

# City of Boston and Mayflower Medicinals, Inc.

## HOST COMMUNITY AGREEMENT

This Host Community Agreement (“Agreement”) is made and entered into on the 13<sup>th</sup> day of July, 2018, by and between the City of Boston, Massachusetts (“City” or “Boston”) and Mayflower Medicinals, Inc. (“Company”) and (collectively the “Parties”).

WHEREAS, the Company wishes to operate a licensed Medical Marijuana Treatment Center, by receipt of a license from the Commonwealth of Massachusetts’ Department of Public Health (“DPH”) to operate a Registered Marijuana Dispensary (“RMD”) at one location within the City, in accordance with 105 CMR 725 et seq;

WHEREAS, The Parties understand and acknowledge that the Company intends to locate and operate as a Registered Marijuana Dispensary at 230 Harvard Avenue, Allston, Massachusetts 02134;

WHEREAS, The Company has received a letter of non-opposition from the City in connection with the siting and operation of the RMD at 230 Harvard Avenue, Allston, Massachusetts 02134;

and

WHEREAS, the Company endeavors to function as a responsible corporate citizen and contributing member of the business community as it builds and sustains its business in the City;

NOW THEREFORE, in consideration of the provisions of this Agreement, the Company and the City agree to the following:

1. Definitions. As used in this agreement, terms shall have the following meaning:
  - a. Marijuana Establishment means a Medical Marijuana Treatment Center, Registered Marijuana Dispensary, Marijuana Cultivator, Craft Marijuana Cooperative, Marijuana Product Manufacturer, Marijuana Retailer, Independent Testing Laboratory, Marijuana Research Facility, Marijuana Transporter, or any other type of licensed marijuana-related establishment seeking to conduct business within the City.
  - b. Gross Sales Revenue means the total revenue actually derived from cultivation, manufacturing, processing and/or sales of marijuana and marijuana related products at the Marijuana Establishment.
  - c. Fiscal Year means a period of days running from January 1<sup>st</sup> until and through December 31<sup>st</sup> of the same year.
  - d. Commencement Date means the date the Company commences sales at its Marijuana Establishment.

2. Payment. In the event that the Company obtains a license from the DPH for the operation of a Marijuana Establishment in the City and the Company receives any and all necessary and required permits and licenses issuable by the City, which said permits and/or licenses allow the company to locate, occupy and operate the Marijuana Establishment, the Company shall pay the City the following amounts:

- a. The Company shall make Quarterly Payments equal to three percent (3%) of gross sales revenue to be paid within thirty (30) days after the end of the fiscal year for a period of five (5) years following the commencement date. The parties agree that this fee is reasonably related to the costs imposed upon the City by the operation of the Marijuana Establishment.
- b. With regard to any year of operation for the Company which is not a full calendar year, the applicable Quarterly Payment shall be pro-rated accordingly.

3. Obligations of the City. The City shall work cooperatively and in good faith with the Company as the Company progresses through the City's permitting process. Further, the City shall support the Company's application to the Department of Public Health for a Registered Marijuana Dispensary License. Such support shall be in the form of a letter of non-opposition, and in any other manner that the City, within its sole discretion, may deem lawful and appropriate.

This Agreement does not affect, limit, or control the authority of any City department, including boards and commissions, to carry out their respective duties in deciding whether to issue or deny any necessary local permits or licenses pursuant to state or local law, ordinance, or regulation. By entering into this Agreement the City is not required to issue such permits or licenses.

All rights and obligations under this Agreement are expressly conditioned upon the Company's receipt of a Final Certificate allowing the operation of a RMD Dispensary within the City, and upon Company obtaining all local approvals. If Company fails to secure a Final Certificate, or any of the required local approvals aforementioned, this Agreement shall be null and void.

4. Property Taxes. The Company and the City acknowledge that this Agreement does not alter the application of G. L. c. 59 to the buildings that house the Marijuana Establishment. Without changing the foregoing, however, the Company agrees that in no event will it apply for an exemption from taxes based on a non-profit status.

5. Term and Termination: This agreement shall take effect on the above written date, subject to the contingencies noted herein. This agreement shall continue in effect for so long as the Company operates the Medical Marijuana Treatment Center within the City, or five (5) years from the commencement date, whichever is earlier. At the conclusion of the term of this agreement, the Parties shall renegotiate a new Host Community Agreement in accordance with the prevailing regulations and laws as such regulations may be amended or replaced. If the

Company seeks to change its business operations to include recreational marijuana retail operations at its site, the Company agrees to comply with the established City process relative to a cannabis related establishment, including but not limited to, notice to abutters, a community outreach meeting and to renegotiate a new Host Community Agreement. In the event that the Company no longer does business in the City or in any way loses or has its license revoked by the Commonwealth, this agreement shall become null and void; however, the Company will be responsible for the pro-rated portion of the Quarterly Payment due as under section 2 above.

6. Appropriation. The purpose of this agreement is to assist the City in addressing the costs imposed upon the City by the operation of the Marijuana Establishment. Notwithstanding the foregoing sentence, the City is under no obligation to use the Quarterly Payments in any particular manner.

7. Security. The Company shall maintain security at the Marijuana Establishment in accordance with the security plan presented to the City and included as part of an application to the Department of Public Health. Said security plan shall take into account the unique operational concerns particular to the Marijuana Establishment at the proposed location as well as all applicable laws and regulations.

8. Signage. The Company will limit signage for the Marijuana Establishment to the extent that such signage is inconsistent with applicable statutes and regulations, and to the extent that such signage is inconsistent with the look and character of the surrounding area and/or injurious to the neighborhood.

9. Hours of Operation. The Company agrees to the following operating hours: Monday through Saturday 9am-7 pm and Sundays from 11am-6pm. The Company agrees to not operate on legal holidays of the Commonwealth of Massachusetts, as established by the Secretary of State's Office, or Suffolk County holidays.

10. To the extent that such a practice and its implementation are consistent with federal and state laws and regulations, the Company will work in a good faith, legal and nondiscriminatory manner to give reasonable preference in the hiring of employees for the Medical Treatment Center to qualified Boston residents.

11. The terms of this Agreement will not constitute a waiver of the City's regulatory authority or of the Company's applicant responsibilities not otherwise addressed by this Agreement.

12. Events of Default. The Company shall be deemed to have committed an event of default if any of the following occur:

- a. The Company fails to obtain, and maintain in good standing, all necessary local licenses and permits for the Marijuana Establishment, provided that the Company is able to exercise all available rights and due-process for maintaining in good standing said licenses and permits;

- b. The Company ceases to operate a Medical Marijuana Treatment Center at its proposed location or seeks to include recreational marijuana retail sales as part of its operations without notifying the City; and
- c. The Company fails to make payments to City as required under this Agreement, and such failure remains uncured with reasonable written notice from the City for thirty (30) days.

13. In the event that the Department of Public Health suspends or revokes the Company's Registered Marijuana Dispensary license, the City may also declare an event of default and terminate this Agreement. The Company shall be required to pay any amounts due upon the termination date; such amount to be determined by the period of operation of the Marijuana Establishment within the city.

14. The City may terminate this Agreement upon the occurrence of any event of default.

15. Termination for Cause. The City may terminate this Agreement for cause at any time by giving at least thirty (30) days' notice, in writing, to the Company. Cause is defined as the Company's purposeful or negligent violation of any applicable laws of the Commonwealth, or local ordinances and regulations, with respect to the operation of a Marijuana Establishment in the City of Boston. Notwithstanding the above, the Company shall not be relieved of liability to the City for damages sustained by the City for personal injury or property damage by virtue of any termination of the Agreement.

16. This Agreement is not intended to, nor shall it be construed to, create any rights in any third parties.

17. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. All legal disputes shall be resolved in the Courts of the Commonwealth of Massachusetts and the Company submits to the jurisdiction of the Trial Court for Suffolk County for the adjudication of disputes arising out of this Agreement.

18. Assignment. Neither party may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other party; provided, however, that a pledge or assignment of assets, revenues, profits or receivables required in connection with financing the business by the Company shall not be considered an assignment for the purposes of this paragraph.

19. Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be contrary to law, that provision will be enforced to the maximum extent permissible and the remaining provisions of this Agreement will remain in full force and effect, unless to do so would result in either party not receiving the benefit of its bargain.

20. Headings. Section headings in this Agreement are inserted for convenience of reference only and shall in no way affect, modify, define or be used in construing the text of the Agreement.

Where the context requires, all singular words in the Agreement shall be construed to include the masculine and feminine forms of such words.

21. Modifications. Modifications to this Agreement may be effective only if made in writing and signed by both Parties.

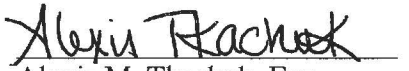
22. State Regulation. Upon the transfer of powers and duties from the Department of Public Health (“DPH”) to the Cannabis Control Commission (“CCC”) to oversee the licensure and oversight of Registered Marijuana Dispensaries, the terms of this Agreement referencing DPH shall also apply to the CCC.


23. Additional Items. (i) the Company agrees to install security cameras in and around the business; (ii) there will be no benches or social gathering areas in or around the business.

This Agreement shall be binding upon and shall inure to the benefit of the Parties, their respective heirs, executors, administrators and assigns.

**CITY OF BOSTON**

**MAYFLOWER MEDICINALS, INC.**

  
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Alexis M. Tkachuk, Esq.  
Director of Emerging Industries

  
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By: John Henderson  
Title: CEO