

KHEM
Organics Inc.

BY OVERNIGHT MAIL/RETURN RECEIPT REQUESTED

June 21, 2016

Monica Bharel, M.D., Commissioner
Department of Public Health
Medical Use of Marijuana Program
RMD Applications
99 Chauncy Street, 11th Floor
Boston, Ma 02111

RECEIVED
JUN 23 2016
MA Dept. of Public Health
99 Chauncy Street
Boston, MA 02111

Attention: Eric Sheehan, Esq., Interim Bureau Director

RE: Siting Profile (Application 1 of 1) for Khem Organics Inc.

Dear Commissioner Bharel:

I write in response to the letter of Eric Sheehan, Esq. to Khem Organics Inc. titled Invitation to Submit Siting Profile and dated June 8, 2016.

Attached please find the following documents:

1. Completed Siting Profile
2. Letter of Support from Mayor Daniel Bianchi, City of Pittsfield
3. Commercial Lease between Wojtkowski Bros. Inc. (Landlord) and KO Resources LLC (Tenant)
4. Assignment of Lease by KO Resources LLC (Tenant) to Khem Organics Inc.

As always, please feel free to contact me by mail, by telephone at [REDACTED] or by email at [REDACTED]

[REDACTED]

encls.



The Commonwealth of Massachusetts

Executive Office of Health and Human Services

Department of Public Health

Bureau of Health Care Safety and Quality

Medical Use of Marijuana Program

99 Chauncy Street, 11th Floor, Boston, MA 02111

MA Dept. of Public Health
99 Chauncy Street
Boston, MA 02111

JUN 23 2016

RECEIVED

SITING PROFILE:

**Request of for a Certificate of Registration to
Operate a Registered Marijuana Dispensary**

INSTRUCTIONS

This application form is to be completed by a non-profit corporation that wishes to apply for a Certificate of Registration to operate a Registered Marijuana Dispensary ("RMD") in Massachusetts, and has been invited by the Department of Public Health (the "Department") to submit a *Siting Profile*.

If invited by the Department to submit more than one *Siting Profile*, you must submit a separate *Siting Profile* and attachments for each proposed RMD. Please identify each application of multiple applications by designating it as Application 1, 2 or 3 in the header of each application page. Please note that no executive, member, or any entity owned or controlled by such an executive or member, may directly or indirectly control more than three RMDs.

Unless indicated otherwise, all responses must be typed into the application forms. Handwritten responses will not be accepted. Please note that character limits include spaces.

Attachments should be labelled or marked so as to identify the question to which it relates.

Each submitted application must be a complete, collated response, printed single-sided, and secured with a binder clip (no ring binders, spiral binding, staples, or folders).

Mail or hand-deliver the *Siting Profile*, with all required attachments, to:

Department of Public Health
Medical Use of Marijuana Program
RMD Applications
99 Chauncy Street, 11th Floor
Boston, MA 02111

REVIEW

Applications are reviewed in the order they are received. After a completed application packet is received by the Department, the Department will review the information and will contact the applicant if clarifications/updates to the submitted application materials are needed. The Department will notify the applicant whether they have met the standards necessary to receive a Provisional Certificate of Registration.

PROVISIONAL CERTIFICATE OF REGISTRATION

Applicants have one year from the date of the submission of the *Management and Operations Profile* to receive a Provisional Certificate of Registration. If an applicant does not receive a Provisional Certificate of Registration after one year, the applicant must submit a new *Application of Intent* and fee.

REGULATIONS

For complete information regarding registration of an RMD, please refer to 105 CMR 725.100.

It is the applicant's responsibility to ensure that all responses are consistent with the requirements of 105 CMR 725.000, et seq., and any requirements specified by the Department, as applicable.

PUBLIC RECORDS

Please note that all application responses, including all attachments, will be subject to release pursuant to a public records request, as redacted pursuant to the requirements at M.G.L. c. 4, § 7(26).

Information on this page has been reviewed by the applicant, and where provided by [REDACTED], is accurate and complete, as indicated by the initials of the authorized signatory here: [REDACTED]


QUESTIONS

If additional information is needed regarding the RMD application process, please contact the Medical Use of Marijuana Program at 617-660-5370 or RMDapplication@state.ma.us.

CHECKLIST

The forms and documents listed below must accompany each application, and be submitted as outlined above:

- ☒ A fully and properly completed *Siting Profile*, signed by an authorized signatory of the applicant non-profit corporation (the "Corporation")
- ☒ Evidence of interest in property, by location (as outlined in Section B)
- ☒ Letter(s) of local support or non-opposition (as outlined in Section C)

Information on this page has been reviewed by the applicant, and where provided by the applicant, is accurate and complete, as indicated by the initials of the authorized signatory here: 

SECTION A: APPLICANT INFORMATION

1. Khem Organincs Inc.
Legal name of Corporation
2. [REDACTED]
Name of Corporation's Chief Executive Officer
3. 100 North Street, Suite 405, Pittsfield, MA 01201
Address of Corporation (Street, City/Town, Zip Code)
4. [REDACTED]
Applicant point of contact (name of person Department of Public Health should contact regarding this application)
5. [REDACTED]
Applicant point of contact's telephone number
6. [REDACTED]
Applicant point of contact's e-mail address
7. Number of applications: How many *Siting Profiles* do you intend to submit? 1

Information on this page has been reviewed by the applicant, and where provided by the applicant, is accurate and complete, as indicated by the initials of the authorized signatory here: [REDACTED]

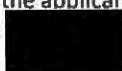
SECTION B: PROPOSED LOCATION(S)

Provide the physical address of the proposed dispensary site and the physical address of the additional location, if any, where marijuana for medical use will be cultivated or processed.

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 that Department determines that the applicant qualifies for registration as a RMD; or (e) evidence of binding permission to use the premises.

	Location	Full Address	County
1	Dispensing	501 Dalton Avenue, Pittsfield, MA 01201	Berkshire
2	Cultivation	501 Dalton Avenue, Pittsfield, MA 01201	Berkshire
3	Processing	501 Dalton Avenue, Pittsfield, MA 01201	Berkshire

☒ Check here if the applicant would consider a location other than the county or physical address provided within this application.

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SECTION C: LETTER OF SUPPORT OR NON-OPPOSITION

Attach a letter of support or non-opposition, using one of the templates below (Option A or B), signed by the local municipality in which the applicant intends to locate a dispensary. The applicant may choose to use either template, in consultation with the host community. If the applicant is proposing a dispensary location and a separate cultivation/processing location, the applicant must submit a letter of support or non-opposition from both municipalities. This letter may be signed by (a) the Chief Executive Officer/Chief Administrative Officer, as appropriate, for the desired municipality; or (b) the City Council, Board of Alderman, or Board of Selectmen for the desired municipality. The letter of support or non-opposition must contain the language as provided below. The letter must be printed on the municipality's official letterhead.

Template Option A: Use this language if signatory is a Chief Executive Officer/Chief Administrative Officer

I, [Name of person], do hereby provide [support/non-opposition] to [name of non-profit organization] to operate a Registered Marijuana Dispensary ("RMD") in [name of city or town].

I have verified with the appropriate local officials that the proposed RMD facility is located in a zoning district that allows such use by right or pursuant to local permitting.

Name and Title of Individual

Signature

Date

Template Option B: Use this language if signatory is acting on behalf of a City Council, Board of Alderman, or Board of Selectman


The [name of council/board], does hereby provide [support/non-opposition] to [name of non-profit organization] to operate a Registered Marijuana Dispensary in [name of city or town]. I have been authorized to provide this letter on behalf of the [name of council/board] by a vote taken at a duly noticed meeting held on [date].

The [name of council/board] has verified with the appropriate local officials that the proposed RMD facility is located in a zoning district that allows such use by right or pursuant to local permitting.

Name and Title of Individual (or person authorized to act on behalf of council or board) (add more lines for names if needed)

Signature (add more lines for signatures if needed)

Date

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SECTION D: LOCAL COMPLIANCE

Describe how the Corporation has ensured, and will continue to ensure, that the proposed RMD is in compliance with local codes, ordinances, and bylaws for the physical address(es) of the RMD.

Khem will establish and operate a cultivation, processing and dispensing facility at 501 Dalton Avenue in Pittsfield. Khem will comply with all applicable city codes, ordinances and bylaws in doing so. The property is located in a BC zone. As set forth in Ch. 23, Art. 23-4, Sec. 4201, the Pittsfield city code allows RMD use by special permit in a BC zone. The Pittsfield city code further provides at Art. 23-7, Sec. 7.850 that RMD use shall not be allowed within 1,000 feet of a school, and that cultivation and dispensary use shall "occur only on the same property." The property is compliant with said Sec. 7.850.

The city's Dept. of Community Development has also concluded that Khem's proposed use is compliant with the Pittsfield city code. Prospectively, Khem will comply with the Pittsfield city code and state law in achieving a special permit. Khem has met, or will soon meet, with the police chief, fire chief, building inspector and other appropriate department heads to ensure continued compliance.

[REDACTED] and professionals designated by them will interact with the city, and will be responsible for assuring the Khem's ongoing compliance.

Information on this page has been reviewed by the applicant, and where provided by the applicant, is accurate and complete, as indicated by the initials of the authorized signatory here: [REDACTED]


SECTION E: THREE-YEAR BUSINESS PLAN BUDGET PROJECTIONS

Provide the three-year business plan for the RMD, including revenues and expenses.

Projected Start Date for the First Full Fiscal Year: 01/01/2017

	FIRST FULL FISCAL YEAR PROJECTIONS 20 17	SECOND FULL FISCAL YEAR PROJECTIONS 20 18	THIRD FULL FISCAL YEAR PROJECTIONS 20 19
Projected Revenue	\$1,620,000.00	\$1,845,144.00	\$2,164,860.00
Projected Expenses	\$1,865,000.00	\$1,460,000.00	\$1,750,000.00
VARIANCE:	\$ -245,000.00	\$ 394,144.00	\$ 414,860.00
Number of unique patients for the year	1,200	1,400	1,700
Number of patient visits for the year	14,400	16,704	20,045
Projected % of patient growth rate annually	---	16%	20%
Estimated purchased ounces per visit	0.30	0.30	0.30
Estimated cost per ounce	\$375	\$370	360
Total FTEs in staffing	16	20	24
Total marijuana for medical use inventory for the year (in lbs.)	350	410	470
Total marijuana for medical use sold for the year (in lbs)	325	375	425
Total marijuana for medical use left for roll over (in lbs.)	25	35	45

Projected date the RMD plans to open: 01/01/2017

Information on this page has been reviewed by the applicant, and where provided by the applicant, is accurate and complete, as indicated by the initials of the authorized signatory here 

**SECTION F: 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, including 105 CMR 725.000, et seq.
- I agree that any violation of the specific provisions and terms of this Assurance or of the ADA, and/or of any Plan of Correction shall be deemed a breach of a material condition of any Certificate of Registration issued to the Applicant for operation of a Registered Marijuana Dispensary. Such a breach shall be grounds for suspension or revocation, in whole or in part, of a Certificate of Registration issued by the Department.
- I agree that, if selected, I will submit a detailed floor plan of the premises of the proposed dispensary in compliance with 105 CMR 725.100(m) in compliance with the Architectural Review required pursuant to 105 CMR 725.100(B)(5)(f).


Signed under the pains and penalties of perjury, I, the authorized signatory for the applicant non-profit corporation, understand the obligations of the Applicant under the ADA and Non-Discrimination based on Disability, and agree and attest that the Applicant will comply with those

C/21/16
Date Signed

Print Name of Authorized Signatory

CEO

Title of Authorized Signatory

Information on this page has been reviewed by the applicant, and where provided by the applicant, is accurate and complete, as indicated by the initials of the authorized signatory here: 

ATTESTATIONS

Signed under the pains and penalties of perjury, I, the authorized signatory for the applicant non-profit corporation, agree and attest that all information provided is true, complete and accurate and that I have an ongoing obligation to submit updated information to the court if this application has changed.

6/21/16
Date Signed

Print Name of Authorized Signatory

CEO

Title of Authorized Signatory

I, the authorized signatory for the applicant non-profit corporation, hereby attest that the corporation has notified the chief administrative officer and the sheriff of the town in which the RMD would be sited, as well as the sheriff of the applicable county, of the intent to file a *Siting Profile* and a *Siting Profile*.

6/21/16
Date Signed

Print Name of Authorized Signatory

CEO

Title of Authorized Signatory

Information on this page has been reviewed by the applicant, and where provided by the applicant, is accurate and complete, as indicated by the initials of the authorized signatory here:

I, the authorized signatory for the applicant non-profit corporation, hereby attest that if the corporation is approved for a provisional certificate of registration, the corporation is prepared to pay a non-refundable registration fee of \$50,000, as specified in 105 CMR 725.000, after being notified of the issuance of a provisional certificate of registration.

6/21/16
Date Signed

Print Name of Authorized Signatory

CEO

Title of Authorized Signatory

Information on this page has been reviewed by the applicant, and where provided by [REDACTED], is accurate and complete, as indicated by the initials of the authorized signatory here: [REDACTED]



CITY OF PITTSFIELD

OFFICE OF THE MAYOR, 70 ALLEN STREET, PITTSFIELD, MA 01201 PHONE: 413-499-9321, FAX: 413-499-9463

December 9, 2015

I, Daniel Bianchi, do hereby provide support to Khem Organics Inc to operate a Registered Marijuana Dispensary ("RMD") in Pittsfield, Massachusetts. I have verified with the appropriate local officials that the proposed RMD facility is located in a zoning district that allows such use by right or pursuant to local permitting.

Sincerely,

A handwritten signature in blue ink that reads "Daniel Bianchi". The signature is fluid and cursive, with the first name "Daniel" and last name "Bianchi" clearly distinguishable.

Daniel Bianchi, Mayor

COMMERCIAL LEASE

This is a Commercial Lease in which Landlord and Tenant are the parties named below, and which relates to land and building located at 501 Dalton Ave, Pittsfield, Massachusetts as more fully described below. The parties to this instrument hereby agree with each other as follows:

ARTICLE I

Basic Lease Provisions

1.1 **Introduction.** The following sections of this Article set forth definitions and basic data. Each reference in this Lease to any of the titles or terms contained in this Article I shall be construed to incorporate the definitions or data stated under that title or term.

1.2 **Definitions and Basic Data.**

Date of Execution:	May 13, 2016
Lease Commencement Date:	August 1, 2016
Contingency Period:	A period of time beginning upon the Lease Commencement Date and expiring upon the receipt by Tenant or Khem Organics Inc., a Massachusetts not-for-profit corporation, of a Provisional Certificate and municipal permits as necessary to establish and operate a Licensed Marijuana Facility on the Premises. Landlord shall have exclusive use of the Premises during the Contingency Period, provided that upon two (2) days notice Landlord will permit Tenant occasional access to the Premises.
Date of Possession:	Tenant shall have possession of the Premises within sixty (60) days of the expiration of the Contingency Period.
Landlord:	Wojtkowski Bros Inc.
Landlord's Mailing Address:	1548 W. Housatonic St. Pittsfield, Massachusetts 01201
Tenant:	KO Resources LLC

Tenant's Mailing Address:	100 North Street, Suite 405 Pittsfield, Massachusetts 01201
Leased Premises or Premises:	A building consisting of approximately 12,750 square feet and accompanying land located at 501 Dalton Avenue, Pittsfield, Massachusetts as more fully described in a deed recorded on April 28, 2016 at the Berkshire Middle District Registry of Deeds at Book 05734 Page 123 and attached hereto as Exhibit "A".
Lease Term:	Five Years from the Date of Possession (60 calendar months), subject to termination as detailed in Section 3.2.
Extension Option:	Tenant shall have three (3) extension options, each of which will allow extension of the Lease for a period of five (5) years, provided however that Tenant is not in material default and that Tenant provides written notice to Landlord of its exercise of option within ninety (90) days prior to expiration of the then-current Lease Term.
Base Rent:	\$5.50 per square foot annually, Triple Net (\$70,125 annually; \$5,843.75 monthly), with annual increases equal to the CPI (for Lease Term; years 1-5).
First Option Period Rent:	\$6.50 per square foot annually.
Second Option Period Rent:	\$7.50 per square foot annually.
Third Option Period Rent:	\$8.75 per square foot annually.
Real Estate Taxes:	Tenant shall pay all real estate taxes that become due during the course of the Lease Term as may be extended pursuant to this Lease. Landlord shall pay all real estate taxes that become due during the Contingency Period before and during the Contingency Period.
Permitted Use:	Licensed Marijuana Facility and all uses ancillary thereto ("Tenant's Business") in a manner consistent

with Massachusetts law and with 105 CMR 725.000 et seq.

Tenant's Required Insurance: \$2,000,000.00 fire/property casualty
\$2,000,000.00 general liability.

CPI: Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Labor ("All Urban Consumers Northeast Urban 1982 – 84 = 100") or any successor index.

ARTICLE II

Lease of Premises

2.1 **Lease of Premises.** Except as provided in this Lease, Landlord hereby leases to Tenant, and Tenant hereby accepts from Landlord, as is, the Leased Premises.

ARTICLE III

Commencement

3.1 **Commencement Date and Term.** This Lease shall be effective on the date of Execution. The Lease Term shall commence on the Date of Possession and shall continue for a term of five (5) years.

3.2 **Early Termination.** In the event that Tenant or Khem Organics Inc. does not receive all required governmental and municipal approvals necessary for operation of its business, including certificates, licenses, special permits and authorizations from the city of Pittsfield, the Commonwealth of Massachusetts or any department or agency thereof, by December 31, 2016 ("Early Termination Date"), Tenant has the option to terminate this agreement by providing Landlord written notice of Lease Termination no later than midnight on the date two (2) days next after the Early Termination Date.

3.3 **Contingency Period.** Tenant's obligations under this Lease shall be contingent upon: (i) receipt by Tenant or Khem Organics Inc. of a Provisional Certificate to establish and operate a Licensed Marijuana Facility at the premises pursuant to 105 CMR 725.000; and (ii) receipt by Tenant and Khem Organics Inc. of all certificates, licenses, special permits and authorizations required from the city of Pittsfield to establish and operate a Licensed Marijuana Facility at the Premises. Such contingency shall be in effect until December 31, 2016.

3.4 Landlord's Work. There is no Landlord's Work. The Leased Premises shall be delivered and Tenant accepts the Leased Premises, "as is," without any repairs, alterations, or improvements to the Leased Premises.

3.5 Tenant's Work. Tenant's Work shall be all work, including structural, mechanical, aesthetic and otherwise, necessary to render the Premises suitable for the Permitted Use.

3.5.1. Tenant shall not make any Alterations without on each occasion obtaining Landlord's prior written consent thereto, which consent shall not be unreasonably withheld with respect to non-structural Alterations only. Without limitation, it shall not be unreasonable for Landlord to withhold such consent to any Alterations which may, in Landlord's opinion, (a) effect the structural, mechanical or exterior elements of the Building or impair the safety thereof, or (b) materially increase the cost of insuring the Property. Tenant shall provide Landlord with plans, specifications and other documents as may be reasonably required by Landlord in connection with the consideration of such consent. Landlord shall within thirty (30) days consent or deny Tenant's Alterations. Landlord agrees that such consent shall not be unreasonably withheld. Each party shall bear its own costs in connection with meeting its obligations under this section.

3.5.2. If Landlord consents in writing to such Alterations, such work shall be performed in accordance with the terms and conditions of such consent, with all Applicable Law (including the obtaining of all Approvals) and with all the provisions of this Lease. Tenant shall procure all necessary Approvals before undertaking any Alterations including Tenant's Work, shall do all such work in a good and workmanlike manner, employing materials of good quality and complying with all Applicable Law. Once commenced by Tenant, such work shall proceed diligently and continuously to completion. In performing such Alterations, Tenant shall keep all areas outside the Property clean and free of debris at all times. Tenant shall comply, and shall cause its contractors to comply, with any reasonable directive from the Landlord regarding the performance of the Alterations provided such directive from the Landlord shall not hinder or alter the prior approved plans and/or the directives of the building officials of the City of Pittsfield. In no event shall any Alterations, or the work in connection therewith, impair the safety of the structure of the Building nor diminish the value of the Building or the Property as then constituted. At any time while any construction work is being performed upon the Property, Tenant shall maintain workmen's compensation, public liability and contractor's liability insurance in the statutory amounts (for workmen's compensation) or in the amounts reasonably required by Landlord (for other insurance); and Landlord, and any other parties designated by Landlord, shall be named additional insureds on such policies. After any Alterations are completed, Tenant shall cause all required inspections of the Property to be made and shall deliver to Landlord a copy of a certificate of occupancy or similar document evidencing completion of the Alterations and compliance with all Applicable Law.

3.6 Extension Options. Tenant shall have three (3) options to extend this Lease for a term of five (5) years each. Such options shall grant to Tenant the exclusive right to renew for extension periods of five (5) years, with rent for each extension period fixed at an amount equal to the most recent annual rent, as adjusted annually based upon the CPI rate then in effect. If Tenant elects to exercise one or more such options to extend, Tenant shall give written notice to the Landlord not later than ninety (90) days prior to the expiration of the Lease Term then in effect.

ARTICLE IV

Rent

4.1 Base Rent. Tenant agrees to pay to Landlord, at Landlord's Mailing Address (or at such other place as Landlord shall from time to time designate by notice) in advance, on the first day of each calendar month thereafter during the Lease Term, Base Rent at the annual rent rate of \$70,125.00 (12,750 square feet at \$5.50 per square foot) with designated annual increases equal to the CPI as set forth in Article I. Rent for any partial month shall be prorated and paid by Tenant to Landlord at such rate.

ARTICLE V

Real Estate Taxes and Operating Costs

5.1 Real Estate Taxes. Tenant shall pay all Real Estate Taxes assessed against the Premises during the Lease Term and any Option Period utilized by Tenant. Landlord shall pay all Real Estate Taxes assessed against the Premises during the Contingency Period.

5.2 Intentionally Omitted.

5.3 Abatements. Tenant's obligation to pay real estate taxes shall be based upon such taxes "as abated" or finally determined. Out of any refund or abatement of such taxes, Tenant shall be entitled to recover one hundred per cent (100%) of any such refund or abatement. The pendency of an abatement proceeding shall in no way affect Tenant's obligation to pay Taxes as provided above.

5.4 Tenant's Operating Costs. Tenant shall pay all operating costs associated with the Premises. Such operating costs shall include the costs associated with delivery of water and sewer service, providing maintenance and repair of the interior of the Premises, the heating, ventilation and air conditioning systems ("HVAC Systems"), and the plumbing and electrical systems during the Lease Term. Such operating costs shall also include the provision of electricity, gas service and/or other utilities, as necessary and as required for Tenant use.

5.5 Landlord's Maintenance Costs. Landlord will maintain the roof, exterior walls, parking lot, foundation, underground or below, the foundation, water, sewer and utility pipes, lines, mains and conduits, the structural components and all exterior common areas of the Premises. Landlord warrants that the HVAC Systems and the plumbing and electrical systems were and will be in good working condition for a period of ninety (90) days after the end of the Contingency Period.

5.6 Termination. In case of the expiration or termination of this Lease prior to the end of the Lease Term by reason of Tenant's default, Tenant's obligation to make payments of Real Estate Taxes and Tenant's Operating Costs under this Lease shall continue and shall cover all periods up to the expiration of the Lease Term. Landlord shall have a reciprocal obligation to refund to Tenant or give Tenant credit for its portion of any tax abatement received after the expiration or termination of the Lease.

ARTICLE VI

Exterior Areas

Landlord, at its sole cost and expense, shall maintain and keep reasonably free from snow and ice the parking areas, roadways, entrances and exits and the like (herein called "Exterior Areas") for the Premises. Landlord shall not be liable for any inconvenience or interruption of business or other consequences resulting from the making of repairs, replacements, improvements, or alterations, or the doing of any other work, to or on the Exterior Areas.

ARTICLE VII

Tenant's Covenants

- 7.1 Negative Covenants of Tenant. Tenant shall not:
- (i) use any portion or all of the Leased Premises for the use, generation, treatment, storage or disposal of oil, asbestos, hazardous materials, hazardous wastes, or hazardous substances (collectively, the "Materials"), as such terms from time to time are defined under federal or state environmental laws, without the express prior written consent of Landlord, and then only to the extent that the presence of the Materials is (a) properly licensed and approved by all appropriate governmental officials and in accordance with all applicable laws and regulations and (b) in compliance with any terms and conditions stated in said prior written approval by Landlord.
 - (ii) use any portion of the Leased Premises except the interior of the store to display, store, or sell merchandise, inventory, parts, or the like, or otherwise obstruct the same;
 - (iii) use in or about the Leased Premises any media that may be objectionable to Landlord, such as but not limited to, hand bills, loud speakers, phonographs or radio broadcasts that may be heard outside the Leased Premises;

- (iv) permit anything to be done about the Leased Premises which shall be unlawful, improper or contrary to any law, ordinance, regulation, or requirement of any public authority or insurance inspection rating bureau, or similar organization, or which may be injurious to or adversely affect the general character of the Leased Premises or the Tenant's Business, except as provided by Section 7.1 (ix);
- (v) burn any trash on or near the Leased Premises, or permit any offensive odors to be emitted from the Leased Premises;
- (vi) overload, damage or deface the Leased Premises including but not limited to the water and sewer lines and utility lines and connections;
- (vii) do, or suffer to be done, or keep, or suffer to be kept, or omit to do anything in, upon or about the Leased Premises which, may prevent the obtaining of any insurance including, but without limitation, fire, extended coverage, and public liability insurance, on the Leased Premises or on any property therein, or which may make void or voidable such insurance or which may create any extra premiums for, or increase the rate of, any such insurance. If anything shall be done or kept, or omitted to be done, in, upon or about the Leased Premises which shall create any extra premiums for, or increase the rate of, any such insurance, Tenant will pay the increased cost of the same to Landlord upon demand;
- (viii) do, or suffer to be done, or keep or suffer to be kept, or omit to do anything in, upon or about the Leased Premises which may prevent Landlord from obtaining, or cause the revocation of, any government license, permit, certificate of right or authority, or other document, necessary for Landlord to operate the Tenant's business including, but not limited to, government requirements related to the use or capacity of the waste system in the Premises or any building thereon. If as a direct or indirect result of Tenant's business, an addition to or change in the Tenant's facilities shall be required by law, ordinance, by-law or other governmental regulation, the addition or change shall be installed and paid for entirely by Tenant; and
- (ix) Notwithstanding any provision of this Lease to the contrary, the Landlord and Tenant agree, acknowledge and understand that the Tenant intends to use the Leased Premises as, or in connection with, a Licensed Marijuana Facility regulated pursuant to 105 CMR 725.000 et seq., and that Tenant intends to use the Premises to acquire, cultivate, possess, process (including development of related products such as edible MIPs, tinctures, aerosols, oils, or ointments), transfer, transport, sell, distribute, dispense, or administer marijuana, products containing marijuana, related supplies, or educational materials to registered qualifying patients or their personal caregivers, as now permitted by the laws of the Commonwealth or as permitted by law in the future ("Tenant's Business").

7.2 Affirmative Covenants of Tenant. Tenant shall:

- (i) pay rent and all other sums due from Tenant to Landlord at the time and in the manner provided for in this Lease, without offset, setoff or deduction for any reason whatsoever except as expressly provided in case of casualty or eminent domain;
- (ii) timely file and use greatest efforts to procure all licenses, permits and approvals which may be required for any use made of the Leased Premises;
- (iii) indemnify, defend and save Landlord harmless against any claim, damage, liability, cost, penalty, fine or expense (including attorneys' fees and cost of litigation) which Landlord may suffer or incur as a result of Tenant's occupancy including but not limited to ground, air, noise or water pollution or discharge of any Materials caused by Tenant in its use of the Premises;
- (iv) prohibit any of its employees, patients, customers, guests or invitees from smoking cannabis, consuming cannabis products or loitering for such purposes anywhere upon the Premises; provided however that Tenant may from time to time use the Premises to hold and conduct educational, health and wellness classes, counseling and meetings on the Premises, and Landlord hereby acknowledges and agrees that such use is a permitted use under this Lease;
- (v) pay, as they become due and payable, all charges for utilities furnished to, or consumed upon, the Leased Premises, including without limitation, charges for water, sewer, electricity, gas, and heating fuel, all of which Tenant shall contract for in its name;
- (vi) contract out for trash pick-up related to the Leased Premises; and
- (vii) immediately provide Landlord with copies of all notices received by Tenant, including, without limitation, any notices of violations, notices of responsibility or demand for action, from any federal, state or local authority or official in connection with the presence of Materials in or on the Leased Premises or an allegation that Tenant is causing ground, air, noise or water pollution.

ARTICLE VIII

Maintenance and Repairs

8.1 **Landlord's Obligations.** Subject to the provisions of Sections 8.4, 10.1, 10.2 and 13.4, Landlord shall keep and maintain in good repair the following portions of the Building: foundation, roof, gutters, downspouts, marquee, structural columns and beams, and exterior walls (excluding the interior surface thereof). Landlord shall not be required to make repairs to any of the above-described portions of the Building necessitated by act, default or negligence of Tenant's officers, agents or employees, licensees, concessionaires or other occupants of the Leased Premises, or those who come upon the Tenant's Business for the purpose of visiting or dealing with any of the foregoing. Landlord shall not be deemed to have committed a breach of any obligations to make repairs unless it shall have

made such repairs negligently or unless it shall have received notice from Tenant in writing designating the particular repairs needed and shall have failed to make such repairs within a reasonable time after the receipt of such notice. Landlord's liability in either such case shall be limited to the cost of making the required repairs and in no event shall Landlord be liable for indirect or consequential damages.

Landlord hereby warrants and represents that in the event that any hazardous substances or materials are found on the Premises which are determined to have predated commencement of this Lease, Landlord shall be obligated, and its sole cost and expense, to remove said substances and materials from the Premises and shall indemnify Tenant for any and all demands or causes of action resulting from such substances and materials. Such obligations shall include, but shall not be limited to, costs associated with investigation of the premises, any expenses or payments to licensed site professionals, cost of demolition and disposal, and the like.

The representations and warranties set forth in the preceding paragraph are made by Landlord in connection with and as consideration for Tenant entering into this Lease. Landlord hereby (1) releases and waives any and all claims against Tenant for indemnity or contribution in the event Landlord becomes liable for cleanup or other costs under any state or federal laws except for any liability, damage, or expense arising from injury/actions during the Leased Term or Option Periods utilized by Tenant occasioned by any act or omission of Tenant, its agents, invitees and employee, and (2) agrees to indemnify, defend, and hold harmless Tenant against any and all claims, losses, liabilities, damages, penalties, and expenses which Tenant may directly or indirectly sustain or suffer resulting from Landlord's breach of this section of the Lease or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of any hazardous substances or materials upon the Premises except as described above in (1). The provisions of this section of the Lease, including the obligation to indemnify and defend, shall survive the termination, expiration or satisfaction of this Lease.

8.2 Tenant's Obligations.

(a) Tenant shall keep the Leased Premises in a neat, clean, sanitary condition and shall keep in good repair, excepting only damage caused by fire or other casualty or taking by eminent domain, the following portions of the Leased Premises: the entire interior of the Leased Premises including walls and ceilings; the exterior and interior of the store front; all plumbing, electrical, sewage, air conditioning, ventilating and heating equipment and the wiring, pipes, motors and fixtures used in connection therewith; the exterior and interior portions of all doors and windows, moldings and frames; all automatic door opening equipment; floor coverings; all interior and exterior signs; all loading docks and loading areas used exclusively by the Leased Premises; and all appliances, meters, fixtures and equipment appurtenant to the Leased Premises.

(b) Tenant shall obtain, pay for, and maintain a contract for the regular service and maintenance of the heating and air conditioning system in accordance with the manufacturer's recommended procedures, including at a minimum the following: (a) periodic inspections and cleaning of entire system; (b) regular replacement of filters as necessary; (c) service calls as needed; (d) repair and replacement of parts and components; provided, however, that Landlord shall be responsible for replacement of the system if and when said system fails to be operational so long as Tenant has diligently repaired and maintained the system in accordance with the terms of this Lease.

(c) Tenant shall replace any glass which may be damaged or broken with glass of the same quality. Landlord shall also make available to Tenant the benefit of any builder's guarantee which Landlord may have from time to time. Tenant shall paint and refurbish the Leased Premises and restore or replace the floor covering at reasonable intervals, and in any event at such times as may reasonably be required to keep the Leased Premises attractive in appearance.

(d) Tenant shall make alterations and repairs of whatever nature required by applicable laws, ordinances, orders or regulations of any public authority or of any insurer, Board of Fire Underwriters, or similar insurance rating bureau having jurisdiction over the Leased Premises, except that Tenant shall not be required to make any structural alterations or repairs, unless such structural alterations or repairs shall be required as a result of any alterations made by Tenant, or by any use of the Leased Premises by Tenant.

(e) Notwithstanding the above, Tenant shall not be required to make repairs necessitated by the default or negligence of Landlord, its employees, or contractors.

8.3 Manner of Making Repairs; Indemnification. All repairs, alterations, and maintenance work shall be done in a good and workmanlike manner using first-class new materials and equipment and in accordance with the requirements of all laws, ordinances, orders or regulations of any public authority or of any insurer or insurance rating bureau having jurisdiction over the Leased Premises. 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 on the Leased Premises.

8.4 Alterations and Additions. As specified in Exhibit B and otherwise, Tenant may make alterations, improvements or additions to the Leased Premises upon written notice to Landlord. Tenant will assure that such alterations, additions or improvements neither injure the safety of the structure of the Leased Premises, nor diminish its value, upon the expiration or other termination of this Lease, Landlord may require Tenant either to restore the Leased Premises to its condition prior to the making of such alterations, improvements or additions, or to have the Leased Premises remain in its altered condition, provided however that Tenant shall have the sole and unfettered right to remove from the Premises any and all improvements or additions made by and to the Premises by Tenant during the Lease Term.

8.5 Right to Enter. Tenant hereby grants Landlord and its agents a limited right to entry without charge or abatement of or reduction in rent or payment of damages for the following purposes: (i) to examine the Leased Premises at reasonable times and, from time to time, to show the Leased Premises to prospective purchasers, lenders and tenants; (ii) to make such repairs, improvements, alterations or additions as may be required by this Lease or by any public authority having jurisdiction, or to facilitate making repairs or improvements to any other part of the Tenant's Business; or (iii) to make repairs which Tenant may have failed promptly to make pursuant to Tenant's covenants, hereunder; or (iv) to construct, install, repair or replace in the Leased Premises or the approaches thereto any utility or waste line or pipe or any agency for the transmission through the Leased Premises of electricity, heat, water, gas or power of any kind. Such right of entry shall adhere to the strictures of Massachusetts law and regulation, and shall occur on an "escorted access only" basis, as set forth in 105 CMR 725.110(C)(4).

8.6 Fixtures. All signs, counters, shelving, equipment, and all other trade fixtures installed by or at the expense of Tenant shall remain the property of Tenant, and Tenant may remove the same at any time or times during the Lease Term, and shall remove the same at the expiration or other termination of this Lease unless excused in writing by Landlord. Tenant shall, at its cost and expense, make any and all repairs to the Leased Premises and the floors and walls thereof as may become necessary by reason of such removal, including painting and patching where necessary. In the event that Tenant shall fail to remove its property or to make such repairs, on or prior to the last day of the Lease Term, Landlord shall have the right to effect such removal and to store Tenant's property in a public warehouse at Tenant's expense, and to make such repairs, and Tenant shall forthwith reimburse Landlord for its costs therefor.

8.7 Yield-up; Removal of Goods. Except as directed by Landlord in writing or as otherwise provided in this Article, upon the termination of this Lease, Tenant shall immediately remove its goods and effects and peaceably yield-up the Leased Premises, broom-clean and in the same good order, repair and condition as it is obligated to maintain during the Lease Term.

ARTICLE IX

Insurance

9.1 Casualty Insurance. During the Contingency Period, Landlord shall keep the Building insured against loss or damage by fire and other hazards included within usual "all-risk" coverage, in such amounts and with such deductibles as Landlord deems appropriate. During the Lease Term, Tenant shall keep the Building insured against loss or damage by fire and other hazards included within usual "all-risk" coverage, in the amount of \$2 million, and with such deductibles and other coverages as Tenant deems appropriate, and shall list Landlord as an additional insured and any lender of the Landlord if so required by the lender.

9.2 Waiver of Subrogation. Landlord and Tenant hereby release each other and each other's officers, directors, employees and agents, from liability or responsibility for any loss or damage to property covered by valid and collectible all-risk insurance, or which would have been covered but for a party's failure to comply with the provisions of Section 9.1 above.

9.3 Non-Liability of Landlord. Landlord shall not be responsible or liable to Tenant for any loss or damage caused by other tenants of the Tenant's Business, or by their visitors, guests, invitees, employees, agents, contractors, or any other persons occupying or visiting any portion of the Tenant's Business or the Premises. Except as provided by Chapter 186, Section 15 of the Massachusetts General Laws, or any successor statute, neither Landlord, its agents, or employees shall be liable for any injury or damage to persons or property resulting from leaks of steam, gas, electricity, water, or any other substance from pipes, wires or other conduits, or from the bursting or stoppage thereof; or from leaks of water, snow, or rain from the plumbing, roof, other parts of the Building, or any other place; or for wetness or dampness caused for any reason whatsoever. Tenant acknowledges that it shall be Tenant's responsibility to obtain insurance to protect it from any and all such hazards.

9.4 Theft Losses. Notwithstanding the provisions of Chapter 186, Section 15 of the Massachusetts General Laws, or any successor statute, it is agreed that Landlord shall not be liable for any damage to, removal of, or loss of any property of Tenant occasioned by any theft, burglary, robbery, larceny, or vandalism of any kind (hereinafter called "Theft"). Without limiting the generality of the foregoing, Landlord shall not assume nor be deemed to have assumed any liability for installing security devices or systems or hiring security guards or failing to do the same. Tenant shall carry sufficient insurance for its own protection and for the protection of the Leased Premises and adjacent portions of the Tenant's Business in connection with damage or loss arising from any such Theft. Tenant shall repair at its own cost and expense any damage or loss caused to the Leased Premises and shall promptly reimburse Landlord for repairs to adjacent portions of the Tenant's Business required as a result of any such Theft. A report of any such Theft to police or other proper authorities shall be deemed conclusive evidence that such an event occurred or an attempt was made.

9.5 Worker's Compensation. Tenant shall maintain worker's compensation insurance covering all persons employed by Tenant.

9.6 Certificates of Insurance. Each policy of insurance which Tenant is required to maintain under the provisions of this Article IX shall be with companies qualified to do business in the Commonwealth of Massachusetts, and shall name Landlord as an insured party. Tenant shall deposit with Landlord certificates of such insurance upon the Date of Possession, and thereafter new certificates not later than thirty (30) days prior to the expiration of the policies. The policies shall provide (and the certificates shall evidence) that they shall not expire, be cancelled, or be materially modified without at least thirty (30) days prior written notice to Landlord.

9.7 Increases in Coverage. On at least one occasion during the third year of the Lease Term, and during the third year of each Option Period, if any, Landlord and Tenant shall discuss in good faith whether the insurance coverages secured by the parties under Article IX are sufficient to protect the parties' interests. Upon mutual agreement, the parties agree to adjust such coverages, with premiums for such adjustments allocated as set forth in Article IX. Each party will provide written notice to the other of any such adjustment within thirty (30) days.

ARTICLE X

Fire and Other Casualty

10.1 Fire or Other Casualty. In case the Premises or any part thereof shall be damaged or destroyed by fire, or ordered to be demolished by the action of any public authority in consequence of a fire or other casualty, or damaged or destroyed by other casualty, this Lease shall, unless it is terminated as provided below, remain in full force and effect and the Landlord shall at its sole expense, proceeding with all reasonable dispatch, repair or rebuild the Premises in a good and workmanlike manner so as to restore them to the condition they were in immediately prior to such damage, destruction or demolition. Notwithstanding such obligation, the Landlord (a) shall not be responsible for any delay which may result from governmental regulations, inability to obtain labor or materials or any other cause beyond the Landlord's reasonable control and (b) shall not be required to expend in such repair or rebuilding more than the proceeds of insurance, if any, recovered or recoverable with respect to the damage, destruction or demolition. The Tenant shall at its expense, proceeding with all reasonable dispatch, repair or replace such of Tenant's Improvements including its fixtures and equipment as may have been damaged or destroyed. Tenant shall not be required to repair or restore fixtures installed by Tenant which have become part of the real estate. There shall be a reasonable abatement of the Annual Fixed Rent payable hereunder from the time of the damage or destruction until completion of the repairs or rebuilding to be made by the Landlord. In case seventy-five percent 75% or more of the area of the Premises is destroyed or so damaged by fire or other casualty insured under the Landlord's fire and extended coverage insurance policy as to render the Premises untenable, or in case the Premises shall be materially damaged by any casualty other than those covered by such insurance policy, the Landlord may at its election, by notice to the Tenant given within 60 days after such destruction or damage, terminate this Lease.

10.2 Termination Rights. If the Premises are damaged or destroyed by fire or other casualty so as to render the Premises substantially unsuitable for their intended use, the Tenant may elect to terminate this Lease upon thirty (30) days' written notice to Landlord if:

A. Landlord fails to give written notice within sixty (60) days of the fire or casualty of its intention to restore the Premises; or

B. Landlord fails to commence restoration of the Premises as above provided within ninety (90) days of the fire or casualty. Landlord's obligations to restore shall (1) be limited to that work for which the proceeds of insurance made available to the Landlord by any mortgagee holding a mortgage covering the premises are sufficient to pay in full; and (2) extend only to repair and restoration of the real estate constituting the Premises, expressly exclusive of any and all personal property, trade fixtures and equipment of Tenant. Any balance of net insurance proceeds remaining after payment in full of all work which Landlord is obligated to do shall be retained by Landlord; or

C. Seventy-five percent (75%) or more of the area of the Premises is destroyed by fire or other casualty; or

D. Tenant is forced to discontinue operations for at least forty-five (45) cumulative days.

Tenant must provide reasonable written notice within fourteen (14) days after the expiration of the period within which Landlord must act under A. or B., as the case may be.

10.3 Landlord Preference on Insurance Settlement. Landlord shall have the right to make all insurance settlement negotiations and to make a final settlement on any insurance claims affecting its rights under this Lease, subject to the Tenant's review and right of approval, which shall not be unreasonably withheld.

ARTICLE XI

Eminent Domain

11.1 Definitions. As used in this Lease, the following words have the following meanings:

(a) "Award" means the award for or proceeds of any Taking less all expenses in connection therewith, including reasonable attorney's fees.

(b) "Taking" means the taking of, or damage to, the Leased Premises or the Building or the Tenant's Business or any portion thereof, as the case may be, as the result of the exercise of any power of eminent domain, condemnation, or purchase under threat thereof or in lieu thereof.

(c) "Taking Date" means the date on which the condemning authority shall have the right to possession of the Leased Premises or the Tenant's Business or any portion thereof, as the case may be.

11.2 Total or Partial Taking of Leased Premises. If all of the Leased Premises shall be taken, except for a Taking for temporary use, this Lease shall be cancelled automatically as of the Taking Date. If a part amounting to 25% or more of the ground floor area of the Leased Premises shall be taken, Tenant shall have the option to cancel this Lease.

The option to cancel may be exercised within ninety (90) days of the Taking Date by giving Tenant sixty (60) days' written notice that the option has been exercised.

11.3 Abatement and Restoration. If a portion of the Leased Premises shall be taken, except for a Taking for temporary use, and this Lease shall not be cancelled under Section 11.2, the following shall apply: (a) the Base Rent shall be reduced in the proportion that the area of the Leased Premises so taken bears to the entire area of the Leased Premises; and (b) Landlord shall restore the remaining portion of the Leased Premises to substantially the same condition they were in prior thereto, to the extent practical, to render it reasonably suitable for Tenant's use, provided, however, that Landlord shall not be obligated to expend an amount greater than the Award for the restoration, and subject to zoning laws and building codes then in existence.

11.4 Taking for Temporary Use. If there is a Taking of the Leased Premises for temporary use, this Lease shall continue in full force and effect, and Tenant shall continue to comply with Tenant's obligations under this Lease, except to the extent compliance shall be rendered impossible or impracticable by reason of the Taking.

11.5 Disposition of Awards. All Awards arising from a total or partial Taking of the Leased Premises or of Tenant's leasehold interest awarded to Landlord or Tenant shall belong to and be the property of Landlord without any participation by Tenant. Tenant hereby assigns to Landlord any share of such Award which may be awarded to Tenant, and hereby waives any rights it may have with respect to the loss of its leasehold interest in the Lease and the Leased Premises as a result of a Taking. Tenant agrees to execute such instruments as may be necessary to effectuate the foregoing assignment, and agrees to turn over to Landlord any Award which may be recovered by it. Notwithstanding the foregoing, Tenant shall be entitled to any separate award for loss of movable trade fixtures installed by it or for relocation expenses, but only if such award is made in addition to the award for loss of leasehold and for interests in the land and buildings.

ARTICLE XII

Assignment and Subletting

12.1 No Prohibition for Assignment to Affiliated Entity. Upon thirty (30) days written notice to Landlord, Tenant may assign this Lease in whole or in part to an entity related or affiliated with Tenant or its principals, provided that such entity intends to continue, support or advance a use not dissimilar to Tenant's primary intended use. Landlord and Tenant anticipate that such assignment may be in favor of Khem Organics Inc. in order that said company may establish and operate a Licensed Marijuana Facility at the Premises. If this Lease shall be so assigned, or if the Leased Premises or any part thereof shall be underlet or occupied by anybody other than Tenant, Landlord shall nevertheless collect rent from the Tenant assignor. No such assignment, occupancy or collection shall be deemed a waiver or release of Tenant from full performance hereunder. Notwithstanding any assignment or any indulgence granted by Landlord at any time to any assignee, Tenant

shall remain fully and primarily liable on this Lease and shall not be released from performing any of its terms, covenants and conditions.

12.2 Intentionally omitted.

12.3 Permitted Sales and Transfers. Sale or transfer of stock, merger, or establishment of revocable trusts, family trusts, partnerships or the use of transfer strategies or estate planning techniques shall not be considered an assignment under this Article XII this so long as notice of same is filed with the Landlord within fifteen (15) days of the transaction giving the details of the transfer. Furthermore, the sale or transfer of stock, merger, or establishment of revocable trusts, family trusts, partnerships or the use of transfer strategies or estate planning techniques, or changes in the corporate structure of the Tenant or the Tenant's business, or the raising or use of investment capital in connection with the Tenant's business, whether due entirely or largely to regulatory and legal requirements or to accommodate the demands of the Tenant's business, shall not be considered an Assignment under this Article XII above so long as notice of such transaction is filed with the Landlord within 15 days next of the transaction.

ARTICLE XIII

Defaults and Remedies

13.1 Tenant's Default. The following conditions shall be considered a "Default" by Tenant:

- (a) failure to pay rent or any other charge as and when due under this Lease with such failure not remedied within ten (10) days after written notice to Tenant by Landlord. Tenant will only have two rights to cure a default in any calendar year and any subsequent failure to pay rent or other charges when due in that same calendar year will be a Default after notice without a right to cure; or
- (b) if the estate hereby created shall be taken on execution or by other process of law; or
- (c) if Tenant shall be liquidated or dissolved or be declared insolvent according to law, or if any assignment shall be made of its property for the benefit of creditors, or if any proceedings, including without limitation proceedings for reorganization or for an "arrangement," shall be commenced by Tenant; or against Tenant under any bankruptcy or insolvency law now or hereafter enacted and the same shall not be dismissed within ninety (90) days from the time of their commencement, provided Tenant is actively contesting the proceeding; or
- (d) if a receiver, guardian, conservator, trustee or assignee, or any other similar officer or person shall be appointed to take charge of all or any part of Tenant's property; or

(e) if any court shall enter an order with respect to Tenant providing for the modification or alteration of the rights of creditors; or

(f) if Tenant shall vacate the premises or close for business for a period exceeding three (3) months; or

(g) if Tenant shall assign or sublet all or any part of the Leased Premises without Landlord's prior written consent; or

(h) if Tenant shall fail to cure any other breach of any of the other terms, provisions, conditions, or covenants contained in this Lease on Tenant's part to be performed or observed within the time period required, but in no event more than thirty days after notice unless the cure is impossible to achieve within thirty days, in which case the thirty-day period shall be extended for the number of days required to cure.

In the event of a Default (notwithstanding any license, or any former breach of covenant or waiver of the benefit thereof, or consent in a former instance), Landlord shall have the right, at its election, then or at any time thereafter during the continuance of the Default, either: (1) to give Tenant written notice that (i) this Lease is terminated on a date certain specified in such notice, and (ii) Tenant's right to possession of the Leased Premises shall cease and that this Lease shall thereupon be terminated; or (2) without demand or notice, to re-enter and take possession of the Leased Premises or any part thereof in the name of the whole and repossess the same as of Landlord's former estate and expel Tenant and those claiming through or under Tenant and remove the effects of both or either (forcibly, if necessary) without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or preceding breach of covenants.

Tenant hereby waives all statutory rights (including without limitation rights of redemption, if any), to the extent such rights may be lawfully waived. Should Landlord elect to re-enter and take possession as herein provided, Landlord may either terminate this Lease or, without terminating this Lease, re-let the Leased Premises or any part thereof from time to time for such terms and conditions as Landlord may deem advisable, with the right to make alterations and repairs to the Leased Premises. Landlord shall take reasonable steps to mitigate damages, and Landlord may grant concessions or charge a rental in excess of that provided in this Lease.

Notwithstanding any provision of this Lease to the contrary, any right of re-entry exercised by Landlord hereunder shall adhere to the strictures of Massachusetts law and regulation, and shall occur on an "escorted access only" basis, as set forth in 105 CMR 725.110(C)(4).

13.2 Current Damages. No termination or repossession provided for in this Article shall relieve Tenant of its liability and obligations under this Lease, all of which shall survive such termination or repossession. In the event of any such termination or repossession, Tenant shall pay the rent and other sums as hereinbefore provided up to the

time of such termination; and thereafter Tenant, until the end of what would have been the term of this Lease in the absence of such termination or repossession and whether or not the Leased Premises shall have been re-let, shall be liable to Landlord for and shall pay Landlord as liquidated current damages (a) the rent and other charges which would be payable hereunder if such termination or repossession had not occurred less (b) the net proceeds, if any, of any re-letting of the Leased Premises, after deducting all Landlord's expenses in connection with such re-letting, including without implied limitation all repossession costs, warehouse charges, brokerage commissions, alteration costs, and expenses of preparation for such re-letting.

13.3 Landlord's Self-Help. If Tenant shall default in the performance or observance of any agreement or condition in this Lease other than an obligation to pay money to Landlord, and shall not cure such default within thirty (30) days after notice from Landlord specifying the default (or shall not within said period commence to cure such default and thereafter prosecute the curing of such default to completion with due diligence), Landlord may, at its option, without waiving any claim for damages for breach of agreement, at any time thereafter, cure such default for the account of Tenant, and any amount paid or contractual liability incurred by Landlord in so doing shall be deemed paid or incurred for the account of Tenant, and Tenant agrees to reimburse Landlord therefor, or save Landlord harmless therefrom; provided, however, Landlord may immediately cure any such default if the curing of the same is necessary to protect the real estate or Landlord's interest therein, or to prevent injury or damages to persons or property. If Tenant shall fail to reimburse Landlord upon demand for any amount paid for the account of Tenant, such amount shall be added to and become a part of the next or any succeeding payments of rent due plus an additional payment of 10% of the amount due on a monthly basis until such sum is paid.

13.4 Landlord's Default. Landlord shall not be deemed to be in default hereunder unless its default shall continue for thirty (30) days, or such additional time as is reasonably required to correct its default, after written notice thereof has been given by Tenant to Landlord specifying the nature of the alleged default. The obligations of Landlord hereunder shall be binding upon Landlord and each succeeding owner of Landlord's interest hereunder only during the period of such ownership, and Landlord and each succeeding owner shall have no liability whatsoever except for their obligations during each such respective period.

13.5. Limitation on Landlord's Remedies. Notwithstanding any provision of this Lease to the contrary, no right of entry, possession or sale, either set forth expressly in this Lease or arising as a matter of law, shall permit Landlord to claim, control, possess, secure, sell or dispose of any marijuana, marijuana plant, marijuana flower, edible marijuana-infused product, marijuana extract or any other marijuana product or by-product. Landlord hereby agrees and acknowledges that any such marijuana located on the Premises shall be controlled in accordance with 105 CMR 725.000 et seq., and if provided by law, under the supervision of the Massachusetts Department of Public Health.

ARTICLE XIV

Landlord's Covenant of Quiet Enjoyment

Landlord agrees that upon Tenant's paying the rent and performing and observing the terms, provisions, conditions and covenants on its part to be performed and observed, Tenant shall, and may, peaceably and quietly have, hold and enjoy the Leased Premises and may use in common with others the common facilities of the Tenant's Business, as herein provided, without any manner of hindrance or molestation from Landlord or anyone claiming under Landlord.

ARTICLE XV

Arrangements With Mortgagee

15.1 **Lease Subordinate to Mortgage.** It is agreed that the rights and interests of Tenant under this Lease shall be subject and subordinate to any mortgages of record on the Date of Execution, and to any and all advances to be made thereunder, and to the interest thereon, and all modifications, renewals, replacements, and extensions thereof.

15.2 **Assignment of Rents.** With respect to any assignment by Landlord of Landlord's interest in this Lease, or the rents payable hereunder, conditional in nature or otherwise, which assignment is made to the holder of a mortgage on the Premises, Tenant agrees that the execution thereof by Landlord, and the acceptance thereof by the holder of such mortgage, shall not be deemed an assumption by such holder of any of the rights of Landlord hereunder, unless such holder shall, by written notice sent to Tenant, specifically elect, or unless such holder shall foreclose the mortgage, take possession of the Premises, and agree in writing to so assume Landlord's rights.

ARTICLE XVI

Miscellaneous Provisions

16.1 Additional 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 entities named herein as Landlord and Tenant, respectively, and their respective heirs, legal representatives, successors and assigns, irrespective of whether singular or plural, masculine, feminine or neuter. Except as otherwise provided herein, the agreements and conditions in this Lease contained on the part of Landlord to be performed and observed shall be binding upon Landlord and its heirs, legal representatives, successors and assigns and shall inure 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 shall inure to the benefit of Landlord and its heirs, legal representatives, successors and assigns.

(b) If Tenant shall consist of more than one person or entity, or if there shall be a guarantor of Tenant's obligation, then the liability of all such persons or entities, including the guarantor, if any, shall be joint and several and the word "Tenant," as used in this Lease, shall include such person or entities, including any guarantors.

16.2 Holding Over. If Tenant or anyone claiming under it shall remain in possession of the Leased Premises or any part thereof after the expiration of the Lease Term without written agreement between Landlord and Tenant, the party remaining in possession shall, prior to acceptance of rent by Landlord, be deemed a tenant at sufferance, and, after acceptance of rent by Landlord, 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 the Base Rent for the period of such tenancy shall be two times the highest rate of Base Rent payable during the Lease Term.

16.3 Showing Premises. Landlord shall have reasonable access to the Leased Premises during the last six (6) months of the Lease Term for the purpose of exhibiting the Leased Premises to prospective tenants and purchasers and for putting up "For Sale" or "For Rent" signs, which signs Tenant agrees not to move, remove, block or otherwise interfere with.

16.4 Mechanic's Lien. Tenant agrees immediately to discharge (by payment, by filing of any necessary bond or otherwise) any mechanic's, materialmen's or other lien against the Leased Premises and/or Landlord's interest therein which may arise out of any payment due for, or purported to be due for, any labor, services, material, supplies, or equipment alleged to have been furnished to or for Tenant in, upon or about the Leased Premises.

16.5 No Brokerage. Tenant warrants and represents that it is not now and has never been represented by a realtor or broker in connection with this Lease. Landlord warrants and represents that it has dealt with no broker in connection with the consummation of this Lease other than the broker named or referenced in Article 1.

16.6 Change of Law or Licensure. Tenant shall have the right to terminate this Lease if Tenant is in good standing under the Lease, upon thirty (30) days notice to Landlord (i) if the laws of the Commonwealth or any controlling municipal bylaw or ordinance changes such that one or more of Tenant's permitted uses of the Premises is deemed illegal, or (ii) if Tenant's RMD certificate is revoked or substantially limited, or (iii) if Tenant's permitted use of the Premises is rendered illegal due to such revocation. The Tenant's right hereunder are subject to the provisions of Section 4.3 of this Lease.

16.7 Notices. Whenever, by the terms of this Lease, any notice, consent or other communication relating to this Lease shall or may be given, such notice shall be given in writing and deemed to have been given (i) when delivered or refused by hand during regular business hours, (ii) three (3) days after being sent by United States Postal Service, registered or certified mail, postage prepaid, receipt requested, (iii) the next business day if sent by a reputable national overnight express mail service that provides tracing and proof of receipt or refusal of items mailed, (iv) when sent if sent by facsimile during business hours, addressed to Seller or Buyer, as the case may be, at the address or addresses or facsimile number set forth below or such other addresses as the parties may designate in a notice similarly sent or (v) when sent by electronic mail. Notice by counsel to a party to counsel for the other party shall constitute notice from such party. Notwithstanding the foregoing, written notice addressed to Tenant and delivered to Tenant at the Leased Premises shall be sufficient notice and deemed duly given upon tender of delivery.

Any notice to the Landlord shall be copies, via first class mail, or by electronic mail, to:

Wojtkowski Bros. Inc.
1548 W. Housatonic Street
Pittsfield, Massachusetts 01201
albert@plt.com

16.8 No Waiver. Failure of Landlord to complain of any act or omission on the part of Tenant, no matter how long the same may continue, shall not be deemed to be a waiver by Landlord of any of its rights hereunder. No waiver by Landlord at any time, express or implied, of any breach of any provisions 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 of any other provision. 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 such action on any subsequent occasion or a consent to or approval

of any other action on the same or any subsequent occasion. No payment by Tenant or acceptance by Landlord of a lesser amount than shall be due from Tenant to Landlord shall be deemed to be anything but payment on account and the acceptance by Landlord 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 may accept said check without prejudice to recover the balance due or pursue any other remedy.

16.9 Force Majeure. In the event that either party shall be delayed or hindered in or prevented from the performance of any act hereunder, other than paying money, by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots insurrection, war or other reasons of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of delay and the period of such party's performance of any such delay. The provisions of this Section shall in no event operate to excuse Tenant from the prompt payment of any rent or other payments required by this Lease. In any case where work is to be paid for out of insurance proceeds or condemnation awards, due allowance shall be made, both to the party required to perform such work and to the party required to make such payments, for delays in the collection of such proceeds or awards.

16.10 Recording. Tenant shall not record this Lease. Upon request by either party, the other party shall execute a notice of lease in statutory form setting forth the Commencement Date, Lease Term and Extension Options, if any, and such other information as may be required by Massachusetts General Laws Chapter 183, Section 4 or any successor statute. The notice of lease shall include a statement that it is not intended to and shall not alter the terms of the Lease.

16.11 Late Charges; Bad Checks. In the event (a) the rent and/or any additional charges are not paid within five (5) days of the due date, or (b) of a dishonored check from Tenant, Tenant shall pay Landlord an amount equal to Fifty dollars (\$50.00) for each such occurrence. In the event that two (2) or more of Tenant's checks are dishonored, Landlord shall have the right, in addition to all other rights under this Lease, to demand all future payments by certified or bank check or money order. The grace period herein provided shall in no way modify or stay Tenant's obligation to pay rent on the first day of each month, nor shall same preclude Landlord from pursuing the remedies under Article XIII or as otherwise allowed by law.

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

16.14 Governing Law. This Lease and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the Commonwealth of Massachusetts.

16.15 Separability; Construction and Interpretation. If any term or provision of this Lease, or provision of this Lease, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. It is the intention of the parties hereto that if any provision of this Lease is capable of two constructions, one of which would render the provision valid, then the provision shall have the meaning which renders it valid.

16.16 Entire Agreement. This Lease shall constitute the only agreement between the parties relative the Leased Premises. No oral statements and no prior or contemporaneous written matter not specifically incorporated herein shall be of any force or effect. In entering into this Lease, Tenant relies solely upon the representations and agreements contained herein. This Agreement shall not be modified except by writing executed by both parties.

16.17 Personal Guaranty. Intentionally omitted.

16.18 Execution. This Lease may be executed in any number of original counterparts. Each fully executed counterpart shall be deemed an original for all purposes.

16.19 Signage. In the event that signage is allowed under local zoning ordinances to be placed on the Premises, Tenant shall have the exclusive right to do so. Landlord, by executing this Lease, grants Tenant the exclusive right permission to erect and maintain a signage on the Premises at the sole expense of the Tenant.

EXECUTED as a sealed instrument.

LANDLORD:



Wojtkowski Bros Inc.
By: Albert S. Wojtkowski, President

TENANT:



KO Resources LLC
By: Albert S. Wojtkowski, Manager

Exhibit A

Deed

Berkshire Middle District Registry of Deeds
Electronically Recorded Document

This is the first page of the document - Do not remove

Recording Information

Document Number	: 884817
Document Type	: DEED
Recorded Date	: April 28, 2016
Recorded Time	: 11:14:13 AM
Recorded Book and Page	: 05734 / 123
Number of Pages(including cover sheet)	: 6
Receipt Number	: 118875
Recording Fee (including excise)	: \$2,975.00

MASSACHUSETTS EXCISE TAX
Middle Berkshire ROD 001
Date: 04/28/2016 11:14 AM
Ctrl# 025453 29557 Doc# 00884817
Fee: \$2,850.00 Cons: \$625,000.00

Berkshire Middle District Registry of Deeds
Patricia M. Harris, Register
44 Bank Row
Pittsfield, MA 01201
413-443-7438
berkshiremiddledeeds.com

Property: 501 Dalton Avenue Pittsfield, Berkshire County Massachusetts 01201

QUITCLAIM DEED

OHANA REALTY, LLC, a Massachusetts limited liability company of Pittsfield, Berkshire County, Massachusetts, for consideration paid in the amount of **SIX HUNDRED TWENTY-FIVE THOUSAND and 00/100 (\$625,000.00) DOLLARS**, grant to **WOJTKOWSKI BROS., INC.**, a Massachusetts corporation, whose business address is 1548 W. Housatonic Street, Pittsfield, Massachusetts 01201, with **QUITCLAIM COVENANTS**, the land with buildings and improvements thereon located in said Pittsfield, Berkshire County, Massachusetts, bounded and described as follows:

Beginning at a point in the northerly line of the Mass. State Highway Routes 8 and 9, known locally as Dalton Avenue, which point marks the southeasterly corner of a parcel of land conveyed by Ronald E. Oliveira Trustee of Poor Associates Realty Trust to C.C. R. Real Estate Trust by deed dated January 24, 1970 and recorded in Berkshire Middle District Registry of Deeds in Book 920, Page 622;

Running thence North 18 degrees, 14 minutes, 45 seconds West, along the easterly line of said land so conveyed to C. C. R. Real Estate Trust, a distance of 200.00 feet to a point marking the northeasterly corner thereof;

Running thence South 71 degrees, 45 minutes, 15 seconds West, along the northerly line of the above-mentioned land so conveyed to C. C. R. Real Estate Trust, a distance of 87.00 feet to a point marking the northwesterly corner thereof, said point also marks the northeasterly corner of a parcel of land conveyed by All-State of Virginia Incorporated to The Prudential Insurance Company of America by deed dated June 17, 1958 and recorded in the above-mentioned Registry of Deeds in Book 673, Page 403, said point is further described as marking the southeasterly corner of a parcel of land conveyed by Frank N. Morganstern, Executor, to Kenneth D. Conway, Trustee of Del and Ken's Realty Trust, by deed dated July 27, 1970 and recorded in the above-mentioned Registry of Deeds in Book 892, Page 494;

Running thence North 18 degrees, 14 minutes, 45 seconds West, along the easterly line of said land so conveyed to Kenneth D. Conway, Trustee of Del and Ken's Realty Trust, a distance of 350.00 feet to a point;

Running thence North 71 degrees, 45 minutes, 15 seconds East, along a line that forms a right angle with the last-above-described course, and being also along land of Martin Berezin, a distance of 322.00 feet to a point in the easterly line of land of the Grantor herein, being also in the westerly line of a parcel of land conveyed by H. J. Bridgmen, Inc. to Abbott Carson Combes, Jr. by deed dated January 26, 1953 and recorded in the above-mentioned Registry of Deeds in Book 594, Page 31, which parcel of land is now or formerly owned by Abbott Carson Combes, III, under the terms of Berkshire Probate Court Docket No. 66463;

Running thence South 18 degrees, 14 minutes, 45 seconds East, along a line that forms a right angle with the last above-described course, being also along the easterly line of land of the Grantor herein, and being also along the westerly line of land of the above-mentioned land of Abbott Carson Combes, III, a distance of 73.30 feet to a point;

Running thence South 15 degrees, 57 minutes, 00 seconds West, along the southeasterly line of land of the grantor herein, being also along the northwesterly line of said land of Abbott Carson Combes, III, a distance of 334.55 to a point;

Running thence North 71 degrees, 45 minutes, 15 seconds East, along the southerly line of said land of Abbott Carson Combes, III, a distance of 15.35 feet to a point, which point also marks the northwesterly corner of a parcel of land conveyed by Berkshire Bank & Trust Company, dated June 5, 1970 and recorded in the above-mentioned Registry of Deeds in Book 892, Page 65;

Running thence South 18 degrees, 14 minutes, 45 seconds East along the easterly line of the Grantor herein, being also along the westerly line of said land so conveyed to Dreikorn's Bakery, Inc., a distance of 200.00 feet to a point in the said northerly line of Dalton Avenue, which point marks the southwesterly corner of said land so conveyed to Dreikorn's Bakery, Inc. and which point is further described as being 40.70 feet westerly of Massachusetts Highway Bound set opposite Station 73.00 of the Commonwealth of Massachusetts Department of Public Works record plan for the above-herein-mentioned State Highway Routes 8 and 9;

Running thence South 71 degrees, 45 minutes, 15 seconds West, along the northerly line of Dalton Avenue, a distance of 62.35 feet to the place of beginning

Subject to and with the benefit of a gas and water easement dated Nov. 12, 1976, given to the grantor herein by Martin Berezin and recorded in the aforesaid Registry of Deeds in Book 982, Page 734.

The above-described parcel of land is a portion of Parcel One and all of Parcel Three, conveyed by 495 Dalton Avenue, Inc., to Max and Carol Linda Realty Trust by deed dated October 25, 1959 and recorded in Berkshire Middle District Registry of Deeds in Book 698, Page 58.

The "Grantor herein" referred to in this description is Irving I. Siegel and Robert R. Siegel, Trustees of Max and Carol Linda Realty Trust, and its successors and/or assigns.

The above-described parcel of land is conveyed subject also to an easement taken by eminent domain by the City of Pittsfield, Mass., under City Council Order 165A, Series of 1963, signed by the Mayor of Pittsfield, Mass. on September 12, 1963 and recorded in Berkshire Middle District Registry of Deeds in Book 771, Page 348;

The above-described parcel of land is conveyed subject also to a fifty foot wide right of way conveyed by Earle Kriger, Trustee of the Max and Carol Linda Realty Trust to Ronald E. Oliveira, Trustee of Poor Associates Realty Trust, dated December 24, 1970, and recorded in said Registry in Book 899, Page 414.

This conveyance is also subject to an easement for water drainage granted to the Pittsfield Housing Authority by Earle Kriger, Trustee of Max and Carol Linda Realty Trust, dated December 10, 1968 and recorded in said Registry in Book 868, Page 292&c.

The above described parcel of land is conveyed subject to a water and sewer easement from Irving I. Siegel and Robert R. Siegel, Trustees of Max and Carol Linda Realty Trust to Kenneth Conway Trustee of Del and Ken's Realty Trust dated July 21, 1975 and recorded in said Registry in Book 1033, Page 1027.

This conveyance is subject to an Order of Conditions issued by the Pittsfield Conservation Commission recorded December 8, 1997 in said Registry of Deeds in Book 1583, Page 913 as affected by a Partial Certificate of Compliance recorded December 2, 1998 in Book 1634, Page 409.

This conveyance is subject to a Massachusetts Department of Environmental Protection Order of Conditions recorded in said Registry in Book 1749, Page 263&c and another Massachusetts Department of Environmental Protection Order of Conditions recorded in said Registry in Book 3966, Page 35&c.

Being all and the same premises conveyed to the Grantor herein by deed of DJ&J, Inc. dated and recorded April 4, 2008 in the Berkshire Middle District Registry of Deeds in Book 4024, Page 146.

This conveyance is made in the ordinary course of the grantor's business and does not constitute all or substantially all of the Grantor's Massachusetts assets.

Real estate taxes for the fiscal year having been apportioned between the parties hereto, this conveyance is made subject to said taxes which the grantees hereby assume and agree to pay.

WITNESS my hand and seal this 21st day of April, 2016

OHANA REALTY, LLC

By Trevor P. Volastro
TREVOR P. VOLASTRO, Manger

COMMONWEALTH OF MASSACHUSETTS

BERKSHIRE, SS.

On this 21st day of April, 2016, before me, the undersigned notary public, personally appeared TREVOR P. VOLASTRO, manager of OHANA REALTY, LLC proved to me through satisfactory evidence of identification, which was personal knowledge and acquaintance, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose.

Denise M. Harwood Notary Public
Denise M. Harwood
My Commission expires: 03/02/23



KO Resources LLC

May 14, 2016

[REDACTED] President

Khem Organics Inc.
100 North Street, Suite 405
Pittsfield, Massachusetts 01201

RE: Assignment – Commercial Lease - 501 Dalton Avenue, Pittsfield MA 01201

Dear [REDACTED]

I write pursuant to Section 12.1 of a certain Commercial Lease dated May 13, 2016 between Wojtkowski Bros. Inc. and KO Resources LLC ("KOR"), a copy of which is attached hereto ("Commercial Lease").

This letter constitutes notice that, effective June 16, 2016, KOR assigns its rights and obligations under the Commercial Lease to Khem Organics Inc. ("Khem"). The nature of this assignment shall be to permit Khem to establish and operate, at and within a certain building and accompanying land located at 501 Dalton Avenue, Pittsfield, Massachusetts 01201 (BMDRD at Book 05734 Page 123), a registered marijuana dispensary in accordance with Chapter 369 of the Acts of 2012 and 105 CMR 725.000 et seq.

Please sign where indicated below to demonstrate your acceptance and acknowledgment of the assignment described herein.

Very truly yours,



Albert S. Wojtkowski, Manager

encl.

Accepted and Acknowledged:

[REDACTED]

[REDACTED] President