April 13, 2016

Massachusetts Department of Public Health
Medical Use of Marijuana Program
RMD Applications
99 Chauncy St., 11th FL
Boston, MA 02111

Re: Mass Medi-Spa Siting Profile 1 of 2 RFI Response

To Whom It May Concern:

In the following pages Mass Medi-Spa has provided responses to the questions received by the department on April 8th 2016.

We have also included the following documents:

- Exhibit A - Revised Lease Agreement
- Exhibit B - Norwell budget proposal from NEI General Contracting
- Exhibit C - Finance Agreement
- Exhibit D - License Agreement
- Exhibit E - Facilities Management Agreement
- Exhibit F - Consultancy Agreement
- Exhibit G - Memorandum of Understanding Addendum A
- Exhibit H - PhytoScience Institute proposal to perform a clinical study to determine the “EFFICACY OF CANNABIS FOR REDUCING OPIOID REQUIREMENTS IN SEVERE PAIN CONDITIONS”.

Should you have any questions or need any further information, please contact Jeffrey Roos at jeff@massmedispa.org or 551-689-5179.

Sincerely,

Jeffrey Roos
President & CEO
1. Neither the Lease nor the Memorandum of Understanding adequately describe the rent so as to be able to determine compliance with 105 CMR 725.100(A)(1) the Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance. Please submit additional information regarding proposed rent under the Lease.

**RESPONSE:**

The Lease as submitted described the proposed rent as:

*Years 1-20, the rental rate will be calculated to be the total of all costs to erect the turnkey building as set forth in the agreed budget which shall include costs of land, hard construction costs, contingencies used, and all soft costs, then multiplied by .18, the yearly rate at which rent will be paid. The monthly rent shall be the yearly rent divided by 12. In addition to rent, the LESSEE pay rent NNN + Utilities; Beginning in year 11, the rent escalation clause will be in place. Each year after year 10, rent will increase a total of 2%.*

Additional information regarding proposed rent:
To further clarify the proposed rent under the Lease, a revised Lease (Exhibit A) has been attached that references a Norwell budget proposal from NEI General Contracting (Exhibit B).

The rental rate is calculated to be the total of all costs to “erect the turnkey building”, times a factor of .18. As the project is still currently out to bid with multiple contractors, a specific dollar amount was not stated in the Lease.

*The proposed rent can be described more clearly using this cost estimate provided by NEI General Contracting:*

- Total cost estimate = $8,799,748
- \$8,799,748 \times .18 = \$1,583,954 \text{ (Yearly Rental Rate)}
- \$1,583,954 \div 12 \text{ months} = \$131,996 \text{ (Monthly Rent, not including utilities)}

2. In section 11 of the Lease, it is unclear whether the insurance policies recited comply with 105 CMR 725.105(Q), as there is no mention of the maximum deductible amount, annual nature of the policies, or product liability insurance. If the insurance policies identified in the lease are intended to be additional and separate from the insurance required in 105 CMR 725.105(Q), please submit the declarations page for the different policies. If the insurance policies identified in the lease are intended to be those required by 105 CMR 725.105(Q), please submit documentation demonstrating that the policies will comply fully with 105 CMR 725.105(Q).

**RESPONSE:**

The insurance policy identified in the Lease that is to be maintained by the Lessee is indeed intended to be the insurance policy required by 105CRM725.105 (Q). A revised section 11 of the Lease (Exhibit A) includes additional information regarding the maximum deductible amount, the annual nature of the policies, and the required product liability insurance, demonstrating that the policy will comply fully with 105 CRM 725.105(Q).
3. Sections 20 and 22 of the Lease calls for the Lessor, under certain circumstances, to re-possess the leased premises and any property therein. Only those authorized to possess marijuana for medical use pursuant to Ch. 369 of the Acts of 2012 and its implementing regulations, 105 CMR 725.000, et seq., are permitted to possess regulated assets, such as marijuana and marijuana-infused products, without being subject to law enforcement action. Please identify the provision(s) of the lease that safeguard regulated assets from seizure by the Lessor or other parties unauthorized to possess them.

**RESPONSE:**
The revised Lease (Exhibit A) now includes additional provisions and explicit disclaimers that will safeguard regulated assets from seizure by the Lessor or other parties unauthorized to possess them. Please note that the revised Lease has different section numbers than the document previously submitted.

4. Please clarify if there a relationship between Jeffrey and Christopher Roos such that they are related parties as described in the Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance.

**RESPONSE:**
Jeffrey Roos is a first cousin once removed of Christopher Roos. The Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance describes related parties as “an entity and its principal owners, management, or members of their immediate families”.

5. Please also clarify the amount of capital being contributed to the applicant organization by South Shore BioPharma, LLP and whether the entity is contributing at least 5%, or $45,000, of the initial capital of $900,000 that the applicant is required to demonstrate for its two applications. If so, the applicant must submit a Character and Competency Form, background check authorizations form and background check fee for South Shore BioPharma, LLP’s Chief Executive Officer/Executive Director and President/Chair of the Board of Directors.

**RESPONSE:**
South Shore BioPharma LLP is not contributing any of the $900,000 of the initial capital that Mass Medi-Spa is required to demonstrate having under its control for its two applications.

South Shore BioPharma LLP is an investment vehicle that will monetize its investment through operating loans and leases made to the non-profit at fair market value.

6. In addition to the agreements expressly described under Agreement Structure, the Memorandum of Understanding identifies construction management services. It is unclear whether such services are intended to fall under the agreements expressly described. If so, please identify which contract. If not, please provide a complete list of the agreements to be executed or submit the actual agreements for review. Such agreements must be submitted for review, as the Memorandum of Understanding does not provide a sufficient description of the terms to determine compliance with 105 CMR 725.100(A)(I) and the Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance.

**RESPONSE:**
Construction management services provided by South Shore BioPharma LLP are fee-based costs that are baked into the overall construction cost. These services are not intended to fall under the agreements expressly described.

Below is a complete list of the sub agreements to be executed, which have been submitted for review:

- Exhibit A - Revised Lease Agreement
- Exhibit C - Finance Agreement
- Exhibit D - License Agreement
- Exhibit E - Facilities Management Agreement
7. It is unclear whether the terms described under "Pre-Opening Plan" in the Memorandum of Understanding occur under the expressly described agreements. If so, please identify which agreement. If not, please provide a complete list of the agreements to be executed or submit the actual agreements for review. Please note that such agreements must be submitted for review, as the Memorandum of Understanding does not provide a sufficient description of the terms to determine compliance with I 05 CMR 725. 100(A)(I) and the Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance.

**RESPONSE:**
The terms of the "Pre-Opening Plan" are not intended to fall under the agreements expressly described.

Below is a complete list of the Sub agreements to be executed, which have been submitted for review:
- Exhibit A - Revised Lease Agreement
- Exhibit C - Finance Agreement
- Exhibit D - License Agreement
- Exhibit E - Facilities Management Agreement
- Exhibit F - Consultancy Agreement

8. The Memorandum of Understanding does not sufficiently describe the terms of the loan regarding security, but suggests that under certain circumstances, the lender may be able to seize assets of the applicant. Only those authorized to possess marijuana for medical use pursuant to Ch. 369 of the Acts of 2012 and its implementing regulations, 105 CMR 725.000, et seq., are permitted to possess regulated assets, such as marijuana and marijuana-infused products, without being subject to law enforcement action. Please submit additional information regarding provisions that safeguard regulated assets from seizure by the lender or other parties unauthorized to possess them.

**RESPONSE:**
Finance Agreement (Exhibit C) has been submitted for review that includes provisions and explicit disclaimers that safeguard regulated assets from seizure by the lender or other parties unauthorized to possess them.

9. The Memorandum of Understanding does not sufficiently describe the remedies available to the parties in the event of default for the License Agreement, Facilities Management Agreement, Consultancy Agreement, Development Services Agreement or any other agreements referenced so as to disclose measures to safeguard regulated assets from seizure by the contracting parties or other parties unauthorized to possess them. Please submit additional information regarding provisions that safeguard regulated assets from seizure by parties unauthorized to possess them.

**RESPONSE:**
Below is a complete list of the Sub agreements to be executed, which have been submitted for review:
- Exhibit A - Revised Lease Agreement
- Exhibit C - Finance Agreement
- Exhibit D - License Agreement
- Exhibit E - Facilities Management Agreement
- Exhibit F - Consultancy Agreement

All sub agreements include provisions and explicit disclaimers that safeguard regulated assets from seizure by the lender or other parties unauthorized to possess them.
10. Regarding each agreement described in the Memorandum of Understanding, please identify the mechanisms in place for the applicant to safeguard compliance with the Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance in the event that ongoing payments to a third party exceeds fair market value and are no longer commercially reasonable. In your response, please identify specific provisions in the documents (e.g. independent appraisals, applicable terminations clause).

**RESPONSE:**

Addendum A to the Memorandum of Understanding (Exhibit G) has been included for review that includes mechanisms for Mass Medi-Spa to safeguard compliance with the Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance in the event that ongoing payments to a third party exceeds fair market value and are no longer commercially reasonable.

The below disclaimer will also be included in every contract between Mass Medi-Spa and a third party: "In the event that Mass Medi-Spa’s independent board of directors deems a contract has exceeded fair market value and is no longer commercially reasonable, Mass Medi-Spa will provide an independent appraisal that said contract is not within the Regulations and shall be re-negotiated or terminated."

If required by the Department, Mass Medi-Spa is prepared to provide an independent legal opinion and/or appraisal to determine that a specific contract is in compliance with the Regulations.

11. The materials submitted in response to the Department’s letter dated March 10, 2016, did not include any information regarding the company providing the services described in the Memorandum of Understanding, South Shore BioPharma, LLP, and its experience in providing services to nonprofit organizations or medical use of marijuana organizations, particularly, but not limited to, the License Agreement and the Facilities Management Agreement. Please submit such information to the Department.

**RESPONSE:**

Information regarding South Shore BioPharma LLP's experience in providing services to nonprofit organizations or medical use of marijuana organizations, particularly, but not limited to, the License Agreement and the Facilities Management Agreement is provided below:

Christopher Roos (General Partner, South Shore BioPharma LLP):
Christopher has 23 years experience running a non-profit health insurance fund (Teamsters Local 1035 Health Insurance Plan with 42 months of reserves); 15 years running a non-profit Teamsters Local 1035 Scholarship Fund; 20 years experience as a Trustee of Tri-State Teamsters Joint Fund.

Kathleen C. Long (Project & Facilities Manager, South Shore BioPharma LLP):
Kathleen has 16 years of experience as a property management for Appleton Corporation (1 million+ sq ft of non-profit properties); 3 years experience as Interim Director of Realty at UMASS Memorial Medical (non-profit); 2+ years experience as Director of Security for Appleton Security Corporation securing commercial and residential facilities (inclusive of non-profit properties).

Steven Meilo (Master Grow Consultant, South Shore BioPharma LLP):
Steven has over 10 years of experience as a master cultivator of medical cannabis in California and is a caregiver for 20+ patients under the guidelines of Proposition 215. He has studied permaculture and advanced organic farming practices that allow him to consistently grow high quality medical cannabis. Steve also has a deep knowledge of plant genomics, which prompted him to start a seed company in California that provides patients with a wide variety of sought after strains. For the past 8 years Steve has setup and managed both indoor and outdoor grows on a large scale, using environmentally friendly techniques. He offers consulting services to newly launched medicinal cannabis businesses in Northern California, focusing on keeping his clients in compliance with the ever evolving state and local regulations.
Eric Kwaka (Head Organic Chemist, South Shore BioPharma LLP): Eric has a BA and MA in Organic Chemistry from the University of Scranton. In 2013 Eric launched Dyberry Forks LLC., developing a sustainable business model that connects farmers, patrons and the community through food and economics. Gross revenue exceeded $400,000 in 2015. Created 6 full-time jobs with a payroll of $170,000 in the first year. Dyberry Forks has brought significant local economic growth to Honesdale, PA through the business and by aiding 3 community-focused businesses to open in 2015. The total economic footprint of this movement is estimated to be $800,000.

PhytoScience Institute (PSI): South Shore BioPharma LLP is partnering with the Vermont-based PhytoScience Institute (PSI) in order to conduct a pilot clinical study on the efficacy of cannabis for reducing opioid requirements in severe pain conditions. PSI has experience working with the nonprofit organization Vermont Patients Alliance, and has conducting structured interviews of their 700+ medical cannabis patients.

PSI researchers, Drs. Kalev Freeman MD PhD and Monique McHenry PhD of the University of Vermont College of Medicine and William CatsBaril PhD, of the University of Vermont Grossman School of Business, are working in tandem with South Shore BioPharma to conduct the above mentioned clinical study, which is planned to commence in June 2016 covering a 12 month period.

Please see attached Exhibit H regarding South Shore BioPharma LLP and PSI’s plans for a pilot Clinical Study.
STANDARD FORM COMMERCIAL LEASE

By and Between

SOUTH SHORE BIOPHARMA LLP
LESSOR

And

MASS MEDI-SPA, INC.
LESSEE

1. PARTIES:

South Shore BioPharma LLP, hereinafter “SSBP”, as LESOR, which expression shall include heirs, successors and assigns where the context so admits, does hereby lease to Mass Medi-Spa, Inc., hereinafter “MMS”, or their designee or entities, LESSEE, which expression shall include successors, executors, administrators and assigns where the context so admits. The LESSEE hereby leases the following described premises:

2. PREMISES:

This single purpose building includes the land area and building of approximately 40,600 +/- square foot light industrial/commercial space located at lot 9, Corwainer Drive, in Norwell, Massachusetts, “Premises”. All plans specifications, building permits and other plans which comprise “building plans are to be incorporated in this section as if set forth herein and LESSOR shall deliver to LESSEE a building substantially completed as planned.

3. TERM:

Commencing October 1, 2016, or five days after the building receives an occupancy certificate if the building cannot be delivered by the 1st of October and for a term of Twenty (20) years through September 30, 2036.

3A. OCCUPANCY/LESSOR TO ACCOMMODATE EARLY ENTRY:

The LESSEE will be allowed access during times when construction is not yet completed assuming construction management can accommodate entry and inspection;
4. RENT:

The LESSEE shall pay to the LESSOR rent at the rate of:

Years 1-20, the rental rate will be calculated to be the total of all costs to erect the turnkey building as set forth in the agreed budget which shall include costs of land, hard construction costs, contingencies used, and all soft costs, then multiplied by .18, the yearly rate at which rent will be paid. The monthly rent shall be the yearly rent divided by 12. In addition to rent, the LESSEE pay rent NNN + Utilities; Beginning in year 11, the rent escalation clause will be in place. Each year after year 10, rent will increase a total of 2%.

The LESSEE acknowledges that this is a “triple net” lease pursuant to the above “NNN” designation and further that the LESSEE is responsible for the payment of any additional rent as defined in Paragraph 6 of this lease if applicable. Lessee will be provided an estimate of what the expected charges for taxes, water, sewer and insurance will be, and unless otherwise agreed, will pay all additional expenses as they arise.

The LESSEE has the option of deferring all of the first year’s rent and if the election is made to defer rental payments, the outstanding rental obligation will be added to the total budgeted cost to erect the building and the second year rent will be then determined by multiplying the new building cost number by .18. The monthly rent will be the total yearly rent divided by 12. See Addendum A for cost to turnkey and thus yearly rental rate.

All rent payments are due on or before the first day of each month, without offset or deduction for any reason whatsoever by the LESSEE unless deferred. In the event of any late payment (within 10 days) of rent or returned rent check for insufficient funds, LESSEE shall tender to the LESSOR an administrative fee equal to $250.00 and for each such occurrence.

4. A OPTION RENT AND/OR TERMS:

Rent rate to be determined. LESSEE shall have the option of extending the term 10 years.

5. SECURITY:

Waived.

6. RENT ADJUSTMENT:
LESSEE will reimburse LESSOR for any insurance the LESSOR purchases to maintain liability coverage on the building. The insurance reimbursement shall be reimbursed each year before the renewal rate for the next insurance cycle begins.
6. UTILITIES:

The LESSOR shall have no obligation to provide utilities or equipment other than the utilities and equipment within the premises as of the commencement date of this lease. In the event the LESSEE requires additional utilities or equipment, the installation and maintenance thereof shall be the LESSEE’S sole obligation, provided that such installation shall be subject to the LESSOR’S written consent, which shall not be unreasonably withheld conditioned or delayed.

The LESSOR shall not be liable for any interruption of electricity, gas, water, telephone, sewage, heat or other utility supplied to the premises.

7. OTHER EXPENSES: any other cost attributable to the building other than items for which the LESSOR is responsible are to be the responsibility of LESSEE.

8. USE OF LEASED PREMISES:

The LESSEE shall use the leased premises for a marijuana dispensary so long as the LESSEE maintains necessary licenses thereto. Lessor makes no representations as to permitting and/or final use of the premises other than that the premises are to be for legal purposes and compliant with all local and state ordinances and laws as enumerated herein.

9. COMPLAINECE WITH LAWS:

The LESSEE acknowledges that no trade or occupation shall be conducted in the leased premises or use made thereof which will be unlawful, or contrary to any municipal by-law or ordinance in force in the city or town in which the premises are situated. LESSOR warrants and represents that the permitted uses set forth in Paragraph 8 of this lease are allowed by all applicable laws. Unlawful means that the LESSEE shall comply with all laws relative to the use but that said use may be proscribed under federal laws.

10. INSURANCE

The LESSOR will maintain general liability insurance on the property for which LESSEE shall pay for as set forth in Paragraph 6 of this lease. The LESSEE shall not permit any use of the leased premises which will make violable any insurance on the property of which the leased premises are a part, or on the contents of said property or which shall be contrary to any law or regulation from time to time established by the New England Fire Insurance Rating Association, or any similar body succeeding to its powers. The LESSEE shall on demand reimburse the LESSOR for any extra insurance premiums caused by the LESSEE’S use of the premises.
Lessee shall also obtain and maintain at their expense a general liability insurance policy for no less than $1,000,000 per occurrence and $2,000,000 in aggregate, annually, and product liability insurance coverage for no less than $1,000,000 per occurrence and $2,000,000 in aggregate, annually. The deductible for both liability policies shall be no higher than $5,000 per occurrence.

11. MAINTENANCE:

A. LESSEES OBLIGATIONS:

The LESSEE agrees to maintain the interior of the lease premises in good condition, damage by fire and other casualty only excepted, and whenever necessary, to replace plate glass and other glass therein, acknowledging that the leased premises are now in good order and the glass whole.

The LESSEE shall not permit the leased premises to be overloaded, damaged, stripped or defaced, nor suffer any waster. The LESSEE shall keep the premises adequately heated for the protection of the plumbing therein. The LESSEE shall obtain the LESSOR’S consent before erecting any sign on the premises, which consent shall not be unreasonably withheld, conditioned or delayed. The LESSEE shall maintain and keep all such permitted signage in good condition and repair. The removal of snow and ice from the walkways and sidewalks adjacent to and bordering upon the leased premises shall be the LESSEE’S responsibility.

B. LESSOR’S OBLIGATIONS:

The LESSOR agrees to maintain the structure of the building including the roof and the main utilities to the premises, of which the leased premises are a part in the same condition as it is at the commencement of the term or as it may be put in during the term of this lease, reasonable wear and tear, damage by fire and other casualty only excepted, unless such maintenance is required because of the LESSEE or those for whose conduct the LESSEE is legally responsible.

12. ALTERATIONS/ADDITIONS:

The LESSEE shall not make structural alterations or additions to the leased remises, but may make non-structural alterations provided the LESSOR consents therein to writing, which consent shall not be unreasonably withheld or delayed. For all such LESSOR allowed alterations, LESSEE shall procure each license or permit required and perform such work in compliance with applicable local building and zoning regulations at LESSEE’S Expense, which work shall be in quality at least equal to the present construction. Any alterations or improvements made by the LESSEE shall become the property of the LESSOR at the termination of occupancy as provided herein, unless the
LESSOR shall agree in writing at or prior to the installation of such alterations and improvements that such items shall remain the property of the LESSEE.

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

13. ASSIGNMENT SUBLEASING:

The LESSEE shall not assign or sublet the whole or any part of the lease premises without LESSOR'S prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Notwithstanding such consent, LESSEE shall remain liable to LESSOR for the timely payment of all rent, including rent adjustments in Paragraph 6 of this lease. No consent by the LESSOR to an assignment or sublease shall be deemed to constitute consent to any future assignment or sublease.

14. SUBORDINATION:

The lease shall be subjected and subordinate to any and all mortgages, deeds of trust and other instruments in the nature of a mortgage, now or any time hereafter, a lien or liens on the property of which the leased premises are in part and the LESSEE shall, when requested, promptly execute and deliver such written instruments as shall be necessary to show the subordination of this lease to said mortgages, deeds of trust, or other instrument in the nature of a mortgage provided the LESSOR shall provide a subordination non-disturbance and atonement agreement from all existing and future mortgagees recognizing the rights and obligations of the LESSEE hereunder.

15. LESSOR'S ACCESS:

The LESSOR or the agent of the LESSOR may, at reasonable times, enter to view the leased premises and remove placards and signs not approved and affixed as herein provided on the building and make repairs and alterations as LESSOR should elect to do and may be shown the leased premises to others, and at any time within three (3) months before the expiration of the term, may affix to any suitable part of the leased premises a notice of letting or selling the leased premises or property of which the leased premises are apart and keep the same so affixed without hindrance or molestation. So long, as the affixation shall not hinder the reasonable operations of LESSEE. The LESSEE shall permit access to the space for reading of the utility meters. LESSOR may also access the premises without notice to LESSEE at any time in which exigent circumstances warrant immediate entry for inspection or repair. The parties agree that forty-eight (48) hours notice, verbal or written, is reasonable notice of the purpose of this lease. It is expressly
understood that landlord cannot access areas in which marijuana is present. Any inspections must be made visually from enclosed areas or by registered Dispensary agent.

16. INDEMNIFICATION AND LIABILITY:

The LESSEE shall save the LESSOR harmless and indemnified from all direct injury, loss, claims or damage whatsoever to any person or property in or about the demised premises arising from any act, omission or negligence of the part of the LESSEE or its employees, officer, directors, agents, subtenants, contractors, suppliers, licensees, invitees or customers; or claims/damages occasioned by the use or escape of water or by the bursting of pipes, resulting from neglect in not removing snow and ice from the walkways or sidewalks adjacent to or bordering upon the premises, or by any nuisance made or suffered on the leased premises. Upon written notice form the LESSOR, the LESSEE shall immediately take over the LESSOR’S defense in any action related to such matters for which the LESSEE has agreed to indemnify the LESSOR. In the event that the LESSEE fails to so indemnify and defend the LESSOR. The LESSOR shall be entitled to recover its costs, including reasonable attorney’s fees and insurance deductibles, for defending against such claims.

17. LESSEE’S LIABILITY:

The LESSOR and its employees, manager, agents, contractors or assigns, shall not be liable for any damages to the person or property of the LESSEE or its employees, officers, directors, agents, subtenants, contractors, suppliers, licensees, invitees or customers, except where such damage is attributable to the gross negligence or the LESSOR in the performance or failure to perform any of the obligations of the LESSOR under this lease. In any event, the LESSOR shall not under any circumstances be liable to the LESSEE for any injury, loss, claim or damage resulting from the interruption of business due to fire, explosion, utility failure, dampness, flooding, Act of God, hidden defects on the premises or acts or omissions of persons occupying adjacent premises.

18. FIRE CASUALTY EMIMENT DOMAIN:

Should a substantial portion of the leased premises or of the property of which they are a part, be substantially damaged by fire or other casualty or be taken by eminent domain, the LESSOR may elect to terminate this lease. When such fire, casualty, or taking renders the leased premises substantially unsuitable for their intended use, a just and proportionate abatement of rent shall be made, and the LESSEE may elect to terminate this lease i:

a) The LESSOR fails to give written notice within thirty (30) days of intention to restore leased premises, or;
b) The LESSOR fails to restore the leased premises to a condition substantially suitable for their intended use within sixty (60) days of said fire, casualty or taking.

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

19. DEFAULT AND BANKRUPTCY:

The LESSEE shall be considered in default under this lease as follows:

a) The LESSEE’S failure to timely pay when due any installments of rent, including LESSEE’S pro rata rent adjustment under Paragraph 6 of this lease, or other sum herein specified; or,

b) The LESSEE shall default in the observance or performance of any thereof the LESSEE’S covenants, agreements, or obligations hereunder which shall not be cured within ten (10) days after written notice theretofore, or such longer period as in the LESSOR’S sole discretion may be reasonable necessary to cure such default, provided the LESSEE is diligently pursuing such cure, but in no event longer than thirty (30) days without the LESSOR’S written consent; or,

c) The LESSEE shall be declared bankrupt or insolvent according to law, or, if any assignment shall be made of LESSEE’S property for the benefit of creditors; or

d) The dissolution of the LESSEE corporation, voluntarily or involuntarily.

Upon the LESSEE’S default, the LESSOR shall have the right thereafter, while such default continues, to re-enter and take complete possession of the leased premises, only after all regulated assets (such as marijuana and marijuana infused products) are completely removed from the leased premises by the LESSEE dispensary agents in full compliance with 105 CMR 725.105(B)(2).

Upon the LESSEE’S default, the LESSOR shall have the right thereafter, while such default continues to declare the term of this lease ended, and remove the LESSEE'S effects (only effects that are not regulated assets), without prejudice to any remedies which might be otherwise used for arrears of rent or other default.

However, due to the sensitivity of the product being manufactured, should the landlord wish to take possession due to a default, landlord shall provide 90 days from the date an execution issues in a court to allow the premises to be vacated in broom-clean condition.
The tenant shall present the landlord with a closure plan and the landlord shall not re-enter the premises until the 91st day after the right inures to the landlord or when the closure plan is duly approved by Mass DPH or when the premises is certified by a HAZ Mat company to being broom clean with all trace elements of marijuana removed.

Upon the LESSEE’S default, the LESSEE shall indemnify the LESSOR against all loss of rent, rent adjustments under Paragraph 6 of this lease and other payment which the LESSOR may incur by reason of such terminating during the residue of the term. The LESSEE shall also be liable for the LESSOR’S reasonable attorneys’ fees incurred for any reason related to LESSEE’S default, including court costs and reasonable attorneys’ fees for having to commence and prosecute eviction or other legal proceedings against the LESSEE, all reasonable expenses incurred by the LESSOR in attempting to re-let the premises or parts thereof (including advertisements, brokerage commissions costs of cleaning, repairing and preparing the premises for occupancy by a new tenant) and all of the LESSOR’S other reasonable expenditures necessitated by the terminating of this lease, including the costs of insuring the premises and storing LESSEE’S personal property.

If the LESSEE shall default in the observance or performance of any conditions or covenants on LESSEE’S part to be observed or performed under or by virtue of any of the provisions in any article of this lease, the LESSOR, without being under any obligation to do so and without thereby waiving such default, may remedy any expenditures or incur any obligations for the payment of money in connection therewith, including but not limited to, court costs and reasonable attorney’s fees in instituting, prosecuting, or defending any action or proceedings, such sums paid or obligations insures, with interest at the rate of eighteen percent (18%) per annum and costs, shall be paid to the LESSOR by the LESSEE as additional rent.

20. NOTICE:

Any notice from the LESSOR to the LESSEE relating to the lease premises or the occupancy thereof, shall be deemed duly serviced, if mailed certified mail, return receipt requested, to the leased premises, via facsimile/email to the LESSEE for which the LESSOR obtains a facsimile/email confirmation or served in hand upon any person in charge of the LESSEE at the premises. Any notice from the LESSEE to the LESSOR relating to the leased premises or to the occupancy thereof, shall be mailed certified mail return receipt requested, to LESSOR at 26 Feeding Hills MA. 01030. To the LESSEE, notice is to be sent in name of LESSEE at 84 Polpis Rd. Nantucket MA 02554.

21. SURRENDER & HOLDING OVER:

The LESSEE shall at the expiration or other termination of this lease remove all LESSEES’S goods and effects from the leased premises, (including without hereby limiting the generality of the foregoing all signs and lettering affixed or painted by the
LESSEE, either inside or outside the leased premises.) LESSEE shall deliver to the LESSOR the leased premises and all keys, locks thereto, and other fixtures connected therewith, and all alterations and additions made to our upon the leased premises, in good condition, damage by fire or other casualty only excepted. In the event of the LESSEE’S failure to remove any of LESSEE’S property from the premises, LESSOR is hereby authorized (but not obligated) to remove and store any of the property at LESSEE’S expense. Should the landlord wish to proceed under this paragraph, landlord shall follow the procedures outlined in paragraph 19.

In the event LESSEE remains in possession of the premises after the expiration of the term created hereunder and without the execution of a new lease, LESSEE, at the option of LESSOR, shall be deemed to be occupying the premises either as a Tenant at Sufferance of as a LESSEE from month to month, at a monthly rental equal to the sum of the monthly rent installment, plus 10% of base rent payable during the last month of the term and the LESSEE’S additional rent adjustment identified in Paragraph 6 of this lease. LESSEE shall not interpose any counterclaim(s) other than compulsory counterclaims, in summary proceedings or other action based n holdover.

22. BROKERAGE:

N/A

23. CONDITION OF PREMISES:

The LESSEE will take occupancy of the premises in “as is” condition with the exception of:

**Landlord:**

A) Landlord shall establish a punch list for all construction related items and shall cause said punch list to be reviewed by LESSEE and landlord shall construct, fix, reconstruct, or repair when reasonably necessary, all items identified on the punch list.

B) The tenant will identify all punch list items and after completion of same will be charged only for materials and not labor to complete the punch list. The costs will be added to the budget which is used as denominator in establishing rent amounts.

24. SIGNAGE:
The Lessee shall be responsible for all signage including placement and compliance with all Town of Norwell's ordinances.

25. ACCESS:

Lessee will have access to their leased space 24 hours a day, every day.

26. HAZARDOUS SUBSTANCES:

LESSEE agrees not to dump, flush or in any way introduce any hazardous substances or any other toxic substances into the septic, sewage or other waste disposal system serving the premises, nor to generate, store or dispose of hazardous substance in or on the premises or dispose of hazardous substances from the premises to any other location without the prior written consent of the landlord and then only in compliance with the resource Conservation and Recovery Act of 1986, as amended, 42 U.S.C. 8901 et seq., and all other applicable laws, ordinances and regulations; to notify LESSOR of any incident which would require the filing of a notice under applicable federal, state or local law; not to store or dispose of hazardous substances on the premises without first submitting to LESSOR; a list of all such hazardous substances and all permits required therefore and thereafter providing to LESSOR on an annual basis LESSEE'S certification that all such permits have been renewed with copies of such renewed permits; and to comply with all provisions of the lease between LESSOR and LESSEE and with the orders and regulations of all governmental authorities with respect to zoning, building, fire, health and other codes. “Hazardous substances” as used in this paragraph shall name “hazardous substances” as defined in the Comprehensive Environmental Response Compensation and Liability Act of 1980 as amended, 42 U.S.C., Section 9601, in M.G.L., C. 21C and 21E, as amended, and in regulations adopted pursuant to said Act.

LESSEE agrees to save, defend, hold harmless and indemnify LESSOR; with respect to the cost of all fines or penalties imposed by any governmental authority and the cost of any clean-up-activities that are necessary on the premises or the lot on which the premises are located (including attorney's fees) as a result of failure to comply with the provisions of this Paragraph 26. The foregoing indemnification shall be in addition to and shall not limit any other indemnifications contained in this lease and shall not reduce or limit LESSEE'S obligations under this paragraph 26.

27. PARKING:

Unreserved.

28. RUBBISH REMOVAL:
The LESSEE is responsible for their waste and rubbish removal and shall contract with a private waste disposal company for both trash and any grease and/or other food related waste. The LESSEE is responsible for all costs associated with the placement of a dumpster(s) on the premises (i.e., concrete pad if necessary) and must receive the LESSOR’S prior approval for the dumpster(s) location.

29. MISCELLANEOUS:

No consent or waiver, express or implied, by the LESSOR to or of any breach in the performance by the LESSEE under this lease shall be construed as a consent or waiver to any other breach by the LESSEE of the same or any other covenant or agreement. Failure on the part of the LESSOR to complain of any action or non-action on the part of the LESSEE or to declare the LESSEE in default, no matter how long such failure may continue, shall not be deemed to be a waiver by the LESSOR of any of its rights under this lease.

If any provision of this lease shall be to any extent deemed invalid or unenforceable, the remaining provisions this lease shall not be affected thereby and shall remain valid and enforceable to the fullest extent permitted by law.

The LESSEE acknowledges that other tenants of the LESSOR at the Premises are entitled to the quiet and peaceful enjoyment of their respective leased premises, and the LESSEE agrees that its employees, officers, directors, agents, subtenants, contractors, suppliers, licensees, invitees or customers shall not interfere or hinder the rights of other tenants to peacefully enjoy the premises.

This lease shall constitute the only agreement between the parties relative to the demised premises and no oral statements and no prior written matter not specifically incorporated herein shall be of any force and effect. In entering into this lease, the LESSEE relies solely upon the representations and agreements contained herein. The LESSEE further acknowledges that it has been afforded the opportunity to have legal counsel of its own selection review this lease and approve the terms and conditions hereof.

This lease shall not be modified except by a writing executed by both parties. This lease shall be governed and construed in accordance with the laws of the Commonwealth of Massachusetts, and any claim, action, suit or other proceeding initiated hereunder shall be brought in courts of competent jurisdiction located in Plymouth County, Massachusetts.

The LESSEE acknowledges that the LESSOR shall designate an LLC as the Landlord and it is specifically understood and agreed that there shall be no personal liability on the part of any manager, member, beneficiary, partner, trustee or shareholder of the LESSOR
arising out of any damages suffered by the LESSEE or its employees, officers, directors, agents subtenants, contractors, suppliers, licensees, invitees or customers; or for any breach of the lease by the LESSOR.

The LESSEE and LESSOR acknowledge that the party(ies) executing this lease have been duly authorized to act on behalf of the LESSEE and LESSOR respectively pursuant to a binding corporate vote, bylaw provision or management agreement.

IN WITNESS WHEREOF, the said parties hereunto set their hands and seals this __________ day of February, 2016.

______________________________    _________________________
LESSEE: Mass Medi-Spa, Inc.        Date:
By its President Jeffrey Roos                        :

______________________________    _________________________
LESSOR: South Shore BioPharma, LLP       Date:
By it’s General Partner Christopher Roos

DISCLAIMER: In the event of a breach of this lease agreement, it is expressly understood that no “Regulated Assets” (ie: marijuana, marijuana infused products, supplies or equipment that may contain traces of marijuana) are to be seized, attached, or liened in order to secure a payment of damages. In the event of a default or breach the Lessee shall follow all requirements as stated in the regulations including 105 CMR 725.105(O), 105 CMR 725.105(J), and will maintain all records as required by 105 CMR 725.105(I)(7).
ADDENDUM A

The total budget presented for a turn-key build out of the facility is $8,799,748. The rent per month is calculated at .18% of the total building cost.

The yearly base rent in year one as per the lease is $1,583,955 yearly or $131,996.22 monthly.
## Project Overview

<table>
<thead>
<tr>
<th>Area</th>
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<tbody>
<tr>
<td>1st Floor</td>
<td>20,077</td>
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<tr>
<td>2nd Floor</td>
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<td><strong>TOTALS</strong></td>
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## Budget Estimate

<table>
<thead>
<tr>
<th>Spec Section</th>
<th>Description</th>
<th>Cost/sf</th>
<th>Totals</th>
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<td>Division 1</td>
<td>Police Details/Temporary Protection/Safety</td>
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<td>Division 2</td>
<td>Earthwork</td>
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<td>Exterior Improvements</td>
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<td>Utilities</td>
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<td>Landscaping</td>
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<td>Fencing</td>
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<td>Division 3</td>
<td>Concrete</td>
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<tr>
<td>Division 4</td>
<td>Masonry</td>
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<tr>
<td>Division 5</td>
<td>Structural Steel</td>
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<tr>
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<td>Miscellaneous Metals</td>
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<tr>
<td>Division 6</td>
<td>Rough Carpentry</td>
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<td>Finish Carpentry</td>
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<tr>
<td>Division 7</td>
<td>Waterproofing</td>
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<tr>
<td></td>
<td>Insulation - In roofing, drywall and metal panel system</td>
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<tr>
<td></td>
<td>Metal Panels</td>
<td>$362,502</td>
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<td>Roofing &amp; Tapered Insulation</td>
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<td>Caulking</td>
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<td>Division 8</td>
<td>Doors/Frames/Hardware</td>
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<td>Access Doors &amp; Frames</td>
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<td></td>
<td>Overhead doors</td>
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<tr>
<td></td>
<td>Aluminum Entrances &amp; Storefront</td>
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<td>Glass &amp; Glazing</td>
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<td>Division 9</td>
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<td>Acoustical Ceilings</td>
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<td>Flooring</td>
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<td>Toilet Accessories</td>
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<td>Safety Specialties</td>
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<td>Entrance Grilles and Floor Mats</td>
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<td>Division 11</td>
<td>Appliances</td>
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<td>Division 12</td>
<td>Manufactured Wood Casework</td>
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<td>Division 13</td>
<td>Clean Room &amp; Cooler</td>
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<td>Division 14</td>
<td>Freight Elevator</td>
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<td>Division 21</td>
<td>Fire Suppression</td>
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<td>Division 23</td>
<td>HVAC</td>
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<td>Division 26</td>
<td>Electrical</td>
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<td>Division 28</td>
<td>Security/Surveillance</td>
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<tr>
<td><strong>SUBTOTAL</strong></td>
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<table>
<thead>
<tr>
<th>Item</th>
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<tbody>
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<td>GC's</td>
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<td>Overhead</td>
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<tr>
<td>Profit</td>
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<tr>
<td>Contingency</td>
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<td>Bonds</td>
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<td>Insurance</td>
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<td>Permit Fee</td>
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| **TOTAL**     | $8,799,748 |

Cost Per SF $218.03