

November 30, 2016

Department of Public Health  
Medical Use of Marijuana Program  
RMD Applications  
99 Chauncy Street, 11<sup>th</sup> Floor  
Boston, MA 02111  
Attn: Interim Bureau Director Eric Sheehan, J.D.

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

**Re:   Siting Profile – Holistic Industries, Inc.  
      Updated Section C of *Management and Operations Profile* and Legal Opinion  
      Regarding Compliance of Related Party Transaction**

Dear Director Sheehan:

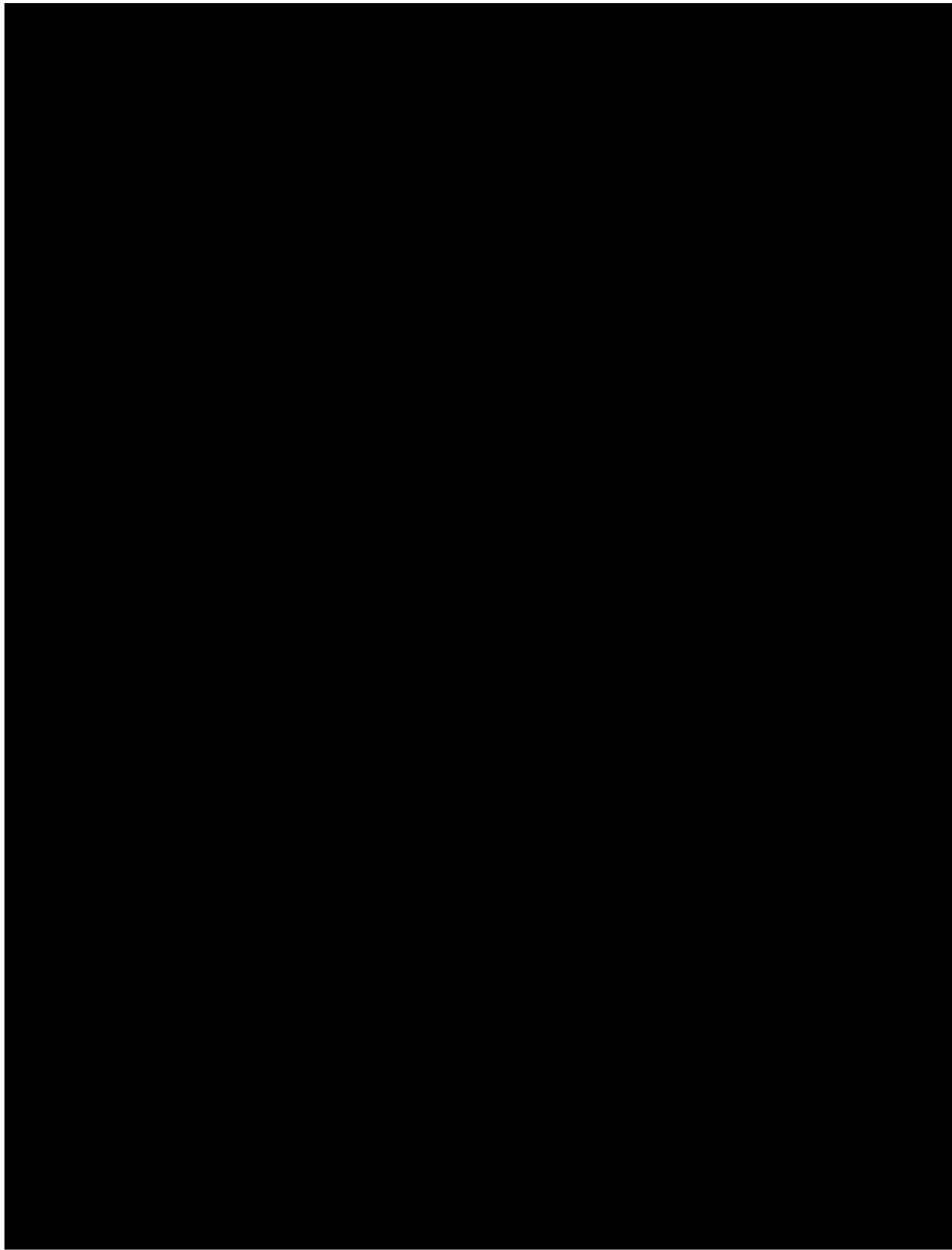
In response to the Department of Public Health's (the "Department") Request for Information dated November 18, 2016, Holistic Industries submits the following information and documents to facilitate the Department's evaluation of the company's *Siting Profile* (Application 1 of 3), originally submitted early October of 2016:

1. Enclosed with this letter, please find "Exhibit A" of the previously submitted Somerville dispensary property lease.
2. As requested by the Department, we have updated Section C, Question 12 of the *Management and Operations Profile* (Application 1 of 3) to include information pertaining to the lease transaction with 3G Management LLC for the Monson cultivation/processing facility property. The revised Section C, Question 12 is enclosed with this letter.
3. Based on the advice and counsel of our local attorneys, Bonin & Marashian PC, Holistic Industries Inc. has negotiated and executed the First Amendment to Commercial Lease amending the annual rent of the existing lease with 3G Management LLC to more accurately reflect fair market rental rates. Enclosed with this letter is the Bonin & Marashian PC independent legal opinion that our lease agreement, as amended, with 3G Management LLC is in compliance with the non-profit requirements of 105 CMR 725.100(A)(1) and the Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance. Also included in the enclosure (as an attachment to the independent legal opinion) is a complete copy of the aforementioned First Amendment to Commercial Lease for your review.

If the Department requires any further clarification or information, please contact us by telephone at [REDACTED] Again, thank you for your consideration.

Sincerely,

[REDACTED]  
[REDACTED]  
[REDACTED]



Application 1 of 3

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.

First, Holistic Industries has entered loan agreements with: (1) Holistic Remedies LLC (contributor of a majority of the initial capital required for RMD operations) and (2) Richard Genderson and Staci Walkes, husband and wife (contributors for remaining amount of initial capital required for RMD operations). The loan agreements contain commercially reasonable terms and only involve compensation at fair market value.

The applicant has previously provided an independent legal opinion that the above-mentioned loan agreements comply with the Regulations.

Second, Holistic Industries has entered a lease agreement for a RMD cultivation/processing facility location in Monson, MA with property owner 3G Management LLC whose directors include related parties. Notably, all lease terms, as amended, are commercially reasonable and the annual rent amounts reflect fair market rental rates (as determined by an independent real estate appraiser).

Holistic Industries has recently obtained (and provided to the DPH) an independent legal opinion that the above-mentioned lease agreement, as amended, complies with the requirements of 105 CMR 725.100(A)(1) and the Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance.