, and, except as hereinafter otherwise provided, Landlord shall, within six (6) month's time thereafter, repair, or restore the Leased Premises to substantially the same condition they were in prior to the casualty, unless such damage or destruction is incapable of repair or restoration within six (6) months in which event Landlord may, with written notice provided within sixty (60) days of such damage or destruction, declare this Lease terminated as of the happening of such damage or destruction. During the period of repair or restoration a just proportion of the fixed rent, according to the nature and extent of the damage shall be suspended or abated while the Leased Premises are repaired. It is agreed and understood that if during the last year of the term of this Lease or the last year of any term of extension thereafter, the Building shall be damaged or destroyed aforesaid to the extent of twenty five (25%) percent or more of its insurable value, Landlord, at its election, may terminate the term of this Lease by a notice to Tenant within thirty days after such damage or destruction. In the event of any termination of the term of this Lease pursuant to the provisions of this Article, the termination

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shall become effective on the day of such damage or destruction, a just proportion of the fixed rent, according to the nature and extent of the injury to the Leased Premises, shall be suspended or abated until the time of termination, and fixed rent shall be apportioned as of the time of termination.

- (b) To the extent that the Tenant is required to restore and/or repair pursuant to the provisions of this Article then the Tenant agrees that all such restoration and repair work shall be completed in accordance with and be at all times subject to the provisions of Article V herein.

ARTICLE XVI

EMINENT DOMAIN:

- (a) If after the execution of this Lease and prior to the expiration of the term of this Lease the whole of the Leased Premises shall be taken under the power of eminent domain, then the term of this Lease shall cease as of the time when Landlord shall be divested of its title in the Leased Premises, and fixed rent shall be apportioned and adjusted as of the time of termination.
- (b) If any part of the Leased Premises shall be taken under the power of eminent domain, then if as a result thereof the Leased Premises shall be reduced by more than twenty (20%) percent and the part remaining shall not be reasonably adequate for the operation of the business conducted in the Leased Premises prior to the taking, Landlord or Tenant may, at its election, terminate the term of this Lease by giving the other notice of the exercise of its election within twenty (20) days after it shall receive notice of such taking, and the termination shall be effective as of the time that possession of the part so taken shall be required for public use and fixed rent shall be apportioned and adjusted as of the time of termination. If only a part of the Leased Premises shall be taken under the power of eminent domain and if the term of this Lease shall not be terminated as aforesaid, then the term of this Lease shall continue in full force and effect and Landlord shall, within six (6) months after possession is required for public use, repair and rebuild what may remain of the Leased Premises so as to put the same into condition for use and occupancy by Tenant, and a just proportion of the fixed rent according to the nature and extent of the injury to the Leased Premises shall be suspended or abated until what may remain of the Leased Premises shall be put into such condition by Landlord, and thereafter a just proportion of the minimum rent according to the nature and extent of the part so taken shall be abated for the balance of the term of this Lease.
- (c) Landlord reserves to itself and Tenant assigns to Landlord, all rights to damages accruing on account of any taking under the power of eminent domain or by reason of any act of any public or quasi public authority for which damages are payable. Tenant agrees to execute such instruments of assignment as may be reasonably required by Landlord in any proceeding for the recovery of such damages if requested by Landlord, and to turn over to Landlord any damages that may be recovered in such proceeding. It is agreed and understood however, that Landlord

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does not reserve to itself, and Tenant does not assign to Landlord, any damages payable for movable trade fixtures installed by Tenant or anybody claiming under Tenant.

- (d) Landlord agrees, however, that to the extent that the Tenant is required to repair and restore that portion of the premises taken by public action, that the Landlord will pay for the cost of repair and/or restoration from the proceeds of any damage awarded subject to approval by the holder of any Mortgage, it being agreed by Landlord and Tenant that Landlord's obligation to pay for such restoration and repair shall in no event exceed the amount of the damage award.
- (e) To the extent that the Tenant is required to restore and/or repair pursuant to the provisions of this Article, the Tenant agrees that all such restoration shall be at all times subject to the provisions of Article V herein.

ARTICLE XVII

ASSIGNMENT: Notwithstanding any other provisions of this Lease, Tenant may not assign this Lease, in whole or in part, nor sublet all or any part of the Leased Premises, nor otherwise permit any other person to occupy or use any portion of the Leased Premises (collectively, a "Transfer") without first obtaining the written consent of Landlord, which consent may be withheld in Landlord's reasonable discretion. This prohibition and the term "Transfer" includes any subletting or assignment which would otherwise occur by operation of law, merger, or other change of Tenant's corporate or proprietary structure, or an assignment or subletting to or by a custodian, receiver or trustee in any federal or state bankruptcy, insolvency, or similar proceeding; provided however that Landlord assents and acknowledges, and Tenant reserves the right to assign its rights and obligations under this Lease as necessary to accommodate changes in corporate structure, requirements of the Massachusetts Department of Public Health, or any municipal, state or federal agency, or for any other reasons required by Tenant for the successful operation of its business, as determined within its sole discretion, and so long as the assignee is either (i) a wholly owned subsidiary of Tenant, or (ii) is an affiliate of Tenant as reasonably determined by Landlord.

ARTICLE XVIII

HOLDING OVER: If Tenant or anyone claiming under Tenant shall remain in possession of the Leased Premises or any part thereof after the expiration of the term of this Lease or any extension thereof without any agreement in writing between Landlord and Tenant with respect thereto, prior to acceptance of rent by Landlord, the person remaining in possession shall be deemed a Tenant at will, subject to the provisions of this Lease insofar as the same may be made applicable to a tenancy at will; provided, however, that in addition to the Additional Rent due hereunder, Minimum Rent during such period as such person shall continue to hold the Leased Premises or any part thereof shall be payable at a rate of one hundred fifty (150%) percent of the Minimum Rent immediately prior to such holdover term.

ARTICLE XIX

WAIVERS: Failure of either the Landlord or the Tenant to complain of any act or omission on either the part of the Landlord or the Tenant, no matter how long the same may

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continue, shall not be deemed to be a waiver by either Landlord or Tenant of any of its rights hereunder. No waiver by Landlord or Tenant at any time, express or implied, of any breach of any provision of this Lease shall be deemed a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision. If any action by Landlord shall require Tenant's consent or approval, Tenant's consent or approval of such action on any one occasion shall not be deemed a consent to or approval of said action on any subsequent occasion or a consent to or approval of any other action on the same or any subsequent occasion. If any action by Tenant shall require Landlord's consent or approval, Landlord's consent to or approval of such action on any one occasion shall not be deemed a consent to or approval of said action on any subsequent occasion or a consent to or approval of any other action on the same or any subsequent occasion. No payments by Tenant or acceptance by Landlord, or payments by Landlord accepted by Tenant of a lesser amount than shall be due from each other shall be deemed to be anything but payment on account and the acceptance by either Landlord or Tenant of a check for a lesser amount with an endorsement or statement thereon or upon a letter accompanying said check that said lesser amount is payment in full shall not be deemed an accord and satisfaction, and Landlord or Tenant may accept said check without prejudice to recover the balance due or pursue any other remedy. Any and all rights and remedies which Landlord or Tenant may have under this Lease or by operation of law, either at law or in equity, upon any breach, shall be distinct, separate and cumulative and shall not be deemed inconsistent with each other; and no one of them, whether exercised by Landlord or Tenant or not, shall be deemed to be in exclusion of any other; and any two or more of all rights and remedies may be exercised at the same time.

ARTICLE XX

DEFAULTS:

- (a) This Lease is upon the condition that if Tenant shall neglect or fail to perform or observe any of Tenant's covenants herein and said breach shall continue for thirty (30) days after written notice of the same from Landlord to Tenant; or if such breach is the failure to pay rent, then ten (10) days after such written notice; or if the leasehold hereby created shall be taken on execution or by other process of law; or if any assignment shall be made of Tenant's property for the benefit of creditors; or if a petition is filed by Tenant under any bankruptcy law; or if a petition is filed against Tenant under any bankruptcy law and the same shall not be dismissed within thirty (30) days from the date upon which it is filed, then, and in any of said cases, Landlord lawfully may then enter, or at any time thereafter and without demand or notice, upon the Leased Premises or any part thereof in the name of the holder, and repossess the same as Landlord's former estate and expel Tenant and those claiming through or under Tenant and remove its effects, forcibly if necessary, without being guilty of any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant, and, upon such entry, this Lease shall terminate.
- (b) In case of any such termination, Tenant will indemnify Landlord each month against all loss of rent and all obligation which Landlord may incur by reason of any such termination between the time of termination and the expiration of the term of the Lease; or at the election of Landlord, exercised at the time of the termination or at any time thereafter, Tenant will indemnify Landlord each month until the exercise of

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the election against all loss of rent and other obligations which Landlord may incur by reason of such termination during the period between the time of the termination and the exercise of the election, and upon the exercise of the election Tenant will pay to the Landlord as damages such amount as at the time of the exercise of the election represents the amount by which the rental value of the Leased Premises for the period from the exercise of the election until the expiration of the term shall be less than the amount of rent and other payments provided herein to be paid by Tenant to Landlord during said period. It is understood and agreed that at the time of the termination or at any time thereafter Landlord may rent the Leased Premises, and for a term which may expire after the expiration of the term of this Lease, provided, however, that if said premises are rented as aforesaid then the amount of rent received in such case shall be applied to reduce Tenant's liability for rent under this Lease; that Tenant shall be liable for any expenses incurred by Landlord in connection with obtaining possession of the Leased Premises, with removing from the Leased Premises property of Tenant and persons claiming under it (including warehouse charges), with putting the Leased Premises into good condition for reletting, and with any reletting, including, but without limitation, reasonable attorneys' fees and brokers' fees, and that any monies collected from any reletting shall be applied first to the foregoing expenses and then to the payment of rent and all other payments due from Tenant to Landlord.

ARTICLE XXI

QUIET ENJOYMENT: Landlord agrees that upon Tenant's paying the rent and performing and observing the agreements, conditions, and other provisions on its part to be performed and observed, Tenant shall and may peaceably and quietly have, hold and enjoy the Leased Premises during the term of this Lease without any manner of hindrance or molestation from Landlord or anyone claiming under Landlord.

ARTICLE XXII

FAILURE OF PERFORMANCE: If Tenant shall make any default or defaults under this Lease, Landlord may, at its election, immediately or at any time thereafter, without waiving any claim for breach of agreement, and without notice to Tenant, cure the same and the cost of Landlord thereof shall be deemed to be Additional Rent and shall be added to the installments of rent next accruing or to any subsequent installment of rent, at the election of the Landlord.

ARTICLE XXIII

DEFINITIONS AND INTERPRETATIONS:

- (a) The words "Landlord" and "Tenant" and the pronouns referring thereto, as used in this Lease, shall mean, where the context requires or admits, the persons or company named herein as Landlord and as Tenant, respectively, and their respective heirs, legal representatives, successors and assigns, irrespective of whether singular or plural, masculine, feminine or neuter. Except as hereinafter provided otherwise, the agreements and conditions in this Lease contained on the part of Landlord to be performed and observed shall be binding upon Landlord and his heirs, legal

representatives, successors and assigns and shall enure to the benefit of Tenant and its heirs, legal representatives, successors and assigns; and the agreements and conditions on the part of Tenant to be performed and observed shall be binding upon Tenant and its heirs, legal representatives, successors and assigns and shall enure to the benefit of Landlord, and his heirs, legal representatives, successors and assigns. The word "Landlord" as used herein, means only the owner for the time being of Landlord's interest in this Lease, that is, in the event of any transfer of Landlord's interest in this Lease the transferor shall cease to be liable, and shall be released from all liability for the performance or observance of any agreements or conditions on the part of Landlord to be performed or observed subsequent to the time of said transfer, it being understood and agreed that from and after said transfer the transferee shall be liable for the performance and observance of said agreements and conditions.

- (b) For the purposes of this Lease, a business organization shall be deemed to be affiliated with Tenant (1) if such business organization controls Tenant either directly by ownership of a majority of its voting stock or of such minority thereof as to give it substantial control of Tenant, or indirectly by ownership of such a majority or minority of the voting stock of another business organization so controlling Tenant, (2) if said business organization is so controlled by another business organization so controlling Tenant, or (3) if said business organization stands in such a relationship to Tenant that there is an absence of equal bargaining power between such business organization and Tenant with respect to their dealings and transactions.
- (c) It is agreed that if any provisions of this Lease shall be determined to be void by any court of competent jurisdiction then such determination shall not affect any other provisions of this Lease, all of which other provisions shall remain in full force and effect; and it is the intention of the parties hereto that if any one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.
- (d) This instrument contains the entire and only agreement between the parties, and no oral statements or representations or prior written matter not contained in this instrument shall not have any force or effect. This Lease shall not be modified in any way except by a writing subscribed by both parties.
- (e) If Tenant shall accept possession of the Leased Premises prior to the commencement of the term, Tenant shall be subject to all the provisions of this Lease during the period between the acceptance of said possession and the commencement of the term of this Lease shall apply as if said period were part of the term of this Lease, except that no minimum rent shall be payable for said period.
- (f) Wherever in this Lease provision is made for the doing of any act by any person it is understood and agreed that said act shall be done by such person at its own cost and expense unless a contrary intent is expressed.
- (g) This Lease shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts.

- (h) Whenever the Tenant is required to obtain the Landlord's permission under the terms of the Lease, consent to the requested accommodation will not be unreasonably withheld or delayed.

ARTICLE XXIV

NOTICES: Notices in every case where under the provisions of this Lease shall be necessary or desirable for the Landlord or Tenant to give to or serve upon the Landlord or Tenant any notice or demand, it shall be sufficient to send a written or printed copy of said notice or demand by certified or registered mail, postage prepaid, or by reputable overnight courier addressed to the other party at the following addresses or at such addresses as may hereafter be furnished:

Landlord: **KHEPER, LLC**
 142 Pleasant Street
 Easthampton, MA 01027

With a Copy To: Jeffrey I. Fialky, Esquire
 Bacon Wilson, P.C.
 33 State Street
 Springfield, MA 01103

Tenant: Kind Medical Inc.
 Andrea F. Nuciforo Jr., Clerk/Legal Counsel
 c/o Cianflone & Cianflone PC
 59 Bartlett Avenue
 Pittsfield MA 01201

ARTICLE XXV

LANDLORD'S TITLE: Landlord agrees that it is fully authorized and empowered to make, execute and deliver this Lease, and that it is lawfully seized of the Leased Premises as shown on said plans and specifications and that it owns the same in fee simple absolute, and that there are no liens or encumbrances thereon of any kind whatsoever except those of record and leases with other tenants.

ARTICLE XXVI

BROKERAGE: Tenant and Landlord warrant to each other that neither has dealt with any broker or third person with respect to this Lease or the Leased Premises. Each party covenants and agrees to indemnify the other against any brokerage claims by third persons claiming to have dealt with such party with respect to the Leased Premises. The indemnification hereunder shall include any and all costs and expenses of the indemnified party including but not limited to reasonable attorneys' fees incurred in defending any such brokerage claim.


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ARTICLE XXVII

PARAGRAPH TITLE: The paragraph titles used as heading for the various articles of this Lease are used only as a matter of convenience for reference, and are not to be considered a part of this Lease or to be used in determining the intent of the parties to this Lease.

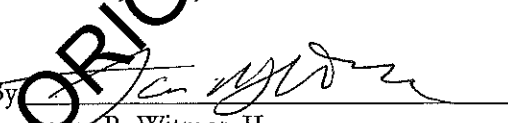
EXECUTED as a sealed instrument the day and year first above written.

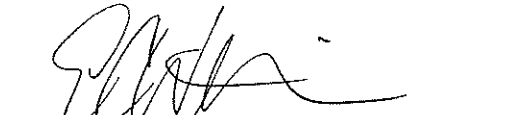
KIND MEDICAL INC., Tenant

By: 
Andrea P. Nuciforo Jr.
Its: Clerk and Legal Counsel


Witness

KHEPER, LLC, Landlord

By: 
James R. Witmer, II
Its Manager


Witness

REPLACE WITH ORIGINAL

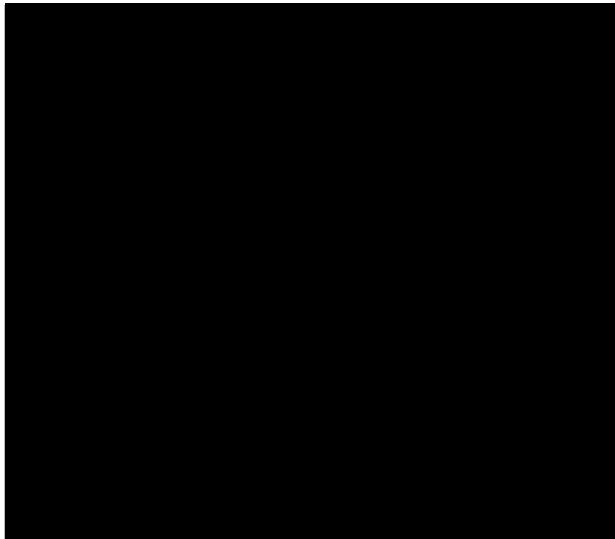


Exhibit "A"

Leased Premises Description

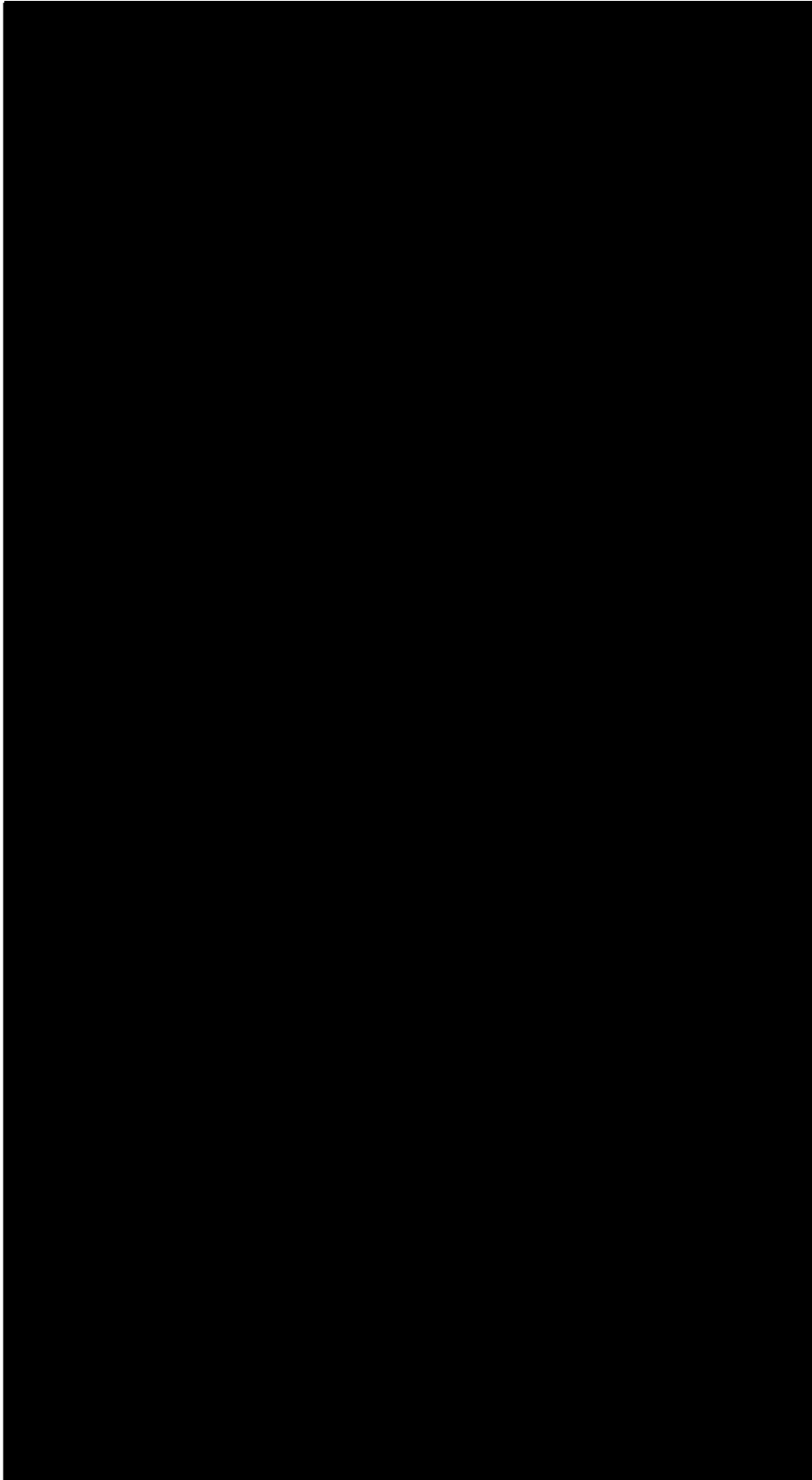
Certain portions of the building located at 142 Pleasant Street, Easthampton Massachusetts 01027, and as further described as follows:

- a) 10,636 sf +- of total available space, along with ceiling, lighting, HVAC and other systems, fixtures and appurtenances as they now exist and in their current condition, situated on the sixth floor, with access thereto by a staircase and by an elevator, both of which provide ample, complete and secure access to space suitable for cultivation; and
- b) 2,500 sf +- of total available space, along with ceiling, lighting, HVAC and other systems, fixtures and appurtenances as they now exist and in their current condition, situated on the first floor, with access thereto by an ADA compliant ramp and staircase, and by a second staircase, both of which provide ample, complete and secure access to space suitable for dispensary use; and



- c) as further described upon a deed recorded at the Hampshire Registry of Deeds on August 17, 2009, Book 9936 /Page 131.

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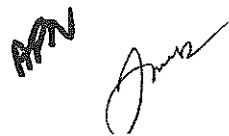


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Exhibit "C"**142 Pleasant Street, Easthampton, MA
Rules and Regulations**

In the event of any conflict between the terms of this or later Rules & Regulations and the Lease, the provisions of the Lease shall control.

1. The sidewalks, motor vehicle ramps, entrances, passages, courts, elevators, arcades, open plazas, vestibules, stairways, corridors, halls, and all other Common Areas shall not be obstructed by the Tenant or any guest, licensee, or invitee of Tenant, or used for any purpose other than the ingress and egress to and from Tenant's Premises except for such uses of the Common Areas as Landlord may from time to time previously authorize in writing. Tenant will not place or maintain any showcases, merchandise or other property in any vestibule, entry, or arcade to the Tenant's Premises or elsewhere on the exterior of the Tenant's Premises without Landlord's consent in each instance.
2. No awnings or other projections shall be attached to the exterior surface of the walls enclosing Tenant's Premises except as Landlord may from time to time authorize. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of Tenant's Premises without the prior approval of Landlord as to the quality, type, design, color, and manner of attaching the same. No protective screen, grating, shade or other enclosing device shall be used on the exterior storefront of the Tenant's Premises.
3. No advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by the Tenant at any place outside of Tenant's Premises or inside of the Tenant's Premises so that the same is visible from outside Tenant's Premises without the prior written consent of the Landlord as to form, color, quality, and manner of attachment. In the event of the violation of the foregoing by the Tenant, Landlord may remove the same without any liability, and may charge the expenses incurred by such removal to the Tenant. Tenant will maintain all signs, decoration, lettering, advertising matter or other thin, as may be approved by Landlord, in good condition at all times.
4. Tenant will, at Tenant's expense, maintain Tenant's Premises in a clean, orderly and sanitary condition and free of insects, vermin, rodents, and other pests. Tenant, at Tenant's expense, will provide sufficient refuse, trash, and garbage containers of types approved by Landlord to accomplish the foregoing and no refuse, trash, or garbage shall be suffered by Tenant to remain in Tenant's Premises at night after normal working hours. During normal working hours all refuse, trash, and garbage and containers for the same will be so placed in Tenant's Premises as to be not visible from the exterior of Tenant's Premises or from the interior areas of Tenant's Premises normally open to the public. Tenant will bring all refuse, trash, and garbage to the refuse disposal area designated by Landlord and dispose of it in the manner prescribed by the Landlord. Any hand or power trucks or other equipment used to transport any refuse, trash, or garbage from Tenant's Premises to the refuse disposal area shall have soft rubber tires and side guards. All garbage shall be packed in leak-proof, odor proof bags prior to disposal.



5. Tenant will keep clean the inside of all glass in the doors and windows of Tenant's Premises and all exterior surfaces of Tenant's Premises which abut or face the Common Areas. All cracked or broken glass will be replaced within twenty-four (24) hours of such occurrence. Nothing shall be thrown or swept out of doors or windows of Tenant's Premises onto sidewalks, entrances, passages, courts, arcades, open plazas, vestibules, stairways, corridors, halls, or other Common Areas. Tenant will repair at Tenant's expense any damage to Tenant's Premises or any other part of the Building caused by the delivery to or removal from Tenant's Premises of any merchandise or other property or the removal therefrom of trash, refuse, or garbage, unless such damage is caused by Landlord or its agent, employees, or contractors. In default of such repairs by Tenant, Landlord may make the same and Tenant agrees to pay the cost thereof to Landlord promptly on demand. Any repairs shall be made only according to plans and specifications and by persons approved by Landlord.
6. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags or other substances shall be thrown therein. All damage resulting from any misuse of the fixtures shall be borne by the Tenant who, or whose servants, employees, agents, visitors, or licensees, shall have caused the same.
7. No Tenant shall mark, paint, drill into, or in any way deface any part of the Premises and no boring, cutting or stringing wires shall be permitted, except with the prior written consent of the Landlord, and as the Landlord may direct.
8. No bicycles, vehicles or animals of any kind shall be brought into or kept or permitted in or about the Premises.
9. Unless Tenant is permitted by the Lease to conduct a restaurant, no cooking shall be done or permitted by the Tenant on the Premises without the prior written consent of the Landlord. Tenant shall not cause or permit any unusual or objectionable odors to be produced upon or emanate from the Premises.
10. Tenant shall not permit, allow or cause any public or private auction or any fire, smoke, "going out of business", bankruptcy, sheriff, receiver or similar sales in Tenant's Premises, nor shall Tenant solicit business or distribute any hand bills or other advertising matter in the Common Areas, nor shall Tenant use or permit the use of objectionable advertising medium such as loudspeakers, phonographs, public address systems, sound amplifiers, radio, or broadcasts within the Common Areas or within Tenant's Premises so as to be audible in the Common Areas, nor shall Tenant use or permit any use of Tenant's Premises except in a manner consistent with the general high standards of merchandising and services in Building. Tenant shall not make, or permit or suffer to be made on the Premises any unreasonable or disturbing noises or vibrations either by persons or machines, and shall not interfere with the occupants of any other part of the Building, or their guests or invitees or other persons using the Building. Canvassing and soliciting in the Building is prohibited, and Tenant shall cooperate as requested by Landlord to prevent the same.
11. No Tenant, nor any of Tenant's servants, employees, agents, visitors or licensees shall at any time bring or keep upon the Premises for any purpose any flammable combustible or

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explosive fluid, chemical or substances except to the extent permitted by law and then only with the prior written approval of Landlord.

12. No Tenant shall use any truck dock except for the delivery of merchandise or other property to be used in or sold in Tenant's Premises, or shipped to customers as a result of sales consummated in Tenant's Premises. No part of Tenant's Premises shall be used for storage of property which is not intended for retail sale in Tenant's Premises or for the business conducted therein. Landlord reserves the right to restrict and regulate the use of the Common Areas by tenant, Tenant's agents, employees, servant, licensees and visitors and by persons making deliveries to or receiving merchandise from Tenant, including but not limited to the right to allocate certain elevator or elevators and the hours of use thereof, and the right to designate which building entrance shall be used by such persons. Tenant must list all furniture and fixtures to be taken from the building, and present the same at an office designated by Landlord for approval of such removal before the same occurs. Any hand or power trucks or other similar equipment used in the Center must be equipped with soft rubber tires and side guards.
13. Tenant, at Tenant's expense, shall obtain all licenses and permits necessary for conducting the Permitted Use in Tenants' Premises, including, without limiting the generality of the foregoing, any licenses or permits to use Tenant's Premises during legal holiday, Sundays, or other items for which governmental authorities provide for the issuance of licenses or permits.
14. Tenant shall use the name designated by the Landlord, in its address on all stationary, billheads, invoices, envelopes and local advertising in addition to a street address, but Landlord reserves the right to prohibit any advertising which in Landlord's opinion tends to impair the reputation of the Building or its desirability as a location for stores or offices; and upon request of Landlord, Tenant shall discontinue such advertising.
15. Tenant upon leaving Tenant's Premises at the end of any day shall see that all windows and exit doors from Tenant's Premises are closed and locked. Tenant will furnish Landlord "after-hours" emergency telephone numbers, for the sole use of the Landlord at its discretion.
16. Tenant will provide, at Tenant's expense, artificial light in Tenant's Premises for employees, agents, and independent contractors of Landlord while they are engaged in making any repairs or alterations to Tenant's Premises. Landlord shall not be responsible to Tenant or Tenant's agents, employees, guests, or invitees for loss of any property of Tenant or of Tenant's Premises or elsewhere in the Building, except for losses arising from the fault, negligence, or other misconduct of Landlord; and to the same extent, Landlord shall not be responsible for damages to any property of Tenant or of Tenant's agents, employees, guests or invitees by any person who is an employee, agent or independent contractor of Landlord engaged in repair or renovation work in Tenant's Premises or elsewhere in the Building.
17. The requirements of Tenant shall be attended to only upon application at the office designated by Landlord. Employees of Landlord will not perform work or do anything outside of their regular duties, unless under special instructions from the Landlord.
18. Landlord reserves the right to have removed from Tenant's Premises any machine, instrument, or appliance requiring the use of gas or electric current that Tenant may have had installed,



attached, or brought into Tenant's Premises without Landlord's prior written approval, and Landlord may charge the cost of such removal and any damage sustained thereby as Additional Rental, payable at the option of Landlord, immediately or with the next month's Rental accruing under this Lease. The installation or use of any type of vending machine in tenant's space prohibited without Landlord's prior written approval of the same, which right of approval extends to the location of the machine.

19. Landlord reserves the right to waive any rule in particular instance or as to any particular person occurrence without waiving the same as to any other person or other occurrence, and further, Landlord reserves the right to amend or rescind any of these rules or make, amend and rescind new rules to the extent Landlord, in the sole judgment, deems suitable for the safety, care and cleanliness of the Building and the maintenance of high standards of merchandising and services therein, and Tenant agrees to conform to such new or amended rules upon receiving written notice of the same.
20. Whenever any notice, approval, consent, request, or election is given or made pursuant to these Rules and Regulations, it shall be in writing. No consent or waiver, express or implied, by Landlord or Tenant to or of any breach or any rule or duty shall be construed as a consent or waiver of any other breach of the same or any other rule or duty.

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**EVIDENCE OF INTEREST IN CULTIVATION SITE
(Exhibit 5.2)**

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

Corporation Name: Kind Medical Inc Application # (if more than one): _____

Physical Address	County	Type of Evidence Attached
142 Pleasant Street Easthampton, MA 01027	Hampshire	Property Lease

COMMERCIAL LEASE

THIS COMMERCIAL LEASE AGREEMENT (this "Lease") made this 1st day of November, 2013 (the "Effective Date") by and between **KHEPER, LLC**, a Massachusetts limited liability company having a principal place of business at 140 North Main Street, Florence, Massachusetts and an office located at 142 Pleasant Street, Easthampton, Massachusetts (the "Landlord"), and Kind Medical Inc. a Massachusetts non-profit corporation with its principal place of business located at 59 Bartlett Avenue, Pittsfield Massachusetts 01201 (the "Tenant").

W I T N E S S E T H :

ARTICLE I

LEASED PREMISES: The Landlord hereby leases to Tenant, and the Tenant hereby leases from the Landlord, for the term and upon the conditions provided in this Lease, a portion of a building, which portion consists of a total area of approximately thirteen thousand seven hundred thirty six (13,136) square feet (the "Leased Premises"), located at 142 Pleasant Street, Easthampton, Massachusetts, and as further described in **Exhibit "A"**, and attached hereto and made a part hereof (the "Lease Plan"). The building consists of a total area of approximately one hundred seventy-four thousand (174,000) square feet and including one hundred forty six thousand rentable (146,000) square feet (the "Building"), and is more particularly described on a plan, a copy of which is attached hereto as **Exhibit "B"** attached hereto and made a part hereof (the "Plan").

ARTICLE II

TERM OF LEASE: The term of this Lease shall be for a period of five (5) years beginning on the Commencement Date, as defined herein, and terminating on the day immediately preceding the five (5) year anniversary thereof (the "Term"), unless earlier terminated as provided herein. Tenant shall have an option to renew for another five (5) year term to be exercised in writing no later than sixty (60) days prior to the original termination date. Lessee shall have a right of first refusal for the adjacent space on the 6th floor comprising approximately 9,300 sq. ft. at terms and conditions identical to those in this lease.

ARTICLE III

MINIMUM RENT: Tenant agrees to pay to Landlord the minimum annual rent as follows:

- (a) The Minimum Rent, as defined herein, during the Term of this Lease shall be as follows: \$3.50 per leasable square foot (the "Minimum Rent") shall be computed as equal to Forty Five Thousand Nine Hundred Seventy Six and 00/100 (\$45,976.00) Dollars per each year, which shall be paid in equal monthly installments of Three Thousand Eight Hundred Thirty One and 33/100 (\$3,831.33) Dollars.
- (b) The Rent shall be payable by Tenant in equal consecutive monthly installments, the first payment of which shall be due within five (5) days of the Commencement Date, and shall be due on or before the first day of each month thereafter, in advance, payable to and at the address of the Landlord, or such other place to the Landlord shall from time

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to time designate by written notice to the Tenant. Such payments are to be without any prior demand therefore and without any deductions or setoff whatsoever.

- (c) If any installment of Rent is not paid within ten (10) days of the due date, such rent shall collect interest at a rate of twelve (12%) percent per annum, said amount to be paid as Additional Rent.
- (d) In addition to the Minimum Rent, Tenant shall pay a refundable deposit in the amount of 150% of the Minimum Rent, or \$5,747.00, upon the execution of this Lease. Such deposit shall be held in escrow by Landlord's attorney designated in Article XXIV, and shall be released to Landlord upon satisfaction of the contingencies set forth in Article VI (c) relative to licensure and other approvals.

ARTICLE IV

ADDITIONAL RENT: The Tenant agrees to pay, as additional rent ("Additional Rent") to the Landlord, a sum equivalent to its Proportionate Share, as defined herein, of:

- (a) The annual real estate taxes, assessments, and other impositions generally or specifically imposed at any time during the term or any extension of this Lease, upon the Building and land upon which it is situated; and,
- (b) The annual cost of Landlord's insurance covering the Building against loss or damage by fire or other casualty and such other hazards and risks and in such amounts, and such other coverage and types of insurance as the Landlord may determine; and
- (c) The Landlord's annual cost of the common area maintenance, including but not limited to landscaping, snow and ice removal, parking area cleaning, restriping, repainting, liability insurance, policing, lighting, refuse disposal, cost of illumination and maintenance of signs, utilities not otherwise separately metered and payable by other tenants of the Leased Premises, personal property taxes, supplies, all costs and expenses of enforcing the rules and regulations established by the Landlord for the Building, and any other reasonable and necessary expenses customary for a Building which are incurred to maintain the common areas of the Building.

For purposes of this Lease, Tenant's proportionate share shall be defined as being nine (9%) percent ("Proportionate Share"), currently calculated as \$7,290 per year payable in twelve equal consecutive monthly installments of \$607.50 per month. The proportionate share is subject to increase in the event the Leased Premises is expanded to include the 6th Floor pursuant to Article II hereof.

Tenant shall likewise pay any increase in taxes attributable to any alteration, improvement, or addition made by the Tenant and any tax attributable to any sign of the Tenant.

Tenant's Additional Rent for each year of the Term shall be estimated by Landlord at the commencement of each such year, and shall be payable by Tenant in equal monthly installments as determined by Landlord. As soon as practicable at the end of each year of the Term, the Landlord will forward to the Tenant an accounting of all actual expenses as provided herein and Tenant shall, within

twenty (20) days of receipt thereof, pay to the Landlord any deficiency between the estimated amount paid and the actual incurred charges.

It is agreed by both Landlord and Tenant that the intent of this Lease is to be an absolute net lease and that the Tenant shall share proportionately in any and all taxes, insurances, and common area maintenance charges.

ARTICLE V

UTILITIES AND REPAIRS

- (a) Tenant agrees to furnish, and pay all separately metered charges for, heat, air conditioning, gas, electricity, power, and shall pay as Additional Rent, its Proportionate Share of all utility charges for utilities used by the Leased Premises which are not separately metered
- (b) The Tenant shall, at all times during the Term, put and maintain in thorough repair and in good and safe condition all leased property, and their equipment and appurtenances. Tenant shall be responsible for all janitorial services for the Leased Premises. All repairs and replacements shall be in quality and class at least equal to the original work. On default of the Tenant in making such repairs or replacements, the Landlord may, but shall not be required to, make such repairs and replacements for the Tenant's account, and the expense thereof shall constitute and be collectible as additional rent in accordance with the provisions of Article IV herein. Landlord shall be responsible for structural repairs, which shall include the roof, sub-floor, and exterior walls.

ARTICLE VI

CONDITION OF LEASES PREMISES/ALTERATIONS:

- (a) The Leased Premises shall be provided in an "AS IS" and "WHERE IS" condition, except for work to be done by the Landlord mutually agreed as follows:
 - i. Dividing wall on the 1st floor, comprising a common area wall to separate tenant space from public way; and
 - ii. Painting of the 1st floor space; and
 - iii. Cleaning, sanding and refinishing of floors; and
 - iv. Providing of water service sufficient to serve the cultivation needs of the Tenant on the 6th floor, such service to be in a volume no less than 1000 GPD; provided however that the parties may, after negotiation in good faith, mutually agree to different service and to an allocation of the cost associated therewith; and
 - v. Providing electrical service sufficient to serve the cultivation needs of the Tenant on the 6th floor, such service to be 200amp service; provided however that the parties may, after negotiation in good faith, mutually agree to greater service and to an allocation of the cost associated therewith.

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- (b) None of the work cited in Article VI (a) will commence until this contract has been executed and any deposit released, and when Tenant has obtained licensure and approval as set forth in the following paragraph.
- (c) Because Tenant's business depends upon Kind Medical Inc. securing certain state and local approvals, the obligations of the parties to this Lease shall be contingent upon the following:
 - a. Licensure by the Massachusetts Department of Public Health ("DPH") to operate and maintain a dispensary and cultivation facility, a/k/a an RMD license, in or before January 2014, in accordance with 105 CMR 725.000 et seq;
 - b. Other approvals, including environmental, SPA, zoning and board of health approvals, as set forth in the relevant Easthampton bylaws and laws of the Commonwealth, and as determined by the appropriate city and state authorities in or before January 2014.
- (d) By acceptance of the Leased Premises, as evidenced by Tenant's execution of this Lease, Tenant hereby acknowledges and agrees that it has conducted, or has had the opportunity to conduct, an inspection of the Leased Premises, and is fully satisfied with the result of same.
- (e) Tenant shall not commence any work or alteration to the Leased Premises (each a "Tenant Improvement") without first presenting written plans to Landlord, and obtaining Landlord's written approval as to the full scope of the work to be undertaken, and the names and addresses of the general contractor, construction manager, subcontractors, architects and engineer contemplated to be used.
- (f) Following Tenant's construction of any Tenant Improvements, the Tenant shall have the right, from time to time, to make all such alterations and improvements to the Leased Premises as shall be reasonably necessary or appropriate in the Tenant's judgment for the Tenant's conduct thereon of its business, provided that prior to the commencement of any such alterations or improvements the Landlord shall in each case have approved in writing the plans and specifications thereof in addition to the name and addresses of the general contractor, construction manager, subcontractors, architects and engineer contemplated to be used. If within thirty (30) days after such plans and specifications are submitted by the Tenant to the Landlord for such approval the Landlord shall not have given the Tenant notice of disapproval thereof, stating the reason for such disapproval, such plans and specifications shall be considered approved by the Landlord, provided such approval will not be unreasonably withheld or delayed.
- (g) At the time Tenant shall vacate the Leased Premises, and unless otherwise specified in writing by Landlord at the time approval is sought, any alterations, additions, improvements and fixtures installed or paid for by Tenant upon the Premises, other than trade fixtures, shall upon the expiration or earlier termination of this Lease become the property of the Landlord. Any damage caused by the removal of trade fixtures shall be promptly repaired by Tenant. Tenant shall use its best efforts to

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minimize any disruption in order not to disturb other tenants of the Building.

- (h) Tenant agrees that it will procure all necessary permits before commencing any Tenant Improvements, or making any other repairs, installations, alterations, additions, improvements or removals. Landlord agrees it will cooperate with Tenant in obtaining such permits. In any case where any alteration would require the consent of the holder of any mortgage or deed of trust, the Tenant shall procure such consent before undertaking such alteration. Tenant agrees that all repairs, installation, alterations, improvements and removals done by it or anyone claiming under it shall be done in a good and workmanlike manner, that the same shall be done in conformity with all laws, ordinances and regulations of all public authorities and all insurance inspection or rating bureaus having jurisdiction, that the structure of the Leased Premises will not be endangered or impaired and that Tenant will repair any and all damage caused by or resulting from any such repairs, installations, alterations, additions, improvements or removals, including, but without limitation, the filling of holes. Tenant agrees to pay promptly when due all charges for labor and materials in connection with any work done by Tenant or anyone claiming under Tenant upon the Leased Premises so that the Leased Premises shall at all times be free of liens. Tenant agrees to save Landlord harmless from, and indemnify Landlord against, any and all claims for injury, loss or damage to person or property caused by or resulting from the doing of any such work.

- (i) With respect to elevator service, Landlord agrees to accomplish conversion of VRC service to freight, subject to the approval of state inspectors, provided that the cost of such conversion does not exceed \$10,000. If the cost of such conversion exceeds \$10,000, the parties will negotiate and mutually agree as to an allocation of such costs in excess of \$10,000, such negotiation to occur in good faith.

ARTICLE VII

RULES AND REGULATIONS: The rules and regulations existing for the Building as at the date of this Lease are set forth in **Exhibit "C"** attached hereto and made part hereof (the "Rules and Regulations"), and Tenant shall comply with the same. Tenant's failure to keep and observe the Rules and Regulations shall constitute a Default under this Lease in such manner as if the same were contained herein as covenants. Landlord reserves the right from time to time to amend or supplement the Rules and Regulations applicable to the Leased Premises or the Building, with notice to Tenant. Such changed Rules and Regulations will apply with equal force to all tenants in the Building. Landlord shall not be responsible for the non-observance or violation of any such Rules and Regulations by the occupant of any other premises in the Building.

ARTICLE VIII

PARKING: Landlord agrees to provide Tenant, for use by Tenant and Tenant's customers, a minimum of two (2) dedicated parking spaces, during the Term, which parking shall be subject to the Rules and Regulations; provided however that Tenant's employees and customers may also use and have access to additional parking spaces, in a number not less than 50, that shall be available to Tenant in the normal course of business.

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ARTICLE IX

USE OF PREMISES: Tenant agrees that during the term of this Lease the Leased Premises will be used and occupied for the purpose of: cultivation, storage and dispensing, and used for any other lawful purpose after obtaining written consent of the Landlord for any change of use which consent shall not be unreasonably withheld or delayed, and solely as permitted pursuant to applicable law including, without limitation, municipal zoning, compliance of which shall be Tenant's sole and exclusive obligations and shall be a material term of this Lease.

ARTICLE X

RECORDING: The parties herein agree that a statutory Notice of this Lease may be recorded with the Hampshire County Registry of Deeds at Tenant's sole cost and expense.

ARTICLE XI

INSURANCE/INDEMNITY:

- (a) The Tenant shall keep the Leased Premises insured throughout the term of this Lease against the following:
 - (i) Claims for personal injury or property damage, under a policy of general public liability insurance, with such limits as may reasonably be requested by the Landlord from time to time, but not less than \$1,000,000.00 per occurrence.
 - (ii) Loss or damage by fire and such other risks as may be included in the broadest form of extended coverage insurance from time to time available in amounts sufficient to prevent Landlord or Tenant from becoming a co-insurer within the terms of the applicable policies, and in any event in an amount not less than the then full insurable value (which shall mean the actual replacement cost, excluding foundation and excavation costs of the Leased Premises and all of Tenant's personal property located at the Leased Premises).
 - (iii) All insurance procured by the Tenant pursuant to this Article shall name the Landlord and any mortgagee as their respective interests may appear.
- (b) All insurance provided for in this Lease shall be effected under enforceable policies issued by insurers of recognized responsibility licensed to do business in this state. At least thirty (30) days prior to the expiration date of any policy, the original renewal policy for such insurance shall be delivered by the Tenant to the Landlord. Within fifteen (15) days after the premium on any policy shall become due and payable, the Landlord shall be furnished with satisfactory evidence of its payment.
- (c) All policies of insurance shall name the Landlord and the Tenant as the insured, as their respective interests may appear. At the request of the Landlord, any insurance policy shall be made payable to the holder of any mortgage to which this Lease is at

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any time subordinate, as the interest of such holder may appear, pursuant to a standard clause for holders of mortgages. To the extent obtainable, all policies shall contain an agreement by the insurers (1) that any loss shall be payable to the Landlord or the holders of any such mortgage or deed of trust, notwithstanding any act or negligence of the Tenant which might otherwise result in forfeiture of such insurance, (2) that such policies shall not be canceled except upon thirty (30) days prior written notice to the Landlord and to the holders of any mortgage to whom loss may be payable, and (3) that the coverage afforded thereby shall not be affected by the performance of any work in or about the leased property.

- (d) If the Tenant provides any insurance required by this Lease in the form of a blanket policy, the Tenant shall furnish satisfactory proof that such blanket policy complies in all respects with the provisions of this Lease, and the coverage thereunder is at least equal to the coverage which would be provided under a separate policy covering only the leased property.
- (e) Tenant agrees to save Landlord harmless from, and indemnify Landlord against, to the extent permitted by law, any and all injury, loss or damage and any and all claims for injury, loss or damage, of whatever nature (1) caused by or resulting from any act, omission or negligence of Tenant or anyone claiming under Tenant (including, but not without limitation subtenants of Tenant and employees while in the course of their employment), or (2) occurring upon the Leased Premises. This indemnity and hold harmless agreement shall include indemnity against all costs, expenses, and liabilities incurred in connection with any such injury, loss or damage or any such claim, or any proceeding brought thereon or the defense thereof.
- (f) Landlord agrees to save Tenant harmless from, and indemnify Tenant against, to the extent permitted by law, any and all injury, loss or damage and any and all claims for injury, loss or damage, of whatever nature (1) caused by or resulting from negligence of Landlord or anyone claiming under Landlord (including, but not without limitation subtenants of Landlord and employees while in the course of their employment), or (2) occurring upon the Leased Premises as a result of Landlord's negligence. This indemnity and hold harmless agreement shall include indemnity against all costs, expenses, and liabilities incurred in connection with any such injury, loss or damage or any such claim, or any proceeding brought thereon or the defense thereof.

If Tenant or anyone claiming under Tenant or the whole or any part of the property of Tenant or anyone claiming shall be injured, lost or damaged by theft, fire, or in any other way or manner, whether similar or dissimilar to the foregoing, no part of said injury, loss or damage is to be borne by Landlord or its agents unless the same shall be caused by or result from the fault or negligence of Landlord or its agents. Tenant agrees that Landlord shall not be liable to Tenant or anyone claiming under Tenant for any injury, loss or damage that may be caused by or result from the fault or negligence of any persons occupying adjoining premises or any other part of the Leased Premises.

If Landlord or anyone claiming under Landlord shall be injured, lost or damaged by theft, fire, or in any other way or manner, whether similar or dissimilar to the foregoing, no part of

said injury, loss or damage is to be borne by Tenant or its agents unless the same shall be caused by or result from the fault or negligence of Tenant or its agents. Landlord agrees that Tenant shall not be liable to Landlord or anyone claiming under Landlord for any injury, loss or damage that may be caused by or result from the fault or negligence of any persons occupying adjoining premises or any other part of the Leased Premises.

ARTICLE XII

WAIVER OF SUBROGATION: Tenant hereby releases Landlord, to the extent of Tenant's insurance coverage, from any and all liability for any loss or damage caused by fire or any of the extended coverage casualties, even if such fire or other casualty shall be brought about by the fault or negligence of Landlord or its agents, provided, however, this release shall be in force and effect only with respect to loss or damage occurring during such time as Tenant's policies of fire and extended coverage insurance shall contain a clause to the effect that this release shall not affect said policies or the right of Tenant to recover thereunder. Tenant agrees that its fire and extended coverage insurance policies will include such a clause so long as the same is includable without extra cost, or if extra cost is chargeable therefor, so long as Landlord pays such extra cost. If extra cost is chargeable therefor, Tenant will advise Landlord thereof and of the amount thereof. Landlord at its election may pay the same, but shall not be obligated to do so.

ARTICLE XIII

ACCESS TO PREMISES: Landlord shall have the right to enter upon the Leased Premises or any part thereof without charge at all reasonable times with notice (but in case of emergency, no such notice will be required) at any time, to inspect the same, to show the Leased Premises to prospective purchasers or tenants, to make or facilitate any repairs, alterations, additions or improvements to the Leased Premises (but nothing in this Article IX contained shall obligate Landlord to make any repairs, alterations, additions or improvements); and Tenant shall not be entitled to any abatement or reduction of rent or damages by reason of any of the foregoing. No forcible entry shall be made by Landlord unless such entry shall be reasonably necessary to prevent serious injury, loss or damage to person or property. Landlord shall repair any damage to property of Tenant or anyone claiming under Tenant caused by or resulting from Landlord's making any such repairs, alterations, additions or improvements except only such damage as shall result from the making of such repairs, alterations, additions or improvements which Landlord shall make as a result of the default, fault or negligence of Tenant or anyone claiming under Tenant. For the period commencing six (6) months prior to the expiration of the term of this Lease, Landlord may maintain "For Lease" signs on the front of or on any part of the exterior of the Building and/or Leased Premises.

ARTICLE XIV

SUBORDINATION TO MORTGAGES:

- (a) Tenant agrees that upon the request of Landlord it will subordinate this Lease and the lien hereof to the lien of any present or future bank or insurance company mortgage or mortgages upon the Leased Premises or any property of which the Leased Premises are a part, irrespective of the time of execution or times of recording of any such mortgage or mortgages. Tenant agrees that it will upon the

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request of Landlord execute, acknowledge and deliver any and all instruments deemed by Landlord necessary or desirable to give effect to or notice of such subordination. Tenant also agrees that if it shall fail at any time to execute, acknowledge or deliver any such instruments requested by Landlord, Landlord may, in addition to any other remedies available to it, execute, acknowledge and deliver such instrument as the attorney in fact of Tenant and in Tenant's name; and Tenant hereby makes, constitutes and irrevocably appoints Landlord as its attorney in fact for that purpose. The word "mortgage" as used herein includes mortgages, deed or trust or other similar instruments and modifications, consolidations, extensions, renewals, replacements and substitutes thereof.

- (b) The Tenant agrees that in the event of any act or omission of Landlord which would give Tenant the right, immediately or after lapse of a period of time, to cancel or terminate this Lease, or to claim a partial or total eviction, Tenant shall not exercise such right (1) until it has given written notice of such act or omission to the holder of each superior mortgage and the lessor of each superior lease whose name and address shall previously have been furnished to Tenant in writing, and (2) unless such act or omission shall be one which is not capable of being remedied by Landlord or such mortgage holder or lessor within a reasonable period of time, until a reasonable period for remedying such act or omission shall have elapsed following the giving of such notice and following the time when such holder or lessor shall have become entitled under such superior mortgage or superior lease, as the case may be, to remedy the same (which reasonable period shall in no event be less than the period to which Landlord would be entitled under this Lease or otherwise, after notice to effect such remedy), provided such holder or lessor shall with due diligence give Tenant written notice of intention to, and commence and continue to remedy such act or omission.

ARTICLE XV

FIRE AND OTHER CASUALTY:

- (a) If the Leased Premises shall be damaged or destroyed by fire or other insured casualty then Tenant shall give notice thereof to Landlord, and, except as hereinafter otherwise provided, Landlord shall, within six (6) month's time thereafter, repair, or restore the Leased Premises to substantially the same condition they were in prior to the casualty, unless such damage or destruction is incapable of repair or restoration within six (6) months in which event Landlord may, with written notice provided within sixty (60) days of such damage or destruction, declare this Lease terminated as of the happening of such damage or destruction. During the period of repair or restoration a just proportion of the fixed rent, according to the nature and extent of the damage shall be suspended or abated while the Leased Premises are repaired. It is agreed and understood that if during the last year of the term of this Lease or the last year of any term of extension thereafter, the Building shall be damaged or destroyed aforesaid to the extent of twenty five (25%) percent or more of its insurable value, Landlord, at its election, may terminate the term of this Lease by a notice to Tenant within thirty days after such damage or destruction. In the event of any termination of the term of this Lease pursuant to the provisions of this Article, the termination

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shall become effective on the day of such damage or destruction, a just proportion of the fixed rent, according to the nature and extent of the injury to the Leased Premises, shall be suspended or abated until the time of termination, and fixed rent shall be apportioned as of the time of termination.

- (b) To the extent that the Tenant is required to restore and/or repair pursuant to the provisions of this Article then the Tenant agrees that all such restoration and repair work shall be completed in accordance with and be at all times subject to the provisions of Article V herein.

ARTICLE XVI

EMINENT DOMAIN:

- (a) If after the execution of this Lease and prior to the expiration of the term of this Lease the whole of the Leased Premises shall be taken under the power of eminent domain, then the term of this Lease shall cease as of the time when Landlord shall be divested of its title in the Leased Premises, and fixed rent shall be apportioned and adjusted as of the time of termination.
- (b) If any part of the Leased Premises shall be taken under the power of eminent domain, then if as a result thereof the Leased Premises shall be reduced by more than twenty (20%) percent and the part remaining shall not be reasonably adequate for the operation of the business conducted in the Leased Premises prior to the taking, Landlord or Tenant may, at its election, terminate the term of this Lease by giving the other notice of the exercise of its election within twenty (20) days after it shall receive notice of such taking, and the termination shall be effective as of the time that possession of the part so taken shall be required for public use and fixed rent shall be apportioned and adjusted as of the time of termination. If only a part of the Leased Premises shall be taken under the power of eminent domain and if the term of this Lease shall not be terminated as aforesaid, then the term of this Lease shall continue in full force and effect and Landlord shall, within six (6) months after possession is required for public use, repair and rebuild what may remain of the Leased Premises so as to put the same into condition for use and occupancy by Tenant, and a just proportion of the fixed rent according to the nature and extent of the injury to the Leased Premises shall be suspended or abated until what may remain of the Leased Premises shall be put into such condition by Landlord, and thereafter a just proportion of the minimum rent according to the nature and extent of the part so taken shall be abated for the balance of the term of this Lease.
- (c) Landlord reserves to itself and Tenant assigns to Landlord, all rights to damages accruing on account of any taking under the power of eminent domain or by reason of any act of any public or quasi public authority for which damages are payable. Tenant agrees to execute such instruments of assignment as may be reasonably required by Landlord in any proceeding for the recovery of such damages if requested by Landlord, and to turn over to Landlord any damages that may be recovered in such proceeding. It is agreed and understood however, that Landlord

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does not reserve to itself, and Tenant does not assign to Landlord, any damages payable for movable trade fixtures installed by Tenant or anybody claiming under Tenant.

- (d) Landlord agrees, however, that to the extent that the Tenant is required to repair and restore that portion of the premises taken by public action, that the Landlord will pay for the cost of repair and/or restoration from the proceeds of any damage awarded subject to approval by the holder of any Mortgage, it being agreed by Landlord and Tenant that Landlord's obligation to pay for such restoration and repair shall in no event exceed the amount of the damage award.
- (e) To the extent that the Tenant is required to restore and/or repair pursuant to the provisions of this Article, the Tenant agrees that all such restoration shall be at all times subject to the provisions of Article V herein.

ARTICLE XVII


ASSIGNMENT: Notwithstanding any other provisions of this Lease, Tenant may not assign this Lease, in whole or in part, nor sublet all or any part of the Leased Premises, nor otherwise permit any other person to occupy or use any portion of the Leased Premises (collectively, a "Transfer") without first obtaining the written consent of Landlord, which consent may be withheld in Landlord's reasonable discretion. This prohibition and the term "Transfer" includes any subletting or assignment which would otherwise occur by operation of law, merger, or other change of Tenant's corporate or proprietary structure, or an assignment or subletting to or by a custodian, receiver or trustee in any federal or state bankruptcy, insolvency, or similar proceeding; provided however that Landlord assents and acknowledges, and Tenant reserves the right to assign its rights and obligations under this Lease as necessary to accommodate changes in corporate structure, requirements of the Massachusetts Department of Public Health, or any municipal, state or federal agency, or for any other reasons required by Tenant for the successful operation of its business, as determined within its sole discretion, and so long as the assignee is either (i) a wholly owned subsidiary of Tenant, or (ii) is an affiliate of Tenant as reasonably determined by Landlord.

ARTICLE XVIII

HOLDING OVER: If Tenant or anyone claiming under Tenant shall remain in possession of the Leased Premises or any part thereof after the expiration of the term of this Lease or any extension thereof without any agreement in writing between Landlord and Tenant with respect thereto, prior to acceptance of rent by Landlord, the person remaining in possession shall be deemed a Tenant at will, subject to the provisions of this Lease insofar as the same may be made applicable to a tenancy at will; provided, however, that in addition to the Additional Rent due hereunder, Minimum Rent during such period as such person shall continue to hold the Leased Premises or any part thereof shall be payable at a rate of one hundred fifty (150%) percent of the Minimum Rent immediately prior to such holdover term.

ARTICLE XIX

WAIVERS: Failure of either the Landlord or the Tenant to complain of any act or omission on either the part of the Landlord or the Tenant, no matter how long the same may



continue, shall not be deemed to be a waiver by either Landlord or Tenant of any of its rights hereunder. No waiver by Landlord or Tenant at any time, express or implied, of any breach of any provision of this Lease shall be deemed a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision. If any action by Landlord shall require Tenant's consent or approval, Tenant's consent or approval of such action on any one occasion shall not be deemed a consent to or approval of said action on any subsequent occasion or a consent to or approval of any other action on the same or any subsequent occasion. If any action by Tenant shall require Landlord's consent or approval, Landlord's consent to or approval of such action on any one occasion shall not be deemed a consent to or approval of said action on any subsequent occasion or a consent to or approval of any other action on the same or any subsequent occasion. No payments by Tenant or acceptance by Landlord, or payments by Landlord accepted by Tenant of a lesser amount than shall be due from each other shall be deemed to be anything but payment on account and the acceptance by either Landlord or Tenant of a check for a lesser amount with an endorsement or statement thereon or upon a letter accompanying said check that said lesser amount is payment in full shall not be deemed an accord and satisfaction, and Landlord or Tenant may accept said check without prejudice to recover the balance due or pursue any other remedy. Any and all rights and remedies which Landlord or Tenant may have under this Lease or by operation of law, either at law or in equity, upon any breach, shall be distinct, separate and cumulative and shall not be deemed inconsistent with each other; and no one of them, whether exercised by Landlord or Tenant or not, shall be deemed to be in exclusion of any other; and any two or more of all rights and remedies may be exercised at the same time.

ARTICLE XX

DEFAULTS:

- (a) This Lease is upon the condition that if Tenant shall neglect or fail to perform or observe any of Tenant's covenants herein and said breach shall continue for thirty (30) days after written notice of the same from Landlord to Tenant; or if such breach is the failure to pay rent, then ten (10) days after such written notice; or if the leasehold hereby created shall be taken on execution or by other process of law; or if any assignment shall be made of Tenant's property for the benefit of creditors; or if a petition is filed by Tenant under any bankruptcy law; or if a petition is filed against Tenant under any bankruptcy law and the same shall not be dismissed within thirty (30) days from the date upon which it is filed, then, and in any of said cases, Landlord lawfully may then enter, or at any time thereafter and without demand or notice, upon the Leased Premises or any part thereof in the name of the holder, and repossess the same as Landlord's former estate and expel Tenant and those claiming through or under Tenant and remove its effects, forcibly if necessary, without being guilty of any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant, and, upon such entry, this Lease shall terminate.
- (b) In case of any such termination, Tenant will indemnify Landlord each month against all loss of rent and all obligation which Landlord may incur by reason of any such termination between the time of termination and the expiration of the term of the Lease; or at the election of Landlord, exercised at the time of the termination or at any time thereafter, Tenant will indemnify Landlord each month until the exercise of

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the election against all loss of rent and other obligations which Landlord may incur by reason of such termination during the period between the time of the termination and the exercise of the election, and upon the exercise of the election Tenant will pay to the Landlord as damages such amount as at the time of the exercise of the election represents the amount by which the rental value of the Leased Premises for the period from the exercise of the election until the expiration of the term shall be less than the amount of rent and other payments provided herein to be paid by Tenant to Landlord during said period. It is understood and agreed that at the time of the termination or at any time thereafter Landlord may rent the Leased Premises, and for a term which may expire after the expiration of the term of this Lease, provided, however, that if said premises are rented as aforesaid then the amount of rent received in such case shall be applied to reduce Tenant's liability for rent under this Lease; that Tenant shall be liable for any expenses incurred by Landlord in connection with obtaining possession of the Leased Premises, with removing from the Leased Premises property of Tenant and persons claiming under it (including warehouse charges), with putting the Leased Premises into good condition for reletting, and with any reletting, including, but without limitation, reasonable attorneys' fees and brokers' fees, and that any monies collected from any reletting shall be applied first to the foregoing expenses and then to the payment of rent and all other payments due from Tenant to Landlord.

ARTICLE XXI

QUIET ENJOYMENT: Landlord agrees that upon Tenant's paying the rent and performing and observing the agreements, conditions, and other provisions on its part to be performed and observed, Tenant shall and may peaceably and quietly have, hold and enjoy the Leased Premises during the term of this Lease without any manner of hindrance or molestation from Landlord or anyone claiming under Landlord.

ARTICLE XXII

FAILURE OF PERFORMANCE: If Tenant shall make any default or defaults under this Lease, Landlord may, at its election, immediately or at any time thereafter, without waiving any claim for breach of agreement, and without notice to Tenant, cure the same and the cost of Landlord thereof shall be deemed to be Additional Rent and shall be added to the installments of rent next accruing or to any subsequent installment of rent, at the election of the Landlord.

ARTICLE XXIII

DEFINITIONS AND INTERPRETATIONS:

- (a) The words "Landlord" and "Tenant" and the pronouns referring thereto, as used in this Lease, shall mean, where the context requires or admits, the persons or company named herein as Landlord and as Tenant, respectively, and their respective heirs, legal representatives, successors and assigns, irrespective of whether singular or plural, masculine, feminine or neuter. Except as hereinafter provided otherwise, the agreements and conditions in this Lease contained on the part of Landlord to be performed and observed shall be binding upon Landlord and his heirs, legal

representatives, successors and assigns and shall enure to the benefit of Tenant and its heirs, legal representatives, successors and assigns; and the agreements and conditions on the part of Tenant to be performed and observed shall be binding upon Tenant and its heirs, legal representatives, successors and assigns and shall enure to the benefit of Landlord, and his heirs, legal representatives, successors and assigns. The word "Landlord" as used herein, means only the owner for the time being of Landlord's interest in this Lease, that is, in the event of any transfer of Landlord's interest in this Lease the transferor shall cease to be liable, and shall be released from all liability for the performance or observance of any agreements or conditions on the part of Landlord to be performed or observed subsequent to the time of said transfer, it being understood and agreed that from and after said transfer the transferee shall be liable for the performance and observance of said agreements and conditions.

- (b) For the purposes of this Lease, a business organization shall be deemed to be affiliated with Tenant (1) if such business organization controls Tenant either directly by ownership of a majority of its voting stock or of such minority thereof as to give it substantial control of Tenant, or indirectly by ownership of such a majority or minority of the voting stock of another business organization so controlling Tenant, (2) if said business organization is so controlled by another business organization so controlling Tenant, or (3) if said business organization stands in such a relationship to Tenant that there is an absence of equal bargaining power between such business organization and Tenant with respect to their dealings and transactions.
- (c) It is agreed that if any provisions of this Lease shall be determined to be void by any court of competent jurisdiction then such determination shall not affect any other provisions of this Lease, all of which other provisions shall remain in full force and effect; and it is the intention of the parties hereto that if any one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.
- (d) This instrument contains the entire and only agreement between the parties, and no oral statements or representations or prior written matter not contained in this instrument shall not have any force or effect. This Lease shall not be modified in any way except by a writing subscribed by both parties.
- (e) If Tenant shall accept possession of the Leased Premises prior to the commencement of the term, Tenant shall be subject to all the provisions of this Lease during the period between the acceptance of said possession and the commencement of the term of this Lease shall apply as if said period were part of the term of this Lease, except that no minimum rent shall be payable for said period.
- (f) Wherever in this Lease provision is made for the doing of any act by any person it is understood and agreed that said act shall be done by such person at its own cost and expense unless a contrary intent is expressed.
- (g) This Lease shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts.



- (h) Whenever the Tenant is required to obtain the Landlord's permission under the terms of the Lease, consent to the requested accommodation will not be unreasonably withheld or delayed.

ARTICLE XXIV

NOTICES: Notices in every case where under the provisions of this Lease shall be necessary or desirable for the Landlord or Tenant to give to or serve upon the Landlord or Tenant any notice or demand, it shall be sufficient to send a written or printed copy of said notice or demand by certified or registered mail, postage prepaid, or by reputable overnight courier addressed to the other party at the following addresses or at such addresses as may hereafter be furnished:

Landlord: **KHEPER, LLC**
 142 Pleasant Street
 Easthampton, MA 01027

With a Copy To: Jeffrey I. Fialky, Esquire
 Bacon Wilson, P.C.
 33 State Street
 Springfield, MA 01103


Tenant: Kind Medical Inc.
 Andrea F. Nuciforo Jr., Clerk/Legal Counsel
 c/o Cianflone & Cianflone PC
 59 Bartlett Avenue
 Pittsfield MA 01201

ARTICLE XXV

LANDLORD'S TITLE: Landlord agrees that it is fully authorized and empowered to make, execute and deliver this Lease, and that it is lawfully seized of the Leased Premises as shown on said plans and specifications and that it owns the same in fee simple absolute, and that there are no liens or encumbrances thereon of any kind whatsoever except those of record and leases with other tenants.

ARTICLE XXVI

BROKERAGE: Tenant and Landlord warrant to each other that neither has dealt with any broker or third person with respect to this Lease or the Leased Premises. Each party covenants and agrees to indemnify the other against any brokerage claims by third persons claiming to have dealt with such party with respect to the Leased Premises. The indemnification hereunder shall include any and all costs and expenses of the indemnified party including but not limited to reasonable attorneys' fees incurred in defending any such brokerage claim.

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ARTICLE XXVII

PARAGRAPH TITLE: The paragraph titles used as heading for the various articles of this Lease are used only as a matter of convenience for reference, and are not to be considered a part of this Lease or to be used in determining the intent of the parties to this Lease.

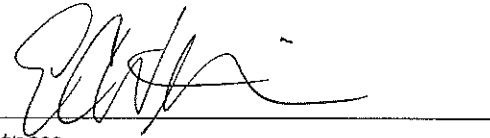
EXECUTED as a sealed instrument the day and year first above written.

KIND MEDICAL INC., Tenant


Witness

By: 
Amanda F. Nuciforo Jr.
Its: Clerk and Legal Counsel

KHEPER, LLC, Landlord


Witness

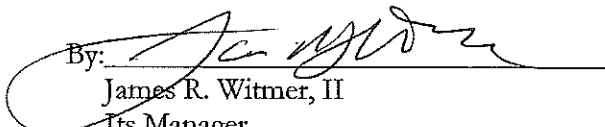
By: 
James R. Witmer, II
Its Manager

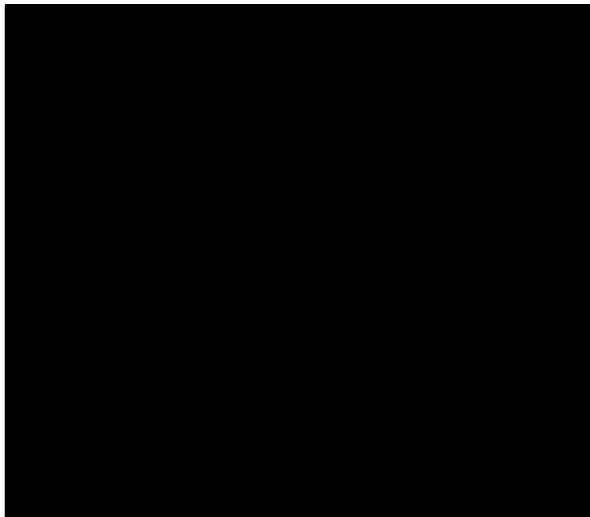


Exhibit "A"

Leased Premises Description

Certain portions of the building located at 142 Pleasant Street, Easthampton Massachusetts 01027, and as further described as follows:

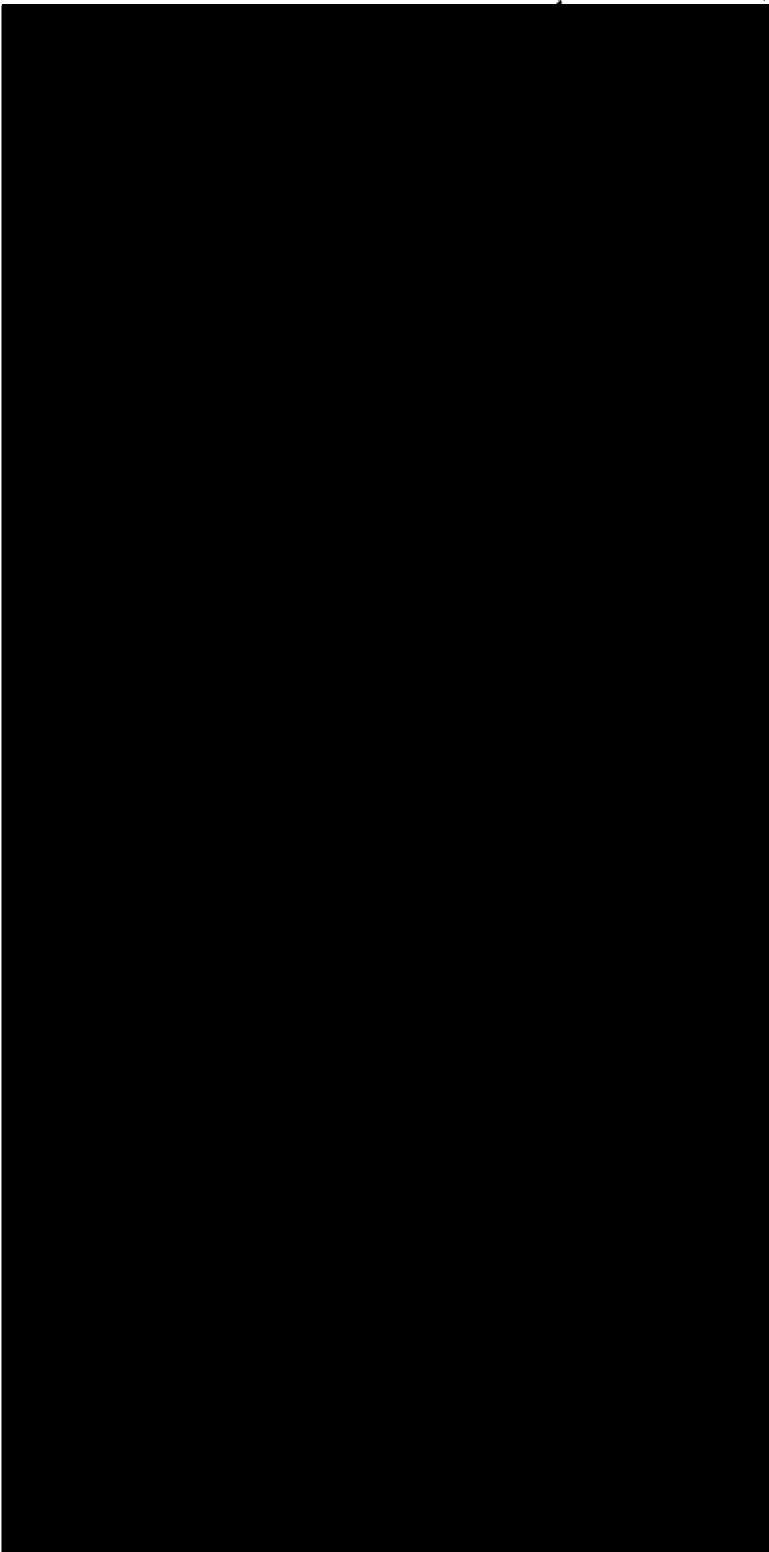
- a) 10,636 sf +- of total available space, along with ceiling, lighting, HVAC and other systems, fixtures and appurtenances as they now exist and in their current condition, situated on the sixth floor, with access thereto by a staircase and by an elevator, both of which provide ample, complete and secure access to space suitable for cultivation; and
- b) 2,500 sf +- of total available space, along with ceiling, lighting, HVAC and other systems, fixtures and appurtenances as they now exist and in their current condition, situated on the first floor, with access thereto by an ADA compliant ramp and staircase, and by a second staircase, both of which provide ample, complete and secure access to space suitable for dispensary use; and



- c) as further described upon a deed recorded at the Hampshire Registry of Deeds on August 17, 2009, Book 9936 /Page 131.

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Exhibit "B" Building Plan

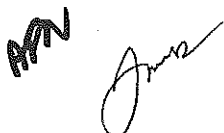


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Exhibit "C"**142 Pleasant Street, Easthampton, MA
Rules and Regulations**

In the event of any conflict between the terms of this or later Rules & Regulations and the Lease, the provisions of the Lease shall control.

1. The sidewalks, motor vehicle ramps, entrances, passages, courts, elevators, arcades, open plazas, vestibules, stairways, corridors, halls, and all other Common Areas shall not be obstructed by the Tenant or any guest, licensee, or invitee of Tenant, or used for any purpose other than the ingress and egress to and from Tenant's Premises except for such uses of the Common Areas as Landlord may from time to time previously authorize in writing. Tenant will not place or maintain any showcases, merchandise or other property in any vestibule, entry, or arcade to the Tenant's Premises or elsewhere on the exterior of the Tenant's Premises without Landlord's consent in each instance.
2. No awnings or other projections shall be attached to the exterior surface of the walls enclosing Tenant's Premises except as Landlord may from time to time authorize. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of Tenant's Premises without the prior approval of Landlord as to the quality, type, design, color, and manner of attaching the same. No protective screen, grating, shade or other enclosing devise shall be used on the exterior storefront of the Tenant's Premises.
3. No advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by the Tenant at any place outside of Tenant's Premises or inside of the Tenant's Premises so that the same is visible from outside Tenant's Premises without the prior written consent of the Landlord as to form, color, quality, and manner of attachment. In the event of the violation of the foregoing by the Tenant, Landlord may remove the same without any liability, and may charge the expenses incurred by such removal to the Tenant. Tenant will maintain all signs, decoration, lettering, advertising matter or other thin, as may be approved by Landlord, in good condition at all times.
4. Tenant will, at Tenant's expense, maintain Tenant's Premises in a clean, orderly and sanitary condition and free of insects, vermin, rodents, and other pests. Tenant, at Tenant's expense, will provide sufficient refuse, trash, and garbage containers of types approved by Landlord to accomplish the foregoing and no refuse, trash, or garbage shall be suffered by Tenant to remain in Tenant's Premises at night after normal working hours. During normal working hours all refuse, trash, and garbage and containers for the same will be so placed in Tenant's Premises as to be not visible from the exterior of Tenant's Premises or from the interior areas of Tenant's Premises normally open to the public. Tenant will bring all refuse, trash, and garbage to the refuse disposal area designated by Landlord and dispose of it in the manner prescribed by the Landlord. Any hand or power trucks or other equipment used to transport any refuse, trash, or garbage from Tenant's Premises to the refuse disposal area shall have soft rubber tires and side guards. All garbage shall be packed in leak-proof, odor proof bags prior to disposal.



5. Tenant will keep clean the inside of all glass in the doors and windows of Tenant's Premises and all exterior surfaces of Tenant's Premises which abut or face the Common Areas. All cracked or broken glass will be replaced within twenty-four (24) hours of such occurrence. Nothing shall be thrown or swept out of doors or windows of Tenant's Premises onto sidewalks, entrances, passages, courts, arcades, open plazas, vestibules, stairways, corridors, halls, or other Common Areas. Tenant will repair at Tenant's expense any damage to Tenant's Premises or any other part of the Building caused by the delivery to or removal from Tenant's Premises of any merchandise or other property or the removal therefrom of trash, refuse, or garbage, unless such damage is caused by Landlord or its agent, employees, or contractors. In default of such repairs by Tenant, Landlord may make the same and Tenant agrees to pay the cost thereof to Landlord promptly on demand. Any repairs shall be made only according to plans and specifications and by persons approved by Landlord.
6. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags or other substances shall be thrown therein. All damage resulting from any misuse of the fixtures shall be borne by the Tenant who, or whose servants, employees, agents, visitors, or licensees, shall have caused the same.
7. No Tenant shall mark, paint, drill into, or in any way deface any part of the Premises and no boring, cutting or stringing wires shall be permitted, except with the prior written consent of the Landlord, and as the Landlord may direct.
8. No bicycles, vehicles or animals of any kind shall be brought into or kept or permitted in or about the Premises.
9. Unless Tenant is permitted by the Lease to conduct a restaurant, no cooking shall be done or permitted by the Tenant on the Premises without the prior written consent of the Landlord. Tenant shall not cause or permit any unusual or objectionable odors to be produced upon or emanate from the Premises.
10. Tenant shall not permit, allow or cause any public or private auction or any fire, smoke, "going out of business", bankruptcy, sheriff, receiver or similar sales in Tenant's Premises, nor shall Tenant solicit business or distribute any hand bills or other advertising matter in the Common Areas, nor shall Tenant use or permit the use of objectionable advertising medium such as loudspeakers, phonographs, public address systems, sound amplifiers, radio, or broadcasts within the Common Areas or within Tenant's Premises so as to be audible in the Common Areas, nor shall Tenant use or permit any use of Tenant's Premises except in a manner consistent with the general high standards of merchandising and services in Building. Tenant shall not make, or permit or suffer to be made on the Premises any unreasonable or disturbing noises or vibrations either by persons or machines, and shall not interfere with the occupants of any other part of the Building, or their guests or invitees or other persons using the Building. Canvassing and soliciting in the Building is prohibited, and Tenant shall cooperate as requested by Landlord to prevent the same.
11. No Tenant, nor any of Tenant's servants, employees, agents, visitors or licensees shall at any time bring or keep upon the Premises for any purpose any flammable combustible or

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explosive fluid, chemical or substances except to the extent permitted by law and then only with the prior written approval of Landlord.

12. No Tenant shall use any truck dock except for the delivery of merchandise or other property to be used in or sold in Tenant's Premises, or shipped to customers as a result of sales consummated in Tenant's Premises. No part of Tenant's Premises shall be used for storage of property which is not intended for retail sale in Tenant's Premises or for the business conducted therein. Landlord reserves the right to restrict and regulate the use of the Common Areas by tenant, Tenant's agents, employees, servant, licensees and visitors and by persons making deliveries to or receiving merchandise from Tenant, including but not limited to the right to allocate certain elevator or elevators and the hours of use thereof, and the right to designate which building entrance shall be used by such persons. Tenant must list all furniture and fixtures to be taken from the building, and present the same at an office designated by Landlord for approval of such removal before the same occurs. Any hand or power trucks or other similar equipment used in the Center must be equipped with soft rubber tires and side guards.
13. Tenant, at Tenant's expense, shall obtain all licenses and permits necessary for conducting the Permitted Use in Tenants' Premises, including, without limiting the generality of the foregoing, any licenses or permits to use Tenant's Premises during legal holiday, Sundays, or other items for which governmental authorities provide for the issuance of licenses or permits.
14. Tenant shall use the name designated by the Landlord, in its address on all stationary, billheads, invoices, envelopes and local advertising in addition to a street address, but Landlord reserves the right to prohibit any advertising which in Landlord's opinion tends to impair the reputation of the Building or its desirability as a location for stores or offices; and upon request of Landlord, Tenant shall discontinue such advertising.
15. Tenant upon leaving Tenant's Premises at the end of any day shall see that all windows and exit doors from Tenant's Premises are closed and locked. Tenant will furnish Landlord "after-hours" emergency telephone numbers, for the sole use of the Landlord at its discretion.
16. Tenant will provide, at Tenant's expense, artificial light in Tenant's Premises for employees, agents, and independent contractors of Landlord while they are engaged in making any repairs or alterations to Tenant's Premises. Landlord shall not be responsible to Tenant or Tenant's agents, employees, guests, or invitees for loss of any property of Tenant or of Tenant's Premises or elsewhere in the Building, except for losses arising from the fault, negligence, or other misconduct of Landlord; and to the same extent, Landlord shall not be responsible for damages to any property of Tenant or of Tenant's agents, employees, guests or invitees by any person who is an employee, agent or independent contractor of Landlord engaged in repair or renovation work in Tenant's Premises or elsewhere in the Building.
17. The requirements of Tenant shall be attended to only upon application at the office designated by Landlord. Employees of Landlord will not perform work or do anything outside of their regular duties, unless under special instructions from the Landlord.
18. Landlord reserves the right to have removed from Tenant's Premises any machine, instrument, or appliance requiring the use of gas or electric current that Tenant may have had installed,

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attached, or brought into Tenant's Premises without Landlord's prior written approval, and Landlord may charge the cost of such removal and any damage sustained thereby as Additional Rental, payable at the option of Landlord, immediately or with the next month's Rental accruing under this Lease. The installation or use of any type of vending machine in tenant's space prohibited without Landlord's prior written approval of the same, which right of approval extends to the location of the machine.

19. Landlord reserves the right to waive any rule in particular instance or as to any particular person occurrence without waiving the same as to any other person or other occurrence, and further, Landlord reserves the right to amend or rescind any of these rules or make, amend and rescind new rules to the extent Landlord, in the sole judgment, deems suitable for the safety, care and cleanliness of the Building and the maintenance of high standards of merchandising and services therein, and Tenant agrees to conform to such new or amended rules upon receiving written notice of the same.
20. Whenever any notice, approval, consent, request, or election is given or made pursuant to these Rules and Regulations, it shall be in writing. No consent or waiver, express or implied, by Landlord or Tenant to or of any breach or any rule or duty shall be construed as a consent or waiver of any other breach of the same or any other rule or duty.

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[Signature]

**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: Kind Medical Inc Application # (if more than one): _____

Physical Address	County	Type of Evidence Attached
142 Pleasant Street Easthampton, MA 01027	Hampshire	Property Lease

COMMERCIAL LEASE

THIS COMMERCIAL LEASE AGREEMENT (this "Lease") made this 1st day of November, 2013 (the "Effective Date") by and between **KHEPER, LLC**, a Massachusetts limited liability company having a principal place of business at 140 North Main Street, Florence, Massachusetts and an office located at 142 Pleasant Street, Easthampton, Massachusetts (the "Landlord"), and Kind Medical Inc. a Massachusetts non-profit corporation with its principal place of business located at 59 Bartlett Avenue, Pittsfield Massachusetts 01201 (the "Tenant").

W I T N E S S E T H :

ARTICLE I

LEASED PREMISES: The Landlord hereby leases to Tenant, and the Tenant hereby leases from the Landlord, for the term and upon the conditions provided in this Lease, a portion of a building, which portion consists of a total area of approximately thirteen thousand seven hundred thirty six (13,136) square feet (the "Leased Premises"), located at 142 Pleasant Street, Easthampton, Massachusetts, and as further described in **Exhibit "A"**, and attached hereto and made a part hereof (the "Lease Plan"). The building consists of a total area of approximately one hundred seventy-four thousand (174,000) square feet and including one hundred forty six thousand rentable (146,000) square feet (the "Building"), and is more particularly described on a plan, a copy of which is attached hereto as **Exhibit "B"** attached hereto and made a part hereof (the "Plan").

ARTICLE II

TERM OF LEASE: The term of this Lease shall be for a period of five (5) years beginning on the Commencement Date, as defined herein, and terminating on the day immediately preceding the five (5) year anniversary thereof (the "Term"), unless earlier terminated as provided herein. Tenant shall have an option to renew for another five (5) year term to be exercised in writing no later than sixty (60) days prior to the original termination date. Lessee shall have a right of first refusal for the adjacent space on the 6th floor comprising approximately 9,300 sq. ft. at terms and conditions identical to those in this lease.

ARTICLE III

MINIMUM RENT: Tenant agrees to pay to Landlord the minimum annual rent as follows:

- (a) The Minimum Rent, as defined herein, during the Term of this Lease shall be as follows: \$3.50 per leasable square foot (the "Minimum Rent") shall be computed as equal to Forty Five Thousand Nine Hundred Seventy Six and 00/100 (\$45,976.00) Dollars per each year, which shall be paid in equal monthly installments of Three Thousand Eight Hundred Thirty One and 33/100 (\$3,831.33) Dollars.
- (b) The Rent shall be payable by Tenant in equal consecutive monthly installments, the first payment of which shall be due within five (5) days of the Commencement Date, and shall be due on or before the first day of each month thereafter, in advance, payable to and at the address of the Landlord, or such other place to the Landlord shall from time

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to time designate by written notice to the Tenant. Such payments are to be without any prior demand therefore and without any deductions or setoff whatsoever.

- (c) If any installment of Rent is not paid within ten (10) days of the due date, such rent shall collect interest at a rate of twelve (12%) percent per annum, said amount to be paid as Additional Rent.
- (d) In addition to the Minimum Rent, Tenant shall pay a refundable deposit in the amount of 150% of the Minimum Rent, or \$5,747.00, upon the execution of this Lease. Such deposit shall be held in escrow by Landlord's attorney designated in Article XXIV, and shall be released to Landlord upon satisfaction of the contingencies set forth in Article VI (c) relative to licensure and other approvals.

ARTICLE IV

ADDITIONAL RENT: The Tenant agrees to pay, as additional rent ("Additional Rent") to the Landlord, a sum equivalent to its Proportionate Share, as defined herein, of:

- (a) The annual real estate taxes, assessments, and other impositions generally or specifically imposed at any time during the term or any extension of this Lease, upon the Building and land upon which it is situated; and,
- (b) The annual cost of Landlord's insurance covering the Building against loss or damage by fire or other casualty and such other hazards and risks and in such amounts, and such other coverage and types of insurance as the Landlord may determine; and
- (c) The Landlord's annual cost of the common area maintenance, including but not limited to landscaping, snow and ice removal, parking area cleaning, restriping, repainting, liability insurance, policing, lighting, refuse disposal, cost of illumination and maintenance of signs, utilities not otherwise separately metered and payable by other tenants of the Leased Premises, personal property taxes, supplies, all costs and expenses of enforcing the rules and regulations established by the Landlord for the Building, and any other reasonable and necessary expenses customary for a Building which are incurred to maintain the common areas of the Building.

For purposes of this Lease, Tenant's proportionate share shall be defined as being nine (9%) percent ("Proportionate Share"), currently calculated as \$7,290 per year payable in twelve equal consecutive monthly installments of \$607.50 per month. The proportionate share is subject to increase in the event the Leased Premises is expanded to include the 6th Floor pursuant to Article II hereof.

Tenant shall likewise pay any increase in taxes attributable to any alteration, improvement, or addition made by the Tenant and any tax attributable to any sign of the Tenant.

Tenant's Additional Rent for each year of the Term shall be estimated by Landlord at the commencement of each such year, and shall be payable by Tenant in equal monthly installments as determined by Landlord. As soon as practicable at the end of each year of the Term, the Landlord will forward to the Tenant an accounting of all actual expenses as provided herein and Tenant shall, within

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twenty (20) days of receipt thereof, pay to the Landlord any deficiency between the estimated amount paid and the actual incurred charges.

It is agreed by both Landlord and Tenant that the intent of this Lease is to be an absolute net lease and that the Tenant shall share proportionately in any and all taxes, insurances, and common area maintenance charges.

ARTICLE V

UTILITIES AND REPAIRS

- (a) Tenant agrees to furnish, and pay all separately metered charges for, heat, air conditioning, gas, electricity, power, and shall pay as Additional Rent, its Proportionate Share of all utility charges for utilities used by the Leased Premises which are not separately metered
- (b) The Tenant shall, at all times during the Term, put and maintain in thorough repair and in good and safe condition all leased property, and their equipment and appurtenances. Tenant shall be responsible for all janitorial services for the Leased Premises. All repairs and replacements shall be in quality and class at least equal to the original work. On default of the Tenant in making such repairs or replacements, the Landlord may, but shall not be required to, make such repairs and replacements for the Tenant's account, and the expense thereof shall constitute and be collectible as additional rent in accordance with the provisions of Article IV herein. Landlord shall be responsible for structural repairs, which shall include the roof, sub-floor, and exterior walls.

ARTICLE VI

CONDITION OF LEASES PREMISES/ALTERATIONS:

- (a) The Leased Premises shall be provided in an "AS IS" and "WHERE IS" condition, except for work to be done by the Landlord mutually agreed as follows:
 - i. Dividing wall on the 1st floor, comprising a common area wall to separate tenant space from public way; and
 - ii. Painting of the 1st floor space; and
 - iii. Cleaning, sanding and refinishing of floors; and
 - iv. Providing of water service sufficient to serve the cultivation needs of the Tenant on the 6th floor, such service to be in a volume no less than 1000 GPD; provided however that the parties may, after negotiation in good faith, mutually agree to different service and to an allocation of the cost associated therewith; and
 - v. Providing electrical service sufficient to serve the cultivation needs of the Tenant on the 6th floor, such service to be 200amp service; provided however that the parties may, after negotiation in good faith, mutually agree to greater service and to an allocation of the cost associated therewith.

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- (b) None of the work cited in Article VI (a) will commence until this contract has been executed and any deposit released, and when Tenant has obtained licensure and approval as set forth in the following paragraph.
- (c) Because Tenant's business depends upon Kind Medical Inc. securing certain state and local approvals, the obligations of the parties to this Lease shall be contingent upon the following:
 - a. Licensure by the Massachusetts Department of Public Health ("DPH") to operate and maintain a dispensary and cultivation facility, a/k/a an RMD license, in or before January 2014, in accordance with 105 CMR 725.000 et seq;
 - b. Other approvals, including environmental, SPA, zoning and board of health approvals, as set forth in the relevant Easthampton bylaws and laws of the Commonwealth, and as determined by the appropriate city and state authorities in or before January 2014.
- (d) By acceptance of the Leased Premises, as evidenced by Tenant's execution of this Lease, Tenant hereby acknowledges and agrees that it has conducted, or has had the opportunity to conduct, an inspection of the Leased Premises, and is fully satisfied with the result of same.
- (e) Tenant shall not commence any work or alteration to the Leased Premises (each a "Tenant Improvement") without first presenting written plans to Landlord, and obtaining Landlord's written approval as to the full scope of the work to be undertaken, and the names and addresses of the general contractor, construction manager, subcontractors, architects and engineer contemplated to be used.
- (f) Following Tenant's construction of any Tenant Improvements, the Tenant shall have the right, from time to time, to make all such alterations and improvements to the Leased Premises as shall be reasonably necessary or appropriate in the Tenant's judgment for the Tenant's conduct thereon of its business, provided that prior to the commencement of any such alterations or improvements the Landlord shall in each case have approved in writing the plans and specifications thereof in addition to the name and addresses of the general contractor, construction manager, subcontractors, architects and engineer contemplated to be used. If within thirty (30) days after such plans and specifications are submitted by the Tenant to the Landlord for such approval the Landlord shall not have given the Tenant notice of disapproval thereof, stating the reason for such disapproval, such plans and specifications shall be considered approved by the Landlord, provided such approval will not be unreasonably withheld or delayed.
- (g) At the time Tenant shall vacate the Leased Premises, and unless otherwise specified in writing by Landlord at the time approval is sought, any alterations, additions, improvements and fixtures installed or paid for by Tenant upon the Premises, other than trade fixtures, shall upon the expiration or earlier termination of this Lease become the property of the Landlord. Any damage caused by the removal of trade fixtures shall be promptly repaired by Tenant. Tenant shall use its best efforts to

minimize any disruption in order not to disturb other tenants of the Building.

- (h) Tenant agrees that it will procure all necessary permits before commencing any Tenant Improvements, or making any other repairs, installations, alterations, additions, improvements or removals. Landlord agrees it will cooperate with Tenant in obtaining such permits. In any case where any alteration would require the consent of the holder of any mortgage or deed of trust, the Tenant shall procure such consent before undertaking such alteration. Tenant agrees that all repairs, installation, alterations, improvements and removals done by it or anyone claiming under it shall be done in a good and workmanlike manner, that the same shall be done in conformity with all laws, ordinances and regulations of all public authorities and all insurance inspection or rating bureaus having jurisdiction, that the structure of the Leased Premises will not be endangered or impaired and that Tenant will repair any and all damage caused by or resulting from any such repairs, installations, alterations, additions, improvements or removals, including, but without limitation, the filling of holes. Tenant agrees to pay promptly when due all charges for labor and materials in connection with any work done by Tenant or anyone claiming under Tenant upon the Leased Premises so that the Leased Premises shall at all times be free of liens. Tenant agrees to save Landlord harmless from, and indemnify Landlord against, any and all claims for injury, loss or damage to person or property caused by or resulting from the doing of any such work.
- (i) With respect to elevator service, Landlord agrees to accomplish conversion of VRC service to freight, subject to the approval of state inspectors, provided that the cost of such conversion does not exceed \$10,000. If the cost of such conversion exceeds \$10,000, the parties will negotiate and mutually agree as to an allocation of such costs in excess of \$10,000, such negotiation to occur in good faith.

ARTICLE VII

RULES AND REGULATIONS: The rules and regulations existing for the Building as at the date of this Lease are set forth in **Exhibit "C"** attached hereto and made part hereof (the "Rules and Regulations"), and Tenant shall comply with the same. Tenant's failure to keep and observe the Rules and Regulations shall constitute a Default under this Lease in such manner as if the same were contained herein as covenants. Landlord reserves the right from time to time to amend or supplement the Rules and Regulations applicable to the Leased Premises or the Building, with notice to Tenant. Such changed Rules and Regulations will apply with equal force to all tenants in the Building. Landlord shall not be responsible for the non-observance or violation of any such Rules and Regulations by the occupant of any other premises in the Building.

ARTICLE VIII

PARKING: Landlord agrees to provide Tenant, for use by Tenant and Tenant's customers, a minimum of two (2) dedicated parking spaces, during the Term, which parking shall be subject to the Rules and Regulations; provided however that Tenant's employees and customers may also use and have access to additional parking spaces, in a number not less than 50, that shall be available to Tenant in the normal course of business.

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ARTICLE IX

USE OF PREMISES: Tenant agrees that during the term of this Lease the Leased Premises will be used and occupied for the purpose of: cultivation, storage and dispensing, and used for any other lawful purpose after obtaining written consent of the Landlord for any change of use which consent shall not be unreasonably withheld or delayed, and solely as permitted pursuant to applicable law including, without limitation, municipal zoning, compliance of which shall be Tenant's sole and exclusive obligations and shall be a material term of this Lease.

ARTICLE X

RECORDING: The parties herein agree that a statutory Notice of this Lease may be recorded with the Hampshire County Registry of Deeds at Tenant's sole cost and expense.

ARTICLE XI

INSURANCE/INDEMNITY:

- (a) The Tenant shall keep the Leased Premises insured throughout the term of this Lease against the following:
 - (i) Claims for personal injury or property damage, under a policy of general public liability insurance, with such limits as may reasonably be requested by the Landlord from time to time, but not less than \$1,000,000.00 per occurrence.
 - (ii) Loss or damage by fire and such other risks as may be included in the broadest form of extended coverage insurance from time to time available in amounts sufficient to prevent Landlord or Tenant from becoming a co-insurer within the terms of the applicable policies, and in any event in an amount not less than the then full insurable value (which shall mean the actual replacement cost, excluding foundation and excavation costs of the Leased Premises and all of Tenant's personal property located at the Leased Premises).
 - (iii) All insurance procured by the Tenant pursuant to this Article shall name the Landlord and any mortgagee as their respective interests may appear.
- (b) All insurance provided for in this Lease shall be effected under enforceable policies issued by insurers of recognized responsibility licensed to do business in this state. At least thirty (30) days prior to the expiration date of any policy, the original renewal policy for such insurance shall be delivered by the Tenant to the Landlord. Within fifteen (15) days after the premium on any policy shall become due and payable, the Landlord shall be furnished with satisfactory evidence of its payment.
- (c) All policies of insurance shall name the Landlord and the Tenant as the insured, as their respective interests may appear. At the request of the Landlord, any insurance policy shall be made payable to the holder of any mortgage to which this Lease is at

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any time subordinate, as the interest of such holder may appear, pursuant to a standard clause for holders of mortgages. To the extent obtainable, all policies shall contain an agreement by the insurers (1) that any loss shall be payable to the Landlord or the holders of any such mortgage or deed of trust, notwithstanding any act or negligence of the Tenant which might otherwise result in forfeiture of such insurance, (2) that such policies shall not be canceled except upon thirty (30) days prior written notice to the Landlord and to the holders of any mortgage to whom loss may be payable, and (3) that the coverage afforded thereby shall not be affected by the performance of any work in or about the leased property.

- (d) If the Tenant provides any insurance required by this Lease in the form of a blanket policy, the Tenant shall furnish satisfactory proof that such blanket policy complies in all respects with the provisions of this Lease, and the coverage thereunder is at least equal to the coverage which would be provided under a separate policy covering only the leased property.
- (e) Tenant agrees to save Landlord harmless from, and indemnify Landlord against, to the extent permitted by law, any and all injury, loss or damage and any and all claims for injury, loss or damage, of whatever nature (1) caused by or resulting from any act, omission or negligence of Tenant or anyone claiming under Tenant (including, but not without limitation subtenants of Tenant and employees while in the course of their employment), or (2) occurring upon the Leased Premises. This indemnity and hold harmless agreement shall include indemnity against all costs, expenses, and liabilities incurred in connection with any such injury, loss or damage or any such claim, or any proceeding brought thereon or the defense thereof.
- (f) Landlord agrees to save Tenant harmless from, and indemnify Tenant against, to the extent permitted by law, any and all injury, loss or damage and any and all claims for injury, loss or damage, of whatever nature (1) caused by or resulting from negligence of Landlord or anyone claiming under Landlord (including, but not without limitation subtenants of Landlord and employees while in the course of their employment), or (2) occurring upon the Leased Premises as a result of Landlord's negligence. This indemnity and hold harmless agreement shall include indemnity against all costs, expenses, and liabilities incurred in connection with any such injury, loss or damage or any such claim, or any proceeding brought thereon or the defense thereof.

If Tenant or anyone claiming under Tenant or the whole or any part of the property of Tenant or anyone claiming shall be injured, lost or damaged by theft, fire, or in any other way or manner, whether similar or dissimilar to the foregoing, no part of said injury, loss or damage is to be borne by Landlord or its agents unless the same shall be caused by or result from the fault or negligence of Landlord or its agents. Tenant agrees that Landlord shall not be liable to Tenant or anyone claiming under Tenant for any injury, loss or damage that may be caused by or result from the fault or negligence of any persons occupying adjoining premises or any other part of the Leased Premises.

If Landlord or anyone claiming under Landlord shall be injured, lost or damaged by theft, fire, or in any other way or manner, whether similar or dissimilar to the foregoing, no part of

said injury, loss or damage is to be borne by Tenant or its agents unless the same shall be caused by or result from the fault or negligence of Tenant or its agents. Landlord agrees that Tenant shall not be liable to Landlord or anyone claiming under Landlord for any injury, loss or damage that may be caused by or result from the fault or negligence of any persons occupying adjoining premises or any other part of the Leased Premises.

ARTICLE XII

WAIVER OF SUBROGATION: Tenant hereby releases Landlord, to the extent of Tenant's insurance coverage, from any and all liability for any loss or damage caused by fire or any of the extended coverage casualties, even if such fire or other casualty shall be brought about by the fault or negligence of Landlord or its agents, provided, however, this release shall be in force and effect only with respect to loss or damage occurring during such time as Tenant's policies of fire and extended coverage insurance shall contain a clause to the effect that this release shall not affect said policies or the right of Tenant to recover thereunder. Tenant agrees that its fire and extended coverage insurance policies will include such a clause so long as the same is includable without extra cost, or if extra cost is chargeable therefor, so long as Landlord pays such extra cost. If extra cost is chargeable therefor, Tenant will advise Landlord thereof and of the amount thereof. Landlord at its election may pay the same, but shall not be obligated to do so.

ARTICLE XIII

ACCESS TO PREMISES: Landlord shall have the right to enter upon the Leased Premises or any part thereof without charge at all reasonable times with notice (but in case of emergency, no such notice will be required) at any time, to inspect the same, to show the Leased Premises to prospective purchasers or tenants, to make or facilitate any repairs, alterations, additions or improvements to the Leased Premises (but nothing in this Article IX contained shall obligate Landlord to make any repairs, alterations, additions or improvements); and Tenant shall not be entitled to any abatement or reduction of rent or damages by reason of any of the foregoing. No forcible entry shall be made by Landlord unless such entry shall be reasonably necessary to prevent serious injury, loss or damage to person or property. Landlord shall repair any damage to property of Tenant or anyone claiming under Tenant caused by or resulting from Landlord's making any such repairs, alterations, additions or improvements except only such damage as shall result from the making of such repairs, alterations, additions or improvements which Landlord shall make as a result of the default, fault or negligence of Tenant or anyone claiming under Tenant. For the period commencing six (6) months prior to the expiration of the term of this Lease, Landlord may maintain "For Lease" signs on the front of or on any part of the exterior of the Building and/or Leased Premises.

ARTICLE XIV

SUBORDINATION TO MORTGAGES:

- (a) Tenant agrees that upon the request of Landlord it will subordinate this Lease and the lien hereof to the lien of any present or future bank or insurance company mortgage or mortgages upon the Leased Premises or any property of which the Leased Premises are a part, irrespective of the time of execution or times of recording of any such mortgage or mortgages. Tenant agrees that it will upon the

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request of Landlord execute, acknowledge and deliver any and all instruments deemed by Landlord necessary or desirable to give effect to or notice of such subordination. Tenant also agrees that if it shall fail at any time to execute, acknowledge or deliver any such instruments requested by Landlord, Landlord may, in addition to any other remedies available to it, execute, acknowledge and deliver such instrument as the attorney in fact of Tenant and in Tenant's name; and Tenant hereby makes, constitutes and irrevocably appoints Landlord as its attorney in fact for that purpose. The word "mortgage" as used herein includes mortgages, deed or trust or other similar instruments and modifications, consolidations, extensions, renewals, replacements and substitutes thereof.

- (b) The Tenant agrees that in the event of any act or omission of Landlord which would give Tenant the right, immediately or after lapse of a period of time, to cancel or terminate this Lease, or to claim a partial or total eviction, Tenant shall not exercise such right (1) until it has given written notice of such act or omission to the holder of each superior mortgage and the lessor of each superior lease whose name and address shall previously have been furnished to Tenant in writing, and (2) unless such act or omission shall be one which is not capable of being remedied by Landlord or such mortgage holder or lessor within a reasonable period of time, until a reasonable period for remedying such act or omission shall have elapsed following the giving of such notice and following the time when such holder or lessor shall have become entitled under such superior mortgage or superior lease, as the case may be, to remedy the same (which reasonable period shall in no event be less than the period to which Landlord would be entitled under this Lease or otherwise, after notice to effect such remedy), provided such holder or lessor shall with due diligence give Tenant written notice of intention to, and commence and continue to remedy such act or omission.

ARTICLE XV

FIRE AND OTHER CASUALTY:

- (a) If the Leased Premises shall be damaged or destroyed by fire or other insured casualty then Tenant shall give notice thereof to Landlord, and, except as hereinafter otherwise provided, Landlord shall, within six (6) month's time thereafter, repair, or restore the Leased Premises to substantially the same condition they were in prior to the casualty, unless such damage or destruction is incapable of repair or restoration within six (6) months in which event Landlord may, with written notice provided within sixty (60) days of such damage or destruction, declare this Lease terminated as of the happening of such damage or destruction. During the period of repair or restoration a just proportion of the fixed rent, according to the nature and extent of the damage shall be suspended or abated while the Leased Premises are repaired. It is agreed and understood that if during the last year of the term of this Lease or the last year of any term of extension thereafter, the Building shall be damaged or destroyed aforesaid to the extent of twenty five (25%) percent or more of its insurable value, Landlord, at its election, may terminate the term of this Lease by a notice to Tenant within thirty days after such damage or destruction. In the event of any termination of the term of this Lease pursuant to the provisions of this Article, the termination

shall become effective on the day of such damage or destruction, a just proportion of the fixed rent, according to the nature and extent of the injury to the Leased Premises, shall be suspended or abated until the time of termination, and fixed rent shall be apportioned as of the time of termination.

- (b) To the extent that the Tenant is required to restore and/or repair pursuant to the provisions of this Article then the Tenant agrees that all such restoration and repair work shall be completed in accordance with and be at all times subject to the provisions of Article V herein.

ARTICLE XVI

EMINENT DOMAIN:

- (a) If after the execution of this Lease and prior to the expiration of the term of this Lease the whole of the Leased Premises shall be taken under the power of eminent domain, then the term of this Lease shall cease as of the time when Landlord shall be divested of its title in the Leased Premises, and fixed rent shall be apportioned and adjusted as of the time of termination.
- (b) If any part of the Leased Premises shall be taken under the power of eminent domain, then if as a result thereof the Leased Premises shall be reduced by more than twenty (20%) percent and the part remaining shall not be reasonably adequate for the operation of the business conducted in the Leased Premises prior to the taking, Landlord or Tenant may, at its election, terminate the term of this Lease by giving the other notice of the exercise of its election within twenty (20) days after it shall receive notice of such taking, and the termination shall be effective as of the time that possession of the part so taken shall be required for public use and fixed rent shall be apportioned and adjusted as of the time of termination. If only a part of the Leased Premises shall be taken under the power of eminent domain and if the term of this Lease shall not be terminated as aforesaid, then the term of this Lease shall continue in full force and effect and Landlord shall, within six (6) months after possession is required for public use, repair and rebuild what may remain of the Leased Premises so as to put the same into condition for use and occupancy by Tenant, and a just proportion of the fixed rent according to the nature and extent of the injury to the Leased Premises shall be suspended or abated until what may remain of the Leased Premises shall be put into such condition by Landlord, and thereafter a just proportion of the minimum rent according to the nature and extent of the part so taken shall be abated for the balance of the term of this Lease.
- (c) Landlord reserves to itself and Tenant assigns to Landlord, all rights to damages accruing on account of any taking under the power of eminent domain or by reason of any act of any public or quasi public authority for which damages are payable. Tenant agrees to execute such instruments of assignment as may be reasonably required by Landlord in any proceeding for the recovery of such damages if requested by Landlord, and to turn over to Landlord any damages that may be recovered in such proceeding. It is agreed and understood however, that Landlord

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does not reserve to itself, and Tenant does not assign to Landlord, any damages payable for movable trade fixtures installed by Tenant or anybody claiming under Tenant.

- (d) Landlord agrees, however, that to the extent that the Tenant is required to repair and restore that portion of the premises taken by public action, that the Landlord will pay for the cost of repair and/or restoration from the proceeds of any damage awarded subject to approval by the holder of any Mortgage, it being agreed by Landlord and Tenant that Landlord's obligation to pay for such restoration and repair shall in no event exceed the amount of the damage award.
- (e) To the extent that the Tenant is required to restore and/or repair pursuant to the provisions of this Article, the Tenant agrees that all such restoration shall be at all times subject to the provisions of Article V herein.

ARTICLE XVII

ASSIGNMENT: Notwithstanding any other provisions of this Lease, Tenant may not assign this Lease, in whole or in part, nor sublet all or any part of the Leased Premises, nor otherwise permit any other person to occupy or use any portion of the Leased Premises (collectively, a "Transfer") without first obtaining the written consent of Landlord, which consent may be withheld in Landlord's reasonable discretion. This prohibition and the term "Transfer" includes any subletting or assignment which would otherwise occur by operation of law, merger, or other change of Tenant's corporate or proprietary structure, or an assignment or subletting to or by a custodian, receiver or trustee in any federal or state bankruptcy, insolvency, or similar proceeding; provided however that Landlord assents and acknowledges, and Tenant reserves the right to assign its rights and obligations under this Lease as necessary to accommodate changes in corporate structure, requirements of the Massachusetts Department of Public Health, or any municipal, state or federal agency, or for any other reasons required by Tenant for the successful operation of its business, as determined within its sole discretion, and so long as the assignee is either (i) a wholly owned subsidiary of Tenant, or (ii) is an affiliate of Tenant as reasonably determined by Landlord.

ARTICLE XVIII

HOLDING OVER: If Tenant or anyone claiming under Tenant shall remain in possession of the Leased Premises or any part thereof after the expiration of the term of this Lease or any extension thereof without any agreement in writing between Landlord and Tenant with respect thereto, prior to acceptance of rent by Landlord, the person remaining in possession shall be deemed a Tenant at will, subject to the provisions of this Lease insofar as the same may be made applicable to a tenancy at will; provided, however, that in addition to the Additional Rent due hereunder, Minimum Rent during such period as such person shall continue to hold the Leased Premises or any part thereof shall be payable at a rate of one hundred fifty (150%) percent of the Minimum Rent immediately prior to such holdover term.

ARTICLE XIX

WAIVERS: Failure of either the Landlord or the Tenant to complain of any act or omission on either the part of the Landlord or the Tenant, no matter how long the same may

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continue, shall not be deemed to be a waiver by either Landlord or Tenant of any of its rights hereunder. No waiver by Landlord or Tenant at any time, express or implied, of any breach of any provision of this Lease shall be deemed a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision. If any action by Landlord shall require Tenant's consent or approval, Tenant's consent or approval of such action on any one occasion shall not be deemed a consent to or approval of said action on any subsequent occasion or a consent to or approval of any other action on the same or any subsequent occasion. If any action by Tenant shall require Landlord's consent or approval, Landlord's consent to or approval of such action on any one occasion shall not be deemed a consent to or approval of said action on any subsequent occasion or a consent to or approval of any other action on the same or any subsequent occasion. No payments by Tenant or acceptance by Landlord, or payments by Landlord accepted by Tenant of a lesser amount than shall be due from each other shall be deemed to be anything but payment on account and the acceptance by either Landlord or Tenant of a check for a lesser amount with an endorsement or statement thereon or upon a letter accompanying said check that said lesser amount is payment in full shall not be deemed an accord and satisfaction, and Landlord or Tenant may accept said check without prejudice to recover the balance due or pursue any other remedy. Any and all rights and remedies which Landlord or Tenant may have under this Lease or by operation of law, either at law or in equity, upon any breach, shall be distinct, separate and cumulative and shall not be deemed inconsistent with each other; and no one of them, whether exercised by Landlord or Tenant or not, shall be deemed to be in exclusion of any other; and any two or more of all rights and remedies may be exercised at the same time.

ARTICLE XX

DEFAULTS:

- (a) This Lease is upon the condition that if Tenant shall neglect or fail to perform or observe any of Tenant's covenants herein and said breach shall continue for thirty (30) days after written notice of the same from Landlord to Tenant; or if such breach is the failure to pay rent, then ten (10) days after such written notice; or if the leasehold hereby created shall be taken on execution or by other process of law; or if any assignment shall be made of Tenant's property for the benefit of creditors; or if a petition is filed by Tenant under any bankruptcy law; or if a petition is filed against Tenant under any bankruptcy law and the same shall not be dismissed within thirty (30) days from the date upon which it is filed, then, and in any of said cases, Landlord lawfully may then enter, or at any time thereafter and without demand or notice, upon the Leased Premises or any part thereof in the name of the holder, and repossess the same as Landlord's former estate and expel Tenant and those claiming through or under Tenant and remove its effects, forcibly if necessary, without being guilty of any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant, and, upon such entry, this Lease shall terminate.
- (b) In case of any such termination, Tenant will indemnify Landlord each month against all loss of rent and all obligation which Landlord may incur by reason of any such termination between the time of termination and the expiration of the term of the Lease; or at the election of Landlord, exercised at the time of the termination or at any time thereafter, Tenant will indemnify Landlord each month until the exercise of

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the election against all loss of rent and other obligations which Landlord may incur by reason of such termination during the period between the time of the termination and the exercise of the election, and upon the exercise of the election Tenant will pay to the Landlord as damages such amount as at the time of the exercise of the election represents the amount by which the rental value of the Leased Premises for the period from the exercise of the election until the expiration of the term shall be less than the amount of rent and other payments provided herein to be paid by Tenant to Landlord during said period. It is understood and agreed that at the time of the termination or at any time thereafter Landlord may rent the Leased Premises, and for a term which may expire after the expiration of the term of this Lease, provided, however, that if said premises are rented as aforesaid then the amount of rent received in such case shall be applied to reduce Tenant's liability for rent under this Lease; that Tenant shall be liable for any expenses incurred by Landlord in connection with obtaining possession of the Leased Premises, with removing from the Leased Premises property of Tenant and persons claiming under it (including warehouse charges), with putting the Leased Premises into good condition for reletting, and with any reletting, including, but without limitation, reasonable attorneys' fees and brokers' fees, and that any monies collected from any reletting shall be applied first to the foregoing expenses and then to the payment of rent and all other payments due from Tenant to Landlord.

ARTICLE XXI

QUIET ENJOYMENT: Landlord agrees that upon Tenant's paying the rent and performing and observing the agreements, conditions, and other provisions on its part to be performed and observed, Tenant shall and may peaceably and quietly have, hold and enjoy the Leased Premises during the term of this Lease without any manner of hindrance or molestation from Landlord or anyone claiming under Landlord.

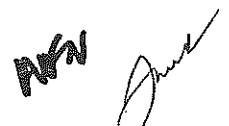
ARTICLE XXII

FAILURE OF PERFORMANCE: If Tenant shall make any default or defaults under this Lease, Landlord may, at its election, immediately or at any time thereafter, without waiving any claim for breach of agreement, and without notice to Tenant, cure the same and the cost of Landlord thereof shall be deemed to be Additional Rent and shall be added to the installments of rent next accruing or to any subsequent installment of rent, at the election of the Landlord.

ARTICLE XXIII

DEFINITIONS AND INTERPRETATIONS:

- (a) The words "Landlord" and "Tenant" and the pronouns referring thereto, as used in this Lease, shall mean, where the context requires or admits, the persons or company named herein as Landlord and as Tenant, respectively, and their respective heirs, legal representatives, successors and assigns, irrespective of whether singular or plural, masculine, feminine or neuter. Except as hereinafter provided otherwise, the agreements and conditions in this Lease contained on the part of Landlord to be performed and observed shall be binding upon Landlord and his heirs, legal



representatives, successors and assigns and shall enure to the benefit of Tenant and its heirs, legal representatives, successors and assigns; and the agreements and conditions on the part of Tenant to be performed and observed shall be binding upon Tenant and its heirs, legal representatives, successors and assigns and shall enure to the benefit of Landlord, and his heirs, legal representatives, successors and assigns. The word "Landlord" as used herein, means only the owner for the time being of Landlord's interest in this Lease, that is, in the event of any transfer of Landlord's interest in this Lease the transferor shall cease to be liable, and shall be released from all liability for the performance or observance of any agreements or conditions on the part of Landlord to be performed or observed subsequent to the time of said transfer, it being understood and agreed that from and after said transfer the transferee shall be liable for the performance and observance of said agreements and conditions.

- (b) For the purposes of this Lease, a business organization shall be deemed to be affiliated with Tenant (1) if such business organization controls Tenant either directly by ownership of a majority of its voting stock or of such minority thereof as to give it substantial control of Tenant, or indirectly by ownership of such a majority or minority of the voting stock of another business organization so controlling Tenant, (2) if said business organization is so controlled by another business organization so controlling Tenant, or (3) if said business organization stands in such a relationship to Tenant that there is an absence of equal bargaining power between such business organization and Tenant with respect to their dealings and transactions.
- (c) It is agreed that if any provisions of this Lease shall be determined to be void by any court of competent jurisdiction then such determination shall not affect any other provisions of this Lease, all of which other provisions shall remain in full force and effect; and it is the intention of the parties hereto that if any one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.
- (d) This instrument contains the entire and only agreement between the parties, and no oral statements or representations or prior written matter not contained in this instrument shall not have any force or effect. This Lease shall not be modified in any way except by a writing subscribed by both parties.
- (e) If Tenant shall accept possession of the Leased Premises prior to the commencement of the term, Tenant shall be subject to all the provisions of this Lease during the period between the acceptance of said possession and the commencement of the term of this Lease shall apply as if said period were part of the term of this Lease, except that no minimum rent shall be payable for said period.
- (f) Wherever in this Lease provision is made for the doing of any act by any person it is understood and agreed that said act shall be done by such person at its own cost and expense unless a contrary intent is expressed.
- (g) This Lease shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts.

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- (h) Whenever the Tenant is required to obtain the Landlord's permission under the terms of the Lease, consent to the requested accommodation will not be unreasonably withheld or delayed.

ARTICLE XXIV

NOTICES: Notices in every case where under the provisions of this Lease shall be necessary or desirable for the Landlord or Tenant to give to or serve upon the Landlord or Tenant any notice or demand, it shall be sufficient to send a written or printed copy of said notice or demand by certified or registered mail, postage prepaid, or by reputable overnight courier addressed to the other party at the following addresses or at such addresses as may hereafter be furnished:

Landlord: **KHEPER, LLC**
 142 Pleasant Street
 Easthampton, MA 01027

With a Copy To: Jeffrey I. Fialky, Esquire
 Bacon Wilson, P.C.
 33 State Street
 Springfield, MA 01103

Tenant: Kind Medical Inc.
 Andrea F. Nuciforo Jr., Clerk/Legal Counsel
 c/o Cianflone & Cianflone PC
 59 Bartlett Avenue
 Pittsfield MA 01201

ARTICLE XXV

LANDLORD'S TITLE: Landlord agrees that it is fully authorized and empowered to make, execute and deliver this Lease, and that it is lawfully seized of the Leased Premises as shown on said plans and specifications and that it owns the same in fee simple absolute, and that there are no liens or encumbrances thereon of any kind whatsoever except those of record and leases with other tenants.

ARTICLE XXVI

BROKERAGE: Tenant and Landlord warrant to each other that neither has dealt with any broker or third person with respect to this Lease or the Leased Premises. Each party covenants and agrees to indemnify the other against any brokerage claims by third persons claiming to have dealt with such party with respect to the Leased Premises. The indemnification hereunder shall include any and all costs and expenses of the indemnified party including but not limited to reasonable attorneys' fees incurred in defending any such brokerage claim.

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ARTICLE XXVII

PARAGRAPH TITLE: The paragraph titles used as heading for the various articles of this Lease are used only as a matter of convenience for reference, and are not to be considered a part of this Lease or to be used in determining the intent of the parties to this Lease.

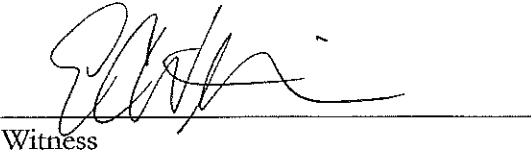
EXECUTED as a sealed instrument the day and year first above written.

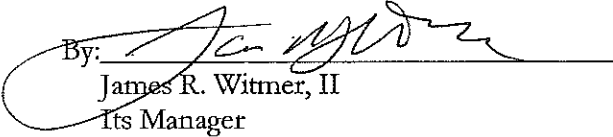
KIND MEDICAL INC., Tenant


Witness

By: 
Andrea P. Nuciforo Jr.
Its: Clerk and Legal Counsel

KHEPER, LLC, Landlord


Witness

By: 
James R. Witmer, II
Its Manager

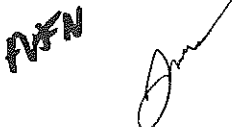
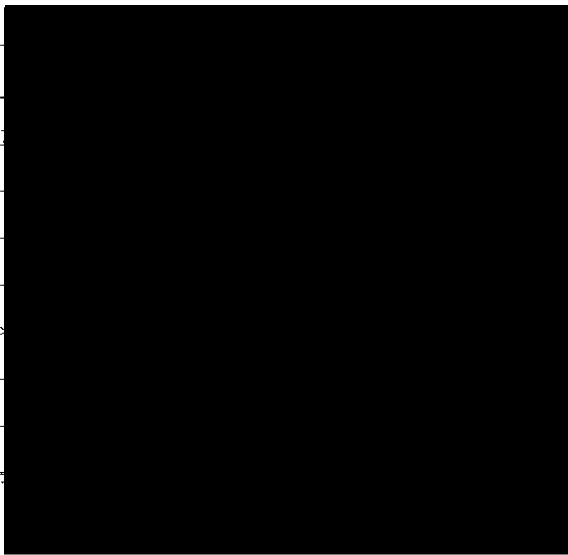


Exhibit "A"

Leased Premises Description

Certain portions of the building located at 142 Pleasant Street, Easthampton Massachusetts 01027, and as further described as follows:

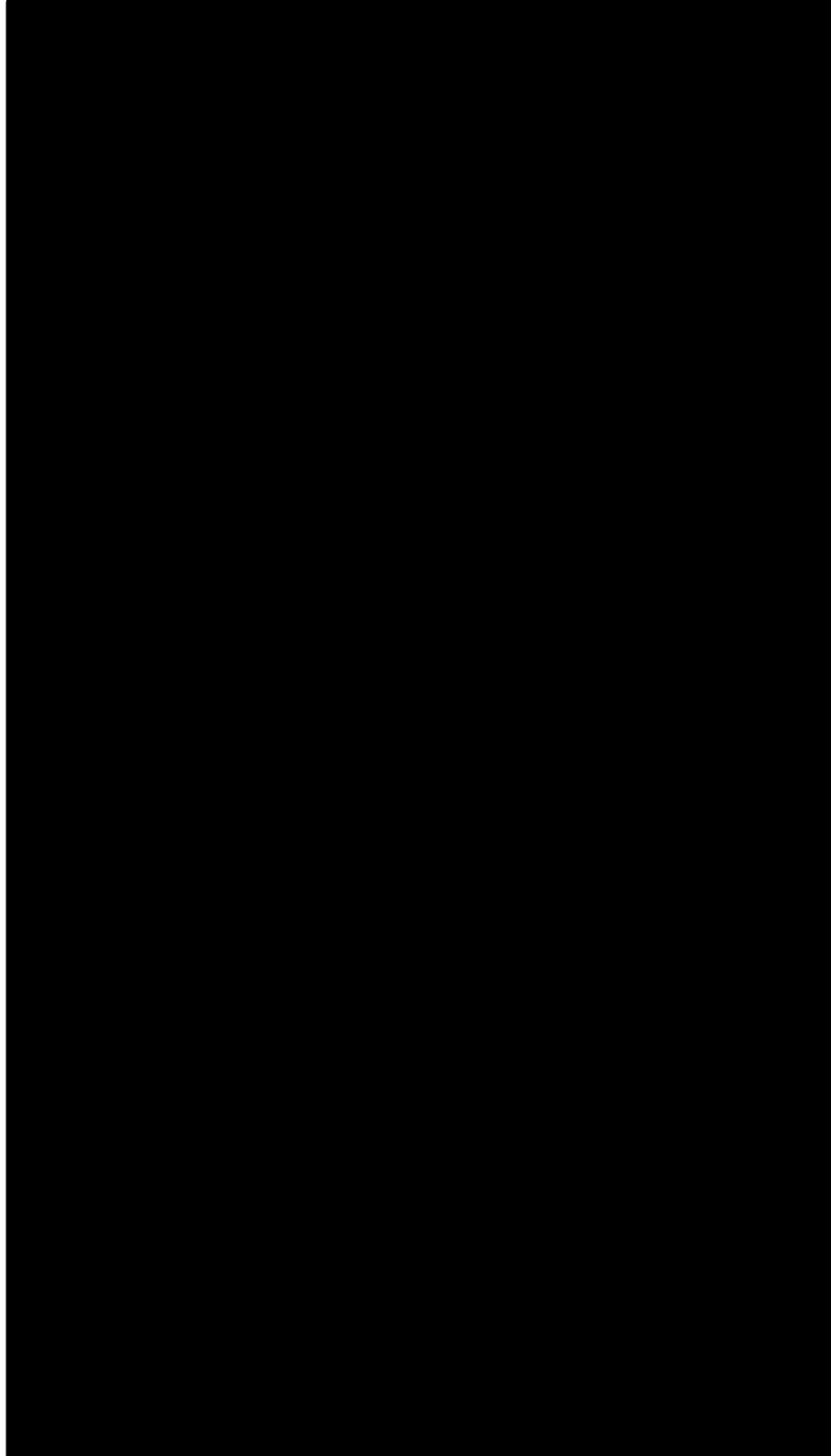
- a) 10,636 sf +- of total available space, along with ceiling, lighting, HVAC and other systems, fixtures and appurtenances as they now exist and in their current condition, situated on the sixth floor, with access thereto by a staircase and by an elevator, both of which provide ample, complete and secure access to space suitable for cultivation; and
- b) 2,500 sf +- of total available space, along with ceiling, lighting, HVAC and other systems, fixtures and appurtenances as they now exist and in their current condition, situated on the first floor, with access thereto by an ADA compliant ramp and staircase, and by a second staircase, both of which provide ample, complete and secure access to space suitable for dispensary use; and



- c) as further described upon a deed recorded at the Hampshire Registry of Deeds on August 17, 2009, Book 9936 /Page 131.

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Exhibit "B" Building Plan



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Exhibit "C"**142 Pleasant Street, Easthampton, MA
Rules and Regulations**

In the event of any conflict between the terms of this or later Rules & Regulations and the Lease, the provisions of the Lease shall control.

1. The sidewalks, motor vehicle ramps, entrances, passages, courts, elevators, arcades, open plazas, vestibules, stairways, corridors, halls, and all other Common Areas shall not be obstructed by the Tenant or any guest, licensee, or invitee of Tenant, or used for any purpose other than the ingress and egress to and from Tenant's Premises except for such uses of the Common Areas as Landlord may from time to time previously authorize in writing. Tenant will not place or maintain any showcases, merchandise or other property in any vestibule, entry, or arcade to the Tenant's Premises or elsewhere on the exterior of the Tenant's Premises without Landlord's consent in each instance.
2. No awnings or other projections shall be attached to the exterior surface of the walls enclosing Tenant's Premises except as Landlord may from time to time authorize. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of Tenant's Premises without the prior approval of Landlord as to the quality, type, design, color, and manner of attaching the same. No protective screen, grating, shade or other enclosing devise shall be used on the exterior storefront of the Tenant's Premises.
3. No advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by the Tenant at any place outside of Tenant's Premises or inside of the Tenant's Premises so that the same is visible from outside Tenant's Premises without the prior written consent of the Landlord as to form, color, quality, and manner of attachment. In the event of the violation of the foregoing by the Tenant, Landlord may remove the same without any liability, and may charge the expenses incurred by such removal to the Tenant. Tenant will maintain all signs, decoration, lettering, advertising matter or other thin, as may be approved by Landlord, in good condition at all times.
4. Tenant will, at Tenant's expense, maintain Tenant's Premises in a clean, orderly and sanitary condition and free of insects, vermin, rodents, and other pests. Tenant, at Tenant's expense, will provide sufficient refuse, trash, and garbage containers of types approved by Landlord to accomplish the foregoing and no refuse, trash, or garbage shall be suffered by Tenant to remain in Tenant's Premises at night after normal working hours. During normal working hours all refuse, trash, and garbage and containers for the same will be so placed in Tenant's Premises as to be not visible from the exterior of Tenant's Premises or from the interior areas of Tenant's Premises normally open to the public. Tenant will bring all refuse, trash, and garbage to the refuse disposal area designated by Landlord and dispose of it in the manner prescribed by the Landlord. Any hand or power trucks or other equipment used to transport any refuse, trash, or garbage from Tenant's Premises to the refuse disposal area shall have soft rubber tires and side guards. All garbage shall be packed in leak-proof, odor proof bags prior to disposal.



5. Tenant will keep clean the inside of all glass in the doors and windows of Tenant's Premises and all exterior surfaces of Tenant's Premises which abut or face the Common Areas. All cracked or broken glass will be replaced within twenty-four (24) hours of such occurrence. Nothing shall be thrown or swept out of doors or windows of Tenant's Premises onto sidewalks, entrances, passages, courts, arcades, open plazas, vestibules, stairways, corridors, halls, or other Common Areas. Tenant will repair at Tenant's expense any damage to Tenant's Premises or any other part of the Building caused by the delivery to or removal from Tenant's Premises of any merchandise or other property or the removal therefrom of trash, refuse, or garbage, unless such damage is caused by Landlord or its agent, employees, or contractors. In default of such repairs by Tenant, Landlord may make the same and Tenant agrees to pay the cost thereof to Landlord promptly on demand. Any repairs shall be made only according to plans and specifications and by persons approved by Landlord.
6. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags or other substances shall be thrown therein. All damage resulting from any misuse of the fixtures shall be borne by the Tenant who, or whose servants, employees, agents, visitors, or licensees, shall have caused the same.
7. No Tenant shall mark, paint, drill into, or in any way deface any part of the Premises and no boring, cutting or stringing wires shall be permitted, except with the prior written consent of the Landlord, and as the Landlord may direct.
8. No bicycles, vehicles or animals of any kind shall be brought into or kept or permitted in or about the Premises.
9. Unless Tenant is permitted by the Lease to conduct a restaurant, no cooking shall be done or permitted by the Tenant on the Premises without the prior written consent of the Landlord. Tenant shall not cause or permit any unusual or objectionable odors to be produced upon or emanate from the Premises.
10. Tenant shall not permit, allow or cause any public or private auction or any fire, smoke, "going out of business", bankruptcy, sheriff, receiver or similar sales in Tenant's Premises, nor shall Tenant solicit business or distribute any hand bills or other advertising matter in the Common Areas, nor shall Tenant use or permit the use of objectionable advertising medium such as loudspeakers, phonographs, public address systems, sound amplifiers, radio, or broadcasts within the Common Areas or within Tenant's Premises so as to be audible in the Common Areas, nor shall Tenant use or permit any use of Tenant's Premises except in a manner consistent with the general high standards of merchandising and services in Building. Tenant shall not make, or permit or suffer to be made on the Premises any unreasonable or disturbing noises or vibrations either by persons or machines, and shall not interfere with the occupants of any other part of the Building, or their guests or invitees or other persons using the Building. Canvassing and soliciting in the Building is prohibited, and Tenant shall cooperate as requested by Landlord to prevent the same.
11. No Tenant, nor any of Tenant's servants, employees, agents, visitors or licensees shall at any time bring or keep upon the Premises for any purpose any flammable combustible or

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explosive fluid, chemical or substances except to the extent permitted by law and then only with the prior written approval of Landlord.

12. No Tenant shall use any truck dock except for the delivery of merchandise or other property to be used in or sold in Tenant's Premises, or shipped to customers as a result of sales consummated in Tenant's Premises. No part of Tenant's Premises shall be used for storage of property which is not intended for retail sale in Tenant's Premises or for the business conducted therein. Landlord reserves the right to restrict and regulate the use of the Common Areas by tenant, Tenant's agents, employees, servant, licensees and visitors and by persons making deliveries to or receiving merchandise from Tenant, including but not limited to the right to allocate certain elevator or elevators and the hours of use thereof, and the right to designate which building entrance shall be used by such persons. Tenant must list all furniture and fixtures to be taken from the building, and present the same at an office designated by Landlord for approval of such removal before the same occurs. Any hand or power trucks or other similar equipment used in the Center must be equipped with soft rubber tires and side guards.
13. Tenant, at Tenant's expense, shall obtain all licenses and permits necessary for conducting the Permitted Use in Tenants' Premises, including, without limiting the generality of the foregoing, any licenses or permits to use Tenant's Premises during legal holiday, Sundays, or other items for which governmental authorities provide for the issuance of licenses or permits.
14. Tenant shall use the name designated by the Landlord, in its address on all stationary, billheads, invoices, envelopes and local advertising in addition to a street address, but Landlord reserves the right to prohibit any advertising which in Landlord's opinion tends to impair the reputation of the Building or its desirability as a location for stores or offices; and upon request of Landlord, Tenant shall discontinue such advertising.
15. Tenant upon leaving Tenant's Premises at the end of any day shall see that all windows and exit doors from Tenant's Premises are closed and locked. Tenant will furnish Landlord "after-hours" emergency telephone numbers, for the sole use of the Landlord at its discretion.
16. Tenant will provide, at Tenant's expense, artificial light in Tenant's Premises for employees, agents, and independent contractors of Landlord while they are engaged in making any repairs or alterations to Tenant's Premises. Landlord shall not be responsible to Tenant or Tenant's agents, employees, guests, or invitees for loss of any property of Tenant or of Tenant's Premises or elsewhere in the Building, except for losses arising from the fault, negligence, or other misconduct of Landlord; and to the same extent, Landlord shall not be responsible for damages to any property of Tenant or of Tenant's agents, employees, guests or invitees by any person who is an employee, agent or independent contractor of Landlord engaged in repair or renovation work in Tenant's Premises or elsewhere in the Building.
17. The requirements of Tenant shall be attended to only upon application at the office designated by Landlord. Employees of Landlord will not perform work or do anything outside of their regular duties, unless under special instructions from the Landlord.
18. Landlord reserves the right to have removed from Tenant's Premises any machine, instrument, or appliance requiring the use of gas or electric current that Tenant may have had installed,



attached, or brought into Tenant's Premises without Landlord's prior written approval, and Landlord may charge the cost of such removal and any damage sustained thereby as Additional Rental, payable at the option of Landlord, immediately or with the next month's Rental accruing under this Lease. The installation or use of any type of vending machine in tenant's space prohibited without Landlord's prior written approval of the same, which right of approval extends to the location of the machine.

19. Landlord reserves the right to waive any rule in particular instance or as to any particular person occurrence without waiving the same as to any other person or other occurrence, and further, Landlord reserves the right to amend or rescind any of these rules or make, amend and rescind new rules to the extent Landlord, in the sole judgment, deems suitable for the safety, care and cleanliness of the Building and the maintenance of high standards of merchandising and services therein, and Tenant agrees to conform to such new or amended rules upon receiving written notice of the same.
20. Whenever any notice, approval, consent, request, or election is given or made pursuant to these Rules and Regulations, it shall be in writing. No consent or waiver, express or implied, by Landlord or Tenant to or of any breach or any rule or duty shall be construed as a consent or waiver of any other breach of the same or any other rule or duty.

APN
Jus

**EVIDENCE OF LOCAL SUPPORT
(Exhibit 5.4)**

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

Corporation Name: Kind Medical Inc Application # (if more than one): _____

Site	City/Town	County	Type of Support Attached
1	Easthampton, MA	Hampshire	Michael A. Tautznik, Mayor of Easthampton Justin P. Cobb, Easthampton City Council President
2	N/A		



 ORIGINAL

CITY OF EASTHAMPTON

Mayor Michael A. Tautznik

50 Payson Avenue, Suite 115, Easthampton, MA 01027- 2263

413-529-1470 Fax 413-529-1488

e-mail: miket@easthampton.org

November 6, 2013

Cheryl Bartlett, R.N., Commissioner
Massachusetts Department of Public Health
250 Washington Street
Boston MA 02108

RE: Application of Kind Medical Inc. for RMD licensure per 105 CMR 725.000 et seq.
Hampshire County; City of Easthampton

Dear Commissioner Bartlett:

We write with respect to Kind Medical Inc. ("KMI"), and in our capacities as Mayor and City Council President for the City of Easthampton. KMI has submitted an application for a dispensary license pursuant to 105 CMR 725.000 et seq.. We have discussed the matter with KMI, and have reviewed certain documents pertaining to the application, including a lease agreement for the premises at 142 Pleasant Street, three letters of official notice dated October 7, 2013, and a mission statement of the applicant. Please accept this letter as an indication of our support for KMI's application, pursuant to 105 CMR 725.100(B)(3)(f), and as solicited by the Department of Public Health ("DPH") in connection with the Phase 2 application process.

Easthampton is a city of 16,200 people located in Hampshire County. Over the last several years, our city has begun to experience an economic rebirth, especially in our legacy mill and industrial properties. We are revitalizing our historic mill structures and industrial sectors for various uses including light manufacturing, green energy, arts and distribution centers. With financial and technical support from the Commonwealth, we are engaged in the early stages of a Pleasant Street Mill Corridor revitalization project focused on the oldest of our historic textile manufacturing facilities.

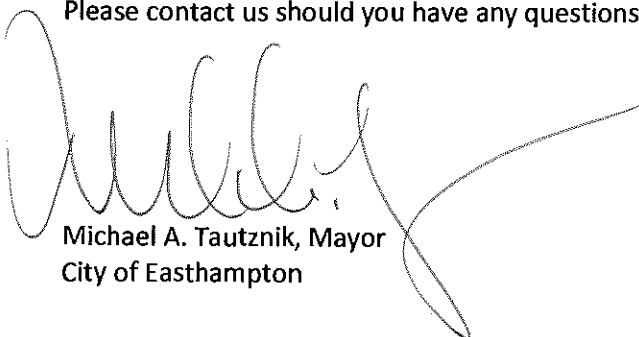
An artist's rendering of that project is available at http://www.easthampton.org/downloads/2012-8-20%20Rendering_1358363019.pdf

The project is supported by a \$2.75 million grant from the MassWorks Infrastructure program, which the Executive Office of Housing and Economic Development announced on November 9, 2012. This funding will allow Easthampton to re-engage the public with scenic Lower Mill Pond, provide access to recreational spaces including the Manhan Rail Trail and related open space, and bring additional parking, infrastructure investment and streetscape improvements to our historic mill district. Our business community and Easthampton citizens are excited by this rebirth, as the economic conditions of the city will be enhanced should it continue.

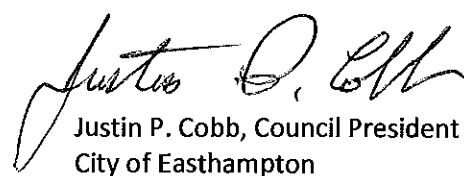
A key part of Easthampton's revitalization will be to provide financial stability to our private sector partners in the mill corridor. Many mill owners have made substantial investments in these buildings, and they rely on a diverse mix of tenants to provide rent, CAM charges and commercial traffic. KMI's proposed wellness center and dispensary will be a welcomed addition to this district. KMI's proposal will increase commercial traffic to 142 Pleasant Street, and may support mill owners' efforts in attracting complimentary uses. We believe this increased focus on and investment in our historic mill district and in 142 Pleasant Street in particular, will advance the city's revitalization goals, further stabilize the mill district, and provide an important health care resource to patients in the region.

As elected officials, we are cognizant of public opinion. In November 2012, 67% of all voters in Easthampton approved ballot question 3. The ballot question attracted 6,128 votes in favor, with 2,629 opposed. The vote was even more lopsided regionally, with 57,182 voters approving and 21,273 disapproving in Hampshire County, for a margin of almost 70%. The arc of public opinion in Easthampton and the region is in the direction of allowing marijuana use for medicinal purposes. Therefore, and because KMI has the potential to contribute significantly to the revitalization of our mill district, we support KMI's phase 2 application.

Please contact us should you have any questions or require any additional information.



Michael A. Tautznik, Mayor
City of Easthampton



Justin P. Cobb, Council President
City of Easthampton

**SUMMARY CHART OF LOCATIONS AND LOCAL SUPPORT
(Exhibit 5.5)**

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

Corporation Name: Kind Medical Inc Application # (if more than one): _____

	Site	Full Address	Evidence of Interest Submitted	Evidence of Local Support
1	Dispensing	142 Pleasant Street Easthampton, MA 01027	Property Lease	Michael A. Tautznik, Mayor of Easthampton Justin P. Cobb, Easthampton City Council President
2	Cultivation	142 Pleasant Street Easthampton, MA 01027	Property Lease	Michael A. Tautznik, Mayor of Easthampton Justin P. Cobb, Easthampton City Council President
3	Processing	142 Pleasant Street Easthampton, MA 01027	Property Lease	Michael A. Tautznik, Mayor of Easthampton Justin P. Cobb, Easthampton City Council President

**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: Kind Medical Inc

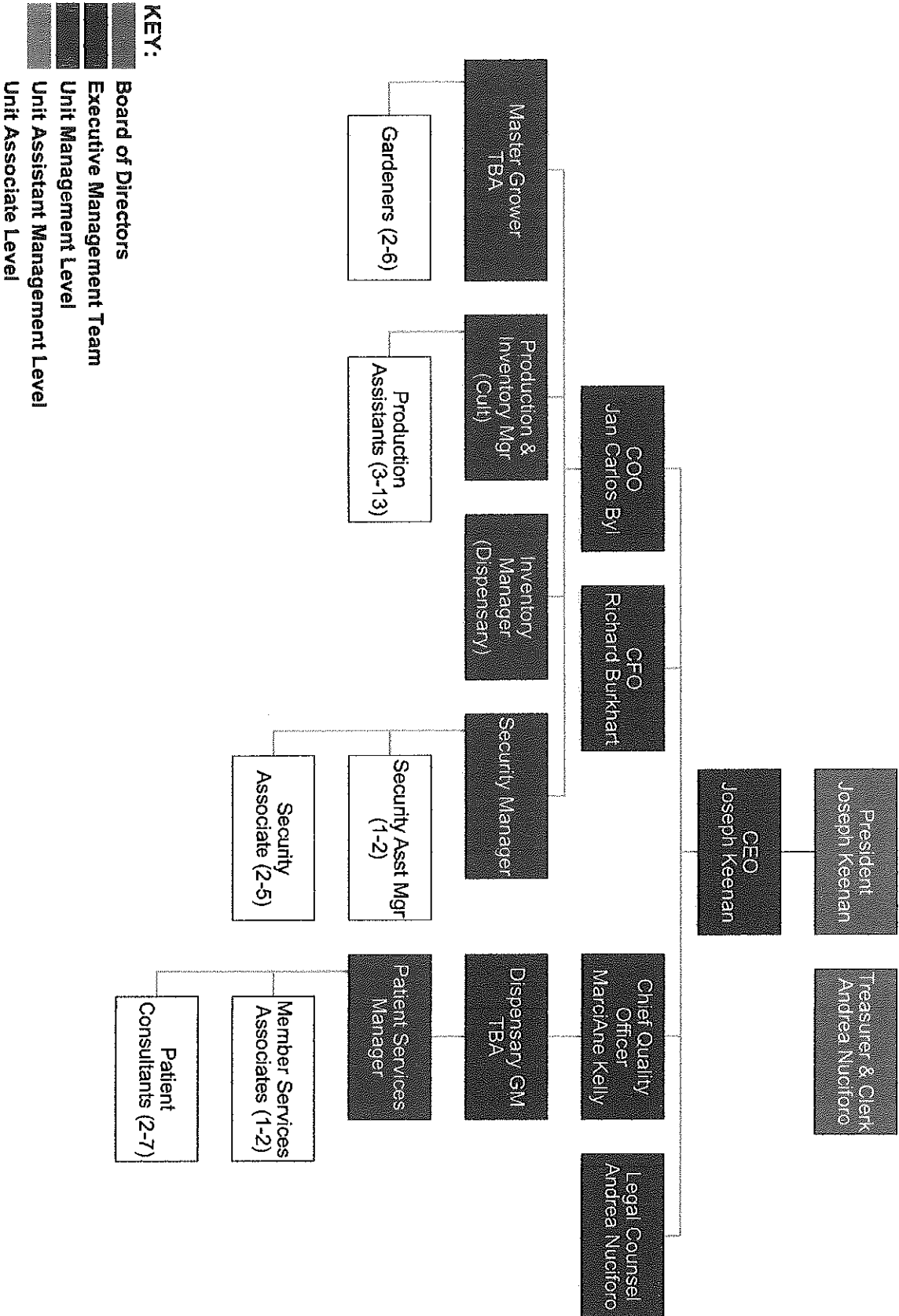
Application # (if more than one): _____

Attach organizational chart.



ORIGINAL

KIND MEDICAL INC (KMI) Organizational Chart





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	N/A	
2		
3		
4		
5		
6		

**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: Kind Medical Inc

Application # (if more than one): _____

Attach evidence of enrollment.



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iCORI

Commonwealth of Massachusetts
Department of Criminal Justice Information Services

[Home](#)

[Add Request](#)

[View CORI Results](#)

[Manage Account](#)

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

Kind Medical 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: **08/16/2013** Date Last Renewed:

Organization Details

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

Account Type(s): **Employer**
Organization Name: **Kind Medical Inc. - RMD** Organization ID: **[REDACTED]**
Address: **14 Waubeek Road, Pittsfield, MA 01201**
Phone No.: **413-447-7366, Ext. 19**
Website:
[REDACTED]

RMD START-UP TIMELINE
(Exhibit 7.1)

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

Corporation Name: Kind Medical Inc Application # (if more than one): _____

Key Benchmarks ⁱ	Due Dates	Person Responsible	Risk Level if Not Completed on Time	Date RMD Opens
Project Prep (project plan & budgeting)	7/24/13	C.E.O.	Low	9/1/14
Marketing Plan & Brand Development	9/2/13	Marketing Consultant	Low	
Real Estate (R.E. team assembled, properties evaluated, agreement reached)	9/12/13	Real Estate Agent	High	
Floor Plan Designs & Architectural Drawings Done	9/22/13	Architect	High	
Outside Services Checklist Reviewed & Approved	9/22/13	Project Manager	Low	
Patient Care (Sales) Operations Plan Developed	10/12/13	Project Manager	Medium	
Member Services Operations Plan Developed	10/15/13	Project Manager	Medium	
Inventory Operations Plan Developed	10/16/13	Project Manager	Medium	
Cultivation Operations Plan Developed	10/22/13	Project Manager	Medium	
Cash Management Template Developed (register & petty cash)	10/22/13	Project Manager	Medium	



Security Operations Plan Developed	11/1/13	Project Manager	Medium
Policies & Procedures Manual Developed	11/6/13	Project Manager	Medium
Phase II Application Submitted	11/21/13	C.E.O.	High
Submit Plans for DPH Architectural Review	12/06/13	C.E.O.	High
Receive Construction Bids	12/21/13	Project Manager	High
Hire General Contractor	1/4/14	C.E.O.	High
Hire Security Contractor	1/9/14	C.E.O.	Medium
Hire IT Contractor	1/14/14	C.E.O.	Medium
Provisional Certificate Awarded	2/1/14	C.E.O.	High
Procurement Guide Provided by Consultant(s)	2/2/14	Project Manager	Medium
Receive Project Plan from General Contractor; Coordinate all Timelines	2/4/14	Project Manager	Medium
Obtain Building Permits	2/6/14	General Contractor	High
Construction Begins	2/11/14	General Contractor	High
Website Developed	2/26/14	Web Consultant	High



Hire Department Managers, Cultivation Site	3/14/14	C.E.O.	High
Complete Cultivation Department Manager Training	4/7/14	Operations Consultant	High
Print all Operations Manuals	4/9/14	Operations Consultant	Medium
Order Furniture	4/12/14	General Manager	Medium
Establish services/utilities (if not already on)	4/13/14	General Manager	High
Set Up Finance & Accounting	4/13/14	CFO	High
Director of Medical Operations or Exec. Dir. Signs-off on patient education materials & processes	4/15/14	Chief Medical Officer	High
Hire Associate-level Cultivation Staff	4/17/14	C.E.O.	High
Complete Construction & Building Inspections	4/27/14	General Contractor	High
Obtain Certificate of Occupancy	4/27/14	General Contractor	High
Set Up IT	4/28/14	IT Contractor	High
Order Office Supplies & Services	4/29/14	General Manager	Medium
Security Monitoring Goes Live	4/29/14	Security Contractor	High
Opening Preparations	4/30/14	Opening Preparations	High



Provisional Inspection / Approval to Operate	5/1/14	C.E.O.	High
Complete Associate-level Training for Cultivation Employees	5/5/14	General Manager	High
Cultivation Begins	5/6/14	Master Grower	High
Hire Remaining Department Managers for Dispensary	6/14/14	C.E.O.	High
Complete Manager Training for Dispensary (MIT Program)	7/5/14	Operations Consultant	High
Hire Associate-level Dispensary Staff	8/4/14	General Manager	High
First Harvest	8/9/14	Master Grower	High
Complete Associate-level Training for Dispensary Employees	8/18/14	General Manager	High
Medicine is Available / Dispensary Ready to Open	8/23/14	General Manager	High

¹ Insert more rows if needed

PROPOSED SLIDING PRICE SCALE
(Exhibit 7.12)

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

Corporation Name: Kind Medical Inc

Application # (if more than one): _____

Attach sliding price scale.

KMI Compassion Program Sliding Fee Scale

A mandatory one-on-one consultation with the patient will determine the extent to which reduced cost or free medicine will be made available to him or her, using on the following factors:

Factor	Yes
Is the patient a recipient of MassHealth?	1 point
Is the patient a recipient of Supplemental Security Income?	1 point
Does the patient's annual gross household less than 150% of the federal poverty level for the current year?	2 points
Does the patient's annual gross household income between 151% and 300% of the federal poverty level for the current year?	1 point

Any single patient is eligible for up to four (4) points, which will determine the patient's responsibility for the costs of medicine, as detailed in the following sliding fee scale:

Total Points	Patient Responsibility	Discounted Price Ranges (1/8 oz.)*
4 Points	50% for medicine beyond free 1.0 gram per week	\$12.50 - \$30.00 for medicine beyond free 1.0 gram per week
3 Points	70% for medicine beyond free 1.0 gram per week	\$17.50 - \$42.00 for medicine beyond free 1.0 gram per week
2 Points	80%	\$21.25 - \$51.00
1 Point	90%	\$23.75 - \$57.00

**Prices vary based on the type of medicine, quantity purchased and quality.*



APPLICATION RESPONSE FORM SUBMISSION PAGE

**CERTIFICATION OF ASSURANCE OF COMPLIANCE:
ADA and NON-DISCRIMINATION BASED ON DISABILITY**

Applicants must certify that they will comply with all state and federal requirements regarding equal employment opportunity, nondiscrimination, and civil rights for persons with disabilities. The Applicant must complete a Certification of Assurance of Compliance: ADA and Non-Discrimination based on Disability. By signing, the Applicant formally notifies the Department that the Applicant is in compliance and shall maintain compliance with all applicable requirements.

- I certify, that the Applicant is in compliance and shall maintain compliance with all applicable federal and state laws protecting the rights of persons with disabilities, including but not limited to the Americans with Disabilities Act ("ADA"), 42 U.S.C. §§ 12131-12134; Article CXIV of the Massachusetts Constitution; and; Chapter 93, § 103; Chapter 151B; and Chapter 272, §§ 98 and 98A of the Massachusetts General Laws.
- I understand that federal and state laws prohibit discrimination in public accommodations and employment based solely on disability. I recognize that to make goods, services, facilities, privileges, advantages, or accommodations readily accessible to and usable by persons with disabilities, the Applicant, under the ADA, must:
 - remove architectural and communication barriers in existing facilities, when readily achievable and, if not readily achievable, must use alternative methods;
 - purchase accessible equipment or modify equipment;
 - modify policies and practices; and
 - furnish appropriate auxiliary aids and services where necessary to ensure effective communication.

I understand that reasonable accommodation is required in both program services and employment, except where to do so would cause an undue hardship or burden. I also understand that the Massachusetts Constitution Article CXIV provides that no otherwise qualified individual shall, solely by reason of disability, be excluded from the participation in, denied the benefits of, or be subject to discrimination under any program or activity within the Commonwealth.

- I agree that the Applicant shall cooperate in any compliance review and shall provide reasonable access to the premises of all places of business and employment and to records, files, information, and employees therein for reviewing compliance with the ADA, the Massachusetts Constitution, other applicable state and federal laws, and this Contractual Agreement.
- I agree that any violation of the specific provisions and terms of this Assurance or of the ADA, and/or of any Corrective Action Plan shall be deemed a breach of a material provision of the Registered Facility registration between DPH and the Registered Facility. Such a breach shall be grounds for cancellation, termination, or suspension, in whole or in part, of the registration by the Department.

I affirm that I will comply with the requirements of this proposal.

Authorized Signatory (as designated in exhibit B):
First Name: [Andrea] Last Name: [Nuciforo]

Title: [Clerk]

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