

HOST COMMUNITY AGREEMENT

Between City of Medford, Massachusetts and Sanctuary Medicinals, Inc.

This Host Community Agreement ("HCA") is entered into this 27th day of June, 2022, by and between the City of Medford, a Massachusetts municipal corporation duly organized under the laws of the Commonwealth of Massachusetts, acting through its Mayor (the "MAYOR") with an address of 85 George P. Hassett Drive, Medford, MA, Massachusetts (the "CITY"), and Sanctuary Medicinals, Inc., a Massachusetts corporation with a principal place of business at 234 Taylor Street, Littleton, MA ("LICENSEE" and, together with the CITY, herein referred to as the "PARTIES," and each of them being individually referred to as a "PARTY").

This HCA represents the understanding between the CITY and LICENSEE with respect to development of a tract of land with improvements located at Riverside Avenue, Medford, MA (the "PROPERTY") for use as an adult use marijuana retailer (the "FACILITY").

RECITALS

WHEREAS, G.L. Chapter 94G, Section 3, and the regulations issued thereunder, require that CITY and LICENSEE execute an agreement setting forth the conditions for operation of the FACILITY that must include, but not be limited to, all stipulations of responsibilities between the host community and the marijuana establishment; and

WHEREAS, the LICENSEE intends and agrees to pay all local taxes attributable to its operations, including real and personal property taxes, notwithstanding any exempt status to which it might otherwise be entitled; and

WHEREAS, the LICENSEE desires to be responsible corporate citizens and contributing members of the business community of the CITY, and in the event the contingencies noted below are met, intends to provide certain benefits to the CITY over and above the increased employment base and other typical economic development benefits attributable to similar new businesses locating in the CITY; and

WHEREAS, the PARTIES agree and acknowledge that the CITY has identified certain concerns with respect to the impact of the FACILITY, which the Parties hereby stipulate are likely to cause the CITY to incur particular additional expenses and impacts on the CITY arising from the FACILITY that may include, but are not limited to additional responses to activity from the CITY's Police Department; added traffic control and/or parking measures and expenses and impacts on the CITY's roads; and expenditure of resources for additional fire protection services, inspectional and permitting services, public health services and abuse prevention efforts, as well as additional unforeseen impacts; and

WHEREAS, LICENSEE and the CITY have a mutual interest in the long-term sustainable development of both the LICENSEE's FACILITY and the economic growth of the CITY; and

WHEREAS, the PARTIES stipulate that the Community Payments set forth in this Agreement address costs reasonably related to the LICENSEE's operations within the CITY pursuant to applicable Massachusetts law and regulations, including but not limited to 935 CMR 500 and G.L. c.94G, § 3(d).

WHEREAS, the PARTIES intend to enter into this HCA as a means of memorializing their obligations with respect to the redevelopment of the PROPERTY, mitigation of the impacts of the FACILITY, as well as their intention to collaborate to the fullest extent possible to ensure the proposed improvements and operations occur efficiently and in a manner that will benefit the CITY:

NOW, THEREFORE, in consideration of the mutual promises of the PARTIES contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the PARTIES hereby agree as set forth herein.

1. REPRESENTATIONS. The PARTIES respectively represent and warrant that:
 - a. Each is duly organized and existing and in good standing, has the full power, authority, and legal right to enter into and perform this HCA, and the execution, delivery and performance hereof and thereof (i) will not violate any judgment, order, state law, bylaw, or regulation, and (ii) do not conflict with, or constitute a default under, any agreement or instrument to which either is a party or by which either party may be bound or affected; and
 - b. This HCA has been duly authorized, executed and delivered and constitutes legal, valid and binding obligations of each party, enforceable in accordance with its terms, and there is no action, suit, or proceeding pending, or, to the knowledge of either party, threatened against or affecting wither wherein an unfavorable decision, ruling or finding would materially adversely affect the performance of any obligations hereunder, except as otherwise specifically noted in this HCA.
 - c. LICENSEE further agrees that it will make best efforts to abide by all representations and commitments regarding the construction and operation of the FACILITY as contained in its application materials submitted to the CITY's Cannabis Advisory Committee ("CAC") on or about April 29, 2021, and all supplementary materials thereafter submitted to the CAC, except insofar as such representations and commitments are inconsistent with any provision hereof.
2. LOCAL PERMITS. LICENSEE agrees and recognizes it is required to obtain all local permits required pursuant to Massachusetts Law and the CITY's Ordinances and regulations. LICENSEE shall be required to pay the reasonable and customary costs of the employment by CITY boards and/or officials of outside consultants, including without limitation, engineers, architects, scientists and attorneys required to review the application for such local permits required to operate the FACILITY.

3. LOCAL HIRING AND VENDORS. LICENSEE is committed to creating a non-discriminatory workplace and a welcoming work environment. LICENSEE is also committed to being a good neighbor to the CITY.

- a. Employment. Therefore, where allowed by Federal, State and Municipal laws and regulations, a “Local Labor Hiring Preference” shall exist for all residents of the CITY applying for employment by LICENSEE at the FACILITY. Within the confines of the law, and all other factors being equal, LICENSEE shall reasonably seek to employ CITY residents before considering other candidates for open positions. In addition, to the extent such practice and its implementation are consistent with federal, state and municipal laws and regulations, LICENSEE shall use best faith efforts to ensure that:
- at least seventy-five percent (75%) of the employees of the FACILITY are CITY residents
 - at least fifty percent (50%) of the employees of the FACILITY are women
 - at least thirty-five percent (35%) of the employees of the FACILITY are people of color and
 - at least five percent (5%) of the employees of the FACILITY are veterans.
 - 100% of employees are at least one of the following: Medford residents, minorities, women, veterans, people with disabilities, individuals that identify as part of the LGBTQ community or individuals with criminal records.

Prior to opening and hiring any new employees for the FACILITY, LICENSEE shall advertise and hold at least one hiring event for CITY residents, at which it will review its hiring needs and explain to attendees the process by which they may seek to be hired in connection with the FACILITY. Said hiring event shall take place at the PROPERTY or such other location in the CITY as may be approved by the MAYOR, such approval not to be unreasonably withheld or delayed.

Thirty days after opening to the public, and annually thereafter, LICENSEE shall provide to the MAYOR a hiring report. Said report shall include the full and part-time employment levels for the FACILITY as of the beginning of each month during the reporting period and the proportion of CITY residents, women, people of color and veterans in each category of employment. The LICENSEE shall furnish the CITY with such further information and documentation as the CITY may reasonably request to support and document compliance with this HCA.

- b. Vendors. To the fullest extent allowed by law, LICENSEE will use best faith efforts in a legal and non-discriminatory manner to give priority to local businesses and vendors in the provision of goods, except cannabis goods, and services required for the construction, maintenance and continued operation of the FACILITY, including vendors and/or contractors used by the Establishment.

At a minimum, LICENSEE shall use best faith efforts to ensure that at least twenty percent (20%) of its total annual non-cannabis goods expenditures on vendors and/or contractors will be spent on vendors and contractors based in the CITY.

Thirty days after opening to the public, and annually thereafter, LICENSEE shall provide to the MAYOR a spending report. Said report shall include the total expenditures of the FACILITY as of the beginning of each month during the reporting period and the proportion of CITY based businesses receiving such expenditures. The LICENSEE shall furnish the CITY with such further information and documentation as the CITY may reasonably request to support and document compliance with this HCA.

- c. The percentage numbers set forth in paragraphs 3.a and 3.b, above are based upon the representations of the LICENSEE, and the LICENSEE understands and acknowledges that its best faith efforts to meet these percentages constitute a portion of the consideration for the CITY entering into this HCA.
4. SOCIAL EQUITY PROGRAM. LICENSEE shall provide one hundred thousand dollars (\$100,000) of interest-free financing, as well as technical guidance, to a Medford resident of color, to open a business in the CITY. Such financing and technical guidance shall be provided no later than the first anniversary of LICENSEE's receipt of its Commencement of Operations from the CCC (the "COMMENCEMENT").
5. GREEN ENTREPRENEURSHIP PROGRAM. LICENSEE will provide at least one hundred thousand dollars (\$100,000) of financial support, as well as technical guidance, to sponsor environmentally sustainable businesses and business practices in the CITY. Such payment and guidance shall be provided no later than the first anniversary of the COMMENCEMENT.
6. ELECTRIC VEHICLE CHARGING STATION. Subject to all local permits, approvals, contractual arrangements and engineering feasibility, LICENSEE will install at least one electric vehicle charging station at the PROPERTY. Such installation shall occur no later than the COMMENCEMENT.
7. BLUE BIKE STATION. Prior to the COMMENCEMENT, LICENSEE will make a payment to the CITY in the amount of \$73,000, representing the cost of installation and four years of maintenance and maintenance fees for a Blue Bike station in recognition of the benefit of the CITY's Blue Bike network to the FACILITY.
8. HOST COMMUNITY PAYMENTS. In the event LICENSEE receives all state and local licenses and permits necessary to operate the FACILITY, it shall remit to the CITY host community payments comprised of three percent (3%) of the gross retail sales of all marijuana and marijuana-infused products, as those terms are defined by G. L. c. 94G. Such payments shall be delivered to the CITY on a quarterly basis. The first such

payment shall be due 20 days after the 90th day following the COMMENCEMENT, and each subsequent payment shall be due on the same day of each quarter thereafter.

9. ANNUAL CHARITABLE/NON-PROFIT CONTRIBUTIONS. The LICENSEE, in addition to any funds otherwise specified herein, agrees to make annual contributions of fifty thousand dollars (\$50,000) to Medford based non-profit or CITY-run organizations. The first such annual contributions shall be made not later than thirty (30) days subsequent to the COMMENCEMENT.
10. ANNUAL FIRE DEPARTMENT CONTRIBUTION. The LICENSEE, in addition to any funds otherwise specified herein, agrees to make annual contributions of thirty-five thousand dollars (\$35,000) to the Medford Fire Department for the maintenance of facilities within the community. The first such annual contributions shall be made not later than thirty (30) days subsequent to the COMMENCEMENT.
11. HCA EQUITY. The parties agree that if the CITY enters into additional retail HCAs with other Licensees, other than social equity or economic empowerment licensees, it will make its best efforts to provide equity among the licensees and agrees to reopen this agreement in the event that it fails to provide such equity.
12. ANNUAL PURCHASE OF DPW EQUIPMENT LICENSEE agrees annually to purchase and donate to the CITY one piece of DPW equipment, provided that LICENSEE shall not be obligated to spend more than thirty-five thousand dollars (\$35,000.00) per year to satisfy this obligation. On or before July 1 of each year, the LICENSEE and DPW Commissioner shall meet for the purpose of reviewing and agreeing upon such reasonable specifications. The Equipment shall thereafter be ordered on or before September 1 of each year or such other date upon which the LICENSEE and POLICE CHIEF may mutually agree. The first such annual contributions shall be made not later than thirty (30) days subsequent to the COMMENCEMENT.
13. LOCAL OPTION EXCISE TAX. The PARTIES acknowledge that the CITY has adopted the local option sales tax upon the sale or transfer of marijuana or marijuana products by a marijuana retailer operating within the CITY, pursuant to the provisions of G.L. c.64N. Accordingly, NBR, as required by applicable law, shall remit to the Massachusetts Department of Revenue the excise tax rate determined by the Commonwealth of Massachusetts for the sale of adult-use marijuana and adult-use marijuana-infused products, currently at 3.0% of gross annual sales. Pursuant to G.L. c.64N, §3, the excise taxes received by the Department of Revenue “shall at least quarterly be distributed, credited and paid to the CITY by the state treasurer.” Nothing herein shall limit the ability of the CITY to adjust the local sales tax in the future, should the law be amended to allow for an increase in such allowable sales tax.
14. PROPERTY TAXES. At all times during the Term of this Agreement, all property, both real and personal, owned, leased, used, or operated by LICENSEE shall be treated as

taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by LICENSEE, and LICENSEE shall not object or otherwise challenge the taxability of such property and shall not seek a non-profit, agricultural or any other exemption from paying such taxes. Notwithstanding the foregoing, (i) if real or personal property owned, leased, used, or operated by LICENSEE is determined to be non-taxable or partially non-taxable, or (ii) if the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at fair cash value as defined in G.L. c. 59, §38, or (iii) if LICENSEE is determined to be entitled or subject to exemption with the effect of reducing or eliminating the tax which would otherwise be due if not so exempted, then LICENSEE shall pay to the CITY a payment in lieu of taxes equal to an amount which, when added to the taxes, if any, actually paid on such property, shall be equal to the taxes which would have been payable on such property at fair cash value and at the otherwise applicable tax rate, if there had been no abatement or exemption; this payment shall be in addition to any other payments made by LICENSEE under this Agreement. In the event the owner of any real estate upon which any of the LICENSEE's operations in the CITY are situated, or any person acting on behalf of any such owner, shall fail or refuse to pay any such tax, or shall take any action that results in such real estate no longer becoming taxable by the CITY in whole or in part, then the LICENSEE, in addition to any other obligation contained in this Agreement, shall pay to the CITY a payment in lieu of taxes equal to an amount which, when added to the taxes, if any, actually paid on such property, shall be equal to the taxes which would have been payable on such property at fair cash value and at the otherwise applicable tax rate, if there had been no abatement, exemption, or failure to pay. Nothing in this paragraph shall prohibit the licensee from seeking an abatement due to a claim of an excess valuation

15. MOTOR VEHICLES. LICENSEE agrees that it shall cause any motor vehicles owned, leased, operated, and primarily used in its operations at the FACILITY to be registered and principally garaged in the CITY. The purpose of this provision is to ensure that the CITY receives any motor vehicle excise tax otherwise due and payable that is attributable to the motor vehicles that LICENSEE regularly use in connection with its operations at the FACILITY.
16. ACCOUNTING AND REVIEW. LICENSEE shall keep and maintain financial records in accordance with generally accepted accounting principles. Such records shall be available for inspection at such place where such records are maintained upon request by the CITY and shall include, but not be limited to, all financial records required in any section of 935 CMR 500.000 and business records, in accordance with 935 CMR 500.105(e), which shall include manual or computerized records of: (1) assets and liabilities; (2) monetary transactions; (3) books of accounts, which shall include journals, ledgers and supporting documents, agreements, checks, invoices, and vouchers; (4) sales records including the quantity, form and cost of marijuana and marijuana products; and (5) salary and wages paid to each employee, stipend paid to each board member and any executive compensation, bonus, benefit or item of value paid to any individual affiliated with LICENSEE ("FINANCIAL RECORDS"). The parties agree that these records are proprietary and are not public records. Following closure of the FACILITY, the

LICENSEE shall keep all FINANCIAL RECORDS of the FACILITY for at least two (2) years.

The CITY shall have the right to examine and audit the FINANCIAL RECORDS. Examinations may be made upon not less than thirty (30) days prior written notice and shall occur during normal business hours at such place where said FINANCIAL RECORDS are maintained. The CITY's examination or audit shall be conducted in such manner as not to interfere with LICENSEE's normal business activities.

17. COMMUNITY SPACE. LICENSEE will develop an approximate 1,000 square foot community space on the Property to allow for storage of art materials or other property of one or more Medford-based nonprofit entities LICENSEE will pay all of the costs to design, permit, construct and maintain the community space. If LICENSEE is unable to provide the community space on the PROPERTY, due to CCC licensing or security requirements, it shall work with the CITY to fund the development of such space in an alternative location with the CITY.
18. FACILITY DESIGN. LICENSEE agrees that the FACILITY shall be designed, constructed and improved to reflect high quality construction standards and seek to improve the general design aesthetic of the neighborhood. Subject to all local permits, approvals, and engineering feasibility, LICENSEE will install solar panels on the roof of the facility, estimated to produce 139 kwh/year of solar energy. In addition, LICENSEE will spend at least thirty-five thousand dollars (\$35,000) on landscaping and site beautification improvements of open space areas of the PROPERTY. The landscaping plan shall be approved by the Mayor prior to implementation as to screen the property from public view to the maximum extent practicable.
19. SIGNAGE. The LICENSEE agrees to limit signs to only those allowed under the CITY sign ordinance, provided that signage shall not depict marijuana, a beaker or any other pictorial design. The signage shall not contain the word "marijuana" but may include the word "cannabis."
20. LIGHTING. Site lighting and window displays shall be dark sky compliant unless otherwise required by state law or regulation. No up lights, flashing or neon lights shall be allowed on the premises. A photometric lighting plan is required in connection with site plan review and shall not be waived.
21. PARKING AND TRAFFIC. There shall be ample parking provided pursuant to an engineered plan submitted during special permit review. There shall be no fewer than 22 parking spaces provided on the PROPERTY, at least 20 of which shall be reserved for customer (and not vendor or employee) parking. To ensure compliance with this paragraph, LICENSEE shall provide MBTA passes, ride-share credits and/or shuttle service to employees. A transportation impact analysis and transportation management plan shall also be required during site plan review and shall separately address anticipated grand opening transportation demands. Should the CITY determine that on-site parking

is insufficient, LICENSEE shall provide overflow parking at an adjacent site or other property as close as practicable to the PROPERTY. Overflow parking, if deemed necessary by the City's Chief of Police, shall be arranged for any special events at the PROPERTY.

22. RENEWABLE ENERGY. To the fullest extent practicable, the FACILITY's power supply shall use renewable power sources.
23. COMMUNITY HEALTH NEEDS ASSESSMENT. Following COMMENCEMENT, but prior to the first anniversary of COMMENCEMENT, LICENSEE shall provide \$50,000 to the CITY to support the funding of a Health Impact Assessment ("HIA") for the neighborhood of the FACILITY.
24. LOCAL AUTHORITY. This HCA does not waive, limit, control, govern or in any way proscribe the legal authority of any CITY board, commission, officer or official to regulate, authorize, restrict, inspect, investigate, enforce or issue, deny, suspend or revoke any permit, license or other approval with respect to the LICENSEE or the FACILITY.
25. ON-SITE CONSUMPTION. LICENSEE agrees that, even if permitted by statute or regulation, it will prohibit on-site consumption of marijuana and marijuana infused products at the FACILITY unless approved by the CITY.
26. SECURITY. LICENSEE shall maintain security at the FACILITY in accordance with a security plan approved by the CCC and the CITY. In addition, LICENSEE shall comply with all state and local laws and regulations regarding security at the FACILITY. At a minimum, LICENSEE shall:
 - a. Provide a security plan to be reviewed and approved by the CITY's Chief of Police. In the event that a substantive change to said security plan occurs, LICENSEE shall provide the Chief of Police with an updated copy of the security plan within thirty (30) days of any substantive change and to work in good faith to address any concerns raised by the Chief of Police regarding such changes.
 - b. Engage in periodic meetings with the Police Department to review operational concerns and security at the FACILITY.
 - c. Promptly report the discovery of any of the following to the Police Department as soon as possible and, in any event, within twenty-four hours: diversion of marijuana or marijuana infused products; unusual discrepancies identified during inventory; theft or loss of marijuana or marijuana infused products; unusual discrepancy in weight or inventory during transportation; any vehicle accidents, diversions, losses or other reportable incidents that occur during transport; any criminal activity or suspicious act involving the sale, distribution and delivery of marijuana and marijuana infused products; unauthorized destruction of marijuana; any loss or unauthorized alteration of records related to marijuana; any alarm activation or other event that requires response by public safety personnel; failure

of any security alarm system due to loss of electrical power or mechanical malfunction that is expected to last longer than eight hours; and any other breach of security.

- d. Install interior and exterior security cameras in coordination with the Police Department, subject to final approval by the CCC, and provide access to all security camera feeds to the Police Department.
- e. Comply with the CCC's requirements regarding Criminal Offender Record Information ("CORI") review for any new manager hired and the Police chief shall review, within thirty days of receiving said CORI report, and provide recommendations as to whether the individual is suitable to hold the position.
- f. Refuse to complete a transaction to any customer, who LICENSEE reasonably believes to be under the influence of drugs or alcohol.
- g. Verify the legal age of all customers using a government-issued identification prior to the customer being admitted into the FACILITY and again prior to the completion of a transaction. LICENSEE must utilize electronic identification verification measures when possible.

27. TERM. The term of this HCA shall commence on the Execution Date and shall, subject to the provisions set forth below and with the exception of the provisions of Section 8 hereof, continue in full force and effect for as long as the FACILITY is in operation unless the PARTIES execute a new or amended Host Community Agreement. The provisions of Section 8 shall run through the fifth anniversary following the commencement of retail sales at the FACILITY, unless sooner terminated or extended pursuant to the provisions contained herein.

- a. This HCA shall terminate immediately if the CCC revokes or fails to renew for any reason LICENSEE approval to operate the FACILITY, subject to any applicable cure periods or appeal by LICENSEE of such revocation or non-renewal.
- b. The CITY may terminate this HCA for cause by providing written notice to LICENSEE in the event that: (i) LICENSEE with willful or gross negligence violates any laws of the CITY or the Commonwealth with respect to the operation of the FACILITY, and such violation remains uncured for thirty (30) days following the CITY's issuance to LICENSEE of written notice of such violation; (ii) LICENSEE fails to make payments to the CITY or any of the annual donations as required under this HCA, and such failure remains uncured for ten (10) days following the CITY's issuance to LICENSEE of written notice of such violation; or (iii) there is any other material breach of the HCA by LICENSEE, which material breach remains uncured for thirty (30) days following the CITY's issuance to LICENSEE of written notice of such violation.

- c. This Agreement shall terminate immediately if LICENSEE ceases to operate the FACILITY for a period of three (3) months or more following COMMENCEMENT, except for good cause, including but not limited to any *force majeure* event, as hereinafter defined.
 - d. At the conclusion of the five-year term set forth above, the PARTIES agree to enter into good faith negotiations to extend to the provisions of Section 8 hereof or agree upon a new or amended Host Community Agreement.
28. AMENDMENTS AND NOTICES. This HCA may only be modified by the express written consent of both PARTIES. Any and all notices, consents, demands, requests, approvals or other communications required or permitted under this HCA, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, and will be effective upon receipt for hand or said delivery and three days after mailing, to the other Party at the following addresses:

To CITY:

Mayor
City Hall
85 George P. Hassett Drive
Medford, MA 02155

Copy to:

City Solicitor
City Hall
85 George P. Hassett Drive
Medford, MA 02155

To LICENSEE:

Copy to:

Brandon Kurtzman, Esq.,
800 Boylston Street
26th Floor
Boston, MA 02199
617-934-2121
brandon@vicentesederberg.com

Each of the PARTIES shall have the right by notice to the other to designate additional persons to whom copies of notices must be sent, and to designate changes in address.

29. SUCCESSORS AND ASSIGNS. This HCA is binding upon the PARTIES hereto, their successors, assigns and legal representatives. LICENSEE shall not assign or transfer any interest or obligation in this HCA without the prior written consent of the CITY, which shall not be unreasonably delayed, conditioned or withheld; provided, however, that such consent shall not be required in the event such transfer or assignment is between LICENSEE and another entity authorized by the CCC to operate the FACILITY, or if such assignment or transfer is to: (a) an affiliate entity of LICENSEE; or (b) an entity which controls, is controlled by, or is under the common control of LICENSEE; or (c) an entity into or with which LICENSEE merge or consolidate or by which it is acquired.
30. FORCE MAJEURE. If and to the extent that either PARTY is prevented from performing its obligations hereunder by an event of *force majeure*, such party shall be excused from performing hereunder and shall not be liable in damages or otherwise, and the parties shall instead negotiate in good faith with respect to appropriate modifications of the terms hereof. For purposes of this HCA, the term *force majeure* shall mean the supervening causes described here, each of which is beyond the reasonable control of the affected party: acts of God, fire, earthquakes, floods, explosion, actions of the elements, pandemic, war, terrorism, riots, mob violence, a general shortage of labor, equipment, facilities, materials, or supplies in the open market, failure of transportation, strikes, lockouts, actions of labor unions, condemnation, laws or orders of any governmental or military authorities, or any other cause similar to the foregoing, not within the control of such party obligated to perform such obligation.
31. CHOICE OF LAW. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.
32. LEGAL FEES. LICENSEE shall reimburse the CITY for reasonable attorney fees incurred by the CITY in conjunction with the FACILITY, except as a result of the willful or intentional misconduct of the CITY, including in connection with the negotiation of this HCA and any related agreements. Such reimbursement shall be made within fourteen days after written request by the CITY.
33. INDEMNIFICATION. LICENSEE shall indemnify, defend, and hold the CITY harmless from and against any and all claims, demands, subpoenas, liabilities, actions, causes of actions, defenses, and/or proceedings, including resultant costs and attorney's fees, except as a result of the willful or intentional misconduct of the CITY (collectively, the "Claims"), brought against the CITY, its agents, departments, officials, employees, and/or successors, by any third party arising from or relating to the FACILITY or the HCA. Such indemnification shall include, but shall not be limited to, all reasonable fees and reasonable costs of attorneys and consultants of the CITY's choosing incurred in defending or responding to such claims, demands, subpoenas, liabilities, actions, causes of actions, defenses, and/or proceedings. LICENSEE agrees, within thirty (30) days of written notice by the CITY, to reimburse the CITY for any and all costs and fees incurred in responding or defending itself with respect to any such claims, demands, subpoenas, liabilities, actions, causes of actions, defenses, and/or proceedings.

34. NO CHALLENGE OF AGREEMENT. The LICENSEE agrees it will not challenge, in any jurisdiction, the enforceability of any provision included in this HCA; and to the extent the validity of this HCA is challenged, by the LICENSEE, the LICENSEE shall pay for all reasonable fees and costs incurred by the CITY in defending such challenge. Furthermore, the LICENSEE shall pay for all reasonable fees and costs incurred by the CITY in enforcing this HCA if the CITY prevails.
35. LATE PAYMENTS. LICENSEE acknowledges that time is of the essence with respect to performance of its obligations hereunder and that payments made more than ten (10) business days late shall be subject to the higher of (a) a penalty of five percent (5%) of the overdue payment(s); or (b) interest at the rate prescribed by G.L. c. 59, §57. LICENSEE further acknowledges that all payments required hereunder are “other municipal charges,” pursuant to G.L. c.40, §57 and “local charges,” pursuant to G.L. c.40, §58.
36. LIMITED SEVERABILITY. If any term or condition of the HCA or any application thereof shall to any extent be held invalid, illegal or unenforceable by the court of competent jurisdiction or regulatory authority, the validity, legality, and enforceability of the remaining terms and conditions of this HCA shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced. The PARTIES agree that should any payments detailed herein later be deemed not enforceable or not required, the CITY would be substantially and materially prejudiced.
37. CITY SUPPORT. The CITY shall support the LICENSEE’s application(s) with the Cannabis Control Commission and work with the LICENSEE to secure its marijuana establishment licenses at the FACILITY. However, the CITY makes no representation or promise that it or any CITY board or official will act on any other license or permit request in any way other than by the CITY’s normal and regular course of conduct and in accordance with their codes, rules and regulations and any statutory guidelines governing the same.
38. LICENSE LIMITATIONS: Subject to the requirements of G.L. c.94G, Section 3(a)(2)(ii), and to the extent permitted by law, the CITY agrees not to enter into more than three (3) Host Community Agreements with marijuana retailers.
39. COUNTERPARTS. This HCA may be executed in counterparts.

Executed under seal, this 27th day of June, 2022.

CITY OF MEDFORD

SANCTUARY

By its MAYOR

By its PRESIDENT



Breanna Lungo-Koehn



Jason Sidman

Assignment and Assumption of Host Community Agreement

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement") is entered into as of June 20th, 2023 (the "Effective Date"), by and between the CITY OF MEDFORD (the "City"), SANCTUARY MEDICINALS, INC. ("Assignor") and FLOOR XIII Medicinals LLC, a Massachusetts limited liability company with an address of 1235 VFW Parkway #409, West Roxbury, MA 02132 ("Assignee").

WHEREAS, Assignor has entered into that certain Host Community Agreement with the City, dated as of June 27, 2022 (the "Original HCA"), permitting the Assignor to operate as an Adult-Use Marijuana Retail Establishment at Riverside Avenue, Medford (the "Premises"), as attached hereto as Exhibit A;

WHEREAS, Assignor desires to assign and transfer all of its rights and obligations under the Original HCA to Assignee, City consents to such assignment and transfer, and the Assignee desires to assume all rights and obligations, all in accordance with and subject to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment. Assignor hereby grants, sells, conveys, transfers, sets over, delivers and assigns unto Assignee, its successors and assigns, all of the Assignor's respective right, title, and interest in and to the Original HCA. Assignor hereby delegates to Assignee all of Assignor's obligations under the Original HCA arising or accruing on or after the Effective Date.

2. Amendment to Section 28. Section 28 of the Original HCA is amended to provide notice to FLOOR XIII MEDICINALS, LLC. Notice to FLOOR XIII MEDICINALS, LLC shall be delivered to:

FLOOR XIII MEDICINALS, LLC
1235 VFW Parkway #409
West Roxbury, MA 02132

With a copy to:

Brandon Kurtzman, Esq.
Vicente LLP
800 Boylston Street, 26th floor
Boston, MA 02199

3. Representations and Warranties of Assignor. The Assignor hereby represents and warrants to the Assignee that (a) Assignor is the true and lawful owner of the Original HCA and has good and valuable title to the same; (b) the Assignor has made no prior assignment or sale of the Original HCA and that no other person or entity other than the City has any right, title, or interest therein; (c) this Agreement constitutes a valid and binding agreement of the Assignor enforceable against the Assignor in accordance with its terms; (d) the execution, delivery and performance of this Agreement by the Assignor and the assignment of all its right, title, and interest in and to the Original HCA has been duly approved by all required action and does not contravene any agreement, contract, or legally binding agreement to which the Assignor is a party or by which it or its property, or the Assignor's property, is bound or any applicable law, rule or regulation or any order, writ, injunction or decree of any court or governmental

BLK

instrumentality; and (d) no liens, encumbrances, charges, or security interests of any kind exist on the date hereof against the Original HCA.

4. Representations and Warranties of Assignee. Assignee represents, warrants, and agrees that Assignee is acquiring the Original HCA for its own use.

5. Approval. Assignor, Assignee and the City acknowledge that no further action will be required to effect this assignment after its execution by Assignor, Assignee and the City.

6. Assumption by Assignee. Assignee hereby: (a) assumes and accepts the assignment of all of Assignor's right, title, and interest in and to the Original HCA; and (b) assumes and agrees to be bound by and perform all of the terms, duties, responsibilities, covenants, obligations and conditions of the Assignor, as applicable, under said Original HCA and of this Agreement in accordance with all of the terms and conditions thereof and hereof. Assignee hereby indemnifies and holds the City, and their respective managers, directors, employees, members, and agents harmless against any and all losses, costs, and expenses arising out of any obligations of Assignee relating to the Original HCA which occur on or after, or arise from events occurring on or after, the date hereof.

7. Absolute Conveyance. The conveyance of the Original HCA hereunder is an absolute transfer to Assignee.

8. Further Assurances. Assignor shall promptly execute and deliver to Assignee any additional instrument or other document which Assignee reasonably requests to evidence or better effect the assignment contained herein. Assignee shall promptly execute and deliver to the City any additional instrument or other document which the City reasonably requests to evidence or better effect the assignment contained herein.

9. Heirs, Successors, and Assigns. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

10. Governing Law. This Agreement and all other instruments referred to herein shall be governed by, and shall be construed according to, the laws of the Commonwealth of Massachusetts, without regard to conflict of law rules or provisions that would cause the application of the laws of any other jurisdiction other than the Commonwealth of Massachusetts.

11. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original for all purposes, and all such counterparts shall together constitute but one and the same instrument. A signed copy of this Agreement delivered by either facsimile or email shall be deemed to have the same legal effect as delivery of an original signed copy of this Assignment.

12. Amendments and Modifications. This Agreement may not be modified or amended in any manner other than by a written agreement signed by all parties.

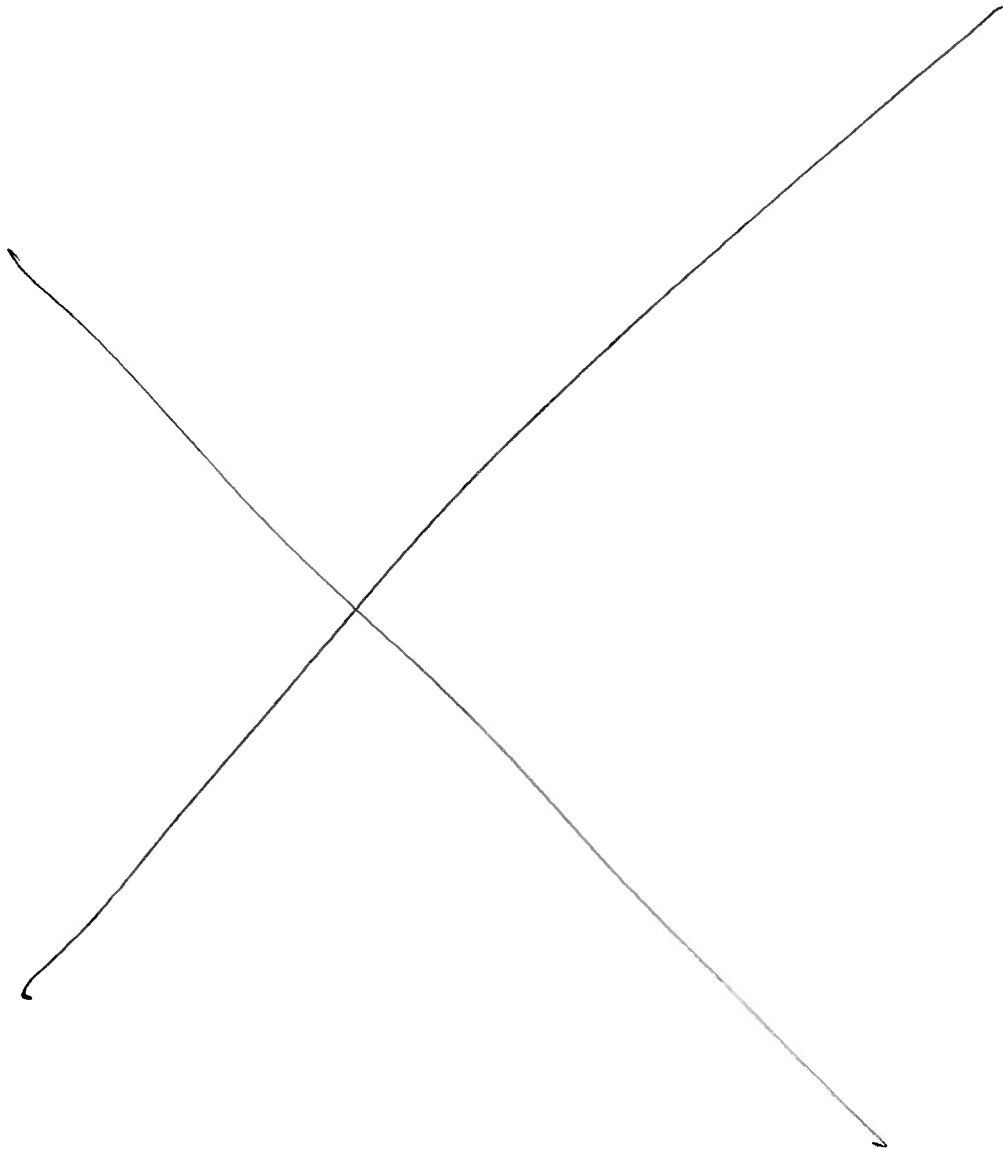
13. Defined Terms. Capitalized terms used herein, but not otherwise defined shall have the meanings ascribed to such terms in the Original HCA.

14. Complete Agreement. This Agreement constitute the complete and exclusive agreement between the parties with respect to the subject matter herein and thereof and replace and supersede any

BLK

and all prior understandings, agreements, negotiations and discussions, both written and oral, between the parties hereto with respect to the subject matter hereof and thereof

[Signature Page Follows]

A large, handwritten 'X' mark is drawn across the center of the page, indicating that the signature page has been crossed out or is not applicable.

BAC

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

THE CITY OF MEDFORD:

By Brian L. Kweil
Name:
Title:

ASSIGNEE:
FLOOR XIII MEDICINALS, LLC
A Massachusetts limited liability company

By Ryan Campbell
Name: Ryan Campbell
Title: Managing Member

ASSIGNOR:
SANCTUARY MEDICINALS, INC.
A Massachusetts corporation

By _____
Name:
Title: President

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

THE CITY OF MEDFORD:

By 
Name:
Title:

ASSIGNEE:
FLOOR XIII MEDICINALS, LLC
A Massachusetts limited liability company

By _____
Name:
Title: Managing Member

ASSIGNOR:
SANCTUARY MEDICINALS, INC.
A Massachusetts corporation

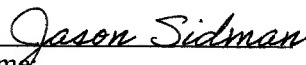
By 
Name:
Title: President

Exhibit A
Original Host Community Agreement