

HOST COMMUNITY AGREEMENT

This HOST COMMUNITY AGREEMENT ("Agreement") is entered into as of September 25th, 2018 ("Effective Date") by and between Frozen 4, LLC with its main office presently located at 618 Columbia Road, Dorchester, MA 02125, herein referred to as ("FZN") and the Town of Berkley ("TOWN"), a municipal corporation validly existing under the laws of the Commonwealth of Massachusetts, with its principal office at One North Main Street, Berkley, MA 02779. Collectively, FZN and the TOWN may be referred to as "Parties".

RECITALS

WHEREAS, the Massachusetts Cannabis Control Commission ("CCC") has granted, or is expected to grant, FZN a license to operate a Marijuana Cultivator ("MC") at a property located at 130 Myricks Street, Berkley, MA 02779 ("Premises").

WHEREAS, FZN, upon being granted final approval by the CCC and all other required permits, licenses and approvals from the TOWN to begin cultivation, processing, packaging and distribution of medical and adult-use marijuana in compliance with 935 CMR 500, agrees to pay certain community impact fees to the TOWN in order to provide financial resources to be used for the betterment of the TOWN as determined by the TOWN in its sole discretion.

WHEREAS, Massachusetts General Laws Chapter 94G, Section 3, allows the TOWN and FZN to negotiate host community agreement which may include, among other things, a community impact fee to mitigate the impacts of FZN.

NOW THEREFORE, in consideration of the provisions of this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, FZN offers and the TOWN accepts this Agreement, and the Parties hereby agree as follows:

1. **Host Community Fees.** The parties stipulate and agree that the TOWN may incur additional expenses and impacts upon the TOWN's road system, law enforcement, fire protection services, inspectional services, permitting services and public health services. Accordingly, in order to mitigate any such impacts upon the TOWN and use of TOWN resources, FZN shall pay fees to the TOWN, on a biannual basis, as follows:
 - (a) for the first year of operation, an amount equal to One Hundred Fifty Thousand Dollars (\$150,000); and
 - (b) for the second year of operation, an amount equal to One Hundred Seventy-Five Thousand Dollars (\$175,000); and
 - (c) for the third year of operation, an amount equal to Two Hundred Thousand Dollars (\$200,000); and
 - (d) for the fourth year of operation, an amount equal to Two Hundred Twenty-Five Thousand Dollars (\$225,000); and
 - (e) for the fifth year of operation, an amount equal to Two Hundred Fifty Thousand Dollars (\$250,000).

The initial payment of the Host Community Fee to the TOWN shall be made on or before the first of July or January, whichever occurs first, following the end of the first six (6) months from the day FZN receives all of the municipal and state licenses, permits and permissions required to cultivate, process, package and distribute medical and adult-use marijuana at or from the Premises; provided that the final payment due above shall be made no later than Five (5) years from the Execution Date. The TOWN may expend all such fees at the TOWN's sole and absolute discretion. The parties shall renegotiate in good faith further payment(s) to the Town following the end of the Five (5) year period above, but only if and as may be allowable by law.

Non-Municipal Donations. As ongoing contributions to the community of which it will become a part, FZN has offered, and the TOWN hereby requires, that certain payments be made annually to those non-municipal organizations as may be designated by the Town's Board of Selectmen annually on or before February 15, said payments to be made within thirty (30) days following designation. The aggregate amount of all non-municipal donations as aforesaid shall not exceed \$10,000.00 per year. The foregoing payments shall not be deemed, individually or collectively, a community impact fee, or Host Community Fee, as above-defined, inasmuch as they are not to be made to the TOWN nor do they compensate the TOWN for costs incurred in connection with operation of FZN's facility.

2. Local Preference. Except for senior management positions, FZN commits to hiring the majority of its employees from the local communities, to the extent permitted by law. In addition to the direct hiring, FZN will work in a good faith, legal and non-discriminatory manner to hire local vendors, suppliers, contractors and builders from the Berkley area where possible.
3. Property Taxes. Except as provided in section 44 of Chapter 55 of the Acts of 2017, at all times during the Term of this Agreement, all property, both real and personal, owned or operated by FZN shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by FZN or by its landlord to the TOWN, and FZN shall not object to or otherwise challenge the taxability of such property and shall not seek a non-profit exemption from paying such taxes. Notwithstanding the foregoing, (i) if real or personal property owned or operated by FZN is determined to be non-taxable or partially non-taxable, a determination of which the FZN agrees not to seek at any time during this Agreement or (ii) if FZN 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 FZN shall pay, as an additional fee to the TOWN, an amount which when added to the taxes, if any, 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 ("Additional Fee"). Such Additional Fee payments shall be in addition to all payment obligations owed by FZN under Section 1 of this Agreement.
4. Right to Re-Open. If under applicable Massachusetts law the terms relating to payment under this Agreement are determined to any extent to be illegal, otherwise invalid, or incapable of being enforced, which unenforceability would materially and adversely affect

the economic substance of the transactions contemplated by this Agreement, the TOWN and FZN shall negotiate in good faith amendments to this Agreement so as to result in neutral economic impact to either the TOWN or FZN.

5. Permits and Licenses. The Parties agree that this Agreement and all terms, conditions and requirements contained herein, are subject to, and conditioned upon FZN obtaining the required registrations, permits and licenses to cultivate, process, package and distribute medical and adult-use marijuana at or from the Premises. If, for any reason, FZN is unable to obtain the required permits and licenses to operate, this Agreement shall be null and void and neither Party shall have any further obligations under this Agreement.
6. Limited Waiver of Re-Open. The Parties agree that the terms and conditions set forth in this Agreement shall apply for a period of Five (5) years, unless terminated earlier pursuant to Section 8; provided further that the Parties each waive any right or obligation to re-open this Agreement during said period if FZN expands its business within the TOWN or increases, changes or decreases the floor plan or square footage of the buildings, improvements or footprint at or upon the Premises.
7. Term. This Agreement shall go into effect on the Effective Date and shall terminate in the event that FZN ceases its MC operations in the TOWN or FZN's MC license is revoked by the CCC. This Agreement shall terminate upon the occurrence or existence of the appointment of a trustee, receiver or other custodian for any substantial part of FZN's assets, or if FZN petitions for, permits or suffers insolvency, bankruptcy, liquidation or a winding up of its business or assets. All payments due hereunder shall be completed and FZN's obligations in that regard shall terminate no later than Five (5) years from the Execution Date, subject to good faith negotiation of further payment(s) thereafter per Section 1, i.e. only if and as may be allowable by law. In the event of early termination, payments due in a Six (6) month period shall be prorated based on the number of days of operation during said Six (6) month period.
8. Local Authority. This Agreement does not waive, limit, control, govern or in any way describe the legal authority of any TOWN board, commission, committee, officer or official to regulate, authorize, restrict, inspect, investigate, enforce against, or issue, deny, suspend or revoke any permit, license or other approval with respect to, FZN, the Premises or any MC thereon; nor does it waive, limit, control, govern or in any way describe the legal authority of the Berkley Police Department to investigate, prevent or take action against any criminal activity with respect to FZN, the Premises or any MC thereon. Nothing in this Agreement presumes, implies, suggests or otherwise creates any promise either that FZN shall obtain or retain any or all local permits, licenses and other approvals that are required in order to operate an MC at the Premises, or that the TOWN shall be required to support or assist in any application for the same. The TOWN, by entering into this Agreement is not thereby required or obligated to issue such permits and approvals as may be necessary for the MC to operate in the TOWN, or to refrain from enforcement action against FZN and/or the Premises for violations of the terms of said permits, approvals and or applicable statutes, ordinances and regulations. The TOWN acknowledges that FZN may now or in the future enjoy certain rights under the laws of the Commonwealth, and in

further consideration of the payments contemplated under this Agreement the TOWN agrees that it will refrain from imposing any restrictions on FZN's exercise of any rights that may arise solely under such laws. Notwithstanding any other provision of this Section 9, the TOWN hereby acknowledges that FZN's obligations under this Agreement are contingent upon FZN's successful and timely operation of its business, and the TOWN therefore agrees to promptly provide FZN with a certificate of occupancy for the entirety of the Premises upon FZN's substantial completion of the permitted work at the Premises to the extent that the appropriate local permits, approvals and inspections have been obtained.

9. Security. FZN shall maintain security at the MC at least in accordance the security plan presented to the TOWN and approved by the Licensing Authority. In addition, FZN shall at all times comply with all applicable laws and regulations regarding the operations of the Facility and the security thereof. Such compliance shall include, but will not be limited to: providing hours of operation; after-hours contact information and access to surveillance operations; and requiring employees to produce their Program ID Card to law enforcement upon request.
10. Reporting Protocol. FZN shall promptly report the discovery of the following to TOWN police within twenty-four (24) hours: diversion of marijuana; unusual discrepancies identified during inventory, theft, loss and any criminal action; unusual discrepancy in weight or inventory during transportation; any vehicle accidents, diversions, losses, or other reportable incidents that occur during transport; any suspicious act involving the sale, distribution, and delivery of marijuana by any person; unauthorized destruction of marijuana; any loss or unauthorized alteration of records related to marijuana, registered qualifying patients, personal caregivers, or dispensary agents; an alarm activation or other event that requires response by public safety personnel; failure of any security alarm system due to a loss of electrical power or mechanical malfunction that is expected to last longer than eight hours; and any other breach of security.
11. Omitted.
12. Limitation on Operations. FZN acknowledges and agrees that this Agreement covers the operation of a MC for the cultivation, processing, packaging and distribution of medical and recreational marijuana at the Facility and no other business enterprise shall be undertaken at the facility absent express, written agreement of the TOWN. There shall be no dispensing or retail sale of marijuana at the Facility.
13. Notices. Any and all notices or other communications required or permitted under the Agreement by either Party to the other shall be in writing and delivered by mail, postage prepaid, return receipt requested, by registered or certified mail, or by other reputable delivery service.

(a) Notice to FZN shall be delivered to:

618 Columbia Road

Dorchester, MA 02125

(b) Notice to TOWN shall be delivered to:

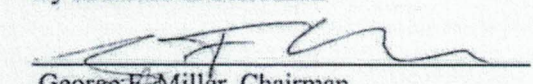
Town of Berkley
Town Administrator's Office
Berkley, MA 02779

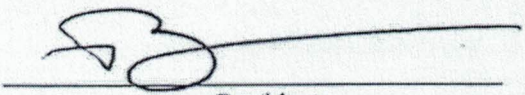
14. Entire Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the Parties hereto with respect to the subject matter of this Agreement. This Agreement may not be changed verbally, and may only be amended by an agreement in writing signed by both Parties.
15. No Rights in Third Parties. This Agreement is not intended to, nor shall it be construed to, create any rights in any third parties.
16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.
17. 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.
18. Successors. This Agreement shall be binding upon and shall inure to the benefit of the Parties, their respective heirs, executors, administrators and assigns.
19. Assignment. Neither Party may assign this Agreement without the prior written consent of the other Party.
20. Acknowledgement. The individuals signing below have full authority to do so by the entity on behalf of which they have signed.

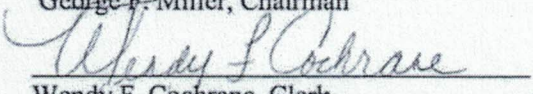
IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed as of the Execution Date set forth above.

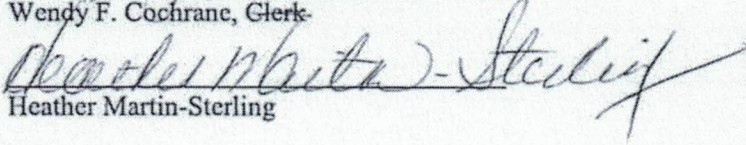
TOWN OF BERKLEY
By its Board of Selectmen

FROZEN 4, LLC


George F. Miller, Chairman


, President


Wendy F. Cochran, Clerk


Heather Martin-Sterling