December 11, 2016

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

Re: Response of MassMedicum Corp. to December 9, 2016 Department of Public Health Request for Information (Application 1 of 2)

To Whom It May Concern:

Please be advised that this correspondence is the response of MassMedicum Corp. (“MassMedicum”) to the Request for Information of the Department of Public Health (“DPH”) dated December 9, 2016. The DPH requested the following information:

1. **DPH Request:** Thank you for resubmitting one of the attachments to the Holbrook lease. The applicant has not yet resubmitted the attachment to the Holbrook lease that is labeled “Exhibit A-1.” The applicant has also not submitted the attachments to the Amherst lease, as requested in the November 9, 2016 letter from the Department. Please submit copies of those attachments so that they are printed clearly enough that they can be read by Department staff.

   **MassMedicum’s Response:** Please find a copy of the current, operative versions of Exhibits A and A-1 to the Holbrook Lease, as attached to the enclosed First Amendment to Lease. Please note that the original 2014 Lease contained an Exhibit A, the entirety of which consists of the statement “See attached plan Exhibit A-1 for description of Premises.” When MassMedicum agreed to lease an expanded space from its landlord in February 2015, it executed a First Amendment to Lease, which used the same Exhibit A from the prior lease but replaced Exhibit A-1 with a new Exhibit A-1, containing the expanded layout.

   In addition, please find readable copies of all attachments to the Amherst Lease.

2. **DPH Request:** Please note that item #2 from the November 9, 2016 letter from the Department and item #1 from the December 6, 2016 letter from the Department remain outstanding and need to be addressed before the application may proceed further.

   **Item #2 from November 9, 2016 letter:** The contingency provision of Section 41 of the Amherst lease is not clear as to the deadline by which the Peoples Bank must release their mortgages. Please explain the deadline and please further explain how such a contingency provision affects the Option to Lease.

   **MassMedicum’s Response:** The particular land and building (the “Business Premises”) being leased by MassMedicum under the Option to Lease (the “Option”) is a part of a larger parcel (the “Parcel”) containing various land, parking and building sites. The entirety of the Parcel is subject to a mortgage in favor of People’s Bank (the “Bank”). During the negotiation of the Amherst Lease, the Landlord and Bank
expressed concerns regarding the potential impact that the intended use of the Parcel as an RMD might have on the Bank and its collateral interest in the Parcel. In order to accommodate both the Landlord’s and the Bank’s concerns, the Landlord undertook to seek approval of the Town of Amherst to separate the Business Premises from the broader Parcel. The Bank agreed with the Landlord that if the Business Premises were successfully separated from the Parcel and Massmedicum exercised its Option, the Bank would release its mortgages as to the Business Premises.

Consistent with the foregoing, paragraph 41 of the Lease allows the Landlord to terminate the Amherst Lease if either a) the Town of Amherst does not endorse the separation of the Business Premises from the Parcel; or b) the Bank will not release its mortgages as to the Business Premises.

All contingency provisions of Paragraph 41 of the Lease have been or will imminently be satisfied. Paragraph 41 of the Amherst Lease recites that on July 20, 2016, the Landlord obtained the Town of Amherst Planning Board’s endorsement of a Subdivision Approval Not Required plan (“ANR Plan”) to separate the Business Premises from the Parcel. Thus, the Landlord now has until January 20, 2017 to separate the Business premises from the Parcel under said ANR Plan. The Landlord’s attorney, Alan Sharpe, Esq., has indicated to MassMedicum that he intends to complete the separation of the Business Premises from the Parcel on or before January 20, 2017. In addition, the second contingency in the Amherst Lease will be satisfied as shown in the enclosed December 9, 2016 letter from the Bank to the Landlord indicating the Bank’s commitment to release its mortgage on the Business Premises.

**Item # 1 from the December 6, 2016 letter: The attachments submitted with the Holbrook lease are faint and difficult to read. Please resubmit copies of the attachments that are printed clearly enough that they can be read by the Department staff.**

**MassMedicums’s Response:** Please find the attached copies of the Exhibits to the original Holbrook lease, the First Amendment to Lease, the Second Amendment to Lease, and the Addendum to Lease. The attached Exhibit A and A-1 for the First Amendment to Lease (which was previously submitted under separate cover letter on December 7, 2016) was intended to replace the Exhibit A and A-1 for the original Holbrook lease. The unreadable Exhibit A and A-1 for the original Holbrook lease is no longer operative, as the First Amendment to the lease provided for an expansion of the leased space from approximately 25,000 square feet to approximately 32,680 square feet.

Please do not hesitate to contact our office with any questions, comments, or concerns. Thank you for your attention to these matters.

Very Truly Yours,

Philip C. Silverman, Esq.

PCS/TC
Enclosures
Exhibits A, A-1, B and C to the Original August 27, 2014 Holbrook Lease

(Please Note that Exhibits A and A-1 Have Been Replaced by the Attachments to the First Amendment to Lease)
EXHIBIT A

See attached plan Exhibit A-1 for description of Premises.
EXHIBIT B
LANDLORD'S SERVICES

Landlord shall provide services with respect to the Premises, to be paid by Tenant on a pro rata basis, billed monthly by Landlord:

Landlord shall be obligated to provide the following services relating to the Building and the Lot:

1. Provide snow plowing of the vehicular access ways and parking areas, but expressly exclusive of shoveling to provide Tenant and Tenant's customers and/or licensees pedestrian access to stairs and doorways of the Premises as provided below.

Tenant shall perform all other services relating to its Premises, including but not limited to keeping all stairs and pedestrian access ways to its Premises free and clear of snow (shoveling and ice-melt/sanding), ice, debris and hazards of any kind.
EXHIBIT C

TENANT ESTOPPEL LETTER

TO: ___________________________, and its successors and assigns (collectively, the “Lender”)

RE: Premises known as and located at One Menre Road, Holbrook, MA (the “Building”)

The undersigned ___________________________ (“Tenant”), does hereby certify to the Lender as follows:

1. Tenant is the tenant under the certain lease dated _____, 2014 between Tenant and ___________________________ as landlord (“Landlord”), for approximately 25,000 sf (the “Premises”) as more particularly described in the said lease (hereinafter referred to as the “Lease”).

2. The Lease is in full force and effect and, except as set forth above, has not been amended, modified or supplemented.

3. The Lease represents the entire agreement between Tenant and Landlord with respect to the leasing and occupancy of the Premises, and there are no other agreements or representations of any kind between Landlord and Tenant with respect thereto. Without limiting the foregoing, Tenant does not have any rights of first refusal or options to purchase the Premises or any interest therein.

4. All obligations of Landlord to be performed or complied with by Landlord through the date hereof have been fully performed and complied with including, without limitation, any obligations of Landlord to prepare the Premises for Tenant’s occupancy, and as of the date hereof, to Tenant’s knowledge, there exists no default or condition, state of facts or event that, with the passing of time or the giving of notice, or both, would constitute a default by Landlord in the performance of its obligations under the Lease.

5. All obligations of Tenant to be performed or complied with by Tenant through the date hereof have been fully performed and complied with and there exists no default or condition, state of facts or event that, with the passing of time or the giving of notice, or both, would constitute a default by Tenant in the performance of its obligations under the Lease.

6. The term of the Lease commences on _________, and shall expire on ___________, unless sooner terminated in accordance with the terms of the Lease. Tenant has no rights to extend the term of the Lease except as set forth below:

7. The current Fixed Rent under the Lease is $_________________ per month and has been paid for the period through ___________. All Additional Rent and other charges have been paid for the current periods.

8. As of the date hereof, to Tenant’s knowledge, there are no existing offsets or defenses by Tenant to the payment of rent and other charges payable by Tenant or otherwise to the enforcement by Landlord of the Lease.

9. No security deposit or other security has been given to Landlord under the Lease except as follows: $_____________ as Security Deposit.
10. There is no remaining free rent period or any unexpired concession in or abatement of rent other than set forth in the Lease.

11. Tenant is in sole possession of the Premises and has not assigned, sublet, pledged, mortgaged, transferred or otherwise conveyed all or any portion of its interest in the Premises or the Lease.

12. There are no actions, whether voluntary or otherwise, pending against Tenant under the bankruptcy or insolvency laws of the United States or of any state or territory of the United States.

13. Tenant understands and acknowledges that this certificate is delivered to, and shall be relied on by, the Lender in connection with an extension of a loan financing the Landlord's interest in the Building and the land on which it stands (the "Mortgaged Property").

14. Tenant agrees to promptly provide the Lender at its offices at __________________________, Attention: _______________, with copies of any notices of default given by Tenant with respect to the Lease and/or the Premises.

   Tenant

   By: ______________________________________
   Name: 
   Title: 

   Dated: _______________________________
First Amendment to Lease
FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this "Amendment") is entered into this ___th day of February 2015, by and between the Trustees of the One Mear Road Trust w/d/t dated November 2, 2012 ("Landlord"), and MassMedicum Corp. ("Tenant"). The Landlord and the Tenant are each hereinafter referred to as a "Party" and collectively the "Parties."

Recitals

A. The Parties have entered into a certain Lease dated August 27, 2014 regarding an area of a building known as and numbered One Mear Road, Holbrook, Massachusetts (the "Lease").

B. The Landlord and Tenant wish to modify the Lease as herein provided.

Now therefore, for valuable consideration, receipt of which is acknowledged, Landlord and Tenant agree as follows:

1. The recitals above are incorporated herein.

2. The Landlord and Tenant agree that the Term Commencement Date for all purposes of the Lease is fixed at January 1, 2015, and that the Tenant received keys to and access to the Premises effective as of January 1, 2015. The Term Expiration Date of the Lease is hereby amended to be a fixed date of December 31, 2020.

3. Effective as of March 31, 2015, the Exhibit A and the Exhibit A-1 setting forth the Rentable Floor Area Of Tenant' Space is amended and replaced in its entirety with the Exhibit A and Exhibit A-1 (Rev 3/31/15) attached hereto, and the words "Approximately 25,000 GROSS SQUARE FEET are deleted".

4. Effective as of March 31, 2105, the Fixed Rent is increased to a total of $102,000.00 per year.

5. All other provisions of the Lease are hereby reaffirmed and remain in full force and effect and the Tenant hereby affirms that Landlord is not and has not been in default of its obligations under the Lease and has complied with all of its obligations under the Lease as of the date hereof.

6. This Amendment shall be binding on, and inure to the benefit of, the parties hereto, their successors in interest, and assigns.

[SIGNATURE PAGE FOLLOWS]
EXECUTED as a sealed instrument on the day and year first above written.

WITNESS:

[Signature]

LANDLORD: ONE MEAR ROAD TRUST

By: [Signature]
Name: Vincent F. Barile
Title: Trustee

By: [Signature]
Name: Ronald J. Gillis, Jr.
Title: Trustee

TENANT: MASSMEDICUM CORP.

By: [Signature]
Name: James T. Kurnick, President and Treasurer

WITNESS:

[Signature]
EXHIBIT A

See attached plan Exhibit A-1 for description of Premises.
LEASE OUTLINE OPTION 4
32,680 SF

All measurements to outside of interior walls and columns.
Second Amendment to Lease
SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE (this "Amendment") is entered into this 30th day of October 2015, by and between the Trustees of the One Mear Road Trust w/dl dated November 2, 2012 ("Landlord"), and MassMedicum Corp. ("Tenant"). The Landlord and the Tenant are each hereinafter referred to as a "Party" and collectively the "Parties."

Recitals

A. The Parties have entered into a certain Lease dated August 27, 2014 regarding an area of a building known as and numbered One Mear Road, Holbrook, Massachusetts, as previously amended by a certain FIRST AMENDMENT TO LEASE dated February 27, 2015 (the "Lease").

B. The Landlord and Tenant wish to modify the Lease as herein provided.

Now therefore, for valuable consideration, receipt of which is acknowledged, Landlord and Tenant agree as follows:

1. The recitals above are incorporated herein.

2. Paragraph 2.3 of the Lease is deleted in its entirety and replaced with the following:

"2.3 EXTENSION OPTIONS: Provided that Tenant is not then in default of its obligations hereunder, Tenant shall have the right to extend the term of this Lease for up to two (2) successive extension periods. Each such extension period shall be for a period of five (5) years. The exercise of the first such five (5) year extension period ("First Extension") shall be a condition precedent to the exercise of the second five (5) year extension period ("Second Extension"). Tenant shall give Landlord no more than twelve (12) months but at least eight (8) months prior written notice of its intent to extend the term of this Lease under the First Extension or the Second Extension, as the case may be. At Landlord's option, failure to give such timely notice shall be an irrevocable waiver of these extension options without recourse. The Fixed Rent payable during such option periods shall be equal to the Fair Market Rent ("FMR") for the Premises, but in no event less than the Fixed Rent in the last year of the prior Lease Term and shall increase at a rate of five percent (5%) annually thereafter.

2.3.1 FMR shall be determined as follows: Landlord and Tenant shall attempt to agree on the then prevailing FMR within ten (10) days of Landlord's receipt of Tenant's notice of extension. In the event Landlord and Tenant cannot agree upon the then prevailing FMR, the Landlord may, at its sole option, elect to accept the rent payable for the last year of the prior Lease term as the FMR for purposes of such extension; absent such election by Landlord within thirty (30) days, the following procedure shall be followed: each will select an independent commercial real estate broker or appraiser with five or more years experience in the Canton, MA commercial rental market who will jointly determine the FMR. If the brokers or appraisers so selected cannot agree upon the FMR within forty-five (45) days of their selection, the brokers or appraisers so named shall select a third similarly qualified broker or appraiser and the decision as to the FMR of any two of such three brokers or appraisers so selected shall bind the parties. For purposes of this Lease, the "Fair Market Rent" of the Premises shall be the current fair market value for premises of comparable size, quality, age and location in the market area and the value of all concessions then being offered in the market for comparable space; in determining fair market value, the parties and the brokers or appraisers shall take into account the then condition of the Building; but shall not consider any specialty laboratory or similar non-office improvements built-out by Tenant at its expense. Notwithstanding anything to the contrary in the foregoing, the Parties agree that the FMR computed above shall be capped at an increase of three percent (3%) greater of the Fixed Rent for the last year of the prior Lease Term, with a minimum increase of ten percent (10%) greater than the Fixed Rent for the last year of the prior Lease Term.

2.3.2. With respect to the Second Extension, notwithstanding anything to the contrary in the foregoing, the Landlord or any subsequent owner of the Property may unilaterally revoke or void the Second
Extension above at any time prior to exercise of the Second Extension if: (i) the Landlord has sold the Property, and Landlord or such new owner notifies the Tenant that it elects to void such provision; or (ii) the Landlord has the Property under a binding or purchase and sales agreement at the time of any exercise of the Second Extension by Tenant; or (iii) if Landlord desires to sell the Property and Landlord elects to, at its sole option, offer the Tenant the opportunity to purchase the Property prior to the commencement of the Second Extension, at the same price that the Landlord intends to list the Property for sale (less 5% if no broker is involved or commission due on sale to Tenant) and the Tenant declines to purchase the Property based on such offer.

3. All other provisions of the Lease are hereby reaffirmed and remain in full force and effect and the Tenant hereby affirms that Landlord is not and has not been in default of its obligations under the Lease and has complied with all of its obligations under the Lease as of the date hereof.

4. This Amendment shall be binding on, and inure to the benefit of, the parties hereto, their successors in interest, and assigns.

[SIGNATURE PAGE FOLLOWS]
Addendum to Lease
ADDENDUM TO LEASE

WHEREAS, on or about August 27, 2014, Vincent F. Barletta and Ronald J. Gillis as Trustees of One Mear Road Trust u/d/t November 2, 2012 (“Landlord”) and MassMedicum Corp. (“Tenant”) entered into a Lease pursuant to which Tenant leased a portion of real estate known as One Mear Road, Holbrook, Massachusetts from Landlord (the Lease and subsequent amendments thereto are, collectively, the “Lease”); and

WHEREAS, Tenant is applying to the Commonwealth of Massachusetts Department of Public Health (“DPH”) to obtain a license to operate a Registered Marijuana Dispensary in Holbrook, Massachusetts under the Humanitarian Medical Use of Marijuana Act, Ch. 369 of the Acts of 2012 and seeks to assure DPH that in the event of a default under the Lease, Landlord will not seek remedies against marijuana, marijuana products, or a provisional or final Certificate of Registration issued by DPH;

Now therefore, the parties hereto agree as follows:

1. The Lease is hereby amended by adding the following Addendum to Lease to the Lease:

ADDENDUM

Notwithstanding any provision of this Lease, Landlord hereby agrees that Landlord’s rights and remedies following a default, breach, surrender or any other failure to perform under this Commercial Lease shall not include the seizure of assets protected by the Humanitarian Medical Use of Marijuana Act, Ch. 369 of the Acts of 2012 (the “Act”), i.e. any product containing any amount of marijuana. Landlord shall not be entitled to a repayment or remedy that provides Landlord inventory of Tenant that contains any amount of marijuana, in any form, whether flower or infused product. Landlord hereby forfeits any such remedy. In addition, Landlord hereby understands and agrees that a Certificate of Registration, whether provisional or final, is non-transferable, and may not be assigned or transferred without prior Department of Public Health approval. Landlord agrees that Tenant’s Certificate of Registration is not an asset that may be seized by Landlord or available as a remedy for Tenant’s default, breach or other failure to perform under this Lease.

Notwithstanding, the foregoing is to be interpreted such that the Landlord acknowledges waiver of such remedies only to the extent prohibited by the Act.

ONE MEAR ROAD TRUST u/d/t November 2, 2102

By: 
Ronald J. Gillis, Jr, Trustee
Duly authorized

By: 
Vincent F. Barletta, Trustee
Duly authorized
MASSMEDICUM CORP., LESSEE

By: [Signature]
Duly authorized
Attachments to Amherst Lease
Letter from Bank to Landlord Regarding Bank's Commitment to Release Mortgage on Amherst Premises
December 9, 2016

Mr. Richard Slobody  
Slobody Development Corp.  
916 South East Street  
Amherst, Ma 01002  

Re: Partial Release  

Dear Mr. Slobody:

This will confirm that pursuant to paragraph 4.3 of the Loan Agreement dated June 8, 2016 by and between PeoplesBank and Slobody Development Corp., the Bank will partially release from its mortgage dated June 8, 2016 and recorded in the Hampshire County Registry of Deeds in Book 12297, Page 1, a portion of the property more particularly described in Exhibit A attached to the Loan Agreement. Said property is to be leased to an entity for a medical marijuana facility.

Once you have obtained a plan subdividing the parcel, please forward it to the Bank and we will prepare and execute a partial release of that parcel.

If you have any further questions, please do not hesitate to contact me.

Very truly yours,

[Signature]

Stefanos A. Parastatidis  
Vice President  

SAP/leb