

VICENTE SEDERBERG

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RECEIVED
JAN 19 2018

January 17, 2018

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

RECEIVED
JAN 19 2018
DEPARTMENT OF PUBLIC HEALTH
99 CHAUNCEY STREET
BOSTON, MA 02111

Re: Siting Profile of Phytotherapy, Inc. (Application 1 of 1)

To Whom It May Concern:

On behalf of Phytotherapy, Inc. ("Phytotherapy"), please find enclosed a completed and executed Siting Profile, as well as the following supporting documents:

1. An executed lease with respect to the property at 25 Newbury Street, Peabody, MA;
2. An independent appraisal identifying the market rent for 25 Newbury Street, Peabody, MA;
3. A letter of non-opposition from the City of Peabody;
4. An accepted and executed offer to purchase the property at 215 Crawford Street, Fitchburg, MA, along with an accompanying nomination nominating Phytotherapy as the buyer under such accepted offer to purchase;
5. A letter of non-opposition from the City of Fitchburg;
6. A proposed loan agreement between Phytotherapy and Alex Athanas;
7. An independent legal opinion with respect to the proposed loan agreement between Phytotherapy and Alex Athanas; and
8. Updated responses to questions C12 and C14 on Phytotherapy's Management and Operations Profile.

Thank you for your attention to this matter.

Sincerely,



Jeremy M. Shaw, Esq.



CHARLES D. BAKER
Governor

KARYN E. POLITO
Lieutenant Governor

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

MARYLOU SUDDERS
Secretary

MONICA BHAREL, MD, MPH
Commissioner

SITING PROFILE:

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

Tel: 617-660-5370

www.mass.gov/medicalmarijuana

INSTRUCTIONS

This application form is to be completed by a non-profit corporation or domestic business 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 ("Department") to submit a *Siting Profile* ("applicant").

If invited by the Department to submit more than one *Siting Profile*, the applicant 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 labeled or marked so as to identify the question to which it relates.

Each submitted application must be a complete, collated response, printed single-sided on 8 ½" x 11" paper, 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 or updates to the submitted application materials are needed. The Department will notify the applicant whether it has met the standards necessary to receive a Provisional Certificate of Registration.

PROVISIONAL CERTIFICATE OF REGISTRATION

Applicants must receive a Provisional Certificate of Registration from the Department within 1 year of the date of the invitation letter from the Department to submit a *Siting Profile*. If the applicant does not meet this deadline, the application will be considered to have expired. Should the applicant wish to proceed with obtaining a Certificate of Registration, a new application must be submitted, beginning with an *Applicant of Intent*, together with the associated fee.

REGULATIONS

For complete information regarding registration of an RMD, please refer to 105 CMR 725.100, as well as materials posted on the Medical Use of Marijuana Program website: www.mass.gov/medicalmarijuana.

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).

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
- ☒ Evidence of interest in property, by location (as outlined in Section B)
- ☒ Letter(s) of support or non-opposition (as outlined in Section C)

SECTION A: APPLICANT INFORMATION

1. Phytotherapy, Inc.
Legal name of Applicant Corporation
2. 25 Newbury Street, Peabody, MA 01960
Mailing address of Applicant Corporation (Street, City/Town, Zip Code)
3. Pritesh Kumar
Applicant Corporation's point of contact (name of person Department should contact regarding this application)
4. (716) 400-5274
Point of contact's telephone number
5. pk@phytosciences.com
Point of contact's e-mail address
6. Number of applications: How many *Siting Profiles* does the applicant intend to submit? 1

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	25 Newbury Street, Peabody, MA 01960	Essex
2	Cultivation	215 Crawford Street, Fitchburg, MA 01420	Worcester
3	Processing	215 Crawford Street, Fitchburg, MA 01420	Worcester

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

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: AA

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. The letter must be dated on or after the date that the applicant's Application of Intent was received by the Department.

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 applicant corporation] 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 applicant corporation] to operate a Registered Marijuana Dispensary ("RMD") 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 applicant 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.

The proposed dispensing facility at 25 Newbury Street, Peabody, MA is located in the BR-1 Zoning District, where such use is permitted by special permit. As is noted in the letter of non-opposition provided by the City of Peabody, the proposed dispensing facility complies with local zoning requirements.

The proposed cultivation and processing facility at 215 Crawford Street, Fitchburg, MA is located in the Industrial Zone, where such use is permitted by special permit. As is noted in the letter of non-opposition provided by the City of Fitchburg, the proposed cultivation and processing facility complies with local zoning requirements.

Phytotherapy will obtain all applicable permits, approvals, and certificates for build-out and operations at the properties. Upon completion of construction at the facilities, Phytotherapy will obtain certificates of occupancy.

Phytotherapy will ensure that the facility meets local fire and electrical codes, and will coordinate with local law enforcement to ensure that Phytotherapy's security plan meets or exceeds DPH and local requirements.

Phytotherapy has retained regulatory counsel to ensure compliance with 105 CMR 725.00.

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: 01/01/2018

Fiscal Year	FIRST FULL FISCAL YEAR PROJECTIONS <u>2018</u>	SECOND FULL FISCAL YEAR PROJECTIONS <u>2019</u>	THIRD FULL FISCAL YEAR PROJECTIONS <u>2020</u>
Projected Revenue	\$ 840,000.00	\$ 4,290,000.00	\$ 4,680,000.00
Projected Expenses	\$ 4,654,200.00	\$ 1,049,200.00	\$ 949,200.00
VARIANCE:	-\$ 3,814,200.00	\$ 3,240,800.00	\$ 3,730,800.00
Number of unique patients for the year	<u>600</u>	<u>1,100</u>	<u>1,300</u>
Number of patient visits for the year	<u>4,800</u>	<u>26,400</u>	<u>31,200</u>
Projected % of patient growth rate annually	---	<u>83.0</u>	<u>20.0</u>
Estimated purchased ounces per visit	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>
Estimated cost per ounce	<u>\$ 350.00</u>	<u>\$ 325.00</u>	<u>\$ 300.00</u>
Total FTEs in staffing	<u>20</u>	<u>25</u>	<u>30</u>
Total marijuana for medical use inventory for the year (in lbs.)	<u>163</u>	<u>863</u>	<u>1022</u>
Total marijuana for medical use sold for the year (in lbs)	<u>150</u>	<u>825</u>	<u>975</u>
Total marijuana for medical use left for roll over (in lbs.)	<u>13</u>	<u>38</u>	<u>47</u>

Projected date the RMD plans to open: 08/01/2018

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**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(B)(3)(m) and 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, understand the obligations of the Applicant under the Certification of Assurance of Compliance: ADA and Non-Discrimination Based on Disability, and agree and attest that the Applicant will comply with those obligations as stated in the Certification.


Signature of Authorized Signatory

Alexander Athanas
Print Name of Authorized Signatory

President
Title of Authorized Signatory

01/11/2018
Date Signed

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ATTESTATIONS

Signed under the pains and penalties of perjury, I, the authorized signatory for the applicant, agree and attest that all information included in this application is complete and accurate and that I have an ongoing obligation to submit updated information to the Department if the information presented within this application has changed.

01/11/2018

Signature of Authorized Signatory

Date Signed

Alexander Athanas

Print Name of Authorized Signatory

President

Title of Authorized Signatory

I, the authorized signatory for the applicant, hereby attest that the applicant has notified the chief administrative officer and the chief of police of the proposed city or town in which the RMD would be sited, as well as the sheriff of the applicable county, of the intent to submit a *Management and Operations Profile* and a *Siting Profile*.

01/11/2018

Signature of Authorized Signatory

Date Signed

Alexander Athanas

Print Name of Authorized Signatory

President

Title of Authorized Signatory

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Application 1 of 1

Applicant Corporation Phytotherapy, Inc.

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


Signature of Authorized Signatory

01/11/2018
Date Signed

Alexander Athanas
Print Name of Authorized Signatory

President
Title of Authorized Signatory

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COMMERCIAL LEASE AGREEMENT

This Lease Agreement (the "**Lease**") made and entered into this 1st day of September 2017 by and between **Kouzin 7, LLC**, a limited liability company with a primary address of 990 Paradise Road, Swampscott, MA (the "**Landlord**") and **Phytotherapy, Inc.**, a non-profit corporation with a primary address of 25 Newbury Street, Peabody, MA (the "**Tenant**").

WHEREAS, Landlord is the fee owner of that certain property consisting of a **4,860 +/-** SF commercial building situated in **Essex** County, at **25 Newbury Street, Peabody, MA** (the "**Premises**").

WHEREAS, Landlord desires to lease the Premises to Tenant upon the terms and conditions as contained herein; and

WHEREAS, Tenant desires to lease the Premises from Landlord on the terms and conditions as contained herein.

NOW, THEREFORE, for and in consideration of the covenants and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. **TERM.** Landlord leases to Tenant and Tenant leases from Landlord the Premises for a term of five (5) years (the "**Initial Term**"), beginning on March, 1st 2018 (the "**Commencement Date**") and ending at 12 o'clock midnight on February 28, 2023. Provided there is no currently occurring default pursuant to Section 18, Tenant shall have a five (5) year Option to Renew pursuant to Section 3. The Initial Term and any renewal thereof shall collectively be referred to as the "**Term**."
2. **RENT.** The annual base rent for the Initial Term is ONE HUNDRED AND TWENTY THOUSAND UNITED STATES DOLLARS (\$120,000.00 USD) per year, payable in advance in equal installments of TEN THOUSAND UNITED STATES DOLLARS (\$10,000.00 USD) per month. Such monthly payments are due on the first day of each month of the Initial Term, beginning on the Commencement Date.
3. **OPTION TO RENEW.** Tenant shall have an option to renew the lease term by providing written notice to Landlord at least three (3) months prior to the expiration of the Initial Term that Tenant intends to renew the lease for an additional five (5) year term (the "**Renewal Term**"). The annual base rent for the Renewal Term is ONE HUNDRED AND TWENTY-SIX THOUSAND UNITED STATES DOLLARS (\$126,000.00 USD) per year, payable in advance in equal installments of TEN THOUSAND FIVE HUNDRED UNITED STATES DOLLARS (\$10,500.00 USD) per month. Such monthly payments are due on the first day of each month of the Renewal Term.
4. **SECURITY DEPOSIT.** Upon the execution of this Lease, the Tenant shall pay to the Landlord the amount of TWENTY THOUSAND UNITED STATES DOLLARS (\$20,000.00 USD), which shall be held as a security for the Tenant's performance as herein provided and refunded to the Tenant at the end of this lease, without interest, subject to the Tenant's

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satisfactory compliance with the conditions hereof.

5. **USE OF PREMISES.** The Premises shall be used and occupied by Tenant to dispense marijuana as a Registered Marijuana Dispensary (“RMD”) pursuant to the laws and regulations of the Commonwealth of Massachusetts, including 105 CMR 725.000 *et seq.* and any other lawful purpose under state and local law. Tenant shall comply with any and all laws, regulations, ordinances, approval, rules and orders of any and all state and local governmental authorities affecting the use, cleanliness, occupancy and preservation of the Premises.
6. **EARLY TERMINATION.** Tenant shall be free to terminate this Lease upon written notice to the Landlord and shall no longer be obligated to pay any rent or termination fees in the event that: (i) Tenant is unable to obtain a final Certificate of Registration with the Commonwealth of Massachusetts to operate an RMD, (ii) Tenant’s Certificate of Registration to operate an RMD is revoked, or (iii) federal law enforcement priorities change such that an RMD cannot operate at the premises.
7. **DELIVERY OF PREMISES.** Landlord shall deliver the Premises “As Is,” however the Landlord, at all times, shall ensure that the Premises has fire sprinklers, plumbing, electrical, water and sewer and roofing in good working order so as to pass all applicable Town inspections for occupancy.
8. **RENOVATIONS AND IMPROVEMENTS.** Tenant shall be responsible for contracting and paying for any build-out, renovations, and improvements. Tenant is free to alter or modify the Premises for Tenant’s intended use in its sole and absolute discretion. Any and all alterations, changes, and/or improvements built into or made a permanent part of the Premises shall, unless otherwise provided by written agreement between Landlord and Tenant, be and become the property of Landlord and remain on the Premises at the expiration or earlier termination of this Lease. Any non-permanent fixtures, equipment or improvements shall remain the property of the Tenant.
9. **MAINTENANCE AND REPAIR.** Tenant will, at its sole expense, keep and maintain the Premises and appurtenances in good and sanitary condition and repair during the term of this Lease; subject to reasonable wear and tear. Tenant is responsible during the Term for all expenses related to temporary upkeep, such as removal of trash, snow and ice and exterior landscaping, and for maintenance of the interior of the Premises including but not limited to cleaning the Premises, locksmith requirements, repair and/or replacement of any and all fixtures and equipment. Landlord is responsible for all structural and permanent building maintenance, including window and glazing replacement, HVAC, fire sprinkler, plumbing, electrical, water and sewer, and roofing.
10. **ASSIGNMENT AND SUBLETTING.** Tenant is allowed to assign, or transfer this Lease or to make a sublease of any portion of the Premises. Tenant shall, at Landlord’s requires, reimburse Landlord promptly for reasonable expenses actually incurred by Landlord, if any, in connection with such sublease or assignment. Tenant shall no longer have any liability to the Landlord if this Lease is assigned in whole or the entire Premises is sublet to a third-party.

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11. **UTILITIES; TAXES.** Tenant shall be responsible for arranging for and paying for all utilities which are furnished to, and separately metered or designated for the Premises, including electrical, gas, water, sewer, trash, recycling, alarm, telephone, internet, cable, snow removal and landscaping. Tenant shall pay all property taxes and any municipal fees for the Premises.
12. **DAMAGE; EMINENT DOMAIN.** In the event the Premises is taken by eminent domain or is destroyed or rendered wholly untenable by fire, storm, earthquake, or other casualty not caused by the negligence of Tenant, this Lease shall automatically terminate and the Tenant shall no longer have any rental payment obligation or other obligations not yet accrued. The Tenant shall owe any rent up to the time of such damage or destruction of the Premises not yet paid. Should a material portion of the Premises be damaged or rendered untenable by fire, storm, earthquake, or other casualty not caused by the negligence of Tenant, the Tenant shall have the option to either require the Landlord to repair such damaged portion or terminate the Lease, at which point the Tenant shall no longer have any rental payment obligation or other obligations not yet accrued. In the event that Tenant chooses to have Landlord repair such untenable portion, the rent shall be abated in the proportion that the damaged parts bears to the whole Premises, and such part so damaged shall be restored by Landlord as speedily as practicable, after which the full rent shall recommence and the Lease continue according to its terms. In the event that a non-material portion of the Premises or the common areas serving or facilitating the Premises is destroyed, damaged or rendered untenable (other than through the actions of Tenant), the Tenant shall have the right to a reasonable abatement of rent and Landlord shall repair such untenable portion as speedily as practicable.
13. **LANDLORD ACCESS.** Upon twenty-four (24) hours' notice to the Tenant, Landlord and Landlord's agents shall have the right to enter the Premises at reasonable times for the purpose of inspecting the Premises and all buildings and improvements thereof and for the purposes of making any repairs, additions or alterations as may be deemed appropriate by Landlord for the preservation of the Premises or the building. Landlord shall not interfere with the operations of the Tenant's business or make an unreasonable number of inspections of the Premises. In exercising its right of access pursuant to this Section 13, Landlord shall comply with Chapter 369 of the Acts of 2012, 105 CMR 725.000 *et seq.*, and all other applicable laws and regulations.
14. **SUBORDINATION OF LEASE.** This Lease shall be subject and subordinate to any and all mortgages, deeds of trust and other instruments in the nature of a mortgage, now or at any time hereafter, a lien or liens on the property of which the Premises are a part and the Tenant 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.
15. **SURRENDER OF REMEDIES.** Upon the expiration of the Term, Tenant shall surrender the Premises in as good a state and condition as they were at the commencement of this Lease, reasonable use and wear and tear thereof and damages by the elements excepted. Tenant shall remove any of Tenant's equipment, goods and personal property from the Premises prior to the expiration of the Term.

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16. **QUIET ENJOYMENT.** Tenant, upon Tenant's observance of all rules and regulations, and Lease terms, shall and may peacefully and quietly have, hold and enjoy said Premises during the Term.
17. **INDEMNIFICATION.** Except for matters arising from or relating to Landlord's negligence or misconduct, Landlord shall not be liable for any damage or injury of or to the Tenant, Tenant's family, guests, invitees, agents or employees or to any person entering the Premises. Tenant hereby agrees to indemnify, defend and hold Landlord harmless from any and all claims or assertions as a result of Tenant's fault, neglect or misconduct.
18. **DEFAULT.** If Tenant fails to pay rent when due and the non-payment continues for ten (10) days after notice thereof from Landlord, it shall constitute a default, and Landlord may, at Landlord's option, charge a late fee equal to one and a half percent (1.5%) of the rent payment due. If such default continues for more than thirty (30) days, the Landlord may immediately terminate the Lease and may pursue all rights and remedies available to Landlord at law or in equity. If Tenant declares bankruptcy or fails to comply with any of the other material provisions of this Lease, other than the covenant to pay rent, and fails to correct such action within thirty (30) days after delivery of written notice by Landlord specifying the non-compliance, Tenant is in default and Landlord may terminate this Lease. Notwithstanding the foregoing, Landlord shall be required in a commercially reasonable manner to mitigate its damages hereunder, including taking all commercially reasonable steps necessary to re-let the Premises, and any rent received by the Landlord through such re-letting shall be offset against the duties and obligations of the Tenant hereunder.
19. **ABANDONMENT.** If Tenant ceases operations or abandons the Premises for more than sixty (60) days, Landlord may, at Landlord's option, obtain possession of the Premises in the manner provided by law. Landlord may, at Landlord's discretion, as agent for Tenant, re-let the Premises and may receive and collect all rent payable by virtue of such re-letting. Tenant shall be liable for any difference between the rent that would have been payable under this Lease during the balance of the unexpired Term and the rent for such period realized by Landlord by means of such re-letting.
20. **FORCE MAJEURE.** In the event that there is damage to the Premises by any reason or cause reasonably beyond the control of Landlord or Tenant which renders the Premises, or any appurtenance thereto, inoperable or unfit for Tenant's occupancy or use, Tenant shall not be liable for any delays resulting from Landlord's inability to obtain materials or labor or other matters to make the necessary repairs to the Premises to render it operable and fit for Tenant's occupancy and use. Tenant shall be relieved of paying rent and other charges during any portion of the Lease that the Premises inoperable or unfit for Tenant's occupancy or use. Rent and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Tenant. If Landlord is unable to make the necessary repairs to the Premises to render it operable and fit for Tenant's use within ninety (90) days following the occurrence of the damage, Tenant shall have the right to terminate the Lease by providing written notice to terminate to the Landlord and Tenant shall have no further obligations hereunder.

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21. **LIMITATION OF REMEDIES.** Notwithstanding anything in this Lease to the contrary, the Landlord hereby agrees that Landlord's rights and remedies in this Lease, including any remedies for a default, shall not include the seizure of any assets protected by the Humanitarian Medical Use of Marijuana Act, Ch. 369 of the Acts of 2012, i.e. any product containing any amount of marijuana. The Landlord shall not be entitled to a repayment or remedy that provides to Landlord inventory of Tenant that contains any amount of marijuana, in any form, whether flower or infused product. The Landlord hereby forfeits any such remedy. In addition, Landlord hereby understands and agrees that a Certificate of Registration, whether provisional or final, is non-transferrable, and may not be assigned or transferred without prior approval from the DPH. Landlord agrees that Tenant's Certificate of Registration is not an asset that is available as a remedy for Tenant's default under this Lease, and hereby expressly waives any such remedy.
22. **RECORDING OF LEASE.** Tenant shall have the right to record this Lease as a Notice of Lease subject to the terms of this Lease and compliant with the Landlord's Lenders' requirements.
23. **GOVERNING LAW.** This Lease shall be governed, construed and interpreted by, through and under the Laws of the Commonwealth of Massachusetts without reference to any conflict of laws principles that would cause the application of laws of any jurisdiction other than the Commonwealth of Massachusetts.
24. **SEVERABILITY.** If any provision of this Lease or the application thereof shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this Lease nor the application of the provision to other persons, entities or circumstances shall be affected thereby, but instead shall be enforced to the maximum extent permitted by law.
25. **BINDING EFFECT.** The covenants, obligations and conditions herein contained shall be binding on and inure to the benefit of the heirs, legal representatives, and assigns of the Landlord and Tenant
26. **DESCRIPTIVE HEADINGS.** The descriptive headings used herein are for convenience of reference only and they are not intended to have any effect whatsoever in determining the rights or obligations of the Landlord or Tenant.
27. **CONSTRUCTION.** The pronouns used herein shall include, where appropriate, either gender or both, singular and plural.
28. **NON-WAIVER.** No indulgence, waiver, election or non-election by Landlord under this Lease shall affect Tenant's duties and liabilities hereunder.
29. **FEES.** Each party shall be responsible for its own legal, advisory and miscellaneous expenses associated with the completion of this Lease.
30. **MODIFICATION.** This Lease shall not be modified, changed, altered or amended in any way except through a written amendment signed by Landlord and Tenant.

VS Draft 8/31/17

Privileged & Confidential

31. **AMENDMENT.** The Parties may amend this Lease at any time by written mutual agreement.
32. **NOTICE.** Any notice required or permitted under this Lease or pursuant to state law shall be deemed sufficiently given or served if hand delivered, sent via overnight delivery or sent via certified mail, return receipt requested. Notice shall be effective: (a) if personally delivered, when delivered; (b) if by overnight delivery, the day after delivery thereof to a reputable overnight courier service, delivery charges prepaid; and (c) if mailed, at midnight on the third business day after deposit in the mail, postage prepaid. Notices sent by mail or overnight courier shall be sent to:
- If to Tenant: The address of the Premises
 - If to Landlord: To Landlord's primary address noted above.
33. **APPROVAL.** The terms of this Lease shall be subject to approval by the DPH or any successor administrative body, and in the event that the DPH or its successor requires amendments, this Lease shall be amended as required and to reflect the intent of the parties.

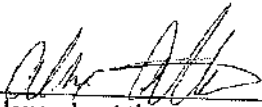
[SIGNATURE PAGE FOLLOWS]

* * * * *

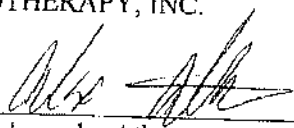
VS Draft 8/31/17
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IN WITNESS WHEREOF, the parties hereunto set their hands and seals as of the date first set forth above.

LANDLORD:
KOUZIN 7, LLC

By: 
Name: Alexander Athanas
Title: Manager

TENANT:
PHYTOTHERAPY, INC.

By: 
Name: Alexander Athanas
Title: President

Phytotherapy, Inc.

Application 1 of 1

Section B: Cultivation and Processing

THE
STUBBLEBINE
COMPANY



November 27, 2017

Mrs. Linda Johnson, Trustee
Pine Tree Realty Trust
215 Crawford Street
Fitchburg, MA 01420

RE: Offer to purchase 215 Crawford St., Fitchburg MA

Dear Mrs. Johnson:

I have been authorized by the Alex Athanas to submit the following Offer to purchase the subject property pursuant to the following terms and conditions:

BUYER: Alex Athanas or Nominee ("Buyer")
SELLERS: Linda Johnson, Trustee ("Seller")
PROPERTY: 215 Crawford St., Fitchburg MA: 11,340 sq. ft. +/- on 2.14 acres of industrial land
PURCHASE PRICE: \$795,000 at closing for the named property of which:

- A. "Option period": Upon execution of this agreement, \$10,000 deposit will be paid by the Buyer to the Seller's Attorney. Said deposit shall be refunded to Buyer in the event that a Letter of Non-Opposition from the City of Fitchburg is not obtained by Buyer within 10 days of the execution of this Offer. If said Letter of Non-Opposition is obtained within 10 days of the execution of this agreement, then such money shall be considered non-refundable and will be paid over to the Seller as an Option payment and credited towards the purchase price at closing. This shall hold the property off the market for 30 days from the date this agreement is signed by the Seller. Should Buyer require additional time to obtain a Letter of Non opposition, the Buyer shall be permitted up to four (4) additional thirty (30) day "Option Periods" by paying the Seller \$7,000 per 30 day period. Said Option period payments shall be non --

One Cranberry Hill
Lexington, Massachusetts 02421
Phone (781) 862-6168
Fax (781) 862-6212

Page 1 of 4

THE
STUBBLEBINE
COMPANY



refundable but credited towards the purchase price at closing.

- B. The balance of the purchase price will be paid at closing in cash, certified, cashier's, treasurer's, bank check or wire transfer at the time of delivery of the deed.

**PURCHASE AND SALE
AGREEMENT:**

Buyer's and Seller's obligation to proceed is subject to the full execution of a mutually acceptable Purchase and Sale Agreement which shall be completed within forty - five (45) days from the execution of this agreement. The Purchase and Sale Agreement and all other requisite documents will incorporate the terms and conditions set forth herein and others typical of a transaction of this type. Buyer shall pay \$29,750 "refundable deposit" upon execution of the purchase and sales agreement.

DUE DILIGENCE:

The Buyer shall complete the due diligence during the option period(s). At any time during the Due Diligence Period, in Buyer's sole and absolute discretion, if the Buyer desires to terminate said Offer, and so notifies the Seller in writing, then the Offer shall be terminated and thereby be null and void without any further recourse between the parties hereto. All Due Diligence related costs will be the sole responsibility of the Buyer.

In the event that the Buyer terminates the Agreement pursuant to the terms specified herein, the Buyer will promptly convey all Due Diligence materials collected by Buyer to the Seller for the Seller's future use.

CLOSING:

A closing shall occur within seven (7) days from the end of the Due Diligence Period. At closing Seller agrees to deliver the Property in "broom-clean" condition and the Property will be delivered vacant with no tenants or occupants.

**AVAILABLE
INFORMATION:**

Upon the execution of the Purchase & Sale Agreement, Seller shall provide Buyer with any pertinent information in Seller's possession pertaining to the property.

THE
STUBBLEBINE
COMPANY



TITLE:

Title will be delivered in good and clear, record and marketable condition, free and clear of all liens and encumbrances other than those existing as of the date of the execution of the Purchase and Sale agreement and not objected to by Purchaser during the Due Diligence Period. The Seller is or has been aware of a release and or threat of a release of hazardous material pursuant to M.G.L. c. 21E for which MassDEP has assigned a Release Tracking Number "RTN2-0016589". If the Parties enter into a Purchase and Sale Agreement for the premises, the Seller will make available to Buyer copies of all environmental reports submitted to DEP in connection with the premises of which Seller has actual knowledge.

BROKERS:

Seller and Buyer warrant that no brokers were involved in this transaction other than The Stubblebine Company. The Stubblebine Company is representing the Buyer in this transaction. The Seller will pay a fee to broker at closing to broker of 5% of the sale price.

\$39,750.00

EXPENSES:

Buyer and Seller shall be responsible for their own legal, advisory and other miscellaneous expenses associated with this transaction.

If the terms and conditions of this Offer are acceptable to you, please execute the document in the space provided below and return the executed document to the undersigned by Wednesday, December 13, 2017 at 4:00 p.m. EST.

Sincerely,

James Stubblebine

As authorized agent for the Buyer

The above terms and conditions are AGREED TO AND ACCEPTED:

By: Authorized Agent for the Seller

Signature:

Date: 12/16/17

One Cranberry Hill
Lexington, Massachusetts 02421
Phone (781) 862-6168
Fax (781) 862-6212

Page 3 of 4

THE
STUBBLERINE
COMPANY



Name:

Alex Athanas

Title:

Owner/manager Phytotherapy Inc.

The above terms and conditions are Agreed to and Accepted:

By: Authorized Representative for the Seller

Linda Johnson, Trustee

Date: December 21, 2017

NOMINATION PURSUANT TO ACCEPTED OFFER TO PURCHASE

Whereas, Alex Athanas delivered an offer to purchase (the "Offer to Purchase") the property known as 215 Crawford Street, Fitchburg, MA (the "Property") to the owner thereof (the "Seller") on November 27, 2017;

Whereas, such offer to Purchase designated the buyer of the Property to be Alex Athanas or his nominee;

Whereas, the Seller accepted the Offer to Purchase on December 21, 2017, thereby giving Alex Athanas or his nominee a binding interest in the Property; and

Whereas, Alex Athanas wishes to nominate Phytotherapy, Inc., a Massachusetts non-profit corporation ("Phytotherapy"), as his nominee under the Offer to Purchase;

Now, therefore, for and in consideration of the covenants and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:


- I. Nomination. Alex Athanas hereby nominates Phytotherapy to be his nominee under the Option to Purchase, thereby assigning to Phytotherapy the binding interest in the Property and all other rights, interests, and obligations contained in the Offer to Purchase.
- II. Governing Law

This nomination shall be governed, construed, and interpreted by, through and under the Laws of the Commonwealth of Massachusetts.

[Signature page follows]

In witness whereof, the parties hereunto set their hands and seals as of the date first set forth above.

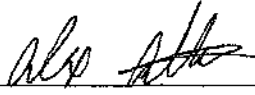
ALEX ATHANAS



Alex Athanas

Dated: 1/11/18

PHYTOTHERAPY, INC.



By: Alex Athanas
Its: President

Dated: 1/11/18



Ward Councillors

Jon G. Turco, Ward 1
Peter M. McGinn, Ward 2
James Moutsoulas, Ward 3
Edward R. Charest, Ward 4
Joel D. Saslaw, Ward 5
Barry C. Sinewitz, Ward 6

Councillors at Large

Michael V. Garabedian
Thomas L. Gould
David C. Gravel
Anne M. Manning-Martin
Thomas P. Walsh

Clerk of Council
Timothy E. Spanos

**City Council
Stenographer**
Allyson Danforth, RPR

City Hall
24 Lowell Street

978-538-5900
FAX (978) 538-5985

PEABODY CITY COUNCIL

November 13, 2017

LETTER OF NON-OPPOSITION REGISTERED MARIJUANA DISPENSARY

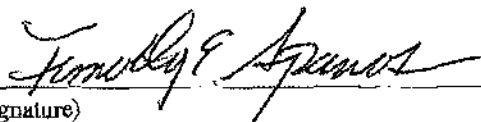
TO WHOM IT MAY CONCERN:

The Peabody City Council, does hereby provide non-opposition to Phytotherapy, Inc. to operate a Registered Marijuana Dispensary in the City of Peabody. I have been authorized to provide this letter on behalf of the Peabody City Council by a vote taken at a duly noticed meeting held on November 9, 2017.

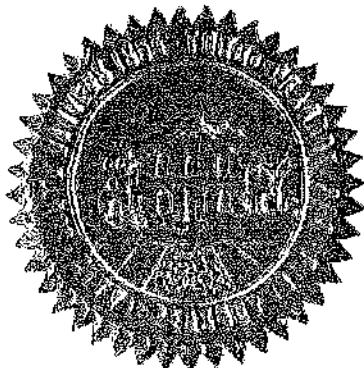
The Peabody City Council has verified with the appropriate local officials that the proposed RMD facility is located in a zoning district that allows such use by right or pursuant to local permitting.

Timothy E. Spanos
City Clerk

(Name & Title of person authorized to act on behalf of the Peabody City Council)


(Signature)

November 13, 2017





The City of Fitchburg
Massachusetts
OFFICE OF THE MAYOR

STEPHEN L. DINATALE
MAYOR

166 BOULDER DRIVE
FITCHBURG, MA 01420
TEL. (978) 829-1801

AARON TOURIGNY
CHIEF OF STAFF

ATOURIGNY@FITCHBURGMA.GOV

JOAN DAVID
ADMINISTRATIVE AIDE
IDAVID@FITCHBURGMA.GOV

January 15, 2018

Phyto Therapy, Inc.
Mr. Alex Athanas
25 Newbury Street
Peabody, MA 01960

Dear Mr. Athanas,

I Stephen, L. DiNatale, Mayor of the City of Fitchburg, do hereby provide this letter of non-opposition to Phyto Therapy, Inc. to operate a Registered Medical Marijuana Dispensary (RMD) facility in the City of Fitchburg, MA.

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.

Respectfully yours,

Stephen L. DiNatale, Mayor City of Fitchburg

1/15/18
Date

Application 1 of 1

Applicant Non-Profit Corporation _____

12. Please identify any agreements or contracts, executed or proposed, in which the applicant will engage in a Related Party Transaction and summarize the terms of each such agreement.

Alexander Athanas is a Member, Director, President and Capital Contributor of Phytotherapy, Inc. ("Phytotherapy"). It is expected that Phytotherapy will execute a loan agreement with Mr. Athanas for all funds provided to the RMD. A copy of this proposed loan agreement and an accompanying independent legal opinion demonstrating compliance with the non-profit requirements of Ch. 369 of the Acts of 2012, the regulations at 105 CMR 725.000 and the DPH's "Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance" has been provided to the DPH.

Alexander Athanas is a Member, Director, President and Capital Contributor of Phytotherapy, Inc. ("Phytotherapy"). Mr. Athanas is also the Manager of Kouzin 7, LLC, Phytotherapy's landlord at one of their properties. A copy of the lease between Phytotherapy and Kouzin 7, LLC and an accompanying independent appraisal demonstrating compliance with the non-profit requirements of Ch. 369 of the Acts of 2012, the regulations at 105 CMR 725.000 and the DPH's "Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance" has been provided to the DPH.

Application 1 of 1

Applicant Non-Profit Corporation _____

14. Please identify whether any members of the Board of Directors are serving as officials, executives, corporate members or board members for any management company, investor or other third party proposed to contract or otherwise conduct business with the proposed RMD.

Alex Athanas is a member of the Board of Directors of Phytotherapy and is also the Manager of Kouzin 7, LLC, a third party that has executed a lease with Phytotherapy.